

**Statistical and Narrative Summary  
of the  
Executive Budget**

**Fiscal Year  
April 1, 2010 to March 31, 2011  
State of New York**

**Prepared by the  
New York State Assembly  
Committee on Ways and Means**

**SHELDON SILVER**  
Speaker of the Assembly

**HERMAN D. FARRELL, JR.**  
Committee Chairman

**January 2010**

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January 25, 2010

Dear Colleagues:

I am pleased to provide you with the Statistical and Narrative Summary of the Executive Budget for the upcoming State Fiscal Year, April 1, 2010 to March 31, 2011. The "Yellow Book" is intended to provide the Members of the Committee, the Members of the Assembly, and the public with an overview of the fiscal and policy proposals made by the Governor in the bills submitted as his Executive Budget on January 19, 2010. This document presents the budget as introduced and does not reflect acceptance of the proposals put forth by the Executive. This publication may also be accessed using the Assembly Website at [www.assembly.state.ny.us/Reports/WAM/2010Yellow/](http://www.assembly.state.ny.us/Reports/WAM/2010Yellow/).

The "Yellow Book" marks the beginning of the Legislature's public review of the Governor's proposed budget. It is the Assembly's preliminary response to the budget, as required by Section 53 of the Legislative Law. Joint legislative fiscal committee hearings on the budget proposal will be the next step in our efforts to ensure public accessibility and accountability.

Section One, Overview of Executive Budget, provides an executive summary of the Governor's proposal for State Fiscal Year 2010-11 including analysis intended to place the proposed financial plan and spending in major programmatic areas in perspective. The section also includes an analysis of the national economy and the Executive's revenue forecast. The overview also lists the appropriation budget bills and detail on the non-appropriation budget bills.

Section Two, Summary of Recommended Appropriations by Agency, provides an overview of current appropriations and recommendations for the 2010-11 State Fiscal Year for each agency, a presentation of the proposed changes in each agency's budgeted personnel level, and a description of the programmatic and statutory modifications proposed in Article VII legislation included with the Executive Budget submission. The section reflects the structure of the Executive Budget appropriation bills. Agencies are presented in alphabetical order within the appropriation bills as they appear in the Governor's proposed budget.

Speaker Silver and I know that you share our goal of rising to the challenges facing this State as we confront the painful reality of the current economic crisis. Together, we will continue to strive toward producing an on-time budget that is fair and equitable – and meets the needs of working families across the State.

As the Legislature begins its work on the State Fiscal Year 2010-11 Budget, I would like to express appreciation to my Assembly colleagues for the time and commitment you will dedicate to the budget process. I would also like to convey to the Ways and Means Committee staff my gratitude for their outstanding efforts to produce this document, which is a tremendous resource for the Members of the Assembly.

Sincerely,

A handwritten signature in black ink, appearing to read "H. D. Farrell, Jr.", written in a cursive style.

HERMAN D. FARRELL, JR.

**STATISTICAL AND NARRATIVE SUMMARY**  
**OF THE**  
**EXECUTIVE BUDGET**  
**FISCAL YEAR APRIL 1, 2010 TO MARCH 31, 2011**

**January 2010**

**Herman D. Farrell, Jr.**  
**Chairman**  
**Assembly Ways and Means Committee**

Prepared by the  
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**Note:** This Statistical and Narrative Summary analyzes all of the budget bills submitted by the Governor, both multiple appropriation bills and the non-appropriation bills. Many provisions within the submitted appropriation bills would amend or circumvent existing State law. In delineating the authority of the Governor and the Legislature in the budget-making process, the New York Court of Appeals, in its opinion in Pataki v. Assembly and Silver v. Pataki (4 N.Y.3d 75, 94 (2004)) has said “that a Governor should not put into [an appropriation] bill essentially non-fiscal or non-budgetary legislation. . .” Our analysis of such provisions as contained herein, does not indicate acquiescence by the Ways and Means Committee of the New York State Assembly that such provisions are “essentially” fiscal or budgetary. The Committee does not, via its analysis of the entire gubernatorial budget submission, concede that each provision submitted as an “item of appropriation” has been crafted and proposed in accordance with the requirements of the New York State Constitution.



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# **SECTION ONE**

## **Overview of Executive Budget**



**OVERVIEW OF EXECUTIVE BUDGET  
SFY 2010-11**

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# **PART A**

## **Programmatic Overview**

## OVERVIEW OF THE EXECUTIVE BUDGET SFY 2010-11

The Governor proposes an All Funds Budget of \$133.9 billion for State Fiscal Year (SFY) 2010-2011 (see Table 1). This Budget is \$786 million higher than the estimated \$133.2 billion in spending for SFY 2009-2010 representing growth of 0.6 percent. The All Funds Budget is the broadest measure of spending; accounting for state unrestricted and restricted funds as well as funds received from the federal government. The All Funds accounting system consists of four major fund types: the General Fund; Special Revenue Fund; Capital Project Fund; and, Debt Service Fund.

**Table 1**

Disbursements (\$ in Millions)		
	SFY 2009-10	SFY 2010-11
<b>General Fund</b>	\$54,129	\$54,522
	-0.9%	0.7%
<b>State Funds</b>	\$84,639	\$86,149
	1.8%	1.8%
<b>All Funds</b>	\$133,172	\$133,958
	9.5%	0.6%

### Moving Funds Off Budget

The Governor's Executive Budget proposes amendments to the budget process which will have substantial changes to All Funds accounting principles adopted almost 30 years ago. The Executive proposes to move the tuition and other university revenue for the State University of New York (SUNY)

and the City University of New York (CUNY) off budget, which would lower All Funds disbursement by \$4.1 billion though the spending will still occur. Further, it does not provide an accounting for the increased revenue that would be generated by the proposal to allow tuition levels at SUNY and CUNY to increase subject to an index limitation that this year would allow for tuition to rise by 9.5 percent.

The General Fund accounts for unrestricted taxes and receipts, and spending on state operations and local governments not funded through dedicated revenues. For SFY 2010-2011 the Governor proposes 0.7 percent growth in the General Fund disbursements over SFY 2009-2010 which is projected to be \$54.1 billion, a decrease of 0.9 percent from the prior year.

In addition, the Executive's Financial Plan forecasts out-year General Fund current services gaps in SFY 2011-12 of \$14.3 billion, \$18.3 billion in SFY 2012-13 and \$20.7 billion in SFY 2013-14 (see Figure 1).

Another measure of State spending is State Funds which consists of the General Fund plus non federal Special Revenue, Capital Project, and Debt Service Funds. State Funds spending for SFY 2010-11 is projected to total \$86.1 billion, an increase of 1.8 percent or \$1.5 billion higher than SFY 2009-10.

The State Finance Law requires the Executive to propose and the Legislature to adopt a balanced budget. Based on the Executive's current services forecast the Governor Budget proposal closes a \$7.4 billion gap in SFY 2010-11. This gap includes the rolling over of \$500 million deficit from SFY 2009-10 in order to avoid the use of Tax Stabilization Reserve Funds.

In enacting last year's budget over \$10 billion were made available from the State Personal Income Tax surcharge and the federal Stimulus Funds to lessen the SFY 2010-2011 deficit. Absent these funds the deficit for this year would be over \$15 billion. The Executive does not recognize these as non-recurring although a significant part of the growth in the deficit in the years following SFY 2010-11 is due to the lack of such funds.

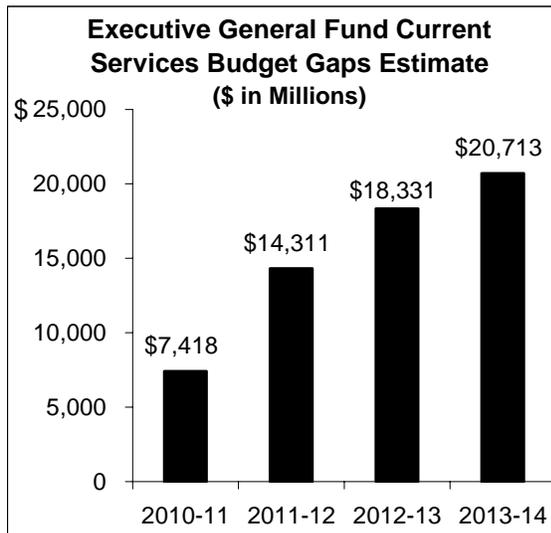


Figure 1

### Closing the SFY 2010-11 Budget Gap

The Executive Proposal includes recommendations that are intended to close an estimated \$7.4 billion General Fund budget gap in SFY 2010-11. The Executive has indicated that these actions are comprised of the following: \$4.9 billion in spending reductions; roughly \$1.2 billion in revenue actions; and the use of \$565 million in non-recurring resources; and \$692 million from actions enacted in the Deficit Reduction Plan of December 2009. (see Table 2).

Table 2

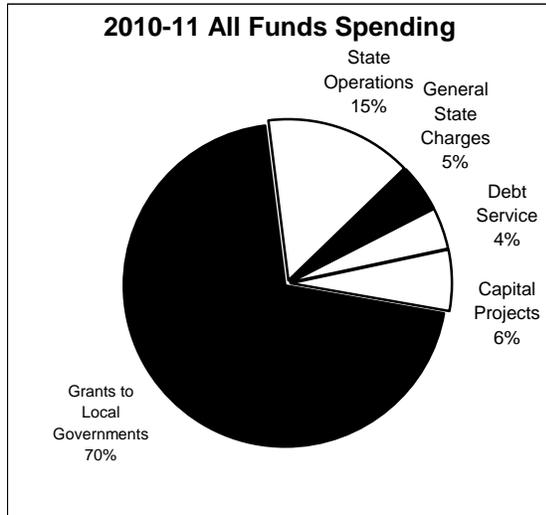
Combined General Fund & HCRA Budget-Balancing Plan SFY 2010-11 Executive Budget (\$ in Millions)	
	<b>2010-11</b>
<b>Current Services Gaps</b>	<b>(\$7,418)</b>
DRP (Dec. 2009):	<u>\$692</u>
Agency Reductions	\$360
Aid to Localities	\$427
All Other	(\$95)
<b>Budget Recommendations</b>	<b><u>\$6,726</u></b>
Spending Control	\$4,870
Aid to Localities	\$3,639
Agency Reductions/Fringe Benefits	\$1,221
Debt Service Savings	\$10
Tax/Fee Changes	\$1,070
Tax Audits/Recoveries	\$221
Non-Recurring	\$565
<b>Executive Budget Gaps</b>	<b>\$0</b>

With the adoption of the Gap Closing Plan the Executive Projects out-year budget gaps would be reduced in SFY 2011-12 to \$6.3 billion, \$10.5 billion in SFY 2012-13 and \$12.2 billion in SFY 2013-14.

### All Funds by Function

The majority of State spending provides grants to local governments for education

and for the health, safety and welfare of its citizens (see Figure 2). In addition, the operation of State government and General State Charges accounts for 20 percent of State spending. The remaining 10 percent of the budget is used to finance Capital Projects and Debt Service on outstanding bonds.



**Figure 2**

### **Executive Revenue Proposals**

The Executive proposes over \$2.0 billion in various tax and revenue increases when fully implemented, offset by \$221 million in new tax credits. The proposed General Fund tax actions total \$1.4 billion in SFY 2010-11 increasing to \$1.9 billion in SFY 2011 12. Additional new and increased fees that impact the General Fund total \$53.8 million in SFY 2010-11. Proposed charges and assessments in the All Funds total \$387.4 million in SFY 2010-11. The Executive proposes to provide General Fund tax credits of \$4 million in SFY 2009-10 for low income housing, and proposes a new Excelsior program and an expanded Film Credit allocation

that costs \$50 million and \$168 million, respectively, in SFY 2012-13.

### **Deficit Reduction Plan**

In December 2009 the Legislature passed a Deficit Reduction Plan which provided \$2.7 billion to address a current year deficit. The Executive estimates that this plan produces recurring savings of \$700 million to \$875 million over the next four fiscal years. This included recurring savings in Agency Operations, Health Care, Mental Hygiene, Education and Local Government Aid. This plan provides \$692 million in savings for SFY 2010-11.

Table 3

<b>Executive Combined General Fund and HCRA Gap-Closing Plan for 2010-11 (Millions)</b>	
	<b>2010-11</b>
<b>Current Services GAP Estimates (before any actions)</b>	<b>(7,418)</b>
<b>Approved Deficit Reduction Plan Actions</b>	<b>692</b>
<b>Total Executive Budget Gap-Closing Actions</b>	<b>6,726</b>
<b>Spending Control</b>	<b>4,870</b>
<b>Local Assistance</b>	<b>3,639</b>
School Aid/Lottery Aid	1,625
Health Care	823
School Tax Relief Program	213
Human Services/Labor/Housing	201
Higher Education	208
Mental Hygiene	46
Education/Special Education	139
Local Government Aid	325
All Other	59
<b>Bonded Capital Spending Reductions</b>	<b>10</b>
<b>State Agency Operations/Fringe Benefits</b>	<b>1,221</b>
Stage Agency Operational Reductions	709
Workforce Savings	250
Fringe Benefits/Pension Amortization	262
<b>Revenue Actions</b>	<b>1,070</b>
Tax Actions	799
Syrup Excise Tax	465
Cigarette Tax	210
Sale of Wine in Grocery Stores	92
Information Returns for Credit/Debit Cards	0
Medicaid Provider Assessment	216
Work-Zone Cameras for Speed Enforcement	25
Civil Court Filing Fees	31
All Other Revenues Actions	(1)
<b>Tax Audit and Recoveries</b>	<b>221</b>
<b>Non-Recurring Resources</b>	<b>565</b>
Federal TANF Resources	261
Physician Excess Medical Malpractice Payment Timing	127
Available Fund Balances/Resources	95
Lottery Investment Flexibility	50
School Aid Overpayment Recoveries	32
<b>Executive Budget Surplus/(Gap) Estimate</b>	<b>0</b>

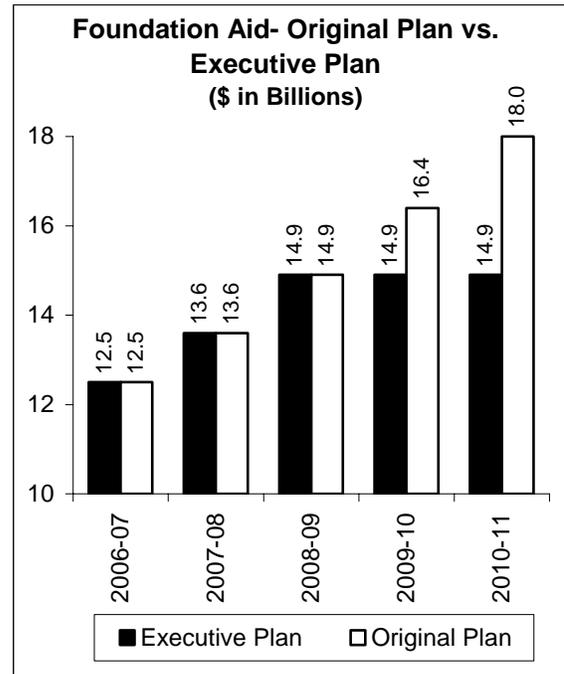
## EDUCATION

### The Commitment to Education

In his 2010-11 Executive budget, the Governor responded to the current economic climate by cutting aid to schools by \$2.1 billion, which is offset by the use of \$726 million in Federal Stimulus Funds leaving a net reduction to schools of \$1.4 billion, the largest cut to education ever proposed by a Governor.

This plan is \$4.6 billion below what was pledged to schools for Foundation Aid under the CFE agreement (see **Figure 3**). Moreover, the Executive once again stretches out the timetable for full implementation by three years. This means that the phase-in of Foundation Aid will take 10 years.

The Foundation Aid formula, which the Assembly had originally developed and initiated, provides comprehensive operating funds in an equitable and transparent manner and reflects the conditions of school districts and the students they serve. Past increases in Foundation Aid coupled with the EXCEL capital program of 2006-07 have demonstrated our commitment to provide a sound basic education for all children throughout the State.



**Figure 3**

### Governor's Proposal Cuts Education Funding by \$1.4 Billion

The Governor's 2010-11 budget provides \$20.7 billion in General Support for Public Schools which is a \$1.1 billion decrease from School Year 2009-10 and a \$1.4 billion decrease from a commitment to fulfill present law obligations. This proposal would result in a \$1.4 billion net reduction in education aid for the 2010-11 School Year.

The Executive education proposal is comprised of a \$2.1 billion Gap Elimination Adjustment (GEA), which is partially offset by \$726 million in Federal ARRA funds (see Table 4). The proposal maintains current reimbursable formulas and freezes Foundation Aid. The budget overlays the GEA calculation on top of all formula aids excluding Building Aid and

Universal Prekindergarten. This is the fourth time the Governor has proposed cuts to school aid in the past 14 months.

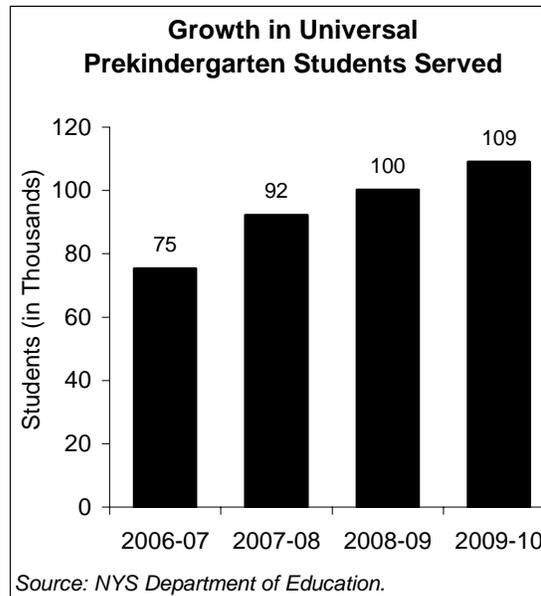
**Table 4**

<b>Executive Gap Elimination Adjustment (\$ in Millions)</b>	
	<b>SY 2010-11</b>
Gap Elimination Adjustment	(2,138)
Federal ARRA Restoration	726
<b>Net Reduction</b>	<b>(1,412)</b>

The Executive GEA calculation would take into account student need, administrative efficiency, wealth and residential tax burden. Additionally, the Executive proposal includes a cost shift for summer special education programs that results in an additional cost of \$86 million to school districts in this school year.

**Universal Prekindergarten: A First Step in Learning**

The Assembly has been on the forefront of fighting for the continuation and growth of the Universal Prekindergarten (UPK) program. Over the past four years, both funding and participation have been growing dramatically, from 259 districts and 75,281 students in 2006-07 to 451 districts and an estimated 109,031 students in the 2009-10 School Year for a cost of approximately \$399 million. In fact, nearly 180 school districts have reached full implementation, realizing the goal of a truly universal program. This growth in participation is a clear indication of the recognition of the value of prekindergarten to a child’s ongoing educational experience (see Figure 4).



**Figure 4**

For more than three decades, educational research has consistently documented the clear, lasting benefits that the investment in a high quality prekindergarten program has on student preparation, achievement and college attendance. Prekindergarten programs provide the first learning step in building a foundation upon which to support future learning. Children attending prekindergarten programs are better prepared to meet the rigorous demands facing them in their schooling and ultimately, in the global economy.

As with Foundation Aid, the Governor proposes to extend the freeze on UPK into the 2011-12 School Year, thereby preventing continued growth. Although the Executive Financial Plan projections indicates continued growth beginning in the 2012-13 School Year, there is no concomitant statutory commitment. The Assembly remains committed to the implementation of a truly universal prekindergarten program.

## **Investment in Quality**

Over the previous several years the Assembly has spearheaded efforts to dramatically increase State support for education, especially in districts where the need is the most acute. The abrogation of the commitment to fully fund Foundation Aid risks the State's moving backward on recent educational gains.

## HEALTH

The SFY 2010-11 Executive budget includes \$51.5 billion to support projected Medicaid spending, an increase of \$882 million or 1.7 percent over last year.

The Executive proposal includes a number of spending reductions across all health sectors, and it also includes several revenue actions to offset State spending obligations associated with the Medicaid program. In the aggregate, the Governor's proposal recommends \$1.8 billion in State health care actions, which when combined with a Federal contribution for such costs, represent an overall health care impact of \$2.7 billion (see Table 5). This translates into a \$458.8 million State share (\$780 million All Funds) impact on hospitals, nursing homes, home care and personal care service providers.

**Table 5**

<b>Components of the Executive Healthcare Actions (\$ in Millions)</b>		
	<b>State Share</b>	<b>All Funds</b>
Reductions	(\$593.2)	(\$1,190.1)
Provider Assessments	(215.6)	(215.6)
Medicaid Fraud Collections	(300.0)	(600.0)
Payment Deferrals	(127.4)	(127.4)
Taxes and Fees	(647.6)	(647.6)
<b>Total</b>	<b>(\$1,910.8)</b>	<b>(\$2,807.7)</b>
Reallocations	61.9	141.5
<b>Net Actions</b>	<b>(\$1,848.9)</b>	<b>(\$2,666.2)</b>

Specifically, the Executive plan would reduce State support across all health sectors by \$593.2 million (\$1.2 billion All Funds), and would adopt or expand

assessments, taxes and fees by an additional \$890.2 million. A \$300 million increase in the Medicaid fraud target and a \$127.4 deferral in an Excess Medical Malpractice insurance premium payment are also included in the plan. These actions are accompanied by \$61.9 million in spending reallocations (see Table 6).

**Table 6**

<b>Executive Budget Actions (\$ in Millions)</b>		
	<b>State Share</b>	<b>All Funds</b>
Hospital Services	(\$244.6)	(\$382.1)
Nursing Home Services	(140.2)	(243.1)
Home Care Services	(74.0)	(154.8)
Pharmacy Services	(47.1)	(57.8)
Insurance Actions	(197.4)	(267.4)
Medicaid Managed Care	(61.4)	(147.9)
Medicaid Fraud Collections	(300.0)	(600.0)
Other Medicaid/HCRA	(42.7)	(71.6)
Taxes and Fees	(674.6)	(674.6)
Public Health	(66.9)	(66.9)
<b>Total Actions</b>	<b>(\$1,848.9)</b>	<b>(\$2,666.2)</b>

### Hospital Cuts

The Governor's budget would reduce State share support for hospitals by a net \$244.6 million. Included in the Executive plan is a proposal to reduce State support for Indirect Medical Education (IME)—a line of reimbursement for teaching hospital-specific costs that would now be transferred to overall hospital payment rates, obstetrics rates and the Doctors Across New York Program. The Governor also proposes an overhaul to the indigent care program, which would result in a

redistribution of indigent care payments among New York's hospitals. In addition, the Governor proposes to increase the gross receipts assessment to 0.7 percent and to eliminate the remaining trend factor for calendar year 2010.

Over the past few years, significant reforms have been implemented with respect to the Medicaid reimbursement methodology for hospitals and these reforms have put a financial strain on many facilities as they struggle to adapt. Additional reductions in reimbursement can further disrupt the availability of hospital services across the State.

### **Long Term Care Reduction**

The Executive proposal would also reduce State support for nursing homes, home care and personal care providers by a total \$214.2 million (\$397.9 million All Funds). As in the hospital sector, the Governor's proposed budget would also eliminate the 2010 trend factor and increase the gross receipts assessment levied on nursing homes (these assessments would not be eligible for reimbursement by Medicaid), home care agencies and personal care providers.

The Executive budget would delay the implementation of a regional pricing reimbursement model until March 2011 and would allow nursing home rebasing to go forward until February 2011. Also included in the Executive proposal is an initiative to limit the over-utilization of personal care services.

The Executive's long term care reform agenda has been centered on the transition of care from an institution-based

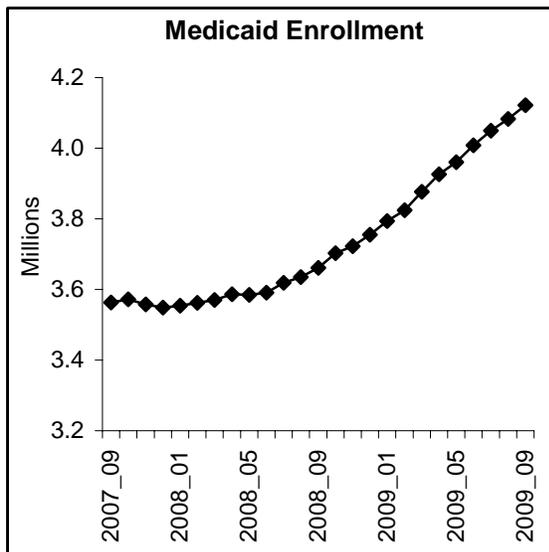
model to a community-based model. These reforms are jeopardized by proposed reductions to home care. Likewise, proposed reductions to nursing homes strain their ability to provide necessary services in areas of the State that do not have access to community-based alternatives.

### **Pharmacy and EPIC Cuts**

In total, the Governor proposes \$47.1 million in reductions (\$57.8 million All Funds) to the Medicaid pharmacy and Elderly Pharmaceutical Insurance Coverage (EPIC) program. The Medicaid program currently covers any HIV/AIDS drugs, anti-rejection drugs, anti-psychotics or anti depressants that are denied by a dual-eligible enrollees Medicare Part D plan. The EPIC Program currently covers any drugs that are denied by a senior's Medicare Part D plan. The Governor proposes to eliminate this "wrap-around" coverage in both the Medicaid program and the EPIC program and requires these individual to obtain all their covered drugs through a Part D plan. The Governor also proposes changes to the Preferred Drug Program that would accelerate the approval of additional classes of drugs into the program.

## Medicaid Enrollment Growth

The Governor’s plan for SFY 2010-11 comes on the heels of successive reductions in Medicaid provider reimbursement over the previous two state fiscal years, at a time when the State is witnessing unprecedented growth in the Medicaid program. While some additional spending is attributable to the State’s assumption of a greater share of local Medicaid spending and its takeover of Family Health Plus, the recent economic downturn has generated a 16 percent increase in Medicaid enrollment over the last two years. At present, more than one in five New Yorkers are enrolled in the Medicaid program (see Figure 5).



**Figure 5**

## Looming Loss of Federal Support

In addition, the State is on the verge of losing a short term infusion of federal support made available through the American Recovery and Reinvestment Act of 2009. The State of New York has traditionally received a Medicaid

matching rate of 50 percent—the lowest possible rate under federal law. Under this Act, New York received an enhancement in its Federal Medical Assistance percentages (FMAP), which committed an additional \$7.13 billion to New York over a span of three state fiscal years (see Table 7).

**Table 7**

State Benefit from the Enhanced FMAP (\$ in Millions)		
SFY 2008-09	SFY 2009-10	SFY 2010-11
\$1,092	\$3,155	\$2,883

Without changes at the federal level, the increase in FMAP will expire at the end of calendar year 2010, and the State of New York would return to its base matching rate. The loss of this FMAP enhancement now presents serious fiscal challenges for the Medicaid program.

Medicaid has always provided a safety net for the indigent, the disabled and the elderly, and has increasingly become a necessity for the unemployed and their families who have witnessed job loss or underemployment during national recession, which began in December 2007. The compounding effect of underlying enrollment growth, a loss of Federal funds and proposed reductions in provider reimbursement contained in the Executive proposal has the potential of undermining the health care delivery system in New York State.

## HIGHER EDUCATION

In SFY 2010-11, the Governor recommends \$321 million in reductions for Higher Education (see Table 8).

**Table 8**

<b>Executive Budget Reductions</b>	
	<b>SFY 2010-11 (\$ in Millions)</b>
Reduce Operating Support SUNY/CUNY	(\$143)
Reduce Operating Support for SUNY Statutory Colleges	(\$15)
Reduce Base Aid SUNY/CUNY Community Colleges	(\$57)
Use Federal ARRA Funds to Support Community Colleges	(\$50)
TAP Reforms and Scholarship Reductions	(\$37)
Eliminating New Merit Scholarships	(\$5)
Other Higher Education Savings Actions	(\$14)
<b>Total Reduction</b>	<b>(\$321)</b>

The Governor recommends State operating support of \$1.086 billion for State-operated campuses of the State University of New York (SUNY) and \$576.6 million for the Senior Colleges of the City University of New York (CUNY) in the 2010-11 Academic Year. This results in a reduction of General Fund operating support of \$136.4 million below the 2009-10 Academic Year adjusted levels for SUNY. The Executive proposal reduces General Fund operating support by \$63.6 million for CUNY Senior Colleges below the 2009-10 Academic Year adjusted levels.

### The Governor's Tuition Proposal

The Executive proposal includes a new framework for establishing tuition at our public University systems. Tuition policy would be wholly determined by the SUNY and CUNY Board of Trustees, who would be unaccountable to the public. The Executive proposal also removes \$4.1 billion in SUNY university revenues off-budget. The SUNY and CUNY Board of Trustees would have the ability to increase tuition as much as 250 percent of the five year average of the Higher Education Price Index.

In 2010-11, this would result in a 9.5 percent tuition increase, raising SUNY tuition by \$472 from \$4,970 to \$5,442 and raising CUNY tuition by \$437 from \$4,600 to \$5,037. In order for the systems to re-coup the losses that result from the Governor's proposed cuts in State funding, SUNY would need to raise tuition by 12.5 percent or \$621 for resident undergraduate students and CUNY would need to increase tuition by 8.5 percent or \$391 for resident undergraduate students. These increases would result in two-year increases of \$1,241 or 30 percent for SUNY students and \$991 or 25 percent for CUNY students.

Further, each Board of Trustees would be permitted to charge varying tuition rates by school and by program across the system. This proposal removes the checks and balances on tuition decisions, and as shown in the table below fosters extraordinary tuition rates when fully exercised (see Figure 6). If the Executive's

proposal had been in place following the 2003-04 Academic year, tuition would stand at \$8,346 in 2010-11 an increase of \$3,376 or 91.9 percent. Over the period, tuition increased by \$620 or 14 percent.

The SUNY system was created to ensure that all students of New York can receive a quality education at an affordable price. These tuition changes would make it difficult for students from working families to have continued access to educational opportunities through public higher education. In hard times, the Assembly believes in keeping public education publicly controlled, publicly funded, and publicly accessible.

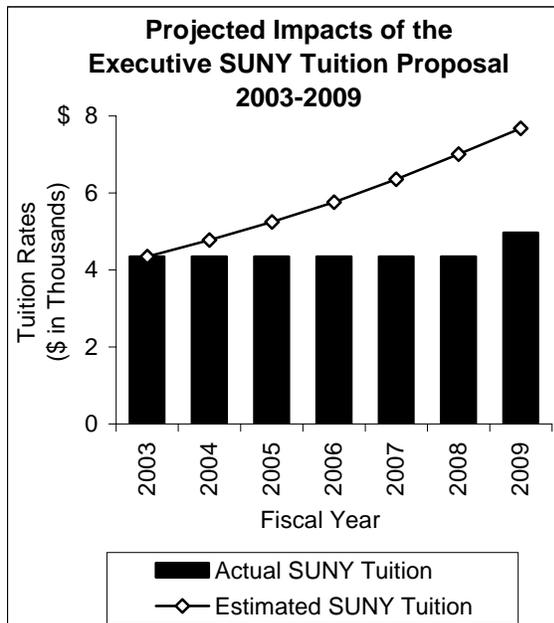


Figure 6

### Governor Recommends Cuts to the Tuition Assistance Program

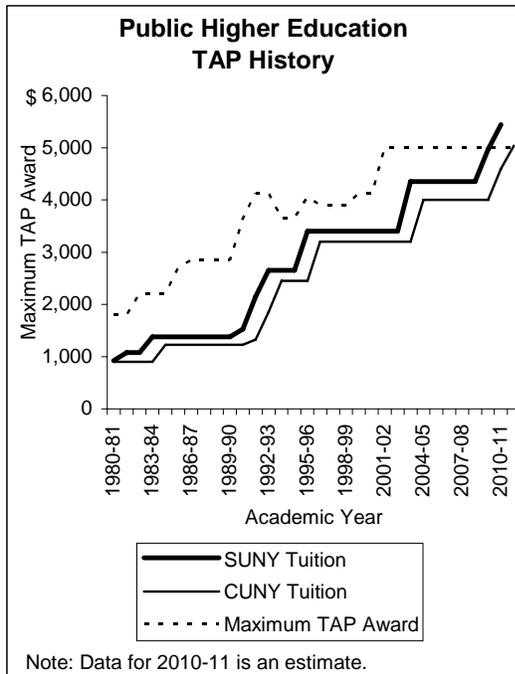
On the 35<sup>th</sup> anniversary of the creation of the program, the Executive proposal recommends \$825 million for the Tuition Assistance Program (TAP) for the 2010-11 Academic Year. This represents a

\$52.7 million cut to the program and is the 4<sup>th</sup> time the Governor has proposed cuts to the program in the last 18 months.

The Executive proposed TAP cuts are comprised of the following: the elimination of TAP eligibility for graduate students; cutting TAP awards by changing TAP academic eligibility standards; reducing all TAP awards across the board by \$75; including all public and private pension benefits within the calculation of net taxable income for TAP purposes; reducing TAP awards from \$5,000 to \$4,000 for students who are enrolled in proprietary colleges granting two year degree programs; reducing TAP awards for financially independent married students, and eliminating awards for students that are in default of Federal student loans from TAP eligibility.

The Executive does not increase TAP to accommodate the tuition increases proposed by the Governor at SUNY and CUNY making the maximum award less than the cost of tuition at public colleges for the first time in the history of the program (see Figure 7). As a consequence, students will have to bear the entire burden of Governor Paterson's tuition increases without any additional support from TAP. This translates into additional costs that are not supported by TAP of \$442 for SUNY students and \$37 for CUNY students.

The most recent increase in the award levels provided by the TAP program occurred in SFY 1999-2000. Even as costs have increased over this last decade, the TAP awards have not been increased for what is now the longest period in the program's history.



**Figure 7**

### Cutting State Support for Community Colleges

The Executive recommends a base aid reduction for SUNY and CUNY Community Colleges of \$285 per full time equivalent (FTE) student, decreasing the level of State support from \$2,545 to \$2,260. The Executive also offsets an additional reduction of \$250 in State-support per FTE with \$67 million in temporary Federal Stimulus funding. As a result, 2010-11 State support for SUNY Community Colleges stands at \$437.8 million and at \$175.5 million for CUNY Community Colleges. This is significantly below the level of support required by current law. By diminishing State support for community colleges at a time when SUNY and CUNY have record enrollments, the Executive proposal places barriers to a higher education that

some of our most vulnerable students may not overcome.

### Removing Attorney General, State Comptroller, and Legislative Oversight of Land Use and Public Private Partnerships at SUNY

The Executive Proposal creates a new State University Asset Maximization Review Board to undertake land leases, joint ventures, and public private partnerships without special legislation. The board is a three member board that must act within 45 days of receiving a proposed project and make decisions through majority rule. Prior Attorney General and State Comptroller oversight of SUNY contracting activities would also be removed.

The Executive proposal also moves the State University Construction Fund outside of the budget process; allows the SUNY Construction Fund to utilize Design/Build and Construction Manager at Risk delivery methods; and permits SUNY non-profit affiliates to utilize Dormitory Authority of the State of New York financing to construct facilities or dormitories.

### Updating the Infrastructure of SUNY and CUNY

The Executive proposal continues the planned 5-year critical maintenance investment of \$2.75 billion at SUNY and \$1.42 billion at CUNY enacted in 2008-09. In 2010-11 the Executive appropriates \$550 million for critical maintenance projects at SUNY State operated campuses and \$284.2 million for critical maintenance projects at CUNY

Senior College campuses. An additional \$22.4 million is provided for projects at SUNY Community Colleges and \$34.5 million for CUNY Community Colleges.

### **Maintaining Opportunity in Postsecondary Education for All New Yorkers**

The Assembly has made opportunity programs that increase access the cornerstone of its higher education policy. The Executive budget maintains funding for each of the opportunity programs; the Educational Opportunity Program (EOP), the Higher Education Opportunity Program (HEOP), the Search for Education, Elevation, and Knowledge (SEEK), and College Discovery. The Executive budget also maintains funding for the Science and Technology Entry Program (STEP), the Collegiate Science and Technology Entry Program (CSTEP), and the Liberty Partnerships Program.

However, the Governor recommends eliminating \$3.4 million in funding for child care programs offered at SUNY and CUNY campuses. This proposed cut will clearly place a barrier on families' efforts to pursue a college education.

## STATE WORKFORCE

### **The Executive Proposal for Workforce Reductions**

By the end of State Fiscal Year (SFY) 2009-10, the Executive estimates there will be 196,375 State employees, 3,541 below the actual workforce number at the start of the fiscal year. The Executive proposes to reduce the State workforce by another 674 positions by the end of SFY 2010-11, bringing the workforce total to 195,701. The Executive recommends 16,065 new hires and a 16,605 reduction of positions due to attrition and 134 due to layoffs (see Table 9). The Executive workforce tables do not include the use of temporary workers.

### **Unspecified Workforce Reduction Proposals**

The SFY 2010-11 Executive Budget also assumes \$250 million in reductions from unidentified State Workforce actions. The Executive proposal does not make any recommendations for how these savings may be achieved.

The Governor indicates that it could come from the elimination of negotiated salary increases for public employee unions or through the deferral of five days of salary payments for State employees. These concessions were proposed in last year's budget and no agreement was reached. Even though the Governor is hopeful that there will be an agreement reached between the unions and the Executive this year, the outcome of negotiations is far from certain.

### **Temporary Workers**

Despite the Assembly's efforts to reduce the State's reliance on expensive contract workers, information was recently brought to light revealing the extent to which the State relies on temporary workers. Over a 19 month period from April 2008 through November 2009, the State spent over \$62 million on temporary workers at dozens of State agencies despite the fact that a hiring freeze was in effect during the entire period. There has been no approval of these hires by the Director of Budget or accounting of fees charged by placement agencies. More than 12 state agencies and facilities have expenses exceeding a million dollars on temporary workers hired through temporary service agencies since April 2008. The Department of Health (DOH) alone has spent more than 13 million in taxpayer dollars on temporary services, followed by the State University of New York (SUNY) at \$9.5 million, Office of General Services (OGS) at \$5.7 million, and the State Education Department (SED) at \$4.7 million.

### **The Executive Pension Plan-Payment Deferrals and Benefit Cuts**

The Executive assumes \$216.7 million in savings resulting from a proposal to allow the State and localities outside New York City to defer a portion of their pension payments for six consecutive years, beginning with the 2010-11 fiscal year. An additional amount of pension contributions of \$5 billion would be delayed over the next five years with total repayment of \$7.4 billion. Therefore, the

Governor estimates that the net long-term cost to the State for the period of 2010-11 through 2025-26 would be a net additional \$2.1 billion in pension costs.

The Executive proposal would also require current and future retirees to pay 10 percent of Individual Medicaid Part B premiums and 25 percent for dependent coverage. The Executive estimates that this will cost retirees \$30 million in SFY 2010-11.

Finally, the Executive is recommending \$15 million in savings resulting from allowing the New York State Health Insurance Plan (NYSHIP) to become self insured.

### **Information Technology Workers**

As a result of the Assembly's ongoing efforts to reduce the State's reliance on contract workers, the Legislature and Governor enacted Chapter 500 of the Laws of 2009 during Extraordinary Session to reduce the number of information technology (IT) contract workers. That law authorizes up to 500 term IT appointments for up to 60 months. Following two years of service, the appointee would be eligible to take a promotion examination and thus join the civil service system. This action will save an estimated \$50 million in SFY 2010-11.

Table 9

WORKFORCE IMPACT SUMMARY REPORT									
ALL FUNDS									
2008-09 Through 2010-11									
Major Agencies	2008-09 Actual (03/31/09)	2009-10 Estimate (03/31/10)	Abolitions	Attritions	New Fills	Fund Shifts	Mergers	Net Change	2010-11 Estimate (03/31/11)
Children and Family Services	3,874	3,576	(75)	(582)	578	0	0	(79)	3,497
Correctional Services	31,159	30,027	0	(1,689)	1,629	0	0	(60)	29,967
Education	3,129	2,998	0	(283)	200	0	0	(83)	2,915
Environmental Conservation	3,657	3,368	0	(105)	51	0	0	(54)	3,314
General Services	1,652	1,548	0	(54)	6	0	0	(48)	1,500
Health	5,704	5,491	0	(332)	321	0	(1)	(12)	5,479
Labor	3,779	4,011	(2)	(417)	409	0	0	(10)	4,001
Mental Health	16,716	16,297	0	(2,070)	1,942	0	0	(128)	16,169
Mental Retardation	22,590	21,786	0	(2,074)	2,163	0	0	89	21,875
Motor Vehicles	2,820	2,812	0	(214)	211	0	0	(3)	2,809
Parks, Recreation, and Historic Preservation	2,188	2,073	0	(87)	20	0	0	(67)	2,006
Parole	2,121	2,006	(6)	(110)	65	0	0	(51)	1,955
State Police	5,901	5,702	0	(172)	0	0	0	(172)	5,530
Taxation and Finance	5,049	5,178	0	(434)	580	0	298	444	5,622
Temporary and Disability Assistance	2,191	2,359	0	(221)	241	0	0	20	2,379
Transportation	10,185	9,701	0	(429)	338	0	0	(91)	9,610
Workers' Compensation Board	1,463	1,425	0	(55)	80	0	0	25	1,450
<b>SUBTOTAL - Major Agencies</b>	<b>124,178</b>	<b>120,358</b>	<b>(83)</b>	<b>(9,328)</b>	<b>8,834</b>	<b>0</b>	<b>297</b>	<b>(280)</b>	<b>120,078</b>
<b>Minor Agencies</b>	<b>12,312</b>	<b>12,159</b>	<b>(51)</b>	<b>(1,078)</b>	<b>1,095</b>	<b>0</b>	<b>(297)</b>	<b>(331)</b>	<b>11,828</b>
<b>SUBTOTAL:</b>									
<b>Subject to Executive Control</b>	<b>136,490</b>	<b>132,517</b>	<b>(134)</b>	<b>(10,406)</b>	<b>9,929</b>	<b>0</b>	<b>0</b>	<b>(611)</b>	<b>131,906</b>
<b>Not Subject to Executive Control</b>									
Audit and Control	2,517	2,552	0	(150)	150	0	0	0	2,552
City University	12,653	12,933	0	(1,306)	1,306	0	0	0	12,933
Law	1,935	1,847	0	(122)	22	0	0	(100)	1,747
State University	41,605	41,778	0	(4,223)	4,260	0	0	37	41,815
State University Construction Fund	120	135	0	(13)	13	0	0	0	135
<b>SUBTOTAL:</b>									
<b>Not Subject to Executive Control</b>	<b>58,830</b>	<b>59,245</b>	<b>0</b>	<b>(5,814)</b>	<b>5,751</b>	<b>0</b>	<b>0</b>	<b>(63)</b>	<b>59,182</b>
<b>Off-Budget Agencies</b>									
Roswell Park Cancer Institute	1,947	2,025	0	(170)	170	0	0	0	2,025
Science, Technology, and Innovation	27	24	0	0	0	0	0	0	24
State Insurance Fund	2,622	2,564	0	(215)	215	0	0	0	2,564
<b>GRAND TOTAL</b>	<b>199,916</b>	<b>196,375</b>	<b>(134)</b>	<b>(16,605)</b>	<b>16,065</b>	<b>0</b>	<b>0</b>	<b>(674)</b>	<b>195,701</b>

## LOCAL GOVERNMENTS

For local government fiscal years ending in 2011, the Executive Budget reduces overall Local Aid by \$1.3 billion. (see Table 10) The Executive Budget further proposes local revenue options that could provide a total of \$175.4 million for municipalities.

### **Aid & Incentives for Municipalities (AIM) – Local Aid Reduction**

The Executive Budget for State Fiscal Year 2010-11 reduces AIM funding by \$320.2 million. In addition, the Executive proposes eliminating payments to New York City and Erie County. Erie County is the only County that currently receives AIM funding.

### **Aid & Incentives for Municipalities (AIM) – LGEG Grants and Efficiency Grants**

The Executive Budget recommends \$11 million for the Local Government Efficiency Grant (LGEG) program, including \$10 million for grants and \$1 million for merger incentives. This reflects a decrease of \$2 million from the SFY 2009-10 post Deficit Reduction Plan (DRP).

**Table 10**

<b>Impact of the 2010-11 Executive Budget on Local Governments Local Fiscal Year Basis Ending in 2011 (\$ in Millions)</b>						
	<b>Total</b>	<b>NYC</b>	<b>School Districts</b>	<b>Counties</b>	<b>Other Cities</b>	<b>Towns &amp; Villages</b>
School Aid	(1,166.2)	(469.0)	(703.0)	5.8	0.0	0.0
Revenue Actions	175.4	59.5	0.0	1.2	53.7	61.0
Human Services	(85.6)	(53.3)	0.0	(32.3)	0.0	0.0
Health	27.2	10.5	0.0	16.7	0.0	0.0
Mental Hygiene	(1.6)	(0.5)	0.0	(1.1)	0.0	0.0
Transportation	(8.9)	(3.9)	0.0	(5.0)	0.0	0.0
Municipal Aid	(320.2)	(301.7)	0.0	(0.9)	(13.4)	(4.2)
Public Protection	71.8	8.8	0.0	63.0	0.0	0.0
All Other Impacts	31.7	1.0	7.8	9.4	8.6	4.9
<b>Total</b>	<b>(1,276.4)</b>	<b>(748.6)</b>	<b>(695.2)</b>	<b>56.8</b>	<b>48.9</b>	<b>61.7</b>

*Source: Executive Budget.*

The Executive Budget reduces reappropriations by 50 percent, or \$12 million to Erie County and the City of Buffalo. Existing commitments totaling \$13 million will be disbursed.

### **Video Lottery Terminal (VLT) Municipal Aid**

The Executive Budget proposes reducing VLT Aid for eligible host municipalities, including the City of Yonkers by 10 percent, or \$2.6 million in SFY 2010-11. The SFY 2010-11 Executive budget allocates \$23.8 million in VLT aid.

### **Local Revenue Actions**

The Executive proposes a revenue action that if adopted, could generate an increase of \$71.5 million in New York City revenue to offset the Executive Budget reductions. This amount is offset by a decrease of \$12 million from a proposal to increase the State cigarette tax rate. The net impact from revenue actions to New York City is estimated at \$59.5 million. This is comprised of the following:

- Extend the Mortgage Recording Tax (MRT) to cooperatives raising \$71 million;

The Executive also proposes revenue actions that if adopted by Local Governments could generate \$1.2 million for Counties, \$53.7 million for Other Cities and \$61 million for towns and villages.

### **All Other Impacts**

The Executive budget includes the following mandate relief proposals:

- Wicks Law proposal which would provide school districts a full Wicks exemption.
- Procurement modifications that includes: increasing competitive bidding thresholds for commodities and public works projects, allowing contracts for services to be awarded on "best value" rather than lowest bid, using Federal guidelines for cooperative purchasing for information technology products and services, allow Local Governments to hold reverse auctions and allowing localities to purchase materials and equipment through pre-existing State and local government contracts.
- The Executive Budget would provide for pension amortization. This would permit Local Governments to amortize a portion of their pension costs from 2010-11 through 2015-16. Participation would be adopted via local option. Municipalities would be able to amortize costs exceeding contribution rates of 9.5 percent for NYS State and Local Employees' Retirement System and 17.5 percent for the NYS Local Police and Fire Retirement System in 2010-11. Future contribution rates that are amortized would be increased by one percentage point each year through 2015-16. Repayment would be made over a ten year period, at an interest rate determined by the Comptroller.

The fiscal impact to localities is as follows:

- Counties are projected to realize a savings of \$9.8 million.
- Other Cities are estimated to realize a savings of \$8.4 million.
- School districts are projected to realize a savings of \$6.7 million.
- Towns and villages are estimated to realize a savings of \$4.5 million.

Additional miscellaneous proposals would reduce local aid by a net \$1.6 million. They include an increase to New York City for rent administration billing, a decrease in reimbursements from 75 percent to 50 percent from Water Navigation Enforcement Grants and from reforming the processing of dog licenses.

#### **Aid & Incentives to Municipalities (AIM) – Local Aid Distribution**

In SFY 2010-11, the Executive proposed that the total \$734.6 million AIM

allocation be distributed based upon a local reliance factor. Municipalities that are dependent upon AIM funding for more than 10 percent of their total revenue will receive a two percent reduction, while municipalities with AIM reliance below 10 percent will realize a five percent reduction from their SFY 2009-10 Enacted Budget allocations.

Actions taken in the SFY 2009-10 Deficit Reduction Plan reduced aid to non-calendar year cities outside of New York City by \$5.3 million, but did not impact the calculation of the new SFY 2010-11 base due to the fact that reductions were from the SFY 2009-10 Enacted Budget. Therefore, the combined actions in SFY 2009-10 and SFY 2010-11 will impact non-calendar year cities by two percent and five percent, which is the same reduction that every calendar year city will realize in SFY 2010-11. (see Table 11)

Table 11

2010-11 Executive Budget---Aid and Incentives for Municipalities Proposal					
Municipality	2009-10 Enacted Budget	DRP Change	2009-10 AIM Final Funding	Proposed YTY Dollar Change from 2009-10	2010-11 Proposed AIM Funding
BUFFALO	169,027,453	(1,690,275)	167,337,178	(1,690,274)	165,646,904
YONKERS	113,074,558	(1,130,746)	111,943,812	(1,130,745)	110,813,067
ROCHESTER	92,215,689	(922,157)	91,293,532	(922,157)	90,371,375
SYRACUSE	75,084,069	(750,841)	74,333,228	(750,840)	73,582,388
NIAGARA FALLS	18,734,214	0	18,734,214	(374,684)	18,359,530
UTICA	16,961,328	(169,613)	16,791,715	(169,614)	16,622,101
ALBANY	13,692,858	0	13,692,858	(684,643)	13,008,215
TROY	12,927,988	0	12,927,988	(258,560)	12,669,428
SCHENECTADY	11,797,825	0	11,797,825	(235,957)	11,561,868
BINGHAMTON	9,737,955	0	9,737,955	(194,759)	9,543,196
ROME	9,563,065	0	9,563,065	(191,261)	9,371,804
MOUNT VERNON	7,771,514	0	7,771,514	(388,576)	7,382,938
NEW ROCHELLE	6,693,312	0	6,693,312	(334,666)	6,358,646
LACKAWANNA	6,613,009	(66,130)	6,546,879	(66,130)	6,480,749
WHITE PLAINS	5,896,127	(176,884)	5,719,243	(117,922)	5,601,321
AUBURN	5,227,801	(52,278)	5,175,523	(52,278)	5,123,245
WATERTOWN	5,090,176	(101,804)	4,988,372	(152,705)	4,835,667
JAMESTOWN	4,965,773	0	4,965,773	(248,289)	4,717,484
NEWBURGH	4,848,886	0	4,848,886	(242,444)	4,606,442
ELMIRA	4,820,625	0	4,820,625	(96,413)	4,724,212
POUGHKEEPSIE	4,613,607	0	4,613,607	(230,680)	4,382,927
NORTH TONAWANDA	4,564,065	0	4,564,065	(91,281)	4,472,784
LONG BEACH	3,404,144	(102,124)	3,302,020	(68,083)	3,233,937
KINGSTON	3,333,284	0	3,333,284	(166,664)	3,166,620
GLEN COVE	3,081,878	0	3,081,878	(154,094)	2,927,784
AMSTERDAM	3,010,137	(30,101)	2,980,036	(30,102)	2,949,934
MIDDLETOWN	2,938,692	0	2,938,692	(146,935)	2,791,757
COHOES	2,887,748	0	2,887,748	(57,755)	2,829,993
LOCKPORT	2,878,631	0	2,878,631	(143,932)	2,734,699
PLATTSBURGH	2,876,844	0	2,876,844	(143,842)	2,733,002
ITHACA	2,835,051	0	2,835,051	(141,753)	2,693,298
TONAWANDA	2,739,531	0	2,739,531	(54,791)	2,684,740
OSWEGO	2,662,694	0	2,662,694	(133,135)	2,529,559
GLOVERSVILLE	2,424,201	0	2,424,201	(48,484)	2,375,717
PEEKSKILL	2,410,385	0	2,410,385	(120,519)	2,289,866
OLEAN	2,358,120	(23,581)	2,334,539	(23,581)	2,310,958
ONEONTA	2,349,730	0	2,349,730	(46,995)	2,302,735
CORTLAND	2,192,027	0	2,192,027	(109,601)	2,082,426
GENEVA	2,109,796	0	2,109,796	(105,490)	2,004,306
BATAVIA	1,901,664	(38,033)	1,863,631	(57,050)	1,806,581
OGDENSBURG	1,855,708	0	1,855,708	(92,785)	1,762,923
SARATOGA SPRINGS	1,791,676	0	1,791,676	(89,584)	1,702,092

- continued -

## 2010-11 Executive Budget---Aid and Incentives for Municipalities Proposal

- continued -

Municipality	2009-10 Enacted Budget	DRP Change	2009-10 AIM Final Funding	Proposed YTY Dollar Change from 2009-10	2010-11 Proposed AIM Funding
ONEIDA	1,790,707	0	1,790,707	(35,814)	1,754,893
FULTON	1,766,826	0	1,766,826	(88,341)	1,678,485
GLENS FALLS	1,745,310	0	1,745,310	(87,266)	1,658,044
DUNKIRK	1,711,118	0	1,711,118	(85,556)	1,625,562
BEACON	1,669,794	0	1,669,794	(83,490)	1,586,304
CORNING	1,622,300	(32,446)	1,589,854	(48,669)	1,541,185
HORNELL	1,576,892	(15,769)	1,561,123	(15,769)	1,545,354
HUDSON	1,533,940	0	1,533,940	(30,679)	1,503,261
PORT JERVIS	1,480,533	0	1,480,533	(29,611)	1,450,922
JOHNSTOWN	1,462,264	0	1,462,264	(29,245)	1,433,019
WATERVLIET	1,314,343	0	1,314,343	(65,717)	1,248,626
RYE	1,311,987	0	1,311,987	(65,599)	1,246,388
RENSSELAER	1,227,071	(24,541)	1,202,530	(36,813)	1,165,717
CANANDAIGUA	1,215,633	0	1,215,633	(60,782)	1,154,851
NORWICH	1,146,807	0	1,146,807	(22,936)	1,123,871
SALAMANCA	1,008,006	(20,160)	987,846	(30,240)	957,606
LITTLE FALLS	911,772	0	911,772	(18,235)	893,537
MECHANICVILLE	697,374	0	697,374	(13,947)	683,427
SHERRILL	404,763	0	404,763	(20,238)	384,525
<b>Cities Total</b>	<b>681,561,278</b>	<b>(5,347,483)</b>	<b>676,213,795</b>	<b>(11,429,000)</b>	<b>664,784,795</b>
TOWNS (1)	51,802,333	0	51,802,333	(2,581,640)	49,220,693
VILLAGES (2)	21,650,852	0	21,650,852	(1,085,458)	20,565,394
NEW YORK CITY	327,889,668	(26,231,173)	301,658,495	(301,658,495)	0
ERIE COUNTY	668,332	0	668,332	(668,332)	0
<b>Total</b>	<b>1,083,572,463</b>	<b>(31,578,656)</b>	<b>1,051,993,807</b>	<b>(317,422,925)</b>	<b>734,570,882</b>

(1) Most towns will realize a 5 percent reduction from the Post DRP allocation. Only the Town of Forestburgh (Sullivan County) will realize a 2 percent reduction.

(2) Most villages will realize a 5 percent reduction from the 2009-10 Post DRP allocation. Only the Village of Brushton (Franklin County), Village of Cold Brook (Herkimer County), Village of Bridgewater (Oneida County), and the Village of Oneida Castle (Oneida County) will realize a 2 percent reduction.

Table 12

Impact of the 2010-11 Executive Budget on Local Governments						
Local Fiscal Year Basis Ending in 2010						
(\$ in Millions)						
	Total	NYC	School Districts	Counties	Other Cities	Towns & Villages
Revenue Actions	3.1	0.1	0.0	0.8	0.2	2.0
Human Services	(38.3)	(13.5)	0.0	(24.8)	0.0	0.0
Health	4.6	2.0	0.0	2.6	0.0	0.0
Mental Hygiene	(1.0)	(0.2)	0.0	(0.8)	0.0	0.0
Transportation	(4.8)	(1.0)	0.0	(3.8)	0.0	0.0
Municipal Aid	(10.6)	0.0	0.0	(0.8)	(7.1)	(2.7)
Public Protection	37.4	2.0	0.0	35.4	0.0	0.0
All Other Impacts	0.2	0.3	0.2	(0.5)	0.1	0.1
<b>Total</b>	<b>(9.4)</b>	<b>(10.3)</b>	<b>0.2</b>	<b>8.1</b>	<b>(6.8)</b>	<b>(0.6)</b>
<i>Source: Executive Budget.</i>						

## TRANSPORTATION

The Executive budget proposes a two year Department of Transportation (DOT) Road and Bridge Capital Plan totaling \$6.99 billion (see Table 13), in which \$3.487 billion would be spent in SFY 2010-11 and \$3.503 billion would be spent in SFY 2011-12. This is a reduction of \$221 million from SFY 2009-10 due to decreased funding

available from the 2005 Bond Act which provided \$278 million in 2009-10. As a consequence of the fact that the Governor has not recommended a complete five-year plan, the funding for the final three years of the 2010-14 plan has not been established, leaving a funding gap of \$18.1 billion for the Capital Program.

