

EXECUTIVE BUDGET APPENDIX I

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PART I

THE BUDGET BY FUNCTIONAL AREA

***EDUCATION, LABOR
AND
FAMILY ASSISTANCE***

COUNCIL ON THE ARTS

MISSION

The primary responsibility for oversight and administration of the State's artistic and cultural resources is assigned to three existing entities — the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. The 2002-03 Executive Budget proposes the establishment of the New York Institute for Cultural Education to administer a variety of statewide cultural education programs and important cultural institutions. Working together, these agencies expand access to the performing and fine arts, preserve the State's cultural resources and promote greater public awareness of New York's rich cultural heritage.

ORGANIZATION AND STAFFING

The Council on the Arts is headed by a Chair and a Vice Chair and consists of 20 members nominated for 5-year terms by the Governor with confirmation by the Senate. The Council's staff, headed by an Executive Director, is organized into an Administrative Division and a Program Division, both located in New York City. The Council has expertise in several major artistic disciplines (including dance, theater and music) and provides advisory services and financial assistance to New York's arts community. During 2002-03, the Council on the Arts will have a workforce of 55 for the review, processing and administration of arts grants and loans to nonprofit organizations.

The Empire State Plaza Performing Arts Center Corporation (the "Egg") was established in 1979 as a public benefit corporation to administer a performing arts center in Albany that offers a diverse array of cultural and artistic programming. An 18-member Board of Directors — consisting of the Commissioner of General Services and members appointed by the Governor, leaders of the Legislature, as well as the Mayor and County Executive of Albany — provides policy direction for the Corporation and appoints its Executive Director. The Chair of the Board is selected by the Governor. The Corporation has a full-time staff of eight.

The New York State Theatre Institute (NYSTI) was established in 1974 and reconstituted in 1992 as a public benefit corporation to provide educational theater experiences for children and families across the State. The Governor appoints the Chair of the Board of Directors whose 15 members are selected by the Governor and legislative leaders. The Chief Executive Officer of the Institute is its Producing Artistic Director, who is appointed by the Board. The Institute's staff of 29 is based in Troy, where its office, production and instructional facilities are located.

To promote increased recognition and visibility of the important cultural programs administered by the State Museum, the State Library and the State Archives, a transfer of these functions from the State Education Department (SED) is recommended to establish a new entity — the New York Institute for Cultural Education (NYICE) — which will have as its sole focus the promotion of New York's cultural resources. The 2002-03 Executive Budget proposes to implement this functional transfer by July 1, 2002 and provides for the related transfer of programs, facilities and staff.

A 15-member Board will oversee this new Institute with members nominated for 5-year terms by the Governor, legislative leaders and the Board of Regents. The Chair of the Board will be designated by the Governor from among its members; and the Institute's Chief Executive Officer will be appointed by the Board. The operations of NYICE will be funded primarily by increasing an existing surcharge from \$5 to \$20 for the recording, indexing and certifying of documents by county clerks.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Most (97 percent) of the funding for the Council on the Arts is provided by the State's General Fund. Federal grants from the National Endowment for the Arts are projected to

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represent approximately 2 percent of 2002-03 disbursements. One Fiduciary Fund account provides funding for short-term loans to arts organizations for acquisition of expensive musical instruments and for capital improvements. A second Fiduciary Fund, established in 1999-2000, enables the Council to receive and expend funds available through donations and gifts.

Grants to not-for-profit arts organizations represent nearly 88 percent of the projected expenditures of the Council. The remainder is used for the administration of grant programs and the statewide advocacy, promotion and development of artistic and cultural programs.

The 2002-03 Executive Budget includes funding of: \$5.3 million for administration of the Council's programs; and \$44 million for arts grants which will support general arts grants, decentralization grants and the Empire State Partnership initiative.

Funding of \$567,000 is provided for the Egg and \$1.6 million for NYSTI. Receipts from ticket sales, private donations, and sales and lease of products and facilities will supplement State funds provided to these organizations.

The Executive Budget provides \$26 million from dedicated revenues for NYICE, representing nine months' funding for the new Institute for the period of July 1, 2002 to March 31, 2003. Separate transitional funding is provided in SED to support these cultural education programs until the date of their transfer to NYICE on July 1, 2002.

PROGRAM HIGHLIGHTS

Council on the Arts. Since April 1995, the Council has distributed approximately 16,000 grants totaling over \$240 million to more than 1,300 cultural organizations. Grant awards to nonprofit arts organizations are approved through a multi-step review process which ensures fair and equitable treatment of all applicants. Program audits are also conducted to promote accountability by monitoring program quality and contractual compliance.

The Council receives approximately 2,800 requests for funding each year from organizations throughout the State including symphony orchestras, museums, dance companies, theaters and libraries. To recognize program excellence and promote regional diversity, the Council devotes half of its State grant funding to organizations that have recognized standing in the field, and guarantees that each county receives a minimum base grant tied to its population.

Performing Arts Center Corporation (the "Egg"). During the 2000-01 season, the Egg presented 56 events generating a total audience of 37,570. The facility was in use over 300 days, serving an additional 31,000 individuals attending performances, meetings, arts classes and other events sponsored by a variety of civic, social, corporate and educational organizations.

New York State Theatre Institute. More than 65,000 children, teachers and parents attended NYSTI's 6 productions in 2000-01 in Troy and 31,000 children were served throughout New York State with a tour of NYSTI's production of *A Tale of Cinderella* to New York City, Syracuse, Buffalo and Staten Island. The Institute certified 90 high school units and 160 college credits to 65 high school seniors and college students who participated in its internship program. The Institute received the National American Alliance for Theater and Education award for artistic achievement in 1999 and an Audie Award in 2000 for its production of *Sherlock's Secret Life*.

The New York Institute for Cultural Education. In its new role to oversee the administration of a variety of statewide cultural education programs and important cultural institutions, NYICE will:

- Provide effective leadership for the development of the State's cultural resources in partnership with local governments, nonprofit organizations and the private sector;
- Ensure a steady, predictable revenue stream for the operations of the State's key cultural institutions;
- Transform the State Museum into a more vibrant and attractive resource to showcase New York's heritage using state-of-the-art technology; and
- Increase the opportunities for the State Library and the State Archives to emerge as world-class cultural information centers.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	8,343,200	34,412,500	26,069,300	856,000
Aid To Localities	44,335,000	44,385,000	50,000	230,000
Capital Projects	0	0	0	0
Total	52,678,200	78,797,500	26,119,300	1,086,000

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	48	46	(2)
Special Revenue Funds - Federal	9	9	0
Total	57	55	(2)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	7,473,500	7,473,500	0
Special Revenue Funds - Federal	469,700	539,000	69,300
Fiduciary Funds	400,000	26,400,000	26,000,000
Total	8,343,200	34,412,500	26,069,300

Adjustments:

Transfer(s) From	
Education Department, State	
General Fund	(380,000)
Appropriated 2001-02	<u>7,963,200</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	5,296,000	5,296,000	0
Special Revenue Funds - Federal	469,700	539,000	69,300
Fiduciary Funds	400,000	400,000	0
Empire State Performing Arts Center Corporation			
General Fund	567,000	567,000	0
New York State Theatre Institute			
General Fund	1,610,500	1,610,500	0
New York Institute for Cultural Education			
Fiduciary Funds	0	26,000,000	26,000,000
Total	8,343,200	34,412,500	26,069,300

ARTS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,329,000	0	3,194,000	0
Total	3,329,000	0	3,194,000	0

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	127,000	0	8,000	0
Total	127,000	0	8,000	0

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,967,000	0	121,400	0
Empire State Performing Arts Center Corporation	567,000	0	0	0
New York State Theatre Institute	1,610,500	0	0	0
Total	4,144,500	0	121,400	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	251,200	0	1,503,000	0
Total	251,200	0	1,503,000	0

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	91,400	0	0	0
Empire State Performing Arts Center Corporation	0	0	567,000	0
New York State Theatre Institute	0	0	1,610,500	0
Total	91,400	0	2,177,500	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	939,000	69,300	353,700	12,900
New York Institute for Cultural Education	26,000,000	26,000,000	0	0
Total	26,939,000	26,069,300	353,700	12,900

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	185,300	56,400	400,000	0
New York Institute for Cultural Education	0	0	26,000,000	26,000,000
Total	185,300	56,400	26,400,000	26,000,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	44,000,000	44,000,000	0
Special Revenue Funds - Federal	135,000	185,000	50,000
Fiduciary Funds	200,000	200,000	0
Total	<u>44,335,000</u>	<u>44,385,000</u>	<u>50,000</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	44,000,000	44,000,000	0
Special Revenue Funds - Federal	135,000	185,000	50,000
Fiduciary Funds	200,000	200,000	0
Total	<u>44,335,000</u>	<u>44,385,000</u>	<u>50,000</u>

COUNCIL ON CHILDREN AND FAMILIES

MISSION

The Council on Children and Families, established in 1977, ensures that services provided to children and families are coordinated across State agencies and between New York State and its political subdivisions in order to achieve the most rational and effective services system possible.

ORGANIZATION AND STAFFING

The Council consists of the commissioners and directors of the State's 13 health, education and human services agencies. Chaired by the Governor's Director of State Operations, the Council provides a neutral forum for resolving interagency issues and integrating plans and policies affecting New York's children and families.

The Agency consists of three Offices: Executive Director, Counsel, and Administrative Services; and two Bureaus: Policy Analysis and Interagency Coordination and Case Resolution. The Council will have a workforce of 21 in 2002-03. Fourteen of these positions are supported by State tax dollars from the General Fund and seven by Federal grants.

BUDGET HIGHLIGHTS

For fiscal year 2002-03, the Executive Budget provides \$1,000,000 in General Fund support for the Council. The Budget also continues Federal appropriations of \$1.1 million to support the New York State Alliance for Family Literacy project, which is intended to raise the quality and standards of family literacy statewide by expanding and strengthening services and through improved coordination of resources.

PROGRAM HIGHLIGHTS

The Council and the Commissioners and Directors of its member agencies have developed a common set of goals, objectives and indicators for improving the lives of children and families throughout the State, known as New York State Touchstones. Interagency activities undertaken by the Council are guided by Touchstones, and by the shared commitment of its member agencies to strengthen families by focusing on preventive strategies, removing barriers to effective service delivery, and coordinating efforts to facilitate outcome-based approaches at the local level. Furthering this goal, the Council annually issues the Touchstones/Kids Count data book. Publication costs are funded through private foundation grants.

The Council will continue to expand its information technology structure to facilitate communication between the Council and other State and local agencies. The Council intends to implement several web-based activities relating to its individual projects including the development of an interactive site, the Kids Well-being indicator Clearing House, to make indicator data available on the web, improvement of system security and reliability and improved collaboration capabilities between the council and its member agencies.

Other major activities of the Council for 2002-03 include the following:

- A Statewide initiative to improve policy and practice in juvenile delinquency diversion for non-violent youth;
- New York State Head Start Collaboration Project;
- Task Force on School-Community Collaboration;
- Family Support New York;

CHILDREN AND FAMILIES

- Alliance for Family Literacy;
- Hard to Place/Hard to Serve Case Resolution; and
- Coordinated Children's Services Initiative (CSI).

In addition, the Council provides guidance and direction on policy and program development through participation on numerous interagency initiatives and workgroups.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	2,913,000	2,907,000	(6,000)	1,291,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,913,000	2,907,000	(6,000)	1,291,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	14	14	0
Special Revenue Funds - Federal	7	7	0
Total	21	21	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,013,000	1,007,000	(6,000)
Special Revenue Funds - Federal	1,600,000	1,600,000	0
Fiduciary Funds	300,000	300,000	0
Total	2,913,000	2,907,000	(6,000)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	1,013,000	1,007,000	(6,000)
Special Revenue Funds - Federal	1,600,000	1,600,000	0
Fiduciary Funds	300,000	300,000	0
Total	2,913,000	2,907,000	(6,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	922,000	0	922,000	0
Total	922,000	0	922,000	0

CHILDREN AND FAMILIES

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	85,000	(6,000)	12,200	(3,000)
Total	<u>85,000</u>	<u>(6,000)</u>	<u>12,200</u>	<u>(3,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	17,000	(3,000)	50,000	0
Total	<u>17,000</u>	<u>(3,000)</u>	<u>50,000</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Administration	5,800	0
Total	<u>5,800</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,900,000	0	1,900,000	0
Total	<u>1,900,000</u>	<u>0</u>	<u>1,900,000</u>	<u>0</u>

CITY UNIVERSITY OF NEW YORK

MISSION

The City University of New York (CUNY) is the third-largest public university system in the nation. The City University had its origin in the Free Academy established in 1847 under the auspices of the New York City Board of Education. The University's mission is to provide affordable higher education with a focus on the urban community of New York City.

ORGANIZATION AND STAFFING

The City University of New York has 11 senior colleges, a Graduate School and University Center, a Law School, and 6 community colleges. The University is governed by a 17-member Board of Trustees comprised of: 10 members appointed by the Governor, 5 members appointed by the Mayor, and 2 ex-officio members — the chairs of the Student Senate and the Faculty Senate.

The chief executive officer of the University is the Chancellor, who is appointed by the Board of Trustees. Individual college presidents are also appointed by the Board of Trustees.

University operations are governed by fewer State government controls than are imposed on other State agencies, reflecting executive and legislative interest in providing enhanced administrative and managerial flexibility to the City University.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

New York City's fiscal crisis in the 1970's led to State assumption of full financial responsibility for CUNY's senior college operations, which was completed in 1982. In conjunction with the City of New York, the State also supports CUNY's community colleges.

SENIOR COLLEGES

CUNY senior colleges have two major funding sources: State support and tuition revenue. Additional support is secured from New York City and from various fees. New York City provides support for the costs of associate degree programs at CUNY's senior colleges and a share of the central administration costs attributable to the community colleges. New York City also pre-finances CUNY's senior college operating costs; the State subsequently reimburses the City for CUNY's net operating expenses.

For the 2002-03 academic year, the senior college operating budget will be \$1.033 billion, which maintains funding at 2001-02 levels, as adjusted for the cost of collective bargaining agreements. State support for the net operating expenses of the senior colleges in the 2002-03 academic year will be continued at \$618 million.

For the 2002-03 fiscal year, which overlaps two academic years, State support for the net operating expenses of the senior colleges will be \$618 million. This appropriation is used to reimburse New York City for its pre-financing of senior college expenses.

CUNY will continue a financial aid pilot program, begun in 2000-01, in which students with a demonstrated record of achievement are able to attend a CUNY senior or community college on a part-time basis and be eligible for tuition assistance. This program is intended to increase the number of students who successfully obtain their college degrees by recognizing the need for certain students to adjust their courseload to accommodate work and family responsibilities.

Savings from productivity improvements should also be available to offset the cost of ongoing and new initiatives, including those encompassed in the University's Master Plan. One of the University's primary goals is to increase its proportion of full-time faculty, in order to reduce reliance on adjunct staff.

CITY UNIVERSITY

COMMUNITY COLLEGES

CUNY community colleges have three basic funding sources: State support, New York City support and tuition revenue. The majority of State funding is for operating aid, including rental costs. Separate appropriations are provided for child care services, contract courses and College Discovery — an educational opportunity program for disadvantaged community college students.

The 2002-03 academic year budget is predicated on \$2,250 per full-time equivalent (FTE) student in base aid, using an aidable enrollment of 55,800 FTE students. Total operating aid, including rental funding, is \$126.2 million for the 2002-03 academic year. The budget also provides \$2.4 million for the Child Care and College Discovery programs and for contract and workforce development courses. The total community college appropriation for the 2002-03 fiscal year, which overlaps two academic years, is \$128.6 million.

CAPITAL PROJECTS

The State finances all CUNY capital project costs for senior colleges, other than Medgar Evers College, and shares the capital costs for community colleges and Medgar Evers with the City of New York.

In 1998-99, CUNY received appropriations totaling \$1 billion in support of the Governor's multi-year Capital Investment Program, with language specifying that amounts to be obligated from subsequent reappropriations were to be pursuant to a plan developed by the Governor. Concomitantly, CUNY's bond cap was increased by \$660 million, for a total bonding authorization of \$3.4 billion, to cover CUNY's planned bond sales for the course of the Capital Investment Program.

CUNY's capital reappropriations for 2002-03 support the fifth year of the Governor's Capital Investment Program which provides for additional facility and infrastructure improvements at City University senior and community colleges, consistent with the University's needs and priorities. In 2002-03, additional funding will be provided for two major projects to create improved facilities at Brooklyn College and John Jay College and for critical health and safety, preservation and handicapped access projects throughout the University. A bond sale by the Dormitory Authority of the State of New York will provide \$160 million for the State's share of project costs to be obligated during 2002-03.

When the World Trade Center buildings collapsed as a result of the attacks of September 11, 2001, a nearby Borough of Manhattan Community College (BMCC) building, Fiterman Hall, suffered extensive damage. To accommodate the 250 classes which were housed in Fiterman Hall, CUNY reconfigured and reprogrammed space at other BMCC buildings and also procured trailers to use as temporary classrooms. CUNY is planning to either rehabilitate Fiterman Hall or construct a new facility to replace this classroom space.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. More than 198,000 full-time and part-time students — 134,000 at the senior colleges and 64,000 at the community colleges — were enrolled in degree programs for the fall 2001 semester. In addition, the University served more than 205,000 individuals through adult and continuing education courses.

Among academic offerings and programs, the following programs are of note:

- The Language Immersion Program is designed to strengthen the language skills of first year students prior to their entry into collegiate coursework. This intensive, full-time program has successfully taken a holistic approach to language development. The program operates at eight sites and, in its brief history, has helped more than 9,000 students to prepare for full collegiate matriculation;

- The College Preparatory Initiative is a system-wide collaboration between the City University and the New York City public schools to improve the academic preparation of high school students. The cooperative effort has enabled CUNY to strengthen its academic prerequisites for admission to the University;
- The Workforce Development Initiative is a University-wide program designed to help meet New York City’s current and future labor force needs. The University has been successful in garnering support from the private sector to supplement its State funding for this program;
- The New York City Alliance for Minority Participation is a consortium of 16 CUNY campuses that have joined with the National Science Foundation in a cooperative venture to increase the number of under-represented students successfully completing science, mathematics, engineering and technology baccalaureate programs; and
- Approximately 80 research institutes and centers are located throughout the University. Notable examples include the Structural Biology Center — a consortium of public and private research institutions located on the City College campus, the Levich Institute for Physico-Chemical Hydrodynamics at City College and the Institute for Biomolecular Structure and Function at Hunter College. University-wide research activities have been enhanced by the Applied Science Coordinating Institute.

In recent years, the CUNY Board of Trustees has advanced a series of significant actions to improve academic program quality and strengthen the planning and management functions of the University. These actions include establishing more rigorous admissions criteria and implementing a new remedial education policy. The Board of Trustees continues to encourage campuses to set higher standards, reduce time-to-program completion, and reallocate resources through program consolidation.

Under the City University’s remedial education policy, students obtain such instruction at community colleges, through summer session and inter-session skills immersion programs at senior colleges, and through the Prelude to Success Program — a year-round skills immersion program at the senior colleges. Pursuant to the schedule established for the phase-in of this policy, seven colleges (Baruch, Brooklyn, Hunter, John Jay, NYC Technical, Queens, and the College of Staten Island) implemented the policy for the 2000-01 academic year. The four remaining senior colleges (City, Lehman, Medgar Evers and York) did so in 2001-02.

The City University will continue implementing its Master Plan, which was approved by the Board of Regents in 2000. The plan’s objectives include: establishing a more rigorous and selective University system; improving CUNY’s teacher education programs; expanding collaborative and outreach programs with the New York City Board of Education; and facilitating economic development. In addition to the programs originally outlined in the Master Plan, CUNY is planning to undertake a number of initiatives designed to foster CUNY’s participation in the economic rebuilding of New York City in the wake of the World Trade Center attacks.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,113,468,000	1,113,468,000	0	0
Aid To Localities	756,908,000	760,783,000	3,875,000	0
Capital Projects	0	0	0	1,053,946,000
Total	1,870,376,000	1,874,251,000	3,875,000	1,053,946,000

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	80,000,000	80,000,000	0
Fiduciary Funds	1,033,468,000	1,033,468,000	0
Total	1,113,468,000	1,113,468,000	0

Adjustments:

Recommended Deficiency	
City University of New York	
Agency Trust Funds	(20,000,000)
Appropriated 2001-02	1,093,468,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	756,908,000	760,783,000	3,875,000
Total	756,908,000	760,783,000	3,875,000

Adjustments:

Recommended Deficiency	
City University of New York	
General Fund	(15,000,000)
Appropriated 2001-02	741,908,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Community College Programs			
General Fund	128,615,000	128,615,000	0
Institutional Support Services			
General Fund	614,093,000	617,968,000	3,875,000
Senior College Pension Payments			
General Fund	14,200,000	14,200,000	0
Total	756,908,000	760,783,000	3,875,000

CITY UNIVERSITY

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	47,654,000
Capital Projects Fund - Advances	0	0	0	516,637,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	3,481,000
Capital Projects Fund - Advances	0	0	0	0
Preservation of Facilities				
Capital Projects Fund	0	0	0	0
New Facilities				
Capital Projects Fund	0	0	0	0
Capital Projects Fund - Advances	0	0	0	352,300,000
City University of New York Capital Projects Fund				
City University of New York Capital Projects Fund	0	0	0	2,362,000
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>922,434,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	13,697,000
Capital Projects Fund - Advances	0	0	0	116,609,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	1,047,000
Capital Projects Fund - Advances	0	0	0	0
New Facilities				
Capital Projects Fund	0	0	0	159,000
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>131,512,000</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,053,946,000</u>

STATE EDUCATION DEPARTMENT

MISSION

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department's primary mission is to oversee public elementary and secondary education programs throughout New York and promote educational excellence, equity and cost-effectiveness.

ORGANIZATION AND STAFFING

Oversight of the Department is provided by the Board of Regents, which was originally established by the Legislature in 1784 and subsequently continued in the State Constitution. The Board of Regents is comprised of 16 members — one for each of the State's 12 judicial districts and 4 statewide members — who are elected by a joint session of the Legislature for staggered 5-year terms. The Board elects its chair, who holds the title Chancellor, and appoints the Commissioner of Education as the chief administrative officer of the Department.

SED's central operations are located in the Education Building in Albany. The Department also has regional service facilities at various locations throughout the State.

Recommended staffing levels for 2002-03 are projected to total 2,793 positions at year's end, of which approximately 15 percent will be supported by the General Fund. Various dedicated fees, chargebacks and Federal grants will support the remaining staff.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, total funding for the State Education Department will increase by \$969 million or 4.7 percent. This year-to-year change is largely due to an increase of \$54 million for the STAR program, \$304 million in increased fiscal year support for school aid and \$605 million in additional Federal funding for such programs such as those included in the landmark Elementary and Secondary Education Act (ESEA) reauthorization as well as Federal funding for the Reading for Results program and school renovation grants.

The taxpayer-supported General Fund provides about 13 percent of SED's operating budget. Federal grants, including programs for individuals with disabilities and disadvantaged pupils, account for 55 percent of Agency resources. The remaining 32 percent is derived from fees, chargebacks and other miscellaneous receipts.

The 2002-03 Executive Budget recommends \$14.2 billion in support for public schools, reflecting a State fiscal year increase of \$304 million in school aid, and recommends \$2.7 billion for school property tax relief through STAR, reflecting a fiscal year increase of \$54 million. School aid represents the single largest expenditure item in the State's 2002-03 General Fund budget.

SCHOOL TAX RELIEF (STAR)

The School Tax Relief (STAR) program was enacted in 1997-98 as a multi-year effort to provide needed property tax relief while promoting educational excellence and accountability.

School Property Tax Relief And New York City School Tax Reduction

In 2002-03, STAR funding appropriated for local taxpayer savings will reach \$2.7 billion, including funds for continuing the enhanced exemption for eligible senior citizens and the fully phased-in basic STAR exemption for other homeowners. School districts and cities with dependent school districts, including New York City, will be fully reimbursed by the State of New York for foregone local revenues. A portion of the State personal income tax will be dedicated to the School Tax Relief Fund from which the State reimbursement payments will be made. The school tax relief provisions include:

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- **Basic Homestead Exemption:** In 2002-03, the basic school property tax homestead exemption continues at \$30,000 (on a “full value” basis) for owner-occupied primary residences that are not eligible for the enhanced senior citizen exemption;
- **Senior Citizen Homestead Exemption:** The school property tax exemption of at least \$50,000 is continued for eligible senior citizens; and
- **New York City Tax Reduction:** The multi-year STAR program provides local personal income tax relief for taxpayers in New York City, where a combination of non-property taxes and property taxes is used to support the City’s public schools. In 2002-03, \$540 million will be provided in local personal income tax savings for New York City taxpayers. This represents both a tax credit and a rate reduction for all New York City resident personal income tax filers. The City of New York will be fully reimbursed by the State for these foregone local revenues.

Cost of Living Adjustment for Senior Income Eligibility

Governor Pataki is proposing legislation with the 2002-03 Budget to increase the STAR income ceiling for seniors in proportion to increases in the Consumer Price Index. A cost of living adjustment (COLA) will ensure that modest increases in Social Security or other retirement income will not make seniors currently receiving enhanced STAR benefits ineligible in future years. Under the Governor’s proposal, the current \$60,000 income limit will be raised in proportion to increases in the Consumer Price Index for STAR applications filed in 2003 and thereafter.

SCHOOL AID

Governor Pataki’s 2002-03 Executive Budget protects the State’s investment in its public school system by providing continued funding for our schools at the highest level in the State’s history — \$14.2 billion. Since 1994-95, the State has provided an additional \$4.4 billion in State aid to public schools to enhance educational quality for students across New York. Through the combination of school aid and school tax relief through STAR, New York now supports over 46 percent of local spending on education statewide.

Major recommendations for the 2002-03 school year include:

- **School Year Support:** The 2002-03 Executive Budget will increase General Support for Public Schools by \$6 million to a school year total of nearly \$14.2 billion;
- **Fiscal Year Support:** The \$14.2 billion in State fiscal year support for public schools represents a 2002-03 fiscal year increase of \$304 million, and supports a 2002-03 school year increase of \$6 million. State support for education includes \$349 million in additional lottery revenue. These additional lottery revenues will supplement taxpayer funds to provide support for schools and school facilities;
- **Increased Federal Support:** As part of the landmark Elementary and Secondary Education Act (ESEA) Reauthorization, a record level of additional Federal support will be provided to schools across New York for educational programs serving disadvantaged children. The overall increase in Federal funding provided to schools in New York for the 2002-03 school year will total nearly \$400 million. The single largest component of this Federal increase will be provided through Title I-A Local Educational Agency Grants, which will increase by nearly \$188 million (22 percent). This additional Title I-A grant funding includes estimated increases of \$142 million for New York City schools and \$19 million for the State’s Big Four City school districts. Other significant Federal ESEA increases include \$55 million (24 percent) in State Grants to Improve Teacher Quality, and \$79 million (17 percent) in special education funds provided through the Individuals with Disabilities Education Act (IDEA);
- **Federal Funding Offset:** For 2002-03, the Executive Budget reflects the availability of \$61.3 million in Federal Temporary Assistance for Needy Families (TANF) funding that will be used to support a portion of the costs of selected programs;

- **Flex Aid:** For the 2002-03 school year, 13 separate categories of school aid will be consolidated into a new \$10.4 billion flexible operating aid program — Flex Aid. This reform will protect school districts from aid losses by maintaining stable funding. When resources permit, Flex Aid increases will be provided based on measures of educational and economic need. This approach will achieve equity without pitting one school district against another. Under this flexible funding structure, school districts will be empowered to target State resources to meet locally identified educational needs and priorities. School districts with identified performance deficiencies will be required to set aside funds within their Flex Aid allocation to address such deficiencies. This mandatory set-aside would be phased-out as performance improves;
- **Transportation Aid:** In 2002-03, total funding of over \$1.03 billion will be provided for transportation aid. This amount reflects an expenditure-driven increase of nearly \$93 million;
- **Building Aid:** For the 2002-03 school year, total funding of \$1.42 billion is recommended for building aid and reorganization incentive building aid. This amount reflects recently enacted reforms in the financing of the State share of school construction costs to amortize the financing of the State share consistent with the useful life of projects. The 2002-03 Executive Budget proposes to conform the payment of building aid for hard dollar projects with recent reforms for bonded projects. In addition, State building aid will be calculated based upon the current fiscal capacity of school districts for all projects approved by local voters on or after July 1, 2002;
- **Early Childhood Education Initiatives:** The Budget continues State support for Universal Pre-Kindergarten at \$205 million in 2002-03, the amount provided in the 2001-02 enacted budget. In addition, State funding of \$50.2 million is provided for experimental pre-kindergarten programs. A total of \$128 million in State funding is continued for class size reduction efforts in grades K-3, reflecting the phase-out of one-year start-up grant funds first provided in 2001-02. This State support will be supplemented by Federal funding;
- **Reading for Results:** New York State has been awarded a three-year Federal grant of more than \$81 million to support a new Reading for Results initiative. The Reading for Results program will target assistance to schools that serve concentrations of disadvantaged children, with the objective of ensuring all children are able to read by the end of the third grade.
- **Teachers of Tomorrow:** For the coming year, funding for the Governor's Teachers of Tomorrow program will be continued at \$25 million. The Teachers of Tomorrow program supports a variety of teacher recruitment and retention activities, including tuition reimbursement scholarships to attract new teachers to shortage areas and tuition assistance for teachers in shortage areas who are seeking permanent certification;
- **Educational Technology:** The \$15 million Fund for Innovation programs will be continued to support innovative applications of educational technology in the Big 5 City school districts;
- **Summer School:** A total of \$37 million is continued for summer programs in the coming year;
- **Schoolwide Performance Incentive:** New funding is provided for the \$7.5 million Schoolwide Performance Incentive program to recognize and reward educational improvement in the Big 5 Cities through schoolwide, performance-based awards;
- **Other Aids:** Reductions totaling \$76 million are recommended for various categorical aid programs including Teacher Support Aid and Teacher Centers;
- **School Safety:** The Governor's Safe Schools Against Violence in Education Act of 2000 — based upon the recommendations of the Task Force on School Violence chaired by Lieutenant Governor Mary Donohue — represents the most comprehensive plan in the nation to ensure the safety and well-being of school children. Specific components of the legislation are now being implemented

EDUCATION

throughout the State including integration of character education in the K-12 curriculum, fingerprinting of all prospective school employees and candidates seeking educational certification, establishment of codes of conduct in school districts and development of school safety plans for crisis response and management. For 2002-03, \$500,000 is provided to support the efforts of the Statewide Center for School Safety in promoting “best practices” and providing technical assistance to schools, and \$500,000 is provided for character education curriculum development activities;

- **School Choice:** In September 1999, the opening of New York’s first three charter schools marked the beginning of one of the most significant education reforms in State history. For 2002-03, the State will provide \$6 million in support for the Charter School Stimulus Fund to help meet facility needs and other start-up costs in connection with the creation and expansion of charter schools.
- **Advantage Schools:** The Advantage After-School Program currently operates at 165 sites across the State, providing nearly 20,000 students with structured and supervised educational and social activities that complement instructional programs offered during regular school hours. The \$25 million funding level recommended for 2002-03 reflects a \$5 million or 25 percent increase above the total 2001-02 funding level; and
- **Mandate Relief:** Paperwork requirements for school districts will be reduced by directing the Commissioner of Education to review existing reporting requirements, identifying unnecessary and/or redundant reports for elimination and recommend opportunities to reduce reporting requirements for high-performing school districts. Additionally, legislation accompanying the Budget will provide school districts with an exemption from Wicks Law requirements that mandate the use of multiple contractors for school construction projects. This initiative will reduce the cost of school construction by more than 10 percent.

SPECIAL EDUCATION

School-Age Special Education

Due to a possible loss of Federal funding, changes to the State’s special education financing system were enacted in 1999 to encourage school districts to serve greater numbers of disabled children in regular classroom settings. While this legislation represented a needed first step in improving our special education financing system, more fundamental reforms are necessary to remove existing financial disincentives that keep New York’s special education referral rate well above the national average. Effective for the 2002-03 school year, a comprehensive reform of special education is proposed that will consolidate special education funding into the new comprehensive Flex Aid program. Under this new flexible funding formula, school districts will be provided with future funding increases based on overall growth in the number of students rather than the number of children placed in special education.

Preschool Special Education

Over the past several years, fundamental reforms have been enacted in the preschool special education program to better meet the needs of more than 60,000 disabled children, while also providing needed cost-containment.

The existing statutory restriction on the creation of new or expanded preschool programs that include only children with disabilities will be continued, as will current provisions that allow SED to approve new or expanded non-inclusive preschool programs if there is a demonstrated need for such programs in the community.

The 2002-03 recommended level of \$552 million will support the State’s 59.5 percent share of preschool special education program costs.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

The State currently supports a variety of categorical education programs intended to address various special needs of schools and communities across the State. In the coming year, the following 18 categorical programs will continue at 2001-02 funding levels:

**ELEMENTARY, MIDDLE AND SECONDARY CATEGORICAL PROGRAMS
2002-03 STATE FISCAL YEAR
(thousands of dollars)**

Program	2002-03 Appropriation
Adult Basic Education	\$5,000
Adult Literacy Education	3,325
AIDS Education	990
Apprenticeship Training	1,830
Comprehensive School Health	525
Consortium for Workers Education	10,000
Education of Children of Migrant Workers	90
Extended Day/School Violence Prevention	30,200
Missing Children Prevention Education	900
Parenting Education	506
Primary Mental Health Project	570
School Health Demonstration	150
Schools as Community Sites	6,000
Schools Under Registration Review	2,000
Transferring Success	630
Workplace Literacy	1,376
Total	\$64,092

OTHER RECOMMENDATIONS

To sharpen the focus of the Board of Regents on matters directly related to education and to streamline agency operations, the 2002-03 Executive Budget recommends the following organizational changes for the State Education Department:

- Programs related to cultural development and promotion — the State Library, the State Museum and the State Archives — will be reassigned to the New York Institute for Cultural Education (NYICE). The 2002-03 Executive Budget reflects the implementation of this functional transfer by July 1, 2002 and provides for the establishment of NYICE, the creation of a dedicated revenue stream and the transfer of staff and facilities;
- The Higher Education Program and the Office of the Professions will be consolidated into an Office of Higher Education and the Professions. Additionally, General Fund support for academic reviews of college and university programs will be discontinued, with accreditation to be provided through national or regional accreditation services or SED's self-supporting Teacher Education Accreditation activities. These actions will eliminate duplication of efforts, provide regulatory relief for higher education institutions and generate \$1.2 million in General Fund savings.

PROGRAM HIGHLIGHTS

Under the policy direction of the Board of Regents, operational responsibilities of the State Education Department include administration, regulation and review of numerous education programs. The following provides a description of the major program areas administered by the Department.

SCHOOL AID

The 2002-03 Executive Budget will increase General Support for Public Schools by \$6 million, to a total of nearly \$14.2 billion for the 2002-03 school year. Through the combination

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of school aid and property tax relief through STAR, New York now supports over 46 percent of local spending on education. State support for public schools now accounts for more than 37 percent of the State's General Fund budget — up from 27 percent when the Governor first took office.

School aid is distributed to school districts through formula-based aids and categorical grants, including:

- **Flex Aid**, which replaces 13 separate formula-based aids and provides school districts with flexible support for general school operating costs, accounts for over 70 percent of overall school aid;
- **Transportation Aid and Building Aid**, which provide support to school districts for student transportation and the construction and preservation of school facilities. These two aid categories account for more than 17 percent of overall school aid; and
- **Specialized aid and grant programs** that address specific educational needs, ranging from textbooks to adult education programs. Notable program recommendations for 2002-03 include continuation of \$135.7 million in grants for magnet school programs in 19 cities throughout the State and \$96.2 million to support literacy services for 150,000 adults enrolled in the Employment Preparation Education program.

SCHOOL TAX RELIEF (STAR)

STAR will be entering its second year of full implementation in 2002-03, providing New York's taxpayers with tax savings totaling \$2.7 billion in school property tax relief and New York City personal income tax reductions. School districts and cities with dependent school districts, including the City of New York, will be fully reimbursed by the State for their foregone local revenues. The State's reimbursement payments will be made from the School Tax Relief Fund to which a portion of the personal income tax is dedicated.

School Property Tax Relief

- In 2002-03, more than 650,000 senior homeowners will be eligible to receive an enhanced exemption of at least \$50,000 (on a "full value" basis) with a statewide benefit averaging more than \$900. To be eligible for the enhanced benefit, senior citizen residential property owners must be at least 65 years of age and have annual incomes of \$60,000 or less (combined incomes of the owners and their spouses who reside on the premises).
- In 2002-03, the school property tax exemption will provide 2.3 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Average statewide tax savings for non-senior owner occupied residences will exceed \$600.
- The exemptions provided to homeowners (both seniors and non-seniors) living in a county whose median home sale price exceeds the statewide median will be adjusted upward to account for the variation in property values for similar homes in different regions of the State.

New York City Tax Reduction

Under the STAR program, in 2002-03, all of New York City's more than 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Total local taxpayer savings will be \$540 million. The personal income tax credit and changes in the tax rates were fully implemented in 2001-02 and have reduced the New York City personal income tax by nearly 10 percent.

Property Taxpayer's Bill of Rights

Enacted in 1997, the Property Taxpayer's Bill of Rights ensures the full disclosure of information to property taxpayers in a more readable and comprehensive format than was previously available. This enables taxpayers to better understand their property taxes and their rights under the law.

Local Voter Empowerment

The STAR program includes a series of school budget voting reforms that give local voters a greater role in education spending decisions and in controlling property tax growth. Reforms enacted in recent years include:

- **Property Tax Report Card:** Schools are now required to report proposed property tax increases, spending growth and estimated enrollment changes to the State Education Department prior to the statewide school budget voting day. A property tax report card is then compiled and released to the public before school budget votes are held;
- **Special Informational Mailings:** School districts are now required to mail notices to voters prior to budget votes, disclosing:
 - How proposed school spending increases compare with increases in consumer prices;
 - How a proposed budget would compare to the contingency budget that would be authorized by statute if the voters were to defeat the proposed budget on two successive votes;
 - How STAR savings were affected by school tax increases for a typical homeowner in the current year and the estimated effects of proposed tax changes on estimated STAR savings under the budget proposed for the coming year.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special educational services for more than 430,000 students from ages 3 to 21. These services range from in-home speech therapy for preschool children to placement in full time residential schools for school-age children with the most severe disabling conditions. The costs of the preschool special education program are split between the State and county governments. The network of service providers includes school districts, Boards of Cooperative Educational Services (BOCES), private not-for-profit schools and State-operated facilities.

School districts and BOCES serve approximately 390,000 school-age children in classroom settings. An additional 14,900 students who require particularly intensive programs are served by 140 private schools, 14 Special Act School Districts and 11 State-supported schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The New York State School for the Blind in Batavia serves approximately 55 blind and multiply-disabled students, including 15 developmentally disabled students served in an Intermediate Care Facility operated by the school. The New York State School for the Deaf in Rome serves approximately 85 deaf and multiply-disabled students.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

The State Education Department also administers various programs that address specialized student needs or reimburse school districts for education-related services. Major programs include:

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- **School Lunch and Breakfast Program:** State funds supplement Federal support to provide free and reduced-price meals for low-income students. Approximately 1 million lunches and 350,000 breakfasts are served daily under this program;
- **Summer Food Program:** State funds supplement Federal support to provide free meals for low-income students participating in summer recreation programs. There are more than 300 sponsors of summer programs serving almost 260,000 students; and
- **Nonpublic School Aid:** The State reimburses 1,400 nonpublic schools for costs incurred in administering State mandated tests and other data collection efforts.

REGULATION OF THE PROFESSIONS

New York State regulates professionals to protect the public by ensuring the quality and integrity of services provided to consumers. The reorganized Office of Higher Education and the Professions will license and provide oversight for members of the 38 professions regulated pursuant to Title VIII of the Education Law, including: Nursing, Optometry, Dentistry, Pharmacy, Veterinary Medicine, Social Work, Architecture, Civil Engineering and Public Accountancy. The Office will also be responsible for enforcing standards of practice, codes of conduct and professional discipline for the licensees, except members of the medical professions (Physicians, Physician Assistants and Specialist Assistants) whose professional conduct is within the purview of the Department of Health. Professional licensure, oversight and enforcement functions have been self-supporting, through the collection of fines and fees, since 1987.

VOCATIONAL REHABILITATION

The Vocational and Educational Services for Individuals with Disabilities (VESID) program provides job training, counseling and placement services for disabled persons throughout New York. Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. This program arranges job placements for more than 16,600 individuals annually from an active caseload of 54,066.

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Program	School Aid (millions)			
	School Year Payments			
	Estimated 2001-02	Recommended 2002-03	Change Amount	Change Percent
<i>I. Computerized Aids:</i>				
Operating Aid *				
Tax Effort *				
Tax Equalization *				
Extraordinary Needs Aid *				
Operating Standards Aid *				
Gifted & Talented *				
ERSSA *				
Limited English Proficiency *				
Minor Maintenance *				
Excess Cost – Public *				
Excess Cost – Private *				
BOCES *				
Special Services (Career Ed/Computer Admin.) *				
General Support/Flex Aid	10,415.24(a)	10,415.24	0.00	0.00
Subtotal	10,415.24	10,415.24	0.00	0.00
Textbooks (Incl. Lottery)	185.95(b)	190.58	4.63	2.49
Computer Software	44.94(b)	45.44	0.50	1.11
Computer Hardware	27.63(b)	27.63	0.00	0.00
Library Materials	18.99(b)	19.36	0.37	1.95
Summer School	37.42(b)	37.42	0.00	0.00
Transportation (Incl. Summer)	938.64(b)	1,031.53	92.89	9.90
Reorganization Incentive (Operating)	21.31(b)	19.34	(1.97)	-9.24
Fund for Innovation for Big 5	15.00(b)	15.00	0.00	0.00
Prekindergarten	204.67(b)	204.67	0.00	0.00
Class Size Reduction	139.97(b)	128.12	(11.85)	-8.47
Tax Limitation Aid	25.00(b)	25.00	0.00	0.00
Full-Day K	4.88(b)	0.00	(4.88)	-100.00
Subtotal Computerized Aids	12,079.64	12,159.32	79.68	0.66
<i>II. Grant Programs and Other Aids Categories:</i>				
Building including Reorganization Incentive	1,420.94	1,420.94	0.00	0.00
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	30.00(c)	10.00	(20.00)	-66.67
Teacher-Mentor Intern	5.00	1.67	(3.33)	-66.60
Teacher Support Aid	67.48	15.00	(44.99)	-77.77
Schoolwide Performance Incentive	0.00	7.49	7.49	NA
Growth Aid	11.81(b)	11.81	0.00	0.00
Categorical Reading	63.95	63.95	0.00	0.00
IPP	66.35	66.35	0.00	0.00
Magnet Schools	135.65	135.65	0.00	0.00
Aid to Small City School Dists.	81.88	81.88	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.18	96.18	0.00	0.00
Homeless Pupils	4.00	4.00	0.00	0.00
Incarcerated Youth	13.00	13.00	0.00	0.00
Bilingual	11.20	11.20	0.00	0.00
Fort Drum	2.63	2.63	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	15.00	15.00	0.00	0.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(18.00)	(18.00)	0.00	0.00
Tuition Adjustment	1.18	1.18	0.00	0.00
CVEEB	0.92	0.92	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Shared Services Incentive	0.20	0.20	0.00	0.00
Native American Building	7.40	2.00	(5.40)	-72.97
Bus Driver Safety	0.40	0.40	0.00	0.00
Prior Year Claims	57.00	57.00	0.00	0.00
Subtotal	2,106.72	2,033.00	(73.72)	-3.50
SCHOOL YEAR TOTAL	14,186.36	14,192.32	5.96	0.04

* Aid programs proposed to be consolidated within Flex Aid

(a) Sum of 2001-02 Executive Budget Flex Aid plus BOCES and Special Services

(b) 2001-02 Executive Budget amount

(c) Includes \$10 million (SY) initially appropriated outside of school aid

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ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	333,593,500	357,612,700	24,019,200	226,049,400
Aid To Localities	20,269,731,300	21,207,361,600	937,630,300	2,812,062,760
Capital Projects	2,500,000	9,765,000	7,265,000	164,134,000
Total	20,605,824,800	21,574,739,300	968,914,500	3,202,246,160

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Office of Management Services Program			
General Fund	176	163	(13)
Special Revenue Funds - Other	179	179	0
Internal Service Funds	113	113	0
Elementary, Middle and Secondary Education			
General Fund	230	225	(5)
Special Revenue Funds - Federal	299	299	0
School for the Blind			
Special Revenue Funds - Other	104	104	0
Batavia ICF/DD			
Special Revenue Funds - Other	37	37	0
School for the Deaf			
Special Revenue Funds - Other	103	103	0
Higher Education			
General Fund	41	0	(41)
Special Revenue Funds - Federal	13	0	(13)
Special Revenue Funds - Other	93	0	(93)
Higher Education and the Professions, Office of			
General Fund	0	21	21
Special Revenue Funds - Federal	0	13	13
Special Revenue Funds - Other	0	463	463
Office of the Professions			
Special Revenue Funds - Other	361	0	(361)
Cultural Education			
General Fund	295	0	(295)
Special Revenue Funds - Federal	75	0	(75)
Special Revenue Funds - Other	40	0	(40)
Internal Service Funds	33	0	(33)
Fiduciary Funds	3	0	(3)
Vocational and Educational Services for Individuals with Disabilities			
General Fund	11	11	0
Special Revenue Funds - Federal	1,062	1,062	0
Total	3,268	2,793	(475)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	65,284,000	45,620,600	(19,663,400)
Special Revenue Funds - Federal	164,319,400	195,700,000	31,380,600
Special Revenue Funds - Other	83,149,900	94,320,900	11,171,000
Internal Service Funds	19,448,200	20,570,800	1,122,600
Fiduciary Funds	1,392,000	1,400,400	8,400
Total	333,593,500	357,612,700	24,019,200
Adjustments:			
Transfer(s) To			
Arts, Council on the			
General Fund	380,000		
Appropriated 2001-02	<u>380,000</u>		
	<u><u>333,973,500</u></u>		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Office of Management Services Program			
General Fund	17,472,500	17,472,500	0
Special Revenue Funds - Other	16,874,000	18,874,000	2,000,000
Internal Service Funds	11,550,000	12,550,000	1,000,000
Fiduciary Funds	600,000	600,000	0
Elementary, Middle and Secondary Education			
General Fund	24,228,000	24,628,000	400,000
Special Revenue Funds - Federal	49,201,800	59,910,000	10,708,200
Special Revenue Funds - Other	978,900	978,900	0
School for the Blind			
Special Revenue Funds - Other	7,537,900	7,537,900	0
Fiduciary Funds	40,000	40,000	0
Batavia ICF/DD			
General Fund	126,100	126,100	0
Special Revenue Funds - Other	2,650,000	2,650,000	0
School for the Deaf			
Special Revenue Funds - Other	7,426,000	7,426,000	0
Fiduciary Funds	20,000	20,000	0
Higher Education and the Professions, Office of			
General Fund	3,808,000	2,608,000	(1,200,000)
Special Revenue Funds - Federal	2,522,600	2,684,000	161,400
Special Revenue Funds - Other	42,751,000	45,510,000	2,759,000
Cultural Education			
General Fund	18,863,400	0	(18,863,400)
Special Revenue Funds - Federal	7,854,000	7,854,000	0
Special Revenue Funds - Other	4,270,800	10,682,800	6,412,000
Internal Service Funds	7,898,200	8,020,800	122,600
Fiduciary Funds	732,000	740,400	8,400
Vocational and Educational Services for Individuals with Disabilities			
General Fund	786,000	786,000	0
Special Revenue Funds - Federal	104,741,000	125,252,000	20,511,000
Special Revenue Funds - Other	661,300	661,300	0
Total	333,593,500	357,612,700	24,019,200

EDUCATION

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	9,633,600	0	9,633,600	0
Education	13,214,900	0	13,214,900	0
Cultural Education	0	(13,032,200)	0	(13,032,200)
Vocational and Educational Services for Individuals with Disabilities	733,200	0	733,200	0
Total	23,581,700	(13,032,200)	23,581,700	(13,032,200)

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	7,838,900	0	400,000	0
Education	11,413,100	400,000	282,300	0
Batavia ICF/DD	126,100	0	0	0
Higher Education and the Professions, Office of	2,608,000	(1,200,000)	0	0
Cultural Education	0	(5,831,200)	0	(3,025,400)
Vocational and Educational Services for Individuals with Disabilities	52,800	0	9,200	0
Total	22,038,900	(6,631,200)	691,500	(3,025,400)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	350,000	0	5,648,900	0
Education	697,500	0	4,658,300	0
Cultural Education	0	(145,800)	0	(2,517,200)
Vocational and Educational Services for Individuals with Disabilities	13,500	0	21,300	0
Total	1,061,000	(145,800)	10,328,500	(2,517,200)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Office of Management Services Program	250,000	0	1,190,000	0
Cultural Education	0	(142,800)	0	0
Vocational and Educational Services for Individuals with Disabilities	8,800	0	0	0
Total	258,800	(142,800)	1,190,000	0

Program	Maintenance Undistributed	
	Amount	Change
Elementary, Middle and Secondary		
Education	5,775,000	400,000
Batavia ICF/DD	126,100	0
Higher Education and the Professions, Office of	2,608,000	(1,200,000)
Total	8,509,100	(800,000)

EDUCATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	32,024,000	3,000,000	13,822,000	0
Elementary, Middle and Secondary Education	60,888,900	10,708,200	32,381,000	5,102,300
School for the Blind	7,577,900	0	5,190,000	0
Batavia ICF/DD	2,650,000	0	1,682,000	0
School for the Deaf	7,446,000	0	4,874,000	0
Higher Education and the Professions, Office of	48,194,000	2,920,400	4,640,000	213,800
Cultural Education	27,298,000	6,543,000	7,882,700	(12,500)
Vocational and Educational Services for Individuals with Disabilities	125,913,300	20,511,000	55,595,300	4,455,200
Total	311,992,100	43,682,600	126,067,000	9,758,800

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	14,602,000	0	3,600,000	3,000,000
Elementary, Middle and Secondary Education	27,529,000	5,605,900	978,900	0
School for the Blind	2,387,900	0	0	0
Batavia ICF/DD	968,000	0	0	0
School for the Deaf	2,572,000	0	0	0
Higher Education and the Professions, Office of	4,664,000	506,600	38,890,000	2,200,000
Cultural Education	12,289,000	(570,800)	7,126,300	7,126,300
Vocational and Educational Services for Individuals with Disabilities	69,656,700	16,055,800	661,300	0
Total	134,668,600	21,597,500	51,256,500	12,326,300

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	13,605,713,300	13,472,010,600	(133,702,700)
Special Revenue Funds - Federal	2,446,368,000	3,094,795,000	648,427,000
Special Revenue Funds - Other	4,217,650,000	4,640,556,000	422,906,000
Total	20,269,731,300	21,207,361,600	937,630,300

Adjustments:

Recommended Deficiency	
Education Department, State	
General Fund	30,200,000
Special Revenue Funds - Other	(36,200,000)
Appropriated 2001-02	<u>20,263,731,300</u>

EDUCATION

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
School Tax Relief			
Special Revenue Funds - Other	2,646,000,000	2,700,000,000	54,000,000
Elementary, Middle and Secondary Education			
General Fund	13,348,107,700	13,214,405,000	(133,702,700)
Special Revenue Funds - Federal	1,945,724,000	2,519,151,000	573,427,000
Special Revenue Funds - Other	1,561,500,000	1,930,406,000	368,906,000
Higher Education and the Professions, Office of			
General Fund	81,035,000	81,035,000	0
Cultural Education			
General Fund	105,700,000	105,700,000	0
Special Revenue Funds - Federal	4,660,000	4,660,000	0
Special Revenue Funds - Other	10,150,000	10,150,000	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	70,870,600	70,870,600	0
Special Revenue Funds - Federal	495,984,000	570,984,000	75,000,000
Total	<u>20,269,731,300</u>	<u>21,207,361,600</u>	<u>937,630,300</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Education Building				
Capital Projects Fund	0	1,695,000	1,695,000	1,465,000
Capital Projects Fund - Advances	0	0	0	2,000,000
School for the Blind				
Capital Projects Fund	0	1,700,000	1,700,000	700,000
Capital Projects Fund - Advances	0	0	0	1,510,000
School for the Deaf				
Capital Projects Fund	0	175,000	175,000	550,000
Capital Projects Fund - Advances	0	0	0	1,130,000
Cultural Education Center				
Capital Projects Fund	0	5,295,000	5,295,000	1,500,000
Capital Projects Fund - Advances	0	0	0	18,550,000
Administration				
Capital Projects Fund	2,500,000	900,000	(1,600,000)	3,425,000
Rebuild Schools to Uphold Education Program				
Capital Projects Fund	0	0	0	129,304,000
Washington Avenue Armory				
Capital Projects Fund - Advances	0	0	0	4,000,000
Total	<u>2,500,000</u>	<u>9,765,000</u>	<u>7,265,000</u>	<u>164,134,000</u>

OFFICE OF CHILDREN AND FAMILY SERVICES

MISSION

The Office of Children and Family Services (OCFS) was established in 1998 to strengthen services to children and families. The Office is committed to promoting the well-being and safety of children, families and communities.

ORGANIZATION AND STAFFING

The Office of Children and Family Services is headquartered in Rensselaer with regional offices throughout the State. These offices provide operational support and policy direction to local social services districts and youth bureaus. The Office is also responsible for the operation of 48 residential and day placement facilities statewide serving over 2,200 youth. The workforce for fiscal year 2002-03 is estimated at 4,389 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Office of Children and Family Services receives 40 percent of its \$3.5 billion budget from State tax dollars and 60 percent from Federal and other funds. The State Operations Budget of \$468.1 million supports oversight of child welfare, child care, adult protection and domestic violence programs, among others. In addition, the State Operations Budget supports the continued operation of the Agency's network of juvenile justice facilities.

The Local Assistance Budget of \$2.9 billion provides payments to local governments and not-for-profit providers for programs such as foster care, adoption, child protective services, delinquency prevention and child care.

Capital projects appropriations of \$87.2 million primarily support the maintenance and construction of the State-operated juvenile justice facilities in order to provide a safe living environment, provide appropriate education, recreation and vocational program space, and maintain an appropriate level of security for youth while they are in residential care.

CHILDREN AND FAMILY SERVICES

The Executive Budget provides more than \$1.5 billion in State and Federal funding to support a comprehensive reform in the financing of child welfare services designed to encourage local governments to invest in the preventive services necessary to reduce out-of-home placement of children. Specific elements of this reform initiative include:

- **Open-ended Funding for Prevention and Other Key Services:** Under Governor Pataki's Child Welfare Reform proposal, preventive services provided by counties will be removed from any block grant limitations and reimbursed, without limit, at a 65 percent rate. Child Protective Services, aftercare services, independent living activities, and local adoption services and administration costs related to adoptions will also receive 65 percent State aid. This enhanced funding source will be especially valuable in providing an expanded PINS population ages 16 to 18 with community-based services that will help avert out-of-home placements. The Budget includes \$324.4 million for this new funding category in 2002-03 — an amount that is expected to grow as counties increase their investment in services necessary to prevent foster care placement.
- **Investments in Child Welfare Quality Enhancement:** OCFS will distribute \$3 million in additional Temporary Assistance for Needy Families (TANF) funding to counties and not-for-profit groups in 2002-03 to promote the creation of innovative child welfare service delivery models.

CHILDREN AND FAMILY SERVICES

- **A Flexible Foster Care Block Grant:** The Governor's Child Welfare Reform proposal will provide counties with a \$364.5 million Foster Care Block Grant that creates an even greater incentive to reduce the number of children in foster care. Under the new Block Grant, counties will be able to reinvest savings resulting from reduced use of foster care in locally designed child welfare initiatives that strengthen preventive services or better serve high-needs children.

Within the TANF Block Grant, \$286 million in TANF funds are set-aside for children and their families facing emergency situations. This recommendation reflects an increase of \$70 million in TANF funding to reimburse local governments for these emergency services, including Juvenile Delinquent/Persons in Need of Supervision (JD/PINS) Foster Care and other local foster care expenditures. The Executive Budget also includes a new \$4.6 million in TANF to assist local governments in providing community-based services to an expanded PINS population ages 16 to 18. In addition, the 2002-03 recommendation maintains the transfer of Federal TANF funds to the Federal Title XX Social Services Block Grant at \$244 million to support locally provided services to children and families.

The Executive Budget supports a continued emphasis on prevention and early identification of child abuse and neglect by including additional funds to expand OCFS' capability to investigate reports of institutional abuse in residential care facilities.

The Budget includes \$144 million for the State's share of subsidies provided to families who adopt special needs children. These funds will support approximately 47,700 children in adoptive homes, including 4,700 children adopted last year; it is anticipated that a similar number will be adopted in 2002-03.

The \$2.1 million appropriation for the Community Facilities Project Guarantee Fund has been discontinued because the Fund's guarantee obligations have been fully met.

CHILD CARE

The Executive Budget increases funding for the State Child Care Block Grant to \$877 million, using a combination of Federal, State and local funding. The Block Grant supports child care subsidies for public assistance and low-income families. Subsidized child care is guaranteed for public assistance recipients with children up to age 13, when such care is required for the parent/guardian to engage in work activities. Families transitioning from welfare to work are guaranteed subsidized child care for up to 12 months after leaving Family Assistance. The State also provides subsidized child care to families at risk of becoming dependent on Family Assistance. Each social services district receives a single grant that enables it to tailor its expenditures to meet local needs and to comply with mandated work participation requirements for Family Assistance.

Under the Child Care Block Grant, districts' ability to plan for and meet district-specific child care needs has increased. To foster even greater local flexibility, a \$200 million Child Care Reserve Fund was established in 1999-2000; accessible to local social services districts over a three-year period as their child care demands changed. The Executive Budget anticipates that approximately \$78 million will be allocated from the Reserve Fund in 2002-2003.

As provided by the Governor's Child Care Quality Act, the Executive Budget includes \$18.5 million to fingerprint all regulated child care providers and to expand oversight and monitoring activities. In addition, \$2.5 million is set aside to support child care programs meeting the special needs of migrant workers' children.

The Executive Budget also provides a \$5 million increase for Advantage After-Schools, a program that offers educational and recreational after-school activities for elementary, middle-and high school students. This initiative funds community-based organizations demonstrating the ability to work collaboratively with schools, child care providers and other community providers for after-school programming. Total funding for Advantage schools will be \$25 million in 2002-2003 and will be fully supported through Federal TANF funds.

YOUTH FACILITIES

The Youth Facilities Program includes the Office's 48 residential facilities and day placement centers serving youth placed by the Family Courts or directed by the Criminal Courts. Through a broad array of programs, the Office provides rehabilitative services that include counseling, education and training designed to promote positive youth development and foster a youth's return to the community as a law-abiding and productive citizen.

The Executive Budget recommendations include \$73 million in bond-financed funding to construct a new secure center to replace the Harlem Valley Secure Center. The proposed center will be a state-of-the-art facility for supervising youth offenders and providing rehabilitative services.

SYSTEMS

The Executive Budget includes approximately \$60 million in State and Federal funding to operate and continue development of CONNECTIONS, the State's child welfare information system.

CONNECTIONS provides for the electronic transmission of reports of child abuse or neglect from the State's Child Abuse Hotline to local governments. This enables local caseworkers to intervene quickly with as much information as possible, affording greater protections for children and enhanced case management.

PROGRAM HIGHLIGHTS

The Office of Children and Family Services supervises the State's system of family support and child welfare services to help families live independently. County departments of social services and, in many cases, community-based local organizations administer most programs that identify and protect abused and neglected children; provide counseling and other services to strengthen families and avoid foster care; place children in foster care as needed; reunite children and families; find permanent adoptive parents for children who cannot be reunited with birth families; prepare teens for independent living and protect vulnerable adults from family violence. The Office also provides significant funding to counties and municipalities, and community-based not-for-profit agencies for the provision of youth development and delinquency prevention programs.

The State Child Abuse Hotline receives more than 315,000 calls each year reporting alleged child maltreatment or abuse through a toll-free 800 telephone number. As a result, the State initiates investigations of these allegations, which are conducted by county protective services staff and/or local law enforcement agencies. The Register maintains a master database of those found culpable of child abuse so that employers, such as day care centers, can screen out potential employees with a history of familial child abuse.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. Many of these programs serve the public assistance population and play an important role as the State and its localities implement welfare reform. Programs include oversight of locally administered adult protective services and programs providing services to victims of domestic violence, including emergency shelters and community-based crisis intervention.

Through the Commission for the Blind and Visually Handicapped, the Office provides, directly or through contract, services to help visually handicapped people live independently and achieve self-sufficiency through employment. The Commission also assists over 4,000 children and elderly individuals with services such as orientation and mobility, social casework, adaptive equipment, interpreter services, low-vision examinations, diagnostic examinations and intensive adaptive skills training.

CHILDREN AND FAMILY SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	445,699,000	468,119,600	22,420,600	241,686,000
Aid To Localities	2,841,127,000	2,950,201,000	109,074,000	2,099,739,300
Capital Projects	17,650,000	87,210,000	69,560,000	90,382,000
Total	3,304,476,000	3,505,530,600	201,054,600	2,431,807,300

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Central Administration			
General Fund	387	387	0
Special Revenue Funds - Other	78	78	0
Child Care			
General Fund	34	34	0
Special Revenue Funds - Federal	201	201	0
Commission for the Blind and Visually Handicapped			
General Fund	14	14	0
Special Revenue Funds - Federal	161	161	0
Fiduciary Funds	3	3	0
Employment and Disability Assistance Account			
Special Revenue Funds - Federal	11	11	0
Family and Children Services			
General Fund	437	437	0
Special Revenue Funds - Federal	73	73	0
National and Community Service, Office of			
Special Revenue Funds - Federal	9	9	0
Systems Support			
General Fund	171	171	0
Training and Development			
Special Revenue Funds - Other	50	50	0
Youth Facilities			
General Fund	2,812	2,760	(52)
Total	4,441	4,389	(52)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	254,600,000	251,919,600	(2,680,400)
Special Revenue Funds - Federal	69,748,000	88,144,000	18,396,000
Special Revenue Funds - Other	117,526,000	124,231,000	6,705,000
Enterprise Funds	500,000	500,000	0
Internal Service Funds	100,000	100,000	0
Fiduciary Funds	3,225,000	3,225,000	0
Total	445,699,000	468,119,600	22,420,600

Adjustments:

Recommended Deficiency	
Children and Family Services Office of	
General Fund	(5,999,700)
Appropriated 2001-02	439,699,300

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Central Administration			
General Fund	34,258,700	34,286,400	27,700
Special Revenue Funds - Other	9,100,000	16,000,000	6,900,000
Internal Service Funds	100,000	100,000	0
Fiduciary Funds	1,825,000	1,825,000	0
Child Care			
General Fund	2,693,600	2,805,900	112,300
Special Revenue Funds - Federal	14,800,000	14,800,000	0
Childrens Services			
Special Revenue Funds - Federal	0	0	0
Commission for the Blind and Visually Handicapped			
General Fund	8,428,000	8,455,000	27,000
Special Revenue Funds - Federal	24,648,000	25,544,000	896,000
Special Revenue Funds - Other	500,000	500,000	0
Fiduciary Funds	1,400,000	1,400,000	0
Departmental Administrative Reimbursement			
General Fund	(30,093,000)	(32,843,000)	(2,750,000)
Special Revenue Funds - Other	36,593,000	39,343,000	2,750,000
Family and Children Services			
General Fund	30,970,100	30,453,300	(516,800)
Special Revenue Funds - Federal	17,800,000	17,800,000	0
Special Revenue Funds - Other	1,046,000	1,046,000	0
Systems Support			
General Fund	47,752,000	48,252,000	500,000
Special Revenue Funds - Federal	12,500,000	30,000,000	17,500,000
Special Revenue Funds - Other	10,000,000	10,000,000	0
Training and Development			
General Fund	10,000,000	9,420,000	(580,000)
Special Revenue Funds - Other	60,287,000	57,342,000	(2,945,000)
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	150,590,600	151,090,000	499,400
Enterprise Funds	300,000	300,000	0
Total	<u>445,699,000</u>	<u>468,119,600</u>	<u>22,420,600</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	21,423,900	922,900	20,053,900	724,900
Child Care	1,854,300	112,300	1,854,300	112,300
Family and Children Services	21,271,200	1,243,200	20,344,300	1,179,300
Systems Support	7,601,000	589,000	7,491,000	589,000
Youth Facilities	123,939,000	636,000	112,271,000	1,018,000
Total	<u>176,089,400</u>	<u>3,503,400</u>	<u>162,014,500</u>	<u>3,623,500</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	1,026,000	1,000	344,000	197,000
Child Care	0	0	0	0
Family and Children Services	6,000	0	920,900	63,900
Systems Support	0	0	110,000	0
Youth Facilities	5,763,000	(382,000)	5,905,000	0
Total	<u>6,795,000</u>	<u>(381,000)</u>	<u>7,279,900</u>	<u>260,900</u>

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Administration	12,862,500	(895,200)	214,000	0
Child Care	951,600	0	74,300	(300)
Commission for the Blind and Visually Handicapped	8,455,000	27,000	0	0
Family and Children Services	9,182,100	(1,760,000)	589,000	0
Systems Support	40,651,000	(89,000)	347,000	0
Training and Development	9,420,000	(580,000)	0	0
Youth Facilities	27,151,000	(136,600)	11,075,000	0
Total	108,673,200	(3,433,800)	12,299,300	(300)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Administration	917,000	0	9,624,500	(895,200)
Child Care	185,400	2,000	662,100	(2,400)
Family and Children Services	387,000	0	7,837,100	0
Systems Support	104,000	0	9,660,000	(89,000)
Youth Facilities	951,000	0	13,902,000	(136,600)
Total	2,544,400	2,000	41,685,700	(1,123,200)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	694,000	0	1,413,000	0
Child Care	29,800	700	0	0
Commission for the Blind and Visually Handicapped	0	0	8,455,000	27,000
Family and Children Services	29,000	0	340,000	(1,760,000)
Systems Support	140,000	0	30,400,000	0
Training and Development	0	0	9,420,000	(580,000)
Youth Facilities	1,223,000	0	0	0
Total	2,115,800	700	50,028,000	(2,313,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	17,925,000	6,900,000	0	0
Child Care	14,800,000	0	0	0
Commission for the Blind and Visually Handicapped	27,444,000	896,000	0	0
Family and Children Services	18,846,000	0	0	0
Systems Support	40,000,000	17,500,000	0	0
Training and Development	57,542,000	(2,945,000)	1,662,000	0
Youth Facilities	300,000	0	0	0
Total	176,857,000	22,351,000	1,662,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	1,925,000	0	16,000,000	6,900,000
Child Care	0	0	14,800,000	0
Commission for the Blind and Visually Handicapped	0	0	27,444,000	896,000
Family and Children Services	5,000,000	0	13,846,000	0
Systems Support	0	0	40,000,000	17,500,000
Training and Development	2,451,000	(195,000)	53,429,000	(2,750,000)
Youth Facilities	300,000	0	0	0
Total	9,676,000	(195,000)	165,519,000	22,546,000

CHILDREN AND FAMILY SERVICES

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,127,859,000	1,164,763,000	36,904,000
Special Revenue Funds - Federal	1,694,738,000	1,766,908,000	72,170,000
Special Revenue Funds - Other	15,000,000	15,000,000	0
Fiduciary Funds	3,530,000	3,530,000	0
Total	<u>2,841,127,000</u>	<u>2,950,201,000</u>	<u>109,074,000</u>

Adjustments:

Recommended Deficiency Children and Family Services Office of General Fund	(93,440,000)
Appropriated 2001-02	<u>2,747,687,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Child Care			
General Fund	96,066,000	96,066,000	0
Special Revenue Funds - Federal	624,000,000	624,000,000	0
Family and Children Services			
General Fund	1,026,793,000	1,063,697,000	36,904,000
Special Revenue Funds - Federal	1,042,300,000	1,114,470,000	72,170,000
Special Revenue Funds - Other	15,000,000	15,000,000	0
Fiduciary Funds	3,530,000	3,530,000	0
Training and Development			
General Fund	5,000,000	5,000,000	0
Special Revenue Funds - Federal	28,438,000	28,438,000	0
Total	<u>2,841,127,000</u>	<u>2,950,201,000</u>	<u>109,074,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Youth Facilities Improvement Fund	0	3,000,000	3,000,000	2,000,000
Child Care Facilities Development Program				
Capital Projects Fund	0	0	0	22,000,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	1,800,000	1,935,000	135,000	7,852,000
Youth Facilities Improvement Fund	6,650,000	9,475,000	2,825,000	20,768,000
Executive Direction and Administrative Services				
Capital Projects Fund	0	0	0	498,000
Misc. Capital Projects	0	0	0	7,000,000
Youth Facilities Improvement Fund	0	0	0	458,000
New Construction				
Youth Facilities Improvement Fund	9,200,000	72,800,000	63,600,000	9,200,000
Program Improvement or Program Change				
Youth Facilities Improvement Fund	0	0	0	12,011,000
Youth Center				
Capital Projects Fund	0	0	0	8,317,000
Rehabilitative Services				
Youth Facilities Improvement Fund	0	0	0	278,000
Total	<u>17,650,000</u>	<u>87,210,000</u>	<u>69,560,000</u>	<u>90,382,000</u>

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

MISSION

The Office of Temporary and Disability Assistance (OTDA), working in close collaboration with the Department of Labor and Office of Children and Family Services, helps needy adults and families achieve economic self-sufficiency through work, job training, and child support enforcement. The Office also provides economic assistance to aged and disabled persons who are unable to work, transitional support to welfare recipients while they are working toward self-sufficiency, and supportive services to low income households to help them avoid welfare dependency.

ORGANIZATION AND STAFFING

Core responsibilities of the Office include providing policy and technical support to social services districts responsible for implementing welfare reform and administering programs that serve the homeless and refugees. Through its Division of Disability Determinations, the Agency also evaluates the medical eligibility of disability claimants for Supplemental Security Income and Social Security Disability Insurance.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A total of \$4.2 billion is recommended from all funding sources in 2002-03 to support State Operations and Aid to Localities programs including Family Assistance, Safety Net, Supplemental Security Income (SSI), Food Assistance (FAP), Home Energy Assistance (HEAP), child support enforcement and food stamp administration.

Aid to Localities is funded by \$3.7 billion in Federal funds, General Fund dollars, and other revenue. Within this amount are economy-driven increases for direct welfare programs — Safety Net and Supplemental Security Income (SSI) for the aged and disabled.

For State Operations, an appropriation of approximately \$459 million is recommended from all funding sources. These funds will support a workforce of approximately 2,510, including 1,360 federally funded positions in the Division of Disability Determinations.

The recommended \$77 million General Fund appropriation includes: funding for staff and other costs related to the oversight of social services district administration of public assistance and child support enforcement programs; administrative hearings for public assistance, Food Stamp, and Medicaid applicants and recipients; and operation of the major computer systems supporting public assistance programs. Approximately \$500 million in Federal funds and other revenues are recommended for the administration of the Division of Disability Determinations, the Home Energy Assistance program (HEAP), and the Bureau of Refugee and Immigration Affairs.

State funding of \$36.5 million is appropriated for the cost of redesigning the Welfare Management System's (WMS) continued development of the Welfare-to-Work Caseload Management System, and related human services systems initiatives including CONNECTIONS case and fiscal management.

Specific priorities for the Office of Temporary and Disability Assistance for 2002-03 are as follows:

- In partnership with local social services districts, the Department of Labor and the Office of Children and Family Services, operate programs enacted through the State Welfare Reform Act of 1997 so that recipients can transition to work and self-sufficiency and at-risk households can avoid welfare dependency;
- Build upon the substantial accomplishments of recent years by further strengthening child support enforcement to increase parental financial support for children;

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- Improve, redesign, and more effectively use technology, information, and communication to support program operations; and
- Continue to strengthen program integrity and anti-fraud activities throughout the welfare system.

PROGRAM HIGHLIGHTS

The welfare system in New York State has changed in basic philosophy and approach, bringing to fruition the overall objectives of State welfare reform. These changes include transforming welfare into a system of temporary income support while recipients secure employment and child support payments; promoting individual responsibility; and providing social services districts with the flexibility they need to effectively administer a work-oriented welfare system. The system has evolved from one that focused primarily on determining client eligibility and distributing benefit payments to one that now focuses on securing alternative non-welfare means of income support such as employment, child support, or temporary assistance.

OTDA programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households. These activities help families address life events that could otherwise jeopardize continued employment.

These new emphases have resulted in a dramatic decline in welfare caseloads. By August 2001, the decline in New York's welfare caseloads since 1995 was 59.2 percent. Over 973,000 recipients had left the rolls, which were at their lowest point in 36 years. Prior to the September 11 World Trade Center disaster, additional caseload reductions were expected in 2002-03. However, because of the difficulties resulting from the September 11 attacks and the subsequent declining national economy, a 1.9 percent increase is now projected in the welfare caseload during 2002-03.

FAMILY ASSISTANCE

The Family Assistance program provides employment assessments, support services and time-limited cash assistance to eligible families with children while the parent acquires the necessary work skills to secure and retain employment.

With certain statutorily prescribed exceptions, those who receive benefits must participate in work activities to remain eligible. Cash benefits for Family Assistance participants are limited to a cumulative period of five years. If the head of a Family Assistance household is unable to become employed during this period, the family is limited to non-cash benefits through the Safety Net program (discussed below) while the head of household continues to search for a job. Family Assistance cases began to reach their five-year limit on assistance on December 1, 2001.

All Family Assistance participants must undergo an assessment of their employability skills and training needs and, unless disabled, must participate in assigned work activities. Participants are covered by a larger and greatly strengthened earned income disregard than was historically the case and may retain a higher level of savings and other resources to help the transition from welfare. These measures help the new welfare system to foster recipient self-sufficiency.

Local social services districts are required to meet Federal work activity participation targets. Reflecting scheduled increases in work participation requirements in Federal law, for FFY 2002, districts must place at least 50 percent of all Family Assistance cases in an allowable work activity for not less than 30 hours per week. State law places the focus of participant employment plans directly on work or work-like activities such as job training, community service, or workfare. This approach will position the State to continue to meet or exceed required employment targets.

The Governor's welfare reform program also fosters individual responsibility to help break the cycle of long-term dependency. All applicants and recipients are required to participate in screening and assessment to determine if the need for welfare results from use of illegal

TEMPORARY AND DISABILITY ASSISTANCE

drugs or excessive consumption of alcoholic beverages. If a participant is unable to work because of such circumstances, he or she is referred to an appropriate treatment program and welfare benefits are restricted to non-cash assistance. Teen parents must attend high school or other approved education programs to receive welfare benefits.

Welfare reform also requires each social services district to screen its Family Assistance caseload for domestic violence. Acting through its designated domestic violence liaison, each district informs the individual of voluntary services which may be available. Districts waive application of welfare program rules, including but not limited to child support cooperation and work requirements, if the district determines that these provisions would cause further risk or make it more difficult for the person to escape domestic violence.

Homeless families in the State's transitional and emergency shelter system also are expected to strive for self-sufficiency. These facilities can help homeless families achieve this goal by strengthening their independent living skills and helping them to acquire permanent housing. To this end, the Governor is proposing establishment of a new targeted housing subsidy program in SFY02-03. This initiative should not only broaden access to permanent housing, through the provision of an additional rent subsidy for longer-term homeless families, but should curtail unnecessary use of more expensive emergency hotels and homeless shelters.

The Governor's welfare reform program has also strengthened child support enforcement. Improvements include automated updating of child support awards to reflect inflation; interstate reciprocity in child support proceedings; a strengthened role for child support staff in welfare case processing; and administrative authority for social services districts to order genetic tests, subpoena information, and collect relevant data from Federal, State and local agencies. These measures have helped to increase total child support collections to their current level of over \$1.3 billion.

The Executive Budget continues to re-invest Federal incentive bonuses in child support initiatives to strengthen performance in "hard-to-collect" cases, update asset information on non-custodial parents, expand private health care coverage for children in support cases, and expand the "Celebrating Fatherhood" media campaign. OTDA also has embarked on new State-local partnerships to support Joint Enforcement Teams (JET) to increase criminal prosecutions for parents who refuse to pay child support. These initiatives will further strengthen the child support enforcement system, thus helping to ensure that parents provide for the income support of their children.

Welfare reform also protects taxpayer investments in the welfare system by providing sanctions for persons who refuse to comply with work requirements and prohibiting welfare payments to fugitive felons, persons who have been convicted of a felony and failed to abide by the terms of their probation or parole, or who have been convicted of fraudulently seeking to obtain benefits in two or more states.

SAFETY NET PROGRAM

Article XVII of the State Constitution requires the State and its social services districts to provide for the needy. State welfare reform meets this obligation through the Safety Net program for persons who are not eligible for Family Assistance or Supplemental Security Income.

Safety Net participants, primarily single adults and childless couples, can receive cash allowances for a two-year period after which benefits can be provided on a non-cash basis. Other groups that may receive non-cash benefits include families that have exhausted their five-year limit on Family Assistance, certain non-citizens, households where the adult is unable to work because of substance abuse, and households where the adult has refused to participate in drug/alcohol screening or treatment. In addition to providing for essential needs, the Safety Net is a work program which provides such services as job search, work training, and workfare. Unless prevented from doing so by a physical or mental disability, Safety Net participants must engage in assigned work activities to receive assistance.

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SUPPLEMENTAL SECURITY INCOME

Federal Supplemental Security Income (SSI) provides cash assistance to the aged, visually handicapped, and disabled. New York's SSI benefit is \$632 per month for an individual living alone in the community, including a January 2002 cost-of-living adjustment in the Federal portion of the grant. The State's SSI benefit currently is one of the highest nationally. The 2002-03 recommendation of \$633 million funds the State cost of SSI benefits for a projected 628,900 recipients. SSI and Social Security Disability Insurance (SSDI) eligibility for disability claimants is evaluated by OTDA's Division of Disability Determinations (DDD).

STATE FOOD ASSISTANCE PROGRAM

New York's Food Assistance Program (FAP) purchases food stamps on behalf of immigrants age 60 through 67. Under provisions of Federal law, this vulnerable population no longer is eligible for federally funded food stamp benefits. Legislation enacted in 2001 expanded FAP eligibility to also include domestic violence victims.

The 2002-03 Aid to Localities recommendation will provide \$2.2 million in combined State and local funds for benefits to an estimated 5,000 immigrant seniors and domestic violence victims.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	421,494,000	458,755,400	37,261,400	381,784,000
Aid To Localities	3,997,300,000	3,744,653,000	(252,647,000)	5,881,980,000
Capital Projects	30,000,000	30,000,000	0	136,643,000
Total	<u>4,448,794,000</u>	<u>4,233,408,400</u>	<u>(215,385,600)</u>	<u>6,400,407,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
General Fund	174	172	(2)
Special Revenue Funds - Federal	98	98	0
Special Revenue Funds - Other	63	63	0
Child Support Enforcement			
Special Revenue Funds - Other	61	70	9
Disability Determinations			
Special Revenue Funds - Federal	1,360	1,360	0
Special Revenue Funds - Other	111	111	0
Executive Direction			
General Fund	19	18	(1)
Legal Affairs			
General Fund	160	158	(2)
System Support and Information Services			
General Fund	117	115	(2)
Special Revenue Funds - Federal	16	16	0
Special Revenue Funds - Other	55	55	0
Temporary and Disability Assistance Programs			
General Fund	46	44	(2)
Special Revenue Funds - Federal	21	21	0
Special Revenue Funds - Other	148	148	0
Transitional Supports and Policy, Division of			
General Fund	18	17	(1)
Special Revenue Funds - Federal	29	29	0
Special Revenue Funds - Other	15	15	0
Total	2,511	2,510	(1)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	34,330,000	74,209,400	39,879,400
Special Revenue Funds - Federal	257,170,000	245,242,000	(11,928,000)
Special Revenue Funds - Other	128,994,000	138,304,000	9,310,000
Internal Service Funds	1,000,000	1,000,000	0
Total	421,494,000	458,755,400	37,261,400

Adjustments:	
Recommended Deficiency	
Temporary and Disability Assistance,	
Office of	
Special Revenue Funds - Other	(1,088,000)
Appropriated 2001-02	420,406,000

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	19,340,000	20,123,000	783,000
Special Revenue Funds - Federal	7,000,000	7,000,000	0
Special Revenue Funds - Other	11,350,000	16,795,000	5,445,000
Internal Service Funds	1,000,000	1,000,000	0
Child Support Enforcement			
Special Revenue Funds - Federal	3,100,000	3,100,000	0
Special Revenue Funds - Other	25,930,000	26,908,000	978,000
Departmental Administrative			
Reimbursement			
General Fund	(67,357,000)	(70,557,000)	(3,200,000)
Special Revenue Funds - Other	70,926,000	74,126,000	3,200,000
Disability Determinations			
Special Revenue Funds - Federal	163,300,000	150,000,000	(13,300,000)
Special Revenue Funds - Other	10,400,000	8,900,000	(1,500,000)
Executive Direction			
General Fund	1,802,000	1,760,000	(42,000)
Legal Affairs			
General Fund	12,811,000	12,147,000	(664,000)
System Support and Information Services			
General Fund	61,414,000	105,163,000	43,749,000
Special Revenue Funds - Federal	75,000,000	75,000,000	0
Special Revenue Funds - Other	6,800,000	6,800,000	0
Temporary and Disability Assistance			
Programs			
General Fund	4,569,000	4,191,000	(378,000)
Special Revenue Funds - Federal	6,000,000	6,000,000	0
Special Revenue Funds - Other	2,500,000	3,500,000	1,000,000
Transitional Supports and Policy, Division of			
General Fund	1,751,000	1,382,400	(368,600)
Special Revenue Funds - Federal	2,770,000	4,142,000	1,372,000
Special Revenue Funds - Other	1,088,000	1,275,000	187,000
Total	<u>421,494,000</u>	<u>458,755,400</u>	<u>37,261,400</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	9,593,000	(517,000)	9,464,651	(531,349)
Executive Direction	1,427,000	(41,000)	1,337,380	(46,120)
Legal Affairs	9,240,000	(642,000)	8,932,804	(659,196)
System Support and Information Services	8,050,000	1,642,000	7,736,400	1,669,000
Temporary and Disability Assistance				
Programs	3,198,000	(376,000)	2,709,800	(404,200)
Transitional Supports and Policy, Division of	1,113,000	(336,000)	1,098,000	(336,000)
Total	<u>32,621,000</u>	<u>(270,000)</u>	<u>31,279,035</u>	<u>(307,865)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	94,090	10,490	34,259	3,859
Executive Direction	88,054	5,054	1,566	66
Legal Affairs	0	0	307,196	17,196
System Support and Information Services	0	0	313,600	(27,000)
Temporary and Disability Assistance				
Programs	467,000	27,000	21,200	1,200
Transitional Supports and Policy, Division of	0	0	15,000	0
Total	<u>649,144</u>	<u>42,544</u>	<u>692,821</u>	<u>(4,679)</u>

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	11,030,000	1,300,000	150,300	0
Executive Direction	333,000	(1,000)	22,200	0
Legal Affairs	2,907,000	(22,000)	137,500	0
System Support and Information Services	97,113,000	42,107,000	414,100	0
Temporary and Disability Assistance Programs	993,000	(2,000)	18,000	0
Transitional Supports and Policy, Division of	269,400	(32,600)	17,400	0
Total	<u>112,645,400</u>	<u>43,349,400</u>	<u>759,500</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	183,300	0	5,586,900	56,000
Executive Direction	51,100	0	234,000	(1,000)
Legal Affairs	86,100	0	2,617,400	(22,000)
System Support and Information Services	154,100	0	10,361,400	7,000
Temporary and Disability Assistance Programs	104,000	0	820,000	(2,000)
Transitional Supports and Policy, Division of	81,500	0	126,200	(32,600)
Total	<u>660,100</u>	<u>0</u>	<u>19,745,900</u>	<u>5,400</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,220,500	0	3,889,000	1,244,000
Executive Direction	25,700	0	0	0
Legal Affairs	66,000	0	0	0
System Support and Information Services	209,400	0	85,974,000	42,100,000
Temporary and Disability Assistance Programs	51,000	0	0	0
Transitional Supports and Policy, Division of	44,300	0	0	0
Total	<u>1,616,900</u>	<u>0</u>	<u>89,863,000</u>	<u>43,344,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	24,295,000	5,445,000	600,000	0
Child Support Enforcement	30,008,000	978,000	0	0
Disability Determinations	158,900,000	(14,800,000)	67,900,000	(4,500,000)
System Support and Information Services	81,800,000	0	0	0
Temporary and Disability Assistance Programs	9,500,000	1,000,000	0	0
Transitional Supports and Policy, Division of	5,417,000	1,559,000	870,000	122,000
Total	<u>309,920,000</u>	<u>(5,818,000)</u>	<u>69,370,000</u>	<u>(4,378,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	250,000	0	23,445,000	5,445,000
Child Support Enforcement	0	0	30,008,000	978,000
Disability Determinations	82,100,000	(8,800,000)	8,900,000	(1,500,000)
System Support and Information Services	0	0	81,800,000	0
Temporary and Disability Assistance Programs	0	0	9,500,000	1,000,000
Transitional Supports and Policy, Division of	405,000	65,000	4,142,000	1,372,000
Total	<u>82,755,000</u>	<u>(8,735,000)</u>	<u>157,795,000</u>	<u>7,295,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
General Fund	1,422,700,000	1,055,403,000	(367,297,000)
Special Revenue Funds - Federal	2,478,200,000	2,629,500,000	151,300,000
Special Revenue Funds - Other	86,400,000	49,750,000	(36,650,000)
Fiduciary Funds	10,000,000	10,000,000	0
Total	<u>3,997,300,000</u>	<u>3,744,653,000</u>	<u>(252,647,000)</u>

Adjustments:

Recommended Deficiency	
Temporary and Disability Assistance,	
Office of	
General Fund	(10,000,000)
Appropriated 2001-02	<u>3,987,300,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Administration			
Special Revenue Funds - Other	65,000,000	30,000,000	(35,000,000)
Child Support Enforcement			
General Fund	27,010,000	27,700,000	690,000
Special Revenue Funds - Federal	84,000,000	100,000,000	16,000,000
Special Revenue Funds - Other	300,000	150,000	(150,000)
Employment Services			
General Fund	47,278,000	67,040,000	19,762,000
Food Assistance Program			
General Fund	4,100,000	1,100,000	(3,000,000)
Special Revenue Funds - Other	4,100,000	1,100,000	(3,000,000)
Food Stamp Administration Program			
General Fund	113,911,000	106,681,000	(7,230,000)
Special Revenue Funds - Federal	219,000,000	246,000,000	27,000,000
Special Revenue Funds - Other	6,000,000	7,500,000	1,500,000
Temporary and Disability Assistance			
Administration			
General Fund	194,598,000	186,823,000	(7,775,000)
Temporary and Disability Assistance			
Programs			
General Fund	909,653,000	540,309,000	(369,344,000)
Special Revenue Funds - Federal	2,121,700,000	2,230,000,000	108,300,000
Special Revenue Funds - Other	1,000,000	1,000,000	0
Fiduciary Funds	10,000,000	10,000,000	0
Transitional Supports and Policy, Division of			
General Fund	126,150,000	125,750,000	(400,000)
Special Revenue Funds - Federal	53,500,000	53,500,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>3,997,300,000</u>	<u>3,744,653,000</u>	<u>(252,647,000)</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Comprehensive Construction Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>	<u>Reappropriations 2002-03</u>
Information Management Technology Program				
Capital Projects Fund	0	0	0	361,000
Supported Housing Program				
Capital Projects Fund	0	0	0	3,250,000
Housing Program Fund	30,000,000	30,000,000	0	133,032,000
Total	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>	<u>136,643,000</u>

HIGHER EDUCATION SERVICES CORPORATION

MISSION

The Higher Education Services Corporation was established in 1974 to provide centralized processing of student financial aid programs. The Corporation administers the State's Tuition Assistance Program, the Federal Family Education Loan Program and other State and federal aid programs.

ORGANIZATION AND STAFFING

The Corporation is governed by a 15-member Board of Trustees, 10 of whom are appointed by the Governor to 6-year terms. The ten gubernatorial appointees include two student representatives, a representative of the general public, a college financial aid administrator, a chief executive officer of a proprietary institution, two presidents of independent institutions, one chief executive officer of a proprietary school and two banking representatives. The remaining five ex-officio members include the Commissioner of Education, the Chancellors of the State University of New York and the City University of New York and student government leaders representing the public university systems.

The Corporation's chief executive officer is the President, who is appointed by the Governor, subject to Senate confirmation. The President's responsibilities include administrative oversight of key program areas including legal counsel, data processing, operations, grants and scholarships, loans and research.

The Agency will have a workforce of 825 employees in 2002-03. Of this total, 688 positions (83 percent) are paid through funds received for the administration of Federal student loans and 137 positions (17 percent) are paid from State funds for administration of State student financial aid programs. General administrative operations are located in Albany and Menands, while data processing operations are located in Troy.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends over \$656 million in support of agency operations and programs. Of this amount, nearly \$117 million will be available to support administration of State and Federal student aid programs and \$540 million will be awarded in financial aid to students or colleges to provide access to postsecondary opportunities and help maintain New York's leadership in higher education.

General Fund support of \$11.3 million is recommended for administration of State grants and scholarships. Over \$105 million of the operating budget represents Federal loan-related functions, which are supported from non-General Fund sources and include funding for administration of the Federal GEAR-UP program. Costs for shared data-processing, personnel, finance and other administrative activities are allocated proportionately according to time expended for State or Federal activities.

Of the \$540 million invested in financial aid and institutional grants, General Fund dollars account for over \$527 million. Support for the remaining expenditures is provided from Federal funds and non-General Fund revenues.

STATE OPERATIONS

The Corporation will continue to improve its administrative operations in 2002-03 through investments in enhanced employee skills, modern technological infrastructure, and streamlined administrative practices. In addition to a renewed emphasis on providing

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comprehensive services to its clientele, the Corporation continues to develop partnerships with other student loan guaranty agencies to streamline costs, improve services, and increase responsiveness through shared development efforts.

FINANCIAL AID PROGRAMS

The 2002-03 recommended appropriation for the Tuition Assistance Program (TAP) is \$481.4 million. This level of funding continues enhancements made to the TAP program in 2000-01, but reflects a restructuring of the program to emphasize degree completion by creating a financial incentive for students to stay in college and graduate.

Significant TAP enhancements enacted in 2000-01 scheduled for implementation in 2002-03 include:

- Providing the higher TAP maximum award level of \$5,000 to another group of first-time TAP recipients; and
- Increasing the minimum award to \$500 for all students eligible to receive a minimum award.

Restructuring TAP will result in a decrease of \$155 million in TAP expenditures for 2002-03, accompanied by an increase of \$10 million to support the cost of the new TAP loan program. Major components of the restructured TAP program are as follows:

- TAP awards will be provided in two components — a “base” award equivalent to two-thirds of the current TAP award and a “performance” award equivalent to the remaining one-third of the award;
- Students will be expected to finance the performance award through federally guaranteed loans including Federal subsidized, unsubsidized and parent PLUS loans. Students who have exhausted their Federal loan eligibility will be eligible to receive their performance awards as TAP loans provided by HESC;
- Upon completion of their degree programs, students will receive a performance award payment from HESC equal to the amount of their deferred TAP awards plus accrued interest (if any) from any Federal or TAP loans they may have used in financing their performance award.

Support for the Scholarships for Academic Excellence program is continued at \$14 million. Under this program, 2,000 of New York’s top scholars will be eligible for annual awards of \$1,500 and \$6,000 academically distinguished high school students will be eligible for annual awards of \$500 for four years of undergraduate study. By recognizing high school achievement, this program encourages our most academically talented students to pursue their postsecondary education in New York State.

PROGRAM HIGHLIGHTS

STATE OPERATIONS

The Corporation is continuing to implement several e-Commerce/e-Government initiatives, including moving more of its services to the World Wide Web, enhancing the public’s ability to get information and process transactions through an integrated Web Site and strengthening its service to schools, lenders, students and families.

In 2002-03, the Corporation will continue to coordinate the State’s participation in the Federal GEAR-UP program. In 1999, the Corporation was awarded a five-year Federal GEAR-UP grant to provide early college preparation and guidance services to low-income communities.

FEDERAL LOAN GUARANTEE PROGRAM

The largest part of the Corporation’s operational responsibility is the administration of the Federal Family Education Loan program. Under this program, the Corporation guarantees over \$12.1 billion in outstanding loans made by banks to students. When banks are unable

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to collect student loan repayments, the Corporation intervenes to avert default. If these default aversion efforts are unsuccessful, defaulted loans are purchased from banks and steps are taken to bring such defaulted loans into repayment. The Corporation also provides customer services for lenders, schools and students, which include the distribution of loan information, as well as training and technical assistance related to loan applications and processing.

Federal loan activities administered by the Corporation include:

- \$3.8 billion in new guaranteed loans in 2000-01;
- Processing of student loans for more than 485,000 individual borrowers; and
- Defaulted loan collections of \$190 million and defaulted loan purchases of \$181 million in 2000-01.

FINANCIAL AID PROGRAMS

The Corporation's State-funded responsibilities include processing student applications for State student financial aid programs, determining award amounts, processing and auditing aid payments to students and colleges, conducting reviews of participating institutions, collecting disallowed amounts identified in audits of participating institutions and providing information services to the public, students and schools for the following programs:

- Tuition Assistance Program: \$481.4 million in aid will be provided to recipients in the public and private sectors. Of this amount, \$345 million will be offset using funds from the Federal Temporary Assistance for Needy Families (TANF) program;
- Tuition Assistance Loan Program: \$10 million will be made available for those students who have exhausted their Federal loan eligibility and can demonstrate that additional assistance is needed to initially finance their TAP performance award;
- Aid for Part Time Study: \$14.6 million will be available to nearly 23,000 part-time students in all sectors of higher education; and
- Scholarships and Fellowships: nearly 3,300 recipients are projected to receive aid for special employment preparation or targeted needs under 14 State and Federal programs; 32,000 Scholarships for Academic Excellence will be available in 2002-03 to students pursuing their college education in New York State.

COLLEGE CHOICE TUITION SAVINGS PROGRAM

Signed into law in 1997, the College Choice Tuition Savings Program presents a major commitment by the State to encourage families throughout New York to save for the college education of their children or grandchildren. Under this program, families can save for their children's education at accredited public and private colleges in New York or anywhere in the country with accompanying tax benefits on contributions made to, and interest earned on, college savings accounts.

Jointly administered by the Corporation and the Office of the State Comptroller, the program has been well received by the general public. Since its inception in September 1998, over 172,600 accounts have been opened, with contributions exceeding \$800 million. New York's program has already received national recognition as one of the top college savings plans in the nation.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	98,262,000	116,805,000	18,543,000	5,000,000
Aid To Localities	682,348,000	540,164,000	(142,184,000)	0
Capital Projects	0	0	0	0
Total	<u>780,610,000</u>	<u>656,969,000</u>	<u>(123,641,000)</u>	<u>5,000,000</u>

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ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
General Fund	44	44	0
Special Revenue Funds - Other	246	246	0
Guaranteed Loan Programs			
Special Revenue Funds - Other	442	442	0
Grants and Scholarships			
General Fund	93	93	0
Total	825	825	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	9,593,000	11,309,000	1,716,000
Special Revenue Funds - Federal	5,000,000	5,532,000	532,000
Special Revenue Funds - Other	83,669,000	99,964,000	16,295,000
Total	98,262,000	116,805,000	18,543,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Administration			
General Fund	5,006,000	6,471,000	1,465,000
Special Revenue Funds - Other	34,422,000	49,958,000	15,536,000
Guaranteed Loan Programs			
Special Revenue Funds - Federal	5,000,000	5,532,000	532,000
Special Revenue Funds - Other	49,247,000	50,006,000	759,000
Grants and Scholarships			
General Fund	4,587,000	4,838,000	251,000
Total	98,262,000	116,805,000	18,543,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,522,000	139,000	2,492,000	139,000
Grants and Scholarships	3,867,000	151,000	3,832,000	151,000
Total	6,389,000	290,000	6,324,000	290,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	30,000	0
Grants and Scholarships	35,000	0	0	0
Total	35,000	0	30,000	0

HIGHER EDUCATION SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,949,000	1,326,000	162,000	0
Grants and Scholarships	971,000	100,000	25,000	0
Total	<u>4,920,000</u>	<u>1,426,000</u>	<u>187,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	40,000	0	3,714,000	1,326,000
Grants and Scholarships	18,000	0	903,000	100,000
Total	<u>58,000</u>	<u>0</u>	<u>4,617,000</u>	<u>1,426,000</u>

Program	Equipment	
	Amount	Change
Administration	33,000	0
Grants and Scholarships	25,000	0
Total	<u>58,000</u>	<u>0</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	49,958,000	15,536,000	10,410,000	662,000
Guaranteed Loan Programs	55,538,000	1,291,000	19,206,000	759,000
Total	<u>105,496,000</u>	<u>16,827,000</u>	<u>29,616,000</u>	<u>1,421,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	29,048,000	4,874,000	10,500,000	10,000,000
Guaranteed Loan Programs	30,800,000	0	5,532,000	532,000
Total	<u>59,848,000</u>	<u>4,874,000</u>	<u>16,032,000</u>	<u>10,532,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	672,948,000	527,948,000	(145,000,000)
Special Revenue Funds - Federal	2,400,000	5,216,000	2,816,000
Special Revenue Funds - Other	7,000,000	7,000,000	0
Total	<u>682,348,000</u>	<u>540,164,000</u>	<u>(142,184,000)</u>

HIGHER EDUCATION SERVICES

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Scholarships and Fellowships			
General Fund	21,918,000	21,918,000	0
Special Revenue Funds - Other	7,000,000	7,000,000	0
State Grant Programs			
General Fund	636,400,000	491,400,000	(145,000,000)
Special Revenue Funds - Federal	2,400,000	5,216,000	2,816,000
Tuition Awards for Part-Time Students			
General Fund	14,630,000	14,630,000	0
Total	<u>682,348,000</u>	<u>540,164,000</u>	<u>(142,184,000)</u>

DEPARTMENT OF LABOR

MISSION

The Department of Labor is New York State's primary advocate for job creation and economic growth through workforce development. The Department administers New York's unemployment insurance system, labor exchange system, and Welfare-to-Work programs. The Department also oversees State worker protection programs, including enforcement of safety and health regulations in the public sector, State labor laws and Federal statutes related to working conditions, wages and hours, and laws related to public work. The Department of Labor serves as the State's principal source for labor market information and offers a variety of services designed to help businesses find workers and people find jobs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner with a central office located in Albany. This office oversees the work of 8 employment service regional offices and 71 Employment Service Centers located throughout the State. In addition, through nine worker protection district offices, the Department enforces child labor laws, fosters workplace health and safety, and ensures that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department of Labor will have a workforce of 4,352 employees in SFY 2002-03. Approximately 85 percent of these positions are financed by Federal grants, 12 percent are supported by fees and assessments; and the remaining 3 percent are paid by State tax dollars from the General Fund.

General Fund appropriations will provide partial support for Agency administration, job training, welfare employment services, and enforcement activities as well as funding for the Employment Relations Board (ERB). ERB helps to mediate disputes between private sector employers and employees to avoid and settle strikes. The increase in State operations appropriations primarily reflects additional authority for the payment of Unemployment Insurance benefits. Aid to localities appropriations reflect additional authority for potential Federal grants.

General Fund and Federal Temporary Assistance for Needy Families (TANF) Block grant appropriations totaling \$9 million will support the Youth Education, Employment and Training program (YEETP) contracts that serve economically disadvantaged youth. In addition, General Fund and TANF appropriations totaling \$2.3 million will continue support for Green Teams program contracts that provide vocational training and work experience for approximately 400 youth and 50 adults.

Excluding the \$4.8 billion appropriation for the Unemployment Insurance Benefit Fund, Federal funds support approximately 93 percent of the Department's remaining budget. Specific programs and activities include re-employment services for persons who may be affected adversely by international trade agreements and Workforce Investment Act (WIA) job training services. Federally funded local assistance appropriation authority includes \$349 million for WIA services.

Under the State Welfare Reform Act of 1997, the Department is responsible for supervising social services district operation of welfare employment programs. The programs are supported by the General Fund, TANF block grant dollars, and Federal Food Stamp Employment and Training money. In SFY 2002-03, new TANF funding, totaling \$129 million, will be made available in the form of a block grant to social services districts and State agencies to support work activities and transitional services through Department of Labor and the Office of Temporary and Disability Assistance (OTDA). This new funding will complement prior-year set-asides for initiatives, such as the New York Works Block Grant, which will

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remain available for expenditure in the forthcoming fiscal year. The new funding, as well as these existing programs, is structured so that services can be provided to eligible individuals and families with incomes that do not exceed 200 percent of the Federal poverty level, thus providing an important focus on avoiding welfare dependency through work. Funding of \$15 million is also provided for the 2002 summer youth employment program and reflects the continued phase-out of temporary support to localities as they implement WIA year-round youth program requirements.

Federal appropriations also include funding to assist families that are the victims of natural disasters.

Fee revenues support approximately 1 percent of the Department of Labor's overall budget, funding worker protection and compensation enforcement activities and job training programs. These accounts are financed by fees for health and safety inspections, revenue from Workers' Compensation Board assessments, and interest on overdue Unemployment Insurance taxes owed by employers. The Unemployment Insurance benefit appropriation of \$4.8 billion comprises 83 percent of the Department of Labor's overall budget. These benefits are funded from Unemployment Insurance taxes paid by employers.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with requirements under the WIA, the Department of Labor and local governments have worked together to open 62 local One-Stop Centers across the State that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer services, human resources consultation, and support services such as child care and transportation. The Centers benefit employers by providing them with access to worker resumes and information on tax credits, workplace safety issues and apprenticeship services. Department of Labor employment services also help move individuals from welfare to work and help prevent public assistance dependency by focusing on disadvantaged youth, displaced homemakers, and persons who may lose their jobs because of plant closings or relocations.

Through the use of job orders, forms on-line, America's Job Bank and America's Talent Bank available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from Agency services. For example, employers and job seekers can immediately access relevant information without assistance from Department staff.

In addition to the opening of One-Stop Centers across the State, the Department continues to work with other State and local agencies, community colleges and others to ensure that New York's workforce development system provides access to information and services across agency lines regardless of where a person may initially go for assistance — State office, local government office, community service agency or college placement office.

WORKFORCE INVESTMENT ACT (WIA)

WIA provides job training to youth, adults, and dislocated workers. WIA also upgrades the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants access WIA services through a network of local One-Stop Centers for the delivery of employment and training services. WIA also improves customer choice and program effectiveness, as participants can choose training providers based on past performance through the use of individual training accounts.

The State Workforce Investment Board, established in 1999, assists in the development of the State's plan for using WIA funds.

WORKER PROTECTION

Worker Protection functions are carried out by two Department of Labor programs: Occupational Safety and Health, and Labor Standards/Public Work.

The Occupational Safety and Health program is responsible for health and safety inspections and granting licenses to qualified persons to operate or handle dangerous equipment or substances. Statistics for recent years show that the Division inspected 23,140 amusement park devices, 868 ski lifts, 7,160 places of public assembly (e.g., bleachers at concerts), and 33,975 commercial boilers. It also reviewed applications for 852 radioactive materials licenses and 54,987 asbestos licenses and certificates.

The Labor Standards program enforces the Labor Law in such areas as minimum and prevailing wage, child labor, and garment industry registration. Statistics for recent years indicate the Division inspected 892 businesses for compliance with child labor laws and collected nearly \$15 million in back wages, unpaid fringe benefits, and minimum wage underpayments for approximately 24,452 employees.

