

ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,368,000	4,368,000	0	0.0%
Special Revenue-Federal	0	200,000	200,000	--
Total for AGENCY SUMMARY:	4,368,000	4,568,000	200,000	4.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	59	59	0
TOTAL:	59	59	0

BUDGET HIGHLIGHTS

(Executive Budget: pp.145 - 148)

The Adirondack Park Agency (APA), created in 1971, is charged with the broad mandate of insuring "the optimum overall protection, development and use of the unique scenic, aesthetic, wildlife, recreational, open space, ecological and natural resources of the Adirondack Park." In carrying out this mandate, the APA is responsible for the administration of the Adirondack Park State Land Master Plan and the Adirondack Park Private Land Use and Development Plan. In addition, the APA administers the State Freshwater Wetlands and Wild and Scenic and Recreational River Systems Acts, operates two Visitor Interpretive Centers, and helps local governments develop land use plans consistent with the State Master Plan.

The APA is included in the Transportation, Economic Development and Environmental Conservation appropriations bill.

State Operations

The Executive proposes a General Fund appropriation of \$4,318,000 for State Fiscal Year (SFY) 2005-06, representing no change from SFY 2004-05.

The Executive proposes a \$200,000 Special Revenue Federal, Maintenance Undistributed appropriation to implement wetlands mapping within the Adirondack Park. This appropriation represents a \$200,000 increase over SFY 2004-05.

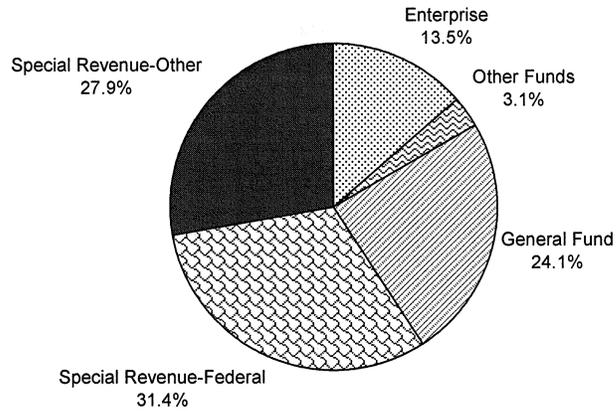
Aid To Localities

The Executive proposes a General Fund, Aid to Localities appropriation of \$50,000 to maintain the Adirondack Park Local Government Review Board, the same amount proposed in SFY 2004-05. The Board monitors APA activities and consists of representatives from the counties wholly or partly within the Adirondack Park.

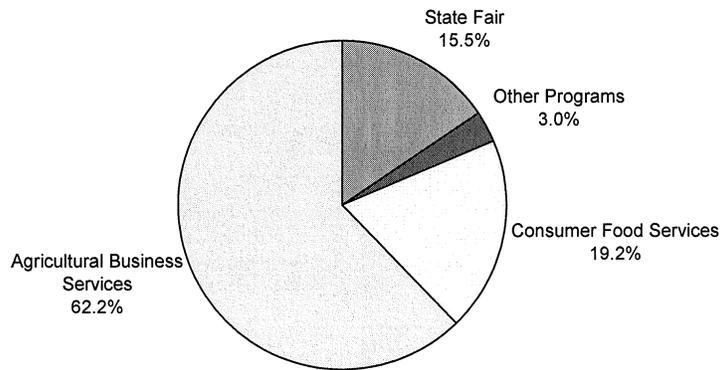
DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	39,770,000	36,203,000	(3,567,000)	-9.0%
Special Revenue-Other	37,383,000	41,929,000	4,546,000	12.2%
Special Revenue-Federal	44,994,000	47,194,000	2,200,000	4.9%
Misc. Capital Projects	2,000,000	2,000,000	0	0.0%
Fiduciary	1,714,600	1,693,000	(21,600)	-1.3%
Capital Projects Fund	1,000,000	1,000,000	0	0.0%
Enterprise	20,137,100	20,343,000	205,900	1.0%
Total for AGENCY SUMMARY:	146,998,700	150,362,000	3,363,300	2.3%

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	381	354	(27)
All Other Funds:	170	177	7
TOTAL:	551	531	(20)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 149 - 154)

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York State food and agricultural industry. Its major responsibilities include: encouraging the growth and prosperity of the State's agricultural and food industry; conducting various inspection and testing programs to enforce laws on food safety, animal and plant health, and accuracy in labeling. The Department also acts to preserve the use of agricultural resources, improve soil and water quality, and operate the annual State Fair in concert with the Industrial Exhibit Authority.

This Agency is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

In State Fiscal Year (SFY) 2005-06 the Executive proposes All Funds appropriations totaling \$150,362,000. This represents an increase of \$3,363,300 from SFY 2004-05 levels. The Executive recommends staffing for the Department at 531, a net reduction of 20 positions. This includes a staff reduction of 27 positions associated with programs to inspect retail food establishments and pet dealer facilities, and an increase of seven positions associated with federal revenue available for homeland security, consumer protection and animal disease surveillance and control.

The Executive proposes General Fund State Operations appropriations totaling \$26,394,000, a decrease of \$1,214,000 from last year's levels. In large part, the reduction is attributed to two proposed changes in law. The Executive proposes legislation that would eliminate the annual inspection requirement for retail food establishments, which is expected to result in \$1,100,000 in General Fund savings. The Executive also proposes to eliminate the annual inspection requirement for pet dealers, generating an additional \$300,000 in General Fund savings. Both proposals would replace annual inspections with "risk based" inspections at a frequency determined by the Department.

The Executive proposes an additional net decrease of \$106,000, which is the net savings of staff reductions taken in previous years. A \$292,000 increase in non-personal service costs is also proposed which is related to increases in fixed costs and technology improvements, including high speed internet installation and other upgrades, to the Department's new facility at Airline Drive in Albany.

Special Revenue-Other State Operations appropriations of \$38,429,000 are proposed, an increase of \$1,046,000 from SFY 2004-05. The increase is attributed in part to fixed cost increases for personal service and fringe benefits. More than 70 percent of the increases, or \$750,000, is attributed to increased appropriations for non-personal service increase related to the agricultural marketing orders on behalf of the agricultural industry.

The Executive also proposes an appropriation of Special Revenue-Federal funds for State Operations totaling \$27,194,000, an increase of \$2,200,000 from SFY 2004-05. The increase is attributed to more anticipated miscellaneous federal revenue available for homeland security, consumer protection and animal disease surveillance and control.

The Executive proposes Fiduciary Funds State Operations appropriations totaling \$1,693,000, a decrease of \$21,600 from last year's levels attributed to adjustments in the Milk Producers Security Fund. Enterprise Fund State Operations appropriations of \$20,343,000 are proposed, an increase of \$205,900 attributed to fixed costs increase for salary and fringe benefits.

Aid To Localities

The Executive proposes General Fund Aid to Localities appropriations totaling \$9,809,000, which is a net reduction of \$2,353,000 or 19.4 percent from SFY 2004-05. Some of this reduction is the result of cost shifts for agricultural programs traditionally funded within the Department's budget. The Executive proposes to fund the Geneva Agricultural Experiment Station and the Cornell Integrated Pest Management from the Environmental Protection Fund administered by the Department of Environmental Conservation. The Executive proposes to make a lump sum appropriation for all programs operated by Cornell University.

In addition, the Executive proposes \$1,000,000 in funding for the State's Wine and Grape Foundation from Special Revenue Funds. The funds, which more than double last year's appropriation, would be dedicated to support the Foundation's traditional programs. An additional \$2,500,000 is also proposed for a wine marketing program, the specifics of which have yet to be determined by the Department.

The Executive proposes \$20,000,000 for Special Revenue Federal Local Assistance appropriations for non-point source pollution prevention and farmland preservation funding, reflecting no changes from last years levels.

Capital Projects

In SFY 2005-06, the Executive proposes Capital appropriations totaling \$3,000,000 for ongoing State Fair capital projects, reflecting no change from last year's levels.

Article VII

The Executive proposes Article VII legislation that would:

- eliminate the annual inspection requirement for retail food establishments. The Executive proposes moving to a "risk based" inspection regimen, the frequency of which is to be determined by establishment size, type of food offered for sale, and other factors affecting public health;
- eliminate the annual inspection requirement for pet dealers and breeders, also moving to a "risk based" inspection regimen as determined by the Commissioner; and
- increase the penalties for the failure to comply with Department orders to remedy critical health and public safety problems uncovered during inspections of food establishments and businesses. The penalty for a first violation of a rule or order would be \$300 and for a second violation the maximum penalty would be raised to \$1,000. The penalty for a second violation of the chapter would be increased to \$1,000.

BANKING DEPARTMENT

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	81,940,000	83,452,000	1,512,000	1.8%
Total for Agency:	81,940,000	83,452,000	1,512,000	1.8%
Total Contingency:	2,700,000	14,000,000	11,300,000	418.5%
Total for AGENCY SUMMARY:	84,640,000	97,452,000	12,812,000	15.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	587	587	0
TOTAL:	587	587	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 155 - 157)

The Banking Department is charged with protecting the public interest by regulating and supervising an estimated 3,400 State-chartered banking institutions with total assets of approximately \$1.9 trillion.

The Banking Department is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

The Executive proposes All Funds appropriations totaling \$97,452,000, an increase of \$12,812,000 or 15.1 percent over State Fiscal Year (SFY) 2004-05. The Banking Department is supported entirely by fees charged to regulated financial institutions and organizations.

State Operations

The Executive recommends support in SFY 2005-06 for the following programs:

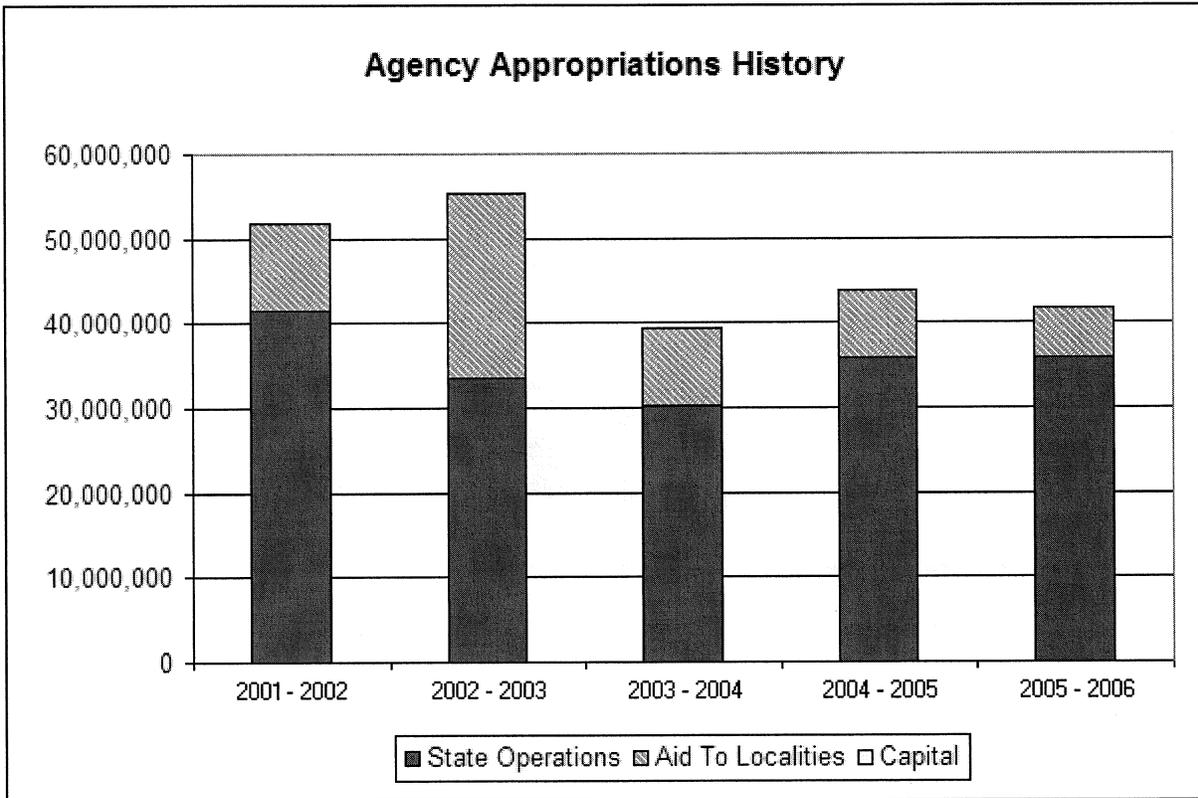
An increase of \$11,456,000 or 98 percent increase to \$23,187,000 for the Administration Program including a contingency of \$14,000,000 for the State Transmitter of Money Insurance Fund. The Executive recommendation to increase agency wide State Operations by \$1,512,000 above SFY 2004-05 levels reflects adjustments including personal service, non-personal service, fringe benefits, and indirect costs.

DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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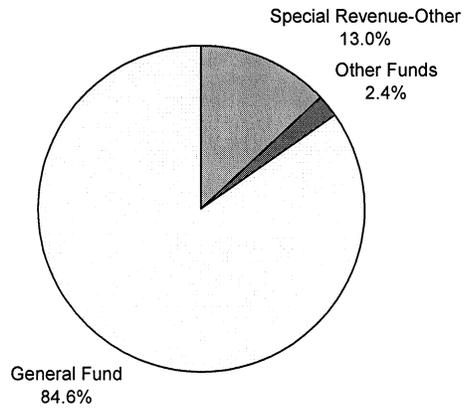
AGENCY SUMMARY

General Fund	37,493,000	35,264,000	(2,229,000)	-5.9%
Special Revenue-Other	5,438,900	5,414,900	(24,000)	-0.4%
Special Revenue-Federal	1,000,000	1,000,000	0	0.0%
Total for AGENCY SUMMARY:	43,931,900	41,678,900	(2,253,000)	-5.1%

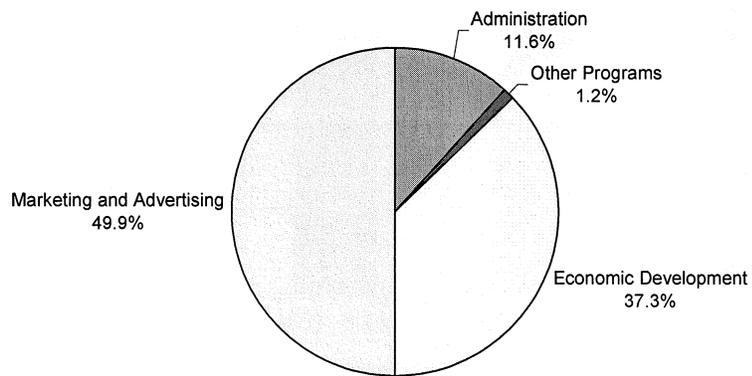


- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	205	201	(4)
All Other Funds:	14	14	0
TOTAL:	219	215	(4)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 159 - 164)

The mission of the Department of Economic Development (DED) is to formulate and promote economic development strategies for businesses. The Department, in conjunction with the Urban Development Corporation, administers State economic development programs.

This Department is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

The Executive recommends a State Operations General Fund appropriation for State Fiscal Year (SFY) 2005-06 of \$29,487,000, a net increase of \$71,000, reflecting an increase resulting from collective bargaining.

The Executive recommends a State Operations Special Revenue-Other Fund appropriation of \$5,414,000, which reflects a reduction of \$24,000 to more accurately reflect the spending requirements of the Department in relation to certain programs administered jointly with the Public Service Commission.

The Executive recommends an appropriation of \$11,015,000 for the Tourism Marketing Program; this reflects the continuation of funding for the program at SFY 2004-05 levels.

The Executive has proposed reducing the overall agency staffing from 219 to 215 positions due to attrition. This provides a savings of \$119,000 in SFY 2005-06 and an additional savings of \$238,000 would be recognized in SFY 2006-07.

Aid To Localities

The Executive recommends support for the following programs at SFY 2004-05 levels:

- Local Tourism Matching Grant Program, \$4,777,000;
- New York City Watershed Program, \$600,000;
- Gateway Information Center at Binghamton, \$200,000; and
- Gateway Information Center at Beekmantown, \$200,000.

The Executive proposes the elimination of \$2,300,000 in funding for Local Empire Zone administration support. This reflects the Executive proposal to authorize on a voluntary basis the transfer of administrative responsibilities from local Empire Zone Administrators to the Department of Economic Development.

NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	14,656,000	14,656,000	0	0.0%
Clean Water-Clean Air Implementation Fund	117,000	0	(117,000)	-100.0%
Capital Projects Fund - Authority Bonds	11,350,000	11,350,000	0	0.0%
Total for AGENCY SUMMARY:	26,123,000	26,006,000	(117,000)	-0.4%

BUDGET HIGHLIGHTS

(Executive Budget: pp. 169 - 170)

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation responsible for the management of energy research, development, and demonstration programs which are funded by assessments on gas and electric utilities. NYSERDA also administers federal grant programs related to energy efficiency, issues tax-exempt bonds on behalf of private energy supply companies for environmental improvements, and carries out the programmatic and regulatory functions of the former State Energy Office. In addition, NYSERDA administers the Systems Benefit Charge (SBC) that was established by the Public Service Commission (PSC) to fund energy efficiency programs, programs for low-income customers, and programs that contribute to energy research and development, and environmental protection. NYSERDA also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park (STEP) in Saratoga County.

NYSERDA is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

The Executive recommends an All Funds appropriation of \$26,006,000 for State Fiscal Year (SFY) 2005-06.