**Table 13**

<b>2010-11 EXECUTIVE BUDGET PROPOSED DOT TWO-YEAR CAPITAL PLAN (\$ in Millions)</b>			
<b>OBLIGATIONS</b>	<b>2010-11 Proposed</b>	<b>2011-12 Proposed</b>	<b>TOTAL</b>
State and Local System Construction			
Contracts	1,830	1,794	3,624
Administration	122	126	248
State Forces Engineering & Program Management	413	446	859
Consultant Engineering	173	169	342
Preventive Maintenance	264	278	542
Right of Way	70	69	139
Maintenance Facilities	38	38	76
Special Federal Programs	42	32	74
Rail Development	52	68	120
Aviation Systems	14	14	28
Non-MTA Transit	50	50	100
Canal Infrastructure	16	16	32
Capital Aid to Locals	403	403	806
<b>Total</b>	<b>3,487</b>	<b>3,503</b>	<b>6,990</b>

### **Department of Transportation and Metropolitan Transportation Authority 2010-2014 proposed 5-year Capital Plans**

The current year marks the start of a new 5-year capital project program for both the DOT and the Metropolitan Transportation Authority (MTA). In the

fall of 2009, both systems submitted plans for 2010-2014. The MTA proposed a capital plan of \$28.08 billion. During the spring of 2009, the Legislature took fiscal action to raise \$1.54 billion in revenue for the MTA so that daily transit operations may continue unhindered. As a part of these actions an annual

\$400 million was raised to support capital improvements for the MTA. However, the submitted MTA capital program still remained under funded by \$9.9 billion. On this basis, passage of the MTA capital plan was vetoed by the Governor.

The DOT proposed a road and bridges plan of \$25.8 billion submitted to the Executive by his Department of Transportation in November of 2009-10 laid out priorities, but did not include supporting revenues to fund the plan. The Executive rejected the DOT Road and Bridge capital plan on the basis that it too had insufficient funds and would not be fiscally sustainable.

### **Metropolitan Transit Authority Financing**

The fiscal year of the Metropolitan Transit Authority is based on a calendar year, and for 2010-11 the Authority budget stands at \$4.1 billion. The 2009-10 fiscal year of the MTA ended with a budget of \$3.9 billion, after beginning the year with a \$1.44 billion deficit before legislative action was taken. Through a package of revenue enhancements, legislative action provided an additional \$1.54 billion; \$1.14 billion for operating expenses and an annual \$400 million that will support \$6 billion in the 2010-2014 capital plan.

However, in December 2009, the State Deficit Reduction Plan (DRP) cut \$141.3 million in state support dedicated to the MTA; the conclusion of a pending labor suit filed against the MTA required an additional \$91 million to be paid by the Authority, and due to downward revised revenue projections further lowered available revenues by \$100 million. Facing a new \$372 million

shortfall, the MTA has proposed a new smaller round of service cuts, which are less drastic but repeat certain service cuts included in previous plans. The MTA has proposed phasing out its free metrocard plan for school children.

Regardless of the fact that the Governor originally recommended reducing operating support for the MTA in his Fall 2009 Deficit Reduction Plan, the 2010-11 Executive Proposal restores \$160.6 million in transit aid to the MTA, including at \$25 million restoration of aid for the free metrocard plan for school children.

## ECONOMIC DEVELOPMENT

The turbulent economy continues to present challenges to working families across the State. The road ahead is still uncertain and the near-term prospects for a return to economic growth are tenuous. According to New York State Department of Labor, the State continued to lose jobs in December 2009, and the State's unemployment rate rose to 9.0 percent from 8.6 percent in November 2009. Now more than ever, the State needs aggressive leadership to turn our State around, as well as a strong champion for job creation. The Assembly has long been the leading voice in championing such economic development efforts.

### **Replacing the Empire Zones Program**

In 2000-01, the Empire Zone program was established as a key Assembly initiative to spur economic activity in distressed communities. Unfortunately, due to mismanagement the program became ineffective and ultimately, extremely costly. These facts led the Assembly to push for various reforms in SFY 2009-10. As a result, the program is set to sunset on June 30, 2010.

The 2010-11 Executive Proposal includes a new program named the Excelsior Jobs Program which would replace the current Empire Zone Program and is restricted to \$250 million annually for a five-year period. This program would target specific industries such as high-tech, bio-tech, clean-tech, green-tech, finance and manufacturing, thus replacing the current Empire Zones Program which targets specific geographical areas. The concept of targeting specific industries is

nothing new and has long been argued by the Assembly in prior years as an important component of any economic development plan.

Companies within these industries must create and maintain at least 50 net new jobs to New York State over a five year period to be eligible for three tax credits which include: an expanded Research and Development Tax Credit; an enhanced Investment Tax Credit to encourage capital expansion in New York State; and a New Jobs Credit based upon the number of net jobs created and would compensate a portion of payroll costs.

### **New Economic Development Initiatives**

The Executive recommends a \$100 million appropriation for an Innovation Economy Matching Grants Program. This five-year program would establish a ten percent State funded match for research and development awards financed through the American Recovery and Reinvestment Act (ARRA). The level of disbursements proposed by the Executive in SFY 2010-11 remain uncertain.

The Executive recommends a \$25 million appropriation for a New Technology Seed Fund. The goals would be to provide financial support for research and development on New York State campuses and strengthen partnerships with the business community to advance commercialization. These investments would be made by independent professionals and require matches of 1:1 from federal or private sources.

The Executive also proposes a new \$25 million appropriation for a Revolving Loan Fund for Small Businesses. This program would target funding businesses owned by minorities, women and other disadvantaged New Yorkers that have traditionally been denied access to mainstream credit markets.

### **Consolidation of Economic Development Agencies**

The economic development efforts of the State of New York have been traditionally administered by ESDC, the Department of Economic Development (DED) and the Foundation for Science, Technology, and Innovation (NYSTAR).

The Executive proposes to consolidate DED and ESDC into a new entity, the Job Development Corporation. The proposed restructuring would produce savings of \$4.6 million in SFY 2010-11.

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## FINANCIAL PLAN

New York State uses a cash basis Financial Plan to report the amount of money that is collected and spent during the State fiscal year. Each year the Division of Budget develops a plan that shows proposed receipts and disbursements for the coming fiscal year. The plan is then submitted as part of the Executive Budget. It is revised subsequent to enactment of the budget to show the effect of the changes made by the Legislature to the Executive's original budget proposal. The plan is then updated quarterly to reflect actual experience and revised estimates.

### General Fund

The Financial Plan divides receipts and disbursements into different fund types. The General Fund is the fund into which most State taxes are deposited and from which State Operations and the state share of local grants are disbursed. The General Fund provides for funding to programs that are not supported by dedicated fees and revenues.

The Executive proposes General Fund disbursements for State Fiscal Year (SFY) 2010-11 of \$54.5 billion, an increase of \$393 million or 0.7 percent from SFY 2009-10. Local Assistance is projected at \$35.9 billion, a \$506 million or 1.4 percent decrease below SFY 2009-10 levels.

The Executive estimates General Fund receipts for SFY 2010-11 at \$54.6 billion, an increase of \$1 billion or 1.9 percent above SFY 2009-10; \$1.6 billion higher in PIT, \$406 million higher in User Taxes,

\$22 million higher in Business Taxes, \$20 million lower in Other Taxes, \$605 million lower in Miscellaneous Receipts.

### State Funds

State Funds, in addition to the General Fund, include non-federal Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

The Executive proposes that in SFY 2010-11, State Funds disbursements increase by \$1.5 billion for a total of \$86.1 billion. This represents an increase of 1.8 percent over SFY 2009-10.

### All Funds

All Governmental Funds is a term referring to all State government funds within the following fund types: General, Special Revenue including Federal Funds, Capital Projects, and Debt Service.

The Governor proposes an All Governmental Funds budget of \$133.9 billion, an increase of \$786 million or 0.6 percent over SFY 2009-10 estimates.

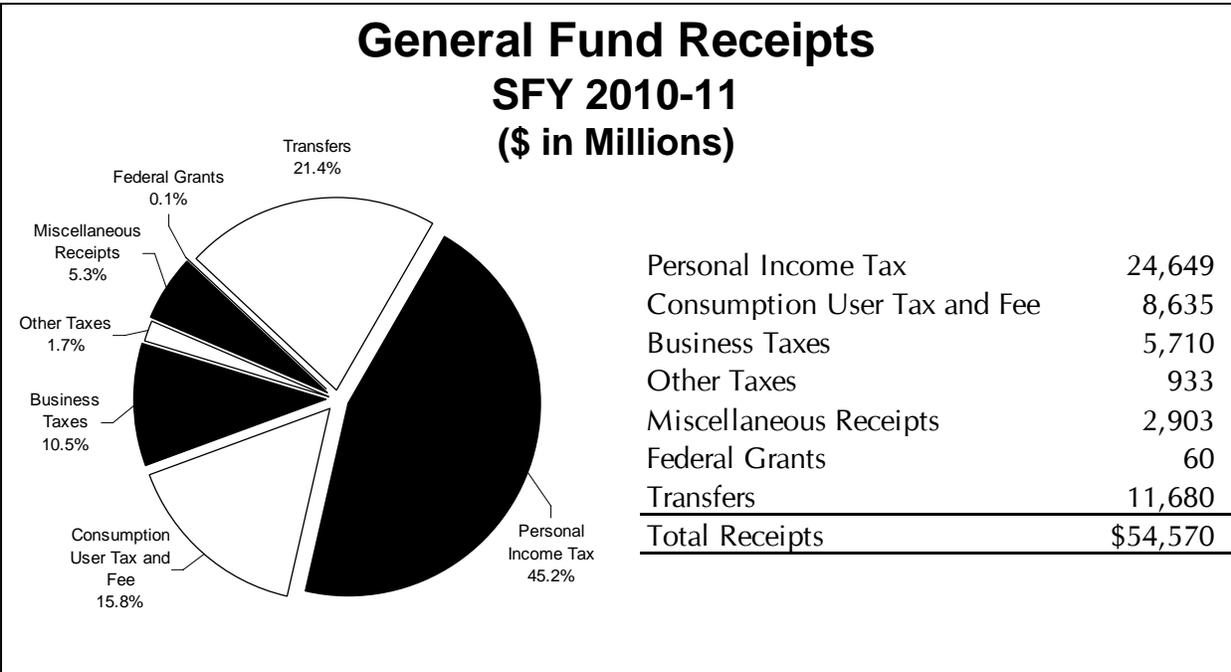
General State Charges is estimated at \$6.3 billion, an increase of \$515 million above the previous year. This level of spending includes \$1.5 billion in pension contribution, \$1.9 billion employee healthcare insurance, \$1.3 billion to retiree health care insurance, \$1 billion to social security and \$568 million in all other.

**Table 14**

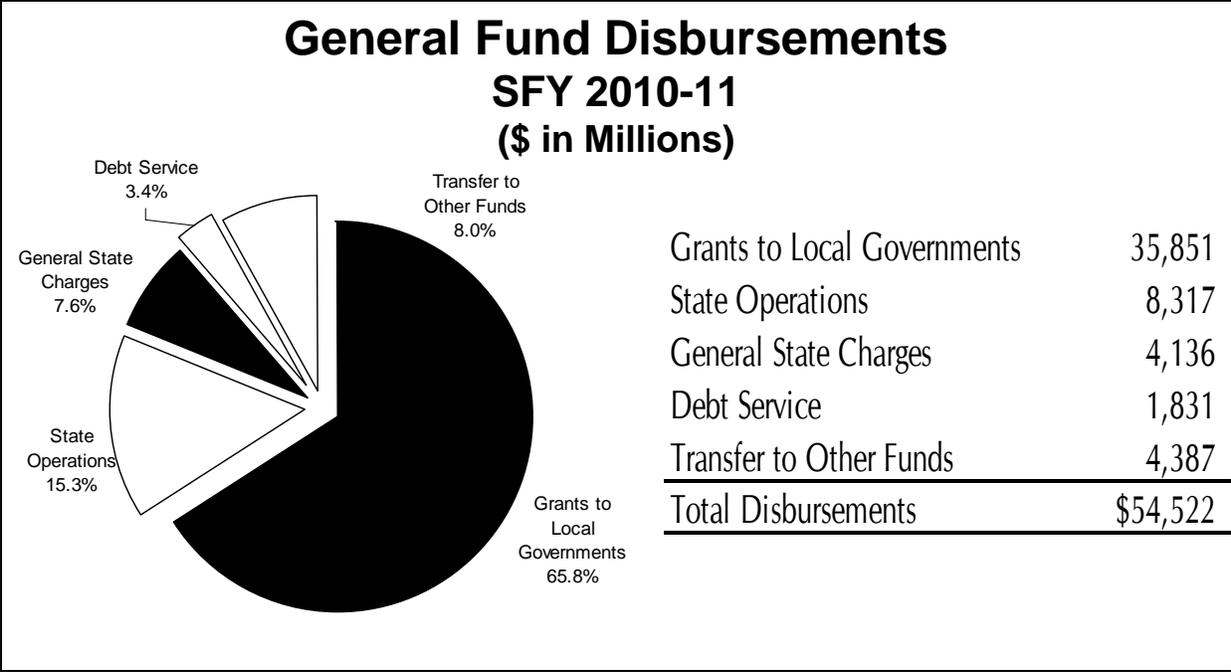
<b>Financial Plan SFY 2009-10 (\$ in Millions)</b>					
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>	<b>Debt Service Funds</b>	<b>(MEMO) All Funds</b>
Opening Balance	1,948	2,846	(506)	298	4,586
Receipts	53,554	69,178	8,051	12,383	131,059
Disbursement	54,129	71,470	7,975	4,996	133,172
Closing Balance	1,373	1,770	(508)	283	2,918

**Table 15**

<b>Financial Plan SFY 2010-11 (\$ in Millions)</b>					
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>	<b>Debt Service Funds</b>	<b>(MEMO) All Funds</b>
Opening Balance	1,373	1,770	(508)	283	2,918
Receipts	54,570	68,834	8,256	13,021	133,001
Disbursement	54,522	70,938	8,858	5,858	133,958
Closing Balance	1,421	1,413	(551)	249	2,484



**Figure 8**



**Figure 9**

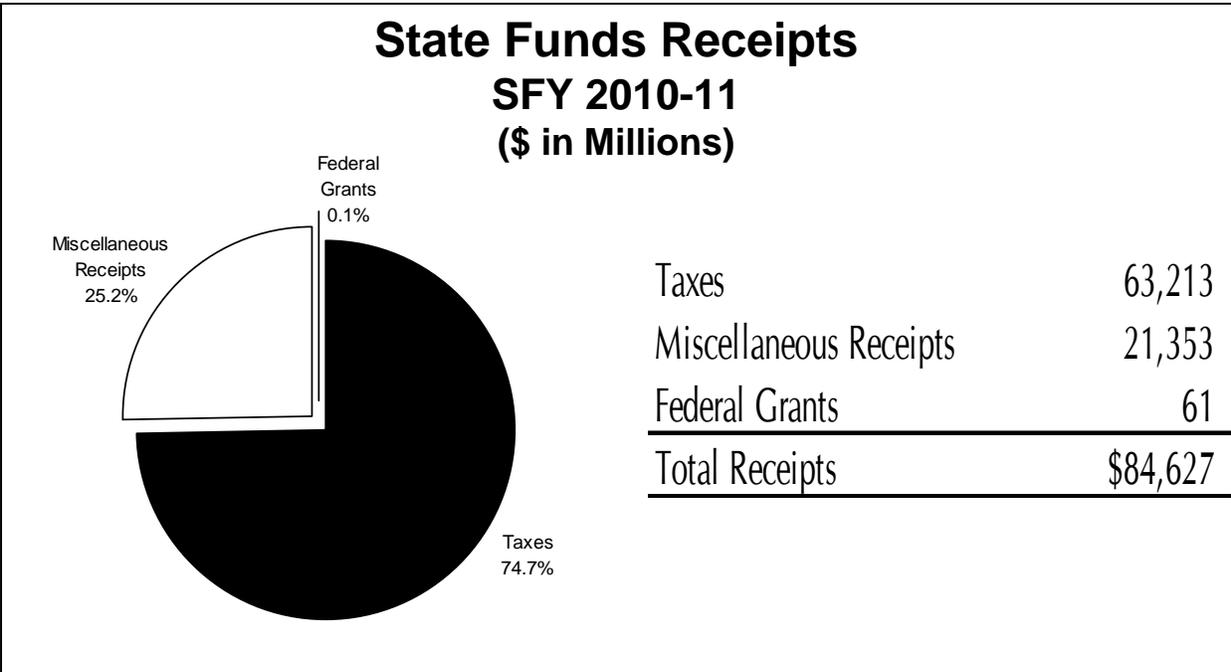


Figure 10

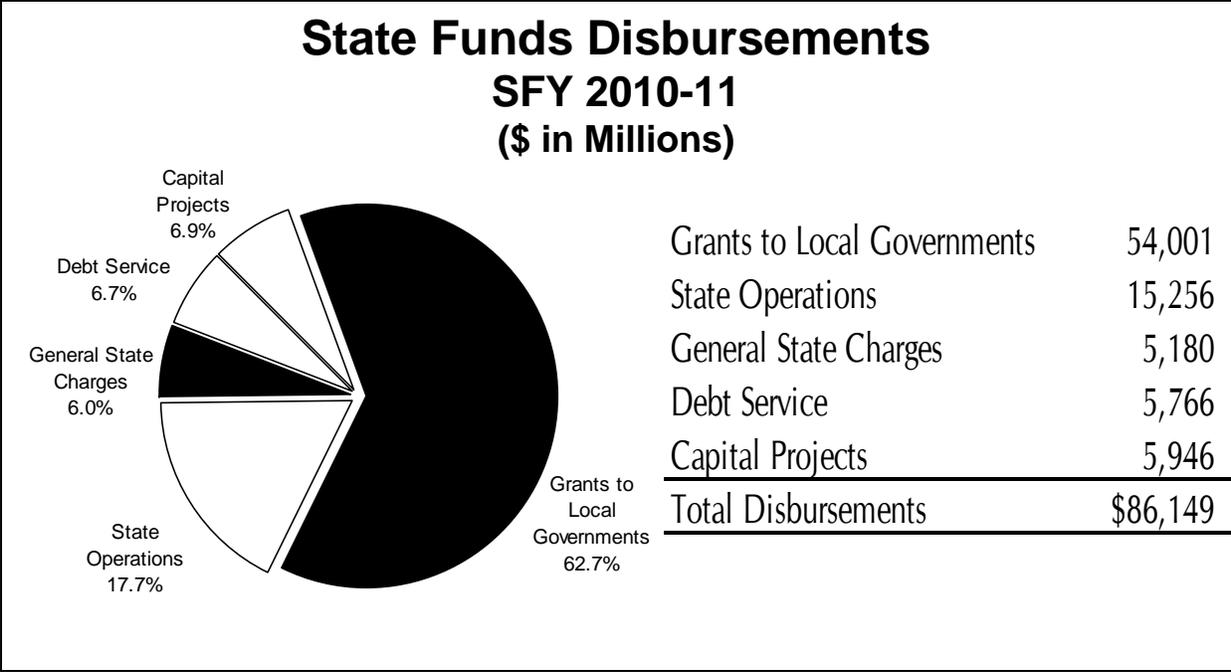


Figure 11

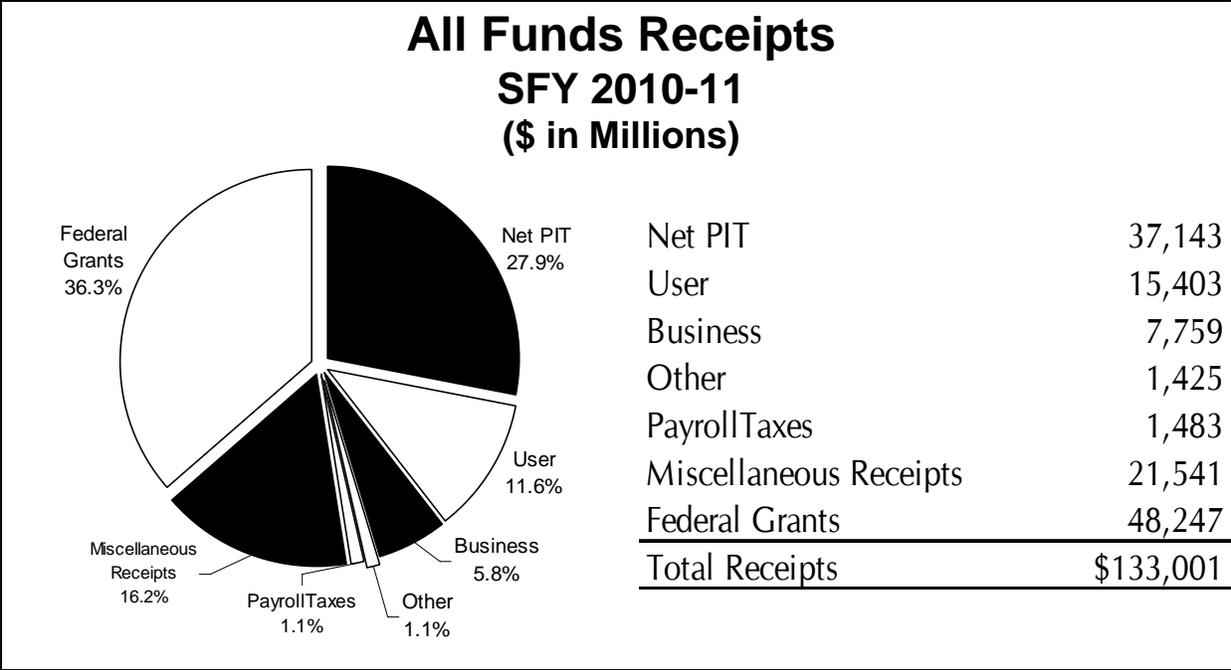


Figure 12

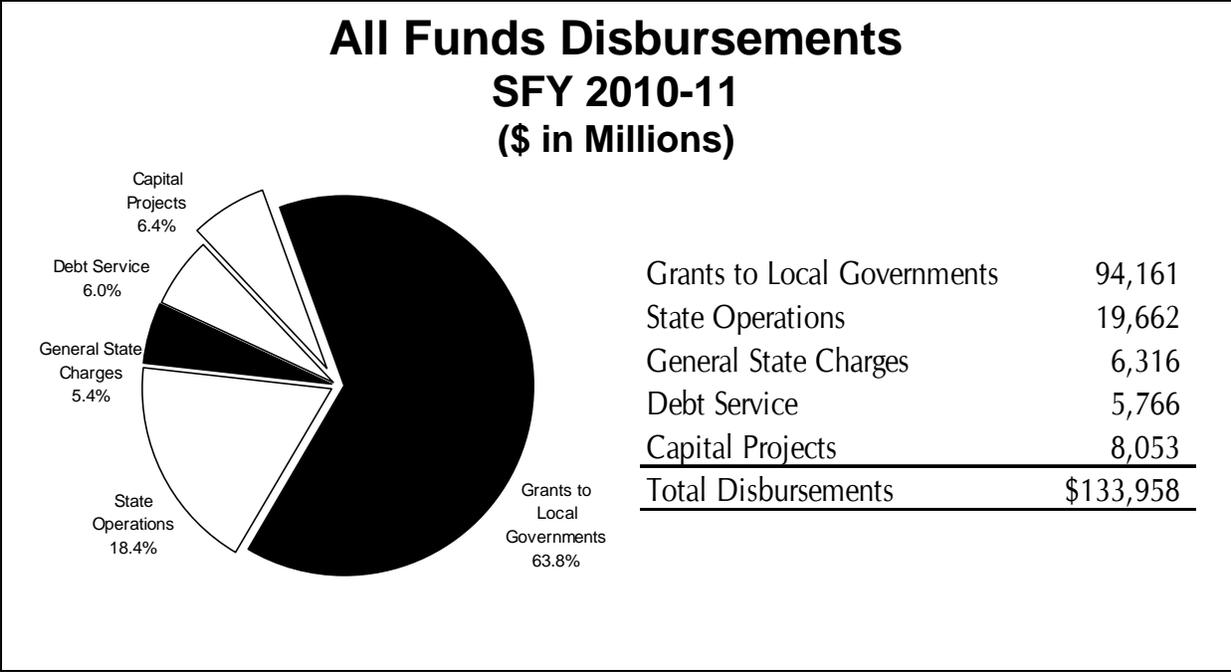
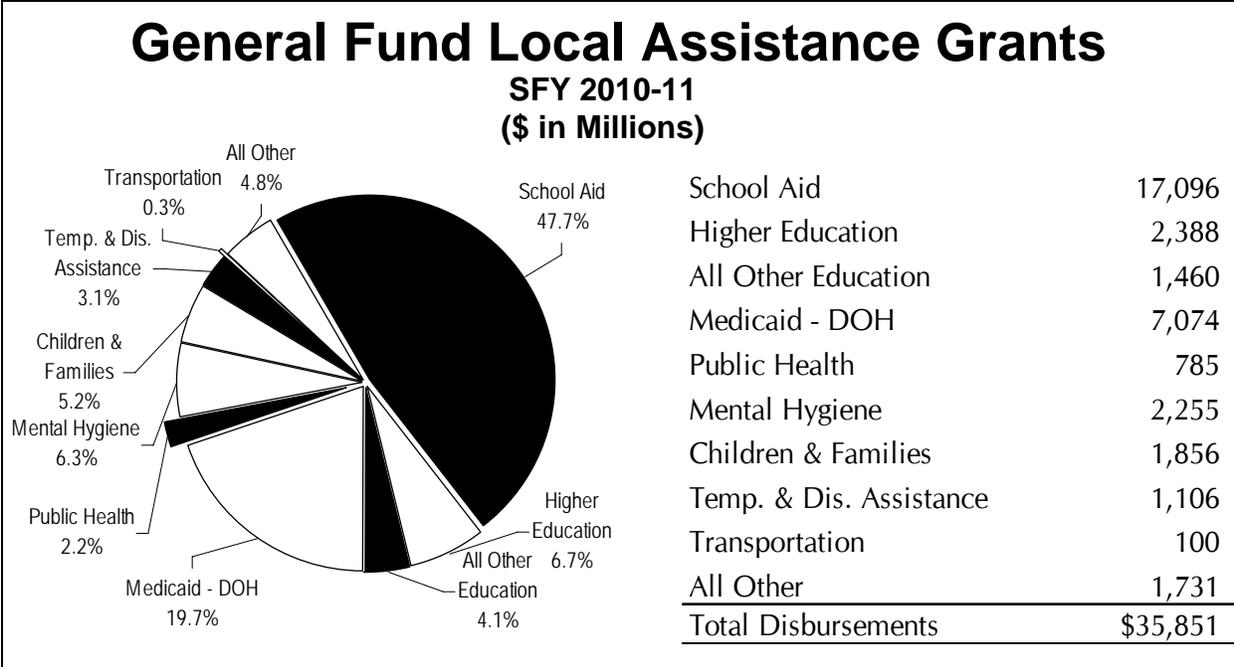
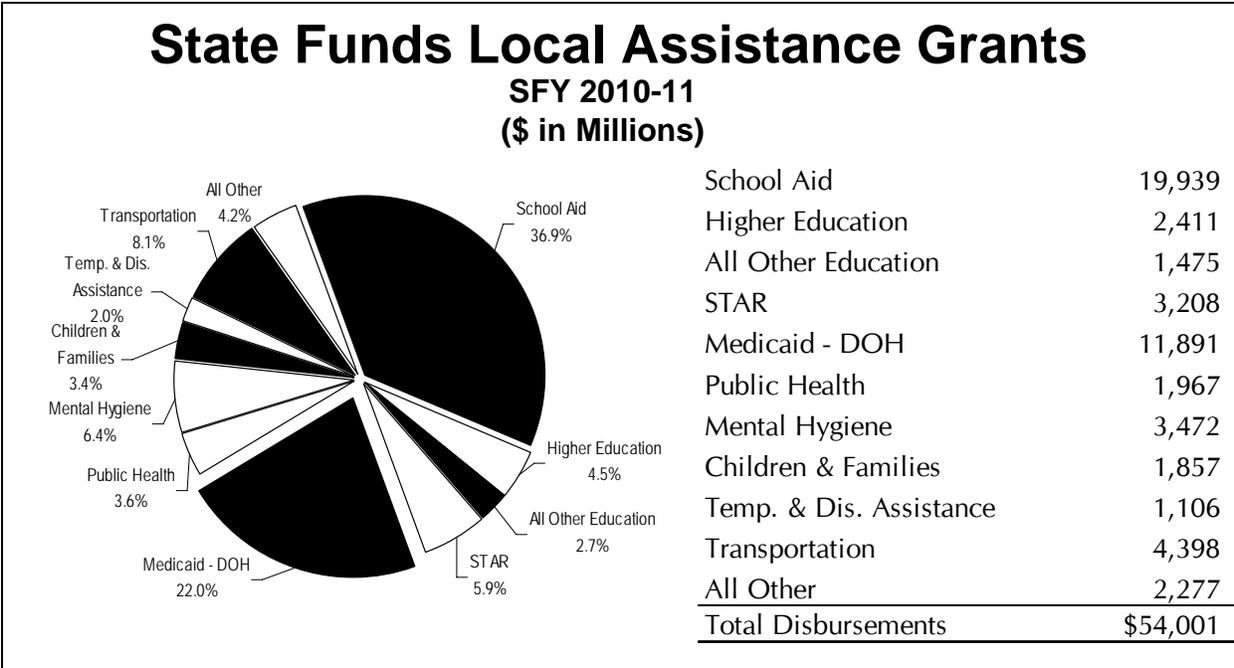


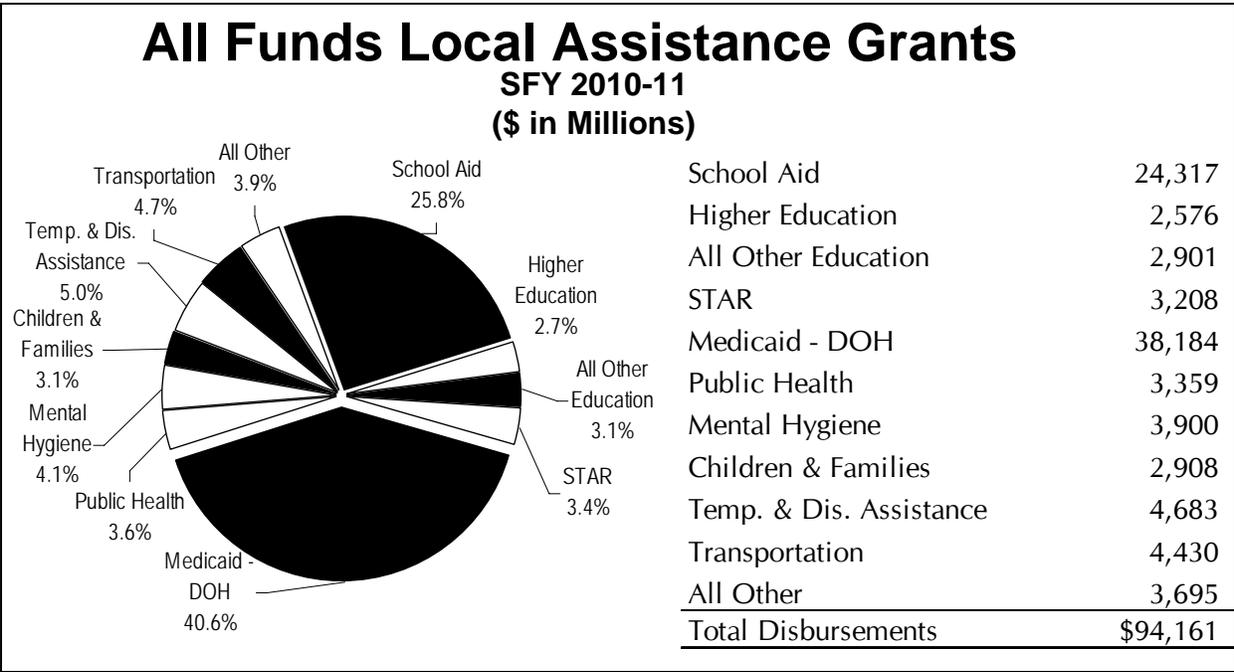
Figure 13



**Figure 14**



**Figure 15**



**Figure 16**

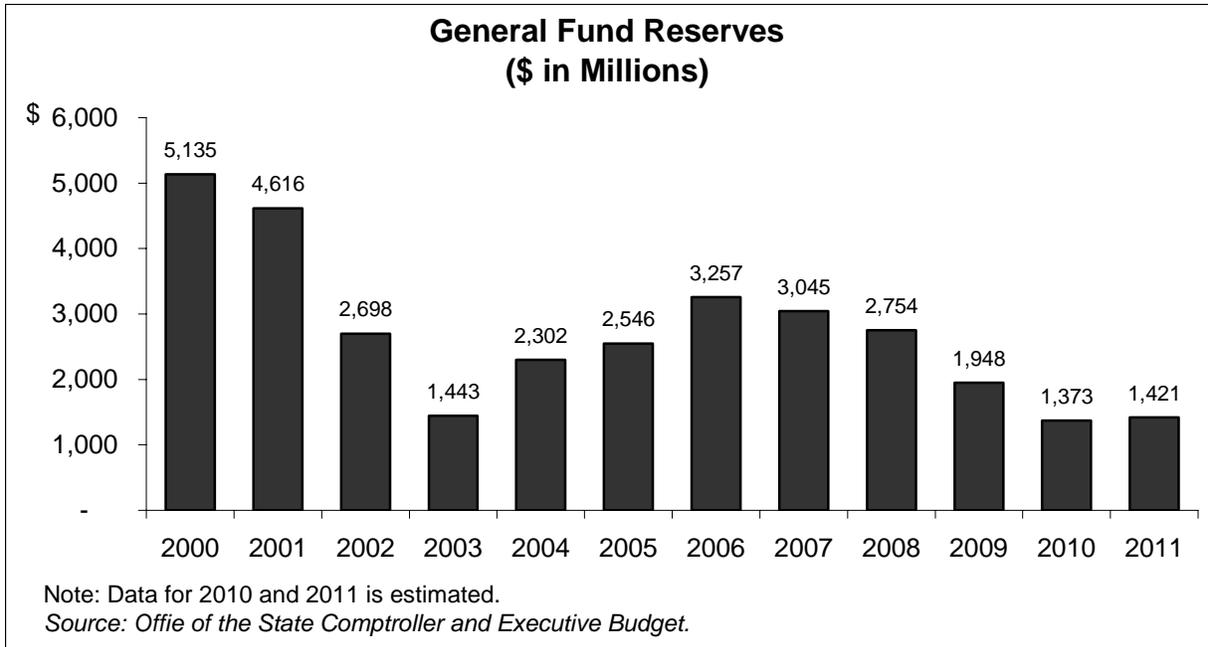
## Fund Balance and Reserves

The Executive budget shows virtually no change in the year end closing balance from this year to next year. The Executive estimates the SFY 2010-11 General Fund closing balance will be \$1.4 billion, maintaining \$1 billion in the Tax Stabilization Reserve Fund, \$21 million in

the Contingency Reserve Fund and \$175 million in the Rainy Day Reserve. The Tax Stabilization Reserve Fund is a constitutionally restricted fund that can only be used in the event of a revenue shortfall or deficit during a fiscal year.

Table 16

<b>Closing Fund Balance (\$ in Millions)</b>		
	<b>2009-10</b>	<b>2010-11</b>
Tax Stabilization Reserve Fund	1,031	1,031
Statutory Rainy Day Reserve Fund	175	175
Contingency Reserve Fund	21	21
Community Projects Fund	73	121
Reserved for Debt Reduction	73	73
<b>Total</b>	<b>\$1,373</b>	<b>\$1,421</b>



**Figure 17**

### **Pension Deferral Plan**

The Executive proposes to amortize the State pension contribution costs to save \$216.7 million in the General Fund for SFY 2010-11. An additional amount of pension contribution of \$5 billion will be amortized over the next five years with total repayment of \$7.4 billion. Under the Executive’s plan to amortize its pension contribution costs, the State will incur an additional \$2.1 billion in General Fund spending over the next 16 years.

Transportation CHIPs program, Economic Development and Mental Hygiene. The All Funds budget including Off-Budget spending is \$135.9 billion, an increase of \$668 million or 0.5 percent over SFY 2009-10 estimates.

In addition, as mentioned earlier, \$4.1 billion of university funding would be taken Off-budget.

### **Off-Budget Spending**

The cash Financial Plan does not reflect approximately \$2 billion in Off-budget spending. Off-budget spending is reported in the GAAP Financial Statement. The Off-budget spending consists mostly of \$1.9 billion in Capital projects spending for Higher Education facilities at SUNY and CUNY, Education EXCEL program,

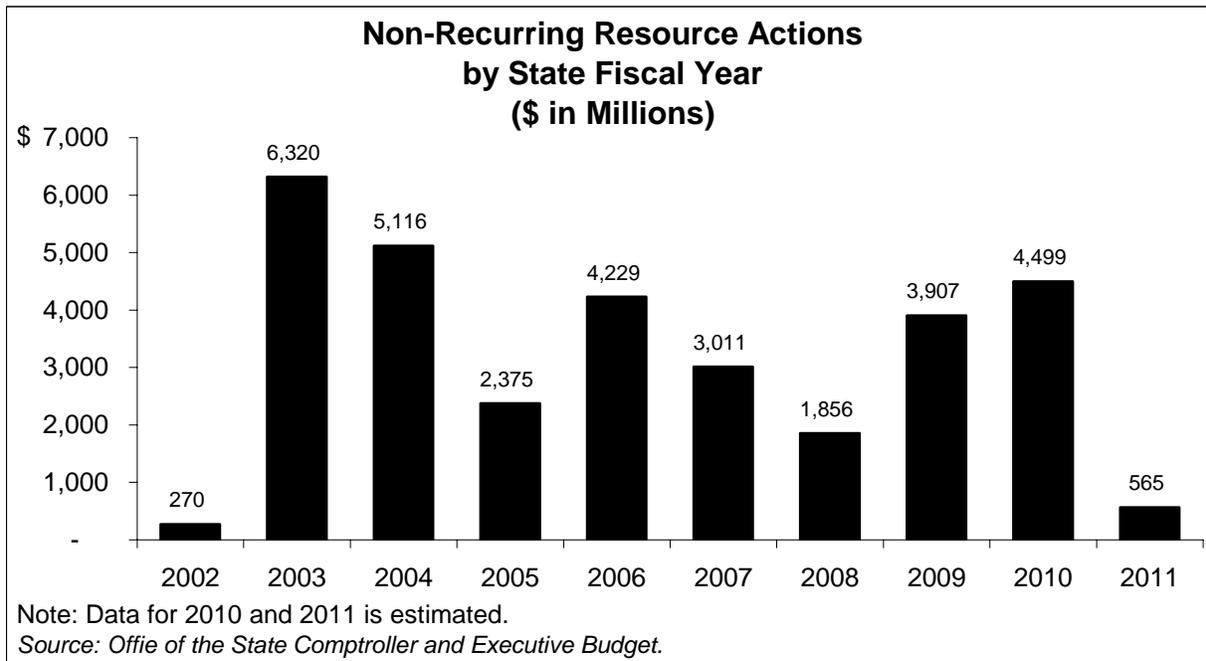
Table 17

<b>Executive's Estimate of Out-year Budget Gaps (\$ in Millions)</b>				
Gap Size in the General Fund				
	2010-11	2011-12	2012-13	2013-14
<b>Current Services Gap Estimates (before any actions)</b>	<b>(\$7,418)</b>	<b>(\$14,311)</b>	<b>(\$18,331)</b>	<b>(\$20,713)</b>
Deficit Reduction Actions (December 2009)	692	811	876	854
Proposed Spending Controls	4,870	5,340	5,358	6,184
Proposed Revenue Actions	1,856	1,874	1,609	1,448
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>(\$6,286)</b>	<b>(\$10,488)</b>	<b>(\$12,227)</b>
<i>Source: Executive Budget</i>				

### Out-year Services Gaps

Prior to the recommendations of the Executive Budget, the forecast for out-year budget gaps were calculated at \$7.4 billion in SFY 2010-11, \$14.3 billion in 2011-12, \$18.3 billion in 2012-13 and \$20.7 billion in 2013-14. (see Table 17)

The Executive proposes reducing the projected out-year gaps by the following: restraining spending in fastest growing programs, particularly healthcare, education and children and families; creative revenue generation such as the Syrup Excise Tax, Cigarette Tax, Medicaid Provider Assessment, and increasing fees and surcharges.



**Figure 18**

**Non-Recurring Action**

The Executive budget proposes \$565 million in non-recurring actions to support General Fund operations. These actions include a \$261 million use of TANF Emergency Contingency Fund; \$127 million is related to the timing of payment under the Physician’s Excess Medical Malpractice program; \$50 million in Lottery prize fund receipts to be invested in AAA-rate municipal bonds instead of US Treasury bonds; the recovery of \$32 million in excess aid payments to school districts from prior years; and \$95 million in available Special Revenue Fund balances and other resources.

In addition, for SFY 2009-10 the Executive proposes to delay \$500 million in Personal Income Tax refund to transfer

operating deficit into the following fiscal year.

As mentioned earlier, the Executive did not recognize \$10.1 billion in temporary budget closing actions as non-recurring this year.

Table 18

<b>PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY</b>				
<b>ALL FUNDS</b>				
<b>(\$ in Thousands)</b>				
	<b>Estimated 2009-10</b>	<b>Proposed 2010-11</b>	<b>Change</b>	<b>Percent Change</b>
<b>Health &amp; Social Welfare</b>				
Medical Assistance	\$38,338,069	\$38,184,325	(\$153,744)	(0.4)
Income Maintenance	5,364,499	5,106,653	(257,846)	(4.8)
Health	4,543,136	4,708,639	165,503	3.6
Other	5,656,448	5,148,337	(508,111)	(9.0)
<b>Health - Total</b>	<b>\$53,902,152</b>	<b>\$53,147,954</b>	<b>(\$754,198)</b>	<b>(1.4)</b>
<b>Education</b>				
School Aid	\$24,601,563	\$24,191,240	(\$410,323)	(1.7)
State University	7,287,088	7,410,391	123,303	1.7
City University	1,663,720	1,383,542	(280,178)	(16.8)
Other	4,577,195	4,626,631	49,436	1.1
<b>Education - Total</b>	<b>\$38,129,566</b>	<b>\$37,611,804</b>	<b>(\$517,762)</b>	<b>(1.4)</b>
<b>Star Property Tax Relief</b>	<b>\$3,419,450</b>	<b>\$3,207,570</b>	<b>(\$211,880)</b>	<b>(6.2)</b>
<b>Mental Health</b>				
Mental Health	\$3,212,365	\$3,413,532	\$201,167	6.3
Developmentally Disabled	4,269,833	4,464,575	194,742	4.6
Other	587,969	620,865	32,896	5.6
<b>Mental Health - Total</b>	<b>\$8,070,167</b>	<b>\$8,498,972</b>	<b>\$428,805</b>	<b>5.3</b>
<b>Transportation</b>	<b>\$8,240,165</b>	<b>\$9,137,728</b>	<b>\$897,563</b>	<b>10.9</b>
<b>Public Protection</b>	<b>\$5,013,043</b>	<b>\$4,800,729</b>	<b>(\$212,314)</b>	<b>(4.2)</b>
<b>General Government</b>	<b>\$1,315,126</b>	<b>\$1,370,601</b>	<b>\$55,475</b>	<b>4.2</b>
<b>Parks and the Environment</b>	<b>\$1,461,614</b>	<b>\$1,319,379</b>	<b>(\$142,235)</b>	<b>(9.7)</b>
<b>Econ Dev &amp; Govt Oversight</b>	<b>\$1,676,955</b>	<b>\$1,718,242</b>	<b>\$41,287</b>	<b>2.5</b>
<b>All Others</b>				
Local Government Assistance	\$1,084,848	\$768,867	(\$315,981)	(29.1)
General State Charges	3,121,137	3,352,040	230,903	7.4
Long Term Debt Service	4,995,826	5,858,374	862,548	17.3
Other	2,744,235	3,166,217	421,982	15.4
<b>All Others - Total</b>	<b>\$11,946,046</b>	<b>\$13,145,498</b>	<b>\$1,199,452</b>	<b>10.0</b>
<b>Total</b>	<b>\$133,174,284</b>	<b>\$133,958,477</b>	<b>\$784,193</b>	<b>0.6</b>

Source: Executive Budget.

Table 19

<b>PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY</b>				
<b>STATE FUND</b>				
<b>(\$ in Thousands)</b>				
	<b>Estimated 2009-10</b>	<b>Proposed 2010-11</b>	<b>Change</b>	<b>Percent Change</b>
<b>Health &amp; Social Welfare</b>				
Medical Assistance	\$10,983,775	\$12,251,702	\$1,267,927	11.5
Income Maintenance	1,396,114	1,213,363	(182,751)	(13.1)
Health	\$2,705,055	\$2,895,316	190,261	7.0
Other	2,766,053	2,488,458	(277,595)	(10.0)
<b>Health - Total</b>	<b>\$17,850,997</b>	<b>\$18,848,839</b>	<b>\$997,842</b>	<b>5.6</b>
<b>Education</b>				
School Aid	\$20,345,073	\$19,813,140	(\$531,933)	(2.6)
State University	7,021,916	7,081,018	59,102	0.8
City University	1,649,990	1,350,763	(299,227)	(18.1)
Other	2,937,039	2,850,997	(86,042)	(2.9)
<b>Education - Total</b>	<b>\$31,954,018</b>	<b>\$31,095,918</b>	<b>(\$858,100)</b>	<b>(2.7)</b>
<b>Star Property Tax Relief</b>	<b>\$3,419,450</b>	<b>\$3,207,570</b>	<b>(\$211,880)</b>	<b>(6.2)</b>
<b>Mental Health</b>				
Mental Health	\$2,049,988	\$2,142,367	\$92,379	4.5
Developmentally Disabled	2,152,584	2,236,582	83,998	3.9
Other	435,284	465,041	29,757	6.8
<b>Mental Health - Total</b>	<b>\$4,637,856</b>	<b>\$4,843,990</b>	<b>\$206,134</b>	<b>4.4</b>
<b>Transportation</b>	<b>\$6,399,589</b>	<b>\$6,947,628</b>	<b>\$548,039</b>	<b>8.6</b>
<b>Public Protection</b>	<b>\$4,385,011</b>	<b>\$4,248,639</b>	<b>(\$136,372)</b>	<b>(3.1)</b>
<b>General Government</b>	<b>\$1,146,084</b>	<b>\$1,146,852</b>	<b>\$768</b>	<b>0.1</b>
<b>Parks and the Environment</b>	<b>\$1,067,511</b>	<b>\$915,311</b>	<b>(\$152,200)</b>	<b>(14.3)</b>
<b>Econ Dev &amp; Govt Oversight</b>	<b>\$1,661,122</b>	<b>\$1,705,036</b>	<b>\$43,914</b>	<b>2.6</b>
<b>All Others</b>				
Local Government Assistance	\$1,084,848	\$768,867	(\$315,981)	(29.1)
General State Charges	3,121,137	3,352,040	230,903	7.4
Long Term Debt Service	4,995,826	5,858,374	862,548	17.3
Other	\$2,917,329	\$3,211,019	293,690	10.1
<b>All Others - Total</b>	<b>\$12,119,140</b>	<b>\$13,190,300</b>	<b>\$1,071,160</b>	<b>8.8</b>
<b>Total</b>	<b>\$84,640,778</b>	<b>\$86,150,083</b>	<b>\$1,509,305</b>	<b>1.8</b>

Source: Executive Budget.

Table 20

<b>PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY</b>				
<b>GENERAL FUND</b>				
<b>(\$ in Thousands)</b>				
	<b>Estimated 2009-10</b>	<b>Proposed 2010-11</b>	<b>Change</b>	<b>Percent Change</b>
<b>Health &amp; Social Welfare</b>				
Medical Assistance	\$6,033,907	\$6,592,771	\$558,864	9.3
Income Maintenance	1,355,967	1,168,159	(187,808)	(13.9)
Health	7,539,194	8,210,097	670,903	8.9
Other	(3,885,637)	(4,385,409)	(499,772)	12.9
<b>Health - Total</b>	<b>\$11,043,431</b>	<b>\$11,585,618</b>	<b>\$542,187</b>	<b>4.9</b>
<b>Education</b>				
School Aid	\$17,519,073	\$16,970,140	(\$548,933)	(3.1)
State University	1,842,339	1,615,586	(226,753)	(12.3)
City University	1,526,282	1,199,983	(326,299)	(21.4)
Other	2,574,092	2,505,239	(68,853)	(2.7)
<b>Education - Total</b>	<b>\$23,461,786</b>	<b>\$22,290,948</b>	<b>(\$1,170,838)</b>	<b>(5.0)</b>
<b>Mental Health</b>				
Mental Health	\$112,367	\$113,048	\$681	0.6
Developmentally Disabled	1,533,319	1,593,603	60,284	3.9
Other	548,873	554,245	5,372	1.0
<b>Mental Health - Total</b>	<b>\$2,194,559</b>	<b>\$2,260,896</b>	<b>\$66,337</b>	<b>3.0</b>
<b>Transportation</b>	<b>\$65,267</b>	<b>\$100,975</b>	<b>\$35,708</b>	<b>54.7</b>
<b>Public Protection</b>	<b>\$3,672,498</b>	<b>\$3,326,773</b>	<b>(\$345,725)</b>	<b>(9.4)</b>
<b>General Government</b>	<b>\$720,361</b>	<b>\$729,187</b>	<b>\$8,826</b>	<b>1.2</b>
<b>Parks and the Environment</b>	<b>\$279,998</b>	<b>\$240,244</b>	<b>(\$39,754)</b>	<b>(14.2)</b>
<b>Econ Dev &amp; Govt Oversight</b>	<b>\$256,630</b>	<b>\$226,546</b>	<b>(\$30,084)</b>	<b>(11.7)</b>
<b>All Others</b>				
Local Government Assistance	\$1,084,848	\$768,867	(\$315,981)	(29.1)
General State Charges/Misc	3,129,497	3,846,398	716,901	22.9
Other	2,823,025	2,928,013	104,988	3.7
<b>All Other - Total</b>	<b>\$7,037,370</b>	<b>\$7,543,278</b>	<b>\$505,908</b>	<b>7.2</b>
<b>Transfers to Other Funds</b>	<b>\$5,397,527</b>	<b>\$6,217,548</b>	<b>\$820,021</b>	<b>15.2</b>
<b>Total</b>	<b>\$54,129,427</b>	<b>\$54,522,013</b>	<b>392,586</b>	<b>0.7</b>

Source: Executive Budget.

Table 21

<b>Out-year Disbursement Projections - General Fund</b>							
<b>(\$ in Thousands)</b>							
	<u>2010-11</u>	<u>2011-12</u>	<u>Annual</u> <u>\$ Change</u>	<u>2012-13</u>	<u>Annual</u> <u>\$ Change</u>	<u>2013-14</u>	<u>Annual</u> <u>\$ Change</u>
<b>Grants to Local Governments:</b>	<b>\$35,851</b>	<b>\$42,643</b>	<b>\$6,792</b>	<b>\$46,301</b>	<b>\$3,658</b>	<b>\$49,786</b>	<b>\$3,485</b>
School Aid	17,096	18,801	1,705	20,728	1,927	22,339	1,611
Medicaid (inc. administration)	7,074	11,095	4,021	12,130	1,035	13,622	1,492
Higher Education	2,389	2,557	168	2,644	87	2,731	87
Mental Hygiene	2,255	2,392	137	2,526	134	2,666	140
Children and Family Services	1,856	2,076	220	2,281	205	2,508	227
Other Education Aid	1,460	1,807	347	1,885	78	1,941	56
Temporary / Disability Assistance	1,106	1,435	329	1,572	137	1,581	9
All Other	2,615	2,480	(135)	2,535	55	2,398	(137)
<b>State Operations:</b>	<b>\$8,317</b>	<b>\$8,760</b>	<b>\$443</b>	<b>\$9,009</b>	<b>\$249</b>	<b>\$9,100</b>	<b>\$91</b>
Personal Service	6,399	6,690	291	6,889	199	6,903	14
Non-Personal Service	1,918	2,070	152	2,120	50	2,197	77
<b>General State Charges</b>	<b>\$4,136</b>	<b>\$4,411</b>	<b>\$275</b>	<b>\$4,615</b>	<b>\$204</b>	<b>\$5,009</b>	<b>\$394</b>
Pensions	1,519	1,673	154	1,870	197	2,334	464
Health Ins. (Active Employees)	1,826	2,009	183	2,177	168	2,357	180
Health Ins. (Retired Employees)	1,184	1,304	120	1,416	112	1,536	120
Fringe Benefit Escrow	(2,334)	(2,535)	(201)	(2,731)	(196)	(2,819)	(88)
All Other	1,941	1,960	19	1,883	(77)	1,601	(282)
<b>Transfers to Other Funds:</b>	<b>\$6,218</b>	<b>\$7,498</b>	<b>\$1,280</b>	<b>\$7,979</b>	<b>\$481</b>	<b>\$8,429</b>	<b>\$450</b>
State Share Medicaid	\$2,536	\$3,115	579	\$3,117	2	\$3,083	(34)
Debt Service	1,831	1,757	(74)	1,743	(14)	1,675	(68)
Capital Projects	1,084	1,337	253	1,485	148	1,646	161
All Other	767	1,289	522	1,634	345	2,025	391
<b>TOTAL DISBURSEMENTS</b>	<b>\$54,522</b>	<b>\$63,312</b>	<b>\$8,790</b>	<b>\$67,904</b>	<b>\$4,592</b>	<b>\$72,324</b>	<b>\$4,420</b>
<i>Annual Percent Change</i>		16.1%		7.3%		6.5%	

## CAPITAL PROGRAM AND FINANCING PLAN

### The Five-Year Capital Plan

The Executive is proposing a \$48.8 billion Five-Year Capital Plan (see Table 22). The \$10.8 billion Capital Plan for SFY 2010-11 has increased by 8 percent, or \$765 million, from SFY 2009-10 and includes “Off-budget spending” of \$1.9 billion from bond proceeds by public authorities. Nevertheless, new capital initiatives have been significantly reduced and existing projects have been prioritized in order to contain costs. (see Table 23)

The Capital Plan for SFY 2010-11 will include the Capital Reduction Program which will decrease previously planned projects financed with debt by extending the period of time in which the capital projects will be implemented. The five-year plan will save \$1.8 billion in

capital costs resulting in a direct savings of \$360 million in debt service costs, thereby negating any exposure to debt service cap limits.

This new program will continue to maintain critical investments in infrastructure and health and safety while deferring or eliminating lower priority projects. The Dedicated Highway and Bridge Trust Fund support for DOT Highway and Bridge program will not be reduced. For this fiscal year it is estimated that the State will save \$238 million in capital costs and approximately \$10 million in debt service savings. \$1.8 billion also includes a savings of \$147 million in capital reduction savings in 2009-10.