UNEMPLOYMENT INSURANCE

The Unemployment Insurance program makes weekly payments to eligible unemployed workers who have lost a job through no fault of their own. These temporary payments, available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work.

To help unemployed workers find work as quickly as possible, the Department of Labor operates a Self-Employment program to help workers establish businesses and become self-employed. Workers whom the Department identifies as least likely to find another job without such assistance are referred to this program. The program serves an average of nearly 1,400 workers a year. In addition, the Department also operates a re-employment services program to further strengthen efforts to move individuals back to work.

As part of Governor Pataki's continuing efforts to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received over the phone to determine if applicants are eligible to receive Unemployment Insurance benefits and handle all other processing issues related to an individual's benefits. The system operates through three Tele-Claims Centers located in Troy, Endicott, and New York City, and replaces the less efficient process of requiring DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices. In addition, the Department is currently piloting programs for filing Unemployment Insurance claims and employer registration through the Internet.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,865,984,900	5,408,996,000	1,543,011,100	1,109,499,300
Aid To Localities	317,295,900	358,244,000	40,948,100	1,179,358,600
Capital Projects	0	0	0	0
Total	4,183,280,800	5,767,240,000	1,583,959,200	2,288,857,900

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**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	72	72	0
Special Revenue Funds - Federal	3,700	3,700	0
Employment Relations Board			
General Fund	16	16	0
Employment and Training			
General Fund	43	43	0
Special Revenue Funds - Other	74	74	0
Labor Standards			
General Fund	21	0	(21)
Special Revenue Funds - Other	211	232	21
Occupational Safety and Health			
Special Revenue Funds - Other	215	215	0
Total	4,352	4,352	0

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	10,862,500	10,583,000	(279,500)
Special Revenue Funds - Federal	554,430,900	546,046,000	(8,384,900)
Special Revenue Funds - Other	50,691,500	52,367,000	1,675,500
Fiduciary Funds	3,250,000,000	4,800,000,000	1,550,000,000
Total	3,865,984,900	5,408,996,000	1,543,011,100

Adjustments:

Transfer(s) From	
Labor, Department of	
General Fund	(1,069,800)
Transfer(s) To	
Labor, Department of	
Special Revenue Funds - Other	1,069,800
Appropriated 2001-02	<u>3,865,984,900</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	5,509,600	5,534,000	24,400
Special Revenue Funds - Federal	518,830,900	508,086,000	(10,744,900)
Employment Relations Board			
General Fund	2,156,500	2,220,000	63,500
Employment and Training			
General Fund	3,196,400	2,829,000	(367,400)
Special Revenue Funds - Federal	0	860,000	860,000
Special Revenue Funds - Other	12,284,000	11,075,000	(1,209,000)
Labor Standards			
Special Revenue Funds - Other	14,170,500	16,122,000	1,951,500
Occupational Safety and Health			
Special Revenue Funds - Other	24,237,000	25,170,000	933,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	35,600,000	37,100,000	1,500,000
Fiduciary Funds	3,250,000,000	4,800,000,000	1,550,000,000
Total	3,865,984,900	5,408,996,000	1,543,011,100

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,037,000	164,200	4,037,000	164,200
Employment Relations Board	1,251,000	67,100	1,234,000	66,800
Employment and Training	954,000	38,800	954,000	38,800
Total	6,242,000	270,100	6,225,000	269,800

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	0	0
Employment Relations Board	17,000	300
Employment and Training	0	0
Total	17,000	300

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,497,000	(139,800)	118,000	1,700
Employment Relations Board	969,000	(3,600)	19,000	(200)
Employment and Training	1,875,000	(406,200)	35,000	1,000
Total	4,341,000	(549,600)	172,000	2,500

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	74,000	600	1,000,000	15,500
Employment Relations Board	65,000	(900)	383,000	(2,400)
Employment and Training	26,000	500	17,000	900
Total	165,000	200	1,400,000	14,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	105,000	1,400	200,000	(159,000)
Employment Relations Board	2,000	(100)	500,000	0
Employment and Training	26,000	800	1,771,000	(409,400)
Total	133,000	2,100	2,471,000	(568,400)

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	508,086,000	(10,744,900)	0	0
Employment and Training	11,935,000	(349,000)	0	0
Labor Standards	16,122,000	1,951,500	11,593,000	1,022,000
Occupational Safety and Health	25,170,000	933,000	12,149,000	494,900
Unemployment Insurance Benefit Fund	4,837,100,000	1,551,500,000	0	0
Total	5,398,413,000	1,543,290,600	23,742,000	1,516,900

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	508,086,000	(10,744,900)
Employment and Training	0	0	11,935,000	(349,000)
Labor Standards	4,529,000	929,500	0	0
Occupational Safety and Health	13,021,000	438,100	0	0
Unemployment Insurance Benefit Fund	0	0	4,837,100,000	1,551,500,000
Total	17,550,000	1,367,600	5,357,121,000	1,540,406,100

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	4,690,700	4,691,000	300
Special Revenue Funds - Federal	312,360,200	353,308,000	40,947,800
Special Revenue Funds - Other	245,000	245,000	0
Total	317,295,900	358,244,000	40,948,100

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Employment and Training			
General Fund	4,690,700	4,691,000	300
Special Revenue Funds - Federal	312,360,200	353,308,000	40,947,800
Occupational Safety and Health			
Special Revenue Funds - Other	245,000	245,000	0
Total	317,295,900	358,244,000	40,948,100

OFFICE OF REAL PROPERTY SERVICES

MISSION

The Office of Real Property Services is charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration in accordance with constitutional provisions for the supervision, review and equalization of local assessments for purposes of taxation.

ORGANIZATION AND STAFFING

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is the responsibility of an Executive Director appointed by the Board. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget will support a staffing level of 441 positions for the Office of Real Property Services. State tax dollars from the General Fund will support 71 percent of these positions, with the remaining 29 percent supported by various fees.

General Fund appropriations of \$20.3 million will finance 55 percent of the Office's \$37.1 million operating budget in 2002-03. The remaining agency operations are supported by the following three revenue accounts: the Improvement of Real Property Tax Administration Account; the Industrial and Utility Services Account; and the Local Services Account. These accounts are funded from the State's share of the real property transfer recording fee, chargebacks for assessments made on industrial, utility and railroad property and charges for miscellaneous consulting and computing services.

Budget recommendations for the Office of Real Property Services for 2002-03 include:

- State aid of \$7.4 million for local administration of the School Tax Relief (STAR) program, and \$1.7 million for the State's administrative responsibilities; and
- State Aid of \$7.6 million for financial incentives for local governments to improve assessment administration through various programs that include annual updates of assessment rolls pursuant to the higher standards enacted in 1999.

PROGRAM HIGHLIGHTS

The Office of Real Property Services is involved with all State-level responsibilities relating to the real property tax, which represents the largest revenue source for counties, towns, villages, school districts and other municipalities. Accordingly, the Office has programs to establish equalization rates which are used to estimate the full market value of taxable real property in each municipality, to provide policy guidance as well as technical and financial assistance to local assessing units, and to assist other State agencies with information and administrative support in areas that relate to property tax policy or administration.

EQUALIZATION OF MUNICIPAL FULL VALUE

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. However, every assessing unit is required to indicate its assessment ratio — i.e., the ratio of the assessed value to the full value of properties — on

REAL PROPERTY SERVICES

the assessment roll and tax bills. Using audit procedures and statistical tests on sample data, the Office of Real Property Services verifies the accuracy of the assessment ratio stated annually by each of the approximately 1,000 assessing units (i.e., cities, towns and the counties of Nassau and Tompkins). If the assessment ratio provided by a local assessor is determined to be accurate, it is established as the State equalization rate for that assessing unit; otherwise, the Office prepares an independent estimate of the local assessment ratio which will be established as the equalization rate.

By adhering to statewide standards, the Office ensures that equalization rates can be used to estimate full values of properties in a consistent manner. Full value estimates are necessary to distribute taxes for counties and school districts when tax levies are based upon assessments by more than one assessing unit. They are also used as indicators of local fiscal capacity for several purposes, including allocation of State aid.

Increased coordination between the Office and local assessing units, as well as improvements in local assessment and reporting practices, has resulted in several notable enhancements in the equalization program. Recent accomplishments include the following:

- In 2001, the assessment ratios supplied by 35 percent of local assessors were adopted without change as State equalization rates and that rate of adoption is expected to increase to more than 60 percent in 2002;
- Preparation of equalization rates has been accelerated so that more than 90 percent of the school districts can now use current equalization rates for school tax levy, instead of using modified rates from prior years. By 2003, current rates will be available to all school districts in the State;
- The number of complaints on preliminary equalization rates by local officials has dropped, resulting in reduced cost for hearing rate complaints and better State-local relations. Fewer than 50 local governments filed complaints in 2001, compared to 350 a decade ago;
- The Office now relies solely on residential sales data for equalization in nearly half of the assessing units, thus reducing the need for costly appraisals by State employees; and
- Cost of the equalization program has been reduced from more than \$17 million in 1994-95 to \$14 million in 2001-02.

ASSISTANCE AND SERVICES TO LOCAL GOVERNMENTS

Since many municipal assessing units are very small-scale operations, local property tax administrators are dependent on technical assistance provided by the Office of Real Property Services. Centralized assistance to assessors and taxing jurisdictions includes administrative, legal and other technical services. In helping municipalities, the Office works closely with county offices of real property tax services, many of which have developed programs for coordinating reassessment projects on a countywide basis.

In furthering the State-local partnership in property tax administration, the Office also administers various State aid programs in support of local assessment administration, including:

- Annual aid of up to \$5 per parcel for assessing units that meet State standards that include annual revisions of assessments and comprehensive re-inventory and revaluation at least once every six years;
- Consolidation aid providing a one-time financial incentive of up to \$7 per parcel to encourage cost-efficiency through the coordination of assessment functions performed by two or more assessing units;
- Assessor training aid to reimburse local assessment officials (including assessors and county directors of property tax services) for their cost of attending State-mandated training courses;
- STAR administration aid to ensure that localities are compensated for their workload associated with the administration of the State's school tax relief program;

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- Software support which includes the development, maintenance, training and consulting relating to a state-of-the-art software program to facilitate cost-efficient administration of local property taxes; and
- Advisory appraisals for certain complex properties — such as utilities and large manufacturing plants — which require highly specialized resources that are not available to most local assessors.

These State aid programs have been a catalyst for enhancing the equity and cost-efficiency of local property tax administration throughout the State. According to recent data, nearly two-thirds of the State's assessing units prepare assessment rolls that are reasonably equitable and current. Additionally, since the introduction of consolidation aid in 1994, 85 towns in 21 counties have come together to form 37 coordinated assessment programs.

OTHER SERVICES AND RESPONSIBILITIES

The Office of Real Property Services maintains inventory and valuation data on approximately 4 million acres of State-owned land and conservation easements that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas.

Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	38,501,000	37,093,400	(1,407,600)	0
Aid To Localities	18,600,000	15,300,000	(3,300,000)	0
Capital Projects	0	0	0	0
Total	<u>57,101,000</u>	<u>52,393,400</u>	<u>(4,707,600)</u>	<u>0</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Policy and Organizational Support Services			
General Fund	198	192	(6)
Special Revenue Funds - Other	47	46	(1)
Regional Operations			
General Fund	120	120	0
Special Revenue Funds - Other	81	80	(1)
School District Income Verification			
General Fund	5	3	(2)
Total	<u>451</u>	<u>441</u>	<u>(10)</u>

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
General Fund	22,091,000	20,291,000	(1,800,000)
Special Revenue Funds - Other	16,410,000	16,802,400	392,400
Total	<u>38,501,000</u>	<u>37,093,400</u>	<u>(1,407,600)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Policy and Organizational Support Services			
General Fund	15,414,000	13,614,000	(1,800,000)
Special Revenue Funds - Other	4,482,000	4,788,100	306,100
Regional Operations			
General Fund	6,431,000	6,431,000	0
Special Revenue Funds - Other	11,928,000	12,014,300	86,300
School District Income Verification			
General Fund	246,000	246,000	0
Total	<u>38,501,000</u>	<u>37,093,400</u>	<u>(1,407,600)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Policy and Organizational Support Services	9,363,000	0	9,363,000	0
Regional Operations	6,342,300	0	6,342,300	0
School District Income Verification	195,000	0	195,000	0
Total	<u>15,900,300</u>	<u>0</u>	<u>15,900,300</u>	<u>0</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Policy and Organizational Support Services	4,251,000	(1,800,000)	253,100	0
Regional Operations	88,700	0	70,160	0
School District Income Verification	51,000	0	0	0
Total	<u>4,390,700</u>	<u>(1,800,000)</u>	<u>323,260</u>	<u>0</u>

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Policy and Organizational Support Services	368,200	0	1,234,600	0
Regional Operations	18,540	0	0	0
Total	<u>386,740</u>	<u>0</u>	<u>1,234,600</u>	<u>0</u>

<u>Program</u>	<u>Equipment</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Policy and Organizational Support Services	695,100	0	1,700,000	(1,800,000)
School District Income Verification	51,000	0	0	0
Total	<u>746,100</u>	<u>0</u>	<u>1,700,000</u>	<u>(1,800,000)</u>

REAL PROPERTY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	4,788,100	306,100	2,903,500	0
Regional Operations	12,014,300	86,300	4,474,000	0
Total	16,802,400	392,400	7,377,500	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	1,884,600	306,100	0	0
Regional Operations	6,540,300	86,300	1,000,000	0
Total	8,424,900	392,400	1,000,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	18,600,000	15,300,000	(3,300,000)
Total	18,600,000	15,300,000	(3,300,000)

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Policy and Organizational Support Services	18,600,000	15,300,000	(3,300,000)
General Fund	18,600,000	15,300,000	(3,300,000)
Total	18,600,000	15,300,000	(3,300,000)

STATE UNIVERSITY OF NEW YORK

MISSION

Created in 1948, the State University of New York is the largest public university system in the nation with 64 campuses offering a complete range of academic, professional and vocational programs. The State University system is uniquely positioned to provide New Yorkers with post-secondary educational programs of the highest quality and with the broadest possible access.

ORGANIZATION AND STAFFING

The three major components of the State University's mission — teaching, public service and research — are carried out by:

- Eight campuses (including four health science centers) offering academic programs through the doctoral level and serving as research centers;
- Fourteen comprehensive colleges providing undergraduate education in a variety of academic fields;
- Seven colleges of technology focusing on the development of a workforce with the advanced skills required by an increasingly technology-dependent economy;
- Five statutory and contract colleges at Alfred and Cornell universities that offer nationally acclaimed programs in ceramics, veterinary medicine, agriculture and life sciences, industrial and labor relations, and human ecology; and
- Thirty community colleges offering access to a wide array of higher education opportunities that prepare students for transfer to senior colleges or train them for a variety of technical or paraprofessional occupations.

The University is governed by a Board of Trustees consisting of 16 members, with 15 appointed by the Governor to staggered seven-year terms and approved by the Senate, and one ex-officio trustee representing the student assembly of the State University. The Board oversees the operations of the University's State-operated campuses and also exercises general supervisory authority over the community colleges, which are sponsored by local governments and governed by local boards of trustees.

The chief executive officer of the University is the Chancellor who is appointed by, and serves at the pleasure of, the Board of Trustees. Individual college presidents are also appointed by, and serve at the pleasure of, the Board.

The State University's operating budget supports an estimated 35,600 full-time equivalent positions consisting of 22,000 positions that are supported through a combination of State tax dollars and tuition revenues and 13,600 positions supported by other funds. Community college staff are not included in these totals as they are not employees of the State.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

STATE-OPERATED COLLEGES

The 2002-03 Executive Budget recommends nearly \$4.2 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to over \$1.2 billion in support from the General Fund (\$1.1 billion for operations and \$122 million for certain fringe benefit costs), the University's budget includes nearly \$3 billion in activities funded by other revenues. Revenue-generating entities and programs include: three teaching hospitals at Brooklyn, Stony Brook and Syracuse; the Long Island Veterans' Home administered by the Stony Brook Health Science Center; dormitory operations; food services; and tuition-supported activities, including summer session and overseas academic studies.

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The State University's general operating budget for the 2002-03 academic year is \$1.769 billion, reflecting essentially the same level of funding as in 2001-02. The Budget ensures sufficient resources are available to maintain essential academic programs and services and anticipates that the University will continue to improve its overall cost-efficiency. The campuses also have the ability to supplement their operating budget funds from tuition revenues generated by student enrollment growth. For the seventh year in a row, the Budget anticipates no increase in existing undergraduate resident tuition rates.

For 2002-03, Federal appropriations totaling nearly \$163 million will support the Pell grant program and various other student financial aid programs, while fiduciary fund appropriations totaling \$58 million support low-interest loans to needy students and the expenditure of earnings on SUNY endowment funds.

SUNY HOSPITALS

The SUNY hospitals, like other teaching hospitals across the nation, have experienced financial pressures caused, in large part, by reductions in Medicare payments and the growth of managed care. The fiscal challenges facing the SUNY hospitals have been further exacerbated by their inability to respond quickly to changing marketplace demands due to their State agency status.

Although the SUNY hospitals were given additional tools in 1998 to improve their competitiveness and enhance their revenues, even greater flexibility is needed to ensure that the SUNY hospitals are able to achieve self-sufficiency. Accordingly, legislation accompanying this budget again proposes specific flexibility measures to promote improved hospital cost-efficiency.

The 2002-03 Budget continues the appropriation structure enacted last year for the SUNY hospitals. All hospitals' spending is now appropriated in one account with the hospitals being responsible for direct payment of their fringe benefit and debt service costs. Under this appropriation structure, the SUNY hospitals will continue to be directly accountable for operating within their available revenues, including a fixed State subsidy amount.

The State subsidy for the SUNY hospitals — which recognizes costs attributable to their State agency status — is maintained at \$92 million for 2002-03. The State will also make a second payment of \$13 million as its share of a multi-year effort by the SUNY hospitals and the State to address the accumulated hospital deficit.

COMMUNITY COLLEGES

SUNY community colleges have three primary funding sources — State aid, support from local sponsors and tuition revenue. Recommended State operating aid of \$321.8 million includes a net increase of \$3.8 million which reflects increased funding for community college enrollment growth.

The overall year-to-year funding for community colleges is a net increase of \$1.3 million when also factoring in the elimination of remaining payments for the Fashion Institute of Technology (FIT) chargeback reimbursement program (\$3.1 million), and a modest increase for rental aid. Components of State aid include: basic operating aid (\$321.8 million), rental aid (\$5.6 million), child care (\$1.0 million) and workforce training (\$1.0 million).

CORNELL COOPERATIVE EXTENSION

County cooperative extension associations — funded by State, county and Federal contributions — provide specialized information and assistance in community development, agricultural technology, 4-H youth development, and consumer and family education. The Executive Budget recommends nearly \$3.9 million in continued State support for this program.

CAPITAL

The 2002-03 Budget recommendations represent the fifth year of the Governor's Multi-Year Capital Investment Program that provides over \$2 billion for facility and infrastructure improvements at SUNY State-operated and community college campuses, consistent with needs and priorities established by the University. The Budget also includes \$135 million in new appropriation authority for the second year of a multi-year, self-funded capital improvement program for SUNY's residence halls. The new \$20 million appropriation authority for the SUNY Capital Projects Fund program will enable SUNY to spend dollars received from non-State sources — such as grants or donations — for capital improvement.

For 2002-03, the capital recommendations for State-operated and community colleges total nearly \$494 million, including nearly \$409 million in bonded projects and \$85 million in hard dollar capital funding for academic and other facilities. Within overall bonded funding, \$374 million is provided for State-operated campuses, consisting of \$239 million for educational facilities and SUNY hospitals and \$135 million for residence hall projects. Recommended capital spending will address critical health, safety and preservation needs, as well as the construction and renovation of facilities necessary to meet the educational mission of the University.

Community college capital projects are funded through State aid and direct sponsor support. Recommendations for 2002-03 total \$40 million, including \$35 million in high priority bonded projects for which financial commitments have already been obtained from local sponsors. The remaining \$5 million will fund hard dollar projects addressing critical health, safety and preservation issues.

PROGRAM HIGHLIGHTS

The State University of New York is the nation's largest comprehensive public university, offering 5,600 degree programs at the research universities, community colleges, medical schools and colleges of technology that comprise its 64 campuses. The State University enrolls over 40 percent of college-bound students graduating from New York State high schools. More than 382,000 full-time and part-time SUNY students — 197,400 at State-operated campuses and 185,200 in community colleges — are pursuing studies ranging from one-year certificate programs to a doctorate.

More than ever before, the University is focusing its attention on the pursuit of educational excellence and academic achievement. SUNY has completed a comprehensive review of the academic missions and goals of each of its 64 institutions, from community colleges to university centers. This effort has established individual goals for campuses in terms of enrollment, student mix, retention and graduation rates, research, and other key indicators of institutional vitality and success. The University implemented a new general education curriculum in the Fall of 2000, and is continuing its efforts to facilitate student transfer from SUNY community colleges to baccalaureate level institutions.

The State University is also working to raise the profile and volume of the scholarly research conducted by its faculty, and is more aggressively seeking Federal and other external support for research. As a result, the University's sponsored research grew 6.5 percent in 2000-01.

The University's initiatives in the area of technology have placed it at the forefront of higher educational institutions across the nation with 15 of SUNY campuses recognized as being among the "most wired" campuses in the nation. Also receiving recognition as a national leader in online learning, the SUNY Learning Network has received the "2001 EDUCAUSE Award for Systemic Progress in Teaching and Learning." This award recognizes programs supporting "learner-centered teaching" in sustainable and replicable ways. Created in 1995, the SUNY Learning Network enrolls more than 25,000 students who can choose from 1,500 courses and more than 40 online degree programs. Additionally,

STATE UNIVERSITY

SUNY Connect is an innovative project which will electronically tie together all the University's library resources, creating a single University-wide "virtual library" that can be accessed anytime, anywhere, at the touch of a computer key pad.

The State University's 30 locally sponsored community colleges serve as an essential source of skilled employees and play a critical role in the State's efforts to attract and retain businesses seeking an able workforce. Through their policy of open admissions, the community colleges also ensure access to post-secondary education. SUNY has recently established a three-year strategic plan to strengthen the University's 30 community colleges. The goals of the strategic plan are to achieve greater efficiency by coordinating and facilitating system-wide activities, achieving broader recognition and promotion of the SUNY community colleges, developing the role of SUNY community colleges in workforce and economic development, expanding a common framework for joint program development and delivery, and ensuring performance effectiveness and measurable outcomes.

From the curriculum and instruction in its classrooms, research in its laboratories, support from its alumni and its appeal to a growing number of college-bound students, the State University continues to elevate its ranking among the nation's finest public universities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,854,780,200	4,198,835,000	344,054,800	23,000,000
Aid To Localities	331,985,000	333,318,000	1,333,000	0
Capital Projects	185,000,000	155,000,000	(30,000,000)	1,908,565,000
Total	4,371,765,200	4,687,153,000	315,387,800	1,931,565,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,215,915,200	1,223,279,000	7,363,800
Special Revenue Funds - Federal	148,650,000	162,975,000	14,325,000
Special Revenue Funds - Other	2,426,415,000	2,747,281,000	320,866,000
Internal Service Funds	6,000,000	7,500,000	1,500,000
Fiduciary Funds	57,800,000	57,800,000	0
Total	3,854,780,200	4,198,835,000	344,054,800

Adjustments:

Prior Year Deficiency	
State University of New York	
Special Revenue Funds - Other	96,800,000
Recommended Deficiency	
State University of New York	
General Fund	(4,800,000)
Special Revenue Funds - Federal	(10,000,000)
Transfer(s) From	
Special Pay Bill	
General Fund	(4,854,000)
Transfer(s) To	
General State Charges	
General Fund	5,460,000
Appropriated 2001-02	3,937,386,200

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AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	331,985,000	333,318,000	1,333,000
Total	331,985,000	333,318,000	1,333,000
Adjustments:			
Recommended Deficiency			
State University of New York			
General Fund	(3,500,000)		
Appropriated 2001-02	328,485,000		

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	98,938,000
Capital Projects Fund - Advances	0	0	0	1,152,301,000
Program Changes - Expansion and Improvements				
Capital Projects Fund - Advances	0	0	0	0
State University Capital Projects Fund				
State University Capital Projects Fund	0	20,000,000	20,000,000	114,626,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	185,000,000	135,000,000	(50,000,000)	247,794,000
Subtotal	185,000,000	155,000,000	(30,000,000)	1,613,659,000
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	23,907,000
Capital Projects Fund - Advances	0	0	0	251,333,000
State University Residence Hall Rehabilitation Fund				
Capital Projects Fund - Advances	0	0	0	0
New Facilities				
Capital Projects Fund - Advances	0	0	0	19,666,000
Subtotal	0	0	0	294,906,000
Total	185,000,000	155,000,000	(30,000,000)	1,908,565,000

STATE UNIVERSITY CONSTRUCTION FUND

MISSION

The State University Construction Fund is a public benefit corporation established in 1962 to serve as the construction agent for academic buildings, dormitories and other facilities at State-operated institutions and statutory colleges under the jurisdiction of the State University of New York (SUNY). Consistent with the State University's approved Master Capital Construction Plan, the Fund oversees construction, acquisition, reconstruction and rehabilitation or improvement of such facilities.

ORGANIZATION AND STAFFING

The Fund is administered by a Board of Trustees consisting of three members appointed by the Governor, one of whom must be a State University Trustee. Members other than the State University Trustee are confirmed by the Senate. The Board appoints a General Manager who serves as chief administrative officer of the agency.

The agency's workforce for 2002-03 is maintained at 113 positions. The Fund's positions are supported entirely from proceeds of revenue bonds issued to finance the construction and reconstruction of academic facilities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommendation of \$10.8 million from proceeds of State University Educational Facilities Revenue bonds will enable the Fund to continue the implementation of SUNY's Capital Investment Program.

PROGRAM HIGHLIGHTS

The 1998-99 Budget authorized a \$2 billion investment in the infrastructure and facilities of the State University of New York system. This strategic infrastructure investment will enable the State University to remain competitive well into the 21st century. The recommended appropriation levels and bonding authority are sufficient to allow the University to continue the comprehensive multi-year construction program that addresses both the current and future capital needs of the University.

As of March 31, 2001, the Fund has completed more than 4,300 academic, dormitory and dining hall capital projects with a replacement value exceeding \$12.7 billion. During the 2000-01 fiscal year, the Fund initiated the design of 109 projects for a total value of \$188 million and began construction of 36 projects at an estimated cost of \$100 million.

In addition to design and construction of new and rehabilitated academic facilities, other key agency functions include:

- Preparation and development of the State University's Master Capital Construction Plan, as well as master plans for individual campuses.
- Preparation of the State University's annual capital budget request and facility program.
- Development and maintenance of energy conservation and telecommunications programs.
- Development and maintenance of online interactive data processing systems on space and property inventories, real property, State building codes, and other related plant management functions.
- Management and administration of University-wide programs including minor rehabilitation and other programs.

STATE UNIVERSITY CONSTRUCTION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	10,837,000	10,837,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>10,837,000</u>	<u>10,837,000</u>	<u>0</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	10,837,000	10,837,000	0
Total	<u>10,837,000</u>	<u>10,837,000</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	10,837,000	10,837,000	0
Total	<u>10,837,000</u>	<u>10,837,000</u>	<u>0</u>

OFFICE OF WELFARE INSPECTOR GENERAL

MISSION

The Office of Welfare Inspector General was established in 1992 to prevent, investigate, and prosecute public assistance fraud. The Agency acts on allegations that welfare recipients are dishonestly receiving benefits for which they are not eligible, or that Medicaid, day care or other providers or administrators of services are accepting payments fraudulently.

In carrying out its responsibilities, the Office works closely with the Office of Temporary and Disability Assistance, local social services districts, the Office of Children and Family Services, the Department of Health and the Department of Law.

ORGANIZATION AND STAFFING

The Office is headed by the Welfare Inspector General who is appointed for a five-year term by the Governor with the advice and consent of the Senate. In addition to the Inspector General, personnel include a Deputy Inspector General, a Chief Investigator, staff attorney, fraud investigators and administrative support staff. The Welfare Inspector General's statewide operations are administered from New York City, and a field office in Albany.

The Office will have 11 full-time equivalent positions for 2002-03, which is consistent with 2001-02 staffing levels.

BUDGET HIGHLIGHTS

The 2002-03 General Fund support for the Office of Welfare Inspector General is \$713,000. Approximately 65 percent of the Office's operations are supported by the General Fund and the remaining 35 percent are supported by funds the Agency receives from the Federal government for fraud investigations related to welfare, Food Stamps and Medicaid.

PROGRAM HIGHLIGHTS

The Office of Welfare Inspector General is pursuing an aggressive anti-fraud campaign supported, in part, by provisions of the State Welfare Reform Act of 1997 which provided more effective tools to combat welfare fraud.

The Office annually receives hundreds of complaints about alleged welfare fraud originating from citizens, government agencies, or the Office's own related investigations. Fraud investigations generate savings for the State, local and Federal governments by uncovering unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to welfare recipients. The Office of Welfare Inspector General completes hundreds of new investigations each year which substantiate allegations of some form of fraudulent activity by a member of a household receiving welfare.

In addition to these investigations of individual welfare recipients, the Office completes investigations to uncover patterns of abuse within the welfare system including investigations of internal corruption within social services districts and welfare contractors. The Office works with the Department of Law to strengthen welfare fraud prosecution and also acts directly through its prosecutions unit. In addition to fraud investigations, the Office's activities include making recommendations to the Department of Family Assistance and county and New York City social services offices so that welfare programs and services are more effectively administered throughout the State.

WELFARE INSPECTOR GENERAL

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	992,000	1,083,000	91,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	992,000	1,083,000	91,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Welfare Inspector General, Office of the General Fund	11	11	0
Total	11	11	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	622,000	713,000	91,000
Special Revenue Funds - Other	370,000	370,000	0
Total	992,000	1,083,000	91,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Welfare Inspector General, Office of the General Fund	622,000	713,000	91,000
Special Revenue Funds - Other	370,000	370,000	0
Total	992,000	1,083,000	91,000

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the Total	770,000	(18,000)	770,000	(18,000)
	770,000	(18,000)	770,000	(18,000)

WELFARE INSPECTOR GENERAL

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
 SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
 APPROPRIATIONS AND CHANGES
 2002-03 RECOMMENDED
 (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	313,000	109,000	31,000	0
Total	<u>313,000</u>	<u>109,000</u>	<u>31,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	14,000	0	266,000	109,000
Total	<u>14,000</u>	<u>0</u>	<u>266,000</u>	<u>109,000</u>

Program	Equipment	
	Amount	Change
Welfare Inspector General, Office of the	2,000	0
Total	<u>2,000</u>	<u>0</u>

***HEALTH,
MENTAL HYGIENE
AND ENVIRONMENTAL
CONSERVATION***

ADIRONDACK PARK AGENCY

MISSION

The Adirondack Park Agency (APA) was established in 1971 to “insure the optimum overall conservation, protection, development and use of the unique scenic, aesthetic, wildlife, recreational, open space, ecological and natural resources of the Adirondack Park.” The Park itself was created in 1892, and contains six million acres of publicly and privately owned lands.

ORGANIZATION AND STAFFING

The APA is governed by an 11-member board, including the Commissioners of Environmental Conservation and Economic Development, and the Secretary of State. The other members, five of whom must be Park residents, are nominated by the Governor with Senate confirmation. The principal functions of the APA are:

- Reviewing and issuing permits for private and State land-use projects, consistent with the Adirondack Park State Land Master Plan and the Adirondack Park Private Land Use and Development Plan, and for certain activities on or near fresh water wetlands, pursuant to the 1975 Freshwater Wetlands Act;
- Analyzing and developing policy to further the goals for which the agency was established;
- Helping local governments develop land use plans and providing technical expertise;
- Administering the State’s Wild, Scenic and Recreational River System; and
- Operating two Visitor Interpretive Centers: one near Paul Smith’s College, Franklin County, and one in Newcomb, Essex County, at which visitors can better understand and appreciate the Park’s resources.

APA’s responsibilities are carried out by the following divisions: Planning, which handles local and regional land use policy issues; Counsel’s Office, which provides legal advice to all Agency functions and oversees jurisdictional determinations and enforcement functions; Regulatory, which performs the Agency’s permitting function; Interpretive, which operates the Visitor Centers; Resource Analysis, which conducts scientific research of the ecology of the Adirondacks; Economic Services, which assists project sponsors in the review process; and Local Government Services, which provides technical expertise and assistance to communities. For 2002-03, the APA will have a workforce of 64 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency’s 2002-03 operating costs will be funded with State tax dollars and Federal grant moneys. The Executive Budget recommends funding of \$4.2 million in General Fund support for the Agency’s operations, \$700,000 in Federal funds for the New York State Scenic Byways Program project to enhance the Route 73 corridor, and \$200,000 for Wetland mapping within the Adirondack Park. The Agency’s 2002-03 capital infrastructure needs will be addressed by a \$1.5 million capital appropriation to be suballocated from the Department of Environmental Conservation to address health and safety and building access needs at APA’s administrative headquarters in Ray Brook. This overall recommendation will support the Agency’s core regulatory functions and the operation of the Visitor Interpretive Centers at Newcomb and Paul Smith’s.

In addition, the Executive Budget recommends General Fund support of \$50,000 for the Adirondack Park Local Government Review Board. The Board advises and assists the APA in carrying out its responsibilities and monitors the implementation of the Adirondack Park Land Use and Development Plan.

ADIRONDACK PARK

PROGRAM HIGHLIGHTS

Since 1995-96, the Agency has worked to achieve a balance between strong environmental protection and sustainable economic development opportunities for the residents of the Adirondack Park. The Agency's priorities for the future include continued updating of the Agency's rules and regulations, facilitating the development of land use plans by local governments, providing local governments with technical expertise and training, working toward completing Unit Management Plans for the State lands of the Adirondack Park and improving resource data base information to better protect the resources of the Adirondack Park.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	4,295,000	5,137,000	842,000	764,000
Aid To Localities	50,000	50,000	0	0
Capital Projects	0	0	0	0
Total	4,345,000	5,187,000	842,000	764,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	64	64	0
Total	64	64	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	4,295,000	4,237,000	(58,000)
Special Revenue Funds - Federal	0	900,000	900,000
Total	4,295,000	5,137,000	842,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	4,295,000	4,237,000	(58,000)
Special Revenue Funds - Federal	0	900,000	900,000
Total	4,295,000	5,137,000	842,000

ADIRONDACK PARK

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,675,000	(58,000)	3,531,800	(58,000)
Total	<u>3,675,000</u>	<u>(58,000)</u>	<u>3,531,800</u>	<u>(58,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	139,500	0	3,700	0
Total	<u>139,500</u>	<u>0</u>	<u>3,700</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	562,000	0	83,500	0
Total	<u>562,000</u>	<u>0</u>	<u>83,500</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	44,500	0	409,900	0
Total	<u>44,500</u>	<u>0</u>	<u>409,900</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Administration	24,100	0
Total	<u>24,100</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Administration	900,000	900,000	900,000	900,000
Total	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	50,000	50,000	0
Total	<u>50,000</u>	<u>50,000</u>	<u>0</u>

ADIRONDACK PARK

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	50,000	50,000	0
Total	<u>50,000</u>	<u>50,000</u>	<u>0</u>

OFFICE OF ADVOCATE FOR PERSONS WITH DISABILITIES

MISSION

The primary mission of the Office of Advocate for Persons with Disabilities (APD) is to promote the inclusion of persons with disabilities in all aspects of community life. The Agency ensures that persons with disabilities are afforded the opportunity to exercise the full range of the rights and responsibilities accorded to all residents of New York State. In addition, APD plays an active role in developing innovative opportunities and supports that respond to the needs of New Yorkers with disabilities.

ORGANIZATION AND STAFFING

Headed by the State Advocate who is appointed by the Governor, the Agency is headquartered in Albany. APD will have a workforce of 17 positions for 2002-03. Approximately 71 percent of these positions are paid by State tax dollars from the General Fund and 29 percent are financed by Federal grants and other funding sources.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 All Funds Executive Budget recommendation of more than \$1.5 million maintains APD's ability to disseminate comprehensive information on services and programs available to persons with disabilities and to collaborate with other agencies, businesses and organizations to increase the effectiveness of public and private sector services.

PROGRAM HIGHLIGHTS

APD operates a statewide clearinghouse through which individuals can access information and obtain referrals to a variety of disability-related services. Key components of the system are a statewide telephone hotline (800-522-4369) and a website (www.advoc4disabled.state.ny.us). It is anticipated that more than 70,000 individuals will utilize these services in 2002-03.

The Agency's federally funded Technology-Related Assistance for Individuals with Disabilities (TRAID) Project supports a statewide system that helps New Yorkers with disabilities access technology devices and services to strengthen their ability to participate in the mainstream workplace and community. This program is coordinated through an Interagency Partnership on Assistive Technology and 13 Regional TRAIID Centers at 15 sites. During 2001, these Regional TRAIID Centers provided awareness training, device demonstrations, information, education, and referrals to over 21,500 persons with disabilities.

APD has received increased Disability and Business Technical Assistance Center grant funding to expand their comprehensive education, public awareness, and technical assistance programs which promote increased voluntary compliance with the Americans with Disabilities Act (ADA). Training activities for 2002-03 will continue to focus on accessibility requirements for local code enforcement personnel, architects, and engineers, in addition to customizing technical assistance for individuals, employers, and State agencies.

ADVOCATE FOR PERSONS WITH DISABILITIES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,590,000	1,585,000	(5,000)	500,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>1,590,000</u>	<u>1,585,000</u>	<u>(5,000)</u>	<u>500,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Advocate for the Disabled			
General Fund	12	12	0
Special Revenue Funds - Federal	4	4	0
Fiduciary Funds	1	1	0
Total	<u>17</u>	<u>17</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,030,000	965,000	(65,000)
Special Revenue Funds - Federal	460,000	460,000	0
Enterprise Funds	25,000	25,000	0
Fiduciary Funds	75,000	135,000	60,000
Total	<u>1,590,000</u>	<u>1,585,000</u>	<u>(5,000)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Advocate for the Disabled			
General Fund	1,030,000	965,000	(65,000)
Special Revenue Funds - Federal	460,000	460,000	0
Enterprise Funds	25,000	25,000	0
Fiduciary Funds	75,000	135,000	60,000
Total	<u>1,590,000</u>	<u>1,585,000</u>	<u>(5,000)</u>

ADVOCATE FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Advocate for the Disabled	852,000	(68,000)	846,000	(68,000)
Total	852,000	(68,000)	846,000	(68,000)

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>
Advocate for the Disabled	6,000	0
Total	6,000	0

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Advocate for the Disabled	113,000	3,000	18,000	0
Total	113,000	3,000	18,000	0

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Advocate for the Disabled	23,000	0	69,900	3,000
Total	23,000	0	69,900	3,000

<u>Program</u>	<u>Equipment</u>	
	<u>Amount</u>	<u>Change</u>
Advocate for the Disabled	2,100	0
Total	2,100	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Advocate for the Disabled	620,000	60,000	620,000	60,000
Total	620,000	60,000	620,000	60,000

STATE OFFICE FOR THE AGING

MISSION

The New York State Office for the Aging is responsible for promoting, coordinating and administering State, Federal and local programs and services for 3.2 million New Yorkers aged 60 or older. The Office provides leadership and direction to 59 Area Agencies on Aging, as well as to numerous other local programs and providers that comprise the network of services to the aged.

ORGANIZATION AND STAFFING

The State Office for the Aging is headed by a Director and is composed of four divisions: Executive, Finance and Administration, Local Program Operations, and Policy and Program Development. The Office will have a workforce of 150 positions during 2002-03: 138 funded within the agency, and an additional 12 funded by other State agencies. Approximately 28 percent of Office operations are funded by the General Fund and the remaining 72 percent are financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends nearly \$183 million in State and Federal funds for the continued operations of the Office and support for community-based services for the elderly. Within the aging system, State support is used to match Older Americans Act and other Federal funding and establish a service-delivery network that attracts a variety of other public and private contributions. When combined, this results in total network spending of over \$388 million, excluding the value of volunteer labor which has been estimated at upwards of \$35 million.

PROGRAM HIGHLIGHTS

The full array of programs offered through the Office for the Aging are aimed at keeping seniors independent as long as possible by utilizing family and other informal caregivers, as well as through the limited use of formal support services. These community-based services help keep people healthy and in their homes and out of hospitals and nursing homes.

STATEWIDE COMMUNITY-BASED ASSISTANCE

The Community Services for the Elderly (CSE) program serves over 94,000 elderly statewide and supports a locally-coordinated continuum of support services designed to assist the elderly, their families and informal caregivers. The goal of the program is to maximize independence and reduce unnecessary reliance on institutional care.

Services available under this program include: case management, nutrition/meals, housekeeping/chore services, personal care, home health aide services, adult day services, transportation, minor renovations or the purchase of equipment for congregate facilities, and other individualized support services. CSE affords Area Agencies on Aging maximum flexibility in selecting which services to offer and/or expand. Strongly linked to local planning efforts, CSE provides a comprehensive array of services that will allow the State to continue to meet the changing needs of our growing elderly population.

The Expanded In-home Services for the Elderly Program (EISEP) provides non-medical in-home services, case management, respite and ancillary services to the frail elderly, most of whom are low income but not eligible for Medicaid. Recipients are required to cost-share, based on their annual income level, for EISEP program services received. Almost 33,000 persons are served under this program.

AGING

The Congregate Services Initiative (CSI) provides services in senior centers and other community settings including: counseling, transportation, support services for families/caregivers, volunteer and employment opportunities, and health promotion and disease prevention services.

NUTRITION SERVICES

Through a combination of State tax dollars and Federal grants, the State annually provides nearly 25.5 million congregate and home-delivered meals as well as other nutritional services to non-institutionalized frail elderly clients. These seniors are at risk of malnutrition because they are no longer able to obtain an adequate diet without assistance. The Office receives \$40 million in appropriation authority from Federal grants in support of congregate and home-delivered meals and another \$16 million to support the purchase of food. The State counterpart to these Federal programs — the Supplemental Nutrition Assistance Program (SNAP) — provides another \$17 million.

ASSISTANCE TO CAREGIVERS

An estimated 80 percent of the long-term care provided to older New Yorkers is provided by family members and other informal caregivers; sustaining this cost-effective, individualized support system for seniors is a key objective of the aging service system. The State Office for the Aging's 17 Caregiver Resource Centers assist caregivers through training programs, support groups, counseling, and linkages to other community services. Further, in SFY 2001-02, Governor Pataki implemented the new \$11.6 million Federal Caregivers Program in New York State which provides respite, training and counseling for caregivers, as well as other services that support an elderly person's ability to maximize their independence.

PARTNERSHIPS AND TARGETED PROGRAMS

The Office participates in a number of partnerships with businesses, foundations and not-for-profit organizations, and also coordinates programs targeted for special populations.

The term "Naturally Occurring Retirement Community" (NORC) describes a phenomenon experienced by certain housing complexes, cooperatives and apartment buildings where the population has "aged in place". The NORC Supportive Service Program delivers on-site services to an estimated 20,000 clients, thereby allowing residents to continue to remain independent. Fourteen such programs exist, with the State's public funds matched dollar for dollar by private contributions from the retirement communities themselves.

The Long-Term Care Ombudsman Program (LTCOP) supports the statewide advocacy of more than 750 trained volunteers on the behalf of the approximately 150,000 residents of New York State's nursing homes and adult care facilities. Under this program, the State Office for the Aging and community agencies receive, investigate and resolve a wide range of concerns and complaints regarding conditions and treatment in long-term care facilities, with the goal of ensuring the quality of life for residents.

Through its network of Area Agencies on Aging and local not-for-profit agencies, the Office also provides State grant funding for long-term respite care, the Retired and Senior Volunteer Program and the Foster Grandparent Program.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	13,666,000	13,187,000	(479,000)	9,324,000
Aid To Localities	161,400,000	169,500,000	8,100,000	96,350,000
Capital Projects	0	0	0	0
Total	175,066,000	182,687,000	7,621,000	105,674,000

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	14	0	(14)
Special Revenue Funds - Federal	47	0	(47)
Administration and Grants Management			
General Fund	0	42	42
Special Revenue Funds - Federal	0	108	108
Community Services			
General Fund	31	0	(31)
Special Revenue Funds - Federal	61	0	(61)
Total	153	150	(3)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	2,816,000	2,587,000	(229,000)
Special Revenue Funds - Federal	10,150,000	10,250,000	100,000
Enterprise Funds	200,000	100,000	(100,000)
Fiduciary Funds	500,000	250,000	(250,000)
Total	13,666,000	13,187,000	(479,000)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	1,322,000	0	(1,322,000)
Special Revenue Funds - Federal	2,700,000	1,400,000	(1,300,000)
Enterprise Funds	200,000	0	(200,000)
Administration and Grants Management			
General Fund	0	2,587,000	2,587,000
Special Revenue Funds - Federal	0	4,890,000	4,890,000
Enterprise Funds	0	100,000	100,000
Fiduciary Funds	0	250,000	250,000
Community Services			
General Fund	1,494,000	0	(1,494,000)
Special Revenue Funds - Federal	7,450,000	3,960,000	(3,490,000)
Fiduciary Funds	500,000	0	(500,000)
Total	13,666,000	13,187,000	(479,000)

AGING

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	(1,137,000)	0	(1,135,000)
Administration and Grants Management	2,269,000	2,269,000	2,261,000	2,261,000
Community Services	0	(1,324,000)	0	(1,315,000)
Total	2,269,000	(192,000)	2,261,000	(189,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	0	(2,000)
Administration and Grants Management	2,000	2,000	6,000	6,000
Community Services	0	(3,000)	0	(6,000)
Total	2,000	(1,000)	6,000	(2,000)

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	0	(185,000)	0	(18,000)
Administration and Grants Management	318,000	318,000	33,000	33,000
Community Services	0	(170,000)	0	(23,000)
Total	318,000	(37,000)	33,000	(8,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	0	(34,000)	0	(127,000)
Administration and Grants Management	60,000	60,000	218,000	218,000
Community Services	0	(30,000)	0	(114,000)
Total	60,000	(4,000)	218,000	(23,000)

Program	Equipment	
	Amount	Change
Administration	0	(6,000)
Administration and Grants Management	7,000	7,000
Community Services	0	(3,000)
Total	7,000	(2,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,400,000	(1,500,000)	1,300,000	(1,200,000)
Administration and Grants Management	5,240,000	5,240,000	3,660,000	3,660,000
Community Services	3,960,000	(3,990,000)	2,740,000	(2,460,000)
Total	10,600,000	(250,000)	7,700,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	100,000	(100,000)	0	(200,000)
Administration and Grants Management	1,230,000	1,230,000	350,000	350,000
Community Services	1,220,000	(1,030,000)	0	(500,000)
Total	2,550,000	100,000	350,000	(350,000)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	62,900,000	62,900,000	0
Special Revenue Funds - Federal	96,500,000	105,600,000	9,100,000
Fiduciary Funds	2,000,000	1,000,000	(1,000,000)
Total	161,400,000	169,500,000	8,100,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Community Services			
General Fund	62,900,000	62,900,000	0
Special Revenue Funds - Federal	96,500,000	105,600,000	9,100,000
Fiduciary Funds	2,000,000	1,000,000	(1,000,000)
Total	161,400,000	169,500,000	8,100,000

DEPARTMENT OF AGRICULTURE AND MARKETS

MISSION

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York food and agricultural industry for the benefit of producers and consumers. Over the next year, the Department will continue to carry out its major responsibilities for encouraging the growth and economic health of the State's agricultural and food industry and conducting various inspections and testing programs to enforce laws on food safety, animal and plant health, and accuracy of labeling. The Department will also continue to act to preserve agricultural resources, improve soil and water quality, and operate the annual State Fair in concert with the Industrial Exhibit Authority.

ORGANIZATION AND STAFFING

The Department will have a workforce of 592 positions for fiscal year 2002-03. The Agency is headquartered in Albany and maintains four regional offices located in Buffalo, Syracuse, Rochester and Brooklyn. Approximately 25 percent of the Department of Agriculture and Markets' operating programs are funded by tax dollars in the General Fund and the remaining 75 percent are financed by fees and Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends funding of more than \$127 million for the Department of Agriculture and Markets in 2002-03. The cost of operating the Department will be supported from a combination of funding sources:

- Tax dollars from the General Fund will provide \$25.6 million in 2002-03, or 25 percent of the Department's operating expenses;
- Fee revenues will produce \$56.4 million and support 55 percent of the Department's operating costs. These revenues include fees from activities such as licensing food processing operators, certifying weighing and measuring devices, and operation of the State Fair; and
- Federal funding of \$20.4 million finances the remaining 20 percent of the Department's operations.

This Budget continues \$1.1 million in funding to implement legislation enacted in 2000-01 requiring expanded inspections of retail food stores throughout the State. Continued funding of \$1.2 million will support the Department's efforts in the New York City region to locate and eradicate the Asian Longhorned Beetle, a pest which is deadly to hardwood trees. Recommendations also continue approximately \$4.4 million for 11 migrant child care centers, including operating costs of a new child care center for children of migrant farm workers to be located in Suffolk County. As in 2001-02, the Department will receive a \$2.5 million suballocation from the Office of Children and Family Services' Federal funding to expand these child care activities.

The Budget also recommends increases in fees charged for food processing establishment licenses, pet food brand registrations and weights and measures fees that will both serve to offset the Department's increased costs of oversight in these areas as well as provide for enhanced training and services to these industries.

Nearly \$600,000 is provided for capital projects to maintain, repair and rehabilitate the State Fair's 28 major buildings and other structures. The Executive Budget also recommends \$2 million for a capital special revenue fund to continue support for development of private partnerships at the State Fair. Funding from the 1996 Clean

AGRICULTURE AND MARKETS

Water/Clean Air Bond Act and the Environmental Protection Fund is also provided for Soil and Water Conservation Districts, non-point source pollution control and farmland preservation programs.

The Executive Budget recommends \$12.1 million from the General Fund for local assistance to continue and expand programs, which provide valuable services to the State's agricultural community. Included in these funds is \$1.3 million in continued resources to support agricultural economic development and farmland viability program activities. In addition, an increase of \$7.7 million in Federal appropriation authority will allow the Department to apply for Federal grants to fund Federal nutrition programs for senior citizens, animal health and food safety grants, including essential funding for the State Food Laboratory.

PROGRAM HIGHLIGHTS

The Agricultural Business Services program promotes the agricultural economy of the State and fosters the responsible use of resources to preserve agricultural land and the environment. These purposes are carried out through six divisions which:

- Inspect and test livestock, poultry and plants to control and eradicate diseases which can both cause severe economic losses for farmers and present a public health hazard;
- Oversee the activities of county soil and water conservation districts, direct the agricultural non-point source pollution control and farmland preservation grant programs, establish agricultural districts, administer agricultural product market orders and the Federal Farmers Market Coupon Program for low-income families, and collect and disseminate statistical agricultural information; and
- Exercise a variety of statutorily required activities involving the pricing and marketing of milk and milk products, and the licensing and bonding of milk and farm products dealers.

The Consumer Food Services program ensures that wholesome food products are sold to the consumer and that the industry and the public are protected from fraud, adulteration or malpractice in the production, processing, transportation and retailing of food and gasoline, and in the use of measuring devices. In carrying out these purposes, the program:

- Licenses and inspects over 28,000 businesses that produce, process, manufacture, or distribute food products, enforces labeling laws governing food represented as kosher, and grades farm products;
- Inspects and tests dairy products to enforce laws pertaining to milk and milk product sanitation and guards against harmful or misrepresented food; and
- Certifies and calibrates weighing and measuring devices and oversees the testing of motor fuels under the Motor Fuel Quality and Clean Air programs.

STATE FAIR

The Department and the Industrial Exhibit Authority together direct the New York State Fair and Fairgrounds, located in Syracuse. The Fairgrounds, a 365-acre complex, has 28 major exhibit buildings and 96 other structures. It is used for the annual 12-day State Fair, and its facilities are rented year-round for various shows and activities. The operating costs of the Fair and Fairgrounds are fully funded from admission, rental and concession fees. General Fund capital funding of \$600,000 is included in the budget to support costs of maintaining the Fair's facilities. In addition, a capital special revenue fund appropriation of \$2 million is recommended to allow the Fair to expand private partnerships and make capital improvements at the Fairgrounds.

AGRICULTURE AND MARKETS

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	88,030,900	102,442,600	14,411,700	30,863,000
Aid To Localities	22,300,900	22,102,000	(198,900)	34,070,700
Capital Projects	2,600,000	2,600,000	0	5,975,000
Total	<u>112,931,800</u>	<u>127,144,600</u>	<u>14,212,800</u>	<u>70,908,700</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	36	36	0
Agricultural Business Services			
General Fund	126	117	(9)
Special Revenue Funds - Federal	3	3	0
Special Revenue Funds - Other	42	42	0
Fiduciary Funds	8	8	0
Consumer Food Services			
General Fund	237	216	(21)
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	69	90	21
State Fair			
Enterprise Funds	58	58	0
Total	<u>601</u>	<u>592</u>	<u>(9)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	25,827,900	25,628,000	(199,900)
Special Revenue Funds - Federal	12,707,000	20,398,800	7,691,800
Special Revenue Funds - Other	29,965,000	35,588,800	5,623,800
Enterprise Funds	17,784,200	19,083,900	1,299,700
Fiduciary Funds	1,746,800	1,743,100	(3,700)
Total	<u>88,030,900</u>	<u>102,442,600</u>	<u>14,411,700</u>

Adjustments:

Recommended Deficiency	
Agriculture and Markets, Department of	
General Fund	(250,000)
Special Revenue Funds - Federal	(3,100,000)
Special Revenue Funds - Other	(3,700,000)
Enterprise Funds	(600,000)
Appropriated 2001-02	<u>80,380,900</u>

AGRICULTURE AND MARKETS

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,888,800	4,161,000	272,200
Agricultural Business Services			
General Fund	9,913,900	10,344,000	430,100
Special Revenue Funds - Federal	9,257,000	14,778,800	5,521,800
Special Revenue Funds - Other	20,756,700	22,502,300	1,745,600
Fiduciary Funds	1,746,800	1,743,100	(3,700)
Consumer Food Services			
General Fund	12,025,200	11,123,000	(902,200)
Special Revenue Funds - Federal	3,450,000	5,620,000	2,170,000
Special Revenue Funds - Other	9,208,300	13,086,500	3,878,200
State Fair			
Enterprise Funds	17,784,200	19,083,900	1,299,700
Total	<u>88,030,900</u>	<u>102,442,600</u>	<u>14,411,700</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,303,000	196,900	2,183,000	186,700
Agricultural Business Services	6,802,000	(64,100)	5,970,000	(117,800)
Consumer Food Services	10,256,000	(124,600)	9,852,000	(152,300)
Total	<u>19,361,000</u>	<u>8,200</u>	<u>18,005,000</u>	<u>(83,400)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	108,000	7,900	12,000	2,300
Agricultural Business Services	702,000	44,700	130,000	9,000
Consumer Food Services	120,000	8,100	284,000	19,600
Total	<u>930,000</u>	<u>60,700</u>	<u>426,000</u>	<u>30,900</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,858,000	75,300	30,000	900
Agricultural Business Services	3,542,000	494,200	243,000	8,100
Consumer Food Services	867,000	(777,600)	92,000	(74,200)
Total	<u>6,267,000</u>	<u>(208,100)</u>	<u>365,000</u>	<u>(65,200)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	31,000	400	1,797,000	74,000
Agricultural Business Services	478,000	1,200	2,349,000	370,300
Consumer Food Services	229,000	(576,200)	314,000	(65,000)
Total	<u>738,000</u>	<u>(574,600)</u>	<u>4,460,000</u>	<u>379,300</u>

Program	Equipment	
	Amount	Change
Agricultural Business Services	472,000	114,600
Consumer Food Services	232,000	(62,200)
Total	<u>704,000</u>	<u>52,400</u>

AGRICULTURE AND MARKETS

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Agricultural Business Services	39,024,200	7,263,700	3,432,900	230,200
Consumer Food Services	18,706,500	6,048,200	6,259,800	1,202,200
State Fair	19,083,900	1,299,700	5,557,300	288,700
Total	76,814,600	14,611,600	15,250,000	1,721,100

Program	Nonpersonal Service	
	Amount	Change
Agricultural Business Services	35,591,300	7,033,500
Consumer Food Services	12,446,700	4,846,000
State Fair	13,526,600	1,011,000
Total	61,564,600	12,890,500

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	12,300,900	12,102,000	(198,900)
Special Revenue Funds - Federal	10,000,000	10,000,000	0
Total	22,300,900	22,102,000	(198,900)

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Agricultural Business Services			
General Fund	12,300,900	12,102,000	(198,900)
Special Revenue Funds - Federal	10,000,000	10,000,000	0
Total	22,300,900	22,102,000	(198,900)

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	0	0	0	29,000
State Fair				
Capital Projects Fund	600,000	600,000	0	2,446,000
Misc. Capital Projects	2,000,000	2,000,000	0	3,500,000
Total	2,600,000	2,600,000	0	5,975,000

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

MISSION

The New York State Developmental Disabilities Planning Council is fully funded under the recently reauthorized Federal Developmental Disabilities Assistance and Bill of Rights Act . The Act, originally signed into law in 1975, allows the Council to prepare, implement and monitor a plan for improving the quality of life for people with developmental disabilities.

ORGANIZATION AND STAFFING

Located in Albany, the Council is composed of 35 members, who have been appointed by the Governor to three-year staggered terms. Federal law requires that at least 60 percent of the Council membership be composed of persons with developmental disabilities, parents and guardians of children with developmental disabilities, and immediate relatives and guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves. Other required members represent State agencies, educational and training providers, and local public and private services agencies.

The Chairperson of the Council is appointed by the Governor from within the Council. In addition, a full-time staff of 18, under the leadership of an Executive Director, assist the Council in carrying out its mission.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Federal funds fully support all Council operations, including State staff and contracts with non-profit agencies to develop new services and service delivery methods. The contracts are monitored by the Council to ensure that Federal funds provided to the State are used to augment — rather than duplicate or replace — existing services for people with developmental disabilities.

The 2002-03 recommendation of \$4.5 million in Federal funds represents an increase from 2001-02, based on the level of anticipated Federal funding. This funding is sufficient to support the Council's role in coordinating information about persons with developmental disabilities and the services available to them, and in overseeing grant funds.

PROGRAM HIGHLIGHTS

Through its Council membership of State agency heads, including the Commissioner of the Office of Mental Retardation and Developmental Disabilities, the Council employs an interagency approach to advocate improved and enhanced services, supports, and assistance for persons with developmental disabilities. Its activities include quarterly meetings, task forces, white papers, conferences, training, technical assistance and the development of a three-year State Plan. The Council applies its resources to work in association with persons with developmental disabilities, parents, service providers, advocacy groups and local and state government agencies to advocate for an enhanced system of community services, individualized supports and assistance that facilitates self-determination, independence, community inclusion and productivity.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	4,300,000	4,550,000	250,000	5,550,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,300,000</u>	<u>4,550,000</u>	<u>250,000</u>	<u>5,550,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	18	18	0
Total	<u>18</u>	<u>18</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	4,300,000	4,550,000	250,000
Total	<u>4,300,000</u>	<u>4,550,000</u>	<u>250,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,300,000	4,550,000	250,000
Total	<u>4,300,000</u>	<u>4,550,000</u>	<u>250,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	4,550,000	250,000	939,000	39,000
Total	<u>4,550,000</u>	<u>250,000</u>	<u>939,000</u>	<u>39,000</u>
Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	598,000	34,000	3,013,000	177,000
Total	<u>598,000</u>	<u>34,000</u>	<u>3,013,000</u>	<u>177,000</u>

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

MISSION

The Department of Environmental Conservation is responsible for conserving, improving and protecting the State's natural resources and environment. The Department also works to control water, land and air pollution in order to enhance the health, safety and welfare of all New Yorkers. In addition, the Department plays a major role in the continued implementation of the \$1.75 billion Clean Water/Clean Air Bond Act, which was overwhelmingly approved by the voters in 1996.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner appointed by the Governor. The Department's Central Office is in Albany, with regional offices in Avon, Buffalo, Long Island City, New Paltz, Ray Brook, Schenectady, Stony Brook, Syracuse, and Watertown. These regional offices are the operational arms of the Department. Staff in the regional offices review and issue environmental permits for activities regulated by the Department such as the operation of landfills and sewage treatment plants. In addition, these offices ensure compliance with State and Federal environmental statutes, consistent with policy and management direction from program divisions in the Central Office.

The Department will have a workforce of 3,720 positions in fiscal year 2002-03. Approximately 37 percent of these positions are paid by State tax dollars; 47 percent are supported by State fees and other revenues, and the remaining 16 percent are financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends funding of more than \$1 billion for the Department of Environmental Conservation, including \$107.3 million in General Fund support. This recommendation will support the Department's core mission and ensure funding for ongoing priority projects.

General Fund appropriations will finance 27 percent of the Department of Environmental Conservation's operations in 2002-03. Fees and license revenues will support 50 percent, including the major permitting functions, the hazardous substances bulk storage and oil spill programs, and the hazardous waste remedial and enforcement programs. Federal funds will support the remaining 23 percent of the Department's budget.

The Environmental Protection Fund (EPF), established in 1993, will provide dedicated resources of \$125 million to support environmental programs, including open space protection, farmland preservation, recycling programs, non-point source pollution control projects, municipal park and waterfront revitalization projects, the clean-up of Onondaga Lake and the restoration and preservation of historic barns. The Fund is supported primarily by revenues from the real estate transfer tax (\$112 million) as well as by the sale/lease of State property and by Fund interest earnings. Due to the long lead-time required to complete typical projects financed by this Fund and the constant source of revenue deposited to it, a fund balance tends to accrue in the EPF. As a result of the expansion of the program in recent years, this balance has become significant and is expected to remain, if not grow, in future years. Accordingly, a transfer of \$100 million is recommended to assist the State's General Fund. This transfer will have no program impact whatsoever on current or future EPF project commitments, based on current and anticipated spending levels.

The voter-approved Clean Water/Clean Air Bond Act authorizes \$1.75 billion for critical environmental programs in the following categories: Safe Drinking Water Program (\$355 million), Clean Water Program (\$790 million), Solid Waste Projects (\$175 million), Air Quality

ENVIRONMENTAL CONSERVATION

Projects (\$230 million), and Environmental Restoration Projects (\$200 million). The 2002-03 Executive Budget advances amendments to the Environmental Restoration program that provide municipalities with additional incentives to more aggressively clean up brownfields and return them to productive use.

The Clean Air Fund, first established in 1993-94, will continue to provide the resources needed to meet the State's obligations under the Federal Clean Air Act to control stationary and mobile sources of air pollution. The Fund is supported by vehicle emission inspection fees and fees on regulated pollutants emitted by factories, power plants and other stationary source facilities.

General Fund appropriations will support the preservation and maintenance of the State's dams, bridges, regional facilities, maintenance centers, and the 20 percent match required for Federal grants provided through the Clean Water State Revolving Fund, which provides low-cost loans to municipalities for water pollution control projects. Since 1992-93, the cost of the State match has been reimbursed by proceeds from the sale of bonds issued by the Environmental Facilities Corporation. Principal and interest on the bonds are paid from State taxes.

The 2002-03 Executive Budget provides more than \$1 billion to support the Department's critical environmental, resource management and recreation programs, including:

- \$212.4 million from the Clean Water/Clean Air Bond Act for priority projects to restore brownfields, improve our air and water resources, and support local recycling efforts. With the \$70 million included in the Department of Health and the \$1.5 billion available from appropriations made from 1996-97 through 2001-02, the full authorization of \$1.75 billion will be provided for Bond Act projects through 2002-03;
- Nearly \$20 million in new and redirected funds from the 1965 Pure Waters Bond Act and the 1972 Environmental Quality Bond Act, of which \$10.5 million will support the Long Island Sound Comprehensive Conservation Management Plan and upstate community wastewater treatment projects. The remainder will fund various State air quality improvements, municipal solid waste projects and land preservation and improvement projects;
- \$125 million in new funding from the EPF to provide resources to address such high priority programs as open space preservation, continued implementation of the Hudson River Estuary Management Plan, stewardship and capital infrastructure projects at State parks and lands, development of the Hudson River Park, Onondaga Lake remediation, certain New York City Watershed Agreement activities, and the restoration and preservation of historic barns. Other projects funded by the EPF in 2002-03 will include: local solid waste reduction/recycling and marketing of recycled materials; local parks and historic preservation grants; living museums support; local waterfront revitalization projects; interstate water commissions; non-point source water pollution control projects; farmland protection; the operation of the Pesticide Sales and Use Database as well as breast cancer/environmental risks studies at Cornell University; the Albany Pine Bush Commission; biodiversity stewardship; and Peconic Bay and Long Island Pine Barrens/South Shore Estuary Reserve planning. The recommended \$125 million is in addition to a \$125 million EPF deficiency appropriation for 2001-02;
- \$138 million to support the refinanced Superfund program to continue the clean up of inactive hazardous waste sites and municipal landfill closures after the exhaustion of the 1986 Environmental Quality Bond Act funding. The new program will also provide, for the first time, funding to address hazardous substance sites. Recommendations also include \$312 million in reappropriated funds from the 1986 Environmental Quality Bond Act to continue work already underway for existing Superfund sites;
- \$4.9 million from taxpayer and EPF monies to implement the New York City Watershed Agreement. These funds will support State enforcement and monitoring efforts in the Watershed and the provision of technical assistance to participating Watershed communities;

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- \$176.2 million in new State and Federal funds for the Clean Water State Revolving Fund low-interest loan program to build and rehabilitate municipal sewage treatment facilities;
- \$45 million to support the programs of the Conservation Fund. In 2002-03, an increase in licensing fees will be required to meet continuing program needs;
- \$29.7 million in new funding for basic capital infrastructure projects to ensure health, safety and compliance with State and Federal laws and environmental requirements, including \$1.85 million for the State share of Federal flood control feasibility studies and nearly \$2 million for the continuation of various existing flood projects;
- \$2.4 million in new revenues from proposed pesticide fee increases which will support oversight, pesticide applicator examination and training, non-toxic alternatives to mosquito control and other West Nile prevention measures, and expanded integrated pest management programs;
- \$31.8 million in non-General Fund support for the State's Clean Air programs. New programs were begun in 1997-98 to control pollution from automobiles and to establish new consolidated permits for major stationary sources of air pollution and in 1999-2000, to control air pollution from heavy-duty vehicles; and
- \$400.3 million to support the operations of the Department, including a workforce of 3,720 positions.

PROGRAM HIGHLIGHTS

Under both State and Federal law, the Department carries out a wide range of environmental, regulatory, remedial, resource management, outdoor recreation and education programs. These include the protection and management of the State's air, water, mineral and energy resources, as well as the management of both solid and hazardous waste. In this regard, the Department has undertaken expanded responsibilities as part of the State's Homeland Security effort including air and water toxic assessments, hazardous materials monitoring, water infrastructure monitoring and security, and other activities to protect public health and safety.

Since 1995-96, the Department has restructured its operations to eliminate redundant management layers and refocused its attention on those activities that present the greatest environmental risk. Additionally, the regulatory process for issuing environmental permits has been streamlined to simplify requirements while still ensuring that environmental standards are maintained and the State's natural resources are protected.

The Department's functions can be divided into the following categories: Natural Resources, Environmental Quality/Remediation and Environmental Enforcement and Regulation.

NATURAL RESOURCES

In addition to its responsibility to protect the State's fish, wildlife and marine resources and habitats, the Fish, Wildlife and Marine program also manages the operation of 12 fish hatcheries, 1 game farm and 260 boat launching and fishing access sites. The primary source of funding for this program is sporting license fees (approximately \$33.5 million annually) deposited to the Conservation Fund.

The Lands and Forests program manages the more than 4 million acres of State land under the Department's jurisdiction, including nearly 3 million acres of State-owned land within the Adirondack and Catskill parks and 250,000 acres of conservation easements. Revenues from the sale of forest products from State lands help offset program costs. The State Forest Ranger force is charged with firefighting, search and rescue and enforcing rules, regulations and laws on State land.

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The Mineral Resources program regulates the State's oil and gas wells and oversees the mined land reclamation program. This program is focused on returning land used for mining to a productive use and also performs technical and environmental reviews of new and existing mined lands.

The Department also operates 52 campgrounds and 25 day-use areas within the Adirondack and Catskill parks, as well as the Belleayre Mountain Ski Center. These recreational facilities serve approximately 2 million visitors annually, generating tourist trade to their host communities. Camping and skiing user fees are intended to fully support facility operations.

ENVIRONMENTAL QUALITY/REMEDATION

The 1988 Solid Waste Management Act established the State's policies for the management of solid waste, identifying reduction and recycling as the preferred options. The Act required municipalities to implement source separation programs and to prepare Local Solid Waste Management Plans. Also in 1988, the Department of Environmental Conservation established requirements for the construction and operation of solid waste management facilities, such as landfills. Local governments must meet those requirements before the Department will grant an operating permit.

The 1990 amendments to the Federal Clean Air Act imposed sweeping new mandates on the State. While the cost of complying with the Act is significant, the cost of non-compliance would be equally severe. If the Federal Environmental Protection Agency determines that there is a deficiency in New York's clean air programs, then it must apply sanctions if the deficiency is not corrected within 18 months. Sanctions include the withholding of Federal highway funds and the requirement of a 2-for-1 air pollution emissions offset for new or modified sources of emissions in areas that do not meet Federal air quality standards. The sanction would result in a virtual ban on industrial expansion and would place New York at a severe economic disadvantage with other states.

New York has taken steps to implement a comprehensive stationary source air permit program, a small business assistance program and programs to reduce vehicular travel and inspect vehicle emission systems — all Federal requirements. In 1997-98, the State began implementing a decentralized vehicle emission testing system mandated by the Federal Clean Air Act. New York's system is more convenient and less costly to motorists than other federally-approved testing systems, while still reducing air pollution. This decentralized and simpler testing program allows motorists to visit their local automotive service stations to have emissions inspections performed. In 2000-01, the new Heavy Duty Inspection and Maintenance Program was fully implemented and is supported by registration fees.

In addition, DEC will also initiate several other actions to aggressively address serious air pollution problems. New regulations are being developed to control the precursors to acid rain from sources within the State and reduce sulfur dioxide emissions by 50 percent beyond the requirements of the Clean Air Act. The aggressive nitrogen oxide control program for ozone, currently in effect only in the summer months, will be extended to an annual basis. DEC has also finalized regulations to adopt the new California low emission vehicle requirements for both light- and medium-duty vehicles.

The 1986 Environmental Quality Bond Act — commonly known as the State Superfund — made \$1.1 billion available for inactive hazardous waste cleanups, allowing the Department to embark on one of the most ambitious remedial programs in the nation. In response to New York's actions, responsible parties have committed more than \$3.1 billion for the investigation and remediation of identified inactive hazardous waste sites. This is in addition to the \$1.1 billion in Bond Act funds committed to investigate and remediate 951 toxic waste sites. Bond Act funds have been totally committed and a new refinanced program is necessary for critical activities to continue.

To maintain New York State's place as a national leader in protecting the environment, Governor Pataki has proposed legislation to refinance and improve the New York State Superfund program, providing \$138 million annually for three cleanup programs — State Superfund, Voluntary Cleanup, and Oil Spill. This program will be funded equally by the State

ENVIRONMENTAL CONSERVATION

and industry. Additionally, the legislation provides for technical assistance grants to municipalities to identify and plan for redevelopment of brownfields, tax credits of up to \$41 million to encourage the redevelopment of abandoned industrial sites statewide, as well as other targeted tax credits to promote the development and reuse of restored but dormant brownfield sites in Upstate New York. The legislation maintains the most stringent environmental and public health standards in the nation, upholds the “polluters pay” principle and makes common sense reforms that will enable New York State to remove more contamination from the environment and return more sites to productive use safely and quickly.

ENVIRONMENTAL ENFORCEMENT AND REGULATION

An additional responsibility the Department of Environmental Conservation undertakes is to enforce and regulate a myriad of activities undertaken by businesses, local governments and individuals that can have an impact on the environment and the State’s natural resources.

The Department carries out this responsibility through a variety of regulatory and permitting processes and through ongoing communication with those subject to environmental laws and regulations to ensure that such requirements are understood. In addition, the Department’s Environmental Conservation Officers work closely with other staff to ensure that environmental laws and regulations are enforced.

Over the last four years, the Department has enhanced and improved its overall regulatory and enforcement capabilities, including the coordination of enforcement and inspection programs at each of its regional offices. The Department will continue to review its regulatory practices to streamline procedures and eliminate unnecessary requirements, while still ensuring that strict environmental standards are maintained.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	413,624,700	400,327,700	(13,297,000)	198,773,600
Aid To Localities	6,300	6,300	0	3,050,500
Capital Projects	475,468,000	608,556,000	133,088,000	3,740,779,000
Total	<u>889,099,000</u>	<u>1,008,890,000</u>	<u>119,791,000</u>	<u>3,942,603,100</u>

ENVIRONMENTAL CONSERVATION

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
General Fund	118	116	(2)
Special Revenue Funds - Federal	183	183	0
Special Revenue Funds - Other	16	16	0
Air and Water Quality Management			
General Fund	179	157	(22)
Special Revenue Funds - Federal	212	212	0
Special Revenue Funds - Other	391	409	18
Clean Water/Clean Air Administration Program			
Capital Projects Funds - Other	40	40	0
Environmental Enforcement			
General Fund	203	201	(2)
Special Revenue Funds - Other	234	234	0
Fish, Wildlife and Marine Resources			
General Fund	89	73	(16)
Special Revenue Funds - Federal	91	101	10
Special Revenue Funds - Other	292	292	0
Forest and Land Resources			
General Fund	275	272	(3)
Special Revenue Funds - Federal	14	14	0
Special Revenue Funds - Other	117	124	7
Operations			
General Fund	386	381	(5)
Special Revenue Funds - Other	66	66	0
Rehabilitation and Improvement			
Capital Projects Funds - Other	54	54	0
Solid and Hazardous Waste Management			
General Fund	193	166	(27)
Special Revenue Funds - Federal	82	82	0
Special Revenue Funds - Other	464	218	(246)
Capital Projects Funds - Federal	32	32	0
Capital Projects Funds - Other	0	277	277
Total	3,731	3,720	(11)

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	104,077,500	107,294,500	3,217,000
Special Revenue Funds - Federal	94,822,400	93,369,000	(1,453,400)
Special Revenue Funds - Other	214,689,800	199,624,200	(15,065,600)
Internal Service Funds	35,000	40,000	5,000
Total	<u>413,624,700</u>	<u>400,327,700</u>	<u>(13,297,000)</u>

Adjustments:

Recommended Deficiency			
Environmental Conservation,			
Department of			
General Fund	(1,016,000)		
Special Revenue Funds - Other	(11,700,000)		
Transfer(s) From			
Environmental Conservation,			
Department of			
Special Revenue Funds - Other	(1,084,700)		
Transfer(s) To			
Environmental Conservation,			
Department of			
General Fund	1,084,700		
Environmental Facilities Corporation			
Special Revenue Funds - Other	135,800		
Appropriated 2001-02	<u>401,044,500</u>		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	8,905,000	9,065,200	160,200
Special Revenue Funds - Federal	12,731,700	13,511,000	779,300
Special Revenue Funds - Other	2,291,900	2,372,100	80,200
Internal Service Funds	35,000	40,000	5,000
Air and Water Quality Management			
General Fund	11,794,200	11,020,400	(773,800)
Special Revenue Funds - Federal	30,235,400	27,414,000	(2,821,400)
Special Revenue Funds - Other	67,969,700	71,833,000	3,863,300
Air Resources			
Special Revenue Funds - Federal	9,091,000	8,920,000	(171,000)
Construction Management			
Special Revenue Funds - Federal	4,018,600	4,086,000	67,400
Environmental Enforcement			
General Fund	18,883,300	18,621,200	(262,100)
Special Revenue Funds - Other	29,074,400	29,900,100	825,700
Fish, Wildlife and Marine Resources			
General Fund	7,739,500	8,925,300	1,185,800
Special Revenue Funds - Federal	19,427,700	20,000,000	572,300
Special Revenue Funds - Other	28,823,700	31,105,800	2,282,100
Forest and Land Resources			
General Fund	16,696,100	17,393,500	697,400
Special Revenue Funds - Federal	12,890,200	12,052,000	(838,200)
Special Revenue Funds - Other	19,390,700	20,472,300	1,081,600
Operations			
General Fund	28,652,600	31,860,500	3,207,900
Special Revenue Funds - Other	11,782,400	11,446,700	(335,700)
Solid and Hazardous Waste Management			
General Fund	11,406,800	10,408,400	(998,400)
Special Revenue Funds - Federal	6,427,800	7,386,000	958,200
Special Revenue Funds - Other	55,357,000	32,494,200	(22,862,800)
Total	<u>413,624,700</u>	<u>400,327,700</u>	<u>(13,297,000)</u>

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	7,420,000	160,200	6,865,100	141,000
Air and Water Quality Management	9,959,600	(774,000)	9,841,200	(778,400)
Environmental Enforcement	14,661,700	599,400	11,980,500	483,100
Fish, Wildlife and Marine Resources	4,867,500	(18,200)	4,595,100	(27,700)
Forest and Land Resources	15,918,400	696,700	14,270,600	631,100
Operations	17,483,000	549,900	16,283,000	508,400
Solid and Hazardous Waste Management	10,130,000	(998,400)	9,911,800	(1,006,800)
Total	80,440,200	215,600	73,747,300	(49,300)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	516,200	17,500	38,700	1,700
Air and Water Quality Management	78,600	2,700	39,800	1,700
Environmental Enforcement	0	0	2,681,200	116,300
Fish, Wildlife and Marine Resources	240,800	8,100	31,600	1,400
Forest and Land Resources	615,800	20,800	1,032,000	44,800
Operations	1,100,200	37,200	99,800	4,300
Solid and Hazardous Waste Management	110,400	3,700	107,800	4,700
Total	2,662,000	90,000	4,030,900	174,900

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,645,200	0	334,900	0
Air and Water Quality Management	1,060,800	200	380,000	0
Environmental Enforcement	3,959,500	(861,500)	658,400	0
Fish, Wildlife and Marine Resources	4,057,800	1,204,000	750,500	0
Forest and Land Resources	1,475,100	700	982,800	200
Operations	14,377,500	2,658,000	1,808,200	3,900
Solid and Hazardous Waste Management	278,400	0	49,500	0
Total	26,854,300	3,001,400	4,964,300	4,100

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	36,800	0	1,255,400	0
Air and Water Quality Management	83,700	0	438,000	200
Environmental Enforcement	36,800	0	443,300	0
Fish, Wildlife and Marine Resources	16,600	0	3,215,200	1,204,000
Forest and Land Resources	71,400	0	319,300	500
Operations	1,489,300	43,000	10,410,300	2,611,100
Solid and Hazardous Waste Management	20,000	0	207,300	0
Total	1,754,600	43,000	16,288,800	3,815,800

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	18,100	0	0	0
Air and Water Quality Management	159,100	0	0	0
Environmental Enforcement	30,300	0	2,790,700	(861,500)
Fish, Wildlife and Marine Resources	75,500	0	0	0
Forest and Land Resources	101,600	0	0	0
Operations	669,700	0	0	0
Solid and Hazardous Waste Management	1,600	0	0	0
Total	1,055,900	0	2,790,700	(861,500)

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	15,923,100	864,500	10,031,300	454,800
Air and Water Quality Management	99,247,000	1,041,900	35,299,600	1,800,100
Air Resources	8,920,000	(171,000)	4,860,000	(224,000)
Construction Management	4,086,000	67,400	2,570,000	(26,000)
Environmental Enforcement	29,900,100	825,700	17,621,500	254,200
Fish, Wildlife and Marine Resources	51,105,800	2,854,400	22,450,600	1,463,600
Forest and Land Resources	32,524,300	243,400	13,965,700	948,400
Operations	11,446,700	(335,700)	2,881,400	124,000
Solid and Hazardous Waste Management	39,880,200	(21,904,600)	9,887,500	(12,941,700)
Total	<u>293,033,200</u>	<u>(16,514,000)</u>	<u>119,567,600</u>	<u>(8,146,600)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	5,891,800	409,700	0	0
Air and Water Quality Management	37,237,700	(864,900)	26,709,700	106,700
Air Resources	4,060,000	53,000	0	0
Construction Management	1,516,000	93,400	0	0
Environmental Enforcement	11,778,600	571,500	500,000	0
Fish, Wildlife and Marine Resources	25,459,200	1,330,800	3,196,000	60,000
Forest and Land Resources	17,258,600	(1,005,000)	1,300,000	300,000
Operations	8,538,300	(461,700)	27,000	2,000
Solid and Hazardous Waste Management	8,409,700	(4,854,800)	21,583,000	(4,108,100)
Total	<u>120,149,900</u>	<u>(4,728,000)</u>	<u>53,315,700</u>	<u>(3,639,400)</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	6,300	6,300	0
Total	<u>6,300</u>	<u>6,300</u>	<u>0</u>

Adjustments:

Recommended Deficiency Environmental Conservation, Department of General Fund	1,507,000
Appropriated 2001-02	<u>1,513,300</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration General Fund	6,300	6,300	0
Total	<u>6,300</u>	<u>6,300</u>	<u>0</u>

ENVIRONMENTAL CONSERVATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	0	0	0	14,000
Marine Resources				
Capital Projects Fund	0	0	0	124,000
Federal Capital Projects Fund	1,450,000	1,650,000	200,000	8,311,000
Air Resources - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	5,810,000	5,810,000	16,874,000
Environmental Quality Bond Act Fund				
Environmental Quality Bond Act Fund - 1986	0	0	0	325,779,000
State Air Quality Projects				
Capital Projects Fund - EQBA (Bondable)	0	0	0	1,112,000
Air Quality Projects				
Clean Air Fund	0	0	0	164,000
Water Resources - PWBA				
Capital Projects Fund - PWBA (Bondable)	0	4,900,000	4,900,000	28,978,000
Solid Waste Management				
Capital Projects Fund	675,000	845,000	170,000	2,041,000
Capital Projects Fund - Advances	0	0	0	2,291,000
Federal Capital Projects Fund	0	0	0	57,042,000
Environmental Protection and Enhancements				
Environmental Protection Fund	0	0	0	18,567,000
Environment and Recreation				
Environmental Protection Fund	125,000,000	125,000,000	0	347,366,000
Fish and Wildlife				
Capital Projects Fund	200,000	400,000	200,000	2,008,000
Federal Capital Projects Fund	1,600,000	625,000	(975,000)	7,925,000
Hudson River Habitat Restor. Fund	0	0	0	351,000
Lands and Forests				
Capital Projects Fund	2,782,000	650,000	(2,132,000)	16,934,000
Forest Preserve Expansion Fund	0	0	0	142,000
Water Resources - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	5,579,000	5,579,000	4,004,000
Air Resources				
Capital Projects Fund	0	0	0	2,319,000
Clean Air Fund	3,000,000	3,000,000	0	9,100,000
Administration				
Capital Projects Fund	500,000	1,000,000	500,000	1,649,000
Federal Capital Projects Fund	0	0	0	175,000
Enterprise Fund	0	0	0	175,000
Lands and Forests - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	28,000	28,000	621,000
Environmental Quality Protection Bond Fund				
Environmental Quality Protection Bond Fund	0	0	0	73,886,000
Clean Water/Clean Air Bond Fund				
Clean Water - Clean Air Bond Fund	0	0	0	1,092,201,000
Pure Waters Bond Fund				
Pure Waters Bond Fund	0	0	0	33,911,000
Recreation				
Capital Projects Fund	350,000	2,350,000	2,000,000	1,094,000
Solid Waste Management - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	3,387,000	3,387,000	33,244,000
Operations				
Capital Projects Fund	14,060,000	16,615,000	2,555,000	30,192,000
Financial Security Fund	0	0	0	1,953,000
Natural Resource Damages Fund	0	0	0	9,983,000
Water Resources				
Capital Projects Fund	38,542,000	37,200,000	(1,342,000)	110,660,000
Capital Projects Fund - Advances	1,275,000	2,055,000	780,000	17,108,000
Federal Capital Projects Fund	148,860,000	146,825,000	(2,035,000)	311,256,000
Air Quality - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	12,000,000	6,000,000	(6,000,000)	75,777,000
Clean Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	87,582,000	46,918,000	(40,664,000)	497,375,000
Solid Waste - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	45,000,000	14,500,000	(30,500,000)	81,149,000

ENVIRONMENTAL CONSERVATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Environmental Restoration - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	25,000,000	75,000,000	50,000,000	113,728,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	2,592,000	3,219,000	627,000	6,470,000
Solid and Hazardous Waste Management - EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	311,454,000
Lands and Forests - EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	7,000
Solid and Hazardous Waste Management				
Capital Projects Fund	0	0	0	1,820,000
Capital Projects Fund - Advances	0	0	0	83,445,000
Remedial Program Transfer Fund	90,000,000	105,000,000	15,000,000	0
Total	<u>600,468,000</u>	<u>608,556,000</u>	<u>8,088,000</u>	<u>3,740,779,000</u>

Adjustments:

Recommended Deficiency	
Environmental Protection Fund - Solid Waste	(11,500,000)
Environmental Protection Fund - Parks	(37,452,000)
Environmental Protection Fund - Open Space	(43,048,000)
Environmental Protection Fund - Land Acquisition	<u>(33,000,000)</u>
Appropriated 2001-02	<u>475,468,000</u>

ENVIRONMENTAL FACILITIES CORPORATION

MISSION

The Environmental Facilities Corporation is a public benefit corporation established to help local governments, State agencies and private industry comply with State and Federal environmental laws and regulations. The Corporation works with these entities to design, construct, operate and finance air pollution control, drinking water and wastewater treatment, and solid and hazardous waste disposal facilities. The Environmental Facilities Corporation's largest program is the Clean Water State Revolving Fund. This program, administered jointly with the Department of Environmental Conservation, provides reduced-interest rate loans to municipalities to construct water pollution control facilities. The Corporation, in conjunction with the New York State Department of Health, jointly administers the Drinking Water State Revolving Fund, which provides reduced-interest rate loans and grants for community and private water systems to finance safe drinking water projects. Funding for these programs is provided by a Federal grant and a corresponding State match. The State match for the Drinking Water Revolving Fund is provided from the Clean Water/Clean Air Bond Act. Administration of these programs is also supported by fees and interest generated through program operations.

ORGANIZATION AND STAFFING

The Environmental Facilities Corporation is governed by a seven-member Board of Directors who serve without compensation: the Commissioner of Environmental Conservation who serves as the chairman, the Commissioner of Health, the Secretary of State, and four members nominated to six-year terms by the Governor with Senate confirmation.

The Corporation is operated by a President appointed by the Board of Directors and has a workforce of 108, including 10 staff of the Department of Environmental Conservation who are assigned administratively to the Corporation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The operations of the Environmental Facilities Corporation are funded by:

- Financing fees and annual fees charged to municipalities that receive Revolving Fund loans and a portion of State and Federal grants made for the Clean Water and Drinking Water programs; and
- User fees paid by businesses, municipalities and industrial clients for the Corporation's technical and financial services.

For fiscal year 2002-03, a total of \$9.5 million is recommended for operations of the Corporation. In addition, State funds are included in the Department of Environmental Conservation and Department of Health's capital budgets for the required match to Federal funding for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs.

PROGRAM HIGHLIGHTS

The Environmental Facilities Corporation currently administers six major programs: the two State Revolving Funds, the Industrial Finance Program, Technical Advisory Services, the Clean Water/Clean Air Bond Act's small business environmental compliance assistance programs and the Pipeline for Jobs Program.

ENVIRONMENTAL FACILITIES

CLEAN WATER STATE REVOLVING FUND PROGRAM

This program was established in 1989 to help municipalities comply with the Federal Clean Water Act by providing low-interest rate loans to build or upgrade water pollution control facilities. Since 1989, the program has received Federal and State appropriations totaling \$2.17 billion and \$434 million, respectively. The State Revolving Fund has made loans totaling \$6.2 billion to 387 municipalities across the State. Interest rates range from as low as zero percent to no more than two-thirds of the market rate. These low-interest rate loans substantially reduce the cost of water pollution control projects for municipal borrowers, making environmental compliance and protection more attainable.

DRINKING WATER STATE REVOLVING FUND PROGRAM

In 1996, Congress enacted Federal legislation authorizing the Drinking Water State Revolving Fund program. This program, modeled after the Clean Water State Revolving Fund program, provides reduced interest rate loans to community and private water systems to finance safe drinking water projects. In cases of financial hardship, funds are also available from the Clean Water/Clean Air Bond Act to make grants for the construction of drinking water facilities. The Drinking Water Program has made loans totaling \$662.4 million and grants totaling \$114.5 million to 178 recipients across the State. Federal funding provided for the Drinking Water State Revolving Fund requires a 20 percent State match. Since 1996, the program has been supported by \$299.5 million in Federal awards, requiring a State match of \$59.9 million. The State's share of the Drinking Water State Revolving Fund is provided from the Clean Water/Clean Air Bond Act.

INDUSTRIAL FINANCE PROGRAM

Since 1976, the Industrial Finance Program has provided more than \$993.6 million in low-interest rate loans and \$188 million in loan refinancing to businesses and State agencies for environmental improvement projects. Projects eligible for loans include solid waste management facilities, hazardous waste management facilities and water supply and wastewater management facilities. Loans under the program are financed from the proceeds of special obligation revenue bonds issued by the Corporation.

TECHNICAL ADVISORY SERVICES

The Technical Advisory Services Program advises businesses, industrial clients, State agencies and municipalities on pollution prevention, waste management and compliance with environmental laws and regulations. The Corporation also provides fund management and loan and grant servicing to its clients. The Environmental Facilities Corporation addresses such issues as air pollution control; multi-media waste management; inactive hazardous waste site remediation and compliance; water and wastewater management; and resource recovery and recycling. This program is funded by fees paid by Corporation clients who contract for these services.

FINANCIAL ASSISTANCE TO BUSINESS

The 1996 Clean Water/Clean Air Bond Act provides \$60 million to assist small businesses in achieving compliance with environmental laws and regulations pertaining to air and water quality. The air and water quality programs are funded at \$30 million each and are used to assist small businesses in targeted sectors to procure new capital equipment necessary to achieve environmental compliance. The Environmental Facilities Corporation will work with village, town and city governments to identify businesses in need of assistance.

ENVIRONMENTAL FACILITIES

PIPELINE FOR JOBS

The Pipeline For Jobs Program was created in 1999 to provide low-cost loans and financial assistance to municipalities, public utilities, public benefit corporations and businesses. The purpose of the program is to encourage and support water supply and cold water supply improvement projects, which provide an economic development benefit to the State. The recommendation for this program includes \$14.5 in reappropriations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	8,055,800	9,528,000	1,472,200	0
Aid To Localities	0	0	0	0
Capital Projects	292,000	292,000	0	14,500,000
Total	<u>8,347,800</u>	<u>9,820,000</u>	<u>1,472,200</u>	<u>14,500,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs	2002-03 Estimated FTEs	FTE Change
	03/31/02	03/31/03	
Administration			
Special Revenue Funds - Other	92	92	0
Clean Water/Clean Air Administration Program			
Capital Projects Funds - Other	6	6	0
Total	<u>98</u>	<u>98</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	8,055,800	9,528,000	1,472,200
Total	<u>8,055,800</u>	<u>9,528,000</u>	<u>1,472,200</u>

Adjustments:

Transfer(s) From	
Environmental Conservation, Department of	
Special Revenue Funds - Other	(135,800)
Appropriated 2001-02	<u>7,920,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	8,055,800	9,528,000	1,472,200
Total	<u>8,055,800</u>	<u>9,528,000</u>	<u>1,472,200</u>

ENVIRONMENTAL FACILITIES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	9,528,000	1,472,200	6,060,400	757,500
Total	9,528,000	1,472,200	6,060,400	757,500

Program	Nonpersonal Service	
	Amount	Change
Administration	3,467,600	714,700
Total	3,467,600	714,700

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Pipeline for Jobs Program				
Capital Projects Fund	0	0	0	14,500,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	292,000	292,000	0	0
Total	292,000	292,000	0	14,500,000

DEPARTMENT OF HEALTH

MISSION

The Department of Health ensures that high quality, appropriate health services are available to all New York State residents at a reasonable cost. Department functions and responsibilities include:

- Promoting and supervising public health activities throughout the State;
- Ensuring sound and cost-effective quality medical care for all residents;
- Reducing infectious diseases such as tuberculosis, measles, mumps and rubella and chronic disabling illnesses such as heart disease, cancer, stroke and respiratory diseases; and
- Directing a variety of health-related homeland security measures in conjunction with the Governor's new Office of Public Security. As part of this new mission, the Department will work with the State's health care community to ensure appropriate readiness and response to potential public health threats.

The Department of Health is also the principal State agency that interacts with the Federal and local governments, health care providers and program participants for the State's Medicaid program.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, who is appointed by the Governor, the Department of Health meets its responsibilities through the Office of Medicaid Management, the Office of Managed Care, the centers located in the Office of Public Health, and the Office of Health Systems Management. These entities provide policy and management direction to the Department's system of regional offices. Department staff located in regional offices conduct health facility surveillance, public health monitoring and direct services, and oversee county health department activities.

Additionally, the Department is responsible for five health care facilities that are engaged in advanced medical research and patient care including the Roswell Park Cancer Institute in Buffalo, the Helen Hayes Hospital in West Haverstraw, and four nursing homes for the care of veterans and their dependents in Oxford, New York City, Batavia and the newly opened home at Montrose. In early 1999, responsibility for the operations of the Roswell Park Cancer Institute was transferred to a public benefit corporation, the Roswell Park Cancer Institute Corporation, pursuant to an operating agreement between the Corporation and the Department. This has provided Roswell with the flexibility needed to compete more effectively in a changing health care environment.

In 2002-03, the Department of Health will have a workforce of approximately 6,111 positions, with nearly 25 percent of those positions employed in the Department's health care facilities. Since 1995-96, the number of non-institutional positions has decreased by approximately 392, reflecting new program initiatives such as the safe drinking water program, newborn screening and nursing home surveillance, offset by the impact of attrition, early retirements, and management efficiencies.

- Approximately 21 percent of these positions are paid exclusively by the General Fund;
- 12 percent are directly supported by fees;
- 52 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 15 percent are directly funded by Federal grants.

MEDICAID

Total Medicaid spending in New York will be approximately \$35.8 billion in 2002-03. The 2002-03 Medicaid budget reflects a continued commitment to an effective and affordable

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delivery system that promotes quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's neediest residents. The 2002-03 Executive Budget recommends several targeted actions to offset Medicaid cost increases and keep the program affordable for State and local taxpayers.

Acute Care

State Medicaid spending for hospitals and clinics will reach more than \$2 billion in 2002-03. Hospitals will continue to rely on the landmark Health Care Reform Act (HCRA), originally enacted in 1996, as the basis for their funding. HCRA encourages competition in the health care industry by allowing most non-Medicaid payors to negotiate rates with hospitals.

The Health Care Reform Act of 2000 (HCRA 2000) continues, through March 31, 2003, cost containment actions enacted as part of prior year Budgets. In addition, HCRA 2000 continues to provide hospitals and clinics with adequate funding to ensure that quality health care services are accessible and affordable for all New Yorkers. The 2002-03 Executive Budget reflects more than \$300 million in State funds for priority health initiatives from HCRA 2000 (through June 30, 2003), and additional Federal funds, including those resulting from any increase in the Federal Medicaid Assistance Percentage (FMAP).

The 2002-03 Executive Budget also recommends initiatives to achieve State and local savings through strategies to maximize Federal revenues, including additional hospital intergovernmental transfers and Upper Payment Limit payments. In addition, the Budget distributes \$238 million in available New York Prospective Hospital Reimbursement Methodology (NYPHRM) and HCRA bad debt and charity care funds to hospitals.

Long Term Care

Medicaid costs, which have been controlled in recent years, are beginning to rise at a rate that places an undue burden on State and local governments. State spending on nursing home and community-based care comprises almost half of the General Fund Medicaid budget — or an estimated \$3.6 billion in 2002-03. Accordingly, the 2002-03 Executive Budget reflects revenues from a 6 percent reimbursable cash receipts assessment on nursing homes to help offset Medicaid costs.

Progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997. Continuing Care Retirement Communities are providing the elderly with more affordable and accessible options for comprehensive, independent living arrangements that include a wide array of home care, nursing care and other medical services. The rapidly growing Managed Long Term Care program is offering a broader and more integrated continuum of long term care service options.

In addition, the Partnership for Long Term Care is providing long term care insurance that protects individuals from having to spend down their assets to qualify for Medicaid in the event of a lengthy illness. This innovative Partnership, used in three other states, now represents a significant portion of New York's long term care insurance market.

Managed Care

The 2002-03 Executive Budget reflects the continued mandatory enrollment of Medicaid recipients in managed care. Federal approval of New York's 1115 managed care waiver in July 1997 set the stage for mandatory enrollment to commence in October 1997. To date, sections of New York City and 19 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Greene, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Oswego, Rensselaer, Rockland, Saratoga, Suffolk and Westchester — are operating mandatory managed care programs. New York City and the remainder of the State will continue to phase in managed care, subject to Federal approval, during 2002-03.

Managed Care enrollment is projected to reach approximately 954,000 by the end of 2001-02 and 1.3 million by the end of 2002-03. When fully implemented, approximately

three-quarters of all Medicaid recipients are expected to be enrolled in mandatory managed care. As a result of existing managed care enrollment, New York State continues to have increased primary care use, lower emergency room use, and fewer inpatient days.

The State's Medicaid Managed Care program ensures that the neediest people receive high quality, accessible health care. Legislation passed in 2000 extends, until December 31, 2003, State authorization for the mandatory Medicaid managed care program and special managed care plans that provide comprehensive services to individuals infected with the HIV virus. These Special Needs Plans will begin operation in Winter 2002. Start-up grant funding is being provided to facilitate implementation of these plans. Medicaid Managed Care also incorporates a comprehensive set of consumer protections to ensure that recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans.

Medicaid Administration

The Department of Health is responsible for overall management of the Medicaid program, including the State's interaction with Federal and local governments, health care providers and Medicaid recipients. Counties will continue their role in making Medicaid eligibility determinations and contracting with providers of Medicaid services. Payments to health care providers also continue to be made through the State's computerized Medicaid Management Information System (MMIS) that is operated by a private agency with oversight by State personnel. The Department has obtained management and development services for a Replacement Medicaid System (RMS) that will replace both MMIS and the Electronic Medicaid Eligibility Verification System (EMEVS) with an integrated claims processing system. RMS will provide updated technologies and bring New York State into compliance with new Federal reporting requirements. In addition, the new system will substantially enhance front-end detection of Medicaid fraud.

Moreover, to control the escalating cost of prescription drugs in Medicaid, the 2002-03 Executive Budget will require the use of certain generic medications unless a physician determines it is medically necessary to prescribe brand name drugs.

CHILD HEALTH PLUS

New York's Child Health Plus program continues to set a national standard for children's health insurance coverage for children up to age 19. The Child Health Plus program was significantly expanded with passage of legislation under Governor Pataki's leadership in both 1996 and 1998, resulting in a dramatic increase in enrollment to nearly 540,000 children. Under Governor Pataki, the program has expanded to include comprehensive health benefits, Medicaid coverage for 15 to 19 year olds and increased eligibility to 250 percent of the Federal Poverty Level.

When eligible Federal funds are combined with State HCRA moneys, the Child Health Plus program will provide comprehensive coverage to virtually all eligible children in the State.

FAMILY HEALTH PLUS

As authorized by HCRA 2000, the Family Health Plus program offers access to comprehensive health coverage to more than 700,000 eligible low-income adults who do not have insurance through their employers, yet have incomes that do not qualify them for other public programs. Under Family Health Plus, health coverage is expanded for families up to 133 percent of the gross Federal Poverty Level (FPL) on October 1, 2001 and to 150 percent of the FPL on October 1, 2002. For individuals without children, coverage is expanded to those at 100 percent of the FPL at the beginning of the program. Enrollment in Family Health Plus began in October 2001 and is projected to reach approximately 24,000 by the end of 2001-02, and 168,000 by the end of 2002-03.

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OTHER PUBLIC HEALTH PROGRAMS

Excluding Medicaid program costs, General Fund appropriations finance 28 percent of the Department of Health's budget in 2002-03. Other revenue sources, including: 1) reimbursement for patient care provided at the Department's health care facilities; 2) regulatory fees and audit recoveries; 3) management fees for hospital and nursing home construction projects financed through bond proceeds; and 4) registration, testing and certification fees for various public health services, support 38 percent of the Department of Health's budget, including the Professional Medical Conduct Program, clinical and environmental laboratory certification activities, and health care facilities' operating costs. The remaining 34 percent is provided by Federal grants and Fiduciary and Enterprise funds.

Capital Projects appropriations preserve and maintain the Department's hospitals, nursing homes, and the three separate laboratory facilities in Albany County that constitute the Wadsworth Center for Laboratories and Research. The costs of projects at the health care facilities are funded from facility revenues and/or the General Fund.

This overall recommendation ensures that public health priorities are preserved. As such, the 2002-03 Budget:

- Continues funding of \$3 million for the Newborn Hearing Program and \$3 million to expand New York's newborn screening program to keep pace with advances in science. Genetic and other medical research is making it possible to diagnose an increasing number of treatable, yet potentially life threatening, disorders;
- Includes \$90 million for the Roswell Park Cancer Institute Corporation;
- Sustains the State's commitment to fighting the AIDS epidemic by continuing statewide spending at more than \$2.3 billion, a year-to-year increase of \$104.1 million, including \$105 million to be spent by the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection;
- Provides \$458 million in support for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 257,000 senior citizens receive crucial prescription insurance. The EPIC recommendation is premised on various efficiencies, including the maximization of third party drug benefits;
- Includes approximately \$213.5 million for the General Public Health Works program to reimburse counties and New York City for providing public health services such as childhood immunizations, primary health care, and control of communicable diseases such as tuberculosis and sexually transmitted diseases.
- Continues support of \$44.5 million, funded largely from HCRA, for an enhanced anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping and strict enforcement of laws regulating the sale and use of tobacco products;
- Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$28 million. New York continues to be one of only 13 states to augment Federal nutrition funds;
- Promotes private insurance and Medicaid revenue maximization in the \$210 million (State share) Early Intervention program serving infants and toddlers under the age of three who have developmental delays; and
- Advances targeted fee increases to support the Department's oversight of health care entities as well as an increase in the fee for medical records provided to non-patients by physicians and health care entities.

In addition, the Budget restores the HCRA 2000 covered lives assessment to 1996 levels and increases the State's cigarette tax by 39 cents per pack. These actions will produce much needed revenue to support critical public health programs in HCRA.

PROGRAM HIGHLIGHTS**MEDICAID**

Originally established in 1965 by the Federal government as a health insurance program for the poor, New York's Medicaid program costs will total \$33.4 billion in 2001-02, and provide coverage to approximately 2.8 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State's 2001-02 Medicaid spending being held to nearly 1994-95 levels. In addition to the federally mandated services — inpatient and outpatient hospital care, nursing facility care, physician services, home health care, family planning, laboratory and x-ray services — New York also provides almost all federally permissible optional services.

Traditionally, the Federal government has paid for 50 percent of the State's Medicaid program. The State pays about 35 percent of the total costs and counties pay about 15 percent. The Federal government has matched, on an unlimited basis, each State and local dollar expended on Medicaid.