State Operations

The Executive proposes no changes to the State Operations appropriation in SFY 2005-06. This Special Revenue Other appropriation recommendation remains at \$14,656,000 and provides for \$750,000 to be made available for the University of Rochester Laboratory for Laser Energetics, as in previous years.

Capital Projects

The Executive recommends a Capital Projects appropriation of \$11,350,000, reflecting a decrease of \$117,000 from SFY 2004-05. The decrease is attributed to NYSERDA staff involved with implementing Clean Air projects from the 1996 Clean Water/Clean Air Bond Act being moved to other funding sources.

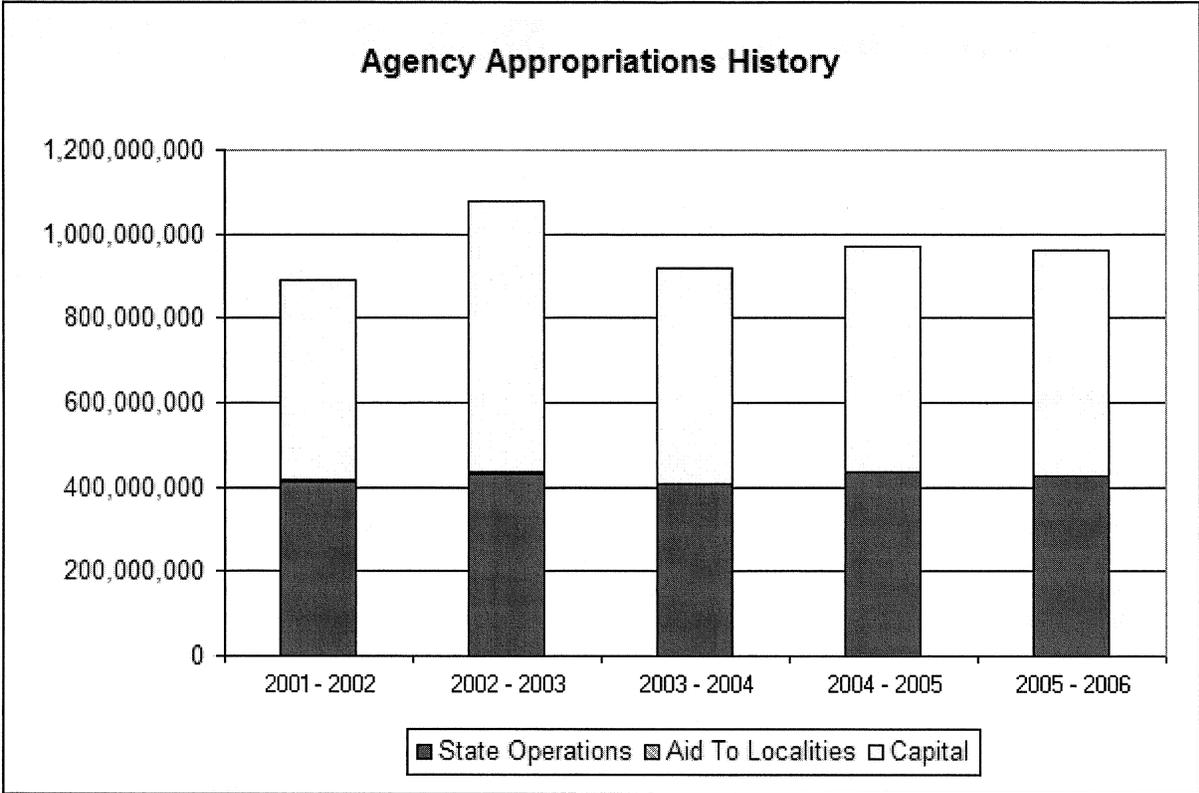
Article VII

The Executive proposes Article VII legislation to authorize the use of utility assessments collected pursuant to Section 18-a of the Public Service Law in the amount of \$14,656,000 to support NYSERDA's Energy Research Development and Demonstration Program.

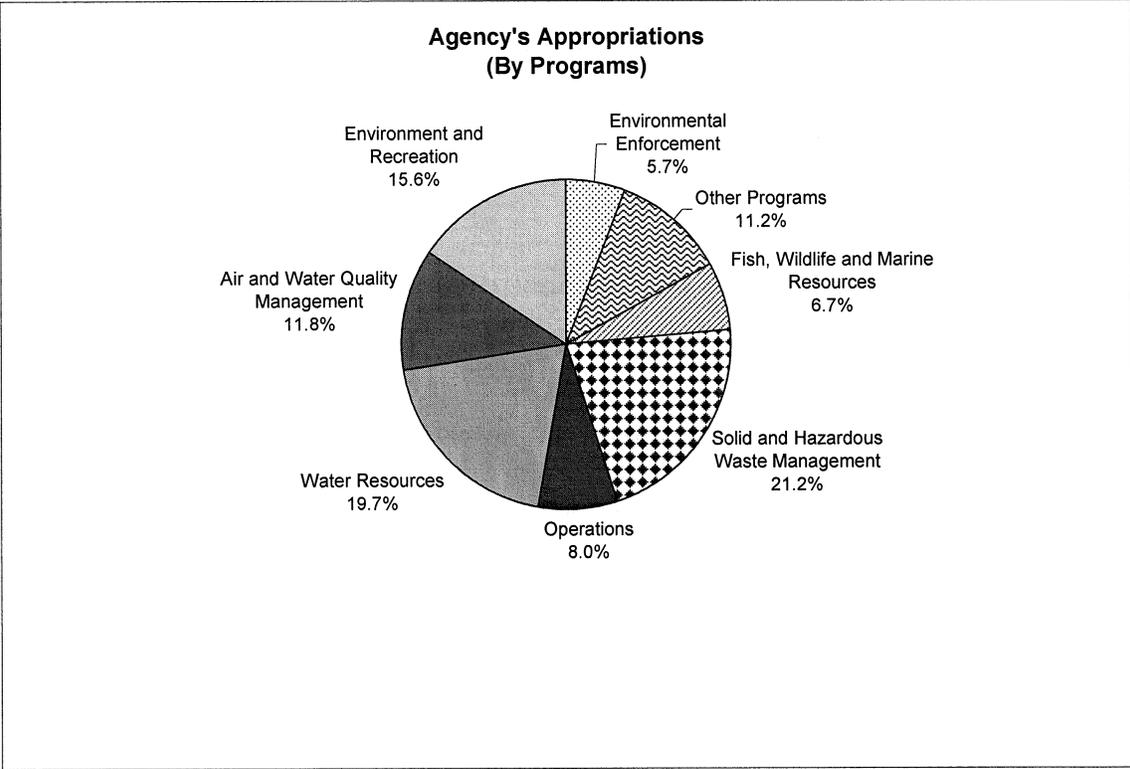
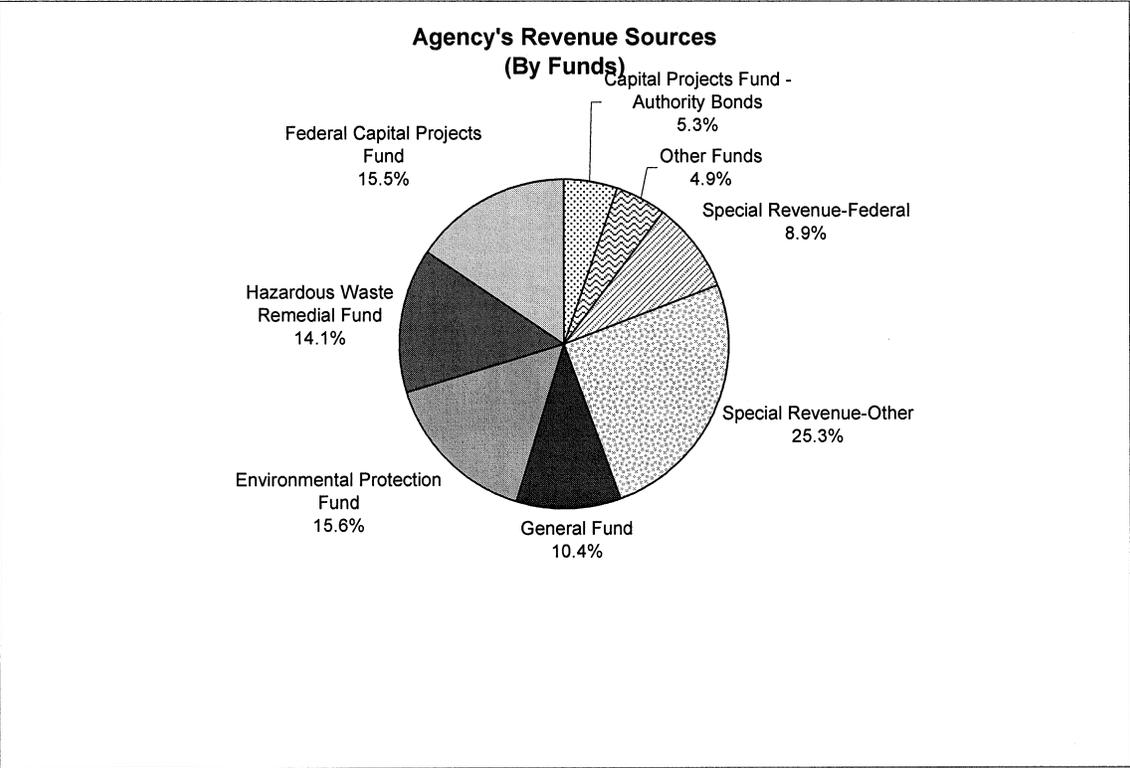
The Executive also recommends legislation to authorize the Authority to make: \$913,000 available from unrestricted corporate resources to the General Fund to help offset New York State's debt service requirements related to West Valley; \$330,000 available to the Environmental Conservation Special Revenue Low Level Radioactive Waste Account from funds rebated to New York by the federal government; and \$120,000 available to the General Fund from the interest earnings accumulated on the assessments and surcharges collected by the Authority related to the disposal of low level radioactive waste.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	110,210,700	99,816,300	(10,394,400)	-9.4%
Special Revenue-Other	241,205,100	242,488,000	1,282,900	0.5%
Special Revenue-Federal	84,692,000	85,211,000	519,000	0.6%
Capital Projects Fund	34,485,000	30,569,000	(3,916,000)	-11.4%
Capital Projects Fund - Advances	30,000,000	150,000	(29,850,000)	-99.5%
Federal Capital Projects Fund	156,364,000	148,880,000	(7,484,000)	-4.8%
Clean Water-Clean Air Implementation Fund	2,527,000	1,050,000	(1,477,000)	-58.4%
Environmental Protection Fund	125,000,000	150,000,000	25,000,000	20.0%
Hazardous Waste Remedial Fund	136,233,000	135,000,000	(1,233,000)	-0.9%
Capital Projects Fund - EQBA (Bondable)	0	327,000	327,000	--
Capital Projects Fund - PWBA (Bondable)	0	14,467,000	14,467,000	--
Capital Projects Fund - Authority Bonds	49,622,000	50,602,000	980,000	2.0%
Internal Service Fund	45,000	45,000	0	0.0%
Total for AGENCY SUMMARY:	970,383,800	958,605,300	(11,778,500)	-1.2%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	1,120	1,144	24
All Other Funds:	2,225	2,208	(17)
TOTAL:	3,345	3,352	7

BUDGET HIGHLIGHTS

(Executive Budget: pp. 171 -181)

The Department of Environmental Conservation (DEC) is responsible for conserving and improving the State's natural resources and environment, as well as controlling water, land and air pollution, to enhance the health, safety and general welfare of New York State's residents. DEC responsibilities also include administering the State's Environmental Protection Fund (EPF) and the Clean Water/Clean Air Bond Act of 1996.

This agency is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

The Executive proposes 3,352 full-time equivalent (FTE) positions in SFY 2005-06, a net increase of seven positions above SFY 2004-05 levels. The Executive recommends increasing the workforce size to assist in implementing proposed Article VII legislation in relation to regulating wetlands of less than 12.4 acres in size.

State Operations

The Executive proposes State Operations General Fund appropriations totaling \$97,317,000. This represents a \$11,272,900 net decrease in funding from SFY 2004-05. This proposed reduction is attributable to the following changes:

- a \$6,358,000 proposed deficiency appropriation related to a \$4,901,000 increase in the SFY 2004-05 General Fund appropriation for the Environmental Enforcement Program and a \$1,457,000 increase in the General Fund appropriation for the Forest and Land Resources Program. The deficiency would conclude payments arising out of a Federal Fair Labor Standards Act overtime settlement involving 345 DEC Environmental Conservation Officers and Rangers;
- a net decrease of \$6,669,300 in personal service costs, attributed to basing the SFY 2005-06 appropriation on actual Department staffing levels instead of historical appropriation amounts; and

- a net increase of \$1,755,400 in nonpersonal service costs across program areas, due to increases in fixed costs, adjustments for inflation and increases attributable to the implementation of the New York City Watershed Agreement.

The Executive also proposes State Operations Special Revenue Fund-Other appropriations totaling \$242,488,000 in SFY 2005-06, which represents an increase of \$1,282,900 from SFY 2004-05. This proposed increase is attributable to the following changes:

- a net decrease of \$2,528,000 in personal service appropriation authority attributed to adjusting the baseline budget to reflect the actual number of program employees;
- a net increase of \$1,759,000 in fringe benefit costs;
- a net increase of \$1,051,000 in non-personal services attributable to increase fixed costs; and
- a new appropriation of \$1,000,000 for staff associated with the proposed Wetlands Regulation Program within the Department of Fish and Wildlife.

The Executive recommends State Operations Special Revenue-Funds Federal appropriations totaling \$85,211,000, a net increase of \$519,000. The proposed increase is attributable to the following changes:

- a net decrease of \$13,000 in personal service and fringe benefit costs;
- a reduction of \$468,000 in Leaking Underground Storage Tanks (LUST) grant funding; and
- an increase of \$1,000,000 for new Wildlife and Hudson River Estuary grants.

Aid To Localities

The Executive proposes total Local Assistance funding of \$2,499,300 in SFY 2005-06, reflecting an increase of \$878,500 from SFY 2004-05. The increase would be attributable to the following changes:

- an increase of \$15,000 for the appropriation for New York's membership in the Great Lakes Water Commission;
- an increase of \$850,000 for a proposed All Terrain Vehicle (ATV) Trail Maintenance and Development Program; and
- an increase of \$13,500 for payments on the Pulaski Water/Sewer System.

Capital Projects

The Executive recommends \$531,045,000 in All Funds Capital Appropriations for SFY 2005-06, a decrease of \$3,186,000 from SFY 2004-05. This net decrease is the result of the following changes:

- a \$166,000 decrease in General Fund Capital Projects appropriations;
- a \$980,000 increase in appropriations backed by public authority bonds, which includes a \$709,000 increase in the State Match for the Clean Water State Revolving Fund and a \$271,000 increase in bondable DEC Capital Projects;
- funding for the Onondaga Lake Cleanup Project would be maintained at \$10,000,000;
- a \$29,850,000 decrease in Capital Project Fund advance appropriations;
- a \$25,000,000 increase in appropriation authority for the EPF;
- a \$1,233,000 decrease in Hazardous Waste Remedial Fund appropriations. This decrease reflects a current year adjustment in appropriation authority as authorized by DOB, not a cut to the overall program;
- a \$1,477,000 decrease from the 1996 Clean Water/Clean Air Implementation Fund related to the transfer of staff to the General Fund;
- a \$14,794,000 increase related to new appropriation authority from the 1965 Pure Waters Bond Act (\$14,467,000) and the 1972 Environmental Water Quality Bond Act (\$327,000). This reflects redirected funds which would be utilized to support the Long Island Sound Comprehensive Conservation Management Plan, New York Harbor, and Hudson River projects and upstate community wastewater treatment projects; and
- a \$11,234,000 decrease attributable to Federal Capital Projects Fund appropriations. The net decrease in federal capital projects funds would be attributable to a \$1,816,000 increase in Water Pollution Revolving Fund availability, offset by decreases in funding availability of \$3,750,000 for Marine Resources and \$10,000,000 for Hazardous Waste Management.

Superfund/Brownfields Programs

The Executive proposes funding of \$135,000,000 for the State Superfund and Brownfields Cleanup Program. This appropriation includes \$120,000,000 for the State Superfund and \$15,000,000 for costs related to the Brownfield Cleanup Program, including Brownfield Opportunity Area grants and technical assistance grants for citizen participation Superfund/Brownfields Programs. The appropriation reflects no changes from SFY 2004-05 levels.

Waste Tire Management Program

The Executive proposes appropriating \$18,000,000 from the Waste Tire Management and Recycling Account, which was created as part of the SFY 2003-04 enacted State budget to reduce existing scrap tire stockpiles and develop in-State markets for recycling stockpiled, and newly generated, waste tires. This appropriation reflects no change from SFY 2004-05. The Governor again proposes to transfer \$40,300,000 in revenues from the Account to the General Fund for general budget savings, reflecting no changes from the previous year.

Environmental Protection Fund

The Executive recommends appropriations totaling \$150,000,000 from the EPF for SFY 2005-06, an increase of \$25,000,000 over current year levels. The Governor maintains that this is a permanent increase; however, the proposed Article VII language does not require the deposit of additional revenues into the EPF. Any transfer of additional funds would be at the discretion of the Director of the Division of the Budget (DOB). According to DOB there is no anticipation that additional funds would be deposited into the EPF in SFY 2005-06 and that existing fund balances would be used.