**Table 22**

<b>Capital Spending by Function 5-Year Plan (\$ in Thousands)</b>						
<b>Spending</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>Total 5-Yr</b>
Transportation	\$4,945,845	\$5,103,788	\$5,144,270	\$5,086,141	\$4,894,674	\$25,174,718
Other Higher Education/ Education Programs	1,925,661	1,739,458	1,594,019	1,648,231	1,674,086	\$8,581,455
Economic Development & Gov't. Oversight	1,144,711	952,691	460,501	498,800	442,671	\$3,499,374
Mental Hygiene	483,650	668,408	755,462	666,987	667,474	\$3,241,981
Parks and Environment	765,096	514,651	509,396	477,596	473,304	\$2,740,043
Health and Social Welfare	522,776	708,958	333,913	227,349	153,518	\$1,946,514
Public Protection	409,014	396,271	368,105	372,302	374,643	\$1,920,335
Education - EXCEL	211,054	200,000	-	-	-	\$411,054
General Government	90,301	97,424	122,863	81,619	72,633	\$464,840
Other	258,957	201,700	172,900	100,000	100,000	\$833,557
<b>Total</b>	<b>\$10,757,065</b>	<b>\$10,583,349</b>	<b>\$9,461,429</b>	<b>\$9,159,025</b>	<b>\$8,853,003</b>	<b>\$48,813,871</b>

Table 23

<b>Capital Reduction Program</b> <b>Spending Decreases from Current-Services Forecast by Function</b> <b>2010-11 through 2014-2015</b> <b>(\$ in Thousands)</b>						
<b>Spending</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>Total 5-Yr*</b>
Transportation	(\$10,478)	(\$12,480)	(\$11,333)	(\$10,608)	(\$10,383)	(\$55,282)
Parks and Environment	(27,900)	(10,200)	(6,000)	(42,800)	(47,200)	(134,100)
Economic Development & Gov't. Oversight	(48,165)	(65,220)	(93,160)	(64,220)	(48,165)	(318,930)
Health and Social Welfare	(6,664)	(10,403)	(15,353)	(7,012)	(6,798)	(46,230)
Education/ Higher Education Programs	(72,516)	(107,300)	(157,691)	(190,615)	(207,291)	(735,413)
Public Protection	(13,535)	(28,529)	(33,695)	(43,998)	(42,657)	(162,414)
Mental Hygiene	(56,872)	(44,167)	(25,813)	(16,564)	(15,964)	(159,380)
General Government	(1,908)	(4,076)	(2,137)	(2,441)	(2,367)	(12,929)
<b>Total 5-Year Savings</b>	<b>(\$238,038)</b>	<b>(\$282,375)</b>	<b>(\$345,182)</b>	<b>(\$378,258)</b>	<b>(\$380,825)</b>	<b>(\$1,624,678)</b>
<b>Savings in 2009-10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$147,000)</b>
<b>Grand Total Savings</b>	<b>(\$238,038)</b>	<b>(\$282,375)</b>	<b>(\$345,182)</b>	<b>(\$378,258)</b>	<b>(\$380,825)</b>	<b>(\$1,771,678)</b>
Estimate Debt Service Savings	(\$10,000)	(\$37,000)	(\$78,000)	(\$100,000)	(\$135,000)	(\$360,000)

Table 24

Capital Spending by Financing Sources SFY 2009-10 through SFY 2014-15 (\$ in Thousands)						
Financing	SFY 10-11	SFY 11-12	SFY 12-13	SFY 13-14	SFY 14-15	TOTAL 5-Yr
State Pay-As-You-Go	\$2,249,708	\$2,674,298	\$2,509,026	\$2,563,219	\$2,691,512	\$12,687,763
Federal Pay-As-You-Go	2,635,151	2,576,704	2,616,768	2,531,636	2,346,055	\$12,706,314
General Obligation	586,183	495,494	428,043	343,290	310,262	\$2,163,272
Public Authority	<u>5,286,023</u>	<u>4,836,853</u>	<u>3,907,592</u>	<u>3,720,880</u>	<u>3,505,174</u>	<u>\$21,256,522</u>
<b>Total</b>	<b>\$10,757,065</b>	<b>\$10,583,349</b>	<b>\$9,461,429</b>	<b>\$9,159,025</b>	<b>\$8,853,003</b>	<b>\$48,813,871</b>

### State Financing of Capital Projects

The State uses four different financing sources to support its programs: State Pay-as-you-go (PAYGO), Federal PAYGO, General Obligation Bonding, and Public Authority Bonding. (see Table 24)

The Executive proposes to finance the Five-Year Capital program with a combination of PAYGO and bonded resources. State PAYGO is estimated to be \$2.25 billion or 20.91 percent; Federal PAYGO \$2.6 billion or 24.5 percent; General Obligation bonding of \$590 million or 5.45 percent; and Public Authority bonding \$5.29 billion or 49.14 percent.

#### PAYGO

##### State

State PAYGO resources consists of General Fund taxes, other taxes and user fees dedicated for specific capital programs, repayment from Local Government and Public Authorities for their share of the projects, and transfers from other funds including the General Fund. Capital Projects financed by State PAYGO Resources will total \$2.25 billion

for SFY 2010-11. (see Table 25) Capital spending supported by General Fund receipts is classified as a transfer to the various Capital Projects Funds. Transfers to capital projects from the General Fund are estimated to be \$1.1 billion in SFY 2010-11 and up to \$1.5 billion annually over the Five Year Plan. General Fund transfers to capital projects essentially finances non-bond eligible capital spending, including minor rehabilitation of facilities operated by Office of General Services, Department of Environmental Conservation, Parks and the Department of Mental Hygiene. General Fund transfers also includes: \$5 million annually to the Hazardous Waste Remedial Fund to support the State Superfund program.

Over \$866 million will be annually designated for the Dedicated Highway Bridge and Trust Fund (DHBTf) from various transportation taxes.

**Table 25**

<b>Five-Year Capital Projects Financed by State PAYGO Resources (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
Transportation	\$1,362,236
Parks and Environment	210,764
Economic Dev. & Gov't Oversight	102,575
Health and Social Welfare	254,500
Education	170,431
Public Protection	16,549
Mental Hygiene	79,924
General Government	48,729
Other	4,000
<b>Total State PAYGO Financing</b>	<b>\$2,249,708</b>

*Federal*

Federal PAYGO resources for SFY 2010-11 year will total \$2.64 billion, portioned primarily to transportation (\$2.1 billion) and Environmental projects (\$340 million). The Capital Plan for federal spending will also include \$205 million for Department of Health Safe Drinking Water projects. Federal PAYGO supports spending financed by grants from the federal government, earmarked for highways and bridges, drinking water and water pollution control facilities, public protection and housing and will total \$12.7 billion over the five-year capital plan. (see Table 26)

**Table 26**

<b>Federal PAYGO Resources (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
Transportation	\$2,107,744
Parks and Environment	340,289
Economic Dev. & Gov't Oversight	3,000
Health and Social Welfare	89,118
Public Protection	45,000
Other	50,000
<b>Total Federal PAYGO Financing</b>	<b>\$2,635,151</b>

**Bond Financing**

*General Obligation*

General Obligation bonds are voter-approved and therefore backed by the taxing authority of the State.

**Table 27**

<b>Five-Year Capital Projects Financed by General Obligation Resources (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
Transportation	\$529,740
Parks and Environment	56,443
<b>Total General Obligation Financing</b>	<b>\$586,183</b>

There are nine voter approved bond acts, five for transportation, four for parks and environment. The financing for the 2005 Rebuild and Renew New York Bond Act currently takes up the bulk of the General Obligation financing. It is projected that spending authorizations from seven of the eight acts will be exhausted by 2013. The State expects to issue \$606 million of general obligation bonds for Rebuild and Renew New York Transportation Bond Act of 2005 and \$549 million of other transportation purposes and \$57 million of clean water/clean air and other environmental bond acts. (see Table 27)

*Public Authority*

Public Authority bonds will be issued to support bond-financed capital projects over the plan. The security for these State supported debts issued by State public authorities is provided by the appropriations of the Legislature in the Debt Service Appropriation Bill.

**Table 28**

<b>Five-Year Capital Projects Financed by Authority Bonds Resources (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
Transportation	\$946,125
Parks and Environment	157,600
Economic Dev. & Gov't Oversight	1,039,136
Health and Social Welfare	179,158
Education	1,966,284
Public Protection	347,465
Mental Hygiene	403,726
General Government	41,572
Other	204,957
<b>Total Authority Bonds Financing</b>	<b>\$5,286,023</b>

The SFY 2010-11 five-year Capital Plan will finance \$5.28 billion through the issuance of Authority Bonds. Transportation, Economic Development and Government Oversight and Education programs are heavily supported by Authority Bonds. Proceeds of authority bonds will fund \$946 million in transportation projects, \$1.97 billion in Education projects and \$1.04 billion in Economic Development and Government Oversight projects.

State Personal Income Tax (PIT) Revenue Bonds will finance \$800 million of Economic Development initiatives to support the following programs: SIP, Economic Development Projects for the Buffalo area, AMD, CEFAP, the Regional Economic Growth Program, the New York State Economic Development Program, high technology and other business investment programs. State PIT Revenue Bonds will also fund \$1.9 billion for Education, \$164 million for Environmental, \$454 million for Transportation, \$127 million for Health Care and \$885 million for State Facilities and Equipment Bonds. The remaining

\$956 million in 2010-11 will be financed by other revenue credits. (see Table 28)

**Executive SFY 2010-11 proposal for State-supported Debt Outstanding**

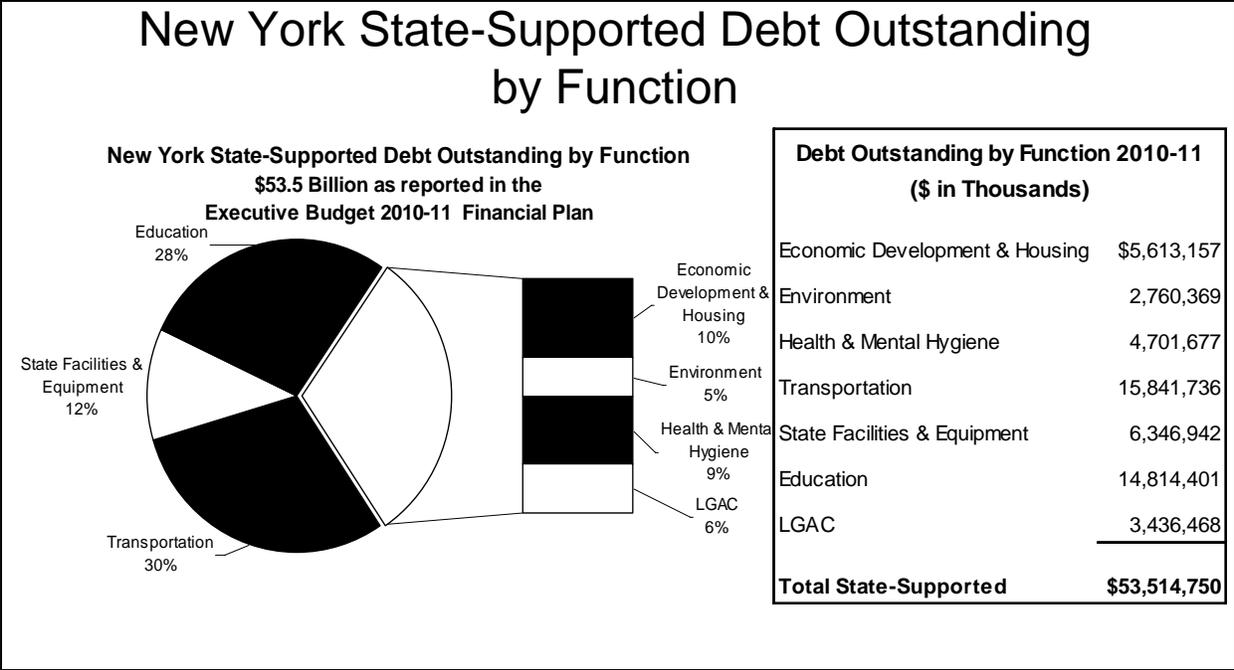
Total amount of state-supported debt outstanding will total \$53.5 billion and increase of \$3.06 billion over SFY 2009-10 (see Table 29). This is offset by \$2.8 billion in debt retirements and \$5.9 billion in state-supported debt issuances. NYS state-supported debt will be issued through the following financing programs: \$606 million in General Obligation Bonds (which includes Environment and Transportation) financing; \$4.36 billion Revenue Bonds (Economic Development and Housing, Education, Environment, Health and Mental Hygiene, State Facilities and Equipment, and Transportation); \$932 million in Other Revenue (which includes Education, Health and Mental Hygiene and Transportation).

**Table 29**

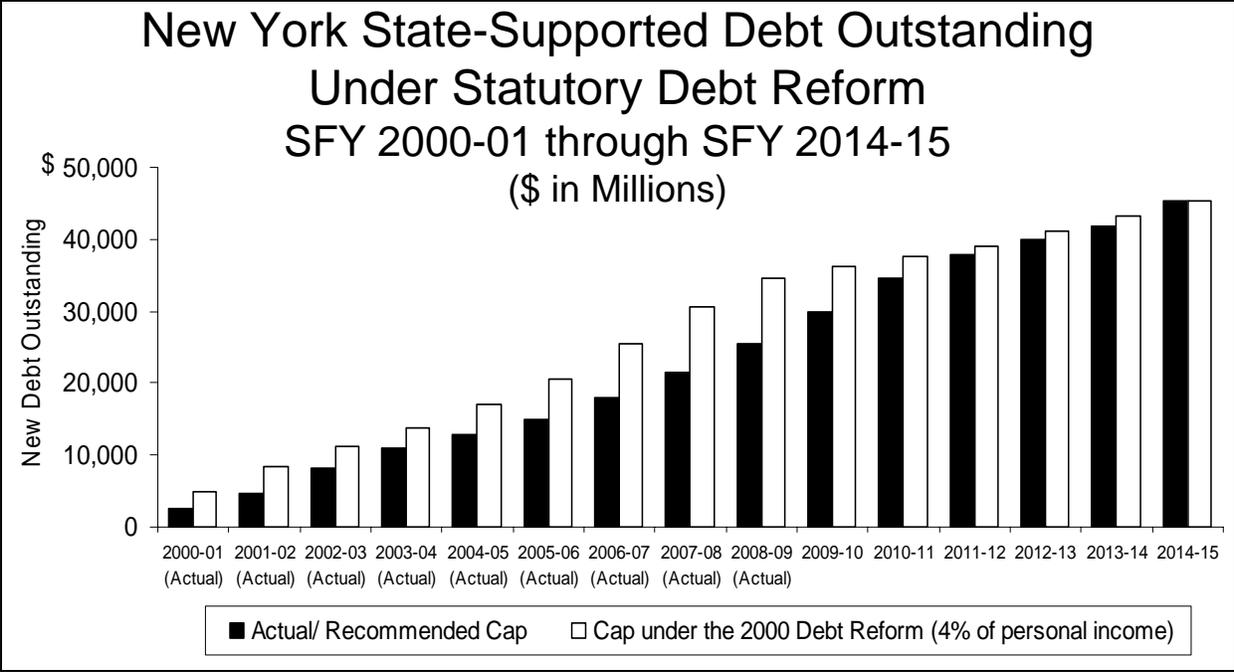
<b>Projected Debt Outstanding (\$ in Thousands)</b>		
	<b>SFY 2009-10</b>	<b>Projected SFY 2010-11</b>
General Obligation	\$3,399,091	\$3,644,235
LGAC	3,638,940	3,436,468
PA Debt -Other Lease-Purchase & Contractual Obligation (Revenue Bonds)	<u>\$43,413,353</u>	<u>\$46,434,047</u>
<b>Total State-supported Debt</b>	<b>\$50,451,384</b>	<b>\$53,514,750</b>
Other State Obligations:		
Tobacco	\$3,256,805	\$2,929,550
All Other	<u>\$1,123,039</u>	<u>\$1,037,852</u>
<b>Total State-related Debt</b>	<b>\$54,831,228</b>	<b>\$57,482,152</b>

Transportation and Education, which make up 30 percent and 28 percent of debt outstanding, dominate the State's obligations. The remaining obligations by function of debt outstanding are 12 percent in State Facilities and Equipment, six percent in LGAC, nine

percent in Health and Mental Hygiene, five percent in Environment, 10 percent in Economic Development and Housing, five percent in Tobacco and two percent in other areas. (see Figure 19)



**Figure 19**



**Figure 20**

## General Obligation Bond (GO) Financing

General Obligation Bonds are issued with the full faith and credit of the State by voter authorization. Only 5 percent of total State-supported debt outstanding is GO bond debt. The \$3.64 billion in outstanding GO bonds represents: \$77.5 million in Economic Development and Housing; \$1.44 billion in Environment, and \$2.13 billion in Transportation. For SFY 2010-11 the State will pay \$503 million in GO debt service and will issue \$606 million in bonds.

General obligation bonds are the only debt obligations that the State is required to pay for by law.

### Revenue Bonds

Personal Income Tax (PIT) Revenue Bonds are backed by 25 percent of Income Tax revenues. The following programs are supported by Revenue Bonds: Education, Environment, Transportation, Economic Development and Housing, Health Care, and State Facilities and Equipment. (see Table 30)

Specifically Education supports SUNY, CUNY, Expanding our Children's Education and Learning (EXCEL), NYS Office of Science and Technology, and Academic Research (NYSTAR); Environment supports State Revolving Fund, State Superfund, West Valley and other environmental projects; Transportation supports the CHIPs program to aid local transportation projects; Economic Development and Housing, Health Care, capital projects for the Division of Military and Naval Affairs

and equipment bonds, including for software development.

**Table 30**

<b>Revenue Bonds State-supported Debt Outstanding (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
<b>Revenue:</b>	
Education	\$8,615,263
Environment	1,184,881
Transportation	2,605,991
Economic Development & Housing	4,583,374
Health Care	960,446
State Facilities & Equipment	3,512,404
<b>Other Revenue:</b>	
Education - SUNY Dorms	1,089,100
Health & Mental Hygiene	
Health Income	299,760
Mental Health Services	3,397,471
LGAC - Sales Tax	3,436,468
Transportation - Dedicated Highway	7,752,200
<b>Total All Revenue Bonds</b>	<b>\$37,437,358</b>

Other Revenue Bonds are backed by a separate dedicated revenue stream relating to the projects that they fund, for example SUNY Dormitories would be backed by student fees.

### Service Contract and Lease-Purchase Agreements

The State enters into Service Contract and Lease-Purchase Agreements with Public Benefit Corporations, Municipalities and Other entities.

A lease-purchase agreement is a title asset that will revert back to the State at the end of the lease. Examples of these assets are: Capital Lease-Purchase Agreements (electronic data processing or telecommunications equipment) and Real

Property Capital Lease-Purchase  
Agreements.

**Table 31**

<b>Service Contract &amp; Lease-Purchase Agreements State-supported Debt Outstanding (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
Economic Development & Housing	\$952,286
Education	5,110,038
Environment	137,781
Health & Mental Hygiene	44,000
State Facilities & Equipment	2,834,539
Transportation	3,354,515
<b>Total</b>	<b>\$12,433,159</b>

These debt financings enable Hospitals, Schools and other facilities to purchase new technical equipment and other assets that would be too costly for them to purchase outright. (see Table 31)

**State-related Debt**

The Executive defines State-related debt to include the following debt obligations in addition to State-supported debt: Contingent Contractual Obligation (Tobacco Settlement Financing Corporation, DASNY/MCFFA Secured Hospital Program), Moral Obligation (Housing Finance Agency Moral Obligation Bonds, MCFFA Nursing Homes and Hospitals), State Guaranteed Debt (Job Development Authority) and State Funded Debt (MBAA Prior Year School Aid Claims).

Contingent Contractual Obligations are agreements by the State to fund the debt service payments related to a bonded debt issuance only in the case that debt service payments can't be made.

Moral Obligation bonds are issued by an authority to finance a revenue-producing

project. The debt is secured by project revenues with statutory provisions morally committing the State.

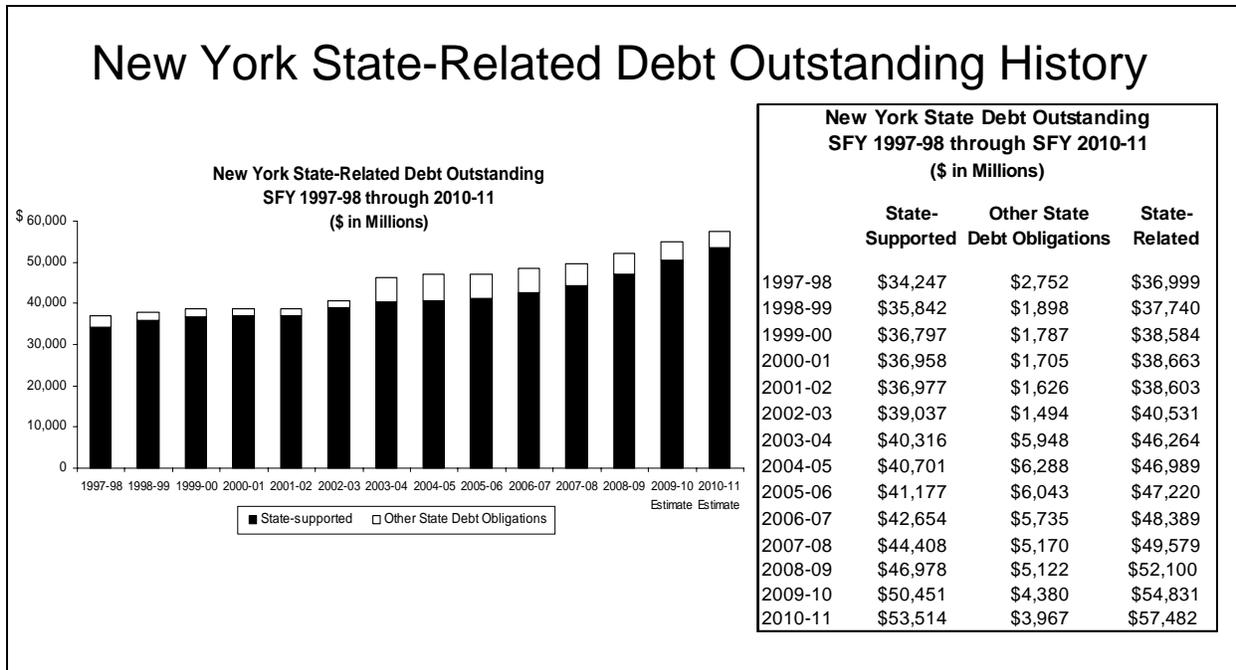
State Guaranteed debt is public authority debt that finances or guarantees loans which encourages economic development throughout the State and is limited to only \$750 million outstanding. Currently, State Guaranteed debt outstanding is \$23.2 million.

State Funded debt was created to enable the State to purchase delinquent tax liens from NYS Municipalities through the Municipal Bond Bank Agency (MBBA). Currently, State funded debt outstanding is \$395.8 million. (see Table 32)

**Table 32**

<b>State-related Debt Outstanding (Other State Debt Obligations in addition to State-supported) (\$ in Thousands)</b>	
	<b>SFY 2010-11</b>
<b>Contingent Contractual</b>	
DASNY/MCFFA Secured Hospitals Prg.	\$586,390
Tobacco Settlement Financing Corp.	2,929,550
<b>Moral Obligation</b>	
HFA Moral Obligation Bonds	29,987
MCFFA Nursing Homes & Hospitals	2,480
<b>State Guaranteed</b>	
Job Development Authority (JDA)	23,220
<b>State Funded</b>	
MBBA Prior Year School Aid Claims	395,775
<b>Total</b>	<b>\$3,967,402</b>

The Executive began reporting State related debt in their proposed SFY 2006-07 Executive Budget. The Executive also reports State-related debt in the Annual Information Statement (which is certified by the Comptroller). The use of State-related debt surfaced in SFY 2003-04 with the issuance of the Tobacco Bonds. (see Figure 21)



**Figure 21**

### New York State Credit Rating

The Executive has reported that New York State has maintained a favorable credit rating for its general obligation bonds. (see Table 33) A favorable rating by credit rating agencies lowers State borrowing costs and allows for greater access to financial markets.

**Table 33**

State of New York General Obligation Credit Ratings (as of January 2008)		
	Rating	Outlook
Fitch	AA-	Stable
Moody's Investor Service	Aa3	Stable
Standard and Poor's Ratings Services	AA	Stable

*Source: NYS DOB, Fitch, Moody's and S&P*

### American Recovery and Reinvestment Act of 2009 (ARRA)

The federal government initiated several bond programs through the ARRA in order to address the extraordinary pressing circumstances that were brought about during the 2008 banking crisis. Specifically, ARRA was crafted to open other access routes to the financial markets for States and their municipalities to issue debt in order to relieve the pressure and lack of liquidity on the tax-exempt market and lower borrowing costs. The programs that the State has incorporated into their bond issuing practices are the Building America Bond (BAB) Program and the Qualified School Construction Bonds (QSCB) program.

The BAB program enables States and municipalities to issue competitively in the conventional taxable corporate debt markets, which are more attractive to

pension funds and non-profit investors. The US Treasury Department will pay a 35 percent subsidy on the interest payments to the States. NYS has issued \$1.6 billion in taxable bonds under the BAB program in SFY 2009-10 which the Executive projects will result in approximately \$300 million in savings, after the federal subsidy.

The QSCB program was created to alleviate allocations of national bond volume cap for schools. This program enables State and local governments to finance public school construction projects and other eligible costs for public school with interest-free borrowings. Essentially this tax credit bond program allows state and local governments to issue bonds without interest cost because it gives investors a Federal tax credit instead of periodic interest payments. The federal program for QSCB's divides the \$11 billion national bond volume authorization for 2009 among states and 100 largest school districts based on Federal school funding. New York has been allocated \$192 million of QSCB capacity for 2009. The State sold \$58 million in QSCB bonds for EXCEL projects, which resulted in a debt service savings of approximately \$20 million. The State will sell the remaining \$134 million balance of the 2009 allocation during the 2010-11 fiscal year.

## ECONOMY

### The National Economy

The Executive acknowledges that the national recession is over, with the U.S. economy growing 2.2 percent in the third quarter of 2009. The Executive states that this growth was mainly driven by the Federal stimulus programs and acknowledges that U.S. overall economic growth was also helped by developing nations emerging from their own recession. Furthermore, the Executive posits that credit conditions and ongoing corrections in the housing market will dampen household and business spending in 2010.

#### *Investment*

The Executive estimates that nonresidential investment spending declined 18.1 percent in 2009 due primarily to prohibitive credit market conditions and the significant pullback in household spending. Nonresidential investment spending is forecast to fall another 1.2 percent in 2010.

#### *Employment*

Employment is expected to be flat in 2010, after falling 3.7 percent in 2009 (see Table 34). The Executive expects that the unemployment rate will average 9.8 percent in 2010 as labor market conditions improve and workers who had left rejoin the labor force.

#### *Corporate Profits*

The Executive estimates that corporate profits decreased 5.1 percent in 2009, the

third consecutive yearly decline. In 2010, the Executive forecasts corporate profits to increase 12.7 percent led by the financial sector.

#### *Inflation*

The Executive expects prices, as measured by the Consumer Price Index (CPI), to grow 2.2 percent in 2010, following a 0.3 percent decline in 2009. The Executive indicates that with the recession over there is heightened probability that rising energy prices will spill over into core prices.

Table 34

<b>EXECUTIVE COMPARED TO MAJOR FORECASTERS</b>					
<b>(Percent Change)</b>					
	<b>Actual 2008</b>	<b>Estimate 2009</b>	<b>Forecast 2010</b>	<b>Forecast 2011</b>	<b>Forecast 2012</b>
<b>U.S. Real GDP</b>					
Division of the Budget	0.4	(2.5)	2.8	3.3	3.6
Blue Chip Consensus	0.4	(2.5)	2.8	3.1	N/A
Moody's Economy.com	0.4	(2.5)	2.3	3.8	5.1
Global Insight	0.4	(2.5)	2.6	2.7	3.8
Macroeconomic Advisers	0.4	(2.5)	3.4	4.3	N/A
<b>U.S. Nonfarm Employment</b>					
Division of the Budget	(0.4)	(3.7)	0.0	1.5	2.1
Moody's Economy.com	(0.4)	(3.7)	(0.7)	1.7	3.3
Global Insight	(0.4)	(3.7)	(0.5)	1.5	2.9
Macroeconomic Advisers	(0.4)	(3.7)	0.1	2.7	N/A
<b>U.S. Personal Income</b>					
Division of the Budget	2.9	(1.4)	4.2	4.6	6.0
Moody's Economy.com	2.9	(1.4)	2.3	4.5	5.7
Global Insight	2.9	(1.4)	3.8	3.9	5.3
Macroeconomic Advisers	2.9	(1.4)	3.7	5.5	N/A
<b>S&amp;P 500</b>					
Division of the Budget	(17.3)	(22.5)	24.9	6.0	4.1
Moody's Economy.com	(17.3)	(22.4)	24.1	6.6	5.2
Global Insight	(17.3)	(22.5)	22.3	7.1	6.4
<b>New York State Employment</b>					
Division of the Budget	0.7	(2.6)	(0.4)	0.8	0.8
Moody's Economy.com	0.7	(2.1)	(0.8)	1.1	2.7
<b>New York State Wages</b>					
Division of the Budget	2.0	(6.1)	3.8	3.1	5.6
Moody's Economy.com	2.2	(5.4)	2.7	2.2	5.4

Note: Division of Budget numbers are as reported in the Executive Budget 2010-11 released on January 19, 2010.

Sources: Division of the Budget, Executive Budget 2010-11, January 19, 2010; Blue Chip Economic Indicators, January 2010; Moody's Economy.com, Precis U.S. Macro and NYS Regional Forecast, January 2010, <<http://www.economy.com>>; Macroeconomic Advisers December 2009 Base Forecast; Global Insight, U.S. Executive Summary, January 2010, <<http://www.globalinsight.com>>.

## The New York State Economy

The forecast contained in the Executive Budget indicates that the State economy peaked in August 2008, eight months after the national economy. The Executive anticipates that the State economy will likely start to recover from the recession in the first quarter of 2010.

### Employment

According to the Executive, total State nonfarm employment is estimated to have declined 2.6 percent in 2009, faring 1.1 percentage points better than the nation's 3.7 percent decline. The Executive forecasts that New York State employment will fall further by 0.4 percent in 2010, while national employment will remain flat (see Figure 22). In 2011, the Executive forecasts total New York State employment will grow 0.8 percent, compared to growth of 1.5 percent in the nation.

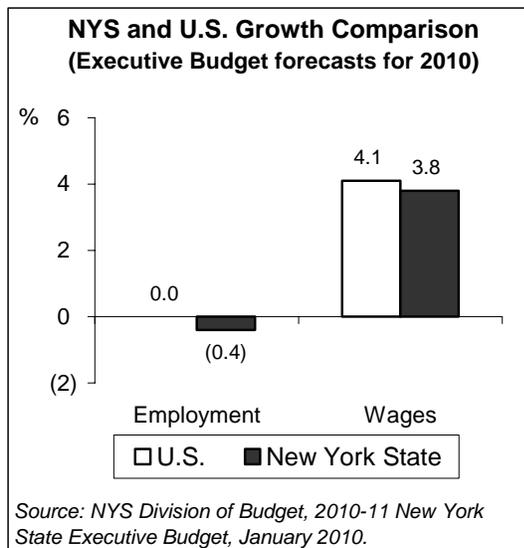


Figure 22

### Wages

The Executive estimates that New York State wages declined 6.1 percent in 2009, while national wages declined 3.3 percent. The Executive estimates that the decline in State wages for 2009 was heavily influenced by the 31.3 percent decline in 2009 total bonus wages led by a record decline in finance and insurance sector bonuses for the 2008-09 bonus season. The Executive forecasts that New York State wages will grow 3.8 percent in 2010 and 3.1 percent in 2011. The Executive also projects that some employers may shift the payment of bonus wages from the first quarter of 2011 to the final quarter of 2010 in anticipation of rising marginal federal tax rates as a result of the expiration of the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth Tax Relief Reconciliation Act of 2003.

### Capital Gains

The Executive estimates that capital gains for New York State fell 35.1 percent to \$36.4 billion in 2009 after falling 52.6 percent in 2008. Capital gains have declined by about seventy percent from 2007 to 2009. Capital gains are forecasted by the Executive to grow 58.7 percent in 2010 to \$57.7 billion due to the anticipated rise in the gains tax rate in 2011 and stabilizing economic conditions.

## *Risks*

The Executive acknowledges several risks to the forecasts presented in the budget. The uncertainty surrounding the current environment, particularly around the financial market and other volatile components such as capital gains and bonuses presents particular risk for the New York State outlook.

## EXECUTIVE TAX REVENUE FORECAST

### SFY 2009-10 Estimate

The Executive estimates that All Funds tax collections in SFY 2009-10 will total \$59.839 billion, a decline of 0.8 percent or \$498 million. The majority of the decline in revenue reflects the severe toll that the recession has had on personal income tax, real estate transfer tax and estate tax revenues. The tax revenue base would have declined by \$6.3 billion or 10.5 percent, after adjusting for law changes enacted in the previous year.

The Executive's current estimate is \$456 million higher than their Mid-Year Financial Plan Update released in November. However, the upward revision is almost entirely due to shifting the payment of \$500 million in personal income tax refunds into the upcoming fiscal year.

### SFY 2010-11 Outlook

All Funds tax receipts are expected to increase by \$ 3.374 billion, or an increase of 5.6 percent, to \$63.2 billion. The increase in revenues can be attributed to the full year impact from the temporary tax increases enacted in 2009 and the revenue increases proposed with this budget.

The Executive is proposing revenue actions that would increase total tax collections by \$1.028 billion in SFY 2010-11. When combined with fees and other non-tax revenue actions, the Executive is proposing total actions of \$1.4 billion in SFY 2010-11. The proposed revenue actions will increase to a net \$1.8 billion by 2012-13, consisting of \$2.0 billion in revenue enhancements and approximately \$200 million in tax reductions.

**Table 35**

Executive Tax Forecast Summary					
State Fiscal Years 2009-10 and 2010-11					
(\$ in Millions)					
	2008-09	2009-10	Percent	2010-11	Percent
	Actual	Estimate	Growth	Forecast	Growth
Personal Income Tax	\$23,196	\$23,001	-0.8%	\$24,649	7.2%
User Taxes	8,361	8,229	-1.6%	8,635	4.9%
Business Taxes	5,556	5,688	2.4%	5,710	0.4%
Other	1,188	953	-19.8%	933	-2.1%
<b>General Fund Taxes</b>	<b>38,302</b>	<b>37,871</b>	<b>-1.1%</b>	<b>39,927</b>	<b>5.4%</b>
Non-General Fund Taxes	\$22,036	\$21,968	-0.3%	\$23,286	6.0%
<b>All Fund Taxes</b>	<b>\$60,338</b>	<b>\$59,839</b>	<b>-0.8%</b>	<b>\$63,213</b>	<b>5.6%</b>

Table 36

<b>Executive Revenue Estimates: Total Tax Collections SFY 2008-09 &amp; SFY 2009-10</b>				
<b>(\$ in Millions)</b>				
	2008-09	2009-10		Percent
	Actual	Estimate	Change	Growth
<b>Personal Income Tax</b>	<b>\$36,840</b>	<b>35,230</b>	<b>(\$1,610)</b>	<b>-4.4%</b>
<b>Gross Receipts</b>	<b>44,011</b>	<b>41,817</b>	<b>(2,194)</b>	<b>-5.0%</b>
Withholding	27,686	29,198	1,512	5.5%
Estimated Payments	12,690	9,517	(3,173)	-25.0%
Vouchers	7,889	7,398	(491)	-6.2%
IT 370s	4,801	2,119	(2,682)	-55.9%
Final Payments	2,686	1,836	(850)	-31.6%
Delinquencies	949	1,266	317	33.4%
<b>Total Refunds</b>	<b>7,171</b>	<b>6,587</b>	<b>(584)</b>	<b>-8.1%</b>
Prior Year Refunds	4,543	4,938	395	8.7%
Current Refunds	1,750	1,250	(500)	-28.6%
Previous Refunds	403	474	71	17.6%
State/City Offsets	475	(75)	(550)	-115.8%
<b>Collections</b>	<b>36,840</b>	<b>35,230</b>	<b>(1,610)</b>	<b>-4.4%</b>
<b>User Taxes and Fees</b>	<b>14,004</b>	<b>13,994</b>	<b>(10)</b>	<b>-0.1%</b>
Sales and Use Tax	10,985	10,668	(317)	-2.9%
Motor Fuel Tax	504	501	(3)	-0.6%
Cigarette Tax	1,340	1,335	(5)	-0.4%
Motor Vehicle Fees	723	982	259	35.8%
Highway Use	141	140	(1)	-0.7%
Alcoholic Beverage Tax	206	223	17	8.3%
Alcoholic Beverage Fees	44	52	8	18.2%
Auto Rental Tax	61	79	18	29.5%
Taxi Surcharge	N/A	14	14	N/A
<b>Business Taxes</b>	<b>7,604</b>	<b>7,824</b>	<b>220</b>	<b>2.9%</b>
Corporate Franchise	3,220	2,962	(258)	-8.0%
Utility Tax	863	968	105	12.2%
Insurance Tax	1,181	1,412	231	19.6%
Bank Tax	1,233	1,363	130	10.5%
Petroleum Business Tax	1,107	1,119	12	1.1%
<b>Other</b>	<b>1,890</b>	<b>1,408</b>	<b>(482)</b>	<b>-25.5%</b>
Real Property Gains	0	-	0	0.0%
Estate and Gift	1,165	932	(233)	-20.0%
Real Estate Transfer	701	455	(246)	-35.1%
Pari Mutuel	22	20	(2)	-9.1%
Other	1	1	0	0.0%
MTA Payroll Tax	N/A	1,383	1,383	N/A
<b>Total Taxes</b>	<b>\$60,338</b>	<b>\$59,839</b>	<b>(\$499)</b>	<b>-0.8%</b>

Table 37

<b>Executive Revenue Estimates: Total Tax Collections SFY 2009-10 &amp; SFY 2010-11</b>				
<b>(\$ in Millions)</b>				
	2009-10	2010-11		Percent
	Estimate	Forecast	Change	Growth
<b>Personal Income Tax</b>	<b>35,230</b>	<b>37,143</b>	<b>1,913</b>	<b>5.4%</b>
<b>Gross Receipts</b>	<b>41,817</b>	<b>45,218</b>	<b>3,401</b>	<b>8.1%</b>
Withholding	29,198	30,715	1,517	5.2%
Estimated Payments	9,517	11,294	1,777	18.7%
Vouchers	7,398	8,294	896	12.1%
IT 370s	2,119	3,000	881	41.6%
Final Payments	1,836	1,893	57	3.1%
Delinquencies	1,266	1,316	50	3.9%
<b>Total Refunds</b>	<b>6,587</b>	<b>8,075</b>	<b>1,488</b>	<b>22.6%</b>
Prior Year Refunds	4,938	5,493	555	11.2%
Current Refunds	1,250	1,750	500	40.0%
Previous Refunds	474	444	(30)	-6.3%
State/City Offsets	(75)	388	463	-617.3%
<b>Collections</b>	<b>35,230</b>	<b>37,143</b>	<b>1,913</b>	<b>5.4%</b>
<b>User Taxes and Fees</b>	<b>13,994</b>	<b>15,403</b>	<b>1,409</b>	<b>10.1%</b>
Sales and Use Tax	10,668	11,066	398	3.7%
Motor Fuel Tax	501	503	2	0.4%
Cigarette Tax	1,335	1,526	191	14.3%
Motor Vehicle Fees	982	1,176	194	19.8%
Highway Use	140	134	(6)	-4.3%
Alcoholic Beverage Tax	223	229	6	2.7%
Alcoholic Beverage Fees	52	139	87	167.3%
Auto Rental Tax	79	95	16	20.3%
Taxi Surcharge	14	85	71	507.1%
Soft Drink/Syrup Excise Tax	N/A	450	450	N/A
<b>Business Taxes</b>	<b>7,824</b>	<b>7,759</b>	<b>(65)</b>	<b>-0.8%</b>
Corporate Franchise	2,962	3,276	314	10.6%
Utility Tax	968	922	(46)	-4.8%
Insurance Tax	1,412	1,400	(12)	-0.8%
Bank Tax	1,363	1,076	(287)	-21.1%
Petroleum Business Tax	1,119	1,085	(34)	-3.0%
<b>Other</b>	<b>1,408</b>	<b>1,425</b>	<b>17</b>	<b>1.2%</b>
Estate and Gift	932	910	(22)	-2.4%
Real Estate Transfer	455	492	37	8.1%
Pari Mutuel	20	20	0	0.0%
Other	1	3	2	200.0%
MTA Payroll Tax	1,383	1,483	100	7.2%
<b>Total Taxes</b>	<b>\$59,839</b>	<b>63,213</b>	<b>\$3,374</b>	<b>5.6%</b>

## EXECUTIVE TAX REVENUE PROPOSALS

The Executive Budget provides for over \$1.8 billion in tax and fee increases when fully effective. Increases for SFY 2010-11 total \$1.4 billion.

### Personal Income Tax

- Require certain S corporation gains from acquisition, liquidation, and installment sales of assets to be treated as New York source income by nonresident shareholders to the extent that the business was conducted in New York;
- Make termination payments, covenants not to compete and other compensation for past services taxable to nonresidents unless specifically exempt under Federal law;
- Equalize maximum bio-fuel and QETC facilities, operations and training credit caps for corporations and unincorporated businesses;
- Recognize legally performed same sex marriages for purposes of determining marital filing status;
- Reduce the ability of certain resident trusts to avoid tax through the use of nonresident trustees;
- Create a school property tax circuit breaker credit, which would take effect when the State ends its fiscal year with a surplus as determined by the Commissioner of Tax and Finance and the Director of the Division of Budget;

- Eliminate STAR exemptions for residences worth \$1.5 million or more;
- Limit the STAR personal income tax rate reduction benefit for New York City residents to the first \$250,000 of income; and
- Decrease the STAR exemption “floor” from 89 percent to 82 percent.

### Business Taxes

- Make technical corrections to Part S-1 of Chapter 57 of 2009 (2009-10 Enacted Budget) to clarify that the State Legislature intended to make Empire Zones decertification provisions applicable to tax year 2008;
- Authorize the Commissioner of the Division of Housing and Community Renewal to allocate an additional \$4 million in State Low-Income Housing Tax Credits to developers of qualifying affordable housing projects in New York;
- Provide an additional film tax credit allocation for calendar years 2010 through 2014 at \$420 million per year or \$2.1 billion over this period;
- Create a new set of economic development incentives to replace the expiring Empire Zones Program, intended to provide sustained job creation, investment, and research and development expenditures in New York State;

- Introduce study language requiring the Department of Taxation and Finance to provide recommendations to reform State and Local taxes on telecommunications by December 1, 2010; and
- Extend Gramm-Leach-Bliley (GLB) and related bank tax provisions for one year.

### **Other Actions**

- Impose a new excise tax of \$7.68 per gallon for beverage syrups and \$1.28 per gallon for bottled soft drinks, powders, or base products;
- Mirror federal requirements by requiring certain financial institutions to also file information returns with the state annually regarding amounts of credit/debit card settlements and third party network transactions;
- Authorize the use of statistical sampling techniques for certain sales tax audits;
- Narrow the affiliate nexus provisions by excluding as a basis for sales tax vendor status an affiliate's control over the seller;
- Allow the sale of wine in grocery, convenience, and drug stores upon payment of a franchise fee;
- Expand the base of the mortgage recording tax to include the financing of cooperatives;

- Authorizes cities to increase the local utility gross receipts tax from one percent to three percent.
- Impose a three percent tax on the market value of natural gas severed from a gas pool in the Marcellus or Utica Shale formation using a horizontal well;
- Increase the cigarette tax by \$1 per pack, from \$2.75 a pack to \$3.75. The proportion of the cigarette tax dedicated to HCRA will be increased to 75 percent to ensure that all of the additional revenue is used to fund health care;
- Maintain the New York Estate Tax Unified Credit amount currently allowed independent of Federal estate tax law in effect on the date of death;
- Extends the estate tax marital deduction to partners in same-sex marriages;
- Extend certain pari-mutuel tax rates and authorization for account wagering for a period of one year;
- Authorizes and imposes an admissions tax on professional combative sports matches or exhibitions (i.e. mixed martial arts) at a rate of 8.5 percent with no cap, and a three percent tax on receipts from broadcast rights not to exceed \$50,000;
- Make permanent the authorization to operate Quick Draw. The Quick Draw game authorization expires on May 31, 2010;

- Eliminate restrictions on the Quick Draw game related to the hours of operation, food sales, and the size of establishments;
- Eliminate the restriction on the number of hours per day the Video Lottery Terminals may be operated; and
- Eliminate the sunset of the Video Lottery Gaming program.

### **STAR Program**

The Executive proposes several changes to the STAR program, which are contained in the Education, Labor and Family Assistance Budget Article VII Bill. These changes are expected to generate \$213 million in General Fund savings in SFY 2010-11, increasing to \$267 million in SFY 2012-13.

- Eliminate STAR eligibility for homes valued at \$1.5 million;
- Increase the allowable annual STAR base exemption (“floor”) adjustment from 89 percent to 82 percent; and
- Limit the benefit for taxpayers with incomes above \$250,000 from the New York City STAR PIT tax table reductions. The NYC tax rate for taxpayers with incomes above \$250,000 would be increased from 3.2 percent to 3.4 percent.

**Table 38**

<b>Recommended Legislation</b>		
<b>(Dollar Amounts in Thousands)</b>		
	<b>Annual Revenue SFY 2010-11</b>	<b>Annual Revenue SFY 2012-13</b>
<b>I. Tax and Assessment Actions</b>		
Impose Severance Tax on Certain Natural Gas Producers - 9/11/10	\$0	\$3,000
Increase Cigarette Excise Tax (Includes \$8M required transfer to NYG) - 6/2/10	\$218,000	\$211,000
Impose a New Excise Tax on Beverage Syrups and Soft Drinks - 9/1/10	\$465,000	\$1,000,000
Expand HCRA Surcharge to Physician Services - 10/1/10	\$24,600	\$98,500
Increase Hospital Assessment - 4/1/10	\$130,200	\$142,000
Increase Home Care Assessment - 4/1/10	\$17,600	\$19,200
Increase Nursing Home Assessment - 4/1/10	\$67,800	\$73,950
<b>Tax and Assessment Actions - Subtotal</b>	<b>\$923,200</b>	<b>\$1,547,650</b>
<b>II. Loophole Closing Action</b>		
Define Flow-Through Entities for QETC and Biofuel Credit Claims - 1/1/10	\$0	\$2,000
Treat Compensation For Past Services as Taxable for Non Residents - 1/1/10	\$0	\$5,000
Treat S-Corp Gains and Installment Income as Taxable to Non Residents - Various	\$30,000	\$12,000
Close Resident Trust Loophole - 1/1/10	\$0	\$25,000
<b>Loophole Closing Actions - Subtotal</b>	<b>\$30,000</b>	<b>\$44,000</b>
<b>III. New or Increased Fees</b>		
Establish Early Intervention Parental Fees - 3/1/10	\$1,000	\$17,072
Increase Certain Civil Court Filing Fees - 7/1/10	\$41,000	\$54,000
<b>New or Increased Fees - Subtotal</b>	<b>\$42,000</b>	<b>\$71,072</b>
<b>IV. Tax Enforcement Action</b>		
Require Informational Returns for Credit and Debit Cards - 4/1/10	\$0	\$35,000
Allow the Use of Statistical Sampling for Certain Sales Tax Audits - 4/1/10	\$8,000	\$12,000
Improve Non-Voluntary Tax Collections - 4/1/10	\$221,000	\$221,000
<b>Tax Enforcement Actions - Subtotal</b>	<b>\$229,000</b>	<b>\$268,000</b>
<b>V. Other Revenue Actions</b>		
Eliminate Quick Draw Restrictions - 4/1/10	\$33,000	\$54,000
Extend VLT Hours of Operation - 4/1/10	\$45,000	\$45,000
Extend Married Tax Filing Provisions to Same Sex Couples - 1/1/10	\$0	\$0
Narrow Affiliate Nexus Provisions - 6/1/10	(\$5,000)	(\$5,000)
Allow the Sale of Wine in Grocery Stores - 10/1/10	\$93,000	\$9,000
Legalize Mixed Martial Arts in New York - 8/1/10	\$2,100	\$2,100
Collect Surplus Funds from Workers Compensation Insurance Carriers - Immediately	\$23,600	\$0
<b>Other Revenue Actions - Subtotal</b>	<b>\$191,700</b>	<b>\$105,100</b>

<b>Recommended Legislation - Continued</b>		
<b>(Dollar Amounts in Thousands)</b>		
	<b>Annual Revenue <u>SFY 2010-11</u></b>	<b>Annual Revenue <u>SFY 2012-13</u></b>
<b>VI. New or Expanded Tax Credits</b>		
Expand the Low Income Housing Tax Credit Program - 1/1/10	(\$4,000)	(\$4,000)
Extend and Expand the Film Tax Credit - 4/1/10	\$0	(\$168,100)
Create Excelsior Jobs Program - 7/1/10	\$0	(\$50,000)
<b>New or Expanded Tax Credits - Subtotal</b>	<b>(\$4,000)</b>	<b>(\$222,100)</b>
<b>VII. Technical Corrections and Extenders</b>		
Extend Major Provisions of the Bank Tax and Temporary GLB Provisions - 1/1/10	\$0	\$0
Extend the Pari-Mutuel Tax - 4/1/10	\$0	\$0
Make Technical Corrections to the 2009-10 Enacted Budget Empire Zones Program Changes - 1/1/08	\$0	\$0
Make Technical Corrections to the 2009-10 Enforcement Provisions - Various	\$0	\$0
Amend the Tax on Medallion Taxicab Rides - 6/1/10	\$0	\$0
<b>Technical Corrections and Extenders - Subtotal</b>	<b>\$0</b>	<b>\$0</b>
<b>VIII. New or Increased Fines</b>		
Deploy Speed Enforcement Cameras - 4/1/10	\$32,900	\$53,800
<b>New or Increased Fines - Subtotal</b>	<b>\$32,900</b>	<b>\$53,800</b>
<b>ALL REVENUE ACTIONS - GRAND TOTAL</b>	<b>\$1,444,800</b>	<b>\$1,867,522</b>

## EXECUTIVE MISCELLANEOUS RECEIPTS

### Forecast

#### *SFY 2009-10 Estimate*

The Executive estimates that total miscellaneous receipts in SFY 2009-10 will total \$22.133 billion, a growth of 10.3 percent or \$2.069 billion. The majority of the increase in miscellaneous receipts reflects increased State University Income from increased tuition and fees and increased Lottery revenues from the franchise fee for operating VLTs at Aqueduct Racetrack.

The Executive's current estimate is \$748 million higher than their Mid-Year Financial Plan Update released in November. The upward revision is partially attributable to the \$200 million

VLT payment and \$200 million in sweeps from the Battery Park City Authority.

#### *SFY 2010-11 Outlook*

All Funds tax miscellaneous receipts are expected to decrease by \$592 million or 2.7 percent to \$21.541 billion. The decrease in revenues can be attributed to the loss of one-time revenue sources.

Special revenue, capital projects and debt service receipts are all expected to be relatively flat. The only major change is expected in general fund miscellaneous receipts, which are forecast to decrease \$604 million or 17.2 percent due to the loss of one-time revenue sources.

**Table 39**

<b>Executive Miscellaneous Receipts Forecast Summary</b> <b>State Fiscal Years 2009-10 and 2010-11</b> (\$ in Millions)					
	2008-09	2009-10	Percent	2010-11	Percent
	Actual	Estimate	Growth	Forecast	Growth
Special Revenue	\$13,089	\$14,349	9.6%	\$14,261	-0.6%
Capital Projects	3,022	3,459	14.5%	3,597	4.0%
Debt Service	844	817	-3.2%	779	-4.7%
General Fund	3,105	3,508	13.0%	2,904	-17.2%
<b>Total</b>	<b>20,060</b>	<b>22,133</b>	<b>10.3%</b>	<b>21,541</b>	<b>-2.7%</b>

Table 40

<b>Executive Miscellaneous Receipts Estimates: SFY 2008-09 &amp; SFY 2009-10</b>				
<b>(\$ in Millions)</b>				
	<b>2008-09</b>	<b>2009-10</b>		<b>Percent</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Change</b>	<b>Growth</b>
<b>Special Revenue</b>	<b>\$13,089</b>	<b>14,349</b>	<b>1,260</b>	<b>9.6%</b>
HCRA	3,614	3,891	277	7.7%
State University	2,958	3,367	409	13.8%
Lottery	2,732	3,019	287	10.5%
Medicaid	562	687	125	22.2%
Industry Assessments	868	912	44	5.1%
All other	2,355	2,473	118	5.0%
<b>Capital Projects</b>	<b>\$3,022</b>	<b>3,459</b>	<b>437</b>	<b>14.5%</b>
Authority Bond Proceeds	2,759	3,195	436	15.8%
State park Fees	24	24	0	0.0%
Environmental Revenues	37	24	(13)	-35.1%
All Other	202	216	14	6.9%
<b>Debt Service</b>	<b>\$844</b>	<b>817</b>	<b>(27)</b>	<b>-3.2%</b>
Mental Hygiene Patient Receipts	298	352	54	18.1%
SUNY Dormitory Fees	419	338	(81)	-19.3%
Health Patient Receipts	108	98	(10)	-9.3%
All Other	19	29	10	52.6%
<b>General Fund</b>	<b>\$3,105</b>	<b>3,508</b>	<b>403</b>	<b>13.0%</b>
Licenses, Fees, etc.	562	598	36	6.4%
Abandoned Property	698	550	(148)	-21.2%
Reimbursements	253	272	19	7.3%
Investment Income	104	25	(79)	-76.0%
Other Transactions	1,488	2,064	576	38.7%
<b>Total</b>	<b>\$20,060</b>	<b>22,133</b>	<b>\$2,073</b>	<b>10.3%</b>

Table 41

<b>Executive Miscellaneous Receipts Estimates: SFY 2009-10 &amp; SFY 2010-11</b>				
<b>(\$ in Millions)</b>				
	<b>2009-10</b>	<b>2010-11</b>		<b>Percent</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Change</b>	<b>Growth</b>
<b>Special Revenue</b>	<b>14,349</b>	<b>14,261</b>	<b>(88)</b>	<b>-0.6%</b>
HCRA	3,891	3,779	(112)	-2.9%
State University	3,367	3,531	164	4.9%
Lottery	3,019	3,026	7	0.2%
Medicaid	687	915	228	33.2%
Industry Assessments	912	886	(26)	-2.9%
All other	2,473	2,124	(349)	-14.1%
<b>Capital Projects</b>	<b>\$3,459</b>	<b>3,597</b>	<b>138</b>	<b>4.0%</b>
Authority Bond Proceeds	3,195	3,305	110	3.4%
State park Fees	24	24	0	0.0%
Environmental Revenues	24	24	0	0.0%
All Other	216	244	28	13.0%
<b>Debt Service</b>	<b>\$817</b>	<b>779</b>	<b>(38)</b>	<b>-4.7%</b>
Mental Hygiene Patient Receipts	352	298	(54)	-15.3%
SUNY Dormitory Fees	338	341	3	0.9%
Health Patient Receipts	98	98	0	0.0%
All Other	29	42	13	44.8%
<b>General Fund</b>	<b>\$3,508</b>	<b>2,904</b>	<b>(604)</b>	<b>-17.2%</b>
Licenses, Fees, etc.	598	665	68	11.3%
Abandoned Property	550	550	0	0.0%
Reimbursements	272	222	(50)	-18.4%
Investment Income	25	60	35	140.0%
Other Transactions	2,064	1,407	(657)	-31.8%
<b>Total</b>	<b>\$22,133</b>	<b>21,541</b>	<b>-\$592</b>	<b>-2.7%</b>

## EXECUTIVE MISCELLANEOUS RECEIPTS

### Proposals

The Executive Budget provides for actions that will increase All Funds miscellaneous receipts by \$417 million in SFY 2010-11 to total \$21.541 billion.

#### *Health*

- Expand the 9.63 percent HCRA Surcharge to outpatient surgical and radiological services effective October 1, 2010;
- Increase Hospital Inpatient Assessment from 0.35 percent to 0.75 percent, effective April 1, 2010;
- Increase Home Care Assessment from 0.35 percent to 0.7 percent, effective April 1, 2010;
- Increase Nursing Home Assessment from 6 percent to 7 percent, effective April 1, 2010, this would not be reimbursable by Medicaid;
- Establish Early Intervention Parental Fees, ranging from \$45 to \$540 per child per quarter, effective March 1, 2011.

#### *Judiciary*

- Increase Certain Civil Court Filing Fees, effective July 1, 2010.

#### *Lottery*

- Eliminate Quick Draw Restrictions, effective April 1, 2010;

- Extend VLT Hours of Operation, effective April 1, 2010.

#### *Workers Compensation*

- Collect Surplus Funds from Workers Compensation Insurance Carriers, effective immediately.

#### *State Police*

- Deploy Speed Enforcement Cameras in forty designated highway work zones and ten additional locations, effective April 1, 2010.

## **APPROPRIATION BUDGET BILLS**

A. 9700/S.6600	Public Protection and General Government
A. 9701/S.6601	Legislature and Judiciary
A. 9702/S.6602	Debt Service
A. 9703/S.6603	Education, Labor and Family Assistance
A. 9704/S.6604	Health and Mental Hygiene
A. 9705/S.6605	Transportation, Economic Development and Environmental Conservation
A. 9711/S.6611	Deficiency Appropriations for State Fiscal Year 2009-10
A. 9712/S.6612	Deficiency Appropriations for State Fiscal Year 2009-10

**NON-APPROPRIATION BUDGET BILLS**

Section 22 of the State Finance Law requires the Executive Budget to include a list of proposed legislation submitted pursuant to Article VII of the State Constitution. In addition to the major appropriation bills, the following Article VII bills have been submitted that set forth the policy initiatives contained in the Executive Budget.