ACCESS TO QUALITY HEALTH CARE

The Department develops and implements programs to ensure that residents of New York have access to high quality health care. Over the last five years, significant legislation has been enacted that will enhance the availability of appropriate care to all New Yorkers including:

- The landmark Health Care Reform Act of 1996 deregulated inpatient hospital reimbursement and introduced a market-based system which allows commercial insurers, managed care entities and self-insured plans to establish rates of payment directly through negotiations with hospitals and without State intervention. HCRA 2000, enacted in 1999, retains the State's commitment to ensuring that the hospital system adapts to the changing health care environment. In addition, HCRA 2000 provides comprehensive new programs for the uninsured, including Family Health Plus and Healthy New York;
- Pioneering consumer managed care legislation enacted in 1996 — the Managed Care Bill of Rights — ensures that consumers will be appropriately informed about managed care choices and benefits, and guarantees that providers can discuss all appropriate health care options;
- Enhanced consumer protections were added in External Review legislation enacted in 1998, which provide health plan enrollees the opportunity to request an external appeal when coverage of health care services is denied on the grounds that the service is not medically necessary, or that it is experimental or investigational;
- The Long-Term Care Integration and Finance Act of 1997 authorizes various managed long-term care models for evaluation, expands service options, increases available financing streams for long-term care, and ensures the tax deductibility of long-term care insurance; and
- The Health Information and Quality Improvement Act was enacted in 2000 to ensure that all New Yorkers have the information they need to make informed health care decisions. The bill requires New York to develop a database, which will be accessible to the public, containing profiles of all health care professionals and to create a Patient Safety Center to develop strategies and establish best practices to maximize patient safety and reduce medical errors.

In addition, the 2002-03 Executive Budget includes funding to expand Medicaid eligibility to working disabled individuals and to cover the cost of treatment for low income women diagnosed with breast or cervical cancer through the Center for Disease Control's National Screening Program.

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PUBLIC HEALTH

Efforts such as education, research and disease prevention are aimed at improving the health of all New Yorkers. Particular focus is placed on nutrition, prenatal and perinatal care, child health, treatment and control of sexually transmitted diseases and tuberculosis, childhood immunization, the health risks of environmental contaminants, drinking water purity, and follow-up investigations of disease outbreak. In addition, the Department serves as primary liaison with local and county health departments to ensure the quality of public health services throughout New York State.

The Wadsworth Center for Laboratories and Research assists the Department in accomplishing its public health mission. Screening programs conducted by the Center annually report nearly three million test results to providers. These programs encompass such public health concerns as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, Lyme disease, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 800 environmental laboratories and more than 1,800 clinical laboratories and blood banks to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Center for Community Health have played key roles in managing the State's response to recent terrorist activities.

A COMMITMENT TO AIDS RESEARCH AND PREVENTION

The Department develops and funds HIV prevention and health care programs, educates the public and health care providers, formulates policy and directs regional and statewide HIV/AIDS planning. New York remains a leader in combating this complex epidemic by responding to changes in incidence with even greater attention to population-based programming, long-term care and policies designed to reduce discrimination and guarantee basic medical care and treatment for the uninsured. New York State will spend \$2.3 billion to combat HIV/AIDS next year.

HEALTH SYSTEMS MANAGEMENT

The Department ensures that quality health care is available to all New York residents by overseeing the services provided by hospitals, nursing homes, diagnostic and treatment centers and home care providers. The Department strives to ensure that limited health care dollars are prudently spent through its reimbursement rate methodologies, rate setting, and review and monitoring of health facility plans for construction and expansion. Federal reimbursement for surveillance and certification, and fees for overseeing facilities to ensure that bonded debt is repaid, help to offset program costs.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,959,724,500	4,504,502,000	544,777,500	7,571,918,100
Aid To Localities	27,797,517,000	30,022,232,000	2,224,715,000	21,282,383,700
Capital Projects	115,259,000	156,600,000	41,341,000	243,941,000
Total	31,872,500,500	34,683,334,000	2,810,833,500	29,098,242,800

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration and Executive Direction			
General Fund	126	122	(4)
Special Revenue Funds - Federal	100	100	0
Special Revenue Funds - Other	268	258	(10)
AIDS Institute			
General Fund	194	190	(4)
Special Revenue Funds - Other	20	0	(20)
Child Health Insurance			
Special Revenue Funds - Other	42	41	(1)
Community Health			
General Fund	82	80	(2)
Special Revenue Funds - Federal	569	569	0
Office of Continuing Care			
General Fund	371	364	(7)
Special Revenue Funds - Other	2	2	0
Elderly Pharmaceutical Insurance Coverage			
General Fund	28	0	(28)
Special Revenue Funds - Other	0	28	28
Environmental Health			
General Fund	131	128	(3)
Special Revenue Funds - Federal	117	117	0
Special Revenue Funds - Other	175	161	(14)
Health Care Financing			
General Fund	74	63	(11)
Special Revenue Funds - Other	55	64	9
Health Care Standards and Surveillance			
General Fund	302	259	(43)
Special Revenue Funds - Other	239	271	32
Health Services			
Enterprise Funds	12	12	0
Institution Management			
Special Revenue Funds - Other	1,516	1,552	36
Laboratories and Research			
General Fund	409	428	19
Special Revenue Funds - Federal	97	97	0
Special Revenue Funds - Other	152	149	(3)
Managed Care			
General Fund	169	162	(7)
Medicaid Audit and Fraud Prevention			
General Fund	239	230	(9)
Special Revenue Funds - Federal	243	243	0
Special Revenue Funds - Other	27	27	0
Office of Medicaid Management			
General Fund	400	392	(8)
Special Revenue Funds - Other	2	2	0
Total	6,161	6,111	(50)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	203,858,600	209,454,000	5,595,400
Special Revenue Funds - Federal	3,404,828,000	3,901,179,000	496,351,000
Special Revenue Funds - Other	347,062,900	389,734,000	42,671,100
Enterprise Funds	10,000	10,000	0
Fiduciary Funds	3,965,000	4,125,000	160,000
Total	3,959,724,500	4,504,502,000	544,777,500

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STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration and Executive Direction			
General Fund	14,056,200	22,365,000	8,308,800
Special Revenue Funds - Federal	12,839,000	10,473,000	(2,366,000)
Special Revenue Funds - Other	26,209,000	29,389,000	3,180,000
AIDS Institute			
General Fund	16,851,000	16,818,000	(33,000)
Special Revenue Funds - Other	2,136,000	0	(2,136,000)
Child Health Insurance			
Special Revenue Funds - Federal	30,280,000	28,340,000	(1,940,000)
Special Revenue Funds - Other	11,680,000	11,920,000	240,000
Community Health			
General Fund	9,670,000	9,852,000	182,000
Special Revenue Funds - Federal	98,268,000	102,151,000	3,883,000
Special Revenue Funds - Other	5,554,000	5,554,000	0
Fiduciary Funds	1,000,000	1,200,000	200,000
Office of Continuing Care			
General Fund	20,654,000	22,095,000	1,441,000
Special Revenue Funds - Federal	13,116,000	13,055,000	(61,000)
Special Revenue Funds - Other	3,626,000	3,893,000	267,000
Fiduciary Funds	40,000	0	(40,000)
Elderly Pharmaceutical Insurance Coverage			
General Fund	11,039,000	0	(11,039,000)
Special Revenue Funds - Other	0	15,447,000	15,447,000
Environmental Health			
General Fund	10,059,000	9,987,000	(72,000)
Special Revenue Funds - Federal	11,105,000	12,670,000	1,565,000
Special Revenue Funds - Other	14,270,000	15,999,000	1,729,000
Health Care Financing			
General Fund	5,575,000	5,116,000	(459,000)
Special Revenue Funds - Other	5,945,000	6,915,000	970,000
Health Care Standards and Surveillance			
General Fund	30,319,000	25,620,000	(4,699,000)
Special Revenue Funds - Other	42,860,000	48,044,000	5,184,000
Institution Management			
Special Revenue Funds - Other	104,960,000	112,890,000	7,930,000
Enterprise Funds	10,000	10,000	0
Fiduciary Funds	325,000	325,000	0
Laboratories and Research			
General Fund	35,252,000	49,934,000	14,682,000
Special Revenue Funds - Federal	7,932,000	9,124,000	1,192,000
Special Revenue Funds - Other	29,234,900	28,795,000	(439,900)
Fiduciary Funds	2,600,000	2,600,000	0
Maintenance Undistributed			
General Fund	(78,338,000)	(88,638,000)	(10,300,000)
Special Revenue Funds - Other	78,338,000	88,638,000	10,300,000
Managed Care			
General Fund	15,297,000	15,416,000	119,000
Medicaid Audit and Fraud Prevention			
General Fund	18,665,000	18,591,000	(74,000)
Special Revenue Funds - Federal	36,278,000	37,856,000	1,578,000
Special Revenue Funds - Other	14,500,000	14,500,000	0
Office of Medicaid Management			
General Fund	46,083,400	47,023,000	939,600
Special Revenue Funds - Federal	3,127,500,000	3,620,000,000	492,500,000
Special Revenue Funds - Other	7,750,000	7,750,000	0
Medicaid Management Information System			
General Fund	48,676,000	55,275,000	6,599,000
Special Revenue Funds - Federal	67,510,000	67,510,000	0
Total	<u>3,959,724,500</u>	<u>4,504,502,000</u>	<u>544,777,500</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	8,200,000	309,000	7,972,000	309,000
AIDS Institute	10,396,000	7,000	10,396,000	22,000
Community Health	4,722,000	55,000	4,627,500	46,100
Office of Continuing Care	20,865,000	1,441,000	20,665,000	1,427,000
Elderly Pharmaceutical Insurance Coverage	0	(1,539,000)	0	(1,534,000)
Environmental Health	7,900,000	(222,000)	7,701,000	(223,200)
Health Care Financing	4,248,000	(459,000)	4,213,000	(462,000)
Health Care Standards and Surveillance	15,343,000	(1,363,000)	15,173,000	(1,363,000)
Laboratories and Research	21,500,000	379,000	21,179,000	379,500
Managed Care	10,706,000	119,000	10,706,000	133,000
Medicaid Audit and Fraud Prevention	13,907,000	(74,000)	13,907,000	(74,000)
Office of Medicaid Management	22,693,000	337,000	22,473,000	337,000
Total	<u>140,480,000</u>	<u>(1,010,000)</u>	<u>139,012,500</u>	<u>(1,002,600)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	125,000	0	103,000	0
AIDS Institute	0	0	0	(15,000)
Community Health	72,100	7,100	22,400	1,800
Office of Continuing Care	100,000	0	100,000	14,000
Elderly Pharmaceutical Insurance Coverage	0	0	0	(5,000)
Environmental Health	187,000	700	12,000	500
Health Care Financing	0	0	35,000	3,000
Health Care Standards and Surveillance	20,000	0	150,000	0
Laboratories and Research	64,000	(200)	257,000	(300)
Managed Care	0	0	0	(14,000)
Medicaid Audit and Fraud Prevention	0	0	0	0
Office of Medicaid Management	70,000	0	150,000	0
Total	<u>638,100</u>	<u>7,600</u>	<u>829,400</u>	<u>(15,000)</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Executive Direction	14,165,000	7,999,800	740,000	0
AIDS Institute	6,422,000	(40,000)	1,604,100	103,200
Community Health	5,130,000	127,000	1,473,900	127,000
Office of Continuing Care	1,230,000	0	38,200	0
Elderly Pharmaceutical Insurance Coverage	0	(9,500,000)	0	(22,000)
Environmental Health	2,087,000	150,000	159,000	400
Health Care Financing	868,000	0	12,000	0
Health Care Standards and Surveillance	10,277,000	(3,336,000)	241,300	0
Laboratories and Research	28,434,000	14,303,000	3,210,000	100
Managed Care	4,710,000	0	34,000	0
Medicaid Audit and Fraud Prevention	4,684,000	0	85,300	0
Office of Medicaid Management	24,330,000	602,600	305,000	0
Medicaid Management Information System	55,275,000	6,599,000	0	0
Total	157,612,000	16,905,400	7,902,800	208,700

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Executive Direction	262,000	(200)	10,112,000	5,000,000
AIDS Institute	311,700	1,000	3,809,500	100,000
Community Health	139,500	0	3,478,200	0
Office of Continuing Care	766,900	0	377,400	0
Elderly Pharmaceutical Insurance Coverage	0	(30,000)	0	(9,372,000)
Environmental Health	415,000	100	1,223,000	100
Health Care Financing	38,300	0	807,000	0
Health Care Standards and Surveillance	480,400	0	6,895,800	(370,000)
Laboratories and Research	76,000	0	6,293,000	802,400
Managed Care	0	0	4,676,000	0
Medicaid Audit and Fraud Prevention	180,000	0	2,743,200	0
Office of Medicaid Management	256,000	0	3,455,000	(400)
Medicaid Management Information System	0	0	55,275,000	6,599,000
Total	2,925,800	(29,100)	99,145,100	2,759,100

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	51,000	0	3,000,000	3,000,000
AIDS Institute	246,700	5,800	450,000	(250,000)
Community Health	38,400	0	0	0
Office of Continuing Care	47,500	0	0	0
Elderly Pharmaceutical Insurance Coverage	0	(5,000)	0	(71,000)
Environmental Health	140,000	(600)	150,000	150,000
Health Care Financing	10,700	0	0	0
Health Care Standards and Surveillance	159,500	0	2,500,000	(2,966,000)
Laboratories and Research	355,000	500	18,500,000	13,500,000
Medicaid Audit and Fraud Prevention	526,500	0	1,149,000	0
Office of Medicaid Management	260,000	0	20,054,000	603,000
Total	1,835,300	700	45,803,000	13,966,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	39,862,000	814,000	15,846,000	(480,000)
AIDS Institute	0	(2,136,000)	0	(842,000)
Child Health Insurance	40,260,000	(1,700,000)	2,272,000	(64,000)
Community Health	108,905,000	4,083,000	0	0
Office of Continuing Care	16,948,000	166,000	135,000	2,000
Elderly Pharmaceutical Insurance Coverage	15,447,000	15,447,000	1,616,000	1,616,000
Environmental Health	28,669,000	3,294,000	4,923,000	154,000
Health Care Financing	6,915,000	970,000	4,205,000	534,000
Health Care Standards and Surveillance	48,044,000	5,184,000	15,322,000	2,800,000
Institution Management	97,125,000	3,997,000	0	0
Laboratories and Research	40,519,000	752,100	8,951,000	(464,000)
Medicaid Audit and Fraud Prevention	52,356,000	1,578,000	0	0
Office of Medicaid Management	3,627,750,000	492,500,000	0	0
Medicaid Management Information System	67,510,000	0	0	0
Total	4,190,310,000	524,949,100	53,270,000	3,256,000

Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change	Amount	Change
Administration and Executive Direction	11,890,000	2,360,000	12,126,000	(1,066,000)
AIDS Institute	0	(1,294,000)	0	0
Child Health Insurance	9,648,000	304,000	28,340,000	(1,940,000)
Community Health	100,000	0	108,805,000	4,083,000
Office of Continuing Care	3,658,000	265,000	13,155,000	(101,000)
Elderly Pharmaceutical Insurance Coverage	13,756,000	13,756,000	75,000	75,000
Environmental Health	9,526,000	175,000	14,220,000	2,965,000
Health Care Financing	2,710,000	436,000	0	0
Health Care Standards and Surveillance	14,140,000	2,392,000	18,582,000	(8,000)
Institution Management	0	0	97,125,000	3,997,000
Laboratories and Research	11,344,000	24,100	20,224,000	1,192,000
Medicaid Audit and Fraud Prevention	10,000,000	0	42,356,000	1,578,000
Office of Medicaid Management	0	0	3,627,750,000	492,500,000
Medicaid Management Information System	0	0	67,510,000	0
Total	86,772,000	18,418,100	4,050,268,000	503,275,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	6,973,180,000	6,765,055,000	(208,125,000)
Special Revenue Funds - Federal	18,118,904,000	19,067,013,000	948,109,000
Special Revenue Funds - Other	1,855,433,000	3,240,164,000	1,384,731,000
Fiduciary Funds	850,000,000	950,000,000	100,000,000
Total	27,797,517,000	30,022,232,000	2,224,715,000

Adjustments:

Recommended Deficiency	
Health, Department of	
General Fund	(364,800,000)
Special Revenue Funds - Other	(107,000,000)
Appropriated 2001-02	<u>27,325,717,000</u>

HEALTH

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration and Executive Direction			
General Fund	869,000	869,000	0
AIDS Institute			
General Fund	53,656,000	0	(53,656,000)
Special Revenue Funds - Other	34,597,000	88,253,000	53,656,000
Child Health Insurance			
Special Revenue Funds - Federal	726,720,000	921,060,000	194,340,000
Special Revenue Funds - Other	280,320,000	470,000,000	189,680,000
Community Health			
General Fund	526,588,000	484,451,000	(42,137,000)
Special Revenue Funds - Federal	574,806,000	605,193,000	30,387,000
Special Revenue Funds - Other	36,578,000	58,823,000	22,245,000
Office of Continuing Care			
General Fund	2,546,000	621,000	(1,925,000)
Special Revenue Funds - Federal	315,000	0	(315,000)
Elderly Pharmaceutical Insurance Coverage			
General Fund	401,100,000	0	(401,100,000)
Special Revenue Funds - Other	0	484,900,000	484,900,000
Environmental Health			
General Fund	1,500,000	0	(1,500,000)
Special Revenue Funds - Federal	2,208,000	2,540,000	332,000
Special Revenue Funds - Other	200,000	6,200,000	6,000,000
Health Care Standards and Surveillance			
General Fund	9,535,000	9,185,000	(350,000)
Laboratories and Research			
General Fund	1,071,000	1,071,000	0
Special Revenue Funds - Federal	2,105,000	2,420,000	315,000
Maintenance Undistributed			
General Fund	(272,338,000)	(7,288,000)	265,050,000
Special Revenue Funds - Other	272,338,000	7,288,000	(265,050,000)
Office of Medicaid Management			
General Fund	5,796,000	5,796,000	0
Medical Assistance			
General Fund	6,134,300,000	6,156,000,000	21,700,000
Special Revenue Funds - Federal	16,424,000,000	17,054,000,000	630,000,000
Special Revenue Funds - Other	1,231,400,000	2,124,700,000	893,300,000
Fiduciary Funds	850,000,000	950,000,000	100,000,000
Medical Assistance Administration			
General Fund	108,557,000	114,350,000	5,793,000
Special Revenue Funds - Federal	388,750,000	481,800,000	93,050,000
Total	<u>27,797,517,000</u>	<u>30,022,232,000</u>	<u>2,224,715,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	0	0	0	1,078,000
Rehabilitation and Improvements				
Capital Projects Fund	0	0	0	2,126,000
Laboratories and Research				
Capital Projects Fund	4,000,000	4,000,000	0	8,518,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	19,936,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	20,000,000
Water Resources				
Federal Capital Projects Fund	53,659,000	75,000,000	21,341,000	182,283,000
Safe Drinking Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	50,000,000	70,000,000	20,000,000	10,000,000
Total	<u>115,259,000</u>	<u>156,600,000</u>	<u>41,341,000</u>	<u>243,941,000</u>

HUDSON RIVER PARK TRUST

MISSION

The Hudson River Park Trust (HRPT) is a public benefit corporation established in 1998 to design, develop, and maintain the 550-acre Hudson River Park, which will extend five miles along the Hudson River waterfront from Battery Park to 59th Street. The Trust is governed by a 13-member board: 5 members appointed by the Governor, 5 by the Mayor of New York City, and 3 by the Manhattan Borough President.

ORGANIZATION AND STAFFING

The Trust is headed by a President and Chief Executive Officer who is appointed by the Board. For 2002-03, the Trust will have a workforce of 26 permanent staff, 18 summer interns for seasonal programs, and 6 part-time interns.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A recommended overall resource level of \$45 million in new appropriations, in concert with \$69 million in reappropriations, will fund all Trust capital costs in 2002-03 associated with the planning, design and construction of Park projects. Specifically, 2002-03 Budget recommendations provide \$15 million for Park development from the Environmental Protection Fund within the budget for the Department of Environmental Conservation, and a State-funded advance appropriation of \$30 million, which will be repaid by New York City as part of its share of the Park's development costs. All Trust administrative activities, including operating costs, are paid directly from a portion of the commercial lease payments and other revenues generated by businesses and activities conducted on the Park property. These receipts are deposited directly to the Trust.

PROGRAM HIGHLIGHTS

During 2002-03, the Trust will continue to fine tune the design and scope of the Hudson River Park, work to complete the Park's Greenwich Village segment by early Fall 2002, finalize with the Project Manager planning for both the design and construction of the remaining segments of the Park, develop detailed cost estimates, explore alternative sources of funding and continue to oversee capital projects to build the Park.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	30,000,000	30,000,000	52,000,000
Total	0	30,000,000	30,000,000	52,000,000

HUDSON RIVER PARK TRUST

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Regional Development				
Capital Projects Fund - Advances	0	30,000,000	30,000,000	52,000,000
Total	0	30,000,000	30,000,000	52,000,000

DIVISION OF HUMAN RIGHTS

MISSION

New York State holds the proud distinction of being the first state to enact a Human Rights Law, affording every citizen an equal opportunity to enjoy a full and productive life. Discriminating against others on the grounds of their race, creed, color, sex, age, national origin, disability, genetic predisposition and carrier status, or other specified classes is illegal in the State of New York.

The New York State Division of Human Rights serves as the administrative arm of the law, with its primary mission being the enforcement and protection of human rights. Programs of the Division of Human Rights focus on ensuring equal opportunity in employment, housing, public accommodation, education and credit. The Division:

- Investigates and resolves complaints of illegal discrimination; and
- Promotes human rights awareness through education and acts as a resource in the prevention and elimination of discrimination.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, the Division operates from its main office in New York City and from nine regional offices (Albany, Binghamton, Buffalo, Rochester, Brooklyn, Long Island, Lower Manhattan, Upper Manhattan and Peekskill) and two satellite offices (Long Island and Syracuse).

The Division will have a workforce of 197 employees during 2002-03: 32 for administration of the Division and 165 to investigate, determine probable cause, and hear individual cases of discrimination. Funding is also provided to support six per diem administrative law judges not reflected in the 197 salaried staff.

BUDGET AND PROGRAM HIGHLIGHTS

In the last six years, the Division has made solid progress toward reducing its backlog of cases; open cases totaled 10,430 at the close of fiscal year 2000-01, down from 16,880 in January 1995. The State continues to work vigorously to reduce the backlog and meet reasonable standards for timely case processing. To support this goal, the 2002-03 Executive Budget continues implementation of the backlog reduction initiative. Further, an additional \$773,000 in General Fund support is recommended to ensure continued efforts to reduce the case backlog. Finally, an additional \$1.9 million in Federal funds is also recommended, as the agency expects to receive increased grants from the Department of Housing and Urban Development and the Equal Employment Opportunity Commission.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	15,551,000	18,224,000	2,673,000	2,900,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	15,551,000	18,224,000	2,673,000	2,900,000

HUMAN RIGHTS

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
General Fund	45	45	0
Legal Enforcement			
General Fund	26	26	0
Regional Affairs			
General Fund	93	93	0
Special Revenue Funds - Federal	33	33	0
Total	197	197	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	12,561,000	13,334,000	773,000
Special Revenue Funds - Federal	2,900,000	4,800,000	1,900,000
Special Revenue Funds - Other	70,000	70,000	0
Fiduciary Funds	20,000	20,000	0
Total	15,551,000	18,224,000	2,673,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Administration			
General Fund	5,477,000	5,609,000	132,000
Special Revenue Funds - Other	70,000	70,000	0
Fiduciary Funds	20,000	20,000	0
Legal Enforcement			
General Fund	1,411,000	2,064,000	653,000
Regional Affairs			
General Fund	5,673,000	5,661,000	(12,000)
Special Revenue Funds - Federal	2,900,000	4,800,000	1,900,000
Total	15,551,000	18,224,000	2,673,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,802,000	(84,000)	2,578,000	(84,000)
Legal Enforcement	1,971,000	653,000	1,970,000	653,000
Regional Affairs	5,028,000	(200,000)	5,026,000	(200,000)
Total	9,801,000	369,000	9,574,000	369,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	222,000	0	2,000	0
Legal Enforcement	0	0	1,000	0
Regional Affairs	0	0	2,000	0
Total	222,000	0	5,000	0

HUMAN RIGHTS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	2,807,000	216,000	11,000	1,000
Legal Enforcement	93,000	0	6,000	0
Regional Affairs	633,000	188,000	16,000	5,000
Total	<u>3,533,000</u>	<u>404,000</u>	<u>33,000</u>	<u>6,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	37,000	3,000	2,722,000	209,000
Legal Enforcement	26,000	0	56,000	0
Regional Affairs	40,000	12,000	495,000	147,000
Total	<u>103,000</u>	<u>15,000</u>	<u>3,273,000</u>	<u>356,000</u>

Program	Equipment	
	Amount	Change
Administration	37,000	3,000
Legal Enforcement	5,000	0
Regional Affairs	82,000	24,000
Total	<u>124,000</u>	<u>27,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	90,000	0	90,000	0
Regional Affairs	4,800,000	1,900,000	4,800,000	1,900,000
Total	<u>4,890,000</u>	<u>1,900,000</u>	<u>4,890,000</u>	<u>1,900,000</u>

DEPARTMENT OF MENTAL HYGIENE

The Department of Mental Hygiene operates through three independent agencies: the Office of Mental Health, the Office of Mental Retardation and Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services. All three agencies provide services directly to their clients through State operated facilities, and receive reimbursement for these services, primarily Medicaid. However, these patient revenues are pledged first to the payment of debt service on outstanding Mental Hygiene bonds.

This appropriation from the Patient Income Account may be distributed to any of the three agencies in order to access additional revenues made available through a decreased set-aside for debt service and/or increased Federal Medicaid reimbursement. The 2002-03 Executive Budget includes a planned defeasance of Mental Hygiene bonds during 2001-02 through the use of Debt Reduction Reserve Fund monies. In addition, the budget anticipates that the Federal government will enact legislation increasing its share of Medicaid costs.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	40,000,000	40,000,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	40,000,000	40,000,000	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	0	(215,000,000)	(215,000,000)
Special Revenue Funds - Other	0	255,000,000	255,000,000
Total	0	40,000,000	40,000,000

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

MISSION

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for licensing and evaluating service providers, and for implementing and advocating policies and programs for the prevention, early intervention and treatment of alcoholism and substance abuse. In conjunction with local governments, providers and communities, the Office works to ensure that a full range of necessary and cost-effective prevention and treatment services are available statewide.

ORGANIZATION AND STAFFING

The Office of Alcoholism and Substance Abuse Services is headed by a Commissioner, responsible for the development and management of the State's policy on chemical dependence. The Agency exercises these responsibilities directly as a provider of treatment services through a statewide system of 13 Addiction Treatment Centers (ATCs), through the regulation and oversight of prevention and chemical dependence services, and as a conduit for Federal and State financial assistance. The Agency also furthers other State policy goals — including reform efforts in criminal justice, health care and public assistance — by coordinating chemical dependence resources and strategies in collaboration with other State agencies.

In 2002-03, OASAS will have a workforce of 979, of which 56 percent provide clinical treatment services through the ATCs. This represents a year-to-year reduction of 22 administrative positions, accomplished through normal attrition and retirements.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends \$503 million in State and other resources for OASAS to continue agency and community operations, and expand services to priority populations. This funding is supplemented by Federal and State resources budgeted in other State agencies, and by the contributions of local government, voluntary agencies and other sources. When combined, nearly \$1.5 billion will be invested in the prevention and treatment of chemical dependence in 2002-03.

In comparison to the prior year, total OASAS appropriations increase by \$8.9 million after reflecting savings from reductions in central office staffing and the maximization of Federal resources.

The recommended budget is sufficient to ensure:

- Full operation of all 13 ATCs;
- Opening of planned residential bed expansions begun in both 1997-98 and 2000-01;
- Implementation of new chemical dependence fees; and,
- Maintenance of health and safety standards in both the State and voluntary facilities.

The 2002-03 Executive Budget continues the consolidation of the OASAS system — uniting the separate alcoholism and substance abuse systems into a single chemical dependence system. New outpatient chemical dependence fees will be implemented in 2002-03, replacing the current separate alcoholism clinic fees and substance abuse clinic rates. To smooth the transition to the new Medicaid fee structure, \$5.7 million is set aside over 18 months to meet extraordinary short-term needs of eligible outpatient providers.

The 2002-03 Executive Budget also maintains ongoing efforts to purchase the best available treatment outcomes for the lowest cost, supplementing local government initiatives to identify and case manage the most costly consumers of treatment services. Beginning in 2002-03, OASAS licensed providers will be authorized to seek reimbursement under the Medicaid program for detoxification services provided in their community-based programs.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

This community-based service alternative will minimize the repeated utilization of high-cost inpatient settings and establish linkages for consumers with needed ongoing treatment services. Inpatient hospitalization will continue to provide the more medically complicated detoxification services. The result will be both less costly and more coordinated care across the full continuum services.

PROGRAM HIGHLIGHTS

As the largest drug and alcohol prevention and treatment system in the nation, OASAS administers a comprehensive array of prevention and treatment services for New Yorkers suffering from addiction. The Office works with a network of State, local government and voluntary agencies, as well as school districts, to provide prevention and treatment services. In accordance with Federal and State statutes, the Agency licenses and regulates program providers, ensures that fiscal resources are appropriately spent, and assists local programs in providing the highest quality services.

On any given day, approximately 114,000 patients are enrolled in New York State's licensed chemical dependence treatment and rehabilitation system. Services within this system are provided by more than 1,300 community-based agencies.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	69,225,000	74,006,000	4,781,000	0
Aid To Localities	392,746,000	397,986,000	5,240,000	55,643,000
Capital Projects	32,140,000	31,020,000	(1,120,000)	134,639,000
Total	494,111,000	503,012,000	8,901,000	190,282,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Executive Direction			
General Fund	340	327	(13)
Special Revenue Funds - Federal	75	75	0
Special Revenue Funds - Other	12	12	0
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	551	547	(4)
Prevention and Program Support			
Special Revenue Funds - Federal	10	10	0
Total	996	979	(17)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	45,734,000	49,290,000	3,556,000
Special Revenue Funds - Federal	5,663,000	5,675,000	12,000
Special Revenue Funds - Other	17,828,000	19,041,000	1,213,000
Total	69,225,000	74,006,000	4,781,000

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Executive Direction			
General Fund	20,128,000	20,359,000	231,000
Special Revenue Funds - Federal	5,663,000	5,675,000	12,000
Special Revenue Funds - Other	8,828,000	8,911,000	83,000
Institutional Services			
General Fund	25,606,000	28,931,000	3,325,000
Special Revenue Funds - Other	9,000,000	10,130,000	1,130,000
Total	<u>69,225,000</u>	<u>74,006,000</u>	<u>4,781,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	20,881,000	(101,000)	20,701,000	(101,000)
Institutional Services	30,200,000	2,454,000	29,339,000	2,338,000
Total	<u>51,081,000</u>	<u>2,353,000</u>	<u>50,040,000</u>	<u>2,237,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	112,000	0	68,000	0
Institutional Services	454,000	50,000	407,000	66,000
Total	<u>566,000</u>	<u>50,000</u>	<u>475,000</u>	<u>66,000</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	7,178,000	332,000	540,000	(39,000)
Institutional Services	8,861,000	2,001,000	3,067,000	(12,000)
Total	<u>16,039,000</u>	<u>2,333,000</u>	<u>3,607,000</u>	<u>(51,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	641,000	0	5,973,000	371,000
Institutional Services	251,000	0	5,157,000	2,013,000
Total	<u>892,000</u>	<u>0</u>	<u>11,130,000</u>	<u>2,384,000</u>

Program	Equipment	
	Amount	Change
Executive Direction	24,000	0
Institutional Services	386,000	0
Total	<u>410,000</u>	<u>0</u>

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,886,000	95,000	3,550,000	161,000
Total	6,886,000	95,000	3,550,000	161,000
Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change	Amount	Change
Executive Direction	1,743,000	(161,000)	1,593,000	95,000
Total	1,743,000	(161,000)	1,593,000	95,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	252,979,000	249,282,000	(3,697,000)
Special Revenue Funds - Federal	131,767,000	135,004,000	3,237,000
Special Revenue Funds - Other	8,000,000	13,700,000	5,700,000
Total	392,746,000	397,986,000	5,240,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Community Treatment Services Program			
General Fund	202,860,000	199,683,000	(3,177,000)
Special Revenue Funds - Federal	88,993,000	91,552,000	2,559,000
Special Revenue Funds - Other	0	5,700,000	5,700,000
Prevention and Program Support			
General Fund	50,119,000	49,599,000	(520,000)
Special Revenue Funds - Federal	42,774,000	43,452,000	678,000
Special Revenue Funds - Other	8,000,000	8,000,000	0
Total	392,746,000	397,986,000	5,240,000

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	1,250,000	1,250,000	0	2,750,000
Mental Hygiene Capital Improvement Fund	2,250,000	2,250,000	0	8,676,000
Administration				
Capital Projects Fund	902,000	982,000	80,000	0
Non-Bondable Projects				
Capital Projects Fund	750,000	750,000	0	750,000
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	4,488,000	3,288,000	(1,200,000)	19,533,000
Mental Hygiene Capital Improvement Fund	20,000,000	20,000,000	0	83,441,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	3,973,000
Mental Hygiene Capital Improvement Fund	2,000,000	2,000,000	0	15,516,000
Total	32,140,000	31,020,000	(1,120,000)	134,639,000

OFFICE OF MENTAL HEALTH

MISSION

The Office of Mental Health's (OMH) mission is to promote hope and recovery for people with psychiatric disabilities. It is responsible for planning and operating an integrated system of mental health care that serves adults with serious and persistent mental illness and children with serious emotional disturbances.

ORGANIZATION AND STAFFING

The Office of Mental Health is headed by a Commissioner who is appointed by the Governor. New York's public mental health system consists of programs that are operated by the Office of Mental Health, as well as community programs certified and funded by the State, but operated by local governments, and not-for-profit and profit-making providers. OMH regulates and licenses approximately 2,500 programs across the State. The combined system serves both adults who have serious and persistent mental illness and children with serious emotional disturbances who have experienced substantial problems in functioning.

OMH currently operates 28 facilities across the State, including 17 Adult Psychiatric Centers and six Children's Psychiatric Centers. In addition, OMH operates three Forensic Psychiatric Centers — which serve individuals with histories in the criminal justice system — and two Research Institutes.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget provides \$2.14 billion in total authorized spending for the Office of Mental Health from General Fund, Federal and third-party resources, an increase of \$86.4 million, compared to 2001-02.

Budget recommendations for the Office of Mental Health will strengthen community mental health care and accountability and provide the highest quality inpatient care for people requiring such services.

Over the past seven years, the Office of Mental Health has strengthened community services while achieving greater efficiencies in the operation of its inpatient programs. Using the resources provided in recent Budgets — such as State Aid to Localities, Medicaid reimbursement, major capital financing initiatives for community housing, Assisted Outpatient Treatment, the Enhanced Community Services Program and the Community Mental Health Reinvestment Act — the Office of Mental Health has reshaped the balance of funding provided to psychiatric centers and community operations. The Agency has closed unneeded State-operated inpatient beds as well as four psychiatric centers; it has consolidated adult inpatient care from three campuses onto one campus on Long Island; and it has fundamentally restructured State-operated outpatient services. Simultaneously, it has significantly expanded community housing opportunities and, through Kendra's Law and other actions, has accomplished major expansions of case management and other community services and oversight of individuals with mental illness. Approximately two-thirds of State funding and Medicaid dollars are now spent on community mental health care.

The recommended Budget for 2002-03 provides full funding for all multi-year initiatives underway, including the Enhanced Community Services Program; Kendra's Law, with its assisted outpatient treatment and psychiatric medication grant programs; and the New York/New York II agreement and other housing development.

Since 1994-95, the Office of Mental Health has aggressively streamlined its administrative functions at all levels of the organization — Central Office, Field Offices, facility cabinets, clinical management and outpatient services. This effort has enabled it to eliminate over 700 administrative positions with a recurring annual savings of

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\$38 million. OMH has also redesigned local programs for greater efficiency, maximization of Federal Medicaid reimbursement and more effective service delivery. New savings initiatives will continue in 2002-03 through the following actions:

- Review long stay patient treatment plans to identify psychiatric center patients who would more appropriately be served through alternative treatment and medication modalities to facilitate their recovery and free up unneeded inpatient capacity;
- Institute tighter controls on vacancy management, including refilling of non-patient care positions, re-assigning positions to maximize use of available staff, and eliminating vacant shared staff positions;
- Limit non-personal services expenses through contract reviews and renewals and strict controls on travel, equipment, and other purchases; and
- Continue to explore opportunities to maximize Federal Medicaid reimbursement.

ASSISTED OUTPATIENT TREATMENT

The 2002-03 Budget includes appropriations of \$32 million for the Assisted Outpatient Treatment program (“Kendra’s Law”) enacted in 1999-2000. The program provides court ordered assisted outpatient treatment for certain people with mental illness who, based on their treatment history and present circumstances, are unlikely to survive safely in the community without supervision. The appropriations support case management and other services aimed at keeping the clients in a treatment program, including psychiatric medication as required. The appropriations also provide psychiatric medication to individuals being discharged from State psychiatric centers, community hospitals, prisons and jails while their Medicaid eligibility is being determined.

ENHANCED COMMUNITY SERVICES

Increased appropriations of \$26.2 million are provided to the Enhanced Community Services Program proposed by Governor Pataki in 2000-01. The program is supported by Health Care Reform Act (HCRA) revenues and provides \$125 million in additional spending for a wide variety of services designed to strengthen the community mental health service system for children and adults. The program has significantly expanded case management, housing, family support, family-based treatment, home and community-based waiver, and mobile crisis team services. Moreover, the Enhanced Community Services Program has fostered more effective systems for managing resources to best serve the clients by establishing new Single Points of Entry at the local level. This improves the assignment of case management and housing opportunities to the most needy clients.

COMMUNITY HOUSING

The 2002-03 Budget provides operational and capital funding for local programs to maintain the existing residential system and continue the development of community beds previously authorized through New York/New York II and other housing initiatives. Including the new residential beds in the Governor’s Enhanced Community Services Program, this Budget supports 25,600 beds currently operating as well as 800 new community beds, which are expected to open by the end of 2002-03. Another 1,900 are in other stages of development.

CAPITAL PROJECTS

OMH’s Capital Budget includes new appropriations of \$162.9 million for preservation and maintenance of inpatient and community facilities. Capital spending from new appropriations and re-appropriations will support facility projects that will increase health and safety, preserve and maintain the physical plant consistent with the Office of Mental Health’s facility

maintenance program and comply with accreditation standards. Capital spending is also provided for local programs to maintain the existing residential system and to continue development of community beds previously authorized.

PROGRAM HIGHLIGHTS

New York State will continue to rank number one in the nation in total spending and per capita spending on State and local programs for the mentally ill.

- State-operated facilities provide inpatient, outpatient, and community support programs throughout the State that serve adults, children, and forensic populations. State-operated psychiatric centers provide inpatient services to approximately 7,600 adults and children who are admitted annually, while over 37,000 individuals are served through various outpatient and support programs.
- While inpatients vary greatly in age, level of disability and length of hospitalization, a range of treatment and rehabilitative services is offered as patients progress from admission to discharge. In addition, OMH provides specialized services for physically disabled, aggressive and assaultive, and multi-diagnosed patients, as well as patients who have criminal histories.
- The Office operates an array of community-based programs located throughout the State. These programs, staffed with State employees, provide supportive services to enable individuals with mental illness to avoid long-term inpatient stays. State-operated community-based services currently include community residential facilities and residential care centers for adults and children, outpatient programs, intensive case management positions, and a variety of supportive employment, work-for-pay, crisis and other community support programs.
- OMH operates two research units supported by State tax dollars and Federal and other grants, which include the OMH New York Psychiatric Institute in Manhattan and the OMH Nathan S. Kline Institute, located on the grounds of Rockland Psychiatric Center. These facilities conduct research in children and adult clinical treatment, basic biomedical and neurological sciences, and health services for the mentally ill.
- OMH also funds a wide range of community services provided by local governments and private organizations. These include emergency services such as Comprehensive Psychiatric Emergency Programs; outpatient services such as mental health clinics and day treatment programs and community support programs such as Intensive and Supportive Case Management, residential programs and consumer-run self-help and self-operated programs. Overall, State Aid and Medicaid (budgeted largely in the Department of Health) will provide about \$2 billion for not-for-profit and county-operated community mental health programs through a network of approximately 2,500 programs serving over 500,000 persons a year.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,145,316,000	1,163,371,000	18,055,000	1,722,000
Aid To Localities	776,338,000	809,665,000	33,327,000	40,674,000
Capital Projects	127,851,000	162,880,000	35,029,000	519,811,000
Total	2,049,505,000	2,135,916,000	86,411,000	562,207,000

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ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration and Finance			
General Fund	559	559	0
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	12,571	12,160	(411)
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	1,964	1,964	0
Forensic Services			
General Fund	1,878	1,878	0
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	497	497	0
Special Revenue Funds - Other	27	27	0
Total	<u>17,992</u>	<u>17,581</u>	<u>(411)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	728,467,000	665,527,000	(62,940,000)
Special Revenue Funds - Federal	1,258,000	1,258,000	0
Special Revenue Funds - Other	404,772,000	485,447,000	80,675,000
Enterprise Funds	8,015,000	8,277,000	262,000
Internal Service Funds	2,234,000	2,292,000	58,000
Fiduciary Funds	570,000	570,000	0
Total	<u>1,145,316,000</u>	<u>1,163,371,000</u>	<u>18,055,000</u>
Adjustments:			
Transfer(s) From			
Mental Health, Office of			
General Fund (Aid To Localities)	(11,408,000)		
Appropriated 2001-02	<u>1,133,908,000</u>		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration and Finance			
General Fund	57,213,000	57,061,000	(152,000)
Special Revenue Funds - Federal	1,258,000	1,258,000	0
Special Revenue Funds - Other	1,300,000	1,300,000	0
Enterprise Funds	8,015,000	8,277,000	262,000
Internal Service Funds	2,234,000	2,292,000	58,000
Fiduciary Funds	570,000	570,000	0
Adult Services			
General Fund	785,497,000	793,536,000	8,039,000
Children and Youth Services			
General Fund	115,645,000	118,690,000	3,045,000
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	107,401,000	113,082,000	5,681,000
Maintenance Undistributed			
General Fund	(397,700,000)	(478,128,000)	(80,428,000)
Special Revenue Funds - Other	397,700,000	478,128,000	80,428,000
Research			
General Fund	40,811,000	41,686,000	875,000
Special Revenue Funds - Other	5,772,000	6,019,000	247,000
Total	<u>1,145,316,000</u>	<u>1,163,371,000</u>	<u>18,055,000</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	36,624,000	22,000	35,627,000	(19,000)
Adult Services	659,164,000	(1,441,000)	609,412,000	(3,469,000)
Children and Youth Services	103,934,000	2,643,100	96,943,000	2,358,100
Forensic Services	102,416,000	5,107,000	95,293,000	4,817,000
Research	36,552,000	817,000	35,972,000	805,000
Total	<u>938,690,000</u>	<u>7,148,100</u>	<u>873,247,000</u>	<u>4,492,100</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	749,000	31,000	248,000	10,000
Adult Services	14,716,000	600,000	35,036,000	1,428,000
Children and Youth Services	3,300,000	135,000	3,691,000	150,000
Forensic Services	3,164,000	129,000	3,959,000	161,000
Research	82,000	1,000	498,000	11,000
Total	<u>22,011,000</u>	<u>896,000</u>	<u>43,432,000</u>	<u>1,760,000</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	20,437,000	(174,000)	892,000	24,000
Adult Services	134,372,000	9,480,000	66,047,000	7,706,000
Children and Youth Services	14,756,000	401,900	6,680,000	181,900
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	10,666,000	574,000	6,277,000	338,127
Research	5,134,000	58,000	2,153,000	25,000
Total	204,965,000	10,339,900	82,049,000	8,275,027

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,399,000	38,000	16,193,000	(289,000)
Adult Services	2,906,000	79,000	59,712,000	1,626,000
Children and Youth Services	509,000	14,000	7,026,000	191,000
Forensic Services	622,000	33,559	3,568,000	192,004
Research	75,000	1,000	2,796,000	31,000
Total	5,511,000	165,559	89,295,000	1,751,004

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	1,953,000	53,000	0	0
Adult Services	2,542,000	69,000	3,165,000	0
Children and Youth Services	541,000	15,000	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	199,000	10,310	0	0
Research	110,000	1,000	0	0
Total	5,345,000	148,310	22,765,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	13,697,000	320,000	4,328,000	163,000
Research	6,019,000	247,000	1,915,000	79,000
Total	19,716,000	567,000	6,243,000	242,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,069,000	157,000	1,300,000	0
Research	4,104,000	168,000	0	0
Total	12,173,000	325,000	1,300,000	0

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AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	696,330,000	696,895,000	565,000
Special Revenue Funds - Federal	31,673,000	38,235,000	6,562,000
Special Revenue Funds - Other	48,335,000	74,535,000	26,200,000
Total	<u>776,338,000</u>	<u>809,665,000</u>	<u>33,327,000</u>

Adjustments:

Transfer(s) From

Mental Health, Office of

General Fund

(40,600,000)

Special Revenue Funds - Other

(40,600,000)

Transfer(s) To

Mental Health, Office of

General Fund

40,600,000

General Fund (State Operations)

11,408,000

Special Revenue Funds - Other

40,600,000

Appropriated 2001-02

787,746,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Adult Services			
General Fund	425,758,000	423,126,000	(2,632,000)
Special Revenue Funds - Federal	24,695,000	30,400,000	5,705,000
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	96,090,000	96,494,000	404,000
Special Revenue Funds - Federal	6,978,000	7,835,000	857,000
Enhanced Community Services			
Special Revenue Funds - Other	40,600,000	66,800,000	26,200,000
Reinvestment			
General Fund	174,482,000	177,275,000	2,793,000
Total	<u>776,338,000</u>	<u>809,665,000</u>	<u>33,327,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	1,750,000	1,750,000	0	1,750,000
Mental Hygiene Capital Improvement Fund	7,500,000	8,000,000	500,000	8,788,000
Executive Direction				
Capital Projects Fund	0	0	0	3,325,000
Mental Hygiene Capital Improvement Fund	3,300,000	3,300,000	0	3,300,000
Community Mental Health Facilities				
Capital Projects Fund	5,000,000	6,000,000	1,000,000	23,440,000
Mental Hygiene Capital Improvement Fund	5,424,000	5,470,000	46,000	138,547,000
Non-Bondable Projects				
Capital Projects Fund	3,000,000	2,000,000	(1,000,000)	8,000,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	27,969,000	27,950,000	(19,000)	31,535,000
Mental Hygiene Capital Improvement Fund	73,908,000	108,410,000	34,502,000	301,126,000
Total	<u>127,851,000</u>	<u>162,880,000</u>	<u>35,029,000</u>	<u>519,811,000</u>

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

MISSION

The Office of Mental Retardation and Developmental Disabilities (OMRDD) serves and supports individuals and families of individuals with developmental disabilities. OMRDD works with local governments and non-profit providers to oversee a comprehensive system for delivery of services to people who have developmental disabilities. Both institutional and community-based services are delivered through a network of community programs operated by non-profit providers, State Developmental Centers and numerous State-operated programs based in the community.

ORGANIZATION AND STAFFING

Under the direction of a Commissioner appointed by the Governor, OMRDD currently operates through district offices, called Developmental Disabilities Services Offices (DDSO). Its Central Office oversees and supports operations of the district offices.

OMRDD will have a workforce of 22,258 for 2002-03, most of whom work directly with consumers of services. The remainder of the workforce are supervisors of direct care workers, clinicians, administrative support and management personnel.

By the end of 2002-03, OMRDD will operate some 477 developmental center beds, along with 1,122 special unit beds. From 1995 to the end of the 2002-03 fiscal year, the State will have moved some 3,500 people into more appropriate community care and will have closed more than 2,050 unneeded institutional beds.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Total funding of \$2.6 billion supports a comprehensive system of care serving more than 123,000 persons with disabilities and their families. Over the last eight years, OMRDD's operating budget has grown by \$662 million, reflecting the Governor's ongoing commitment to serving the needs of persons with developmental disabilities. The Executive Budget recommendations for 2002-03 preserve essential direct care and maintain the quality of services for consumers in both non-profit and OMRDD-operated programs. Under these recommendations:

- OMRDD's Institutional Services Program will receive total funding of \$374.5 million, to support residential care and habilitative services for people in developmental centers. In addition, another \$77.4 million funds OMRDD's Central Coordination and Support and Research in Mental Retardation Programs, which provide policy direction and technical support to the entire service system.
- OMRDD's Community Services Program will receive over \$2 billion to fund hundreds of State-operated residential and day programs and ancillary services such as clinics and transportation networks, as well as to support local governments and a network of more than 600 non-profit agencies; and
- OMRDD's new capital appropriations of \$116.6 million support the maintenance of existing institutions, community residential and day program sites as well as the development and renovation of residential and day programming sites and other expanded bed capacity.

This budget reflects a \$234.6 million increase over 2001-02 funding, primarily attributable to growth in funding for community-based services. These recommendations anticipate that

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

OMRDD will continue to aggressively pursue Federal financial support for its programs as well as take other targeted administrative actions to achieve management efficiencies in both the State and non-profit sectors.

The 2002-03 Executive Budget continues full funding of the Governor's nationally acclaimed five-year initiative known as New York State-Creating Alternatives in Residential Environments and Services (NYS-CARES). As this program enters its fourth year, the recommended budget contains \$152 million primarily to support the nearly 5,000 persons who have left the waiting list for homes in the community. Another 978 new residential placements are planned for 2002-03, together with case management and day service opportunities. Over five years, New York State will invest \$343 million in State and Federal funds to provide services to 8,100 individuals requiring out-of-home residential placements.

In support of existing services, a Medicaid trend factor of 3.69 percent will be applied to adjusted 2001-02 reimbursement levels for Intermediate Care Facilities (ICF) and most Home and Community-Based Services (HCBS) Waiver programs, providing more than \$28 million in additional State funding to non-profit community-based providers for residential and other services. All new residential programs developed under NYS-CARES will receive this trend.

In 2002-03, the State expects to serve another 2,770 persons in the community, most of whom are mandated into OMRDD's care or are graduating out of special education programs. Many of these persons will be served by existing non-profit programs. Development of another 750 new supported employment placements, 750 day habilitation placements, and 140 new residential placements (with associated day services and service coordination) will ensure OMRDD has adequate capacity to serve persons in need of community-based care.

The effort to place individuals residing in the developmental centers into more appropriate community settings will continue. An additional 164 individuals will leave institutions for care in their own communities during 2002-03 and new admissions will be limited to emergency situations of persons with special needs and to persons entering special treatment units. Projections are that by the end of next fiscal year, there will be only 477 people statewide living in developmental centers. OMRDD remains committed to deinstitutionalization for all consumers who can be appropriately cared for in community settings.

In addition, OMRDD continues to protect the safety and welfare of the public. The 2002-03 Executive Budget recommends continued funding of State-operated capacity for persons with severe behavioral involvement who require intensive treatment services — including the new Valley Ridge Center for Intensive Treatment planned to open April 1, 2002. Placements in these specialized settings ensure that OMRDD can appropriately treat individuals who are a danger to themselves or others.

OMRDD continues to improve the efficiency and cost-effectiveness of their operations. In 2002-03 the agency will undertake efforts to:

- Limit, in certain circumstances, administrative reimbursement to community-based providers;
- Emphasize use of less costly services, when appropriate;
- Maximize use of existing service capacity;
- Streamline and institute new internal controls on billing procedures;
- Diligently review eligibility for services;
- Apply strict controls on hiring in non-patient-care positions;
- Implement computerized staff training;
- Fully centralize payroll and human resource functions;
- Limit non-personal service expenditures, especially non-essential categories such as travel and new equipment purchases, including vehicles; and
- Consolidate office space to reduce rental costs.

In addition, Article VII legislation is proposed to eliminate the Youth Opportunity Program, effective April 1, 2002.

Infrastructure throughout the State and not-for-profit systems will be maintained through new capital appropriations of \$116.6 million and reappropriations of \$108.8 million. Capital appropriations for institutional projects will focus on the need to reinvest resources into

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

preserving and maintaining long-term facilities mostly for a core population of consumers who have severe behavioral treatment needs and/or have been involved with the criminal justice system.

State and voluntary-operated community capital appropriations increase by \$12 million. Capital projects in the community reflect a continued investment to maintain both State and voluntary not-for-profit community-based sites, and to develop State-operated residential placements for adults in developmental centers and on the NYS-CARES waiting list. While a modest increase in bonded appropriations is included, in part to address funding needs for small inner-city providers which cannot obtain alternative financing, voluntary not-for-profit capital development needs for NYS-CARES and other program expansion initiatives will continue to be met primarily through the use of non-State revenue such as Federal Housing and Urban Development (HUD) grants and private financing.

In total, these recommendations — through the combination of new and currently operating programs — will support an estimated 8,100 new service opportunities in community programs during 2002-03. This includes community placements for people in developmental centers and for mandated populations, as well as service opportunities for people on community waiting lists. Services to individuals and families have also been preserved within family support services.

PROGRAM HIGHLIGHTS

OMRDD serves more than 123,000 New Yorkers with developmental disabilities, which include mental retardation, epilepsy, cerebral palsy, neurological impairments and autism. In recent years, New York has made great strides in its methods of delivering services to this vulnerable population, moving more persons from institutions to the community than any other state in the nation. In addition, New York continues to place greater emphasis on consumer choice and satisfaction.

Under a 1991 Federal Medicaid waiver, consumers have the opportunity to receive individualized services in less restrictive settings. With the aid of trained service coordinators, consumers choose the services they need, and receive them in appropriate settings. New York commits more resources to its Home and Community Based Services (HCBS) Waiver program than any state in the nation, investing three times as much as the next highest state offering services under a waiver.

Maintaining a statewide system of services, delivered through both the State and non-profit providers, OMRDD:

- Provides 36,000 persons with certified residential services;
- Provides 64,000 persons with community day services; and
- Assists in the care of 72,000 persons with developmental disabilities who are living in their own homes.

An overview of these services is provided below.

RESIDENTIAL SERVICES

Residential services are offered through a continuum of programs in both community and institutional settings. The alternative which provides the most intensive services in a community setting is the Intermediate Care Facility for the Developmentally Disabled (ICF/DD). These facilities — some 8,200 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring 24-hour care. A typical community ICF has 12 to 14 beds.

The most common residential placement for persons under the waiver are Individual Residential Alternatives (IRAs) — homes, typically for 4 to 8 consumers, operated by either the State or not-for-profit providers in the community. This budget supports more than 18,000 IRA beds and accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve more than 7,000 people.

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In addition to these community-based programs, OMRDD operates ten campuses across the State. Some 1,600 people will be served in these settings by the end of 2002-03, of whom more than 70 percent will be receiving specialized services. OMRDD remains committed to providing community residential opportunities for all those in State institutions who can receive appropriate care in the community. Currently, New York serves more persons in community residential settings than any other state, with the exception of California.

DAY SERVICES

OMRDD supports an array of day services for persons with developmental disabilities, which also vary depending on the needs of the consumer. The major programs include:

- Day treatment which provides diagnostic, treatment, and rehabilitative services;
- Day habilitation, a smaller more individualized service for persons under the Federal Medicaid waiver for home and community based services;
- Supported employment, which provides the opportunity for individuals to work in competitive positions usually in integrated settings in the private sector;
- Sheltered workshops which provide basic, non-competitive work opportunities; and
- Day training which develops the knowledge and skills that enable persons with developmental disabilities to improve their personal, social, and vocational skills and to function independently.

SUPPORT FOR CONSUMERS LIVING IN THEIR OWN HOMES

OMRDD services also support families and individuals in their own homes. The Family Support Services program assists families in caring for more than 64,000 persons with developmental disabilities, enabling these individuals to remain at home. Services offered include respite, crisis intervention, case management, recreation, information and referral, and home care.

The Individualized Support Services program provides services to nearly 1,300 disabled individuals who live independently. In addition, almost 7,500 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

The Care at Home program provides a third alternative, designed to preserve family settings for persons under 18 years of age with developmental disabilities, who are medically frail. This program allows the parents of young persons with severe disabilities to maintain the child at home, regardless of family income level, thereby preventing more costly out-of-home placements.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,132,822,000	1,197,102,000	64,280,000	0
Aid To Localities	1,149,696,000	1,266,105,000	116,409,000	0
Capital Projects	62,716,000	116,613,000	53,897,000	108,785,000
Total	<u>2,345,234,000</u>	<u>2,579,820,000</u>	<u>234,586,000</u>	<u>108,785,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)			
Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Central Coordination and Support			
General Fund	755	772	17
Community Services			
General Fund	15,850	16,086	236
Institutional Services			
General Fund	5,340	5,182	(158)
Enterprise Funds	1	1	0
Research in Mental Retardation			
General Fund	217	217	0
Total	22,163	22,258	95

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	146,116,000	167,694,000	21,578,000
Special Revenue Funds - Federal	80,000	80,000	0
Special Revenue Funds - Other	983,521,000	1,026,274,000	42,753,000
Enterprise Funds	2,350,000	2,350,000	0
Internal Service Funds	0	150,000	150,000
Fiduciary Funds	755,000	554,000	(201,000)
Total	1,132,822,000	1,197,102,000	64,280,000

Adjustments:	
Recommended Deficiency	
Mental Retardation and Developmental Disabilities, Office of General Fund	(26,458,000)
Appropriated 2001-02	1,106,364,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Central Coordination and Support			
General Fund	54,141,000	59,765,000	5,624,000
Special Revenue Funds - Federal	80,000	80,000	0
Internal Service Funds	0	150,000	150,000
Community Services			
General Fund	703,043,000	745,192,000	42,149,000
Institutional Services			
General Fund	355,701,000	371,690,000	15,989,000
Enterprise Funds	2,350,000	2,350,000	0
Fiduciary Funds	705,000	504,000	(201,000)
Maintenance Undistributed			
General Fund	(983,521,000)	(1,026,274,000)	(42,753,000)
Special Revenue Funds - Other	983,521,000	1,026,274,000	42,753,000
Research in Mental Retardation			
General Fund	16,752,000	17,321,000	569,000
Fiduciary Funds	50,000	50,000	0
Total	1,132,822,000	1,197,102,000	64,280,000

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	42,289,000	3,118,000	40,050,000	3,118,000
Community Services	639,530,000	36,473,000	622,306,000	35,496,000
Institutional Services	225,120,000	6,161,000	216,930,000	5,932,000
Research in Mental Retardation	15,405,000	511,000	14,975,000	503,000
Total	922,344,000	46,263,000	894,261,000	45,049,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	1,991,000	0	248,000	0
Community Services	5,053,000	288,000	12,171,000	689,000
Institutional Services	1,061,000	31,000	7,129,000	198,000
Research in Mental Retardation	260,000	0	170,000	8,000
Total	8,365,000	319,000	19,718,000	895,000

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	17,476,000	2,506,000	561,000	5,000
Community Services	105,662,000	5,676,000	38,595,000	1,877,000
Institutional Services	146,570,000	9,828,000	23,061,000	380,000
Research in Mental Retardation	1,916,000	58,000	719,000	22,000
Total	271,624,000	18,068,000	62,936,000	2,284,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,266,000	12,000	14,335,000	2,476,000
Community Services	6,160,000	300,000	49,059,000	2,602,000
Institutional Services	1,183,000	15,000	27,416,000	449,000
Research in Mental Retardation	57,000	2,000	871,000	26,000
Total	8,666,000	329,000	91,681,000	5,553,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,314,000	13,000	0	0
Community Services	5,372,000	261,000	6,476,000	636,000
Institutional Services	2,286,000	28,000	92,624,000	8,956,000
Research in Mental Retardation	269,000	8,000	0	0
Total	9,241,000	310,000	99,100,000	9,592,000

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	230,000	150,000	0	0
Institutional Services	2,854,000	(201,000)	274,000	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>3,134,000</u>	<u>(51,000)</u>	<u>274,000</u>	<u>0</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	230,000	150,000
Institutional Services	2,580,000	(201,000)	0	0
Research in Mental Retardation	50,000	0	0	0
Total	<u>2,630,000</u>	<u>(201,000)</u>	<u>230,000</u>	<u>150,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	693,680,000	656,311,000	(37,369,000)
Special Revenue Funds - Other	454,016,000	607,794,000	153,778,000
Fiduciary Funds	2,000,000	2,000,000	0
Total	<u>1,149,696,000</u>	<u>1,266,105,000</u>	<u>116,409,000</u>

Adjustments:

Recommended Deficiency	
Mental Retardation and Developmental Disabilities, Office of General Fund	(73,298,000)
Appropriated 2001-02	<u>1,076,398,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Community Services			
General Fund	693,680,000	656,311,000	(37,369,000)
Special Revenue Funds - Other	454,016,000	607,794,000	153,778,000
Fiduciary Funds	2,000,000	2,000,000	0
Total	<u>1,149,696,000</u>	<u>1,266,105,000</u>	<u>116,409,000</u>

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	0
Mental Hygiene Capital Improvement Fund	0	6,000,000	6,000,000	0
Non-Bondable Projects				
Capital Projects Fund	1,000,000	1,000,000	0	1,000,000
Voluntary-Operated Community Facilities				
Capital Projects Fund	9,782,000	10,287,000	505,000	3,852,000
Mental Hygiene Capital Improvement Fund	5,488,000	8,111,000	2,623,000	5,488,000
State-Operated Community Services Program				
Capital Projects Fund	15,096,000	13,953,000	(1,143,000)	10,900,000
Mental Hygiene Capital Improvement Fund	0	10,000,000	10,000,000	11,891,000
Institutional Services Program				
Capital Projects Fund	14,250,000	16,650,000	2,400,000	31,370,000
Mental Hygiene Capital Improvement Fund	15,100,000	48,612,000	33,512,000	44,284,000
Total	<u>62,716,000</u>	<u>116,613,000</u>	<u>53,897,000</u>	<u>108,785,000</u>

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

MISSION

The Office of Parks, Recreation and Historic Preservation's mission is to provide safe and enjoyable recreational and interpretive opportunities for all New York State residents and visitors and to be responsible stewards of our valuable natural, historic and cultural resources. The Office operates and maintains 164 parks and 35 historic sites, hosts a multitude of cultural and educational programs, and offers diverse recreational opportunities, ranging from secluded campsites to the internationally renowned Niagara Falls State Park. Over 60 million people visit the State's parks and historic sites annually.

New York's ever-growing park system and its unparalleled recreation opportunities are an important factor in the State's tourism industry and economy. Services open to the public at State parks include developed beaches, golf courses, performing arts centers, swimming pools, marinas, cabins, campgrounds, and many significant historic sites.

ORGANIZATION AND STAFFING

The Office is headed by a Commissioner, appointed by the Governor. Operations are administered through a network of 11 regional offices: Allegany, Central, Finger Lakes, Genesee, Long Island, New York City, Niagara, Palisades, Saratoga/Capital District, Taconic, and Thousand Islands. The central office is located in Albany, and includes executive staff, fiscal personnel and other administrative support functions.

For fiscal year 2002-03, the Office will have a workforce of 1,671. Extensive use of more than 5,000 temporary and seasonal employees supplement the permanent staff in the peak summer season.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends over \$217 million for the Office's programs, including \$110.1 million in General Fund moneys and over \$50.3 million in fee revenues. These funds will support operation of all park facilities and provide resources to extend the hours of operation at certain parks and historic sites, to expand services to include new entrepreneurial ventures, and to develop parklands acquired with funding from the Environmental Protection Fund (EPF) and 1996 Clean Water/Clean Air Bond Act.

Specifically, these recommendations include \$625,000 for operations at newly acquired or expanded parks, including the Niagara Falls State Park, Ft. Montgomery, Sterling Forest, and the National Purple Heart Hall of Honor, and \$220,000 for the establishment of an annual training academy for the Regional Park Police. The Budget also continues funding for the Empire State Games at the 2001-02 level and funding for performing arts programming at Artpark in Buffalo will be \$450,000. \$4.95 million in funding for the Zoos, Botanical Gardens and Aquaria program will be provided from the EPF. The recommendations also support new boating access projects statewide, funded by increased boating fees, as well as increased aid to municipalities for snowmobile trail development and maintenance, funded by increased snowmobile user fees.

In 2002-03, the share of park operations financed with user fees will remain constant, while accommodating contractual salary increases. However, the General Fund continues to be the Office's primary source of support for its operating and local assistance budgets, providing 62 percent of its funding. The remaining 38 percent is provided by a variety of sources, including:

- User fees at the parks (29 percent);
- Federal grants for activities related to the use of recreational vehicles and land and water conservation (7 percent); and

PARKS, RECREATION AND HISTORIC PRESERVATION

- Fiduciary and Enterprise funds, including moneys earmarked for historic sites, arboretums and the Empire State Games (2 percent).

The primary focus of the Office's capital program is the health and safety of park visitors and the maintenance and rehabilitation of existing facilities. Park facilities include more than 5,000 buildings, 27 golf courses, 51 swimming pools, 76 beaches, 27 marinas, 40 boat launching sites, 18 nature centers, 774 cabins, and 8,320 campsites. The Office also maintains hundreds of miles of roads and trails, expansive utility systems, 106 dams and 604 bridges.

For 2002-03, appropriations of \$29.6 million are recommended for capital projects from the State Park Infrastructure Fund, a dedicated fund consisting of revenues generated from day use and camping fees at the parks, as well as concession revenues and other miscellaneous revenues. Budget recommendations also include \$5 million in Federal funding for an anticipated increase in Federal Land and Water Conservation funding and \$5 million in fiduciary funding for other potential gifts to improve various parks.

Funding from the State Park Infrastructure Fund will be supplemented with resources for State parks capital projects from the Clean Water/Clean Air Bond Act and the EPF. In 2002-03, the EPF will provide \$6.5 million in funding for infrastructure and stewardship projects at State parks and lands operated by the Office and the Department of Environmental Conservation.

PROGRAM HIGHLIGHTS

Since 1995-96, the Office has re-organized functions and consolidated management operations to more effectively provide safe and enjoyable recreational services to the public. These efforts will continue in 2002-03 as the Office achieves efficiencies through the streamlining of administrative oversight, business office and engineering services which will be pooled on a regional basis among park clusters. The Office has also fostered public-private partnerships to enhance park facilities and events, including corporate sponsorships for fireworks displays, playground construction and the Empire State Games. With private sector support and expertise, the Black Course at Bethpage State Park will be the first public course ever to host the U.S. Open national golf championship tournament in 2002.

The responsibilities of the Office are carried out through five major programs:

- Administration: provides executive direction, fiscal, personnel and audit services, public communications, and management of the Office's capital program;
- Park Operations: operates the State's 164 parks. Seasonal and full-time personnel are assigned to specific facilities in one of the Office's 11 regions. Staff includes security and field operations staff, as well as skilled and semi-skilled maintenance personnel. Day use, golf course, and other user fees directly offset the cost of facility operations;
- Empire State Games: plans and implements the Games for the Physically Challenged, Senior Games, Summer Games and Winter Games;
- Historic Preservation: oversees preservation activities at 35 historic sites, develops a statewide Comprehensive Historic Preservation Plan, and maintains the State Register of Historic Places; and
- Natural Heritage Trust: receives and administers funds, including private gifts and bequests, to advance conservation, outdoor recreation and historic preservation purposes. Created under the Public Authorities Law in 1968, the Natural Heritage Trust is a public benefit corporation.

PARKS, RECREATION AND HISTORIC PRESERVATION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	155,617,900	163,557,900	7,940,000	11,096,000
Aid To Localities	12,422,000	12,920,000	498,000	23,272,700
Capital Projects	47,980,000	40,840,000	(7,140,000)	98,072,000
Total	<u>216,019,900</u>	<u>217,317,900</u>	<u>1,298,000</u>	<u>132,440,700</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	90	90	0
Historic Preservation			
General Fund	147	144	(3)
Special Revenue Funds - Federal	15	15	0
Special Revenue Funds - Other	1	1	0
Park Operations			
General Fund	1,191	1,184	(7)
Special Revenue Funds - Federal	10	10	0
Special Revenue Funds - Other	75	75	0
Fiduciary Funds	4	4	0
Capital Projects Funds - Other	137	137	0
Recreation Services			
General Fund	11	11	0
Total	<u>1,681</u>	<u>1,671</u>	<u>(10)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	102,685,200	107,892,100	5,206,900
Special Revenue Funds - Federal	3,982,300	3,695,800	(286,500)
Special Revenue Funds - Other	45,207,900	48,171,800	2,963,900
Enterprise Funds	2,500,000	2,500,000	0
Fiduciary Funds	1,242,500	1,298,200	55,700
Total	<u>155,617,900</u>	<u>163,557,900</u>	<u>7,940,000</u>

Adjustments:	
Recommended Deficiency	
Parks, Recreation and Historic Preservation, Office of General Fund	(620,000)
Appropriated 2001-02	<u>154,997,900</u>

PARKS, RECREATION AND HISTORIC PRESERVATION

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	6,519,600	6,822,200	302,600
Special Revenue Funds - Federal	395,000	500,000	105,000
Historic Preservation			
General Fund	9,744,600	10,195,300	450,700
Special Revenue Funds - Federal	1,423,300	1,425,800	2,500
Special Revenue Funds - Other	61,800	69,800	8,000
Fiduciary Funds	41,100	42,400	1,300
Park Operations			
General Fund	84,169,700	88,503,700	4,334,000
Special Revenue Funds - Federal	2,164,000	1,770,000	(394,000)
Special Revenue Funds - Other	45,146,100	48,102,000	2,955,900
Fiduciary Funds	1,201,400	1,255,800	54,400
Recreation Services			
General Fund	2,251,300	2,370,900	119,600
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>155,617,900</u>	<u>163,557,900</u>	<u>7,940,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	5,182,100	211,200	5,113,300	208,500
Historic Preservation	8,692,700	328,000	6,747,200	145,600
Park Operations	80,336,400	3,999,400	51,927,800	2,359,900
Recreation Services	661,400	26,400	554,700	22,600
Total	<u>94,872,600</u>	<u>4,565,000</u>	<u>64,343,000</u>	<u>2,736,600</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	25,600	900	43,200	1,800
Historic Preservation	1,860,800	178,900	84,700	3,500
Park Operations	26,270,700	1,178,200	2,137,900	461,300
Recreation Services	84,200	2,800	22,500	1,000
Total	<u>28,241,300</u>	<u>1,360,800</u>	<u>2,288,300</u>	<u>467,600</u>

PARKS, RECREATION AND HISTORIC PRESERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,640,100	91,400	121,800	6,700
Historic Preservation	1,502,600	122,700	448,700	62,000
Park Operations	8,167,300	334,600	898,300	39,800
Recreation Services	1,709,500	93,200	250,800	13,800
Total	13,019,500	641,900	1,719,600	122,300

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	95,700	5,300	1,422,600	79,400
Historic Preservation	75,900	7,100	777,100	47,600
Park Operations	816,100	49,700	5,161,200	1,168,100
Recreation Services	121,800	5,800	1,322,300	72,800
Total	1,109,500	67,900	8,683,200	1,367,900

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Historic Preservation	200,900	6,000	0	0
Park Operations	791,700	122,000	500,000	(1,045,000)
Recreation Services	14,600	800	0	0
Total	1,007,200	128,800	500,000	(1,045,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	500,000	105,000	150,000	150,000
Historic Preservation	1,538,000	11,800	834,800	194,000
Park Operations	51,127,800	2,616,300	17,178,850	(442,850)
Recreation Services	2,500,000	0	0	0
Total	55,665,800	2,733,100	18,163,650	(98,850)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	350,000	(45,000)	0	0
Historic Preservation	703,200	(182,200)	0	0
Park Operations	31,060,050	571,250	2,888,900	2,487,900
Recreation Services	2,500,000	0	0	0
Total	34,613,250	344,050	2,888,900	2,487,900

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	7,152,000	2,200,000	(4,952,000)
Special Revenue Funds - Federal	4,170,000	8,620,000	4,450,000
Special Revenue Funds - Other	1,100,000	2,100,000	1,000,000
Total	12,422,000	12,920,000	498,000

PARKS, RECREATION AND HISTORIC PRESERVATION

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	2,200,000	2,200,000	0
Historic Preservation			
Special Revenue Funds - Federal	170,000	120,000	(50,000)
Natural Heritage Trust			
General Fund	4,952,000	0	(4,952,000)
Park Operations			
Special Revenue Funds - Federal	2,500,000	5,000,000	2,500,000
Special Revenue Funds - Other	1,100,000	2,100,000	1,000,000
Recreation Services			
Special Revenue Funds - Federal	1,500,000	3,500,000	2,000,000
Total	<u>12,422,000</u>	<u>12,920,000</u>	<u>498,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Parks EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	11,460,000
Natural Heritage Trust				
Capital Projects Fund	0	0	0	300,000
Federal Capital Projects Fund				
Federal Capital Projects Fund	2,500,000	5,000,000	2,500,000	5,331,000
Maintenance and Improvements of Existing Facilities				
Fiduciary Funds - Misc. Combined Expendable Trust Fund	15,450,000	5,000,000	(10,450,000)	19,685,000
Misc. Capital Projects	1,000,000	1,200,000	200,000	2,943,000
State Parks Infrastructure Fund	29,030,000	29,640,000	610,000	56,934,000
Park Lands EQBA				
Capital Projects Fund - EQBA (Bondable)	0	0	0	406,000
Outdoor Recreation Development Bond Fund				
Outdoor Recreation Development Bond Fund	0	0	0	230,000
Parks and Recreation Land Acquisition Bond Fund				
Parks and Recreation Land Acquisition Bond Fund	0	0	0	783,000
Total	<u>47,980,000</u>	<u>40,840,000</u>	<u>(7,140,000)</u>	<u>98,072,000</u>

COMMISSION ON QUALITY OF CARE FOR THE MENTALLY DISABLED

MISSION

The Commission on Quality of Care for the Mentally Disabled provides oversight of the State and local mental hygiene systems that collectively spend more than \$5 billion in public funds annually. The Commission:

- monitors conditions of care for people with mental disabilities in State institutions, licensed residential facilities, and outpatient programs;
- reports to the Governor and Legislature on how the laws and policies established to protect the rights of people with mental disabilities are being implemented; and
- makes recommendations to improve quality of care.

ORGANIZATION AND STAFFING

The Commission consists of a full-time chairman and two unsalaried members, each appointed by the Governor and confirmed by the Senate to serve for staggered five-year terms. During 2002-03, the agency will have a workforce of 95 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission's State Operations appropriation is supported by the General Fund (27 percent), Federal grants (48 percent) and other funding, primarily receipts from the Medicaid program related to program oversight activities (25 percent).

The Aid to Localities appropriations fund:

- contracts with private, non-profit service provider agencies that provide advocacy services to residents of adult homes and adult care facilities; and
- contracts with non-profit Community Dispute Resolution Centers, which provide support services for the Surrogate Decision Making Committee program.

The Executive Budget recommendation of \$11.6 million fully supports existing program and service levels.

PROGRAM HIGHLIGHTS

OVERSIGHT OF SERVICE DELIVERY

The Commission provides independent oversight and review of State- and voluntary-operated programs serving individuals with mental illness, developmental disabilities, and alcohol and substance abuse problems. Most importantly, it investigates complaints including allegations of patient abuse or mistreatment in facilities operated or licensed by these agencies.

PROTECTION AND ADVOCACY

Federal funding provides statewide protection and advocacy services for individuals with disabilities, using State staff and contracts with non-profit agencies, through the following programs: Protection and Advocacy for the Developmentally Disabled; Client Assistance; Protection and Advocacy for Individuals with Mental Illness; Protection and Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; and

QUALITY OF CARE FOR THE MENTALLY DISABLED

Technology-Related Protection and Advocacy. These programs assist the Commission in strengthening the non-profit contract network which provides individuals with severe disabilities with protection and advocacy services under Federal law.

ADULT HOMES

Residents of adult homes that are serving a large number of persons who have received services through the mental hygiene system enjoy advocacy services administered by the Commission through contracts with local not-for-profit organizations. These services, funded in part through a suballocation from the Department of Health, focus on protecting and promoting residents' rights. The Commission's dedicated team continues to work collaboratively with the Department of Health and the Office of Mental Health to conduct programmatic and fiscal investigations into the quality of care provided to individuals living in adult homes.

SURROGATE DECISION MAKING COMMITTEE

The Surrogate Decision Making Committee (SDMC) program reviews recommendations for medical services on behalf of individuals receiving Mental Hygiene residential services who have neither a legal guardian nor the ability to make decisions for themselves. Volunteer teams comprised of medical, legal and health care professionals and advocates work through local dispute resolution centers to represent these individuals. Expanded under a multi-year gubernatorial initiative, this program is now available statewide.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	10,867,000	11,174,000	307,000	6,792,300
Aid To Localities	468,000	468,000	0	0
Capital Projects	0	0	0	0
Total	11,335,000	11,642,000	307,000	6,792,300

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	39	37	(2)
Special Revenue Funds - Other	30	30	0
Client Assistance			
Special Revenue Funds - Federal	2	2	0
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	1	1	0
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	12	12	0
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	2	2	0
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	11	11	0
Total	97	95	(2)

QUALITY OF CARE FOR THE MENTALLY DISABLED

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	2,987,000	2,985,000	(2,000)
Special Revenue Funds - Federal	5,166,000	5,387,000	221,000
Special Revenue Funds - Other	2,694,000	2,782,000	88,000
Enterprise Funds	20,000	20,000	0
Total	<u>10,867,000</u>	<u>11,174,000</u>	<u>307,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	2,987,000	2,985,000	(2,000)
Special Revenue Funds - Other	2,694,000	2,782,000	88,000
Enterprise Funds	20,000	20,000	0
Client Assistance			
Special Revenue Funds - Federal	667,000	723,000	56,000
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	750,000	464,000	(286,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	1,546,000	1,840,000	294,000
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	741,000	846,000	105,000
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,402,000	1,409,000	7,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	60,000	105,000	45,000
Total	<u>10,867,000</u>	<u>11,174,000</u>	<u>307,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,332,000	(4,000)	2,321,000	(1,000)
Total	<u>2,332,000</u>	<u>(4,000)</u>	<u>2,321,000</u>	<u>(1,000)</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	11,000	(3,000)
Total	<u>11,000</u>	<u>(3,000)</u>

QUALITY OF CARE FOR THE MENTALLY DISABLED

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	653,000	2,000	41,100	0
Total	653,000	2,000	41,100	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	121,200	0	451,600	14,000
Total	121,200	0	451,600	14,000

Program	Equipment	
	Amount	Change
Administration	39,100	(12,000)
Total	39,100	(12,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,802,000	88,000	1,754,000	44,000
Client Assistance	723,000	56,000	116,000	8,000
Protection and Advocacy for Beneficiaries of Social Security	464,000	(286,000)	54,000	54,000
Protection and Advocacy for the Developmentally Disabled	1,840,000	294,000	665,000	52,000
Protection and Advocacy for Individual Rights	846,000	105,000	113,000	1,000
Protection and Advocacy for the Mentally Ill	1,409,000	7,000	536,000	68,000
Technology Related Protection and Advocacy	105,000	45,000	0	0
Total	8,189,000	309,000	3,238,000	227,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,048,000	44,000	0	0
Client Assistance	607,000	48,000	0	0
Protection and Advocacy for Beneficiaries of Social Security	410,000	410,000	0	(750,000)
Protection and Advocacy for the Developmentally Disabled	1,175,000	242,000	0	0
Protection and Advocacy for Individual Rights	733,000	104,000	0	0
Protection and Advocacy for the Mentally Ill	873,000	(61,000)	0	0
Technology Related Protection and Advocacy	105,000	45,000	0	0
Total	4,951,000	832,000	0	(750,000)

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	95,000	95,000	0
Special Revenue Funds - Other	373,000	373,000	0
Total	468,000	468,000	0

QUALITY OF CARE FOR THE MENTALLY DISABLED

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Adult Homes			
General Fund	95,000	95,000	0
Surrogate Decision Making			
Special Revenue Funds - Other	373,000	373,000	0
Total	<u>468,000</u>	<u>468,000</u>	<u>0</u>

***TRANSPORTATION
AND ECONOMIC
DEVELOPMENT***

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

State economic development programs are administered by the Department of Economic Development working in conjunction with the Empire State Development Corporation. The Department and Corporation are distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. In addition, the Department and Corporation work closely with the New York State Office of Science, Technology and Academic Research (NYSTAR), which was established in 1999 to foster technology-related job creation.

The Department of Economic Development will have a workforce of 245 in 2002-03. The Department's central office is in Albany, with ten regional offices located in Troy, Buffalo, Rochester, Syracuse, Utica, Binghamton, New Windsor, Plattsburgh, Hauppauge and New York City, and satellite offices in Watertown and Elmira.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

State tax dollars from the General Fund will finance 88 percent, or \$38.5 million, of the Department of Economic Development's \$43.9 million Budget in 2002-03. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I ♥ NY" logo, sale of advertising in the "I ♥ 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 2002-03 Budget provides:

- \$7.7 million for "I ♥ NY" tourism advertising;
- \$5.8 million for local tourism matching grants;
- \$177,000 for the Adirondack North Country Association;
- \$600,000 for economic development projects in the Catskill watershed;
- \$3.3 million for local administration of Empire Zones; and
- \$1.5 million to attract international trade to New York State, and increase export sales to foreign countries.

ECONOMIC DEVELOPMENT

PROGRAM HIGHLIGHTS

MARKETING AND ADVERTISING

This program promotes New York State as a premier tourist destination and business location. Major activities include the “I ♥ 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 Jerusalem, Mexico City, Chile, Brazil, Argentina and South Africa. 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.

EMPIRE ZONES

The Empire 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. Fifty-two Empire Zones statewide were selected on a competitive basis prior to 2001. 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. In addition, nine zones were designated in 2001 located in the Town of Tonawanda, Monroe County, Columbia County, Staten Island/West Shore, Sullivan County, Cortland County, City of Hornell, Warren County and Saratoga County. An additional five zones will be designated in the near future.

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

ECONOMIC DEVELOPMENT

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. In 2002-03, \$300 million would be available for this program, reflecting a proposed \$100 million increase from existing levels.

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 DIVISION

This 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 (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	41,565,900	33,600,900	(7,965,000)	13,975,000
Aid To Localities	10,274,000	10,274,000	0	13,287,000
Capital Projects	0	0	0	0
Total	51,839,900	43,874,900	(7,965,000)	27,262,000

ECONOMIC DEVELOPMENT

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
General Fund	50	48	(2)
Special Revenue Funds - Other	8	8	0
Clean Air			
Special Revenue Funds - Other	5	5	0
Economic Development			
General Fund	148	143	(5)
Marketing and Advertising Program			
General Fund	41	40	(1)
Special Revenue Funds - Other	1	1	0
Total	<u>253</u>	<u>245</u>	<u>(8)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	36,226,000	28,191,000	(8,035,000)
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	4,339,900	4,409,900	70,000
Total	<u>41,565,900</u>	<u>33,600,900</u>	<u>(7,965,000)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,360,000	3,321,000	(39,000)
Special Revenue Funds - Other	1,739,900	1,739,900	0
Clean Air			
Special Revenue Funds - Other	500,000	500,000	0
Economic Development			
General Fund	14,500,000	14,352,000	(148,000)
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	1,100,000	1,170,000	70,000
Marketing and Advertising Program			
General Fund	18,366,000	10,518,000	(7,848,000)
Special Revenue Funds - Other	1,000,000	1,000,000	0
Total	<u>41,565,900</u>	<u>33,600,900</u>	<u>(7,965,000)</u>

ECONOMIC DEVELOPMENT

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,297,000	(39,000)	2,268,800	(39,000)
Economic Development	8,688,000	(148,000)	8,657,000	(148,000)
Marketing and Advertising Program	1,927,000	(33,000)	1,912,500	(33,000)
Total	12,912,000	(220,000)	12,838,300	(220,000)

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	28,200	0
Economic Development	31,000	0
Marketing and Advertising Program	14,500	0
Total	73,700	0

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,024,000	0	119,600	0
Economic Development	5,664,000	0	143,370	(1,440)
Marketing and Advertising Program	8,591,000	(7,815,000)	59,432	0
Total	15,279,000	(7,815,000)	322,402	(1,440)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	45,200	0	812,200	0
Economic Development	313,560	(3,600)	3,568,910	6,960
Marketing and Advertising Program	74,940	0	755,828	0
Total	433,700	(3,600)	5,136,938	6,960

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	47,000	0	0	0
Economic Development	166,160	(1,920)	1,472,000	0
Marketing and Advertising Program	800	0	7,700,000	(7,815,000)
Total	213,960	(1,920)	9,172,000	(7,815,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,739,900	0	487,100	0
Clean Air	500,000	0	195,000	0
Economic Development	2,170,000	70,000	0	(130,000)
Marketing and Advertising Program	1,000,000	0	70,000	0
Total	5,409,900	70,000	752,100	(130,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,252,800	0	0	0
Clean Air	305,000	0	0	0
Economic Development	2,100,000	130,000	70,000	70,000
Marketing and Advertising Program	930,000	0	0	0
Total	4,587,800	130,000	70,000	70,000

ECONOMIC DEVELOPMENT

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	10,274,000	10,274,000	0
Total	<u>10,274,000</u>	<u>10,274,000</u>	<u>0</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Economic Development			
General Fund	4,097,000	4,097,000	0
Marketing and Advertising Program			
General Fund	6,177,000	6,177,000	0
Total	<u>10,274,000</u>	<u>10,274,000</u>	<u>0</u>

EMPIRE STATE DEVELOPMENT CORPORATION

MISSION

The Empire State Development Corporation (ESDC) — formerly the Urban Development Corporation (UDC) — is a New York State public benefit corporation. It engages in four principal activities: economic and real estate development; State facility financing; housing portfolio maintenance; and privatization initiatives.

ECONOMIC AND REAL ESTATE DEVELOPMENT

The Corporation provides financial and technical assistance to businesses, local governments and community-based not-for-profit corporations for economic development and large-scale real estate projects that create and/or retain jobs and reinvigorate distressed areas.

STATE FACILITY FINANCING

The Empire State Development Corporation issues bonds to finance the construction and modernization of correctional facilities and other special projects for the State. Debt service on these bonds is paid from appropriations by the State.

HOUSING PORTFOLIO MAINTENANCE

In the early 1970's, the Urban Development Corporation built 113 large-scale housing developments for low- to middle-income persons. The Corporation also built non-residential civic and industrial properties, including the Niagara Falls Convention Center, the Wards Island Fire Training Center, the Monroe County Fairgrounds, the Ten Eyck Plaza in Albany, and public school facilities in Buffalo, Manhattan, the Bronx, and Brooklyn. Since the mid-1970's, activity in this area has been limited to the monitoring and loan servicing of projects.

PRIVATIZATION INITIATIVES

The Corporation is charged with facilitating efforts by State agencies and authorities to privatize State functions and assets.

ORGANIZATION AND STAFFING

State economic development programs are administered by the Empire State Development Corporation working in conjunction with the Department of Economic Development. The Corporation and Department are distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. In addition, the Corporation and Department will work closely with the New York State Office of Science, Technology and Academic Research (NYSTAR), which was established in 1999 to foster technology-related job creation. The Corporation will have a workforce of 249 in 2002-03. From the Corporation's central office in New York City, a Chief Operating Officer is responsible for day-to-day operations. The Corporation and Department of Economic Development share ten regional offices and two satellite offices.

EMPIRE STATE DEVELOPMENT

OVERSIGHT

The Corporation is governed by a nine-member Board of Directors comprising two ex-officio members and seven members appointed by the Governor with the consent of the Senate. The Chair of the Empire State Development Corporation Board is selected by the Governor and also serves as the Commissioner of Economic Development. Board members serve without compensation.

SUBSIDIARIES

The Corporation's Board of Directors is authorized to create subsidiaries to manage specific projects or economic development activities. Subsidiaries have been established to: (1) oversee revitalization of Lower Manhattan in the wake of the attack on the World Trade Center; (2) formulate policies and initiatives to promote economic growth in Harlem; (3) redevelop Times Square, including the condemnation and acquisition of blighted properties and recruitment of prospective tenants; (4) plan and oversee a mixed-use development on 74.5 acres on the East River in Queens County; and (5) redevelop the U.S. Postal Service facility known as the Farley Building in connection with the New York City Amtrak Train Station Redevelopment project.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

- The Empire State Development Corporation's activities are funded from State General Fund appropriations and corporate revenues generated by Corporation-owned residential and non-residential properties and by its financing programs. The Corporation's operating budget will be entirely supported by corporate revenues in 2002-03.
- The Executive Budget will provide \$70.5 million in support for economic development initiatives, including: the JOBS NOW program for large-scale projects which will create new jobs; the Empire State Economic Development Fund for projects that create or retain jobs; the Urban and Community Development and Minority- and Women-Owned Business Development and Lending programs; and military base retention initiatives.
- The Executive Budget will also include \$250 million for initial funding of high tech, biotech initiatives.
- Billions of dollars in development assistance, as well as substantial tax incentives, will be available from the Federal government for redevelopment of Lower Manhattan and New York City in the wake of the September 11, 2001 terrorist attacks.
- \$10 million in Port Authority of New York and New Jersey Regional Development funds will be made available to support projects in the Upper Manhattan/South Bronx Empowerment Zone.
- Initial funding of \$50 million will be provided for the "Empire Opportunity Fund". This funding will provide bridge financing until revenues that accrue to the State from up to six new casinos become available to support major economic development and infrastructure projects in areas outside of the City of New York. The casino revenues are expected to support \$750 million of State bonding to support projects beginning as early as 2004.

PROGRAM HIGHLIGHTS

The Empire State Development Corporation administers economic development programs which:

- Provide low-cost loans and grants to businesses to help cover the cost of machinery and equipment purchases, factory improvements, training and business incubator development;

EMPIRE STATE DEVELOPMENT

- Provide financial assistance for projects ranging from development of or improvements to commercial or retail facilities, tourism destinations, child care facilities, and commercial centers;
- Assist minority- and women-owned businesses, including programs administered in cooperation with local development organizations and community-based financial institutions;
- Provide funding for the economic development initiatives in distressed urban communities; and
- Provide funding for military base retention and redevelopment efforts.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	89,504,100	95,504,100	6,000,000	208,156,000
Capital Projects	0	275,000,000	275,000,000	351,755,000
Total	<u>89,504,100</u>	<u>370,504,100</u>	<u>281,000,000</u>	<u>559,911,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	89,504,100	95,504,100	6,000,000
Total	<u>89,504,100</u>	<u>95,504,100</u>	<u>6,000,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Economic Development			
General Fund	89,500,000	95,500,000	6,000,000
Payments to Municipalities			
General Fund	4,100	4,100	0
Total	<u>89,504,100</u>	<u>95,504,100</u>	<u>6,000,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Regional Development				
Community Enhancement Facilities Assistance Fund	0	0	0	336,755,000
Economic Development				
Capital Projects Fund	0	275,000,000	275,000,000	15,000,000
Total	<u>0</u>	<u>275,000,000</u>	<u>275,000,000</u>	<u>351,755,000</u>

ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

MISSION

The Energy Research and Development Authority was established in 1975 to develop and implement new energy technologies, focusing on renewable energy sources and energy conservation.

As part of its central mission, the Authority manages energy research, development and demonstration programs which are funded by assessments on gas and electric utilities. The Authority's programs strengthen New York's economic base by nurturing the growth of new products and industries and helping businesses reduce their costs. Projects are selected on a competitive basis to promote applied research on State energy problems. The Energy Research and Development Authority administers Federal grant programs which help businesses, schools and hospitals implement energy efficiency measures. It also issues tax-exempt bonds on behalf of investor-owned utilities for capital improvements. The Authority also administers the System Benefits Charge, which supports energy programs for the public during the transition to a fully competitive energy market. These programs focus on low-income consumers, energy efficiency, research, development and environmental protection.

The Authority also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park in Saratoga County.

ORGANIZATION AND STAFFING

The Energy Research and Development Authority is headed by a 13-member board, consisting of 9 members nominated by the Governor with the consent of the Senate and 4 ex-officio members, which include the commissioners of the departments of Transportation and Environmental Conservation and the chairs of the Public Service Commission and the Power Authority of the State of New York. All board members serve without compensation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Energy Research and Development Authority is partially funded by assessments on State public utility gross intrastate operating receipts. The 2002-03 Budget recommends approximately \$14.7 million in appropriations for the Authority's energy, research and development programs and \$13.25 million for ongoing work at West Valley. The Authority will also continue to administer the Federal Petroleum Overcharge Recovery Program.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	14,656,000	17,156,000	2,500,000	0
Aid To Localities	0	0	0	0
Capital Projects	15,367,000	13,367,000	(2,000,000)	0
Total	30,023,000	30,523,000	500,000	0

ENERGY RESEARCH AND DEVELOPMENT

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	0	2,500,000	2,500,000
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>17,156,000</u>	<u>2,500,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Planning and Operation			
Special Revenue Funds - Federal	0	2,500,000	2,500,000
Research, Development and Demonstration			
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>17,156,000</u>	<u>2,500,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Planning and Operation	2,500,000	2,500,000	2,500,000	2,500,000
Research, Development and Demonstration	14,656,000	0	14,656,000	0
Total	<u>17,156,000</u>	<u>2,500,000</u>	<u>17,156,000</u>	<u>2,500,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Western New York Nuclear Service Center Program				
Capital Projects Fund	15,250,000	13,250,000	(2,000,000)	0
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	117,000	117,000	0	0
Total	<u>15,367,000</u>	<u>13,367,000</u>	<u>(2,000,000)</u>	<u>0</u>

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

The Division of Housing and Community Renewal is responsible for the supervision, maintenance and development of affordable low- and moderate-income housing in New York State. The Division currently performs a number of activities in fulfillment of this mission, including:

- Oversight and regulation of the State's public and publicly assisted rental housing;
- Administration of the State's rent regulations; and
- Administration of housing development and community preservation programs, including State and Federal grants and loans to housing developers to finance construction or renovation of affordable housing.

ORGANIZATION AND STAFFING

Headed by a Commissioner, the Division of Housing and Community Renewal maintains three main offices and nine regional offices. Main offices in Albany and Manhattan are responsible for agency-wide administrative functions and the development and execution of the Division of Housing and Community Renewal's policies for its Community Development and Housing programs. The Division of Housing and Community Renewal's Rent Administration program is administered through the main office in Queens and local offices in rent regulated communities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Division of Housing and Community Renewal's fee revenues come from the following sources: 1) mortgage servicing fees; 2) application and monitoring fees collected from developers of housing projects that are partially financed by Federal low-income tax credits; 3) payments by New York City to finance a portion of the Division's rent regulation activities; and 4) fees collected from the U.S. Department of Housing and Urban Development in connection with State administration of the Federal Section 8 rental subsidy program.

The Division of Housing and Community Renewal is the lead State agency for the development, construction and oversight of State-assisted housing. The majority of the State's housing construction and rehabilitation programs are supported by appropriations administered by three public benefit corporations: the Housing Finance Agency; the Affordable Housing Corporation; and the Housing Trust Fund Corporation. The Division of Housing and Community Renewal provides administrative support to the Housing Trust Fund Corporation.

Executive Budget recommendations for the Division of Housing and Community Renewal total over \$262 million. The 2002-03 Budget will:

- Continue the Governor's Low-Income Housing Tax Credit Program with an additional \$2 million in support, resulting in nearly \$20 million in new funding for affordable housing over the next ten years;
- Provide over \$74 million in housing capital funds, including \$7 million for the nationally recognized Homes for Working Families Program;
- Provide over \$10 million to administer the development of low-income housing and \$16 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio; and
- Continue the Division's administration of the federally funded Weatherization Assistance Program, providing grants to local not-for-profit groups and governments to assist low-income households in reducing their energy consumption and lowering their fuel bills.

HOUSING AND COMMUNITY RENEWAL

PROGRAM HIGHLIGHTS

COMMUNITY DEVELOPMENT

Community Development staff provide support to the Housing Trust Fund Corporation, a public benefit corporation that provides State-funded loans and grants to for-profit and not-for-profit entities to develop housing for low-income families, tenants with special needs and the low-income elderly.

Community Development staff also administer the allocation of State and Federal low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the tax liability of investors who finance the acquisition and construction of these projects.

SMALL CITIES

The Governor's Office for Small Cities, operated within the New York State Housing Trust Fund, administers approximately \$58 million in annual block grant funds from the U.S. Department of Housing and Urban Development. The Small Cities program supports projects in communities with populations of less than 50,000 or non-urban counties with populations of less than 200,000 for housing rehabilitation, job creation or retention, infrastructure repair or replacement, micro-enterprise programs and homeownership assistance.

HOUSING OVERSIGHT

The Housing Program oversees the management of State-assisted housing projects. On a project-by-project basis, Housing Program staff periodically review the financial and physical condition of:

- 224 housing developments constructed between 1957 and 1974 under the State's Mitchell-Lama housing laws and financed with State-guaranteed debt. These projects provide more than 92,500 dwelling units to low- and moderate-income families;
- 74 public housing projects constructed between 1941 and 1973 and financed with State General Obligation bonds that provide over 20,000 apartments for low-income families; and
- Approximately 1,100 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program directly administers approximately 4,700 Federal Section 8 program vouchers, that provide rental assistance to low-income tenants in New York State.

RENT ADMINISTRATION

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation under the Division of Housing and Community Renewal in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants. In 1999, the Division's Office of Rent Administration was selected as a Work Force Champion Team for its efforts in making the Rent Administration Program more responsive to its customers.

HOUSING CAPITAL PROGRAMS

There are two primary low- and moderate-income housing construction programs supported by State appropriations: the Housing Trust Fund Program and the Affordable Housing Corporation Program. This Budget includes a \$29 million appropriation and \$92.4

HOUSING AND COMMUNITY RENEWAL

million in reappropriations for the Housing Trust Fund Program, which provides grants to finance construction or rehabilitation of low-income apartment buildings. The Affordable Housing Corporation will receive \$25 million in new funds and \$75.9 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$25,000 to first-time low- and moderate-income home buyers. At these funding levels, the two programs will be able to construct approximately 1,960 new housing units in the upcoming State fiscal year.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$73.1 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, this Budget recommends the reauthorization of on-going funding from prior years for a number of programs, including: the Permanent Housing for Homeless Families Program, the Housing Project Repair Program and the Federal National Affordable Housing Act Program.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	85,370,700	86,202,000	831,300	13,614,000
Aid To Localities	94,983,000	101,754,000	6,771,000	245,218,000
Capital Projects	74,200,000	74,200,000	0	341,695,000
Total	<u>254,553,700</u>	<u>262,156,000</u>	<u>7,602,300</u>	<u>600,527,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	77	77	0
Community Development			
General Fund	59	59	0
Special Revenue Funds - Federal	48	48	0
Special Revenue Funds - Other	11	11	0
Housing			
General Fund	61	61	0
Special Revenue Funds - Federal	37	37	0
Special Revenue Funds - Other	87	87	0
Housing Information Systems			
General Fund	71	71	0
Lead-Based Paint Abatement Program			
Special Revenue Funds - Federal	2	2	0
New Facilities			
Capital Projects Funds - Federal	42	42	0
Rent Administration			
General Fund	125	125	0
Special Revenue Funds - Other	440	440	0
Total	<u>1,060</u>	<u>1,060</u>	<u>0</u>

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	30,747,700	29,868,000	(879,700)
Special Revenue Funds - Federal	8,696,500	8,700,000	3,500
Special Revenue Funds - Other	45,926,500	47,634,000	1,707,500
Total	<u>85,370,700</u>	<u>86,202,000</u>	<u>831,300</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	11,607,000	11,367,000	(240,000)
Community Development			
General Fund	4,226,000	4,145,000	(81,000)
Special Revenue Funds - Federal	3,153,600	3,155,000	1,400
Special Revenue Funds - Other	1,470,100	1,488,000	17,900
Housing			
General Fund	3,611,000	3,323,000	(288,000)
Special Revenue Funds - Federal	5,542,900	5,545,000	2,100
Special Revenue Funds - Other	6,788,000	7,457,000	669,000
Housing Information Systems			
General Fund	6,596,300	6,565,000	(31,300)
Rent Administration			
General Fund	4,707,400	4,468,000	(239,400)
Special Revenue Funds - Other	35,568,400	36,589,000	1,020,600
Small Cities Community Development Block Grant			
Special Revenue Funds - Other	2,100,000	2,100,000	0
Total	<u>85,370,700</u>	<u>86,202,000</u>	<u>831,300</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,588,000	(240,000)	4,588,000	(240,000)
Community Development	3,946,000	(81,000)	3,946,000	(55,000)
Housing	3,176,000	(288,000)	3,176,000	(281,000)
Housing Information Systems	3,969,000	(31,300)	3,969,000	(14,300)
Rent Administration	28,866,000	63,000	28,866,000	63,000
Total	<u>44,545,000</u>	<u>(577,300)</u>	<u>44,545,000</u>	<u>(527,300)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	0	0
Community Development	0	(20,000)	0	(6,000)
Housing	0	0	0	(7,000)
Housing Information Systems	0	0	0	(17,000)
Rent Administration	0	0	0	0
Total	<u>0</u>	<u>(20,000)</u>	<u>0</u>	<u>(30,000)</u>

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	6,779,000	0	206,000	70,000
Community Development	199,000	0	30,000	0
Housing	147,000	0	8,300	3,200
Housing Information Systems	2,596,000	0	219,900	55,900
Rent Administration	12,191,000	718,200	0	0
Total	21,912,000	718,200	464,200	129,100

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	110,000	0	6,453,000	(90,000)
Community Development	135,000	0	34,000	0
Housing	41,000	0	97,700	(3,200)
Housing Information Systems	26,000	0	2,126,100	(282,900)
Total	312,000	0	8,710,800	(376,100)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Administration	10,000	20,000	0	0
Housing Information Systems	224,000	227,000	0	0
Rent Administration	0	0	8,735,000	162,200
Total	234,000	247,000	8,735,000	162,200

Program	Maintenance Undistributed	
	Amount	Change
Rent Administration	3,456,000	556,000
Total	3,456,000	556,000

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Community Development	4,643,000	19,300	2,448,000	12,700
Housing	13,002,000	671,100	7,752,000	540,500
Rent Administration	35,939,000	1,020,600	24,298,000	452,000
Small Cities Community Development Block Grant	2,100,000	0	2,100,000	0
Total	55,684,000	1,711,000	36,598,000	1,005,200

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Community Development	1,195,000	6,600	1,000,000	0
Housing	3,750,000	130,600	1,500,000	0
Rent Administration	11,641,000	568,600	0	0
Total	16,586,000	705,800	2,500,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	59,533,000	57,304,000	(2,229,000)
Special Revenue Funds - Federal	25,450,000	34,450,000	9,000,000
Fiduciary Funds	10,000,000	10,000,000	0
Total	94,983,000	101,754,000	6,771,000

HOUSING AND COMMUNITY RENEWAL

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Housing Development Fund Program			
Fiduciary Funds	10,000,000	10,000,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Low Income Weatherization			
Special Revenue Funds - Federal	12,350,000	21,350,000	9,000,000
Neighborhood Preservation			
General Fund	11,750,000	11,060,000	(690,000)
Periodic Subsidies - Local Areas			
General Fund	21,992,000	21,080,000	(912,000)
Rural Preservation			
General Fund	4,860,000	4,760,000	(100,000)
Rural Rental Assistance			
General Fund	20,604,000	20,104,000	(500,000)
Urban Renewal Periodic Subsidies			
General Fund	327,000	300,000	(27,000)
Total	<u>94,983,000</u>	<u>101,754,000</u>	<u>6,771,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	75,900,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	11,333,000
Low Income Housing Trust Fund				
Capital Projects Fund	4,000,000	4,000,000	0	4,000,000
Housing Program Fund	25,000,000	25,000,000	0	88,475,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	14,849,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	400,000
Housing Program Capital Improvement				
Capital Projects Fund	0	0	0	19,720,000
State Housing Bond Fund				
State Housing Bond Fund	0	0	0	7,344,000
New Facilities				
Capital Projects Fund	0	0	0	1,225,000
Federal Capital Projects Fund	0	0	0	38,299,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	73,150,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	7,000,000
Total	<u>74,200,000</u>	<u>74,200,000</u>	<u>0</u>	<u>341,695,000</u>

HOUSING FINANCE AGENCY

MISSION

The New York State Housing Finance Agency is a public benefit corporation created in 1960 to finance low- and moderate-income rental housing. The Agency issues taxable and tax-exempt bonds to provide mortgage loans to developers of mixed-income and affordable rental projects.