In addition, the Executive proposes numerous new project categories and amendments to the EPF statute. The Executive's proposed allocations for the EPF include \$32,000,000 in cost shifts and the addition of new purposes. In addition, the Executive proposes an expansion of the Landfill Closure category, funded at \$3,000,000, which would allow for the funding of end-use and landfill gas management projects.

The Executive proposes the EPF appropriations as lump-sum amounts for each of the accounts which, if enacted, would provide no statutory guidance on the allocation of funds to be spent within each EPF category. Although the appropriations are presented as lump-sums, the Governor maintains that in SFY 2005-06, the EPF would be allocated as follows (categories in italics are new programs and/or offloads).

SFY 2005-06 Executive EPF Recommendations

(\$ in Millions)

EPF Category	Enacted Budget SFY 2004-05	Executive Proposed SFY 2005-06	Change
Solid Waste Account	16.775	18.175	1.400
Municipal Recycling	6.500	5.000	(1.500)
Secondary Markets	6.500	5.000	(1.500)
Hudson River Natural Resource Damages	1.300	1.300	0.000
Pesticide Program	2.475	2.375	(0.100)
Landfill Closure	0.000	3.000	3.000
<i>Geneva Experiment Station (NEW)</i>	<i>0.000</i>	<i>0.500</i>	<i>0.500</i>
<i>Integrated Pest Management (NEW)</i>	<i>0.000</i>	<i>1.000</i>	<i>1.000</i>
Parks, Recreation & Historic Pres. Account	41.565	40.365	(1.200)
Local Waterfront Revitalization	12.500	6.000	(6.500)
Municipal Parks	12.565	6.000	(6.570)
Hudson River Park	10.000	5.000	(5.000)
Stewardship	5.750	7.413	1.660
<i>State Parks Infrastructure Projects</i>	<i>0.000</i>	<i>10.000</i>	<i>10.000</i>
Historic Barn Program	0.750	1.000	0.250
<i>Zoos, Botanical Gardens, & Aquaria</i>	<i>0.000</i>	<i>4.952</i>	<i>4.952</i>
Open Space Account	66.660	91.460	24.800
Land Acquisition	32.000	40.000	8.000
Agricultural & Farmland Protection	12.600	15.000	2.400
Hudson River Estuary Management	5.000	5.000	0.000
Biodiversity	0.700	1.000	0.300
Non-point Source Pollution Control	10.850	10.000	(0.850)
Soil and Water Conservation Districts	1.860	1.860	0.000
Finger Lakes - Lake Ontario Watershed	1.500	1.300	(0.200)
Albany Pine Bush	0.600	0.600	0.000
Long Island Pine Barrens Planning	0.950	0.750	(0.200)
Long Island South Shore Estuary Reserve	0.600	0.450	(0.150)
<i>Urban Environmental Initiatives</i>	<i>0.000</i>	<i>0.500</i>	<i>0.500</i>
<i>DEC Capital Projects</i>	<i>0.000</i>	<i>10.000</i>	<i>10.000</i>
<i>Quality Communities Grants (NEW)</i>	<i>0.000</i>	<i>5.000</i>	<i>5.000</i>
Total	125.000	150.000	25.000

Article VII

The Executive proposes Article VII legislation that would:

- increase ATV registration fees from \$10 to \$45 per year, and create an ATV trail maintenance, development, education and enforcement program. The Executive estimates that this increase will generate \$5,833,000 in revenues in SFY 2005-06;
- amend section 72-0303 of the Environmental Conservation Law to increase the maximum Title V facility per ton operating permit fee on regulated air contaminants from \$45 to a maximum of \$58 and to establish a minimum fee of \$1,250 per facility. The Executive estimates an annual revenue increase of \$3,614,000 from these actions;
- extend the expiration date from July 1, 2005 to July 1, 2008 on pesticide product registration fees and DEC's existing statutory requirement to review and process pesticide product registration within established time frames;
- amend the Environmental Conservation Law in relation to the protection of wetlands. These provisions would expand the Department's authority to regulate certain freshwater wetlands under 12.4 acres in size including wetlands that are hydrologically isolated from waters of the United States, according to criteria determined by the Department. The provisions would also increase penalties for freshwater wetland violations and provide the Department with the authority to post wetland maps in an electronic format. The provisions would also establish new permit application fees which the Executive estimates result in revenue of \$1,000,000 which would be deposited into the Conservation Fund; and
- permanently authorize the use of the EPF for stewardship and parks infrastructure projects, the assessment of natural resource damages in the Hudson River, the implementation of the Hudson River Estuary management plan, county soil and water conservation district activities, the Hudson River Park Project, historic barns projects, integrated pesticide management (IPM) activities, agricultural research and extension activities conducted at the New York state agricultural experiment station located in the city of Geneva, environmental justice initiatives including technical assistance grants, and quality communities projects. The proposed legislation would also authorize the use of landfill closure funding for landfill gas management projects and end-use projects at closed municipal landfills. Finally, these provisions would amend the Tax Law to provide the Director of the DOB with the discretion to direct the Comptroller to deposit up to \$25,000,000 from Real Estate Transfer Tax revenues into the EPF for SFY 2005-06 and each fiscal year thereafter.

ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	10,279,500	11,570,500	1,291,000	12.6%
Clean Water-Clean Air Implementation Fund	292,000	292,000	0	0.0%
Total for AGENCY SUMMARY:	10,571,500	11,862,500	1,291,000	12.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	92	92	0
TOTAL:	92	92	0

BUDGET HIGHLIGHTS

(Executive Budget: pp.183 - 186)

The Environmental Facilities Corporation (EFC) is a public benefit corporation responsible for assisting local governments, State agencies, and private industry in complying with State and Federal environmental laws and regulations. EFC provides assistance in the design, construction, operation and financing of air pollution control, drinking water and wastewater treatment, and solid and hazardous waste disposal facilities. The Corporation administers the Clean Water State Revolving Loan Fund, which provides interest-free, short-term and low-interest rate long-term financing to assist with the planning, design and construction of water quality protection projects. The Corporation also jointly administers the Safe Drinking Water State Revolving Loan Fund with the New York State Department of Health.

The EFC is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

EFC's operations are supported by Special Revenue Funds derived primarily from the Corporation's programs. In State Fiscal Year 2005-06, the Executive recommends Special Revenue Other appropriations of \$11,570,000, reflecting a net increase of \$1,291,000 from SFY 2004-05. This increase is attributed to salary adjustments for existing staff and increases in fringe benefit costs.

Capital Projects

The Executive proposes a Capital Projects appropriation of \$292,000 for the implementation of the 1996 Clean Water/Clean Air Bond Act. This appropriation reflects no change from SFY 2004-05. These funds are used for personal service and fringe benefits for the implementation of the purposes of the Bond Act, with \$52,000 dedicated for Clean Water projects and \$240,000 dedicated for Clean Air projects.

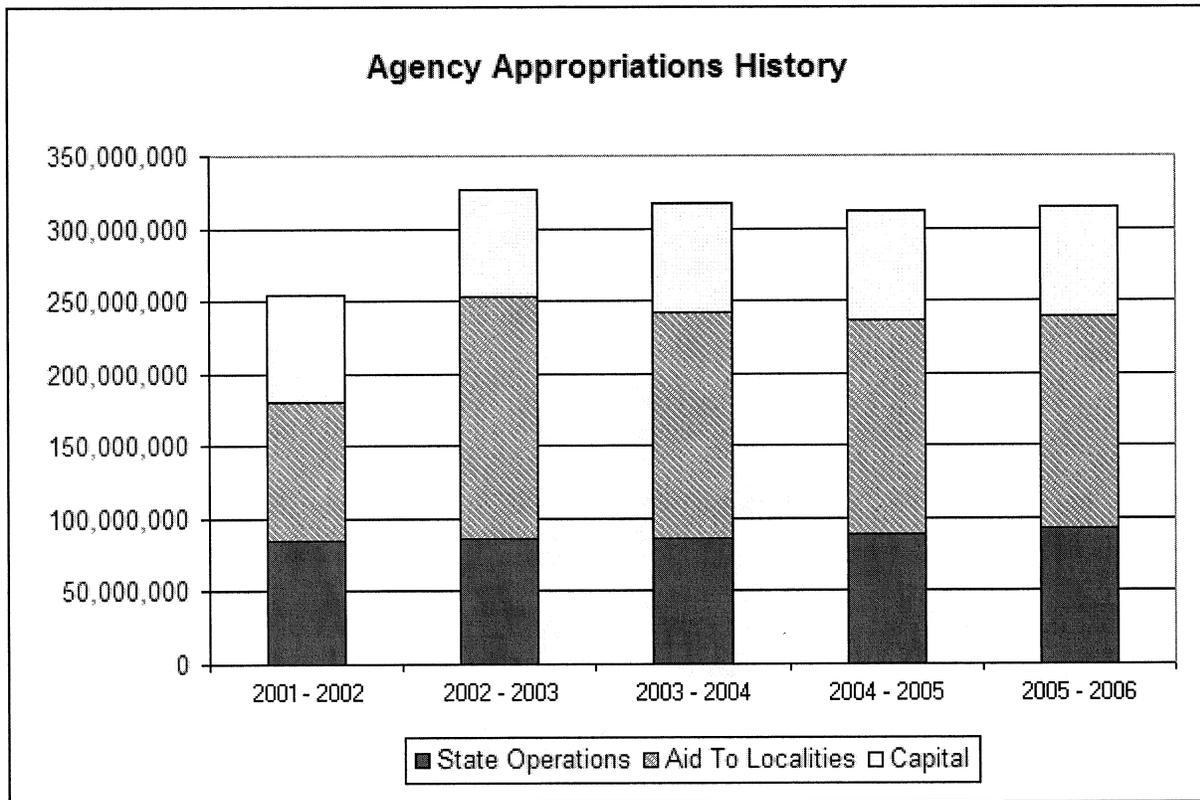
The Executive also recommends a \$1,155,000 reappropriation for the Pipeline for Jobs Program, originally created to provide low cost loans and financial assistance to municipalities, public utilities, public benefit corporations and businesses for water supply improvement projects.

DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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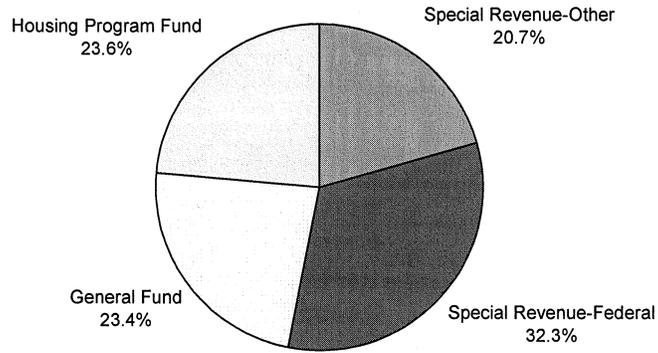
AGENCY SUMMARY

General Fund	74,005,000	73,315,000	(690,000)	-0.9%
Special Revenue-Other	61,640,000	64,914,000	3,274,000	5.3%
Special Revenue-Federal	101,362,000	101,445,000	83,000	0.1%
Housing Program Fund	74,200,000	74,200,000	0	0.0%
Total for AGENCY SUMMARY:	311,207,000	313,874,000	2,667,000	0.9%

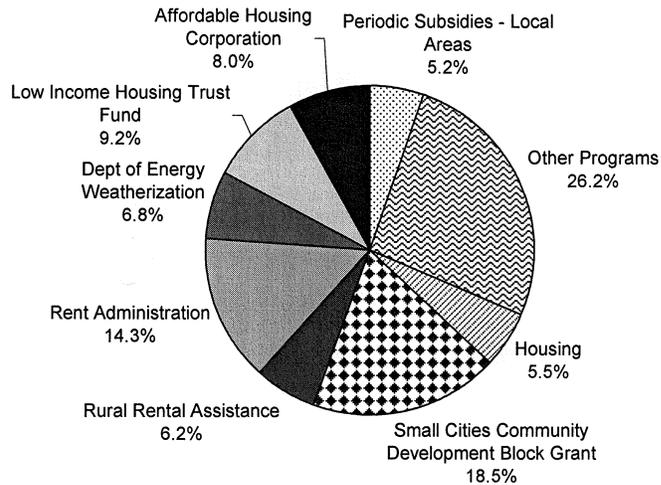


- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	335	320	(15)
All Other Funds:	600	615	15
TOTAL:	935	935	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 187 - 192)

The Division of Housing and Community Renewal (DHCR) supervises, maintains and develops affordable housing for New York State residents. This is accomplished by providing construction and rehabilitation loans and grants, administering rent control, rent stabilization and rent subsidy programs and supervising management of State assisted housing stock.

The Division is included in the Transportation, Economic Development, and Environmental Conservation appropriation bill.

The Executive recommends an All Funds appropriation of \$313,874,000, an increase of \$2,667,000 over the State Fiscal Year (SFY) 2004-05.

State Operations

The Executive proposes an appropriation for State Operations of \$93,580,000, an increase of \$4,227,000 over SFY 2004-05 levels. The Executive recommends the following changes to the DHCR State Operations appropriation:

- an increase of \$2,872,000 for the Rent Administration Program for Personal Service, Nonpersonal Service, Indirect Costs and Fringe Benefits;
- a General Fund increase of \$495,000 for the Administration Program for personal service and nonpersonal service;
- a Special Revenue Funds-Other increase of \$368,000 for the Housing Program for fringe benefits and personal services; and
- an increase of \$443,000 for lease escalation and an additional \$75,000 for contractual services increases in the Housing Information Systems Program.

Aid To Localities

The Executive recommends an Aid to Localities appropriation of \$146,094,000, a decrease of \$1,560,000 from SFY 2004-05.

This reduction is attributable to a decline in debt service payments to Public Housing Authorities in the Period Subsidies Program.

The Executive provides an increase of \$2,872,000 or 6.83 percent for the Rent Administration Program.

The Executive proposes a SFY 2005-06 appropriation of \$5,465,000 for the Neighborhood Preservation Program, level with last year's appropriation. The Executive also proposes a SFY 2005-06 appropriation of \$2,335,000 for the Rural Preservation Program, level with last year's funding.

Capital Projects

The Executive recommends Capital Projects appropriations of \$74,200,000 reflecting no change from SFY 2004-05. This appropriation includes:

- \$29,000,000 for the Low Income Housing Trust Fund;
- \$25,000,000 for the Affordable Housing Corporation;
- \$12,800,000 for the Public Housing Modernization Program;
- \$ 7,000,000 for the Homes for Working Families Program; and
- \$ 400,000 for the Housing Opportunity Program for the Elderly.

Article VII

The Executive recommends legislation allowing for an additional \$2,000,000 in tax credits annually, or \$20,000,000 over the ten-year life of the program, for the Low-Income Housing Tax Credit Program

The Executive proposes legislation to increase the Service Contract Obligation Revenue (SCOR) bond cap by \$140,000,000 in order to provide the bonding authority necessary to reimburse housing programs.

HUDSON RIVER PARK TRUST

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Capital Projects Fund	0	5,000,000	5,000,000	--
Total for AGENCY SUMMARY:	0	5,000,000	5,000,000	--

BUDGET HIGHLIGHTS

(Executive Budget: pp. 199)

The Hudson River Park Trust (the Trust) is a public benefit corporation created by Chapter 592 of the Laws of 1998. The Trust was established to design, develop and maintain the 550-acre, five-mile long Hudson River Park along Manhattan's West Side from Battery Park to 59th Street. The Trust is governed by a 13-member board and is headed by a President and Chief Executive Officer who is appointed by the board.

The Hudson River Park Trust is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

Capital Projects

The State and New York City entered into an Advanced Repayment Agreement in 1998 stipulating that each party would contribute \$100,000,000 to the development of the Hudson River Park. With an appropriation of \$10,000,000 from the Environmental Protection Fund administered by the Department of Environmental Conservation, the State fulfilled its obligation to the Trust in State Fiscal Year (SFY) 2004-2005.