**A.9700 - PUBLIC PROTECTION AND GENERAL GOVERNMENT**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Merge the operation of the Crime Victims Board (CVB), Office for the Prevention of Domestic Violence (OPDV), and the Division of Probation and Correctional Services (DPCA) into the Division of Criminal Justice Services (DCJS)	This part would consolidate the operations of CVB, OPDV, and DPCA into DCJS. Each agency would be restructured and become a specialized office under the authority of the Commissioner of DCJS. In addition to administratively restructuring CVB, OPDV, and DPCA, this part would change the manner in which crime victim compensation claims are determined.
B	Create the Department of Homeland Security and Emergency Services	This proposal would merge the Department of Homeland Security, the Office of Cyber Security and Critical Infrastructure Coordination, the State Emergency Management Office, the Office of Fire Prevention and Control, the 911 Board currently within the Department of State, and the State Interoperable Communications Office currently located in the Office For Technology into a single Department of Homeland Security and Emergency Services, each operating as a distinct office under a single commissioner. It would expand the membership of the Disaster Preparedness Commission to include additional commissioners and assume the duties of the former Civil Defense Commission, and it would create an intrastate municipal aid program to be utilized in a situation when local government responders are shared during a disaster. The Fire Safe Cigarette Program would stay within the Department of State.
C	Establish the Rape Crisis Program within the Division of Criminal Justice Services (DCJS) and remove the administration of such program from the Department of Health (DOH)	This part would remove oversight of the Rape Crisis Program from DOH and instead establish the program under the authority of DCJS. DCJS would assume the responsibility to promulgate rules and regulations for the approval of rape crisis programs that provide training and certification for rape crisis counselors.
D	Remove certain responsibilities from local probation departments	This part would require probation departments to prepare a pre-sentence investigation in misdemeanor cases only when a term of imprisonment in excess of 180 days is imposed.

	and change the method of distribution for state probation aid to localities	It would also remove a requirement that a pre-sentence investigation be completed in every youthful offender case and instead only require such investigation in cases when a sentence of imprisonment in excess of 180 days or probation is imposed. This part would expand the Probation Detainer Warrant Pilot Project, increasing the ability of probation officers instead of judges to issue warrants. It would also require probationers granted permission to travel outside the state to sign a waiver of extradition as a condition of probation. It would change the manner in which state probation aid is distributed to counties from a reimbursement model to a grant program.
E	Create Office of Indigent Defense and change method for distributing state public defense funding	This part would create the Office of Indigent Defense within the Division of Criminal Justice Services. Such office would be governed by the Indigent Defense Board and be responsible for examining and evaluating existing public defense services and making recommendations to the Board to enhance the provision of indigent defense services. This part would also repeal the existing formula for distributing state funding to counties from the Indigent Legal Services Fund and instead provide for an annual distribution to New York City of \$40 million and authorize the Indigent Defense Board to distribute the remaining funds to counties.
F	Authorize counties to create offices of conflict defender as part of a plan to provide representation to indigent defendants	This part would authorize counties to create offices of conflict defender to represent indigent defendants when the office of public defender is unable to represent such defendants due to a conflict of interest.
G	Expand the category of offenders that must submit a DNA sample	This part would expand the category of offenders required to provide a DNA sample for inclusion in the State DNA Databank to all persons convicted of a felony or misdemeanor defined in the penal law, youthful offenders, and persons required to register as sex offenders. It also would designate the criminal justice agency responsible for collecting DNA samples from offenders and make it a class A misdemeanor for failure of an individual to provide a DNA sample.
H	Authorize the use of photo-monitoring equipment to enforce speed limits	This part would authorize the Division of State Police (DSP), Division of Criminal Justice Services (DCJS), and any agency, division, or authority designated by the DSP to establish a program for the operation of photo-monitoring devices and the imposition of liability on vehicle owners for speed limit violations in work zones and designated stretches of highways.
I	Reduce the number of Parole Board members	This part would reduce the maximum number of Parole Board members from nineteen to thirteen. It also would reduce the term of office for each member of the Parole Board from six to five years.
J	Alter the segregation rules for certain local jail inmates, expand	This part would amend the segregation rules for inmates housed in local jails by allowing juvenile inmates under the age of nineteen to be housed with adult inmates up to twenty-

	use of video conferencing in criminal proceedings, and permit inmates to voluntarily work for non-profits	one years of age. It would also expand the use of video conferencing in criminal proceedings and remove the requirement that the defendant consent to such video conferencing. This part would further authorize local correctional facilities to house men and women receiving medical treatment in a facility infirmary together, provided that proper separation is maintained according to rules and regulations promulgated by the State Commission of Correction. Finally, this part would permit inmates to leave a correctional facility under guard to voluntarily perform work for nonprofit organizations.
K	Increase filing fees for civil proceedings commenced and pending in court	This part would increase various filings fees (index number, motion and cross motion, and first paper filing fees) for actions in courts across the state. Funds so received would increase General Fund revenue.
L	Provide authority for towns and villages to consolidate justice courts	This part would permit two or more municipalities to share court facilities and two or more contiguous municipalities to more easily consolidate their justice courts.
M	Require the Office of Court Administration to make public local fiscal impact of its actions that affect localities	This part would require the Chief Administrative Judge to make a public accounting of the expected impact on local governments of any regulation that requires a locality to create a program or to implement a higher level of service.
N	Authorize local governments to finance public safety communications systems through the Municipal Bond Bank Agency	This part would add local public safety communications bonds to the list of municipal bonds that may be purchased and pooled by the Municipal Bond Bank Agency for the purpose of funding local public safety communications systems.
O	Merge the State Employment Relations Board (SERB) into the Public Employment Relations Board (PERB)	This part would abolish SERB and transfer its responsibilities for providing labor mediation for the private sector to PERB.
P	Repeal mandatory centralized contract fees	This part would repeal the section of law that requires contractors to include a surcharge on the purchase price charged to entities using centralized contracts and remit such fees to the Department of Taxation and Finance quarterly.
Q	Transfer workers' compensation assessment moneys	This part would require workers' compensation carriers to remit to the State surplus money collected by the carriers in excess of the amount actually billed them by the Workers' Compensation Board.
R	Authorize Workers' Compensation Board to pursue funds	This part would allow the Workers' Compensation Board (Board) to borrow further from the Uninsured Employer's Fund, enforce judgments against defaulted employers, and provide other mechanisms to allow the Board to recognize certain insurance products that provide benefits for injured workers.

S	Grant joint Division of Budget (DOB) and Office of State Comptroller (OSC) appointment authority for the Statewide Financial System project	This part would allow DOB and OSC to jointly assign and appoint officers and employees to a joint project to develop, implement, and maintain a single statewide financial system for use by OSC and all State agencies and for those appointments to be titled members of the civil service system, treated as a single independent department for those purposes.
T	Authorize New York State Health Insurance Program (NYSHIP) Self-Insurance	This part would allow NYSHIP to operate as a self-insured plan.
U	Require Medicare Part B contributions	This part would require state employees and retirees to contribute ten percent for individual and twenty-five percent for dependent premiums for Medicare Part B.
V	Authorize pension amortization	This part would provide State and local governments the option to amortize a portion of their pension contribution costs over six years.
W	Merge the Office of Real Property Services and the Department of Taxation and Finance and eliminate the State Board of Real Property Services	This part would eliminate the Office of Real Property Services and create an Office of Real Property Tax Services within the Department of Taxation and Finance to assume its functions. It would also eliminate the State Board of Real Property Services and divide its duties among the Department of Taxation and Finance, the Tax Appeals Tribunal, and the State Civil Service Commission.
X	Require publication of a report of assessment data and allow electronic filing of real property transfer forms	This part would require assessors to annually provide a report containing certain assessment data for publication on the State Board of Real Property Services' website and in the local assessment office. This part would also allow real property transfer forms to be filed electronically.
Y	Change the State's reassessment aid program	This part would change the State's reassessment aid program by requiring assessing units to agree to an approved multiyear reevaluation plan. Such plan would be required to be at least four years in duration and include a reassessment at least once every four years and inventory data collection at least once every six years.
Z	Reduce funding from Aid and Incentives for Municipalities (AIM) program	This part would authorize decreases in AIM funding based on the municipality's reliance on AIM. This part would also eliminate AIM funding for New York City.
AA	Decrease State aid to municipalities in which a video lottery gaming facility is located	This part would authorize a ten percent decrease in funding received by municipalities in which a video lottery gaming facility is located.
BB	Impose four-year moratorium on new programs imposing certain costs on localities	This part would prohibit for four years new legislation imposing costs on localities if the annual net cost to any single local government is over \$10,000 or if the aggregate annual net cost to all local governments in the State is over \$1 million. This part would also require any bill that proposes to substantially affect the revenue or expenses of local

		governments to contain a fiscal note stating the estimated annual cost and the source of such estimate.
CC	Modify public bidding requirements (Wicks law)	This part would exempt school districts and the City of Yonkers Educational Construction Fund from the public bidding requirements contained in the Wicks Law. It would make permanent the New York City School Construction Authority requirements relating to bidding on public works projects.
DD	Set interest rates on judgments against governmental entities	This part would change the rate of interest applied to judgments against government entities from not more than nine percent to a floating rate.
EE	Provide mechanisms for local governments to restructure and share services	This part would allow multiple counties to share one director of weights and measures and would allow a county treasurer to serve as the tax collecting officer for a city, town, village, or school district. This part would also allow a fire company or a fire district to apply for a five-year waiver to the current membership residency requirement.
FF	Make changes to the procurement process for local governments and the State.	This part would increase the competitive bidding thresholds for local governments' public works and service contracts, allow local governments to require electronic bidding, allow reverse auctions, allow contracts to be awarded based on best value, allow piggybacking on certain federal and state contracts, and allow local governments to advertise for bids in the statewide procurement opportunities newsletter rather than their official newspaper. This part would also allow the State to use electronic bidding and reverse auctions and would increase the State's threshold for using short-term construction contracts done by special order.
GG	Make changes to the structure and operation of commissioner-run special districts	This part would eliminate commissioner compensation for commissioner-run special districts, transfer the duties of sanitary districts from commissioners to town boards, and provide a mechanism for town boards and citizens through a petition to abolish the offices of commissioners of a special district.
HH	Provide local governments with options to raise revenues	This part would authorize municipal police departments to charge fees for accident reports, allow local governments to make deposits in credit unions, allow certain local governments to charge fees for ambulance and emergency medical services, authorize local governments to charge for the provision of extra police protection at certain events, and allow cities and villages to increase their gross receipts tax on certain utilities.
II	Authorize the New York City Transitional Finance Authority (TFA) to issue Qualified School Construction bonds (QSCBs) as sinking fund bonds	This part would authorize TFA to issue QSBCs, which are federal subsidy bonds, without regard to the Authority's cap on sinking fund bonds for the purposes of school construction.

JJ	Authorize sweeps, transfers, and modifications to debt provisions	This part would provide the statutory authorization necessary for the administration of funds and accounts included in the SFY 2010-11 Financial Plan. Specifically, it would: (1) authorize temporary loans and the deposits of certain revenues to specific funds and accounts; (2) authorize the transfers and deposits of funds to and across various accounts; (3) continue or extend various provisions of laws related to capital projects; and (4) authorize modifications to various debt provisions.
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**A.9703 - EDUCATION, LABOR AND FAMILY ASSISTANCE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Amend the Education Law to adjust the planned phase-in of Foundation Aid, implement a Gap Elimination Adjustment, modify and extend the Contract for Excellence program, require reporting on mandates to school districts, authorize regional transportation services, and make other changes	This part would require that all current Contract for Excellence school districts continue in the program unless all schools in the district are reported as “In Good Standing” and require Contract districts for the 2010-11 school year to maintain spending on menu options at 2009-10 levels minus the net reduction of the district’s Gap Elimination Assessment, require the board of regents to provide a cost-benefit analysis of any proposed legislation, rule, or regulation, or policy directive that contains a mandate, authorize school districts to provide regional transportation services, clarify contingency budget limits, extend the phase-in schedule for Foundation Aid to the 2016-17 school year, make other formula changes, and implement a Gap Elimination Adjustment within formula-based aids. This part would also authorize school districts to make withdrawals from their Employee Benefits Accrued Liability Reserve funds in order to maintain educational programming during the 2010-11 school year in an amount limited to the lesser of excess funds as determined by the State Comptroller or the school district’s Gap Elimination Adjustment, decrease funding for aid to public libraries, modify the preschool special education program by limiting the growth in the county share to two percent per year, modify special education transition processes, and modify reimbursement levels for special education summer school.
B	Amend the Education Law to reduce the number of plans, reports, and applications required of school districts	This part would require the Commissioner of Education to eliminate duplicative reporting requirements and to reduce the number of plans, reports, and applications required of school districts by establishing unified electronic data collection systems.
C	Amend the Education Law to conform state aid category titles	This part would rename state aid categories for special education and make conforming changes to that effect in the Education Law.
D	Eliminate the New York State Theatre Institute (NYSTI) and the Empire State Plaza Performing Arts Center Corporation (the Egg) reporting requirements and budget submission	This part would eliminate NYSTI’s and the Egg’s requirements to submit annual budget requests and annual reports.

<p>E</p>	<p>Modify various flexibility provisions for the state and city universities of New York State</p>	<p>This part would: authorize the State University of New York (SUNY) and the City University of New York (CUNY) boards of trustees to implement differential tuition rates by campus or program; authorize SUNY and CUNY boards of trustees to increase tuition up to 2.5 times the five-year rolling average of the Higher Education Price Index (HEPI); authorize SUNY and CUNY to receive and disburse revenues from tuition, fees, and other sources without an appropriation; authorize SUNY to lease land and to enter into public/private partnerships subject to the approval of a new State University Asset Maximization Review Board; authorize the SUNY board of trustees to accept gifts of real property; authorize SUNY, SUNY health care facilities, and CUNY to purchase goods and services without prior approval by any State agency; authorize not-for-profit organizations affiliated with SUNY to participate in centralized contracts maintained by the Office of General Services; authorize SUNY health care facilities to participate in managed care networks and other joint and cooperative arrangements with public, not-for-profit, or business entities; indemnify SUNY and CUNY students who are enrolled in required clinical or internship programs; and increase SUNY and CUNY master plan cycles with the Board of Regents from four years to eight years. The State University Construction Fund (SUCF) would be authorized to establish guidelines for procurements that are consistent with the standards that apply to public authorities, determine their staffing and services/equipment needs, utilize alternative construction delivery methods, and increase the threshold from \$50,000 to \$250,000 for projects that require a performance bond. The Dormitory Authority of the State of New York (DASNY) would be authorized to finance/construct facilities on behalf of campus affiliated not-for-profits, foundations, and corporations, finance/construct community college dormitories on their behalf, and allow the City University Construction Fund and DASNY to utilize alternative construction delivery methods for CUNY projects. This part would also allow medical, dental, and optometric residents and interns who provide services at SUNY health care facilities to opt into the State and Local Employees' Retirement System, but would not allow them to participate in the Optional Retirement Program or the Teachers' Retirement System. Finally, this part would require managed care programs to create a report for the Governor and Legislature detailing to whom they are providing services at the College of Optometry.</p>
<p>F</p>	<p>Modify the Tuition Assistance Program (TAP) to create academic progress standards</p>	<p>This part would modify the TAP Program by creating academic progress standards for non-remedial students receiving TAP awards as a measure of determining academic eligibility.</p>

G	Modify the Tuition Assistance Program (TAP) eligibility requirements relating to students in default on New York State and federal loans	This part would modify TAP eligibility requirements to prohibit students in default on New York State and federal student loans not guaranteed by the Higher Education Services Corporation from receiving TAP awards until the student cures the default.
H	Eliminate the Tuition Assistance Program (TAP) eligibility for graduate students	This part would eliminate TAP eligibility for graduate students.
I	Modify the Tuition Assistance Program (TAP) award schedules for financially independent students under age twenty-two and married students without children	This part would modify the TAP award schedules and increase TAP awards for financially independent students under age twenty-two without children from \$3,025 to \$5,000 and decrease TAP awards for married students without children from \$5,000 to \$3,025.
J	Reduce the Tuition Assistance Program (TAP) awards for students attending certain two year institutions	This part would reduce the maximum TAP award for students attending two year degree-granting institutions that do not offer four year degrees from \$5,000 to \$4,000.
K	Provide the Tuition Assistance Program (TAP) awards to students attending certain higher education institutions	This part would provide TAP awards to students attending not-for-profit New York State higher education institutions that are not under the State Education Department's direct supervision but are eligible for funds under Title IV of the Higher Education Act of 1965, that are accredited by an agency recognized by the U.S. Secretary of Education, that have students who are eligible to receive Pell grants, and that provide instruction of at least three years.
L	Reduce all the Tuition Assistance Programs (TAP) awards by \$75	This part would reduce each TAP award by \$75 or by the actual award when it is less than \$75 for the 2010-11 academic year and each academic year thereafter.
M	Modify the Tuition Assistance Program (TAP) program to include all private pension and annuity income in award calculations	This part would modify the TAP program to include the first \$20,000 of private pension income of those fifty-nine and a half years and older in TAP award calculations.
N	Extend the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness programs	This part would extend the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness programs from June 30, 2010, until June 30, 2015.
O	Extend the Regents Physician Loan Forgiveness Program	This part would extend the Regents Loan Forgiveness Program until the end of the 2010-11 academic year.

P	Eliminate the Scholarships for Academic Excellence Program and the Math and Science Teaching Incentive Program	This part would eliminate the Scholarships for Academic Excellence program and the Math and Science Teaching Incentive Programs in the 2010-11 academic year and thereafter.
Q	Modify the community college chargeback provision	This part would prohibit community colleges whose undergraduate students are enrolled in a two-year program of study leading to a baccalaureate degree from charging non-residents an amount sufficient to cover their portion of the local sponsor's share of operating costs.
R	Extend current social worker and mental health professional licensing exemptions	This part would extend social worker and mental health professional licensing exemptions for the Department of Mental Hygiene, the Office of Children and Family Services, and local government programs from June 1, 2010, until June 1, 2014.
S	Modify the New York Higher Education Loan Program (NYHELPS)	This part would modify NYHELPS to include an economic hardship forbearance that would be implemented by regulations promulgated by the Higher Education Services Corporation (HESC), allow for the discharge of loans by order of a bankruptcy court and for borrowers who die while on active military duty, require cosigners to successfully complete a financial literacy course, conform provisions for wage garnishment to federal law, require borrowers and cosigners to electronically sign loan documents, prohibit otherwise eligible borrowers/cosigners from obtaining a loan if the student for whom the loan is for is in default on a student loan, require applicants for professional license to report to the State Education Department when they are in default on a NYHELPS loan, and allow HESC to receive data from the Department of Taxation and Finance.
T	Impose additional requirements on recipients of loan forgiveness program	This part would require that indigent legal service attorneys who are beneficiaries of the loan forgiveness program under the District Attorney and Legal Services Attorney Loan Forgiveness program be residents of New York State and would grandfather in certain other district attorney applicants.
U	Expand State University of New York (SUNY) Optional Retirement Program investment choices	This part would authorize SUNY to offer employees who participate in the Optional Retirement Program the choice of investing in alternative mutual funds.
V	Eliminate STAR exemption for properties worth \$1.5 million or more	This part would eliminate the STAR exemption for all properties with a market value of \$1.5 million or more.
W	Lower the STAR "floor" adjustment from eighty-nine percent to eighty-two percent	This part would lower from eighty-nine to eighty-two percent the "floor" adjustment amount, which is used to limit the percentage by which a STAR tax exemption may be reduced. This would allow an assessing unit's STAR exemption to be reduced by up to eighteen percent rather than eleven percent.

X	Restructure New York City Personal Income Tax STAR	This part would limit the New York City Personal Income Tax STAR benefit to the first \$250,000 of income.
Y	Authorize the use of an electronic benefit transfer system for the foster care and adoption programs	This part would authorize local social services districts to make payments to foster and adoptive parents using debit cards and direct deposits. The Office of Children and Family Services (OCFS) would be provided regulatory authority to establish guidelines for the use of such payment methods. OCFS would also be authorized to establish other methods of payment through regulation.
Z	Create the Kinship Guardianship Assistance Program	This part would establish the payment of subsidies to kinship guardians and set forth eligibility standards for approved foster parents to become subsidized kinship guardians. Children eligible for placement must have been in foster care with the kinship foster parent who is applying for subsidized guardianship for at least six months. The State share for payments would be made through the existing Foster Care Block Grant.
AA	Narrow instances of court-ordered child protective investigations	This part would direct that a Family Court judge may order a child protective investigation only when there is reasonable cause to suspect abuse or neglect. Judges would not be authorized to order that an investigation be completed within a shorter timeframe than is otherwise required by current law.
BB	Expand the use of electronic appearances in Family Court proceedings	This part would expand the ability of the Family Court to permit certain witnesses, parties, and interested persons to attend or testify at any proceeding by electronic means, including by telephone and audio-visual apparatus.
CC	Clarify the scope and fiscal responsibility associated with the Safe Harbour for Exploited Children Act	This part would make amendments to the Safe Harbor Act of 2008. These would include: narrowing the definition of sexually exploited child; adding that a long-term safe house may be operated by a Temporary Independent Living Program; providing for notification of parents or guardians; expanding the circumstances when a juvenile delinquent may be considered a severely trafficked person; and establishing that the services provided would be put forward only to the extent funds are appropriated.
DD	Authorize child care unions to collect payments from non-unionized home-based child care providers	This part would authorize the deduction and transfer of payments to child care unions from home-based child care providers who opt not to become members. The payment would be for services rendered by the union on behalf of all home-based providers. The union would be responsible for financing any technological changes necessary to implement the payment. For providers receiving child care subsidies from local social services districts, the payment would be deducted from the amount of the subsidy. The union would indemnify the State for any and all liability that may arise from action take to comply with this provision.
EE	Modify county planning requirements	This part would reduce requirements associated with each county's required multi-year consolidated services plans. These plans include information regarding adult, child, and family services such as foster care, PINS diversion, and preventive and adoption services.

		Such changes would include eliminating annual implementation reports, removing the requirement to hold public hearings, and removing certain information from the plan.
FF	Authorize the State to withhold payments to local districts that have failed to reimburse Office of Children and Family Services (OCFS) for costs associated with youth facilities	This part would authorize OCFS to withhold payments due to local social services districts in order to offset youth facility payments overdue by sixty days or more. OCFS, subject to the approval of the Director of the Budget, would be authorized to adjust facility per-diem rates reflecting changes in federal funds.
GG	Modify the scheduled public assistance grant increase	This part would reduce from ten percent to five percent the statutory July 2010 public assistance grant increase and make a similar reduction for the next three years. The full thirty percent grant increase enacted in 2009 would be implemented by July 2013 rather than July 2011. The State would continue to be responsible for the local share of the increase through State Fiscal Year 2013-2014.
HH	Authorize the Supplemental Security Income (SSI) federal cost-of-living adjustment pass-through	This part would increase SSI rates to pass through to the recipient a federal cost of living adjustment for individuals receiving SSI who reside in residential care, family care, or enhanced residential care settings.
II	Authorize the State to administer additional State payments for Supplemental Security Income (SSI) recipients and other eligible individuals	This part would authorize the Commissioner of the Office of Temporary Disability Assistance to administer directly or indirectly the additional state payment for individuals eligible for the federal SSI benefits, make changes to the eligibility criteria for the additional state payment, and provide definitions for certain terms.
JJ	Transfer the administration of the Nutrition Outreach and Public Education Program	This part would transfer the administration of the Nutrition Outreach and Public Education Program from the Department of Health to the Office of Temporary and Disability Assistance.
KK	Authorize the Office of Temporary and Disability Assistance (OTDA) to receive wage reporting data	This part would authorize OTDA to receive wage information for former recipients of public assistance from the Department of Taxation and Finance for a period of three years and six months after they leave public assistance. OTDA would not be authorized to utilize wage data to recover public assistance.

**A.9704 - HEALTH AND MENTAL HYGIENE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Modify certain Public Health and Aging Programs	This part would modify the Early Intervention program, including implementing fees for parents and requiring certain providers to bill Medicaid, restructure, consolidate, and eliminate certain programs in the Department of Health and State Office for the Aging, make changes to the General Public Health Work program, and eliminate the Elderly Pharmaceutical Insurance Coverage (EPIC) Part D drug coverage.
B	Modify Medicaid Reimbursement structures, propose pharmacy changes, modify Health Care Reform Act (HCRA) allocations, and modify public health insurance coverage and responsibility	This part would discontinue the 2010 trend factor for certain health care providers, increase the hospital assessment, modify the indigent care reimbursement methodology, implement measures to limit preventable hospital readmissions, implement certain pharmacy changes, modify and eliminate several HCRA allocations, implement provisions to accelerate cost recoveries, expand Child Health Plus benefits, modify eligibility provisions for the Medicaid, Child Health Plus, and Family Health Plus Buy-In programs, increase the number of Transitional Care Units, increase penalties for Medicaid fraud, make technical budget changes, and extend expiring laws.
C	Revise long term care reimbursement and service provision	This part would increase the nursing home and home and personal care assessment, extend nursing home rebasing, and postpone the implementation of regional pricing reimbursement methodology, carve out prescription drugs from the nursing home reimbursement rate, cap personal care service utilization, implement episodic reimbursement for Certified Home Health Agencies, make certain changes to the Long Term Home Health Care program, establish a number of Long Term Care demonstration programs, expand the nursing home program, and make changes to the Managed Long Term Care program.
D	Reinstate Superintendent of Insurance prior approval of health insurance rate adjustments	This part would reinstate prior approval by the Superintendent of Insurance of health insurance rate adjustments made by the health maintenance organizations, not-for-profit insurers, and commercial insurers authorized to write accident and health insurance, and raise the minimum medical loss ratio to eighty-five percent across the board.
E	Authorize facility directors to act as representative payees	This part would permit mental hygiene facility directors to act as representative payees in accordance with applicable federal laws and regulations.
F	Repeal reporting requirements regarding underserved populations	This part would eliminate the requirement that the Office of Mental Health submit a report on mental health services to traditionally underserved populations.

G	Authorize video teleconferencing for certain Sex Offender Management and Treatment Act (SOMTA) proceedings	This part would authorize the use of video teleconferencing during certain SOMTA proceedings, except for trials, unless good cause is shown and the parties consent.
H	Extend the Community Mental Health Support and Workforce Reinvestment Program and reduce number of beds	This part would authorize the Office of Mental Health to reduce inpatient capacity by no more than 250 beds in 2010-11 with limited notice and no reinvestment provisions; some of these beds would become Transitional Placement Beds. This part would also extend the Community Mental Health Support and Workforce Reinvestment Program for one year.
I	Authorize certain Medicaid recoveries	This part would allow the Office of Mental Health to recover certain Medicaid income from community residences and family based treatment programs.
J	Address payments to family-care homes and community residential facilities	This part would remove the limits placed on certain payments for individuals living in family care homes and community residential facilities, increase the number of days for respite services from ten to fourteen, and authorize greater flexibility regarding how these payments are made.
K	Require Office of Alcohol and Substance Abuse Services (OASAS) certification of hospitals and Article 28 detoxification services	This part would require OASAS certification of chemical dependence crisis services if a hospital or other Article 28 facility provides 2,000 patient days per year or more than ten percent of total patient days per year of such services.
L	Transfer the Alcohol and Drug Rehabilitation Program from the Department of Motor Vehicles (DMV) to the Office of Alcoholism and Substance Abuse Services (OASAS)	This part would transfer oversight of the Alcohol and Drug Rehabilitation Program (known as the Drinking Driver Program or DDP) from DMV to OASAS.
M	Eliminate Unified Service planning and funding	This part would eliminate the statutory designation of “Unified Services” and eliminate the ability of certain counties to receive funding for creating Unified Services Plans. The five counties impacted would be Rensselaer, Rockland, Warren, Washington, and Westchester.
N	Defer Human Services cost of living adjustment (COLA)	This part would eliminate the Human Services COLA for the 2010-11 fiscal year and authorize an additional year through March 31, 2014, for certain programs within the following agencies: Office of Mental Retardation and Developmental Disabilities, Office of Mental Health, Office of Alcoholism and Substance Abuse Services, Department of Health, State Office for the Aging, and Office of Children and Family Services.

**A.9705 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Provide the annual authorization for the CHIPs and Marchiselli Programs	This part would authorize \$363.097 million in capital for CHIPs and \$39.7 million for the Marchiselli Program for State Fiscal Year 2010-11.
B	Consolidate the Department of Transportation (DOT) Accident Damage Account into the Dedicated Highway and Bridge Trust Fund (DHBTF)	This part would direct the deposit of certain penalties and forfeitures, currently paid into the DOT Accident Damage Recovery Account, into the DHBTF Special Obligation Reserve and Payment Account.
C	Establish a waiver process for the installation of pollution control devices on certain diesel vehicles	This part would authorize the Department of Environmental Conservation to establish a waiver process for diesel vehicles that are to be retired on or before December 31, 2013, from the requirement to install best available retrofit pollution control devices.
D	Restrict the powers of Industrial Development Agencies (IDAs) relating to the portion of the Mortgage Recording Tax dedicated to transit systems	This part would eliminate the ability of an IDA to extend its tax exempt status to projects in order to provide an exemption to the portion of the Mortgage Recording Tax that is dedicated to transit systems.
E	Extend the Department of Transportation (DOT) Single Audit Program	This part would extend for one year, until December 31, 2011, the DOT Single Audit Program, which requires municipalities and public authorities that are subject to a single audit of federal aid to prepare and have audited a schedule of State transportation assistance expended, provided that the total of such assistance exceeds \$100,000 in a fiscal year.
F	Prevent Metropolitan Transportation Authority (MTA) employees who are injured on leased New York City property from recovering from both workers' compensation and tort actions	This part would deem the MTA the owner of any lands that it may lease or license from the City of New York, eliminate liability on behalf of New York City as the property owner, and limit the injured worker's recovery to workers' compensation.
G	Extend the Metropolitan Transportation Authority (MTA) owner-controlled insurance programs to all capital projects	This part would extend the MTA's authority to provide owner-controlled insurance to contractors for bridge, tunnel, and omnibus facilities. Currently the MTA may only extend owner-controlled insurance to contractors for subway and commuter rail capital projects.

H	Authorize the Metropolitan Transportation Authority (MTA) to test the use of electronic and reverse bidding	This part would create a pilot program to test electronic and reverse bidding for MTA contracts, allow the MTA to receive bids electronically, and provide that the online posting of bids would constitute public openings and readings of bids. The MTA would also be authorized to use reverse bidding, allowing bidders to submit new bids if they are not the lowest bid. The pilot program would be in existence until December 31, 2014.
I	Eliminate Metropolitan Transportation Authority (MTA) liability for injuries arising from certain conduct	This part would bar a plaintiff from recovering for personal injuries incurred as a result of MTA conduct when it is established the plaintiff also acted with wanton disregard for his or her own personal safety or well-being.
J	Modify motor vehicle accident reporting provisions	This part would repeal the law requiring motor vehicle operators involved in fatal, personal injury, or property damage accidents when damage to the property of one person exceeds \$1,000 to file accident reports with the Department of Motor Vehicles. Police officers would not be precluded from reporting any accident resulting in damage to the property of any one person in excess of \$3,000, while continuing to be required to report accidents involving injury.
K	Permit the Department of Motor Vehicles (DMV) to use the United States Postal Service (USPS) address file	This part would authorize the DMV to notify individuals by mail of revocations, suspensions, fines, or other DMV orders using the current address provided by the USPS.
L	Consolidate the State's economic development agencies	This part would transfer the previous functions of the Urban Development Corporation and the Department of Economic Development into a newly created Job Development Corporation. It would also set forth the structure for the new corporation and provide that existing civil service and collective bargaining rights and benefits be maintained under such transfer.
M	Extend the Higher Education Capital Matching Grant Program	This part would extend the Higher Education Capital Matching Grant Program from March 31, 2010, until March 31, 2011.
N	Provide access to capital to support the growth of small businesses	This part would create a \$25 million revolving loan fund that would provide micro-loans of less than \$25,000 and other loans not to exceed \$125,000 to small businesses, particularly those owned by minorities and women who have had difficulty accessing capital. State funds would be limited to fifty percent or less of the total loan amount.
O	Establish the New Technology Seed Fund	This part would establish a \$25 million New Technology Seed Fund to make investments, through qualified intermediaries, in startup and early-stage small businesses in New York who have developed cutting edge breakthroughs in emerging technologies.

P	Make permanent the general loan powers of the New York State Urban Development Corporation (UDC)	This part would make permanent the general loan powers of the UDC, which otherwise would expire on July 1, 2010.
Q	Authorize support for the New York City Empowerment Zone, the New Technology Seed Fund, and Governors Island	This part would authorize the New York State Urban Development Corporation to transfer \$46.4 million in excess funds as follows: \$29.4 million to the New York City Empowerment Zone, \$10 million to the New Technology Seed Fund, and \$7 million to the Governors Island Preservation and Education Corporation.
R	Modify Equine Drug Testing Program	This part would remove the exclusive placement of the equine drug testing program at Cornell College of Veterinary Medicine and permit competitive bidding among qualified State University of New York colleges.
S	Make changes to Tribal State Compact provisions regarding revenue and distribution	This part would remove the requirement that money that comes to the State from revenue received from Native American casinos be appropriated to municipalities in western New York State by the Legislature and change the distribution of funds to the Niagara Falls Underground Railroad Heritage Commission.
T	Eliminate the State's Role in Dog Licensing	This part would transfer the responsibility of dog licensing from the State to municipalities. It would eliminate the New York State Animal Population Control Program and state-level provisions relating to purebred licensing. It would also authorize municipalities to waive or impose various licensing or related fees.
U	Allow Cornell University to enter into memoranda of understanding (MOUs) with state agencies	This part would allow Cornell University, as a statutory college, to enter into MOUs with state agencies for the purposes of procuring services and technical assistance from Cornell or providing funds to Cornell that are related to its land grant mission.
V	Authorize financing of certain Department of Health expenses with revenues generated from an assessment on cable television companies	This part would make the Department of Health expenses relating to the Department of Health Public Service Education program eligible expenses for purposes of cable television assessment revenue.
W	Authorize professional mixed martial arts (MMA) competitions in the State	This part would authorize the State Athletic Commission to license participants in MMA and promulgate rules and regulations to govern the conduct of the sport. It would also make provisions for the State to tax gross receipts from ticket sales and broadcasting rights related to professional MMA events held in the State.

X	Extend for one year the authority of the Secretary of State to provide expedited handling of documents filed or issued by the Division of Corporations	This part would extend from March 31, 2010, to March 31, 2011, the ability of the Secretary of State to charge \$75 for same-day expedited handling of document requests and \$150 for two-hour expedited handling of document requests.
Y	Extend for one year the distribution formula for the Community Services Block Grant Program	This part would extend from September 31, 2010, to September 31, 2011, the statutory formula for the distribution of funds through the Department of State of the federal Community Services Block Grant Program.
Z	Modify the classification of not-for-profit corporations	This part would redefine all existing Type C not-for-profit corporations as Type B not-for-profit corporations and eliminate the Type C classification.
AA	Include the New York City Housing Development Corporation (NYCHDC) under the State bond issuance charge	This part would include the NYCHDC on the list of public benefit corporations that must pay to the State a bond issuance charge upon all issued bonds.
BB	Authorize transfer of monies from New York State Energy Research and Development Authority (NYSERDA) to the General Fund	This part would authorize NYSERDA to make an annual transfer of \$913,000 to the General Fund for debt service expenses related to the West Valley.
CC	Authorize New York State Energy Research and Development Authority (NYSERDA) to finance a portion of its Research, Development, and Demonstration program and Policy and Planning program	This part would authorize NYSERDA to finance part of its Research, Development, and Demonstration program and its Policy and Planning program. Appropriation language would include a sub-allocation to the Department of Conservation.
DD	Modify the Waste Tire Management and Recycling Fee	This part would eliminate the sunset of the Waste Tire Management and Recycling Fee, expand the authorized purposes of the Waste Tire Management and Recycling Fund, and rename the fund the "Waste Management and Cleanup Fund."
EE	Modify public notice and reporting requirements and forest fire mutual aid provisions for the Department of Environmental Conservation	This part would modify the Department of Conservation's public notice requirements, including newspaper publication requirements and web postings, revise certain annual reporting requirements, and authorize mutual aid and assistance pursuant to forest fire protection compacts.

FF	Reduce the amount of Real Estate Transfer Tax revenue deposited into the Environmental Protection Fund	This part would amend the Tax Law to reduce the amount of Real Estate Transfer Tax (RETT) revenue that is deposited into the Environmental Protection Fund (EPF) from \$199 million to \$132 million.
GG	Reduce the authorized reimbursement rate paid to governmental entities that voluntarily enforce the provisions of the Navigation Law	This part would reduce the authorized reimbursement rate paid to governmental entities that voluntarily enforce the Navigation Law from seventy-five percent to fifty percent.
HH	Expand the use of funds in the Snowmobile Trail Development and Maintenance Fund to include all recreational activities on State lands	This part would authorize the Commissioners of Parks, Recreation, and Historic Preservation and Environmental Conservation to use funds from the Snowmobile Trail Development and Maintenance Fund to develop and maintain recreational activities on any State lands.

## A.9710 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Impose a Natural Gas Severance tax	This part would impose a three percent tax on certain natural gas production.
B	Increase excise tax on cigarettes	This part would increase the excise tax on cigarettes by \$1, to \$3.75 per pack, effective June 2, 2010.
C	Impose an excise tax on syrups or simple syrups, bottled soft drinks, or powders or base products	This part would impose an excise tax on syrups or simple syrups at a rate of \$7.68 per gallon, on bottled soft drinks at a rate of \$1.28 per gallon, and on powders or base products at a rate of \$1.28 per gallon of liquid yield. This would equate to a tax of one cent per ounce.
D	Make technical amendments to certain tax credits	This part would equalize the tax treatment of corporations and unincorporated businesses with respect to the calculation of the maximum allowable biofuel production and Qualified Emerging Technology Company tax credits.
E	Modify the definition of “nonresident taxable income” to include termination payments, non-compete covenants, and other compensation for past services	This part would make termination payments, non-compete covenants, and other compensation for past services to nonresidents taxable unless specifically exempt under federal law.
F	Amend the definition of New York source income for certain S corporation shareholders	This part would require certain S corporation gains from acquisition, liquidation, and installment sales of assets to be treated as New York source income by nonresident shareholders to the extent that the business was conducted in New York.
G	Amend the definition of “resident trusts”	This part would amend the definition of “resident trusts” in the personal income tax to reduce tax avoidance opportunities through the use of nonresident trustees.
H	Require informational returns from certain financial firms	This part would conform State law to mirror federal law by requiring certain financial institutions to file information returns with the State annually regarding amounts of credit/debit card settlements and third party network transactions.
I	Authorize statistical sampling techniques	This part would authorize the use of statistical sampling techniques for sales tax audit purposes in certain circumstances.
J	Modify the administration of the Tax Department's Electronic Filing and Electronic Payment Programs	This part would: (1) eliminate taxpayer opt-out from electronic filing as automatic grounds for abatement of the penalty imposed on tax return preparers for failure to electronically file tax returns and other tax documents when required by law to do so; (2) authorize the Commissioner to establish correction periods for electronic filings and payments that are not accepted for processing; and (3) prohibit tax return preparers and software companies from charging separately for electronic filing of New York tax documents.

K	Authorize the Department of Taxation and Finance to use alternative means of communication	This part would authorize the Department of Taxation and Finance to use alternative means of communication when providing tax bills, notices, and other tax documents to addressees in an attempt to reduce mailing costs.
L	Modify the Offer in Compromise Program	This part would modify the Offer in Compromise Program of the Department of Taxation and Finance by adopting standards for providing assistance to taxpayers.
M	Require telecommunications tax report	This part would require the Department of Taxation and Finance to provide recommendations to modify State and local taxes on telecommunications services.
N	Eliminate Quick Draw restrictions	This part would eliminate the sunset of Quick Draw and eliminate certain restrictions on the game.
O	Eliminate restrictions on Video Lottery Terminal (VLT) operations	This part would extend the hours of VLT operation, repeal the sunset date for the VLT program, and make technical corrections.
P	Subject cooperatives to the mortgage recording tax	This part would expand the base of the mortgage recording tax to include sales of cooperatives.
Q	Establish a Property Tax Circuit Breaker Reserve Fund and a School Tax Circuit Breaker Tax Credit	This part would establish a School Tax Circuit Breaker Reserve Fund into which General Fund surpluses would be deposited. It would also create a School Tax Circuit Breaker Tax Credit to be paid to certain residential property owners. The credit amount would be based upon the recipients' income and the funds available in the School Tax Circuit Breaker Reserve Fund in the given year.
R	Allow tax treatment of marriages recognized by New York State but not by federal law	This part would amend the Tax Law and the Administrative Code of the City of New York to allow that marriages recognized in New York but not recognized by the federal government receive the same treatment as other marriages under the Tax Law.
S	Narrow the affiliate nexus provisions under the Sales Tax	This part would narrow the affiliate nexus provisions by excluding as a basis for sales tax vendor-status an affiliate's control over the seller.
T	Allow the sale of wine in grocery and drug stores, impose a franchise fee for such privileges, and grant greater autonomy to liquor store owners	This part would authorize the sale of wine in grocery and drug stores that currently qualify for a license to sell beer upon payment of a franchise fee and authorize liquor stores to sell products complementary to their business. It would also create a medallion system that would provide existing store owners with an additional license and authorize certain transactions between liquor stores and other retail establishments.
U	Expand the low income housing tax credit	This part would increase the aggregate amount of low-income housing tax credits that the Commissioner of Housing and Community Renewal may allocate by \$4 million.
V	Extend the Film Tax Credit	This part would extend the film production tax credit, provide \$2.1 billion in additional tax credit allocations over tax years 2010-14, and impose various restrictions.
W	Establish the Excelsior Jobs Program	This part would make certain businesses in targeted industries that create and maintain at least fifty net new jobs in New York for five years eligible for the three tax credits, each of which would be fully refundable:

		<ul style="list-style-type: none"> <li>• Excelsior Jobs Tax Credit would be a refundable tax credit between \$2,500 and \$10,000 per new job created for up to five years;</li> <li>• Excelsior Investment Tax Credit would be a refundable tax credit of two percent of qualified investments;</li> <li>• Excelsior Research and Development Tax Credit would be a refundable tax credit equal to ten percent of the program participant's federal research and development tax credit, for research and development activities performed in New York State.</li> </ul>
X	Make Empire Zones technical corrections	This part would make technical corrections to clarify that the Empire Zones decertification provisions are applicable to tax year 2008 and to ensure that qualified investment projects remain eligible to receive the investment tax credit beyond the sunset date of June 31, 2010.
Y	Extend State Gramm-Leach-Bliley provisions	This part would extend for one year provisions of the 1985 and 1987 bank tax reforms, as well as the transitional provisions in New York's bank tax enacted in response to the Federal Gramm-Leach-Bliley Act.
Z	Make technical corrections to 2009-10 tax enforcement legislation	This part would authorize technical corrections to 2009-10 tax enforcement and sales tax avoidance and restore the requirement that the industrial development agency agent statements be submitted to the Department of Taxation and Finance.
AA	Extend Pari-Mutuel Tax Rates	This part would extend for one year lower Pari-Mutuel tax rates and rules governing simulcasting of out-of-state races.
BB	Maintain current estate tax	This part would maintain the New York Estate Tax Unified Credit amount currently allowed independent of federal estate law in effect on the date of death.
CC	Modify the taxicab surcharge	This part would modify the imposition and administration of the fifty cent per ride taxicab surcharge imposed by Article 29-A of the Tax Law by converting it to a quarterly fee.

**A.9713 - OFFICE OF TAXPAYER ACCOUNTABILITY  
INTERAGENCY TASK FORCE ELIMINATIONS BILL**

<b>DESCRIPTION</b>	<b>SUMMARY</b>
<p>Eliminate numerous advisory boards, councils, committees, and task forces, consolidate others, and revise the functions, powers, and duties of several such entities</p>	<p>This bill would repeal numerous provisions establishing various advisory boards, councils, committees, and task forces. It would also consolidate the operation of several advisory bodies, shift the duties of certain bodies to state agencies, revise the functions, powers, and duties of several bodies, and make numerous conforming technical changes.</p> <p>The advisory bodies affected would include: the advisory council on under age alcohol consumption; advisory council on alcoholism and substance abuse services; William B. Hoyt Memorial children and family trust fund advisory board; Office of Children and Family Services schools board of visitors; child welfare research advisory panel; statewide wireless network advisory council; advisory council on procurement lobbying; disability benefits advisory committee on legal advocacy; coordinated children’s service initiative; interagency task force on human trafficking; block grant advisory councils; breast and cervical cancer detection and education program advisory council; advisory council on interactive media and youth violence; advisory council on children’s environmental health and safety; funeral directing advisory board; special advisory review panel on Medicaid managed care; medical record access review committees; advisory council on immunization; ovarian cancer information advisory committee; osteoporosis advisory council; State palliative care education and training council; prostate and testicular cancer detection and education advisory council; radiologic technologist advisory board; spinal cord injury research board; State task force on flame retardant safety; State toxic mold task force; adult day services workgroup; Brookhaven National Laboratory local oversight and monitoring committee; controlled substances task force; environmental laboratory program advisory board; commission on financially distressed residential health care facilities; State council on home care services; recombinant DNA advisory council; physician assistants and special assistants advisory council; sharps technical advisory committee; tick-borne disease institute advisory committee; tick-borne disease institute research council; advisory committee on mercury pollution; State bird conservation area advisory committee; falconry advisory board; freshwater wetland appeals board; State scenic byways advisory board; marine and coastal district of New York conservation, education, and research board; State invasive species advisory committee; State oil, gas, and solution mining advisory board; State petroleum bulk</p>

storage advisory council; regional forest practice boards; State forest practice board; solid waste management board; State environmental board; surf clam/ocean quahog management advisory board; State animal health issues committee; plant industry advisory committee; apiary industry advisory committee; advisory council on petroleum products standards; direct marketing advisory council for statewide activities; Hudson Valley agricultural advisory council; organic food advisory committee; agricultural transportation review panel; State heritage areas advisory council; temporary advisory committee on the restoration and display of New York State's military battle flags and the New York State military battle flags partnership trust fund; fire fighting and code enforcement personnel standards and education commission; emergency services council; manufactured housing advisory council; Long Island Sound coastal advisory commission; security and fire alarm systems advisory committee; armored car carrier advisory board; appearance enhancement advisory committee; barbers board; hearing aid dispensing advisory board; State cemetery board; citizens advisory council; State home inspection council; New York motor vehicle theft and insurance fraud prevention board; New York statewide law enforcement telecom committee; board of real estate appraisal; carnival, fair, and amusement park safety advisory board; coordinating council for services related to Alzheimer's; advisory council to the recreation program for the elderly; minority and women-owned business enterprise advisory board; upstate and downstate New York tourism councils; task force on the future of off-track betting in New York State; tow truck advisory board; NORC support service advisory committee; NNORC support service advisory committee; advisory committee for the aging; public health council; and the State hospital review and planning council.

**A.9714 - OFFICE OF TAXPAYER ACCOUNTABILITY  
INTERAGENCY EFFICIENCIES BILL**

<b>DESCRIPTION</b>	<b>SUMMARY</b>
<p>State Administrative Procedure Act (SAPA), Electronic Submission, and Open Meetings Law Changes</p>	<p>This proposal would:</p> <ol style="list-style-type: none"> <li data-bbox="877 418 1934 521">(1) permit state agencies to allow applicants for permits to make an affirmation under penalty of perjury in lieu of other types of oaths and allow such affirmation to be subscribed to electronically;</li> <li data-bbox="877 526 1934 699">(2) allow agencies during the SAPA process in their rule notice to combine their regulatory analysis, rural impact analysis, and job impact analysis statements into a single statement limited to four thousand words, provided that statement includes all of the required elements of those statements;</li> <li data-bbox="877 704 1934 781">(3) permit the Department of Criminal Justice Services to receive various types of offender and public safety records electronically; and</li> <li data-bbox="877 786 1934 888">(4) permit public bodies of which a majority of members are appointed by state agencies to hold their meetings via teleconference or other communications means by which all members may participate.</li> </ol>

**A.9715 - ETHICS AND RETIREMENT BILL**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Create and authorize State Government Ethics Commission	<p>This proposal would repeal and reenact the State Lobbying and Legislative Ethics Laws and amend the Public Officers Law, in order to replace the Commission on Public Integrity and Legislative Ethics Commission with a single State Government Ethics Commission, located in the Department of State, to oversee all Executive and Legislative officers and employees, as well as lobbyists, in relation to financial disclosure, ethical advisory opinions, and enforcement, open meetings regulations, and campaign finance enforcement in New York State. The Commission would consist of five members, serving five year terms, who would have the power to appoint and remove an executive director and other officers, and who would be appointed by a designating commission to consist of ten members (four appointed by the Governor, one by the Attorney General, one by the Comptroller, and one by each of the legislative leaders). The proposed ethics commission would have expanded powers to randomly audit financial disclosure forms, levy civil penalties on public officers, and refer criminal charges to the Attorney General as well as to local district attorneys. Lobbyists would be required to disclose all business relationships with state officers, including referrals of individuals, and all lobbying efforts regarding pension funds and the dispersal of public monies; the proposal would restrict the amount lobbyists could contribute to political candidates over and above existing individual contribution limits. Legislators who are attorneys would have to report all clients referred to them by a lobbyist and list all clients whom they represent before a state body, including any state court. The existing law would be expanded to prohibit the hiring of a relative of a member or employee of the Legislature if the latter has prior knowledge of the prospective employment by the legislative entity in which the legislator or legislative employee works. In addition to its plenary enforcement powers over violations of campaign finance laws, the commission would also be empowered to promulgate regulations governing campaign finance, prescribe forms to be used for disclosure of contributions and expenditures, and otherwise administer such portions of the election law.</p>
B	Designate an Employee Retirement System Board	<p>This proposal would create an Employee Retirement System Board, to consist of five members serving five year terms, to replace the Comptroller as the sole trustee of the State's pension fund, with the Comptroller to act instead as custodian of that fund answerable to the Board. The members of the board would be designated by a designating commission, four of which would be appointed by the Governor, one by the</p>

		Attorney General, one by the Comptroller, and one by each of the legislative leaders. The board would be prohibited from hiring the services of any outside investment manager who uses a placement agent to assist in identifying and placing investments. The proposal would prohibit investment firms who have made political contributions to members of the board from doing business with the State Retirement Fund.
C	Create a program of public financing of elections and otherwise alter current campaign finance law	This part would change New York's current funding of election campaigns by creating a system of public finance for certain offices and otherwise imposing a new structure of campaign financing by limiting and banning certain contributions, expanding reporting requirements, and increasing the frequency of audits. The enforcement of the campaign finance laws would be vested in the ethics commission created elsewhere in the legislation.
D	Establish pension forfeiture for public officials	This proposal would provide that any current or retired member of the State Retirement System who is convicted of a felony offense related to the performance or failure to perform their official duties would be subject to forfeiture of his or her pension and other retirement rights and benefits, minus contributions to the retirement system, based on an action in the supreme court filed by the district attorney having jurisdiction over the offense.

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
FOR STATE FISCAL YEAR 2010-11**

<u>DATE</u>	<u>LOCATION</u>	<u>TIME</u>	<u>TOPIC</u>
January 25	Hearing Room B	10:00 a.m.	Local Government Officials and General Government
January 26	Hearing Room B	9:30 a.m.	Environmental Conservation
January 27	Hearing Room B	9:30 a.m.	Higher Education
February 1	Hearing Room B	9:30 a.m.	Economic Development
February 1	Hearing Room B	1:00 p.m.	Taxes
February 2	Hearing Room B	10:00 a.m.	Elementary & Secondary Education
February 3	Hearing Room B	9:30 a.m.	Mental Hygiene
February 3	Hearing Room B	1:00 p.m.	Housing
February 8	Hearing Room B	9:30 a.m.	Public Protection
February 8	Hearing Room B	1:00 p.m.	Transportation
February 9	Hearing Room B	10:00 a.m.	Health/Medicaid
February 10	Hearing Room B	9:30 a.m.	Workforce Issues
February 10	Hearing Room B	12:00 p.m.	Human Services

**FORECAST OF RECEIPTS**

On or before February 26

Release of revenue receipts  
by the Fiscal Committees of the  
Legislature

All Hearings will be held in the Hamilton Room -- Hearing Room B in the Legislative Office Building, Albany.

## SECTION TWO

### Summary of Recommended Appropriations By Agency State Fiscal Year 2010-11

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# **PUBLIC PROTECTION & GENERAL GOVERNMENT**

**Summary of Recommended Appropriations  
By Agency**

## DIVISION OF ALCOHOLIC BEVERAGE CONTROL

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	18,480,000	22,335,000	3,855,000	20.9%
<b>Total for AGENCY SUMMARY:</b>	<b>18,480,000</b>	<b>22,335,000</b>	<b>3,855,000</b>	<b>20.9%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	155	175	20
<b>TOTAL:</b>	<b>155</b>	<b>175</b>	<b>20</b>

### Agency Mission

(Executive Budget: pp. 295-298)

The Division of Alcoholic Beverage Control (Division) regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State. The Division also issues and renews licenses and permits to manufacturers, distributors, wholesalers and retailers and works with local law enforcement agencies to ensure compliance with the Alcoholic Beverage Control Law.

This agency is included in the Public Protection and General Government appropriation bill.

### Programmatic Highlights

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- An increase of \$3,600,000 is recommended in Special Revenue Fund-Other appropriations. This funding will be used to provide support for the implementation of legislation authorizing the sale of wine in grocery stores and drug stores, and will also be used over the next two years to improve internal licensing processes and to address technology deficiencies.

## Budget Detail

The Executive proposes an All Funds State Operations appropriation of \$22,335,000 reflecting a net increase of \$3,855,000 or 20.86 percent over SFY 2009-10 funding levels.

The Executive recommends 175 full-time equivalent (FTE) employees reflecting an increase of 20 FTE positions from the SFY 2009-10 enacted budget.

### State Operations

#### Proposed Increases

The Executive recommends the following increases:

- \$109,000 increase in funding to reflect Non Personal Service inflation costs;
- \$341,000 increase in funding to reflect Fringe and Indirect cost adjustments;
- \$2,400,000 in maintenance undistributed (MU) funding to be used for services and expenses related to improvements of licensing operations, including technology; and
- \$1,200,000 MU funding to be used over a two year period for services and expenses related to the processing of licensing applications and enforcement, including implementation of legislation authorizing the sale of wine in grocery stores and drug stores.

#### Proposed Decreases

The Executive proposes:

- a reduction of \$195,000 which reflects the impact of SFY 2010-11 collective bargaining savings.

### Article VII

The Executive recommends Article VII legislation that would allow the sale of wine in grocery and drug stores, impose a franchise fee, and modify several sections of law governing the operation of liquor stores (Revenue Bill).

## DEPARTMENT OF AUDIT AND CONTROL

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	173,482,000	173,482,000	0	0.0%
Special Revenue-Other	11,008,000	11,008,000	0	0.0%
Total for Agency:	184,490,000	184,490,000	0	0.0%
Total Contingency:	105,648,000	105,648,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>290,138,000</b>	<b>290,138,000</b>	<b>0</b>	<b>0.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	1,582	1,582	0
All Other Funds:	970	970	0
<b>TOTAL:</b>	<b>2,552</b>	<b>2,552</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 299-304)

The Department of Audit and Control is responsible for paying the State's bills and payrolls, verifying all financial transactions of the State, reviewing the financial and management practices of State agencies, supervising the fiscal affairs of local governments, investing State funds and issuing bonds and notes, and administering the retirement program for State and most local government employees. The Department has its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls, Newburgh, and Hauppauge.

The Department is included in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The Executive recommends that the \$78,000,000 appropriated in SFY 2009-10 for payments to counties and New York City related to indigent legal services be transferred to the Division of Criminal Justice Services.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$290,138,000, representing no change from the State Fiscal Year (SFY) 2009-10 funding level.

The Executive proposal reflects a workforce of 2,552 full-time equivalent (FTE) positions reflecting no change in FTE positions over the SFY 2009-10 level.

## **State Operations**

The Executive recommends an overall State Operations appropriation of \$258,113,000.