The Housing Finance Agency also plays a role in administering several housing programs supported by State and Federal appropriations. In 1990, the Agency's mission was expanded to include the issuance of bonds to reimburse the State for appropriated expenditures under the State's housing programs.

ORGANIZATION AND STAFFING

The Housing Finance Agency is governed by a Board of Directors consisting of seven members: the Commissioner of Housing and Community Renewal, the Director of the Budget, the Commissioner of Taxation and Finance and four members nominated by the Governor with the consent of the Senate. The Governor designates a Chairperson.

The Agency headquarters is located in New York City and is managed by a President/Chief Executive Officer, who is appointed by the Board of Directors. Staff is organized into five departments: the President's Office, Multi-Family Finance, Debt Issuance, Finance and Operations and Legal Services.

The Housing Finance Agency is operated and administered jointly with the State of New York Mortgage Agency, but the two agencies are governed by separate Boards of Directors.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Its operating budget is funded with fees and revenues the Agency generates through its financing activities.

From 1995 through 2001, the Housing Finance Agency has provided \$2.1 billion in loans for multi-family rental housing.

A 2002-03 General Fund Aid to Localities appropriation of \$665,000 supports the Capital Grant/Low Rent Lease Subsidy program, providing rental subsidies for approximately 204 low- to moderate-income individuals.

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of over \$4.5 billion for over 88,000 units of multi-family housing. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2001, the Agency provided \$2.1 billion in mortgage loans that created rental housing for over 11,000 families. During the Agency's 2000-01 fiscal year, over 2,100 units were financed with mortgage loans totaling over \$375 million.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	700,000	665,000	(35,000)	0
Capital Projects	0	0	0	0
Total	700,000	665,000	(35,000)	0

HOUSING FINANCE

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	700,000	665,000	(35,000)
Total	700,000	665,000	(35,000)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Capital Grant/Low Rent Lease			
General Fund	700,000	665,000	(35,000)
Total	700,000	665,000	(35,000)

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency is a public benefit corporation created in 1970 to increase the affordability of homeownership for low- to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. In 1978, the Agency's mission was expanded to include the issuance of mortgage insurance to promote the stabilization of neighborhoods throughout the State.

ORGANIZATION AND STAFFING

The Agency is overseen by a nine-member Board of Directors comprised of the Superintendent of Banks, the State Comptroller, the Director of the Budget, the Commissioner of Housing and Community Renewal and appointees of the Governor, the Temporary President of the Senate and the Speaker of the Assembly. Responsibility for operation of the Agency rests with the President/Chief Executive Officer, who also serves in this capacity for the Housing Finance Agency — the State's other major housing finance entity. The Agency is operated jointly with the Housing Finance Agency out of its central headquarters in New York City and from regional offices in Albany and Buffalo.

The State of New York Mortgage Agency has two program divisions. Its Single Family Mortgage Finance Division provides low-interest rate mortgages to low- and moderate-income first-time homebuyers (and for other eligible homebuyers in designated target areas) through the issuance of mortgage revenue bonds. The Agency uses a network of banking institutions to originate mortgages on its behalf. The Mortgage Insurance Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee certain obligations of the Agency. The Executive Budget recommends approximately \$191 million in appropriations in 2002-03 to satisfy this requirement, although no cash disbursements are projected to be made from this appropriation. All State of New York Mortgage Agency programs and operations are supported by Agency funds, consisting of mortgage income, application fees, insurance premiums and investment proceeds.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$7.6 billion of affordable financing for over 124,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2001, the Agency purchased \$2.8 billion in single-family mortgages — helping more than 32,000 New Yorkers buy their first homes. During the Agency's 2000-2001 fiscal year, 2,863 loans were financed for approximately \$239 million in mortgage loan volume.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$1.5 billion. In 2000-2001, mortgage insurance provided by the Agency totaled more than \$213 million.

MORTGAGE AGENCY

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	93,791,100	113,753,000	19,961,900	0
Capital Projects	0	0	0	0
Total	170,591,100	190,553,000	19,961,900	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	76,800,000	76,800,000	0
Total	76,800,000	76,800,000	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues General Fund	61,800,000	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration General Fund	15,000,000	15,000,000	0
Total	76,800,000	76,800,000	0

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total Amount	Change	Maintenance Undistributed Amount	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues	61,800,000	0	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration	15,000,000	0	15,000,000	0
Total	76,800,000	0	76,800,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	93,791,100	113,753,000	19,961,900
Total	93,791,100	113,753,000	19,961,900

MORTGAGE AGENCY

AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
SONYMA Mortgage Insurance Fund			
Restoration			
General Fund	93,791,100	113,753,000	19,961,900
Total	<u>93,791,100</u>	<u>113,753,000</u>	<u>19,961,900</u>

DIVISION OF THE LOTTERY

MISSION

In 1966, New Yorkers approved a constitutional amendment to authorize a State Lottery in support of education. The Division of the Lottery raises revenue through the sale and marketing of Lottery games.

ORGANIZATION AND STAFFING

The Division of the Lottery is an independent unit of the Department of Taxation and Finance, whose Commissioner appoints the Director of the Lottery. The Division maintains a central office in Schenectady, regional offices in Buffalo, Schenectady, Syracuse, New York City and Long Island, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. District sales representatives are stationed in the regional offices, and recruit and support point-of-sale agents, which include convenience stores, newsstands, supermarkets, restaurants and bowling centers.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised in excess of \$20 billion in revenues for education since the Lottery's inception in 1967. In 2002-03, the Division estimates gross sales of \$6.6 billion.

The Division's costs are supported entirely with Lottery sales revenues. The 2002-03 Executive Budget recommends \$108.5 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration. Historically, the Lottery Division's total administrative costs have been below the statutory limit.

PROGRAM HIGHLIGHTS

Lottery games sold on the Division's on-line computer system include: Lotto, Pick 10, New York Numbers, Win 4, and Take Five. These games can be played from approximately 15,000 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place twice daily or twice weekly, depending on the game. Winning tickets up to \$600 can be validated and redeemed by customers at any location selling Lottery products.

The Lottery Division's Instant games have contributed significantly to the growth of Lottery revenues. The Division will market up to 34 new Instant games during 2002-03, with tickets ranging from \$1 to \$10.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes. Quick Draw is displayed at approximately 3,000 authorized establishments statewide, such as restaurants and bowling centers. In connection with the 2002-03 Executive Budget, legislation will be submitted to the Legislature that would extend the game's operating hours.

In 2001, legislation was enacted that broadened the Lottery gaming opportunities in New York State. In FY 2002-03, the Lottery will implement two major initiatives. The first initiative entails entering into an agreement with other jurisdictions to facilitate New York's participation in high jackpot, multi-state or multi-jurisdictional lottery games. Implementation of this initiative will result in increased Lottery revenues since New York residents will no longer need to visit surrounding states to participate in such games. The second initiative involves the development of a Video Lottery Program. The legislation authorizes the Lottery to institute a video lottery terminal program at various racetracks throughout the State. The net revenue raised by this program, after prizes and expenses are paid, will be used to provide additional aid to Education.

LOTTERY

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	108,543,000	108,543,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	108,543,000	108,543,000	0	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	358	358	0
Total	358	358	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	108,543,000	108,543,000	0
Total	108,543,000	108,543,000	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration of the Lottery			
Special Revenue Funds - Other	108,543,000	108,543,000	0
Total	108,543,000	108,543,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	108,543,000	0	16,105,300	0
Total	108,543,000	0	16,105,300	0

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	92,437,700	0
Total	92,437,700	0

METROPOLITAN TRANSPORTATION AUTHORITY

MISSION

The Metropolitan Transportation Authority (MTA) is responsible for operating, maintaining and improving public transportation in the Metropolitan Commuter Transportation District consisting of New York City and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties.

The Authority oversees the operations of the bus and subway systems in New York City, commuter railroads in the region, and seven bridges and two tunnels in New York City. This oversight includes general policy direction and development of operating and capital programs.

The Authority is comprised of three independent entities: The Metropolitan Transportation Authority, MTA New York City Transit and MTA Bridges and Tunnels. The Metropolitan Transportation Authority has four subsidiaries: MTA Staten Island Rapid Transit, MTA Long Island Rail Road, MTA Long Island Bus and MTA Metro North Railroad. MTA New York City Transit, which operates the New York City subway and bus systems, has one subsidiary, MTA Manhattan and Bronx Surface Transit.

ORGANIZATION AND STAFFING

Each of the three independent entities mentioned above is governed by its own Board, although by law membership on each Board is identical. There are 19 board members, 17 voting and 2 non-voting, each nominated by the Governor and confirmed by the Senate. Four members are nominated from a list provided by the Mayor of the City of New York and one each from lists prepared by the seven county executives in the Metropolitan Commuter Transportation District. The remaining six voting members are appointed directly by the Governor, with one serving as Board Chair.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The MTA sustained significant losses in the September 11th terrorist attacks on the World Trade Center. Property damage included destruction of approximately 1,800 feet of subway tunnels on the MTA's #1 and #9 lines, damage to subway stations located at Cortland Street, Rector Street and Wall Street and damage to subway cars and busses. Additional financial impacts include a substantial loss of revenue due to ridership declines in lower Manhattan and toll revenue losses on MTA bridges and tunnels, and increases in expenses from rescue efforts, debris removal, added security and customer information activities. The Authority anticipates that insurance reimbursements and Federal assistance will accelerate recovery and minimize impacts on the New York metropolitan regional economy.

The appropriation below represents only a portion of the more than \$1.44 billion subsidy provided by the State to the Metropolitan Transportation Authority each year, with the additional aid appropriated in the Department of Transportation's Aid to Localities budget.

PROGRAM HIGHLIGHTS

MTA NEW YORK CITY TRANSIT AND MTA COMMUTER RAILROADS

The Metropolitan Transportation Authority provides 24 hour-a-day transit and commuter services in the New York City metropolitan region. Its subway system is the largest in the nation and one of the largest in the world. MTA New York City Transit operates approximately 230 local and express bus routes throughout New York City. Complementing

METROPOLITAN TRANSPORTATION

this service are additional bus routes in Nassau County provided by MTA Long Island Bus. MTA Long Island Rail Road and MTA Metro North Railroad, the two largest commuter rail systems in the nation, provide transportation for travelers entering New York City from outlying suburban areas in New York State and Connecticut. Over 2 billion passengers ride the subways, buses and commuter rail systems each year.

MTA BRIDGES AND TUNNELS

MTA Bridges and Tunnels, the largest toll system in the Nation, operates nine intra-city bridges and tunnels in New York City: Triborough Bridge, Bronx-Whitestone Bridge, Henry Hudson Bridge, Marine Parkway-Gil Hodges Bridge, Cross Bay Veterans' Memorial Bridge, Throgs Neck Bridge, Verrazano-Narrows Bridge, Queens-Midtown Tunnel and Brooklyn Battery Tunnel. It also provides financing for MTA New York City Transit's and the commuter railroads' capital programs. In addition, MTA Bridges and Tunnels is required by law to transfer surplus revenues to MTA New York City Transit and the commuter railroads to support their operations.

OTHER SUBSIDIARIES

The other subsidiaries — MTA Staten Island Rapid Transit, MTA Long Island Bus, and MTA Manhattan and Bronx Surface Transit — provide regional transportation services. MTA Staten Island Rapid Transit operates transit services on Staten Island. MTA Manhattan and Bronx Surface Transit, in conjunction with MTA New York City Transit, provides bus service within New York City, primarily to passengers traveling within a particular borough or as feeder service to the subway.

MTA Long Island Bus provides bus service to Nassau County, western Suffolk County and eastern Queens County, connecting these areas to MTA New York City Transit's subway stations. The Metropolitan Transportation Authority is responsible for the operation and general oversight of MTA Long Island Bus. Nassau County is financially responsible for MTA Long Island Bus' operating costs that are over and above those supported by fares and by Federal and State assistance.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	391,397,000	476,900,000	85,503,000	0
Capital Projects	0	0	0	36,000,000
Total	<u>391,397,000</u>	<u>476,900,000</u>	<u>85,503,000</u>	<u>36,000,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	391,397,000	476,900,000	85,503,000
Total	<u>391,397,000</u>	<u>476,900,000</u>	<u>85,503,000</u>

METROPOLITAN TRANSPORTATION

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Dedicated Tax			
Special Revenue Funds – Other	391,397,000	476,900,000	85,503,000
Total	<u>391,397,000</u>	<u>476,900,000</u>	<u>85,503,000</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Mass Transportation and Rail Freight Metropolitan Transportation Authority				
Capital Projects Fund - Advances	0	0	0	36,000,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,000,000</u>

DEPARTMENT OF MOTOR VEHICLES

MISSION

The New York State Department of Motor Vehicles (DMV) promotes traffic safety, provides consumer protection and information services, and assists other government agencies achieve their missions. DMV collects fees and generates non-tax revenues to support these objectives.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, the Department operates from its main office in Albany (Empire State Plaza) and from three regional headquarters in Albany, Long Island and New York City. The Department also operates 31 district and branch offices which issue licenses and registrations. In addition, County Clerk offices act as DMV agents at 94 locations throughout the State.

Approximately 73 percent of the Department's positions are supported by State tax dollars and 26 percent are financed by fees, including a portion of traffic violation fines in certain localities. The remaining one percent are funded with Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends approximately \$109 million in State tax dollars in 2002-03 to support 46 percent of the Department's budget. The balance is financed by Federal funds, the Dedicated Highway and Bridge Trust Fund and various fees and fines. These recommendations continue efforts to enhance customer service and driver safety, and support a variety of technology initiatives.

In 2002, the Department will continue to develop its Internet website — which now receives 10,000 visitors each day — by expanding the number of services that customers can conduct from the convenience of a personal computer.

The 2002-03 Executive Budget moves a portion of the Department's transportation support expenses from the General Fund to the Highway and Bridge Dedicated Fund. The Dedicated Fund is supported primarily by revenues from motor vehicle fees, highway use and motor fuel taxes, and the Petroleum Business Tax.

PROGRAM HIGHLIGHTS

CUSTOMER SERVICE

DMV issues driver's licenses and vehicle registrations, collects nearly \$1 billion in revenue for the State and localities, monitors driver training and enforces the directives of local magistrates and departmental referees. State offices are also responsible for conducting road tests and maintaining enforcement sections that issue conditional and restricted use licenses and handle other suspension and revocation activities. The Department of Motor Vehicles served more than 20 million customers last year.

The Department also adjudicates traffic violations at 11 locations in New York City, and several other jurisdictions across the State. This allows local judges and criminal courts to dedicate their activities to criminal matters. This program is funded entirely by fines collected from violators. After State operating expenses are deducted, remaining funds are returned to the jurisdictions where the violations occurred.

The Department has greatly enhanced its Internet website and telephone services to provide customers alternative means for transacting Department business. In 2002, the Department will continue to expand opportunities for customers to utilize these services for transactions that previously required office visits.

MOTOR VEHICLES

Currently, via the Internet, customers can renew a registration; order specialized plates, custom plates and duplicate titles; and check the status of these transactions. Customers can also look up the mailing date of their new Empire plates and schedule their road tests. Businesses can order inspection station stickers online. The Department is working on system development for additional transactions, such as ordering duplicate registrations and duplicate licenses.

VEHICLE AND DRIVER SAFETY

Governor Pataki's highway safety policies have resulted in reductions in fatalities and serious injuries on our roads. Contributing to this success have been enforcement and educational efforts by State, local and non-profit agencies, including: a statewide crackdown to stop those who drink and drive or engage in aggressive driving; initiatives to promote proper child safety seat usage; and the statewide Buckle Up NY enforcement campaign, which has increased seatbelt usage to over 80 percent. These efforts have resulted in New York State's roadways being some of the safest in the nation.

DMV vehicle safety activities include: licensing and monitoring safety and emissions inspection stations; registering auto repair shops, dealers, transporters and dismantlers; and certifying vehicle inspectors, junk and salvage businesses and automotive body damage estimators.

Driver safety initiatives include implementation and oversight of educational or rehabilitative programs for motorists convicted of alcohol or drug-related driving offenses, the point insurance reduction program, and pre-licensing courses. DMV also licenses and monitors driving schools and instructors.

FIELD INVESTIGATION AND AUDIT

One of the Department's major functions is to issue credentials which establish the identity and license status of drivers, the ownership of vehicles and boats, and the authenticity of auto-related businesses. External investigation activities concern stolen automobiles, odometer fraud, fraudulent identity and motor vehicle documents and complaints regarding unlicensed and suspended drivers. In a continuing effort to increase document security and integrity, the Department began online verification of social security numbers for all original driver license applications in November 2001.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	214,269,100	208,852,000	(5,417,100)	17,069,000
Aid To Localities	10,920,000	12,380,000	1,460,000	13,084,000
Capital Projects	0	14,788,000	14,788,000	0
Total	225,189,100	236,020,000	10,830,900	30,153,000

MOTOR VEHICLES

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	261	247	(14)
Administrative Adjudication			
Special Revenue Funds - Other	462	462	0
Clean Air			
Special Revenue Funds - Other	159	159	0
Compulsory Insurance			
Special Revenue Funds - Other	186	225	39
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	20	32	12
Operations			
General Fund	1,569	1,530	(39)
Transportation Safety			
General Fund	628	613	(15)
Special Revenue Funds - Other	0	1	1
Total	3,285	3,269	(16)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	125,442,400	108,504,000	(16,938,400)
Special Revenue Funds - Federal	7,967,300	12,764,000	4,796,700
Special Revenue Funds - Other	79,359,400	85,084,000	5,724,600
Internal Service Funds	1,500,000	2,500,000	1,000,000
Total	214,269,100	208,852,000	(5,417,100)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	32,873,000	30,024,000	(2,849,000)
Special Revenue Funds - Other	775,000	775,000	0
Administrative Adjudication			
Special Revenue Funds - Other	31,295,600	35,198,000	3,902,400
Clean Air			
Special Revenue Funds - Other	10,476,200	10,996,000	519,800
Compulsory Insurance			
Special Revenue Funds - Other	14,627,600	15,577,000	949,400
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	7,967,300	12,764,000	4,796,700
Operations			
General Fund	81,219,400	67,650,000	(13,569,400)
Internal Service Funds	1,500,000	2,500,000	1,000,000
Transportation Safety			
General Fund	11,350,000	10,830,000	(520,000)
Special Revenue Funds - Other	22,185,000	22,538,000	353,000
Total	214,269,100	208,852,000	(5,417,100)

MOTOR VEHICLES

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	12,618,000	(862,300)	12,056,900	(862,300)
Operations	55,493,000	668,600	54,751,000	668,600
Transportation Safety	24,661,000	(520,000)	24,292,100	(520,000)
Total	92,772,000	(713,700)	91,100,000	(713,700)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	124,100	0	437,000	0
Operations	193,000	0	549,000	0
Transportation Safety	39,500	0	329,400	0
Total	356,600	0	1,315,400	0

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	17,406,000	(1,986,700)	306,000	0
Operations	12,157,000	(14,238,000)	488,000	0
Transportation Safety	(13,831,000)	0	910,000	0
Total	15,732,000	(16,224,700)	1,704,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	119,000	0	16,754,000	(1,986,700)
Operations	25,000	0	11,239,000	(14,238,000)
Transportation Safety	1,041,000	0	5,379,000	0
Total	1,185,000	0	33,372,000	(16,224,700)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	227,000	0	0	0
Operations	405,000	0	0	0
Transportation Safety	39,000	0	(21,200,000)	0
Total	671,000	0	(21,200,000)	0

MOTOR VEHICLES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	775,000	0	0	0
Administrative Adjudication	35,198,000	3,902,400	18,365,000	621,000
Clean Air	10,996,000	519,800	6,499,000	220,500
Compulsory Insurance	15,577,000	949,400	7,911,000	1,234,000
Governors Traffic Safety Committee	12,764,000	4,796,700	466,000	16,000
Operations	2,500,000	1,000,000	0	0
Transportation Safety	22,538,000	353,000	100,000	100,000
Total	100,348,000	11,521,300	33,341,000	2,191,500

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	775,000	0	0	0
Administrative Adjudication	16,833,000	3,281,400	0	0
Clean Air	4,497,000	299,300	0	0
Compulsory Insurance	7,666,000	(284,600)	0	0
Governors Traffic Safety Committee	238,000	20,700	12,060,000	4,760,000
Operations	0	0	2,500,000	1,000,000
Transportation Safety	1,238,000	253,000	21,200,000	0
Total	31,247,000	3,569,800	35,760,000	5,760,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	10,920,000	12,380,000	1,460,000
Total	10,920,000	12,380,000	1,460,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	10,920,000	12,380,000	1,460,000
Total	10,920,000	12,380,000	1,460,000

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Transportation Support				
Dedicated Highway and Bridge Trust Fund	0	14,788,000	14,788,000	0
Total	0	14,788,000	14,788,000	0

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

MISSION

In 1980, Lake Placid and the surrounding areas were host to the Winter Olympic Games. The following year, the Olympic Regional Development Authority was established to create and administer a post-Olympic program for the Lake Placid facilities. These facilities include: the Olympic Ice Center; the Olympic Speedskating Oval; the Whiteface Mountain Ski Area and Veterans' Memorial Highway; the Mt. Van Hoevenberg Complex that includes bobsled and luge runs, cross-country ski trails and a biathlon range; the Olympic Ski Jumping Complex; and the U.S. Olympic Training Center. In 1984, the Olympic Regional Development Authority's responsibility expanded to include the management of the Gore Mountain Ski Center in North Creek, Warren County.

ORGANIZATION AND STAFFING

The Authority is governed by a ten-member Board of Directors, consisting of the commissioners of Economic Development, Environmental Conservation, Parks, and seven other members appointed by the Governor and confirmed by the Senate. The Governor selects one of the members as Chair. The Commissioner of Economic Development currently chairs the Authority. Board members serve without compensation.

The agency has a workforce of 180 and employs up to 800 full- and part-time hourly workers, depending on the season.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, State tax dollars from the General Fund will finance 30.4 percent, or \$7.6 million, of the Authority's \$25 million operating budget. State funding supplements \$16 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$646,000 from the Town of North Elba; \$411,000 from the United States Olympic Committee to cover the costs associated with use of Authority facilities; \$200,000 from the Winter Sports Education Trust Fund; and \$150,000 from the Olympic Training Center Account.

PROGRAM HIGHLIGHTS

OLYMPIC FACILITIES

The Olympic Regional Development Authority manages one of three primary sites (the others being in California and Colorado) for year-round training of America's Olympic athletes. In 2000-01, the Olympic facilities at Lake Placid received more than 225,000 visitors, which, when adjusted for the one-time increase in visitors associated with the Goodwill Games, is a year-to-year increase of more than 6 percent. The Authority hosts numerous national and international athletic and entertainment events — in 2000-01, the ECAC Hockey Championships, the Empire State Winter Games, the World Cup Biathlon, Bobsled Luge Competitions, ESPN Great Outdoor Games, Disney on Ice and U.S. Skiing Junior Olympic Championships were held at Authority sites. In addition, the Authority has been the home of the Stars on Ice figure skating rehearsal and preview show since 1992.

OLYMPIC REGIONAL DEVELOPMENT

SKI FACILITIES

The Authority also manages the Gore and Whiteface mountain ski centers, two major downhill ski facilities that received more than 303,000 visitors in the 2000-01 ski season; and over 134,000 visitors for off-season activities such as mountain biking and sightseeing tours. Efforts are underway to significantly upgrade the ski facilities at Gore and Whiteface with private capital and expertise.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	7,902,000	7,902,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	7,902,000	7,902,000	0	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	7,552,000	7,552,000	0
Special Revenue Funds - Other	150,000	150,000	0
Fiduciary Funds	200,000	200,000	0
Total	7,902,000	7,902,000	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Operations			
General Fund	7,552,000	7,552,000	0
Special Revenue Funds - Other	150,000	150,000	0
Fiduciary Funds	200,000	200,000	0
Total	7,902,000	7,902,000	0

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Operations	7,552,000	0	7,552,000	0
Total	7,552,000	0	7,552,000	0

OLYMPIC REGIONAL DEVELOPMENT

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Operations	350,000	0	200,000	0
Total	<u>350,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>

Program	Maintenance Undistributed	
	Amount	Change
Operations	150,000	0
Total	<u>150,000</u>	<u>0</u>

NEW YORK STATE PUBLIC AUTHORITIES

New York State has statutorily created public authorities to carry out a variety of functions. These authorities play a critical role in managing, maintaining and improving New York State's infrastructure by building or financing roads, bridges and mass transit systems; rail, aviation, water, port and energy facilities; and housing, schools, public protection facilities and public buildings.

Established as public benefit corporations rather than departments of the State, the authorities are governed by boards of directors whose members can be appointed by the Governor, on the recommendation of the Legislature or local officials and by other involved municipalities. Although oversight mechanisms vary, all public authorities are accountable to the State and must submit reports to the Governor, the Legislature and the State Comptroller, including annual reports, independent financial audits and budget reports.

Detailed information on a number of public authorities reflected in Tables 1 through 4 can be found elsewhere in this Executive Budget. These authorities include:

BRIDGE, TUNNEL AND HIGHWAY

Triborough Bridge and Tunnel Authority
Thruway Authority

ECONOMIC DEVELOPMENT

Empire State Development Corporation
Job Development Authority

ENERGY AND ENVIRONMENT

Energy Research and Development Authority
Environmental Facilities Corporation

HOUSING, HEALTH AND FINANCE

Housing Finance Agency
Local Government Assistance Corporation
State of New York Mortgage Agency

REGIONAL TRANSPORTATION

Metropolitan Transportation Authority

Public authorities which are not included elsewhere in the Executive Budget are discussed below:

BRIDGE, TUNNEL AND HIGHWAY AUTHORITIES

Buffalo and Fort Erie Public Bridge Authority

The Buffalo and Fort Erie Public Bridge Authority owns and operates the international "Peace Bridge," crossing the Niagara River between Buffalo and Fort Erie, Ontario. All capital improvements and operating expenses are funded by tolls and rentals of property and buildings. No State funds are used to support the Authority.

PUBLIC AUTHORITIES

New York State Bridge Authority

The New York State Bridge Authority is responsible for the Bear Mountain, Kingston-Rhinecliff, Mid-Hudson, Newburgh-Beacon and Rip Van Winkle toll bridges that span the Hudson River. Various bridge tolls cover Authority costs; no State funds are used to support the Authority.

Thousand Islands Bridge Authority

The Thousand Islands Bridge Authority operates two bridges connecting U.S. Interstate 81 in Jefferson County with Highway 401 in Ontario, Canada. The Authority also operates a sewage treatment facility and recreational and tourist facilities. Tolls from the bridge and other service fees cover operating costs; no State funds are used to support the Authority.

ECONOMIC DEVELOPMENT AUTHORITIES

Battery Park City Authority

The Battery Park City Authority manages the commercial and residential development of a 92-acre landfill on the southwest end of Manhattan, immediately adjacent to the World Trade Center site. The Authority generates revenues from the collection of rents and real estate tax equivalent payments to support its operations.

The terrorist attacks on the World Trade Center Towers on September 11th resulted in significant property damage within the Battery Park City site. Since then, the Authority has made significant progress in its efforts to recover from the disaster. Within weeks, the Authority's 28-acre park system was cleared of debris and reopened and all of Battery Park's residential and commercial structures were inspected and found to be structurally sound. Repair work is underway on the many damaged structures that are in close proximity to the World Trade Center. Reconstruction will be financed primarily from a combination of insurance payments and Federal assistance.

United Nations Development Corporation

The United Nations Development Corporation develops and manages commercial and residential facilities for United Nations-related activities in New York City including One, Two and Three United Nations Plaza. The Corporation does not rely on any State support to pay debt service or for its own operations.

ENERGY AND ENVIRONMENTAL AUTHORITIES

New York Power Authority

The New York Power Authority finances, builds and operates electric generation and transmission facilities. It currently owns and operates five major generating facilities, five small hydroelectric facilities and a major transmission system. It has recently completed the sale of its two nuclear generating facilities — James A. Fitzpatrick and Indian Point 3.

The Authority generates and transmits electric power at wholesale rates to its primary customers — municipal and investor-owned utilities, rural electric cooperatives throughout the State, major industrial concerns and various New York City-area public corporations.

The Authority receives no State subsidy. It generally finances construction projects through sales of bonds and notes and pays the related debt service with revenues from the generation and transmission of electricity.

Long Island Power Authority

The Long Island Power Authority has the broad authority to ensure adequate, dependable and affordable electric service on Long Island. The Authority has reduced commercial and residential electricity rates by approximately 20 percent. The reduction is encouraging economic development and lowering the cost of living in Long Island. No State tax dollars are used to fund the Authority.

HOUSING, HEALTH AND FINANCE AUTHORITIES

Dormitory Authority

The Dormitory Authority provides financing, construction management, planning and design, and equipment purchasing services for higher education, not-for-profit health care, judicial and other institutions. The Authority funds its operations from its own client-generated revenues.

Municipal Assistance Corporation for the City of New York

The Municipal Assistance Corporation for the City of New York was created in 1975 to provide access to the credit markets for the City during a period of fiscal crisis and to help oversee its fiscal affairs. MAC's financing mission on behalf of New York City has been completed. MAC expects its only financing role in the future to be management of its existing debt. No State money is used to finance the Corporation; it is funded through a portion of New York City's sales tax.

Municipal Assistance Corporation for the City of Troy

The Municipal Assistance Corporation for the City of Troy was created in 1995 to provide the City with access to credit markets and to oversee Troy's fiscal affairs. The Authority is subject to a debt cap of \$75 million. The State is authorized, subject to legislative review and appropriation, to provide moneys as necessary to ensure a 1.5:1 debt service coverage ratio on Authority debt. No such appropriation is required in the 2002-03 State fiscal year. No State moneys are used to finance the Corporation, and failure of the State to appropriate State aid to the City does not constitute an event of default for Corporation obligations.

Municipal Bond Bank Agency

The Municipal Bond Bank Agency was established in 1972 to provide low-cost capital financing to towns, villages, cities and counties. In addition, the Agency is authorized to issue special program bonds and tax lien collateralized securities. The Agency is staffed by the Housing Finance Agency. No State tax dollars are used to fund the Agency.

Project Finance Agency

The Project Finance Agency was created in 1975 to provide long-term financing for low- and middle-income residential housing projects originally financed by the Urban Development Corporation. During the mid-1970's, the Urban Development Corporation faced a potential default on bonds issued to construct these projects, preventing the issuance of long-term debt to complete projects under way. The Project Finance Agency was created as the financing vehicle to complete these projects. No State tax dollars are used to fund the Agency.

PUBLIC AUTHORITIES

PORT DEVELOPMENT AUTHORITIES

Albany Port District Commission

The Albany Port District Commission develops and operates port facilities in the cities of Albany and Rensselaer. In past years, the Authority has completed a new warehouse, rehabilitated dock facilities and added rail tracks to update the port facilities. Lease revenues account for 50 to 70 percent of the Port's annual revenue with maritime traffic making up the remainder.

Ogdensburg Bridge and Port Authority

The Ogdensburg Bridge and Port Authority operates an international bridge between Ogdensburg and Prescott, Ontario, Canada, as well as a port, an airport, an industrial park and a short-line railroad. The Authority has become increasingly involved in developing port and industrial park properties in the North Country. The Authority's industrial park now has 14 buildings which house companies providing 1,000 jobs. Its marine terminal provides the North Country's mining industries with low-cost transportation.

Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey was created in 1921 to improve port and transportation facilities in the New York metropolitan area. This bi-state authority is responsible for the management and daily operation of more than 30 facilities, including airports, marine terminal facilities, bus terminals, interstate bridges and tunnels, an interstate commuter railroad and industrial parks. No New York State funds are used to support the Port Authority.

The Port Authority suffered catastrophic losses in the September 11th terrorist attacks, including over 70 staff members who are confirmed or presumed dead. The World Trade Center, which was owned by the Authority and served as its official headquarters, was totally destroyed. Direct damage at Ground Zero also encompassed an Authority-owned PATH subway station and numerous operational facilities and equipment. The financial impacts of the disaster on the Port Authority are wide-ranging, including loss of revenue due to disruptions of business at the Authority's aviation, bridge, tunnel and port facilities. While the Port Authority's prudent financial practices and reserve policies have positioned the Authority to survive these difficulties, the Authority is actively pursuing insurance reimbursements and Federal assistance to accelerate recovery and minimize impacts on the New York Metropolitan regional economy.

Port of Oswego Authority

The Port of Oswego Authority operates port facilities in the Oswego Port District, which includes the City of Oswego, the Town of Scriba, and all waters of the Oswego River and Lake Ontario within its boundaries. The Authority operates a port terminal and storage facilities and supports a marine museum and maritime foundation.

REGIONAL TRANSPORTATION AUTHORITIES

Capital District Transportation Authority

The Capital District Transportation Authority provides public transportation service within Albany, Rensselaer, Saratoga and Schenectady counties. State funding for the Capital District Transportation Authority is provided through appropriations to the New York State Department of Transportation.

Central New York Regional Transportation Authority

The Central New York Regional Transportation Authority provides public transportation service within Central New York through three subsidiary corporations: CNY Centro (Onondaga County), Centro of Oswego (Oswego County) and Centro of Cayuga (Cayuga County). State funding for the Central New York Regional Transportation Authority is provided through appropriations to the New York State Department of Transportation.

Niagara Frontier Transportation Authority

The Niagara Frontier Transportation Authority oversees the operations of a public transportation system providing bus, rail and paratransit services in Niagara and Erie counties. The Authority also operates both a primary and reliever airport, a small boat harbor and two metro transit centers which are primary terminals for private inter-city bus service for Niagara and Erie counties. State funding for the Niagara Frontier Transportation Authority is provided through appropriations to the New York State Department of Transportation.

Rochester-Genesee Regional Transportation Authority

The Rochester-Genesee Regional Transportation Authority provides public transportation service in the counties of Genesee, Livingston, Monroe, Wayne and Wyoming. The Authority operates the Regional Transit Service (Rochester area), Wayne Area Transportation System, Livingston Area Transportation Service, Wyoming Transportation Service and Batavia Bus Service. State funding for the Rochester-Genesee Regional Transportation Authority is provided through appropriations to the New York State Department of Transportation.

PUBLIC AUTHORITIES

TABLE 1
FINANCIAL OPERATIONS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
 (thousands of dollars)

Authorities by Function	Fiscal Year Begins	2001				2002			
		Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}	Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}
BRIDGE, TUNNEL AND HIGHWAY									
Buffalo and Fort Erie Public Bridge Authority	Jan. 1	26,870	12,447	4,292	10,131	24,952	13,131	4,276	7,545
New York State Bridge Authority	Jan. 1	38,893	16,462	4,778	17,653	39,360	18,340	7,850	13,170
Thousand Islands Bridge Authority	Mar. 1	9,408	5,300	762	3,346	7,534	5,417	743	1,374
Triborough Bridge and Tunnel Authority	Jan. 1	959,350	271,046	347,444	340,860	935,157	298,148	379,710	257,299
Thruway Authority ^{a/}	Jan. 1	440,506	272,489	90,722	77,295	461,832	281,773	98,632	81,427
ECONOMIC DEVELOPMENT									
Battery Park City Authority	Nov. 1	156,278	22,018	68,360	65,900	149,261	27,405	69,314	52,542
Development Authority of the North Country	April 1	8,380	5,276	3,104	0	8,515	5,364	3,151	0
Empire State Development Corporation	April 1	484,970	49,543	435,427	0	503,304	52,026	451,278	0
Job Development Authority	April 1	29,741	14,681	15,060	0	73,075	16,637	56,438	0
United Nations Development Corporation	Jan. 1	29,566	12,843	10,356	6,367	30,533	13,759	10,354	6,420
ENERGY AND ENVIRONMENT									
Energy Research and Development Authority	April 1	189,824	174,862	14,962	0	199,215	184,264	14,951	0
Environmental Facilities Corporation	April 1	465,478	12,518	447,210	5,750	490,917	13,991	470,893	6,033
Long Island Power Authority	Jan. 1	2,404,827	1,854,926	512,265	37,636	2,424,242	1,932,344	491,402	496
Power Authority	Jan. 1	2,062,800	1,690,900	338,200	33,700	2,193,100	1,885,400	361,200	(53,500)
HOUSING, HEALTH AND FINANCE									
Dormitory Authority	April 1	2,720,949	70,684	2,650,265	0	3,098,195	73,395	3,024,800	0
Housing Finance Agency	Nov. 1	425,404	18,831	401,124	5,449	415,134	18,794	390,447	5,893
Local Government Assistance Corporation	April 1	463,000	4,000	459,000	0	325,000	5,000	320,000	0
Mortgage Agency	Nov. 1	692,999	33,546	659,453	0	607,005	32,100	574,905	0
Municipal Assistance Corporation for the City of New York	July 1	522,219	8,450	513,259	510	520,823	8,450	512,373	0
Municipal Assistance Corporation for the City of Troy	Jan. 1	3,868	28	3,840	0	4,176	30	4,146	0
Municipal Bond Bank Agency	Nov. 1	6,568	150	6,131	287	8,432	227	7,903	302
Project Finance Agency	Nov. 1	37,792	197	37,500	95	40,542	241	40,052	249
PORT DEVELOPMENT									
Albany Port District Commission	Jan. 1	2,999	1,740	80	1,179	3,149	1,827	80	1,242
Ogdensburg Bridge and Port Authority	April 1	3,420	2,915	505	0	3,500	3,030	470	0
Port Authority of New York and New Jersey ^{a/}	Jan. 1	2,879,742	2,070,280	502,000	307,462	-	-	-	-
Port of Oswego Authority	April 1	960	875	85	0	1,130	1,012	114	4

PUBLIC AUTHORITIES

TABLE 1
FINANCIAL OPERATIONS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)

Authorities by Function	Fiscal Year Begins	2001				2002			
		Total Revenues	Operating Expenses	Debt Service Require- ments	Surplus (Deficit) ^{b/}	Total Revenues	Operating Expenses	Debt Service Require- ments	Surplus (Deficit) ^{b/}
REGIONAL TRANSPORTATION									
Capital District Transportation Authority	April 1	33,959	33,868	91	0	33,358	33,358	0	0
Central New York Regional Transportation Authority	April 1	25,963	25,943	20	0	27,110	27,090	20	0
Metropolitan Transportation Authority	Jan. 1	7,132,400	6,653,800	438,800	39,800	7,511,400	6,973,000	534,500	3,900
Niagara Frontier Transportation Authority	April 1	113,082	103,943	8,990	149	111,215	100,741	10,474	0
Rochester-Genesee Regional Transportation Authority	April 1	45,035	45,035	0	0	43,150	43,150	0	0
GRAND TOTAL		<u>22,417,250</u>	<u>13,489,596</u>	<u>7,974,085</u>	<u>953,569</u>	<u>20,294,316</u>	<u>12,069,444</u>	<u>7,840,476</u>	<u>384,396</u>

^{a/} This table is based on authority estimates and may not reflect approval by the Board of Directors. This table covers the Authority fiscal year which includes September 30. Data vary as to cash or accrual accounting.

^{b/} The operating surplus may be committed to reserve requirements, repayment of State advances or funding of capital programs or programs operated by other authorities. Deficits are to be covered from existing resources or management options.

^{c/} Excludes debt service for bonds sold to finance State transportation programs.

^{d/} 2002 Budget data not available pending approval of Authority's Board of Directors.

PUBLIC AUTHORITIES

**TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)**

Authorities by Function	2001			2002		
	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}
BRIDGE, TUNNEL AND HIGHWAY						
Buffalo and Fort Erie Public Bridge Authority	12,392	22,859	0	9,946	18,110	0
New York State Bridge Authority	35,757	47,778	0	36,014	24,180	50,000
Thousand Islands Bridge Authority	1,652	1,652	0	1,681	1,681	0
Triborough Bridge and Tunnel Authority ^{c/}	192,800	200,000	0	133,900	120,000	250,000
Thruway Authority	297,763	155,160	142,603	416,381	268,969	147,412
ECONOMIC DEVELOPMENT						
Battery Park City Authority	14,709	14,709	0	37,500	37,500	0
Development Authority of the North Country	0	0	0	0	0	0
Empire State Development Corporation	17,769	0	17,769	101,203	0	101,203
Job Development Authority	13,000	13,000	0	15,000	0	15,000
United Nations Development Corporation	450	6,802	0	629	6,173	0
ENERGY AND ENVIRONMENT						
Energy Research and Development Authority	15,250	15,250	0	13,250	13,250	0
Environmental Facilities Corporation	569,800	0	569,800	685,000	0	685,000
Long Island Power Authority	242,000	0	400,000	331,800	250,000	100,000
Power Authority	579,800	525,000	95,900	463,200	202,100	341,600
HOUSING, HEALTH AND FINANCE						
Dormitory Authority	2,054,238	3,890,088	3,030,165	2,609,775	4,866,015	2,222,131
Housing Finance Agency	372,588	319,850	487,025	424,437	242,837	420,000
Local Government Assistance Corporation	0	0	0	0	0	0
Mortgage Agency	261,643	392,344	225,000	610,000	427,654	400,000
Municipal Assistance Corporation for the City of New York	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	0	0	0	0	0	0
Municipal Bond Bank Agency	0	0	0	0	0	0
Project Finance Agency	0	0	0	0	0	0
PORT DEVELOPMENT						
Albany Port District Commission	1,779	0	0	1,000	0	0
Ogdensburg Bridge and Port Authority	1,077	1,077	0	8,040	290	7,750
Port Authority of New York and New Jersey ^{d/}	1,321,135	828,772	650,000	-	-	-
Port of Oswego Authority	208	1,579	0	1,371	1,371	0

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)

Authorities by Function	2001			2002		
	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}
REGIONAL TRANSPORTATION						
Capital District Transportation Authority	34,250	34,250	0	14,769	14,769	0
Central New York Regional Transportation Authority	18,543	18,543	0	6,927	6,927	0
Metropolitan Transportation Authority ^{c/}	3,977,000	1,197,300	2,779,700	4,224,300	1,781,600	2,442,800
Niagara Frontier Transportation Authority	61,763	61,763	0	80,545	78,486	2,057
Rochester-Genesee Regional Transportation Authority	11,801	11,801	0	11,945	11,945	0
GRAND TOTAL	10,109,167	7,759,577	8,397,962	10,238,613	8,373,857	7,184,953

^{a/} This table is based on authority estimates and may not reflect approval by the Board of Directors. The table covers the Authority fiscal year which includes September 30. "Available resources" may include anticipated and/or requested State and Federal funds.

^{b/} Includes proceeds available for capital program only.

^{c/} This table reflects the MTA's capital plan approved by the Capital Program Review Board in May 2001.

^{d/} 2002 Budget data not available pending approval by Authority's Board of Directors.

PUBLIC AUTHORITIES

**TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2001
(thousands of dollars)**

Authorities by Function	All Bonds and Notes				Moral Obligation Bonds		
	Statutory Authorization	Bonds Issued	Bonds Outstanding	Notes Outstanding	Authorized Limit	Bonds Issued	Bonds Outstanding
BRIDGE, TUNNEL AND HIGHWAY							
Buffalo and Fort Erie Public Bridge Authority	165,000	53,370	48,200	1,946	0	0	0
New York State Bridge Authority	100,000	116,711	39,275	0	0	0	0
Thousand Islands Bridge Authority	Unlimited	5,745	5,270	0	0	0	0
Triborough Bridge and Tunnel Authority ^{a/}	16,500,000	6,010,795	4,813,265	1,807,190	0	0	0
Thruway Authority	Unlimited	10,346,382	7,400,653	300,000	0	0	0
ECONOMIC DEVELOPMENT							
Battery Park City Authority ^{b/}	1,060,000	1,107,835	955,000	0	0	0	0
Development Authority of the North Country	Unlimited	40,024	34,051	0	0	0	0
Empire State Development Corporation	Unlimited	6,070,483	5,043,308	14,811	1,295,000	1,070,000	0
Job Development Authority	750,000	726,080	118,560	0	0	0	0
United Nations Development Corporation	Unlimited	260,728	138,668	0	46,555	32,040	0
ENERGY AND ENVIRONMENT							
Energy Research and Development Authority	Unlimited	7,511,230	3,930,925	0	0	0	0
Environmental Facilities Corporation	Unlimited	6,387,235	4,152,575	0	0	0	0
Long Island Power Authority	Unlimited	9,413,506	7,609,163	100,000	0	0	0
Power Authority	Unlimited	6,385,200	1,804,735	555,215	0	0	0
HOUSING, HEALTH AND FINANCE							
Dormitory Authority	Unlimited	54,057,094	28,292,581	174,680	926,015	698,660	92,430
Housing Finance Agency ^{c/}	7,890,000	10,638,835	4,692,329	0	4,454,736	6,524,379	458,982
Local Government Assistance Corporation	4,700,000	5,571,165	4,620,895	0	0	0	0
Mortgage Agency	6,945,000	11,490,659	4,266,877	0	0	0	0
Municipal Assistance Corporation for the City of New York	11,500,000	9,445,000	2,880,000	0	0	9,445,000	0
Municipal Assistance Corporation for the City of Troy ^{d/}	75,000	69,583	72,153	0	0	0	0
Municipal Bond Bank Agency	1,000,000	92,180	64,410	0	0	0	0
Project Finance Agency	305,000	305,000	102,570	0	0	0	0
PORT DEVELOPMENT							
Albany Port District Commission	Unlimited	0	0	1,037	0	0	0
Ogdensburg Bridge and Port Authority	Unlimited	0	0	1,937	0	0	0
Port Authority of New York and New Jersey	Unlimited	10,383,660	8,178,475	530,965	0	0	0
Port of Oswego Authority	Unlimited	0	0	130	0	0	0

PUBLIC AUTHORITIES

TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2001
(thousands of dollars)

Authorities by Function	All Bonds and Notes				Moral Obligation Bonds		
	Statutory Authorization	Bonds Issued	Bonds Outstanding	Notes Outstanding	Authorized Limit	Bonds Issued	Bonds Outstanding
REGIONAL TRANSPORTATION							
Capital District Transportation Authority	Unlimited	0	0	4,000	0	0	0
Central New York Regional Transportation Authority	Unlimited	0	0	0	0	0	0
Metropolitan Transportation Authority ^{a/}	16,500,000	9,266,174	8,259,739	750,000	0	0	0
Niagara Frontier Transportation Authority	Unlimited	217,269	197,954	338	0	0	0
Rochester-Genesee Regional Transportation Authority	Unlimited	0	0	0	0	0	0
GRAND TOTAL		<u>165,971,943</u>	<u>97,721,631</u>	<u>4,242,249</u>	<u>6,722,306</u>	<u>17,770,079</u>	<u>551,412</u>

^{a/} The MTA and TBTA are collectively authorized to issue up to \$16.5 billion of bonds to finance their 1992-2004 capital programs. Outstanding bonds do not include \$341 million in Convention Center Project Bonds, not covered by Authority's bond cap, but solely supported by rental income.

^{b/} \$400 million in bonding authority related to the Housing New York Program sunsetted on June 30, 1995.

^{c/} HFA moral obligation bond limit is reduced as bonds outstanding after April 1, 1976 are repaid.

^{d/} Bonds outstanding exceed bonds issued because bonds outstanding include accretion in value of capital appreciation bonds from date of issue through September 30, 2001.

PUBLIC AUTHORITIES

TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002-03
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2001 ^{a/}			Outstanding Reimbursable State Appropriations, 2001	State Appropriations Requested in Support of Authority Programs, 2002-03 ^{b/}		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Appropriations	Reappropriations	Total
BRIDGE, TUNNEL AND HIGHWAY							
Buffalo and Fort Erie Public Bridge Authority	48,200	0	0	0	0	0	0
New York State Bridge Authority	39,275	0	0	0	0	0	0
Thousand Islands Bridge Authority	5,270	0	0	0	0	0	0
Triborough Bridge and Tunnel Authority ^{c/}	4,813,265	0	0	0	0	0	0
Thruway Authority	7,400,653	0	0	0	2,000	3,160	5,160
ECONOMIC DEVELOPMENT							
Battery Park City Authority	955,000	0	0	0	0	0	0
Development Authority of the North Country	34,051	0	0	0	0	0	0
Empire State Development Corporation	5,043,308	0	0	0	370,504	212,806	583,310
Job Development Authority	0	118,560	0	0	0	0	0
United Nations Development Corporation	138,668	0	0	0	0	0	0
ENERGY AND ENVIRONMENT							
Energy Research and Development Authority	3,930,925	0	0	0	28,173	0	28,173
Environmental Facilities Corporation	4,152,575	0	0	8,056	9,814	14,500	24,314
Long Island Power Authority	7,609,163	0	0	0	0	0	0
Power Authority	1,804,735	0	0	0	0	0	0
HOUSING, HEALTH AND FINANCE							
Dormitory Authority	28,200,151	0	92,430	0	0	0	0
Housing Finance Agency	4,233,347	0	458,982	44,129	635	0	635
Local Government Assistance Corporation	4,620,895	0	0	0	325,000	0	325,000
Mortgage Agency	4,266,877	0	0	0	0	0	0
Municipal Assistance Corporation for the City of New York	2,880,000	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	72,153	0	0	0	0	0	0
Municipal Bond Bank Agency	64,410	0	0	0	0	0	0
Project Finance Agency	102,570	0	0	0	0	0	0
PORT DEVELOPMENT							
Albany Port District Commission	0	0	0	1,038	0	0	0
Ogdensburg Bridge and Port Authority	0	0	0	19,380	0	0	0
Port Authority of New York and New Jersey	8,178,475	0	0	0	0	0	0
Port of Oswego Authority	0	0	0	4,131	0	0	0

PUBLIC AUTHORITIES

TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002-03
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2001 ^{a/}			Outstanding Reimbursable State Approp- riations, 2001	State Appropriations Requested in Support of Authority Programs, 2002-03 ^{b/}		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Approp- riations	Reapprop- riations	Total
REGIONAL TRANSPORTATION							
Capital District Transportation Authority	0	0	0	0	22,525	0	22,525
Central New York Regional Transportation Authority	0	0	0	0	19,684	0	19,684
Metropolitan Transportation Authority	8,259,739	0	0	0	1,459,087	88,588	1,547,675
Niagara Frontier Transportation Authority	197,954	0	0	0	27,041	0	27,041
Rochester-Genesee Regional Transportation Authority	0	0	0	0	15,901	0	15,901
GRAND TOTAL	<u>97,051,659</u>	<u>118,560</u>	<u>551,412</u>	<u>76,734</u>	<u>2,280,364</u>	<u>319,054</u>	<u>2,599,418</u>

^{a/} This table covers bonds outstanding as of September 30.

^{b/} Appropriations are included in the Executive Budget for State Fiscal Year 2002-2003 from the State's General Fund, dedicated tax funds, Capital Projects Fund or bond funds. Some of these funds may be appropriated to an intermediary which, in turn, makes payment to the named authority.

^{c/} Outstanding bonds do not include \$341 million in Convention Center Project Bonds, not covered by Authority's bond cap, but solely supported by rental income.

DEPARTMENT OF PUBLIC SERVICE

MISSION

The Department of Public Service has a broad mandate to ensure that all New Yorkers have access to reliable and low-cost utility services. The Department is the staff arm of the Public Service Commission, which regulates the rates and services of the State's public utilities, including electric, gas, steam, telephone, and water. The Commission also oversees the siting of major electric and gas transmission lines and facilities, ensures the safety of natural gas and liquid petroleum pipelines, and is responsible for oversight and regulation of the cable television industry in New York State. As the transition is made from a regulated utility industry to a more competitive market, the Department will use its oversight responsibilities to foster competitive market forces which will produce lower rates for consumers, enable customers to choose from a variety of suppliers, and continue reliable service.

ORGANIZATION AND STAFFING

The Public Service Commission consists of five members who are nominated by the Governor and confirmed by the Senate. The Chairman serves as the chief executive officer of the Department which operates offices in Albany, New York City and Buffalo.

The Department's budget has two programs: the Administration Program, which supports Public Service Commission activities; and the Regulation Program, which undertakes activities to ensure fair and reasonable rates, foster proper competition, monitor service standards, address consumer complaints, promote efficient operation and ensure that industry construction programs meet safety and environmental requirements.

The Department will have a workforce of 601 for 2002-03. Approximately 98 percent of this staff is financed by utility and cable assessments and the remaining 2 percent by Federal grants and coin-operated telephone fees.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 budget recommendations for the Department of Public Service reflect the changing mission of the agency as the utility industry moves from a regulated environment to a competitive market. As the electric industry undergoes restructuring, the Department is overseeing this process to ensure that policies are implemented to encourage competition for retail and wholesale business, and to maintain a level playing field in this new competitive market.

The Department's 2002-03 operating budget includes funding of \$64.6 million from utility and cable assessments and coin-operated telephone fees. Public utility assessments are based on a utility's gross intrastate operating revenues above \$25,000. Cable television assessments are based on revenues from those companies with 1,000 or more subscribers.

In addition, the local assistance budget provides a total of \$400,000 from fees paid by entities proposing the siting of electric generation facilities, that may be accessed by local governments and community groups to fund intervention activities related to the siting.

PROGRAM HIGHLIGHTS

The Department's highest priority for the coming year remains its move toward competition in the electric, telecommunications, and gas industries. This transition must be effectively managed to ensure that competition benefits both the State's economic interests and utility ratepayers. During this transition to competitive markets, the Department will develop the infrastructure needed for competitive alternatives, maintain the high standards of

PUBLIC SERVICE

reliability and service quality that New Yorkers expect, ensure fair competition, and, where necessary, provide ratepayers effective protection. Department staff will continue to play a significant role in siting new and expanded electric generation facilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	68,119,000	65,844,000	(2,275,000)	2,900,000
Aid To Localities	400,000	400,000	0	5,819,000
Capital Projects	0	0	0	0
Total	68,519,000	66,244,000	(2,275,000)	8,719,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	102	102	0
Regulation of Utilities			
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	487	487	0
Total	601	601	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	1,445,000	1,145,000	(300,000)
Special Revenue Funds - Other	66,674,000	64,699,000	(1,975,000)
Total	68,119,000	65,844,000	(2,275,000)

Adjustments:	
Recommended Deficiency	
Public Service Department	
Special Revenue Funds - Other	(2,800,000)
Appropriated 2001-02	65,319,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	9,986,000	10,127,000	141,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,445,000	1,145,000	(300,000)
Special Revenue Funds - Other	56,688,000	54,572,000	(2,116,000)
Total	68,119,000	65,844,000	(2,275,000)

PUBLIC SERVICE

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	10,127,000	141,000	5,457,000	0
Regulation of Utilities	55,717,000	(2,416,000)	32,982,000	0
Total	65,844,000	(2,275,000)	38,439,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,670,000	141,000	0	0
Regulation of Utilities	22,210,000	(2,941,000)	525,000	525,000
Total	26,880,000	(2,800,000)	525,000	525,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Regulation of Utilities			
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

STATE RACING AND WAGERING BOARD

MISSION

The Racing and Wagering Board regulates all legalized gambling activities in New York except those regulated by the State Lottery. Horse racing, off-track betting (OTB) and Indian casino gaming are directly regulated by the Board. The responsibility for oversight of bingo and other permitted games of chance conducted by religious and not-for-profit organizations is shared with municipalities, which collect license fees and ensure that the Board's rules and regulations are followed.

ORGANIZATION AND STAFFING

A three-member Board oversees agency activities. The Governor appoints each member to a six-year term with the consent of the Senate.

The Chair and central office staff are stationed in Albany with additional staff operating from the New York City regional office. The agency employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County and the Mohawk Indians' Akwesasne Mohawk Casino in Hogansburg, Franklin County. The 2002-03 Executive Budget also includes resources to support any additional oversight responsibilities resulting from the establishment of new Indian Casinos in Western New York and the Catskills pursuant to legislation enacted in 2001. Temporary and full-time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and seven harness tracks — Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board will have a workforce of 115 full time and 165 per diem staff in the 2002-03 fiscal year. Approximately 34 percent of full-time staff and all per diem staff will be supported by State tax dollars; the remaining staff will be supported by revenues generated by Indian casinos and charitable gaming activities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends \$9.4 million in General Fund support for staff and related costs associated with the processing of racing licenses; the review of financial statements submitted by regional OTBs; legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; and the testing of race horses for prohibited drugs.

In addition, \$2.1 million in existing fees collected by the State from charitable gaming proceeds is recommended to support the regulation of these games. This funding will support oversight of "bell jar" games, which are games of chance in which players remove "pull tabs" from randomly drawn tickets to reveal potential winning combinations of three or more matching items. The Budget also authorizes \$3.2 million in revenues from fees charged to Indian casinos to pay for on-site monitoring and investigation of these casinos.

PROGRAM HIGHLIGHTS

REGULATION OF GAMES OF CHANCE

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 15,000 charitable and not-for-profit organizations throughout the State. The Board establishes standards for issuing licenses to suppliers and manufacturers of gaming equipment; reviews financial statements of charitable

RACING AND WAGERING

gaming operations; and, in conjunction with local law enforcement officials, investigates illegal gaming activities. In accordance with legislation enacted in 1996, the Board will continue its oversight of "bell jar" games in order to decrease illegal activity.

INDIAN GAMING

The State has negotiated compacts or protocols with the Oneida Nation and St. Regis Mohawk Tribe to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for supervising gaming activities operating on these Indian lands. The Board maintains 21 employees that oversee activities at the Oneida Nation's Turning Stone Casino and 26 employees at the St. Regis Mohawk Tribe's Akwesasne Casino.

REGULATION OF RACING

The Board's permanent staff oversee 165 temporary employees who ensure that horse races at the State's racetracks are conducted legally. As part of this effort, the Board has a contract with Cornell University to conduct research and to carry out post-race testing of blood and urine samples taken from race horses.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	14,739,000	14,739,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	14,739,000	14,739,000	0	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
	Administration		
General Fund	15	14	(1)
Audit and Investigation			
General Fund	23	21	(2)
Regulation of Racing and Off-Track Betting			
General Fund	4	4	0
Regulation of Wagering			
Special Revenue Funds - Other	81	76	(5)
Total	123	115	(8)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	9,427,000	9,427,000	0
Special Revenue Funds - Other	5,312,000	5,312,000	0
Total	14,739,000	14,739,000	0

RACING AND WAGERING

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	1,305,000	1,305,000	0
Audit and Investigation			
General Fund	1,168,000	1,168,000	0
Regulation of Racing and Off-Track Betting			
General Fund	6,954,000	6,954,000	0
Regulation of Wagering			
Special Revenue Funds - Other	5,312,000	5,312,000	0
Total	<u>14,739,000</u>	<u>14,739,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	715,000	0	715,000	0
Audit and Investigation	1,115,000	0	1,115,000	0
Regulation of Racing and Off-Track Betting	4,444,000	0	4,444,000	0
Total	<u>6,274,000</u>	<u>0</u>	<u>6,274,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	590,000	0	210,300	0
Audit and Investigation	53,000	0	8,800	0
Regulation of Racing and Off-Track Betting	2,510,000	0	35,400	0
Total	<u>3,153,000</u>	<u>0</u>	<u>254,500</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	23,800	0	355,900	0
Audit and Investigation	23,500	0	19,300	0
Regulation of Racing and Off-Track Betting	5,900	0	2,465,100	0
Total	<u>53,200</u>	<u>0</u>	<u>2,840,300</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Audit and Investigation	1,400	0
Regulation of Racing and Off-Track Betting	3,600	0
Total	<u>5,000</u>	<u>0</u>

RACING AND WAGERING

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Regulation of Wagering	5,312,000	0	3,228,000	0
Total	<u>5,312,000</u>	<u>0</u>	<u>3,228,000</u>	<u>0</u>
Program	Nonpersonal Service			
	Amount	Change		
Regulation of Wagering	2,084,000	0		
Total	<u>2,084,000</u>	<u>0</u>		

OFFICE OF SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH

MISSION

Established in November 1999, the New York State Office of Science, Technology, and Academic Research is an Executive agency which replaced the New York State Science and Technology Foundation and assumed responsibility for directing the State's university-based high technology economic development programs.

ORGANIZATION AND STAFFING

The Office of Science, Technology, and Academic Research is headed by an Executive Director who is appointed by the Governor and confirmed by the Senate. Agency oversight is augmented by an 11-member advisory council. The Office of Science, Technology, and Academic Research will have a workforce of 34 positions in 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Office of Science, Technology, and Academic Research's activities are supported primarily with State tax dollars from the General Fund. The Executive Budget recommends \$3 million to support the agency's operating budget and \$54.4 million for its high technology programs.

PROGRAM HIGHLIGHTS

The Office of Science, Technology, and Academic Research is responsible for the following major programs:

- **Capital Facility Program:** This program supports the construction and reconstruction of research and development facilities at designated Centers for Advanced Technology and State University of New York University Centers;
- **Faculty Development Program:** This program provides grants to assist colleges and universities in attracting and retaining research faculty;
- **Center for Advanced Technology Development Program:** This program provides grants to designated Centers for Advanced Technology for enhancing and expanding activities; and
- **Technology Transfer Incentive Program:** This program provides grants to colleges and universities for technology transfer activities, such as patent applications, the creation of business plans, venture capital conferences and other uses related to the commercialization of high technology innovations. It also provides funding for the Science and Technology Law Center which assists start-up companies in bringing new technologies to the marketplace, and is a resource for State agencies and institutions of higher education on technology-related legal issues.

In addition, the Office of Science, Technology, and Academic Research will continue to administer programs of the former Science and Technology Foundation, including: Centers for Advanced Technology; Industrial Technology Extension Services; Technology Development Organizations; the Sensing, Analyzing, Interpreting and Deciding Center at Syracuse University; the Focus Center-New York semiconductor research center; and the Cornell University Nanobiotechnology Center. New funding is recommended for National Science Foundation designated research centers at the Rensselaer Polytechnic Institute, Cornell University and Columbia University.

SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	4,100,000	3,500,000	(600,000)	0
Aid To Localities	30,870,000	60,920,000	30,050,000	60,483,000
Capital Projects	0	0	0	49,500,000
Total	<u>34,970,000</u>	<u>64,420,000</u>	<u>29,450,000</u>	<u>109,983,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration Program			
General Fund	34	34	0
Total	<u>34</u>	<u>34</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,600,000	3,000,000	(600,000)
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>4,100,000</u>	<u>3,500,000</u>	<u>(600,000)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration Program			
General Fund	3,600,000	3,000,000	(600,000)
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>4,100,000</u>	<u>3,500,000</u>	<u>(600,000)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	3,000,000	(600,000)	3,000,000	(600,000)
Total	<u>3,000,000</u>	<u>(600,000)</u>	<u>3,000,000</u>	<u>(600,000)</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	500,000	0	500,000	0
Total	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>

SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	25,870,000	54,420,000	28,550,000
Special Revenue Funds - Federal	5,000,000	6,500,000	1,500,000
Total	<u>30,870,000</u>	<u>60,920,000</u>	<u>30,050,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
High Technology			
General Fund	24,370,000	30,420,000	6,050,000
Training and Business Assistance Program			
General Fund	1,500,000	1,500,000	0
Special Revenue Funds - Federal	5,000,000	6,500,000	1,500,000
Research Development Program			
General Fund	0	22,500,000	22,500,000
Total	<u>30,870,000</u>	<u>60,920,000</u>	<u>30,050,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Research Facilities				
Capital Projects Fund	0	0	0	49,500,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,500,000</u>

DEPARTMENT OF TAXATION AND FINANCE

MISSION

The Department of Taxation and Finance administers the State's taxes and related local taxes and manages the State Treasury. In fulfilling its responsibilities under the State's Tax Laws, the Department collects approximately \$43.7 billion in State revenue and approximately \$22.8 billion in local taxes, including New York City and the City of Yonkers income taxes, on behalf of municipalities.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner who is appointed by the Governor and confirmed by the Senate. It fulfills its mission through 11 programs: Administration, Revenue Support, Office of the Counsel, Tax Policy and Analysis, Tax Enforcement, Tax Compliance, Treasury Management, Audit, Revenue and Information Management, Taxpayer Services and the Office of Conciliation and Mediation. The Department of Taxation and Finance will have a workforce of 5,320 positions in 2002-03, of which 4,896 will be funded by State tax dollars in the General Fund.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, the Department will be financed primarily with State tax dollars from the General Fund, which support its revenue generation, collection, and administration programs. The Executive Budget recommends \$432.4 million to support the Department's operating budget. This amount includes \$315 million in General Fund support, which will finance 72.8 percent of the Department's operations, and will be supplemented by fee income of \$40.6 million and Federal funding of \$572,000. Fee income will support costs associated with the collection of personal income and other taxes for New York City, financial and investment services for certain State agencies and public benefit corporations, and with out-of-state delinquent tax collection efforts. The Budget further recommends \$76.2 million for the Banking Services Fund. The Fund pays banking institutions for certain services related to administering personal income and other taxes.

Recommended funding levels will support continuation of the e*MPIRE program, which will upgrade the Department's tax processing system, to ensure the State's ability to accurately and effectively collect revenues.

PROGRAM HIGHLIGHTS

Tax and Finance Department employees are responsible for providing equitable and efficient service to taxpayers. The Department is organized along functional lines to support a high level of taxpayer service; including:

- **Administration:** This program includes the Department's central policy direction and oversight functions. Activities include fiscal management, human resources/payroll, internal audit, management services and public information;
- **Revenue Support:** This program provides essential support services for the Department, including managing office and warehouse space, developing and printing tax forms and instructions, and mailing tax liability notices, refunds and other tax forms;

TAXATION AND FINANCE

- **Office of the Counsel:** This Office prepares regulations, interprets statutes, manages litigation, and drafts and reviews proposed legislation. The Office is involved in resolving taxpayer protests and litigation, and maintains coordination between the Department, the Department of Law and the Division of Tax Appeals;
- **Tax Policy and Analysis:** This program estimates the revenues expected to be produced by each tax, assesses the impact of different tax structures and tax proposals on the State's economy, reviews tax policies and legislation, and prepares descriptive and analytical studies;
- **Tax Enforcement:** This program identifies and investigates alleged evasion of the State tax code. Staff assigned to this program work with Federal, State and local law enforcement officials in the prosecution of tax fraud and tax evasion cases;
- **Tax Compliance:** This is the State's largest accounts receivable program, collecting delinquent State and local taxes. Computer-generated billings and an automated telephone collection system are used in collection activities;
- **Audit:** The Audit Division ensures that voluntarily remitted taxes are accurate and complete. The Division plans, conducts and evaluates desk and field audits, increasingly with the aid of technology;
- **Revenue and Information Management:** This program contains the Department's information management, tax processing and tax accounting functions. It supports the collection of an estimated \$66.5 billion in State and local tax collections;
- **Taxpayer Services:** This program assists taxpayers in fulfilling their tax obligations by developing and distributing tax information, advice and instructions; and
- **Office of Conciliation and Mediation:** This program offers taxpayers the option of informally resolving disputes with the Department.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	406,396,000	432,408,400	26,012,400	3,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>406,396,000</u>	<u>432,408,400</u>	<u>26,012,400</u>	<u>3,000,000</u>

TAXATION AND FINANCE

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)			
Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	90	90	0
Audit			
General Fund	1,883	1,883	0
Office of Conciliation and Mediation			
General Fund	34	34	0
Counsel			
General Fund	75	75	0
Tax Policy and Analysis			
General Fund	34	34	0
Revenue and Information Management			
General Fund	1,603	1,603	0
Special Revenue Funds - Other	379	379	0
Revenue Support Services			
General Fund	68	68	0
Tax Compliance			
General Fund	794	794	0
Tax Enforcement			
General Fund	186	186	0
Special Revenue Funds - Federal	9	9	0
Taxpayer Services			
General Fund	129	129	0
Treasury Management			
Special Revenue Funds - Other	36	36	0
Total	5,320	5,320	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	301,007,000	315,007,000	14,000,000
Special Revenue Funds - Federal	572,000	572,000	0
Special Revenue Funds - Other	36,842,000	40,644,000	3,802,000
Internal Service Funds	67,975,000	76,185,400	8,210,400
Total	406,396,000	432,408,400	26,012,400

TAXATION AND FINANCE

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	5,609,000	5,609,000	0
Audit			
General Fund	109,397,000	109,397,000	0
Banking Services			
Internal Service Funds	67,975,000	76,185,400	8,210,400
Office of Conciliation and Mediation			
General Fund	2,326,000	2,326,000	0
Counsel			
General Fund	5,184,000	5,184,000	0
Tax Policy and Analysis			
General Fund	2,230,000	2,230,000	0
Revenue and Information Management			
General Fund	89,362,000	100,362,000	11,000,000
Special Revenue Funds - Other	32,688,000	34,389,000	1,701,000
Revenue Support Services			
General Fund	31,216,000	34,216,000	3,000,000
Tax Compliance			
General Fund	33,006,000	33,006,000	0
Special Revenue Funds - Other	2,000,000	4,000,000	2,000,000
Tax Enforcement			
General Fund	12,836,000	12,836,000	0
Special Revenue Funds - Federal	572,000	572,000	0
Taxpayer Services			
General Fund	9,841,000	9,841,000	0
Treasury Management			
Special Revenue Funds - Other	2,154,000	2,255,000	101,000
Total	<u>406,396,000</u>	<u>432,408,400</u>	<u>26,012,400</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	5,200,000	0	5,158,000	0
Audit	92,868,000	0	91,819,000	0
Office of Conciliation and Mediation	2,231,000	0	2,213,000	0
Counsel	5,056,000	0	4,814,000	0
Tax Policy and Analysis	2,207,000	0	2,115,000	0
Revenue and Information Management	64,731,000	0	61,339,000	0
Revenue Support Services	4,450,000	0	3,901,000	0
Tax Compliance	31,340,000	0	31,287,000	0
Tax Enforcement	10,215,000	0	10,178,000	0
Taxpayer Services	7,502,000	0	6,436,000	0
Total	<u>225,800,000</u>	<u>0</u>	<u>219,260,000</u>	<u>0</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	42,000	0
Audit	919,000	0	130,000	0
Office of Conciliation and Mediation	0	0	18,000	0
Counsel	236,000	0	6,000	0
Tax Policy and Analysis	89,000	0	3,000	0
Revenue and Information Management	2,738,000	0	654,000	0
Revenue Support Services	546,000	0	3,000	0
Tax Compliance	0	0	53,000	0
Tax Enforcement	25,000	0	12,000	0
Taxpayer Services	1,061,000	0	5,000	0
Total	<u>5,614,000</u>	<u>0</u>	<u>926,000</u>	<u>0</u>

TAXATION AND FINANCE

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	409,000	0	291,000	0
Audit	16,529,000	0	32,000	0
Office of Conciliation and Mediation	95,000	0	4,000	0
Counsel	128,000	0	8,000	0
Tax Policy and Analysis	23,000	0	5,000	0
Revenue and Information Management	35,631,000	11,000,000	1,777,000	0
Revenue Support Services	29,766,000	3,000,000	159,000	0
Tax Compliance	1,666,000	0	279,000	0
Tax Enforcement	2,621,000	0	17,000	0
Taxpayer Services	2,339,000	0	74,000	0
Total	89,207,000	14,000,000	2,646,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	5,000	0	74,000	0
Audit	4,249,000	0	11,073,000	0
Office of Conciliation and Mediation	70,000	0	21,000	0
Counsel	30,000	0	88,000	0
Tax Policy and Analysis	6,000	0	10,000	0
Revenue and Information Management	116,000	0	31,230,000	11,000,000
Revenue Support Services	6,000	0	29,601,000	3,000,000
Tax Compliance	604,000	0	141,000	0
Tax Enforcement	923,000	0	1,551,000	0
Taxpayer Services	11,000	0	2,251,000	0
Total	6,020,000	0	76,040,000	14,000,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	39,000	0	0	0
Audit	1,175,000	0	0	0
Counsel	2,000	0	0	0
Tax Policy and Analysis	2,000	0	0	0
Revenue and Information Management	1,653,000	0	855,000	0
Tax Compliance	642,000	0	0	0
Tax Enforcement	130,000	0	0	0
Taxpayer Services	3,000	0	0	0
Total	3,646,000	0	855,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Banking Services	76,185,400	8,210,400	0	0
Revenue and Information Management	34,389,000	1,701,000	17,680,000	0
Tax Compliance	4,000,000	2,000,000	0	0
Tax Enforcement	572,000	0	0	0
Treasury Management	2,255,000	101,000	1,500,000	58,000
Total	117,401,400	12,012,400	19,180,000	58,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Banking Services	0	0	76,185,400	8,210,400
Revenue and Information Management	16,709,000	1,701,000	0	0
Tax Compliance	4,000,000	2,000,000	0	0
Tax Enforcement	0	0	572,000	0
Treasury Management	755,000	43,000	0	0
Total	21,464,000	3,744,000	76,757,400	8,210,400

DIVISION OF TAX APPEALS

MISSION

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes the impartial and timely hearing of taxpayer disputes.

ORGANIZATION AND STAFFING

The Division of Tax Appeals is headed by the Tax Appeals Tribunal, which is comprised of three commissioners appointed by the Governor and confirmed by the Senate. Under the direction of the Tax Tribunal, dispute adjudication is provided through small claims hearings, formal hearings and the Tribunal appeals process. The Division holds formal hearings and Tax Tribunal oral arguments in Troy, New York City, Buffalo, Rochester, Hempstead and Hauppauge, while small claims hearings are conducted throughout the State. The Division will have a workforce of 32 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Division's activities are supported entirely with State tax dollars, which finance the Tribunal's staff and other expenses such as rent and supplies.

The Executive Budget recommends \$3.31 million in annual General Fund support for the Division. This recommendation will enable the Tribunal to continue to provide for the timely resolution of taxpayer disputes with the Department of Taxation and Finance.

PROGRAM HIGHLIGHTS

The Division's hearing process has been substantially improved in recent years to benefit taxpayers. These improvements have allowed taxpayers more flexibility in scheduling hearings, thus minimizing delays caused by sudden cancellations.

Since January 1997, the Division has conducted formal hearings in New York City to provide easier access for taxpayers in the New York City metropolitan area. Recently, the Division expanded this initiative to Buffalo, Rochester, Hempstead and Hauppauge. At these locations, the Division utilizes existing State office space, thus providing improved service at nominal additional cost.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,454,000	3,310,000	(144,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,454,000	3,310,000	(144,000)	0

TAX APPEALS

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	36	32	(4)
Total	<u>36</u>	<u>32</u>	<u>(4)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,454,000	3,310,000	(144,000)
Total	<u>3,454,000</u>	<u>3,310,000</u>	<u>(144,000)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,454,000	3,310,000	(144,000)
Total	<u>3,454,000</u>	<u>3,310,000</u>	<u>(144,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,815,000	(144,000)	2,643,000	(144,000)
Total	<u>2,815,000</u>	<u>(144,000)</u>	<u>2,643,000</u>	<u>(144,000)</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	172,000	0
Total	<u>172,000</u>	<u>0</u>

TAX APPEALS

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	495,000	0	38,000	0
Total	495,000	0	38,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	55,000	0	344,000	0
Total	55,000	0	344,000	0

Program	Equipment	
	Amount	Change
Administration	58,000	0
Total	58,000	0

THRUWAY AUTHORITY

In addition to operating a 641-mile toll-highway system, the Thruway Authority has jurisdiction over the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, the Thruway maintains, operates, develops and makes capital improvements to the 524-mile navigable waterway which includes 57 locks, numerous dams, reservoirs and water control structures.

Revenues from canal tolls and other user fees are deposited into the Canal System Development Fund and, in accordance with the State Constitution, are used exclusively for the canals. The Executive Budget recommends a new appropriation of \$2 million and reappropriations of \$3.16 million from the Canal System Development Fund for a portion of the maintenance, construction, reconstruction, development and promotion of the canals. Canal System and Thruway Authority programs are primarily supported by Authority funds, which are not reflected in the Executive Budget.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	2,000,000	2,000,000	0	3,160,000
Total	2,000,000	2,000,000	0	3,160,000

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Canal Development Program				
New York State Canal System Development Fund	2,000,000	2,000,000	0	3,160,000
Total	2,000,000	2,000,000	0	3,160,000

DEPARTMENT OF TRANSPORTATION

MISSION

The Department of Transportation directly maintains and improves the State's more than 40,000 highway lane miles and 7,500 bridges. In addition, the Department partially funds locally operated transit systems, local government highway and bridge construction and rail and airport programs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner appointed by the Governor. The Department's main office is in Albany, with 11 regional offices in Albany, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton, Hauppauge and New York City. The Department also maintains highway maintenance and equipment repair facilities across the State.

In 2002-03, the Department will have an average full-time workforce of approximately 10,600 employees. Employees perform such activities as highway maintenance, snow and ice removal, highway and bridge design and construction inspection. In addition, the Department's staff inspects school and charter buses, regulates commercial transportation, oversees public transportation systems and State-owned airports and provides administrative support for the Department.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department is responsible for the implementation of the highway and bridge program. It is supported primarily by revenues from the Petroleum Business Tax, highway use and motor fuel taxes, and motor vehicle fees. Substantial Federal aid is also used to support the program.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2002-03 Executive Budget maintains the \$202 million snow and ice control and arterial maintenance programs in the Dedicated Highway and Bridge Trust Fund. An equivalent increase in Dedicated Fund revenues is provided to fund these costs. This will enhance the financing of the transportation capital program and will not impact the agency's operations.

The Department's regulatory programs and other operations are primarily funded by fees, miscellaneous revenues and Federal aid. Approximately \$32 million is derived from fees, including those imposed on trucks registered to transport products throughout the State, landing fees and rents levied at Republic Airport, internal service fees paid by other State agencies for consolidated printing services and revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage. These funds support a number of agency activities, including administrative support services, highway safety and aviation programs. The Department's \$4.2 million bus inspection program, formerly funded by the General Fund, is also maintained in the Dedicated Fund by the 2002-03 Executive Budget.

Federal aid of \$9.4 million and dedicated mass transit funds totaling \$5.4 million help finance the Department's remaining operating responsibilities for mass transportation, aviation and motor-carrier safety programs.

Capital appropriations provide funding for construction and reconstruction projects on State highways, bridges, railways, and airports, as well as financing the engineering staff and private-sector consultants who work on these projects. The highway and bridge construction level will total \$1.75 billion in 2002-03, equal to last year's record high level.

TRANSPORTATION

The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund, established in 1993. The Trust Fund derives its revenues from highway user fees, portions of the petroleum business tax, motor fuel tax, motor vehicle registration fees, and miscellaneous transportation-related revenues. These funds are used both on a pay-as-you-go basis and to pay debt service on bonds issued by the Thruway Authority to finance portions of the State and local highway programs. In order to fund the retention of the Department's snow and ice control, arterial maintenance and bus inspection programs in the Dedicated Fund in 2002-03, \$205 million of additional resources will be deposited to the Trust Fund. Beyond 2002-03, additional deposits will be made to the Dedicated Fund to finance the future costs of these programs.

The Engineering Services Fund supports the Department's engineering, planning and construction inspection activities. The Fund derives its revenues primarily from Federal aid and Dedicated Fund resources, in accordance with the funding source of individual projects.

The Department of Transportation's State and local highway capital program is the recipient of approximately \$1.5 billion annually in Federal Transportation Equity Act for the 21st Century (TEA-21) funding, distributed by Federal formulas and used only for federally approved projects primarily approved by local Metropolitan Planning Organizations.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highways Program ("Marchiselli" Program). These programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. The CHIPS capital program will be funded at \$241.8 million, and the Marchiselli program will provide \$39.7 million in 2002-03; these levels include the conversion of the \$23.9 million CHIPS operating program to CHIPS capital. This conversion continues to fund towns, villages and cities at levels consistent with the 2001-02 operating program.

A \$20 million appropriation for rail freight and passenger projects will continue an enhanced rail program that will expand shipping opportunities for New York businesses, reduce costs for consumers and improve passenger transportation. In addition, \$15 million will be provided for the Industrial Access Program to promote job creation and retention by encouraging business expansion with highway, rail and port projects.

The Aid to Localities budget is comprised primarily of appropriations supported by State taxes dedicated to public transportation through the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund. Mass Transportation Operating Assistance Fund revenues are derived from a 1/4 percent sales tax; a business tax surcharge levied in the New York City metropolitan region; and a portion of statewide taxes on transmission, transportation and petroleum-related businesses. Dedicated Mass Transportation Trust Fund revenues are derived from a share of the revenues deposited in the Transportation Dedicated Funds Pool which includes portions of the Petroleum Business Tax, the Motor Fuel Tax and motor vehicle fees. New appropriations to transit systems will total approximately \$1.73 billion, an increase of \$158 million, over enacted 2001-02 levels. Additionally, \$112 million of State aid is planned to be distributed to transit systems through reappropriations.

Nearly \$1.46 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2002-03. This includes \$433 million from the Dedicated Mass Transportation Trust Fund in support of the MTA capital program. The operating assistance includes \$45 million in General Fund support for the MTA as the State's contribution to reduced fares for New York City school children. The City will match this contribution.

Transit operators other than the MTA will receive a total of \$274 million in new appropriations in 2002-03, an increase of approximately \$48.6 million from enacted 2001-02 levels. Of this amount, \$111.3 million is targeted for upstate transit systems. Capital funding of \$30 million is recommended for transit systems other than the MTA from the Dedicated Mass Transportation Trust Fund. This capital program funds a variety of transit-related needs, primarily bus purchases and a portion of the required match to Federal transit capital aid.

PROGRAM HIGHLIGHTS

HIGHWAYS AND BRIDGES

Improving the State's vital transportation infrastructure remains the agency's highest priority. During the most recently completed multi-year capital program (1995-2000), the Department delivered significant improvements in our highway infrastructure. Almost 900 State bridges were replaced or rehabilitated and 29,000 preventive bridge treatments were completed to slow deterioration. Approximately 45,400 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. These accomplishments, coupled with new materials technology, have resulted in markedly better conditions. The 2002-03 Budget will continue emphasizing strategic investments to critical infrastructure needs. As in previous years, preventive maintenance performed by State forces and private sector contractors will be an area of significant concentration. Appropriations for the preventive maintenance program will total \$386 million in 2002-03.

State staff and private-sector consultants perform the planning, property acquisition, design engineering, environmental reviews, surveying, materials and soils testing, and construction inspection associated with the Department's capital program. Construction of virtually all highway and bridge projects is performed by private firms.

The State makes a significant investment in helping localities maintain safe roads and bridges through its CHIPS and Marchiselli capital programs. These programs fund local construction projects, with the majority performed by private firms.

Through its safety inspections of school and charter buses and its regulation of commercial transport, the Department also focuses its resources on passenger safety and environmental issues.

PUBLIC TRANSPORTATION

The Department provides oversight and funding for more than 70 locally operated public transportation systems, including the Metropolitan Transportation Authority, the four upstate regional transportation authorities and other (usually county-sponsored) transit systems. These systems provide bus, subway, light rail and commuter rail services, as well as "paratransit" services designed to meet the needs of disabled people, as required by the Federal Americans with Disabilities Act.

State financial assistance to transit systems is supported by the Mass Transportation Operating Assistance Fund and the Dedicated Mass Transportation Trust Fund as well as the General Fund. In addition, State law authorizes the imposition of an additional mortgage recording tax in regions covered by the Metropolitan Transportation Authority and the four upstate transit authorities. These moneys are collected by the affected counties and transmitted directly to the transit systems.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	50,237,000	47,523,000	(2,714,000)	18,439,000
Aid To Localities	1,617,263,000	1,750,108,000	132,845,000	195,079,300
Capital Projects	3,846,462,000	3,870,338,000	23,876,000	9,313,521,000
Total	<u>5,513,962,000</u>	<u>5,667,969,000</u>	<u>154,007,000</u>	<u>9,527,039,300</u>

TRANSPORTATION

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Design and Construction			
Capital Projects Funds - Other	4,311	4,311	0
New York Metropolitan Transportation Council			
Special Revenue Funds - Other	83	83	0
Operations			
Special Revenue Funds - Other	32	32	0
Internal Service Funds	44	44	0
Passenger and Freight Transportation			
Special Revenue Funds - Federal	82	82	0
Special Revenue Funds - Other	143	143	0
Capital Projects Funds - Other	86	86	0
Planning and Program Management			
Capital Projects Funds - Other	645	645	0
Preventive Maintenance			
Capital Projects Funds - Other	5,015	5,015	0
Real Estate			
Capital Projects Funds - Other	242	242	0
Total	<u>10,683</u>	<u>10,683</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	9,143,000	9,377,000	234,000
Special Revenue Funds - Other	36,539,000	33,642,000	(2,897,000)
Internal Service Funds	4,555,000	4,504,000	(51,000)
Total	<u>50,237,000</u>	<u>47,523,000</u>	<u>(2,714,000)</u>

Adjustments:	
Prior Year Deficiency	
Transportation, Department of	
General Fund	19,600,000
Appropriated 2001-02	<u>69,837,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Operations			
Special Revenue Funds - Other	21,231,000	16,261,000	(4,970,000)
Internal Service Funds	4,555,000	4,504,000	(51,000)
Passenger and Freight Transportation			
Special Revenue Funds - Federal	9,143,000	9,377,000	234,000
Special Revenue Funds - Other	15,308,000	17,381,000	2,073,000
Total	<u>50,237,000</u>	<u>47,523,000</u>	<u>(2,714,000)</u>

TRANSPORTATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	20,765,000	(5,021,000)	2,013,000	(16,000)
Passenger and Freight Transportation	26,758,000	2,307,000	11,675,000	203,000
Total	<u>47,523,000</u>	<u>(2,714,000)</u>	<u>13,688,000</u>	<u>187,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	3,143,000	442,000	15,609,000	(5,447,000)
Passenger and Freight Transportation	10,857,000	938,000	4,226,000	1,166,000
Total	<u>14,000,000</u>	<u>1,380,000</u>	<u>19,835,000</u>	<u>(4,281,000)</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	146,869,000	162,436,000	15,567,000
Special Revenue Funds - Federal	32,096,000	33,931,000	1,835,000
Special Revenue Funds - Other	1,438,298,000	1,553,741,000	115,443,000
Total	<u>1,617,263,000</u>	<u>1,750,108,000</u>	<u>132,845,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Additional Mass Transportation Assistance Program			
General Fund	16,145,000	55,600,000	39,455,000
Special Revenue Funds - Other	37,000,000	20,000,000	(17,000,000)
Consolidated Local Highway Assistance Program			
General Fund	23,888,000	0	(23,888,000)
Dedicated Mass Transportation Trust Program			
Special Revenue Funds - Other	324,646,000	433,300,000	108,654,000
Federal Highway Administration Local Planning			
Special Revenue Funds - Federal	10,566,000	10,566,000	0
Urban Mass Transportation Administration Local Planning			
Special Revenue Funds - Federal	2,917,000	2,917,000	0
Mass Transportation Assistance General Fund	45,000,000	45,000,000	0
Mass Transportation Special Assistance Program			
General Fund	3,000,000	3,000,000	0
Inter City Rail Passenger Service General Fund	820,000	820,000	0
Passenger and Freight Transportation General Fund	58,016,000	58,016,000	0
Special Revenue Funds - Federal	18,613,000	20,448,000	1,835,000
Special Revenue Funds - Other	867,306,000	887,095,000	19,789,000
Section 18-B Program Special Revenue Funds - Other	165,989,000	165,989,000	0
Special Transit Aid Special Revenue Funds - Other	43,357,000	47,357,000	4,000,000
Total	<u>1,617,263,000</u>	<u>1,750,108,000</u>	<u>132,845,000</u>

TRANSPORTATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Aviation				
Airport or Aviation Program				
Capital Projects Fund - Aviation (Bondable)	0	0	0	4,149,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,350,000
Airport or Aviation Program -- Bondable				
Capital Projects Fund - Aviation (Bondable)	0	0	0	942,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	6,000,000	8,000,000	2,000,000	24,668,000
Passenger Facility Charge Fund	0	0	0	0
Regional Aviation Fund	0	0	0	26,230,000
Aviation				
Transportation Capital Facilities Bond Fund - Aviation	0	0	0	9,870,000
Federal Airport or Aviation				
Federal Capital Projects Fund	0	0	0	19,195,000
Special Rail and Aviation Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	71,000
Transportation Capital Facilities Bond Fund--Aviation				
Transportation Capital Facilities Bond Fund - Aviation	0	0	0	0
Canals and Waterways				
Canals and Waterways - Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	485,000
Economic Development				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	0	15,000,000	15,000,000	34,545,000
Health and Safety				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	4,164,000	4,211,000	47,000	0
Highway Facilities				
Accelerated Capacity and Transportation Improvements Fund				
Accelerated Capacity and Transportation Improvements Fund	0	0	0	75,347,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	1,789,000
Engineering Services				
Engineering Services Fund	636,684,000	620,221,000	(16,463,000)	881,895,000
NY Metro Transportation Council Account	10,822,000	10,229,000	(593,000)	21,580,000
Federal Aid Highways - Bondable Purpose				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	9,067,000
Federal Aid Highways - Federal Purpose				
Federal Capital Projects Fund	1,490,500,000	1,491,000,000	500,000	4,766,866,000
Federal Aid Highways State				
Dedicated Highway and Bridge Trust Fund	0	0	0	0
Highway Facilities				
Dedicated Highway and Bridge Trust Fund	0	0	0	41,632,000
Suburban Transportation Fund	0	0	0	0
Infrastructure Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,746,000
Lake Champlain Bridges Program				
Lake Champlain Bridge Fund	0	0	0	0
Multi-Modal				
Dedicated Highway and Bridge Trust Fund	0	0	0	150,000,000
Municipal Highway - Railroad Crossing Alterations				
Capital Projects Fund - Advances	0	0	0	331,000
Dedicated Highway and Bridge Trust Fund	0	0	0	1,568,000
New York State Agency Fund				
Fiduciary Funds - Misc. Combined Expendable Trust Fund	50,000,000	52,000,000	2,000,000	109,263,000
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	1,565,477,000	1,570,862,000	5,385,000	2,684,070,000

TRANSPORTATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Other Highway Aid				
Community Projects Fund	0	0	0	0
Dedicated Highway and Bridge Trust Fund	0	0	0	4,864,000
Other Transportation Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	415,000
Priority Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,995,000
Road and Bridge Improvements - Bondable				
Capital Projects Fund - A.C. and T.I. Fund (Bondable)	0	0	0	74,442,000
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Highway and Bridge Trust Fund	0	0	0	3,660,000
Special Parkway Rehabilitation Program				
Special Parkway Rehabilitation Fund	0	0	0	0
State Parkways				
Dedicated Highway and Bridge Trust Fund	0	0	0	0
Transportation Infrastructure Renewal Bond Fund				
Transportation Infrastructure Renewal Bond Fund	0	0	0	47,214,000
Maintenance Facilities				
Maintenance Facilities				
Dedicated Highway and Bridge Trust Fund	30,000,000	31,000,000	1,000,000	60,855,000
Mass Transportation and Rail Freight				
Marine Projects				
Dedicated Mass Transportation Fund	0	0	0	954,000
Mass Transportation				
Dedicated Mass Transportation Fund	15,815,000	15,815,000	0	67,499,000
Mass Transportation and Rail Freight				
Capital Projects Fund - Advances	0	0	0	0
Capital Projects Fund - Energy Conservation (Bondable)	0	0	0	2,036,000
Capital Projects Fund - Rail Preservation (Bondable)	0	0	0	0
Dedicated Highway and Bridge Trust Fund	10,000,000	20,000,000	10,000,000	33,025,000
Dedicated Mass Transportation Fund	27,000,000	32,000,000	5,000,000	47,469,000
Federal Capital Projects Fund	0	0	0	20,910,000
Mass Transportation and Rail Freight Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,808,000
Rail Freight				
Capital Projects Fund - Advances	0	0	0	23,403,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,908,000
Dedicated Mass Transportation Fund	0	0	0	4,890,000
Rail Preservation and Development Fund				
Energy Conservation Through Improved Transportation Bond Fund	0	0	0	2,048,000
Rail Preservation Development Bond Fund	0	0	0	0
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Mass Transportation Fund	0	0	0	5,000,000
Special Rail and Aviation Program				
Dedicated Mass Transportation Fund	0	0	0	14,341,000
Transportation Capital Facilities Bond Fund--Mass Transportation				
Transportation Capital Facilities Bond Fund - Mass Transportation	0	0	0	0
Port Development				
Port Development Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	126,000
Total	<u>3,846,462,000</u>	<u>3,870,338,000</u>	<u>23,876,000</u>	<u>9,313,521,000</u>

***PUBLIC PROTECTION
AND GENERAL
GOVERNMENT***

DIVISION OF ALCOHOLIC BEVERAGE CONTROL

MISSION

The Division of Alcoholic Beverage Control (ABC) regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State. The Division issues and renews licenses and permits to manufacturers, distributors, wholesalers and retailers; works with local law enforcement agencies to ensure compliance with the ABC Law; and regulates trade and credit practices for the sale and distribution of alcoholic beverages by such actions as registering brand labels and controlling wholesale and retail prices.

ORGANIZATION AND STAFFING

The Division maintains offices in New York City, Albany, Syracuse and Buffalo. The Division will have a workforce of 181 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, approximately \$13.7 million in special revenue funding derived from license and permit fees will support the Division.

PROGRAM HIGHLIGHTS

Staff assigned to the Licensing Program are responsible for the timely processing of the permits and licenses required by the Alcoholic Beverage Control Law. The Division will continue to upgrade its computer and imaging systems and re-engineer and automate the licensing process. These improvements continue to reduce processing time, contain operating costs and accelerate revenue collections.

In cooperation with local law enforcement agencies, staff of the Compliance Program ensure that regulated parties comply with the law. The Division investigates and holds administrative hearings on complaints against permit and license holders. Penalties, ranging from warnings to license suspension and revocation, are imposed for violations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	13,664,000	13,744,000	80,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	13,664,000	13,744,000	80,000	0

ALCOHOLIC BEVERAGE CONTROL

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
Special Revenue Funds - Other	25	23	(2)
Compliance			
Special Revenue Funds - Other	81	77	(4)
Licensing and Wholesaler Services			
Special Revenue Funds - Other	86	81	(5)
Total	192	181	(11)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
Special Revenue Funds - Other	13,664,000	13,744,000	80,000
Total	13,664,000	13,744,000	80,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Administration			
Special Revenue Funds - Other	3,200,000	3,300,000	100,000
Compliance			
Special Revenue Funds - Other	5,682,000	5,681,000	(1,000)
Licensing and Wholesaler Services			
Special Revenue Funds - Other	4,782,000	4,763,000	(19,000)
Total	13,664,000	13,744,000	80,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	3,300,000	100,000	1,279,000	(68,000)
Compliance	5,681,000	(1,000)	3,683,000	(72,000)
Licensing and Wholesaler Services	4,763,000	(19,000)	3,102,000	(80,000)
Total	13,744,000	80,000	8,064,000	(220,000)

Program	Nonpersonal Service	
	Amount	Change
Administration	2,021,000	168,000
Compliance	1,998,000	71,000
Licensing and Wholesaler Services	1,661,000	61,000
Total	5,680,000	300,000

DEPARTMENT OF AUDIT AND CONTROL

MISSION

The Department of Audit and Control was created in 1926 and is headed by the State Comptroller, who is elected by the people. The Department is responsible for paying the State's bills and payrolls; verifying all financial transactions of the State; reviewing the financial and management practices of State agencies; supervising the fiscal affairs of local governments; investing State funds and issuing bonds and notes; and administering the retirement program for State and most local government employees.

ORGANIZATION AND STAFFING

The operations of the Department of Audit and Control are organized into 10 programs, with its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls and Hauppauge. These regional offices function primarily as decentralized audit centers, providing financial review of the accounting of revenues collected and expenses incurred by counties, cities, towns and villages, school and fire districts, and quasi-governmental entities. The Department, which will move into its new headquarters building in Albany during the last quarter of the current fiscal year, will have a workforce of 2,291 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The operating expenses of the Department are funded primarily with State tax dollars from the General Fund and with revenues from the Employee Retirement Systems. The Executive Budget recommends \$203.7 million for the Department's State Operations budget, including \$127.4 million, or 63 percent, in General Fund support. This portion of the Department's budget includes funding for the upgrade of the State's payroll system.

Another 33 percent of the Department's State Operations budget will be supported in 2002-03 with the recommended \$68.3 million in funding from the Retirement Systems. The remaining 4 percent of this budget will be funded with:

- \$4.3 million in payments made by the City of New York and certain businesses, which support the Department's costs associated with overseeing City finances and with administering an account related to oil spill cleanups;
- \$1.3 million in charges to the Retirement Systems for the Department's staff and other costs related to administering an internal auditing program; and
- \$1.8 million from increased investment earnings, which will finance checking and direct deposit costs of State government.

The General Municipal Law provides special accidental death benefits for the survivors of police and paid firefighters who have died from accidents sustained in the performance of duty. The Executive Budget recommendation includes \$20.9 million to fund these benefits.

PROGRAM HIGHLIGHTS

- The Executive Direction, Legal Services, and Administrative and Data Processing Services programs are responsible for the public information, internal audit, fiscal research, data processing, financial administration, legal, office services, management analysis and human resource functions of the Department.
- The Payroll and Revenue Services program conducts pre-audits of the State payroll and manages two statewide revenue programs. Staff assigned to this program administer the Abandoned Property Law, which requires the timely transfer of

AUDIT AND CONTROL

- abandoned property to the State from holders of the property, notification of the legal owners of the property and payment of all valid claims. Program staff also process revenues generated by the local courts and by the sale of licenses for bingo and games of chance. These revenues are deposited in the Justice Court Fund and are subsequently distributed to the State and localities to which the funds are owed.
- The Management Audit and State Financial Services program audits all State agency, State public authority and New York City government programs to evaluate their effectiveness and efficiency. Staff assigned to this program also conduct a pre-audit of all non-payroll State expenditures. In this capacity, the Department acts as the State's bookkeeper, recording all collected revenues in the appropriate accounts, and posting all payments. The Higher Education Services Corporation and the departments of Labor and Civil Service fund on-site auditors who monitor selected activities of those agencies.
 - The Municipal Affairs program examines and standardizes fiscal reports and accounts of all governmental and quasi-governmental entities within the State, and monitors and makes recommendations on the fiscal condition of municipalities. Staff also audit school districts and boards of cooperative education, with a portion of these costs funded by the State Education Department.
 - The Office of the State Deputy Comptroller for the City of New York assists the New York State Financial Control Board in carrying out and exercising the responsibilities assigned, and powers granted, to the Board by the Financial Emergency Act for the City of New York.
 - The State Retirement program administers the State Retirement Systems, consisting of the Employees' Retirement System, the Police and Fire Retirement System, and the Public Employees' Group Life Insurance Plan. Currently, there are about 2,914 participating government employers, 637,841 active and vested members and approximately 303,314 pensioners and their beneficiaries.
 - The Investments and Cash Management program, in addition to overseeing the assets of the Retirement Systems, issues general obligation debt, invests short-term moneys for the State and local governments and selects financial institutions to provide banking services to the State.
 - Under Chapter 845 of the Laws of 1977, the Comptroller administers the New York State Environmental Protection and Oil Spill Compensation Fund. Costs associated with cleaning up oil spills are paid from the fund upon certification of the Commissioner of Environmental Conservation. Moneys in this fund consist of receipts from a fee levied on each barrel of petroleum shipped into the State.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	199,686,400	203,717,000	4,030,600	0
Aid To Localities	20,902,000	20,902,000	0	0
Capital Projects	0	0	0	0
Total	220,588,400	224,619,000	4,030,600	0

AUDIT AND CONTROL

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administrative and Data Processing			
Services Program			
General Fund	312	302	(10)
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	6	6	0
Executive Direction			
General Fund	36	36	0
Internal Service Funds	13	13	0
Investments and Cash Management			
General Fund	11	11	0
Pension Trust Funds	45	45	0
Legal Services			
General Fund	35	35	0
Management Audit and State Financial			
Services			
General Fund	521	509	(12)
Special Revenue Funds - Federal	9	9	0
Internal Service Funds	13	13	0
Municipal Affairs			
General Fund	212	204	(8)
Payroll and Revenue Services			
General Fund	353	343	(10)
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	31	31	0
State Retirement			
Pension Trust Funds	734	734	0
Total	2,331	2,291	(40)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	127,433,200	127,441,000	7,800
Special Revenue Funds - Other	4,225,600	4,306,000	80,400
Internal Service Funds	3,090,500	3,167,000	76,500
Fiduciary Funds	64,937,100	68,803,000	3,865,900
Total	199,686,400	203,717,000	4,030,600

Adjustments:

Prior Year Deficiency	
Audit and Control, Department of	
Internal Service Funds	420,000
Pension Trust Funds	3,159,600
Appropriated 2001-02	203,266,000

AUDIT AND CONTROL

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Administrative and Data Processing			
Services Program			
General Fund	38,348,600	38,350,000	1,400
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	624,600	685,000	60,400
Executive Direction			
General Fund	3,283,800	3,285,000	1,200
Internal Service Funds	1,305,500	1,327,000	21,500
Investments and Cash Management			
General Fund	1,373,800	1,375,000	1,200
Internal Service Funds	1,785,000	1,840,000	55,000
Fiduciary Funds	5,652,200	6,228,000	575,800
Legal Services			
General Fund	2,789,500	2,791,000	1,500
Management Audit and State Financial			
Services			
General Fund	29,364,400	29,365,000	600
Municipal Affairs			
General Fund	13,330,100	13,331,000	900
Fiduciary Funds	0	545,000	545,000
Payroll and Revenue Services			
General Fund	38,943,000	38,944,000	1,000
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	3,601,000	3,621,000	20,000
State Retirement			
Pension Trust Funds	59,284,900	62,030,000	2,745,100
Total	<u>199,686,400</u>	<u>203,717,000</u>	<u>4,030,600</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administrative and Data Processing				
Services Program	15,872,000	500	15,820,200	500
Executive Direction	2,591,000	800	2,574,700	800
Investments and Cash Management	863,000	600	863,000	600
Legal Services	2,773,000	700	2,760,600	700
Management Audit and State Financial				
Services	26,618,000	200	26,466,000	200
Municipal Affairs	12,272,000	900	12,253,000	900
Payroll and Revenue Services	16,649,000	500	15,722,200	500
Total	<u>77,638,000</u>	<u>4,200</u>	<u>76,459,700</u>	<u>4,200</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administrative and Data Processing				
Services Program	11,600	0	40,200	0
Executive Direction	16,300	0	0	0
Investments and Cash Management	0	0	0	0
Legal Services	0	0	12,400	0
Management Audit and State Financial				
Services	92,300	0	59,700	0
Municipal Affairs	0	0	19,000	0
Payroll and Revenue Services	424,400	0	502,400	0
Total	<u>544,600</u>	<u>0</u>	<u>633,700</u>	<u>0</u>

AUDIT AND CONTROL

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administrative and Data Processing				
Services Program	22,478,000	900	663,100	0
Executive Direction	694,000	400	15,600	0
Investments and Cash Management	512,000	600	6,300	600
Legal Services	18,000	800	5,000	0
Management Audit and State Financial				
Services	2,747,000	400	21,000	0
Municipal Affairs	1,059,000	0	33,500	0
Payroll and Revenue Services	22,295,000	500	68,600	0
Total	49,803,000	3,600	813,100	600

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administrative and Data Processing				
Services Program	20,600	0	21,735,600	900
Executive Direction	21,900	0	599,700	400
Investments and Cash Management	6,400	0	498,500	0
Legal Services	2,200	0	5,800	800
Management Audit and State Financial				
Services	240,300	0	2,473,950	400
Municipal Affairs	404,800	0	616,500	0
Payroll and Revenue Services	89,400	0	22,121,250	500
Total	785,600	0	48,051,300	3,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administrative and Data Processing				
Services Program	58,700	0	0	0
Executive Direction	2,800	0	54,000	0
Investments and Cash Management	800	0	0	0
Legal Services	5,000	0	0	0
Management Audit and State Financial				
Services	11,750	0	0	0
Municipal Affairs	4,200	0	0	0
Payroll and Revenue Services	15,750	0	0	0
Total	99,000	0	54,000	0

AUDIT AND CONTROL

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Environmental Protection and Spill				
Compensation	685,000	60,400	330,000	25,600
Executive Direction	1,327,000	21,500	914,000	500
Investments and Cash Management	8,068,000	630,800	3,603,000	352,000
Municipal Affairs	545,000	545,000	0	0
Office of the Special Deputy Comptroller for New York City	3,621,000	20,000	2,505,000	(27,500)
State Retirement	62,030,000	2,745,100	31,604,000	661,500
Total	<u>76,276,000</u>	<u>4,022,800</u>	<u>38,956,000</u>	<u>1,012,100</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Environmental Protection and Spill				
Compensation	355,000	34,800	0	0
Executive Direction	413,000	21,000	0	0
Investments and Cash Management	4,465,000	278,800	0	0
Municipal Affairs	0	0	545,000	545,000
Office of the Special Deputy Comptroller for New York City	1,116,000	47,500	0	0
State Retirement	29,730,000	1,387,600	696,000	696,000
Total	<u>36,079,000</u>	<u>1,769,700</u>	<u>1,241,000</u>	<u>1,241,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	20,902,000	20,902,000	0
Total	<u>20,902,000</u>	<u>20,902,000</u>	<u>0</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Management Audit and State Financial Services			
General Fund	20,902,000	20,902,000	0
Total	<u>20,902,000</u>	<u>20,902,000</u>	<u>0</u>

BANKING DEPARTMENT

MISSION

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,200 State-chartered banking institutions with total assets of approximately \$2.1 trillion. In carrying out this responsibility, the Department approves acquisitions, branch expansions, mergers and other forms of consolidation. It also levies fines, orders cessation of unsound financial practices and replaces management as needed. In addition, the Department is authorized to take possession of failing institutions and to operate or liquidate them for the benefit of depositors and creditors. In exercising this oversight, the Banking Department maintains the highest standards to assure the continued safety and soundness of, and the full public confidence in, the institutions supervised. By dealing decisively with institutions that are not in compliance with banking laws and regulations, or cases of malfeasance, the Department promotes a desirable business climate for all financial institutions operating in New York State.