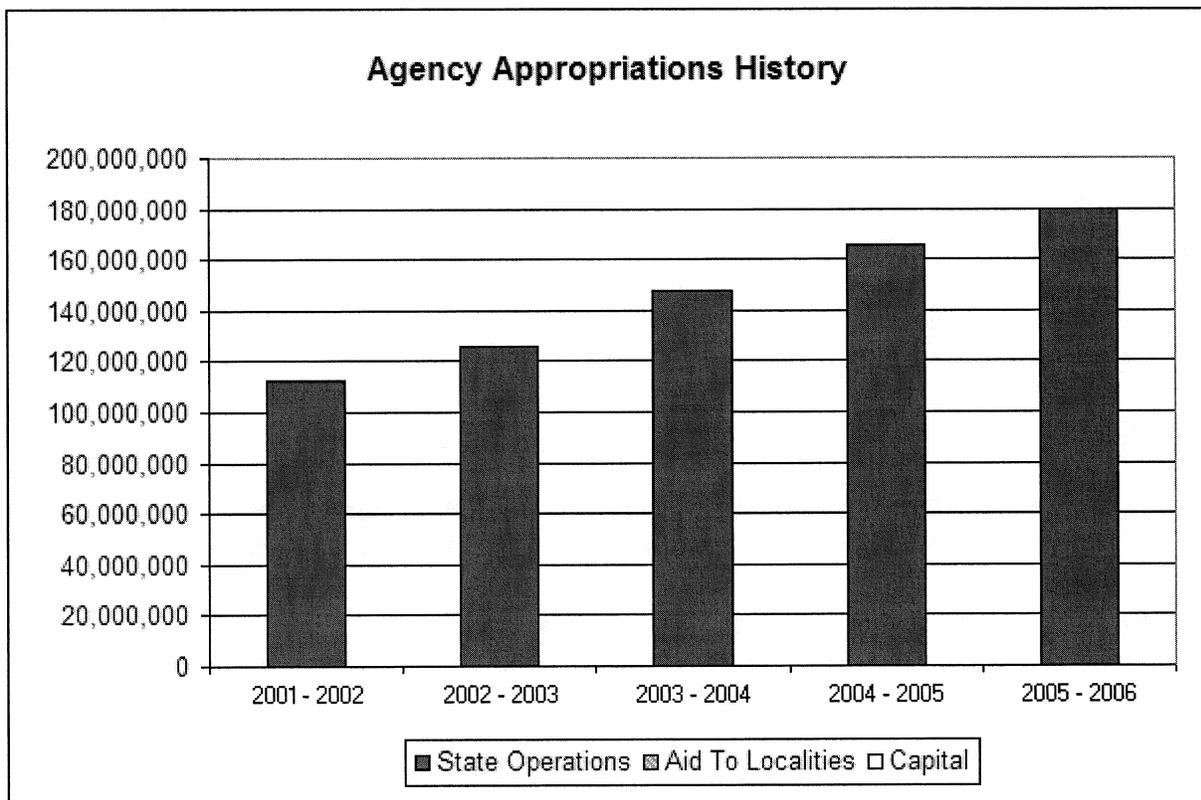
In State Fiscal Year 2005-2006, the Executive recommends continued, overall funding for the Hudson River Park Trust at \$10,000,000. Under the Executive's proposal, the Department of Environmental Conservation would provide \$5,000,000 through the Environmental Protection Fund for capital projects undertaken by the Trust. Under a separate Capital Advance appropriation, the State would provide the Trust with \$5,000,000 to be repaid to the State by New York City.

INSURANCE DEPARTMENT

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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AGENCY SUMMARY

Special Revenue-Other	165,266,500	179,819,000	14,552,500	8.8%
Total for AGENCY SUMMARY:	165,266,500	179,819,000	14,552,500	8.8%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	908	918	10
TOTAL:	908	918	10

BUDGET HIGHLIGHTS

(Executive Budget: pp. 201 - 203)

The Insurance Department is charged with regulating the insurance industry and ensuring that the interests of insurance consumers, companies and producers are considered in rate setting and regulation. The Insurance Department receives all of its operating revenue from assessments levied on the insurance industry.

The Department is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

The Executive proposes a State Operations Special Revenue Other appropriation of \$179,819,000, an increase of \$14,552,500 from State Fiscal Year (SFY) 2004-05. This includes:

- increases of \$349,300 in the Administration Program, \$501,700 in the Consumer Services Program, and \$13,701,500 in the Regulation Program for personal service, nonpersonal service, fringe benefits and indirect costs;
- a suballocation of \$447,000 to the Banking Department for services and expenses associated with the operations of the Holocaust claims processing;
- a suballocation of \$443,000 to the Office of Inspector General for services and expenses, including fringe benefits;
- a suballocation of \$1,080,000 to state agencies for services and expenses of developing and promulgating fire safety standards for cigarettes pursuant to section 156-c of the Executive Law; and

- a suballocation of \$4,000,000 to the Division of Criminal Justice Services for services and expenses associated with the Traffic and Criminal Software (TRACS) project.

The Executive Budget proposes a total suballocation of \$19,911,000 to the Department of State for the following initiatives:

- a suballocation of \$6,221,000 for expenses incurred in the enforcement, development and maintenance of the State's building code;
- a suballocation of \$512,000 for expenses related to the urban search and rescue program;
- a suballocation of \$10,575,000 for services and expenses related to the fire prevention and control program, and the State fire reporting system;
- a suballocation of 1,036,000 for aid to localities payments related to municipalities fighting fires on State property;
- a suballocation of \$523,000 for services and expenses related to the repair and rehabilitation of the State Fire Training Academy; and
- a suballocation of \$1,044,000 for services and expenses related to fire inspections and fire safety training programs at privately operated colleges and universities in New York State.

The Executive suggests a total of \$30,881,000 in suballocations to the Department of Health and \$8,030,000 to the Department of Law consisting of:

- a suballocation of \$381,000 to the Department of Health for expenses incurred in the development of inpatient hospital rates for insurance payments;
- a suballocation of \$300,000 for expenses incurred in the certification of managed care programs;
- a suballocation of \$300,000 for expenses incurred in the approval of managed care implementation plans;
- a suballocation of \$13,000,000 for services and expenses of the Center for Community Health Program;
- a suballocation of \$16,900,000 for services and expenses incurred for implementation of a forge-proof pharmaceutical prescription program;
- a suballocation of \$5,030,000 for services and expenses associated with the implementation of Executive Order 109 appointing the Attorney General as special prosecutor for no-fault auto insurance fraud; and

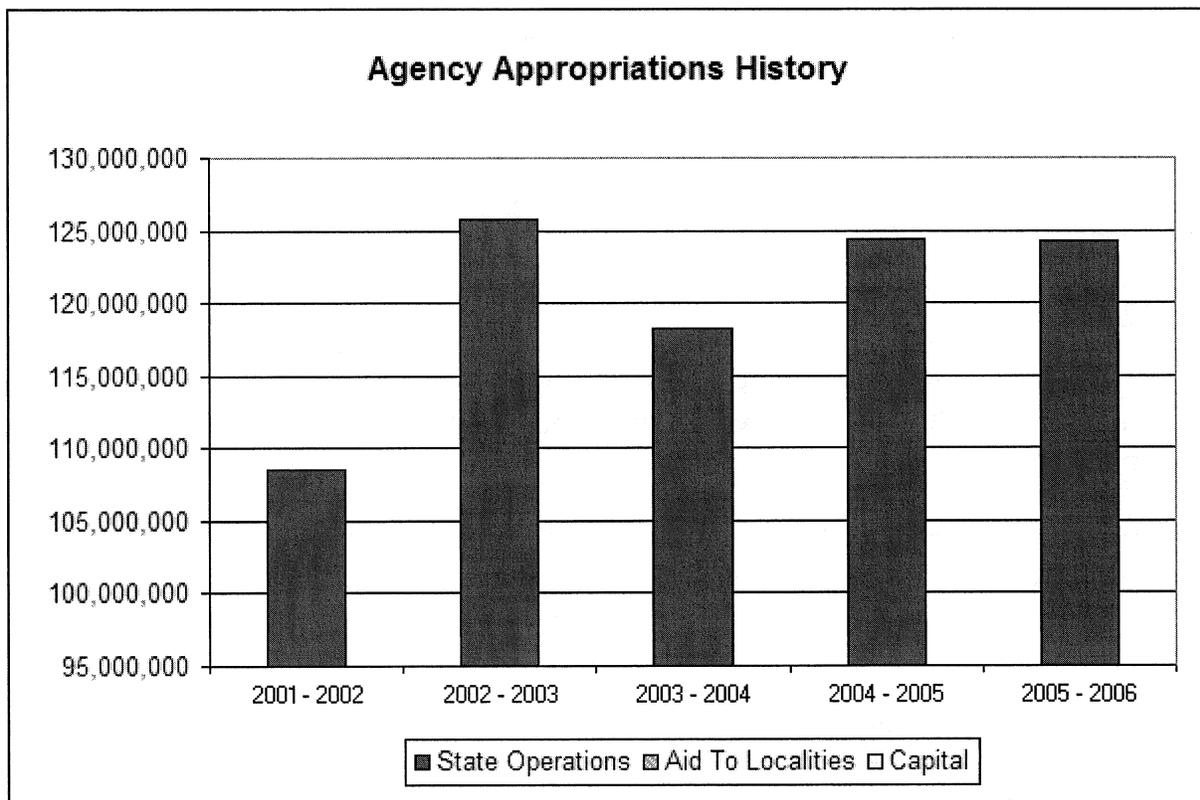
- a suballocation of \$3,000,000 for services and expenses associated with investigating broker/insurer practices in the insurance industry.

Article VII

The Executive proposes legislation to increase Insurance Department service of process fees.

DIVISION OF THE LOTTERY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	124,400,800	124,235,000	(165,800)	-0.1%
Total for AGENCY SUMMARY:	124,400,800	124,235,000	(165,800)	-0.1%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	337	341	4
TOTAL:	337	341	4

BUDGET HIGHLIGHTS

(Executive Budget: pp. 205 -206)

The Division of Lottery is responsible for administering New York State Lottery games. The Division estimates gross sales of \$6,200,000,000 and Net Lottery Receipts of \$2,093,500,000 for education in State Fiscal Year (SFY) 2005-06.

This Division is included in the Transportation, Economic Development, and Environmental Conservation appropriation bill.

State Operations

The Executive recommends an All Funds appropriation of \$124,235,000, a decrease of \$165,800 or 0.13 percent for SFY 2005-06. By law, no more than 15 percent of gross lottery sales may be used for administration.

The Executive recommends marketing more than 40 new Instant games during SFY 2005-06, with ticket prices starting at \$1.

Article VII

The Executive recommends legislation to ease restrictions on Quick Draw and make the game permanent.

The Executive proposes that video lottery payments to education be increased from 61 percent to 90 percent of net machine income.

The Executive also requests legislation to authorize the Division of Lottery to license up to eight new video lottery facilities.

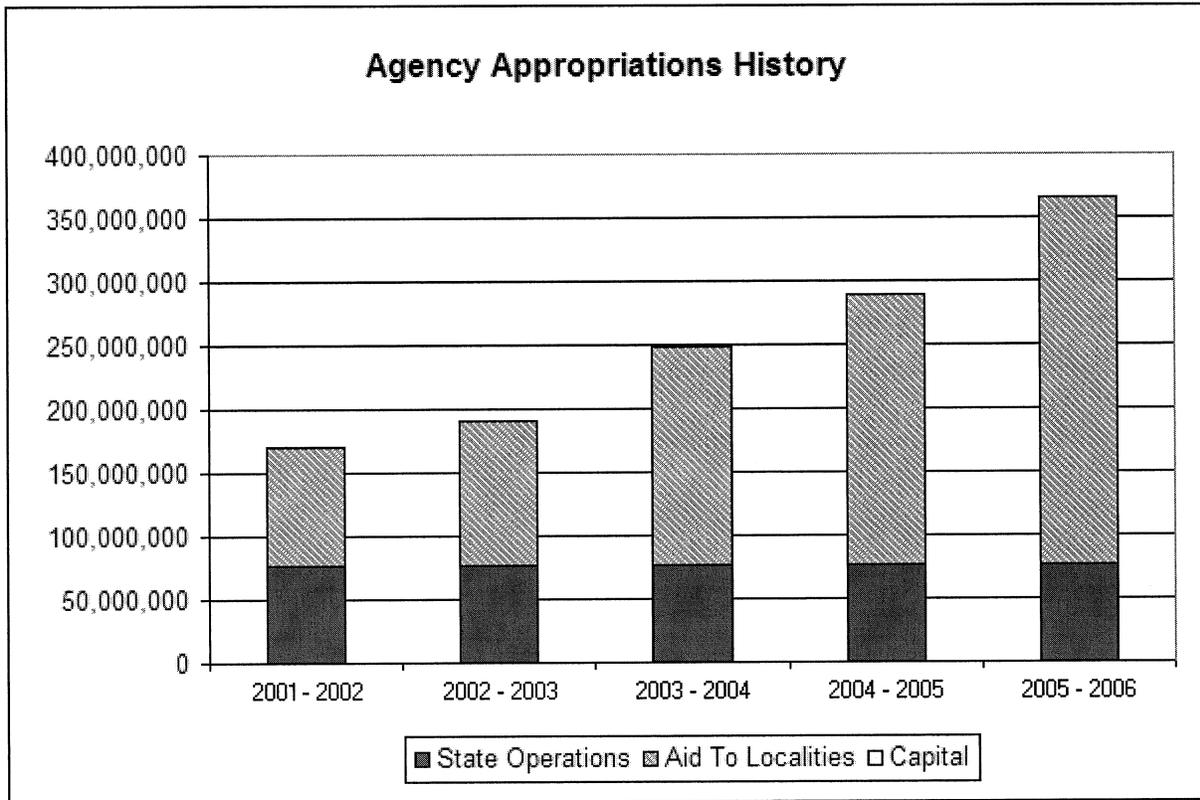
The Executive proposes legislation to authorize the creation of the New York State Gaming Commission to oversee video lottery gaming, horse racing and tribal-State compacts.

STATE OF NEW YORK MORTGAGE AGENCY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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AGENCY SUMMARY

General Fund	289,494,000	366,029,000	76,535,000	26.4%
Total for AGENCY SUMMARY:	289,494,000	366,029,000	76,535,000	26.4%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

BUDGET HIGHLIGHTS

(Executive Budget: pp. 195 - 197)

The State of New York Mortgage Agency (SONYMA) is a public benefit corporation that uses tax exempt and taxable bond sale proceeds to fund low interest mortgages for low to moderate income, first time, and other qualifying homebuyers. SONYMA receives no direct operating support from New York State.

This Agency is included in the Transportation, Economic Development, and Environmental Conservation appropriation.

The Executive recommends an All Funds appropriation of \$366,029,000 for State Fiscal Year (SFY) 2005-06.

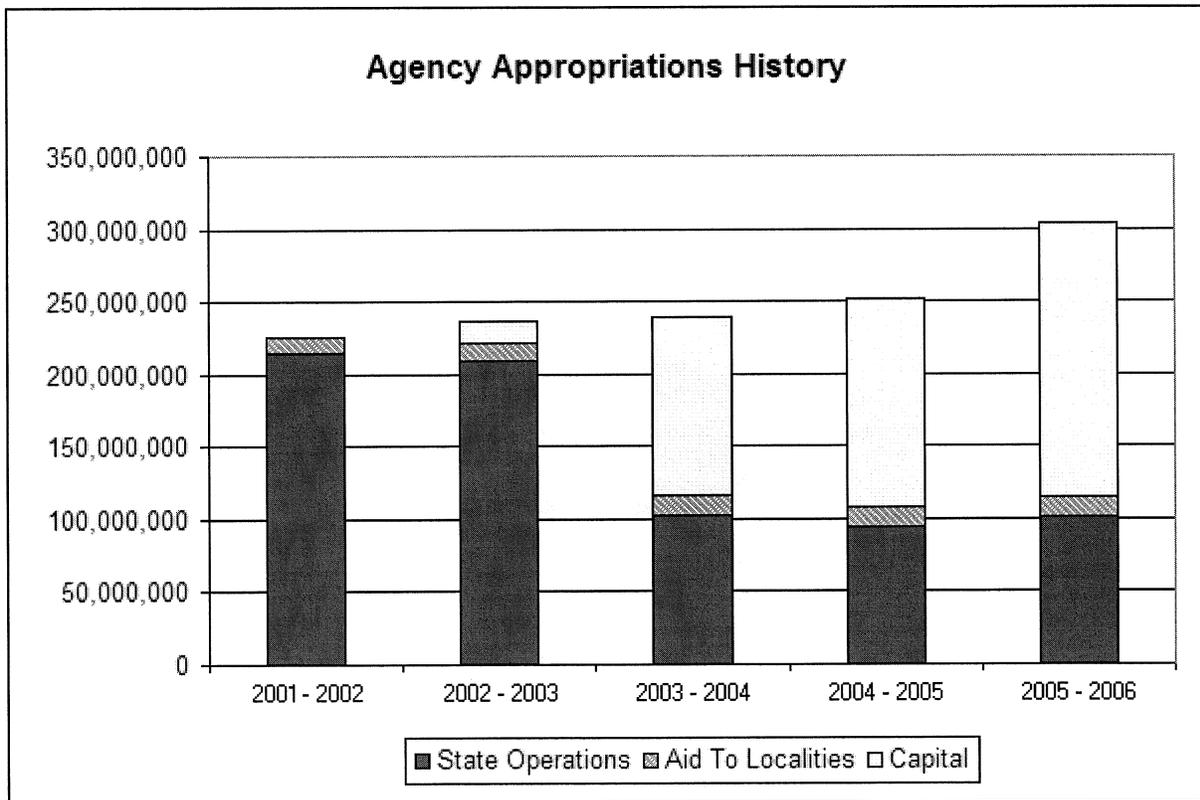
The appropriation represents contingency reserve funds that provide a guarantee in the amount of \$61,800,000 for the Homeowner Mortgage Revenues Reimbursement Program and a guarantee of \$304,229,000 to the Mortgage Insurance Fund Reimbursement Program. This appropriation reflects an increase of \$76,535,000 in additional revenue from the Mortgage Recording Tax. The State guarantees by statute obligations incurred by SONYMA.

DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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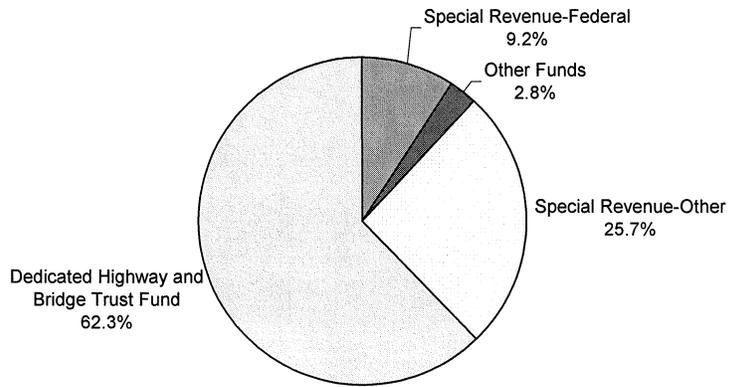
AGENCY SUMMARY

General Fund	4,712,300	0	(4,712,300)	-100.0%
Special Revenue-Other	72,180,500	78,025,000	5,844,500	8.1%
Special Revenue-Federal	26,438,000	28,000,000	1,562,000	5.9%
Dedicated Highway and Bridge Trust Fund	143,429,000	189,451,000	46,022,000	32.1%
Internal Service Fund	5,000,000	8,500,000	3,500,000	70.0%
Total for AGENCY SUMMARY:	251,759,800	303,976,000	52,216,200	20.7%

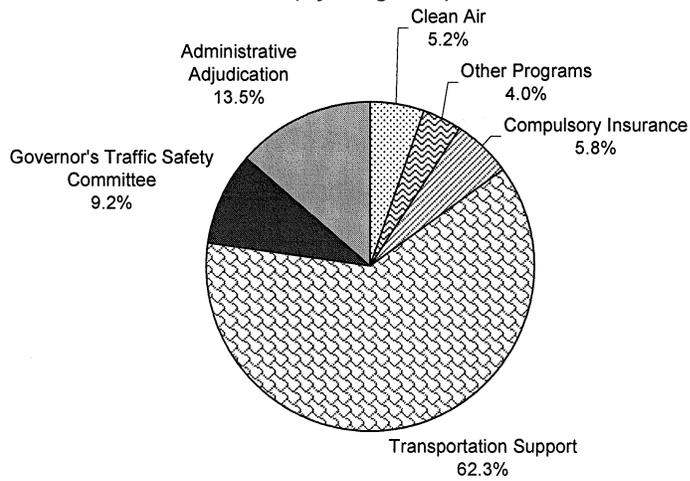


- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	31	0	(31)
All Other Funds:	2,733	2,762	29
TOTAL:	2,764	2,762	(2)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 211 - 215)

The Department of Motor Vehicles (DMV) issues drivers' licenses and vehicle registrations, collects over \$1 billion in revenue for the State and localities, and provides other important motor vehicle related services. The Department serves over 20 million customers annually. In addition to the main office and three regional headquarters, the DMV and its agents provide services from over 125 offices statewide.

The DMV is included in the Transportation, Economic Development, and Environmental Conservation appropriation bill.

The Executive proposes All Funds appropriations totaling \$303,976,000, a \$52,216,200 increase or 20.7 percent over State Fiscal Year (SFY) 2004-05 funding levels.

To support the proposed Department's and Metropolitan Transportation Authority's five-year capital programs, the Executive recommends increases to various motor vehicle fees and the imposition of a new vehicle registration surcharge. In addition to other fees, passenger registration fees would be increased 33 to 75 percent, commercial vehicle registration fees would increase 25 percent and a \$100 annual surcharge would be imposed on vehicles over 6,050 lbs. The Executive estimates the increases would generate approximately \$300,000,000 in additional annual revenue, which would be deposited into the Dedicated Highway and Bridge Trust Fund (DHBTF) and the Dedicated Mass Transportation Trust Fund (DMTTF).

The Executive also proposes to waive all motor vehicle registration fees for hybrid and alternative-fuel vehicles.

PROPOSED FEES and SURCHARGES

	Current	Proposed	Change
Data search			
manual	\$6	\$10	\$4
electronic	\$5	\$7	\$2
Insurance buyback	\$8	\$12	\$4
Heavy vehicle surcharge (annual)	\$0	\$100	\$100
Passenger vehicle registration	varies	varies	33 to 75 percent
Commercial vehicle registration	varies	varies	25 percent
Dealer/transporter			
application	\$25	\$37.50	\$12.50
registration	\$150	\$225	\$75
Temporary vehicle registration	\$2	\$5	\$3
Salvaged vehicle inspection	\$100	\$150	\$50
Photo image fee	\$5	\$10	\$5
Title application			
original non-mobile/manufactured			
home	\$10	\$50	\$40
original mobile/manufactured home	\$25	\$100	\$125
duplicate	\$10	\$20	\$10

State Operations

The Executive proposes State Operations funding of \$100,525,000, a \$5,594,200 increase or 5.8 percent over State Fiscal Year 2004-05.

The Executive's proposal does not include funding for a full-service DMV office in Rochester, leaving one of the largest cities in the State without a fixed, full-service DMV office within its limits. Despite funding appropriated in the enacted 2004-05 budget and supporting Article VII legislation, the Executive did not advance funding to keep the Rochester DMV office open to the public.

Aid To Localities

The Executive proposes a Special Revenue – Federal appropriation that totals \$14,000,000, a \$600,000 or 4.5 percent increase from SFY 2004-05. The funds would be used to support the Governor's Traffic Safety Committee which administers State highway safety programs.

Capital Projects

The Executive intends to shift \$46 million in Department of Motor Vehicle expenses, including 29 Full-Time Equivalent positions (FTEs) from the General Fund to the DHBTF under the

Transportation Support Program. To cover the shift in expenses, the Executive intends to use revenues raised from proposed motor vehicle fee increases, which would be deposited into the DHBTF.

Article VII

The Executive proposes the following Article VII legislation:

- make permanent the mandatory driver’s license suspension for certain drug and alcohol related offenses and authorizations for probationary and conditional drivers’ licenses to conform to Federal requirements. Approximately \$70,000,000 per year in Federal highway aid would be forfeited if the legislation is not extended;
- make various changes to the Vehicle and Traffic Law in relation to commercial drivers’ licenses (CDL) to conform to the federal requirements of the Motor Carrier Safety Improvement Act of 1999 (MCSIA) and the Commercial Motor Vehicle Safety Act of 1986. Generally, would increase controls and reporting requirements for CDLs. The changes would extend sanctions against a driver’s regular driver licenses to include the driver’s CDLs as well. These provisions also create a new “S” endorsement for school bus operators and “W” endorsement for tow trucks. The State would lose \$17,500,000 in federal highway aid in SFY 2005-06 and could lose its certification to issue CDLs if the provisions are not implemented;
- conform New York’s current open container laws with Federal requirements to include penalties for resealed bottles of wine. Failure to implement the changes would result in \$21,000,000 per year in Federal highway aid;
- increase various motor vehicle fees including the data search fee, insurance buyback fee, regular and other registration fees, salvaged vehicle inspection fees, title fees, and photo identification fees.
- increase passenger vehicle registration fees from 33 to 75 percent and impose an additional \$100 annual surcharge on vehicles over 6,050 lbs;
- increase commercial vehicle registration fees by 25 percent and exclude pickup trucks used solely as non-commercial vehicles from the commercial vehicle category;
- expand the insurance buyback program from 90 to up to 180 days and increase the fee for vehicle owners whose insurance lapse exceeds 90 days from \$8 per day to \$12 per day;
- dedicate revenue from the fee increases and surcharges to the DHBTF and DMTTF to support transportation capital programs. The Executive estimates these increases would generate approximately \$300 million per year in additional revenue for these funds;

- waive registration fees for alternative-fuel and hybrid vehicles. The Executive estimates this provision would result in approximately \$7 million in reduced registration revenue;
- decrease the grace period between insurance lapse and registration suspension from 15 to 5 days;
- abolish provisions enacted by the Legislature in 2003 that would repeal, as of April 1, 2006, certain motor vehicle fee increases and would terminate DMV's authorization to pay operating expenses from the DHBTF; and
- make a technical correction to specify 100 percent of motor vehicles taxes shall be deposited into the DHBTF and DMTTF.

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	7,350,000	7,350,000	0	0.0%
Special Revenue-Other	400,000	400,000	0	0.0%
Total for AGENCY SUMMARY:	7,750,000	7,750,000	0	0.0%

BUDGET HIGHLIGHTS

(Executive Budget: pp. 217 - 218)

The Olympic Regional Development Authority (ORDA) was created to administer the post-1980 Winter Olympic program for the facilities in Lake Placid and the surrounding areas. 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; the Olympic Ski Jumping Complex; and the U.S. Olympic Training Center. In 1984, the Authority's responsibilities expanded to include the management of Gore Mountain Ski Center in Warren County. ORDA hosts numerous national and international athletic and entertainment events each year. ORDA's activities are supported by revenue generated by venue marketing, fees and ticket sales to athletic and other events, as well as through appropriations in the State Budget.

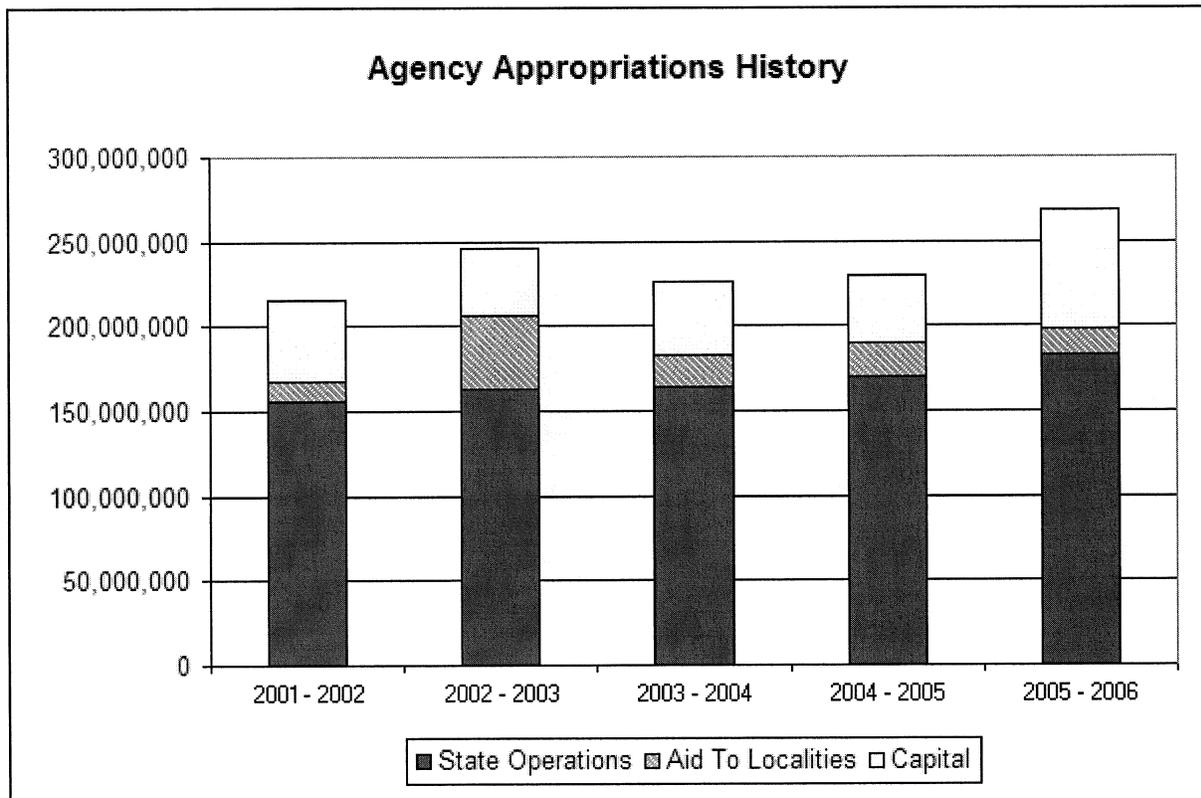
The Authority is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

In State Fiscal Year (SFY) 2005-06, the Executive recommends an All Funds appropriation of \$7,750,000, reflecting no change from SFY 2004-05. The Executive recommends a General Fund appropriation of \$7,350,000, and Special Revenue-Other fund appropriations of \$200,000 each from the Lake Placid Training Center Account and Winter Sports Education Trust Fund, reflecting no changes from SFY 2004-05.

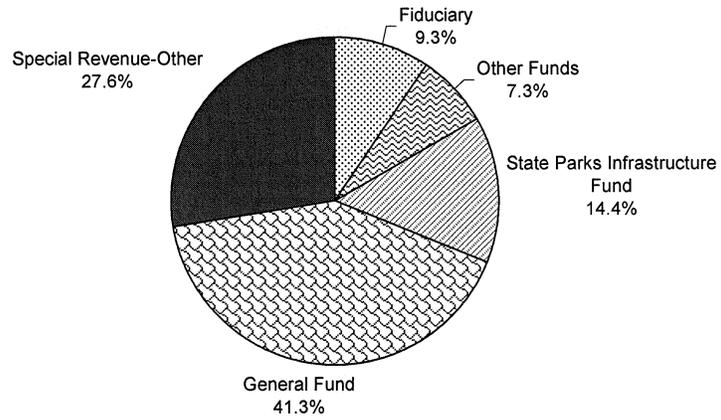
OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	105,143,100	110,718,100	5,575,000	5.3%
Special Revenue-Other	71,495,900	74,075,900	2,580,000	3.6%
Special Revenue-Federal	10,418,000	11,320,900	902,900	8.7%
Misc. Capital Projects	1,250,000	1,750,000	500,000	40.0%
Fiduciary	5,000,000	25,000,000	20,000,000	400.0%
State Parks Infrastructure Fund	29,394,000	38,700,000	9,306,000	31.7%
Federal Capital Projects Fund	4,000,000	4,000,000	0	0.0%
Enterprise	2,500,000	2,500,000	0	0.0%
Total for AGENCY SUMMARY:	229,201,000	268,064,900	38,863,900	17.0%

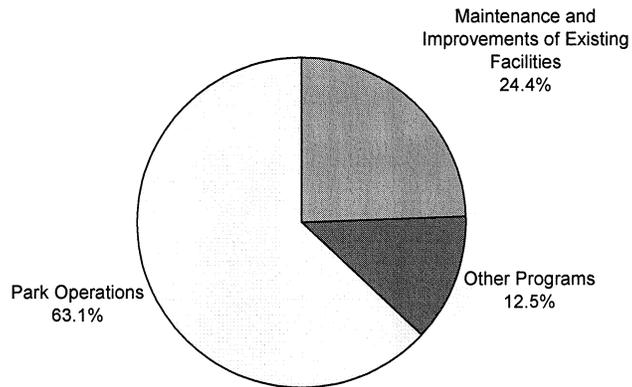


- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	1,273	1,282	9
All Other Funds:	284	284	0
TOTAL:	1,557	1,566	9

BUDGET HIGHLIGHTS
(Executive Budget: pp. 219 - 224)

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides safe and enjoyable recreational and interpretive opportunities for all New York State residents and visitors at 169 parks and 35 historic sites across the State. The Office also hosts cultural and education programs, and provides a variety of recreational programs, including the Empire State Summer and Winter Games. The parks and historic sites serve over 60 million visitors annually.

The Executive proposes All Funds appropriations of \$268,064,900, reflecting an increase of \$38,863,900, or 17 percent above State Fiscal Year 2004-05. The Executive proposes a staffing level of 1,566, an increase of 9 positions from last year.

State Operations

The Executive proposes overall State Operations appropriations totaling \$182,744,900, and General Fund State Operations appropriations totaling \$107,218,100. Increases in General Fund State Operations include the following:

- a \$439,000 increase for personal service, attributed to salary increases for OPRHP staff;
- a \$492,000 increase for expenses associated with New York State battle flags and the military museum; and
- a \$2,200,000 increase attributed to the new hires and non-personal service costs associated with the opening of new State parks.

The Executive proposes overall Special Revenue Other appropriations totaling \$68,325,900, an increase of \$2,580,000 from SFY 2004-05. The increase is attributed to salaries and fixed costs totaling \$2,416,000, as well as \$164,000 for salaries, fringe and activities related to snowmobile trail development and maintenance.

The Executive proposes overall Special Revenue Federal appropriations of \$4,700,900, a net increase of \$922,900 over SFY 2004-05. The changes are attributed to a \$1,230,000 increase in federal funding availability due to new guidelines that expand funding for Marine and Recreational Vehicles Grants to include canal waterways and specific municipalities; this is offset by a \$307,000 decrease in funding availability for Historic Preservation.

The Executive also proposes a \$2,500,000 appropriation for Enterprise Funds, reflecting no change from last year.

Aid To Localities

The Executive proposes overall All Funds Local Assistance appropriations totaling \$15,870,000, a net decline of \$4,272,000 from SFY 2004-05. The changes are attributed to shifting \$4,952,000 for Zoos, Botanical Gardens and Aquaria to the Environmental Protection Fund. This decrease is offset by a \$700,000 increase in for boating safety grants. The Executive proposes Special Revenue Federal appropriations of \$6,620,000, a decrease of \$20,000 from last year's levels attributed to reduced funding availability for local historic preservation activities.

Capital Projects

The Executive proposes Capital Appropriation of \$69,450,000 for SFY 2005-06, an increase of \$29,806,000, or 75 percent over SFY 2004-05. The changes are attributed to the following:

- a \$10,000,000 one time mitigation contribution from the Neptune Regional Transmission System for construction of a high voltage electric cable near Jones Beach State Park;
- a \$4,000,000 expenditure by the State for work on Roberto Clemente State Park. This expenditure is part of a mitigation agreement between New York City and the State, for the City's construction of a water filtration system in Van Cortland Park;
- a \$6,000,000 contribution by the New York Power Authority (NYPA) for the mitigation of community impacts in the Niagara region as part of the Federal Energy Regulatory Commission (FERC) re-licensing process;
- a \$9,306,000 increase for drinking water improvements at Harriman State Park; and
- a \$500,000 increase for Miscellaneous Special Projects.

The Executive also proposes appropriations of \$38,700,000 for the State Parks Infrastructure Fund.

DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	70,222,000	71,482,000	1,260,000	1.8%
Special Revenue-Federal	1,646,000	1,691,000	45,000	2.7%
Total for AGENCY SUMMARY:	71,868,000	73,173,000	1,305,000	1.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	545	545	0
TOTAL:	545	545	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 239 - 242)

The Department of Public Service (DPS) is the staff arm of the Public Service Commission (PSC) and has the mandate of ensuring that all New Yorkers have access to reliable and low cost utility services. The PSC is responsible for regulating rates and services of the State's public utilities (electric, gas, steam, telephone and water companies), overseeing the siting of major electric and gas transmission lines and facilities, and ensuring the safety of natural gas and liquid petroleum pipelines. As a result of legislation enacted in 1996, the Department's mandate was expanded to include the oversight and regulation of the cable television industry. In addition, in September 2004 the Department began implementing a Renewable Portfolio Standard (RPS), the goal of which is to increase to 25 percent the portion of electricity sold to New York State consumers generated from renewable sources by 2013. Most of the Department's staff is financed by utility and cable assessments pursuant to Section 18-a of the Public Service Law. The remainder are supported by Federal grants.

The DPS is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

In State Fiscal Year (SFY) 2005-06, the Executive proposes an All Funds appropriation of \$73,173,000, reflecting a \$1,305,000 increase from SFY 2004-05, or 1.8 percent. The Executive proposes maintaining DPS staff at SFY 2004-05 levels.

This \$1,305,000 increase in State Operations appropriations is based on the following changes:

- a \$437,000 increase in the Special Revenue-Other appropriation for the Department's Administration Program. The increase is attributed to rising costs for personnel and fringe benefits;
- a \$45,000 increase in Special Revenue-Federal appropriations for programs involving the regulation of liquid and natural gas pipelines; and
- an \$823,000 increase in the Special Revenue-Other appropriation for the Department's regulation of utilities program, also attributed to rising personnel and fringe costs.

The Executive proposes the following transfers:

- a \$401,000 transfer from the Customer Owned Currency Operated Telephone (COCOT) Account to the General Fund;
- a \$155,000 transfer from the Underground Facilities Training Account to the General Fund;
- a \$16,000 transfer to the General Fund from interest earnings on funds from the Intervenor Account; and
- a \$600,000 transfer from the Pipeline Safety Grant Account to the Public Service Commission's Miscellaneous Special Revenue Account. This transfer is required to refund utilities for assessments paid over and above the expenses of the Department of Public Service, as provided by Section 18-a of the Public Service Law.

Aid To Localities

The Executive recommends a Special Revenue-Other appropriation of \$400,000 for the Electric Generating Intervenor Account, reflecting no change from SFY 2004-2005. This appropriation is intended to support municipal and other parties' actions related to proposed electric generating facility sitings. As in SFY 2004-05, this appropriation assumes reauthorization of Article 10 of the Public Service Law that expired at the end of calendar year 2002.

Article VII

The Executive proposes Article VII legislation to authorize programs funded by utility assessments across State agencies. Funding is provided to the following agencies: the Department of Public Service, the Consumer Protection Board, the Department of Environmental Conservation, the Department of Agriculture and Markets, the Department of Economic Development, the Office of Parks Recreation and Historic Preservation, and the Office of Homeland Security. The Executive anticipates these funds will total \$83,588,000 in SFY 2005-06. This legislation also authorizes expenditures by the Department of Health for public health program announcements to be paid for with cable television assessment revenues.

STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	22,109,000	24,135,000	2,026,000	9.2%
Total for AGENCY SUMMARY:	22,109,000	24,135,000	2,026,000	9.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	133	135	2
TOTAL:	133	135	2

BUDGET HIGHLIGHTS

(Executive Budget: pp. 231 - 233)

The State Racing and Wagering Board regulates all legalized gambling activities in New York State with the exception of the State Lottery. The Board also has shared responsibility for the oversight of bingo and other permitted games of chance conducted by not-for-profit and religious organizations. The Board is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

The Executive recommends an All Funds appropriation of \$24,135,000 in State Fiscal Year (SFY) 2005-06, reflecting an increase of \$2,026,000 or 9.16 percent over the current year funding level. The increase reflects the following changes:

- a net increase of \$458,000 related to Personal Service (PS) inflation and collective bargaining;

- a net increase of \$130,000 related to inflation associated with non-personal service costs;
- a net increase of \$648,000 related to fringe benefit and indirect cost increases;
- a net increase of \$625,000 related to the Cornell Equine Drug Testing program as follows:
 - \$275,000 is attributable to cost inflation;
 - \$100,000 is for research and development;
 - \$250,000 is for a pilot milkshake horse performance enhancement drug testing program;
 - and
- a net increase of \$165,000 to a dry appropriation for a potential Seneca-Cheektowaga casino for personal service and fringe benefits.

The \$24,135,000 agency appropriation includes a \$13,598,000 Special Revenue Fund–Other appropriation to support staff and costs associated with the regulation of racing including processing of racing licenses; the review of financial statements submitted by regional Off Track Betting (OTB) parlors; 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.

A \$2,408,000 Special Revenue Fund-Other appropriation is also recommended for support of regulation of wagering activities of charitable gaming such as bell jar games. In addition, a \$8,129,000 Special Revenue Fund–Other appropriation is recommended to support the regulation, monitoring and investigation of Indian casinos.

There is an increase of two FTE (full time equivalent) positions recommended for financial auditing of the Seneca casino.

Article VII

The Executive proposes legislation that would create the New York State Gaming Commission to be responsible for absorbing the responsibilities currently assigned to the Racing and Wagering Board. Enactment of the legislation would transfer to the Commission all current Board responsibilities and transfer oversight functions from the Lottery Division related to Video Lottery Gaming. In addition, the Executive recommends an increase in the regulatory fee which is assessed on all wagers placed in the State on horse races.

GOVERNOR'S OFFICE OF REGULATORY REFORM

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,462,000	3,554,000	92,000	2.7%
Total for AGENCY SUMMARY:	3,462,000	3,554,000	92,000	2.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	36	36	0
TOTAL:	36	36	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 247 - 249)

The Governor's Office of Regulatory Reform (GORR) was created in 1995 and focuses on the oversight of State regulations, provides information on regulatory requirements and attempts to expedite regulatory approval.

This Office is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

The Executive recommends an All Funds appropriation of \$3,554,000 for State Fiscal Year (SFY) 2005-06, reflecting a net increase of \$92,000 or 2.66 percent above SFY 2004-05 funding levels.

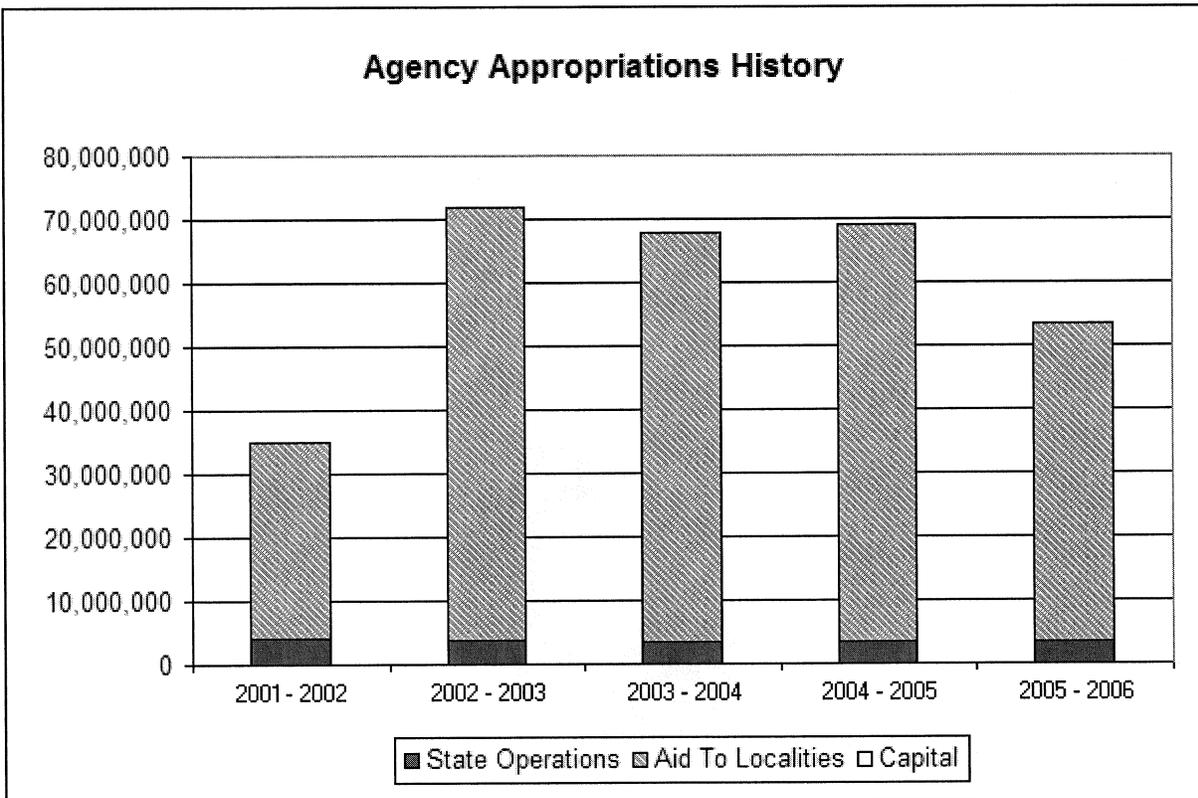
The Governor recommends a State Operations General Fund appropriation of \$3,554,000, reflecting a SFY 2005-06 increase of \$92,000, which includes a \$46,000 Non-Personal Service (NPS) increase to reflect the cost of continuing current programs, including salary and other fixed costs increases, and a \$46,000 net increase in funding reflecting net adjustments associated with inflation.

OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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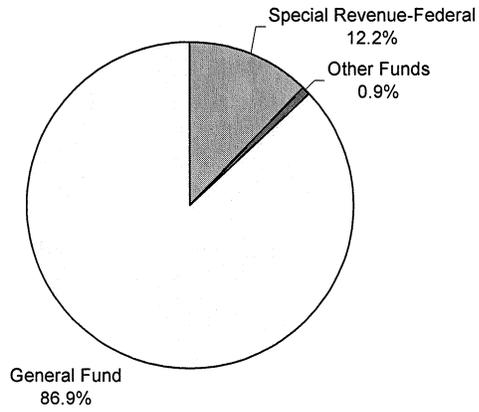
AGENCY SUMMARY

General Fund	62,165,000	46,340,000	(15,825,000)	-25.5%
Special Revenue-Other	500,000	500,000	0	0.0%
Special Revenue-Federal	6,500,000	6,500,000	0	0.0%
Total for AGENCY SUMMARY:	69,165,000	53,340,000	(15,825,000)	-22.9%

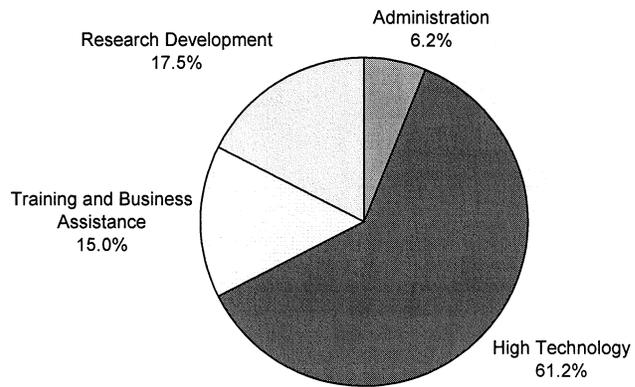


- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	30	30	0
TOTAL:	30	30	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 251 - 254)

The New York State Office of Science, Technology and Academic Research (NYSTAR) administers programs previously administered by the Science and Technology Foundation and is responsible for identifying, promoting, and investing in enterprises with the potential to create and retain high-technology jobs. NYSTAR is responsible for the Capital Facility Program, the Faculty Development Program, the Centers for Advanced Technology Development Program and the Technology Transfer Incentive Program. In addition, NYSTAR directs the State's university based high technology economic development programs previously performed by the Science and Technology Foundation.

The Executive Budget Proposal provides an All Funds appropriation for the Office of Science, Technology and Academic Research of \$53,340,000 for State Fiscal Year (SFY) 2005-06. This reflects a reduction of \$15,825,000 or 22.88 percent below SFY 2004-05 levels.

The Office is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

State Operations

The Executive provides All Funds State Operations appropriations of \$3,325,000 in SFY 2005-06, reflecting a \$75,000 decrease from SFY 2004-05 levels. This reduction reflects the discontinuation of one time collective bargaining costs that were included in the SFY 2004-05 enacted State budget.

Aid To Localities

The Executive proposes General Fund Aid to Localities appropriations for the High Technology Program totaling \$32,665,000, a decrease of \$600,000 from SFY 2004-05. This reflects the Executive's proposed elimination of the following:

- Cornell University/National Science Foundation (NSF) Nanobiotechnology research, resulting in a savings of \$300,000; and
- SUNY College Water System Initiative, resulting in a savings of \$300,000.

The following programs are maintained at SFY 2004-05 funding levels:

- Centers for Advanced Technology, \$15,000,000;
- College Applied Research Centers, \$1,500,000;
- Syracuse University Sensing, Analyzing, Interpreting and Deciding (SAID) Center, \$320,000;
- Technology Development Organizations (TDOs), \$1,500,000;
- Industrial Technology Extension Service, \$1,000,000;
- Focus Center - New York, \$5,000,000;
- Security Through Advanced Research and Technology, \$5,000,000;
- Cornell University/NSF Materials Research Science and Engineering Center, \$400,000;
- Cornell University/NSF Nanoscale Science and Engineering Center, \$500,000;
- Cornell University/NSF National Nanotechnology Infrastructure Network, \$500,000;
- Columbia University/NSF Nanoscale Science and Engineering Center, \$500,000;
- Columbia University/NSF Materials Research Science and Engineering Center, \$250,000;
- Rensselaer Polytechnic Institute/NSF Nanoscale Science and Engineering Center, \$500,000;
- Rensselaer Polytechnic Institute Semiconductor Research Corporation, \$500,000;
- Rensselaer Polytechnic Institute Engineering Research Center, \$125,000; and
- City University of New York Optical Sensing and Imaging Center, \$70,000.

The Executive proposes General Fund Aid to Localities appropriations for the Research Development Program totaling \$9,350,000, a decrease of \$15,150,000 from SFY 2004-05. This reflects the Executive's proposed funding reductions for the following:

- The Faculty Development Program is reduced by \$350,000 or 46.66 percent from \$7,500,000 in SFY 2004-05 to \$4,000,000 for SFY2005-06;
- The James D. Watson Investigator Program is reduced by \$1,000,000 or 50 percent from \$2,000,000 in SFY 2004-05 to \$1,000,000 for SFY 2005-06;
- The Technology Transfer Grants Program is reduced by \$650,000 or 13.98 percent from \$4,650,000 in SFY 2004-05 to \$4,000,000 for SFY 2005-06; and
- Funding for the Centers for Advanced Technology Development Program is eliminated resulting in a savings of \$10,000,000.

The Executive maintains funding of \$350,000 for the Science and Technology Law Center Program.

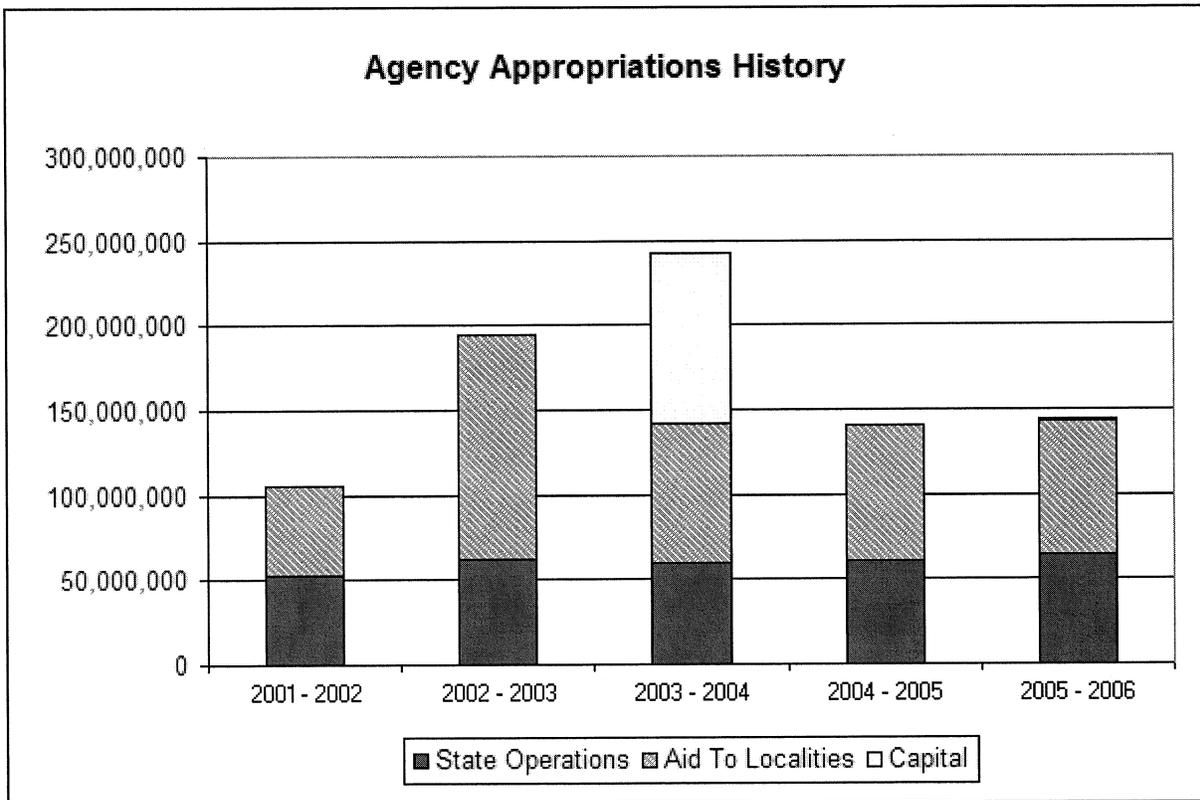
The Executive provides All Funds Aid to Localities appropriations of \$8,000,000 for the Training and Business Assistance Program. This reflects the continuation of funding for this program at SFY 2004-05 levels.