General Fund State Operations appropriations total \$141,457,000 and reflect the following actions:

- funding of \$19,453,000 for the Chief Information Office Program, which maintains the SFY 2009-10 funding level;
- funding of \$43,373,000 for the State and Local Accountability Program, which maintains the SFY 2009-10 funding level;
- funding of \$49,616,000 for the State Operations Program, which maintains the SFY 2009-10 funding level;
- funding of \$8,759,000 for the Executive Direction Program, which maintains the SFY 2009-10 funding level;
- funding of \$12,572,000 for the Administration Program, which maintains the SFY 2009-10 funding level;
- funding of \$6,308,000 for the Legal Services Program, which maintains the SFY 2009-10 funding level;
- funding of \$756,000 is recommended to fund the Pension Investment and Public Finance Program, which maintains the SFY 2009-10 funding level;

Special Revenue Fund-Other appropriations in the amount of \$11,008,000 are proposed and reflect the following actions:

- funding of \$5,102,000 for support of the State Operations Program, which maintains the SFY 2009-10 funding level;
- funding of \$1,018,000 for Environmental Protection and Spill Compensation, which maintains the SFY 2009-10 funding level;
- funding of \$491,000 for support of State and Local Accountability Program, which maintains the SFY 2009-10 funding level; and
- funding of \$4,397,000 for support of Office of the State Deputy Comptroller for New York City, which maintains the SFY 2009-10 funding level;

An Internal Service Fund appropriation of \$4,258,000 is proposed and reflects the following actions:

- funding of \$2,240,000 for expenses of the Pension Investment and Public Finance Program which maintains the SFY 2009-10 funding level;
- funding of \$150,000 for expenses of State Operations Program which maintains the SFY 2009-10 funding level; and
- funding of \$1,868,000 for the Executive Direction Program, an increase of \$48,000 from the SFY 2009-10 funding level.

The Executive recommends \$101,390,000 to fund the Fiduciary activities of the OSC as follows:

- a \$90,102,000 appropriation for the Retirement Services Program, which maintains the SFY 2009-10 funding level; and
- a \$11,288,000 appropriation for the Pension Investment and Public Finance program, which maintains the SFY 2009-10 funding level;

## DIVISION OF THE BUDGET

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	34,932,000	33,955,000	(977,000)	-2.8%
Special Revenue-Other	24,763,000	23,431,000	(1,332,000)	-5.4%
Internal Service Fund	1,650,000	1,650,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>61,345,000</b>	<b>59,036,000</b>	<b>(2,309,000)</b>	<b>-3.8%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	288	280	(8)
All Other Funds:	53	51	(2)
<b>TOTAL:</b>	<b>341</b>	<b>331</b>	<b>(10)</b>

### Agency Mission

(Executive Budget: pp.305-307)

The Division of the Budget (DOB) prepares the Governor's proposed budget and executes the budget as enacted by the Legislature. The Division also serves as the Governor's primary advisor on such fiscal matters as local government and public authority finances.

This agency is included in the Public Protection and General Government appropriation bill.

## Budget Detail

The Executive recommends All Funds appropriations totaling \$59,036,000, reflecting a net reduction in funding of \$2,309,000 or 3.76 percent from State Fiscal Year (SFY) 2009 -10 funding levels.

The Executive recommends 331 full-time equivalent (FTE) funded positions reflecting a reduction of ten FTE positions from current staffing levels.

### State Operations

The Executive continues funding for programs at the following levels:

- a General Fund appropriation of \$4,000,000 for the Cash Management Improvement Act Program, reflecting no change from the SFY 2009-10 funding level. This appropriation allows the State to accept and pay any interest liabilities owed to the federal government under the Federal Cash Management Improvement Act. The Executive also recommends \$2,000,000 in Special Revenue-Other funding, again reflecting no change in spending from SFY 2009-10. This appropriation allows the State to accept and spend any federal interest liabilities owed to the State;
- an Internal Service Fund/Federal Single Audit Account appropriation of \$1,650,000, for an annual independent audit of federal programs performed by KPMG as required by the federal single audit act of 1984;
- an appropriation of \$150,000 in Special Revenue Funds-Other for the purpose of making loans to eligible not-for-profit organizations; and
- a \$316,000 maintenance undistributed appropriation for services and expenses related to membership dues in various organizations including the Conference of Northeast Governors (\$90,000); Federal Funds Information for States (\$12,000) and the National Governors Association (\$214,000).

In addition, the Executive provides spending authority of \$11,000,000, as part of reappropriations totaling \$129,200,000, to allow the State to continue development of the State Financial System Project.

### Proposed Decreases

The Executive proposal includes:

- a decrease of \$967,000 in the Special Revenue Funds-Other Revenue Arrearage Account from SFY 2009-10 funding levels;

- a decrease of \$365,000 in the Special Revenue Funds-Other appropriation for the Systems and Technology Account; which funds expenses for the modification of statewide personnel, accounting, financial management, budgeting and related information systems to accommodate the management and information needs of the DOB;
- a decrease of \$40,000 in Maintenance Undistributed associated with the elimination of funding for membership in the Council of Great Lakes Governors; and
- a decrease of \$510,000 in Maintenance Undistributed associated with the elimination of funding for membership in the Council of State governments.

## **Article VII**

The Governor recommends Article VII legislation that would:

- establish the State Financial System Project which will be responsible for the development, implementation and maintenance of a single statewide financial report system. The Division of Budget and the Office of the State Comptroller shall serve jointly as appointing authority for all titles within the project.

## DEPARTMENT OF CIVIL SERVICE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	22,211,000	18,593,000	(3,618,000)	-16.3%
Special Revenue-Other	2,246,000	2,257,000	11,000	0.5%
Internal Service Fund	39,855,000	40,704,000	849,000	2.1%
<b>Total for AGENCY SUMMARY:</b>	<b>64,312,000</b>	<b>61,554,000</b>	<b>(2,758,000)</b>	<b>-4.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	276	271	(5)
All Other Funds:	227	227	0
<b>TOTAL:</b>	<b>503</b>	<b>498</b>	<b>(5)</b>

### Agency Mission

(Executive Budget: pp. 309-313)

The Department of Civil Service is charged with providing human resource management services to State and local governments.

The Department is included in the Public Protection and General Government appropriation bill.

## Budget Detail

### State Operations

The Executive proposes an All Funds State Operations appropriation of \$61,554,000, a net decrease of \$2,758,000 or 4.29 percent below the SFY 2009-10 level.

#### Proposed Increases

The Executive proposes:

- a net increase of \$649,000 to reflect salary, fixed cost, and fringe benefit increases.

#### Proposed Decreases

The Executive proposes:

- reductions of \$1,610,000 related to an 11.5 percent across the board reduction in State Operations expenditures;
- reductions of \$875,000 related to employees who opted to take a severance package offered under the SFY 2009-10 Workforce Reduction Plan;
- reductions related to anticipated collective bargaining savings totaling \$666,000; and
- a reduction of \$256,000 related to State Operations expenditures decreased pursuant to the SFY 2009-10 Deficit Reduction Plan (DRP) actions.

## STATE CONSUMER PROTECTION BOARD

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,094,000	2,508,000	(586,000)	-18.9%
Special Revenue-Other	400,000	670,000	270,000	67.5%
<b>Total for AGENCY SUMMARY:</b>	<b>3,494,000</b>	<b>3,178,000</b>	<b>(316,000)</b>	<b>-9.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	26	26	0
All Other Funds:	1	1	0
<b>TOTAL:</b>	<b>27</b>	<b>27</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 315-318)

The Consumer Protection Board's (CPB) mission is to protect and advance the rights of New York State's consumers. The CPB handles consumer complaints, mediates consumer disputes, engages in consumer education activities and fraud prevention, and represents consumer interests in utility rate cases before the Public Service Commission.

This agency is included in the Public Protection and General Government appropriation bill.

## Budget Detail

The Executive proposes an All Funds appropriation of \$3,178,000 reflecting a decrease of \$316,000 or 9.04 percent below State Fiscal Year (SFY) 2009-10 funding levels.

The Executive recommends a continuation of 27 full-time equivalent (FTE) funded positions reflecting no change in FTE positions from the current staffing levels.

### State Operations

The Executive recommends a General Fund appropriation of \$2,508,000 reflecting a decrease of \$586,000 or 18.94 percent below SFY 2009-10 funding levels. In addition, the Executive also recommends a Special Revenue Funds – Other appropriation of \$670,000 reflecting an increase of \$270,000 or 67.50 percent above SFY 2009-10 funding levels. This funding reflects the following actions:

#### Proposed Increases

The Executive proposes:

- a \$62,000 increase in funding to reflect net adjustments for the cost of continuing existing programs, including fixed cost increases; and
- an increase of \$275,000 for a total appropriation of \$670,000, related to a shift of personnel from the General Fund to the Special Revenue Funds – Other account for the enforcement of the No Telemarketing Sales Call Law.

#### Proposed Decreases

The Executive proposes:

- a \$65,000 reduction to reflect an 11.25 percent cut related to the SFY 2009-10 Deficit Reduction Plan actions taken by the Executive;
- a \$68,000 reduction to reflect savings initiatives related to management confidential salary activities;
- a \$200,000 Personal Service reduction reflecting the elimination of 3 vacancies;
- a \$40,000 reduction reflecting collective bargaining savings related to management confidential salary actions;

- a \$275,000 decrease related to additional across-the-board reductions and a shift to a Special Revenue Fund – Other account for the enforcement of the No Telemarketing Sales Call Law; and
- a \$5,000 reduction to the Special Revenue Funds - Other related to SFY 2009-10 Deficit Reduction Plan actions taken by the Executive.

## COMMISSION OF CORRECTION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,011,000	2,975,000	(36,000)	-1.2%
<b>Total for AGENCY SUMMARY:</b>	<b>3,011,000</b>	<b>2,975,000</b>	<b>(36,000)</b>	<b>-1.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	32	32	0
<b>TOTAL:</b>	<b>32</b>	<b>32</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 319-321)

The State Commission of Correction (SCOC) serves to promote a safe, secure, and stable correctional system and to provide for the accountability of corrections officials. The SCOC regulates and oversees the operation and management of 68 correctional facilities, 60 county jails, 16 New York City correctional facilities and 428 locally-operated police department detention facilities. The SCOC's role also includes the oversight of five secure detention facilities operated by the Office of Children and Family Services (OCFS).

The SCOC is included in the Public Protection and General Government bill.

## **Budget Detail**

The Executive budget recommends a General Fund State Operations appropriation of \$2,975,000, a decrease of \$36,000 from State Fiscal Year (SFY) 2009-10 funding levels. The Executive proposes support for a workforce of 32 full-time equivalent (FTE) positions, unchanged from SFY 2009-10.

### **State Operations**

#### **Proposed Decreases**

The Executive proposes:

- A decrease in General Fund support by \$36,000, attributable to the annualization of actions taken in the SFY 2009-10 Deficit Reduction Plan (Chapter 502 of the Laws of 2009) and anticipated savings related to collective bargaining.

### **Article VII**

The Executive recommends Article VII legislation that would:

- alter the segregation rules for certain local jail inmates, expand the use of video conferencing in criminal proceedings and permit inmates to voluntarily work for non-profits.

## DEPARTMENT OF CORRECTIONAL SERVICES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	2,786,485,000	2,512,906,000	(273,579,000)	-9.8%
Special Revenue-Other	35,750,000	29,480,000	(6,270,000)	-17.5%
Special Revenue-Federal	37,300,000	38,300,000	1,000,000	2.7%
Enterprise	43,343,000	43,013,000	(330,000)	-0.8%
Correctional Facilities Capital Improvement Fund	320,000,000	320,000,000	0	0.0%
Internal Service Fund	77,976,000	73,692,000	(4,284,000)	-5.5%
<b>Total for AGENCY SUMMARY:</b>	<b>3,300,854,000</b>	<b>3,017,391,000</b>	<b>(283,463,000)</b>	<b>-8.6%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	29,017	28,957	(60)
All Other Funds:	1,010	1,010	0
<b>TOTAL:</b>	<b>30,027</b>	<b>29,967</b>	<b>(60)</b>

### Agency Mission

(Executive Budget: pp. 323-328)

The Department of Correctional Services (DOCS) is responsible for the operation of the State's 67 correctional facilities and the supervision of an under-custody population of approximately 58,400 inmates who have been sentenced to a term of incarceration which is greater than one year.

DOCS is included in the Public Protection and General Government Budget appropriation bill.

## Budget Detail

The Executive Budget recommends an All-Funds appropriation of \$3,017,391,000, a decrease of \$283,463,000 or 8.6 percent from its SFY 2009-10 funding level. The Executive proposes support for a workforce of 29,967 full-time equivalent (FTE) positions, a decrease of 60 FTE positions.

### State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,697,191,000, a decrease of \$283,086,000 from SFY 2009-10 funding levels. The General Fund supports a total \$2,512,706,000 or 93 percent of DOCS' non-capital expenditures.

### Prison Closure Proposal

The Executive Budget assumes the closure of four correctional facilities and the consolidation of several medium security dormitories to achieve a savings of \$7,000,000 in SFY 2009-10 and \$52,248,700 annually. These closures and consolidations would ultimately result in the attrition of a total 637 FTE staff positions.

The following correctional facilities have been identified for closure:

- Butler Minimum Security (Wayne County), currently staffed with 80 FTE positions;
- Lyon Mountain (Clinton County), currently staffed with 93 FTE positions;
- Ogdensburg (St. Lawrence County), currently staffed with 291 FTE positions; and
- Moriah Shock Incarceration facility (Essex County), currently staffed with 108 FTE positions.

Under the Executive plan, the Lyon Mountain and Butler correctional facilities would close in January 2011, while the Ogdensburg correctional facility and the Moriah Shock Incarceration facilities would close in April 2011. The consolidation of dormitories at medium security facilities, as determined by the Commissioner of DOCS, is anticipated to result in the attrition of 65 FTE positions and savings in SFY 2010-11 of \$3,954,000.

### Proposed Increases

The Executive proposal includes support for:

- base adjustments to accommodate inflationary costs (\$35,500,000), additional corrections officer training classes (\$4,600,000), maintenance expenses

(\$3,300,000), equipment (\$1,700,000), alarms (\$1,700,000); and other expenses (3,400,000); and

- additional personal service adjustments (\$16,413,000).

### Proposed Decreases

The Executive proposal would decrease support through the following actions:

- the elimination of a retroactive collective bargaining payments (\$196,190,000);
- spending reductions on energy, equipment supplies and materials (\$47,158,000);
- other personal and non-personal services savings (\$35,000,000);
- anticipated savings attributable to collective bargaining (\$33,058,000);
- savings resulting from the continued implementation of the SFY 2009-10 Deficit Reduction Plan (\$20,000,000);
- consolidation of dormitory facilities (\$3,954,000);
- lease of vehicles in lieu of purchasing new vehicles (\$3,700,000);
- closure of Lyon Mountain minimum security correctional facility (\$3,046,000); and
- seek Medicaid reimbursement for inmates who are treated in hospital settings outside prison facilities to generate \$3,000,000 in savings.

### Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$200,000, a decrease of \$377,000 from SFY 2009-10 funding levels, resulting from the elimination of legislative restorations.

### Capital Projects

The Executive proposal includes a capital appropriation of \$320,000,000, unchanged from SFY 2009-10 funding levels.

## DIVISION OF CRIMINAL JUSTICE SERVICES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	214,845,949	185,792,000	(29,053,949)	-13.5%
Special Revenue-Other	164,806,500	169,663,000	4,856,500	2.9%
Special Revenue-Federal	132,804,000	137,154,000	4,350,000	3.3%
Internal Service Fund	890,000	890,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>513,346,449</b>	<b>493,499,000</b>	<b>(19,847,449)</b>	<b>-3.9%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	555	592	37
All Other Funds:	107	229	122
<b>TOTAL:</b>	<b>662</b>	<b>821</b>	<b>159</b>

#### Agency Mission

(Executive Budget: pp. 329-336)

The Division of Criminal Justice Services (DCJS) is the administering agency for both State and federal funds that support programs designed to combat crime, drug abuse and violence across the State. DCJS maintains criminal history and statistical data for federal, State and local law enforcement agencies, identifies criminals through fingerprints, maintains the sex offender registry and provides training and management services to local law enforcement agencies.

This agency is included in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The merger of the Crime Victims Board (CVB), the Office for the Prevention of Domestic Violence (OPDV), and the Division of Probation and Correctional Alternatives (DPCA) under DCJS.
- The creation of a new Office of Indigent Defense.
- Expansion of eligible offenders who are required to submit a sample to the DNA databank.

## **Budget Detail**

The Executive Budget recommends an All-Funds appropriation of \$493,499,000, a decrease of \$19,847,449 or -3.9 percent from its State Fiscal Year (SFY) 2009-10 funding level. The Executive proposes support for a workforce of 821 full-time equivalent (FTE) positions, an increase of 159 FTE positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$137,009,000, a decrease of \$12,019,000 from SFY 2009-10 funding levels.

The Executive proposal includes a new Office of Indigent Defense which would be charged with the oversight of the State defense system throughout New York State. Governed by an independent board, the Office would also be responsible for the administration of \$77,000,000 in grants made to counties for delivering defense services to the indigent. The State Operations portion of the Office would be supported with an appropriation of \$3,000,000.

### **Proposed Increases**

The Executive proposal also includes the following increases:

- an additional \$3,000,000 to access expanded data storage capacity from the Office for Technology (OFT); and
- an additional \$2,800,000 for continued debt service payments associated with the Statewide Automated Fingerprint Identification System (SABIS).

The Executive proposal further provides \$5,830,000 in increases to federal appropriations, including support for the Crime and Identification and Technology Account (\$2,500,000); the Crime Victims Assistance Program (\$1,030,000); OPDV Research, Training, Technical Assistance and Demonstrations Program (\$1,000,000); Domestic Violence Prevention

(\$500,000); STOP Violence Against Women Act (\$500,000); and Juvenile Justice and Delinquency Prevention Grants (\$300,000).

### Proposed Decreases

The Executive proposal decreases appropriations by \$9,989,000 to reflect personal and nonpersonal service reductions (\$6,483,000), the annualization of Deficit Reduction Plan savings (\$2,493,000); and reductions resulting from administrative efficiencies achieved through the merger of CVB, OPDV, and DPCA into DCJS (\$1,013,000).

The Executive proposal decreases the support for Special Revenue-Other support for the Fingerprint Identification and Technology by \$2,500,000 and reduces federal appropriations accordingly:

- Violence Against Women Act support (\$1,500,000); Edward Byrne Memorial Grant Account/Justice Assistance Grant (Byrne/JAG), (\$1,475,000); and Byrne/JAG support (\$2,000,000).

### Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$356,490,000, a decrease of \$7,828,449 from SFY 2009-10 funding levels.

### Proposed Increases

The Executive proposal includes \$8,121,000 in appropriations transferred from the Department of Health to the DCJS. Under the Governor's plan, General Public Health Works support for Medical Examiners (\$6,250,000) and support for Rape Crisis Programs (\$1,871,000) would be shifted to DCJS, which would assume all administrative responsibilities.

To provide the new Office of Indigent Defense with the means to allocate funds to localities for the provision of defense services, the Executive proposal would transfer a \$77,000,000 Indigent Legal Service Fund (ILSF) appropriation from the Office of the State Comptroller to DCJS. Under this proposal, ILSF funds would no longer be distributed pursuant to a Maintenance of Effort test, but would rather be allocated in a form prescribed by the Board with certain requirements.

### Proposed Decreases

The Executive proposal reduces appropriations for several local assistance appropriations by an aggregate \$16,949,000, including reductions to:

- Local probation Aid (\$4,427,000); Operation SNUG (\$4,000,000); Operation IMPACT (\$1,743,000); Alternatives to Incarceration (ATI) initiatives (\$1,712,000); Aid to Prosecution (\$1,289,000); Aid to Crime Labs (\$801,000); Aid to Defense (\$665,000); New York State Defenders Association (\$131,000); Re-Entry Task Forces (\$370,000); New York Prosecution Training Institute (\$278,000); District Attorney Salaries (\$253,000); Westchester County Policing Program (\$240,000); and the Special Narcotics Prosecutor (\$100,000).

The Executive proposal also provides a decrease of \$940,000 to the Legal Service Assistance Account, and a decrease in federal appropriations totaling \$2,330,000, reflecting the following:

- Crime Victims Assistance Program (\$1,030,000); Juvenile Justice and Delinquency Prevention (\$300,000); STOP Violence Against Women Act (\$500,000); and Crime Identification and Technology Account support (\$500,000).

## **Article VII**

The Executive recommends Article VII legislation that would:

- merge the operations of the CVB, OPDV, and DPCA under DCJS;
- establish the Rape Crisis Program within DCJS (formerly in DOH);
- remove certain responsibilities from local probation departments and change the method of distribution for state probation aid from a reimbursement model to a grant program;
- create the Office of Indigent Defense within the DCJS;
- authorize counties to create an office of conflict defender as part of a plan to provide representation to indigent defendants;
- expand the category of offenders that must submit a DNA sample to the DNA databank;
- allow for witnesses and respondents under the Sex Offender Management and Treatment Act to appear by video teleconference; and
- make technical corrections to the District Attorney and Indigent Legal Services Attorney Loan forgiveness Program to ensure residency requirements are met by applicants.

# STATE BOARD OF ELECTIONS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	7,395,000	6,135,000	(1,260,000)	-17.0%
Special Revenue-Other	6,000,000	500,000	(5,500,000)	-91.7%
Special Revenue-Federal	15,500,000	7,500,000	(8,000,000)	-51.6%
<b>Total for AGENCY SUMMARY:</b>	<b>28,895,000</b>	<b>14,135,000</b>	<b>(14,760,000)</b>	<b>-51.1%</b>

## ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	60	60	0
All Other Funds:	3	3	0
<b>TOTAL:</b>	<b>63</b>	<b>63</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 337-340)

The State Board of Elections executes and enforces the Election Law and oversees the disclosure of campaign financing practices. This agency is in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The Executive recommends \$6,500,000 in new Federal funding to support the implementation of a federally mandated statewide process ensuring absent uniform services members and overseas voters their right to vote.

## **Budget Detail**

The Executive recommends an All Funds appropriation of \$14,135,000, reflecting a decrease of \$14,760,000 from the State Fiscal Year (SFY) 2009-10 funding level. This appropriation includes \$6,135,000 in General Fund support, \$500,000 in Special Revenue Funds – Other, and \$6,500,000 in Special Revenue Funds – Federal to allow the State to continue its work pertaining to the implementation of the Help America Vote Act of 2002 (HAVA).

The Executive recommends funding 63 full-time equivalent (FTE) positions in SFY 2010-11 reflecting no change from the current fiscal year staffing level.

## **State Operations**

The Executive recommends \$13,135,000 in State Operations funding, reflecting a net decrease of \$260,000 from 2009-10 funding levels.

The Executive proposes a \$1,260,000 decrease in General Fund spending including the following actions:

### **Proposed Decreases**

The Executive proposes:

- a reduction of \$366,000 which reflects the impact of the SFY 2009-10 personal service savings initiatives;
- a reduction of \$307,000 which reflects the impact of the SFY 2009-10 deficit reduction plan action;
- a reduction of \$84,000 which reflects the impact of the SFY 2010-11 collective bargaining savings; and
- a reduction of \$700,000 which reflects the impact of the SFY 2010-11 additional 11.5 percent across the board personal service reductions.

### Proposed Increases

The Executive proposes:

- an increase of \$197,000 in General Fund appropriation to reflect the cost of continuing current programs including other fixed costs.

The Executive also recommends an overall appropriation of \$500,000 in Special Revenue Funds – Other, reflecting the following actions:

### Proposed Decreases

The Executive proposes:

- elimination of \$5,000,000 for the Voting Machine Examination Account; remaining funds from prior years are reappropriated; and
- a reduction from \$1,000,000 to \$500,000 for the Matching Funds Examination Account; remaining funds are reappropriated.

The Executive also recommends new appropriations of \$6,500,000 in Special Revenue Funds-Federal, representing the following actions:

### Proposed Increases

The Executive proposes:

- a new Federal Appropriation of \$6,500,000 to accommodate the Military and Overseas Voter Empowerment Act.

### **Aid to Localities**

The Executive recommends \$1,000,000 in Special Revenue – Federal Aid to Localities funding, reflecting a net decrease of \$14,500,000 from current year funding levels and reflecting the following actions:

### Proposed Decreases

The Executive proposes:

- the elimination of \$14,500,000 for the purchase of voting machines; remaining funds are reappropriated.

The Executive provides reappropriations totaling \$192,900,000 in funding to allow the State to continue its work pertaining to the implementation of the HAVA.

## OFFICE OF EMPLOYEE RELATIONS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,715,000	3,100,000	(615,000)	-16.6%
Special Revenue-Other	121,000	121,000	0	0.0%
Internal Service Fund	1,789,000	3,710,000	1,921,000	107.4%
<b>Total for AGENCY SUMMARY:</b>	<b>5,625,000</b>	<b>6,931,000</b>	<b>1,306,000</b>	<b>23.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	35	35	0
All Other Funds:	14	14	0
<b>TOTAL:</b>	<b>49</b>	<b>49</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 341-343)

In accordance with the Public Employees' Fair Employment Act (the Taylor Law), the Office of Employee Relations (OER) represents the Governor in collective bargaining with public employee unions and directs the State's employee relations policies so that agencies and employees provide high quality, uninterrupted State government services.

The OER is included in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes funding for the development and implementation of a statewide Learning Management System (LMS) that is planned to be part of a larger single statewide human resources system (e-HR). Initially, LMS will enable employees to register for and to receive low-cost online training for first-responders while assisting State agencies in tracking the IT skills of the State's workforce.

## **Budget Detail**

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$6,931,000, a net increase of \$1,306,000 or 23.2 percent above the SFY 2009-10 level.

#### **Proposed Increases**

The Executive proposes:

- an increase of \$2,000,000 to pay for the startup costs associated with the LMS, which would enable employees to register for and receive online training and State agencies to track its employees' IT skills; and
- a net increase of \$21,000 related to salary and fixed cost increases.

#### **Proposed Decreases**

The Executive proposes:

- reductions of \$403,000 related to an 11.5 percent across the board reduction in State Operations expenditures;
- a reduction of \$190,000 related to employees who opted to take a severance package offered under the SFY 2009-10 Workforce Reduction Plan;
- a reduction related to anticipated collective bargaining savings totaling \$80,000; and
- a reduction of \$42,000 related to State Operations expenditures reduced pursuant to the SFY 2009-10 Deficit Reduction (DRP) actions.

## EXECUTIVE CHAMBER

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	20,397,000	20,538,000	141,000	0.7%
Special Revenue-Other	100,000	100,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>20,497,000</b>	<b>20,638,000</b>	<b>141,000</b>	<b>0.7%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	169	171	2
<b>TOTAL:</b>	<b>169</b>	<b>171</b>	<b>2</b>

#### Agency Mission

(Executive Budget: pp. 345-348)

The Executive Chamber is the Office of the Governor and includes the immediate staff of the Governor.

The Executive Chamber is included in the Public Protection and General Government appropriation bill.

## Budget Detail

The Executive proposes All Funds appropriations of \$20,638,000 to support the activities of the Office of the Governor and the Office of the Lieutenant Governor. The requested appropriation reflects an overall increase of \$141,000 or .69 percent over the current State Fiscal Year (SFY) 2009-10 base funding levels.

The Executive's recommendation for the Office of the Governor and the Office of the Lieutenant Governor reflects an overall workforce of 171 full-time equivalent (FTE) positions, representing an increase of 2 FTE positions over SFY 2009-10. Recommended FTEs for the Office of the Governor are 164, representing a decrease of 5 FTEs from the 2009-10 level. A workforce of 7 FTE funded positions is also recommended for Office of the Lieutenant Governor.

### State Operations

A General Fund appropriation of \$300,000 is proposed for activities authorized pursuant to the Moreland Act.

#### Proposed Increases

The Executive recommends a General Fund appropriation increase of \$700,000 for support of the Office of the Lieutenant Governor now that the position is filled. In 2009-10, all appropriations and personnel in support of the Lieutenant Governor were eliminated because there was a vacancy in the position.

The \$700,000 increase reflects the following actions:

- a \$550,000 in personal service; and
- a \$150,000 in non-personal service.

#### Proposed Decreases

The Executive proposes:

- funding for the Executive Chamber is reduced by \$559,000 reflecting across the board personal and non-personal services spending reductions.

## OFFICE OF GENERAL SERVICES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	156,021,000	143,106,000	(12,915,000)	-8.3%
Special Revenue-Other	22,127,000	21,591,000	(536,000)	-2.4%
Special Revenue-Federal	17,540,000	11,340,000	(6,200,000)	-35.3%
Enterprise	2,014,000	2,009,000	(5,000)	-0.2%
Capital Projects Fund	74,700,000	71,050,000	(3,650,000)	-4.9%
Capital Projects Fund - Authority Bonds	23,300,000	26,950,000	3,650,000	15.7%
Internal Service Fund	610,056,000	300,720,000	(309,336,000)	-50.7%
Fiduciary	750,000	750,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>906,508,000</b>	<b>577,516,000</b>	<b>(328,992,000)</b>	<b>-36.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	956	923	(33)
All Other Funds:	592	577	(15)
<b>TOTAL:</b>	<b>1,548</b>	<b>1,500</b>	<b>(48)</b>

#### Agency Mission

(Executive Budget: pp. 349-353)

The Office of General Services (OGS) supports the operation of State agencies by providing space planning and leasing; real property management and maintenance; centralized contracting for commodities, printing and equipment maintenance services; employee and visitor parking management; and interagency mail and courier assistance. OGS also provides a number of smaller agencies with various centralized administrative and information processing services.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The elimination of funding intended for centralized lease management in the amount of \$400,000,000, as agencies return renegotiated lease savings to agency revenues.
- A Power Initiative Internal Service Fund appropriation of \$90,000,000 to facilitate the direct purchase and delivery of energy to State agencies.

## **Budget Detail**

The Executive recommends an All Funds appropriation of \$577,516,000, reflecting a decrease of \$328,992,000 or 36.3 percent from the State Fiscal Year 2009-10 funding level.

The Executive recommends funding for 1,500 full-time equivalent (FTE) positions, reflecting a decrease of 48 FTEs over SFY 2009-10 staffing levels. The elimination of 48 FTEs is attributed to attrition.

## **State Operations**

The Executive recommends an All Funds appropriation for State Operations of \$479,516,000 representing a \$328,992,000 decrease from the SFY 2009-10 funding level.

### **Proposed Increases**

The Executive proposes:

- a \$90,000,000 increase in the Executive Direction Internal Service Fund to facilitate in the direct purchase and delivery of energy to State agencies;
- a \$390,000 increase in the Design and Construction Internal Service Fund which reflects indirect cost adjustments, and the cost of continuing current programs;
- a \$114,000 increase in the Procurement Program Internal Service Fund to reflect the cost of continuing current programs, fringe benefit and cost adjustments;
- a \$102,000 increase in the Real Property Management and Development Program Internal Service Fund due to indirect costs and fringe benefit adjustments and the cost of continuing programs; and
- a \$58,000 increase in the Executive Direction Internal Service Fund due to the cost of continuing current programs.

## Proposed Decreases

The Executive proposes:

- a \$400,000,000 reduction in the Real Property Management and Development Program Internal Service Fund intended for centralized lease management;
- a \$12,900,000 reduction in General Fund appropriations attributed to the attrition of 33 full time employees and other personal service reductions, energy savings and renegotiated lease savings;
- a \$6,200,000 reduction in the Emergency Food Assistance Program due to a one-time federal stimulus appropriation;
- a \$505,000 reduction in Real Property Management and Development Special Revenue Fund support due to personal service and indirect cost adjustments and the attrition of one full time employee ; and
- a \$31,000 reduction in Executive Direction Special Revenue Funds due to fringe benefit and indirect cost adjustments.

## Capital Projects

The Executive recommends \$98,000,000 in funding for Capital projects, reflecting no change from the SFY 2009-10.

## Article VII

The Executive recommends Article VII legislation that would:

- repeal the requirements that contractors collect a fee on the sales from centralized contracts administered by OGS; and
- provide additional procurement flexibility for local governments and the State in order to facilitate cost savings on behalf of the State and localities.

## DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	18,222,000	11,949,000	(6,273,000)	-34.4%
Special Revenue-Other	18,471,700	99,422,700	80,951,000	438.2%
Special Revenue-Federal	503,300,000	627,474,000	124,174,000	24.7%
Enterprise	0	50,000,000	50,000,000	--
Capital Projects Fund	0	42,000,000	42,000,000	--
Internal Service Fund	1,500,000	2,000,000	500,000	33.3%
<b>Total for AGENCY SUMMARY:</b>	<b>541,493,700</b>	<b>832,845,700</b>	<b>291,352,000</b>	<b>53.8%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	132	149	17
All Other Funds:	44	248	204
<b>TOTAL:</b>	<b>176</b>	<b>397</b>	<b>221</b>

### Agency Mission

(Executive Budget: pp. 355-362)

The Executive Proposal would consolidate the State's emergency service and homeland security entities into a new Division of Homeland Security and Emergency Services (Division), which would develop and coordinate a comprehensive all-hazards strategy for disaster preparedness and response to acts of terrorism and natural disasters. The Division would maintain strong ties with Federal security-related agencies including the United States Department of Homeland Security, and would establish a statewide interoperable communications strategy. The proposed Division would consolidate several State entities under the existing Office of Homeland Security (OHS),

including the State Emergency Management Office (SEMO), the Office of Cyber Security and Critical Infrastructure Coordination (CSCIC), the State 911 Board, the interoperable communications program of the Office for Technology (OFT), and the Office of Fire Prevention and Control (OFPC).

This Agency's budget appears in the Public Protection and General Government bill.

### **Programmatic Highlights**

- The Executive Budget consolidates several disaster preparedness and first responder agencies into a new Division of Homeland Security and Emergency Services.
- A new \$42,000,000 appropriation is provided to enhance the operations of the State Preparedness Training Center in Oriskany, New York.

### **Budget Detail**

The Executive recommends an All Funds appropriation of \$832,845,700, a \$291,352,000, or 53.8 percent increase over SFY 2009-10 spending levels. This dramatic increase is largely related to the transfer of appropriations from State entities that are proposed to be merged into the new Division. The Executive proposes support for a workforce of 397 full-time equivalent (FTE) positions.

### **State Operations**

The Executive recommends an All Funds State Operations appropriation of \$106,428,000, a \$77,297,000 increase from SFY 2009-10 spending levels.

The Executive proposal would merge several State entities under the existing OHS, including SEMO (currently in the Division of Military and Naval Affairs), CSCIC, OFPC (currently in the Department of State), and the State 911 Board (currently in the Department of State) in an effort to seek a more comprehensive approach to preventing and responding to emergencies. The consolidation of these entities will also produce efficiencies in coordinating federal grant applications and would build a unified interoperable communications strategy.

The activities of the new Division will rely heavily on revenue derived from an existing surcharge on wireless devices. The Executive proposal includes appropriations totaling \$82,270,000 to support the following:

- grants for the development of consolidated regional public safety communications networks (\$50,000,000);
- support for the State Preparedness Training Center (\$13,470,000);

- administrative and other non-personal service expenses (\$9,500,000);and
- reimbursement of localities for improvements to E-911 networks (\$9,300,000);

The Executive proposal also provides \$8,677,000 in cell surcharge revenue to support debt service for the E-911 expedited deployment program, a decrease of \$14,392,000 from SFY 2009-10 funding levels.

In addition, \$4,646,000 is provided to the Office of Cyber Security and Critical Infrastructure Coordination to allow for Information Technology upgrades and enhanced intrusion detection services on behalf of all State agencies.

### Proposed Decreases

The Executive's agency consolidation proposal is expected to generate \$1,500,000 in savings during SFY 2009-10. Other savings measures include the annualization of reductions to the E-911 grant program as authorized in the SFY 2009-10 Deficit Reduction Plan (\$500,000), and anticipated collective bargaining savings associated with staff of OFPC (\$5,000) and the New York Fire Academy (\$8,000).

### Aid to Localities

The Executive recommends an All Funds Aid to Localities appropriation of \$684,417,700, which includes an appropriation of \$600,000,000 for the Domestic Incident Preparedness Account to accept Federal homeland-security related grant funds. This represents an increase of \$100,000,000 from SFY 2009-10 spending levels.

The responsibilities of the OFT Federal Interoperable Coordinator would be transferred to the new the new Division to chair the Office for Interoperable and Emergency Communications. This office would offer grants of up to \$50 million in SFY 2010-11 for the purpose of developing regional consolidation of 911 dispatch centers. Once fully implemented, the Executive proposal would reprogram support for the existing E-911 wireless communications grant program to support this purpose.

### Capital Projects

The Executive recommends a capital appropriation of \$42,000,000 for the purpose of centralizing first responder training operations in the State Preparedness Training Facility in Oriskany, New York.

## **Article VII**

The Executive recommends Article VII legislation that would:

- consolidate several State entities under the Office of Homeland Security to create a new Division of Homeland Security and Emergency Services; and
- offer localities an opportunity to pool their finances through the Municipal Bond Bank Agency for the purpose of developing public safety communications systems.

## **Deficiency Request**

The Executive Proposal would provide for the transfer of an additional \$50,000,000 from the Statewide Public Safety Communications Account to the General Fund.

**OFFICE OF THE INSPECTOR GENERAL**

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	6,825,000	6,138,000	(687,000)	-10.1%
Special Revenue-Other	100,000	100,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>6,925,000</b>	<b>6,238,000</b>	<b>(687,000)</b>	<b>-9.9%</b>

**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	62	62	0
<b>TOTAL:</b>	<b>62</b>	<b>62</b>	<b>0</b>

**Agency Mission**

(Executive Budget: pp. 363-366)

The Office of the Inspector General is responsible for investigating instances of fraud, abuse, criminal activity, and corruption in State agencies.

This agency is included in the Public Protection and General Government appropriation bill.

**Budget Detail**

The Executive recommends an All Funds appropriation of \$6,238,000 reflecting a net decrease of \$687,000 or 9.92 percent from the State Fiscal Year (SFY) 2009-10 funding level.

A workforce of 62 full-time equivalent (FTE) funded positions is recommended which reflects no change from SFY 2009-10.

### **State Operations**

The Executive recommends \$100,000 in Special Revenue Fund-Other funding, reflecting no change from the SFY 2009-10 base funding level.

#### **Proposed Increases**

The Executive proposes:

- a net adjustment of \$356,000 to reflect the cost of continuing existing programs, including salary, rent, and other fixed costs.

#### **Proposed Decreases**

The Executive recommends State Operations General Fund appropriations of \$6,138,000, reflecting a net decrease of \$687,000 or 10.07 percent from the State Fiscal Year (SFY) 2009-10 funding level. This decrease reflects the following:

- a reduction of \$110,000 which reflects the impact of the SFY 2009-10 Deficit Reduction plan;
- a reduction of \$242,000 which reflects the impact of the SFY 2009-10 personal service management confidential savings initiative, including the elimination of one FTE position;
- a reduction of \$111,000 which reflects the impact of SFY 2010-11 collective bargaining savings; and
- a reduction of \$580,000 in additional across the board decreases taken in all Executive agencies.

## NEW YORK INTEREST ON LAWYERS ACCOUNT

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	48,050,000	46,873,000	(1,177,000)	-2.4%
<b>Total for AGENCY SUMMARY:</b>	<b>48,050,000</b>	<b>46,873,000</b>	<b>(1,177,000)</b>	<b>-2.4%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	8	8	0
<b>TOTAL:</b>	<b>8</b>	<b>8</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 367-369)

The Interest on Lawyer Account (IOLA) Fund was established in 1983 to finance civil legal services for low-income New Yorkers. IOLA revenues are derived from the interest accrued on trust accounts in which attorneys hold certain funds for their clients. This earned interest is pooled, and a fifteen-member Board of Trustees allocates the funds to not-for-profit, tax-exempt entities who provide civil legal services to the indigent, elderly, disabled, and others.

This agency is included in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The Judiciary's State Fiscal Year (SFY) 2010-11 budget, as submitted to the Governor, provides for:

- The suballocation of \$15,000,000 to the IOLA trustees for the purpose of supporting grants to provide civil legal services for the indigent.

## **Budget Detail**

The Executive Budget recommends an All Funds State Operations appropriation of \$46,873,000, a \$1,177,000 decrease from the State Fiscal Year (SFY) 2009-10 levels. The Executive proposes support for a workforce of eight full-time equivalent (FTE) positions, representing no change from SFY 2009-10.

A \$1,000,000 appropriation made in support of civil legal services in SFY 2009-10 has not yet been allocated and thus is reappropriated at the full amount for disbursement in the current fiscal year.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$1,873,000, a decrease of \$177,000 from the SFY 2009-10 funding level.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$45,000,000, a decrease of \$1,000,000 from the SFY 2009-10 funding level. This reflects the elimination of \$1,000,000 in support for civil legal services provided in SFY 2009-10.

## JUDICIAL COMMISSIONS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	5,268,000	5,474,000	206,000	3.9%
<b>Total for AGENCY SUMMARY:</b>	<b>5,268,000</b>	<b>5,474,000</b>	<b>206,000</b>	<b>3.9%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	49	49	0
<b>TOTAL:</b>	<b>49</b>	<b>49</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 371-373)

New York State's three Judicial Commissions serve to maintain the integrity of the court system. The Commission on Judicial Nomination and the Governor's Judicial Screening Committees screen potential nominees for high-level judicial appointments by the Governor. The Commission on Judicial Conduct investigates and acts upon allegations of judicial misconduct.

The Commissions are included in the Public Protection and General Government bill.

#### Budget Detail

The Executive proposes an All Funds appropriation of \$5,474,000 for State Fiscal Year (SFY) 2010-11, a net \$206,000 increase over SFY 2009-10 funding levels. The Executive proposal maintains a workforce of 49 full-time equivalent (FTE) positions.

## **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$5,474,000, a net increase of \$206,000 from SFY 2009-10 funding levels.

### **Proposed Increases**

- The Executive recommendation includes an increase of \$206,000 to the Commission on Judicial Conduct (CJC) to reflect adjustments to support the cost of continuing ongoing programming.

## DEPARTMENT OF LAW

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	130,466,000	114,219,000	(16,247,000)	-12.5%
Special Revenue-Other	65,593,000	59,987,000	(5,606,000)	-8.5%
Special Revenue-Federal	37,559,000	35,820,000	(1,739,000)	-4.6%
<b>Total for AGENCY SUMMARY:</b>	<b>233,618,000</b>	<b>210,026,000</b>	<b>(23,592,000)</b>	<b>-10.1%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	1,212	1,151	(61)
All Other Funds:	635	596	(39)
<b>TOTAL:</b>	<b>1,847</b>	<b>1,747</b>	<b>(100)</b>

### Agency Mission

(Executive Budget: pp. 375-379)

The Department of Law provides legal counsel to the State and represents the State in many court proceedings. The Department protects State agencies and citizens through the investigation of organized and white-collar crime as well as Medicaid fraud. It also protects consumers from fraudulent business practices and brings civil and/or criminal actions against violators of anti-trust laws. The Department defends the public interest through protecting charitable donors and beneficiaries, enforcing laws that prohibit discrimination, and pursuing actions against violators of environmental law.

This agency is included in the Public Protection and General Government bill.

## **Budget Detail**

The State Fiscal Year (SFY) 2010-11 Executive Budget recommends an All Funds State Operations appropriation of \$210,026,000, a decrease of \$23,592,000 or 10.1 percent from its State Fiscal Year (SFY) 2009-10 funding levels. The Executive proposes a workforce of 1,747 full-time equivalent (FTE) positions, a decrease of 100 FTE from SFY 2009-10 staffing levels.

### **State Operations**

The Executive Budget recommends an All Funds State Operations appropriation of \$210,026,000, a decrease of \$23,592,000 from its State Fiscal Year (SFY) 2009-10 funding levels.

#### **Proposed Decreases**

The Executive proposes:

- Pursuant to the Attorney General's request, the Executive has reduced General Fund appropriations by \$16,247,000. Similarly, the Attorney General's request also reduces Special Revenue appropriations by \$5,606,000. Combined, these reductions total \$21,853,000.
- In addition, Federal appropriations made for the Medicaid Fraud Control Unit are reduced by \$1,739,000.

## DIVISION OF MILITARY AND NAVAL AFFAIRS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	115,295,000	17,755,000	(97,540,000)	-84.6%
Special Revenue-Other	18,541,000	8,741,000	(9,800,000)	-52.9%
Special Revenue-Federal	367,442,000	42,780,000	(324,662,000)	-88.4%
Enterprise	50,000,000	0	(50,000,000)	-100.0%
Capital Projects Fund	13,100,000	13,100,000	0	0.0%
Federal Capital Projects Fund	3,000,000	17,600,000	14,600,000	486.7%
<b>Total for AGENCY SUMMARY:</b>	<b>567,378,000</b>	<b>99,976,000</b>	<b>(467,402,000)</b>	<b>-82.4%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	225	200	(25)
All Other Funds:	354	282	(72)
<b>TOTAL:</b>	<b>579</b>	<b>482</b>	<b>(97)</b>

#### Agency Mission

(Executive Budget: pp. 381-385)

The Division of Military and Naval Affairs' (DMNA) primary mission, through the State's militia, is to maintain a well-trained military force ready to respond to civil emergencies, natural disasters and threats to national security.

This Agency is included in the Public Protection and General Government appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The State Emergency Management Office (SEMO) would be merged into a new Division of Homeland Security and Emergency Services (HSES); and
- Support for Empire Shield is increased to \$19.5 million for the National Guard's rapid response and deterrence efforts in New York City.

### **Budget Detail**

The Executive Budget recommends an All funds appropriation of \$99,976,000, a decrease of \$467,402,000, or 82.4 percent from State Fiscal Year (SFY) 2009-10 funding levels. The Executive proposal includes support for a workforce of 482 full-time equivalent (FTE) positions, a reduction of 97 positions. These reductions are almost exclusively related to the transfer of SEMO to the new HSES.

### **State Operations**

The Executive proposal includes an All Funds State Operations appropriation of \$68,626,000, a decrease of \$70,753,000 over SFY 2009-10 funding levels.

#### **Proposed Increases**

The Executive proposal includes the following:

- the Executive makes an adjustment of \$194,000 to reflect an increase in utility costs at DMNA's armories.

#### **Proposed Decreases**

The Executive proposal includes the following:

- the transfer of SEMO to the new HSES results in a personal and non-personal service reduction of \$4,321,000;
- administrative efficiencies and other reductions that would result in savings of \$2,000,000;

- savings of \$1,229,000 as a result of \$521,000 in workforce reductions, collective bargaining savings of \$201,000 and \$507,000 from severance packages;
- the continued implementation of the SFY 2009-10 Deficit Reduction Plan would result in additional savings of \$1,000,000; and
- collective bargaining savings of \$401,000 are projected within the Military Readiness Program, Camp Smith Billeting, and the Armory Rentals Program.

### **Aid to Localities**

The Executive proposal includes an All Funds Aid to Localities appropriation of \$650,000, a decrease of \$411,249,000 over SFY 2009-10 funding levels. This significant reduction reflects the transfer of SEMO and its responsibilities to the new HSES.

### **Article VII**

The Executive recommends Article VII legislation that would merge SEMO, the Office of Homeland Security, the State E-911 Board, the Office of Cyber Security and Critical Infrastructure Coordination, and the Office of Fire Prevention and Control to form HSES.

## DIVISION OF PAROLE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	183,037,652	176,302,000	(6,735,652)	-3.7%
Special Revenue-Other	825,000	1,275,000	450,000	54.5%
Special Revenue-Federal	500,000	500,000	0	0.0%
Internal Service Fund	9,250,000	11,000,000	1,750,000	18.9%
<b>Total for AGENCY SUMMARY:</b>	<b>193,612,652</b>	<b>189,077,000</b>	<b>(4,535,652)</b>	<b>-2.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	2,006	1,955	(51)
<b>TOTAL:</b>	<b>2,006</b>	<b>1,955</b>	<b>(51)</b>

### Agency Mission

(Executive Budget: pp. 387–390)

The Division of Parole, which consists of the Board of Parole and its staff, is responsible for preparing inmates for release from prison and for supervising offenders serving a term of community based supervision. Offenders are released from prison and placed under parole supervision by Parole Board action, conditional release, a presumptive release determination by the Department of Correctional Services (DOCS) or when determinately-sentenced inmates reach their maximum expiration date of sentence. Parole operations staff are located throughout the State's 67 correctional facilities and operate from 36 community-based field offices.

This agency is included in the Public Protection and General Government appropriation bill.

## **Budget Detail**

The Executive Budget recommends an All Funds appropriation of \$189,077,000, a \$4,535,652 or a 2.3 percent decrease below its State Fiscal Year (SFY) 2009-10 funding levels. The Executive proposal includes support for a workforce of 1,955 full-time equivalent (FTE) positions, a decrease of 51 FTEs from SFY 2009-10.

### **State Operations**

The Executive proposes funding to support State operations to the amount of \$167,106,000, a net decrease of \$11,286,000 from SFY 2009-10 funding levels.

#### **Proposed Increases**

The Executive proposal includes personal service adjustments totaling \$717,000.

#### **Proposed Decreases**

The Executive proposal provides for the following reductions:

- workforce reductions associated with a declining parole supervision population is projected to result in a savings of \$3,700,000;
- vacancy controls and overtime reductions (\$1,800,000), and the consolidation of three New York City field offices into one office in Manhattan (\$1,800,000) would result in \$3,600,000 in savings;
- anticipated savings associated with collective bargaining would net \$2,573,000 in savings;
- telecommunications savings, non-personal service efficiency efforts and other reductions account for \$1,980,000 in savings; and
- savings attributable to a proposed reduction in the number of Parole Board members from 19 to 13 would result in a savings of \$600,000.

### **Aid to Localities**

The Executive proposes an Aid to Localities appropriation of \$21,971,000, an increase of \$6,750,348 over 2009-10 funding levels, which is comprised of the following:

### Proposed Increases

The Executive proposes:

- an additional appropriation of \$5,000,000 to support payments for the housing of parole violators in local jails. Such expenses were incurred prior to the program's elimination in SFY 2009-10.

### Proposed Decreases

The Executive proposes:

- continued implementation of the SFY 2009-10 Deficit Reduction Plan resulting in \$609,000 in savings taken from the Residential Stabilization Support Program.

### **Article VII**

The Executive recommends Article VII legislation that would:

- reduce the number of the Board of Parole members by six, from 19 to 13 members, and also reduce the term of office of board members from six to five years.

## PUBLIC EMPLOYEES RELATIONS BOARD

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	4,116,000	3,968,000	(148,000)	-3.6%
Special Revenue-Other	568,000	575,000	7,000	1.2%
<b>Total for AGENCY SUMMARY:</b>	<b>4,684,000</b>	<b>4,543,000</b>	<b>(141,000)</b>	<b>-3.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	38	38	0
<b>TOTAL:</b>	<b>38</b>	<b>38</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 391-394)

The Public Employees Relations Board (Board) resolves major labor disputes between public employers and employees. The Board provides mediation, fact finding and arbitration in contract disputes for approximately 4,760 negotiating units in New York State. In addition, the Board settles questions of union representation, conducts hearings on charges of improper practices, designates Management/Confidential positions, and acts as a clearinghouse for information on wages, benefits and employment practices.

The Board is included in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes:

- A proposal to abolish the State Employment Relations Board (SERB), currently in the Department of Labor, and to have the responsibilities of SERB be assumed by the Public Employment Relations Board. This action is proposed to produce General Fund Savings of \$1,300,000. There are two layoffs anticipated by this action.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$4,543,000 for SFY 2010-11, a net decrease of \$141,000 or 3.0 percent below the SFY 2009-10 level. The Executive recommends funding to support 38 full-time equivalent (FTE) positions, which is unchanged from SFY 2009-10.

## **State Operations**

The Executive proposes a General Fund appropriation of \$3,968,000, a net decrease of \$148,000 or 3.6 percent from SFY 2009-10. The Executive recommends a Special Revenue Fund - Other appropriation of \$575,000, an increase of \$7,000 or 1.2 percent over SFY 2009-10.

### **Proposed Increases**

The Executive proposes an All Funds net increase of \$16,000 to reflect salary and fixed cost increases.

### **Proposed Decreases**

The Executive proposes:

- a decrease of \$99,000 related to State Operations expenditures reduced pursuant to the SFY 2009-10 Deficit Reduction Plan (DRP) actions; and
- a \$58,000 reduction related to anticipated collective bargaining savings.

## **Article VII**

The Executive recommends Article VII legislation that would abolish the State Employment Relations Board and shift those responsibilities to the Public Employment Relations Board.

## PUBLIC INTEGRITY, COMMISSION ON

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	5,162,000	4,308,000	(854,000)	-16.5%
<b>Total for AGENCY SUMMARY:</b>	<b>5,162,000</b>	<b>4,308,000</b>	<b>(854,000)</b>	<b>-16.5%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	50	50	0
<b>TOTAL:</b>	<b>50</b>	<b>50</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 395-398)

The Commission on Public Integrity Commission (Commission) was established in 2007 by the merger of the former State Ethics Commission and the Temporary State Commission on Lobbying. The Commission administers and enforces the State's ethics and lobbying statutes. The Commission combined all powers, duties, functions, and staff of the former State Ethics Commission and the Temporary State Commission on Lobbying into a single autonomous agency to ensure compliance with the ethical standards to which public officials and lobbyists must adhere in order to promote confidence and public trust in government.

This agency is included in the Public Protection and General Government appropriation bill.

## Budget Detail

The Executive recommends an All Funds appropriation of \$4,308,000 reflecting a net decrease of \$854,000 or 16.54 percent in State Operations funding from the State Fiscal Year (SFY) 2009-10 funding level.

The Executive recommends funding for 50 full-time equivalent (FTE) funded positions representing no change in FTE positions from the SFY 2009-10 staff level.

### State Operations

#### Proposed Increases

- The Executive budget provides a net adjustment of \$19,000 to reflect the cost of continuing existing programs, including fixed costs increases.

#### Proposed Decreases

The Executive recommends the following decreases:

- a reduction of \$144,000 which reflects the impact of the SFY 2009-10 Deficit Reduction Plan action;
- a reduction of \$153,000 which reflects the impact of the SFY 2009-10 Personal Service savings initiatives;
- a reduction of \$65,000 which reflects the impact of a SFY 2010-11 Personal Service cut related to the reduction of one FTE position;
- a reduction of \$61,000 which reflects the impact of the SFY 2010-11 collective bargaining savings initiatives; and
- a reduction of \$450,000 which reflects the impact of the SFY 2010-11 11.5 percent across the board personal service reductions.

### Article VII

The Governor has introduced Article VII ethics reform legislation that would:

- implement ethics reform, and consolidate all ethics-related functions into a single State Government Ethics Commission chosen by a designating panel, thereby providing a framework for making decisions on ethical conduct and evaluating potential violations. The new Commission would provide enforcement of the laws governing ethics, lobbying and campaign finance.

## DIVISION OF STATE POLICE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	540,841,000	475,957,000	(64,884,000)	-12.0%
Special Revenue-Other	244,798,000	236,350,000	(8,448,000)	-3.5%
Special Revenue-Federal	8,745,000	6,310,000	(2,435,000)	-27.8%
Capital Projects Fund	5,500,000	5,500,000	0	0.0%
Capital Projects Fund - Authority Bonds	6,000,000	6,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>805,884,000</b>	<b>730,117,000</b>	<b>(75,767,000)</b>	<b>-9.4%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	5,215	5,043	(172)
All Other Funds:	487	487	0
<b>TOTAL:</b>	<b>5,702</b>	<b>5,530</b>	<b>(172)</b>

#### Agency Mission

(Executive Budget: pp. 399-403)

The Division of State Police is responsible for protecting the life and property of New Yorkers by patrolling the State's highways and performing specialty and investigative police services throughout the State. The Division is also part of several counter-terrorism initiatives.

This agency is included in the Public Protection and General Government appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The establishment of a program for photo-monitoring enforcement of speed limits in work zones and designated stretches of highway.
- A deferral of State Police training classes during SFY 2010-1.
- The redeployment of 90 School Resource Officers upon the close of the 2010 school year.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$718,617,000, a decrease of \$75,767,000, or 9.54 percent from SFY 2009-10 funding levels. The Executive recommends funding support of 5,530 full-time equivalent (FTE) positions, representing a decrease of 172 FTE positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$718,617,000, a decrease of \$75,767,000 from the SFY 2009-10 funding levels.

#### **Proposed Increases**

The Executive proposal includes \$51,468,000 for the following:

- payments to Troopers and members of the Bureau of Criminal Investigation (BCI), pursuant to collective bargaining agreements (\$30,000,000);
- increased support for mandatory personal service increases (\$13,568,000); and
- support for the administration of an automated speed enforcement program in work zones and designated stretches of highways (\$7,900,000). These funds would support the purchase of software and equipment and would also support vendor costs. The utilization of speed enforcement cameras is expected to generate \$25 million in SFY 2010-11 and \$71 million each year thereafter.