ORGANIZATION AND STAFFING

The Superintendent of Banks, appointed by the Governor, directs the Department. The Superintendent is also the Chair of the 17-member Banking Board, a quasi-legislative body which regulates the conduct of banking in the State. Members of the Board are appointed by the Governor with the consent of the Senate. They receive travel reimbursement but are not otherwise compensated. The Department maintains offices in Albany, New York City, Syracuse, London, and Tokyo. The Banking Department will have a workforce of 599 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Banking Department is entirely supported by fees charged to regulated financial institutions and organizations. The Budget recommends \$75 million to support the Department in 2002-03.

PROGRAM HIGHLIGHTS

To ensure the safety and soundness of banking institutions, the Department monitors these institutions to identify problems and works with management to promptly solve them. This responsibility is carried out through annual on-site examinations of most State-chartered institutions, the regular review of institutional financial reports and periodic site visits.

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees conduct consumer compliance examinations and resolve consumer complaints. Other staff monitor whether institutions are helping to meet the credit needs of, and providing banking services to, local communities as required by the State Community Reinvestment Act.

Additionally, the Department's fair but firm approach to criminal banking activities protects the public and provides support to institutions that do abide by applicable laws and regulations. Lastly, the Department continues to review its internal programs, policies, and procedures in order to eliminate inefficiencies, respond to the changing environment for financial services and promote a strong and healthy financial services industry.

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that have been withheld by banks and insurance companies.

BANKING

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	66,070,100	75,048,000	8,977,900	1,700,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	66,070,100	75,048,000	8,977,900	1,700,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	64	64	0
Analysis and Compliance			
Special Revenue Funds - Other	38	38	0
Regulation			
Special Revenue Funds - Other	497	497	0
Total	599	599	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	0	500,000	500,000
Special Revenue Funds - Other	63,370,100	71,848,000	8,477,900
Fiduciary Funds	2,700,000	2,700,000	0
Total	66,070,100	75,048,000	8,977,900

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	5,805,000	6,351,000	546,000
Fiduciary Funds	2,700,000	2,700,000	0
Analysis and Compliance			
Special Revenue Funds - Federal	0	200,000	200,000
Special Revenue Funds - Other	3,488,000	3,776,000	288,000
Regulation			
Special Revenue Funds - Federal	0	300,000	300,000
Special Revenue Funds - Other	54,077,100	61,721,000	7,643,900
Total	66,070,100	75,048,000	8,977,900

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	9,051,000	546,000	4,198,000	320,000
Analysis and Compliance	3,976,000	488,000	2,592,000	161,000
Regulation	62,021,000	7,943,900	34,983,000	1,806,000
Total	<u>75,048,000</u>	<u>8,977,900</u>	<u>41,773,000</u>	<u>2,287,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,853,000	226,000	0	0
Analysis and Compliance	1,384,000	327,000	0	0
Regulation	25,900,000	5,978,900	1,138,000	159,000
Total	<u>32,137,000</u>	<u>6,531,900</u>	<u>1,138,000</u>	<u>159,000</u>

DIVISION OF THE BUDGET

MISSION

The Governor is responsible under the State Constitution for the preparation and execution of the State's expenditure and revenue plans. The Division of the Budget prepares a proposed budget under the Governor's direction and executes the budget as adopted by the Legislature. The Division also serves as the Governor's primary advisor on such fiscal matters as local government and public authority finances.

ORGANIZATION AND STAFFING

Headed by the Director of the Budget, the Division is located in Albany. The Division's workforce is supported through both the General Fund and Special Revenues.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The recommended General Fund appropriation for 2002-03 of \$31.5 million will fund the Budget Division's basic operations, including completing the full implementation of the Integrated Budgeting System.

PROGRAM HIGHLIGHTS

The Division's activities include:

- Establishing budget policy and agency direction;
- Providing fiscal policy advice in revenue and expenditure forecasting, budget process management and intergovernmental relations; and
- Coordinating the development and execution of State agency programs and budgets.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	41,031,000	41,144,000	113,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	41,031,000	41,144,000	113,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
	Budget Division		
General Fund	350	350	0
Special Revenue Funds - Other	10	10	0
Total	360	360	0

BUDGET

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Budget Division			
General Fund	31,354,000	31,467,000	113,000
Special Revenue Funds – Other	8,227,000	8,227,000	0
Internal Service Funds	1,300,000	1,300,000	0
Fiduciary Funds	150,000	150,000	0
Total	<u>41,031,000</u>	<u>41,144,000</u>	<u>113,000</u>

CAPITAL DEFENDER OFFICE

MISSION

The Capital Defender Office, which has been in operation since September 1, 1995, is authorized to defend any indigent person charged with a capital crime. With the restoration of the death penalty, persons convicted of first-degree murder may be sentenced to death by lethal injection, life imprisonment without parole, or 20 to 25 years in prison. To be sentenced to death, a person must be found guilty of first-degree murder which includes the killing of a police officer, killing for hire, and certain other heinous murders.

The Capital Defender Office ensures that offenders who face the death penalty receive the full legal protection to which they are entitled under law. The Office is required to provide legal, investigative and expert services to indigent defendants charged with crimes eligible for the death penalty. Since not all defendants in capital cases will be represented by the Office, the law also requires the Agency to set minimum standards for lawyers appointed to defend such cases, provide training and assistance to these attorneys and provide judges with lists of qualified lawyers.

ORGANIZATION AND STAFFING

A three-member Board oversees the work of the Office. The Board members are appointed, one each by the Temporary President of the Senate, the Speaker of the Assembly and the Chief Judge of the Court of Appeals. The Office has a staff of 67 located in a central office in New York City and regional offices in Albany and Rochester.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A total of \$13.9 million in State tax dollars is recommended to fund death penalty defense costs in 2002-03. This will support the Agency's staff attorneys, investigators and experts as well as legal aid societies and private attorneys appointed to represent indigent defendants in capital cases.

PROGRAM HIGHLIGHTS

Since 1995, there have been a total of 674 capital-eligible cases and 43 notices of intent to seek the death penalty filed by the State's district attorneys. The number of capital-eligible cases has declined from 145 in 1995 to 90 in 2001. Similarly, the number of death notices filed has declined from 13 in 1996 to only two in 2001.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	14,647,000	13,897,000	(750,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	14,647,000	13,897,000	(750,000)	0

CAPITAL DEFENDER

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Capital Defense			
General Fund	71	67	(4)
Total	<u>71</u>	<u>67</u>	<u>(4)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	14,647,000	13,897,000	(750,000)
Total	<u>14,647,000</u>	<u>13,897,000</u>	<u>(750,000)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Capital Defense			
General Fund	14,647,000	13,897,000	(750,000)
Total	<u>14,647,000</u>	<u>13,897,000</u>	<u>(750,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Capital Defense	4,995,000	15,000	4,845,000	(46,000)
Total	<u>4,995,000</u>	<u>15,000</u>	<u>4,845,000</u>	<u>(46,000)</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Capital Defense	150,000	61,000
Total	<u>150,000</u>	<u>61,000</u>

CAPITAL DEFENDER

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Capital Defense	8,902,000	(765,000)	182,000	6,000
Total	8,902,000	(765,000)	182,000	6,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Capital Defense	306,000	10,000	2,130,000	95,000
Total	306,000	10,000	2,130,000	95,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Capital Defense	155,000	5,000	6,129,000	(881,000)
Total	155,000	5,000	6,129,000	(881,000)

DEPARTMENT OF CIVIL SERVICE

MISSION

In accordance with the Civil Service Law, the Department of Civil Service is charged with providing human resource management services to State and local governments.

ORGANIZATION AND STAFFING

Under the direction of a Commissioner appointed by the Governor, the Department is based in Albany. The Civil Service Commission, consisting of the Commissioner, who serves as its President, and two Commissioners appointed by the Governor, is an appellate body responsible for reviewing determinations of the Department and the Director of Classification and Compensation. The Department will have a workforce of 665 positions for 2002-03.

The responsibilities of the Department are carried out through seven divisions:

- The Division of Information Resource Management provides the Department's basic data, information and systems and has primary responsibility for implementation of the Department's technology projects;
- The Staffing Services Division provides State agencies with personnel recruitment and placement services. The Division coordinates the Department's response to agency personnel operations and develops and administers a variety of tests for State positions, including oral, training and experience and performance assessment tests;
- The Testing Services Division develops, administers and validates State and local written tests;
- The Division of Classification and Compensation determines appropriate job titles for agency functions and salary levels for existing and new positions;
- The Division of Personnel Services encompasses the Employee Benefits Division and the Employee Health Service. The Employee Benefits Division administers health, dental, life, vision, disability and accident benefit programs for State employees and participating local governments. Responsibilities include contracting with insurance companies and other vendors to deliver services, financial management of these programs, communicating plan provisions to subscribers, assisting enrollees in resolving disputed claims, maintaining enrollment information for over 1.1 million covered individuals and financial accounting for approximately \$3 billion in annual premiums through the New York Benefits Eligibility and Accounting System;
- The Municipal Service Division assists 104 local civil service agencies in classifying positions, interpreting laws and rules and, together with the Testing Division, providing selection devices and examinations; and
- The Diversity Planning and Management Division approves and monitors affirmative action plans for State agencies, provides technical assistance and training in the achievement of cultural diversity in the work force and is also responsible for administering the Workers With Disabilities Program.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department is funded, in part, with tax dollars from the General Fund that support 43 percent of the Agency's operations. The remaining 57 percent of its operations are funded with payments from other agencies and governmental entities, most of which are made by employers participating in the New York State Health Insurance Program who pay premiums to offset the Department's cost of administering the program. Similarly, the Department is reimbursed for testing and other services provided to such State agencies as the Banking Department, whose operations are funded by special industry assessments.

CIVIL SERVICE

The Executive Budget recommends funding of \$65.8 million for the Department, which includes \$28.5 million in General Fund support and \$37.3 million in payments from other State agencies and public entities. The Department of Civil Service continues to expand its use of technology to provide improved services to State and local agencies and other customers. In 2002-03, the Department will proceed with the scheduled upgrading of the software used by its major electronic data processing systems.

PROGRAM HIGHLIGHTS

The Department continues to make substantial progress in meeting many of the Governor's Civil Service Reform agenda's objectives, including a 79 percent reduction in the number of long-term provisional employees from 3,501 to 746, a reduction in the number of position titles from 5,900 to 3,829 and the re-administration of statewide "battery" promotional examinations that were taken by almost 11,000 State employees in 2000.

The Department of Civil Service continues to use technology to strengthen services and increase efficiency. During 2001-2002, the Department initiated computer-based testing through use of its own Computer-Based Testing and Training Center and through facilities provided by the departments of Taxation and Finance and Labor. The Department also developed a stand-alone automated examination for Information Technology titles for use by local governments. In 2002-03, the Department will begin a multi-year effort to develop an Integrated Testing System (ITS). The Integrated Testing System will serve the needs of Testing, Staffing Services and the Municipal Services Divisions by enhancing the quality and timeliness of test scoring, list certifications and employee placements.

The Department's Employee Benefits Division achieved a premium reduction of \$124.4 million for Empire Plan subscribers through negotiated benefit changes and adjustments to the insurance companies' requested premium.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	72,100,800	65,783,000	(6,317,800)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	72,100,800	65,783,000	(6,317,800)	0

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration and Information			
Management			
General Fund	109	107	(2)
Internal Service Funds	31	31	0
Local Civil Service			
General Fund	17	16	(1)
Labor Management Programs			
General Fund	21	21	0
Personnel Benefit Services			
General Fund	39	37	(2)
Internal Service Funds	183	183	0
Personnel Management Services			
General Fund	221	217	(4)
Internal Service Funds	53	53	0
Total	<u>674</u>	<u>665</u>	<u>(9)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	29,616,800	28,463,000	(1,153,800)
Special Revenue Funds - Other	1,500,000	1,500,000	0
Internal Service Funds	40,684,000	35,520,000	(5,164,000)
Fiduciary Funds	300,000	300,000	0
Total	<u>72,100,800</u>	<u>65,783,000</u>	<u>(6,317,800)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration and Information			
Management			
General Fund	11,613,600	10,381,000	(1,232,600)
Internal Service Funds	11,635,000	4,740,000	(6,895,000)
Local Civil Service			
General Fund	1,071,400	1,026,000	(45,400)
Personnel Benefit Services			
General Fund	2,262,400	2,171,000	(91,400)
Special Revenue Funds - Other	500,000	500,000	0
Internal Service Funds	22,088,000	23,490,000	1,402,000
Fiduciary Funds	300,000	300,000	0
Personnel Management Services			
General Fund	14,669,400	14,885,000	215,600
Special Revenue Funds - Other	1,000,000	1,000,000	0
Internal Service Funds	6,961,000	7,290,000	329,000
Total	<u>72,100,800</u>	<u>65,783,000</u>	<u>(6,317,800)</u>

CIVIL SERVICE

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Information				
Management	5,902,000	(92,100)	5,899,000	(92,300)
Local Civil Service	990,000	(45,300)	989,000	(45,600)
Personnel Benefit Services	2,080,000	(92,200)	2,050,000	(92,400)
Personnel Management Services	12,526,000	(184,100)	11,623,000	(183,900)
Total	<u>21,498,000</u>	<u>(413,700)</u>	<u>20,561,000</u>	<u>(414,200)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Information				
Management	0	0	3,000	200
Local Civil Service	0	0	1,000	300
Personnel Benefit Services	28,000	(300)	2,000	500
Personnel Management Services	887,000	(400)	16,000	200
Total	<u>915,000</u>	<u>(700)</u>	<u>22,000</u>	<u>1,200</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Information				
Management	4,479,000	(1,140,500)	45,000	500
Local Civil Service	36,000	(100)	6,000	(400)
Personnel Benefit Services	91,000	800	38,000	(300)
Personnel Management Services	2,359,000	399,700	108,000	(200)
Total	<u>6,965,000</u>	<u>(740,100)</u>	<u>197,000</u>	<u>(400)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Information				
Management	32,000	(100)	2,769,000	(1,141,600)
Local Civil Service	11,000	0	19,000	300
Personnel Benefit Services	10,000	400	28,000	500
Personnel Management Services	116,000	(100)	2,119,000	400,000
Total	<u>169,000</u>	<u>200</u>	<u>4,935,000</u>	<u>(740,800)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Information				
Management	80,000	0	1,553,000	700
Personnel Benefit Services	15,000	200	0	0
Personnel Management Services	16,000	0	0	0
Total	<u>111,000</u>	<u>200</u>	<u>1,553,000</u>	<u>700</u>

CIVIL SERVICE

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Information				
Management	4,740,000	(6,895,000)	1,360,000	57,000
Personnel Benefit Services	24,290,000	1,402,000	8,707,000	365,000
Personnel Management Services	8,290,000	329,000	0	0
Total	<u>37,320,000</u>	<u>(5,164,000)</u>	<u>10,067,000</u>	<u>422,000</u>
Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Information				
Management	1,080,000	48,000	2,300,000	(7,000,000)
Personnel Benefit Services	6,429,000	662,000	9,154,000	375,000
Personnel Management Services	0	0	8,290,000	329,000
Total	<u>7,509,000</u>	<u>710,000</u>	<u>19,744,000</u>	<u>(6,296,000)</u>

CONSUMER PROTECTION BOARD

MISSION

The Consumer Protection Board (CPB) was created to protect the State's consumers. The Agency advises the Governor on consumer issues including those related to utilities; helps draft legislation that protects consumers; handles consumer complaints and mediates consumer disputes; promotes consumer education and fraud prevention; and maintains New York's Telemarketing "Do Not Call" registry.

ORGANIZATION AND STAFFING

The Consumer Protection Board consists of three units: Office of Consumer Assistance, Office of Strategic Programs, and Telemarketing "Do Not Call" Investigation and Enforcement. The Agency is located in Albany, with satellite offices in Rochester, Long Island and New York City. For 2002-03 the Consumer Protection Board will have a workforce of 36.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Consumer Protection Board is financed primarily from non-taxpayer sources, including utilities and telemarketers operating within the State. The Executive Budget recommends approximately \$5.2 million for the Consumer Protection Board for 2002-03 including \$493,000 in General Fund support and \$2.4 million for maintenance of the State's "Do Not Call" registry.

PROGRAM HIGHLIGHTS

The Office of Strategic Programs analyzes legislation affecting consumers, investigates and researches consumer-related issues, and conducts education programs. The Office of Consumer Assistance operates a 1-800 consumer complaint phone line and mediates disputes between consumers and businesses.

The Telemarketing "Do Not Call" unit maintains New York's list of over 1.9 million consumers who have indicated a preference not to receive unsolicited phone calls from telemarketing companies.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,781,900	5,154,000	1,372,100	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,781,900	5,154,000	1,372,100	0

CONSUMER PROTECTION

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Consumer Protection			
General Fund	7	7	0
Special Revenue Funds - Other	26	29	3
Total	33	36	3

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	474,900	493,000	18,100
Special Revenue Funds - Other	3,307,000	4,661,000	1,354,000
Total	3,781,900	5,154,000	1,372,100

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Consumer Protection			
General Fund	474,900	493,000	18,100
Special Revenue Funds - Other	3,307,000	4,661,000	1,354,000
Total	3,781,900	5,154,000	1,372,100

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Consumer Protection	346,000	14,000	346,000	14,000
Total	346,000	14,000	346,000	14,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Consumer Protection	147,000	4,100	13,000	0
Total	147,000	4,100	13,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Consumer Protection	24,000	(500)	102,000	4,600
Total	24,000	(500)	102,000	4,600

Program	Equipment	
	Amount	Change
Consumer Protection	8,000	0
Total	8,000	0

CONSUMER PROTECTION

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Consumer Protection	4,661,000	1,354,000	1,670,000	153,000
Total	4,661,000	1,354,000	1,670,000	153,000

Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change	Amount	Change
Consumer Protection	2,981,000	1,201,000	10,000	0
Total	2,981,000	1,201,000	10,000	0

STATE COMMISSION OF CORRECTION

MISSION

The State Commission of Correction regulates and oversees the operation and management of State and local correctional facilities. The Agency's role is to promote a safe, secure and stable correctional system and to provide for the accountability of corrections officials. As a result of legislation enacted in 1996, the Commission's role includes the oversight of secure youth facilities operated by the Office of Children and Family Services.

ORGANIZATION AND STAFFING

The Commission is made up of three members appointed by the Governor, one of whom is designated chair. The other Commissioners respectively chair the Citizens Policy and Complaint Review Council, which reviews grievances and complaints against correctional facilities, and the Medical Review Board, which investigates inmate deaths and oversees health care services.

Regional teams of review specialists are responsible for visiting and inspecting local and State correctional facilities. They investigate unusual events at facilities, provide technical assistance to improve facility management and monitor facilities for compliance with standards and regulations. The agency will operate in 2002-03 with a staff of 38.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission of Correction will be supported by approximately \$2.6 million in State tax dollars in 2002-03.

PROGRAM HIGHLIGHTS

The Commission monitors 71 State correctional facilities, 63 county jails, 17 New York City correctional facilities and 267 locally operated police department detention facilities throughout the State. The agency also participates in the multi-agency Criminal Justice Systems Analysis Team (CJSAT) — operated in conjunction with the Division of Criminal Justice Services and the Division of Probation and Correctional Alternatives — to assist localities in analyzing operational issues in local correctional facilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	2,516,100	2,586,000	69,900	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,516,100	2,586,000	69,900	0

CORRECTION

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Improvement of Correctional Facilities			
General Fund	36	35	(1)
Special Revenue Funds - Federal	3	3	0
Total	<u>39</u>	<u>38</u>	<u>(1)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	2,516,100	2,586,000	69,900
Total	<u>2,516,100</u>	<u>2,586,000</u>	<u>69,900</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Improvement of Correctional Facilities			
General Fund	2,516,100	2,586,000	69,900
Total	<u>2,516,100</u>	<u>2,586,000</u>	<u>69,900</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Improvement of Correctional Facilities	2,121,000	39,700	2,100,900	39,700
Total	<u>2,121,000</u>	<u>39,700</u>	<u>2,100,900</u>	<u>39,700</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Improvement of Correctional Facilities	20,100	0
Total	<u>20,100</u>	<u>0</u>

CORRECTION

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Improvement of Correctional Facilities	465,000	30,200	16,100	0
Total	465,000	30,200	16,100	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Improvement of Correctional Facilities	153,100	0	253,600	30,200
Total	153,100	0	253,600	30,200

Program	Equipment	
	Amount	Change
Improvement of Correctional Facilities	42,200	0
Total	42,200	0

DEPARTMENT OF CORRECTIONAL SERVICES

MISSION

The Department of Correctional Services (DOCS) is responsible for the secure confinement of convicted felons and the preparation of these individuals for successful reintegration into the community upon release.

ORGANIZATION AND STAFFING

The Department, headed by a Commissioner, will have approximately 31,600 employees to operate 71 facilities. Each correctional facility is headed by a Superintendent and executive staff to oversee the daily operation of the nation's fourth largest state prison system.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The budget recommendations for the Department of Correctional Services continue to reflect a reduced demand for prison space after two decades of capacity expansion. This reversal of the historical trend is the result of several factors, including a decline in the statewide number of felony arrests and the success of initiatives (such as Shock Incarceration, the Willard Drug Treatment Campus and the Merit Time Program) designed to reduce the number of non-violent offenders in prison. As a result, the Department will phase out additional beds currently in use in the prison system.

It is important to note that the reduction in demand for prison space is for medium-security and minimum-security housing. Over the past six years, penalties for violent crime have increased significantly in New York State. Jenna's Law, enacted in August 1998, together with Truth-in-Sentencing legislation enacted in 1995, ensure that violent offenders will serve 85 percent of their sentence in prison. The reduction in local assistance funding reflects the ability of the Agency to move State-ready prisoners from local jails to State prison in a timely manner due to the availability of State prison capacity. During the period July 1999 to September 2001, the number of State-ready prisoners declined from 4,425 to less than 300.

The Department will continue "right-sizing" the prison system to reflect the changing inmate population. Under utilized work release capacity in New York City, medium security housing space at Sing Sing, and smaller special housing units will be closed.

- State tax dollars finance 89 percent of the Department's State Operations Budget and 100 percent of the Department's Aid to Localities Budget to reimburse counties for the cost of housing inmates awaiting transfer to State prison.
- Federal funds support 3 percent of the Department's State Operations Budget, offsetting the cost of housing illegal alien felons, inmate education, and substance abuse treatment.
- Correctional Facilities Capital Improvement Fund appropriations of \$225 million ensure that all housing, medical buildings and support space remain functional, safe and secure.
- The DOCS Internal Service Fund appropriates \$92.5 million related to operation of the Correctional Industries program (Corcraft). This inmate vocational program engages in the production of commodities, as well as prison maintenance and rehabilitation projects, giving individuals an opportunity to learn employment skills to improve their chances of successful reintegration into the community. This appropriation includes support of the general reissue of license plates which began in January 2001, and is scheduled to conclude at the end of the 2002-03 fiscal year.

CORRECTIONAL SERVICES

PROGRAM HIGHLIGHTS

The Department operates correctional facilities with a wide range of security measures. Inmates are provided with appropriate programming to afford offenders an opportunity for rehabilitation aimed at reducing recidivism.

Additionally, the Department, in cooperation with the Division of Parole, operates the Willard Drug Treatment Campus in Seneca County. Through this program, courts have the option to remand low level, nonviolent offenders to treatment — an option expected to stop the cycle of drug-related criminal activity at far less cost to the taxpayers than traditional incarceration.

ADMINISTRATION

Administrative staff formulate and oversee Agency policy and provide operational support to correctional facilities. The responsibilities of this program include the direction of inmate classification and movement, labor relations, personnel and financial transactions, and the Department's legal affairs.

SUPPORT SERVICES

The Support Services Program provides all resources necessary for the operation of correctional facilities housing individuals remanded to State custody. This includes the employment of all facility managers and centrally assigned staff essential to operate and maintain the Agency's physical plant. Through this program, the Agency also provides inmate food and transportation services, and enters into cooperative agreements with local governments for sewer/water systems. The Agency has been increasingly successful in implementing initiatives to improve operational efficiencies.

SUPERVISION OF INMATES

The Department employs approximately 20,600 correction officers to ensure a secure environment for employees and inmates within the correctional setting and to protect the safety of surrounding communities.

PROGRAM SERVICES

The Department operates a myriad of programs designed to prepare inmates for successful reintegration into the community. The majority of inmates entering State prison have histories of substance abuse and severe educational deficits — two factors highly predictive of criminal behavior. To counter this problem, the Agency's rehabilitation efforts focus on basic education and simple vocational skill achievement to ready inmates for employment upon release. The transitional services program will assist every inmate throughout all stages of their incarceration to fully participate in the wide variety of programs available in the Department's facilities.

The Agency's Comprehensive Alcohol and Substance Abuse Treatment program (CASAT) will continue to provide over 4,800 offenders each year with six months of residential treatment and follow-up care. Resources to coordinate the Agency's sex offender treatment programs, aggression management programs and transitional services will enable the Department to better treat and stabilize the prison population.

HEALTH SERVICES

Offenders entering prison present a significant need for health care because of high rates of disease related to AIDS, tuberculosis and other infectious conditions. The recommended

CORRECTIONAL SERVICES

budget ensures that the Department has the resources to meet the full need for AIDS screening and interventions. Notably, the number of inmates dying annually from HIV-related disease has plummeted by more than 90 percent since 1995.

The Department's approach to health care has kept pace with the national trend toward cost efficient managed care programs. To contain escalating costs of appropriate health care for the inmate population, the Department will continue the operation of regional medical units on the grounds of Mohawk, Coxsackie, Wende, Bedford Hills and Fishkill correctional facilities.

CAPITAL PROJECTS

The Department of Correctional Services operates an institutional network of 71 correctional facilities, a number of which were converted during prison expansion in the 1980's from very old facilities initially built for other uses. With the completion of Five Points Correctional Facility signaling the end of the most recent capacity expansion effort, the Capital Projects Fund will now focus its resources on critical physical plant maintenance and rehabilitation projects.

DEPARTMENT OF CORRECTIONAL SERVICES MALE FACILITIES

Maximum Security

Attica Correctional Facility	(Wyoming County)
Auburn Correctional Facility	(Cayuga County)
Clinton Correctional Facility	(Clinton County)
Coxsackie Correctional Facility	(Greene County)
Downstate Correctional Facility	(Dutchess County)
Eastern Correctional Facility	(Ulster County)
Elmira Correctional Facility	(Chemung County)
Five Points Correctional Facility	(Seneca County)
Green Haven Correctional Facility	(Dutchess County)
Great Meadow Correctional Facility	(Washington County)
Shawangunk Correctional Facility	(Ulster County)
Sing Sing Correctional Facility	(Westchester County)
Southport Correctional Facility	(Chemung County)
Sullivan Correctional Facility	(Sullivan County)
Upstate Correctional Facility	(Franklin County)
Wende Correctional Facility	(Erie County)

Medium Security

Adirondack Correctional Facility	(Clinton County)
Altona Correctional Facility	(Clinton County)
Arthurkill Correctional Facility and CASAT**	(Richmond County)
Bare Hill Correctional Facility	(Franklin County)
Butler CASAT	(Wayne County)
Cape Vincent Correctional Facility and CASAT	(Jefferson County)
Cayuga Correctional Facility	(Cayuga County)
Chateaugay CASAT	(Franklin County)
Collins Correctional Facility	(Erie County)
Fishkill Correctional Facility	(Dutchess County)
Franklin Correctional Facility	(Franklin County)
Gouverneur Correctional Facility	(St. Lawrence County)
Gowanda Correctional Facility	(Erie County)
Greene Correctional Facility	(Greene County)
Groveland Correctional Facility	(Livingston County)
Hale Creek CASAT	(Fulton County)
Hudson Correctional Facility	(Columbia County)
Livingston Correctional Facility	(Livingston County)
Marcy Correctional Facility and CASAT Annex	(Oneida County)
Mid-Orange Correctional Facility	(Orange County)
Mid-State Correctional Facility	(Oneida County)
Mohawk Correctional Facility	(Oneida County)
Mt. McGregor Correctional Facility	(Saratoga County)
Ogdensburg Correctional Facility	(St. Lawrence County)
Oneida Correctional Facility	(Oneida County)
Orleans Correctional Facility	(Orleans County)
Otisville Correctional Facility	(Orange County)
Riverview Correctional Facility	(St. Lawrence County)
Ulster Correctional Facility	(Ulster County)

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Wallkill Correctional Facility	(Ulster County)
Washington Correctional Facility	(Washington County)
Watertown Correctional Facility	(Jefferson County)
Woodbourne Correctional Facility	(Sullivan County)
Wyoming Correctional Facility	(Wyoming County)

Minimum Security

Butler Correctional Facility	(Wayne County)
Lyon Mountain Correctional Facility	(Clinton County)

Minimum Work Release

Buffalo Correctional Facility	(Erie County)
Edgecombe Correctional Facility	(New York County)
Fishkill Correctional Facility*	(Dutchess County)
Fulton Correctional Facility	(Bronx County)
Hudson Correctional Facility*	(Columbia County)
Lincoln Correctional Facility	(New York County)
Queensboro Correctional Facility	(Queens County)
Rochester Correctional Facility	(Monroe County)

Camps

Camp Gabriels	(Franklin County)
Camp Georgetown	(Madison County)
Camp Mt. McGregor*	(Saratoga County)
Camp Pharsalia	(Chenango County)
Camp Fallsburg*	(Sullivan County)

Shock Incarceration

Lakeview Shock Incarceration Facility	(Chautauqua County)
Monterey Shock Incarceration Facility	(Schuyler County)
Moriah Shock Incarceration Facility	(Essex County)
Summit Shock Incarceration Facility	(Schoharie County)

Drug Treatment Campus

Willard Drug Treatment Campus	(Seneca County)
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DEPARTMENT OF CORRECTIONAL SERVICES FEMALE FACILITIES

Maximum Security

Bedford Hills Correctional Facility	(Westchester County)
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Medium Security

Albion Correctional Facility	(Orleans County)
Bayview Correctional Facility	(New York County)
Taconic Correctional Facility and CASAT	(Westchester County)

Minimum Security

Beacon Correctional Facility	(Dutchess County)
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Minimum Work Release

Albion Correctional Facility*	(Orleans County)
Bayview Correctional Facility*	(New York County)

Shock Incarceration

Lakeview Shock Incarceration Facility	(Chautauqua County)
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Drug Treatment Campus

Willard Drug Treatment Campus	(Seneca County)
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* Indicates programs are operating as part of a larger correctional facility listed under the same name.

** CASAT is an acronym for Comprehensive Alcohol and Substance Abuse Treatment.

CORRECTIONAL SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	2,035,142,700	2,027,186,000	(7,956,700)	19,141,000
Aid To Localities	21,537,000	11,400,000	(10,137,000)	0
Capital Projects	195,000,000	225,000,000	30,000,000	783,209,000
Total	<u>2,251,679,700</u>	<u>2,263,586,000</u>	<u>11,906,300</u>	<u>802,350,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	271	271	0
Special Revenue Funds - Federal	1,009	1,009	0
Correctional Industries			
Internal Service Funds	542	542	0
Facilities Planning and Development			
Capital Projects Funds - Other	35	35	0
Health Services			
General Fund	1,865	1,862	(3)
Enterprise Funds	32	32	0
Program Services			
General Fund	3,328	3,267	(61)
Enterprise Funds	204	204	0
Supervision of Inmates			
General Fund	21,309	20,846	(463)
Support Services			
General Fund	3,613	3,556	(57)
Total	<u>32,208</u>	<u>31,624</u>	<u>(584)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,802,454,000	1,807,063,000	4,609,000
Special Revenue Funds - Federal	83,344,000	61,239,000	(22,105,000)
Enterprise Funds	62,856,700	66,404,000	3,547,300
Internal Service Funds	86,470,000	92,462,000	5,992,000
Fiduciary Funds	18,000	18,000	0
Total	<u>2,035,142,700</u>	<u>2,027,186,000</u>	<u>(7,956,700)</u>

Adjustments:

Recommended Deficiency	
Correctional Services, Department of	
General Fund	(19,700,000)
Appropriated 2001-02	<u>2,015,442,700</u>

CORRECTIONAL SERVICES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	21,121,000	24,852,000	3,731,000
Special Revenue Funds - Federal	83,344,000	61,239,000	(22,105,000)
Enterprise Funds	1,817,700	1,818,000	300
Correctional Industries			
Internal Service Funds	86,470,000	92,462,000	5,992,000
Health Services			
General Fund	204,772,000	203,812,000	(960,000)
Enterprise Funds	16,025,000	18,001,000	1,976,000
Program Services			
General Fund	197,391,000	189,799,000	(7,592,000)
Enterprise Funds	44,514,000	45,985,000	1,471,000
Fiduciary Funds	18,000	18,000	0
Supervision of Inmates			
General Fund	1,051,055,000	1,053,171,000	2,116,000
Support Services			
General Fund	328,115,000	335,429,000	7,314,000
Enterprise Funds	500,000	600,000	100,000
Total	<u>2,035,142,700</u>	<u>2,027,186,000</u>	<u>(7,956,700)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	16,608,000	1,158,000	16,431,000	1,157,000
Health Services	100,011,000	4,837,000	92,688,000	4,777,000
Program Services	156,215,000	(3,042,000)	145,966,000	(3,358,000)
Supervision of Inmates	1,037,335,000	2,805,000	999,164,000	(846,000)
Support Services	146,494,000	1,865,000	142,591,000	956,000
Total	<u>1,456,663,000</u>	<u>7,623,000</u>	<u>1,396,840,000</u>	<u>2,686,000</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	10,000	0	167,000	1,000
Health Services	4,164,000	141,000	3,159,000	(81,000)
Program Services	7,739,000	634,000	2,510,000	(318,000)
Supervision of Inmates	3,409,000	1,801,000	34,762,000	1,850,000
Support Services	171,000	6,000	3,732,000	903,000
Total	<u>15,493,000</u>	<u>2,582,000</u>	<u>44,330,000</u>	<u>2,355,000</u>

CORRECTIONAL SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	8,244,000	2,573,000	443,000	0
Health Services	103,801,000	(5,797,000)	38,791,000	(4,470,000)
Program Services	33,584,000	(4,550,000)	10,214,000	(153,000)
Supervision of Inmates	15,836,000	(689,000)	8,338,000	(436,000)
Support Services	188,935,000	5,449,000	104,964,000	2,250,000
Total	350,400,000	(3,014,000)	162,750,000	(2,809,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	286,000	(96,000)	6,322,000	2,269,000
Health Services	130,000	(43,000)	64,116,000	(1,684,000)
Program Services	538,000	(180,000)	22,303,000	(4,217,000)
Supervision of Inmates	2,024,000	(509,000)	4,850,000	241,000
Support Services	2,093,000	(649,000)	74,909,000	3,848,000
Total	5,071,000	(1,477,000)	172,500,000	457,000

Program	Equipment	
	Amount	Change
Administration	1,193,000	400,000
Health Services	764,000	400,000
Program Services	529,000	0
Supervision of Inmates	624,000	15,000
Support Services	6,969,000	0
Total	10,079,000	815,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	63,057,000	(22,104,700)	56,302,000	(17,328,700)
Correctional Industries	92,462,000	5,992,000	25,438,000	610,000
Health Services	18,001,000	1,976,000	2,261,000	76,000
Program Services	46,003,000	1,471,000	4,108,000	71,000
Support Services	600,000	100,000	0	0
Total	220,123,000	(12,565,700)	88,109,000	(16,571,700)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,255,000	(8,516,000)	5,500,000	3,740,000
Correctional Industries	67,024,000	5,382,000	0	0
Health Services	15,740,000	1,900,000	0	0
Program Services	41,895,000	1,400,000	0	0
Support Services	600,000	100,000	0	0
Total	126,514,000	266,000	5,500,000	3,740,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	21,537,000	11,400,000	(10,137,000)
Total	21,537,000	11,400,000	(10,137,000)

CORRECTIONAL SERVICES

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Support Services			
General Fund	21,537,000	11,400,000	(10,137,000)
Total	<u>21,537,000</u>	<u>11,400,000</u>	<u>(10,137,000)</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	0	0	0	3,000,000
Federal Capital Projects Fund	0	20,000,000	20,000,000	12,366,000
Correctional Facilities Capital Improvement Fund	195,000,000	205,000,000	10,000,000	523,679,000
UDC Financed and Other New Facility Capacity Expansion				
Correctional Facilities Capital Improvement Fund	0	0	0	244,164,000
Total	<u>195,000,000</u>	<u>225,000,000</u>	<u>30,000,000</u>	<u>783,209,000</u>

CRIME VICTIMS BOARD

MISSION

Since its establishment in 1966, the Crime Victims Board (CVB) has been the lead State agency in assisting persons who have been the victims of crime, particularly crimes of a violent nature.

The agency's principal mission is to provide financial assistance to victims for losses they suffer as a result of crime. The Board also provides grants to local agencies which assist witnesses and victims, and serves as the State's advocate for crime victims' rights, needs and interests.

ORGANIZATION AND STAFFING

The Board consists of five members, appointed by the Governor to seven-year terms, who work full-time to administer the agency and to make final decisions on victim compensation awards. The Governor designates one member of the Board to be the Chair. The agency has primary offices in Albany and New York City and has a satellite office in Buffalo. Each office processes victim claims and provides grant program aid and advocacy services on a regional basis in support of the Board's mission. In addition to five Board members, the agency will have 89 staff positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

During 2002-03, \$5.6 million will be spent to operate the agency. Approximately \$61.4 million in Federal aid and revenue from fines levied against offenders will support compensation payments to victims and local grants to programs assisting victims with treatment and other services.

The recommendations continue the agency's cooperation with the Division of Criminal Justice Services' (DCJS) technology group giving CVB enhanced access to the expertise needed to speed automation of victims' claims processing services. Additionally, the budget recommends the consolidation of routine administrative functions with DCJS, similar to the previous successful initiative with the Division of Probation and Correctional Alternatives and the State Commission of Correction.

PROGRAM HIGHLIGHTS

The Crime Victims Board operates with three programs. The Payment to Victims Program compensates individual crime victims for crime-related losses. The Victim and Witness Assistance Program administers grants to local agencies. The Administration Program provides executive direction and administrative support to the agency, as well as advocacy services for crime victims.

The September 11th attack on the World Trade Center in New York City was a catastrophic crime, which affected an unprecedented number of people in terms of deaths, injuries, and loss of economic support. The Crime Victims Board immediately responded by establishing several centers throughout the city to which approximately 2,300 families came for emergency financial assistance, and long-term help. Through a series of Executive Orders, the Governor lifted statutory compensation caps for emergency awards to victims and their families impacted by this horrific attack. The agency will continue to assist all victims of the World Trade Center attack to meet medical, housing, employment, and counseling expenses.

CRIME VICTIMS

PAYMENTS TO VICTIMS

The agency annually reviews more than 20,000 cases of persons who may have suffered financial loss as the result of violent crime or, in the case of the elderly and disabled, any crime. Assistance is given with losses for which no other source of compensation is available. Categories in which payments are made include medical expenses, lost wages due to work missed because of an injury, stolen or damaged essential personal property and the costs of counseling to relieve the traumatic effects of victimization. Survivors of a victim also may be eligible for these services, as well as reimbursement for funeral expenses for a crime victim.

Over the past several years, the agency has made a significant effort to increase public awareness about the services available to assist victims of crime. As a result, the number of people seeking help has risen. To speed assistance to victims, a new claims processing unit was established specifically to fast-track the review of non-injury claims for reimbursement of out-of-pocket property losses. This approach to handling relatively easy to resolve requests allows the most highly trained claim specialists to focus on more complicated claims from victims sustaining personal injuries as a result of violent crime.

VICTIM AND WITNESS ASSISTANCE

The Crime Victims Board currently administers approximately 200 contracts with other State agencies, local governments, and not-for-profit agencies to provide direct services to crime victims and witnesses. In a cooperative program with the New York State Police, CVB funds are used for victim advocates who link crime victims, law enforcement officials and assistance programs for an overall enhancement to criminal justice. Similarly, the agency cooperates with the Department of Correctional Services to fund advocate positions and the automated victim notification system to keep victims informed about the legal status of the offenders responsible for the crimes committed against them. Services provided by local not-for-profit agencies include crisis intervention, counseling and assistance in filing victim compensation.

ADVOCACY

The agency is responsible by law to “coordinate state programs and activities relating to crime victims” and “to advise and assist the Governor in developing policies designed to recognize the legitimate rights, needs and interests of crime victims.” To that end, the agency provides legal and technical assistance to other State agencies and to local organizations involved with crime victims. In addition, the Crime Victims Board sponsors an annual statewide conference on crime victim issues.

The State’s “Son of Sam Law” prevents convicted persons from profiting from their crimes, including the sale of publishing or film rights to their stories. Any such profits can, by law, be payable to the persons who were victims of the crimes. The agency is charged with notifying victims of a convicted person that a “Son of Sam” situation exists, and may also act on the victims’ behalf to prevent the profits from being spent or otherwise put beyond the reach of the victims while a recovery suit is pending.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	5,627,915	5,600,000	(27,915)	0
Aid To Localities	55,089,000	61,397,000	6,308,000	6,250,000
Capital Projects	0	0	0	0
Total	60,716,915	66,997,000	6,280,085	6,250,000

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	73	68	(5)
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	4	4	0
Total	<u>99</u>	<u>94</u>	<u>(5)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,390,115	3,299,000	(91,115)
Special Revenue Funds - Federal	1,471,000	1,534,000	63,000
Special Revenue Funds - Other	766,800	767,000	200
Total	<u>5,627,915</u>	<u>5,600,000</u>	<u>(27,915)</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,390,115	3,299,000	(91,115)
Special Revenue Funds - Federal	1,471,000	1,534,000	63,000
Special Revenue Funds - Other	766,800	767,000	200
Total	<u>5,627,915</u>	<u>5,600,000</u>	<u>(27,915)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,028,000	(108,115)	3,028,000	(108,115)
Total	<u>3,028,000</u>	<u>(108,115)</u>	<u>3,028,000</u>	<u>(108,115)</u>

CRIME VICTIMS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	271,000	17,000	30,000	0
Total	271,000	17,000	30,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	33,000	400	203,000	16,600
Total	33,000	400	203,000	16,600

Program	Equipment	
	Amount	Change
Administration	5,000	0
Total	5,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,301,000	63,200	1,098,300	63,000
Total	2,301,000	63,200	1,098,300	63,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,201,300	200	1,400	0
Total	1,201,300	200	1,400	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	30,149,700	32,458,000	2,308,300
Special Revenue Funds - Other	24,899,300	28,899,000	3,999,700
Fiduciary Funds	40,000	40,000	0
Total	55,089,000	61,397,000	6,308,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Payment to Victims			
Special Revenue Funds - Federal	5,149,700	7,458,000	2,308,300
Special Revenue Funds - Other	17,848,000	21,848,000	4,000,000
Victim and Witness Assistance			
Special Revenue Funds - Federal	25,000,000	25,000,000	0
Special Revenue Funds - Other	7,051,300	7,051,000	(300)
Fiduciary Funds	40,000	40,000	0
Total	55,089,000	61,397,000	6,308,000

DIVISION OF CRIMINAL JUSTICE SERVICES

MISSION

The Division of Criminal Justice Services (DCJS) maintains criminal history and statistical data for Federal, State and local law enforcement agencies, identifies criminals through fingerprints, provides training and management services to local police departments, conducts criminal justice research and analysis, and administers and distributes State and Federal funding to various entities within the criminal justice system.

ORGANIZATION AND STAFFING

The Division, located in Albany, is headed by a Commissioner who is appointed by the Governor. The Commissioner also serves as the Governor's Director of Criminal Justice, overseeing policy development and operations for all State criminal justice agencies and programs.

A workforce of 764 positions is recommended for 2002-03. Approximately 80 percent of these positions will be supported by State tax dollars, with the remaining financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, approximately \$42.5 million in State tax dollars, and \$53.8 million in Federal funds will support the Division's State Operations budget. The Division's Aid to Localities program will distribute \$56.4 million in State tax dollars, and \$48.4 million in Federal funds to support various local criminal justice initiatives.

To assist the Division in processing fingerprints, funding is continued for the Statewide Automated Fingerprint System, which expedites digital access to information for local police departments, and ensures that State data is in compliance with Federal Bureau of Investigation standards, thereby linking New York to national databases and those of other states across the country.

This recommendation also continues funding to support New York's DNA Databank. With its expansion to include already convicted offenders serving time in State prison, or on parole or probation, the Databank immediately began to help solve more crimes and exonerate innocent people. As crime scene data is analyzed and compared to the DNA of known criminals, science will assist law enforcement, prosecutors and the judicial system in identifying, prosecuting and convicting our most dangerous criminal offenders.

The budget also recommends DCJS as a host agency for routine administrative functions of the Crime Victims Board, similar to the previous successful initiative with the Division of Probation and Correctional Alternatives and the State Commission of Correction. Most significantly, this arrangement will provide the Board with enhanced access to digital technology and expertise to better meet increasing demands for service.

PROGRAM HIGHLIGHTS

The Division serves as a cost-effective platform for a variety of programs and initiatives, including the Federal "Edward Byrne" and Violence Against Women Act, and Juvenile Justice and Delinquency Prevention funding.

Recent events have created an obvious urgency to raise preparedness levels for a potential Weapons of Mass Destruction incident. Ten million dollars in Federal funding has supported efforts to prepare the State's emergency response plan and to conduct a statewide "needs and risk" assessment of logistical capabilities and vulnerabilities. The Federal funds

CRIMINAL JUSTICE SERVICES

will be used to provide needed equipment and training for local government response personnel. The plan will also identify future activities such as the development of local emergency communication systems, training in the use of specialized technology and medical monitoring procedures.

IDENTIFICATION SERVICES

The Division identifies individuals through fingerprint comparison and provides criminal history records to authorized representatives of Federal, State and local criminal justice agencies and processes approximately 99 percent of New York City criminal fingerprints in under two hours. Modern technology provides speed and accuracy in fingerprint identification and allows police to solve crimes more quickly. The processing of criminal cases is tracked by computer beginning with the arrest and ending with the decision by a judge and/or jury. The Division also processes noncriminal fingerprint and name searches for certain employment, license and permit applications.

CRIMINAL JUSTICE SUPPORT

The Division provides technical support, training and funding to localities to support criminal justice functions such as law enforcement, prosecution, defense, and crime laboratories. The Agency also provides financial aid to district attorneys prosecuting death penalty cases, maintains a DNA Identification Index, and conducts extensive criminal justice statistical research and policy analysis, including the production of New York's Uniform Crime Reports.

In addition, the Agency acts as the State Planning Agency for the receipt and processing of Federal Juvenile Justice and Delinquency Prevention funding. These funds support programs addressing youth who are at risk of criminal and/or delinquent behavior. The Division also administers other Federal programs including Anti-Drug Abuse funds which support a statewide anti-drug strategy of prosecution and preventive enforcement efforts, Violence Against Women funds which focus on prosecution, law enforcement and victim services related to domestic violence, and Law Enforcement funds which provide assistance to local police departments.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	77,609,300	97,840,000	20,230,700	88,496,900
Aid To Localities	108,640,600	109,883,000	1,242,400	184,670,050
Capital Projects	0	0	0	0
Total	186,249,900	207,723,000	21,473,100	273,166,950

CRIMINAL JUSTICE SERVICES

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs	2002-03 Estimated FTEs	FTE Change
	03/31/02	03/31/03	
Administration			
General Fund	78	70	(8)
Funding and Program Assistance			
Special Revenue Funds - Federal	138	138	0
Special Revenue Funds - Other	2	2	0
Highway Safety			
Special Revenue Funds - Federal	8	8	0
Justice Systems			
General Fund	43	43	0
Operation and Systems			
General Fund	444	440	(4)
Public Safety			
General Fund	60	60	0
Fiduciary Funds	3	3	0
Total	776	764	(12)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	42,631,900	42,572,000	(59,900)
Special Revenue Funds - Federal	33,527,400	53,818,000	20,290,600
Special Revenue Funds - Other	300,000	300,000	0
Fiduciary Funds	1,150,000	1,150,000	0
Total	77,609,300	97,840,000	20,230,700

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	13,877,900	13,814,000	(63,900)
Funding and Program Assistance			
Special Revenue Funds - Federal	28,427,400	48,718,000	20,290,600
Special Revenue Funds - Other	300,000	300,000	0
Fiduciary Funds	200,000	200,000	0
Justice Systems			
General Fund	2,430,100	2,461,000	30,900
Operation and Systems			
General Fund	23,067,300	22,996,000	(71,300)
Special Revenue Funds - Federal	5,100,000	5,100,000	0
Public Safety			
General Fund	3,256,600	3,301,000	44,400
Fiduciary Funds	950,000	950,000	0
Total	77,609,300	97,840,000	20,230,700

CRIMINAL JUSTICE SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,433,000	(64,200)	4,394,000	(34,000)
Justice Systems	2,283,000	30,700	2,274,000	30,250
Operation and Systems	17,031,000	(70,900)	16,949,000	126,800
Public Safety	2,917,000	44,700	2,873,000	55,400
Total	26,664,000	(59,700)	26,490,000	178,450

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	5,000	(300)	34,000	(29,900)
Justice Systems	0	0	9,000	450
Operation and Systems	0	0	82,000	(197,700)
Public Safety	0	0	44,000	(10,700)
Total	5,000	(300)	169,000	(237,850)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	9,381,000	300	394,000	(200,300)
Justice Systems	178,000	200	26,000	0
Operation and Systems	5,965,000	(400)	115,000	0
Public Safety	384,000	(300)	102,000	(400)
Total	15,908,000	(200)	637,000	(200,700)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	271,000	0	5,586,000	200,900
Justice Systems	23,000	0	120,000	500
Operation and Systems	25,000	0	5,775,000	532,900
Public Safety	215,000	0	3,000	200
Total	534,000	0	11,484,000	734,500

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,159,000	(300)	1,971,000	0
Justice Systems	9,000	(300)	0	0
Operation and Systems	50,000	(533,300)	0	0
Public Safety	64,000	(100)	0	0
Total	1,282,000	(534,000)	1,971,000	0

CRIMINAL JUSTICE SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Funding and Program Assistance	49,218,000	20,290,600	500,000	0
Operation and Systems	5,100,000	0	0	0
Public Safety	950,000	0	0	0
Total	<u>55,268,000</u>	<u>20,290,600</u>	<u>500,000</u>	<u>0</u>

Program	Maintenance Undistributed	
	Amount	Change
Funding and Program Assistance	48,718,000	20,290,600
Operation and Systems	5,100,000	0
Public Safety	950,000	0
Total	<u>54,768,000</u>	<u>20,290,600</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	56,287,500	56,388,000	100,500
Special Revenue Funds - Federal	47,253,100	48,395,000	1,141,900
Special Revenue Funds - Other	5,100,000	5,100,000	0
Total	<u>108,640,600</u>	<u>109,883,000</u>	<u>1,242,400</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Funding and Program Assistance			
General Fund	56,287,500	56,388,000	100,500
Special Revenue Funds - Federal	47,253,100	48,395,000	1,141,900
Special Revenue Funds - Other	5,100,000	5,100,000	0
Total	<u>108,640,600</u>	<u>109,883,000</u>	<u>1,242,400</u>

STATE BOARD OF ELECTIONS

MISSION

The New York State Board of Elections executes and enforces all laws relating to the elective franchise and oversees the disclosure of campaign financing and practices.

ORGANIZATION AND STAFFING

The State Board of Elections, comprised of four commissioners, two chosen by each major political party, administers provisions of the Election Law regarding campaign financial disclosure, including civil judgments levied for failure to file disclosure documents; oversees the petitioning process and certification of ballots; investigates allegations of criminal violations of the Election Law and recommends prosecution where warranted; and certifies electronic voting machines purchased by local Boards of Elections and tests each machine upon delivery. The Board also assists County Boards of Elections by completing administrative reviews, assisting in resolving complaints, and producing reports and recommendations.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Board receives more than 99 percent of its funding from the General Fund and less than 1 percent from a fee imposed upon prospective vendors of electronic voting machines and ballot-counting devices.

The Executive Budget recommends \$3.6 million in General Fund support for the Board of Elections. This funding will permit the Board to continue to carry out its various responsibilities related to the electoral process, including the Board's voter outreach activities and its interaction with local Boards of Elections.

PROGRAM HIGHLIGHTS

Over the past 27 years, the scope of the Board's services has grown to include providing legal counsel to 62 County Boards of Election, administering registration efforts, providing technical assistance to administrators of elections, and investigating violations of the Election Law.

A priority for the Board is expanding the use of modern technology in both its own operations and those of local Boards. In July 1999, the agency implemented a system for the electronic filing of campaign financial disclosure statements, which are now readily accessible at the Board's internet web site. The web site has received approximately 1.1 million inquiries since January 2001.

ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2001-02</u>	<u>Appropriations Recommended 2002-03</u>	<u>Change</u>	<u>Reappropriations Recommended 2002-03</u>
State Operations	3,601,000	3,601,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,601,000	3,601,000	0	0

ELECTIONS

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Regulation of Elections			
General Fund	46	46	0
Total	<u>46</u>	<u>46</u>	<u>0</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,581,000	3,581,000	0
Special Revenue Funds - Other	20,000	20,000	0
Total	<u>3,601,000</u>	<u>3,601,000</u>	<u>0</u>

Adjustments:

Recommended Deficiency Elections, State Board of General Fund	<u>(300,000)</u>
Appropriated 2001-02	<u>3,301,000</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Regulation of Elections			
General Fund	3,581,000	3,581,000	0
Special Revenue Funds - Other	20,000	20,000	0
Total	<u>3,601,000</u>	<u>3,601,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Regulation of Elections	2,466,000	0	2,466,000	0
Total	<u>2,466,000</u>	<u>0</u>	<u>2,466,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Regulation of Elections	1,115,000	0	1,115,000	0
Total	<u>1,115,000</u>	<u>0</u>	<u>1,115,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Regulation of Elections	20,000	0	20,000	0
Total	20,000	0	20,000	0

OFFICE OF EMPLOYEE RELATIONS

MISSION

In accordance with the Public Employees' Fair Employment Act (the Taylor Law), the Office of Employee Relations (OER) represents the Governor in collective bargaining with the public employee unions and directs the State's employee relations policies so that agencies and employees provide high quality, uninterrupted State government services.

ORGANIZATION AND STAFFING

Under the administration of a Director appointed by the Governor, the Agency is located in Albany. OER will have a workforce of 93 positions for 2002-03, financed by the General Fund and responsible for negotiating and implementing collective bargaining agreements.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A total of \$7 million is recommended for the Office of Employee Relations, including \$4.1 million in General Fund moneys. This funding will provide continued support for the Office's primary mission of negotiating and administering collective bargaining agreements.

Funding from the Office's other sources includes:

- \$2.46 million in charges to the Collective Bargaining Agreements to support statewide employee training and developmental programs and the cost of administering these agreements; and
- Revenues of \$479,000 received from non-General Fund agencies to reimburse the Office for providing training programs and collective bargaining services. These revenues also include payments from the National Association of State Directors of Employee Relations to support the operations of that organization.

PROGRAM HIGHLIGHTS

The Office of Employee Relations represents the Governor in Executive Branch collective bargaining negotiations with nine public employee unions, assists State agencies to interpret and administer the negotiated agreements, and represents the State in hearings and arbitrations before the Public Employment Relations Board.

The Office of Employee Relations also is the Executive Branch's in-house consulting agency for advancing sound labor management practices and improving productivity and innovation in State government's workforce. Currently, the Agency is working with more than 25 agencies on various organizational development and improvement initiatives. The Office is further charged with designing and administering statewide training programs, policy development and oversight for several employee benefit programs.

In its capacity as the Governor's labor-relations agent, the Office continues to be instrumental in providing direction for workforce management and, through labor management partnerships, working with the unions to mitigate the impact of structural changes aimed at improving the efficiency of State government. The Office also promotes labor-relations excellence by offering a comprehensive training program through the Employee Relations Institute and by increasing the use of technology for better communication of common issues and concerns. A major focus during 2002-03 will be preparation for the next round of collective bargaining and the further development of the Agency's government-to-government e-commerce initiative. This initiative provides a "toolkit" for employee relations practitioners that is used for training and to share information, and a one stop resource center for all of the State's Executive Branch employees for up-to-date information relevant to their employment with New York State.

EMPLOYEE RELATIONS

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	6,875,600	7,020,000	144,400	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	6,875,600	7,020,000	144,400	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Contract Negotiation and Administration			
General Fund	40	39	(1)
Internal Service Funds	47	48	1
Management Confidential Affairs			
General Fund	6	6	0
Total	93	93	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	4,075,600	4,077,000	1,400
Special Revenue Funds - Other	463,000	479,000	16,000
Internal Service Funds	2,337,000	2,464,000	127,000
Total	6,875,600	7,020,000	144,400

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Contract Negotiation and Administration			
General Fund	3,142,900	3,212,000	69,100
Special Revenue Funds - Other	463,000	479,000	16,000
Internal Service Funds	2,337,000	2,464,000	127,000
Management Confidential Affairs			
General Fund	932,700	865,000	(67,700)
Total	6,875,600	7,020,000	144,400

EMPLOYEE RELATIONS

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Contract Negotiation and Administration	2,960,000	69,000	2,950,000	74,000
Management Confidential Affairs	360,000	33,000	359,000	33,000
Total	<u>3,320,000</u>	<u>102,000</u>	<u>3,309,000</u>	<u>107,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Contract Negotiation and Administration	8,000	(4,000)	2,000	(1,000)
Management Confidential Affairs	0	0	1,000	0
Total	<u>8,000</u>	<u>(4,000)</u>	<u>3,000</u>	<u>(1,000)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Contract Negotiation and Administration	252,000	100	34,000	100
Management Confidential Affairs	505,000	(100,700)	18,000	(300)
Total	<u>757,000</u>	<u>(100,600)</u>	<u>52,000</u>	<u>(200)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Contract Negotiation and Administration	30,000	(400)	188,000	400
Management Confidential Affairs	14,000	500	28,000	100
Total	<u>44,000</u>	<u>100</u>	<u>216,000</u>	<u>500</u>

Program	Maintenance Undistributed	
	Amount	Change
Management Confidential Affairs	445,000	(101,000)
Total	<u>445,000</u>	<u>(101,000)</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Contract Negotiation and Administration	2,943,000	143,000	2,136,000	117,000
Total	<u>2,943,000</u>	<u>143,000</u>	<u>2,136,000</u>	<u>117,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Contract Negotiation and Administration	328,000	10,000	479,000	16,000
Total	<u>328,000</u>	<u>10,000</u>	<u>479,000</u>	<u>16,000</u>

EXECUTIVE CHAMBER

MISSION

The Executive Chamber is the Office of the Governor and includes the immediate staff that assists in managing State government.

ORGANIZATION AND STAFFING

The Office of the Governor is located in the State Capitol in Albany. This budget represents programs directly related to the Governor's Office and is supported by General Fund revenues.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends a General Fund appropriation of \$18.2 million. This recommendation includes funding for e-government initiatives and for the ongoing costs of the Moreland Act Commission. A fiduciary fund appropriation of \$100,000 is also requested to permit the use of private grants within the Office of Community Affairs.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	18,255,000	18,255,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	18,255,000	18,255,000	0	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Executive Chamber			
General Fund	177	177	0
Total	177	177	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Executive Chamber			
General Fund	18,155,000	18,155,000	0
Fiduciary Funds	100,000	100,000	0
Total	18,255,000	18,255,000	0

EXECUTIVE CHAMBER

OFFICE OF THE LIEUTENANT GOVERNOR

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	523,000	523,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	523,000	523,000	0	0

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	8	8	0
Total	8	8	0

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	523,000	523,000	0
Total	523,000	523,000	0

OFFICE OF GENERAL SERVICES

MISSION

The Office of General Services (OGS) was established to consolidate into a single agency the cost-efficient support services required to operate a changing and increasingly complex State government. These include telecommunications and computer systems, building design and construction, leasing, facility maintenance, purchasing of goods and services, and other basic support services, including mail, parking, printing and surplus property.

In recent years, these activities have continued and evolved to meet State government's changing needs. Many additional responsibilities have been added to make the Office the centralized service provider agency for the State. Among these more recent responsibilities are the purchasing of new technologies, participating in the statewide financing of various types of equipment, and overseeing the distribution of surplus Federal food to public and private organizations.

The Office supports the operations of State agencies by providing voice and data communications; centralized information processing; space planning and leasing; real property management and maintenance; centralized contracting for commodities, services and printing; employee and visitor parking management; and interagency mail and courier assistance. The Office also helps local governments reduce their operating costs by distributing federally donated foods and surplus equipment to them, and by offering them the use of its centralized commodity and service contracts.

ORGANIZATION AND STAFFING

The Office is headed by a Commissioner, who is appointed by the Governor, with a central executive staff and is structured around customer-focused business enterprises: Real Property Management and Development; Information Technology and Procurement Services; Design and Construction; and Support Services. The Office will have a workforce of 1,998 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends \$592.8 million for the Office, which includes support of \$124.8 million in State tax dollars from the General Fund. This recommendation also includes \$230.1 million in user fees charged to State agencies and other governmental entities that utilize OGS central and other support services, and \$7.6 million in Federal funding. Most of this funding supports the operation of State office buildings, rehabilitation and other projects aimed at preserving or extending the useful life of office buildings, and the provision of centralized services to State agencies.

Recommended funding of \$214 million for the Capital Projects Budget includes the funding required to start the rehabilitation of the Alfred E. Smith Office Building and the construction of the new Elk Street garage while allowing the Office to also maintain its ongoing upkeep and preservation efforts at the other office buildings throughout the State.

PROGRAM HIGHLIGHTS

EXECUTIVE DIRECTION

This program provides the day-to-day management of the agency, helps State agencies to acquire vehicle insurance, administers financing for the State equipment purchasing program and coordinates the centralized purchase of electricity from the Power Authority of the State of New York.

GENERAL SERVICES

REAL PROPERTY MANAGEMENT AND DEVELOPMENT

This program is responsible for providing for the safe and efficient operation of approximately 46 major and 84 ancillary State-owned and operated buildings across the State. Services provided by this program include building management, operation, maintenance, cleaning and security for facilities encompassing 17.8 million interior gross square feet with a replacement value estimated at \$4.6 billion. Employees assigned to this program also manage building renovation projects, administer service contracts for the maintenance and operation of certain heating, ventilation and air conditioning systems, and negotiate agreements as needed for leased space.

The Office is also making a major capital investment in office facilities in downtown Albany. This program includes new office buildings for the Department of Environmental Conservation and the Office of the State Comptroller, a new parking garage in downtown Albany, the modernization of the Alfred E. Smith State Office Building. These projects, combined with other reconfigurations of office space, will facilitate the redevelopment of the Harriman State Office Campus.

TECHNOLOGY AND PROCUREMENT SERVICES

This group provides State agencies with state-of-the-art voice and data communications services, and manages the statewide procurement of goods, services and commodities having an annual value of \$1.7 billion. In carrying out these responsibilities, this group provides centralized telecommunication and data services and establishes standards for each commodity purchased by the Office by developing detailed specifications, evaluating bids, and monitoring vendor performance and quality control. Eligible local governments, schools and not-for-profit organizations may use these centralized contracts, which generally offer the best prices because of the State's purchasing power, to reduce their own operating costs.

DESIGN AND CONSTRUCTION

This group provides architectural, engineering, planning, and design and construction management services to State agencies operating State-owned facilities, and has projects valued at approximately \$400 million underway in design and \$500 million underway in construction.

SUPPORT SERVICES

Employees in this group provide and manage the delivery of interagency mail, employee and visitor parking and transfer of Federal and State surplus property. These employees also warehouse federally donated food and distribute it to school districts and food pantries.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	364,870,900	378,838,000	13,967,100	9,425,000
Aid To Localities	0	0	0	0
Capital Projects	39,000,000	214,000,000	175,000,000	90,030,000
Total	403,870,900	592,838,000	188,967,100	99,455,000

GENERAL SERVICES

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
	Design and Construction		
Internal Service Funds	446	446	0
Executive Direction			
General Fund	110	110	0
Internal Service Funds	23	23	0
Information Technology and Procurement			
General Fund	179	179	0
Special Revenue Funds - Other	18	18	0
Internal Service Funds	193	193	0
Real Property Management and Development			
General Fund	860	860	0
Special Revenue Funds - Other	63	63	0
Enterprise Funds	14	14	0
Internal Service Funds	80	80	0
Fiduciary Funds	12	12	0
Total	1,998	1,998	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	124,947,800	124,752,000	(195,800)
Special Revenue Funds - Federal	6,400,000	7,600,000	1,200,000
Special Revenue Funds - Other	13,590,400	13,723,000	132,600
Enterprise Funds	1,308,700	1,475,000	166,300
Internal Service Funds	217,531,800	230,169,000	12,637,200
Fiduciary Funds	1,092,200	1,119,000	26,800
Total	364,870,900	378,838,000	13,967,100

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Design and Construction			
Internal Service Funds	44,948,800	51,382,000	6,433,200
Executive Direction			
General Fund	12,260,300	12,262,000	1,700
Enterprise Funds	57,700	60,000	2,300
Internal Service Funds	41,071,800	46,308,000	5,236,200
Fiduciary Funds	842,200	869,000	26,800
Information Technology and Procurement			
General Fund	11,091,200	11,093,000	1,800
Special Revenue Funds - Federal	6,400,000	7,600,000	1,200,000
Special Revenue Funds - Other	3,429,600	4,452,000	1,022,400
Internal Service Funds	119,952,900	113,622,000	(6,330,900)
Real Property Management and Development			
General Fund	101,596,300	101,397,000	(199,300)
Special Revenue Funds - Other	10,160,800	9,271,000	(889,800)
Enterprise Funds	1,251,000	1,415,000	164,000
Internal Service Funds	11,558,300	18,857,000	7,298,700
Agency Trust Funds	250,000	250,000	0
Total	364,870,900	378,838,000	13,967,100

GENERAL SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	5,739,000	(103,100)	5,531,000	(111,100)
Information Technology and Procurement	9,778,000	(123,400)	9,725,000	(137,400)
Real Property Management and Development	35,829,000	(930,500)	34,956,000	(931,400)
Total	51,346,000	(1,157,000)	50,212,000	(1,179,900)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	156,000	6,000	52,000	2,000
Information Technology and Procurement	0	0	53,000	14,000
Real Property Management and Development	0	0	873,000	900
Total	156,000	6,000	978,000	16,900

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	6,523,000	104,800	198,000	600
Information Technology and Procurement	1,315,000	125,200	97,000	(2,700)
Real Property Management and Development	65,568,000	731,200	4,000,000	0
Total	73,406,000	961,200	4,295,000	(2,100)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	91,000	800	2,059,000	103,400
Information Technology and Procurement	57,000	(1,400)	1,140,000	129,500
Real Property Management and Development	275,000	0	59,793,000	1,131,200
Total	423,000	(600)	62,992,000	1,364,100

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	0	0	4,175,000	0
Information Technology and Procurement	21,000	(200)	0	0
Real Property Management and Development	1,500,000	(200,000)	0	(200,000)
Total	1,521,000	(200,200)	4,175,000	(200,000)

GENERAL SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Design and Construction	51,382,000	6,433,200	26,334,000	946,800
Executive Direction	47,237,000	5,265,300	1,221,000	443,400
Information Technology and Procurement	125,674,000	(4,108,500)	10,295,000	(626,300)
Real Property Management and Development	29,793,000	6,572,900	6,876,000	465,900
Total	<u>254,086,000</u>	<u>14,162,900</u>	<u>44,726,000</u>	<u>1,229,800</u>

Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change	Amount	Change
Design and Construction	25,048,000	5,486,400	0	0
Executive Direction	46,016,000	4,821,900	0	0
Information Technology and Procurement	115,379,000	(3,482,200)	0	0
Real Property Management and Development	22,667,000	6,107,000	250,000	0
Total	<u>209,110,000</u>	<u>12,933,100</u>	<u>250,000</u>	<u>0</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	6,500,000	8,000,000	1,500,000	19,821,000
Petroleum Storage Tank				
Capital Projects Fund	0	0	0	500,000
Flood Disaster Restoration Program				
Capital Projects Fund	0	0	0	3,000,000
Maintenance and Improvement of Real Property Facilities				
Capital Projects Fund	32,500,000	206,000,000	173,500,000	61,230,000
Capital Projects Fund - Advances	0	0	0	5,479,000
Total	<u>39,000,000</u>	<u>214,000,000</u>	<u>175,000,000</u>	<u>90,030,000</u>

OFFICE OF THE STATE INSPECTOR GENERAL

MISSION

The Office of the State Inspector General is responsible for detecting, investigating, eliminating and deterring fraud, corruption, criminal activity, conflicts of interest and abuse in State government. Its mission is designed to ensure that State government maintains the highest standards of integrity and accountability.

ORGANIZATION AND STAFFING

The Office of the State Inspector General was fundamentally restructured pursuant to Executive Order 39 issued by the Governor in June 1996. The Executive Order provides for the consolidation of most of the State's inspector general activities in a single office that replaces what were formerly separate, semi-independent deputy inspectors general based in the agencies they served. Headed by the Inspector General who is appointed by the Governor, the Office is headquartered in Albany and has offices in New York City and Buffalo. It will have a workforce of 82 in 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends a General Fund appropriation of approximately \$5.0 million and nearly \$1.4 million in support coming primarily from public authorities. This will allow the Office to maintain existing operations.

PROGRAM HIGHLIGHTS

Since the promulgation of Executive Order 39, the Office of the State Inspector General has acted on more than 5,000 complaints of fraud, criminal activity, waste and abuse involving State employees and resources. The Office has focused its investigative efforts on major cases involving theft, bribery, contract fraud, abuse of authority, and other serious allegations of corruption. Currently, the Agency's investigators are working jointly with local, State, and Federal law enforcement personnel and prosecutors on significant matters of public concern.

Since 1999, the Office's investigations have resulted in the arrest of more than 140 individuals, and referrals for discipline in numerous other cases. In addition, many cases resulted in recommendations for administrative or policy changes. The State Inspector General's cases uncovered instances of theft, bid rigging, bribery, creation of fraudulent documents, misuse of computers, narcotics trafficking, and sexual assault. Equally important, the Office's investigations have, in many instances, cleared agencies and individuals of allegations that were unfounded or unsubstantiated.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	6,366,000	6,366,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	6,366,000	6,366,000	0	0

STATE INSPECTOR GENERAL

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Inspector General			
General Fund	63	63	0
Special Revenue Funds - Other	19	19	0
Total	<u>82</u>	<u>82</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	4,967,000	4,967,000	0
Special Revenue Funds - Other	1,399,000	1,399,000	0
Total	<u>6,366,000</u>	<u>6,366,000</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Inspector General			
General Fund	4,967,000	4,967,000	0
Special Revenue Funds - Other	1,399,000	1,399,000	0
Total	<u>6,366,000</u>	<u>6,366,000</u>	<u>0</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Inspector General	4,387,000	0	4,387,000	0
Total	<u>4,387,000</u>	<u>0</u>	<u>4,387,000</u>	<u>0</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Inspector General	580,000	0	580,000	0
Total	<u>580,000</u>	<u>0</u>	<u>580,000</u>	<u>0</u>

STATE INSPECTOR GENERAL

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Inspector General	1,399,000	0	1,014,000	(14,000)
Total	<u>1,399,000</u>	<u>0</u>	<u>1,014,000</u>	<u>(14,000)</u>
Program	Nonpersonal Service			
	Amount	Change		
Inspector General	385,000	14,000		
Total	<u>385,000</u>	<u>14,000</u>		

INSURANCE DEPARTMENT

MISSION

The Insurance Department, which was established in 1860, is charged with regulating the insurance industry and with ensuring that the interests of insurance consumers, companies, and producers are balanced. Specific statutory responsibilities include approving the formation, consolidation or merger of insurance organizations, monitoring the financial stability of insurers, overseeing the testing and licensing of agents, adjusters, consultants and insurance intermediaries, and disciplining licensees who violate the Insurance Law or regulations.

ORGANIZATION AND STAFFING

The Insurance Department is headed by a Superintendent, who is appointed by the Governor. The Department maintains offices in Albany and New York City and local offices in Mineola, Rochester, Syracuse, Oneonta and Buffalo. The Department's activities are carried out through three programs: Administration, Regulation and Consumer Services. The Department will have a workforce of 924 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Insurance Department is funded by assessments on domestic insurance carriers and by examination fees. These moneys fully support the operations of the Department as well as insurance-specific operations in other agencies.

The Executive Budget recommends \$125.4 million for the Insurance Department, which will fund the Department's current level of activity and provide \$17.6 million to the Department of State for costs associated with fire prevention efforts, including fire safety inspections on private college campuses, and enforcement of state building code regulations.

The Executive Budget also recommends \$4.7 million for implementation of Executive Order 109 that appointed the Attorney General as a Special Prosecutor to combat no-fault auto insurance fraud.

PROGRAM HIGHLIGHTS

The Department ensures that insurance companies meet statutory requirements regarding their finances and corporate conduct by monitoring the financial condition of companies and conducting periodic field examinations of insurers. It strives for the fair treatment of policy holders, claimants, and the public through the regulation of company claim payments and sales practices, responses to consumer complaints, and the timely review of insurance company denials of coverage.

The Department promotes high standards of ethical conduct and technical knowledge through oversight of testing, pre-licensing and continuing education of insurers and agents. It maintains a registry of all licensees, collects fees and imposes fines related to the revocation of licenses and irregular activities.

Reflecting the dynamic and changing environment confronting the insurance industry, the Department has reformed or rescinded over half its regulations and eased the process by which companies are licensed and new insurance products approved. The Department continues to work closely with the Banking Department to assist Holocaust victims and their families to identify and recover assets from foreign financial institutions.

The Department also oversees and coordinates New York's Healthy New York Program which provides qualified small businesses and low income families and individuals with access to a basic package of health insurance benefits.

INSURANCE

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	115,470,000	125,419,000	9,949,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	115,470,000	125,419,000	9,949,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	134	134	0
Consumer Services			
Special Revenue Funds - Other	168	168	0
Regulation			
Special Revenue Funds - Other	622	622	0
Total	924	924	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	115,470,000	125,419,000	9,949,000
Total	115,470,000	125,419,000	9,949,000

Adjustments:

Recommended Deficiency	
Insurance Department	
Special Revenue Funds - Other	(3,000,000)
Appropriated 2001-02	112,470,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	11,240,700	15,461,000	4,220,300
Consumer Services			
Special Revenue Funds - Other	10,617,400	11,023,000	405,600
Regulation			
Special Revenue Funds - Other	93,611,900	98,935,000	5,323,100
Total	115,470,000	125,419,000	9,949,000

INSURANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	15,461,000	4,220,300	7,997,000	347,000
Consumer Services	11,023,000	405,600	7,620,000	196,000
Regulation	98,935,000	5,323,100	41,998,000	3,118,000
Total	125,419,000	9,949,000	57,615,000	3,661,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	7,464,000	3,873,300	0	0
Consumer Services	3,403,000	209,600	0	0
Regulation	33,225,000	3,076,100	23,712,000	(871,000)
Total	44,092,000	7,159,000	23,712,000	(871,000)

INTEREST ON LAWYER ACCOUNT

MISSION

The Interest on Lawyer Account (IOLA) was established in 1983 to finance civil legal services for the poor. Revenues are derived from the interest earned on small trust accounts which attorneys hold for their clients. Banks transfer the interest earned on these accounts to IOLA to fund grants to not-for-profit, tax-exempt entities providing civil legal services to the poor, elderly and disabled. Legislation enacted in 1988 made participation in IOLA mandatory for attorneys in private practice who hold nominal short-term escrow accounts for clients.

ORGANIZATION AND STAFFING

A 15-member board of trustees appointed by the Governor administers IOLA. Board members serve without compensation. Day-to-day operations are handled by a workforce of nine located in New York City.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendations enable a grant level of up to \$15 million in each of calendar years 2002 and 2003, the specific amount being dependent upon actual revenue generated. Ongoing revenue maximization efforts are being offset now by declining interest rates so that total grant awards for 2002 and 2003 are expected to remain level.

PROGRAM HIGHLIGHTS

At least 75 percent of the grant funds distributed by IOLA must be used to deliver civil legal services to the poor. The balance must be allocated to purposes related to the improvement of the administration of justice, including the provision of civil legal services to underserved groups such as the elderly and disabled. In 2002, IOLA will award grants to an estimated 90 organizations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,443,000	1,559,000	116,000	0
Aid To Localities	14,950,000	14,950,000	0	0
Capital Projects	0	0	0	0
Total	16,393,000	16,509,000	116,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
New York Interest on Lawyer Account Fiduciary Funds	9	9	0
Total	9	9	0

INTEREST ON LAWYER

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Fiduciary Funds	1,443,000	1,559,000	116,000
Total	1,443,000	1,559,000	116,000

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
New York Interest on Lawyer Account			
Fiduciary Funds	1,443,000	1,559,000	116,000
Total	1,443,000	1,559,000	116,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,559,000	116,000	628,000	36,000
Total	1,559,000	116,000	628,000	36,000

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	931,000	80,000
Total	931,000	80,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Fiduciary Funds	14,950,000	14,950,000	0
Total	14,950,000	14,950,000	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
New York Interest on Lawyer Account			
Fiduciary Funds	14,950,000	14,950,000	0
Total	14,950,000	14,950,000	0

TEMPORARY STATE COMMISSION OF INVESTIGATION

MISSION

The Temporary State Commission of Investigation serves as a bipartisan fact-finding agency investigating and reporting on organized crime and racketeering, the conduct of public officers, and other matters affecting public peace, safety and justice.

ORGANIZATION AND STAFFING

The Commission has six salaried members, two each appointed by the Governor, the Temporary President of the Senate and the Speaker of the Assembly. In addition to the 6 commissioners, there will be 24 staff positions at the Commission, which has its main office in New York City.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03 a total of \$3 million in State tax dollars and \$200,000 in anticipated asset forfeitures will support the expenses of the Commission.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,109,900	3,225,000	115,100	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,109,900	3,225,000	115,100	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Investigation			
General Fund	32	30	(2)
Total	32	30	(2)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	2,909,900	3,025,000	115,100
Special Revenue Funds - Other	200,000	200,000	0
Total	3,109,900	3,225,000	115,100

INVESTIGATION

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Investigation			
General Fund	2,909,900	3,025,000	115,100
Special Revenue Funds - Other	200,000	200,000	0
Total	<u>3,109,900</u>	<u>3,225,000</u>	<u>115,100</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Investigation	2,325,000	167,000	2,310,000	183,000
Total	<u>2,325,000</u>	<u>167,000</u>	<u>2,310,000</u>	<u>183,000</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Investigation	15,000	(16,000)
Total	<u>15,000</u>	<u>(16,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Investigation	700,000	(51,900)	16,000	(11,000)
Total	<u>700,000</u>	<u>(51,900)</u>	<u>16,000</u>	<u>(11,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Investigation	60,000	2,000	592,000	(43,900)
Total	<u>60,000</u>	<u>2,000</u>	<u>592,000</u>	<u>(43,900)</u>

Program	Equipment	
	Amount	Change
Investigation	32,000	1,000
Total	<u>32,000</u>	<u>1,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Investigation	200,000	0	200,000	0
Total	<u>200,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>

JUDICIAL COMMISSIONS

MISSION

New York State's three Judicial Commissions play important roles in maintaining the integrity of the court system. The Commission on Judicial Nomination and the Judicial Screening Committees screen potential nominees for high-level judicial appointments by the Governor. The Commission on Judicial Conduct investigates and acts upon allegations of judicial misconduct.

COMMISSION ON JUDICIAL CONDUCT

The State Constitution established the Commission on Judicial Conduct, which is responsible for investigating complaints of misconduct against State judges and local justices. The Commission has disciplinary powers, which include the authority to remove judges and justices from office for serious misconduct, subject to review by the Court of Appeals.

The Commission on Judicial Conduct has 11 members, 4 of whom are appointed by the Governor, 3 by the Chief Judge of the Court of Appeals and the remaining 4 by the Legislature. Commission members serve without pay and meet periodically to consider complaints, hear testimony and determine the disposition of cases. The Commission will have a staff of 26 in fiscal year 2002-03. Its main office is in New York City, with branches in Albany and Rochester. Its budget of \$2.2 million is supported entirely by State tax dollars from the General Fund.

COMMISSION ON JUDICIAL NOMINATION

The State Constitution established the Commission on Judicial Nomination to evaluate candidates and make recommendations to the Governor for appointment to the Court of Appeals, the State's highest court.

The Commission on Judicial Nomination has 12 members appointed by the Governor, the Chief Judge of the Court of Appeals and the Legislature. These members serve without pay and conduct the search for qualified candidates upon formal notification of a vacancy on the Court of Appeals. They are supported by volunteer legal staff also serving without pay.

GOVERNOR'S JUDICIAL SCREENING COMMITTEES

The Governor's Judicial Screening Committees are established by Executive Order to evaluate the qualifications of candidates and make recommendations to the Governor for appointment to judgeships other than those on the Court of Appeals. The Committees are located throughout the State. In fiscal year 2002-03, a total of \$150,000 in State tax dollars will support the Committees.

ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2001-02</u>	<u>Appropriations Recommended 2002-03</u>	<u>Change</u>	<u>Reappropriations Recommended 2002-03</u>
State Operations	2,280,000	2,390,000	110,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,280,000	2,390,000	110,000	0

JUDICIAL COMMISSIONS

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Judicial Conduct			
General Fund	26	26	0
Total	26	26	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	2,280,000	2,390,000	110,000
Total	2,280,000	2,390,000	110,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Judicial Conduct			
General Fund	2,120,000	2,230,000	110,000
Judicial Nomination, Commission on			
General Fund	10,000	10,000	0
Judicial Screening Committees			
General Fund	150,000	150,000	0
Total	2,280,000	2,390,000	110,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Judicial Conduct	1,810,000	108,000	1,790,000	116,000
Total	1,810,000	108,000	1,790,000	116,000

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Judicial Conduct	20,000	(8,000)
Total	20,000	(8,000)

JUDICIAL COMMISSIONS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Judicial Conduct	420,000	2,000	32,000	1,000
Judicial Nomination, Commission on	10,000	0	0	0
Judicial Screening Committees	150,000	0	0	0
Total	<u>580,000</u>	<u>2,000</u>	<u>32,000</u>	<u>1,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Judicial Conduct	31,000	0	342,000	0
Total	<u>31,000</u>	<u>0</u>	<u>342,000</u>	<u>0</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Judicial Conduct	15,000	1,000	0	0
Judicial Nomination, Commission on	0	0	10,000	0
Judicial Screening Committees	0	0	150,000	0
Total	<u>15,000</u>	<u>1,000</u>	<u>160,000</u>	<u>0</u>

DEPARTMENT OF LAW

MISSION

The Department of Law was created in 1926 and is headed by the State Attorney General, who is elected by the people. The Department is responsible for protecting the legal rights of New York State and its citizens by representing the State in litigation and in other legal affairs.

In implementing its constitutional responsibilities, the Department performs a wide range of functions. Major activities of the Department include prosecuting or defending actions and proceedings for or against the State and its departments; prosecuting certain criminal violations of the Labor, Workers' Compensation, and Unemployment Insurance laws; investigating and prosecuting other criminal cases at the request of the Governor or the commissioners of State departments; investigating the activities of organized crime; bringing civil and/or criminal actions against polluters, violators of antitrust laws, and those who defraud consumers or investors; mediating consumer complaints; and investigating and prosecuting cases of Medicaid fraud.

ORGANIZATION AND STAFFING

The legal functions of the Department of Law are divided into major divisions which comprise bureaus dealing with specific legal issues and cases. These are the divisions of Administration, Appeals and Opinions, Criminal Prosecutions, State Counsel, Public Advocacy, and Regional Offices.

The Department's main offices are located in Albany and New York City, with regional offices in Binghamton, Poughkeepsie, Syracuse, Buffalo, Plattsburgh, Rochester, Watertown, Mineola, Hauppauge, Harlem, Utica, Brooklyn, Pearl River and White Plains. The Department will have a workforce of 1,869 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends \$186.9 million for the Department. This recommendation includes \$120.6 million in tax dollars from the General Fund, which will finance 65 percent of these expenses for 2002-03. Additional support for 2002-03 will be provided by:

- Federal funding of \$30.9 million to finance Medicaid fraud efforts;
- Revenues of \$26.5 million related to the collection of non-tax debt and litigation settlements; and
- \$8.7 million from assets seized as part of criminal prosecution activities and Medicaid fraud recoveries.

PROGRAM HIGHLIGHTS

Agency divisions perform the following functions:

- The Administration Division provides budget, personnel, operations, and technology services for the Agency.
- The Division of Appeals and Opinions handles appellate litigation in both State and Federal courts. The Division also prepares opinions, both formal and informal, interpreting State laws for State agencies and municipalities.
- The Criminal Division investigates and prosecutes criminal cases, including those involving Medicaid fraud, white collar and organized crime cases involving multi-county, multi-state and even multi-national criminal activities occurring within New York State.
- The Division of State Counsel provides State agencies, the Governor, other State officials and the Legislature with counsel and representation in legal proceedings. It

LAW

- recoups non-tax revenue on behalf of State taxpayers and provides legal assistance to State agencies in connection with the acquisition and disposition of public land.
- The Division of Public Advocacy defends and protects the public interest in the courts. It enforces laws to prevent trade restraint, protects charitable donors and beneficiaries and enforces laws prohibiting discrimination. It also protects consumers from fraudulent, and/or deceptive business practices, enforces environmental laws and regulates sales of investment securities. It also enforces the State's health care laws and addresses concerns about online criminal or fraudulent activities.
 - The Regional Offices program provides mini-satellite offices across the State to ensure that all New York agencies have cost effective representation in all local and Federal courts, and that citizens have full access to the programs and services of the Department.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	175,349,800	186,935,000	11,585,200	21,784,300
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	175,349,800	186,935,000	11,585,200	21,784,300

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	189	179	(10)
Appeals and Opinions			
General Fund	66	65	(1)
Counsel for the State			
General Fund	320	315	(5)
Special Revenue Funds - Other	144	144	0
Internal Service Funds	109	109	0
Criminal Prosecutions			
General Fund	193	191	(2)
Special Revenue Funds - Other	65	65	0
Medicaid Fraud Control			
General Fund	93	78	(15)
Special Revenue Funds - Federal	269	269	0
Public Advocacy			
General Fund	296	294	(2)
Special Revenue Funds - Other	7	7	0
Regional Offices			
General Fund	154	153	(1)
Total	1,905	1,869	(36)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	119,574,000	120,618,000	1,044,000
Special Revenue Funds - Federal	28,735,800	31,073,000	2,337,200
Special Revenue Funds - Other	19,835,000	26,244,000	6,409,000
Internal Service Funds	7,205,000	9,000,000	1,795,000
Total	<u>175,349,800</u>	<u>186,935,000</u>	<u>11,585,200</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	29,654,000	26,462,000	(3,192,000)
Appeals and Opinions			
General Fund	4,789,000	5,289,000	500,000
Counsel for the State			
General Fund	32,906,000	31,671,000	(1,235,000)
Special Revenue Funds - Other	13,667,000	17,527,000	3,860,000
Internal Service Funds	7,205,000	9,000,000	1,795,000
Criminal Prosecutions			
General Fund	16,003,000	18,287,000	2,284,000
Special Revenue Funds - Federal	162,800	150,000	(12,800)
Special Revenue Funds - Other	2,570,000	4,600,000	2,030,000
Medicaid Fraud Control			
General Fund	4,654,000	4,654,000	0
Special Revenue Funds - Federal	28,573,000	30,923,000	2,350,000
Special Revenue Funds - Other	3,598,000	4,117,000	519,000
Public Advocacy			
General Fund	20,304,000	21,924,000	1,620,000
Regional Offices			
General Fund	11,264,000	12,331,000	1,067,000
Total	<u>175,349,800</u>	<u>186,935,000</u>	<u>11,585,200</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	10,664,000	463,000	10,374,000	402,000
Appeals and Opinions	4,591,000	503,000	4,446,000	449,000
Counsel for the State	22,879,000	1,503,000	22,346,000	1,401,000
Criminal Prosecutions	14,007,000	970,000	13,952,000	1,161,000
Medicaid Fraud Control	4,654,000	0	4,577,000	0
Public Advocacy	20,168,000	1,627,000	19,650,000	1,501,000
Regional Offices	10,434,000	1,076,000	10,108,000	982,000
Total	<u>87,397,000</u>	<u>6,142,000</u>	<u>85,453,000</u>	<u>5,896,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	290,000	61,000	0	0
Appeals and Opinions	145,000	54,000	0	0
Counsel for the State	533,000	102,000	0	0
Criminal Prosecutions	55,000	(188,000)	0	(3,000)
Medicaid Fraud Control	77,000	0	0	0
Public Advocacy	518,000	136,000	0	(10,000)
Regional Offices	326,000	112,000	0	(18,000)
Total	<u>1,944,000</u>	<u>277,000</u>	<u>0</u>	<u>(31,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	15,798,000	(3,655,000)	83,000	(11,000)
Appeals and Opinions	698,000	(3,000)	352,000	(2,000)
Counsel for the State	8,792,000	(2,738,000)	46,000	(118,000)
Criminal Prosecutions	4,280,000	1,314,000	68,000	(3,000)
Public Advocacy	1,756,000	(7,000)	80,000	(1,000)
Regional Offices	1,897,000	(9,000)	19,000	0
Total	33,221,000	(5,098,000)	648,000	(135,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	60,000	(8,000)	15,324,000	(3,589,000)
Appeals and Opinions	29,000	0	315,000	(1,000)
Counsel for the State	108,000	(272,000)	459,000	(436,000)
Criminal Prosecutions	293,000	(13,000)	3,354,000	1,356,000
Public Advocacy	78,000	0	1,459,000	(6,000)
Regional Offices	218,000	(1,000)	1,623,000	(8,000)
Total	786,000	(294,000)	22,534,000	(2,684,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	331,000	(47,000)	0	0
Appeals and Opinions	2,000	0	0	0
Counsel for the State	44,000	(112,000)	8,135,000	(1,800,000)
Criminal Prosecutions	565,000	(26,000)	0	0
Public Advocacy	139,000	0	0	0
Regional Offices	37,000	0	0	0
Total	1,118,000	(185,000)	8,135,000	(1,800,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Counsel for the State	26,527,000	5,655,000	8,078,000	672,000
Criminal Prosecutions	4,750,000	2,017,200	0	0
Medicaid Fraud Control	35,040,000	2,869,000	18,013,000	931,000
Total	66,317,000	10,541,200	26,091,000	1,603,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Counsel for the State	9,449,000	3,188,000	9,000,000	1,795,000
Criminal Prosecutions	0	0	4,750,000	2,017,200
Medicaid Fraud Control	12,910,000	1,419,000	4,117,000	519,000
Total	22,359,000	4,607,000	17,867,000	4,331,200

TEMPORARY STATE COMMISSION ON LOBBYING

MISSION

The Temporary State Commission on Lobbying is responsible for monitoring, maintaining and making public the identities, activities, and expenditures of lobbyists, clients and public corporations attempting to influence the legislative, regulatory and rule- and rate-making actions of elected State officials and agency decision makers. The Commission is also authorized to hold hearings and impose civil penalties. An additional responsibility of the Commission is to collect, maintain, and make public the records of appearances before regulatory State agencies.

In 1999, the Lobbying Act underwent its first major revision in over 20 years, resulting in an expanded role for the Commission in the following areas: increased reporting requirements and schedules; expansion of the Commission's jurisdiction over lobbying at the local government level; strengthened enforcement powers; and establishment of new and/or increased fees.

ORGANIZATION AND STAFFING

The Lobbying Act sets forth the administrative and enforcement responsibilities of the Commission. Under the guidance of a six-member bipartisan board appointed by the Governor, with advice from the legislative leaders, these responsibilities are carried out by a workforce of 16.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission receives 79 percent of its support from State tax dollars from the General Fund. The remaining 21 percent of its operations is funded by civil penalty fines assessed on lobbyists for violations of the Lobbying Law.

The Executive Budget recommends \$1.1 million in General Fund support for the Commission which will allow the Commission to pursue its enhanced level of oversight and enforcement activity.

PROGRAM HIGHLIGHTS

In 2000, the Commission's oversight responsibilities included 2,580 registered lobbyists, 1,435 clients of lobbyists, and 49 public corporations which reported lobbying expenses. The Commission's monitoring responsibilities encompassed both registered and unregistered special interest groups. These groups were active on over 19,781 bills before the Legislature and 1,692 rules, regulations and rate applications involving State agencies.

In 2002-03, the Commission will undertake an Electronic Filing Pilot Program. This undertaking should simplify reporting for the majority of filers and contribute toward more rapid disclosure of lobbying activities to the public while reducing labor-intensive tasks of Commission staff members.

LOBBYING

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,230,000	1,430,000	200,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,230,000	1,430,000	200,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Operations			
General Fund	16	16	0
Total	16	16	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,130,000	1,130,000	0
Special Revenue Funds - Other	100,000	300,000	200,000
Total	1,230,000	1,430,000	200,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Operations			
General Fund	1,130,000	1,130,000	0
Special Revenue Funds - Other	100,000	300,000	200,000
Total	1,230,000	1,430,000	200,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Operations	987,000	0	987,000	0
Total	987,000	0	987,000	0

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Operations	143,000	0	143,000	0
Total	<u>143,000</u>	<u>0</u>	<u>143,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	300,000	200,000	300,000	200,000
Total	<u>300,000</u>	<u>200,000</u>	<u>300,000</u>	<u>200,000</u>

DIVISION OF MILITARY AND NAVAL AFFAIRS

MISSION

The primary mission of the Division of Military and Naval Affairs (DMNA) is twofold. Through the State's organized militia, it maintains a well-trained military force ready to respond to civil emergencies and natural and man-made disasters, and with respect to federally recognized units, threats to the nation's security. Through the State Emergency Management Office (SEMO), it coordinates the State's response to natural and man-made disasters and prepares the State, local governments and residents to deal effectively with any such potential disasters.

In recent years, the Division has also broadened its mission to include joint partnerships with local communities. Such partnerships include aid to law enforcement agencies in their anti-drug activities, non-emergency National Guard assistance to communities, and military-style programs designed to assist at-risk youths.

ORGANIZATION AND STAFFING

Under the direction of the Adjutant General, who is appointed by the Governor, the Division consists of the New York Army National Guard, the New York Air National Guard, the Naval Militia, the New York Guard, and the SEMO. Coordinated through the main office in Albany, the Division operates more than 60 armories as well as 28 maintenance shops, six Air Guard bases, and three Army Aviation Support facilities. In addition, the Division provides administrative support for nearly 18,000 New York-based National Guard troops who are paid directly by the Federal government.

The State Emergency Management Office serves as the operational component of the Disaster Preparedness Commission, which is responsible for State disaster preparedness plans and the coordination of State disaster operations.

The Division will have a workforce of 649 in 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendations for fiscal year 2002-03 support the Division's core mission of using its well-trained military force to both respond to civil emergencies and to support local authorities in their efforts to guard against ongoing security threats. In so doing, the Agency will continue a comprehensive infrastructure review to determine which armories are vital to the support of these activities.

Approximately 55 percent of the Division's State Operations programs are supported with Federal funds; 17 percent are funded from special accounts with revenues from the nuclear power industry, armory rentals and seized assets; and State tax dollars from the General Fund support the remaining 28 percent. The Division's \$7.2 million Aid to Localities budget is supported by both Federal grants and assessments paid by nuclear power generating facilities. The Executive Budget recommends funding of \$64.5 million for Division of Military and Naval Affairs State Operations: \$46.2 million from Federal funding and special account revenues, and \$18.3 million in General Fund support.

The 2002-03 Capital Plan recommendations of \$19.3 million in new appropriations represent an increase of nearly \$10 million above the 2001-02 appropriations level of \$9.7 million. Of this increase, \$7 million will support a recently announced seven-year Federal military construction plan to replace or expand armories and equipment maintenance facilities across the State. The balance supports a continuation of Division efforts to maintain its existing facilities and, where feasible, restore the armories to preserve their historic and future value.

MILITARY AND NAVAL AFFAIRS

PROGRAM HIGHLIGHTS

RECRUITMENT INCENTIVE AND RETENTION PROGRAM

Established in 1996, the Recruitment Incentive and Retention Program provides qualified individuals and active National Guard members with a tuition benefit for undergraduate study. The enormous success of the program has reversed the Guard's ten-year decline in troop strength and significantly improved New York's ability to maintain guard strength.

MILITARY READINESS

The Military Readiness programs constitute the heart of the Division's operations. These programs include the New York Army National Guard, the New York Air National Guard, the New York Guard, and the New York Naval Militia. In 2001, the Readiness program mounted a sustained, large-scale activation to assist in World Trade Center disaster response efforts as well as subsequent activities to safeguard the State's citizenry from new security threats. Other responses to civilian emergencies in recent years have included the abatement and mitigation of the effects of forest fires, blizzards, floods and ice storms. Recent military endeavors include commanding the North East air defense, providing air support to the National Antarctica mission, and participating in military efforts to provide relief to disaster victims in El Salvador, Honduras and Puerto Rico.

SPECIAL SERVICES

The cornerstone of DMNA's special services is "guardHELP," an innovative program to link guard resources with current community volunteer, anticrime, youth activity, and environmental needs. The Division also conducts federally funded youth programs, including the Challenge Youth Program, a 22-week residential program at Camp Smith under which young adults earn a High School Equivalency Diploma. Additionally, the Special Services program includes the maintenance activities associated with armory rentals.

EMERGENCY MANAGEMENT

The State Emergency Management Office coordinates the State's response to natural disasters and other emergencies. In the immediate aftermath of the September 11, 2001 attack on the World Trade Center, the Office activated the State Emergency Operations Center, located in Albany. In addition, SEMO staff traveled to the disaster site that morning and provided critical support to early crisis management efforts by the City of New York. The Office will continue to coordinate the activities of all State agencies that are participating in the response and recovery efforts.

Other recent emergencies have included flooding and mudslides in the spring of 2000, Tropical Storm Floyd and the Bear Mountain fires in the summer of 1999, and the ice storm of 1998. The Office is also responsible for the development, testing and revision of radiological emergency plans at the State and county levels to deal with possible radiological accidents at nuclear powered electric generating facilities. This Office also trains personnel to mitigate the risks of future disasters and administers the Disaster Assistance Program, which provides State and federally supported financial relief to localities and individuals affected by disasters.