DEPARTMENT OF STATE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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AGENCY SUMMARY

General Fund	15,413,000	14,078,000	(1,335,000)	-8.7%
Special Revenue-Other	49,796,100	53,204,000	3,407,900	6.8%
Special Revenue-Federal	74,863,000	75,136,000	273,000	0.4%
Capital Projects Fund	0	1,600,000	1,600,000	--
Total for AGENCY SUMMARY:	140,072,100	144,018,000	3,945,900	2.8%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	195	201	6
All Other Funds:	652	652	0
TOTAL:	847	853	6

BUDGET HIGHLIGHTS

(Executive Budget: pp. 255 - 259)

The Department of State (DOS) is responsible for programs relating to services to local governments and community based organizations, including paid and volunteer fire companies, public safety, land use planning, business and governmental relations, consumer protection, business support, administration and management.

This Department is located in the Transportation, Economic Development and Environmental Conservation appropriation bill.

The Executive recommends an All Funds appropriation of \$144,018,000, an increase of \$3,945,900 or 2.8 percent for the State Fiscal Year (SFY) 2005-06.

State Operations

The Executive proposes a General Fund appropriation of \$14,078,000, a decrease of \$335,000 or 2.32 percent from SFY 2004-05 appropriation levels.

The Executive proposes a Special Revenue Fund-Other (SRO) appropriation of \$38,554,000 an increase of \$3,332,900 or 9.46 percent over SFY 2004-05.

Significant changes made by the Executive proposal also provide for:

- a decrease of \$674,000 or 10.6 percent for a SFY 2005-06 General Fund appropriation of \$5,684,000 for personal and nonpersonal service for the Local Government and Community Service Program; and

- an increase of \$3,240,000 or 10.33 percent for a total SRO appropriation of \$34,593,000 for Licensing Services.

Aid To Localities

The Executive recommends an Aid to Localities appropriation of \$78,350,000, a net decrease of \$925,000 or 1.17 percent below SFY 2004-05.

The Quality Communities Initiative is increased from \$1,000,000 to a total appropriation of \$5,000,000. Funding for this program will now be provided through the Environmental Protection Fund rather than the General Fund.

An appropriation of \$500,000 for administrative expenses for the State Municipal Services Incentive (SMSI) grants is provided. SMSI allows for shared municipal services incentive awards to cities, towns, villages, school districts, and counties outside of the city of New York.

The Executive proposes a Special Revenue-Other appropriation of \$10,000,000 for the Local Wireless Public Safety Answering Point Program for eligible wireless 911 service costs including a \$5,000,000 appropriation for eligible services including financing and acquisition costs.

The Department of State received the following suballocations from the Insurance Department:

- \$6,221,000 for expenses incurred in the enforcement, development and maintenance of the State's building code;
- \$512,000 for expenses related to the Urban Search and Rescue Program;
- \$10,575,000 for services and expenses related to the Fire Prevention and Control Program, and the State Fire Reporting System;
- \$1,036,000 for Aid to Localities payments related to municipalities fighting fires on state property; and
- \$523,000 for services and expenses related to the repair and rehabilitation of the State Fire Training Academy.

Capital Projects

The Executive recommends \$1,600,000 in appropriations for Capital Projects. No appropriations for Capital Projects were allocated for the SFY 2004-05. The appropriation of \$1,600,000 will be used to construct a live fire training simulator and arson investigation building at the New York State Fire Academy. There is also a \$100,000,000 reappropriation for the Local Expedited Deployment for wireless public safety answering points.

Article VII

The Executive recommends legislation for authority to create a new Aid and Incentives for Municipalities (AIM) Program, which provides incentive awards to cities, towns, villages, school districts and counties outside of NYC to foster collaboration and increase the efficiency of services provided by the municipalities.

The Executive suggests legislation authorizing the increase of license fees for insurance agents and brokers.

The Executive recommends legislation that makes permanent the Department of State's authorization to administer the Federal Community Services Block Grant Program.

The Executive proposes legislation extending the DOS fees for special handling of information and licensing requests.

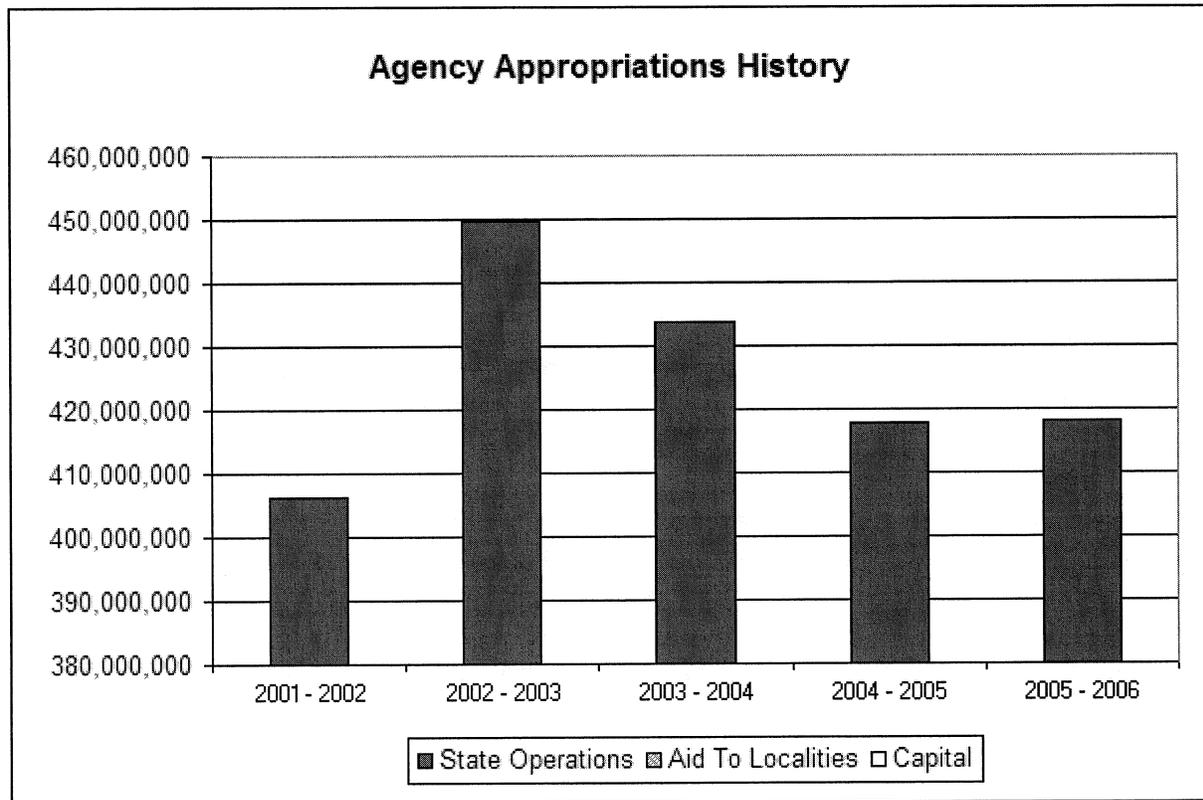
The Executive recommends legislation clarifying the administration of the State and local wireless communications service surcharges and dedicating all State surcharge revenues to public safety and security activities.

DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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AGENCY SUMMARY

General Fund	311,799,000	312,584,000	785,000	0.3%
Special Revenue-Other	43,176,000	44,591,000	1,415,000	3.3%
Special Revenue-Federal	582,000	500,000	(82,000)	-14.1%
Internal Service Fund	62,143,000	60,527,000	(1,616,000)	-2.6%
Total for AGENCY SUMMARY:	417,700,000	418,202,000	502,000	0.1%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	4,342	4,342	0
All Other Funds:	424	424	0
TOTAL:	4,766	4,766	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 261 - 265)

The Department of Taxation and Finance is responsible for the State's taxation administration along with related local taxes. This agency is included in the Transportation, Economic Development and Environmental Conservation Budget appropriation bill.

State Operations

The Executive recommends \$418,202,000 to support the Department's operating budget, an increase of \$502,000 or 0.1 percent from State Fiscal Year (SFY) 2004-05 levels. This amount includes \$312,584,000 in General Fund support, and will be supplemented by fee income of \$44,591,000 and Federal funding of \$500,000. The Budget further recommends \$60,527,000 million for the Banking Services Fund.

The increase of \$785,000 in the General Fund is due mainly to collective bargaining increases. The reduction of \$82,000 in Special Revenue Funds-Federal is due to a federal reduction in a Highway Use Tax evasion program. The increase in Special Revenue Funds-Other can be primarily attributed to a new contract for an additional vendor to recover money owed by delinquent taxpayers. The decline in Internal Service Funds, primarily for Banking Services, is due to savings made by the Department by processing returns otherwise processed by outside contractors.

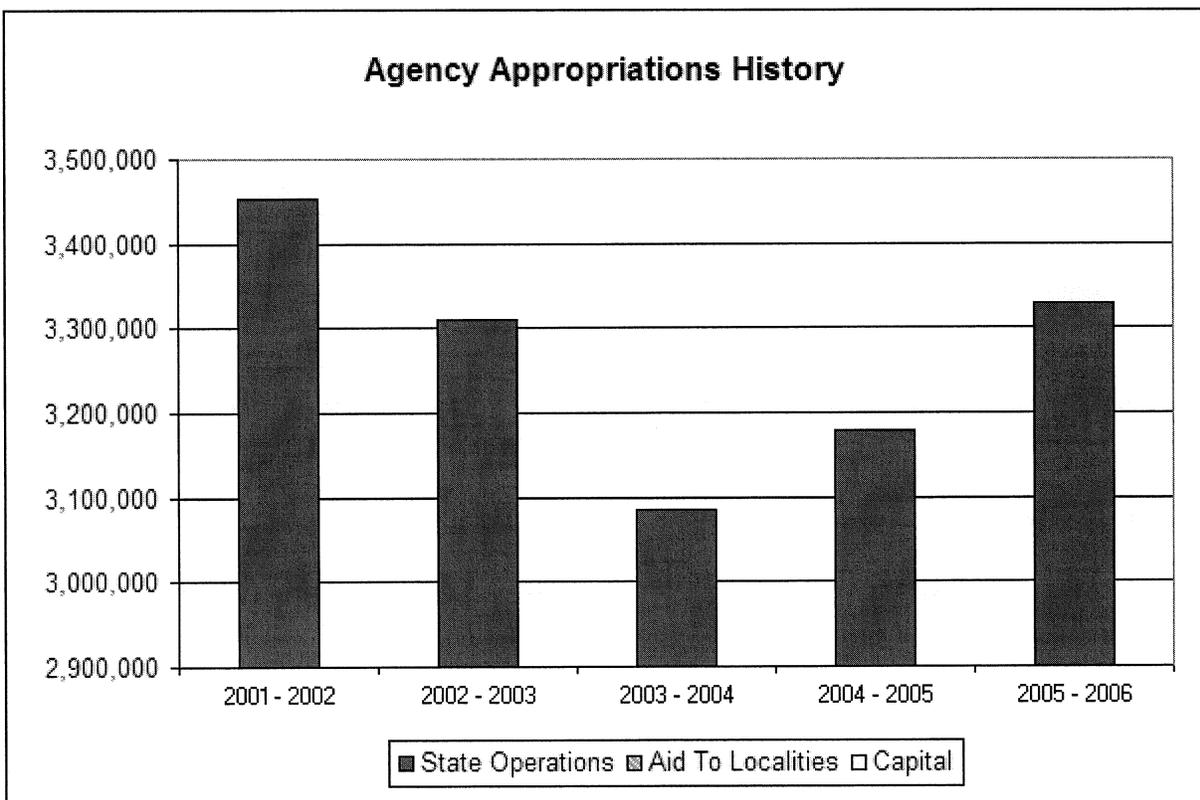
The Budget further recommends the Department utilize a workforce of 4,766 positions, of which 4,342 will be funded by State tax dollars in the General Fund.

DIVISION OF TAX APPEALS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
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AGENCY SUMMARY

General Fund	3,179,000	3,330,000	151,000	4.7%
Total for AGENCY SUMMARY:	3,179,000	3,330,000	151,000	4.7%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	30	31	1
TOTAL:	30	31	1

BUDGET HIGHLIGHTS
(Executive Budget: pp. 266-269)

The Division of Tax Appeals is an independent agency charged with resolving disputes between taxpayers and the Division of Taxation and Finance to ensure due process is appropriately accorded in resolving these disputes. The Division's primary office is in Troy, but it also hears oral arguments in New York City and Rochester. Small claims hearings are heard throughout the State. The Division requests to fill one position to bring the total to 31 positions for State Fiscal Year (SFY) 2005-06.

The Division is included in the Transportation, Economic Development, and the Environmental Conservation appropriation bill.

State Operations

The Executive recommends a General Fund appropriation of \$3,300,000 for SFY 2005-06, reflecting an increase of \$151,000 relative to the funding level from SFY 2004-05.

NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
NYS Canal System Development Fund	4,000,000	4,000,000	0	0.0%
Total for AGENCY SUMMARY:	4,000,000	4,000,000	0	0.0%

BUDGET HIGHLIGHTS

(Executive Budget: pp. 271)

The New York State Thruway Authority is responsible for the operation of a 641-mile toll highway system, along with the 524-mile New York State Canal System. The Canal Development Program is the only Thruway program reflected in the Executive Budget. All other Thruway and Canal System programs are supported by Authority revenues and are not included in the Executive Budget.

This Authority is included in the Transportation, Economic Development, and Environmental Conservation appropriation bill.

In December 2004, the Thruway Authority's board approved a proposal to raise tolls by as much as 35 percent. The increase will be used to support \$2 billion in capital improvements such as new and higher speed E-Z Pass lanes.

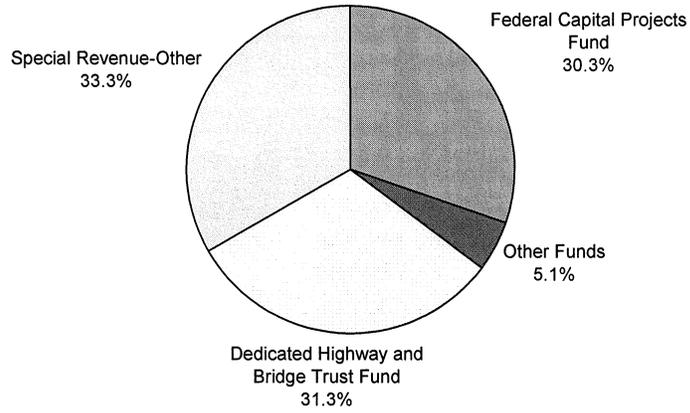
Capital Projects

The Executive proposes an appropriation of \$4,000,000 for the Canal Development Program, unchanged from State Fiscal Year (SFY) 2004-05 level but two times the \$2,000,000 State Fiscal Year (SFY) 2003-04 appropriation. The revenues provided by the Canal System Development Fund are generated by canal tolls and other user fees. Reappropriations of \$4,007,000 are also requested. Revenues from the Canal Development Fund are available for the development, promotion, maintenance, and construction of the canals. Spending on the canal system totals approximately \$60,000,000 for operations, capital projects and ongoing revitalization, which is funded through other State and Authority resources.

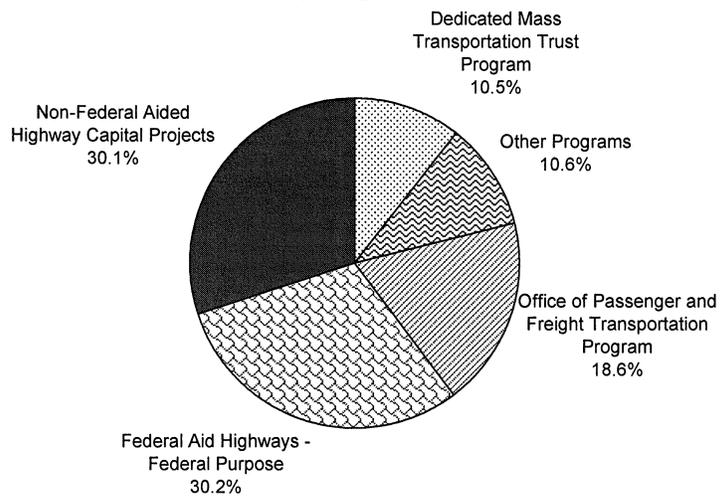
DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	111,616,000	103,016,000	(8,600,000)	-7.7%
Special Revenue-Other	1,675,096,500	1,874,723,000	199,626,500	11.9%
Special Revenue-Federal	45,446,000	45,581,000	135,000	0.3%
Fiduciary	50,000,000	50,000,000	0	0.0%
Federal Capital Projects Fund	1,706,000,000	1,706,000,000	0	0.0%
Dedicated Mass Transportation Trust Fund	51,115,000	79,800,000	28,685,000	56.1%
Dedicated Highway and Bridge Trust Fund	1,592,372,000	1,762,763,000	170,391,000	10.7%
NY Metro Transportation Account	10,180,000	10,202,000	22,000	0.2%
Internal Service Fund	4,114,000	0	(4,114,000)	-100.0%
Total for AGENCY SUMMARY:	5,245,939,500	5,632,085,000	386,145,500	7.4%

**Agency's Revenue Sources
(By Funds)**



**Agency's Appropriations
(By Programs)**



**ALL FUNDS PERSONNEL
BUDGETED FILL LEVELS**

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	9,485	9,475	(10)
TOTAL:	9,485	9,475	(10)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 273 - 280)

The Department of Transportation (DOT) 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.