#### **Proposed Decreases**

The Executive proposal also includes \$106,910,000 in All Funds appropriations reductions that are attributable to the following:

- a \$42,000,000 reduction from retroactive payments previously made to respective bargaining units;
- various personal and non-personal service reductions (\$16,520,000);
- the annualization of the Motor Vehicle Law Enforcement Assessment (MVLEA) fee, providing an additional General Fund offset of \$16,125,000;
- the continued implementation of a Workforce Reduction Plan (\$11,320,000);
- the annualization of Deficit Reduction Plan savings (\$10,556,000);
- anticipated concessions from collective bargaining units (\$9,889,000); and
- a \$2,435,000 reduction in Federal support for the Internet Crimes Against Children Program (\$700,000) and the National Institute of Justice DNA grant program (\$1,735,000).

### **Capital Projects**

A capital appropriation of \$11,500,000 is advanced by the Executive, unchanged from SFY 2009-10 levels. Of these funds, \$6,000,000 would support the replacement of evidence storage facilities, \$3,500,000 would be utilized for the preservation of State Police facilities, and \$2,000,000 would be allocated for health and safety purposes.

### **Article VII**

The Executive recommends Article VII legislation that would:

- establish a program for photo-monitoring enforcement of speed limits in work zones and designated stretches of highway. The owner of a vehicle found to be speeding would be required to pay \$100 for violations of speed limits in work zones and \$50 for violations of such limits along designated stretches of highway.

## OFFICE FOR TECHNOLOGY

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	28,858,000	30,558,000	1,700,000	5.9%
Special Revenue-Other	20,905,000	3,445,000	(17,460,000)	-83.5%
Special Revenue-Federal	17,750,000	0	(17,750,000)	-100.0%
Capital Projects Fund	80,000,000	0	(80,000,000)	-100.0%
Internal Service Fund	405,752,000	403,165,000	(2,587,000)	-0.6%
<b>Total for AGENCY SUMMARY:</b>	<b>553,265,000</b>	<b>437,168,000</b>	<b>(116,097,000)</b>	<b>-21.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	156	156	0
All Other Funds:	492	517	25
<b>TOTAL:</b>	<b>648</b>	<b>673</b>	<b>25</b>

### Agency Mission

(Executive Budget: pp. 407-410)

The Office for Technology (OFT) is responsible for developing the State's technology resources and policies. The mission of OFT is to provide centralized technology services, shape technology policy, and coordinate statewide technology initiatives to improve the efficiency of New York State government.

OFT is included in the Public Protection and General Government appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- Eliminates \$17,460,000 for the Statewide Technology Program Special Revenue Fund intended for the development of the Statewide Wireless Network (SWN).
- Eliminates \$80,000,000 in capital funding intended for the acquisition of property and the design and development of SWN.
- Transfers the responsibility for the implementation of the statewide interoperable communications system to the Division of Homeland Security and Emergency Services.

### **Budget Detail**

The Executive recommends an All Funds appropriation of \$437,168,000, a \$116,097,000 decrease from SFY 2009-10 funding level. The Executive proposes support for a workforce of 673 full-time equivalent (FTE) positions, an increase of 25 over SFY 2009-10 level.

### **State Operations**

The Executive proposes funding to support State Operations in the amount of \$437,168,000 a decrease of \$36,097,000 from SFY 2009-10 levels.

#### **Proposed Increases**

- The Executive provides a \$1,700,000 increase in General Fund support for costs associated with E-licensing, interim data center debt service and continued current programs.

#### **Proposed Decreases**

The Executive proposes:

- a \$17,750,000 decrease in funding for Broadband Infrastructure Development attributed to the discontinuation of a one-time federal stimulus appropriation. The Executive proposal maintains \$17,000,000 in reappropriation authority for the purpose of developing broadband infrastructure;
- a \$17,460,000 decrease to the Statewide Technology Program Special Revenue Fund attributed to the elimination of SWN; and

- a \$2,587,000 decrease to the Office for Technology Program Internal Service Fund attributed to fringe and indirect cost adjustments and collective bargaining savings.

### **Capital Projects**

The Executive proposes to eliminate capital funding in the amount of \$80,000,000 for the design and development of SWN.

The Executive proposal maintains \$99,000,000 in reappropriated funding to support the financing of a public-private partnership to achieve economies of scale in the development of a consolidated data center.

## DIVISION OF VETERANS' AFFAIRS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	15,538,200	14,397,000	(1,141,200)	-7.3%
Special Revenue-Federal	2,466,000	2,466,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>18,004,200</b>	<b>16,863,000</b>	<b>(1,141,200)</b>	<b>-6.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	94	92	(2)
All Other Funds:	11	11	0
<b>TOTAL:</b>	<b>105</b>	<b>103</b>	<b>(2)</b>

#### Agency Mission

(Executive Budget: pp. 411-416)

The Division of Veterans' Affairs (DVA) assists, counsels, and advocates for veterans, military personnel and their families. The DVA coordinates with State agencies and the federal government on programs affecting veterans. The DVA serves more than 1,100,000 New Yorkers who are veterans, including their dependents and those on active duty. The DVA's central office is located in Albany, and it has regional offices in New York City and Buffalo.

This agency is included in the Public Protection and General Government appropriation bill.

## Budget Detail

The Executive recommends an All Funds appropriation level of \$16,863,000 reflecting a net decrease of \$1,141,200 below current SFY 2009-10 funding levels.

The Executive recommends funding 103 full-time equivalent (FTE) funded positions reflecting a reduction of 2 FTE funded positions from current levels.

### State Operations

The Executive proposes \$8,417,000 in General Fund spending for State Operations in SFY 2010-11, which reflects a net decrease of \$844,000 or 9.11 percent from current year funding levels.

The Executive continues funding of \$1,966,000 in Special Revenue Funds-Federal, which reflects no change from the current year funding level.

#### Proposed Decreases

The Executive proposes the following:

- a decrease of \$368,000 in funding to reflect the SFY 2009-10 workforce plan reductions;
- a decrease of \$98,000 which reflects the impact of the SFY 2009-10 Deficit Reduction Plan;
- a decrease of \$113,000 which reflects the impact of the SFY 2010-11 collective bargaining savings;
- a decrease of \$200,000 which reflects the impact of the SFY 2010-11 additional 11.5 percent across the board personal service reductions; and
- a decrease of \$65,000 which reflects the impact of the SFY 2010-11 severance plan involving one individual.

### Aid to Localities

The Executive recommends \$8,446,000 in Aid to Localities funding, representing a net decrease of \$297,200 or 3.40 percent from SFY 2009-10 funding levels. The decrease of \$297,200 reflects the elimination of Community Projects funding.

Funding is maintained to Veteran Affairs' General Fund/Aid to Localities and Federal Funds programs at the current SFY 2009-10 funding levels as follows:

- \$5,720,000 is provided for funding to maintain the Blind Veteran annuity program;
- \$1,427,000 is provided for funding to maintain payment of aid to County and City Veterans' Service Agencies (\$1,177,000) and for services and expenses of the Monroe County Veteran Outreach Center;
- \$500,000 is provided for funding to maintain payments for services and expenses related to Veterans' Counseling and Outreach; and
- \$799,000 is provided in funding to maintain payments for Gold Star Annuity Benefits to eligible families of military personnel (\$599,000) and for payment of supplemental burial benefits to eligible families of military personnel killed in combat.

## WORKERS' COMPENSATION BOARD

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	217,405,000	202,265,000	(15,140,000)	-7.0%
<b>Total for AGENCY SUMMARY:</b>	<b>217,405,000</b>	<b>202,265,000</b>	<b>(15,140,000)</b>	<b>-7.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	1,425	1,450	25
<b>TOTAL:</b>	<b>1,425</b>	<b>1,450</b>	<b>25</b>

#### Agency Mission

(Executive Budget: pp. 417-419)

The Workers' Compensation Board is responsible for safeguarding the well-being of New York's labor force. The Board reviews claims for workers' compensation benefits, reports of injuries filed and medical reports from physicians and other health care providers. The Board also investigates fraudulent claims and assists in resolving disputed claims.

The Board is included in the Public Protection and General Government appropriation bill.

## Budget Detail

### State Operations

The Executive proposes an All Funds State Operations appropriation of \$202,265,000, a net decrease of \$15,140,000 or 7.0 percent below the SFY 2009-10 level.

#### Proposed Increases

The Executive proposes:

- an increase of \$6,872,000 related to salary and fixed cost increases;
- a fringe benefit increase of \$4,391,000; and
- an increase of \$1,550,000 for staff needed to implement Article VII language related to employers who self-insure for Workers' Compensation.

#### Proposed Decreases

The Executive proposes:

- a decrease of \$20,000,000 related to one-time revenue received pursuant to SFY 2009-10 Article VII legislation;
- reductions of \$5,844,000 related to employees who left through attrition or opted to take a severance package offered under the SFY 2009-10 Workforce Reduction Plan; and
- reductions related to anticipated collective bargaining savings totaling \$2,109,000.

### Article VII

The Executive recommends Article VII legislation that would:

- collect surplus funds from Workers' Compensation Insurance carriers; and
- protect injured workers' benefits and ensure that employers who participate in self-insured groups and group administrators fully meet their future fiscal responsibilities.

### Deficiency Request

In the proposed deficiency bill, the Executive recommends transferring funds in excess of \$12,000,000 from the Special Fund for Disability Benefits to the General Fund.

## GENERAL STATE CHARGES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	2,114,042,000	2,368,014,000	253,972,000	12.0%
Fiduciary	211,000,000	101,000,000	(110,000,000)	-52.1%
<b>Total for AGENCY SUMMARY:</b>	<b>2,325,042,000</b>	<b>2,469,014,000</b>	<b>143,972,000</b>	<b>6.2%</b>

### Agency Mission

(Executive Budget: pp. 427-430)

General State Charges are primarily the costs of providing fringe benefits to most State employees. These benefits are authorized in collective bargaining agreements and various statutes. The General State Charges budget also includes miscellaneous fixed costs, such as litigation settlements and taxes on State-owned lands.

The General State Charges budget is included in the Public Protection and General Government appropriation bill.

### Programmatic Highlights

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The option for State and local governments participating in the New York State and Local Employees' Retirement System (NYSLERS) and the New York State and Local Police and Fire Retirement System (NYSLPFRS) to amortize a portion of their pension contribution costs during a six consecutive fiscal years, beginning with the 2010-11 fiscal year. This proposal would save the State \$216,700,000 in SFY 2010-11.
- A proposal to authorize the New York State Health Insurance Plan to self-insure, which the Executive estimates would save \$15,000,000 in SFY 2010-11.

- A proposal to require both State employees and retirees to contribute to Medicare Part B premiums. The State currently pays 100 percent of the premium. The Executive estimates that this action would reduce spending by \$30,000,000 in SFY 2010-11.

In addition to these actions that would directly affect General State Charges, the Executive also plans to implement workforce actions targeted to save \$250,000,000; such savings are reflected in the SFY 2010-11 Financial Plan. The Executive characterizes these proposals as requiring union agreement and include such options as:

- A proposal to defer five days of salary payments in SFY 2010-11, which would reduce All Funds spending by \$275,000,000 and General Fund spending by \$150,000,000 plus an additional \$20,000,000 from proposed sweeps.
- A proposal to delay or reduce the April 1, 2010 four percent negotiated salary increase. The Executive estimates that this would reduce All Funds spending by \$483,000,000 in SFY 2010-11, resulting in a proposed General Fund spending reduction of \$250,000,000.

### **Budget Detail**

#### **State Operations**

The Executive proposes a SFY 2010-11 appropriation of \$2,469,014,000, an increase of \$143,972,000 over the SFY 2009-10 level.

#### **Proposed Increases**

The Executive recommends the following:

- \$245,498,000 related to pensions, which reflects a contribution rate of 9.5 percent of salary for NYSLERS and 17.5 percent of salary for NYSLPFRS as proposed in Article VII language;
- \$263,174,000 related to health insurance, a 3.3 percent increase from SFY 2009-10; and
- \$26,573,000 in Social Security costs related to a four percent salary increase scheduled to take effect April 1, 2010.

## Proposed Decreases

The Executive recommends the following:

- fringe benefit offset revenue of \$241,564,000 related to increased fringe benefit rates; and
- a reduction of \$47,831,000 for Taxes on State-Owned Lands related to a return to typical spending anticipated in SFY 2010-11. In SFY 2009-10, spending was higher than normal resulting in an artificial decrease; and
- a reduction of \$2,600,000 related to a proposed reduction in the interest rate paid on judgments against the State.

## Article VII

The Executive recommends Article VII legislation that would:

- provide the State and local governments participating in the New York State and Local Employees' Retirement System (NYSLERS) and the New York State and Local Police and Fire Retirement System (NYSLPFRS) with the option to amortize a portion of their pension contribution costs during a six consecutive fiscal years, beginning with the 2010-11 fiscal year;
- allow the New York State Health Insurance Plan the option to be self insured for medical, hospital, drug, and/or mental health benefits;
- require both State employees and retirees to contribute to Medicare Part B premiums. The State currently pays 100 percent of the premium; and
- reduce the rate of interest paid by the State on Court of Claims judgments from a fixed 9 percent rate to a variable market rate.

## MISCELLANEOUS: PUBLIC PROTECTION & GENERAL GOVERNMENT

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,879,304,772	3,458,773,698	(420,531,074)	-10.8%
Special Revenue-Other	7,547,000	7,529,000	(18,000)	-0.2%
Special Revenue-Federal	1,050,000,000	1,050,000,000	0	0.0%
Fiduciary	222,400,000	222,400,000	0	0.0%
All Funds	129,800,000	187,285,000	57,485,000	44.3%
Emergency	226,347,000	215,000,000	(11,347,000)	-5.0%
<b>Total for AGENCY SUMMARY:</b>	<b>5,515,398,772</b>	<b>5,140,987,698</b>	<b>(374,411,074)</b>	<b>-6.8%</b>

### Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The Executive recommends \$745,821,000 in General Fund appropriations for the Aid and Incentives for Municipalities (AIM) program. This represents a decrease of \$319,149,012 from the State Fiscal Year (SFY) 2009-10.

### **Deferred Compensation Board**

The Executive proposes an appropriation of \$931,000, a decrease of \$30,000 or 3.1 percent below the SFY 2009-10 level. The Executive provides for a net increase of \$23,000 for salary and fixed cost increases which are offset by \$53,000 in reductions associated with anticipated collective bargaining savings, an 11.5 percent across-the-board reduction in State Operations expenditures and State Operations expenditures reduced pursuant to the SFY 2009-10 Deficit Reduction Plan (DRP) actions.

## Budget Detail

### State Operations

#### **Collective Bargaining Agreements**

The Executive proposes an appropriation of \$38,719,000 for Collective Bargaining Agreements, a net decrease of \$3,955,000 or 9.16 percent below the SFY 2009-10 level after taking into account a transfer from a special pay bill of \$4,674,000 after the SFY 2009-10 Enacted Budget. The Executive provides \$1,000,000 for information technology skills training for public employees, which is offset by \$281,000 related to anticipated collective bargaining savings.

### Aid to Localities

#### Proposed Decreases

##### **Aid and Incentives for Municipalities (AIM) Program**

The Executive recommends \$745,821,000 in General Fund appropriations for the Aid and Incentives for Municipalities (AIM) program. This represents a decrease of \$319,149,012 from the SFY 2009-10. This appropriation is comprised of the following actions:

- dedication of \$734,570,882 in AIM funding to municipalities outside of the City of New York. This allocation reduces funding to individual municipalities based on their local reliance of this revenue source. Municipalities that are dependent on AIM funding for more than 10 percent of their total revenue will receive a 2 percent reduction, while those municipalities with AIM reliance below 10 percent will incur a 5 percent reduction from their SFY 2009-10 enacted budget allocation; and
- appropriates \$11,000,000 of the AIM program to support the Local Government Efficiency Grant (LGEG) program, comprised of \$10,000,000 for grants and \$1,000,000 for merger incentives. This allocation represents a \$1,975,000 decrease from the available grants in 2009-10.
- the Executive Budget eliminates AIM payments to New York City and Erie County in SFY 2010-11.

##### **Video Lottery Terminal Aid**

The Executive recommends an appropriation of \$23,841,000. This reflects a \$2,710,000 decrease, or 10 percent reduction in funding for all host municipalities. The Executive does not hold the City of Yonkers harmless in SFY 2010-11, as was done in previous budget years.

## **Miscellaneous Financial Aid**

The Executive recommends an appropriation of \$3,920,000. This represents a \$5,000,000 reduction from SFY 2009-10. This reflects non-recurring aid to the City of Yonkers. Oneida and Madison counties will continue to receive \$1,960,000 each for interim financial assistance related to land claim settlements.

## **Capital Projects**

### **State Equipment Financing Program**

The Executive recommends a \$187,285,000 appropriation for the State Equipment Financing Program. This is a \$57,485,000 increase from the SFY 2009-10 budget.

## **Article VII**

The Executive recommends Article VII legislation that would:

- authorize reduction AIM funding based on municipalities AIM reliance (i.e. their SFY 2008-09 AIM funding as a percentage of total 2008 revenues). These reductions would apply to the SFY 2009-10 Enacted Budget allocation at the following levels: 2 percent if the AIM reliance was at least 10 percent; and 5 percent if AIM reliance was less than 10 percent. Payments to New York City and Erie County would be eliminated;
- reduce Video Lottery Terminal aid to every host municipality by 10 percent;
- exempt school construction from Wicks thresholds entirely;
- provide more contracting flexibility by increasing local competitive bidding thresholds for public works contracts from \$35,000 to \$50,000 and commodities contracts from \$10,000 to \$20,000;
- allow local governments to require that bids be submitted in electronic format;
- provide for submitting the statement of non-collusion electronically;
- allow for local governments to hold reverse auctions;
- allow local governments to award contracts based on best value;
- allow local governments to “piggyback” on certain Federal General Services Administration contracts as well as other contracts let by other states and local governments;

- provide local governments with the option of advertising for bids in the Contract Reporter instead of the official newspaper;
- allow fire districts/companies to have additional members from outside of the district;
- set the interest rate paid on judgments against local governments and the State at market rates with a nine percent cap, rather than the existing nine percent interest rate maximum;
- transfer to town boards most of the management responsibilities for town special districts providing sanitary, refuse, or garbage services but allows elected special district commissioners to continue to hold referenda on whether the level of service provided to the district should be changed;
- authorize two or more counties to enter into an inter-municipal agreement to share one director of weights and measures;
- eliminate compensation for special district commissioners;
- re-establish a process for a town board or citizens to abolish the offices of town improvement district commissioners;
- allow local governments to amortize a portion of their pension costs from SFY 2010-11 through SFY 2015-16. Municipalities would be able to amortize costs exceeding a contribution rate of 9.5 percent for State and Local Employees' Retirement System and 17.5 percent for the NYS Local Police and Fire Retirement System in SFY 2010-11. The contribution rate in future years would be increased by one percentage point each year through SFY 2015-16. Repayment would be made over a 10 year period, at an interest rate determined by the Comptroller;
- provide the City of New York with greater financing flexibility when issuing Qualified School Construction Bonds (QSCBs), authorized under the American Recovery and Reinvestment Act of 2009. This legislation would enable the New York City Transitional Finance Authority to issue QSCBs as sinking fund bonds in order to take full advantage of Qualified School Construction bonding;
- enable local governments to finance costs associated with the development of public safety communications systems through the Municipal Bond Bank Agency;
- place a four-year moratorium on new unfunded legislative mandates on local governments and school districts;

- permit local governments to make deposits in credit unions, savings banks and savings and loan associations. Currently, local governments may make deposits only in commercial bank and trust companies;
- permit local governments other than the City of New York to charge fees for ambulance services, including emergency medical services, provided by their fire departments or companies;
- authorize municipalities, at their local option, to charge for the provision of additional police protection to paid-admission events;
- authorize cities and villages to increase the local Gross Receipts Tax on utilities from 1 percent to 3 percent; and
- permit municipalities, as a local option, to charge fees for accident reports at rates not to exceed those authorized by the State Police.

# **EDUCATION, LABOR & FAMILY ASSISTANCE**

**Summary of Recommended Appropriations  
By Agency**

## COUNCIL ON THE ARTS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	47,084,783	39,988,000	(7,096,783)	-15.1%
Special Revenue-Other	3,846,000	1,730,000	(2,116,000)	-55.0%
Special Revenue-Federal	2,913,000	2,513,000	(400,000)	-13.7%
<b>Total for AGENCY SUMMARY:</b>	<b>53,843,783</b>	<b>44,231,000</b>	<b>(9,612,783)</b>	<b>-17.9%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	44	34	(10)
<b>TOTAL:</b>	<b>44</b>	<b>34</b>	<b>(10)</b>

### Agency Mission

(Executive Budget: pp. 3-7)

The New York State Council on the Arts (NYSCA) is responsible for the oversight and administration of the cultural and artistic resources of the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. NYSCA is also responsible for administering grants to local non-for-profit arts organizations.

The Department is included in the Education, Labor, and Family Assistance appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- A decrease of \$6,453,000 in funding for NYSCA grants from SFY 2009-10 levels.
- Elimination of \$584,000 of funding for the Empire State Plaza Performing Arts Center Corporation.
- Reduction of \$1,532,000 of funding for the New York State Theatre Institute.

## **Budget Detail**

The Executive Budget proposal includes an All Funds appropriation of \$44,231,000, a decrease of \$9,612,783 or 17.9 percent, below SFY 2009-10 levels. The Executive recommends funding support for 34 full-time equivalent (FTE) positions, a decrease of 10 from SFY 2009-10 levels.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$6,472,000, a decrease of \$2,760,000 or 29.9 percent from adjusted SFY 2009-10 levels.

#### **Proposed Decreases**

The Executive recommends the following:

- a decrease of \$1,532,000 in funding support for the New York State Theatre Institute;
- a decrease of \$644,000 due a reduction of 10 FTE positions at the New York State Council on the Arts; and
- a decrease of \$584,000 in funding support for the Empire State Plaza Performing Arts Center Corporation.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$37,759,000, a decrease of \$6,852,783 or 15.4 percent from adjusted SFY 2009-10 levels.

## Proposed Decreases

The Executive recommends the following:

- a decrease of \$6,453,000 in funding to support arts grants from SFY 2009-10; and
- a decrease of \$400,000 due to an elimination of one-time federal funding for arts grants.

## Article VII

The Executive recommends Article VII legislation that would:

- require the New York State Theatre Institute and the Empire State Plaza Performing Arts Center Corporation to become self-supporting and no longer receive state appropriations.

# CITY UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	1,245,027,840	1,216,362,110	(28,665,730)	-2.3%
Special Revenue-Other	145,000,000	145,000,000	0	0.0%
Special Revenue-Federal	2,978,000	7,554,000	4,576,000	153.7%
Fiduciary	1,957,826,900	1,066,866,000	(890,960,900)	-45.5%
Cap Proj Fund - CUNY - Direct Auth Bonds	284,222,000	318,785,000	34,563,000	12.2%
<b>Total for AGENCY SUMMARY:</b>	<b>3,635,054,740</b>	<b>2,754,567,110</b>	<b>(880,487,630)</b>	<b>-24.2%</b>

### Agency Mission

(Executive Budget: pp. 11-15)

The City University of New York (CUNY) is the third largest public university system in the nation, comprised of 19 campuses, seven community colleges, one technical college, a graduate school and an affiliated medical school. CUNY's mission is to provide affordable higher education with a focus on the urban community of New York City.

This agency is included in the Education, Labor and Family Assistance appropriation bill.

### Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- A \$63,600,000 decrease in State Support for CUNY Senior Colleges to \$576,587,000.
- Authorization to the CUNY Board of Trustees to annually increase tuition at an amount up to 2.5 times the five year rolling average of the Higher Education Price Index. This would allow the CUNY Board of Trustees to increase in-state undergraduate tuition to \$5,037 from \$4,600. Appropriations for tuition are removed from the budget making process and the CUNY Board of Trustees would also be authorized to offer differential tuition by campus and program.

- A \$285 per full time equivalent (FTE) student decrease in CUNY Community College Base Aid, decreasing support from \$2,545 per FTE in SFY 2009-10 to \$2,260 per FTE in SFY 2010-11.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$2,754,567,110, a decrease of \$880,960,900, from SFY 2009-10.

### **State Operations**

The Executive proposes a total Senior College Academic Year operating budget of \$1,066,866,000, a \$890,960,900 decrease from SFY 2009-10 levels.

#### **Proposed Increases**

The Executive proposes:

- a \$55,066,000 increase in fringe benefits;
- a \$21,751,000 increase in personal service costs and collective bargaining;
- a \$11,010,000 increase due to an increase in tuition sharing from the 2009-10 tuition increase;
- a \$8,136,000 increase due to inflation involving non personal service costs;
- a \$5,627,000 increase due to increased building rental costs; and
- a \$850,000 increase to utility funding.

#### **Proposed Decreases**

The Executive proposes:

- a \$909,000,000 decrease from moving tuition and other self generating accounts outside the budget process;
- a \$63,629,000 decrease in State General Fund support for CUNY Senior Colleges; and
- a \$20,767,000 decrease due to negotiated personal service savings.

## **Aid to Localities**

The Executive proposes a total Aid to Localities appropriation of \$1,223,916,110 for SFY 2010-11 representing a \$24,089,730 decrease below adjusted SFY 2009-10 levels. Of this appropriation, \$1,059,965,000 would support the SFY 2009-10 costs for operating CUNY Senior Colleges and \$154,397,110 would support CUNY Community Colleges. Within this appropriation, funding is maintained for Contract Courses for workforce development (\$1,880,000), CUNY childcare (\$813,100) and the College Discovery program (\$828,390) at SFY 2009-10 levels.

### **Proposed Increases**

The Executive proposes:

- a \$18,630,250 increase in Community College Base Aid resulting from enrollment increases;
- a \$19,049,000 increase in federal American Recovery & Reinvestment Act (ARRA) funding for community colleges; and
- an increase of \$1,824,000 to Rental Aid.

### **Proposed Decreases**

The Executive proposes:

- a \$19,049,000 reduction to General Fund spending on community colleges. These funds are replaced on a one time basis by ARRA funds; and
- a \$16,394,625 reduction in CUNY Community College Base Aid resulting from a \$285 per FTE reduction from \$2,545 in SFY 2009-10 to \$2,260 in SFY 2010-11.

## **Capital Projects**

The Executive proposes a capital projects appropriation of \$318,785,000, an increase of \$34,563,000 from SFY 2009-10 levels. This includes an appropriation of \$284,222,000 which is the third year of the five year CUNY capital plan for critical maintenance that was enacted in SFY 2008-09. It also includes \$34,563,000 to provide for the state's 50% share of projects at CUNY Community Colleges.

## **Article VII**

The Executive recommends Article VII legislation to enact the New York State Higher Education Empowerment and Innovation Act that would:

- authorize the CUNY Board of Trustees to be able to set their own tuition based on the 5 year rolling average of the Higher Education Price Index. The Board of Trustees could also offer differential tuition by campus and program;
- remove the provisions of law subjecting CUNY to pre-approval of contracts by the Office of the State Comptroller;
- allow CUNY and the Dormitory Authority of New York to utilize alternative construction delivery methods for certain CUNY projects; and
- increase CUNY's master planning cycle with the Board of Regents from four years to eight years.

## EDUCATION DEPARTMENT

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	19,094,672,629	18,593,330,000	(501,342,629)	-2.6%
Special Revenue-Other	6,386,930,625	6,239,779,000	(147,151,625)	-2.3%
Special Revenue-Federal	7,271,910,000	7,224,996,000	(46,914,000)	-0.6%
Capital Projects Fund	2,800,000	6,800,000	4,000,000	142.9%
Capital Projects Fund - Authority Bonds	4,000,000	0	(4,000,000)	-100.0%
Internal Service Fund	31,226,000	31,563,000	337,000	1.1%
Library Aid (Auth Bonds)	14,000,000	14,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>32,805,539,254</b>	<b>32,110,468,000</b>	<b>(695,071,254)</b>	<b>-2.1%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	376	323	(53)
All Other Funds:	2,622	2,592	(30)
<b>TOTAL:</b>	<b>2,998</b>	<b>2,915</b>	<b>(83)</b>

### Agency Mission

(Executive Budget: pp. 17-34)

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department oversees public elementary and secondary education programs throughout New York and promotes educational excellence, equity and cost effectiveness. The mission of the SED is to raise the knowledge, skill level and opportunity of all the people in New York.

The SED is included in the Education, Labor and Family Assistance appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The Executive recommends funding General Support for Public Schools (GSPS) at \$20,695,660,000 in School Year (SY) 2010-11, which is a decrease of \$1,071,530,000 or 4.92 percent from the 2009-10 SY.
- The Executive recommends a \$1,412,150,000 net reduction to School Aid which would be comprised of a one year \$2,138,000,000 Gap Elimination Adjustment offset by \$726,000,000 in federal American Recovery and Reinvestment Act funds. The GEA calculation uses a variety of factors including district wealth, student need, administrative efficiency, and residential tax burden.
- The Executive recommends holding Foundation Aid to 2008-09 funding levels for the 2010-11 School Year as planned, and would continue this freeze in SY 2011-12. The full phase-in of Foundation Aid would now occur over a ten year period (complete in 2016-17) rather than seven years (complete in 2013-14).
- The Executive recommends continuing reimbursable programs including Building Aid, Board of Cooperative Educational Services (BOCES), Excess Cost Aids and Transportation Aid at present law levels.
- The Executive proposes holding funding for Universal Prekindergarten flat at \$399,720,000 for the 2010-11 and 2011-12 School Years.
- The Executive proposes restructuring the payment of aid for disabled pupils attending Summer School programs (4408), which will result in a shift of costs onto school districts in an amount estimated to be \$86,000,000 in SY 2010-11.

## **Budget Detail**

For SY 2010-11 the Executive provides a decrease of \$1,071,530,000 in General Support for Public Schools (GSPS) below SY 2009-10 levels, for total funding of \$20,695,660,000, a 4.92 percent decrease from the prior year. The Executive appropriates \$32,110,468,000 on an All Funds basis to SED in SFY 2010-11. The Executive proposes a reduction of 83 full-time equivalent (FTE) positions.

## State Operations

### Proposed Decreases

- The Executive recommends a decrease of \$4,700,000 in General Fund support for State Operations in SFY 2010-11. Total State Operations funding is \$587,625,000; of this amount, Federal funding is \$363,198,000, and General Fund dollars account for \$42,564,000. Remaining funding for the Department comes from Internal Service Funds and Special Revenue Other Funds. As a result, General Fund support for the State Education Department is approximately 7 percent of their total budget. The Executive recommends reducing staffing levels to 2,915 positions for SED. This would leave a total of 323 positions or approximately 11 percent supported by the General Fund.

## Aid to Localities

### FORMULA BASED AIDS: GENERAL SUPPORT FOR PUBLIC SCHOOLS (GSPS)

The Executive proposes:

- funding Foundation Aid at \$14,892,220,000, which is the same level of funding as in SY 2009-10. Foundation Aid funding would remain level through SY 2011-12, and the statutory phase-in for full funding would be extended by three years to SY 2016-17;
- funding Universal Prekindergarten (UPK) at \$399,720,000, which is the same level of funding as SY 2009-10. UPK funding would remain level through SY 2011-12;
- funding High Tax Aid at \$204,770,000, which is the same level of funding as in SY 2009-10. High Tax Aid funding would remain level through SY 2011-12;
- funding the Supplemental Education Improvement Grant for Yonkers at \$17,500,000, which is the same level of funding as in SY 2009-10. This funding would remain level through SY 2011-12;
- funding for Academic Enhancement Aid at \$8,320,000, which is the same level of funding as in SY 2009-10. This funding goes to certain school districts with extraordinary needs. This funding would remain level through SY 2011-12;
- funding Supplemental Public Excess Cost Aid at \$4,310,000, which is the same level of funding as in SY 2009-10. This funding would remain level through SY 2011-12;
- funding Reorganization Operating Aid at its present law level of \$2,860,000, which is the same level of funding as in SY 2009-10; and

- funding the Academic Achievement Grant for New York City at \$1,200,000, which is the same level of funding as in SY 2009-10. This funding would remain level through SY 2011-12.

### Proposed Increases

The Executive proposes:

- funding Building Aid and Building Reorganization Aid at their present law level of \$2,485,730,000, which is an increase of \$221,840,000 over SY 2009-10;
- funding Transportation Aid at its present law level of \$1,646,660,000, which is an increase of \$99,720,000 over SY 2009-10;
- funding BOCES at its present law level of \$731,910,000, which is an increase of \$33,040,000 over SY 2009-10;
- funding High Cost Excess Cost Aid at its present law level of \$454,120,000, which is an increase of \$10,200,000 over SY 2009-10;
- funding Private Excess Cost Aid at its present law level of \$328,970,000, which is an increase of \$14,060,000 over SY 2009-10;
- funding Computer Software Aid at its present law level of \$45,790,000, which is an increase of \$330,000 over SY 2009-10;
- funding Charter School Transition Aid at \$21,840,000, which is an increase of \$3,170,000 over SY 2009-10 levels; and
- funding the EXCEL program to pay debt service at \$168,950,000, which is an increase of \$14,910,000 above SY 2009-10.

### Proposed Decreases

The Executive proposes:

- creating a one time Gap Elimination Adjustment (GEA) which would decrease funding by \$2,138,000,000, which is then offset by federal funds, resulting in a net reduction in aid for school districts of \$1,412,150,000. The GEA would be applied to formula based aids excluding Building Aid and Universal Prekindergarten. The GEA calculation is based on a per pupil amount, adjusted for wealth, student need, administrative efficiency, and residential tax burden and modified for high need school districts;

- funding Special Services Aid at its present law level of \$199,700,000, which is a decrease of \$6,710,000 from SY 2009-10;
- funding Textbook Aid at its present law level of \$181,380,000, which is a decrease of \$1,120,000 from SY 2009-10;
- funding Computer Hardware Aid at its present law level of \$37,430,000, which is a decrease of \$420,000 from SY 2009-10;
- funding Library Materials Aid at its present law level of \$19,260,000, which is a decrease of \$60,000 from SY 2009-10; and
- a decrease of \$7,345,000 from SY 2009-10. based on the expectation that no districts will be eligible for Full Day Kindergarten funding in the 2010-11 SY.

#### GRANT PROGRAMS AND ADDITIONAL AID CATEGORIES: GSPS

The Executive proposes:

- Maintaining funding for Employment Preparation Education (EPE), School Health Services, Bilingual Education, Special Act School Districts, BOCES Aid for Special Act Districts, Learning Technology Grants, Native American Education, Supplemental Valuation Impact Grants, and Bus Driver Safety at SY 2009-10 levels;
- funding Education of OMH/OMR Pupils at its present law level of \$69,000,000, which is the same level as SY 2009-10;
- funding Incarcerated Youth at its present law level of \$17,500,000, which is the same level as SY 2009-10;
- funding Homeless Pupils at its present law level of \$9,225,000, which is the same level as SY 2009-10;
- funding Urban-Suburban Transfer at its present law level of \$2,730,000, which is the same level as SY 2009-10; and
- funding Native American Building Aid at its present law level of \$2,500,000, which is the same level as SY 2009-10;

#### Proposed Decreases

The Executive proposes:

- reducing the Special Academic Improvement Grant for the Roosevelt Union Free School District to \$6,000,000 for the 2010-11 and 2011-12 School Years. This program is restored to \$12,000,000 in SY 2012-2013.

## OTHER ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

The Executive proposes:

- continuing Fiscal Stabilization Grants of \$30,022,000, which is the same funding level as SY 2009-10;
- maintaining the Extended Day/School Violence Prevention program at \$24,344,000;
- continuing Prior Year Claims at \$15,046,000, which is the same funding level as SY 2009-10;
- continuing Charter School Start-Up Grants at \$4,837,000, which is the same funding level as SY 2009-10;
- maintaining \$3,049,000 for the Summer Food Program, which is the same funding level as SY 2009-10;
- continuing funding for Adult Basic Education at \$1,843,000;
- continuing Math and Science High Schools funding at \$1,382,000, which is the same funding level as SY 2009-10. This program is funded by the Federal American Recovery and Reinvestment Act of 2009;
- continuing Targeted Prekindergarten at \$1,303,000, which is the same funding level as SY 2009-10;
- continuing the County Vocational Education and Extension Boards at \$932,000, which is the same funding level as SY 2009-10;
- continuing Academic Intervention Services for Nonpublic Schools at \$922,000;
- continuing Primary Mental Health Project at \$894,000, which is the same funding level as SY 2009-10;
- funding of \$691,000 for the Health Education Program, which is the same funding level as SY 2009-10;

- continuing the Statewide Center for School Safety at \$466,000, which is the same funding level as SY 2009-10;
- continuing Student Mentoring and Tutoring Initiative at \$490,000, which is the same level as SY 2009-10;
- maintaining funding for the Syracuse City School District for the Say Yes to Education program at \$350,000, which is the same funding level as SY 2009-10. This program is funded by the Federal American Recovery and Reinvestment Act of 2009; and
- continuing Education of Children of Migrant Workers at \$89,000, which is the same funding level as SY 2009-10;

### Proposed Increases

The Executive proposes new funding to:

- provide \$60,000,000 to reimburse school districts for costs associated with the payment of the Metropolitan Commuter Transportation Mobility Tax; and
- create the Smart Scholars Early College High Schools program with \$6,000,000;

The Executive proposes:

- increasing Preschool Special Education (4410) to \$813,900,000, which is an increase of \$91,100,000. This program is partially funded by the Federal American Recovery and Reinvestment Act of 2009;
- increasing funding to Private Schools for the Blind and the Deaf to \$112,340,000, which is an increase of \$1,897,763 over SY 2009-10; and
- increasing funding for the School Lunch and Breakfast Program to \$32,300,000. This is a \$600,000 increase over SY 2009-10.

### Proposed Decreases

The Executive proposes:

- reducing the Summer School Handicapped program (4408) by \$35,003,948 below SY 2009-10 funding levels. This program would be funded at \$212,200,000 for SY 2010 11. This amount includes \$24,000,000 for Summer School Special Education programs at Private Schools for the Blind and Deaf;
- reducing Nonpublic School Aid by \$1,500,000 to \$109,105,000 in SY 2010-11;

- decreasing funding for the Consortium for Worker Education (CWE) set aside by \$1,500,000 below SY 2009-10 levels, leaving funding for this program at \$11,500,000;
- reducing Adult Literacy Education by \$2,000,000 leaving funding for this program at \$4,293,000;
- eliminating Salary Enhancements for Teachers in Schools for Students with Special Needs, which was funded at \$2,000,000 in SY 2009-10. Federal funds of \$4,000,000 are continued;
- eliminating \$1,751,000 of funding for Schools Under Registration Review (SURR);
- reducing Summer School of the Arts to \$1,481,000, which is \$109,000 below the 2009 10 funding level;
- eliminating funding for Workplace Literacy, which was funded at \$1,000,000 in SY 2009-10;
- eliminating funding for Special Act School Districts for additional costs associated with academic programs, which was funded at \$1,300,000 in SY 2009-10;
- reducing funding for the Center for Autism and Related Disabilities at SUNY Albany by \$500,000 from SFY 2009-10, leaving funding for this program at \$490,000. In addition, \$500,000 in Federal funds are continued;
- eliminating Council for the Humanities, which was funded at \$450,000 in SY 2009-10;
- eliminating the Mount Vernon In School Suspension program, which was funded at \$400,000 in SY 2009-10;
- eliminating Transferring Success, which was funded at \$314,900 in SY 2009-10;
- eliminating funding for Bard High School Early College, which was funded at \$300,000 in SY 2009-10;
- eliminating funding for Tech Valley High School, which was funded at \$300,000 in SY 2009-10;
- eliminating Helping Involve Parents for Better Schools program in the Buffalo City School District, which was funded at \$250,000 in SY 2009-10;
- eliminating funding for the New York State Historical Association, which was funded at \$180,000 in SY 2009-10;

- eliminating funding for the New York State Center for Rural Schools at Cornell University, which was funded at \$175,000 in SY 2009-10; and
- eliminating the Project Boost Program, which was funded at \$100,000 in SY 2009-10.

## TEACHER PROGRAMS

The Executive proposes:

- maintaining Teachers of Tomorrow at last year's level of \$25,000,000;
- funding the Teacher Mentor Intern program at \$2,000,000, which is the same level as SFY 2009-10 funding. This program is funded through the Federal American Recovery and Reinvestment Act of 2009; and
- funding the National Board for Professional Teaching Standards Certification at last year's level of \$490,000.

### Proposed Decrease

The Executive proposes:

- eliminating funding for Teacher Resource and Computer Training Centers, which were funded at \$35,000,000 in SY 2009-10. This program was funded through the Federal American Recovery and Reinvestment Act of 2009.

## FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The Executive proposes appropriating the following additional Federal American Recovery and Reinvestment Act funds:

- funding of \$843,000,000 for the State Fiscal Stabilization-Education Fund
  - \$726,000,000 for SY 2010-11 to offset the Governor's GEA;
  - \$89,000,000 for suballocations to the State University of New York and City University of New York; and
  - \$28,000,000 in remaining funds;
- funding of \$750,000,000 for the State Fiscal Stabilization-State Incentive Grants in anticipation of a Race To The Top (RTTT) award;
- funding of \$454,000,000 for Part A of Title I of the Elementary and Secondary Education Act (ESEA);

- funding of \$398,000,000 for the Individuals with Disabilities Education Act (IDEA);
- funding of \$135,000,000 for School Improvement Grants provided to Title I of the ESEA;
- funding of \$28,000,000 for Educational Technology Grants to carry out Part D of Title II of the ESEA;
- funding of \$20,000,000 for the Teacher Incentive Fund Program;
- funding of \$15,000,000 for Case Services provided to individuals with disabilities;
- funding of \$1,700,000 for Title VII Subtitle B of the McKinney-Vento Homeless Assistance Act;
- The Executive proposes funding the following for administrative non-personal service expenses:
  - \$10,000,000 for Statewide Data Systems Grant Program provided under Section 208 of the Educational Technical Assistance Act;
  - \$1,000,000 for Title I of the ESEA;
  - \$14,000,000 for School Improvement Grants provided pursuant to Section 1003 (g), of Title I of the ESEA; and
  - \$2,800,000 for Educational Technology Grants to carry out Part D of Title II of the ESEA.

## VESID

For SFY 2010-11 the Executive proposes:

- funding Case Services at \$54,000,000, which is the same level of funding as in SFY 2009-10;
- funding Supported Employment at \$15,160,000, which is the same level of funding as in SFY 2009-10;
- funding Independent Living Centers at \$12,361,000, which is the same as the SFY 2009 10 funding level; and
- funding College Readers Aid at \$294,000, which is the same as SFY 2009-10 funding.

## CULTURAL EDUCATION

For SFY 2010-11 the Executive proposes maintaining Capital funding of \$14,000,000 for library construction and renovation purposes. The Executive budget also proposes to continue aid for Documentary Heritage grants at \$461,000, which is the same level of funding as in SFY 2009-10 levels.

The Executive proposes:

- funding Educational Television and Radio at \$15,002,000, which is the same level of funding as in SFY 2009-10 levels. This is partially funded by the Federal American Recovery and Reinvestment Act of 2009.

#### Proposed Decreases

The Executive proposes:

- funding Aid for Public Libraries at \$84,458,000, which is a reduction of \$2,400,000 from SFY 2009-10 levels;
- funding grants to local governments through the Local Government Records Management Improvement Fund at \$8,346,000, which is a reduction of \$1,193,000 from SFY 2009-10 levels; and
- reducing Talking Book and Braille Library to \$602,000, which is \$180,000 below the 2009-10 funding level.

### HIGHER EDUCATION AND THE PROFESSIONS

For SFY 2010-11 the Executive proposes:

- funding Liberty Partnerships at \$10,842,000, which is the same as SFY 2009-10 funding levels;
- maintaining funding of the Higher Education Opportunity Program at SFY 2009-10 funding level of \$20,783,000;
- funding the Science and Technology Program at last year's level of \$9,774,000; and
- funding Collegiate Science and Technology Program at \$7,406,000, which is the same as SFY 2009-10 funding levels; and

#### Proposed Decrease

The Executive proposes:

- funding Unrestricted Aid to Independent Colleges and Universities at \$39,032,000 which is a reduction of \$700,000 from SFY 2009-10 levels.

## Capital Projects

The Executive proposes:

- funding Library Construction at \$14,000,000, which is the same level of funding as in SY 2009-10; and
- funding various minor rehabilitation projects to keep State Education Department facilities in a safe operating condition at \$6,800,000.

## Article VII

The Executive recommends Article VII legislation that would:

- provide for the continuation of the Contract for Excellence program in 2010-11 School Year and require all current Contract Districts to continue in the program unless all schools within the District are reported as being in “good standing”;
- modify the Contract for Excellence Program by requiring districts to maintain current (2009-10) expenditures on Contract programs in 2010-11 reduced by the percentage reduction of the GEA for the 2010-11 school year;
- prohibit the Board of Regents from proposing any legislation, regulation, or policy directives containing a mandate unless they have reviewed the fiscal impact of such proposal;
- require the Regents to prepare a local fiscal impact statement for any proposed legislation that contains a mandate that is submitted to the Legislature or the Executive branch;
- require the Regents to review department regulations and submit a report to the Governor by December 1, 2010 on any changes to department regulations that could reduce the impact of mandates and generate property tax relief;
- alter the calculation of payments for employees of County Vocational Education and Extension Board and limits the amount of time permitted to submit claims;
- authorize boards of education to enter into regional transportation contracts with other schools districts, BOCES, municipalities, and the Office of Child and Family Services;
- eliminate the requirement that BOCES submit special education facilities plans every five years and instead require BOCES district superintendents to determine the adequacy and appropriateness of facilities based on Federal least restrictive environment requirements;
- ensure that the inflation factor used to calculate school district contingency budgets does not drop below zero in years where there is deflation;

- continue to freeze the SY 2010-11 per pupil tuition paid from school districts to charter schools at the SY 2008-09 rates;
- clarify the definition of kindergarten to mean children over five years old before December 31 of the current school year;
- remove energy performance contracts from the list of expenses eligible for the ten percent Building Aid incentive;
- provide for a recalculation of Building Aid if a school district's building is sold or ownership is transferred in some way;
- provides that superintendent conference days be held between September 1 and the last day of the June Regents examination period;
- provide for a technical adjustment to the definition of tax rate for school districts;
- provide for a process for the transition of special education students to adult services;
- extend special education class size waivers for large city school districts;
- change the current reimbursement to school districts for Summer School Special Education Programs from 70 percent reimbursement by the State to a wealth adjusted formula which would range from 10 to 80 percent. The current ten percent County contribution would continue;
- modify the process for reimbursing claims for Summer School Special Education Programs;
- require Committees on Preschool Special Education to consider the proximity of programs to a child's home when recommending placement;
- cap growth on county costs for the Preschool Special Education Program and require school districts to cover any growth in costs over two percent;
- require a review by the SED and the Office of Children and Family Services of any audit of Preschool Special Education payments to be completed within a three month period;
- require the SED to identify school districts with high rates of classification and low rates of declassification of students with disabilities along with their placement in particular settings and any disparities based on race. The Department may provide technical assistance and require corrective action and work with school districts on maintaining appropriate special education classification rates;

- continue existing Teachers of Tomorrow provisions for the City of New York;
- provide authorization for school districts to transfer excess funds from their Employee Benefit Accrued Liability Reserve (EBALR) in an amount which is limited to the lesser of funds necessary to offset any Gap Elimination Adjustment during SY 2010-11 or the amount of excess funds as determined by the state comptroller for the purpose of maintaining educational programming;
- modify the date by which the Comptroller must audit all school district EBALR funds and report on findings from July 1, 2012 to July 1, 2011;
- extend the provisions of State law that conform to federal No Child Left Behind (NCLB) requirements;
- extend the provision of supplemental education services to suspended pupils;
- extend the provisions of law allowing local governments to donate used computer equipment to schools and certain not for profits;
- extend the provisions of law requiring publishers of college instructional materials to make those materials available electronically to students with disabilities at a comparable cost;
- extend the provisions of law allowing for certain changes to be made to transportation contracts within the contract period;
- extend the provisions of law in regard to conditional appointments of school district, charter school and BOCES employees;
- extend the provisions of law authorizing licensed physical therapist assistants to provide services in home care settings;
- extend the provisions of law authorizing licensed physical therapist assistants to provide services in schools;
- extend the provisions allowing for waivers of maintenance of effort provisions for libraries;
- extend the provisions regarding dental licenses;
- require the Commissioner to develop a pilot program for regional transportation and identify barriers to and the cost effectiveness of such regional transportation systems;
- continue provisions providing for school bus driver training;

- reduce aid to Public Libraries and provide for a proportional reduction of the aid among the various formulas;
- continue current Chapter 1 Advance provisions and extend the advance to apply to the new GEA;
- continue the provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contributions;
- extend the Rochester City School District's ability to purchase health services from BOCES;
- continue the Magnet School, Attendance Improvement and Dropout Prevention, and Teacher Support Aid set asides within Foundation Aid;
- reduce the Special Academic Improvement Grant to Roosevelt School District in the 2011-12 and 2012-13 School Year from \$12 million to \$6 million;
- require the Commissioner to reduce and consolidate school district plans, reports and applications, establish unified electronic data collection systems, and eliminate a number of reports and requirements;
- provide for the renaming of Excess Cost Aid to better reflect its purpose;
- enact the Foundation Aid freeze for the 2011-12 School Year and extend the phase in of Foundation Aid through SY 2016-17;
- continue the provision of Universal Prekindergarten into the 2011-12 school year and provide for the payment of districts which expanded their programs in the 2008-09 school year;
- continue Supplemental Public Excess Cost Aid, High Tax Aid, Academic Enhancement Aid, the Academic Achievement Grant for New York City, and the Supplemental Education Improvement Grant for Yonkers at current levels through SY 2011-12;
- provide for technical implementation of various school aid grants and formulas including Foundation Aid and Universal Prekindergarten;
- freeze all School Aid formulas for both the 2009-10 and 2010-11 school year, at the lesser of the SY 2010-11 Executive run or revised data; and
- create a Gap Elimination Assessment against formula based aids, with the exception of Building Aid and Universal Prekindergarten, and partially reimburse districts with funds from the American Recovery and Reinvestment Act of 2009.

## OFFICE OF CHILDREN AND FAMILY SERVICES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	2,083,346,131	2,188,465,800	105,119,669	5.0%
Special Revenue-Other	123,460,000	123,337,000	(123,000)	-0.1%
Special Revenue-Federal	1,677,925,000	1,538,701,000	(139,224,000)	-8.3%
Enterprise	475,000	475,000	0	0.0%
Capital Projects Fund	1,825,000	1,825,000	0	0.0%
Youth Facilities Improvement Fund	35,850,000	35,850,000	0	0.0%
Internal Service Fund	100,000	100,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,922,981,131</b>	<b>3,888,753,800</b>	<b>(34,227,331)</b>	<b>-0.9%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	3,084	2,970	(114)
All Other Funds:	492	527	35
<b>TOTAL:</b>	<b>3,576</b>	<b>3,497</b>	<b>(79)</b>

### Agency Mission

(Executive Budget: pp. 35-43)

The Office of Children and Family Services (OCFS) is responsible for coordinating a system of support to help families achieve and maintain self-sufficiency and to provide for the well-being of their children. The Office administers a broad range of child welfare, child care, adult protective and delinquency prevention programs, as well as residential and community-based services for New York State's juvenile justice system. The Office also supervises services to the blind and visually handicapped.

The Office is included in the Education, Labor and Family Assistance appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- Implementation of the Kinship Guardianship Program, effective January 1, 2011. The program would provide financial assistance on behalf of eligible foster care children who are discharged from foster care to the guardianship of the relatives who have been caring for them while in foster care. Assistance payments would continue to be made to such relatives, but the children would no longer be under the supervision of the local district, reducing administrative oversight and costs. Funding for the program would flow through the Foster Care Block Grant.
- Funding to support a total Child Care Block Grant of approximately \$952,000,000. This includes an increase in General Fund support of approximately \$5,000,000 related to unionization agreements on behalf of home-based child care providers and the transfer of child care funding for migrant workers to the General Fund from Temporary Assistance to Needy Families (TANF) funding. While year to year TANF funding for child care subsidies remains constant at \$392,967,000, the Executive eliminates \$14,300,000 in TANF funding for child care initiatives, including SUNY child care, CUNY child care and child care demonstration projects, in addition to transferring migrant worker child care to the General Fund.
- The maintenance of open-ended funding for child welfare services. The Executive continues 64 percent reimbursement for mandated preventive and child protective services, but reduces funding for Community Optional Preventive Services (COPS) which supports a variety of non-mandated programs.
- Full implementation of the Bridges to Health Medicaid Waiver Program which allows for enhanced services for foster care children with multiple needs in order to prevent them from entering institutional care. During SFY 2010-11, the program will add 1,740 new slots to reach full implementation at 3,305 slots.
- A change in the use of Title XX funding to require local districts to use all of New York's \$103,000,000 federal allotment to offset State and local costs for Adult Protective and Domestic Violence (AP/DV) programs. Currently, districts must use \$66,000,000 of such funds for these purposes, but are allowed to use the remaining \$37,000,000 for discretionary Title XX services. The Executive estimates \$18,000,000 in State savings from this action.
- The continuation of efforts to rightsize the capacity of residential youth facilities operated by the OCFS. In keeping with the one-year statutory notification requirements, the following

actions would take place in January 2011: closure of the Annsville non-secure facility (Oneida County), closure of the Tryon limited secure program for boys (Fulton County) and downsizing of the Lansing non-secure center for girls (Tompkins County). These actions would lower facility-wide vacancy rates by 11 percent to bring vacancy rates to 19 percent and would reduce staffing needs by 251 positions.

- An investment of \$18,200,000 in juvenile justice programs to address deficiencies identified by the Governor's Task Force on Transforming Juvenile Justice. Funding would be used to increase staff-to-youth ratios and to provide improved medical and mental health services for youth in State-operated juvenile justice facilities. This action would result in an increase of 169 staff in the youth facility program.
- A proposal to cap the appropriation for a long-term safe house for sexually exploited youth at \$3,000,000.
- A proposal that would allow OCFS to intercept payments to local districts for programs such as child welfare, foster care, adoption and detention in those instances where a local district is in arrears for more than sixty days, with respect to payments made to the State for the district's share of the costs associated with operating youth facilities. The Executive estimates this action will save the State \$27,000,000.
- Elimination of the Human Services cost-of-living (COLA) for foster care and adoptive parents, in order to prevent the implementation of a negative COLA in SFY 2010-11 and extension of the COLA for an additional year to March 2014.
- The maintenance of funding for Adoption subsidies and the Foster Care Block Grant.
- Reductions or eliminations in funding for various non-mandated services such as Home Visiting, the Child Welfare Quality Program, Child Protective caseload reduction, Alternatives to Detention and Residential Placement, Settlement Houses, Post Placement services, Hoyt Children and Family Trust Fund, Kinship Guardianship, Child Fatality Review Teams, and the Portable Information Technology pilot.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$3,888,753,800, a net decrease of \$34,227,331 or 0.9 percent below the SFY 2009-10 level. The Executive recommends funding for 3,497 full-time equivalent (FTE) positions, a decrease of 79 positions from SFY 2009-10.

## State Operations

The Executive proposes an All Funds State Operations appropriation of \$534,363,700, a net increase of \$11,397,700 or 2.18 percent above SFY 2009-10.

### Proposed Increases

The Executive proposes:

- an increase of \$18,190,000 related to the hiring of 169 staff in juvenile justice programs to address the deficiencies identified by the Governor's Task Force on Transforming Juvenile Justice;
- an increase of \$15,380,000 related to negotiated salary and fringe increases;
- a \$6,000,000 increase related to a pending application for federal ARRA funding for Head Start;
- a \$4,230,000 increase related to a shift of certain child care functions from Local Assistance to State Operations; and
- an increase of \$3,000,000 related to modernization and upgrading of the CONNECTIONS system.

### Proposed Decreases

The Executive proposes:

- a decrease of \$8,630,000 related to non-personal service reductions;
- a reduction of \$8,000,000 in federal funding related to the loss of one-time ARRA funding for the Commission for the Blind and Visually Handicapped;
- a reduction of \$7,540,000 related to the attrition of 32 FTE positions;
- a savings of \$6,750,000 related to youth facility closures and downsizing actions that would result in the loss of 251 FTE positions;
- a savings of \$3,940,000 related to employees who opted to take a severance package offered under the SFY 2009-10 Workforce Reduction Plan; and
- a savings of \$200,000 related to the use of electronic court appearances for certain court proceedings as proposed in Article VII legislation.

## Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$3,316,715,100, a net decrease of \$45,625,031 or 1.36 percent below SFY 2009-10, due primarily to the loss of ARRA funding.