MILITARY AND NAVAL AFFAIRS

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	60,229,200	64,532,000	4,302,800	21,446,400
Aid To Localities	15,007,150,000	7,150,000	(15,000,000,000)	14,896,047,500
Capital Projects	9,725,000	19,300,000	9,575,000	17,250,000
Total	<u>15,077,104,200</u>	<u>90,982,000</u>	<u>(14,986,122,200)</u>	<u>14,934,743,900</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	62	62	0
Emergency Management			
General Fund	19	19	0
Special Revenue Funds - Federal	63	63	0
Special Revenue Funds - Other	21	21	0
Military Readiness			
General Fund	185	181	(4)
Special Revenue Funds - Federal	255	255	0
Special Service			
General Fund	18	18	0
Special Revenue Funds - Federal	27	27	0
Special Revenue Funds - Other	3	3	0
Total	<u>653</u>	<u>649</u>	<u>(4)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	16,025,500	18,283,000	2,257,500
Special Revenue Funds - Federal	32,812,300	35,382,000	2,569,700
Special Revenue Funds - Other	10,819,400	10,295,000	(524,400)
Fiduciary Funds	572,000	572,000	0
Total	<u>60,229,200</u>	<u>64,532,000</u>	<u>4,302,800</u>

Adjustments:	
Recommended Deficiency	
Military and Naval Affairs, Division of	
General Fund	(2,275,000)
Appropriated 2001-02	<u>57,954,200</u>

MILITARY AND NAVAL AFFAIRS

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,414,100	3,753,000	338,900
Disaster Assistance			
Special Revenue Funds - Federal	1,680,400	1,775,000	94,600
Emergency Management			
General Fund	1,267,800	1,388,000	120,200
Special Revenue Funds - Federal	7,563,300	8,945,000	1,381,700
Special Revenue Funds - Other	1,881,400	1,748,000	(133,400)
Military Readiness			
General Fund	10,446,100	12,116,000	1,669,900
Special Revenue Funds - Federal	20,832,800	22,827,000	1,994,200
Special Service			
General Fund	897,500	1,026,000	128,500
Special Revenue Funds - Federal	2,735,800	1,835,000	(900,800)
Special Revenue Funds - Other	8,938,000	8,547,000	(391,000)
Fiduciary Funds	572,000	572,000	0
Total	<u>60,229,200</u>	<u>64,532,000</u>	<u>4,302,800</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,310,000	230,900	3,293,000	230,400
Emergency Management	1,110,000	111,100	1,098,000	110,100
Military Readiness	7,850,000	664,700	7,370,000	649,400
Special Service	792,000	121,500	741,899	71,399
Total	<u>13,062,000</u>	<u>1,128,200</u>	<u>12,502,899</u>	<u>1,061,299</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	17,000	500
Emergency Management	0	0	12,000	1,000
Military Readiness	194,000	6,100	286,000	9,200
Special Service	40,000	40,000	10,101	10,101
Total	<u>234,000</u>	<u>46,100</u>	<u>325,101</u>	<u>20,801</u>

MILITARY AND NAVAL AFFAIRS

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	443,000	108,000	79,000	32,600
Emergency Management	278,000	9,100	45,300	0
Military Readiness	4,266,000	1,005,200	159,000	(12,400)
Special Service	234,000	7,000	137,000	28,000
Total	5,221,000	1,129,300	420,300	48,200

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	32,000	11,400	191,000	(66,700)
Emergency Management	26,500	0	156,800	9,100
Military Readiness	32,000	(21,000)	3,628,000	1,054,700
Special Service	7,000	(5,000)	74,000	(16,000)
Total	97,500	(14,600)	4,049,800	981,100

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	141,000	130,700	0	0
Emergency Management	49,400	0	0	0
Military Readiness	7,000	(16,100)	440,000	0
Special Service	16,000	0	0	0
Total	213,400	114,600	440,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disaster Assistance	1,775,000	94,600	1,072,000	138,000
Emergency Management	10,693,000	1,248,300	4,591,000	598,400
Military Readiness	22,827,000	1,994,200	11,523,000	1,433,000
Special Service	10,954,000	(1,291,800)	2,092,000	(559,500)
Total	46,249,000	2,045,300	19,278,000	1,609,900

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disaster Assistance	703,000	(43,400)	0	0
Emergency Management	6,102,000	649,900	0	0
Military Readiness	11,304,000	561,200	0	0
Special Service	4,884,000	(732,300)	3,978,000	0
Total	22,993,000	435,400	3,978,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	15,005,500,000	5,500,000	(15,000,000,000)
Special Revenue Funds - Other	1,650,000	1,650,000	0
Total	15,007,150,000	7,150,000	(15,000,000,000)

Adjustments:

Recommended Deficiency	
Military and Naval Affairs, Division of	
Special Revenue Funds - Federal	(10,000,000,000)
Appropriated 2001-02	5,007,150,000

MILITARY AND NAVAL AFFAIRS

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Disaster Assistance			
Special Revenue Funds - Federal	15,000,000,000	0	(15,000,000,000)
Emergency Management			
Special Revenue Funds - Federal	5,500,000	5,500,000	0
Special Revenue Funds - Other	1,650,000	1,650,000	0
Total	<u>15,007,150,000</u>	<u>7,150,000</u>	<u>(15,000,000,000)</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	1,000,000	1,900,000	900,000	2,750,000
Federal Capital Projects Fund	275,000	2,700,000	2,425,000	750,000
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	5,300,000	6,200,000	900,000	6,100,000
Federal Capital Projects Fund	3,150,000	8,500,000	5,350,000	7,650,000
Total	<u>9,725,000</u>	<u>19,300,000</u>	<u>9,575,000</u>	<u>17,250,000</u>

DIVISION OF PAROLE

MISSION

The Division of Parole, which consists of the Board of Parole and Division staff, provides offenders who have been released from prison the opportunity to become productive, law-abiding members of the community while limiting public risk.

The Parole Board determines when an inmate should be released from prison through a hearing process. The Division supervises parolees in the community, investigates alleged violations, revokes parole when warranted and arranges for services to help the parolees remain productive and law-abiding members of the community.

ORGANIZATION AND STAFFING

The 19 members of the Board of Parole are appointed by the Governor, and confirmed by the Senate, for six-year terms. One member is designated by the Governor to serve as the Board's Chair and chief executive officer of the Division. The Board members review the cases of inmates eligible for parole and determine if and when the offender should be released to parole supervision. The Board members establish the conditions the parolee must abide by in the community, and revoke parole in cases where parolees fail to maintain the conditions of their release.

The Division's administrative staff are located in its central office in Albany. Parole operations staff are distributed across the state in 71 correctional facilities and approximately 38 community-based supervision offices.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, approximately \$152 million in State tax dollars and \$1.5 million in Federal funds will enable the Division of Parole to promote public safety by preparing inmates for release, supervising offenders in the community, and arranging for treatment services for parolees.

The budget recommendations also build on prior year initiatives designed to supervise offenders in the community by providing intensive parole officer supervision caseloads for violent felony offenders, sex offenders and for those parolees who complete the drug treatment program at the Willard Drug Treatment Campus.

Approximately \$35.9 million in State tax dollars and \$2.7 million in Federal funds are recommended to support the Aid to Localities portion of the budget. This funding finances vocational development and relapse prevention programs, and supports initiatives designed to positively impact the revocation process, such as the High Impact Incarceration Program (HIIP) in New York City. In order to reduce the impact on localities and speed the return of non-compliant parolees to State prison, the Division has developed several procedural changes that have made the parole revocation process more efficient. These management efficiencies have significantly reduced the amount of time parole violators spend in local jails.

PROGRAM HIGHLIGHTS

In addition to closely monitoring offenders in the community, the Division helps prevent parolees from reverting to a life of crime by contracting for various rehabilitative services to support their return to society, such as substance abuse counseling, residential treatment, and employment training and programming.

PAROLE OPERATIONS

The Parole Operations program, the core of the State parole system, comprises three major areas: preparing inmates for parole, assisting the Board in making parole release

PAROLE

determinations, and supervising parolees upon release. As a result of changes to the Penal Law by the Sentencing Reform Act of 1995 and Jenna's Law, violent felony offenders are subject to determinate sentences and not eligible for early parole release. Those offenders will, however, be subject to fixed periods of post-release supervision upon their release from prison, and monitored by Parole Officers. An inmate must have housing and employment prospects before being released from a State prison. Parole officers attempt to obtain housing, employment and other services before an inmate appears before the Board. At the same time, parole staff assigned to prisons assess an inmate's readiness for release by reviewing his or her case history. The staff also summarizes an inmate's rehabilitation progress, family background, and housing and employment prospects for the Board's consideration.

When offenders are released from prison, they are assigned to a Parole Officer for the balance of their sentence. The supervising parole officer monitors behavior and helps the parolee locate and maintain employment.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	151,832,000	154,353,000	2,521,000	5,328,900
Aid To Localities	48,474,000	43,934,000	(4,540,000)	8,327,900
Capital Projects	0	0	0	0
Total	200,306,000	198,287,000	(2,019,000)	13,656,800

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	118	118	0
Parole Operations			
General Fund	2,230	2,214	(16)
Special Revenue Funds - Federal	3	3	0
Total	2,351	2,335	(16)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	146,307,000	152,067,000	5,760,000
Special Revenue Funds - Federal	4,700,000	1,461,000	(3,239,000)
Special Revenue Funds - Other	400,000	400,000	0
Fiduciary Funds	425,000	425,000	0
Total	151,832,000	154,353,000	2,521,000

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	8,276,000	8,548,000	272,000
Parole Operations			
General Fund	138,031,000	143,519,000	5,488,000
Special Revenue Funds - Federal	4,700,000	1,461,000	(3,239,000)
Special Revenue Funds - Other	400,000	400,000	0
Fiduciary Funds	425,000	425,000	0
Total	<u>151,832,000</u>	<u>154,353,000</u>	<u>2,521,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	7,099,000	247,000	6,968,000	243,000
Parole Operations	117,261,000	3,213,000	113,401,000	3,051,000
Total	<u>124,360,000</u>	<u>3,460,000</u>	<u>120,369,000</u>	<u>3,294,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	131,000	4,000
Parole Operations	80,000	42,000	3,780,000	120,000
Total	<u>80,000</u>	<u>42,000</u>	<u>3,911,000</u>	<u>124,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,449,000	25,000	37,000	0
Parole Operations	26,258,000	2,275,000	1,037,000	50,000
Total	<u>27,707,000</u>	<u>2,300,000</u>	<u>1,074,000</u>	<u>50,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	238,000	0	1,160,000	25,000
Parole Operations	3,505,000	150,000	19,934,000	1,510,000
Total	<u>3,743,000</u>	<u>150,000</u>	<u>21,094,000</u>	<u>1,535,000</u>

Program	Equipment	
	Amount	Change
Administration	14,000	0
Parole Operations	1,782,000	565,000
Total	<u>1,796,000</u>	<u>565,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Parole Operations	425,000	(3,200,000)	425,000	(3,200,000)
Total	<u>425,000</u>	<u>(3,200,000)</u>	<u>425,000</u>	<u>(3,200,000)</u>

PAROLE

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	40,481,000	35,972,000	(4,509,000)
Special Revenue Funds - Federal	2,743,000	2,712,000	(31,000)
Internal Service Funds	5,250,000	5,250,000	0
Total	<u>48,474,000</u>	<u>43,934,000</u>	<u>(4,540,000)</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Parole Operations			
General Fund	40,481,000	35,972,000	(4,509,000)
Special Revenue Funds - Federal	2,743,000	2,712,000	(31,000)
Internal Service Funds	5,250,000	5,250,000	0
Total	<u>48,474,000</u>	<u>43,934,000</u>	<u>(4,540,000)</u>

OFFICE FOR THE PREVENTION OF DOMESTIC VIOLENCE

MISSION

The Office for the Prevention of Domestic Violence develops statewide policies to protect victims of domestic violence and conducts domestic violence prevention training for judges, prosecutors, police, attorneys, probation and parole personnel, social services and health care providers.

ORGANIZATION AND STAFFING

The Office, headed by an Executive Director, appointed by the Governor, has its central office in the Capital District and one field office in New York City. The Office will have a workforce of 38 persons in 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget continues support for the Office's policy development and training programs. The All Funds appropriation for the Office will be \$2.8 million in 2002-03 to carry out domestic violence prevention activities.

PROGRAM HIGHLIGHTS

The Office works to improve the response of various State and local public agencies to families affected by domestic violence. In cooperation with other agencies, the Office develops domestic violence policies and provides training and information about domestic violence. These programs clarify professional and legal responsibility to promote the safety of victims of domestic violence and to hold offenders accountable for their actions. Each training program provides an in-depth examination of the nature and dynamics of domestic violence.

The Office also serves as a clearinghouse for information about domestic violence, receiving more than 4,000 calls a year from social service and health care agencies, police departments, domestic violence shelters, local violence prevention programs and domestic violence victims.

Over the past several years, the Office's accomplishments have included development of model county and State domestic violence prevention policies which guide the response to victims and perpetrators of domestic violence in all county and State agencies. Additionally, as a result of the 1997 Welfare Reform legislation, the Office works with the Office of Temporary and Disability Assistance and Office of Children and Family Services to improve procedures for notifying public assistance applicants and recipients about the availability of domestic violence protection and services, and to provide training to social services personnel to recognize the presence of domestic violence.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	2,015,885	2,016,000	115	200,000
Aid To Localities	755,000	755,000	0	0
Capital Projects	0	0	0	0
Total	2,770,885	2,771,000	115	200,000

PREVENTION OF DOMESTIC VIOLENCE

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)			
Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	22	22	0
Special Revenue Funds - Federal	16	16	0
Total	38	38	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,845,885	1,846,000	115
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	20,000	50,000	30,000
Fiduciary Funds	50,000	20,000	(30,000)
Total	2,015,885	2,016,000	115

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	1,845,885	1,846,000	115
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	20,000	50,000	30,000
Fiduciary Funds	50,000	20,000	(30,000)
Total	2,015,885	2,016,000	115

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	1,342,000	2,715	1,342,000	2,715
Total	1,342,000	2,715	1,342,000	2,715

PREVENTION OF DOMESTIC VIOLENCE

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	504,000	(2,600)	78,000	53,000
Total	504,000	(2,600)	78,000	53,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	56,000	(24,000)	351,000	(20,600)
Total	56,000	(24,000)	351,000	(20,600)

Program	Equipment	
	Amount	Change
Administration	19,000	(11,000)
Total	19,000	(11,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	170,000	0	170,000	0
Total	170,000	0	170,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	755,000	755,000	0
Total	755,000	755,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	755,000	755,000	0
Total	755,000	755,000	0

DIVISION OF PROBATION AND CORRECTIONAL ALTERNATIVES

MISSION

The Division of Probation and Correctional Alternatives oversees county probation departments, provides them with training and technical assistance, and reimburses a portion of their expenses related to supervision and treatment of offenders. The agency also provides localities with grants to fund Alternatives to Incarceration programs that are designed to divert offenders from the State prison system with appropriate community-based sanctions.

ORGANIZATION AND STAFFING

Headed by a State Director appointed by the Governor, the Division is located in Albany. The Division will operate in 2002-03 with a staff of 31.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, approximately \$2.3 million in State tax dollars will support the Division's State Operations budget. The Division's Aid to Localities program will distribute \$84.5 million in State support for probation services and alternatives to incarceration. Over the past two years, \$8 million in grants to community-based programs have been distributed through the Federal Temporary Assistance for Needy Families (TANF) program. These programs assist families involved in the criminal justice system with training and employment programs needed to break the cycle of criminal activity and financial dependence on the public welfare system.

PROGRAM HIGHLIGHTS

The recommended local assistance reflects the continuation of funds at the 2001-02 level. The recommendations continue support for many projects benefitting local probation departments, including:

- Regional Probation Officer training to promote consistency in local supervision. The agency plans to develop an online "virtual academy" for continuous training for new officers;
- Implementation of a standardized risk/needs assessment system is underway for adults in 14 county probation departments, with statewide implementation anticipated in the coming years. Similarly, 18 counties are currently using juvenile assessment tools which focus on the young offender's strengths as a means to identify the most appropriate and effective rehabilitative programming; and
- Probation record automation pilot projects, initiated in several local probation departments in collaboration with the Division of Criminal Justice Services, have strengthened management systems and expedited the collection of essential information on probation services.

PROBATION AND CORRECTIONAL ALTERNATIVES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	2,759,400	2,340,000	(419,400)	0
Aid To Localities	84,466,100	84,467,000	900	17,458,000
Capital Projects	0	0	0	0
Total	<u>87,225,500</u>	<u>86,807,000</u>	<u>(418,500)</u>	<u>17,458,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Community Corrections			
General Fund	31	31	0
Total	<u>31</u>	<u>31</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	2,399,400	2,340,000	(59,400)
Special Revenue Funds - Federal	360,000	0	(360,000)
Total	<u>2,759,400</u>	<u>2,340,000</u>	<u>(419,400)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Community Corrections			
General Fund	2,399,400	2,340,000	(59,400)
Special Revenue Funds - Federal	360,000	0	(360,000)
Total	<u>2,759,400</u>	<u>2,340,000</u>	<u>(419,400)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Community Corrections	1,865,000	(94,500)	1,865,000	(94,500)
Total	<u>1,865,000</u>	<u>(94,500)</u>	<u>1,865,000</u>	<u>(94,500)</u>

PROBATION AND CORRECTIONAL ALTERNATIVES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Community Corrections	475,000	35,100	27,000	400
Total	475,000	35,100	27,000	400

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Community Corrections	60,000	0	358,000	34,700
Total	60,000	0	358,000	34,700

Program	Equipment	
	Amount	Change
Community Corrections	30,000	0
Total	30,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Community Corrections	0	(360,000)	0	(360,000)
Total	0	(360,000)	0	(360,000)

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	84,466,100	84,467,000	900
Total	84,466,100	84,467,000	900

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available	Recommended	Change
	2001-02	2002-03	
Community Corrections			
General Fund	84,466,100	84,467,000	900
Total	84,466,100	84,467,000	900

PUBLIC EMPLOYMENT RELATIONS BOARD

MISSION

The Public Employment Relations Board resolves labor disputes between public employers and employees. The Board provides mediation, fact-finding and arbitration in contract disputes for approximately 4,300 negotiating units in New York. In addition, the Board settles questions of union representation, conducts hearings on charges of improper practices, designates Management/Confidential positions, and acts as a clearinghouse for information on wages, benefits and employment practices.

ORGANIZATION AND STAFFING

The Board consists of a full-time Chair and two part-time members nominated by the Governor for six-year terms. The Board's jurisdiction includes State, county, and local governments, certain special service districts, school districts and public authorities. Central offices are in Albany, with additional staff in Buffalo and Brooklyn.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Board receives 95 percent of its funding from the General Fund, which supports its mediation, fact-finding, and arbitration services and administrative costs.

The Executive Budget recommends \$3.8 million in General Fund support for the Board, and the Board's remaining expenses of \$218,000 are financed by fees paid by public employers and unions for filings and publications.

PROGRAM HIGHLIGHTS

The Board provides three principal services: conciliation, settlement of petitions involving representation, and rulings on charges of improper practices.

CONCILIATION

The Board provided assistance in approximately 335 of the 2,400 State and local contracts negotiated in 2000-2001. The Board has followed many of these cases through the full range of impasse resolution steps: mediation, followed by either fact-finding or arbitration and conciliation.

REPRESENTATION

Through its Office of Public Employment Practices and Representation, the Board reviews all petitions from public employee unions and employers requesting the creation of new negotiating units or the transfer of members between units. It also reviews requests to remove positions from negotiating units and may designate them management or confidential. In 2000-2001, the Board received 114 petitions raising questions about representation and conducted 14 elections for representation.

EMPLOYMENT PRACTICES

The Board conducts hearings and renders decisions on improper practice charges, and received petitions on 925 charges of improper employment and negotiating practices in the previous year. In 2000-2001, the agency wrote over 271 decisions and closed, either by

PUBLIC EMPLOYMENT RELATIONS

decision or settlement, over 979 improper practice cases. Each case must be addressed in a pre-hearing conference attended by the affected parties. If a case cannot be resolved, a Board administrative law judge must rule on the charge after conducting a formal hearing.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,960,900	3,995,000	34,100	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,960,900	3,995,000	34,100	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	42	39	(3)
Special Revenue Funds - Other	2	2	0
Total	44	41	(3)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,761,600	3,777,000	15,400
Special Revenue Funds - Other	199,300	218,000	18,700
Total	3,960,900	3,995,000	34,100

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,761,600	3,777,000	15,400
Special Revenue Funds - Other	199,300	218,000	18,700
Total	3,960,900	3,995,000	34,100

PUBLIC EMPLOYMENT RELATIONS

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,286,000	(23,000)	2,972,000	(20,000)
Total	3,286,000	(23,000)	2,972,000	(20,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	314,000	0	0	(3,000)
Total	314,000	0	0	(3,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	491,000	38,400	60,000	0
Total	491,000	38,400	60,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	49,000	(1,000)	382,000	39,400
Total	49,000	(1,000)	382,000	39,400

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	218,000	18,700	0	(55,000)
Total	218,000	18,700	0	(55,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	(144,300)	218,000	218,000
Total	0	(144,300)	218,000	218,000

GOVERNOR'S OFFICE OF REGULATORY REFORM

MISSION

The Governor's Office of Regulatory Reform was created in 1995 and charged with the promotion of private sector job growth in New York through the review and reform of State regulations. The Office creates a positive climate for job growth by reviewing and streamlining regulations, expediting regulatory approval and improving attitudes of regulators toward affected parties. Since 1995, the Office has substantively reviewed and/or eliminated over 2,000 rules which, together with other regulatory, statutory and permitting reforms, has saved State businesses and localities over \$3 billion in operating and other expenses.

ORGANIZATION AND STAFFING

Led by a Director appointed by the Governor, the Office is located in Albany. Agency objectives are achieved through its Business Permits Assistance and Regulatory Review programs. The Office will have a workforce of 40 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Office's operations are supported by State tax dollars from the General Fund. The Executive Budget recommends \$3.7 million in support for the Office to maintain current efforts to streamline the State's regulatory process. Recommended funding also supports the continued development of the Online Permit and Licensing System (OPAL) that will allow businesses to apply for permits and licenses in one consolidated transaction and improve New York's business climate.

PROGRAM HIGHLIGHTS

REGULATORY REVIEW

The Office reviews the need for proposed new and revised regulations and their economic impact. Staff continue efforts begun in 1995 to review all existing State agency regulations to identify those hampering the growth of business and jobs in New York State. The Office requires regulating agencies to analyze the costs and benefits of any proposed new or amended rule and to consider its effect on job creation and retention, public health, safety and welfare. Recommendations are also made to agencies to help them simplify their regulatory processes. The Office has also played a key role in the innovative SEMI-NY, BUILDNOW-NY and RE-BUILDNOW-NY programs to facilitate economic development.

BUSINESS PERMITS ASSISTANCE

The Business Permits Assistance program provides comprehensive information about permits required to operate businesses in New York State, in addition to consulting with local governments to better coordinate local permit applications. Program staff also assist agencies in streamlining and simplifying permit procedures required for business and local government undertakings. Since 1995, this program has provided assistance to almost 300,000 individuals or firms interested in starting or growing a business in New York. This effort was facilitated by the development of a master application form for complex business ventures, a comprehensive permit reform program and development of a web site, www.nys-permits.org, which provides businesses with permit information.

REGULATORY REFORM

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,584,000	3,702,000	118,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,584,000	3,702,000	118,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	43	40	(3)
Total	43	40	(3)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,584,000	3,702,000	118,000
Total	3,584,000	3,702,000	118,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,584,000	3,702,000	118,000
Total	3,584,000	3,702,000	118,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,690,000	29,000	2,685,000	29,000
Total	2,690,000	29,000	2,685,000	29,000

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	5,000	0
Total	5,000	0

REGULATORY REFORM

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,012,000	89,000	53,000	2,000
Total	1,012,000	89,000	53,000	2,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	52,000	2,000	720,000	79,000
Total	52,000	2,000	720,000	79,000

Program	Equipment	
	Amount	Change
Administration	187,000	6,000
Total	187,000	6,000

DEPARTMENT OF STATE

MISSION

Established in 1788, the Department of State (DOS) is the oldest State agency. Historically serving as the State's general recording officer and custodian of the State's "Great Seal", the Department's mission has grown to include a broad range of activities that coordinate programs with, and provide services to, local governments and businesses. The Department protects the public's safety by managing arson investigation, fire prevention, building and energy code programs; assists the public by providing ombudsman services; administers programs for community development and local government service activities; and supports businesses through various licensing and registration activities.

ORGANIZATION AND STAFFING

The Department is headed by the Secretary of State, who is appointed by the Governor and confirmed by the Senate. The Department's central office is located in Albany. It also has 20 regional offices across the State and operates the Academy of Fire Science in Montour Falls, Schuyler County. The Department of State will have a workforce of 883 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Approximately 29 percent of the Department's operations and local aid programs are funded from fees and other income, 60 percent from Federal grants, and 11 percent from State tax dollars from the General Fund. The Executive Budget recommends funding of \$139.4 million for the Department of State: \$124.1 million in Federal funding and fee revenues, and \$15.3 million in General Fund support.

Major recommendations include:

- Continued support for Department-wide technology improvements to provide enhanced internet access and online applications to better serve the State's business customers and ease the filing of Financial Disclosure Statements.
- New funding for fire safety inspections and training programs at public and independent colleges and universities.

PROGRAM HIGHLIGHTS

The responsibilities of the Department of State are carried out through three programs:

- The Local Government and Community Services Program consists of several functions, including the Office of Fire Prevention and Control (OFPC), which works with both paid and volunteer firefighters by providing training, technical support and assistance with arson investigations. OFPC trains and equips an urban search and rescue team based in the Capital Region, which joined with the Fire Department of New York in rescue efforts at the World Trade Center disaster site. OFPC also includes the Division of Code Enforcement and Administration, which administers New York's building and energy code. In addition to these activities, Local Government and Community Services program staff provide ombudsman services to citizens; offer planning and management services to local governments through the Division of Local Government; support land use planning activities in the New York City/Catskill watershed; coordinate New York's coastal resources and waterfront revitalization activities; provide low interest loans to fire and ambulance companies through the Emergency Services Revolving Loan Program; and administer the Department's Federal grant programs, including the Appalachian Regional

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Commission and the State Rural Development Council. The federally funded Division of Community Services provides a means for achieving economic self-sufficiency through programs designed to improve opportunities for its low-income participants.

- The Business and Licensing Services Program provides information on credit and debt for individuals, businesses and corporations; tracks all certificates of incorporation; administers qualifying examinations and licensing of 23 occupations; and prepares the State Register and other publications. This program also oversees the operation of almost 1,900 cemeteries.
- The Administration Program provides the basic executive direction, fiscal, personnel and electronic data processing activities that support the Department's operations.

Additionally, the Department's appropriations contain funds for the Lake George Park Commission, the State Ethics Commission, the State Athletic Commission, the Committee on Open Government, and the Tug Hill Commission.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	53,297,800	63,240,000	9,942,200	21,866,000
Aid To Localities	57,450,000	76,200,000	18,750,000	68,933,000
Capital Projects	0	0	0	0
Total	110,747,800	139,440,000	28,692,200	90,799,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	48	48	0
Lake George Park Commission			
Special Revenue Funds - Other	11	11	0
Licensing Services			
Special Revenue Funds - Other	450	450	0
Local Government and Community Services			
General Fund	56	74	18
Special Revenue Funds - Federal	76	76	0
Special Revenue Funds - Other	166	176	10
Capital Projects Funds - Other	10	10	0
State Ethics Commission			
General Fund	21	21	0
Tug Hill Commission			
General Fund	17	17	0
Total	855	883	28

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	13,597,000	15,294,000	1,697,000
Special Revenue Funds - Federal	7,034,400	10,945,000	3,910,600
Special Revenue Funds - Other	32,566,400	36,801,000	4,234,600
Fiduciary Funds	100,000	200,000	100,000
Total	53,297,800	63,240,000	9,942,200

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	4,888,500	5,507,000	618,500
Lake George Park Commission			
Special Revenue Funds - Other	1,048,800	1,470,000	421,200
Licensing Services			
Special Revenue Funds - Other	29,253,500	33,781,000	4,527,500
Local Government and Community Services			
General Fund	5,995,600	6,890,000	894,400
Special Revenue Funds - Federal	7,034,400	10,945,000	3,910,600
Special Revenue Funds - Other	2,251,500	1,517,000	(734,500)
Fiduciary Funds	100,000	200,000	100,000
State Ethics Commission			
General Fund	1,789,900	1,939,000	149,100
Tug Hill Commission			
General Fund	923,000	958,000	35,000
Special Revenue Funds - Other	12,600	33,000	20,400
Total	<u>53,297,800</u>	<u>63,240,000</u>	<u>9,942,200</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,819,000	402,700	3,767,000	401,400
Local Government and Community Services	3,324,000	107,600	3,292,000	106,000
State Ethics Commission	1,315,000	83,600	1,315,000	83,900
Tug Hill Commission	857,000	61,100	849,000	60,500
Total	<u>9,315,000</u>	<u>655,000</u>	<u>9,223,000</u>	<u>651,800</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	45,000	1,800	7,000	(500)
Local Government and Community Services	32,000	1,600	0	0
State Ethics Commission	0	0	0	(300)
Tug Hill Commission	8,000	600	0	0
Total	<u>85,000</u>	<u>4,000</u>	<u>7,000</u>	<u>(800)</u>

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,688,000	215,800	170,000	0
Local Government and Community Services	3,566,000	786,800	45,000	300
State Ethics Commission	624,000	65,500	20,000	(100)
Tug Hill Commission	101,000	(26,100)	12,000	(700)
Total	5,979,000	1,042,000	247,000	(500)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	60,000	0	1,354,000	215,500
Local Government and Community Services	70,000	200	306,000	400
State Ethics Commission	20,000	(100)	448,000	65,500
Tug Hill Commission	7,000	(900)	80,000	(24,400)
Total	157,000	(800)	2,188,000	257,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	104,000	300	0	0
Local Government and Community Services	359,000	(100)	2,786,000	786,000
State Ethics Commission	136,000	200	0	0
Tug Hill Commission	2,000	(100)	0	0
Total	601,000	300	2,786,000	786,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Lake George Park Commission	1,470,000	421,200	614,000	71,400
Licensing Services	33,781,000	4,527,500	18,751,000	2,589,800
Local Government and Community Services	12,662,000	3,276,100	4,575,000	(184,800)
Tug Hill Commission	33,000	20,400	0	0
Total	47,946,000	8,245,200	23,940,000	2,476,400

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Lake George Park Commission	856,000	349,800	0	0
Licensing Services	15,030,000	1,937,700	0	0
Local Government and Community Services	7,137,000	2,760,900	950,000	700,000
Tug Hill Commission	33,000	20,400	0	0
Total	23,056,000	5,068,800	950,000	700,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	55,250,000	72,500,000	17,250,000
Special Revenue Funds - Other	300,000	300,000	0
Fiduciary Funds	1,900,000	3,400,000	1,500,000
Total	<u>57,450,000</u>	<u>76,200,000</u>	<u>18,750,000</u>
Adjustments:			
Recommended Deficiency			
State, Department of			
Special Revenue Funds - Federal	<u>(4,500,000)</u>		
Appropriated 2001-02	<u>52,950,000</u>		

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Licensing Services			
Special Revenue Funds - Other	300,000	300,000	0
Local Government and Community Services			
Special Revenue Funds - Federal	55,250,000	72,500,000	17,250,000
Fiduciary Funds	1,900,000	3,400,000	1,500,000
Total	<u>57,450,000</u>	<u>76,200,000</u>	<u>18,750,000</u>

DIVISION OF STATE POLICE

MISSION

The Division of State Police promotes highway safety and protects our citizens from crime. It is responsible for patrolling roads and highways outside major urban centers, and providing specialty and investigative police services throughout the State. The work of the State Police ranges from the traditional patrol duties to that of specially trained investigators who conduct sophisticated operations against drug traffickers and other criminals.

ORGANIZATION AND STAFFING

The Division, headed by a Superintendent who is appointed by the Governor, is organized into a Division Headquarters located in Albany and 11 Troops. Each Troop encompasses a geographic area of the State, with the exception of Troop "T" which is dedicated to providing police services on the New York State Thruway. Troop "NYC" provides specialized investigative and support services in the five boroughs of New York City. The remaining nine Troops provide patrol coverage and criminal investigation services appropriate to local conditions. Factors which affect services include population, highway mileage and availability of county and local law enforcement agencies.

Approximately 88 percent of the Division's total staffing of 5,257 for 2002-03 are paid for with State tax dollars, with the remaining 12 percent supported by various other revenue sources, including Federal funds.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Approximately \$337 million in State tax dollars support the Division's operations budget. The balance is financed by Federal funds and various State revenue sources, including seized assets, a special monthly surcharge on cellular telephone bills, fees for accident reports and reimbursement from the New York State Thruway Authority for services rendered on the State Thruway. New Capital appropriations totaling \$4.6 million will enable the State Police to maintain Troop facilities and advance various projects related to health and safety. The recommendations also include appropriations for new Federal grants that support school safety, electronic ticketing and anti-money laundering initiatives.

PROGRAM HIGHLIGHTS

The Division is divided into two principal branches, the Uniform Force and the Bureau of Criminal Investigation. Each of these branches fulfills specific law enforcement assignments and cooperates with local and county law enforcement agencies. In the coming year, the Division is expected to play a significant role in new Homeland Security initiatives now under development.

UNIFORM FORCE

The Uniform Force has two primary responsibilities: protecting life and property and promoting highway safety. In many areas of the State, Uniform Troopers are the primary law enforcement agency, and respond to all types of calls including burglaries, missing children, assaults, robberies and homicides. State Troopers also provide essential support to local police departments.

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BUREAU OF CRIMINAL INVESTIGATION

The Bureau of Criminal Investigation (BCI) is the plain clothes investigative branch of the Division. BCI Investigators concentrate on cases related to narcotics, child abuse, auto theft, consumer product tampering, organized crime, violent crimes and terrorism. In addition to conducting their own investigations, investigators regularly assist local and county law enforcement agencies that lack the resources or expertise needed for major crime investigations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	455,608,000	440,780,000	(14,828,000)	10,463,000
Aid To Localities	0	0	0	0
Capital Projects	2,700,000	4,600,000	1,900,000	6,748,000
Total	458,308,000	445,380,000	(12,928,000)	17,211,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	148	148	0
Criminal Investigation Activities			
General Fund	1,067	1,071	4
Special Revenue Funds - Federal	89	77	(12)
Indian Gaming			
Special Revenue Funds - Other	40	40	0
Patrol Activities			
General Fund	2,641	2,694	53
Special Revenue Funds - Federal	165	118	(47)
Patrol Activities			
Special Revenue Funds - Other	4	4	0
Policing the Thruway			
Special Revenue Funds - Other	340	340	0
Technical Police Services			
General Fund	725	725	0
Special Revenue Funds - Federal	6	6	0
Vehicle Dimension and Weight Enforcement			
Special Revenue Funds - Other	34	34	0
Total	5,259	5,257	(2)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

<u>Fund Type</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
General Fund	364,102,000	336,927,000	(27,175,000)
Special Revenue Funds - Federal	9,525,000	21,338,000	11,813,000
Special Revenue Funds - Other	81,973,000	82,507,000	534,000
Fiduciary Funds	8,000	8,000	0
Total	<u>455,608,000</u>	<u>440,780,000</u>	<u>(14,828,000)</u>

Adjustments:

Transfer(s) From	
Special Pay Bill	
General Fund	(75,489,000)
Special Revenue Funds - Other	(11,020,200)
Appropriated 2001-02	<u>369,098,800</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Administration			
General Fund	10,412,271	10,944,000	531,729
Special Revenue Funds - Other	200,000	200,000	0
Fiduciary Funds	8,000	8,000	0
Criminal Investigation Activities			
General Fund	97,406,730	91,431,000	(5,975,730)
Special Revenue Funds - Federal	6,683,000	6,539,000	(144,000)
Special Revenue Funds - Other	7,779,540	6,766,000	(1,013,540)
Patrol Activities			
General Fund	203,122,786	173,815,000	(29,307,786)
Special Revenue Funds - Federal	2,842,000	14,799,000	11,957,000
Special Revenue Funds - Other	12,051,600	13,055,000	1,003,400
Policing the Thruway			
Special Revenue Funds - Other	37,648,160	30,787,000	(6,861,160)
Technical Police Services			
General Fund	53,160,213	60,737,000	7,576,787
Special Revenue Funds - Other	24,293,700	31,699,000	7,405,300
Total	<u>455,608,000</u>	<u>440,780,000</u>	<u>(14,828,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	10,389,000	531,729	10,389,000	551,126
Criminal Investigation Activities	87,515,000	(5,795,730)	87,515,000	(4,605,720)
Patrol Activities	171,115,000	(26,645,671)	171,115,000	(23,150,499)
Technical Police Services	37,163,000	1,320,572	37,163,000	1,539,093
Total	<u>306,182,000</u>	<u>(30,589,100)</u>	<u>306,182,000</u>	<u>(25,666,000)</u>

<u>Program</u>	<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>
Administration	0	(19,397)
Criminal Investigation Activities	0	(1,190,010)
Patrol Activities	0	(3,495,172)
Technical Police Services	0	(218,521)
Total	<u>0</u>	<u>(4,923,100)</u>

STATE POLICE

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	555,000	0	87,000	0
Criminal Investigation Activities	3,916,000	(12,000)	83,000	0
Patrol Activities	2,700,000	(8,000)	0	0
Technical Police Services	32,674,000	6,355,000	2,594,000	743,000
Total	39,845,000	6,335,000	2,764,000	743,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	77,000	0	383,000	(1,000)
Criminal Investigation Activities	67,000	(1,000)	475,000	(1,000)
Patrol Activities	1,278,000	(5,000)	606,000	(2,000)
Technical Police Services	3,641,000	(13,000)	16,628,000	5,660,000
Total	5,063,000	(19,000)	18,092,000	5,656,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	8,000	1,000	0	0
Criminal Investigation Activities	2,918,000	(10,000)	373,000	0
Patrol Activities	446,000	(1,000)	370,000	0
Technical Police Services	9,811,000	(35,000)	0	0
Total	13,183,000	(45,000)	743,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	208,000	0	0	0
Criminal Investigation Activities	13,305,000	(1,157,540)	8,499,000	120,527
Patrol Activities	27,854,000	12,960,400	8,930,000	5,227,000
Policing the Thruway	30,787,000	(6,861,160)	22,330,000	(3,706,627)
Technical Police Services	31,699,000	7,405,300	0	0
Total	103,853,000	12,347,000	39,759,000	1,640,900

Program	Nonpersonal Service	
	Amount	Change
Administration	208,000	0
Criminal Investigation Activities	4,806,000	(1,278,067)
Patrol Activities	18,924,000	7,733,400
Policing the Thruway	8,457,000	(3,154,533)
Technical Police Services	31,699,000	7,405,300
Total	64,094,000	10,706,100

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	2,700,000	4,600,000	1,900,000	6,281,000
New Facilities				
Capital Projects Fund	0	0	0	467,000
Total	2,700,000	4,600,000	1,900,000	6,748,000

OFFICE FOR TECHNOLOGY

MISSION

The Office for Technology, formerly the Governor's Task Force on Information Resource Management, was statutorily created in 1997. The Office has evolved from planning and coordinating the State's investment in information technology to a policy-oriented organization with added operational responsibilities. In consultation with an Advisory Council for Technology consisting of representatives of State agencies and the Legislature, the Office works to accomplish three objectives: achieving financial efficiencies; improving communication between State and local agencies; and making it easier for citizens and the private sector to do business with New York.

ORGANIZATION AND STAFFING

The Office is located in Albany. It is supported with State tax dollars from the General Fund and payments from other State agencies.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 General Fund recommendation of \$51 million supports ongoing agency activities. Major recommendations include:

- A \$10 million General Fund appropriation for the on-going renovation of space to house the Data Center, including a secure command center to monitor traffic over the network and to identify attempts to inappropriately access State information systems.
- A \$98 million Internal Service Fund appropriation for operation of the consolidated State Data Center. This fund will support positions previously transferred from State agencies, the cost of operating the Center's computers and providing the computing services authorized by agencies.
- A \$29.9 million Internal Service Fund appropriation for the New York Intranet (NYeNet), a modern telecommunications system that will be supported with fees charged to State and local users.
- A \$35 million Internal Service Fund appropriation to support the Human Services Network, a statewide data communication system that connects the State's human services agencies with local social services offices and voluntary provider organizations.

Continuation of a \$19 million Internal Service Fund appropriation is also recommended for the Office for Technology to coordinate the development of computer systems that will be used by various agencies and statewide enterprise agreements.

PROGRAM HIGHLIGHTS

Since its inception as a Task Force in 1996, the Office has been actively involved in designing and implementing statewide policies and practices to govern the management of information technologies. One of the early products of the Office was an agenda created to guide the State's technology activities. This strategic plan, first released in 1996 and updated in 2001, identified five priorities: the need for statewide policies and direction to guide the State's technology efforts; greater coordination and sharing of information among agencies involved in projects having multi-agency implications; reducing duplication of efforts by encouraging data sharing; coordinating technology purchases; and creating a statewide "intranet" to link State and local agencies.

A wide variety of activities are underway to implement this agenda. Improved management of the State's Geographic Information Systems (GIS) has been one of the Office's most successful initiatives. GIS has been an essential part of the World Trade Center response and recovery effort, providing critical information through high-resolution

TECHNOLOGY

orthoimagery to State, Federal and City response teams. The Office also offers training to GIS users. It has expanded the GIS data-sharing cooperative to include 360 government, academic and not-for-profit members, while increasing to over 1 million the number of data sets available to its members.

Under the auspices of the Office, several interagency work groups are developing or have developed other technology-related productivity initiatives that involve such topics as project management tools, electronic bidding and procurement, standards for the acquisition and application of basic technology infrastructure and security measures and information technology workforce issues.

The Office for Technology has taken important steps to improve the State's management of technology services, such as the consolidation of 19 separate data centers into a single operation. The consolidation has resulted in stronger management of the State's data centers, as demonstrated by greater coordination of purchases of sophisticated equipment.

Another priority is the operation of the statewide telecommunications network, known as the NYeNet, that provides State and local governments with more reliable data, voice and video communications. The NYeNet offers a new framework for conducting governmental business using Internet technology. This network has greater capacity to transmit data, provide local entities and citizens with easier access to State government and facilitate increased interagency cooperation and data-sharing.

The Office for Technology is responsible for managing the State's transition to e-government and the Governor's vision of "a government without walls." Governor Pataki has directed the Office to work closely with agencies to transform the way government provides services to its citizens, eventually giving New Yorkers online access to virtually all critical government services, 24 hours a day, 7 days a week. In less than 2 years, over 200 government services and transactions have been made available on the Internet to citizens and businesses.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	219,867,600	232,900,000	13,032,400	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	219,867,600	232,900,000	13,032,400	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Technology			
General Fund	142	142	0
Internal Service Funds	495	495	0
Total	637	637	0

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	55,883,000	51,000,000	(4,883,000)
Internal Service Funds	163,984,600	181,900,000	17,915,400
Total	219,867,600	232,900,000	13,032,400

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Technology			
General Fund	55,883,000	51,000,000	(4,883,000)
Internal Service Funds	163,984,600	181,900,000	17,915,400
Total	219,867,600	232,900,000	13,032,400

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Technology	9,000,000	200,000	8,822,500	27,700
Total	9,000,000	200,000	8,822,500	27,700

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Technology	177,500	172,300
Total	177,500	172,300

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Technology	42,000,000	(5,083,000)	230,000	90,000
Total	42,000,000	(5,083,000)	230,000	90,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Technology	362,000	132,000	30,958,000	(4,305,000)
Total	362,000	132,000	30,958,000	(4,305,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Technology	450,000	300,000	10,000,000	(1,300,000)
Total	450,000	300,000	10,000,000	(1,300,000)

TECHNOLOGY

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Technology	181,900,000	17,915,400	181,900,000	17,915,400
Total	181,900,000	17,915,400	181,900,000	17,915,400

DIVISION OF VETERANS' AFFAIRS

MISSION

The Division of Veterans' Affairs assists veterans, members of the armed forces and their families and dependents in securing benefits earned through military service. The Division coordinates veterans' programs and services offered by other State agencies, works closely with the Federal Department of Veterans' Affairs and advocates State and Federal actions to meet veterans' needs. The Division serves more than 1.3 million New Yorkers who are veterans, as well as their dependents and those on active duty.

ORGANIZATION AND STAFFING

The Division is headed by a Director who is appointed by the Governor. The Division's central office is in Albany, with regional offices in New York City, Malta in Saratoga County, and Buffalo. The Division is also supported by a network of approximately 60 community field offices in nearly all of the State's counties and New York City.

Approximately 85 percent of the Division's workforce are paid for by State tax dollars from the General Fund and 15 percent are supported by Federal Medicaid and Veterans' Education funds.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 recommendation of nearly \$13.7 million for the Division of Veterans' Affairs will fund veterans' counseling services at current levels. The Blind Veteran Annuity Assistance Program will be increased to \$5 million to address enrollment growth. In addition, State aid is continued for local county and city veterans' service agencies, which defrays the operating costs of these organizations, and Federal appropriations are increased to match actual Federal support for the Veterans' Education Program.

PROGRAM HIGHLIGHTS

During 2002-03, the Division of Veterans' Affairs will operate three principal programs. The largest provides veterans' counseling and claims services through a statewide network of approximately 56 State veterans' counselors — all veterans — and 28 support staff. The counselors help veterans complete applications for benefits and services, file for Federal, State, local and private veterans' benefits, and access the services provided by Veterans' Affairs Medical Centers, senior centers, State Veterans' Homes and local nursing homes, public assistance offices and correctional facilities.

The Division of Veterans' Affairs continues to maintain its community outreach activities through senior citizens' seminars and similar forums for women veterans. It is also the driving force behind the Interagency Veterans' Council, a consortium of Federal, State and local agencies and non-profit organizations that meets periodically to address and resolve problems and concerns within the veteran community. The Division is also collaborating with various state agencies to better identify veterans and their dependents on public assistance to assist them in securing Federal veterans' benefits to which they are entitled, and to advise senior citizens of veterans' benefits and services that could improve the quality of their lives.

The Division of Veterans' Affairs is responsible for securing a substantial portion of the more than \$900 million in recurring Federal VA payments made directly to New York State veterans and their dependents. During 2000, State veterans' counselors made more than 100,000 contacts — an average of approximately 1,800 per counselor, filed 6,000 VA benefit claims for approximately \$36 million in Federal payments, most of which are recurring.

Effective October 1, 2000, the Blind Veteran Annuity Assistance Program, which serves more than 4,000 visually impaired veterans and unremarried surviving spouses, was enhanced by raising the value of the annuity from \$500 to \$1,000.

VETERANS' AFFAIRS

Staff of the Veterans' Education Program investigate and certify post-secondary educational and vocational institutions for eligibility for student veterans' education benefits.

The Division intends to pursue a new partnership with the Federal Department of Veteran's Affairs Health Administration to obtain reimbursement for counseling and outreach services by State veterans' counselors at VA medical centers and clinics.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	7,137,000	7,929,000	792,000	2,323,000
Aid To Localities	4,475,000	5,725,000	1,250,000	0
Capital Projects	0	0	0	0
Total	11,612,000	13,654,000	2,042,000	2,323,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	13	13	0
Higher Education			
Special Revenue Funds - Federal	13	13	0
Veteran Counseling Services Program			
General Fund	102	98	(4)
Total	128	124	(4)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	5,647,000	5,647,000	0
Special Revenue Funds - Federal	1,490,000	2,282,000	792,000
Total	7,137,000	7,929,000	792,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	856,000	856,000	0
Higher Education			
Special Revenue Funds - Federal	1,226,000	1,518,000	292,000
Veteran Counseling Services Program			
General Fund	4,791,000	4,791,000	0
Special Revenue Funds - Federal	264,000	764,000	500,000
Total	7,137,000	7,929,000	792,000

VETERANS' AFFAIRS

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	751,000	0	751,000	0
Veteran Counseling Services Program	4,674,000	0	4,674,000	0
Total	<u>5,425,000</u>	<u>0</u>	<u>5,425,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Administration	105,000	0	105,000	0
Veteran Counseling Services Program	381,000	0	331,000	15,000
Total	<u>486,000</u>	<u>0</u>	<u>436,000</u>	<u>15,000</u>

Program	Maintenance Undistributed	
	Amount	Change
Veteran Counseling Services Program	50,000	(15,000)
Total	<u>50,000</u>	<u>(15,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Higher Education	1,518,000	292,000	940,000	208,000
Veteran Counseling Services Program	764,000	500,000	0	0
Total	<u>2,282,000</u>	<u>792,000</u>	<u>940,000</u>	<u>208,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Higher Education	578,000	84,000	0	0
Veteran Counseling Services Program	500,000	500,000	264,000	0
Total	<u>1,078,000</u>	<u>584,000</u>	<u>264,000</u>	<u>0</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	4,475,000	5,725,000	1,250,000
Total	<u>4,475,000</u>	<u>5,725,000</u>	<u>1,250,000</u>

Adjustments:	
Recommended Deficiency	
Veterans Affairs, Division of	
General Fund	(350,000)
Appropriated 2001-02	<u>4,125,000</u>

VETERANS' AFFAIRS

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Blind Veteran Annuity Assistance			
General Fund	3,750,000	5,000,000	1,250,000
Veteran Counseling Services Program			
General Fund	725,000	725,000	0
Total	<u>4,475,000</u>	<u>5,725,000</u>	<u>1,250,000</u>

WORKERS' COMPENSATION BOARD

MISSION

To protect the well-being of New York's labor force, most private and public sector employers in New York are required to carry workers' compensation and disability benefits insurance for their employees or demonstrate their ability to self-insure. The Workers' Compensation Board reviews claims for workers' compensation payments and assists in resolving disputed claims. In performing these responsibilities, the Board administers provisions of the following laws: the Workers' Compensation Law, the Disability Benefits Law, the Civil Defense Volunteers' Law, the Volunteer Firefighters' Benefit Law and the Volunteer Ambulance Workers' Benefit Law.

Because of its broad mission, the Board is responsible for implementing many of the reforms included in the Governor's New York Employment, Safety and Security Act that made historic reforms in the workers' compensation system. The Act improved workplace safety and reduced average workers' compensation rates by nearly 40 percent since enactment of the reforms.

ORGANIZATION AND STAFFING

The Board is headed by a Chairperson selected by the Governor and includes 12 additional full-time members nominated by the Governor and confirmed by the Senate for seven year terms. District offices are located in Albany, Brooklyn, Binghamton, Buffalo, Hauppauge, Hempstead, Manhattan, Peekskill, Queens, Rochester, and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has 30 additional customer service centers located throughout the State. The Board will have a workforce of 1,675 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Board is funded with assessments on the Workers' Compensation and Disability Benefits insurance industry and with revenues produced by various services provided by the Board. The assessments paid by insurers are allocated to three major programs: Disability Benefits, Systems Modernization and Workers' Compensation.

The 2002-03 Executive Budget recommends approximately \$167.6 million for the Board. The recommended funding will enable the Board to continue to fulfill the Governor's commitment to improve service to businesses and injured workers. Major recommendations are as follows:

- New funding is provided to perform financial audits and/or actuarial reviews of self-insured employers that have some degree of financial risk and/or compliance issues. Early detection of financial deterioration of a self-insured employer is necessary to mitigate the financial exposure of the Board and ultimately, the self-insurance community; and
- New funding is provided to develop critical disaster recovery policies and plans, and develop information technology security plans in conformance with Office for Technology requirements. This would ensure the integrity of the Board's electronic data systems and enhance the Board's ability to continue providing needed services when there is an incident that disrupts or destroys those electronic data systems.

PROGRAM HIGHLIGHTS

The Board continues to improve services by resolving claims in the most efficient and equitable manner possible. For instance, the agency refined its formal and informal adjudication tools, resolving more outstanding claims issues for new and reactivated cases than in any other year on record. The overall inventory of cases on appeal continued to

WORKERS' COMPENSATION

decline, a “triage” approach to prioritize cases according to the specific needs of individual claimants was instituted and an increasing number of Section 32 settlement agreements were processed. In 2001, the Board successfully relocated the New York City office in Brooklyn to three smaller offices in Brooklyn, Manhattan and Queens, which has made the Board’s services more accessible to all its customers.

At the Governor’s direction, the Board also created a new Workers’ Compensation Inspector General with staff located across the State. In 2000, the Inspector General’s office received 3,884 alleged fraud case referrals, an increase of 158 percent over 1999. The Office investigated and closed 2,481 cases and submitted 1,328 cases to various authorities for criminal prosecution or other appropriate action.

DISABILITY BENEFITS PROGRAM

Disability benefits provide cash payments in lieu of lost wages to temporarily disabled employees. Coverage is required for employers of one or more employees with such selected exceptions as agricultural enterprises and public employers. Weekly statutory cash benefits equal one-half of a disabled worker’s weekly wage, with a maximum of \$170 per week for a 26-week period.

SYSTEMS MODERNIZATION PROGRAM

The Office for Systems Modernization manages a multi-year effort to overhaul the Board’s capacity to manage and use information. This program also maintains computerized systems vital to various Board operations and collects and analyzes data that measure performance and identify potential problems. Now that the Board has automated and improved the claims processing operation, its focus continues to be directed to other functional areas in need of automation and re-engineering, including Administration, Research and Compliance and Regulatory Services. When the modernization program is complete, the Board will have a new Workers’ Compensation Board Information System that will automate and streamline all business activities. This has already increased productivity by enhancing the Board’s capacity to process the millions of pieces of information it receives each year.

WORKERS' COMPENSATION PROGRAM

The Workers’ Compensation Board reviews workers’ claims for benefits, reports of injury filed by employers and medical reports from physicians and other health care providers. The Board adjudicates all issues and law judges make awards and findings to ensure that an entitled claimant promptly receives benefits and medical treatment. The decisions by the law judges may subsequently be appealed to Board panels and eventually to the courts. The Board, through its Bureau of Compliance, also monitors employers to ensure that they properly provide coverage for their employees and imposes penalties on those employers who fail to do so. In addition, the Board’s Regulatory Services Bureau authorizes physicians to treat compensation cases, awards licenses to medical providers and arbitrates disputed medical bills.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	158,556,100	167,640,000	9,083,900	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	158,556,100	167,640,000	9,083,900	0

WORKERS' COMPENSATION

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Disability Benefits			
Special Revenue Funds - Other	58	58	0
Systems Modernization			
Special Revenue Funds - Other	87	87	0
Workers' Compensation			
Special Revenue Funds - Other	1,530	1,530	0
Total	<u>1,675</u>	<u>1,675</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	158,556,100	167,640,000	9,083,900
Total	<u>158,556,100</u>	<u>167,640,000</u>	<u>9,083,900</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Disability Benefits			
Special Revenue Funds - Other	7,641,900	6,933,000	(708,900)
Systems Modernization			
Special Revenue Funds - Other	36,001,300	35,458,000	(543,300)
Workers' Compensation			
Special Revenue Funds - Other	114,912,900	125,249,000	10,336,100
Total	<u>158,556,100</u>	<u>167,640,000</u>	<u>9,083,900</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	6,933,000	(708,900)	3,756,000	(615,100)
Systems Modernization	35,458,000	(543,300)	4,544,000	(45,400)
Workers' Compensation	125,249,000	10,336,100	69,551,000	3,950,300
Total	<u>167,640,000</u>	<u>9,083,900</u>	<u>77,851,000</u>	<u>3,289,800</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	3,177,000	(93,800)	0	0
Systems Modernization	30,914,000	(497,900)	0	0
Workers' Compensation	55,082,000	6,348,200	616,000	37,600
Total	<u>89,173,000</u>	<u>5,756,500</u>	<u>616,000</u>	<u>37,600</u>

MISCELLANEOUS

MISCELLANEOUS

ALL STATE APPROPRIATION FOR SERVICES, EXPENSES OR GRANTS

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	0	0	0	5,159,000
Capital Projects	0	0	0	0
Total	0	0	0	5,159,000

CASH MANAGEMENT IMPROVEMENT ACT

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	15,000,000	15,000,000	0
Special Revenue Funds - Other	0	9,000,000	9,000,000
Total	15,000,000	24,000,000	9,000,000

COLLECTIVE BARGAINING AGREEMENTS

PROGRAM HIGHLIGHTS

The recommendations for the Collective Bargaining Agreements include \$38,222,300 in General Fund support for labor/management initiatives funded pursuant to the multi-year agreements that have been reached with employee unions. This funding supports such initiatives as joint labor/management committees, certain employee benefits, training, safety and health, child care, and employee assistance.

A total of \$250,000 in Special Revenue-Other funding is recommended for the administrative costs of the NYS Flex Spending Accounts. These costs are funded by those employees who participate in this program, which allows participating employees to make pre-tax payroll deductions for child and elder care expenses.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	37,791,600	38,472,300	680,700	33,887,750
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	37,791,600	38,472,300	680,700	33,887,750

MISCELLANEOUS

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Labor Management Programs			
General Fund	60	60	0
Total	60	60	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	37,541,600	38,222,300	680,700
Special Revenue Funds - Other	250,000	250,000	0
Total	37,791,600	38,472,300	680,700

Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(376,900)		
Appropriated 2001-02	37,414,700		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Labor Management Programs			
General Fund	37,541,600	38,222,300	680,700
Special Revenue Funds - Other	250,000	250,000	0
Total	37,791,600	38,472,300	680,700

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Labor Management Programs	38,222,300	680,700	38,222,300	680,700
Total	38,222,300	680,700	38,222,300	680,700

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Labor Management Programs	250,000	0	250,000	0
Total	250,000	0	250,000	0

**COMMUNITY SERVICE PROVIDER
ASSISTANCE PROGRAM**

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	200,000,000	0	(200,000,000)	200,000,000
Capital Projects	0	0	0	0
Total	200,000,000	0	(200,000,000)	200,000,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	200,000,000	0	(200,000,000)
Total	200,000,000	0	(200,000,000)

DEFERRED COMPENSATION BOARD

MISSION

The Deferred Compensation Board oversees the administration of public employee Deferred Compensation Plan assets.

ORGANIZATION AND STAFFING

The Board consists of three members, one each appointed by the Governor, the Senate Majority Leader, and the Assembly Speaker. The Board has four staff and contracts with a law firm, a financial management firm, and an accounting firm which collectively advise the Board on plan administration. In addition, the Board contracts with a third-party administrator to operate the Plan and serve as its record keeper.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendations for 2002-03 will provide continued support for the current operations of the Deferred Compensation Board. The recommended funding includes \$154,000 in State tax dollars from the General Fund for the costs of providing legal advice and assistance to local governments on the establishment and maintenance of deferred compensation plans. The balance of funds needed to operate the Plan are derived from a participant fee and administrative rebates that the Plan receives from the investment firms. An amount of \$562,000 in Special Revenue funding is included to pay for the Plan's operating expenses.

PROGRAM HIGHLIGHTS

The Board continues to pursue the highest and safest return for Plan assets that total more than \$4.7 billion. Beginning in January 2002, the State Deferred Compensation Plan will undergo numerous changes due to the enactment of the Economic Growth and Tax

MISCELLANEOUS

Relief Reconciliation Act of 2001 (EGTRRA). The Board will continue to provide guidance to local governments on compliance issues related to Federal statutory changes and the State's Model Deferred Compensation Plan. The Board will also continue to seek ways to improve the statewide Deferred Compensation Plan for public employees.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	674,200	716,000	41,800	200,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	674,200	716,000	41,800	200,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Operations			
Special Revenue Funds - Other	4	4	0
Total	4	4	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	154,000	154,000	0
Special Revenue Funds - Other	520,200	562,000	41,800
Total	674,200	716,000	41,800

TASK FORCE ON ELECTION MODERNIZATION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	300,000	300,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	300,000	300,000	0

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Administration			
General Fund	0	3	3
Total	0	3	3

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	0	300,000	300,000
Total	0	300,000	300,000

**EMERGENCY HIGHWAY CONSTRUCTION
AND RECONSTRUCTION**

This appropriation previously provided the legal authorization for payment from the Local Assistance Account of the General Fund to the Emergency Highway Construction and Reconstruction Fund for amounts which were certified as necessary by the Commissioner of Taxation and Finance under the terms of a cooperative highway contractual agreement.

For 2002-03, an appropriation is not recommended since the bonds outstanding will be defeased with existing bond reserve funds.

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available	Recommended	Change
	2001-02	2002-03	
General Fund	301,000,000	0	(301,000,000)
Total	301,000,000	0	(301,000,000)

MISCELLANEOUS

**EMERGENCY HIGHWAY RECONDITIONING
AND PRESERVATION**

This appropriation previously provided the legal authorization for payment from the Local Assistance Account of the General Fund to the Emergency Highway Reconditioning and Preservation Fund for amounts which were certified as necessary by the Commissioner of Taxation and Finance under the terms of a cooperative highway contractual agreement.

For 2002-03, an appropriation is not recommended since the bonds outstanding will be defeased with existing bond reserve funds.

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	233,600,000	0	(233,600,000)
Total	233,600,000	0	(233,600,000)

GENERAL STATE CHARGES

General State Charges are primarily the costs of providing fringe benefits for most State employees, which are authorized in collective bargaining agreements and various statutes. The General State Charges budget also includes miscellaneous fixed costs such as litigation settlements and taxes on State-owned lands.

BUDGET AND PROGRAM HIGHLIGHTS

The recommended 2002-03 General State Charges appropriation of \$2.48 billion reflects continuing emphasis on the control of fringe benefit cost increases and improvements in the management of employee benefit programs.

The major fringe benefit and fixed cost components of General State Charges are described below.

FRINGE BENEFITS

The State provides a comprehensive fringe benefits package to its employees. These benefits are supported primarily by General Fund tax revenues and supplemented by fringe benefit assessments on Federal and other dedicated revenue programs. Major fringe benefits include:

Health Insurance: Through the New York State Health Insurance Program (NYSHIP), State employees and retirees have the option to participate in the Empire Plan, a custom-designed indemnity insurance plan, or one of 18 health maintenance organizations. Approximately 80 percent of State employees choose the Empire Plan to cover their health benefits.

The recommended 2002-03 appropriation of \$1.25 billion reflects, in part, an 11 percent average increase in 2002 health insurance premiums.

Pension Benefits: The New York State and Local Retirement Systems, with approximately \$112 billion in assets, comprise the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). These systems administer a variety of retirement benefits to State employees. Funding for these benefits is provided by State contributions to the retirement systems, bi-weekly contributions from ERS members with less than ten years of service, and pension fund investment earnings.

The recommended appropriation for the State's contribution to the retirement systems in 2002-03 is \$129.8 million. This appropriation reflects an estimated ERS contribution rate of 1.5 percent of salary.

Social Security: In addition to employer contributions made to the retirement systems, the State makes weekly tax payments to the Federal government for the Social Security and Medicare benefit programs. The State contributes approximately 7.65 percent of eligible salaries toward these benefits.

The recommended appropriation for Social Security and Medicare taxes in 2002-03 is \$520 million.

Workers' Compensation: The State reimburses the State Insurance Fund on a pay-as-you-go basis for actual medical and compensation claims incurred by State employees for job-related injuries. The statutory workers' compensation benefit is two-thirds of salary up to a maximum of \$400 per week.

The recommended appropriation for workers' compensation benefits in 2002-03 is \$187.6 million. Efforts to contain costs and improve program management will be made through funding a dispute resolution program, the One Card Rx initiative, and the automated Accident Reporting System.

Dental Insurance: The State administers a dental insurance program, which provides full coverage of premiums for employees in the Security Services and Security Supervisors collective bargaining units, the Public Employees' Federation, the State Police bargaining units, and Management/Confidential employees.

The recommended appropriation for dental insurance in 2002-03 is \$49.2 million.

Employee Benefit Funds: Some of the unions representing State employees operate benefit funds, which provide dental, vision and other ancillary services to their members in lieu of benefits provided directly by the State. These funds are supported by quarterly contributions from the State based on per capita rates authorized in collective bargaining agreements.

The recommended appropriation for Employee Benefit Funds in 2002-03 is \$36.5 million.

FIXED COSTS

In addition to employee fringe benefits, the State pays for a variety of fixed costs from the General State Charges budget. These costs are supported in full by General Fund revenues. Major fixed costs include:

Taxes on State-Owned Lands: Real Property Tax Law authorizes local governments to tax certain parcels of State-owned land. Presently, the State provides financial support to local governments by paying local and school property taxes on approximately 3.9 million acres of land throughout the State as well as transition assessments on tax-exempt State-owned lands.

The recommended appropriation for payments to local governments for taxes on State-owned lands in 2002-03 is \$120.1 million.

Court of Claims Judgments: Annual appropriations are provided for negotiated settlements and judgments rendered against the State in the Court of Claims. The majority of claims against the State involve contract disputes and tort liabilities.

The recommended appropriation for Court of Claims judgments in 2002-03 is \$80 million.

Defense and Indemnification of State Employees: Public Officers Law requires the State to defend and indemnify its employees in civil and criminal proceedings for actions carried out in the course of their official duties.

The recommended appropriation for defense and indemnification of State employees in 2002-03 is \$40 million.

Settlements: Other fixed costs include payments to the Property Casualty Insurance Fund pursuant to a settlement reached between the State and the insurance industry in the Alliance v. Chu case, and to various states as part of a multi-year abandoned property settlement.

The recommended appropriation for these settlements in 2002-03 is \$20 million.

MISCELLANEOUS

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
General Fund	2,303,522,600	2,482,679,000	179,156,400
Total	2,303,522,600	2,482,679,000	179,156,400
Adjustments:			
Prior Year Deficiency			
General State Charges			
General Fund	23,500,000		
Recommended Deficiency			
General State Charges			
General Fund	(36,900,000)		
Transfer(s) From			
Special Pay Bill			
General Fund	(7,590,400)		
State University of New York			
General Fund	(5,460,000)		
Appropriated 2001-02	2,277,072,200		

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>	
	<u>Amount</u>	<u>Change</u>
General State Charges	2,482,679,000	179,156,400
Total	2,482,679,000	179,156,400

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2001-02</u>	<u>Appropriations Recommended 2002-03</u>	<u>Change</u>	<u>Reappropriations Recommended 2002-03</u>
State Operations	2,500,000	0	(2,500,000)	650,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,500,000	0	(2,500,000)	650,000

GREEN THUMB PROGRAM

The Green Thumb Program provides income-eligible elderly citizens with part-time employment in State agencies through the not-for-profit organization, Green Thumb Environmental Beautification, Inc. The 2002-03 Executive Budget recommends a General Fund appropriation of \$2,394,000, the same level of funding provided in 2001-02.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	2,394,000	2,394,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,394,000	2,394,000	0	0

**THE GREENWAY HERITAGE CONSERVANCY OF
THE HUDSON RIVER VALLEY**

The Greenway Heritage Conservancy of the Hudson River Valley was established in the Hudson River Valley Greenway Act of 1991 to promote the preservation of natural and cultural resources in the Valley, serve as a land trust in the acquisition of lands important to the Greenway, and designate and develop the Hudson River Valley Greenway Trail. The Executive Budget recommends total funding of \$250,000 from the General Fund for operational support of the Conservancy.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	230,000	250,000	20,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	230,000	250,000	20,000	0

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Operations	250,000	20,000	250,000	20,000
Total	250,000	20,000	250,000	20,000

MISCELLANEOUS

HEALTH INSURANCE CONTINGENCY RESERVE

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	333,800,000	380,505,000	46,705,000
Total	333,800,000	380,505,000	46,705,000

HEALTH INSURANCE RESERVE RECEIPTS FUND

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Fiduciary Funds	78,300,000	78,400,000	100,000
Total	78,300,000	78,400,000	100,000

HIGHER EDUCATION

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	568,000	568,000	0
Total	568,000	568,000	0

HOMELAND SECURITY

In the aftermath of the World Trade Center attack, Governor Pataki issued an Executive Order and appointed a Director of the Office of Public Security to coordinate anti-terrorist efforts throughout New York State.

State resources were deployed to protect potential terrorist targets. Other public safety needs include testing of potential biological agents, new communications and technology systems, and equipment.

The 2002-03 Executive Budget includes a \$200 million All State Departments and Agencies - All Funds reappropriation of a 2001-02 deficiency appropriation to support homeland security initiatives. This amount is expected to cover current cost estimates for these activities through the end of 2002-03.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	200,000,000	0	(200,000,000)	200,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	200,000,000	0	(200,000,000)	200,000,000

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
All Funds	200,000,000	0	(200,000,000)
Total	200,000,000	0	(200,000,000)

Adjustments:

Recommended Deficiency	
Homeland Security	
All Funds	(200,000,000)
Appropriated 2001-02	0

**HUDSON RIVER VALLEY GREENWAY
COMMUNITIES COUNCIL**

The Hudson River Valley Greenway Communities Council is a 25-member advisory board, created in 1991, which is responsible for promoting the preservation of natural and cultural resources in the Hudson River Valley.

The Council's operations are funded with State tax dollars from the General Fund. The Executive Budget recommends total funding of \$575,000 in 2002-03 to support the Council's administration, technical assistance, and local planning grants programs.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	339,400	371,000	31,600	0
Aid To Localities	204,000	204,000	0	611,000
Capital Projects	0	0	0	0
Total	543,400	575,000	31,600	611,000

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Operations			
General Fund	5	5	0
Total	5	5	0

MISCELLANEOUS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Operations	298,000	18,600	298,000	18,600
Total	<u>298,000</u>	<u>18,600</u>	<u>298,000</u>	<u>18,600</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Operations	73,000	13,000	73,000	13,000
Total	<u>73,000</u>	<u>13,000</u>	<u>73,000</u>	<u>13,000</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	204,000	204,000	0
Total	<u>204,000</u>	<u>204,000</u>	<u>0</u>

INSURANCE AND SECURITIES FUNDS RESERVE GUARANTEE

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,672,000,000	1,672,000,000	0
Total	<u>1,672,000,000</u>	<u>1,672,000,000</u>	<u>0</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Aggregate Trust Fund			
General Fund	220,000,000	220,000,000	0
Stock Workmen's Compensation Security Fund			
General Fund	67,000,000	67,000,000	0
Property/Casualty Insurance Security Fund			
General Fund	90,000,000	90,000,000	0
State Insurance Fund			
General Fund	1,295,000,000	1,295,000,000	0
Total	<u>1,672,000,000</u>	<u>1,672,000,000</u>	<u>0</u>

LOCAL GOVERNMENT ASSISTANCE

The following appropriations provide unrestricted aid to all classes of local governments. Of the total miscellaneous local government assistance, only 4.5 percent is appropriated from the General Fund. The remaining 95.5 percent is appropriated as fiduciary funds with no General Fund impact.

Executive Budget recommended appropriations for 2002-03 include:

- General Purpose Local Government Aid funding for cities, towns and villages is continued at the SFY 2001-02 level of \$561.6 million. Nearly \$220 million in aid reductions to New York City between 1991 and 1993 will continue in effect through reimbursement to the State from the Municipal Assistance State Aid Fund.
- Emergency Financial Assistance to Eligible Municipalities and Emergency Financial Aid to Certain Cities are also continued at SFY 2001-02 levels: \$20.8 million and \$26.4 million, respectively.
- Supplemental Municipal Aid for cities is continued at the 2001-02 level of \$182.9 million. Aid to counties, towns and villages totaling \$6.2 million is eliminated.
- Local Government Aid to Counties is recommended at \$22.0 million, including the third and final \$5 million increment. Aid is disbursed to counties proportionately by population.
- \$70 million is appropriated for the City of Yonkers in accordance with the terms of the settlement agreement that ended two decades of contentious litigation and Federal intervention in the City's public schools.
- Fiduciary appropriations totaling more than \$24 billion are continued for the Municipal Assistance State Aid Fund, the Municipal Assistance Tax Fund, and the Stock Transfer Tax Fund to ensure that New York City and the city of Troy have adequate Municipal Assistance Corporation debt service coverage.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	3,008,000	3,008,000	0	0
Aid To Localities	25,344,474,002	25,199,204,002	(145,270,000)	0
Capital Projects	0	0	0	0
Total	25,347,482,002	25,202,212,002	(145,270,000)	0

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

Full-Time Equivalent Positions (FTE)

Program	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Financial Control Board for the City of New York			
Special Revenue Funds - Other	19	19	0
Total	19	19	0

MISCELLANEOUS

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Financial Control Board for the City of New York			
Special Revenue Funds - Other	3,008,000	3,008,000	0
Total	<u>3,008,000</u>	<u>3,008,000</u>	<u>0</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	1,269,174,002	1,123,904,002	(145,270,000)
Fiduciary Funds	24,075,300,000	24,075,300,000	0
Total	<u>25,344,474,002</u>	<u>25,199,204,002</u>	<u>(145,270,000)</u>

Adjustments:

Recommended Deficiency	
Local Government Assistance	
General Fund	(70,000,000)
Appropriated 2001-02	<u>25,274,474,002</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Aid to Counties			
General Fund	17,000,000	22,000,000	5,000,000
Emergency Financial Aid to Certain Cities			
General Fund	26,474,000	26,474,000	0
Emergency Financial Assistance to Eligible Municipalities			
General Fund	20,814,000	20,814,000	0
General Purpose Local Government Aid			
General Fund	781,322,000	781,322,000	0
Miscellaneous Financial Assistance			
General Fund	5,130,000	420,000	(4,710,000)
Municipal Assistance State Aid Fund			
Fiduciary Funds	563,300,000	563,300,000	0
Municipal Assistance Tax Fund			
Fiduciary Funds	13,512,000,000	13,512,000,000	0
Nassau County Interim Finance Authority			
General Fund	25,000,000	20,000,000	(5,000,000)
Stock Transfer Tax Fund			
Fiduciary Funds	10,000,000,000	10,000,000,000	0
Supplemental Municipal Aid			
General Fund	189,034,002	182,874,002	(6,160,000)
Yonkers Court Order			
General Fund	134,400,000	0	(134,400,000)
Yonkers Settlement			
General Fund	70,000,000	70,000,000	0
Total	<u>25,344,474,002</u>	<u>25,199,204,002</u>	<u>(145,270,000)</u>

MISCELLANEOUS GUARANTEE APPROPRIATIONS

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	972,505,000	1,030,855,000	58,350,000
Total	972,505,000	1,030,855,000	58,350,000

NATIONAL AND COMMUNITY SERVICE

MISSION

The Office of National and Community Service provides staff support to the New York State Commission on National and Community Service. The Commission qualifies the State for Federal community service grants for local not-for-profit agencies.

ORGANIZATION AND STAFFING

The Office of National and Community Service is housed and staffed within the Office of Children and Family Services.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends an appropriation of \$30 million in anticipation of the receipt of continued Federal funding for this program. In addition, State funding of \$332,000 is also recommended to meet match requirements for the Office's administration grant.

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	332,000	332,000	0
Special Revenue Funds - Federal	30,000,000	30,000,000	0
Total	30,332,000	30,332,000	0

MISCELLANEOUS

**NORTHEASTERN QUEENS NATURE AND
HISTORICAL PRESERVE COMMISSION**

The Northeastern Queens Nature and Historical Preserve Commission was created in 1973 to regulate publicly owned lands and wetlands in this section of Queens County. The Executive Budget recommends \$92,000 to support the Commission's operations in 2002-03.

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	87,000	92,000	5,000
Total	87,000	92,000	5,000

PETROLEUM STORAGE TANKS – COPS REPAYMENT

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,800,000	2,085,000	(1,715,000)
Total	3,800,000	2,085,000	(1,715,000)

RESERVE FOR FEDERAL AUDIT DISALLOWANCES

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	50,000,000	50,000,000	0
Total	50,000,000	50,000,000	0

SPECIAL EMERGENCY APPROPRIATION

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	29,500,000	50,000,000	20,500,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	29,500,000	50,000,000	20,500,000	0

STATEWIDE ENERGY IMPROVEMENT

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

<u>Fund Type</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Special Revenue Funds - Other	0	2,500,000	2,500,000
Total	0	2,500,000	2,500,000

STATEWIDE GAMING

ALL FUNDS
APPROPRIATIONS
(dollars)

<u>Category</u>	<u>Available 2001-02</u>	<u>Appropriations Recommended 2002-03</u>	<u>Change</u>	<u>Reappropriations Recommended 2002-03</u>
State Operations	0	21,200,000	21,200,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	21,200,000	21,200,000	0

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

<u>Fund Type</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Special Revenue Funds - Other	0	21,200,000	21,200,000
Total	0	21,200,000	21,200,000

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
Statewide Gaming			
Special Revenue Funds - Other	0	21,200,000	21,200,000
Total	0	21,200,000	21,200,000

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

<u>Program</u>	<u>Total</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Statewide Gaming	21,200,000	21,200,000	21,200,000	21,200,000
Total	21,200,000	21,200,000	21,200,000	21,200,000

MISCELLANEOUS

STATEWIDE WIRELESS NETWORK

The Statewide Wireless Network Task Force is responsible for the development and deployment of the new statewide emergency communications system network. The Executive Budget recommends a total of \$6.9 million for 2002-03 to support the development of a multi-agency radio communications network. The funding for the network is fully supported by a monthly surcharge on cellular telephones.

Many of the existing radio systems in New York State are antiquated, difficult to maintain, and incapable of communicating with neighboring jurisdictions. The Statewide Wireless Network Task Force is working cooperatively with State and local agencies to create an inventory of existing equipment and identified needs, and to develop a strategy to establish a statewide communications system. The new statewide emergency communications system will provide an integrated emergency communications network that will enable public safety agencies at all levels of government to coordinate emergency responses.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2001-02	Recommended 2002-03		Recommended 2002-03
State Operations	5,214,000	6,859,000	1,645,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>5,214,000</u>	<u>6,859,000</u>	<u>1,645,000</u>	<u>0</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	<u>5,214,000</u>	<u>6,859,000</u>	<u>1,645,000</u>
Total	<u>5,214,000</u>	<u>6,859,000</u>	<u>1,645,000</u>

Adjustments:

Recommended Deficiency	
Statewide Wireless Network	
Special Revenue Funds - Other	<u>(5,214,000)</u>
Appropriated 2001-02	<u>0</u>

WORKERS' COMPENSATION RESERVE

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	<u>37,200,000</u>	<u>33,000,000</u>	<u>(4,200,000)</u>
Total	<u>37,200,000</u>	<u>33,000,000</u>	<u>(4,200,000)</u>

WORLD TRADE CENTER

In the days immediately following the September 11, 2001 attacks on the World Trade Center, Governor Pataki pressed for, and received, a commitment from the Federal Government to pay for 100 percent of the costs associated with the rescue, recovery and rebuilding efforts in New York City.

In addition, the Governor continues to work with New York's congressional delegation and the White House to secure funds to spur New York's economic recovery, including assistance for businesses and dislocated workers.

The Executive Budget includes \$15 billion in reappropriated Federal funds, consisting of \$5 billion appropriated by the Legislature in September and a \$10 billion deficiency appropriation, to ensure adequate authority to receive and disburse Federal reimbursement and other funds related to the World Trade Center recovery effort. These funds are appropriated within the Division of Military and Naval Affairs budget. In addition, a \$500 million All State Department and Agencies – All Funds appropriation is recommended for reappropriation to accommodate necessary World Trade Center related spending from any funding source, including private donations.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	500,000,000	0	(500,000,000)	475,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	500,000,000	0	(500,000,000)	475,000,000

PART II

STATE DEBT SERVICE

STATE DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS

DEBT REFORM INITIATIVES ENSURE THAT COSTS REMAIN AFFORDABLE

Debt service appropriations for 2002-03 reflect numerous statutory initiatives that have been advanced by Governor Pataki to ensure that debt levels and costs continue to remain affordable. Those initiatives include the following:

- Enactment of the Debt Reform Act of 2000 that imposes phased-in caps on new debt outstanding and debt service costs on obligations issued on and after April 1, 2000;
- Establishment of the Debt Reduction Reserve Fund to provide a mechanism to set aside one-time, available surplus resources to pay down high cost debt and increase pay-as-you-go spending; and
- Use of lower cost revenue bonds to further improve the marketability of State-supported bonds, expand the investor base, and reduce borrowing costs.

Debt service costs for 2002-03 and over the Five Year Capital Plan reflect the prudent use of a responsible mix of pay-as-you-go resources and bond resources to finance strategic investments and ensure that outstanding debt and debt service costs remain within the caps and limitations imposed by the Debt Reform Act of 2000.

THE EXECUTIVE BUDGET CONTINUES DEBT REFORM ACHIEVEMENTS

To ensure that the statutory caps and other debt limitations imposed by the Debt Reform Act of 2000 are made permanent, the Governor will again propose a Constitutional Debt Reform bill. The bill would:

- Constitutionally mandate the State-supported debt outstanding and debt service caps now imposed by the Debt Reform Act;
- Ban “back door” borrowing;
- Constitutionally authorize a limited amount of revenue-backed debt and require that at least one-half of all new debt be approved by the voters; and
- Authorize multiple general obligation bond act proposals.

To provide the State and its issuing authorities with the debt management tools needed to cost effectively diversify the State-supported bond portfolio, the Executive Budget includes comprehensive legislation that will permit all issuers of State-supported bonds to prudently use a limited amount of variable rate obligations and interest rate exchange agreements. The legislation would:

- Permit issuance of variable rate bonds;
- Permit use of interest rate exchange agreements;
- Require the governing boards of authorized issuers to adopt guidelines for interest rate exchange agreements and to issue annual reports on the status of such agreements;
- Ensure that the State and issuing authorities monitor and hedge against interest rate and other risks; and
- Ensure that State-supported issuers can respond to rapidly changing market conditions to take advantage of opportunities to refund high cost bonds by no longer requiring a second Public Authorities Control Board (PACB) approval to proceed with refundings for projects initially approved by PACB.

DEBT SERVICE APPROPRIATIONS FOR 2002-03

The recommended debt service appropriations reflect the maximum estimated debt service payments for outstanding bonds and new State-supported bond issuances to meet

DEBT SERVICE

the State's obligations to bondholders. Pursuant to Chapter 383 of the Laws of 2001, in the event that appropriations for outstanding revenue bonds (which are secured by State personal income tax receipts) are not enacted on time or if revenue bond debt service payments are not made timely, no less than \$6 billion in State personal income tax receipts will become "locked" in the Revenue Bond Tax Fund. The following discussion provides a review of the recommended debt service appropriations grouped by fund.

GENERAL DEBT SERVICE FUND

The General Debt Service Fund provides for principal, interest, and related payments on general obligation bonds, revenue bonds, and lease-purchase and contractual obligation payments to public authorities and municipalities and payments for interest rate exchange and similar agreements. The General Debt Service Fund's moneys are provided from the General Fund and other available transfers and revenues.

Appropriations from the General Debt Service Fund for general obligation bonds are recommended at \$580 million and reflect payments on outstanding fixed rate and variable rate general obligation bonds, and estimated payments on bonds anticipated to be issued in March and June of 2002.

Appropriations of \$2.5 billion are recommended from the General Debt Service Fund for lease purchase and other financing agreement payments due on State appropriation-backed bonds, and on revenue bonds which were authorized by Chapter 383 of the Laws of 2001. Revenue bonds may be issued in lieu of State appropriation-backed bonds for the same authorized purposes. The 2002-03 Debt Service Bill recommends appropriations for lease purchase and other financing obligations to the following authorities:

- Thruway Authority, for Local Highway and Bridge service contract bonds for local transportation purposes. Spending from this appropriation (\$265 million) is financed by transfers from the Dedicated Highway and Bridge Trust Fund;
- Environmental Facilities Corporation, for State Revolving Loan Fund service contract bonds, the Jobs 2000 Pipeline for Jobs program, and the financing of parks and other environmental programs (\$60 million);
- Urban Development Corporation (UDC), for financing the construction and rehabilitation of correctional facilities, State facilities, youth facilities, stadium facilities, the pine barrens land acquisition, economic development and natural resources preservation, high technology research facilities and business incubators, projects at various university technology centers, the Higher Education Applied Technology (HEAT) program, and the Onondaga Convention Center (\$440 million);
- Dormitory Authority (DA), for SUNY educational, athletic facilities and upstate community colleges, State Education Department facilities, CUNY senior and community colleges, the Jobs 2000 University Facilities program, RESCUE for school construction, child care facilities, the Department of Health's Axelrod Laboratory, Albany Airport, the Library for the Blind, pension obligation bonds, and the Judicial Training Institute (\$1.01 billion);
- Dormitory Authority and Urban Development Corporation for financing the construction and reconstruction of the Department of Audit and Control building, the Alfred E. Smith office building, the Empire State Plaza East Garage, and the Elk Street Parking Garage in Albany (\$10 million);
- Housing Finance Agency, pursuant to agreements to finance the State's housing programs (\$112 million). This includes estimated payments for outstanding variable rate housing bonds;
- Triborough Bridge and Tunnel Authority (TBTA), for the financing of the Javits Convention Center in New York City (\$43 million);
- Bonds authorized to be issued by various authorities, including the UDC and the DA to finance the Community Enhancement Facilities Assistance Program (\$100 million), the Strategic Investment Program (\$70 million), and real and personal property (i.e., equipment) acquisitions by State agencies (\$95 million);

- Lease-purchase payments for various State facilities (\$21 million), including the 50 Wolf Road building in Albany, the Department of Environmental Conservation building at 625 Broadway in Albany, and the Department of Transportation Region One headquarters building in Schenectady;
- Metropolitan Transportation Authority (MTA), for service contracts payments (\$165 million) on bonds issued to finance transit and commuter rail projects;
- Energy Research Development Authority, for service contract payments (\$16 million) on bonds issued to finance the West Valley Project; and
- Dormitory Authority, for contingent contractual obligations related to distressed hospitals (\$95 million) that are available in the event that hospital repayments and other available funds are inadequate to meet debt service. The recommended appropriation reflects the State's potential liability on debt service payable on DA bonds. Legislative authorization for this program expired in March 1998, and State payments are not expected to be required for this program in 2002-03.

HOUSING DEBT FUND

Payments from local governments and housing companies which benefit from housing and urban renewal projects funded with State general obligation bonds are deposited in the Housing Debt Fund, and are used to pay debt service on such bonds. A \$28 million appropriation is recommended for 2002-03.

STATE UNIVERSITY DORMITORY INCOME FUND

This Fund receives payments for dormitory rentals and other fees at dormitories operated by SUNY. Debt service on bonds issued by the DA for the construction and rehabilitation of SUNY dormitories has first claim on all dormitory revenues deposited in the Fund. An appropriation of \$70 million is recommended for lease-purchase payments to the DA.

MENTAL HEALTH SERVICES FUND

The Dormitory Authority is authorized to issue bonds to finance capital programs for the Department of Mental Hygiene. Revenues received for the care and treatment of patients at State mental health facilities are deposited in this Fund, and are used to make lease-purchase payments to the DA for debt service on mental health services bonds. These rental payments have the first claim on moneys in the Fund. The DA also makes loans to eligible not-for-profit agencies providing mental health services. In return, the voluntary agencies make rental payments equal to the amount of debt service on bonds issued to finance their projects. Such payments are also deposited in the Mental Health Services Fund. The recommended appropriation from this Fund is \$370 million.

HEALTH INCOME FUND

The Department of Health (DOH) has entered into contractual agreements with the DA to finance the construction and rehabilitation of State hospitals and veterans' homes. These agreements require DOH to make lease-purchase rental payments to the DA. Such payments have first claim on revenues received in this Fund from patient care at DOH facilities. Consistent with existing bonding pledges and statutory requirements, the Roswell Park Cancer Institute Corporation's moneys continue to flow into the Fund as security for and payment to bondholders. As a result, the State's Financial Plan reflects the portion of the Corporation's receipts that are attributable to debt service. Lease-purchase obligations during 2002-03, which also include obligations for the New York City Veterans' Home, require appropriations of \$37 million.

DEBT SERVICE

CENTRALIZED SERVICES FUND

Certificates of Participation (COPs) have been issued to finance the purchase of equipment on an installment or lease-purchase basis for State departments, agencies, and public authorities. Moneys from the operating budgets of participating agencies are deposited to the Centralized Services Fund for payment to the trustees of COPs issuances. Such obligations' maturities are predominantly short-term in nature, reflecting the useful life of the equipment financed. An appropriation of \$110 million is recommended to pay debt service on outstanding COPs.

LOCAL GOVERNMENT ASSISTANCE TAX FUND

To eliminate the State's annual spring cash flow borrowing, 1990 legislation authorized LGAC to issue bonds to finance payments to local governments previously funded by the State. LGAC has issued its entire \$4.7 billion net authorization. Revenues equal to one-quarter of the four cent State sales and use tax are deposited into the Local Government Assistance Tax Fund and used to pay debt service on LGAC obligations. The recommended appropriation of \$325 million represents anticipated debt service on all outstanding fixed and variable rate bonds, and related expenses. Moneys not needed for debt service are transferred to the State's General Fund.

SCHOOL CAPITAL FACILITIES FINANCING RESERVE FUND

An appropriation of \$40 million is recommended from the School Capital Facilities Financing Reserve Fund, a fiduciary fund, to pay debt service on bonds issued by the DA on behalf of special act and certain other authorized types of local school districts. The districts have assigned State local assistance payments to the DA, which are deposited into the Fund and used to make debt service payments.

DEDICATED HIGHWAY AND BRIDGE TRUST FUND

An appropriation of \$625 million is recommended for 2002-03 debt service payments to the Thruway Authority for Dedicated Highway and Bridge Trust Fund bonds, which will support the Department of Transportation capital plan. Debt service payments for the highway program are supported by the statutory dedication of revenues to the Fund. However, after debt service payments are made, they and a commensurate amount of Fund revenues are reclassified from the capital projects to the debt service fund group. Therefore, the debt service appropriation is included in the Debt Service Budget Bill.

GENERAL FUND - STATE PURPOSES ACCOUNT

An appropriation of \$20 million is recommended for the State's potential liability to rebate arbitrage earnings on general obligation bonds to the Federal government. A \$225 million appropriation is recommended for the redemption of general obligation serial bonds, should this become necessary to maintain the exemption from Federal taxation of the interest paid to bondholders. This appropriation would only be used if the State received payments from any party found to be responsible for site contamination for which 1986 Hazardous Waste and 1996 Clean Water/Clean Air bonds were sold and disbursed to finance site clean-up. Since every effort is made to find the responsible party prior to the issuance of bonds, the potential use of this appropriation is unlikely and no disbursements from it are anticipated.

ALL FUNDS

An All Funds appropriation of \$1.09 billion provides appropriation authority sufficient to satisfy a maximum rate of 18 percent on outstanding variable rate general obligation bonds,

DEBT SERVICE

LGAC bonds, HFA service contract bonds and variable rate lease purchase payments for the Department of Transportation Region One Headquarters in Schenectady. In addition, appropriation authority at the maximum rate of 18 percent is provided to ensure the State is able to take advantage of favorable market conditions to issue new variable rate debt and execute interest rate exchange agreements. This appropriation authority will facilitate the implementation of legislation to reduce costs by using variable rate and interest rate exchange financing instruments to prudently diversify the State-supported bond portfolio and lower taxpayers costs.

ALL FUNDS FISCAL REQUIREMENTS DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS (dollars)

Fund	Available 2001-02	Recommended 2002-03	Change
General Fund			
State Purposes Account			
Rebates to Federal Government	15,000,000	20,000,000	5,000,000
Redemption of General Obligation Bonds	225,000,000	225,000,000	0
Subtotal	240,000,000	245,000,000	5,000,000
Internal Service Funds			
Centralized Services Fund			
Financing Agreements	210,000,000	110,000,000	(100,000,000)
Subtotal	210,000,000	110,000,000	(100,000,000)
Fiduciary Funds			
School Capital Facilities Financing Reserve Fund			
Trust and Agency Financing	40,000,000	40,000,000	0
Subtotal	40,000,000	40,000,000	0
Debt Service Funds			
Debt Reduction Reserve Fund			
Debt Reduction	500,000,000	0	(500,000,000)
Mental Health Services Fund			
Financing Agreements	355,000,000	370,000,000	15,000,000
General Debt Service Fund			
General Obligation Bonds	715,000,000	580,000,000	(135,000,000)
Financing Agreements	2,457,600,000	2,444,650,000	(12,950,000)
Lease Purchase Payments	62,100,000	61,525,000	(575,000)
Housing Debt Fund			
General Obligation Bonds	29,000,000	28,000,000	(1,000,000)
Health Income Fund			
Financing Agreements	37,250,000	35,000,000	(2,250,000)
Financing Agreements	2,000,000	2,000,000	0
Emergency Highway Reconditioning and Preservation Fund			
Financing Agreements	32,000,000	0	(32,000,000)
State University Dormitory Income Fund			
Financing Agreements	55,000,000	70,000,000	15,000,000
Emergency Highway Construction and Reconstruction Fund			
Financing Agreements	32,000,000	0	(32,000,000)
Local Government Assistance Tax Fund			
Financing Agreements	463,000,000	325,000,000	(138,000,000)
Subtotal	4,739,950,000	3,916,175,000	(823,775,000)
Capital Projects Funds - Other			
Dedicated Highway and Bridge Trust Fund			
Financing Agreements	525,000,000	625,000,000	100,000,000
Subtotal	525,000,000	625,000,000	100,000,000
All Funds			
Contingent Appropriation	0	1,086,000,000	1,086,000,000
Subtotal	0	1,086,000,000	1,086,000,000
Total Fiscal Year	5,754,950,000	6,022,175,000	267,225,000
Appropriated 2001-02	<u>5,754,950,000</u>		

PART III

APPROPRIATIONS REQUESTED BY THE JUDICIARY AND THE LEGISLATURE

COMMENTARY OF THE GOVERNOR ON THE JUDICIARY

In accordance with Article VII, Section One of the State Constitution, I am transmitting herewith the appropriations requested by the Judiciary for fiscal year 2002-03. As required by the Constitution, I am presenting the Judiciary budget as it has been submitted by the Office of Court Administration.

The Judiciary's All Funds appropriation request is \$1.74 billion, a \$55 million, or 3.3 percent increase over the current year. Of this amount, \$1.57 billion is requested from the State tax dollar supported General Fund, an increase of \$42.5 million or 2.8 percent over 2001-02.

While the Office of Court Administration in its budget submission cites a number of steps being taken to constrain budget growth in 2002-03, the requested increase nevertheless exceeds that of the Executive branch and the Legislature. Given the State's difficult financial condition, I call upon the Chief Judge to assiduously monitor expenditures and to take all possible management actions to further reduce spending.

The General Fund increase currently called for includes:

- \$48.9 million for negotiated salary increments and base level increases;
- \$32.9 million for increased fringe benefit costs;
- \$7.4 million for annualization of current year initiatives, including \$5 million for new nonjudicial positions and for contractual security enhancements;
- \$3.2 million for 19 certificated judges and salary increases for Housing Court Judges established in the 2001 Legislative session;
- \$1.5 million for additional resources for city courts as a result of a bill passed in the Legislative session; and
- \$9.2 million for new needs including increased security (\$5.4 million), a new jury initiative and continued expansion of the Drug Treatment Court Program (\$1.7 million) and increased costs for the Law Guardian Program (\$2.1 million).

These increases are partially offset by recurring savings initiatives totaling \$24.7 million, including a hiring freeze to begin January 1, 2002, and savings from early retirement incentives (\$11 million); reductions in overtime and temporary service (\$3.8 million); a decrease in equipment purchases for 2002-03 (\$1.8 million); other nonpersonal service savings for legal reference and jury per diems (\$4.1 million); and a transfer of Information Technology Services to special revenue fund support (\$4 million). Further, since the Judiciary is not requesting any new capital projects for 2002-03, there is a year-to-year appropriation reduction of \$35.8 million for capital projects.

The All Funds appropriation growth reflects an increase of \$6.1 million for the Data Processing Offset Fund to provide case information services to attorneys for a small fee, \$4.2 million to support the Manhattan Felony Treatment Court, and \$800,000 for the Lawyer's Fund for Client Protection.

THE JUDICIARY

INTRODUCTION

THE UNIFIED COURT SYSTEM

The Judiciary is one of the three branches of New York State Government. Article VI of the State Constitution establishes a Unified Court System, defines the organization and jurisdiction of the courts and provides for the administrative supervision of the courts by a Chief Administrator on behalf of the Chief Judge of the State of New York.

The objectives of the Judiciary are to: (1) provide a forum for the peaceful, fair and prompt resolution of civil claims and family disputes, criminal charges and charges of juvenile delinquency, disputes between citizens and their government, and challenges to government actions; (2) supervise the administration of estates of decedents, consider adoption petitions, and preside over matters involving the dissolution of marriages; (3) provide legal protection for children, mentally ill persons and others entitled by law to the special protection of the courts; and (4) regulate the admission of lawyers to the Bar and their conduct and discipline.

The New York State court system is one of the largest and busiest in the Western World. It consists of over 1,200 state-paid judges, 2,300 town and village justices and over 15,000 nonjudicial positions. Pursuant to the Unified Court Budget Act, the cost of operating the Unified Court System, excluding town and village courts, is borne by the State.

STRUCTURE AND JURISDICTION OF THE COURTS

The Unified Court System is structured as follows:

APPELLATE COURTS

Court of Appeals
Appellate Divisions of the Supreme Court
Appellate Terms of the Supreme Court
County Courts (acting as appellate courts)

TRIAL COURTS OF SUPERIOR JURISDICTION

Statewide:
Supreme Court
Court of Claims
Family Court
Surrogate's Court
Outside New York City:
County Court

TRIAL COURTS OF LIMITED JURISDICTION

New York City:
Criminal Court
Civil Court
Outside New York City:
City Courts
District Courts
Town Courts*
Village Courts*

*Locally funded courts

JUDICIARY

The jurisdiction of each court is established by Article VI of the Constitution or by statute. The courts of original jurisdiction, or trial courts, hear cases in the first instance, and the appellate courts hear and determine appeals from the decisions of the trial courts.

The Court of Appeals, the State's highest court, hears cases on appeal from the other appellate courts and, in some instances, from the courts of original jurisdiction. In most cases, its review is limited to questions of law. The Court also reviews determinations of the Commission on Judicial Conduct.

There are four Appellate Divisions of the Supreme Court, one in each of the State's four judicial departments. The Appellate Divisions hear appeals concerning civil and criminal cases. In the First and Second Departments, Appellate Terms have been established to hear appeals in criminal and civil cases determined in the Criminal and Civil Courts of the City of New York and civil and criminal cases determined in district, city, town, and village courts outside the City. In the Third and Fourth Departments, appeals from city, town and village courts are heard initially in the appropriate County Court.

The Supreme Court, which functions in each of the State's 12 judicial districts, is a trial court of unlimited, original jurisdiction, but it generally hears cases outside the jurisdiction of other courts. It exercises its civil jurisdiction statewide; in the City of New York and some other parts of the State, it also exercises jurisdiction over felony charges.

The Court of Claims is a statewide court having jurisdiction over claims for money damages against the State. Certain Judges of the Court of Claims; i.e., Judges appointed pursuant to paragraphs (b), (d), and (e) of subdivision 2 of section 2 of the Court of Claims Act, are assigned temporarily to the Supreme Court, primarily as trial justices in the criminal terms.

There are three county-level superior courts. The County Court is established in each county outside the City of New York. It is authorized to handle the prosecution of crimes committed within the county, although in practice, arraignments and other preliminary proceedings on felonies, misdemeanors and minor offenses are handled by courts of limited jurisdiction while the County Court presides over felony trials and supervises the Grand Jury. The County Court also has limited jurisdiction in civil cases, with authority to entertain those involving amounts up to \$25,000.

The Family Court is established in each county and in the City of New York. It has jurisdiction over matters involving children and families. Its caseload consists largely of proceedings involving support of dependent relatives, juvenile delinquency, child protection, persons in need of supervision, review and approval of foster-care placements, paternity determinations, and family offenses.

The Surrogate's Court is established in every county and hears cases involving the affairs of decedents, including the probate of wills and the administration of estates. Family Court and Surrogate's Court have concurrent jurisdiction in adoption proceedings.

The Civil Court of the City of New York tries civil cases involving amounts up to \$25,000 and other civil matters referred to it by the Supreme Court (pursuant to section 325 of the CPLR). It includes a Housing Part for landlord-tenant matters and housing code violations. It also includes a Small Claims Part and a Commercial Small Claims Part for matters not exceeding \$3,000. The Criminal Court of the City of New York has jurisdiction over misdemeanors and violations. Judges of the Criminal Court also act as arraigning magistrates and conduct preliminary hearings in felony cases.

There are four kinds of courts of limited jurisdiction outside the City of New York: District (established in Nassau County and in the five western towns of Suffolk County), City, Town and Village Courts. All have jurisdiction over minor criminal matters. They also have jurisdiction over minor civil matters, including small claims and summary proceedings, although their monetary ceilings vary: \$15,000 in District and City Courts, and \$3,000 in Town and Village Courts.

The civil courts of limited jurisdiction in 31 counties are making use of compulsory arbitration with lawyer arbitrators to resolve minor civil disputes, that is, civil actions where the amount sought is \$6,000 or less in courts outside the City of New York and \$10,000 or less in courts in the City.

ADMINISTRATIVE STRUCTURE OF THE UNIFIED COURT SYSTEM

Section 28 of Article VI of the State Constitution provides that the Chief Judge of the Court of Appeals is the Chief Judge of the State and its chief judicial officer. The Chief Judge appoints a Chief Administrator of the Courts (who is called the Chief Administrative Judge of the Courts if the appointee is a judge) with the advice and consent of the Administrative Board of the Courts. The Administrative Board consists of the Chief Judge, as chair, and the Presiding Justices of the four Appellate Divisions of the Supreme Court.

The Chief Judge establishes statewide standards and administrative policies after consultation with the Administrative Board of the Courts and promulgates them after approval by the Court of Appeals.

The Chief Administrative Judge, on behalf of the Chief Judge, is responsible for supervising the administration and operation of the trial courts and for establishing and directing an administrative office for the courts, called the Office of Court Administration (OCA). In this task, the Chief Administrative Judge is assisted by two Deputy Chief Administrative Judges, who supervise the day-to-day operations of the trial courts in New York City and in the rest of the State, respectively; Deputy Chief Administrative Judge for Justice Initiatives, a Deputy Chief Administrative Judge for Management Support, who supervises the operations of the units that compose the Office of Management Support; and a Counsel, who directs the legal and legislative work of the Counsel's Office.

The Office of Management Support consists of eight operational divisions, with overall policy guidance and management directed by the Chief Administrative Judge, assisted by the Deputy Chief Administrative Judge for Management Support. The Division of Human Resources is responsible for conducting educational programs for judges and nonjudicial personnel; the administration of the Unified Court System's workforce diversity programs; labor management relations; payroll processing; career development services; employee benefits administration; and a broad range of personnel services dealing with job classification, compensation and examination issues. The Division of Financial Management coordinates the preparation and implementation of the Judiciary budget and is also responsible for promulgation of fiscal policies and procedures; revenue and expenditure monitoring, control and reporting; and the coordination of the fiscal aspects of the Court Facilities Aid Program. The Division of Technology is responsible for the development, implementation and oversight of all central and local automation and telecommunication services which support court operations and administrative functions. The Division of Legal Information and Records Management is responsible for overseeing all of the Judiciary's automated and printed media legal reference services and for coordination of records retention and management programs. The Division of Court Operations provides centralized support for day-to-day court operations through its oversight of streamlining initiatives, procedural manual development and training programs, as well as for court security, and alternative dispute resolution programs.

The services provided by these operational divisions are further supplemented by a Public Affairs Office which coordinates communications with other governmental entities, the press, public and bar. The Office of Court Research compiles UCS workload statistics for the courts, management and the public and conducts operational improvement studies. The Administrative Services Office provides a broad range of general support services to the courts including, but not limited to, central accounting and revenue management; attorney registration administration, centralized procurement, supply and printing. Finally, an Office of Internal Affairs, reporting directly to the Chief Administrative Judge, conducts internal audits and investigations to support the attainment of management's long term goals and priorities.

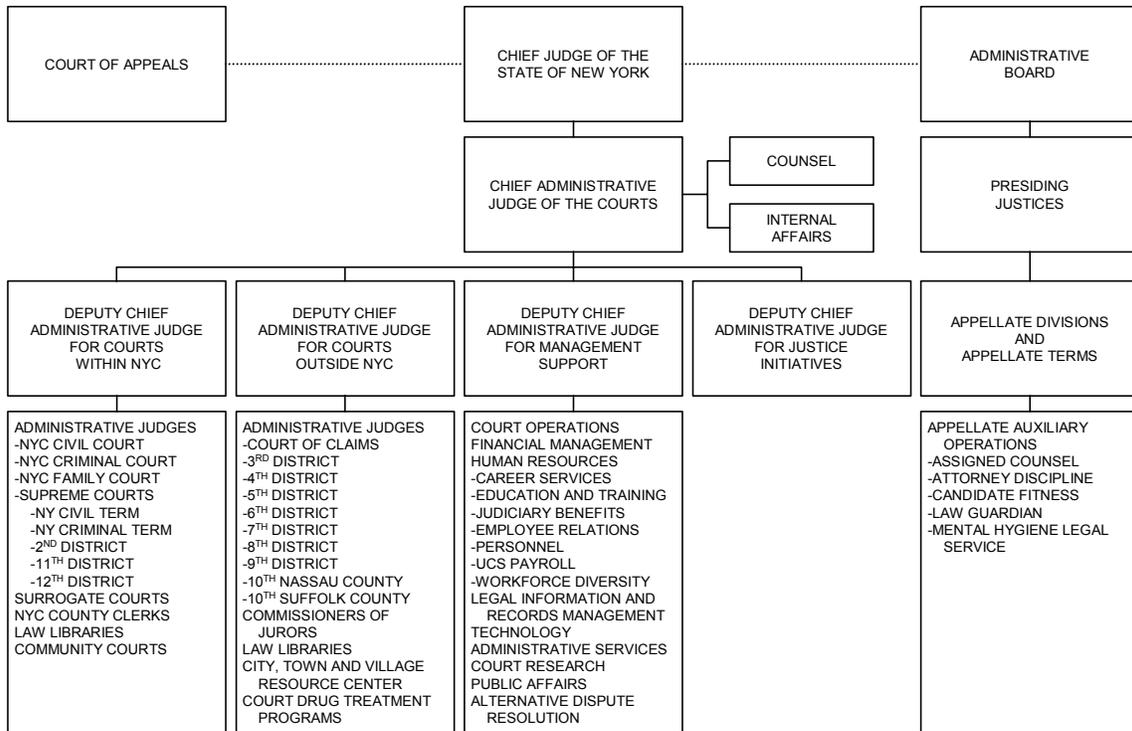
Counsel's Office prepares and analyzes legislation, represents the Unified Court System in litigation, and provides various other forms of legal assistance to the Chief Administrative Judge.