This Department is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

The Executive recommends a total All Funds appropriation of \$5,632,085,000 for the State Fiscal Year (SFY) 2005-06. This amount represents an increase of \$386,145,500, or 7.4 percent, from SFY 2003-04.

State Operations

In SFY 2005-06, the Executive recommends State Operations appropriations totaling \$38,501,000, a decrease of \$2,100,500, or 5.17 percent from SFY 2003-04. The Executive intends to eliminate the DOT Print Shop and consolidate its functions with the Office of General Services printing services. The elimination would result in the loss of 14 full-time equivalent (FTE) funded but vacant jobs. The Executive claims there will be no savings realized in SFY 2005-06 from the elimination.

The Executive proposes to continue to shift the cost of snow and ice control and arterial maintenance programs from the General Fund to the Dedicated Highway and Bridge Trust Fund (DHBTF) and to combine the two programs into the Highway Maintenance Program. The proposed total appropriation for the program is \$447,285,000, a \$36,000,000 or 8.75 percent increase over SFY 2004-05 funding. The combination eliminates the need to pay essentially the same workers from two different programs for work throughout the year.

Aid To Localities

The Executive proposes approximately \$2 billion in transit funding for transit systems statewide in SFY 2005-06, a \$193,000,000 increase over SFY 2004-05. Upstate transit systems would receive \$119,000,000, an \$8,000,000 increase or 7.21 percent over SFY 2004-05. Downstate transit systems, excluding the Metropolitan Transportation Authority (MTA), would receive \$187,000,000, a \$24,000,000 increase or 14.7 percent over SFY 2004-05.

The MTA, which serves the New York City metropolitan area, would receive \$1.7 billion, a \$161,000,000 or 10.45 percent increase over SFY 2004-05. The Executive proposes Article VII legislation to reorganize the MTA into five new subsidiary agencies: MTA Bridges and Tunnels, MTA Bus, MTA Capital Construction, MTA Rail and MTA Subways. The Executive advises that the reorganization efforts would streamline operations and clarify and enhance auditing, budgeting and financial planning. The proposed legislation would collapse existing agencies and functions into new agencies, change the MTA's budget process to model the City of New York's budget process, codify existing MTA fiscal practices and modify funding formulas across agencies.

In addition to general transit aid increases, the Executive's proposal includes transit aid adjustments aimed at providing funding equity among transit systems statewide. Transit systems would receive total aid increases ranging from two to 31 percent.

Capital Projects

The Capital Program of DOT is a five-year plan to improve and rehabilitate critical components of the State's transportation infrastructure by providing funds for State and local roads and bridges, transit systems, the State's freight and passenger rail network, airports, ports and canals. The Executive proposes a \$17.4 billion five-year DOT capital program for SFY 2005-06 through SFY 2009-10. To help fund the capital program, the Executive proposes to increase various motor vehicle fees and restructure the Dedicated Highway and Bridge Trust Fund. The details of the debt restructuring have not been released to the Legislature. The Executive also proposes to authorize the privatization of the State's transportation infrastructure through a new Transportation Facility Development program to help fund the capital program.

The Executive estimates the fee increases would generate an additional \$797,000,000 over the next five years which would be deposited into the Dedicated Highway and Bridge Trust Fund to support capital program spending. The Executive's proposal provides funding for only the first three years of the capital program, leaving a \$135,000,000 funding gap for the last two years of the proposed program. While an actual financing plan for the remaining two years has not been established, the Executive intends to fund portions of the out-years of the programs using money leveraged under the proposed Transportation Facility Development Partnership Program, which would permit the use of public-private partnership agreements and other financing arrangements.

The current highway and bridge construction letting level is \$1.65 billion for SFY 2004-05. The Executive recommends maintaining the level of funding for SFY 2005-06.

Recommended funding for the Consolidated Highway Improvement Program (CHIPs) is equivalent to SFY 2004-05 at \$276,700,000. As in the past several years, the Executive's budget does not include authorization for CHIPs Operating and Maintenance (O&M) aid; however, the proposal does include funding for counties and the City of New York, an action taken by the Legislature in the last two enacted budgets. The Municipal Streets and Highways Program ("Marchiselli") would receive proposed funding of \$39,700,000, also equivalent to the SFY 2004-05 appropriation. These local highway and bridge programs are funded through the DHBTF, supported by Thruway Authority bonds. The Executive proposes to re-authorize CHIPs and Marchiselli funding and increase the Thruway Authority bond cap, as part of the new five-year capital program. Funding would remain flat for the five years of the program. The bond cap would be raised from \$4.2 billion to \$5.6 billion.

The Executive proposes \$9,000,000 for the Industrial Access Program for SFY 2005-06. The proposed appropriation does not incorporate language affirming current program provisions. The proposed amount is equivalent to SFY 2004-05 levels.

Article VII

The Executive proposes Article VII legislation that would:

- reorganize the MTA into five agencies, establish and codify budgetary processes and make other changes related to the consolidation of agencies and functions;
- increase the mortgage recording tax imposed on borrowers with the property located within the Metropolitan Transportation Commuter District by 40 percent, from \$.25 per \$100 to \$.35 per \$100. The increase is estimated to raise \$50 million in SFY 2005-06 and \$100 million on a full annual basis, which would be deposited into the dedicated fund for use by the MTA and non-MTA transit systems in the region;
- prohibit injured MTA workers from seeking compensation from both the workers' compensation program and tort claims;
- reauthorize the CHIPs and Marchiselli programs for the proposed new five-year transportation capital program;
- increase the Thruway Authority bond cap to support the CHIPs and Marchiselli programs;
- conform the State manual on traffic control devices to Federal standards;
- authorize the Rochester Genesee Regional Transportation Authority (RGRTA) to include Seneca and Orleans counties in its service district;

- increase the Thruway Authority bond cap from \$10.25 billion to \$16 billion to support DHBTF debt;
- establish a criminal penalty for aggravated loitering in a transportation facility. The Executive asserts this legislation would deter the unauthorized sale of MetroCard swipes in MTA facilities and result in \$16 million increased revenue annually;
- create a five-year pilot program that would authorize DOT and the Thruway Authority to implement a design-build project delivery process for up to 12 DOT projects and five Thruway Authority projects; and
- permit DOT, the Thruway Authority and the MTA to enter into partnership agreements with private and public entities under a proposed Transportation Facility Development Partnership Program.

URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	78,362,100	88,362,100	10,000,000	12.8%
Capital Projects Fund - Authority Bonds	0	340,000,000	340,000,000	--
Total for AGENCY SUMMARY:	78,362,100	428,362,100	350,000,000	446.6%

BUDGET HIGHLIGHTS

(Executive Budget: pp. 165 - 168)

The Urban Development Corporation (UDC) is currently doing business as the Empire State Development Corporation (ESDC). The mission of the UDC is to promote economic and real estate development by providing financial assistance to local governments, businesses and not-for-profit corporations engaged in economic development activities. In addition, the Corporation is engaged in housing portfolio maintenance and provides State facility financing for the construction and modernization of State correctional facilities, as well as other special projects.

The Urban Development Corporation is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

Aid To Localities

The Executive recommends an All Fund appropriation of \$88,362,000, a net increase of \$10,000,000 over State Fiscal Year (SFY) 2004-05 funding levels.

The Executive proposal would provide \$88,362,000, in General Fund support in SFY 2005-06 for the following economic development programs:

- \$32,134,000 for the Jobs Now Program;
- \$32,278,000 for the Economic Development Fund (EDF) Program;
- \$3,473,000 for the Urban and Community Development Program;
- \$3,473,000 for the Minority and Women-owned Business Development and Lending (MWBDL) Program;

- \$1,000,000 for Military Base Retention Efforts;
- \$3,000,000 to support infrastructure and other improvements associated with cooperative State/Federal efforts at Rome Laboratory on Griffiss Air Force Base, Plattsburgh Air Force Base, the Seneca Army Depot and other undefined areas; and
- \$10,000,000 for grants provided for a newly created Strategic Partnership for Upstate Resurgence (SPUR).

The Executive proposes to provide a \$3,000,000 General Fund appropriation for the retention of professional football in Western New York. As part of a 1998 UDC agreement with the Buffalo Bills, the State is required to provide working capital grants starting in 2004 until 2012.

The Executive recommends funding Payments to Municipalities Program with a \$4,100 General Fund appropriation, reflecting no change from SFY 2004-05 levels.

Capital Projects

The Executive provides a \$250,000,000 Capital Projects Fund appropriation to support the creation of the New York State Technology and Development Program.

The Executive proposes a \$90,000,000 Capital Projects Fund appropriation to support the creation of a SPUR Capital Program.

Article VII

The Executive proposal includes Article VII language that would significantly alter the purpose, administration and benefits available through the Empire Zone program. The proposal would extend the program by five years to March 31, 2010. The Executive's proposal would provide the Commissioner of Economic Development with the authority to establish reporting requirements as well as performance measures for assessing the overall performance of the program; promulgate rules and regulations on how to certify significant investments within an Empire Zone; develop, in conjunction with the Department of Tax and Finance and the Department of Labor, an annual report detailing the tax credits received under the Empire Zone Program; and develop procedures for business enterprises to follow in order to be a certified business. In addition, the Executive would require local zones to develop a local zone development plan that would include criteria on how boundaries are to be established and the types of businesses that the zones will target.

The Empire Zone proposal also changes the manner in which zone boundaries are established. The proposal requires Zones designated pursuant to eligible census tracts to be located within a four square mile "superboundary" having up to three non-contiguous areas. County-wide Zones would be required to place 60 percent of the total Empire Zone acreage in up to six targeted areas. These targeted areas would be required to have levels of unemployment and poverty greater than the county average. The proposal also authorizes the Commissioner of Economic Development to create "flex zones" that would allow for the annual designation of up to one non-contiguous square mile throughout the State for major job creation projects.

The Empire Zone proposal also includes the creation of Flex Acreage Agribusiness Opportunity Empire Zones which would authorize the Commissioner of Economic Development to annually designate areas of up to one non-contiguous square mile which will attract projects geared toward sustaining agricultural land and increasing agribusiness economic activity.

The Executive proposes that in the case that funds are not allocated for the support of local zone administration by the Director of the Budget, the local zone administrative board may elect to have the Commissioner of Economic Development provide administrative services.

The Executive proposal recommends that the Director of Budget, Commissioner of Labor and the Commissioner of Tax and Finance receive and review reports from local Empire Zone administrative boards which would examine the commitment of local resources in addressing workforce training and human resource development while focusing on increased participation of minority and women-owned businesses, small businesses, and entrepreneurs and the availability of child care and access to affordable housing within the zone community.

The Executive also recommends revising Empire Zone benefits and formulas to ensure that only businesses that create jobs and make significant investments will receive Empire Zone credits. Specifically, the bill would lower the tax benefit period from fifteen years to ten years for businesses certified after April 1, 2005; change the employment test used in determining the benefit status for businesses certified after April 1, 2005; and, amend real property tax eligibility so a certified business who makes PILOT payments may qualify for the real property tax credit. The Executive proposal includes Article VII provisions that would eliminate the availability of benefits for Zone Equivalent Areas (ZEAs) that have not been selected by June 13, 2004. In addition, the Executive proposes that the Zone Capital Tax Credit will no longer be available for any new investments made after March 31, 2005.

The Executive proposal includes Article VII language authorizing the UDC to issue \$90,000,000 in bonds or notes in support of a newly created Operation Strategic Partnership for Upstate Resurgence Capital Program. Financial assistance would be provided through UDC or other public authorities, if appropriate, and the Corporation is authorized to issue bonds in order to finance economic development projects in areas outside the Metropolitan Transportation Authority Commuter Transportation District. These projects would include the development of and site preparation for industrial facilities, business parks, high technology, incubators and biotechnology research.

In addition, the Executive proposal includes Article VII provisions that would implement the following components of a newly created SPUR Program:

- SPUR Tax Credit- The Executive proposal would authorize qualified companies working with Centers of Excellence (creating jobs or making investments) to convert unused tax losses into refundable tax credits as a way of securing new working capital;

- Exemption from Alternative Minimum Tax-- The Executive proposal would authorized qualified businesses that create jobs or make a significant investment in SPUR communities to be exempt from the Alternative Minimum Tax;
- Single Sales Factor –The Executive proposal would authorize companies that create jobs or make significant investments in SPUR communities to base their State Corporate Franchise Tax on in-state sales only;
- State Wage Tax Credits – The Executive proposal would authorize businesses that create more than 50 jobs in SPUR communities to receive a wage tax credit for those employees. Enhanced credits would also be available if the business was located in Empire Zones; and
- Workers' Compensation Disability Benefits Program – The Executive proposal includes provisions that would offer businesses in a SPUR community with a targeted Workers' Compensation workplace safety program, along with added Workers' Compensation fraud prevention efforts. In addition, the State Insurance Fund would be authorized to provide SPUR businesses with access to new Workers' Compensation experts and safety specialists who would provide them with safety action plans to help reduce their Workers' Compensation cost.

The Executive proposes to extend the existing Power for Jobs program until December 31, 2006. Under the current program, Power for Jobs recipients have the choice of extending their contracts as established in Phases IV and V of the program, or receiving a reimbursement for the period between December 1, 2004 through December 31, 2005. The New York Power Authority would continue to reimburse the State for costs related to the program extension.

The Executive proposes to authorize the Dormitory Authority (DA) to provide \$1,200,000 to support the operations of the Cornell Theory Center supercomputer.

The Executive proposal includes Article VII provisions that would authorize the UDC or other public authorities to issue \$300,000,000 in bonds to finance the State's share of construction costs for the New York City Sports and Convention Center.

The Executive proposal includes Article VII provisions that would authorize UDC, or other public authorities to issue \$250,000,000 in bonds to finance the New York State Technology and Development Program.

The Executive proposal includes Article VII provisions that would make permanent the general loan powers of the UDC.

MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,171,000	111,245,000	108,074,000	3,408.2%
Special Revenue-Other	553,606,000	689,162,000	135,556,000	24.5%
Capital Projects Fund - Authority Bonds	600,000,000	350,000,000	(250,000,000)	-41.7%
Total for AGENCY SUMMARY:	1,156,777,000	1,150,407,000	(6,370,000)	-0.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	5	5	0
TOTAL:	5	5	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 395-421)

State Operations

Greenway Heritage Conservancy for the Hudson River Valley

In State Fiscal Year (SFY) 2005–06, the Executive proposes a \$256,000 General Fund appropriation for the Greenway Heritage Conservancy for the Hudson River Valley, reflecting a \$66,000 increase for non-personal service costs and fixed costs.

Hudson River Valley Greenway Communities Council

The Executive proposes an All Funds appropriation of \$595,000 for the Hudson River Valley Greenway Communities Council in SFY 2005-2006, reflecting an \$8,000 increase from SFY

2004-2005. This General Fund increase is attributed to salary adjustments for personnel. The Executive proposes a \$204,000 General Fund, Aid to Localities appropriation for grants, reflecting no changes from the previous fiscal year.

Commission on Public Authority Reform

The SFY 2005-06 appropriations includes an Executive recommended Special Revenue Funds – Other of \$1,000,000 to study, review and evaluate the operations and practices of public authorities, to advise and assist boards of directors in developing and adopting model governance principles and to provide training to board members in meeting their fiduciary, financial and ethical responsibilities.

Racing and Gaming Contract

The Executive recommends a General Fund State Operations Miscellaneous appropriation of \$108,000,000 for the creation of the Racing and Gaming Contract Program in order to enable the State to pay racetracks with Video Lottery Terminal (VLT) facilities their share of VLT revenues.

Aid to Localities

Metropolitan Transportation Authority

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$672,300,000, an increase of \$132,000,000, or 24.4 percent. This contingency appropriation will support debt service payments for the MTA in State Fiscal Year 2005-06 in the event the State budget for that fiscal year is not passed on April 1, 2005. The increase reflects higher projected revenues to the Dedicated Mass Transportation Trust Fund.

Tribal State Compact Revenue

The SFY 2004-05 adjusted appropriation includes an Executive recommended Special Revenue Funds–Other deficiency appropriation of \$12,756,000 to support new and unanticipated revenues from both the Niagara Falls and Salamanca gaming facilities.

The Executive recommends a Special Revenue Funds–Other appropriation of \$15,862,000 for Tribal State Compact Revenue as per Section 99-h of the State Finance Law. This represents an increase of \$2,356,000 from SFY 2004-05.

Capital Projects

Jacob Javits Convention Center

The Executive proposal recommends \$350,000,000 from the Capital Projects Fund for services and expenses of the Jacob Javits Convention Center expansion project, as authorized pursuant to Chapter 3 of the Laws of 2004.