### Proposed Increases

The Executive proposes the following General Fund appropriation additions:

- an increase of \$77,160,000 for Child Welfare Services related to an anticipated increase in claims for reimbursement for services from local districts;
- an increase of \$41,420,000 related to full implementation of the Bridges to Health Medicaid Waiver for foster care children with multiple needs, bringing the number of slots to 3,305 from the current 1,565;
- an increase of \$4,850,000 related to the payment of Medicaid Per Diems for children in foster care;
- an increase of \$4,120,000 for adoption subsidies provided to families who adopt children with special needs;
- an increase of \$4,000,000 for reimbursement to local districts for the State share of detention costs;
- a new \$3,235,000 appropriation related to unionization agreements on behalf of home-based child care providers;
- a new \$3,000,000 appropriation for a long-term safe house for sexually exploited children;
- an increase of \$520,000 for Indian Tribes; and
- an increase of \$390,000 to restore local district training to the enacted SFY 2009-10 level from the post DRP level.

### Proposed Decreases

The Executive proposes the following General Fund appropriation reductions:

- a decrease of \$13,830,000 in the AP/DV appropriation related to the requirement that local districts use 100 percent of federal Title XX funds for this purpose. The Executive estimates savings of \$18,000,000 related to this action;
- a decrease totaling \$14,200,000 related to the elimination of Preventive Services, the Portable Information Technology pilot, Kinship Guardianship, and the Child Care ARRA Maintenance of Effort;
- a \$2,920,000 reduction in COPS funding;
- a decrease of \$1,790,000 related to a 50 percent reduction in the Child Welfare Quality Program; and
- a net decrease totaling \$1,150,000 related to the implementation of a 10 percent reduction in appropriation authority from the enacted SFY 2009-10 level for the following programs: Home Visiting, YDDP/SDDP, Advantage Afterschool, Child Advocacy Centers, Runaway and Homeless Youth, Alternatives to Detention and Residential Placement; Post Placement Services, Child Protective caseload reduction, Hoyt Children and Family Trust Fund; Kinship/Caretaker Relative, Settlement Houses, and Child Fatality Review Teams.

### **Capital Projects**

The Executive proposes funding of \$37,675,000 for the Capital Projects Fund and the Youth Facilities Improvement Fund, which is unchanged from SFY 2009-10.

### **Article VII**

The Executive recommends Article VII legislation that would:

- authorize local social services districts to make payments to foster care and adoptive parents using electronic benefit transfer, debit cards or direct deposits;
- establish a kinship guardianship assistance program to authorize a relative who becomes the legal guardian to receive assistance on behalf of an eligible foster child upon discharge from foster care;
- require that a Family Court judge may order a child protective investigation only when there is reasonable cause to suspect abuse or neglect;
- authorize the court to allow parties, interested persons and witnesses to attend or to testify at Family Court proceedings via telephonic, audio-visual or other electronic means;

- make amendments to the Safe Harbor Act of 2008. These include: narrowing the definition of sexually exploited child, clarifying that a long-term safe house may be operated by a Temporary Independent Living Program, providing for notification of parents or guardians, expanding the circumstances when a juvenile delinquent may be considered a severely trafficked person and establishing that the services provided for in the bill would be put forward only to the extent funds are appropriated;
- authorize the deduction and transfer of “fair share payments” to child care unions from home-based child care providers who opt not to become members of the union. The payment would be for services rendered by the union on behalf of all home-based providers;
- reduce requirements associated with each county’s required multi-year consolidated services plans. Such changes include: eliminating annual implementation reports, removing the requirement to hold public hearings and removing certain information from the plan; and
- authorize OCFS to withhold payments due to local social services districts in order to offset youth facility payments overdue by sixty days or more.

Other Article VII legislation affecting OCFS include proposals that would:

- eliminate the Human Services cost-of-living (COLA) to prevent the implementation of a negative COLA in SFY 2010-11 and extend the COLA for an additional year to March 2014. This proposal would affect foster care and adoptive parents; and
- extend for four years current social worker and mental health professional licensing exemptions.

## OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	1,321,899,986	1,252,928,700	(68,971,286)	-5.2%
Special Revenue-Other	187,793,875	186,518,000	(1,275,875)	-0.7%
Special Revenue-Federal	4,095,906,000	4,508,216,000	412,310,000	10.1%
Housing Program Fund	30,000,000	30,000,000	0	0.0%
Internal Service Fund	1,200,000	1,199,000	(1,000)	-0.1%
Fiduciary	10,000,000	10,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>5,646,799,861</b>	<b>5,988,861,700</b>	<b>342,061,839</b>	<b>6.1%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	613	193	(420)
All Other Funds:	1,746	2,186	440
<b>TOTAL:</b>	<b>2,359</b>	<b>2,379</b>	<b>20</b>

### Agency Mission

(Executive Budget: pp. 45-53)

The Office of Temporary and Disability Assistance (OTDA), working with the Office of Children and Family Services (OCFS) and other agencies, helps children and families in need to achieve economic self-sufficiency. The Office administers public assistance programs, including Family Assistance (FA), Safety Net Assistance (SNA), Supplemental Security Income (SSI), the Federal Food Stamp (FFS) Program, the Home Energy Assistance Program (HEAP); child support enforcement and services; refugee assistance programs; and homeless shelter and service programs. The Office also serves as the host agency for the administration of the federal Temporary Assistance to Needy

Families (TANF) block grant which provides funding for public assistance benefits, as well as for programs and services designed to assist needy children and families as they transition to self-support.

The agency is included in the Education, Labor and Family Assistance appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes:

- A two-year delay in full implementation of the 30 percent Public Assistance grant increase, enacted in SFY 2009-10. The Executive Budget reduces from ten percent to five percent the statutory July 2010 and July 2011 public assistance grant increases and provides for a five percent increase for two consecutive years thereafter.
- Funding for two new Temporary Assistance for Needy Families (TANF) programs and elimination of funding for 31 existing programs. The Executive provides \$41,500,000 for a Local Family Support Program to provide a federal match for social service district investments (local districts must provide a 20 percent match) in subsidized employment or short-term non-recurrent benefits (for example, car related payments needed to enable an individual to seek or to retain employment, purchase of work-related equipment, home repairs needed to reduce energy usage or to ensure safety) to support low-income families. In addition, the Executive proposes \$10,000,000 for Food Bank Supplemental Support to aid emergency food providers in meeting an increased demand for assistance. At the same time, the Executive proposes eliminating TANF funding of \$196,426,000 for 31 existing programs that provide crucial services to families, children and youth and refugees, including: Summer Youth Employment, Career Pathways, Strengthening Families through Stronger Fathers, Displaced Homemakers, Technology Training (ATTAIN), Advantage Schools, CUNY Child Care, SUNY Child Care, Child Care Demonstration Projects, Child Care Migrant Workers, Emergency Homeless, Supportive Housing for Families, ACCESS – Welfare to Careers, Alternatives to Detention/Alternatives to Residential Placement, Bridge, Caretaker Relative, Centro of Oneida, Community Reinvestment/Alternatives to Detention, Community Solutions to Transportation, Educational Resources, Home Visiting, VESID/LIVES, Non-Residential Domestic Violence, Nurse Family Partnership, Preventive Services, Refugee Resettlement, Rochester-Genesee Regional Transportation Authority, Settlement Houses, Supplemental Homeless Intervention Program, Wage Subsidy, and Wheels for Work.
- Authorization for the State to administer the additional State payments made under the Supplemental Security Income (SSI) Supplementation Program instead of paying the Federal Social Security Administration (SSA) a fee for each check issued on the State's behalf. The Executive estimates recurring savings of over \$60,000,000 once full implementation is achieved.

- An alignment of funding for the adult homeless shelter system with the family shelter system to encourage local social services districts, primarily New York City, to conduct public assistance eligibility determinations for all individuals seeking placement in temporary shelter settings, including homeless shelters for adults.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$5,988,861,700, a net increase of \$342,061,839 or 6.1 percent over the SFY 2009-10 level. The Executive recommends funding for 2,379 full-time equivalent (FTE) positions, an increase of 20 positions over SFY 2009-10.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$471,292,000, a net increase of \$1,913,000 or 0.4 percent above the SFY 2009-10 level.

#### **Proposed Increases**

The Executive proposes:

- an increase of \$19,240,000 in the OTDA Earned Revenue Account related to shifting the State share of the Automated Finger Imaging System and Electronic Benefit Transfer System from the General Fund to the Special Revenue – Other Fund, in order to achieve savings of \$8,000,000;
- an increase of \$10,540,000 related to the annualization of 200 additional FTEs within the Division of Disability Determinations which were brought on staff during SFY 2009-10. The additional staff are entirely federally funded;
- an increase of \$1,630,000 in appropriation authority related to Computer Systems Development. In SFY 2009-10, Computer Systems were financed with \$5,000,000 in bond proceeds, which do not recur in SFY 2010-11. Thus, while the appropriation authority is increased, the Executive provides \$2,500,000 less for Computer Systems in SFY 2010-11 than in SFY 2009-10;
- an increase of \$1,060,000 related to a shift of 12 Homeless Housing Assistance Program FTEs to the General Fund from a Special Revenue – Other Fund;
- a increase of \$574,000 in start-up costs related to authorizing the State to administer the SSI Supplementation Program instead of paying the Federal Social Security Administration (SSA) a fee for each check issued on the State's behalf; and
- an increase of \$141,000 related to the transfer of the Nutrition Outreach and Education program from the Department of Health to OTDA.

## Proposed Decreases

The Executive proposes:

- a reduction of \$1,490,000 related to severances, attrition, and anticipated collective bargaining savings; and
- a reduction of \$500,000 attributable to across the board reductions in State Operations non-personal service expenditures.

## Aid to Localities

The Executive recommends All Funds appropriations totaling \$5,487,569,700 in Aid to Localities for SFY 2010-11, a net increase of \$340,148,839 or 6.6 percent over the SFY 2009-10 level.

The largest appropriation within Aid to Localities relates to the Temporary Assistance to Needy Families (TANF) block grant and related Contingency funds for a total appropriation in SFY 2010-11 of \$2,971,880,000. In addition to the base TANF block grant which remains constant at \$2,443,000,000, the State will receive a total of \$1,221,465,000 in TANF Contingency Funds and TANF Emergency Contingency Funds during SFY 2009-10 and SFY 2010-11. Of this amount, \$678,155,000 was appropriated in SFY 2009-10 and \$451,300,000 is appropriated in the SFY 2010-11 Executive Budget. The TANF appropriation will support an anticipated 255,715 recipients of family assistance, an increase of 4,936 from the current fiscal year. The Executive proposes to increase TANF funding for benefits by \$569,393,000 to \$1,119,314,000 in SFY 2010-11, from \$549,921,000 in SFY 2009-10. In addition to the economic support of needy families, the TANF block grant and the TANF Contingency and Emergency Contingency Funds allow expenditures for programs and services that aid in the transition to self-sufficiency, as well as supportive services for low-income families to help them avoid the need for public assistance.

The Executive proposes to make \$964,600,000 available to local districts through the Flexible Fund for Family Services (FFFS), which is unchanged from SFY 2009-10, and would maintain funding for child care subsidies at \$392,967,000. The Executive, however, eliminates funding for CUNY Child Care, SUNY Child Care, Child Care Demonstration Projects, and Child Care for Migrant Workers totaling \$16,054,000. (Child Care Migrant Workers, however, is transferred to the General Fund) The Executive would provide funding for two new programs. The first is funding of \$41,500,000 for a Local Family Support Fund, which would provide a Federal match for social service district investments in subsidized employment or new, short-term, non-recurrent benefits to support low-income families. Local districts must provide a 20 percent match to access this funding. The second is \$10,000,000 for Food Bank Supplemental Support, which would provide one-time non-recurring support for the regional food banks to expand the capacity of emergency food providers throughout the State to meet the increased demand for assistance. The Executive would also provide funding for five existing TANF programs, including \$11,313,000 for Intensive Case Services, \$10,000,000 for the Transitional Jobs Program, \$5,000,000 for the Health

Care Jobs Program, \$3,000,000 for the Green Jobs Corps Program, and \$2,500,000 for the Disability Advocacy Program. In addition to the four child care programs, the Executive eliminates funding for 27 other programs, totaling \$180,372,000. These include: ACCESS – Welfare to Careers, Technology Training (ATTAIN), Advantage Schools, Alternatives to Detention/Alternatives to Residential Placement, Bridge, Career Pathways, Caretaker Relative, Centro of Oneida, Community Reinvestment/Alternatives to Detention, Community Solutions to Transportation, Displaced Homemakers, Educational Resources, Emergency Homeless, Home Visiting, VESID/LIVES, Non-Residential Domestic Violence, Nurse Family Partnership, Preventive Services, Refugee Resettlement, Rochester-Genesee Regional Transportation Authority, Settlement Houses, Strengthening Families through Stronger Fathers, Summer Youth Employment, Supplemental Homeless Intervention Program, Supportive Housing for Families, Wage Subsidy, and Wheels for Work.

### Proposed Increases

The Executive proposes:

- an increase of \$363,660,000 in federal funds related to additional TANF Contingency and Emergency Contingency funding;
- an increase of \$65,590,000 in federal funds for Food Stamp Administration;
- a separate General Fund appropriation of \$756,300,000 for SSI which previously has been aggregated with public assistance, together with a separate \$360,000,000 appropriation for public assistance for a combined increase of \$26,070,000 over the current year:
- an increase of \$3,950,000 for Child Support Local Administration;
- an increase of \$1,200,000 in federal funds related to Child Support;
- an increase of \$980,000 for Operational Support for AIDS Housing;
- an increase of \$790,000 for the Nutrition Outreach Program related to a transfer of the program from the Department of Health to OTDA; and
- an increase of \$630,000 related to NY/NY III Family Units.

## Proposed Decreases

The Executive proposes:

- a savings of \$35,800,000 related to aligning adult and family shelter program financing to encourage local districts, primarily New York City, to conduct public assistance eligibility determinations for all individuals seeking temporary shelter;
- a reduction of \$5,505,000 related to the elimination of the Health Care Jobs, Green Jobs, and Low-Income Employment Programs;
- a decrease of \$4,740,000 related to Legal Advocates for the Disabled;
- a decrease of \$1,020,000 for the Homelessness Intervention Program (HIP), which provides services to stabilize households and prevent homelessness;
- a decrease of \$310,000 for the Single Room Occupancy (SRO) Program;
- a decrease of \$130,000 for the HIV Welfare to Work Program;
- a decrease of \$98,000 for Operational Support for AIDS housing;
- a decrease of \$90,000 for the Homeless Prevention Program;
- a decrease of \$77,000 for the Safety Net Assistance Local Innovations Program;
- a decrease of \$63,000 for the Citizenship Initiative;
- a decrease of \$63,000 for the New York State Refugee Resettlement Assistance Program; and
- a decrease of \$40,000 for the Human Trafficking Program;

## Capital Projects

The Executive proposes funding of \$30,000,000 for the Homeless Housing and Assistance Program Fund, which is unchanged from SFY 2009-10.

## Article VII

The Executive recommends Article VII legislation that would:

- delay full implementation of the 30 percent public assistance grant increase, enacted in SFY 2009-10. The Executive Budget reduces from ten percent to five percent the statutory

July 2010 and July 2011 public assistance grant increases and provides a five percent increase for two consecutive years thereafter;

- authorize the pass-through of the Federal Cost of Living Adjustment for Supplemental Security Income (SSI);
- authorize the State to administer additional State payments for SSI recipients and other eligible individuals;
- transfer the administration of the Nutrition Outreach and Public Education Program from the Department of Health (DOH) to the OTDA; and
- increase access to the Department of Taxation and Finance's Wage Reporting System records.

# NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	927,281,000	843,566,000	(83,715,000)	-9.0%
Special Revenue-Other	127,591,000	122,247,000	(5,344,000)	-4.2%
Special Revenue-Federal	69,764,000	65,800,000	(3,964,000)	-5.7%
<b>Total for AGENCY SUMMARY:</b>	<b>1,124,636,000</b>	<b>1,031,613,000</b>	<b>(93,023,000)</b>	<b>-8.3%</b>

## Agency Mission

(Executive Budget: pp. 55-61)

The Higher Education Services Corporation (HESC) was established in 1974 and administers the State's Tuition Assistance Program (TAP), the Federal Family Education Loan Program, and other State and federal aid programs.

HESC is included in the Education, Labor, and Family Assistance appropriation bill.

## Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- Funding for the TAP in the amount of \$825,048,000, which represents a net decrease of \$39,077,000 from a SFY 2009-10 funded level of \$864,125,000.
- Funding of \$39,150,000 for various scholarships administered by HESC, which represents a \$655,000 increase.
- Funding of \$250,000 for the creation of the Third Party Debt Collection Program.

## Budget Detail

The Executive recommends an All Funds appropriation of \$1,031,613,000 for HESC which is a decrease of \$93,023,000 from the SFY 2009-10 level. The Executive recommends funding support of 630 full-time equivalent (FTE) positions which is consistent with SFY 2009-10 levels.

### State Operations

The Executive recommends an All Funds State Operations appropriation of \$120,047,000, a decrease of \$45,344,000 from the SFY 2009-10 level.

#### Proposed Increases

The Executive proposes:

- a \$250,000 appropriation due to the creation of the Third Party Debt Collection Program.

#### Proposed Decreases

The Executive proposes:

- a \$40,000,00 reduction in funding for the New York State Higher Education Loan Program (NYHELPS);
- a funding reduction of \$4,023,000 to the Division of Guaranteed Loan Programs due to decreases in non-personal service spending; and
- a funding reduction of \$1,571,000 in administrative costs due to decreases in non-personal service spending.

### Aid to Localities

The Executive proposal maintains SFY 2009-10 funding levels for the Aid to Part-Time Study Program at \$14,357,000 and the Licensed Social Worker Loan Forgiveness Program at \$978,000. The Executive also proposes a \$825,048,000 appropriation for the TAP program, reflecting a net decrease of \$39,077,000 from the 2009-10 level.

#### Proposed Increases

The Executive proposal for TAP assumes the following academic year increases:

- provides TAP awards to students attending higher education institutions not under the direct supervision of the State Education Department including those engaging in professional theology studies (\$12,800,000); and
- creates new TAP award schedules for wards of the court and other classes of independent minors (\$3,900,000).

### Proposed Decreases

The Executive proposal for TAP assumes \$49,700,000 in reductions resulting from changes to the program that would:

- reduce the maximum TAP award for students enrolled in a two-year degree granting program from \$5,000 to \$4,000 (\$19,600,000);
- reduce the award for each TAP recipient by \$75 (\$16,500,000);
- increase minimum academic standards and GPA requirements for maintaining TAP eligibility (\$5,900,000);
- create new TAP award schedules reducing awards for certain married financially independent students (\$5,200,000);
- deny TAP eligibility to students in default of their Federal student loans (\$2,900,000);
- eliminate TAP awards for graduate students (\$2,100,000); and
- include all private pension and annuity income in TAP eligibility determinations (\$1,400,000).

The Executive proposal also includes the following decreases:

- \$4,700,000 eliminating all new awards for the Scholarship for Academic Excellence, and for the Math and Science Teacher Incentive Scholarship programs.

### Article VII

The Executive recommends Article VII legislation that would:

- increase the minimum academic standards required for non-remedial students to maintain TAP eligibility;
- deny TAP awards to any student who is in default of their federal student loans and loans made or guaranteed by the Corporation;

- eliminate TAP awards for graduate students;
- increase TAP awards for financially independent students who are orphans or wards of the court and decreases TAP awards for financially independent students who are married without children;
- reduce the maximum TAP award for students enrolled in a two-year degree granting program from \$5,000 to \$4,000;
- reduce the award for each TAP recipient by \$75;
- create parity between public and private pensions in TAP award eligibility determinations;
- extend the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness programs until June 30, 2015;
- extend the Regents Physician Loan Forgiveness Program until the end of the 2010-11 academic year;
- eliminate the Scholarships for Academic Excellence Program and the Math & Science Teaching Incentive Program; and
- make technical corrections to the New York Higher Education Loan Program (NYHELPS).

### **Deficiency Request**

The adjusted appropriation includes a recommended deficiency appropriation of \$25,159,000 to the Tuition Assistance Program to cover expenses for the 2009-10 Academic Year.

## DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	79,247,048	61,472,000	(17,775,048)	-22.4%
Special Revenue-Other	68,822,548	67,632,000	(1,190,548)	-1.7%
Special Revenue-Federal	424,207,000	261,999,000	(162,208,000)	-38.2%
Housing Assitance Fund	31,000,000	0	(31,000,000)	-100.0%
Housing Program Fund	74,200,000	74,200,000	0	0.0%
UnKnown Fund Type	253,000,000	0	(253,000,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>930,476,596</b>	<b>465,303,000</b>	<b>(465,173,596)</b>	<b>-50.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	281	265	(16)
All Other Funds:	610	610	0
<b>TOTAL:</b>	<b>891</b>	<b>875</b>	<b>(16)</b>

### Agency Mission

(Executive Budget: pp. 63-69)

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 the management of State-assisted housing stock.

This agency is included in the Education, Labor, and Family Assistance appropriation bill.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The Executive proposes merging the administrative and program operations of the Housing Finance Agency into DHCR. The Executive anticipates a savings of \$3.5 million due to the elimination of duplicative operations.
- The Executive proposes the elimination of \$21,875,000 intended for the Foreclosure Prevention Program which provides foreclosure counseling, representation and legal services to individuals who face default or foreclosure due to unconventional and conventional lending practices.

## **Budget Detail**

The Executive recommends an All Funds appropriation of \$465,303,000, a \$434,173,596 decrease from SFY 2009-10 funding level. The Executive proposes continued support for a workforce of 875 full-time equivalent (FTE) positions, a decrease of 16 FTE positions from the 2009-10 level.

### **State Operations**

The Executive proposal includes an All Funds State Operations appropriation of \$99,303,000 a net decrease of \$6,903,000 from SFY 2009-10 funding levels.

#### **Proposed Increases**

The Executive proposes:

- a \$1,462,000 increase in non-personal service related services in the Housing Program attributed to an increase in federal fringe benefit rates, and
- a \$219,000 increase for the Community development Program attributed to a decrease in personal service support and an increase in other non-personal related expenses.

#### **Proposed Decreases**

The Executive proposes:

- A reduction of \$4,082,000 in General Fund support attributed to a decrease in contractual services, non-personal services, travel and equipment purchases;
- \$1,231,000 decrease in General Fund support for the elimination of 16 FTE positions due to attrition;

- a reduction of \$230,000 in General Fund support attributed to personal service and salary adjustments;
- a \$2,057,000 decrease in Special Revenue funding to the Housing Program attributed to maintenance and personal service related reductions;
- a decrease of \$615,000 in Special Revenue funding in the Rent Administration Program attributed to a reduction of \$520,000 in personal service expenses and \$95,000 in non-personal service costs;
- a \$277,000 reduction in Special Revenue funding to the Administration program attributed to personal and non-personal service costs decreases; and
- a decrease of \$92,000 in Special Revenue funding in the Housing Development Fund attributed to personal service cost reductions.

### **Aid to Localities**

The Executive proposal includes an All Funds Aid to Localities appropriation of \$291,800,000 a net decrease of \$174,270,596 from SFY 2009-10 funding levels.

### **Proposed Decreases**

The Executive proposes the following decreases:

- a \$3,839,000 decrease in General Fund periodic subsidies for housing authority debt service payments which also includes the elimination of \$3,000,000 intended for the New York City Housing Authority operating subsidy;
- a \$2,449,000 decrease in General Fund support for the Neighborhood Preservation Program;
- a \$1,125,000 decrease in General Fund support for the Rural Preservation Program;
- a \$338,000 decrease in General Fund support for Rural Rental Assistance;
- a \$131,563,000 decrease in one-time federal stimulus support for the Low Income Weatherization Program;
- the Executive proposes eliminating funding for the Foreclosure Prevention Program in the amount of \$21,875,000;

- an \$8,600,000 decrease in one-time federal stimulus support for the Small Cities Community Development Block Grant Program; and
- a \$991,000 decrease in Special Revenue Fund support for the Housing Development Fund.

### **Capital Projects**

The Executive proposal maintains capital projects funding consistent with the 2009-10 funding level in the amount of \$74,200,000. The Executive proposal reflects the decrease of \$253,000,000 in one-time federal stimulus funding applied toward the Federal Tax Credit Assistance Program.

## DIVISION OF HUMAN RIGHTS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	14,788,000	14,522,000	(266,000)	-1.8%
Special Revenue-Federal	8,241,000	8,223,000	(18,000)	-0.2%
<b>Total for AGENCY SUMMARY:</b>	<b>23,029,000</b>	<b>22,745,000</b>	<b>(284,000)</b>	<b>-1.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	162	152	(10)
All Other Funds:	54	54	0
<b>TOTAL:</b>	<b>216</b>	<b>206</b>	<b>(10)</b>

### Agency Mission

(Executive Budget: pp. 77-79)

The primary mission of the Division of Human Rights (Division) is to enforce the New York State Human Rights Law and to protect the civil rights of New Yorkers. The Human Rights Law affords protection from discrimination, based on race, sex, age, military status, disability, sexual orientation or membership in other specified classes in the law. The Division prosecutes unlawful discriminatory practices; investigates and resolves individual complaints of illegal discrimination; advances policies and legislation to expand and to protect civil rights; and promotes education and outreach to raise human rights awareness. The agency operates from its main office in New York City, as well as nine regional offices and two satellite offices across the State.

The Division is included in the Education, Labor and Family Assistance appropriation bill.

## Budget Detail

### State Operations

The Executive proposes an All Funds State Operations appropriation of \$22,745,000, a net decrease of \$284,000 or 1.2 percent from the State Fiscal Year (SFY) 2009-10 level. The Executive recommends funding support of 206 full-time equivalent (FTE) positions, a decrease of 10 from SFY 2009-10.

### Proposed Decreases

The Executive proposes the following reductions attributable to anticipated collective bargaining savings and an attrition of two FTEs:

- a General Fund State Operations appropriation of \$14,522,000, a net decrease of \$266,000 or 1.8 percent from the SFY 2009-10 level; and
- a Special Revenue – Federal appropriation of \$8,223,000, a net decrease of \$18,000 or 0.2 percent.

## DEPARTMENT OF LABOR

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	13,014,825	0	(13,014,825)	-100.0%
Special Revenue-Other	95,478,000	95,010,000	(468,000)	-0.5%
Special Revenue-Federal	1,077,177,000	770,770,000	(306,407,000)	-28.4%
Enterprise	11,002,000,000	7,200,000,000	(3,802,000,000)	-34.6%
<b>Total for AGENCY SUMMARY:</b>	<b>12,187,669,825</b>	<b>8,065,780,000</b>	<b>(4,121,889,825)</b>	<b>-33.8%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	10	0	(10)
All Other Funds:	4,001	4,001	0
<b>TOTAL:</b>	<b>4,011</b>	<b>4,001</b>	<b>(10)</b>

#### Agency Mission

(Executive Budget: pp. 81-87)

The Department of Labor (DOL) administers New York's Unemployment Insurance (UI) system, labor exchange system and State worker protection programs, including enforcement of safety and health regulations in the public sector; State labor laws and federal statutes related to working conditions, wages and hours; and laws related to public work.

DOL is a primary advocate for job creation and economic growth through workforce development and the State's principal source of labor market information, offering a variety of services designed to help businesses to find workers and people to find jobs.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- a proposal to abolish the State Employment Relations Board (SERB) and to have the responsibilities of SERB be assumed by the Public Employment Relations Board (PERB). There are two layoffs anticipated by this action.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$8,065,780,000, a decrease of \$4,121,889,825 or 33.8 percent below SFY 2009-10 levels. The decrease is primarily attributable to reductions in appropriation authority for Unemployment Insurance benefits. The Executive recommends funding support of 4,001 full-time equivalent (FTE) positions, a decrease of 10 positions from SFY 2009-10.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$7,840,163,000, a net decrease of \$3,846,545,000 or 32.9 percent below the SFY 2009-10 level.

#### **Proposed Decreases**

The Executive proposes:

- a reduction of \$3,802,000,000 in the Unemployment Benefit Fund to reflect the fact that claimants will begin exhausting UI benefits during SFY 2010-11;
- a decrease of \$21,500,000 related to discontinued ARRA funds for the Unemployment Insurance Occupational Training Fund;
- reductions totaling \$5,300,000 related to anticipated collective bargaining savings; and
- a reduction of \$1,772,000 related to the elimination of the SERB for General Fund savings of \$1,300,000.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$225,617,000, a net decrease of \$275,344,825 or 55.0 percent below the SFY 2009-10 level. The decrease is primarily attributable to the discontinuation of American Recovery and Reinvestment Act (ARRA) stimulus funding.

### Proposed Decreases

The Executive proposes:

- a decrease of \$251,000,000 related to discontinued ARRA funds for Workforce Investment Act programs.

### Deficiency Request

The adjusted appropriation includes a recommended deficiency appropriation of \$1,000,000,000 for the UI Benefit Fund to accommodate significant increased program spending resulting from the economic downturn and from federal legislation which has been enacted granting an additional 73 weeks of UI benefit eligibility for claimants who have exhausted the normal 26 week benefit period.

# STATE UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	2,816,582,240	2,800,912,636	(15,669,604)	-0.6%
Special Revenue-Other	4,754,325,000	310,714,000	(4,443,611,000)	-93.5%
Special Revenue-Federal	346,166,988	377,938,650	31,771,662	9.2%
Capital Projects Fund - Advances	550,000,000	550,000,000	0	0.0%
Internal Service Fund	15,300,000	16,600,000	1,300,000	8.5%
Cap Proj Fund - SUNY CC - Direct Auth Bonds	45,700,000	22,426,000	(23,274,000)	-50.9%
<b>Total for AGENCY SUMMARY:</b>	<b>8,528,074,228</b>	<b>4,078,591,286</b>	<b>(4,449,482,942)</b>	<b>-52.2%</b>

### Agency Mission

(Executive Budget: pp. 89-97)

The State University of New York (SUNY) is the largest public university system in the nation. It consists of 64 campuses including four university centers, thirteen university colleges, two independent health centers, four specialized colleges of technology, five statutory colleges, six colleges of technology and thirty community colleges.

SUNY is included in the Education, Labor, and Family Assistance appropriation bill.

### Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- A \$136,363,000 decrease in State support for operating expenses from an adjusted \$1,256,206,000 in SFY 2009-10 to \$1,086,314,000 in SFY 2010-11.
- Authorization to the SUNY Board of Trustees to establish a tuition policy that would allow it to increase tuition at 2.5 times the five year rolling average of the Higher Education Price Index. This would allow the SUNY Board of Trustees to increase in state undergraduate tuition to \$5,442 from \$4,970 for the 2010-11 academic year. Appropriations for tuition are removed from the budget making process and the SUNY Board of Trustees would also be authorized to offer differential tuition by campus and program.

- A \$285 per full time equivalent (FTE) student decrease in SUNY Community College Base Aid, decreasing support from \$2,545 per FTE in SFY 2009-10 to \$2,260 per FTE in SFY 2010-11.

### **Budget Detail**

The Executive Proposal recommends a \$4,078,591,286 All Funds appropriation, a decrease of \$4,449,482,942 from SFY 2009-10.

### **State Operations**

The Executive proposes a State Operations budget of \$2,982,923,900 for State Operated campuses. This represents a \$4,508,047,100 decrease below the SFY 2009-10 level of \$7,490,971,000.

#### **Proposed Increases**

The Executive Proposes:

- an \$86,461,000 increase due to personal service costs increase and collective bargaining;
- a \$51,490,000 increase due to increased costs of fringe benefits;
- a \$16,723,000 increase due to an increase in tuition sharing from the tuition increase of 2009-10;
- a \$10,305,000 increase due to inflation involving non personal service costs; and
- a \$9,175,000 increase for utility expenses.

#### **Proposed Decreases**

The Executive proposes:

- a \$4,443,611,000 decrease from moving all Special Revenue Funds – Other appropriation except the dormitory reimbursable account out of the budget making process;
- a \$136,363,000 decrease to state support for SUNY State Operated and Statutory Colleges; and
- a \$33,600,000 decrease due to negotiated personal service savings.

## Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$523,241,386 for SFY 2010-11, representing a \$81,838,158 decrease from adjusted SFY 2009-10 levels. Within this appropriation, funding in the amount of \$1,880,000 is maintained for contract courses for workforce development, \$1,001,000 for child care, \$1,692,000 in funding for high priority academic programs and \$940,000 for community colleges with low enrollment.

### Proposed Increases

The Executive proposes:

- a \$128,700,000 increase from appropriating a subsidy for SUNY Health Science Centers for operating as a public entity;
- a \$26,592,637 increase in Community College Base Aid resulting from enrollment increases;
- an \$11,771,663 increase in federal American Recovery & Reinvestment Act (ARRA) funding for community college; and
- an increase of \$3,210,000 to Rental Aid.

### Proposed Decreases

The Executive proposes:

- an \$11,771,663 reduction to General Fund spending on community colleges. These funds are replaced on a one time basis by ARRA funds; and
- a \$40,333,984 reduction in SUNY Community College Base Aid resulting from a \$285 per FTE reduction from \$2,545 in SFY 2009-10 to \$2,260 in SFY 2010-11.

## Capital Projects

The Executive proposes a capital projects appropriation of \$572,426,000, an increase of \$23,274,000 from SFY 2009-10 levels. This includes an appropriation of \$550,000,000 which is the 3rd year of the 5 year SUNY capital plan for critical maintenance that was enacted in SFY 2008-09. It also includes \$22,426,000 to provide for the state's 50 percent share of projects at SUNY Community Colleges.

## Article VII

The Executive recommends Article VII legislation that would:

- enact the New York State Higher Education Empowerment and Innovation Act that would:
  - authorize the SUNY Board of Trustees to be able to set their own tuition policy up to a level of 2.5 times the 5 year rolling average of the Higher Education Price Index (HEPI), The board of trustees could also offer differential tuition by campus and program;
  - allow SUNY to receive and disburse revenues such as tuition and fees without appropriation;
  - authorize the creation of the State University Asset Maximization Review Board to approve the lease of real property and participate in public/private partnerships;
  - allow the SUNY Construction Fund to implement capital projects through new construction delivery methods;
  - authorize the construction and financing by the Dormitory Authority of New York (DASNY) of the facilities for the benefit of SUNY by affiliated not-for-profit entities;
  - allow DASNY to rehabilitate, construct and finance dormitories for community colleges;
  - allow SUNY to lease facilities directly though Albany County;
  - remove the provisions of law subjecting SUNY to pre-approval of contracts by the Office of the State Comptroller;
  - authorize SUNY affiliated not-for-profit organizations to make purchases though centralized contracts of the Office of General Services;
  - allow post-audit review by the Attorney General in regards to leases between SUNY and its alumni associations in support of dormitory projects;
  - indemnify students who are enrolled in required clinical programs;
  - increase SUNY's master planning cycle with the Board of Regents from four years to eight years;

- provide that medical, dental, and optometric residents and interns who provide services at health-related facilities of SUNY may opt to participate in the State and Local Employees' Retirement System;
  - allow SUNY hospitals to participate in managed health care networks; and
  - require managed care programs to establish procedures to assure access to optometric services provided by the College of Optometry.
- expand investment choices for the Optional Retirement Program for the State University of New York to include corporations that manage or invest in mutual funds; and
  - allow community colleges outside New York City to charge non-residents for their portion of the local county's share of operating cost.

## STATE UNIVERSITY CONSTRUCTION FUND

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	19,586,000	0	(19,586,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>19,586,000</b>	<b>0</b>	<b>(19,586,000)</b>	<b>-100.0%</b>

### Agency Mission

(Executive Budget: pp. 97-100)

The State University Construction Fund is a public benefit corporation established in 1962 to serve as the construction agent for academic buildings, dormitories and other facilities at State-operated institutions and statutory colleges under the jurisdiction of the State University of New York.

### Programmatic Highlights

The State Fiscal Year 2010-11 Executive Budget includes the following:

- The State funding for the State University Construction Fund has been taken out of the appropriation process in accordance with the proposed New York State Public Higher Education Empowerment and Innovation Act.

# OFFICE OF WELFARE INSPECTOR GENERAL

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	420,000	420,000	0	0.0%
Special Revenue-Other	1,177,000	1,177,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>1,597,000</b>	<b>1,597,000</b>	<b>0</b>	<b>0.0%</b>

## ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	4	4	0
All Other Funds:	3	3	0
<b>TOTAL:</b>	<b>7</b>	<b>7</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 101-103)

The Office of Welfare Inspector General (Office) is responsible for preventing, investigating and prosecuting public assistance fraud and abuse, and illegal acts involving social services programs at both the State and local levels. The Office responds to allegations that welfare recipients are receiving benefits for which they are not eligible and, where appropriate, prosecutes such behavior. The Office also investigates instances in which Medicaid, day care or other social services providers or administrators of services are alleged to be fraudulently receiving payments from government. The Office is also charged with responsibility for investigating failures by State and local officials to investigate and to prosecute such fraud and abuse within their jurisdiction.

The Welfare Inspector General's statewide operations are directed from its main office in New York City and a field office in Albany. The Office works closely with the Office of Temporary and Disability Assistance and is assisted by the Attorney General in the prosecution of those alleged to be involved in fraudulent activity. The Office also works with the Office of Children and Family Services on cases involving community programs, as well as the Department of Health and the Office of the Medicaid Inspector General on cases related to alleged Medicaid fraud.

The Office is included in the Education, Labor and Family Assistance appropriation bill.

### **Budget Detail**

#### **State Operations**

The Executive recommends an All Funds appropriation of \$1,597,000, which is unchanged from the SFY 2009-10 level. The Executive continues funding to support a workforce of seven full-time equivalent (FTE) positions, consistent with the SFY 2009-10 level.

The Executive recommends that the Office and the Office of the Medicaid Inspector General share services in order to provide greater efficiency and to strengthen collaborative efforts to aid in detection, prevention, and control of public benefit fraud.

## MISCELLANEOUS: EDUCATION, LABOR & FAMILY ASSISTANCE

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	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	878,000	730,000	(148,000)	-16.9%
Special Revenue-Other	829,800	829,800	0	0.0%
Special Revenue-Federal	36,000,000	36,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>37,707,800</b>	<b>37,559,800</b>	<b>(148,000)</b>	<b>-0.4%</b>

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# STATE OF NEW YORK MORTGAGE AGENCY

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	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	233,300,000	174,520,000	(58,780,000)	-25.2%
<b>Total for AGENCY SUMMARY:</b>	<b>233,300,000</b>	<b>174,520,000</b>	<b>(58,780,000)</b>	<b>-25.2%</b>

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## Agency Mission

(Executive Budget: pp. 73-75)

The State of New York Mortgage Agency (SONYMA) is a public benefit corporation created to increase the affordability of home ownership for low to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. SONYMA receives no direct operating support from the State.

This Agency is included in the Education, Labor and Family Assistance appropriation bill.

## Budget Detail

The Executive Budget recommends an All Funds appropriation for SONYMA in the amount of \$174,520,000, a \$58,780,000 decrease from the State Fiscal Year (SFY) 2009-10 funding level. No cash disbursements are anticipated to be made from this appropriation. All SONYMA programs and operations are supported by mortgage income, application fees, insurance premiums and investment proceeds.

The Executive proposes continued support for a workforce of 121 full-time equivalent (FTE) positions.

## **State Operations**

The Executive provides a \$61,800,000 appropriation for the SONYMA Homeowners Mortgage Revenues Reimbursement Program and a \$15,000,000 appropriation for the Mortgage Insurance Fund Reimbursement Program, maintaining SFY 2009-10 funding levels.

## **Aid to Localities**

### **Proposed Decreases**

The Executive recommends:

- a General Fund appropriation of \$97,720,000 for the Mortgage Insurance Fund Reimbursement Program, a decrease of \$58,780,000 related to a reduction in mortgage recording tax collections because of decreased home sales across New York State.

# **HEALTH & MENTAL HYGIENE**

**Summary of Recommended Appropriations  
By Agency**

## OFFICE FOR THE AGING

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	122,884,950	113,042,400	(9,842,550)	-8.0%
Special Revenue-Other	1,230,000	1,230,000	0	0.0%
Special Revenue-Federal	123,237,000	125,237,000	2,000,000	1.6%
Enterprise	100,000	100,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>247,451,950</b>	<b>239,609,400</b>	<b>(7,842,550)</b>	<b>-3.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	29	27	(2)
All Other Funds:	100	100	0
<b>TOTAL:</b>	<b>129</b>	<b>127</b>	<b>(2)</b>

### Agency Mission

(Executive Budget: pp. 107-110)

The New York State Office for the Aging (SOFA) is responsible for coordinating and administering federal, State and local programs and services for the 3.2 million State residents who are sixty years of age or older. The mission of SOFA is to help older New Yorkers remain as independent as possible through effective policies and programs, as well as through encouragement of informal support networks and, if necessary, formal support services. SOFA oversees 59 Area Agencies on Aging, as well as numerous other local programs and providers serving New York senior citizens.

This agency is included in the Health and Mental Hygiene appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- A proposal to eliminate funding for the Congregate Services Initiative.
- A proposal to eliminate funding for the Patients' Rights and Advocacy Hotline Project.
- A proposal to eliminate the Human Services cost-of-living adjustment (COLA) to prevent the implementation of a negative COLA in SFY 2010-11 and to extend the COLA for an additional year to March 2014.
- Cost savings initiatives totaling \$34,900,000 in the EPIC Program, administered by the Department of Health, including savings of \$32,400,000 by eliminating the Medicare Part D drug wrap and \$4,000,000 by requiring all Medicare Advantage members to enroll in Medicare Part D drug coverage as a condition of eligibility for the EPIC program. These savings are offset by \$1,500,000 to the Medicare Rights Center to support assistance to seniors in navigating the Medicare Part D system.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$239,609,400, a net decrease of \$7,842,550 or 3.2 percent from the SFY 2009-10 level. The Executive recommends funding support for 127 full-time equivalent (FTE) positions, a decrease of two from SFY 2009-10.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$14,350,400, a net decrease of \$543,600 or 3.65 percent below the SFY 2009-10 level.

#### **Proposed Decreases**

The Executive proposes:

- a decrease of \$543,600 related to personal and non-personal service reductions.

## **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$225,259,000 a net decrease of \$7,298,950 or 3.14 percent below the SFY 2009-10 level.

### **Proposed Decreases**

The Executive proposes:

- a decrease of \$5,000,000 related to the elimination of legislative additions to the Expanded In-Home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE), and Supplemental Nutrition Assistance Program (SNAP);
- a decrease of \$806,000 by eliminating the funding for the Congregate Services Initiative (CSI) program; and
- a decrease of \$63,000 by eliminating the Patients' Rights Hotline and Advocacy Project.

## **Article VII**

The Executive recommends Article VII legislation would:

- authorize the elimination of the Human Services cost-of-living adjustment (COLA) for SFY 2010-11, maintain the COLA in the remaining out years and extend the COLA for an additional year to March 2014.

The Executive recommends Article VII legislation related to the EPIC Program that would:

- eliminate the Medicare Part D drug wrap, so that any medication in a class of drugs covered by Medicare Part D would no longer be covered under EPIC; and
- require all Medicare Advantage members to enroll in Medicare Part D drug coverage as a condition of eligibility for the EPIC Program.

## DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Federal	4,550,000	4,750,000	200,000	4.4%
Enterprise	10,000	10,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>4,560,000</b>	<b>4,760,000</b>	<b>200,000</b>	<b>4.4%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	18	18	0
<b>TOTAL:</b>	<b>18</b>	<b>18</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 111-113)

The Developmental Disabilities Planning Council (DDPC) helps persons with developmental disabilities to be independent and productive participants in the life of their communities. The DDPC's staff monitors contracts with not-for-profit service providers who work with consumers, helping them to achieve community integration. The 34-member Council is federally funded through the Federal Developmental Disabilities Assistance and Bill of Rights Act of 1975.

This agency is included in the Health and Mental Hygiene appropriation bill.

## Budget Detail

### State Operations

The Executive proposes an All Funds appropriation of \$4,760,000, a net increase of \$200,000 or 4 percent above the State Fiscal Year (SFY) 2009-10 level. The staffing level will remain constant at 18 full-time equivalent (FTE) positions.

#### Proposed Increases

The Executive proposes:

- an increase of \$200,000 to reflect an anticipated increase in Federal grant awards.

## DEPARTMENT OF HEALTH

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	13,963,540,760	11,739,078,190	(2,224,462,570)	-15.9%
Special Revenue-Other	6,788,177,198	7,366,634,887	578,457,689	8.5%
Special Revenue-Federal	35,322,872,000	36,293,412,200	970,540,200	2.7%
Enterprise	10,000	10,000	0	0.0%
Capital Projects Fund	232,600,000	232,600,000	0	0.0%
Capital Projects Fund - Advances	108,000,000	108,000,000	0	0.0%
Federal Capital Projects Fund	122,525,000	157,183,000	34,658,000	28.3%
<b>Total for AGENCY SUMMARY:</b>	<b>56,537,724,958</b>	<b>55,896,918,277</b>	<b>(640,806,681)</b>	<b>-1.1%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	1,936	1,924	(12)
All Other Funds:	3,555	3,555	0
<b>TOTAL:</b>	<b>5,491</b>	<b>5,479</b>	<b>(12)</b>

### Agency Mission

(Executive Budget: pp. 115-129)

The Department of Health (DOH) is the designated State agency responsible for promoting and supervising public health activities, ensuring sound and cost-effective medical care, reducing infectious diseases, and directing a variety of emergency preparedness initiatives. DOH has worked towards its goal of ensuring the highest quality, most appropriate, cost-effective health care for all New Yorkers. Since State Fiscal Year (SFY) 1996-97 when authority for the State's Medical Assistance (Medicaid) program was transferred from the former Department of Social Services,

DOH has served as the principal State agency responsible for coordinating with Federal and local governments, health care providers and program participants on behalf of the Medicaid program in New York.

This agency is included in the Health and Mental Hygiene appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- A reduction in overall State share Medicaid, HCRA and public health spending of \$1,848,900,000 comprised of \$1,910,500,000 in cost reductions and revenue actions offset by \$61,900,000 in reinvestments.
- An increase in the gross receipts assessment for hospitals, nursing homes, home care and personal care service providers totaling \$215,600,000 across all sectors.
- A modification to the indigent care payment methodology for hospitals that would redistribute indigent care funds based on uninsured visits rather than reported bad debt and charity care losses.
- A delay in the implementation of the new nursing home regional pricing methodology from April 1, 2009 until March 1, 2011.
- A modification of coverage under the Elderly Pharmaceutical Insurance Coverage (EPIC) Program to eliminate coverage for drugs denied by Medicare Part D and to discontinue the exemption of Medicare Advantage plans from the Medicare Part D mandate.
- The reinstatement of a requirement for the Insurance Department to issue prior approval of health insurance premium increases.
- An new excise tax on beverage syrups and soft drinks which would provide \$450,000,000 in revenue.
- An increase in the cigarette tax by \$1.00, from \$2.75 per pack to \$3.75 per pack, which would provide \$200,000,000 in revenue.
- A Medicaid savings to local governments in the amount of \$1,133,613,217 for SFY 2010-11, of which \$698,009,000 reflects the continuation of a cap on local Medicaid expenditures and \$435,604,217 represents projected savings from full state assumption of the local share of Family Health Plus.

- A significant reduction in State share Medicaid spending relating to an increase in the State's Federal Medical Assistance Percentages made available through the American Recovery and Reinvestment Act of 2009.
- A continuation of funding for the Health Care Efficiency and Affordability Law for New Yorkers (HEAL NY) which provides for health care technology improvements, facility upgrades, reconfigurations and consolidations.

### **Budget Detail**

The Executive requests the following:

- an All Funds appropriation of \$55,896,918,277, a decrease of \$640,806,681 or 1.1 percent from SFY 2009-10 levels;
- General Fund appropriations totaling \$11,739,078,190, a decrease of \$2,224,462,570 or 15.9 percent from SFY 2009-10 levels;
- Special Revenue Fund–Other appropriations totaling \$7,366,634,887, an increase of \$578,457,689 or 8.5 percent from SFY 2009-10 levels; and
- Special Revenue Fund–Federal appropriations totaling \$36,293,412,200, an increase of \$970,540,200 or 2.7 percent from SFY 2009-10 levels.

In the SFY 2010-11 Executive Budget, the Governor proposes funding support for 5,479 full-time equivalent (FTE) positions, a decrease of 12 FTE positions from SFY 2009-10.

### **State Operations**

The Executive proposes an All Funds appropriation of \$2,036,067,287, a decrease of \$104,536,213 or 4.9 percent from SFY 2009-10.

#### **Proposed Decreases**

The Executive proposal includes:

- a reduction of \$22,000,000 in personal and non-personal service spending; and
- a reduction of \$7,600,000 from the Empire State Stem Cell Board.

## Aid to Localities

### Proposed Decreases

The Executive proposal includes:

- a reduction of \$6,700,000 in General Public Health Works funding attributable to the elimination of reimbursement for certain optional services and the transfer of a \$6,250,000 appropriation for local medical examiner reimbursement to the Division of Criminal Justice Services;
- a reduction of \$6,700,000 from the elimination of support for spinal cord injury research;
- a reduction of \$5,900,000 in the Early Intervention (EI) program related to activities that would maximize commercial insurance reimbursement for EI services;
- a reduction of \$3,800,000 related to the consolidation of various AIDS Institute programs;
- a reduction of \$2,400,000 in the EI program related to a revision of home and facility-based rates;
- a reduction of \$1,700,000 from the elimination of support for eating disorders programs;
- a reduction of \$1,500,000 in the EI program related to allowing behavioral aides to serve children with severe disabilities;
- a reduction of \$1,400,000 in the EI program related to modifying eligibility standards for speech therapy services;
- a reduction of \$1,300,000 related to a decrease in support for health promotion initiatives;
- a reduction of \$1,100,000 related to the consolidation of various cancer programs under the Center for Community Health;
- a reduction of \$900,000 related to a 50 percent decrease in funding for the American Red Cross;
- a reduction of \$900,000 from the elimination of support for Maternal and Early Childhood Foundation;

- a reduction of \$800,000 in the EI program related to requiring the use of preferred assessment tools in determining EI Eligibility;
- a reduction of \$500,000 in the EI program related to auditing EI providers;
- a reduction of \$400,000 related to requiring EI providers to bill Medicaid;
- a reduction of \$200,000 related to a 50 percent decrease in infertility services;
- a reduction of \$200,000 from the elimination of support for the Arthritis Foundation;
- a reduction of \$200,000 from the elimination of support for Maternal Mortality Review and Safe Motherhood Program;
- a reduction of \$200,000 from the elimination of support for the Umbilical Cord Blood Banking program;
- a reduction of \$100,000 from the elimination of support for the OSH Training and Education program;
- a reduction of \$100,000 from the elimination of support for statewide health broadcasts;
- a reduction of \$100,000 from the elimination of support for the Shaken Baby Syndrome Public Education program;
- a reduction of \$100,000 from the elimination of support for the Interim Lead Safe Housing program; and
- a reduction of \$100,000 from the elimination of support for the Center for Transformational Neurological Research.

The Executive proposal would also require the payment of parental fees for participation in the EI program. This proposal would not have any impact in SFY 2010-11 but would generate a reduction of \$13,600,000 in SFY 2011-12.

In addition, the Executive proposes the consolidation of several obesity and diabetes programs appropriations in the Center for Community Health.

### **Medical Assistance (Medicaid) Program and Health Care Reform Act (HCRA)**

The Executive Budget includes total Medicaid spending of \$51,529,000,000, an increase of \$882,000,000 over SFY 2009-10. DOH is projected to comprise \$38,185,000,000 of overall Medicaid spending consisting of \$11,891,000,000 in State spending and \$26,294,000,000 in

federal support. This represents an increase of \$907,000,000, or 8.2 percent in State share Medicaid spending in DOH from SFY 2009-10.

The Executive budget reflects a significant offset to State share Medicaid spending relating to an infusion of federal support made available through the American Recovery and Reinvestment Act of 2009 (ARRA). Under this Act, each state's Federal Medical Assistance Percentages (FMAP), which determines the federal share of Medicaid costs, was increased in a manner that corresponds to rates of unemployment. This FMAP increase has provided New York with additional federal Medicaid funds totaling: \$1,092,000,000 in SFY 2008-09, \$3,155,000,000 in SFY 2009-10 and \$2,883,000,000 in SFY 2010-11. Under current law, the increase in FMAP will expire at the end of calendar year 2010.

In SFY 2008-09, HCRA was extended through March 31, 2011. In SFY 2010-11, HCRA receipts are projected to total \$5,317,000,000, an increase of \$528,000,000 from SFY 2009-10. HCRA disbursements are also projected to total \$5,317,000,000, an increase of \$288,000,000 from SFY 2009-10. The Executive Budget includes actions that would generate \$224,000,000 in reductions to HCRA programs and \$675,000,000 in new HCRA revenue (i.e. syrup and tobacco taxes, procedure surcharges) in SFY 2010-11. These actions would be used to support additional HCRA costs associated with the Medicaid program.

On January 1, 2006, the State implemented a cap on the local share of Medicaid expenditures. In calendar year 2006, local Medicaid contributions were capped at 3.5 percent growth over 2005 expenditures. The growth rate dropped to 3.25 percent in 2007 and to 3.0 percent for 2008 and thereafter. The Executive projects the cap will save counties a total of \$698,009,000 in SFY 2010-11. As of January 1, 2006, the State also assumed the full local share of Family Health Plus (FHP) expenditures, saving counties a projected \$435,604,217 in SFY 2010-11. These two actions are projected to yield \$1,133,613,217 in spending reductions to local governments in SFY 2010-11, with a corresponding increase in costs to the State.

The Executive proposes actions that are expected to reduce State share Medicaid and HCRA spending by approximately \$1,782,000,000, including spending reductions totaling \$1,169,300,000 and \$674,600,000 in new revenue actions, offset by \$61,900,000 in spending on new initiatives. On an All Funds basis, the Governor's proposal would reduce Medicaid and HCRA spending by \$2,599,300,000.

### Hospitals

The SFY 2010-11 Executive Budget proposes hospital sector reductions totaling \$304,200,000 to be offset by \$59,600,000 in spending reallocations, resulting in a net decrease of \$244,600,000 in State share spending in SFY 2010-11. The Governor proposes the following actions to result in reductions:

- increase the assessment on hospital inpatient revenue from 0.35 percent to 0.75 percent (\$130,200,000 in reductions in SFY 2010-11);

- reduce hospital Indigent Care Program funding, and redistribute the remaining funding based on uninsured visits rather than reported bad debt and charity care losses. The Governor's proposal would provide transitional assistance to providers that are disproportionately impacted by the proposed redistribution (\$70,000,000 in reductions in SFY 2010-11);
- reduce Indirect Medical Education (IME) payments from 4.2 percent to 1.2 percent over a period of three years (\$57,300,000 in reductions in SFY 2010-11);
- eliminate the remaining 2010 hospital trend factor (\$26,700,000 in reductions in SFY 2010-11); and
- implement quality benchmarks to reduce the level of unnecessary hospital readmissions for preventable conditions (\$20,000,000 in reductions in SFY 2010-11).

The reductions will be offset by new spending proposals for the following initiatives:

- an increase of \$27,800,000 to provide a reinvestment of IME funding in the statewide hospital base rate to support general hospital costs;
- an increase of \$26,000,000 to reinvest IME funding in increased rates to improve obstetrical service access and quality;
- an increase of \$3,500,000 related to a reinvestment of IME funding in the Doctors Across New York Program to support 50 additional slots in the Physician Loan Repayment Program and 50 additional slots in the Physician Practice Support Program; and
- an increase of \$2,300,000 from a reinvestment of Indigent Care Program funding to support federally required Disproportionate Share Hospital payment program audits.

### Nursing Homes

The Governor's proposed budget delays the implementation of the new nursing home regional pricing methodology, which was authorized in SFY 2009-10, from April 1, 2009 until March 1, 2011. However, the Executive proposes to implement the \$50,000,000 nursing home quality pool that was authorized as part of regional pricing on April 1, 2009. The quality pool would be funded through a redistribution of existing nursing home funding.

The SFY 2010-11 Executive Budget proposes nursing home sector reductions that would result in a net decrease of \$140,200,000 in State share spending in SFY 2010-11. Specifically the Governor's plan would:

- increase the nursing home assessment from 6 percent to 7 percent and provide that the proposed increase would not be reimbursable through the Medicaid program (\$67,800,000 in reductions in SFY 2010-11);
- eliminate the remaining 2010 nursing home trend factor (\$46,600,000 in reductions in SFY 2010-11);
- limit nursing home rate appeals to a maximum of \$80,000,000 per year and authorize the Commissioner of Health to enter into settlement agreements with providers (\$16,500,000 in spending reductions in SFY 2010-11);
- reduce bed hold day payments from 100 percent to 95 percent of the daily rate and cap the number of per-patient leave days that may be compensated at 14 days for outside hospitalizations and 10 days for therapeutic leave (\$6,900,000 in reductions in SFY 2010-11); and
- carve out prescription drug costs from the nursing home rate and reimburse these drugs through the fee-for-service Medicaid program (\$2,400,000 in spending reductions in SFY 2010-11).