JUDICIARY

Responsibility for on-site management of the trial courts and agencies is vested with the Administrative Judges. Upstate, in each of the eight judicial districts established outside the City of New York, there is a District Administrative Judge who is responsible for all courts and agencies operating within the judicial district. In the City of New York, Administrative Judges supervise each of the major trial courts, and the Deputy Chief Administrative Judge provides for management of the complex of courts and court agencies within the City. The Administrative Judges manage not only court caseload, but are responsible as well for general administrative functions including personnel and budget administration and all fiscal procedures.

The Appellate Divisions are responsible for the administration and management of their respective courts, and of the several Appellate Auxiliary Operations: Candidate Fitness, Attorney Discipline, Assigned Counsel, Law Guardians, and Mental Hygiene Legal Service.

Unified Court System Administrative Structure



EXECUTIVE SUMMARY

INTRODUCTION

The New York State Courts are established and administered as an independent branch of government pursuant to Article VI of the State Constitution. The mission of the Unified Court System is to promote the rule of law and to provide just and timely resolution of all matters before the courts. In so doing, the Judiciary provides a forum for the fair and prompt resolution of civil claims, family disputes, criminal charges and charges of juvenile delinquency, disputes between citizens and their government, and challenges to government actions; supervises the administration of estates; considers adoption petitions and presides over matters involving the dissolution of marriages; provides legal protection for children, mentally ill persons, and others entitled by law to the special protection of the courts; and regulates the admission of lawyers to the Bar and their conduct. The New York State Judiciary carries out its mission through 11 different trial courts, or courts of original jurisdiction, as well as through its intermediate appellate courts and its highest court, the Court of Appeals.

Since 1977, the costs of operating the courts (excluding town and village courts) have been borne by the State pursuant to the Unified Court Budget Act. Accordingly, funding for the operating costs for all New York State county-level, District and City Courts and related court agencies is a State responsibility. The costs of providing facilities for these trial courts have remained a local government obligation. The State does, however, provide aid to subsidize the cost of borrowing money for court construction and improvements. The State also reimburses local governments for a portion of facilities maintenance and operation costs. In 1996, legislation was enacted to gradually raise this reimbursement level to 100 percent of expenses for cleaning and minor repairs to ensure compliance with maintenance and operation standards.

The Judiciary's budget submission is formulated through an open and decentralized process that includes input from trial court judges, judicial and nonjudicial administrators, court clerks, local bar leaders, and citizens concerned with the future of justice services in New York State. This budget reflects a rigorous review and analysis process, culminating with a recommended budget amount that is fiscally prudent, recognizing the State's uncertain economic climate while ensuring the necessary resources to continue the programs which provide the public with fair and efficient case resolution.

THE 2002-03 JUDICIARY BUDGET REQUEST

The budget request for the Judiciary General Fund Court and Agency Operations for fiscal year 2002-03 is \$1.33 billion, a 3.5 percent increase over the current year. The State Funds Court and Agency portion of the request, including the General Fund as well as Special Revenue Funds, is \$1.39 billion, a 4.2 percent increase over the current year fiscal appropriation of \$1.33 billion.

SEPTEMBER 11, 2001

Words cannot sufficiently describe the depth of the impact that the terrorist attacks of September 11 had on New York and the entire nation. Like so many, the New York Judiciary faced daunting challenges in the first days following the events. And as the courts re-open to business as usual, the court system grieves the loss of three of its own officers — Captain Harry Thompson, Senior Court Officer Mitch Wallace and Senior Court Officer Tommy Jurgens — as well as the loss of members of over 60 Judiciary families. Under the leadership of Chief Judge Judith Kaye, the Judiciary is rebounding, recognizing that, of all institutions, it must be strong and unwavering in the face of such a brutal attack on our nation, and making clear that the justice system is more vital to New Yorkers today than ever.

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The toll that the World Trade Center attack took on the State courts was dramatic. The New York City location of the Court of Claims, located at 5 World Trade Center, was destroyed. The courts in lower Manhattan, including the Civil and Criminal Divisions of the New York County Supreme Court, the New York County Surrogate's Court and the Manhattan locations of the New York City Criminal, Civil and Family Courts, were in the midst of the congestion and debris and could not immediately reopen, although none of the courts was damaged. At the same time, many courts lost essential services. Telephone service for the Manhattan courthouses was, and continues to be, disrupted. Data lines were interrupted for the entire southern portion of the State, with the effect that the courts temporarily lost all access to computers and the information on the court system's databases. In addition, those who come to the courts — attorneys, litigants and jurors — felt the impact of the terrorist attack. Thousands of lawyers, including the New York City Corporation Counsel, the Port Authority, and the Legal Aid Society, had offices in or near the World Trade Center and were simply unable to access lost or destroyed case files.

The Judiciary responded, establishing alternative sites for court procedures, attending to the needs of Judges and employees, and providing telephone and computer services to the courts. Immediately following the attack, emergency applications were heard by Supreme Court Justices sitting in the Appellate Division, First Department, as well as courts in other boroughs. In Kings County, for example, a Family Court Judge handled applications for orders of protection and other requests for emergency relief from Manhattan residents. Criminal cases for New York County were arraigned in the Midtown Community Court, which is not located in lower Manhattan.

At the same time, the Judiciary's Technology Division undertook the herculean effort of restoring essential telephone and data communications to the courts. The Department used the most up-to-date technology, including wireless and fiber-optic, to resume high-speed transmission of data. In the days following the attack, court personnel were literally on the rooftops of court buildings installing line-of-sight wireless transmitters to successfully link the courts. The Division also installed 640 internet telephones in a single weekend, replacing the over 2,000 telephone lines that were destroyed, to allow communication with the courts.

A Liaison Office for the courts was established at the Office of Court Administration to assist attorneys and litigants in reconstructing missing files by obtaining and copying court documents at no cost. This service, as well as daily updated information on the status of court operations, was publicized on the court system's web site and toll-free hotline. The Chief Judge and Chief Administrative Judge met regularly with bar leaders and, in an open letter to the Bar, appealed to all attorneys to cooperate with each other so that justice could be served.

Jurors reported in record numbers, staying even when they were advised that they did not have to serve. Information on the court system's web site and hotline advised jurors of the status of their service. As a result of the overwhelming response by jurors who wanted to perform their civic duty, a telephone call-in system was introduced throughout New York City so that prospective jurors could find out if they would be needed without having to report at the courthouse.

As vital as it was to return court operations to as close to normal as possible, the most important response made was on behalf of the people affected. A new procedure was developed to assist the families of the victims in streamlining the process of obtaining death certificates. Under the auspices of the New York County Surrogate's Court, the court process is being completed within 24 hours of application. The New York State Bar generously responded by offering the pro bono services of specially trained attorneys to represent families in this process. Thousands of attorney volunteers trained at the NYC Family Assistance Center to meet with families. Court personnel also staffed the Family Assistance Center, providing information on Family Court and Housing Court procedures.

For the court families directly affected by the tragedy, a Court Families Assistance Fund was established, in cooperation with the Fund for the City of New York, to address the financial needs of those court employees. Support services, including professional critical incident counseling, continue to be offered to those in need.

POST-SEPTEMBER 11, 2001 PRIORITY — SECURITY IN THE COURTS

Among the greatest challenges facing the court system since September 11 are the security issues that arose. Security is continually being updated and reviewed in light of the ever-changing incidents that include the identification of hazardous materials in so many locations. In response to the attack, at the request of New York City, security for the courts in the City was enhanced to provide coverage 24 hours every day. Also at the request of New York City, trained uniformed officers of the court system provide perimeter patrols for the Office of Emergency Management on a 24-hour basis. Other security measures recently instituted to meet the new security challenges include the installation of barricades around the most vulnerable court facilities; the addition of new and enhanced magnetometers for all court locations, including courthouses outside of New York City that needed improved coverage; the requiring of magnetometer screening for all court visitors; and the requirement that court employees display their court identification cards at all times and that Judges display theirs upon request.

The proposed 2002-03 budget provides support only for ongoing essential court services and requests a targeted program of security improvement and emergency preparedness. As the nation has been forced to recognize, an adequate uniformed presence is essential to ensure the safety and security of the public, the Bar, jurors, Judges and nonjudicial personnel.

The 2002-03 Judiciary General Fund Court and Agency Operations budget request is essentially limited to the funding necessary to continue current court operations. This baseline budget level includes funding for authorized judicial and nonjudicial positions and legislatively authorized collective bargaining agreements and administrative provisions, including salary increments and geographic pay differentials for eligible nonjudicial employees. Adjustments are also reflected for certificated justices and staff changes; annualization of costs for programs and services partially funded in the current year; a legislatively authorized salary adjustment for Housing Court judges; overtime and temporary service sufficient to maintain current operations; jury per diem payments consistent with projected workload levels; legal reference materials and services at contractually agreed to rates; contractual security services with increases related to collective bargaining agreements for locally provided security; judicial hearing officer support, and other requisite per diem payments for trial-related services; finance payments for prior year COPS automation and furnishings and equipment replacement programs; and other necessary support for basic costs such as telephones, space and equipment rentals and office supplies for the daily operations of the courts and court-related agencies.

Beyond these ongoing and fundamental needs, a modest funding proposal is included to ensure the safety and security of the courts. Resources are sought in this budget request to improve the screening of those entering court facilities and authorization for staffing to provide adequate building and part coverage and enhanced emergency preparedness. The enhancements include:

- the conversion of up to 100 existing Unified Court System vacant positions to security titles to provide additional and enhanced coverage in those courts where State-paid uniformed court officers now provide court security;
- the conversion of up to 150 full-time equivalent security positions partially from funding currently being expended for overtime to ensure that there are sufficient numbers of officers for enhanced security coverage. This will alleviate the physical and mental burden of providing mandated additional security on an overtime basis;
- the creation of up to 104 additional new security lines for enhanced security in the courts, primarily in the New York City metropolitan area, in which security is provided by State- paid uniformed court officers; and
- an increase in contractual security to provide up to 60 additional deputy sheriff and police officer positions in those courts outside of the New York City metropolitan area where security is provided via contract with the local government.

These measures are necessary to ensure that the Judiciary is in a position to meet the security challenges facing the courts and that the public, employees and Judges have open access to New York's justice system.

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ONGOING PRIORITIES

The court system remains committed to innovative, problem-solving approaches to resolving disputes and improving the public's understanding of and access to justice. The Judiciary continues to recognize its responsibility to address pressing societal issues, such as domestic violence, drug addiction, juvenile crime and mental health, in an effort to break the cycle of recidivism that brings defendants back into the justice system time and time again. In the coming fiscal year, base budget resources will be directed to achieve this goal.

Included in the base budget are resources to fund specialized courts that seek to resolve the underlying problems that contribute to crime and family distress and that result in matters being repeatedly brought before the New York courts. The Judiciary also continues its focus on access to justice through efforts to remove barriers to legal representation for the poor, generating new ideas for assuring needed civil legal services to the low and moderate income New Yorkers, providing information and support to self-represented litigants, and community outreach to better inform the public about justice services and the role of the Judiciary.

Problem Solving Courts

Judiciary problem-solving court programs include court drug treatment programs, family justice services, integrated domestic violence courts and community justice centers. This budget request provides support for the continuation and expansion of criminal and family treatment courts, although the pace of expansion will be slowed in view of the State's fiscal condition. With broad-based cooperation, the court system is working with its state and local partners in law enforcement and in the treatment community to ensure that drug courts link non-violent addicts to court-mandated treatment programs. Through these programs, offenders are required to complete intensive drug treatment under the rigorous supervision of the courts as an alternative to jail. Family Courts also have successfully adopted the treatment court model for cases involving neglect in which addiction is the underlying problem. Family Treatment Courts provide screening and assessment of parents with substance abuse problems, access to appropriate treatment and services and a system of sanctions to motivate compliance with court mandates. Through assessment, screening and treatment of non-violent offenders and families, New York is the first court system in the nation to take a comprehensive approach to addressing the critical problem of drug abuse and the related court cases.

The court systems' commitment to a problem-solving court includes a wide range of family justice initiatives intended to improve the delivery of family justice services by focusing on the specialized treatment of cases and greater access to the courts. A key element of the court system's response to the challenge of domestic violence has been the creation of Integrated Domestic Violence (IDV) Courts within the existing trial court structure. These integrated courts focus both on domestic violence cases and also handle all family court and matrimonial matters involving families in which physical abuse is alleged. The IDV courts build on the successful model of the specialized domestic violence courts, enlarging them to encompass all possible related issues in a domestic violence case. This initiative is being implemented in courts in each of the four judicial departments of the state in Westchester, Bronx, Rensselaer and Monroe counties.

Another major Family Court reform effort now underway is the Model Courts Initiative. Model Courts are designed to promote and expedite permanency for children who come before the court as the subjects of neglect and abuse proceedings. The Model Court projects successfully expedited proceedings by setting strict time standards for court hearings and by employing a team concept that emphasizes speedy delivery of needed services for the child and the family from the first day the case comes into court.

Other Family Court initiatives, developed to assist the many thousands of self-represented litigants served by the court include night court, satellite court locations, and case management and technology improvements introduced to enhance the effectiveness of Family Courts including: a Special Victims Safety Check Unit with dedicated staff assigned to provide judges with domestic violence and criminal history information in custody and

visitation cases, child neglect and abuse cases, child guardianship cases, and family offense cases; and development of a single Family Court case management system, which is currently being implemented to take full advantage of the court system's statewide CourtNet and the new technology now available to judges and court personnel.

Community Courts address another justice problem — meeting the needs of communities affected by crime on the local level. New York's court system now operates community courts in several locations including The Midtown Community Court, the Red Hook Community Justice Center, the Harlem Community Justice Center and Hempstead, Nassau County. Planning is also underway for a community court program in Queens County. These courts work to find lasting solutions to recurring problems that affect the quality of life in the community and to take advantage of community service sentencing options in order to make justice visible in the community. Additionally, the Harlem Community Justice Center features a Youth Court; a mediation program to help resolve neighborhood interpersonal disputes with a focus on landlord-tenant conflicts; and a Juvenile Drug Treatment Court.

Access to Justice

The Unified Court System has developed a statewide strategy to improve access to justice which includes increasing services to self-represented litigants, greater availability of civil legal services, and community education and outreach programs to promote trust and confidence in the Judiciary.

As part of the Access to Justice program, the Judiciary recently announced the new Access to Justice Center, which will function as the vehicle for securing long-term funding sources for civil legal services for New Yorkers who need, but cannot afford, such services. This Center will be charged with eliminating barriers to legal representation for the poor, increasing support for self-represented litigants, promoting the use of alternative dispute resolution and developing permanent funding sources. The Center will be overseen by an Access to Justice Board, charged with identifying funds for the support of civil legal services programs, serving as a clearinghouse for civil legal services issues, and recommending laws, regulations and programs to improve funding for delivery of civil legal services.

Community education and outreach is also a central component of the Judiciary's access to justice efforts. Outreach to the public has involved a variety of programs and educational efforts, including a Public Affairs website (found at www.courts.state.ny.us) that features information about the courts' community initiatives, court system publications, and educational pages directed toward students of all grade level. The statewide strategy for eliminating barriers to justice in New York has also been bolstered by publication of *Justiceworks*, a brochure which outlines the various resources and services available to court users.

Civil Justice

The Comprehensive Civil Justice Plan was initiated to move civil cases through the system at a more efficient pace by encouraging the court to take a more active role in managing cases. This program has been instrumental in reducing the pending inventory of trial-ready cases to the lowest level in many years. Efforts are now underway to focus greater attention on pre-trial ready cases, ensuring that case milestones are met in a timely fashion, thus readying the cases for trial. The program also features technological innovations, including pilot locations for the electronic filing of court papers, case management and statistical analysis. The future court appearance application is available for public inquiry into the status of active civil cases in Supreme Court. Information is available on open cases in 33 of the State's counties. The application also links information on over 40,000 Supreme Court decisions in Kings, Nassau, New York, Queens, and Suffolk Counties.

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Court Technology

Technology continues to play a central role in allowing the Judiciary to deal effectively with its high-volume caseloads and in improving public access to court information. Significant progress has been made in implementing the Statewide intranet (CourtNet) and in providing the technology and applications that support automated case management capability and internal communications through e-mail and video-conferencing. The court system has also made important strides in facilitating access by the public to case and court system information. In addition to CourtNet, the Unified Court System is expanding the availability of courtroom technology enhancements including real-time transcription, courtroom access to computerized case information and technology to provide animated evidentiary presentations.

The court system's automation program incorporates a number of multi-year projects to upgrade and modernize centralized computer operations. The base budget request reflects ongoing funding for these projects and seeks new COPS funding authorization to finance automation improvements for the court system to ensure the reliability and efficiency of operations statewide. The key automation initiatives include maintenance of CourtNet; continued development of the court system's Universal Case Management System to replace existing automated case processing applications; additional state-of-the-art technology courtrooms; ongoing replacement of desktop and laptop computers and file servers; expansion of remote access to CourtNet for the 2,300 Town and Village Courts; and specialized applications and technology for drug treatment courts, domestic violence courts and community courts. Replacement of the antiquated and inoperable NYC court telephone system with modern equipment and systems is also a high priority, especially in light of the recent communication systems disruption caused by the World Trade Center attack. To reduce security risks, additional equipment is being acquired to provide the NYC Criminal Courts with timesaving video arraignment capabilities, including central office connections for video technology and equipment set-ups for criminal courtrooms and appearance rooms at courthouses throughout NYC. New projects that would be undertaken if additional COPS financing become available include digital imaging systems to ensure that court records can be recovered in case of a disaster and a human resources application that will allow the court system's back office technology to more effectively interface with the State Comptroller's PAYSR payroll system.

The court system provides extensive, detailed case information to attorneys, press, and the public on its internet site (www.courts.state.ny.us) free of charge and will continue to do so. As a revenue enhancement measure, the Unified Court System budget reflects a proposal to provide certain electronically-generated information on a fee-for-service basis. The E-subscription services will provide value-added services for which the UCS will charge a small fee. These value-added services include: e-mail notification of change to case information; the Case Watch service; attorney-only secure e-mail services; wireless device services; and individualized case calendars for subscribers. At a later stage, the E-subscription service will be expanded to include other items such as a case management system for the small practitioner. A Judiciary Data Processing Offset Fund increase reflecting the proposed establishment of these fee-based services, is reflected in the 2002-03 budget.

Diversity Programs

Two important initiatives for the coming fiscal year are included in the Judiciary's budget request. The court system plans to offer year long fellowships to law school graduates and technology program graduates interested in pursuing careers in court system public service. The court system also plans to create a Legal Education Opportunity Program to enhance the diversity of the New York State Bar. The Legal Education Opportunity program would be modeled upon similar programs that have been created in other States, most notably Indiana University's "Conference on Legal Education Opportunity" (CLEO) program which is aimed at increasing the number of minority, low-income and disadvantaged students who attend the law school in the State.

Town and Village Courts

The Justice Court Assistance Program, enacted by the Legislature during the 1999 session, provides financial assistance for various purposes, including automation, training for judges and court staff, purchasing of law books, and improvement of court facilities. Magistrates Associations, which represent town and village justices, also may apply for funds to be used toward judicial training programs. In the current fiscal year, the Unified Court System will disburse \$500,000 in grants to these local courts across the state. Funding for grants will be capped at a maximum of \$20,000 for any one court or association. The grants being made available under the program will supplement local funding to address specific needs, such as automation and training of court personnel. The new initiative is intended to increase the efficiency of Town and Village Court operations and enhance the administration of justice on a local level. The proposed budget for the Judiciary continues funding for this program of grant assistance at the current year level.

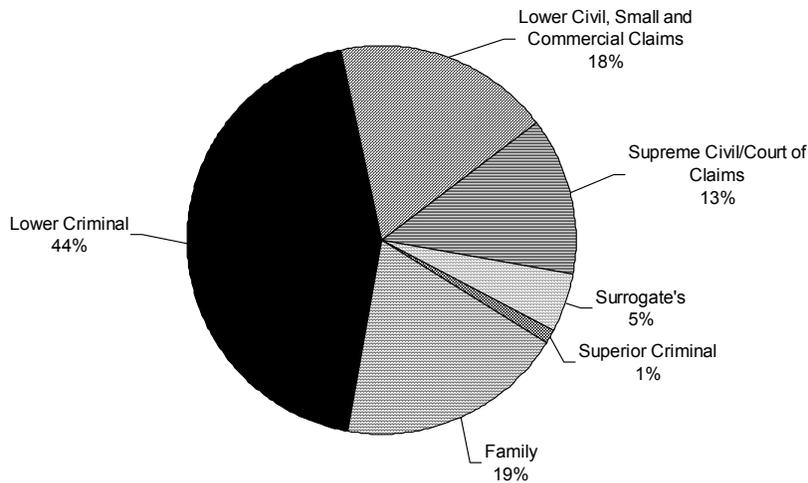
Criminal Disposition Reconciliation Project

The court system has been working with the Division of Criminal Justice Services to resolve the long-standing problem of unmatched criminal cases and dispositions. The court system maintains an automated Criminal Record and Information System to record reportable criminal activities. The system receives automated arrest information from and provides disposition information to the Division of Criminal Justice Services (DCJS). The Town and Village Courts submit disposition information directly to DCJS. The Criminal History Intensive Reconciliation Project is a comprehensive effort undertaken by the Unified Court System in conjunction with the Division of Criminal Justice Services to reconcile more than 1,000,000 open arrests. As of July 2001, there were approximately 500,000 remaining open cases. This budget continues temporary service funds to allow a short-term assignment of court staff to conduct field reviews. The Director of Internal Affairs supervises the project and oversees teams of temporary staff who are assigned to research and resolve open arrest cases.

COURT SYSTEM WORKLOAD

The court system is handling record level caseloads. In 2000, there were 3,507,626 new cases filed in the trial courts of the Unified Court System, excluding traffic and parking cases, an increase of over 800,000, or 30 percent, since 1993.

Trial Court Filings by Case Type - 2000



Filings and dispositions in 2000, by case type, were as follows:

Criminal Cases

Criminal Term of Supreme and County Courts

- Filings - 53,932
- Dispositions - 58,138

Criminal Court of the City of New York

- Filings (arrest cases) - 384,668
- Dispositions (arrest cases) - 388,042
- Filings (summons cases) - 604,406
- Dispositions (summons cases) - 423,422

City and District Courts Outside New York City

- Filings - 284,519
- Dispositions - 277,741

Civil Cases

Civil Term of Supreme Court

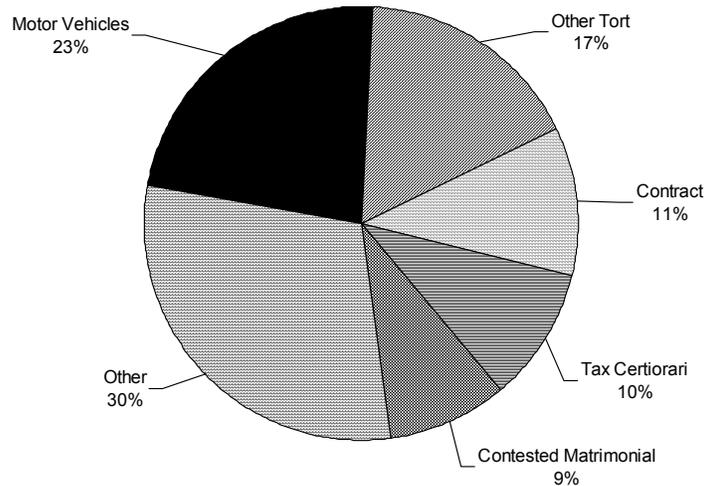
Civil Actions

- Filings - 412,296
- Dispositions - 453,997

Small Claims Assessment Review Program (SCAR)

- Filings - 50,523
- Dispositions - 35,246

**Supreme Civil New Case Filings
by Case Type - 2000**



Civil Court of the City of New York

Civil Actions

- Filings - 212,645
- Dispositions - 108,351

Small Claims/Commercial Claims

- Filings - 48,783
- Dispositions - 52,102

Housing Court

- Filings - 330,155
- Dispositions - 293,824

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City and District Courts Outside New York City

Civil Actions

- Filings - 109,220
- Dispositions - 100,809

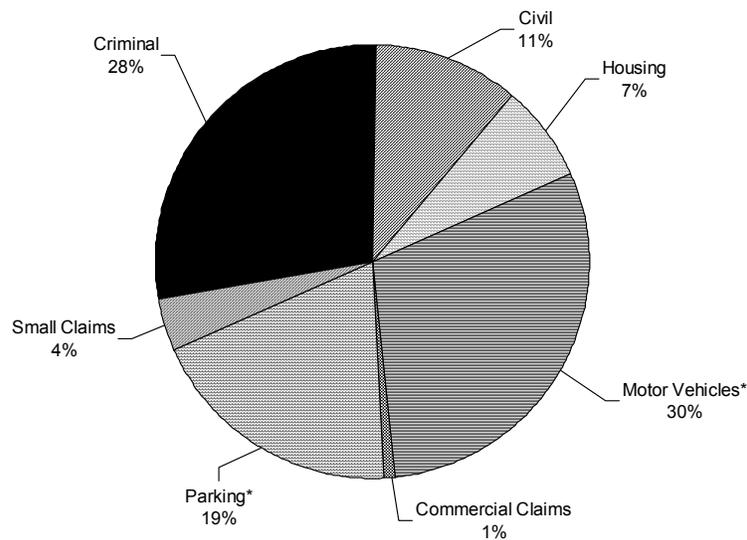
Small Claims/Commercial Claims

- Filings - 54,010
- Dispositions - 55,377

Landlord/Tenant

- Filings - 75,441
- Dispositions - 75,362

City and District Court Filings
by Case Type - 2000



* Does not include cases in which defendants did not respond

County Courts

- Filings - 28,584
- Dispositions - 29,009

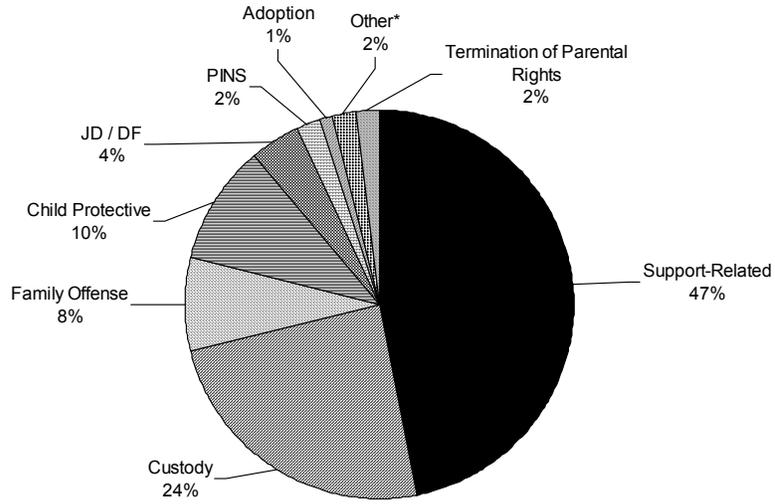
Court of Claims

- Filings - 2,092
- Dispositions - 2,344

Arbitration Program

- Filings - 23,969
- Dispositions - 18,569

Family Court Filings by Case Type - 2000



* Includes Guardianship, Foster Care, Physically Handicapped, Consent to Marry and Other

Family Courts

- Filings - 691,489
- Dispositions - 695,431

Surrogate's Courts

- Filings - 164,863
- Dispositions - 135,475

2002-03 JUDICIARY BUDGET REQUEST

ANALYSIS OF CHANGE

The Judiciary's 2002-03 Court and Agency Operations - General Fund budget increase totals \$45.4 million. Baseline increases of almost \$70 million required to continue 2001-02 operations in fiscal 2002-03 are funded through reductions in virtually all components of the request. The mandatory nonjudicial salary increases alone will cost approximately \$47.5 million, more than the entire \$45.4 million increase being sought in this budget. The major components of the General Fund Operations change include:

- \$48.9 million for salary increases (\$47.5 million) and location pay increases (\$1.4 million) for nonjudicial employees in accordance with collective bargaining contracts and administrative provision.
- \$5 million for the annualization of 156 new nonjudicial positions approved for the current year.
- \$2.9 million for certificated justices and staff on 1/1/2002 and 1/1/2003 — a net increase of 19 justices pursuant to section 115 of the Judiciary Law.
- \$.3 million for a salary increase approved in the current year for Housing Court Judges.
- \$3.0 million for up to 150 full-time equivalent security positions partially funded from the conversion of current overtime expenses.
- \$-3.8 million reduction in overtime and temporary service costs.
- \$-11.0 million reduction in personal service costs to be implemented through a combination of vacancy control and anticipated retirement incentive.
- \$2.4 million for the annualization of contractual security enhancements approved in the current year and for collective bargaining changes that will take effect in the coming year.
- \$1.6 million for costs associated with Drug Treatment Court Program funding for both personnel and contractual services.
- \$2.0 million for Law Guardian Program increases including Legal Aid contracts (\$1.6 million) and Law Guardian vouchers (\$.4 million) to address increases in law guardian assignments and contractual obligations.
- \$0.7 million associated with lease costs including new space in lower Manhattan due to the destruction of the Court of Claims World Trade Center offices and courtrooms.
- \$-4 million reduction attributable to the transfer of Information Technology funding to the Judiciary Data Processing Offset Fund.
- \$.1 million for jury initiatives.
- \$-1.8 million reduction in equipment, eliminating virtually all equipment funding for fiscal 2002-03.
- \$-4.1 million reduction in all general nonpersonal service categories including legal reference, Judicial Hearing Officers and jury per diems.

The Judiciary General Fund - Court and Agency Operations Budget includes \$3.2 million for resource requests beyond the baseline budget for the Judiciary Security Initiative and for the City Court Structure and Operations enhancement legislation.

Additional Security Personnel: Funds for 104 new personnel (\$1.1 million) and enhanced contractual services (\$.6 million) related to the court system's security initiative; \$1.7 million

City Court Resources: Funds for vitally needed city court resources to address workload growth including funds for an increase to the city court judicial and nonjudicial complement and judicial salary adjustments in certain cities; \$1.5 million

THE JUDICIARY BUDGET - 2002-2003

The following is a summary of the 2002-2003 fiscal requirements of the Judiciary including the legislative appropriation bill and financial plan in support of the budget proposals.

JUDICIARY

**UNIFIED COURT SYSTEM
2002-03 BUDGET REQUEST
ALL FUNDS APPROPRIATION REQUIREMENTS
MAJOR PURPOSE/FUND SUMMARY
(dollars)**

Category/Fund/Major Purpose	2001-2002 Available	2002-2003 Requested	Change
<u>Court and Agency Operations:</u>			
Courts of Original Jurisdiction	1,112,107,430	1,158,127,953	46,020,523
Court of Appeals	12,725,244	13,138,335	413,091
Appellate Court Operations	56,399,653	58,407,721	2,008,068
Appellate Auxiliary Operations	72,790,540	75,871,772	3,081,232
Administration and General Support	18,412,477	19,063,271	650,794
Judiciary Wide Maintenance Undistributed	7,762,685	968,231	(6,794,454)
Court and Agency Operations – General Fund – Total	1,280,198,029	1,325,577,283	45,379,254
<u>Special Revenue Fund-Federal</u>			
Miscellaneous Federal Grants	4,000,000	4,000,000	0
<u>Special Revenue Fund-Other</u>			
New York City County Clerks Offset Fund	16,906,225	17,778,921	872,696
Data Processing Offset Fund	10,243,971	15,817,362	5,573,391
Miscellaneous Special Revenue Grants	2,000,000	6,250,000	4,250,000
Attorney Licensing Fund	18,596,815	18,870,575	273,760
Court Facilities Incentive Aid Fund	2,405,105	2,420,203	15,098
Court and Agency – All Funds – Total	1,334,350,145	1,390,714,344	56,364,199
<u>General State Charges</u>			
General Fund	211,788,132	244,698,811	32,910,679
Lawyer's Fund-Client Protection	98,000	98,000	0
Attorney Licensing Fund	2,086,627	2,410,054	323,427
Court Facilities Incentive Aid Fund	214,514	247,764	33,250
Data Processing Offset Fund	1,794,108	2,072,195	278,087
New York City County Clerks Offset Fund	2,554,654	2,950,625	395,971
General State Charges – All Funds – Total	218,536,035	252,477,449	33,941,414
<u>Lawyer's Fund-Client Protection</u>			
Lawyer's Fund Client Protection	8,988,637	9,770,949	782,312
Lawyer's Fund – All Funds – Total	8,988,637	9,770,949	782,312
<u>Aid to Localities</u>			
General Fund-Courts of Original Jurisdiction	500,000	500,000	0
Court Facilities Incentive Aid Fund	84,768,898	84,779,000	10,102
Aid to Localities – All Funds – Total	85,268,898	85,279,000	10,102
<u>Capital Projects</u>			
	35,825,000	0	(35,825,000)
Capital Construction – All Funds – Total	35,825,000	0	(35,825,000)

**UNIFIED COURT SYSTEM
2002-03 BUDGET REQUEST
ALL FUNDS APPROPRIATION REQUIREMENTS
(FUND DETAIL)
(dollars)**

Category/Fund/Major Purpose	2001-2002 Available	2002-2003 Requested	Change
<u>Court and Agency Operations:</u>			
Courts of Original Jurisdiction			
General Fund	1,112,107,430	1,158,127,953	46,020,523
Special Revenue Funds	33,581,122	44,383,630	10,802,508
Total – All Funds	1,145,688,552	1,202,511,583	56,823,031
Court of Appeals			
General Fund	12,725,244	13,138,335	413,091
Special Revenue Funds	0	0	0
Total – All Funds	12,725,244	13,138,335	413,091
Appellate Court Operations			
General Fund	56,399,653	58,407,721	2,008,068
Special Revenue Funds	0	0	0
Total – All Funds	56,399,653	58,407,721	2,008,068
Appellate Auxiliary Operations			
General Fund	72,790,540	75,871,772	3,081,232
Special Revenue Funds	15,662,359	16,482,737	820,378
Total – All Funds	88,452,899	92,354,509	3,901,610
Administration and General Support			
General Fund	18,412,477	19,063,271	650,794
Special Revenue Funds	2,741,318	2,954,224	212,906
Total – All Funds	21,153,795	22,017,495	863,700
Judiciary Wide Maintenance Undistributed			
General Fund	7,762,685	968,231	(6,794,454)
Special Revenue Funds	2,167,317	1,316,470	(850,847)
Total – All Funds	9,930,002	2,284,701	(7,645,301)
Court and Agency Operations – Total			
General Fund	1,280,198,029	1,325,577,283	45,379,254
Special Revenue Funds	54,152,116	65,137,061	10,984,945
Total – All Funds	1,334,350,145	1,390,714,344	56,364,199
<u>General State Charges</u>			
<u>Employee Fringe Benefits</u>			
General Fund	211,788,132	244,698,811	32,910,679
Special Revenue Funds	6,747,903	7,778,638	1,030,735
Total – All Funds	218,536,035	252,477,449	33,941,414
<u>Lawyer's Fund for Client Protection</u>			
General Fund	0	0	0
Special Revenue Funds	8,988,637	9,770,949	782,312
Total – All Funds	8,988,637	9,770,949	782,312
<u>Aid to Localities</u>			
General Funds	500,000	500,000	0
Special Revenue Funds	84,768,898	84,779,000	10,102
Total – All Funds	85,268,898	85,279,000	10,102
<u>Capital Projects</u>			
General Fund	35,825,000	0	(35,825,000)
Special Revenue Funds	0	0	0
Total – All Funds	35,825,000	0	(35,825,000)

JUDICIARY

UNIFIED COURT SYSTEM
2002-03 BUDGET REQUEST
ALL FUNDS DISBURSEMENT REQUIREMENTS
(millions of dollars)

Category / Fund	2001-2002 Projected	2002-2003 Projected	Change
<u>Court and Agency Operations:</u>			
<i>General Fund</i>	1,267.1	1,305.1	38.0
<u>Special Revenue Funds-Federal</u>			
Miscellaneous Federal Grants	4.9	3.2	(1.7)
<u>Special Revenue Funds-Other</u>			
NYC County Clerks' Operations Offset Fund	17.0	17.0	0.0
Judiciary Data Processing Offset Fund	10.1	14.3	4.2
Miscellaneous Special Revenue	20.3	23.6	3.3
Court Facilities Incentive Aid Fund	1.6	1.7	0.1
<i>Court and Agency Operations – All Funds Total</i>	1,321.0	1,364.8	43.8
<u>General State Charges</u>			
General Fund	209.0	241.6	32.6
Lawyers' Fund for Client Protection	0.1	0.1	0.0
Miscellaneous Special Revenue	2.1	2.4	0.3
Court Facilities Incentive Aid Fund	0.2	0.2	0.0
Judiciary Data Processing Offset Fund	1.2	2.1	0.8
NYC County Clerks' Operations Offset Fund	2.6	3.0	0.4
<i>General State Charges – All Funds Total</i>	215.2	249.3	34.1
<u>Lawyers' Fund for Client Protection</u>			
Lawyers' Fund for Client Protection	7.6	10.3	2.7
<i>Lawyers' Fund for Client Protection – Total</i>	7.6	10.3	2.7
<u>Aid to Localities</u>			
General Fund - Courts of Original Jurisdiction	0.8	0.5	(0.3)
Court Facilities Incentive Aid Fund	96.5	85.7	(10.7)
<i>Aid to Localities – All Funds Total</i>	97.2	86.2	(11.0)
<u>Capital Projects</u>			
Courthouse Improvements	5.0	20.8	15.9
<i>Capital Construction – All Funds Total</i>	5.0	20.8	15.9

THE LEGISLATURE

The New York State Constitution vests the State's law-making power in a two-house Legislature composed of a 61-member Senate and a 150-member Assembly. Each representative is elected for two-year terms, with all 211 being elected every two years. The Legislature convenes annually on the first Wednesday after the first Monday in January and remains in session until it concludes its business.

The Legislature has many powers set by the State Constitution. These responsibilities include:

- the ability to propose laws;
- the power to override a gubernatorial veto if two-thirds of the Senate and Assembly vote to do so;
- the reapportionment of legislative and congressional districts every ten years after the national census;
- the confirmation by the Senate of gubernatorial appointments of non-elected state officials and court judges;
- the proposition of amendments to the State Constitution;
- voting on ratification of proposed amendments to the Federal Constitution; and
- the creation, regulation and, in some limited cases, abolition of local governments.

Subject to the limitations and prohibitions imposed by the Federal Constitution, certain Federal statutes and treaties, and the State Constitution, the law-making powers of the Legislature are practically unlimited. The principal purposes of bills considered by the Legislature are to:

- enact or amend laws relating to the government of the State and its various subdivisions;
- appropriate funds for the operation of the various agencies and functions of State government and for State aid to local governments, and to provide adequate revenue-producing sources for these purposes;
- provide for and regulate the operation of a judicial system, including the practices and procedures for the system;
- define acts or omissions that constitute crimes, and to provide penalties for these crimes;
- promote the public welfare, including the care of the State's indigent, mentally ill, unemployed, etc.; and
- correct, clarify, amend or repeal obsolete, conflicting, uncertain or invalidated statutes.

In addition to the Senate and Assembly, the Legislature's Budget authorizes funding for several other components, which support the operations of the two houses, including:

- part of the Lieutenant Governor's office;
- fiscal committees operating in each house; and
- joint entities, including the Legislative Ethics Committee, Legislative Library, Legislative Health Services, Legislative Messenger Service, Legislative Bill Drafting Commission and the Legislative Task Force on Demographic Research and Reapportionment.

Each of these Legislative components will be discussed in separate sections below.

LEGISLATIVE BUDGET HIGHLIGHTS

The recommended General Fund appropriation of \$206,735,159 for fiscal year 2002-03 for the Legislature represents no change from the amount appropriated for FY 2001-02. The Legislature's budget request for FY 2002-03 represents an overall increase of 12.72 percent over the past 12 years. Over this same period, the Consumer Price Index will have increased by 37.9 percent.

LEGISLATURE

LEGISLATIVE BUDGET SUMMARY GENERAL FUND APPROPRIATIONS

Entity	Available FY 01-02	Recommended FY 02-03	Change
Lt. Governor	\$285,989	\$285,989	\$0
Senate	\$81,813,161	\$81,808,505	(4,656)
Assembly	\$97,232,637	\$97,227,980	(4,657)
Fiscal Committees	\$10,750,652	\$10,750,652	0
Joint Legislative Entities	\$16,652,720	\$16,662,033	+9,313
LEGISLATURE TOTAL	\$206,735,159	\$206,735,159	\$0

LEGISLATIVE BUDGET HISTORY FISCAL YEAR 1990-91 TO 2002-03 GENERAL FUND APPROPRIATIONS

FY 90-91 Approp.	FY 01-02 Approp.	FY 02-03 Recommended	Change from FY 01-02 Approp. (%)	Change from FY 90-91 Approp. (%)
\$183,405,313	\$206,735,159	\$206,735,159	0 (0%)	+\$23,329,846 (+12.72%)

LEGISLATIVE BUDGET GENERAL FUND APPROPRIATIONS COMPARISON TO CONSUMER PRICE INDEX FISCAL YEAR 1990-91 THROUGH FISCAL YEAR 2002-2003

	FY 1990-91	FY 2001-02	FY 2002-03	% Change 90-91 to 02-03
Legislative Budget	\$183,405,313	\$206,735,159	\$206,735,159	+12.72%
Consumer Price Index	138.5	187.5*	191.0*	+37.9%

* estimated

The recommended Special Revenue Fund-Other appropriation of \$1,600,000 for FY 2002-03 represents no change from the amount appropriated for FY 2001-02. No tax revenues are required for Special Revenue Funds.

The recommended Grants and Bequests Fund appropriation of \$500,000 for FY 2002-03 represents no change from the amount appropriated for FY 2001-02. No tax revenues are required for Grants and Bequests Funds.

LIEUTENANT GOVERNOR

The Lieutenant Governor serves as the Senate's President and has a casting vote. The Lieutenant Governor's salary of \$151,500 appears as part of the Legislative Budget. The Legislature also funds a part of the Lieutenant Governor's Office.

BUDGET HIGHLIGHTS

The recommended appropriation of \$285,989 for fiscal year 2002-03 for the Lieutenant Governor represents no change from the amount appropriated for FY 2001-02.

SENATE

The Senate is composed of 61 Members elected for two-year terms from districts around the state. Each Senator represents approximately 295,000 constituents. The Senate conducts its legislative business through the operation of 34 Standing Committees.

The Senate elects from among its Members for a two-year term a Temporary President who directs and guides the business of the Senate, appoints Members to Senate Standing Committees, and appoints the Senate's staff. The Temporary President serves as the presiding officer in the absence of the Lieutenant Governor or may delegate this duty to

another Member. In addition, the Temporary President serves as the Majority Leader of the majority party, while the minority party of the Senate chooses a Minority Leader from among its membership.

Senate Members have staff to assist them in carrying out their legislative duties, delivering constituent services and, where applicable, in fulfilling their responsibilities as committee chairs or leaders of the Senate. Members are also provided with office space both in Albany and the district, as well as office equipment, furnishings and supplies, in order to serve their constituents. Travel expenses for approved official Senate business are reimbursable. The Majority and Minority Leaders each have staff to provide counsel, policy analysis, program development and Washington, D.C. representation. The Temporary President, through the Secretary of the Senate, employs staff to operate the Senate Chamber during session and to handle the legislative process during the remainder of the year, furnish research and computer services, and provide administrative services such as personnel, fiscal, maintenance, and printing services for the Senate. The Temporary President also has staff to deliver communications services for the Senate. Finally, the Senate operates a program for college students which includes a Session Assistant program for undergraduates and a Student Fellows program for post-graduates who wish to learn about and experience the legislative process by working with Senate Members.

In addition to the Senate's General Fund appropriation, a Special Revenue Fund (Senate Recyclable Materials, Information Services and Conference Fund) has been established to collect revenues from the sale of recyclable materials, distribution of documents, materials and computerized information, and fees charged for conferences sponsored by the Senate. These revenues may be used to pay for waste disposal, production and distribution of Senate documents, materials and computerized information, and expenses related to conferences sponsored by the Senate. A Grants and Bequests Fund has also been established to receive non-state grants which may be used to pay for services and expenses related to the restoration of the Senate Chamber.

BUDGET HIGHLIGHTS

The recommended appropriation for the Senate of \$81,808,505 for FY 2002-03 represents a small decrease of \$4,656 from FY 2001-02. The Senate intends to absorb anticipated cost of living raises for Senate staff as well as any anticipated increases in the nonpersonal service sector due primarily to inflationary pressure on the cost of the district office leases and supplies, and the expected postal rate increases.

As detailed in the table below, the Senate (including the Legislative Commissions for which funding was eliminated in the FY 1995-96 budget) has seen its budget increase by \$10,948,694 or 15.44 percent from the \$70,864,467 appropriated in FY 1990-91. Over the same 12-year period, the consumer price index has increased by 37.9 percent.

In the past six years, the Senate has reduced its staff by 336 employees or 18.4 percent, eliminated its Washington, D.C. and New York City office leases, closed approximately 20 district offices, and reduced the number of district-wide mailings allowed each Member. The Senate has also granted an across-the-board cost-of-living increase for its staff in only seven of the past twelve years. The Senate continued to tightly control its nonpersonal service expenses by restraining the purchasing of office supplies and furnishings, severely restricting travel, delaying essential equipment upgrades and reducing expenditures in other ways while the costs of these have continued to rise, often above the rate of inflation.

LEGISLATURE

SENATE BUDGET HISTORY FISCAL YEAR 1990-92 TO 2001-03 GENERAL FUND APPROPRIATIONS

	FY 90-91 Approp.	FY 01-02 Available	FY 02-03 Recommended	Change from FY 01-02 (%)	Change from FY 90-91 (%)
Senate Budget	67,238,167	81,813,161	81,808,505		
Senate Commissions	3,626,300	0	0		
TOTAL	70,864,467	81,813,161	81,808,505	-4,656 (-0.01%)	+10,944,038 (+15.44%)

ASSEMBLY

The Assembly is composed of 150 members elected for two-year terms from districts around the state. Each Member of Assembly represents approximately 120,000 constituents. The Assembly conducts its legislative business through the operation of 36 standing committees.

The Assembly elects from among its members a Speaker who directs and guides the business of the Assembly, and appoints members to Assembly Standing Committees and Assembly leadership positions. The Speaker serves as the presiding officer of the Assembly. The minority party of the Assembly chooses a Minority Leader from their membership.

Each Member of Assembly is entitled to employ staff to assist them in carrying out their legislative duties and, where applicable, their responsibilities as Committee Chairs or leadership. Members are also provided with office space both in Albany and the district, as well as office equipment, furnishings and supplies, in order to serve their constituents. The State Constitution provides for reimbursement to Assembly Members for travel to the Capitol from their district, and Members and staff are also eligible for reimbursement of other travel related to legislative business. The Speaker of the Assembly and the Assembly Minority Leader employ staff to provide counsel, legislative program development and policy analysis. The Assembly also employs staff to serve the needs of the house, including the operation of the Assembly Chamber during session, the management of the legislative process, and research, communications and administrative services. The Assembly also administers an Intern Program to provide opportunities to undergraduate and graduate college students to learn about the legislative process while utilizing their skills to assist the Assembly Members in fulfilling their constitutional responsibilities.

In addition to the Assembly's General Fund appropriation, a Special Revenue Fund (Assembly Recyclable Materials, Information Services and Conference Fund) has been established to collect revenues from the sale of recyclable materials, distribution of documents, materials and computerized information, and fees charged for conferences sponsored by the Assembly. These revenues may be used to pay for waste disposal, production and distribution of Assembly documents, materials and computerized information, and expenses related to conferences sponsored by the Assembly. A Grants and Bequests Fund has also been established to receive non-state grants which may be used to pay for services and expenses related to the restoration of the Assembly Chamber.

BUDGET HIGHLIGHTS

The recommended appropriation for FY 2002-03 of \$97,227,980 represents a decrease of \$4,657 below the amount appropriated for FY 2001-02. Any cost-of-living increases for Assembly staff and other non-personal service cost increases will be absorbed in this "no growth" budget.

Over the past twelve years, as detailed below, the Assembly's budget (including Assembly Commissions for which funding was eliminated in FY 1995-96) has increased by 15.3 percent, while over the same period, the Consumer Price Index has increased by 37.9

percent. The Assembly has been able to keep its spending over the past eleven years well below inflation by reducing the payroll for Assembly controlled entities by over 300 positions, the elimination of regional offices, and other operational savings.

**ASSEMBLY BUDGET HISTORY
FISCAL YEAR 1990-91 TO 2002-2003
GENERAL FUND APPROPRIATIONS**

	FY 90-91 Approp.	FY 01-02 Available	FY 02-03 Recommended	Change from FY 01-02 (%)	Change from FY 90-91 (%)
Assembly Budget	\$80,732,868	\$97,232,637	\$97,227,980		
Assembly Commissions	\$3,569,700	0	0		
TOTAL	\$84,302,568	\$97,232,637	\$97,227,980	(\$4,657) (-0.01%)	+12,925,412 (+15.3%)

FISCAL COMMITTEES

The Governor’s annual budget bills and the budgetary proposals for the Legislature and Judiciary are referred to these committees when introduced and are reported by them, with recommendations, to the Legislature. Designated representatives of the committees are entitled, by constitutional provisions, to attend the required hearings for the preparation of the budget and to make inquiry concerning any part thereof. These committees also consider all bills introduced in the Legislature carrying appropriations or providing for the expenditures of public money.

In addition, pursuant to the provisions of section 122-a of the State Finance Law, the Chairmen and ranking Minority Members of the Senate Finance Committee and the Assembly Ways and Means Committee function as an Audit Committee. The responsibilities of the Audit Committee include the selection of an independent certified public accountant to conduct an independent audit of the state’s annual financial statements, receiving the results of such independent audit, and submitting the certification received from the independent certified public accountant to the State Comptroller for inclusion in the annual financial report required pursuant to section 8 of the State Finance Law.

BUDGET HIGHLIGHTS

The recommended appropriation of \$5,375,326 for fiscal year 2002-03 for both the Senate Finance Committee and the Assembly Ways and Means Committee represents no increase from the amount appropriated for FY 2001-2002.

JOINT ENTITIES AND DUES PAYMENTS

LEGISLATIVE ETHICS COMMITTEE

The Legislative Ethics Committee was created by Chapter 813 of the laws of 1987 and is a joint bipartisan committee authorized by law to act on matters arising out of Public Officers Law Sections 73, 73-a and 74, as applied to the legislative branch, and Legislative Law Section 80. The Committee is authorized by law to distribute, collect and review financial disclosure statements from legislators, employees and candidates for legislative office. The Committee renders formal advice on the law and investigates violations of the law, which are subject to civil and criminal penalties. The Legislative Ethics Committee is also required to adopt policies, guidelines, rules, and regulations to interpret and administer the legislative ethics laws. The eight-member committee is comprised of two members each from the Senate and Assembly majority and minority parties.

LEGISLATURE

BUDGET HIGHLIGHTS

The recommended appropriation of \$370,000 for FY 2002-03 for the Legislative Ethics Committee represents no increase from the amount appropriated for FY 2001-02.

LEGISLATIVE HEALTH SERVICE

Section 7-b of the Legislative Law provides for a legislative emergency health station for the use of members and employees of the Legislature and legislative correspondents. This station is to be under the direction of a registered nurse and suitably and adequately equipped to administer first aid whenever needed.

BUDGET HIGHLIGHTS

The recommended appropriation of \$184,369 for FY 2002-03 for the Legislative Health Service represents no change from the amount appropriated for FY 2001-02.

LEGISLATIVE LIBRARY

Section 7-a of the Legislative Law provides for a Legislative Library to be located in the State Capitol, conveniently accessible to the members of both houses of the Legislature. The Legislative Library is the Library of Record for the Legislature. The Legislative Library is open throughout the year and all hours that the Legislature is actively in session, and provides general information services to legislators and their staffs with a collection emphasis on legal materials.

BUDGET HIGHLIGHTS

The recommended appropriation of \$763,375 for FY 2002-03 for the Legislative Library represents no change from the amount appropriated for FY 2001-02.

LEGISLATIVE MESSENGER SERVICE

The Legislative Messenger Service provides a communications network throughout the Empire State Plaza and neighboring state buildings for Senate and Assembly legislators and their staffs. The service employs and trains individuals with disabilities as office personnel and messengers, and is located in the Legislative Office Building.

BUDGET HIGHLIGHTS

The recommended appropriation of \$709,819 for FY 2002-03 represents no change from the amount appropriated for FY 2000-2001.

LEGISLATIVE BILL DRAFTING COMMISSION

The Legislative Bill Drafting Commission is composed of two commissioners jointly appointed by the Temporary President of the Senate and the Speaker of the Assembly. The Commission is mandated to draft or aid in the drafting of legislative bills and resolutions at the request of members or committees of either house of the Legislature. The Commission, upon research and examination, may advise as to the constitutionality, consistency or effect

of proposed legislation upon request of a member or committee of either house of the Legislature. The Commissioners direct a legal staff of attorneys and are supported by a data processing and technical staff.

The Commission also maintains and operates centralized data processing systems, programs and equipment for the operation of a bill status and statutory and other miscellaneous information retrieval system for the Legislature, including the creation of a databank containing the official statutes of the state and the text of the rules and regulations of state agencies as filed with the Secretary of State. The Commission's budget is used to pay for the cost of the Legislature's printing contract for the printing of bills, session laws, the classification of appropriations book (Black Book), Senate and Assembly Journals, and other miscellaneous legislative documents, and the printing, publication and distribution of the Legislative Digest.

The Commission receives revenues from the private sale of subscriptions to the Legislative Digest and to the Legislative Retrieval Service (LRS), which are deposited in a Special Revenue Fund known as the Legislative Computer Services Fund. These revenues are used to offset the costs of operating the Commission's data processing systems.

BUDGET HIGHLIGHTS

The recommended appropriation of \$12,157,549 for fiscal year 2002-03 for the Legislative Bill Drafting Commission represents no change from the amount appropriated for FY 2001-02.

An appropriation of \$1,500,000 for FY 2002-03 is recommended for the Legislative Computer Services Fund. This recommended appropriation represents no change from the amount appropriated for

FY 2001-02. No tax revenues are required for this Fund.

LEGISLATIVE TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT

The Task Force on Demographic Research and Reapportionment was established by Chapter 45 of the laws of 1978 to research and study the techniques and methodologies used by the U.S. Commerce Departments' Bureau of the Census in carrying out the decennial federal census. The Task Force aids the Legislature by providing technical plans for meeting the requirements of legislative timetables for the reapportionment of Senate, Assembly and Congressional districts. Using its Geographic Information System database, it also conducts research projects relating to the collection and use of census data and other statistical information.

The Task Force is also authorized to receive revenues from the sale of computer-generated data and services for deposit in the Special Revenue Fund known as the Legislative Computer Services Fund. These funds may be used to offset the Task Force's cost of operating its data processing systems.

BUDGET HIGHLIGHTS

The total recommended appropriation of \$2,183,166 for fiscal year 2002-03 for the Legislative Task Force on Demographic Research and Reapportionment represents no change from the amount available for FY 2001-02.

LEGISLATURE

NATIONAL CONFERENCE OF STATE LEGISLATURES DUES

The National Conference of State Legislatures (NCSL) is a bi-partisan organization created to serve the legislators and staff of each State Legislature. NCSL provides research, technical assistance and the opportunity for policy makers to exchange ideas on the most pressing state issues.

New York's involvement with the NCSL is through the Assembly on the Legislature (AOL) and State-Federal Assembly (SFA). The AOL promotes the exchange of ideas and information on state issues among state legislatures. SFA informs legislators of developments in state-federal relations, identifies issues of critical concern and serves as a forum for discussion among its 50-state membership. All state legislators and their staff members are eligible to participate in the Conference and are entitled to the full use of its services.

NCSL is supported from dues assessed to each State Legislature, on the basis of state population totals.

BUDGET HIGHLIGHTS

The recommended appropriation of \$293,755 for fiscal year 2002-03 for the National Conference of State Legislatures dues represents an increase of \$9,313 above the amount appropriated for FY 2001-02.

ALL FUNDS REQUIREMENTS FOR THE LEGISLATURE

Fund/Entity/Major Purpose	Available 2001-02	Recommended 2002-03	Change
Lt. Governor	\$285,989	\$285,989	\$0
Senate	81,813,161	81,808,505	(4,656)
Assembly	97,232,637	97,227,980	(4,657)
Senate Finance Committee	5,375,326	5,375,326	0
Assembly Ways and Means Committee	5,375,326	5,375,326	0
Joint Entities:			
Legislative Ethics Commission	370,000	370,000	0
National Conference of State Legislatures Dues	284,442	293,755	9,313
Legislative Health Service	184,369	184,369	0
Legislative Library	763,375	763,375	0
Legislative Messenger Service	709,819	709,819	0
Legislative Bill Drafting Commission	12,157,549	12,157,549	0
Legislative Task Force on Demographic Research and Reapportionment	2,183,166	2,183,166	0
Joint Entities Total	\$16,652,720	\$16,662,033	\$9,313
GENERAL FUND TOTAL	\$206,735,159	\$206,735,159	\$0
Special Revenue Fund - Other:			
Legislative Computer Services Fund	\$1,500,000	\$1,500,000	\$0
Senate Recyclable Materials, Information Services and Conference Fund	50,000	50,000	0
Assembly Recyclable Materials, Information Services and Conference Fund	50,000	50,000	0
SPECIAL REVENUE FUND TOTAL	\$1,600,000	\$1,600,000	\$0
Grants and Bequests Fund:			
Restoration of Senate Chamber	250,000	250,000	0
Restoration of Assembly Chamber	250,000	250,000	0
GRANTS AND BEQUESTS FUND TOTAL	\$500,000	\$500,000	\$0

LEGISLATURE

SCHEDULE OF APPROPRIATIONS

<u>Title of Appropriation</u>	<u>Appropriated for 2001-02</u>	<u>Requested for 2002-03</u>	<u>Change</u>
OFFICE OF THE LIEUTENANT GOVERNOR			
Lieutenant Governor.....	\$151,500	\$151,500	\$0
Administration			
For personal service of employees and for temporary and expert services.....	\$117,547	\$117,547	\$0
Maintenance and Operation			
For services and expenses of maintenance and operation (including liabilities incurred prior to April 1, 2002).....	\$16,942	\$16,942	\$0
Total—Office of Lieutenant Governor.....	\$285,989	\$285,989	\$0
THE SENATE			
Personal Service			
For payment of salaries to Members, 61, pursuant to section five of the Legislative Law.....	\$4,849,500	\$4,849,500	\$0
For payment of allowances to members designated by the temporary president, pursuant to the schedule of such allowances set forth in section 5-a of the legislative law.....	\$1,289,500	\$1,289,500	\$0
For personal service of employees and for temporary and expert services of majority leader and minority leader operations ...	\$9,357,564	\$9,357,564	\$0
For personal service of employees and for temporary and expert services of members' offices and of standing committees....	\$28,403,909	\$28,403,909	\$0
For personal service of employees and for temporary and expert services for administrative support operations.....	\$13,868,306	\$13,868,306	\$0
For personal service of employees and for temporary and expert services for the senate student program office.....	\$465,266	\$465,266	\$0
For personal service of employees and for temporary and expert services for the senate select committee on interstate cooperation.....	\$78,983	\$78,983	\$0
For personal service of employees and for temporary and expert services for the senate special committee on the culture industry.....	\$78,983	\$78,983	\$0
For personal service of employees and for temporary and expert services for the senate select committee on the disabled.....	\$116,150	\$116,150	\$0
Total Personal Service.....	\$58,508,161	\$58,508,161	\$0
Nonpersonal Service			
For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2002)			
Non-employee services.....	\$375,000	\$375,000	\$0
Supplies and Materials.....	\$2,400,000	\$2,400,000	\$0
Travel.....	\$1,425,000	\$1,425,000	\$0
Rentals.....	\$1,550,000	\$1,550,000	\$0
Equipment maintenance and repairs.....	\$1,600,000	\$1,600,000	\$0
Office and space leases.....	\$3,400,000	\$3,400,000	\$0
Utilities.....	\$950,000	\$950,000	\$0
Postage and shipping.....	\$4,000,000	\$4,000,000	\$0
Printing.....	\$330,000	\$330,000	\$0
Telephone and telegraph.....	\$2,625,000	\$2,625,000	\$0
Miscellaneous contractual services.....	\$450,000	\$450,000	\$0
Equipment.....	\$3,200,000	\$3,200,000	\$0
Total Nonpersonal Service.....	\$22,305,000	\$22,305,000	\$0

<u>Title of Appropriation</u>	<u>Appropriated for 2001-02</u>	<u>Requested for 2002-03</u>	<u>Change</u>
Maintenance Undistributed			
For services and expenses, including travel outside the state....	\$1,000,000	\$995,344	(\$4,656)
Grand Total—The Senate	<u>\$81,813,161</u>	<u>\$81,808,505</u>	<u>(\$4,656)</u>
THE ASSEMBLY			
Personal Service			
Members, 150, payment of salaries pursuant to section five of the legislative law	\$11,925,000	\$11,925,000	\$0
For payment of allowances to members designated by the speaker	\$1,592,500	\$1,592,500	\$0
For personal service of employees and for temporary and expert services of members' offices and of standing committees and subcommittees	\$27,474,381	\$27,474,381	\$0
For personal service of employees and for temporary and expert services for administrative and program support operations	\$31,230,243	\$31,230,243	\$0
For the Assembly Intern and Youth Participation Program for personal service of employees and for temporary and expert services	\$777,976	\$777,976	\$0
Total Personal Service	\$73,000,100	\$73,000,100	\$0
Nonpersonal Service			
For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2002)			
Non-employee services.....	\$65,000	\$65,000	\$0
Supplies and Materials	\$2,400,000	\$2,400,000	\$0
Travel	\$2,630,000	\$2,630,000	\$0
Rentals	\$1,255,000	\$1,255,000	\$0
Equipment maintenance and repairs	\$1,470,000	\$1,470,000	\$0
Office and space leases	\$4,850,000	\$4,850,000	\$0
Utilities.....	\$700,000	\$700,000	\$0
Postage and shipping	\$4,200,000	\$4,200,000	\$0
Printing.....	\$113,000	\$113,000	\$0
Telephone and telegraph	\$2,600,000	\$2,600,000	\$0
Miscellaneous contractual services.....	\$673,000	\$673,000	\$0
Equipment.....	\$1,800,000	\$1,800,000	\$0
Total Nonpersonal Service	\$22,756,000	\$22,756,000	\$0
Maintenance Undistributed			
For services and expenses, including travel outside the state....	\$1,476,537	\$1,471,880	(\$4,657)
Grand Total—The Assembly.....	<u>\$97,232,637</u>	<u>\$97,227,980</u>	<u>(\$4,657)</u>
SENATE FINANCE COMMITTEE			
For personal service, temporary and special services (including liabilities incurred prior to April 1, 2002).....	\$5,375,326	\$5,375,326	\$0
ASSEMBLY WAYS & MEANS COMMITTEE			
For personal service, temporary and special services (including liabilities incurred prior to April 1, 2002).....	\$5,375,326	\$5,375,326	\$0
SENATE AND ASSEMBLY JOINT ENTITIES			
LEGISLATIVE ETHICS COMMITTEE			
For services and expenses of the legislative ethics committee pursuant to section 80 of the legislative law.....	\$370,000	\$370,000	\$0

LEGISLATURE

Title of Appropriation	Appropriated for 2001-02	Requested for 2002-03	Change
NATIONAL CONFERENCE OF STATE LEGISLATURES			
For a contribution to the National Conference of State Legislatures	\$284,442	\$293,755	\$9,313
LEGISLATIVE HEALTH SERVICE			
For services and expenses for the operation of the legislative health service	\$184,369	\$184,369	\$0
LEGISLATIVE LIBRARY			
For services and expenses and for temporary and special services for the operation of the legislative library	\$763,375	\$763,375	\$0
LEGISLATIVE MESSENGER SERVICE			
For services and expenses for the operation of the legislative messenger service	\$709,819	\$709,819	\$0
LEGISLATIVE BILL DRAFTING COMMISSION			
For services and expenses, temporary and special services, and for expenses of maintenance and operation			
Schedule			
Personal Service-Regular & Temporary	\$8,006,500	\$8,006,500	\$0
Nonpersonal Service	\$4,014,018	\$4,014,018	\$0
Legislative Digest Contract Administration	\$253,642	\$253,642	\$0
Legislative Printing Contract Administration	\$833,389	\$833,389	\$0
Total	\$13,107,549	\$13,107,549	\$0
Less Transfer from Legislative Computer Services Fund	(\$950,000)	(\$950,000)	\$0
Total available	\$12,157,549	\$12,157,549	\$0
LEG. TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT			
Maintenance Undistributed			
For services and expenses (including liabilities incurred prior to April 1, 2002) of the task force for senate purposes	\$341,583	\$341,583	\$0
For services and expenses (including liabilities incurred prior to April 1, 2002) of the task force for assembly purposes	\$341,583	\$341,583	\$0
For services and expenses (including liabilities incurred prior to April 1, 2002) of the task force for joint operations	\$1,500,000	\$1,500,000	\$0
Amount available	\$2,183,166	\$2,183,166	\$0
Grand Total—Senate and Assembly Joint Entities	\$16,652,720	\$16,662,033	\$9,313
SPECIAL REVENUE FUND - OTHER			
LEGISLATIVE COMPUTER SERVICES FUND			
For services and expenses of the legislative computer services fund	\$1,500,000	\$1,500,000	\$0
SENATE RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND			
For services and expenses of the senate recyclable materials, information services and conference fund	\$50,000	\$50,000	\$0
ASSEMBLY RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND			
For services and expenses of the assembly recyclable materials, information services and conference fund	\$50,000	\$50,000	\$0

LEGISLATURE

Title of Appropriation	Appropriated for 2001-02	Requested for 2002-03	Change
GRANTS AND BEQUESTS FUND LEGISLATURE			
THE SENATE			
Maintenance Undistributed			
For services and expenses relative to restoration of the Senate Chamber and other purposes as funded by non-state grants	\$250,000	\$250,000	\$0
THE ASSEMBLY			
Maintenance Undistributed			
For services and expenses relative to restoration of the Assembly Chamber and other purposes as funded by non- state grants	\$250,000	\$250,000	\$0

PART IV

SUMMARY OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS

ALL FUNDS
RECOMMENDED 2002-03
COMPARED TO 2001-02 AVAILABLE
(dollars)

	Available 2001-02	State Operations Recommended 2002-03	Aid to Localities Recommended 2002-03	Capital Projects Recommended 2002-03	Total Recommended 2002-03	Change From 2001-02
Adirondack Park Agency	4,345,000	5,137,000	50,000	0	5,187,000	842,000
Advocate for Persons with Disabilities, Office of	1,590,000	1,585,000	0	0	1,585,000	(5,000)
Aging, Office for the	175,066,000	13,187,000	169,500,000	0	182,687,000	7,621,000
Agriculture and Markets, Department of	112,931,800	102,442,600	22,102,000	2,600,000	127,144,600	14,212,800
Alcoholic Beverage Control, Division of	13,664,000	13,744,000	0	0	13,744,000	80,000
Arts, Council on the	52,678,200	34,412,500	44,385,000	0	78,797,500	26,119,300
Audit and Control, Department of	220,588,400	203,717,000	20,902,000	0	224,619,000	4,030,600
Banking Department	66,070,100	75,048,000	0	0	75,048,000	8,977,900
Budget, Division of the	41,031,000	41,144,000	0	0	41,144,000	113,000
Capital Defender Office	14,647,000	13,897,000	0	0	13,897,000	(750,000)
Children and Families, Council on	2,913,000	2,907,000	0	0	2,907,000	(6,000)
Children and Family Services Office of	3,304,476,000	468,119,600	2,950,201,000	87,210,000	3,505,530,600	201,054,600
City University of New York	1,870,376,000	1,113,468,000	760,783,000	0	1,874,251,000	3,875,000
Civil Service, Department of	72,100,800	65,783,000	0	0	65,783,000	(6,317,800)
Consumer Protection Board, State	3,781,900	5,154,000	0	0	5,154,000	1,372,100
Correction, Commission of	2,516,100	2,586,000	0	0	2,586,000	69,900
Correctional Services, Department of	2,251,679,700	2,027,186,000	11,400,000	225,000,000	2,263,586,000	11,906,300
Crime Victims Board	60,716,915	5,600,000	61,397,000	0	66,997,000	6,280,085
Criminal Justice Services, Division of	186,249,900	97,840,000	109,883,000	0	207,723,000	21,473,100
Developmental Disabilities Planning Council	4,300,000	4,550,000	0	0	4,550,000	250,000
Economic Development, Department of	51,839,900	33,600,900	10,274,000	0	43,874,900	(7,965,000)
Education Department, State	20,605,824,800	357,612,700	21,207,361,600	9,765,000	21,574,739,300	968,914,500
Elections, State Board of	3,601,000	3,601,000	0	0	3,601,000	0
Empire State Development Corporation	89,504,100	0	95,504,100	275,000,000	370,504,100	281,000,000
Employee Relations, Office of	6,875,600	7,020,000	0	0	7,020,000	144,400
Energy Research and Development Authority, New York State	30,023,000	17,156,000	0	13,367,000	30,523,000	500,000
Environmental Conservation, Department of	889,099,000	400,327,700	6,300	608,556,000	1,008,890,000	119,791,000
Environmental Facilities Corporation	8,347,800	9,528,000	0	292,000	9,820,000	1,472,200
Executive Chamber	18,255,000	18,255,000	0	0	18,255,000	0
General Services, Office of	403,870,900	378,838,000	0	214,000,000	592,838,000	188,967,100
Health, Department of	31,872,500,500	4,504,502,000	30,022,232,000	156,600,000	34,683,334,000	2,810,833,500
Higher Education Services Corporation, New York State	780,610,000	116,805,000	540,164,000	0	656,969,000	(123,641,000)
Housing and Community Renewal, Division of	254,553,700	86,202,000	101,754,000	74,200,000	262,156,000	7,602,300
Housing Finance Agency	700,000	0	665,000	0	665,000	(35,000)
Mortgage Agency, State of New York	170,591,100	76,800,000	113,753,000	0	190,553,000	19,961,900
Hudson River Park Trust	0	0	0	30,000,000	30,000,000	30,000,000
Human Rights, Division of	15,551,000	18,224,000	0	0	18,224,000	2,673,000
Inspector General, Office of the	6,366,000	6,366,000	0	0	6,366,000	0
Insurance Department	115,470,000	125,419,000	0	0	125,419,000	9,949,000
Interest on Lawyer Account	16,393,000	1,559,000	14,950,000	0	16,509,000	116,000
Investigation, Temporary State Commission of	3,109,900	3,225,000	0	0	3,225,000	115,100
Judicial Commissions	2,280,000	2,390,000	0	0	2,390,000	110,000
Labor, Department of	4,183,280,800	5,408,996,000	358,244,000	0	5,767,240,000	1,583,959,200
Law, Department of	175,349,800	186,935,000	0	0	186,935,000	11,585,200
Lieutenant Governor, Office of the	523,000	523,000	0	0	523,000	0
Lobbying, Temporary State Commission on	1,230,000	1,430,000	0	0	1,430,000	200,000
Lottery, Division of the	108,543,000	108,543,000	0	0	108,543,000	0
Mental Hygiene, Department of	0	40,000,000	0	0	40,000,000	40,000,000
Mental Health, Office of	2,049,505,000	1,163,371,000	809,665,000	162,880,000	2,135,916,000	86,411,000
Mental Retardation and Developmental Disabilities, Office of	2,345,234,000	1,197,102,000	1,266,105,000	116,613,000	2,579,820,000	234,586,000
Alcoholism and Substance Abuse Services, Office of	494,111,000	74,006,000	397,986,000	31,020,000	503,012,000	8,901,000
Metropolitan Transportation Authority	391,397,000	0	476,900,000	0	476,900,000	85,503,000
Military and Naval Affairs, Division of	15,077,104,200	64,532,000	7,150,000	19,300,000	90,982,000	(14,986,122,200)
Motor Vehicles, Department of	225,189,100	208,852,000	12,380,000	14,788,000	236,020,000	10,830,900
Olympic Regional Development Authority	7,902,000	7,902,000	0	0	7,902,000	0
Parks, Recreation and Historic Preservation, Office of	216,019,900	163,557,900	12,920,000	40,840,000	217,317,900	1,298,000
Parole, Division of	200,306,000	154,353,000	43,934,000	0	198,287,000	(2,019,000)
Prevention of Domestic Violence, Office for Probation and Correctional Alternatives, Division of	2,770,885	2,016,000	755,000	0	2,771,000	115
Public Employment Relations Board	87,225,500	2,340,000	84,467,000	0	86,807,000	(418,500)
Public Service Department	3,960,900	3,995,000	0	0	3,995,000	34,100
Quality of Care for the Mentally Disabled, Commission on	68,519,000	65,844,000	400,000	0	66,244,000	(2,275,000)
	11,335,000	11,174,000	468,000	0	11,642,000	307,000

SUMMARY OF APPROPRIATIONS

**ALL FUNDS
RECOMMENDED 2002-03
COMPARED TO 2001-02 AVAILABLE
(dollars)**

	Available 2001-02	State Operations Recommended 2002-03	Aid to Localities Recommended 2002-03	Capital Projects Recommended 2002-03	Total Recommended 2002-03	Change From 2001-02
Racing and Wagering Board, State	14,739,000	14,739,000	0	0	14,739,000	0
Real Property Services, Office of	57,101,000	37,093,400	15,300,000	0	52,393,400	(4,707,600)
Regulatory Reform, Governor's Office of	3,584,000	3,702,000	0	0	3,702,000	118,000
Science, Technology and Academic Research, Office of	34,970,000	3,500,000	60,920,000	0	64,420,000	29,450,000
State, Department of	110,747,800	63,240,000	76,200,000	0	139,440,000	28,692,200
State Police, Division of	458,308,000	440,780,000	0	4,600,000	445,380,000	(12,928,000)
State University of New York	4,371,765,200	4,198,835,000	333,318,000	155,000,000	4,687,153,000	315,387,800
State University Construction Fund	10,837,000	10,837,000	0	0	10,837,000	0
Taxation and Finance, Department of	406,396,000	432,408,400	0	0	432,408,400	26,012,400
Tax Appeals, Division of	3,454,000	3,310,000	0	0	3,310,000	(144,000)
Temporary and Disability Assistance, Office of	4,448,794,000	458,755,400	3,744,653,000	30,000,000	4,233,408,400	(215,385,600)
Technology, Office for	219,867,600	232,900,000	0	0	232,900,000	13,032,400
Thruway Authority, New York State	2,000,000	0	0	2,000,000	2,000,000	0
Transportation, Department of	5,513,962,000	47,523,000	1,750,108,000	3,870,338,000	5,667,969,000	154,007,000
Veterans Affairs, Division of	11,612,000	7,929,000	5,725,000	0	13,654,000	2,042,000
Welfare Inspector General, Office of	992,000	1,083,000	0	0	1,083,000	91,000
Workers Compensation Board	158,556,100	167,640,000	0	0	167,640,000	9,083,900
Subtotal	<u>105,284,279,900</u>	<u>25,454,686,100</u>	<u>65,714,865,000</u>	<u>6,143,969,000</u>	<u>97,313,520,100</u>	<u>(7,970,759,800)</u>
Miscellaneous--All State Departments and Agencies						
Community Service Provider Assistance Program	200,000,000	0	0	0	0	(200,000,000)
Cash Management Improvement Act	15,000,000	24,000,000	0	0	24,000,000	9,000,000
Labor Management Committees	37,791,600	38,472,300	0	0	38,472,300	680,700
Deferred Compensation Board	674,200	716,000	0	0	716,000	41,800
Election Modernization, Task Force on	0	300,000	0	0	300,000	300,000
Emergency Highway Construction and Reconstruction	301,000,000	0	0	0	0	(301,000,000)
Emergency Highway Reconditioning and Preservation	233,600,000	0	0	0	0	(233,600,000)
General State Charges	2,303,522,600	2,482,679,000	0	0	2,482,679,000	179,156,400
Governmental Accounting Standards Board	2,500,000	0	0	0	0	(2,500,000)
Green Thumb	2,394,000	2,394,000	0	0	2,394,000	0
Greenway Heritage Conservancy for the Hudson River Valley	230,000	250,000	0	0	250,000	20,000
Health Insurance Contingency Reserve	333,800,000	380,505,000	0	0	380,505,000	46,705,000
Health Insurance Reserve Receipts Fund	78,300,000	78,400,000	0	0	78,400,000	100,000
Higher Education - Miscellaneous	568,000	568,000	0	0	568,000	0
Hudson River Valley Greenway Communities Council	543,400	371,000	204,000	0	575,000	31,600
Insurance and Securities Funds Reserve Guarantee	1,672,000,000	1,672,000,000	0	0	1,672,000,000	0
Local Government Assistance	25,347,482,002	3,008,000	25,199,204,002	0	25,202,212,002	(145,270,000)
Miscellaneous Guarantee Appropriations	972,505,000	1,030,855,000	0	0	1,030,855,000	58,350,000
National and Community Service	30,332,000	30,332,000	0	0	30,332,000	0
Northeastern Queens Nature and Historical Preserve Commission	87,000	92,000	0	0	92,000	5,000
Petroleum Storage Tanks - COPs Repayment	3,800,000	2,085,000	0	0	2,085,000	(1,715,000)
Reserve for Federal Audit Disallowances	50,000,000	50,000,000	0	0	50,000,000	0
Statewide Energy Improvement	0	2,500,000	0	0	2,500,000	2,500,000
Statewide Gaming	0	21,200,000	0	0	21,200,000	21,200,000
Statewide Wireless Network	5,214,000	6,859,000	0	0	6,859,000	1,645,000
Workers Compensation Reserve	37,200,000	33,000,000	0	0	33,000,000	(4,200,000)
Special Pay Bill	3,673,000	3,673,000	0	0	3,673,000	0
Subtotal	<u>31,632,216,802</u>	<u>5,864,259,300</u>	<u>25,199,408,002</u>	<u>0</u>	<u>31,063,667,302</u>	<u>(568,549,500)</u>
Judiciary	1,682,968,715	1,652,962,742	85,279,000	0	1,738,241,742	55,273,027
Legislature	208,835,159	208,835,159	0	0	208,835,159	0
Total	<u>138,808,300,576</u>	<u>33,180,743,301</u>	<u>90,999,552,002</u>	<u>6,143,969,000</u>	<u>130,324,264,303</u>	<u>(8,484,036,273)</u>
Debt Service	5,754,950,000	0	0	0	6,022,175,000	267,225,000
Grand Total	<u>144,563,250,576</u>	<u>33,180,743,301</u>	<u>90,999,552,002</u>	<u>6,143,969,000</u>	<u>136,346,439,303</u>	<u>(8,216,811,273)</u>
Special Emergency Appropriation	<u>29,500,000</u>				<u>50,000,000</u>	
Homeland Security	<u>200,000,000</u>				<u>0</u>	
World Trade Center	<u>500,000,000</u>				<u>0</u>	

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS RECAPITULATION OF 2002-03 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Enterprise	Internal Service	Fiduciary	Total
Adirondack Park Agency	4,237,000	900,000	0	0	0	0	5,137,000
Advocate for Persons with Disabilities, Office of	965,000	460,000	0	25,000	0	135,000	1,585,000
Aging, Office for the	2,587,000	10,250,000	0	100,000	0	250,000	13,187,000
Agriculture and Markets, Department of	25,628,000	20,398,800	35,588,800	19,083,900	0	1,743,100	102,442,600
Alcoholic Beverage Control, Division of	0	0	13,744,000	0	0	0	13,744,000
Arts, Council on the	7,473,500	539,000	0	0	0	26,400,000	34,412,500
Audit and Control, Department of	127,441,000	0	4,306,000	0	3,167,000	68,803,000	203,717,000
Banking Department	0	500,000	71,848,000	0	0	2,700,000	75,048,000
Budget, Division of the	31,467,000	0	8,227,000	0	1,300,000	150,000	41,144,000
Capital Defender Office	13,897,000	0	0	0	0	0	13,897,000
Children and Families, Council on	1,007,000	1,600,000	0	0	0	300,000	2,907,000
Children and Family Services Office of	251,919,600	88,144,000	124,231,000	500,000	100,000	3,225,000	468,119,600
City University of New York	0	0	80,000,000	0	0	1,033,468,000	1,113,468,000
Civil Service, Department of	28,463,000	0	1,500,000	0	35,520,000	300,000	65,783,000
Consumer Protection Board, State	493,000	0	4,661,000	0	0	0	5,154,000
Correction, Commission of	2,586,000	0	0	0	0	0	2,586,000
Correctional Services, Department of	1,807,063,000	61,239,000	0	66,404,000	92,462,000	18,000	2,027,186,000
Crime Victims Board	3,299,000	1,534,000	767,000	0	0	0	5,600,000
Criminal Justice Services, Division of	42,572,000	53,818,000	300,000	0	0	1,150,000	97,840,000
Developmental Disabilities Planning Council	0	4,550,000	0	0	0	0	4,550,000
Economic Development, Department of	28,191,000	1,000,000	4,409,900	0	0	0	33,600,900
Education Department, State	45,620,600	195,700,000	94,320,900	0	20,570,800	1,400,400	357,612,700
Elections, State Board of	3,581,000	0	20,000	0	0	0	3,601,000
Employee Relations, Office of	4,077,000	0	479,000	0	2,464,000	0	7,020,000
Energy Research and Development Authority, New York State	0	2,500,000	14,656,000	0	0	0	17,156,000
Environmental Conservation, Department of	107,294,500	93,369,000	199,624,200	0	40,000	0	400,327,700
Environmental Facilities Corporation	0	0	9,528,000	0	0	0	9,528,000
Executive Chamber	18,155,000	0	0	0	0	100,000	18,255,000
General Services, Office of	124,752,000	7,600,000	13,723,000	1,475,000	230,169,000	1,119,000	378,838,000
Health, Department of	209,454,000	3,901,179,000	389,734,000	10,000	0	4,125,000	4,504,502,000
Higher Education Services Corporation, New York State	11,309,000	5,532,000	99,964,000	0	0	0	116,805,000
Housing and Community Renewal, Division of	29,868,000	8,700,000	47,634,000	0	0	0	86,202,000
Mortgage Agency, State of New York	76,800,000	0	0	0	0	0	76,800,000
Human Rights, Division of	13,334,000	4,800,000	70,000	0	0	20,000	18,224,000
Inspector General, Office of the	4,967,000	0	1,399,000	0	0	0	6,366,000
Insurance Department	0	0	125,419,000	0	0	0	125,419,000
Interest on Lawyer Account	0	0	0	0	0	1,559,000	1,559,000
Investigation, Temporary State Commission of	3,025,000	0	200,000	0	0	0	3,225,000
Judicial Commissions	2,390,000	0	0	0	0	0	2,390,000
Labor, Department of	10,583,000	546,046,000	52,367,000	0	0	4,800,000,000	5,408,996,000
Law, Department of	120,618,000	31,073,000	26,244,000	0	9,000,000	0	186,935,000
Lieutenant Governor, Office of the	523,000	0	0	0	0	0	523,000
Lobbying, Temporary State Commission on	1,130,000	0	300,000	0	0	0	1,430,000
Lottery, Division of the	0	0	108,543,000	0	0	0	108,543,000
Mental Hygiene, Department of	(215,000,000)	0	255,000,000	0	0	0	40,000,000
Mental Health, Office of	665,527,000	1,258,000	485,447,000	8,277,000	2,292,000	570,000	1,163,371,000
Mental Retardation and Developmental Disabilities, Office of	167,694,000	80,000	1,026,274,000	2,350,000	150,000	554,000	1,197,102,000
Alcoholism and Substance Abuse Services, Office of	49,290,000	5,675,000	19,041,000	0	0	0	74,006,000
Military and Naval Affairs, Division of	18,283,000	35,382,000	10,295,000	0	0	572,000	64,532,000
Motor Vehicles, Department of	108,504,000	12,764,000	85,084,000	0	2,500,000	0	208,852,000
Olympic Regional Development Authority	7,552,000	0	150,000	0	0	200,000	7,902,000
Parks, Recreation and Historic Preservation, Office of	107,892,100	3,695,800	48,171,800	2,500,000	0	1,298,200	163,557,900
Parole, Division of	152,067,000	1,461,000	400,000	0	0	425,000	154,353,000
Prevention of Domestic Violence, Office for	1,846,000	100,000	50,000	0	0	20,000	2,016,000
Probation and Correctional Alternatives, Division of	2,340,000	0	0	0	0	0	2,340,000
Public Employment Relations Board	3,777,000	0	218,000	0	0	0	3,995,000
Public Service Department	0	1,145,000	64,699,000	0	0	0	65,844,000
Quality of Care for the Mentally Disabled, Commission on	2,985,000	5,387,000	2,782,000	20,000	0	0	11,174,000

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS RECAPITULATION OF 2002-03 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Enterprise	Internal Service	Fiduciary	Total
Racing and Wagering Board, State	9,427,000	0	5,312,000	0	0	0	14,739,000
Real Property Services, Office of	20,291,000	0	16,802,400	0	0	0	37,093,400
Regulatory Reform, Governor's Office of Science, Technology and Academic	3,702,000	0	0	0	0	0	3,702,000
Research, Office of	3,000,000	0	500,000	0	0	0	3,500,000
State, Department of	15,294,000	10,945,000	36,801,000	0	0	200,000	63,240,000
State Police, Division of	336,927,000	21,338,000	82,507,000	0	0	8,000	440,780,000
State University of New York	1,223,279,000	162,975,000	2,747,281,000	0	7,500,000	57,800,000	4,198,835,000
State University Construction Fund	0	0	10,837,000	0	0	0	10,837,000
Taxation and Finance, Department of	315,007,000	572,000	40,644,000	0	76,185,400	0	432,408,400
Tax Appeals, Division of	3,310,000	0	0	0	0	0	3,310,000
Temporary and Disability Assistance, Office of	74,209,400	245,242,000	138,304,000	0	1,000,000	0	458,755,400
Technology, Office for	51,000,000	0	0	0	181,900,000	0	232,900,000
Transportation, Department of	0	9,377,000	33,642,000	0	4,504,000	0	47,523,000
Veterans Affairs, Division of	5,647,000	2,282,000	0	0	0	0	7,929,000
Welfare Inspector General, Office of	713,000	0	370,000	0	0	0	1,083,000
Workers Compensation Board	0	0	167,640,000	0	0	0	167,640,000
Subtotal	<u>6,301,333,700</u>	<u>5,561,110,600</u>	<u>6,812,060,000</u>	<u>100,744,900</u>	<u>670,824,200</u>	<u>6,008,612,700</u>	<u>25,454,686,100</u>
Miscellaneous--All State Departments and Agencies							
Cash Management Improvement Act	15,000,000	0	9,000,000	0	0	0	24,000,000
Labor Management Committees	38,222,300	0	250,000	0	0	0	38,472,300
Deferred Compensation Board	154,000	0	562,000	0	0	0	716,000
Election Modernization, Task Force on	300,000	0	0	0	0	0	300,000
General State Charges	2,482,679,000	0	0	0	0	0	2,482,679,000
Green Thumb	2,394,000	0	0	0	0	0	2,394,000
Greenway Heritage Conservancy for the Hudson River Valley	250,000	0	0	0	0	0	250,000
Health Insurance Contingency Reserve	380,505,000	0	0	0	0	0	380,505,000
Health Insurance Reserve Receipts Fund	0	0	0	0	0	78,400,000	78,400,000
Higher Education - Miscellaneous	568,000	0	0	0	0	0	568,000
Hudson River Valley Greenway Communities Council	371,000	0	0	0	0	0	371,000
Insurance and Securities Funds Reserve Guarantee	1,672,000,000	0	0	0	0	0	1,672,000,000
Local Government Assistance	0	0	3,008,000	0	0	0	3,008,000
Miscellaneous Guarantee Appropriations	1,030,855,000	0	0	0	0	0	1,030,855,000
National and Community Service	332,000	30,000,000	0	0	0	0	30,332,000
Northeastern Queens Nature and Historical Preserve Commission	92,000	0	0	0	0	0	92,000
Petroleum Storage Tanks - COPs Repayment	2,085,000	0	0	0	0	0	2,085,000
Reserve for Federal Audit Disallowances	50,000,000	0	0	0	0	0	50,000,000
Statewide Energy Improvement	0	0	2,500,000	0	0	0	2,500,000
Statewide Gaming	0	0	21,200,000	0	0	0	21,200,000
Statewide Wireless Network	0	0	6,859,000	0	0	0	6,859,000
Workers Compensation Reserve	33,000,000	0	0	0	0	0	33,000,000
Special Pay Bill	3,673,000	0	0	0	0	0	3,673,000
Subtotal	<u>5,712,480,300</u>	<u>30,000,000</u>	<u>43,379,000</u>	<u>0</u>	<u>0</u>	<u>78,400,000</u>	<u>5,864,259,300</u>
Judiciary	1,570,276,094	4,000,000	78,686,648	0	0	0	1,652,962,742
Legislature	206,735,159	0	1,600,000	0	0	500,000	208,835,159
Subtotal	<u>1,777,011,253</u>	<u>4,000,000</u>	<u>80,286,648</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>1,861,797,901</u>
Total	<u>13,790,825,253</u>	<u>5,595,110,600</u>	<u>6,935,725,648</u>	<u>100,744,900</u>	<u>670,824,200</u>	<u>6,087,512,700</u>	<u>33,180,743,301</u>

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS GENERAL FUND (dollars)

	Available 2001-02	Recommended 2002-03	Change
Adirondack Park Agency	4,295,000	4,237,000	(58,000)
Advocate for Persons with Disabilities, Office of	1,030,000	965,000	(65,000)
Aging, Office for the	2,816,000	2,587,000	(229,000)
Agriculture and Markets, Department of	25,827,900	25,628,000	(199,900)
Arts, Council on the	7,473,500	7,473,500	0
Audit and Control, Department of	127,433,200	127,441,000	7,800
Budget, Division of the	31,354,000	31,467,000	113,000
Capital Defender Office	14,647,000	13,897,000	(750,000)
Children and Families, Council on	1,013,000	1,007,000	(6,000)
Children and Family Services Office of	254,600,000	251,919,600	(2,680,400)
Civil Service, Department of	29,616,800	28,463,000	(1,153,800)
Consumer Protection Board, State	474,900	493,000	18,100
Correction, Commission of	2,516,100	2,586,000	69,900
Correctional Services, Department of	1,802,454,000	1,807,063,000	4,609,000
Crime Victims Board	3,390,115	3,299,000	(91,115)
Criminal Justice Services, Division of	42,631,900	42,572,000	(59,900)
Economic Development, Department of	36,226,000	28,191,000	(8,035,000)
Education Department, State	65,284,000	45,620,600	(19,663,400)
Elections, State Board of	3,581,000	3,581,000	0
Employee Relations, Office of	4,075,600	4,077,000	1,400
Environmental Conservation, Department of	104,077,500	107,294,500	3,217,000
Executive Chamber	18,155,000	18,155,000	0
General Services, Office of	124,947,800	124,752,000	(195,800)
Health, Department of	203,858,600	209,454,000	5,595,400
Higher Education Services Corporation, New York State	9,593,000	11,309,000	1,716,000
Housing and Community Renewal, Division of	30,747,700	29,868,000	(879,700)
Mortgage Agency, State of New York	76,800,000	76,800,000	0
Human Rights, Division of	12,561,000	13,334,000	773,000
Inspector General, Office of the	4,967,000	4,967,000	0
Investigation, Temporary State Commission of	2,909,900	3,025,000	115,100
Judicial Commissions	2,280,000	2,390,000	110,000
Labor, Department of	10,862,500	10,583,000	(279,500)
Law, Department of	119,574,000	120,618,000	1,044,000
Lieutenant Governor, Office of the	523,000	523,000	0
Lobbying, Temporary State Commission on	1,130,000	1,130,000	0
Mental Hygiene, Department of	0	(215,000,000)	(215,000,000)
Mental Health, Office of	728,467,000	665,527,000	(62,940,000)
Mental Retardation and Developmental Disabilities, Office of	146,116,000	167,694,000	21,578,000
Alcoholism and Substance Abuse Services, Office of	45,734,000	49,290,000	3,556,000
Military and Naval Affairs, Division of	16,025,500	18,283,000	2,257,500
Motor Vehicles, Department of	125,442,400	108,504,000	(16,938,400)
Olympic Regional Development Authority	7,552,000	7,552,000	0
Parks, Recreation and Historic Preservation, Office of	102,685,200	107,892,100	5,206,900
Parole, Division of	146,307,000	152,067,000	5,760,000
Prevention of Domestic Violence, Office for	1,845,885	1,846,000	115
Probation and Correctional Alternatives, Division of	2,399,400	2,340,000	(59,400)
Public Employment Relations Board	3,761,600	3,777,000	15,400
Quality of Care for the Mentally Disabled, Commission on	2,987,000	2,985,000	(2,000)
Racing and Wagering Board, State	9,427,000	9,427,000	0
Real Property Services, Office of	22,091,000	20,291,000	(1,800,000)
Regulatory Reform, Governor's Office of	3,584,000	3,702,000	118,000
Science, Technology and Academic Research, Office of	3,600,000	3,000,000	(600,000)
State, Department of	13,597,000	15,294,000	1,697,000
State Police, Division of	364,102,000	336,927,000	(27,175,000)
State University of New York	1,215,915,200	1,223,279,000	7,363,800
Taxation and Finance, Department of	301,007,000	315,007,000	14,000,000
Tax Appeals, Division of	3,454,000	3,310,000	(144,000)
Temporary and Disability Assistance, Office of	34,330,000	74,209,400	39,879,400
Technology, Office for	55,883,000	51,000,000	(4,883,000)
Veterans Affairs, Division of	5,647,000	5,647,000	0
Welfare Inspector General, Office of	622,000	713,000	91,000
Subtotal	6,546,309,200	6,301,333,700	(244,975,500)
Miscellaneous--All State Departments and Agencies			
Cash Management Improvement Act	15,000,000	15,000,000	0
Labor Management Committees	37,541,600	38,222,300	680,700
Deferred Compensation Board	154,000	154,000	0
Election Modernization, Task Force on	0	300,000	300,000
General State Charges	2,303,522,600	2,482,679,000	179,156,400
Governmental Accounting Standards Board	2,500,000	0	(2,500,000)
Green Thumb	2,394,000	2,394,000	0
Greenway Heritage Conservancy for the Hudson River Valley	230,000	250,000	20,000
Health Insurance Contingency Reserve	333,800,000	380,505,000	46,705,000
Higher Education - Miscellaneous	568,000	568,000	0
Hudson River Valley Greenway Communities Council	339,400	371,000	31,600

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS GENERAL FUND (dollars)

	Available 2001-02	Recommended 2002-03	Change
Insurance and Securities Funds Reserve Guarantee	1,672,000,000	1,672,000,000	0
Miscellaneous Guarantee Appropriations	972,505,000	1,030,855,000	58,350,000
National and Community Service	332,000	332,000	0
Northeastern Queens Nature and Historical Preserve Commission	87,000	92,000	5,000
Petroleum Storage Tanks - COPs Repayment	3,800,000	2,085,000	(1,715,000)
Reserve for Federal Audit Disallowances	50,000,000	50,000,000	0
Workers Compensation Reserve	37,200,000	33,000,000	(4,200,000)
Special Pay Bill	3,673,000	3,673,000	0
Subtotal	5,435,646,600	5,712,480,300	276,833,700
Judiciary	1,491,986,161	1,570,276,094	78,289,933
Legislature	206,735,159	206,735,159	0
Total	13,680,677,120	13,790,825,253	110,148,133
Adjustments			
Prior Year Deficiencies	43,100,000		
Recommended Deficiencies	(98,318,700)		
Transfer From:			
General Fund (Aid To Localities)	(11,408,000)		
Special Revenue Funds - Other	(1,084,700)		
Transfer To:			
Special Revenue Funds - Other	1,069,800		
Appropriated 2001-02	13,614,035,520		

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS SPECIAL REVENUE FUNDS - FEDERAL (dollars)

	Available 2001-02	Recommended 2002-03	Change
Adirondack Park Agency	0	900,000	900,000
Advocate for Persons with Disabilities, Office of	460,000	460,000	0
Aging, Office for the	10,150,000	10,250,000	100,000
Agriculture and Markets, Department of	12,707,000	20,398,800	7,691,800
Arts, Council on the	469,700	539,000	69,300
Banking Department	0	500,000	500,000
Children and Families, Council on	1,600,000	1,600,000	0
Children and Family Services Office of	69,748,000	88,144,000	18,396,000
Correctional Services, Department of	83,344,000	61,239,000	(22,105,000)
Crime Victims Board	1,471,000	1,534,000	63,000
Criminal Justice Services, Division of	33,527,400	53,818,000	20,290,600
Developmental Disabilities Planning Council	4,300,000	4,550,000	250,000
Economic Development, Department of	1,000,000	1,000,000	0
Education Department, State	164,319,400	195,700,000	31,380,600
Energy Research and Development Authority, New York State	0	2,500,000	2,500,000
Environmental Conservation, Department of	94,822,400	93,369,000	(1,453,400)
General Services, Office of	6,400,000	7,600,000	1,200,000
Health, Department of	3,404,828,000	3,901,179,000	496,351,000
Higher Education Services Corporation, New York State	5,000,000	5,532,000	532,000
Housing and Community Renewal, Division of	8,696,500	8,700,000	3,500
Human Rights, Division of	2,900,000	4,800,000	1,900,000
Labor, Department of	554,430,900	546,046,000	(8,384,900)
Law, Department of	28,735,800	31,073,000	2,337,200
Mental Health, Office of	1,258,000	1,258,000	0
Mental Retardation and Developmental Disabilities, Office of	80,000	80,000	0
Alcoholism and Substance Abuse Services, Office of	5,663,000	5,675,000	12,000
Military and Naval Affairs, Division of	32,812,300	35,382,000	2,569,700
Motor Vehicles, Department of	7,967,300	12,764,000	4,796,700
Parks, Recreation and Historic Preservation, Office of	3,982,300	3,695,800	(286,500)
Parole, Division of	4,700,000	1,461,000	(3,239,000)
Prevention of Domestic Violence, Office for	100,000	100,000	0
Probation and Correctional Alternatives, Division of	360,000	0	(360,000)
Public Service Department	1,445,000	1,145,000	(300,000)
Quality of Care for the Mentally Disabled, Commission on	5,166,000	5,387,000	221,000
State, Department of	7,034,400	10,945,000	3,910,600
State Police, Division of	9,525,000	21,338,000	11,813,000
State University of New York	148,650,000	162,975,000	14,325,000
Taxation and Finance, Department of	572,000	572,000	0
Temporary and Disability Assistance, Office of	257,170,000	245,242,000	(11,928,000)
Transportation, Department of	9,143,000	9,377,000	234,000
Veterans Affairs, Division of	1,490,000	2,282,000	792,000
National and Community Service	30,000,000	30,000,000	0
Judiciary	4,000,000	4,000,000	0
Total	5,020,028,400	5,595,110,600	575,082,200
Adjustments			
Recommended Deficiencies	(13,100,000)		
Appropriated 2001-02	5,006,928,400		

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS SPECIAL REVENUE FUNDS - OTHER (dollars)

	Available 2001-02	Recommended 2002-03	Change
Agriculture and Markets, Department of	29,965,000	35,588,800	5,623,800
Alcoholic Beverage Control, Division of	13,664,000	13,744,000	80,000
Audit and Control, Department of	4,225,600	4,306,000	80,400
Banking Department	63,370,100	71,848,000	8,477,900
Budget, Division of the	8,227,000	8,227,000	0
Children and Family Services Office of	117,526,000	124,231,000	6,705,000
City University of New York	80,000,000	80,000,000	0
Civil Service, Department of	1,500,000	1,500,000	0
Consumer Protection Board, State	3,307,000	4,661,000	1,354,000
Crime Victims Board	766,800	767,000	200
Criminal Justice Services, Division of	300,000	300,000	0
Economic Development, Department of	4,339,900	4,409,900	70,000
Education Department, State	83,149,900	94,320,900	11,171,000
Elections, State Board of	20,000	20,000	0
Employee Relations, Office of	463,000	479,000	16,000
Energy Research and Development Authority, New York State	14,656,000	14,656,000	0
Environmental Conservation, Department of	214,689,800	199,624,200	(15,065,600)
Environmental Facilities Corporation	8,055,800	9,528,000	1,472,200
General Services, Office of	13,590,400	13,723,000	132,600
Health, Department of	347,062,900	389,734,000	42,671,100
Higher Education Services Corporation, New York State	83,669,000	99,964,000	16,295,000
Housing and Community Renewal, Division of	45,926,500	47,634,000	1,707,500
Human Rights, Division of	70,000	70,000	0
Inspector General, Office of the	1,399,000	1,399,000	0
Insurance Department	115,470,000	125,419,000	9,949,000
Investigation, Temporary State Commission of	200,000	200,000	0
Labor, Department of	50,691,500	52,367,000	1,675,500
Law, Department of	19,835,000	26,244,000	6,409,000
Lobbying, Temporary State Commission on	100,000	300,000	200,000
Lottery, Division of the	108,543,000	108,543,000	0
Mental Hygiene, Department of	0	255,000,000	255,000,000
Mental Health, Office of	404,772,000	485,447,000	80,675,000
Mental Retardation and Developmental Disabilities, Office of	983,521,000	1,026,274,000	42,753,000
Alcoholism and Substance Abuse Services, Office of	17,828,000	19,041,000	1,213,000
Military and Naval Affairs, Division of	10,819,400	10,295,000	(524,400)
Motor Vehicles, Department of	79,359,400	85,084,000	5,724,600
Olympic Regional Development Authority	150,000	150,000	0
Parks, Recreation and Historic Preservation, Office of	45,207,900	48,171,800	2,963,900
Parole, Division of	400,000	400,000	0
Prevention of Domestic Violence, Office for	20,000	50,000	30,000
Public Employment Relations Board	199,300	218,000	18,700
Public Service Department	66,674,000	64,699,000	(1,975,000)
Quality of Care for the Mentally Disabled, Commission on	2,694,000	2,782,000	88,000
Racing and Wagering Board, State	5,312,000	5,312,000	0
Real Property Services, Office of	16,410,000	16,802,400	392,400
Science, Technology and Academic Research, Office of	500,000	500,000	0
State, Department of	32,566,400	36,801,000	4,234,600
State Police, Division of	81,973,000	82,507,000	534,000
State University of New York	2,426,415,000	2,747,281,000	320,866,000
State University Construction Fund	10,837,000	10,837,000	0
Taxation and Finance, Department of	36,842,000	40,644,000	3,802,000
Temporary and Disability Assistance, Office of	128,994,000	138,304,000	9,310,000
Transportation, Department of	36,539,000	33,642,000	(2,897,000)
Welfare Inspector General, Office of	370,000	370,000	0
Workers Compensation Board	158,556,100	167,640,000	9,083,900
Cash Management Improvement Act	0	9,000,000	9,000,000
Labor Management Committees	250,000	250,000	0
Deferred Compensation Board	520,200	562,000	41,800
Local Government Assistance	3,008,000	3,008,000	0
Statewide Energy Improvement	0	2,500,000	2,500,000
Statewide Gaming	0	21,200,000	21,200,000
Statewide Wireless Network	5,214,000	6,859,000	1,645,000
Judiciary	65,888,656	78,686,648	12,797,992
Legislature	1,600,000	1,600,000	0
Total	<u>6,058,223,556</u>	<u>6,935,725,648</u>	<u>877,502,092</u>
Adjustments			
Prior Year Deficiencies	96,800,000		
Recommended Deficiencies	(27,502,000)		
Transfer From:			
General Fund	(1,069,800)		
Transfer To:			
General Fund	1,084,700		
Appropriated 2001-02	<u>6,127,536,456</u>		

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS FIDUCIARY FUNDS (dollars)

	Available 2001-02	Recommended 2002-03	Change
Advocate for Persons with Disabilities, Office of	75,000	135,000	60,000
Aging, Office for the	500,000	250,000	(250,000)
Agriculture and Markets, Department of	1,746,800	1,743,100	(3,700)
Arts, Council on the	400,000	26,400,000	26,000,000
Audit and Control, Department of	64,937,100	68,803,000	3,865,900
Banking Department	2,700,000	2,700,000	0
Budget, Division of the	150,000	150,000	0
Children and Families, Council on	300,000	300,000	0
Children and Family Services Office of	3,225,000	3,225,000	0
City University of New York	1,033,468,000	1,033,468,000	0
Civil Service, Department of	300,000	300,000	0
Correctional Services, Department of	18,000	18,000	0
Criminal Justice Services, Division of	1,150,000	1,150,000	0
Education Department, State	1,392,000	1,400,400	8,400
Executive Chamber	100,000	100,000	0
General Services, Office of	1,092,200	1,119,000	26,800
Health, Department of	3,965,000	4,125,000	160,000
Human Rights, Division of	20,000	20,000	0
Interest on Lawyer Account	1,443,000	1,559,000	116,000
Labor, Department of	3,250,000,000	4,800,000,000	1,550,000,000
Mental Health, Office of	570,000	570,000	0
Mental Retardation and Developmental Disabilities, Office of	755,000	554,000	(201,000)
Military and Naval Affairs, Division of	572,000	572,000	0
Olympic Regional Development Authority	200,000	200,000	0
Parks, Recreation and Historic Preservation, Office of	1,242,500	1,298,200	55,700
Parole, Division of	425,000	425,000	0
Prevention of Domestic Violence, Office for	50,000	20,000	(30,000)
State, Department of	100,000	200,000	100,000
State Police, Division of	8,000	8,000	0
State University of New York	57,800,000	57,800,000	0
Health Insurance Reserve Receipts Fund	78,300,000	78,400,000	100,000
Legislature	500,000	500,000	0
Total	<u>4,507,504,600</u>	<u>6,087,512,700</u>	<u>1,580,008,100</u>
Adjustments			
Prior Year Deficiencies	3,159,600		
Recommended Deficiencies	(20,000,000)		
Appropriated 2001-02	<u>4,490,664,200</u>		

STATE OPERATIONS INTERNAL SERVICE FUNDS (dollars)

	Available 2001-02	Recommended 2002-03	Change
Audit and Control, Department of	3,090,500	3,167,000	76,500
Budget, Division of the	1,300,000	1,300,000	0
Children and Family Services Office of	100,000	100,000	0
Civil Service, Department of	40,684,000	35,520,000	(5,164,000)
Correctional Services, Department of	86,470,000	92,462,000	5,992,000
Education Department, State	19,448,200	20,570,800	1,122,600
Employee Relations, Office of	2,337,000	2,464,000	127,000
Environmental Conservation, Department of	35,000	40,000	5,000
General Services, Office of	217,531,800	230,169,000	12,637,200
Law, Department of	7,205,000	9,000,000	1,795,000
Mental Health, Office of	2,234,000	2,292,000	58,000
Mental Retardation and Developmental Disabilities, Office of	0	150,000	150,000
Motor Vehicles, Department of	1,500,000	2,500,000	1,000,000
State University of New York	6,000,000	7,500,000	1,500,000
Taxation and Finance, Department of	67,975,000	76,185,400	8,210,400
Temporary and Disability Assistance, Office of	1,000,000	1,000,000	0
Technology, Office for	163,984,600	181,900,000	17,915,400
Transportation, Department of	4,555,000	4,504,000	(51,000)
Total	<u>625,450,100</u>	<u>670,824,200</u>	<u>45,374,100</u>
Adjustments			
Prior Year Deficiencies	420,000		
Appropriated 2001-02	<u>625,870,100</u>		

SUMMARY OF APPROPRIATIONS

STATE OPERATIONS ENTERPRISE FUNDS (dollars)

	Available 2001-02	Recommended 2002-03	Change
Advocate for Persons with Disabilities, Office of	25,000	25,000	0
Aging, Office for the	200,000	100,000	(100,000)
Agriculture and Markets, Department of	17,784,200	19,083,900	1,299,700
Children and Family Services Office of	500,000	500,000	0
Correctional Services, Department of	62,856,700	66,404,000	3,547,300
General Services, Office of	1,308,700	1,475,000	166,300
Health, Department of	10,000	10,000	0
Mental Health, Office of	8,015,000	8,277,000	262,000
Mental Retardation and Developmental Disabilities, Office of	2,350,000	2,350,000	0
Parks, Recreation and Historic Preservation, Office of	2,500,000	2,500,000	0
Quality of Care for the Mentally Disabled, Commission on	20,000	20,000	0
Total	95,569,600	100,744,900	5,175,300
Adjustments			
Recommended Deficiencies	(600,000)		
Appropriated 2001-02	94,969,600		

SUMMARY OF APPROPRIATIONS

AID TO LOCALITIES RECAPITULATION OF 2002-03 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Internal Service	Fiduciary	Total
Adirondack Park Agency	50,000	0	0	0	0	50,000
Aging, Office for the	62,900,000	105,600,000	0	0	1,000,000	169,500,000
Agriculture and Markets, Department of	12,102,000	10,000,000	0	0	0	22,102,000
Arts, Council on the	44,000,000	185,000	0	0	200,000	44,385,000
Audit and Control, Department of	20,902,000	0	0	0	0	20,902,000
Children and Family Services Office of	1,164,763,000	1,766,908,000	15,000,000	0	3,530,000	2,950,201,000
City University of New York	760,783,000	0	0	0	0	760,783,000
Correctional Services, Department of	11,400,000	0	0	0	0	11,400,000
Crime Victims Board	0	32,458,000	28,899,000	0	40,000	61,397,000
Criminal Justice Services, Division of	56,388,000	48,395,000	5,100,000	0	0	109,883,000
Economic Development, Department of	10,274,000	0	0	0	0	10,274,000
Education Department, State	13,472,010,600	3,094,795,000	4,640,556,000	0	0	21,207,361,600
Empire State Development Corporation	95,504,100	0	0	0	0	95,504,100
Environmental Conservation, Department of	6,300	0	0	0	0	6,300
Health, Department of	6,765,055,000	19,067,013,000	3,240,164,000	0	950,000,000	30,022,232,000
Higher Education Services Corporation, New York State	527,948,000	5,216,000	7,000,000	0	0	540,164,000
Housing and Community Renewal, Division of	57,304,000	34,450,000	0	0	10,000,000	101,754,000
Housing Finance Agency	665,000	0	0	0	0	665,000
Mortgage Agency, State of New York	113,753,000	0	0	0	0	113,753,000
Interest on Lawyer Account	0	0	0	0	14,950,000	14,950,000
Labor, Department of	4,691,000	353,308,000	245,000	0	0	358,244,000
Mental Health, Office of	696,895,000	38,235,000	74,535,000	0	0	809,665,000
Mental Retardation and Developmental Disabilities, Office of	656,311,000	0	607,794,000	0	2,000,000	1,266,105,000
Alcoholism and Substance Abuse Services, Office of	249,282,000	135,004,000	13,700,000	0	0	397,986,000
Metropolitan Transportation Authority	0	0	476,900,000	0	0	476,900,000
Military and Naval Affairs, Division of	0	5,500,000	1,650,000	0	0	7,150,000
Motor Vehicles, Department of	0	12,380,000	0	0	0	12,380,000
Parks, Recreation and Historic Preservation, Office of	2,200,000	8,620,000	2,100,000	0	0	12,920,000
Parole, Division of	35,972,000	2,712,000	0	5,250,000	0	43,934,000
Prevention of Domestic Violence, Office for	755,000	0	0	0	0	755,000
Probation and Correctional Alternatives, Division of	84,467,000	0	0	0	0	84,467,000
Public Service Department	0	0	400,000	0	0	400,000
Quality of Care for the Mentally Disabled, Commission on	95,000	0	373,000	0	0	468,000
Real Property Services, Office of	15,300,000	0	0	0	0	15,300,000
Science, Technology and Academic Research, Office of	54,420,000	6,500,000	0	0	0	60,920,000
State, Department of	0	72,500,000	300,000	0	3,400,000	76,200,000
State University of New York	333,318,000	0	0	0	0	333,318,000
Temporary and Disability Assistance, Office of	1,055,403,000	2,629,500,000	49,750,000	0	10,000,000	3,744,653,000
Transportation, Department of	162,436,000	33,931,000	1,553,741,000	0	0	1,750,108,000
Veterans Affairs, Division of	5,725,000	0	0	0	0	5,725,000
Subtotal	<u>26,533,078,000</u>	<u>27,463,210,000</u>	<u>10,718,207,000</u>	<u>5,250,000</u>	<u>995,120,000</u>	<u>65,714,865,000</u>
Miscellaneous--All State Departments and Agencies						
Hudson River Valley Greenway Communities Council	204,000	0	0	0	0	204,000
Local Government Assistance	1,123,904,002	0	0	0	24,075,300,000	25,199,204,002
Subtotal	<u>1,124,108,002</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,075,300,000</u>	<u>25,199,408,002</u>
Judiciary	500,000	0	84,779,000	0	0	85,279,000
Total	<u>27,657,686,002</u>	<u>27,463,210,000</u>	<u>10,802,986,000</u>	<u>5,250,000</u>	<u>25,070,420,000</u>	<u>90,999,552,002</u>

SUMMARY OF APPROPRIATIONS

AID TO LOCALITIES GENERAL FUND (dollars)

	Available 2001-02	Recommended 2002-03	Change
Adirondack Park Agency	50,000	50,000	0
Aging, Office for the	62,900,000	62,900,000	0
Agriculture and Markets, Department of	12,300,900	12,102,000	(198,900)
Arts, Council on the	44,000,000	44,000,000	0
Audit and Control, Department of	20,902,000	20,902,000	0
Children and Family Services Office of	1,127,859,000	1,164,763,000	36,904,000
City University of New York	756,908,000	760,783,000	3,875,000
Correctional Services, Department of	21,537,000	11,400,000	(10,137,000)
Criminal Justice Services, Division of	56,287,500	56,388,000	100,500
Economic Development, Department of	10,274,000	10,274,000	0
Education Department, State	13,605,713,300	13,472,010,600	(133,702,700)
Empire State Development Corporation	89,504,100	95,504,100	6,000,000
Environmental Conservation, Department of	6,300	6,300	0
Health, Department of	6,973,180,000	6,765,055,000	(208,125,000)
Higher Education Services Corporation, New York State	672,948,000	527,948,000	(145,000,000)
Housing and Community Renewal, Division of	59,533,000	57,304,000	(2,229,000)
Housing Finance Agency	700,000	665,000	(35,000)
Mortgage Agency, State of New York	93,791,100	113,753,000	19,961,900
Labor, Department of	4,690,700	4,691,000	300
Mental Health, Office of	696,330,000	696,895,000	565,000
Mental Retardation and Developmental Disabilities, Office of	693,680,000	656,311,000	(37,369,000)
Alcoholism and Substance Abuse Services, Office of	252,979,000	249,282,000	(3,697,000)
Parks, Recreation and Historic Preservation, Office of	7,152,000	2,200,000	(4,952,000)
Parole, Division of	40,481,000	35,972,000	(4,509,000)
Prevention of Domestic Violence, Office for	755,000	755,000	0
Probation and Correctional Alternatives, Division of	84,466,100	84,467,000	900
Quality of Care for the Mentally Disabled, Commission on	95,000	95,000	0
Real Property Services, Office of	18,600,000	15,300,000	(3,300,000)
Science, Technology and Academic Research, Office of	25,870,000	54,420,000	28,550,000
State University of New York	331,985,000	333,318,000	1,333,000
Temporary and Disability Assistance, Office of	1,422,700,000	1,055,403,000	(367,297,000)
Transportation, Department of	146,869,000	162,436,000	15,567,000
Veterans Affairs, Division of	4,475,000	5,725,000	1,250,000
Subtotal	<u>27,339,522,000</u>	<u>26,533,078,000</u>	<u>(806,444,000)</u>
Miscellaneous--All State Departments and Agencies			
Emergency Highway Construction and Reconstruction	301,000,000	0	(301,000,000)
Emergency Highway Reconditioning and Preservation	233,600,000	0	(233,600,000)
Hudson River Valley Greenway Communities Council	204,000	204,000	0
Local Government Assistance	1,269,174,002	1,123,904,002	(145,270,000)
Subtotal	<u>1,803,978,002</u>	<u>1,124,108,002</u>	<u>(679,870,000)</u>
Judiciary	500,000	500,000	0
Total	<u>29,144,000,002</u>	<u>27,657,686,002</u>	<u>(1,486,314,000)</u>
Adjustments			
Recommended Deficiencies	(598,681,000)		
Transfer From:			
Special Revenue Funds - Other	(40,600,000)		
Transfer To:			
General Fund (State Operations)	11,408,000		
Special Revenue Funds - Other	40,600,000		
Appropriated 2001-02	<u>28,556,727,002</u>		

SUMMARY OF APPROPRIATIONS

AID TO LOCALITIES SPECIAL REVENUE FUNDS - FEDERAL (dollars)

	Available 2001-02	Recommended 2002-03	Change
Aging, Office for the	96,500,000	105,600,000	9,100,000
Agriculture and Markets, Department of	10,000,000	10,000,000	0
Arts, Council on the	135,000	185,000	50,000
Children and Family Services Office of	1,694,738,000	1,766,908,000	72,170,000
Crime Victims Board	30,149,700	32,458,000	2,308,300
Criminal Justice Services, Division of	47,253,100	48,395,000	1,141,900
Education Department, State	2,446,368,000	3,094,795,000	648,427,000
Health, Department of	18,118,904,000	19,067,013,000	948,109,000
Higher Education Services Corporation, New York State	2,400,000	5,216,000	2,816,000
Housing and Community Renewal, Division of	25,450,000	34,450,000	9,000,000
Labor, Department of	312,360,200	353,308,000	40,947,800
Mental Health, Office of	31,673,000	38,235,000	6,562,000
Alcoholism and Substance Abuse Services, Office of	131,767,000	135,004,000	3,237,000
Military and Naval Affairs, Division of	15,005,500,000	5,500,000	(15,000,000,000)
Motor Vehicles, Department of	10,920,000	12,380,000	1,460,000
Parks, Recreation and Historic Preservation, Office of	4,170,000	8,620,000	4,450,000
Parole, Division of	2,743,000	2,712,000	(31,000)
Science, Technology and Academic Research, Office of	5,000,000	6,500,000	1,500,000
State, Department of	55,250,000	72,500,000	17,250,000
Temporary and Disability Assistance, Office of	2,478,200,000	2,629,500,000	151,300,000
Transportation, Department of	32,096,000	33,931,000	1,835,000
Total	<u>40,541,577,000</u>	<u>27,463,210,000</u>	<u>(13,078,367,000)</u>
Adjustments			
Recommended Deficiencies		(10,004,500,000)	
Appropriated 2001-02		<u>30,537,077,000</u>	

AID TO LOCALITIES SPECIAL REVENUE FUNDS - OTHER (dollars)

	Available 2001-02	Recommended 2002-03	Change
Children and Family Services Office of	15,000,000	15,000,000	0
Crime Victims Board	24,899,300	28,899,000	3,999,700
Criminal Justice Services, Division of	5,100,000	5,100,000	0
Education Department, State	4,217,650,000	4,640,556,000	422,906,000
Health, Department of	1,855,433,000	3,240,164,000	1,384,731,000
Higher Education Services Corporation, New York State	7,000,000	7,000,000	0
Labor, Department of	245,000	245,000	0
Mental Health, Office of	48,335,000	74,535,000	26,200,000
Mental Retardation and Developmental Disabilities, Office of	454,016,000	607,794,000	153,778,000
Alcoholism and Substance Abuse Services, Office of	8,000,000	13,700,000	5,700,000
Metropolitan Transportation Authority	391,397,000	476,900,000	85,503,000
Military and Naval Affairs, Division of	1,650,000	1,650,000	0
Parks, Recreation and Historic Preservation, Office of	1,100,000	2,100,000	1,000,000
Public Service Department	400,000	400,000	0
Quality of Care for the Mentally Disabled, Commission on	373,000	373,000	0
State, Department of	300,000	300,000	0
Temporary and Disability Assistance, Office of	86,400,000	49,750,000	(36,650,000)
Transportation, Department of	1,438,298,000	1,553,741,000	115,443,000
Community Service Provider Assistance Program	200,000,000	0	(200,000,000)
Judiciary	84,768,898	84,779,000	10,102
Total	<u>8,840,365,198</u>	<u>10,802,986,000</u>	<u>1,962,620,802</u>
Adjustments			
Recommended Deficiencies		(143,200,000)	
Transfer From:			
General Fund		(40,600,000)	
Transfer To:			
General Fund		<u>40,600,000</u>	
Appropriated 2001-02		<u>8,697,165,198</u>	

SUMMARY OF APPROPRIATIONS

AID TO LOCALITIES FIDUCIARY FUNDS (dollars)

	Available 2001-02	Recommended 2002-03	Change
Aging, Office for the	2,000,000	1,000,000	(1,000,000)
Arts, Council on the	200,000	200,000	0
Children and Family Services Office of	3,530,000	3,530,000	0
Crime Victims Board	40,000	40,000	0
Health, Department of	850,000,000	950,000,000	100,000,000
Housing and Community Renewal, Division of	10,000,000	10,000,000	0
Interest on Lawyer Account	14,950,000	14,950,000	0
Mental Retardation and Developmental Disabilities, Office of	2,000,000	2,000,000	0
State, Department of	1,900,000	3,400,000	1,500,000
Temporary and Disability Assistance, Office of	10,000,000	10,000,000	0
Local Government Assistance	24,075,300,000	24,075,300,000	0
Total	<u>24,969,920,000</u>	<u>25,070,420,000</u>	<u>100,500,000</u>
Appropriated 2001-02	<u>24,969,920,000</u>		

AID TO LOCALITIES INTERNAL SERVICE FUNDS (dollars)

	Available 2001-02	Recommended 2002-03	Change
Parole, Division of	5,250,000	5,250,000	0
Total	<u>5,250,000</u>	<u>5,250,000</u>	<u>0</u>
Appropriated 2001-02	<u>5,250,000</u>		

SUMMARY OF APPROPRIATIONS

**CAPITAL PROJECTS APPROPRIATIONS
ALL FUNDS
APPROPRIATED 2001-02
(dollars)**

	Capital Projects Funds	Special Revenue Funds	Fiduciary Funds	Total
Agriculture and Markets, Department of	2,600,000	0	0	2,600,000
Children and Family Services Office of	17,650,000	0	0	17,650,000
Correctional Services, Department of	195,000,000	0	0	195,000,000
Education Department, State	2,500,000	0	0	2,500,000
Energy Research and Development Authority, New York State	15,367,000	0	0	15,367,000
Environmental Conservation, Department of	472,468,000	3,000,000	0	475,468,000
Environmental Facilities Corporation	292,000	0	0	292,000
General Services, Office of	39,000,000	0	0	39,000,000
Health, Department of	115,259,000	0	0	115,259,000
Housing and Community Renewal, Division of	74,200,000	0	0	74,200,000
Mental Health, Office of	127,851,000	0	0	127,851,000
Mental Retardation and Developmental Disabilities, Office of	62,716,000	0	0	62,716,000
Alcoholism and Substance Abuse Services, Office of	32,140,000	0	0	32,140,000
Military and Naval Affairs, Division of	9,725,000	0	0	9,725,000
Parks, Recreation and Historic Preservation, Office of	32,530,000	0	15,450,000	47,980,000
State Police, Division of	2,700,000	0	0	2,700,000
State University of New York	185,000,000	0	0	185,000,000
Temporary and Disability Assistance, Office of	30,000,000	0	0	30,000,000
Thruway Authority, New York State	2,000,000	0	0	2,000,000
Transportation, Department of	3,742,825,000	53,637,000	50,000,000	3,846,462,000
Judiciary	35,825,000	0	0	35,825,000
Total	5,197,648,000	56,637,000	65,450,000	5,319,735,000

SUMMARY OF APPROPRIATIONS

CAPITAL PROJECTS NEW APPROPRIATIONS AND REAPPROPRIATIONS ALL FUNDS RECOMMENDED 2002-03 (dollars)

	Total Recommended Appropriations 2002-03	Total Recommended Reappropriations 2002-03	Capital Projects Fund	Capital Projects Fund Advances	Federal Capital Projects Fund	All Other Fund Types (a)	Total Capital Projects 2002-03
Agriculture and Markets, Department of	2,600,000	5,975,000	3,075,000	0	0	5,500,000	8,575,000
Children and Family Services Office of	87,210,000	90,382,000	40,602,000	0	0	136,990,000	177,592,000
City University of New York	0	1,053,946,000	66,038,000	985,546,000	0	2,362,000	1,053,946,000
Correctional Services, Department of	225,000,000	783,209,000	3,000,000	0	32,366,000	972,843,000	1,008,209,000
Education Department, State	9,765,000	164,134,000	146,709,000	27,190,000	0	0	173,899,000
Empire State Development Corporation	275,000,000	351,755,000	290,000,000	0	0	336,755,000	626,755,000
Energy Research and Development Authority, New York State	13,367,000	0	13,250,000	0	0	117,000	13,367,000
Environmental Conservation, Department of	608,556,000	3,740,779,000	227,915,000	104,899,000	533,809,000	3,482,712,000	4,349,335,000
Environmental Facilities Corporation	292,000	14,500,000	14,500,000	0	0	292,000	14,792,000
General Services, Office of	214,000,000	90,030,000	298,551,000	5,479,000	0	0	304,030,000
Health, Department of	156,600,000	243,941,000	43,258,000	20,000,000	257,283,000	80,000,000	400,541,000
Housing and Community Renewal, Division of	74,200,000	341,695,000	28,945,000	0	38,299,000	348,651,000	415,895,000
Hudson River Park Trust	30,000,000	52,000,000	0	82,000,000	0	0	82,000,000
Mental Health, Office of	162,880,000	519,811,000	105,750,000	0	0	576,941,000	682,691,000
Mental Retardation and Developmental Disabilities, Office of	116,613,000	108,785,000	91,012,000	0	0	134,386,000	225,398,000
Alcoholism and Substance Abuse Services, Office of	31,020,000	134,639,000	33,776,000	0	0	131,883,000	165,659,000
Metropolitan Transportation Authority	0	36,000,000	0	36,000,000	0	0	36,000,000
Military and Naval Affairs, Division of	19,300,000	17,250,000	16,950,000	0	19,600,000	0	36,550,000
Motor Vehicles, Department of	14,788,000	0	0	0	0	14,788,000	14,788,000
Parks, Recreation and Historic Preservation, Office of	40,840,000	98,072,000	300,000	0	10,331,000	128,281,000	138,912,000
Science, Technology and Academic Research, Office of	0	49,500,000	49,500,000	0	0	0	49,500,000
State Police, Division of	4,600,000	6,748,000	11,348,000	0	0	0	11,348,000
State University of New York	155,000,000	1,908,565,000	122,845,000	1,423,300,000	0	517,420,000	2,063,565,000
Temporary and Disability Assistance, Office of	30,000,000	136,643,000	3,611,000	0	0	163,032,000	166,643,000
Thruway Authority, New York State	2,000,000	3,160,000	0	0	0	5,160,000	5,160,000
Transportation, Department of	3,870,338,000	9,313,521,000	0	23,734,000	6,297,971,000	6,862,154,000	13,183,859,000
Miscellaneous - Strategic Investment Program	0	225,000,000	225,000,000	0	0	0	225,000,000
EC - Miscellaneous State Agencies	0	25,000,000	25,000,000	0	0	0	25,000,000
Judiciary	0	36,700,000	36,700,000	0	0	0	36,700,000
Total	6,143,969,000	19,551,740,000	1,897,635,000	2,708,148,000	7,189,659,000	13,900,267,000	25,695,709,000

(a) Includes Other Capital Projects Funds, Special Revenue Funds - Other, Fiduciary Funds, Enterprise Funds, and Bond Funds.

SUMMARY OF APPROPRIATIONS

**CAPITAL PROJECTS NEW APPROPRIATIONS
ALL FUNDS
RECOMMENDED 2002-03
(dollars)**

	Total Appropriated 2001-02	Capital Projects Funds	Special Revenue Funds	Fiduciary Funds	Total Recommended 2002-03	Change From 2001-02
Agriculture and Markets, Department of	2,600,000	2,600,000	0	0	2,600,000	0
Children and Family Services Office of	17,650,000	87,210,000	0	0	87,210,000	69,560,000
Correctional Services, Department of	195,000,000	225,000,000	0	0	225,000,000	30,000,000
Education Department, State	2,500,000	9,765,000	0	0	9,765,000	7,265,000
Empire State Development Corporation	0	275,000,000	0	0	275,000,000	275,000,000
Energy Research and Development Authority, New York State	15,367,000	13,367,000	0	0	13,367,000	(2,000,000)
Environmental Conservation, Department of	475,468,000	605,556,000	3,000,000	0	608,556,000	133,088,000
Environmental Facilities Corporation	292,000	292,000	0	0	292,000	0
General Services, Office of	39,000,000	214,000,000	0	0	214,000,000	175,000,000
Health, Department of	115,259,000	156,600,000	0	0	156,600,000	41,341,000
Housing and Community Renewal, Division of	74,200,000	74,200,000	0	0	74,200,000	0
Hudson River Park Trust	0	30,000,000	0	0	30,000,000	30,000,000
Mental Health, Office of	127,851,000	162,880,000	0	0	162,880,000	35,029,000
Mental Retardation and Developmental Disabilities, Office of	62,716,000	116,613,000	0	0	116,613,000	53,897,000
Alcoholism and Substance Abuse Services, Office of	32,140,000	31,020,000	0	0	31,020,000	(1,120,000)
Military and Naval Affairs, Division of	9,725,000	19,300,000	0	0	19,300,000	9,575,000
Motor Vehicles, Department of	0	14,788,000	0	0	14,788,000	14,788,000
Parks, Recreation and Historic Preservation, Office of	47,980,000	35,840,000	0	5,000,000	40,840,000	(7,140,000)
State Police, Division of	2,700,000	4,600,000	0	0	4,600,000	1,900,000
State University of New York	185,000,000	155,000,000	0	0	155,000,000	(30,000,000)
Temporary and Disability Assistance, Office of	30,000,000	30,000,000	0	0	30,000,000	0
Thruway Authority, New York State	2,000,000	2,000,000	0	0	2,000,000	0
Transportation, Department of	3,846,462,000	3,760,294,000	58,044,000	52,000,000	3,870,338,000	23,876,000
Judiciary	35,825,000	0	0	0	0	(35,825,000)
Total	5,319,735,000	6,025,925,000	61,044,000	57,000,000	6,143,969,000	824,234,000

PART V

USER'S GUIDE

USER'S GUIDE

The "User's Guide" provides an explanation of how to use the Executive Budget documents and where to find particular types of information. It also contains some short, nontechnical and "user-friendly" descriptions of State government and the budget process, a guide on how to read certain budget tables, and definitions of financial terms as included in these budget documents.

Government budget documents can be difficult to read. They contain many numbers and tend to lapse into technical jargon. Even people with considerable government experience can be baffled by the numerous tables or find themselves uncertain about the meaning of specialized terms.

The User's Guide attempts to overcome this problem by providing simplified, nontechnical explanations and a description of how to use the budget documents. The User's Guide contains the following sections:

- The Executive Budget Documents
- The Structure of State Government
- The Budget Process
- Guide to the Tables
- Financial Terminology

THE EXECUTIVE BUDGET DOCUMENTS

The 2002-03 Executive Budget is presented in three volumes. The first volume includes the Budget Message, an overview which presents the major themes and initiatives contained in the budget, describes the fiscal and economic environment within which budget decisions were made, and provides a listing of the legislation necessary to implement the budget recommendations. This document also presents tables summarizing cash disbursements by agency.

This second volume (Appendix I) contains the more detailed agency budget presentations. These presentations generally follow a common format and provide information on the agencies' budgets, including operating, local aid and capital projects appropriations. This volume also contains presentations covering miscellaneous appropriations (including general state charges), State debt service and, as required by the Constitution, the requests of the Judiciary and the Legislature. Tables summarizing appropriations for all agencies can be found in Part IV immediately preceding this Guide.

A third volume (Appendix II) includes the State's Financial Plan Overview, the Five-Year Capital Program and Financing Plan, the detailed Explanation of Receipt Estimates, and the economic, revenue and expenditure assumptions that form the basis of the Financial Plan.

A statutorily-required Tax Expenditure Report, also part of the Budget documents, is published separately shortly after formal submission of the Budget.

It should be noted that this User's Guide describes only the "official" budget publications (the Executive Budget and the Executive Budget Appendix books). Other documents such as press releases and publicly released briefing materials may also be of help to those seeking to understand the budget.

THE STRUCTURE OF STATE GOVERNMENT

The Executive Budget focuses on the programs and finances of State government. It should be kept in mind, however, that government in New York State also includes the governments of 62 counties (five of which are the five boroughs of New York City), 62 cities (including New York City), 932 towns and 554 villages. In addition, the State is divided into 704 school districts, including New York City.

Organizationally, the State follows the classic pattern of American government — with three independent branches. The legislative branch consists of a bicameral Legislature — a Senate of 61 members and an Assembly of 150 members. The judicial branch includes trial courts and appellate courts ranging from town and village courts to the State's highest court — the Court of Appeals. The Judiciary functions under a Unified Court System whose organization, administration and financing are prescribed by the State Constitution and the Unified Court Budget Act.

The executive branch of New York State government consists of 20 departments, the maximum number allowed under a constitutional ceiling. The limitation in the number of departments is traceable to the constitutional reforms of the mid-1920s which sought to make government more manageable by eliminating most of the independently elected executive officers and by inhibiting the creation of new departments. Although there have been several interim changes since the 1920s, in 1961 the maximum number of departments was set at 20, which at the present time are the following:

Agriculture and Markets	Health
Audit and Control	Insurance
Banking	Labor
Civil Service	Law
Correctional Services	Mental Hygiene
Economic Development	Motor Vehicles
Education	Public Service
Environmental Conservation	State
Executive	Taxation and Finance
Family Assistance	Transportation

To accommodate governmental functions added since the 1920s within the limits established by the Constitution, numerous agencies have been created within the Executive Department. At the time of the 1920s reorganization, this Department, headed by the Governor, consisted solely of such core functions as budgeting, central purchasing, State police, and military and naval affairs. However, over the years, as the State took on new responsibilities that did not fit logically into the framework of one of the other departments, the entities charged with providing those services became divisions or offices of the Executive Department.

New York grants its Governor a comparatively broad range of executive power. Only two officers, in addition to the Governor and Lieutenant Governor (who are elected on a joint ballot), are directly elected by the people of the State: the State Comptroller, who heads the Department of Audit and Control, and the Attorney General, who heads the Department of Law. With a handful of exceptions, the Governor appoints the heads of all other departments and agencies of the executive branch.

The exceptions include the Commissioner of the State Education Department, whose head is appointed by, and serves at the pleasure of, the State Board of Regents. The State

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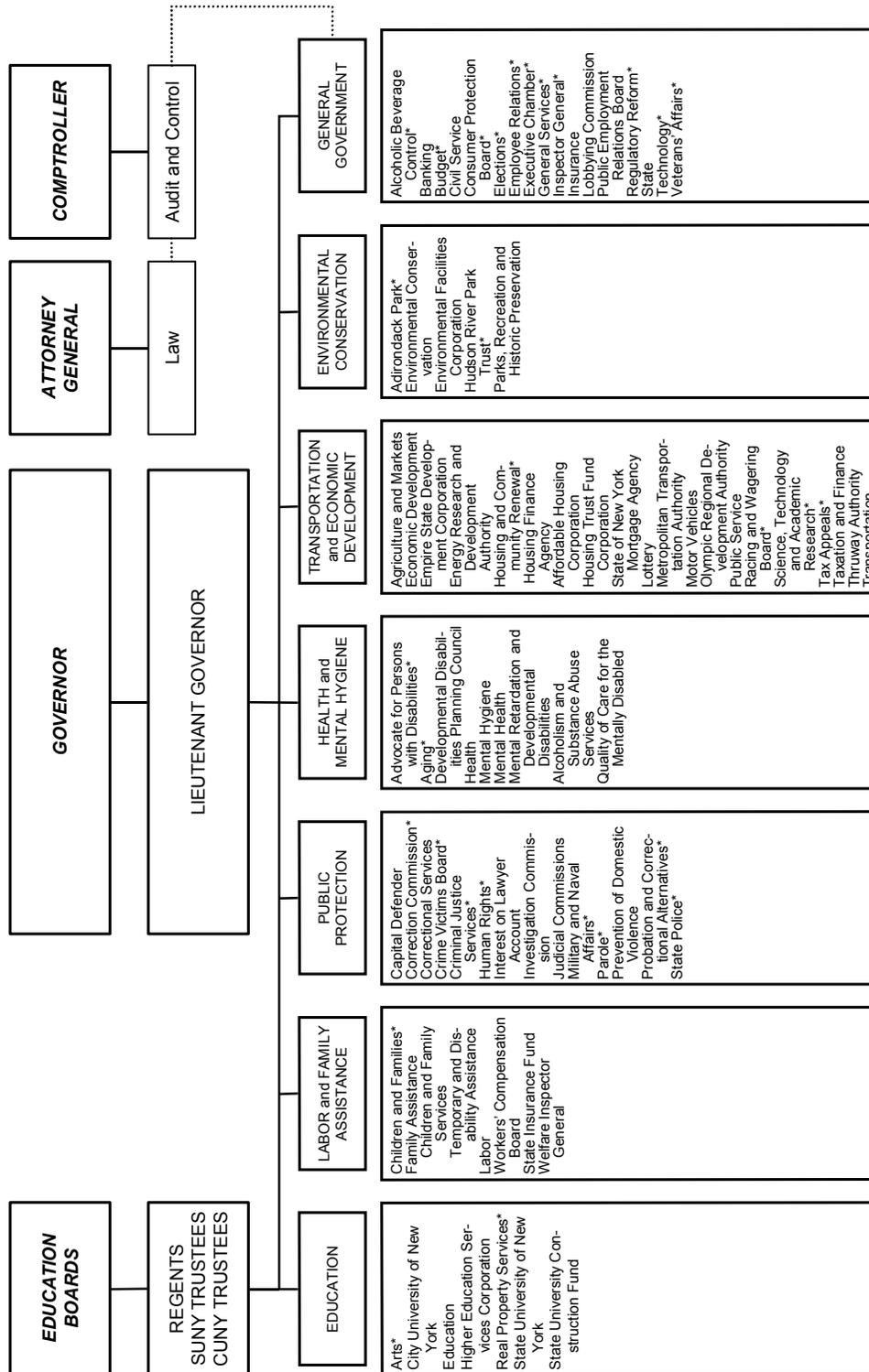
University of New York (SUNY), although technically a corporate entity within the State Education Department, is headed by a Chancellor who is appointed by a Board of Trustees. Likewise, the City University of New York (CUNY) is headed by a Chancellor who is appointed by a Board of Trustees.

The departments and agencies whose heads report to the Governor are separate and distinct from one another. Conceptually, however, one may think of each department, board, commission, office or other entity as operating within the context of one of seven major functional areas.

An organization chart of the executive branch by functional areas is displayed on the following page. This chart depicts the current structure of the executive branch, and therefore does not reflect any reorganizations that are proposed in the Executive Budget. These are described elsewhere, particularly in the Agency Presentations section of this volume.

FUNCTIONAL DISTRIBUTION OF STATE AGENCIES IN THE EXECUTIVE BRANCH

January 1, 2002



* Indicates agencies within the Executive Department

THE BUDGET PROCESS

New York State's budget process is a prime example of an executive budget system. The Governor is required by the State Constitution to seek and coordinate requests from agencies of State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative actions during the fiscal year.

The State's fiscal year begins April 1 and ends on March 31. However, the actual "budget cycle," representing the time between early budget preparation and last-minute disbursements, begins some nine months earlier and lasts approximately 27 months — until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

AGENCY BUDGET PREPARATION (JUNE–SEPTEMBER/OCTOBER)

Preparation of budget requests varies among agencies reflecting their size, complexity and internal practice. Typically, budget development begins at the program or subdepartmental level, with staff preparing individual program requests guided by the instructions set forth by the Division of the Budget in the Budget Request Manual. The head of the agency or its top fiscal officer may hold internal hearings at which program managers outline their budgetary needs.

Although agencies begin to analyze their budget needs as early as May or June, the formal budget cycle begins when the Budget Director issues a policy memorandum — the "call letter" — to agency heads. The call letter outlines, in general terms, the Governor's priorities for the coming year, alerts the agency heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget. The call letter signals the official start of the budget process.

By early fall, the final program package is assembled, reviewed for consistency with the call letter, and approved by the agency head.

DIVISION OF THE BUDGET REVIEW (SEPTEMBER/OCTOBER–DECEMBER)

In accordance with a schedule outlined in the call letter, agencies typically submit their budget requests to the Division of the Budget in September or October, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of agencies for which they have responsibility. Examiners may seek additional information from the agencies and may hold informal hearings or meetings with agency management to clarify agency requests and seek a more precise definition of agency priorities. By the end of October, examination units have also usually determined funding requirements to continue agency programs at current levels in the new year.

In November, the Budget Director conducts a series of constitutionally authorized "formal" budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the Governor's office an "on-the-record" opportunity to raise critical questions on program, policy and priorities. As provided in the Constitution, representatives of the Legislature may participate in the hearings.

Pursuant to the State Finance Law and to help expedite the budget process, legislative and Executive staffs meet by November 15 to discuss the economic outlook, revenue forecasts, projected spending, the impact of State and Federal statutes, and any other relevant issues. Through late November, the Division's examiners transform agency requests into preliminary budget and personnel recommendations which are reviewed in detail with the Director. The staff also prepare the appropriation bills and any other legislation required to carry out these recommendations. Concurrently, the Division of the Budget's

fiscal staff is reassessing economic projections, investigating possible changes in the revenue structure, analyzing trends in Federal funding, and preparing the Financial Plan that describes and forecasts the State's fiscal condition. The Financial Plan is prepared both on a cash basis and according to generally accepted accounting principles (GAAP).

By early December, the Division of the Budget will normally have completed its recommendations on both revenues and expenditures, and presented them to the Governor and the Governor's staff. Budget staff then prepare the tables and the narrative (the "budget story") that accompany each agency budget, and the descriptions and forecasts of individual revenue sources.

THE GOVERNOR'S DECISIONS (NOVEMBER–JANUARY)

The Governor and staff, who are also preparing the annual Message to the Legislature (the "State-of-the-State" message which the Governor presents to the Legislature when it convenes in January), are conversant with the budget throughout its development. The Governor is kept up-to-date on changing economic and revenue forecasts and confirms that Executive program priorities are accurately reflected in the budget. Based on the preliminary recommendations and the most current reading of the economic and fiscal environment, the final Executive Budget recommendations are formulated in a series of meetings between Division of the Budget staff and the Governor and his staff. These sessions focus on major fiscal and policy issues and may lead to significant revisions in agency budgets.

LEGISLATIVE ACTION (JANUARY–MARCH)

Typically, by mid-January or earlier — or, following a gubernatorial election year, by February 1 — the Governor submits the Executive Budget to the Legislature, along with the related appropriation, revenue and other budget bills. The State's Five-Year Capital Program and Financing Plan is also submitted with the Executive Budget. Within 10 days, the Division of the Budget provides the Legislature with additional financial information supporting the Executive Budget. A three-year financial projection is submitted within 30 days following submission of the Executive Budget, although it can be submitted earlier and has accompanied the Executive Budget the last several years. The Executive Budget documents are available on the Division of the Budget's web site: <http://www.state.ny.us/dob>.

Historically, the Legislature, primarily through its fiscal committees — Senate Finance and Assembly Ways and Means — analyzes the Executive spending proposals and revenue estimates, holds public hearings on major programs and seeks further information from the staffs of the Division of the Budget and other State agencies. Following that review, the Legislature acts on the appropriation bills submitted with the Executive Budget to reflect its decisions.

Beginning with the 1998-99 Budget, the Legislature has generally used a Conference Committee process to organize its deliberations and reach agreement on a Budget between the two houses. The process involves the creation of a General Budget Conference Committee to set overall priorities and manage the process, and several Conference Subcommittees to make budget recommendations for specific program areas. To support the Committees' work, the Senate and Assembly continue to conduct an extensive analysis of the Budget and discuss their findings with the Executive, as has been done in the past. The State Finance Law also requires that a consensus economic and revenue forecasting conference be convened and issue a consensus report on tax, lottery and miscellaneous receipts on or prior to March 10.

After a series of public meetings, the Committees develop joint spending and revenue recommendations which are then reflected in amended versions of the Governor's proposed appropriation bills and related legislation, and approved by both houses. These amended bills are available from the Senate and Assembly Document Rooms located in the Capitol and the Legislative Office Building, and on the Internet.

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The appropriation bills, except for those items which were added by the Legislature and the appropriations for the Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary and may use the line item veto to disapprove items added by the Legislature while approving the remainder of the bill. As provided in the Constitution, the Legislature may override the Governor's veto by a vote of two-thirds of the members of each house. The passage of the appropriation bills provides a legal foundation for the disbursement of funds during the new fiscal year.

Upon passage of the appropriation bills, the Legislature must issue a summary of changes to the budget, and indicate how projected disbursements will be balanced by projected receipts. The Legislature must also issue a report describing appropriation changes and the effect of the enacted budget on State agency employment levels.

BUDGET EXECUTION (APRIL–MARCH)

At this point the budget process enters a new phase: budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the State Comptroller that accounts may be established as specified in the certificates and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against its projections. This information is reflected in quarterly updates of the Financial Plan which are provided to the Legislature, as required by law, in April (or as soon as practicable after budget enactment), July, October and with the Executive Budget for the ensuing year. The Debt Reform Act of 2000 requires the Governor to report on the State's compliance with statutory caps placed on new debt issued after March 31, 2000; the State annually reports these findings in the Financial Plan Update proximate to October 31. These updates serve as the basis of financial management during the fiscal year, and may alert both the Governor and the Legislature to potential problems in maintaining budget balance as the State fiscal year unfolds.

A GUIDE TO THE TABLES

One of the most daunting features of any budget document is the array of tables that accompanies each narrative. What does each table include? What is a “category”? Is it the same as a “program”? What are “all funds”? How do the tables account for transactions that have occurred during the current fiscal year and that may have changed the basis for year-to-year comparisons?

At first glance, the tables may appear to differ widely in appearance and content from one agency budget to another. Some agencies will have a limited number of programs, receive funding in only one category of appropriation — say, State Operations — and have no capital construction projects. Others may receive funding in all categories and many fund types, have a complex set of programs, and reflect numerous current-year adjustments. A closer look will reveal that each agency presentation uses a uniform set of tables in an identical sequence. It should be noted, however, that some agencies may not require one or more of the set. For example, the capital projects table will not be included for an agency that has no construction program.

All or most of the following tables accompany each agency presentation. Although the titles of the tables are identical to those that appear in the agency presentations, the tables in the presentations are not numbered. The numbers of the tables (e.g., I, II,...X) have been included in this guide for ease of reference only.

- I. ALL FUNDS — APPROPRIATIONS**
- II. ALL FUND TYPES — PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM — FILLED ANNUAL SALARIED POSITIONS**
- III. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS**
- IV. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**
- V. STATE OPERATIONS - GENERAL FUND — SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES — 2002-03 RECOMMENDED**
- VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES — 2002-03 RECOMMENDED**
- VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2002-03 RECOMMENDED**
- VIII. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS**
- IX. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**
- X. CAPITAL PROJECTS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**

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I. ALL FUNDS — APPROPRIATIONS

This table shows, by category, the total recommended appropriations for the next fiscal year and the appropriations available for the current fiscal year for all funds. It also shows the total of current year and prior year appropriations which have been recommended for reappropriation for all funds.

ALL FUNDS ¹ APPROPRIATIONS (dollars)				
² Category	³ Available 2001-02	⁴ Appropriations Recommended 2002-03	⁵ Change	⁶ Reappropriations Recommended 2002-03
State Operations	56,951,450	58,533,100	1,581,650	9,744,500
Aid To Localities	7,405,000	7,150,000	(255,000)	207,285,000
Capital Projects	9,725,000	9,725,000	0	16,230,000
Total	74,081,450	75,408,100	1,326,650	233,259,500

- ¹ "All Funds" captures spending from all of the State's various revenue sources, including taxes, fees, fines, Federal grants, bond proceeds, lottery proceeds, and other miscellaneous receipts. This concept includes the four fund types which comprise the Governmental Funds Financial Plan: the General Fund (the repository for the majority of State-imposed taxes and fees), Special Revenue funds (including funds earmarked for specific purposes like lottery proceeds, fishing licenses, or Federal grants), Capital Projects funds and Debt Service* funds. Another three fund types — Internal Service funds, Enterprise funds and Fiduciary funds — are included as well.
- ² There are four major categories of spending: State Operations, Aid to Localities, Capital Projects and Debt Service.
- ³ This column displays the appropriations available for the current fiscal year. Adjustments, such as the recommended transfer of a program or an item to another fund or agency for the next fiscal year, are included to provide for year-to-year comparability.
- ⁴ This column displays the appropriations recommended for the next fiscal year. As explained in the "Financial Terminology" section of this Guide, appropriations represent an authorization to incur spending obligations during the fiscal year, up to the specified amount. Cash payments for those obligations may occur during the fiscal year of the appropriation, or during the first part of the ensuing fiscal year.
- ⁵ This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- ⁶ A reappropriation is a prior-year or current-year appropriation which will not be fully spent by the end of the current fiscal year and which has been recommended for extension.

* While funds typed as Debt Service may be included, any appropriations made specifically in the Debt Service category of spending are not incorporated into this table. For more information about State Debt Service, please refer to Part II.

II. ALL FUND TYPES — PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM — FILLED ANNUAL SALARIED POSITIONS

The Projected Levels of Employment by Program table for filled, annual salaried positions is presented on a Full-Time Equivalent (FTE) basis. The table provides a point-in-time projection of filled, full-time, annual salaried positions.

In understanding the definition of FTE, it is important to note that the FTE is a unit of measure which identifies filled, full-time, annual salaried positions rather than people. The following three examples illustrate this concept:

- 1 person serving in 1 position at 100 percent time (full-time) = **1 FTE**
- 2 people sharing 1 position, each at 50 percent time (half-time) = .5 FTE + .5 FTE = **1 FTE**
- 2 people serving in 2 positions, each at 50 percent time (half-time) = .5 FTE + .5 FTE = **1 FTE**

In total, the above three examples indicate that 5 people are employed within State service, but since 4 people work half-time, only 3 FTE's are counted.

FTE's supported by funds derived from some external source (i.e., suballocations) are included within agency program fund type totals.

**ALL FUND TYPES
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM
FILLED ANNUAL SALARIED POSITIONS**

[1] Program	Full-Time Equivalent Positions (FTE)		[4] FTE Change
	[2] 2001-02 Estimated FTEs 03/31/02	[3] 2002-03 Estimated FTEs 03/31/03	
	Administration		
General Fund	62	62	0
Emergency Management			
General Fund	19	19	0
Special Revenue Funds - Federal	63	63	0
Special Revenue Funds - Other	23	22	(1)
Military Readiness			
General Fund	178	169	(9)
Special Revenue Funds - Federal	255	255	0
Special Service			
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	10	11	1
Total	653	644	(9)

- [1] Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program that contains FTE's may have appropriations from one or more fund types.
- [2] This column displays an estimate of FTE's on March 31, 2002 (i.e., the last day of the current fiscal year).
- [3] This column displays an estimate of FTE's on March 31, 2003 (i.e., the last day of the next fiscal year).
- [4] This column displays the difference between the FTE's in the current fiscal year and FTE's recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next five tables apply to the State Operations category. Each agency which has appropriations in this category will have some or all of these tables in its presentation.

III. STATE OPERATIONS — ALL FUNDS REQUIREMENTS BY FUND TYPE — APPROPRIATIONS

This table shows the distribution of all appropriations within the State Operations category by fund type and shows a year-to-year comparison of the amounts available in the current fiscal year and those recommended for the next fiscal year. See the next table for a distribution by program.

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

[1] Fund Type	[2] Available 2001-02	[3] Recommended 2002-03	[4] Change
General Fund	13,488,050	14,429,400	941,350
Special Revenue Funds - Federal [5]	31,515,000	32,812,300	1,297,300
Special Revenue Funds - Other	11,396,400	10,719,400	(677,000)
Fiduciary Funds	552,000	572,000	20,000
Total	56,951,450	58,533,100	1,581,650
Adjustments: [6]			
Transfer(s) From			
Special Pay Bill			
General Fund	(1,219,000)		
Special Revenue Funds - Federal	(1,308,000)		
Special Revenue Funds - Other	(202,000)		
Appropriated 2001-02	54,222,450		

[1] The State Finance Law defines and mandates the use of seven fund types. Of these, the fund types typically found in the State Operations category are General, Special Revenue, Enterprise, Internal Service and Fiduciary.

[2] This column displays the appropriations available for the current fiscal year.

[3] This column displays the appropriations recommended for the next fiscal year.

[4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

[5] Because of the difference between the State's fiscal year (April 1 through March 31) and the Federal fiscal year (October 1 through September 30), appropriations of most Federal grants generally include spending from portions of two Federal fiscal years. The amounts discussed throughout the Executive Budget represent the totals of spending from different grants that are expected to occur during the State fiscal year.

[6] Adjustments in the amounts available for the current year may occur for a number of reasons. As discussed below, they may anticipate changes that are being recommended in the budget for the new fiscal year or reflect transactions occurring during the course of the current year:

- Most commonly, the adjustment is included to make the amounts available in the current fiscal year more comparable to those recommended for the next fiscal year. For example, if the Executive Budget is recommending that an item which has been appropriated in the current year's budget as a State Operations item be included as an Aid to Localities item in the next fiscal year, the dollar amount of the item would be

deducted from the amount available in the current year for State Operations to achieve year-to-year comparability. A similar amount would be added to the amount available this year for Aid to Localities.

- In other cases, including the example shown in the table above, the amount shown reflects an adjustment that has actually taken place during the current year. In the example, amounts were transferred to this agency from an appropriation made to "All State Departments and Agencies" which is included among the Miscellaneous appropriations elsewhere in the Executive Budget. During budget execution, such Miscellaneous All State Department and Agency appropriations (e.g., to fund a salary increase or some other across-the-board adjustment) are divided and transferred to the appropriations of individual agencies to be expended (see the explanation of "lump sum appropriations" included in the "Financial Terminology" section). The adjustments made in this case enables the reader to compare the amount actually available to the agency under this category during the current fiscal year with that appropriated by the Legislature for the year.

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IV. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts available for State Operations for the current fiscal year and those that have been recommended for the next fiscal year by program and, within each program, by fund type.

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)			
1 Program	2 Available 2001-02	3 Recommended 2002-03	4 Change
Administration			
General Fund	3,394,000	3,424,500	30,500
Disaster Assistance			
Special Revenue Funds - Federal	1,456,600	1,680,400	223,800
Emergency Management			
General Fund	1,032,700	1,267,400	234,700
Special Revenue Funds - Federal	7,370,800	7,563,300	192,500
Special Revenue Funds - Other	2,024,300	1,881,400	(142,900)
Military Readiness			
General Fund	9,061,350	8,990,000	(71,350)
Special Revenue Funds - Federal	20,110,500	20,832,800	722,300
Special Service			
General Fund	0	747,500	747,500
Special Revenue Funds - Federal	2,577,100	2,735,800	158,700
Special Revenue Funds - Other	9,372,100	8,838,000	(534,100)
Fiduciary Funds	552,000	572,000	20,000
Total	56,951,450	58,533,100	1,581,650

- 1 Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program may have appropriations from one or more fund types.
- 2 This column displays the appropriations available for the current fiscal year.
- 3 This column displays the appropriations recommended for the next fiscal year.
- 4 This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

V. STATE OPERATIONS - GENERAL FUND — SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES — 2002-03 RECOMMENDED

Personal service is one of the four “major objects” of expenditure in use in New York State budgeting. This table shows the amounts recommended for personal service for each program supported from the General Fund. As discussed in the notes for this table, there are “subobjects” within personal service. The remaining three major objects are discussed in the tables that follow.

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

1 Program	2 Total		3 Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,079,100	20,100	3,062,600	18,600
Emergency Management	998,900	122,100	987,900	121,100
Military Readiness	7,045,300	(409,000)	6,580,600	(521,700)
Special Service	520,500	520,500	520,500	520,500
Total	11,643,800	253,700	11,151,600	138,500

Program	4 Temporary Service (Nonannual Salaried)		5 Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	16,500	1,500
Emergency Management	0	0	11,000	1,000
Military Readiness	187,900	(64,100)	276,800	176,800
Special Service	0	0	0	0
Total	187,900	(64,100)	304,300	179,300

- 1** Each agency has a program structure which is described in its narrative presentation.
- 2** The Total columns display the sum of the amounts recommended for the “subobjects” Personal Service Regular (Annual Salaried), Temporary Service (Nonannual Salaried), and Holiday/Overtime Pay (Annual Salaried). Total Personal Service includes funding for annual-salaried personnel (see table II.) and nonannual-salaried personal service costs, and may include adjustments to account for savings expected to result from vacancies occurring throughout the year.
- 3** The Personal Service Regular columns display the amounts recommended for the “subobject” Personal Service Regular (Annual Salaried) and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses. The bulk of the State’s permanent work force is funded through Personal Service Regular and is generally paid on the basis of an annual salary.
- 4** Similar to **3** above, these columns display the amounts and changes for the “subobject” Temporary Service. Temporary Service recommendations include pay for employees hired on a seasonal or short-term basis who are generally paid according to an hourly wage scale and includes amounts to cover holiday/overtime pay for such nonannual salaried employees.
- 5** Similar to **3** above, these columns display the amounts and changes for the “subobject” Holiday/Overtime Pay. Holiday/Overtime Pay recommendations include compensation for annual salaried employees eligible to receive additional payment for work performed on holidays or beyond normal duty hours. Eligibility for such payment is established by Civil Service Rules and Regulations and by contracts resulting from collective bargaining

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with employee organizations. The provisions of both the Civil Service Rules and Regulations and contracts with employee organizations must meet the standards set forth in the Federal Fair Labor Standards Act which governs State overtime policies.

**VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF
NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES — 2002-03 RECOMMENDED**

Nonpersonal service is one of the four “major objects” of expenditure in use in New York State budgeting. This table shows the amounts recommended for nonpersonal service for each program supported from the General Fund. As discussed in the notes for this table, there are “subobjects” within nonpersonal service.

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

1 Program	2 Total		3 Supplies and Materials	
	Amount	Change	Amount	Change
Administration	345,400	10,400	46,400	1,400
Emergency Management	268,500	112,600	32,300	2,300
Military Readiness	1,944,700	337,650	171,400	4,600
Special Service	227,000	227,000	109,000	109,000
Total	2,785,600	687,650	359,100	117,300

Program	4 Travel		5 Contractual Services	
	Amount	Change	Amount	Change
Administration	20,600	600	268,100	8,100
Emergency Management	26,500	600	107,700	7,700
Military Readiness	53,000	1,400	1,257,200	331,050
Special Service	12,000	12,000	90,000	90,000
Total	112,100	14,600	1,723,000	436,850

Program	6 Equipment		7 Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	10,300	300	0	0
Emergency Management	102,000	102,000	0	0
Military Readiness	23,100	600	440,000	0
Special Service	16,000	16,000	0	0
Total	151,400	118,900	440,000	0

- 1** Each agency has a program structure which is described in its narrative presentation.
- 2** The Total columns display the sum of the amounts recommended for “subobjects” Supplies and Materials, Travel, Contractual Services, Equipment and Maintenance Undistributed and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year with negative amounts displayed in parentheses.
- 3** The Supplies and Materials columns display the sum of the amounts recommended for the “subobject” Supplies and Materials and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year with negative amounts displayed in parentheses. Supplies and Materials recommendations include items such as institutional food, clothing, household supplies and office supplies. The mix of items purchased will, of course, vary widely from agency to agency and program to program.
- 4** Similar to **3** above, this column displays the recommended and change amounts for the “subobject” Travel. Travel recommendations include items such as public transportation, meals and lodging, reimbursement for the use of personal cars, and the costs associated with the operation and maintenance of State-owned cars.

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- 5 Similar to 3 above, these columns display the recommended and change amounts for the "subobject" Contractual Services. Contractual services recommendations include the payment of leases, the rental of data processing and other equipment, and a variety of services provided to the State on an occasional or regular basis by outside vendors. Some examples are printing, accounting, legal, consulting and medical services.
- 6 Similar to 3 above, these columns display the recommended and change amounts for the "subobject" Equipment. Equipment recommendations include items such as vehicles, office machines and furniture, and highway equipment.
- 7 These columns display the recommended and change amounts for Maintenance Undistributed. Maintenance Undistributed is not a subobject within Nonpersonal Service. It contains one or more lump sum appropriations for specific purposes or programs; as appropriated, it does not distinguish between major objects or subobjects. Under the State Finance Law, before an agency can use these funds, a segregation ("certificate") must be issued by the Director of the Budget to specify the amounts available within the lump sum for major objects (Personal Service, Nonpersonal Service) and for various subobjects (e.g., personal service regular, travel, equipment). Copies of the certificate are filed with the Comptroller and the legislative fiscal committees.

VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2002-03 RECOMMENDED

This table shows the amounts recommended to support State Operations from funds other than the General Fund. It shows amounts recommended by program for the “major objects” Personal Service and Nonpersonal Service and amounts recommended for Maintenance Undistributed. This table does not show separate amounts for “subobjects” within Personal Service and Nonpersonal Service. For more information about Maintenance Undistributed, see table VI., note 7.

Other-than-General Fund recommendations include Federal funds; Internal Service funds, such as the Centralized Services Fund through which individual agencies purchase telecommunications and other support services from the Office of General Services; Special Revenue funds, such as the Miscellaneous Special Revenue Fund; Debt Service funds (budgeted centrally, not within agency appropriations, in most cases); Fiduciary funds, such as the Common Retirement Fund; and Enterprise funds.

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED**

1 Program	2 Total		3 Personal Service	
	Amount	Change	Amount	Change
Disaster Assistance	1,680,400	223,800	934,000	106,500
Emergency Management	9,444,700	49,600	3,992,600	54,400
Military Readiness	20,832,800	722,300	10,090,000	(143,300)
Special Service	12,145,800	(355,400)	2,651,500	(274,000)
Total	44,103,700	640,300	17,668,100	(256,400)

Program	3 Nonpersonal Service		3 Maintenance Undistributed	
	Amount	Change	Amount	Change
Disaster Assistance	746,400	117,300	0	0
Emergency Management	5,452,100	(4,800)	0	0
Military Readiness	10,742,800	865,600	0	0
Special Service	5,816,300	(81,400)	3,678,000	0
Total	22,757,600	896,700	3,678,000	0

1 Each agency has a program structure which is described in its narrative presentation.

2 The Total columns display the sum of the amounts recommended for personal service, nonpersonal service and maintenance undistributed and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

3 The Personal Service, Nonpersonal Service, and Maintenance Undistributed columns display the amounts recommended for each item within a program and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next two tables apply to the Aid to Localities category. Each agency which has appropriations in this category will have these two tables in its presentation.

VIII. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS

This table shows the distribution of all appropriations for this agency within the Aid to Localities category by fund type and shows a year-to-year comparison of the amounts available in the current year with those recommended for the next fiscal year. See the next table for a distribution by program.

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)			
1	2	3	4
Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	255,000	0	(255,000)
Special Revenue Funds - Federal 5	5,500,000	5,500,000	0
Special Revenue Funds - Other	1,650,000	1,650,000	0
Total	7,405,000	7,150,000	(255,000)
Adjustments: 6			
Transfer(s) To			
Health, Department of			
General Fund (State Operations)	100,000		
Appropriated 2001-02	7,505,000		

- 1 The State Finance Law defines and mandates the use of seven fund types. Of these, the fund types typically found in the Aid to Localities category are General, Special Revenue, Enterprise, Internal Service and Fiduciary.
- 2 This column displays the appropriations available for the current fiscal year.
- 3 This column displays the appropriations recommended for the next fiscal year.
- 4 This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- 5 Because of the difference between the State's fiscal year (April 1 through March 31) and the Federal fiscal year (October 1 through September 30), appropriations of most Federal grants generally include spending from portions of two Federal fiscal years. The amounts discussed throughout the Executive Budget represent the totals of spending from different grants that are expected to occur during the State fiscal year.
- 6 Adjustments in the amounts available for the current year may occur for a number of reasons. For more information, please refer to table III. note 6.

IX. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts available for Aid to Localities for the current fiscal year and those that have been recommended for the next fiscal year by program and, within each program, by fund type.

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)			
1 Program	2 Available 2001-02	3 Recommended 2002-03	4 Change
Emergency Management			
Special Revenue Funds - Federal	5,500,000	5,500,000	0
Special Revenue Funds - Other	1,650,000	1,650,000	0
Community Projects			
General Fund	255,000	0	(255,000)
Total	<u>7,405,000</u>	<u>7,150,000</u>	<u>(255,000)</u>

- 1 Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program may have appropriations from one or more fund types.
- 2 This column displays the appropriations available for the current fiscal year.
- 3 This column displays the appropriations recommended for the next fiscal year.
- 4 This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next table applies to the Capital Projects category. Each agency which has appropriations in this category will have this table in its presentation.

X. CAPITAL PROJECTS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts that are available for Capital Projects for the current fiscal year and those that have been recommended for the next fiscal year by Comprehensive Construction Program and, within each program, by fund type. It also shows recommended reappropriations for the next fiscal year.

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS				
(dollars)				
1	2	3	4	5
Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Design and Construction Supervision				
Capital Projects Fund	1,750,000	1,000,000	(750,000)	3,500,000
Federal Capital Projects Fund	275,000	275,000	0	630,000
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	4,550,000	5,300,000	750,000	4,800,000
Federal Capital Projects Fund	3,150,000	3,150,000	0	7,300,000
Total	<u>9,725,000</u>	<u>9,725,000</u>	<u>0</u>	<u>16,230,000</u>

1 Programs in the Capital Projects category are known as Comprehensive Construction Programs (CCP). The program titles in the Capital Projects category usually differ from the program titles used in the State Operations and Aid to Localities categories. Some CCP's represent broad categories, such as Design and Construction Supervision, while others may correspond to specific agency programs.

2 This column displays the appropriations available for the current fiscal year.

3 This column displays the appropriations recommended for the next fiscal year.

4 This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

5 This column displays the reappropriations recommended for the next fiscal year. Reappropriations are recommended to continue the authorization to spend all or part of undisbursed balances from appropriations that would otherwise lapse. Reappropriations are used extensively in the Capital Projects category because construction or major rehabilitation projects usually require more than one fiscal year from their inception to completion.

FINANCIAL TERMINOLOGY

This section provides a comprehensive overview of financial terms used throughout the Executive Budget and in other financial and budgetary documents. Many of the terms are generic; others reflect definitions set forth in New York State law, regulations issued by State financial control agencies, or historical usage in State government. The terms have been grouped under 9 major headings:

1. Budgets
2. Financial Plan
3. Fund Structure
4. Appropriations and Expenditures
5. Budget Execution and Control
6. Generally Accepted Accounting Principles (GAAP)
7. Accountability, Audit and Internal Controls
8. Debt and Capital Financing
9. Other Miscellaneous Terms

1. BUDGETS

Executive Budget refers to the structure and process of the constitutional system of budgeting in New York State which vests in 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 his plan of recommended **appropriations, expenditures** and **cash disbursements** (see below) necessary to carry out programs, along with estimates of **revenues** and **cash receipts** (see below) expected to be available to support these expenditures and disbursements for the forthcoming **fiscal year** (see below). The State Constitution requires explicit recommendations for making changes to the current revenue structure and legislation to implement such recommendations (see **Financial Plan** below).

Pursuant to the Constitution, the Governor's Executive Budget must incorporate the appropriations requests of the Judiciary and the Legislature as they are received from these bodies, although they are not part of the executive branch of State government. While the Governor may not alter their requests, the Governor may comment on them and recommend changes.

The Constitution requires submission of the Budget on or before the third Tuesday after the first Monday in January, except in years following gubernatorial elections when it must be submitted by February 1.

Amendments to the Budget: The State Constitution permits the Governor to amend or supplement the Executive Budget within 30 calendar days after its submission or, with the consent of the Legislature, at any time before the close of the legislative session. Such revisions, additions or deletions, conveyed to the heads of the fiscal committees in a memorandum, reflect necessary corrections or responses to new situations or conditions arising after the preparation of the Executive Budget.

Legislative action on the Executive Budget: The Legislature and its fiscal committees — Senate Finance and Assembly Ways and Means — analyze the budget, holding public hearings on major programs and seeking further information from the staffs of the Division of the Budget and other State agencies. Except for the budgets of the Legislature and the Judiciary, the Legislature may not alter an appropriation bill except to eliminate or reduce the amount of an item recommended therein. It may, however, add items separate and distinct from those included in the original bill submitted by the Governor.

The appropriations passed by the Legislature, except for those which added items or provided funds for the Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary and may disapprove, by line item veto, items added to

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his original bills. As provided in the Constitution, the Legislature may override the Governor's veto by a vote of two-thirds of those elected to each house.

Other Appropriation Measures: An appropriation bill may also be submitted through the regular legislative process (i.e., it may be introduced by one or more legislators or by a legislative committee). However, the Legislature must act upon the Governor's constitutionally mandated appropriation bills before it acts on any other appropriation bills (unless the Governor certifies the need for immediate passage of another appropriation bill, pursuant to the Governor's constitutional authority to issue a "Message of Necessity"). Appropriation measures initiated by the Legislature are subject to veto in whole or in part by the Governor.

Fiscal Years: A fiscal year is the accounting period on which a budget is based. The State fiscal year runs from April 1 through March 31. The Federal fiscal year runs from October 1 through September 30. The fiscal year for all New York counties and towns and for most cities is the calendar year. New York City, the State University of New York, the City University of New York, and independent school districts in the State operate on July 1 through June 30 fiscal years. For most villages, the fiscal year runs from June 1 through May 31. Other cities and villages in New York State have varying fiscal years (see the State Comptroller's annual *Special Report on Municipal Affairs*).

2. FINANCIAL PLAN

A financial plan is a comprehensive outline of a government's financial resources and spending requirements.

State laws and appropriation bills together provide the necessary legal framework for the State to collect money and spend it on the operations of State agencies, aid to local governments and school districts, and for capital projects and debt service. However, the tax laws do not contain estimates of how much income the State will generate from each levy — these amounts must be estimated. Similarly, estimates must be made of spending, based on an evaluation of each State program and its attendant costs and eligibility requirements. Together these projections of income and spending constitute the Financial Plan.

As set forth in law, the Budget Director is designated to act on specific matters on behalf of the Governor in exercising the Governor's constitutionally prescribed responsibilities. The Division of the Budget, headed by the Budget Director, prepares a Financial Plan for each fiscal year. The Financial Plan presented with the budget reflects the receipts and disbursements that would result from legislative adoption of the Executive Budget recommendations. A revised Financial Plan must be submitted as soon as practicable after the Executive Budget, as amended, is enacted. This plan becomes the basis for administration of the State's finances and must be updated quarterly.

The Financial Plan includes results for one or more funds that are managed by the State, displayed on a cash or GAAP basis, and projects closing balances at the completion of a fiscal period (e.g., a fiscal year). See Section 6 below for a discussion of GAAP and cash-based accounting.

3. FUND STRUCTURE

Governmental Funds

- a) **General Fund:** This is the major operating fund of the State. It receives all State income not earmarked for a particular program or activity and not specified by law to be deposited in another fund. State income for financial plan purposes consists of moneys deposited to the credit of the General Fund during the fiscal year from current revenues (taxes, fees, and miscellaneous receipts including certain repayments of State advances) and transfers. General Fund income finances disbursements from its two operating accounts — the Local Assistance Account and the State Purposes Account — and transfers to other funds.

The **Local Assistance Account** finances:

- State grants to, or State expenditures on behalf of, counties, cities, towns, villages, school districts and other local entities;
- certain contractual payments to localities;
- certain advances for reimbursable costs (see **advances**, below); and
- certain financial assistance to, or on behalf of, individuals and not-for-profit organizations.

The **State Purposes Account** finances:

- salaries and non-wage compensation for most State employees;
- other operating costs of State departments and agencies, the Legislature and the Judiciary;
- General State Charges, which are costs mandated by statute or court decree or by agreements negotiated with employee unions for which the State is liable, including: pensions; health, dental and optical benefits; Social Security payments on behalf of State employees; unemployment insurance benefits; employee benefit programs; court judgments and settlements; assessments for local improvements; and taxes on public lands;
- certain contractual payments, including some contractual payments to localities and State lease-purchase payments for **certificates of participation** (see below);
- certain financial assistance to individuals and not-for-profit organizations;
- certain advances for reimbursable costs; and
- interest payments on **tax and revenue anticipation notes (TRANS)**, **bond anticipation notes (BANs)** and BANs issued in the form of commercial paper, if such short-term debt instruments are used by the State.

In addition to the above accounts, the General Fund includes the following funds:

- **Tax Stabilization Reserve Fund (TSRF)**: This fund receives any General Fund cash surpluses existing at year-end up to a maximum contribution of two-tenths of one percent of total General Fund disbursements. The reserve fund cannot exceed 2 percent of General Fund disbursements for the fiscal year. Any General Fund surplus after the reserve contribution may be used for State tax reduction or may be carried over into the succeeding fiscal year. In the event of a deficit in the General Fund at the close of the fiscal year, a loan may be made from the TSRF to the extent of the deficit or the funds available in the TSRF whichever is lower, provided such loans will be repaid in three equal annual installments within a period of six years from the date the loan was made. Cash assets of the TSRF can be loaned to the Local Assistance Account or the State Purposes Account during the fiscal year, but must be repaid in cash by March 31 of any fiscal year.
- **Contingency Reserve Fund**: This fund was created in legislation accompanying the 1993-94 budget to provide a reserve to fund extraordinary needs arising from litigation actions against the State. Use of this fund is restricted to litigation cases of \$25 million or more, and requires an appropriation to authorize spending
- **Community Projects Fund**: This fund was created in legislation accompanying the 1996-97 Budget to provide a fund to track various community projects.
- **Universal Pre-K Fund**: This fund was created in legislation accompanying the 2000-01 budget to provide a reserve for certain funding appropriated but not spent by school districts on pre-kindergarten programs.
- **Fringe Benefit Escrow Fund**: This fund was reclassified by the State Comptroller in April 2001 from the Agency Fund group to the General Fund. It contains payments by State agencies of certain fringe benefit costs chargeable to other entities.

The General Fund, as reported by the State Comptroller in his annual GAAP financial statements, also includes the revenues and expenditures of funds budgeted as Internal Service Funds and Enterprise Funds and of certain Special Revenue Funds (see below).

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- b) **Special Revenue Funds:** These funds account for State receipts from specific revenue sources and are legally restricted to disbursement for specified purposes. This governmental fund type is divided into two classifications in New York State — **Special Revenue Funds-Other** and **Special Revenue Funds-Federal**. An example of a Special Revenue Fund-Other is the Conservation Fund, which finances a number of State environmental programs. An example of a Special Revenue Fund-Federal is the Health and Human Services Fund where, for instance, Federal Medicaid reimbursements are received and disbursed. Although any earmarked revenue fund is treated as a Special Revenue Fund-Other for cash-basis budgeting and reporting purposes, it is combined with the General Fund for purposes of reporting on the basis of GAAP.
- c) **Capital Projects Funds:** These funds finance such capital construction costs as:
- planning, land acquisition, design, construction, construction management and supervision, and equipment costs attributable to: highway, parkway and rail preservation projects; outdoor recreation and environmental conservation projects; and buildings and other capital facilities required by various State departments and agencies;
 - aid payments to local governmental units and public authorities to help finance the following types of capital programs: highway, parkway, bridge, mass transportation, aviation, economic development, port development, community college, community and State mental health, outdoor recreation, State-assisted housing and environmental quality; and
 - advances for capital construction costs reimbursable by public authorities, instrumentalities of the State, the Federal government or local governments.
- Sources of revenue for this fund type include transfers from other State funds including the General Fund, dedicated taxes and other revenues, reimbursement of advances, bond proceeds, and Federal capital grants.
- d) **Debt Service Funds:** All tax-financed State debt service on long-term debt and payments on certain lease-purchase or other contractual obligations are paid from debt service funds. These account for the accumulation of money for, and the payment of principal and interest on, general long-term debt and certificates of participation. Lease-purchase payments for State University, Health and Mental Hygiene facilities, and for highway construction, reconstruction, reconditioning and preservation under contractual agreements with public authorities are also paid from funds classified as debt service funds. Debt service on highway bonds supported by dedicated highway revenues is also reflected in this fund type. Sources of revenue for this fund type include transfers from the General Fund, dedicated taxes and other revenues.

Proprietary Funds

- a) **Internal Service Funds:** These funds are used to account for the financing of goods or services supplied by one State agency to other State agencies or governmental units on a cost reimbursement basis.
- b) **Enterprise Funds:** These funds are used to account for operations that operate similarly to private business enterprises.
- The Internal Service Funds and Enterprise Funds are treated as Proprietary Funds for cash-basis budgeting and reporting purposes, and are combined with the General Fund for purposes of reporting on a GAAP basis.

Fiduciary Funds

- a) **Expendable Trust Funds:** These funds are used to account for funds held by the State in a trust capacity whose principal and income may be spent for designated operations.
- b) **Non-Expendable Trust Funds:** These funds are used to account for funds held by the State in a trust capacity whose principal must remain intact.

4. APPROPRIATIONS AND EXPENDITURES

An **appropriation** is a statutory authorization to make expenditures during a specific State fiscal year, and to make disbursements (see below) for the purposes designated, up to the stated amount of the appropriation. Under the Constitution, an appropriation may be made for no longer than a two-year period (also see **reappropriation**, below).

Appropriations are authorizations, rather than mandates, to spend. **Expenditures** and disbursements (see below) need not, and generally do not, equal the amount of the appropriation from which they were made, since less than the full amount of the appropriation is usually spent within the fiscal year to which it pertains (see **carryover**, below). An appropriation thus represents maximum spending authority unless a lower maximum has been set by a **disbursement ceiling** (see below). When authorized by statute an appropriation may be **suballocated** (that is, moved) from one agency to another agency for the purpose of incurring obligations and making disbursements in the agency which receives the suballocation. (The term suballocation should not be confused with allocation which is defined in section 5).

In New York, all appropriations are classified in one of the following four categories:

- **State Operations:** This category relates to appropriations for the operation of State agencies, regardless of fund source. For example, an agency may have appropriations in several different funds (or accounts within funds), and all these appropriations would be categorized as "State Operations." Also included in this category, although authorized by appropriation bills separate and distinct from those for the executive branch, are the appropriations for the operation of the Legislature and the Judiciary. (See also **personal service** and **nonpersonal service** defined below.)
- **Aid to Localities:** This category includes all appropriations for aid to localities, regardless of fund source.
- **Capital Projects:** When used as a category of appropriation, "Capital Projects" includes all appropriations for capital construction projects, regardless of fund source. (It should not be confused with the Capital Projects Fund or the Federal Capital Projects Fund).
- **Debt Service:** This category includes all appropriations for tax-financed State debt service on long-term debt; contractual-obligation and lease-purchase arrangements with several public authorities and municipalities; and lease-purchase payments for State University, Health and Mental Hygiene facilities, and for various highway projects (construction, reconstruction, reconditioning and preservation projects undertaken through contractual agreements with public authorities). This also includes appropriations for interest rate exchange and similar agreements.

A **deficiency appropriation** is used to meet actual or anticipated obligations not foreseen when the annual budget and any supplemental budgets were enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists. A deficiency appropriation usually applies to the fiscal year during which it is made.

Section 53 of the State Finance Law authorizes the enactment of a **special emergency appropriation** which may be allocated by the Governor to various funds. As set forth in the statute, allocations to the General Fund, the Capital Projects Fund and funds receiving Federal moneys are subject to the prior approval of the chairpersons of the Senate Finance and Assembly Ways and Means committees.

Personal service represents an appropriation for salaries and non-wage compensation for State employees and certain payments to non-State employees.

Nonpersonal service represents an appropriation for such items as contractual services, equipment and supplies.

Maintenance undistributed is an appropriation which does not define the amounts to be available for personal and nonpersonal service. Such an appropriation allows flexibility in the management of a program. The terms lump sum and maintenance undistributed are often used synonymously, although they are not equivalent.

A **lump-sum appropriation** is one made for personal service, nonpersonal service or maintenance undistributed; or for local assistance or capital projects for all State agencies, or to an agency alone or on behalf of itself and one or more other agencies. A lump sum is appropriated for a stated purpose without specifying maximum amounts that may be spent for specific activities or individual objects of expenditure. Such an appropriation cannot be obligated and expended without an **allocation** (see below, section 5).

A **reappropriation** is a legislative enactment that continues the undisbursed balance of an appropriation that would otherwise lapse (see **lapsed appropriation**, below). Reappropriations are commonly used in the case of federally funded programs and capital projects, where the funding amount is intended to support activities that may span several fiscal years. For example, funds for capital projects are customarily recommended and appropriated in amounts sufficient to cover the total estimated cost of each phase of a specific project (such as land acquisition, design, construction and equipping). As contracts within each phase are established, portions of the capital construction appropriation are allocated. However, disbursements are made only to meet the actual costs incurred as each phase of the project progresses. In ensuing years, the balances not disbursed are reappropriated to cover the costs of subsequent construction phases in the project.

An **obligation** is a commitment (such as a contract or purchase order) to spend against a given appropriation. An **encumbrance** provides a mechanism for reserving all or a portion of an appropriation for future expenditure. Entering into a contract usually requires an encumbrance, although the funds will be expended or disbursed over a period of several months. Encumbrance accounting enables management to avoid spending in excess of authorized appropriations.

A **carryover** is the balance of an appropriation that remains at the end of the fiscal year for which it was appropriated (and where it has not been repealed or reappropriated), against which liabilities were incurred (i.e., an obligation exists) but for which cash payments were not disbursed before the end of the fiscal year. Disbursements may be made against a carryover balance through June 30 of the following fiscal year to liquidate any such liabilities for State operations, or through September 15 for aid to localities, capital projects, and debt service.

A **lapsed appropriation** is an appropriation which has expired and against which obligations can no longer be incurred, nor payment made. An appropriation lapses, and is no longer available to authorize any encumbrance or cash payments, on June 30 for State operations and on September 15 for aid to localities, capital projects, and debt service.

5. BUDGET EXECUTION AND CONTROL

Certificates of several types are issued by the Budget Director to authorize various fiscal actions. Copies of all certificates must be sent to the State Comptroller and to the chairpersons of the two legislative fiscal committees.

For State Operations, and in some cases Aid to Localities, a **certificate of approval** issued by the Budget Director formally authorizes certain financial transactions. These transactions include **allocations** or **segregations**, **apportionments** and **interchanges**:

- An **allocation** or a **segregation** authorizes expenditures from appropriated funds for specified purposes, activities or objects. It is used as a control device for appropriated funds (e.g., quarterly allocations) and to distribute lump-sum appropriations within State agencies.
- An **apportionment** transfers part of an appropriation from certain lump-sum "all State departments and agencies" appropriations to specific agencies.
- An **interchange** is the movement of appropriation authority by certificate to increase or decrease the funds for any items within the same fund and program. In accordance with the State Finance Law, the amounts appropriated to a department or agency from a given fund may also be interchanged among appropriations in different

programs, subject to the following formula (with the exclusion of the State University of New York, the City University of New York, and other specific appropriations as may be noted in the various appropriation bills): the total amount appropriated for any given program or purpose may not, in aggregate, be increased or decreased via interchanges by more than 5 percent of the first \$5 million, 4 percent of the second \$5 million and 3 percent of amounts in excess of \$10 million.

A **certificate of transfer** authorizes the transfer of appropriation authority and/or positions between agencies and/or funds. All such transfers must be specifically authorized in statute. Transfers of appropriation authority must be distinguished from operating transfers which move moneys (cash) between funds or accounts.

For **Capital Projects**, the appropriation format differs somewhat from the program structure found in State Operations and Aid to Localities. Capital Projects appropriations are structured as follows:

- one or more **comprehensive construction programs (CCPs)**, which may or may not relate to agency programs or other organizational arrangements;
- **a grouping of appropriations into one or more purposes within CCPs**, which purposes may or may not relate to other agency organizational structures; and
- **one or more appropriations or projects in each purpose**. Some appropriations have "project schedules" that list institutions or projects for which construction work will be done.

For Capital Projects, a **certificate of approval of availability** issued by the Budget Director in accordance with an appropriation authorizes the State Comptroller to encumber, expend and disburse funds to the extent required for specific projects or phases of projects.

Capital Projects Funds **interchanges or transfers** must be accompanied by a certification of need and availability of funds and may be made as follows:

In the case of **interchanges**, which are movements of funds by certificate between items within an appropriation "project schedule," no certification is required when the appropriation states that schedule amounts are estimates and are interchangeable among the various projects; all other interchanges require the certification of need and availability.

In the case of transfers, a **certificate of transfer** authorizes the transfer of a specified sum of money, within available limits, from an appropriation for a given capital project to an appropriation for another capital project within the same CCP and agency. However, the Budget Director cannot authorize any Capital Projects Fund transfer which would increase or decrease the total of appropriations (including reappropriations) for projects sharing the same purpose by an amount exceeding the following percentages of the total amount of the original appropriation for the project: 25 percent of the first \$5 million, 20 percent of the second \$5 million, 15 percent of the third \$5 million, and 10 percent of any amount in excess of \$15 million.

6. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Generally Accepted Accounting Principles (GAAP) for governments are uniform minimum standards and guidelines for financial accounting and reporting as promulgated by authoritative national standard-setting bodies, primarily the National Council on Governmental Accounting (NCGA); its successor, the Governmental Accounting Standards Board (GASB); and the American Institute of Certified Public Accountants (AICPA). NCGA's *Statement One — Governmental Accounting and Financial Reporting Principles*, published in 1979, succeeding statements by NCGA (reaffirmed by GASB), and statements promulgated by GASB are the most widely recognized sources for authoritative guidance. New York presents its State financial plan and Executive Budget on both a cash basis and in accordance with GAAP. Projected operating results in the General Fund as measured on the cash basis of accounting differ from projections measured in accordance with GAAP. Generally, these differences are caused by the inclusion of certain funds in the GAAP General Fund which are outside the cash basis General Fund, plus the recognition of differences between cash and GAAP. The conversion tables show these differences classified into the following major categories:

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- “Perspective Differences” represent the projected cash basis operating results of the Miscellaneous State Special Revenue Fund which is treated as part of the General Fund in the GAAP basis financial plan, but as part of the Special Revenue Fund in the cash basis financial plan. The Miscellaneous State Special Revenue Fund includes dozens of individual accounts which finance the operation of agencies and programs from sources other than General Fund tax dollars.
- “Entity Differences” represent the projected cash basis operating results of the proprietary funds (Internal Service Funds and Enterprise Funds) which are treated as part of the General Fund in the GAAP basis financial plan. On a cash basis the proprietary funds are reported separately and are not part of the all governmental funds financial plan.
- “Changes in Accruals” result from timing differences between the recognition of individual accounting transactions on a cash basis vs. recognition of the same items under generally accepted accounting principles. On a cash basis, receipts are recorded when moneys are deposited in the State Treasury, and disbursements are recorded when a check is drawn from the Treasury. Under GAAP, however, revenues are recorded when they are measurable and available, and expenditures are recorded when the State incurs an obligation to pay. It is in this column that revenues and expenditures are attributed to the appropriate fiscal year. For example, positive numbers in this column reflect the accrual of revenues which are owed to the State but not yet received, and obligations of the State for which payment has not yet been made. Negative entries generally reflect the reduction of receipts or disbursements which are attributed under GAAP to a different fiscal period.
- “Eliminations” exclude activity related to State advances and the repayment of such advances, which are treated as receipts and disbursements in the cash basis financial plan. On a GAAP basis, the repayment is not a revenue, and the advance is not an expenditure unless it is determined to be uncollectible. This category also includes transactions related to the elimination of SUNY/CUNY Senior College operations, which are not part of the governmental fund structure on a GAAP basis.
- “Intra-fund Eliminations” remove any transactions which occur between two funds in the same fund type, in order to avoid counting such transactions twice.
- “Reclassifications” show the movement of transactions from one category of the financial plan to another, and do not impact the operating results of a given fund.

The GASB issued statement 34 entitled *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*. This statement establishes new financial statement reporting requirements for State and local governments and is required to be implemented by the 2002-03 fiscal year.

GAAP Basis Reporting Differences

In general, the General Fund revenue and expenditure projections contained in this Budget reflect the application of Generally Accepted Accounting Principles as applied by the State Comptroller in his audited 2000-01 financial statements. There is one exception to this policy. Activity related to public authorities has not been reclassified as operating transfers. These reclassifications do not affect operating results and only further complicate the differences between cash basis financial plans and GAAP basis financial plans. Accordingly, these reclassifications have not been included.

GAAP Revenues

A separate volume provides tax-by-tax descriptions of the cash-based estimates of tax receipts underlying the cash-based financial plans. This section deals with estimates of GAAP revenues that are included in the GAAP financial plan. The following is a brief description of how such estimates are generated, what factors are considered in their preparation, and how such estimates differ from those prepared on the cash basis.

In general, cash-based estimates are forecasts of the deposits of cash (net of refund payments) that will occur during the fiscal year. Estimates of GAAP revenue attempt to more closely measure what the State actually “earned” during the period, regardless of when the cash transactions that represent those earnings occur. The State, of course, “earns” money when taxpayers incur liability for taxes, for example, by receiving money subject to income taxes or purchasing goods or services subject to the sales or excise levies, or by wagering on horse races in betting pools subject to the pari-mutuel tax. Taxpayers may discharge that liability in a variety of ways. For example, in the case of the sales tax they often pay the money directly to an authorized agent of the State who must then transmit it to the State, sometimes in a period different from that in which the actual liability was incurred and discharged by the taxpayer. In the case of the personal income tax, they may be subject to withholding by their employer (another agent of the State) or make estimated and final tax payments directly to the State. Some taxpayers overpay their liability and are due refunds for a given liability period. Such refunds or final payments are usually paid in years (or accounting periods) different from those to which the transaction relates.

In their most pure sense, GAAP revenue estimates attempt to gather all the (actual or estimated) transactions that apply to tax liabilities earned in a given State fiscal year, regardless of the year in which the related cash transaction occurs, to appropriately “measure” what the State has earned. In practice, given the limits of both information systems and time, some accommodations are made in the development of these “earnings” estimates. During any one fiscal year the State will receive money earned in the current year and in any of several prior years (and sometimes money not yet earned). Estimates of those prior-year earnings are not changed each time a new transaction is disclosed and so GAAP revenue estimates are not “pure.”

However, for any given tax, GAAP revenue estimates should attempt to measure (as an increase in revenue, or a receivable) how much the State is owed, but has not yet received, from taxpayers for the activity during a State fiscal year. Similarly, they must reflect (as a reduction in revenue, or a payable) any amounts that the State has received but must refund (in some future period) as a result of overpayments of liability by taxpayers.

In some sources, the receivable and payable amounts are relatively trivial and do not change materially from year to year. In others, the accruals are large and variable. GAAP revenue estimates differ from cash receipt estimates by how much the receivable and payable balances change from year to year. If receivables are growing relative to payables in a particular source (i.e., if the net amount owed to the State is larger at the end of the year than at the beginning of the year), estimated GAAP revenues will exceed forecasted cash receipts. Should payables rise faster than receivables, the opposite relationship will exist.

GAAP Expenditures

As previously mentioned, GAAP measures expenditures when the State incurs a liability to pay, rather than when a check is written against the Treasury. The Comptroller generally applies a 12-month recognition rule — if the liability is determined to exist and will be disbursed in the 12 months following the close of the fiscal year, the expenditure will be recorded in that fiscal year. Thus, the GAAP basis financial plan includes liabilities projected to be incurred during a given fiscal year for which actual payments will not be made for up to 12 months following the close of such fiscal year.

The most significant of these liabilities occur in the categories of local assistance and State operations. The GAAP basis financial plan reflects:

- Amounts owed to local governments for Medicaid, public health, criminal justice and court-ordered handicapped programs which are all reimbursed on a lag basis.
- Employee salaries remaining unpaid at the close of each fiscal year, and the related fringe benefits.

7. ACCOUNTABILITY, AUDIT AND INTERNAL CONTROL

Internal controls are the measures an organization adopts to encourage adherence to agency policies and procedures; promote operational efficiency and effectiveness; safeguard assets; and ensure the reliability of accounting data. Internal controls encompass both internal administrative controls and internal accounting controls.

Internal administrative controls are the measures (e.g., organization plan, policies, procedures and records) which ensure that transactions are authorized consistent with managerial intent. They include mission and policy statements, organization charts, procedure manuals, duties descriptions, training programs, information systems, filing systems, and other tools used to control program operations.

Internal accounting controls are the measures which safeguard assets and ensure the reliability of financial records. They include authorization procedures for financial transactions, use of generally accepted accounting principles to record financial transactions, limited access to assets and periodic inventories of assets.

Internal audit is an independent appraisal of operations, conducted under the direction of agency management, to assess the effectiveness of internal administrative and accounting controls and help ensure conformance with managerial policies.

Vulnerability Assessment (VA) is an assessment by an agency of its potential susceptibility to unintentional and intentional operational breakdowns which could lead to inadequate or inappropriate program outcomes, including waste of resources. The VA analyzes the overall organizational and administrative environment, the potential for failures and the seriousness of such occurrences. Identifying each function's level of risk helps the agency schedule the timing and frequency of more extensive reviews of operations. The VA may also identify internal control weaknesses which can be immediately corrected.

Internal Control Review (ICR) is a detailed evaluation of the degree to which the organization has designed, established, documented and followed the policies and procedures necessary to achieve specific functional goals and objectives and avoid unwanted outcomes. The ICR focuses upon how well procedures operate for a given function rather than the broader, common controls assessed through the vulnerability assessment.

Testing (sometimes called compliance testing) is that part of an internal control review which assesses whether actual practice follows, or complies with, prescribed policies and procedures. The assessment is made by interviewing or observing staff, following a transaction through the process, or sampling documentation of transactions to determine if required steps are executed.

Corrective Action Plan is a step-by-step plan of action and schedule for resolving the internal control weaknesses identified by a vulnerability assessment or internal control review.

Certification is the annual affirmation by each agency that it is in conformance with the requirements of the Internal Control Act of 1987, as extended in 1999, which prescribed the establishment and maintenance of a system of internal controls and a program of internal control review by State agencies and certain public authorities. Agencies may submit a plan to achieve compliance with the Act in lieu of a certification.

Annual Internal Control Review Report is a report by each covered organization describing certain aspects of its internal control system. It may include procedures, schedules and follow-up on vulnerability assessments, internal control reviews and education and training efforts. The report is a companion to and supports the latest Internal Control Act certification from the agency.

8. DEBT AND CAPITAL FINANCING

The **Annual Information Statement** is the State's public disclosure document to the financial marketplace. Typically, it contains information about the financial plan, the State's economy, debt and other financing activities, its governmental structure, and status of litigation against the State. The AIS is issued annually and updated quarterly.

Appropriation-backed bonds refer to long-term obligations sold by the State's public authorities under a variety of financial arrangements — primarily **lease-purchase and contractual service agreements**. Debt service on such obligations is appropriated annually by the State, although the State has no legal obligation to continue to make such appropriations. This form of debt represents an important source of financing for capital projects in the State's transportation, criminal justice, mental hygiene, education, health, and housing programs.

Bond anticipation notes (BANs) are short-term notes which occasionally may be sold by the Comptroller to finance capital expenditures until long-term bonds are sold. Since these obligations are outstanding for no more than two years (with certain exceptions), the interest rates paid on such obligations are typically lower than that for long-term bonds.

Bondable capital spending refers to disbursements for capital purposes which, by statute, may be financed by the proceeds of bonds or other debt obligations.

Certificates of Participation represent shares of lease-purchase payments for personal or real property made by State agencies. These tax-exempt certificates are sold publicly or privately to investors by the Comptroller, pursuant to Article 5-A of the State Finance Law. These payments are not State debt under Article VII of the State Constitution and are subject to annual appropriation.

Commercial paper refers to a form of short-term obligation sold by the State and issued by the Comptroller. These are general obligations of the State and are outstanding for only short periods — sometimes only days — and, therefore, have much lower interest rates than do long-term bonds. Obligations can be sold up to a statutory maximum of \$500 million, but must be replaced within two years with long-term bonds. As a result, a portion of a general obligation bond sale may be used to “take-out” commercial paper which has been outstanding the maximum two years, rather than to directly reimburse a capital expenditure. The State discontinued its commercial paper program in 2001, replacing it with the issuance of variable rate bonds.

A **credit rating** is assigned by a non-governmental agency serving the financial market (such as Standard & Poor's and Fitch), and represents the relative security behind a given debt. The ratings indicate the relative likelihood of repayment of debt service liabilities by a specific issuer. The State's current credit rating is AA.

The **Debt Reform Act of 2000**, which applies to all new State-supported debt issued after March 31, 2000, imposes phased-in caps that limit new debt outstanding to 4 percent of the personal income and new debt services costs to 5 percent of total governmental receipts. Both caps began in 2000-01 at an initial phase-in level of .75 percent. Pursuant to section 23 of the State Finance Law, the State is required to calculate compliance with the caps annually and report the findings in the Financial Plan update most proximate to October 31.

The **Debt Reduction Reserve Fund or DRRF** was created in 1998 to accumulate surplus revenues to pay debt service costs on State-supported bonds, retire or defease such bonds, and to finance capital projects. Use of DRRF funds requires an appropriation.

General obligation bonds refer to long-term obligations of the State, used to finance capital projects. These obligations must be authorized by the voters in a general election, are issued by the Comptroller, and are backed by the **full faith and credit** of the State. Under current provisions of the Constitution, only one bond issue may be put before the voters at each general election, and it must be for a single work or purpose. The amount of general obligation bond or note proceeds which the State expects to issue in a given fiscal year is shown in the Capital Projects fund-type of the Governmental Funds Financial Plan in the Other Financing Sources category. Debt service must be paid from the first available taxes whether or not the Legislature has enacted the required appropriations for such payments.

Impoundment is the term used to describe the setting aside, in a separate account, of income necessary to pay principal and interest on obligations. The specific method of impoundment — including the timing and amounts — is generally specified by State law for each obligation, and is an integral element of the security behind any obligation.

Moral obligation debt refers to long-term bonds issued by certain State public authorities, also known as public benefit corporations, which are essentially supported by their own revenues. Moral obligation debt is not incurred pursuant to a referendum, is not

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considered State debt, and is not backed by the full faith and credit of the State. However, the authorities selling such obligations have been allowed to establish procedures where, under certain conditions, the State may be called upon to meet deficiencies in debt service reserve funds supporting such bonds. An appropriation must be enacted by the Legislature to meet any such obligation.

An **official statement** is a disclosure document prepared to accompany each issuance of bonds, notes and publicly sold certificates of participation offered for sale by the State or its public authorities. This statement is prepared by the issuer and describes the issuer, the project or program being financed and the security behind the bond issue. In addition, where payment of debt service is made primarily with State moneys, this statement discloses information regarding the State, including recent and projected fiscal and economic trends and developments that bear reasonably on the credit strength of the issue. It discusses potential legal, fiscal or economic problems facing the issuer, State government and other relevant major governmental jurisdictions. Its primary purpose is to provide prospective bond or note purchasers sufficient information to make informed decisions on the creditworthiness of the issue.

Pay-as-you-go financing refers to the use of current State resources (as opposed to bonds) to finance capital projects.

State-guaranteed debt refers to debt authorized by the voters to be sold by three public authorities: the Job Development Authority, the New York State Thruway Authority, and the Port Authority of New York and New Jersey. Such debt is backed by the full faith and credit of the State.

State-related debt includes all State-supported debt, as well as State guaranteed, and moral obligation debt. This broad category combines all forms of debt for which the State is directly or contingently liable.

State-supported debt includes general obligation and appropriation-backed debt, and certificates of participation. This category includes all obligations for which the State appropriates and pays debt service. While tax supported debt (obligations supported by State taxes) represents the majority of obligations in this category, obligations supported by other State revenues (such as dormitory fees or patient revenues) are also included.

Tax and revenue anticipation notes (TRANS) refer to short-term obligations of the State. The notes must be redeemed within one-year of issuance. Prior to the debt reform actions of the 1990s, notes were sold to address short-term cashflow imbalances, but may also be issued to address a year-end deficit.

9. OTHER MISCELLANEOUS TERMS

An **account** is a subdivision of a fund and refers to a classification by which information on particular financial transactions and financial resources is recorded and arranged.

An **advance** is a payment by the State on behalf of an agency, an authority, a fund, a public benefit corporation, or the Federal government that must be reimbursed by such entity. Certain advances are made from the Capital Projects Fund for prefinancing the cost of capital projects undertaken by public authorities, State agencies or localities.

All Governmental Funds is a term referring to all State government funds within the following fund types: General, Special Revenue, Capital Projects, and Debt Service. In a discussion of appropriations rather than cash figures (e.g., in the Appendix I tables described earlier in this Guide), **All Funds** includes All Governmental Funds appropriations *plus* appropriations made from the non-governmental (Proprietary and Fiduciary) fund types.

Annualization refers to the expected full-year financial implications of a revenue item or an expenditure item initially budgeted for only part of a fiscal year.

Attrition refers to a method of achieving a reduction in personnel by not refilling positions that are vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Cap refers to an absolute dollar limit placed on spending and/or borrowing for a designated activity or program. The term is sometimes used to refer to the limitation of a disbursement for the current and/or forthcoming fiscal year(s) to the level of the preceding fiscal year or to some other predetermined level.

Chargeback refers to an assessment levied by the State on another government or other entity (e.g., a public authority, a private-sector enterprise, a trade association, or a nonprofit organization) for payment of costs incurred by the State in administering an activity or program on behalf of such government or entity. It may also refer to an assessment by one State agency against another.

A **deficit**, for purposes of the cash-basis financial plan, is an excess of disbursements over receipts at the end of a fiscal year. On a GAAP basis, a deficit is an excess of expenditures or expenses over revenues at the end of a fiscal year.

Fixed assets are assets of a long-term character, such as land, buildings, machinery, equipment and improvements other than buildings, that are intended to continue to be held or used. **General fixed assets** include all fixed assets not accounted for in proprietary funds or in trust and agency funds. Under GAAP, general fixed assets are recorded in an **account group** (which does not involve the measurement of results of operations), rather than in a fund, and the recording of "infrastructure" assets and depreciation is not required.

Full Time Equivalent (FTE) refers to a unit of measure which is equal to one filled, full-time, annual-salaried position.

A **joint-custody fund** is held within the State Treasury by both the State Comptroller and the Commissioner of Taxation and Finance (see sole-custody fund).

Line item veto. The Governor of New York State has the power of line item veto. The State Constitution authorizes the Governor to veto individual appropriations for the Legislature and Judiciary, and appropriations added by the Legislature, contained within any multiple appropriation bill passed by the Legislature.

A **margin**, or **positive margin**, is a temporary excess of receipts over disbursements. When disbursements temporarily exceed receipts, a **negative margin** exists. A positive margin is not a surplus, nor is a negative margin a deficit, until the fiscal year ends.

A **matching formula** is a formula applied under an intergovernmental grant program which requires a recipient to match from its own funds a specified percentage of each dollar granted by one or more higher level(s) of government.

Nonrecurring receipts are receipts in a given fiscal year that are not normally expected to recur in subsequent fiscal years. **Recurring receipts** are normally derived from an income stream that is expected to continue from one fiscal year to the next.

An **offset fund** is an appropriated fund, usually of the Special Revenue Fund type, which is used to reimburse expenditures charged in the first instance to the General Fund.

Save harmless refers to a provision of law under which the State protects another entity against any decrease from a previous level of funding under a given State program.

Shortfall refers to a situation where actual revenues collected are less than those that had been projected.

A **sole-custody fund** is administered by an individual State agency official and is not under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. Sole-custody funds are usually fiduciary in nature. Examples include assets held for wards of the State.

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KEY TO AGENCY ABBREVIATIONS USED IN THE INDEX

A&C	Department of Audit and Control
ABC	Division of Alcoholic Beverage Control
Adv	Office of Advocate for Persons with Disabilities
Ag&Mkts	Department of Agriculture and Markets
APA	Adirondack Park Agency
Arts	Council on the Arts
Bank	Banking Department
CC&F	Council on Children and Families
CPB	Consumer Protection Board
CQC	Commission on Quality of Care for the Mentally Disabled
CS	Department of Civil Service
CUNY	City University of New York
CVB	Crime Victims Board
DA	Dormitory Authority
DANC	Development Authority of the North Country
DCJS	Division of Criminal Justice Services
DDPC	Developmental Disabilities Planning Council
DEC	Department of Environmental Conservation
DED	Department of Economic Development
DHCR	Division of Housing and Community Renewal
DHR	Division of Human Rights
DMNA	Division of Military and Naval Affairs
DMH	Department of Mental Hygiene
DMV	Department of Motor Vehicles
DOB	Division of the Budget
DOCS	Department of Correctional Services
DOH	Department of Health
DOL	Department of Labor
DOS	Department of State
DOT	Department of Transportation
DPCA	Division of Probation and Correctional Alternatives
DSP	Division of State Police
DTA	Division of Tax Appeals
DVA	Division of Veterans' Affairs
EFC	Environmental Facilities Corporation
ERDA	New York State Energy Research and Development Authority
ESDC	Empire State Development Corporation
GORR	Governor's Office of Regulatory Reform
HESC	Higher Education Services Corporation
HFA	Housing Finance Agency
HRPT	Hudson River Park Trust
IG	Inspector General, Office of the State
Ins	Insurance Department
IOLA	Interest on Lawyer Account

KEY TO AGENCY ABBREVIATIONS

Law	Department of Law
LIPA	Long Island Power Authority
Lottery	Division of the Lottery
MBBA	Municipal Bond Bank Agency
MTA	Metropolitan Transportation Authority
NYSTAR	Office of Science, Technology and Academic Research
OASAS	Office of Alcoholism and Substance Abuse Services
OCFS	Office of Children and Family Services
OER	Office of Employee Relations
OFT	Office for Technology
OGS	Office of General Services
OMH	Office of Mental Health
OMRDD	Office of Mental Retardation and Developmental Disabilities
OPDV	Office for the Prevention of Domestic Violence
ORDA	Olympic Regional Development Authority
ORPS	Office of Real Property Services
OTDA	Office of Temporary and Disability Assistance
OWIG	Office of the Welfare Inspector General
Parks	Office of Parks, Recreation and Historic Preservation
Parole	Division of Parole
PERB	Public Employment Relations Board
PFA	Project Finance Agency
R&W	New York State Racing and Wagering Board
SCOC	State Commission of Correction
SED	State Education Department
SOFA	State Office for the Aging
SONYMA	State of New York Mortgage Agency
STAR	Office of Science, Technology and Academic Research
SUCF	State University Construction Fund
SUNY	State University of New York
Tax	Department of Taxation and Finance
Thruway	NYS Thruway Authority
UDC	Urban Development Corporation
WCB	Workers' Compensation Board