#### Home Care and Personal Care

The SFY 2010-11 Executive Budget proposes home care and personal care sector reductions that would result in a net decrease of \$74,000,000 in State share spending in SFY 2010-11. The Governor proposes the following actions to result in spending reductions:

- limiting personal care services to no more than an average of 12 hours per day over the course of an authorization period. Any individual that requires more than 12 hours of personal care services per day would be transferred to the Managed Long Term Care program, the Nursing Home Transition and Diversion Waiver program, or the Long Term Home Health Care program (\$30,000,000 in reductions in SFY 2010-11);
- increasing the assessment on home care and personal care revenue from 0.35 percent to 0.75 percent (\$17,600,000 in reductions in SFY 2010-11);
- eliminating the remaining 2010 personal care trend factor (\$14,300,000 in reductions in SFY 2010-11);

- eliminating the remaining 2010 home care trend factor (\$11,500,000 in spending reductions in SFY 2010-11); and
- increasing the reassessment period for participation in the Long Term Home Health Care program from 120 days to 180 days and allow the program to coordinate case management services with other non-waiver programs (\$600,000 in reductions in SFY 2010-11).

### Pharmacy

The SFY 2010-11 Executive Budget proposes pharmacy sector reductions totaling \$48,600,000, to be offset by \$1,500,000 in new spending, resulting in a net decrease of \$47,100,000 in State share spending in SFY 2010-11. The Governor proposes the following actions:

- eliminate EPIC coverage for drugs not covered by Medicare Part D (\$32,400,000 in reductions in SFY 2010-11);
- eliminate limited Medicaid coverage for certain drugs not covered by Medicare Part D (\$4,300,000 in reductions in SFY 2010-11);
- require Medicare Advantage enrollees with EPIC coverage to enroll in Medicare Part D even if it would be more costly for the individual to do so (\$4,000,000 in reductions in SFY 2010-11);
- expand the list of physician administered drugs to allow the State to derive additional rebates (\$2,900,000 in reductions in SFY 2010-11);
- eliminate the exemption for HIV/AIDS drugs, Anti-Rejection Drugs, Anti-Psychotics and Anti-Depressants from the Preferred Drug Program. Under the Executive Plan, these drugs would be included in the program but would not be subject to prior approval (\$2,100,000 in spending reductions in SFY 2010-11);
- improve the State's drug rebate dispute resolution activities (\$1,200,000 in reductions in SFY 2010-11);
- reduce the Preferred Drug Program's Pharmacy and Therapeutics Committee public notice requirement for adding new classes of drugs from 30 days to 5 days (\$800,000 in reductions in SFY 2010-11);
- eliminate preferred reimbursement rates for specialty HIV pharmacies (\$600,000 in reductions in SFY 2010-11); and

- prohibit "inappropriate" pharmaceutical company gifts to doctors (\$300,000 in reductions in SFY 2010-11).

These actions will be offset by a \$1,500,000 increase to support an investment in community based organizations that provide seniors with Medicare Part D enrollment support, including \$750,000 for the Medicare Rights Center and \$750,000 for the American Association of Retired Persons.

### Insurance

The SFY 2010-11 Executive Budget proposes insurance actions that would result in a net decrease of \$197,400,000 in State share spending in SFY 2010-11. The Governor proposes the following actions:

- delay payments under the Physicians Excess Medical Malpractice program from March 2011 to July 2011 (\$127,400,000 in spending reductions in SFY 2010-11); and
- reinstitute a requirement for the Insurance Department to issue prior approval of health insurance premium increases. This proposal would reduce the number of people who shift to public insurance programs when employer-sponsored programs become unaffordable (\$70,000,000 in spending reductions in SFY 2010-11).

### Managed Care

The SFY 2010-11 Executive Budget proposes managed care sector reductions that would result in a net decrease of \$61,400,000 in State share spending in SFY 2010-11. The Governor proposes the following spending reductions:

- reduce Medicaid Managed Care premiums by 1.7 percent (\$53,700,000 in reductions in SFY 2010-11); and
- reduce Family Health Plus premiums by 1.7 percent (\$7,700,000 in reductions in SFY 2010-11).

### Utilization Management

The SFY 2010-11 Executive Budget proposes a series of utilization management initiatives resulting in a net decrease of \$13,700,000 in State share spending in SFY 2010-11. The Executive Budget proposes the following spending reductions:

- establish transportation managers for non-emergency transportation services (\$8,300,000 in reductions in SFY 2010-11);

- require pre-authorization for outpatient physical and occupational therapy (\$3,500,000 in spending reductions in SFY 2010-11); and
- implement additional utilization review requirement for durable medical equipment, medical supplies and hearing services (\$1,900,000 in spending reductions in SFY 2010-11).

#### Early Intervention (EI) Program – Medicaid

The SFY 2010-11 Executive Budget proposes Medicaid EI program reductions that would result in a net decrease of \$7,200,000 in State share spending in SFY 2010-11. The Governor proposes the following spending reductions:

- modify the eligibility standards for speech therapy services under the EI program (\$2,900,000 in spending reductions in SFY 2010-11);
- allow behavioral aides to serve children with severe disabilities under the EI program (\$1,700,000 in spending reductions in SFY 2010-11);
- revise EI program of home and facility-based rates (\$1,400,000 in spending reductions in SFY 2010-11);
- audits of EI providers (\$400,000 in spending reductions in SFY 2010-11);
- maximize commercial insurance reimbursement for EI services (\$300,000 in spending reductions in SFY 2010-11);
- require EI providers to bill Medicaid (\$300,000 in spending reductions in SFY 2010-11); and
- require the use of preferred assessment tools in determining EI Eligibility (\$200,000 in spending reductions in SFY 2010-11).

#### Other Medicaid and HCRA Actions

The SFY 2010-11 Executive Budget proposes other Medicaid and HCRA reductions totaling \$322,600,000 to be offset by \$800,000 in new spending, resulting in a net decrease of \$321,800,000 in State share spending in SFY 2010-11. The Governor proposes the following spending reductions:

- an increase in Medicaid fraud audit collections from \$870,000,000 to \$1,170,000,000 representing a \$300,000,000 spending reductions in SFY 2010-11;

- an elimination of anti-tobacco funding for cancer research at Roswell Park Cancer Institute (\$13,600,000 in spending reductions in SFY 2010-11);
- consolidation of the five existing poison control centers into two centers (\$2,500,000 in spending reductions in SFY 2010-11);
- an elimination of the Disease Management Demonstration Program (\$1,800,000 in spending reductions in SFY 2010-11);
- an elimination of the Long Term Care Education and Outreach Program (\$1,300,000 in spending reductions in SFY 2010-11);
- the reduction in infertility services funding (\$1,300,000 in spending reductions in SFY 2010-11);
- the expansion of the definition of “estate” when related to Medicaid asset recoveries (\$1,100,000 in spending reductions in SFY 2010-11); and
- a requirement that pre-need funeral accounts must be established as irrevocable trusts (\$1,000,000 in spending reductions in SFY 2010-11).

These actions will be offset by a \$800,000 increase to support a federal requirement that the Child Health Plus program cover medically-necessary orthodontia services.

#### New HCRA Revenue Actions

The SFY 2009-10 Executive Budget proposes several actions to generate \$674,600,000 in new revenue in SFY 2009-10. Specifically, the Governor proposes the following actions:

- implement an excise tax on beverage syrups and soft drinks at a rate of \$7.68 per gallon for beverage syrups or simple syrups and \$1.28 per gallon for bottled or powdered soft drinks which would provide \$450,000,000 in revenue in SFY 2010-11;
- increase the cigarette tax by \$1.00, from \$2.75 per pack to \$3.75 per pack, which would provide \$200,000,000 in revenue in SFY 2010-11; and
- extend the 9.63 percent HCRA surcharge to certain services performed in ambulatory surgery centers, physicians offices, and urgent care settings, which would provide \$24,600,000 in revenue in SFY 2010-11.

## **Capital Projects**

The Health Care Efficiency and Affordability Law of New York (HEAL NY) provides funding to help enhance the efficiency of New York's health care system and funds for this program are used to support health care technology improvements as well as facility upgrades, reconfigurations, and consolidations. The Executive Budget proposes \$325,000,000 in funding for the HEAL NY program in SFY 2010-11, which brings total funding for the program to \$1,600,000,000 over the previous six State fiscal years. The Governor continues to allocate \$25,000,000 in HEAL NY support for capital improvements at the Roswell Park Cancer Institute.

## **Article VII**

### **Part A – Public Health Programs**

The Executive recommends Article VII legislation that would:

- require certain Early Intervention (EI) providers to bill the Medicaid program;
- require commercial insurers to cover claims for EI services;
- establish a sliding scale parental fee to participate in the EI program and create an EI program account to deposit fees;
- consolidate various cancer programs;
- consolidate the Quality Incentive Payment and Enhancing Abilities and Life Experience adult home programs;
- eliminate the Congregate Services Initiative program from the State Office for Aging;
- revise provisions related to the Comprehensive Care Centers for Eating Disorders and the Health Care and Wellness Education and Outreach programs;
- make technical changes to the Temporary Residence Inspections program;
- eliminate the Umbilical Cord Blood Banking program, the Shaken Baby Syndrome Public Education program and Reflex Sympathetic Dystrophy program;
- eliminate EPIC coverage for drugs that are denied by Medicare Part D;
- eliminate the Medicare Advantage financial exemption from mandatory enrollment in Medicare Part D;
- make various changes to the General Public Health Works program;

- change the Hospital Acquired Infections reporting date;
- require physicians to submit email contact to DOH;
- authorize the dissemination of cardiac data for research purposes;
- modify AIDS Institute and Center for Community Health COLA provisions; and
- authorize the development of a Statewide Health Information Network, consistent with ARRA requirements.

### **Part B – Medicaid / Cost Containment**

The Executive recommends Article VII legislation that would:

- discontinue the 2010 trend factor for hospitals, nursing homes, home and personal care and assisted living programs;
- increase the hospital inpatient assessment from 0.35 percent to 0.75 percent;
- establish quality benchmarks and reduce hospital payments to limit treatment for preventable conditions;
- reduce Indirect Medical Education (IME) payments and reinvest in obstetrics access and other measures to enhance quality;
- modify the hospital indigent care reimbursement methodology to base the distribution of funds on indigent care visits;
- accelerate the Pharmacy and Therapeutics Committee public notice process;
- eliminate the Medicare Part D drug wrap for dual-eligible individuals;
- discontinue enhanced reimbursement for specialty HIV pharmacies;
- authorize licensed pharmacists to administer vaccinations;
- extend the HCRA surcharge to surgical and radiation procedures performed in physicians' offices;
- discontinue certain HCRA allocations for the Disease Management Demonstration program, the Long Term Care Education and Outreach program, and Anti-Tobacco funding for the Roswell Park Cancer Institute;

- reduce HCRA allocations for the infertility program;
- consolidate Poison Control Centers and reduce HCRA allocations;
- expand the definition of “estate” for Medicaid asset recovery purposes;
- require pre-need funeral accounts be implemented as irrevocable trusts;
- authorize statewide transportation managers for non-emergency transportation;
- authorize Child Health Plus (CHP) coverage of medically necessary orthodontia;
- require proof of citizenship for CHP eligibility purposes;
- authorize a cooperative agreement between DOH and the Department of Taxation and Finance to streamline the income verification process for CHP, Medicaid and the EI programs;
- authorize “express lane” eligibility for CHP and Medicaid to allow the sharing of enrollment data between public programs;
- implement co-pays for the Family Health Plus (FHP) Buy-In program;
- prohibit certain gifts to prescribers by pharmaceutical companies;
- increase funding for the Doctors Across NY program;
- increase from five to ten the number of general hospitals authorized to operate Transitional Care Units;
- increase civil penalties for Medicaid fraud;
- limit certain liabilities under the local Medicaid cap;
- authorize the Commissioner of Health to waive payment of interest and penalties for HCRA surcharges;
- allow certain not-for-profit hospitals to refinance outstanding debt;
- expand income attestation for Medicaid and FHP;
- expand Medicaid transitional assistance;

- allow the Commissioner of Health to enter into single service contracts to conduct Disproportionate Share Hospital payment audits;
- expand selective contracting to outpatient services and extend its provisions;
- expand the types of providers authorized to be diabetes educators;
- make certain technical budget changes; and
- extend various expiring laws.

### **Part C – Long Term Care Reform**

The Executive recommends Article VII legislation that would:

- limit nursing home rate appeals and authorize the Commissioner of Health to enter into settlement agreements;
- reduce payments and limit the number of days for nursing home bed-holds;
- increase the nursing home assessment from 6 percent to 7 percent and exclude the increase from reimbursement eligibility under the Medicaid program;
- authorize an extension of nursing home rebasing and delay the implementation of a regional pricing methodology from April 1, 2010 to March 1, 2011;
- carve out prescription drugs from nursing home reimbursement;
- increase the home and personal care assessment from 0.35 percent to 7 percent;
- cap utilization of personal care services to 12 hours per day and redirect patients requiring high utilization to alternative settings;
- implement episodic payment reimbursement methodology for Certified Home Health Agencies;
- expand the Long Term Home Health Care Program (LTHHCP) reassessment period from 120 to 180 days;
- allow LTHHCPs to collaborate in case management;
- increase civil penalties for failure to report certain data for home care agencies;
- establish a Federal-State Medicare Savings Partnership program;

- establish a Long-Term Care Financing demonstration program;
- establish a County Long Term Care Financing demonstration program;
- authorize DOH to study the use of resident data collected from the uniform assessment tool to test its effectiveness in adjusting rates of payment for assisted living programs;
- expand the Nursing Home Voluntary Rightsizing program;
- allow the Commissioner of Health to assess Managed Long Term Care program solvency and limit the role of the Superintendent of Insurance in regard to rate setting and contract approvals; and
- make certain changes to nursing home equity withdrawal provisions.

#### **Part D: Insurance**

The Executive recommends Article VII legislation that would reinstitute the Insurance Department's authority to issue prior approval of any health insurance premium increase. The Executive estimates that this action would reduce the number of people who shift to public insurance programs when employer-sponsored programs become unaffordable.

## MEDICAID INSPECTOR GENERAL, OFFICE OF THE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	34,742,000	33,274,000	(1,468,000)	-4.2%
Special Revenue-Other	4,064,000	4,083,000	19,000	0.5%
Special Revenue-Federal	52,284,000	50,804,000	(1,480,000)	-2.8%
<b>Total for AGENCY SUMMARY:</b>	<b>91,090,000</b>	<b>88,161,000</b>	<b>(2,929,000)</b>	<b>-3.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	328	362	34
All Other Funds:	331	366	35
<b>TOTAL:</b>	<b>659</b>	<b>728</b>	<b>69</b>

### Agency Mission

(Executive Budget: pp. 131-133)

The Office of the Medicaid Inspector General (OMIG) was created as an independent entity within the Department of Health (DOH) by Chapter 442 of the Laws of 2006. OMIG is responsible for improving and preserving the integrity of the Medicaid program by conducting and coordinating fraud/abuse control activities for all State agencies responsible for services funded by Medicaid. In carrying out its mission, OMIG conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with the DOH, the Office of Mental Health, Office of Mental Retardation and Developmental Disabilities, and Office of Alcoholism and Substance Abuse Services. OMIG also works closely with the Medicaid Fraud and Control Unit in the Attorney General's Office and with Federal and local law enforcement agencies.

This agency is included in the Health and Mental Hygiene appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The establishment of civil penalties for persons who commit Medicaid fraud.
- The sharing of services between the OMIG and other State entities to strengthen efforts in detecting, preventing, and controlling public benefit fraud.

### **Budget Detail**

The Executive request includes an All Funds appropriation of \$88,161,000, a decrease of \$2,929,000 or 3.2 percent from SFY 2009-10 levels. The Executive recommends funding support for 728 full-time equivalent (FTE) positions, an increase of 69 FTE positions over SFY 2009-10.

The Executive's Budget proposal would allow for a number of inter-agency collaborations to prevent fraud and abuse of public benefits. Under the plan:

- OMIG and the OWIG would share services in order to provide greater efficiency and to otherwise strengthen collaborative efforts to detect, prevent and control public benefit fraud;
- OMIG would collaborate with the Department of Taxation and Finance and the Workers' Compensation Board to prevent individuals and providers who are disqualified from the Medicaid program from accessing its benefits; and
- OWIG and the Department of Labor would identify those who illegally shift the cost of employees' medical care to the Medicaid program.

Also to combat fraud and abuse, the Executive proposal would also implement a recipient asset verification system, and would close certain loopholes that allow for the transfer of assets. These efforts combined will assist OMIG to achieve a SFY 2010-11 Medicaid fraud enforcement target of \$1.7 billion.

## **State Operations**

The Executive requests an All Funds State Operations appropriation of \$88,161,000, a decrease of \$2,929,000 or 3.2 percent from SFY 2009-10 levels.

### **Proposed Decreases**

The Executive proposes:

- a decrease of \$2,929,000 related to a reduction in personal and non-personal service spending.

## **Article VII**

The Executive recommends Article VII legislation that would increase civil penalties for first-time and repeat offenders who commit Medicaid fraud.

# DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	600,000,000	600,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

(Executive Budget: p. 135)

The Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD) and the Office of Alcoholism and Substance Abuse Services (OASAS) comprise the Department of Mental Hygiene (DMH). All three agencies, as direct providers of care, are funded in part by Medicaid, Medicare, third-party insurance and private payments. Patient revenues in the Patient Income Account (PIA) are pledged first to the payment of debt service on outstanding Mental Hygiene bonds. Anticipated PIA revenue is appropriated within the budgets of the mental hygiene agencies. During the course of the fiscal year, however, additional unanticipated revenue may be received or bond refinancing might decrease debt service requirements. Unanticipated revenue is appropriated to the DMH and then allocated in proportion to the appropriate mental hygiene agency.

This agency is included in the Health and Mental Hygiene appropriation bill.

### Budget Detail

The Executive proposes a Special Revenue Fund-Other appropriation of \$600,000,000, reflecting no change from State Fiscal Year (SFY) 2009-10.

## OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	135,653,037	153,000,000	17,346,963	12.8%
Special Revenue-Other	304,158,527	311,984,000	7,825,473	2.6%
Special Revenue-Federal	141,918,000	146,560,000	4,642,000	3.3%
Capital Projects Fund	10,837,000	10,888,000	51,000	0.5%
Mental Hygiene Capital Improvement Fund-389	98,046,000	98,046,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>690,612,564</b>	<b>720,478,000</b>	<b>29,865,436</b>	<b>4.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	894	891	(3)
<b>TOTAL:</b>	<b>894</b>	<b>891</b>	<b>(3)</b>

### Agency Mission

(Executive Budget: pp. 137-140)

The Office of Alcoholism and Substance Abuse Services (OASAS) administers a statewide system of chemical abuse and gambling prevention, early intervention and treatment services. The agency operates 13 addiction treatment centers located across the State to provide intermediate term treatment as a complement to the more intensive, short-term treatment provided in community hospitals. OASAS also licenses and regulates over 1,500 chemical dependence and compulsive gambling prevention, treatment and recovery services providers, the highest in the nation. In addition, OASAS licenses 300 providers of community prevention services.

This agency is included in the Health and Mental Hygiene appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- A proposal to develop 1,000 new outpatient slots and to increase case management and assessment services in response to reform of the Rockefeller Drug Laws.
- Funding for operating costs for 172 new beds in the pipeline and other residential options for high-priority populations, including veterans, women and children.
- A proposal to eliminate the Human Services cost-of-living adjustment (COLA) to prevent the implementation of a negative COLA in SFY 2010-11 and to extend the COLA for an additional year to March 2014.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$720,478,000, a net increase of \$29,865,436 or 4.3 percent above SFY 2009-10 levels. The Executive recommends funding support of 891 full-time equivalent (FTE) positions, a decrease of three positions.

### **State Operations**

The Executive proposes:

- an All Funds State Operations appropriation of \$130,350,000, a net decrease of \$4,366,000 or 3.24 percent below the SFY 2009-10 level.

#### **Proposed Increases**

The Executive proposes:

- an increase of \$ 3,738,000 related to the cost of continuing State-operated programs, including the collectively bargained salary increases and other salary, inflationary and fringe benefit adjustments.

#### **Proposed Decreases**

The Executive proposes:

- a decrease of \$3,155,000 from the annualization of savings associated with Phase 1 and 2 of the Voluntary Severance Program;

- a decrease of \$3,052,000 from savings realized through re-estimates of fringe benefit and indirect costs;
- a decrease of \$1,021,000 related to centralized efforts to reduce State costs through collectively bargained benefit and/or compensation changes; and
- a decrease of \$875,000 related to non-personal service efficiencies.

### Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$481,194,000, a net increase of \$34,180,436 or 7.65 percent above the SFY 2009-10 level.

#### Proposed Increases

The Executive proposes:

- an increase of \$13,950,000 related to one-time savings actions implemented in the SFY 2009-10 Deficit Reduction Plan;
- an increase of \$12,827,000 related to reform of the Rockefeller Drug Laws to support increased case management and assessment services, as well as 1,000 new outpatient treatment slots;
- an increase of \$5,862,000 in appropriation authority related to anticipated increases in Federal Grant awards, including Shelter Plus Care, Substance Abuse Prevention and Treatment, and prior year Disproportionate Share Hospital liabilities; and
- a net increase of \$3,841,000 for operating costs for 172 beds in the pipeline and other residential options for high-priority populations, including veterans, women, and children.

#### Proposed Decreases

The Executive recommends:

- a decrease of \$2,000,000 by eliminating the suballocation to the Department of Health AIDS Institute for the provision of primary healthcare services to individuals with chemical dependencies;
- a decrease of \$300,000 by delaying the planned expansion of compulsive gambling prevention programs in five counties; and

- a decrease of \$30,000 by eliminating funding for Unified Services, effective July 1, 2010.

### **Capital Projects**

The Executive proposes an All Funds Capital Projects appropriation of \$108,934,000, a net increase of \$51,000 or 0.05 percent above the SFY 2009-10 level.

The Executive proposes \$51,000 for cost increases in administrative and capital project cost escalations.

### **Article VII**

The Executive recommends Article VII legislation that would:

- extend for four years current social worker and mental health professional licensing exemptions for programs operated, regulated, or funded by OASAS;
- authorize the elimination of the Human Services COLA for SFY 2010-11, maintain the COLA in the remaining out years, and extend the COLA for an additional year to March 31, 2014;
- restructure rates for hospital inpatient and community based detoxification services;
- authorize the elimination of funding for Unified Services; and
- authorize the transfer of the Alcohol and Drug Rehabilitation Program from the Department of Motor Vehicles to the OASAS.

## OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	532,540,296	561,054,000	28,513,704	5.4%
Special Revenue-Other	2,612,987,811	2,791,162,000	178,174,189	6.8%
Special Revenue-Federal	45,197,000	48,845,000	3,648,000	8.1%
Enterprise	8,578,000	8,606,000	28,000	0.3%
Capital Projects Fund	38,010,000	37,600,000	(410,000)	-1.1%
Mental Hygiene Capital Improvement Fund-389	538,533,000	196,691,000	(341,842,000)	-63.5%
Internal Service Fund	2,782,000	2,810,000	28,000	1.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,778,628,107</b>	<b>3,646,768,000</b>	<b>(131,860,107)</b>	<b>-3.5%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	16,297	16,169	(128)
<b>TOTAL:</b>	<b>16,297</b>	<b>16,169</b>	<b>(128)</b>

### Agency Mission

(Executive Budget: pp. 141-147)

The Office of Mental Health (OMH) has oversight over all mental health services in New York State. The agency is a direct provider of medium and long-term care at 16 adult psychiatric centers and six children's psychiatric centers. In addition, OMH provides diagnostic and treatment services to persons involved with the criminal justice system at three forensic psychiatric centers. Additionally, OMH provides mental health services in 23 sites across the State to inmates incarcerated in Department of Correctional Services' facilities.

Research staff at the New York State Psychiatric Institute and the Nathan S. Kline Institute for Psychiatric Research conduct basic and applied research into the causes and treatment of psychiatric disorders, supported by State funds and grants from outside sources. OMH licenses and regulates more than 2,500 not-for-profits, government-operated and proprietary mental health agencies that serve 600,000 persons each year receiving inpatient, outpatient, emergency, residential and family care, and community support services.

This agency is included in the Health and Mental Hygiene appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following proposals:

- To close eight adult inpatient psychiatric wards two of which would be converted to transitional care units.
- To provide first year funding for education and assessment of impacted adult home residents related to the State's proposed Adult Home Remediation Plan.
- To continue support for residential bed development agreements under NY/NY III agreements and supported housing beds.
- To continue support for conversions to Personalized Recovery Oriented Services (PROS).
- To restructure the Sex Offender Management and Treatment Act (SOMTA) services.
- To eliminate the Human Services cost-of-living adjustment (COLA) to prevent the implementation of a negative COLA in SFY 2010-11 and to extend the COLA for an additional year to March 2014.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$3,646,768,000, a net decrease of \$131,860,107 or 3.5 percent below the SFY 2009-10 level. The Executive recommends funding for 16,169 full-time equivalent (FTE) positions, a decrease of 128 positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$2,131,294,000, an increase of \$82,636,000 or 4.03 percent above the SFY 2009-10 level.

### Proposed Increases

The Executive proposes:

- an increase of \$182,809,000 related to negotiated salary increases annualizations, fringe and indirect adjustments; and
- an increase of \$3,898,000 related to an increase in Civil Service Charge Back costs.

### Proposed Decreases

The Executive proposes:

- a net decrease of \$83,459,000 related to efficiencies in centralized personal service reductions, including voluntary severance, central office attrition, reductions in overtime and hazardous duty pay, on-call shifts, voluntary reduction of work schedule (VRWS), outpatient pharmacy use, eliminating lease of unused space, and other initiatives;
- a decrease of \$11,300,000 related to a lower projected census of civilly confined sexual offenders under the Sex Offender Management and Treatment Act (SOMTA) and savings related to the use of video conferencing;
- a decrease of \$9,000,000 by closing eight adult inpatient psychiatric wards (5 percent of capacity) and shifting the staffing resources from six of these wards to community programs and converting two wards to a less staffing intensive residential level of care to help transition individuals into community care;
- a decrease of \$700,000 by eliminating the reporting requirements for the unmet needs study; and
- a decrease of \$103,000 related to using State employees to perform Information Technology work rather than using contract workers.

### Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,281,183,000, a net increase of \$127,755,893 or 11.08 percent above SFY 2009-10.

## Proposed Increases

The Executive proposes:

- an increase of \$74,724,000 to provide the support for residential bed development under NY/NY III agreements, increased debt service and mortgage payments, and 1,500 supported housing beds;
- an increase of \$27,2000 to annualize prior year initiatives, including co-occurring disorders, managed care demonstrations, family care provider enhancements, family support services for clinic plus, the Comprehensive Children's Plan, peer run support and ambulatory care reform;
- an increase of \$19,416,000 for other annualizations and base adjustments, including COPS/CSP rate appeals, restoration for hospitals exceeding the Disproportionate Share (DSH) cap, residential treatment facility growth, and miscellaneous adjustments;
- an increase of \$9,000,000 to annualize conversions to Personalized Recovery Oriented Services; and
- an increase of \$1,000,000 for education and assessment purposes related to residents of impacted adult homes in accordance with the State's proposed Adult Home Remediation Plan.

## Proposed Decreases

The Executive proposes:

- a decrease of \$4,500,000 related to exempt income recoveries;
- a decrease of \$1,032,000 by eliminating funding for enhanced Unified Services;
- a decrease of \$750,000 related to Medicaid maximization of Community Residential and Family-Based Treatment funding; and
- a decrease of \$375,000 related to a proposal to carve out pharmaceutical costs from the reimbursement paid to a residential treatment facility and to bill these costs instead directly to Medicaid on a fee-for-service basis.

## **Capital Projects**

The Executive proposes an All Funds Capital Projects appropriation of \$234,291,000, a net decrease of \$342,252,000 or 59.36 percent below SFY 2009-10.

The Executive proposes the following increases in capital funding:

- an increase of \$2,590,000 for planned growth in hard dollar appropriations; and
- an increase of \$9,000 for salary and fringe increases.

The Executive proposes the following decreases in capital funding:

- a decrease of \$341,851,000 by eliminating previous year authority for construction of a new inpatient building at Mid-Hudson Forensic Psychiatric Center, a new inpatient building at Bronx Psychiatric Center, a power plant at Rockland Psychiatric Center, and a power plant at Manhattan Psychiatric Center; and
- a decrease of \$3,000,000 in savings to hard dollar appropriations.

## **Article VII**

The Executive recommends Article VII legislation that would:

- extend for four years current social worker and mental health professional licensing exemptions for programs operated, regulated, or funded by OMH;
- authorize the elimination of the Human Services COLA for SFY 2010-11, maintain the COLA in the remaining out years and extend the COLA for an additional year March 31, 2014;
- eliminate a requirement that the Office of Mental Health issue a report on the provision of mental health services to traditionally underserved populations;
- authorize electronic appearances in certain court proceedings conducted under the SOMTA;
- extend the Community Mental Health Support and Workforce Reinvestment Program for one year and reduce and convert inpatient wards operated by OMH;
- clarify OMH's existing authority to recover exempt income from community residences and family based treatment programs;
- clarify the role of facility directors as representative payees and the use of Federal entitlement benefits in accordance with Federal laws and regulations;

- authorize the elimination of enriched funding for Unified Services; and
- amend Mental Hygiene law in relation to payments made by OMH and the Office of Mental Retardation and Developmental Disabilities to family care homes.

### **Deficiency Request**

The adjusted appropriation includes a recommended deficiency appropriation of \$20,000,000 for the Adult, Children and Youth, and Community Reinvestment programs for SFY 2009-10. The appropriation is a technical correction to the Enacted SFY 2009-10 Deficit Reduction Plan (DRP). The Enacted DRP impacted OMH by an additional \$20,000,000 higher than the Legislature had intended due to OMH's Local Assistance fiscal year operating on a July to June basis. This is an appropriation-only deficiency and is needed to support existing OMH programs, consistent with the State's Financial Plan.

In addition to the technical deficiency, the adjusted appropriation also includes a recommended deficiency appropriation of \$12,000,000 for the Adult, Children and Youth, and Community Investment programs to allow OMH to expend available cash that it could otherwise not use due to insufficient appropriation authority.

# OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	1,481,898,245	1,607,322,000	125,423,755	8.5%
Special Revenue-Other	2,876,723,954	3,017,666,000	140,942,046	4.9%
Special Revenue-Federal	1,751,000	751,000	(1,000,000)	-57.1%
Enterprise	2,669,000	2,668,000	(1,000)	-0.04%
Capital Projects Fund	65,040,000	57,025,000	(8,015,000)	-12.3%
Mental Hygiene Capital Improvement Fund-389	62,275,000	82,535,000	20,260,000	32.5%
Internal Service Fund	350,000	350,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>4,490,707,199</b>	<b>4,768,317,000</b>	<b>277,609,801</b>	<b>6.2%</b>

## ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	21,768	21,857	89
<b>TOTAL:</b>	<b>21,768</b>	<b>21,857</b>	<b>89</b>

### Agency Mission

(Executive Budget: pp. 149-155)

The Office of Mental Retardation and Developmental Disabilities (OMRDD) administers a statewide network of services to persons with developmental disabilities and their families through 14 Developmental Disabilities Services Offices (DDSO). OMRDD's mission is to help people with developmental disabilities live richer lives. The agency's vision is to assure that people with developmental disabilities enjoy meaningful relationships with family, friends, and others in their

lives; experience personal health and growth; and live in homes and fully participate in the communities of their choice.

This agency is included in the Health and Mental Hygiene appropriation bill.

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes proposals:

- To continue efforts to consolidate Developmental Disability Services Office (DDSO) administrative functions.
- To eliminate the Human Services cost-of-living adjustment (COLA) to prevent the implementation of a negative COLA in SFY 2010-11 and to extend the COLA for an additional year to March 2014.
- To restructure Medicaid Service Coordination (MSC).
- To provide for a Medicaid Trend, for both SFY 2010-11 (effective April 1) and retroactively for SFY 2009-10.
- To implement the sixth installment of a health care initiative, designed to offset health care costs for direct care workers in eligible not-for-profit agencies.
- To develop 510 new residential opportunities through NYS-CARES.
- To support 890 new Day Services opportunities.
- To implement a three percent rate reduction for Individualized Residential Alternatives (IRAs) to achieve greater efficiencies.
- To accelerate a four percent rate reduction for Day Habilitation programs.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$4,768,317,000, a net increase of \$277,609,801 or 6.2 percent above the SFY 2009-10 level. The Executive recommends funding to support 21,857 full-time equivalent (FTE) positions, an increase of 89 positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$2,259,461,000, a net increase of \$87,051,000 or 4.01 percent above the SFY 2009-10 level.

## Proposed Increases

The Executive proposes:

- \$82,700,000 for collectively bargained salary increases;
- \$48,800,000 for other salary, fringe benefit, and inflationary adjustments;
- \$17,100,000 for annualizations of prior-year initiatives, including special unit developmental center rundown; and
- \$5,500,000 for the first-time payment of a Civil Service assessment for non-General Fund supported positions.

## Proposed Decreases

The Executive proposes the following reductions:

- \$24,328,000 related to centralized efforts to reduce State costs through collectively bargained benefit and/or compensation changes;
- \$20,527,000 related to personal and non-personal service efficiencies, including managing vacancies of non-critical positions, monitoring food expenditures, consolidating non-residential leases, automating certain administrative processes, improving energy efficiency, and using capital resources more efficiently;
- \$1,538,000 by eliminating 20 positions at the Institute for Basic Research (IBR) related to non-core research functions. Autism research and the operations of the Jervis Clinic would not be affected;
- \$1,512,000 related to both the transfer of 10 positions to the Office of the Medicaid Inspector General to eliminate duplicative oversight and management functions, and a reduction of the number of audits conducted by outside firms;
- \$1,291,000 by further consolidating administrative functions in Developmental Disabilities Services Offices and eliminating 25 positions related to business office and human resource functions, and community planning activities; and
- \$666,000 by restructuring the Medicaid Service Coordination (MSC) program by transferring most service delivery responsibility to the not-for-profit sector, eliminating 13 State positions, and other programmatic reforms.

## Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$2,369,296,000, a net increase of \$178,313,801 or 8.1 percent above the SFY 2009-10 level.

### Proposed Increases

The Executive proposes:

- \$51,702,000 for costs associated with a 3.08 percent Medicaid Trend, retroactive to April 2009;
- \$44,600,000 for the development of new and prior year residential opportunities through the children's residential placement program, and New York State Creating Alternatives in Residential Environments and Services (NYS-CARES), including 510 new residential opportunities through NYS-CARES;
- \$35,014,000 for the restoration of one-time savings actions taken in the SFY 2009-10 Deficit Reduction Plan;
- \$32,998,000 for costs associated with a 2.08 percent Medicaid Trend, effective April 2010;
- \$21,998,000 for costs associated with a sixth installment of a health care enhancement to incentivize OMRDD providers to improve healthcare benefit packages for their employees;
- \$10,500,000 for 890 new Day Services opportunities;
- \$8,200,000 for family support services; and
- \$7,000,000 for at-home residential habilitation services.

### Proposed Decreases

The Executive proposes the following reductions:

- \$12,500,000 related to a three percent rate reduction for Individualized Residential Alternatives (IRAs);
- \$7,500,000 related to proposed reforms to Medicaid Service Coordination;
- \$5,000,000 by eliminating non-core services from 100 percent State aid contracts;

- \$4,900,000 through managed delays in the development of 66 community beds;
- \$2,300,000 related to an acceleration of a four percent rate reduction for Day Habilitation; and
- \$640,000 through family care auspice change.

### **Capital Projects**

The Executive proposes an All Funds Capital Projects appropriation of \$139,560,000, a net increase of \$12,245,000 or 9.62 percent above the SFY 2009-10 level.

The Executive proposes:

- an increase of \$20,260,000 in bonded appropriation need for prior year investments to expand available community residential opportunities to support the deinstitutionalization of individuals residing in developmental centers; and
- an increase of \$955,000 in hard dollar and bonded appropriation for minor maintenance funding for essential health and safety related projects.

The Executive also proposes a decrease of \$8,015,000 in hard dollar need by delaying non-critical rehabilitation projects.

### **Article VII**

The Executive recommends Article VII legislation that would:

- extend for four years current social worker and mental health professional licensing exemptions for programs operated, regulated, or funded by OMRDD;
- authorize the elimination of the Human Services cost-of-living adjustment (COLA) for SFY 2010-11, maintain the COLA in the remaining out years and extend the COLA for an additional year to March 31, 2014;
- clarify the role of facility directors as representative payees and the use of Federal entitlement benefits in accordance with Federal laws and regulations;
- authorize the elimination of enriched funding for Unified Services; and
- amend Mental Hygiene law in relation to payments made by the Office of Mental Health and OMRDD to family care homes.

# COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	5,873,000	5,636,000	(237,000)	-4.0%
Special Revenue-Other	4,438,000	4,663,000	225,000	5.1%
Special Revenue-Federal	7,274,000	8,345,000	1,071,000	14.7%
Enterprise	45,000	45,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>17,630,000</b>	<b>18,689,000</b>	<b>1,059,000</b>	<b>6.0%</b>

## ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	48	43	(5)
All Other Funds:	55	58	3
<b>TOTAL:</b>	<b>103</b>	<b>101</b>	<b>(2)</b>

### Agency Mission

(Executive Budget: pp. 157-163)

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) was created by the merger of the Commission on Quality of Care for the Mentally Disabled with the Office of Advocate for Persons with Disabilities on April 1, 2005. The Commission promotes community outreach, provides information, referral and advocacy services, and administers the Surrogate Decision Making Committee Program which acts on behalf of persons in the mental hygiene system who are not competent to make medical care decisions for themselves. In addition, CQCAPD provides independent oversight of the three mental hygiene agencies: the Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD) and the Office of Alcoholism and Substance Abuse Services (OASAS). It also investigates allegations of abuse or mistreatment and any reports of injuries or deaths of persons served within the mental hygiene system.

This agency is included in the Health and Mental Hygiene appropriation bill.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$18,689,000, a net increase of \$1,059,000 or six percent above the State Fiscal Year (SFY) 2009-10 level. The Executive projects a staffing level of 48, a decrease of two full-time equivalent (FTE) positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$18,041,000, a net increase of \$1,182,000 or 7.01 percent above the SFY 2009-10 level.

#### **Proposed Increases**

The Executive proposes the following:

- a net increase of \$1,591,000 related to negotiated salary increases and inflationary increases and other adjustments in non-personal service, and annualization adjustments; and
- an increase of \$331,000 for an appropriation adjustment to align Federal grant appropriations with the State Fiscal Year.

#### **Proposed Decreases**

The Executive proposes the following:

- a decrease of \$414,000 related to fringe and indirect re-estimates, technical adjustments, reduction of non-personal service growth and conference attendance, and savings from Voluntary Reduction of Work Schedule (VRWS);
- a decrease of \$165,000 by eliminating two positions: one within the Interagency Council for Services to Persons who are Deaf, Deaf-Blind, or Hard of Hearing, and one related to the Special Housing Unit (SHU) legislation; and
- a decrease of \$161,000 in savings resulting from collective bargaining actions.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$648,000, a decrease of \$123,000 or 15.95 percent below the SFY 2009-10 level, related to contract reductions.

**TRANSPORTATION,  
ECONOMIC  
DEVELOPMENT &  
ENVIRONMENTAL  
CONSERVATION**

**Summary of Recommended Appropriations  
By Agency**

## ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	5,457,000	5,119,000	(338,000)	-6.2%
Special Revenue-Federal	700,000	700,000	0	0.0%
Capital Projects Fund	0	500,000	500,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>6,157,000</b>	<b>6,319,000</b>	<b>162,000</b>	<b>2.6%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	69	59	(10)
<b>TOTAL:</b>	<b>69</b>	<b>59</b>	<b>(10)</b>

### Agency Mission

(Executive Budget: pp. 167-169)

The Adirondack Park Agency (APA) is charged with 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. The APA is responsible for the administration of the Adirondack Park State Land Master Plan and the Adirondack Park Land Use and Development Plan. The APA administers the State's Wild Scenic and Recreational River System, operates two Visitor Interpretive Centers, and helps local governments develop land use plans consistent with the State Land Master Plan.

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

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The closure of two Visitor Interpretive Centers in Newcomb, Essex County and near Paul Smith's College in Franklin County in January of 2011.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$6,319,000, an increase of \$162,000 or 2.6 percent over the SFY 2009-10 level. The Executive recommends funding support of 59 full-time equivalent positions, a decrease of ten positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$5,819,000, a decrease of \$338,000 or 5.5 percent from the SFY 2009-10 level. This reflects the closure of two Visitor Interpretive Centers, which will result in eight layoffs, as well as the continuation of across-the-board reductions.

### **Capital Projects**

The Executive proposes an overall capital appropriation of \$500,000, an increase of \$500,000 or 100 percent from the SFY 2009-10 level. This is a dry appropriation that would allow the APA to utilize gift or grant money.

## DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	55,054,000	40,789,000	(14,265,000)	-25.9%
Special Revenue-Other	48,224,000	47,257,000	(967,000)	-2.0%
Special Revenue-Federal	49,644,000	49,644,000	0	0.0%
Enterprise	24,361,000	21,361,000	(3,000,000)	-12.3%
Misc. Capital Projects	2,000,000	2,000,000	0	0.0%
Fiduciary	1,836,000	1,836,000	0	0.0%
Capital Projects Fund	1,750,000	1,750,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>182,869,000</b>	<b>164,637,000</b>	<b>(18,232,000)</b>	<b>-10.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	343	300	(43)
All Other Funds:	240	243	3
<b>TOTAL:</b>	<b>583</b>	<b>543</b>	<b>(40)</b>

### Agency Mission

(Executive Budget: pp. 171-175)

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York 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, and animal and plant health; and accuracy in labeling. The Department also acts to preserve the use of agricultural resources, to improve soil and water quality, and to operate the annual State Fair.

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

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- Additional funding in the amount of \$1,500,000 for the Cornell Diagnostic Laboratory.
- A reduction in local assistance funding by \$7,731,000.
- Discontinuation of the Department's role in the grading of farm products for quality and potential price.
- A reduction in kosher enforcement staffing.
- Elimination of the State's role in dog licensing while diverting its share of licensing revenue to municipalities.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$164,637,000, a decrease of \$18,232,000 or 10 percent from the SFY 2009-10 level. The Executive recommends funding support of 543 full-time equivalent (FTE) positions, a decrease of 40 positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$127,584,000, a decrease of \$9,643,000 or seven percent from the SFY 2009-10 level. This is primarily the result of across-the-board reductions as well as staff layoffs.

#### **Proposed Decreases**

The Executive proposes:

- a reduction of 20 positions or \$430,000 associated with the discontinuation of farm products grading;
- a reduction of eight positions or \$117,000 associated with kosher enforcement;
- a reduction of five positions or \$157,000 due to dog licensing reform; and
- a \$3,000,000 reduction in the appropriation for the State Fair.

## **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$33,303,000, a decrease of \$8,589,000 or 20.5 percent from the SFY 2009-10 level. This is primarily the result of a \$7,731,000 reduction to local assistance programs.

### **Proposed Increases**

The Executive proposes:

- an increase of \$1,500,000 for the Cornell Diagnostic Laboratory, bringing the total appropriation to \$3,750,000..

### **Proposed Decreases**

The Executive proposes:

- the elimination of 3,242,000 in funding for the Farm Viability Institute;
- the elimination of \$453,000 in funding for local fairs;
- the elimination of \$951,000 in funding for the Wine and Grape Foundation;
- the elimination of \$376,000 in funding for the Center for Dairy Excellence; and
- the elimination of \$250,000 in funding for the Cornell Rabies program.

## **Capital Projects**

The Executive proposes capital appropriations of \$3,750,000, thereby maintaining the SFY 2009-10 level. These appropriations will be used to maintain and repair the State Fair's 19 major buildings and other structures as well as continue support for the development of private partnerships at the Fair.

## **Article VII**

The Executive recommends Article VII legislation that would:

- eliminate the State's role in dog licensing while allowing municipalities more flexibility in maintaining their own licensing programs.

## BANKING DEPARTMENT

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	107,210,000	106,044,000	(1,166,000)	-1.1%
Special Revenue-Federal	0	1,000,000	1,000,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>107,210,000</b>	<b>107,044,000</b>	<b>(166,000)</b>	<b>-0.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	555	555	0
<b>TOTAL:</b>	<b>555</b>	<b>555</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 177-180)

The New York State Banking Department is charged with overseeing and monitoring the banking industry and approximately 3,600 State chartered banking institutions for the benefit of balancing the interests of New York State consumers, businesses, and the banking industry as a whole. Responsibilities include regulation of New York State banking companies and their products, monitoring the financial stability of such institutions and ensuring compliance with banking laws and regulations.

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

### Budget Detail

The Executive recommends an All Funds appropriation of \$107,044,000 for the Banking Department for State Fiscal Year (SFY) 2010-11, reflecting a net decrease of \$166,000 from the current State Fiscal Year (SFY) 2009-10 funding level.

The Executive recommends a workforce of 555 full-time equivalent (FTE) funded positions reflecting no change from current year levels.

### **State Operations**

The Executive proposes an appropriation of \$106,194,000 in State Operations funding reflecting an net increase of \$2,584,000 in funding over the current fiscal year.

#### **Proposed Increases**

The Executive proposes the following:

- a \$2,233,000 increase in the Regulation program to reflect a movement in funds within the Banking Department to the Regulation program in order to provide greater oversight. This increase includes \$1,000,000 in new Federal funding which is provided for services and expenses of the Holocaust claims processing office;
- a \$206,000 increase in the Analysis and Compliance program to reflect increases in Personal services; and
- A \$595,000 increase in the Administration program to reflect increases in Personal and Non Personal services.

#### **Proposed Decreases**

The Executive proposes the following:

- an appropriation of \$50,000, which reflects a \$450,000 decrease in funding for the Settlement account within the Administration program.

### **Aid to Localities**

The Executive proposes an appropriation of \$850,000 which reflects a decrease of \$2,650,000 from the SFY 2009-10 funding level for the Settlement Account, in order to accommodate increases in the Regulation and Analysis and Compliance Programs.

In addition, the Seized Asset Account was reduced from \$150,000 to \$50,000.

### **Article VII**

The Executive proposes a one year extension for major provisions of the 1985 and 1987 Bank Tax reforms, as well as current transitional provisions of the Bank Tax contained within the Revenue Bill.

# NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	<b>Adjusted Appropriation 2009-10</b>	<b>Executive Request 2010-11</b>	<b>Change</b>	<b>Percent Change</b>
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	15,652,874	16,230,000	577,126	3.7%
Capital Projects Fund - Authority Bonds	13,500,000	19,247,000	5,747,000	42.6%
<b>Total for AGENCY SUMMARY:</b>	<b>29,152,874</b>	<b>35,477,000</b>	<b>6,324,126</b>	<b>21.7%</b>

## Agency Mission

(Executive Budget: pp. 181-183)

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) and manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and Saratoga Technology and Energy Park (STEP) in Saratoga County.

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

## Programmatic Highlights

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- A proposal to finance the Department of Environmental Conservation's (DEC) Climate Change program through assessments on gas and electric corporations.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$ 35,477,000, an increase of \$6,324,126 or 21.7 percent over the SFY 2009-10 level.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$6,996,000, maintaining funding at the SFY 2009-10 level. This includes authority to suballocate up to \$1,000,000 for the services and expenses of the DEC.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$9,234,000, a restoration of \$577,126 or 6.7 percent to the SFY 2009-10 level. This reflects the restoration of local assistance funding that had been reduced in the 2009-10 Deficit Reduction Plan.

### **Capital Projects**

The Executive proposes \$19,247,000 in capital appropriations for ongoing work at the West Valley Nuclear Fuel Reprocessing Facility, an increase of \$5,747,000 or 42.6 percent from the SFY 2009-10 level. This reflects an increase in Federal spending on the West Valley facility, as NYSERDA's costs are matched nine to one by the Federal contribution.

### **Article VII**

The Executive recommends Article VII legislation that would:

- authorize NYSERDA to make \$913,000 available to the General Fund to offset New York State's debt service requirements related to West Valley; and
- authorize NYSERDA to finance its Research, Development and Demonstration Program and its Policy and Planning Program, as well as the DEC's climate change program with revenues from utility assessments collected pursuant to section 18-a of the Public Service Law.

## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	144,308,857	124,248,000	(20,060,857)	-13.9%
Special Revenue-Other	282,730,700	265,350,300	(17,380,400)	-6.1%
Special Revenue-Federal	90,000,000	128,419,000	38,419,000	42.7%
Capital Projects Fund	47,084,000	16,834,000	(30,250,000)	-64.2%
Federal Capital Projects Fund	149,250,000	156,700,000	7,450,000	5.0%
Clean Water-Clean Air Implementation Fund	1,050,000	0	(1,050,000)	-100.0%
Environmental Protection Fund	212,000,000	143,000,000	(69,000,000)	-32.5%
Internal Service Fund	60,000	60,000	0	0.0%
Cap Proj Fund - DEC Regular Auth Bonds	12,000,000	12,000,000	0	0.0%
Cap Proj Fund - State Revolving Fund Auth Bonds	29,600,000	29,600,000	0	0.0%
Capital Project Fund - Onondaga Lake (Auth. Bonds)	10,000,000	5,000,000	(5,000,000)	-50.0%
Capital Projects Fund - EQBA 86 Bondable	0	342,000	342,000	--
UnKnown Fund Type	435,000,000	0	(435,000,000)	-100.0%
Hazardous Waste Remedial Fund - Oversight and Assesment	12,250,000	12,250,000	0	0.0%
Hazardous Waste Remedial Fund - Cleanup	120,000,000	120,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>1,545,333,557</b>	<b>1,013,803,300</b>	<b>(531,530,257)</b>	<b>-34.4%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	1,323	1,152	(171)
All Other Funds:	2,045	2,162	117
<b>TOTAL:</b>	<b>3,368</b>	<b>3,314</b>	<b>(54)</b>

## **Agency Mission**

(Executive Budget: pp. 185-194)

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 residents. DEC responsibilities also include the administration of a portion of 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.

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- A reduction to the EPF of \$69,000,000, bringing the total appropriation to \$143,000,000. This includes the elimination of funding for open space land acquisition.
- An increase of \$2,465,000 to fund staff for oversight and regulation of natural gas drilling in the Marcellus Shale region.
- A proposal to establish a three percent tax on the fair market value of natural gas extracted from Marcellus or Utica Shale formations.
- Eliminating the sunset on the Waste Tire Management and Recycling Fee and expanding the authorized purposes of the Waste Tire Management and Recycling Fund, which would be renamed the Waste Management and Cleanup Fund.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$1,013,803,300, a decrease of \$541,530,257 or 34.8 percent from the SFY 2009-10 level. This decrease is primarily the result of the non-reoccurrence of SFY 2009-10 federal stimulus funding for Clean Water projects as well as a substantial reduction in the EPF. The Executive recommends funding support of 3,314 full-time equivalent (FTE) positions, a decrease of 54 positions.

## **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$516,209,400, an increase of \$1,400,600 or 0.3 percent.

### Proposed Increases

The Executive proposal includes:

- an increase of \$2,465,000 for 29 FTEs dedicated to the oversight and regulation of activity in the Marcellus Shale formation. Authority is also provided for a total of six FTEs to be suballocated to the Public Service Commission and the Department of Health; and
- a dry appropriation of \$60,000,000 for the restoration of the Great Lakes.

### Proposed Decreases

The Executive proposal includes:

- the elimination of \$24,450,000 in one-time federal stimulus funding;
- a reduction of \$19,638,000 from the General Fund for personal service (PS) and non-personal service (NPS); and
- a net reduction of \$17,380,400 from Special Revenue Funds for PS and NPS costs.

### Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,867,900, a decrease of \$422,857 or 18.5 percent from the SFY 2009-10 level.

### Proposed Decreases

The Executive proposal includes:

- the elimination of \$10,900 in funding for the Ohio River Basin Commission; and
- the elimination of \$411,957 in funding from the Community Projects Fund.

### Capital Projects

The Executive recommends capital appropriations totaling \$495,726,000, a reduction of \$532,508,000 or 51.8 percent. This is primarily due to the elimination of \$435,000,000 in Clean Water funding from the federal stimulus funds, as well as a \$69,000,000 reduction to the EPF.

The Executive proposal includes the following capital projects:

- funding of \$5,000,000 in bondable funds for the remediation of Onondaga Lake;

- funding of \$342,000 in funds from the 1986 Environmental Quality Bond Act for landfill closure projects; and
- funding of \$120,000,000 for the State Superfund program to continue the cleanup of inactive hazardous waste sites.

#### Environmental Protection Fund (EPF)

The Executive proposes \$143,000,000 in appropriations for the EPF, a decrease of \$69,000,000 or 32.6 percent. These appropriations provide funding for high priority environmental projects including farmland preservation, recycling programs, non-point source pollution control and municipal park and waterfront revitalization projects.

The Executive proposes to support the EPF with \$143,000,000 in cash disbursements for SFY 2010-11. The Executive projects an opening balance of \$32,399,000 and a closing balance of \$32,499,000 for the Fund.

The individual SFY 2010-11 appropriations are outlined in the following table:

## 2010-11 ENVIRONMENTAL PROTECTION FUND

(000's)

	2009-10 Enacted	2010-11 Executive	Change 09-10 v. Executive	Percent Change 09-10 v. Executive
<b>SOLID WASTE</b>				
Landfill Closure/Gas Management	0	700	700	
Municipal Recycling	10,825	8,000	-2,825	-26.10%
Pollution Prevention Institute	2,253	2,250	-3	-0.13%
<i>Green Initiative Institute*</i>	959	600	-359	-37.43%
<i>Intrste Chemicals Clearinghouse*</i>	336	25	-311	-92.56%
Secondary Marketing	1,381	1,100	-281	-20.35%
Natural Resource Damages	431	450	19	4.41%
Pesticide Database	500	575	75	15.00%
BCERF	450	0	-450	-100.00%
<b>Solid Waste</b>	<b>15,840</b>	<b>13,075</b>	<b>-2,765</b>	<b>-17.46%</b>
<b>PARKS &amp; REC</b>				
Waterfront Revitalization	24,021	12,000	-12,021	-50.04%
<i>Inner City/Underserved</i>	9,750	6,000	-3,750	-38.46%
<i>Hudson and Champlain Docks*</i>	700	700	0	0.00%
<i>Buffalo Waterfront*</i>	1,000	500	-500	-50.00%
<i>Niagara River Greenway*</i>	300	300	0	0.00%
Municipal Parks	20,813	12,000	-8,813	-42.34%
<i>Innercity/Underserved</i>	8,490	6,000	-2,490	-29.33%
<i>Olmsted Park*</i>	500	250	-250	-50.00%

- continued -

## 2010-11 ENVIRONMENTAL PROTECTION FUND

(000's)

- continued -

	2009-10 Enacted	2010-11 Executive	Change 09-10 v. Executive	Percent Change 09-10 v. Executive
Hudson River Park (HRP)	6,000	3,000	-3,000	-50.00%
Public Access & Stewardship	5,000	30,000	25,000	500.00%
<i>DEC</i>	5,000	15,000	10,000	200.00%
<i>OPRHP</i>	0	15,000	15,000	
State Park Operations**	0	5,000	5,000	
Hud-Ful-Champ Quadricentennial	450	0	-450	-100.00%
ZBGA	9,000	5,000	-4,000	-44.44%
<b>Parks &amp; Rec</b>	<b>65,284</b>	<b>67,000</b>	<b>1,716</b>	<b>2.63%</b>
<b>OPEN SPACE</b>				
Land Acquisition	58,900	0	-58,900	-100.00%
<i>Land Trust Alliance</i>	1,575	0	-1,575	-100.00%
<i>Urban Forestry</i>	500	0	-500	-100.00%
Land Trust Alliance	0	1,575	1,575	
Urban Forestry	0	500	500	
Taxes - Forest Preserve Lands**	0	5,000	5,000	
Smart Growth	400	400	0	0.00%
Farmland Protection	22,054	10,500	-11,554	-52.39%
Agricultural Waste Management	450	450	0	0.00%
Biodiversity Stewardship	500	500	0	0.00%
<i>Cayuga Island*</i>	100	75	-25	-25.00%
Albany Pine Bush Commission	2,000	2,000	0	0.00%
Invasive Species	4,794	4,800	6	0.13%
<i>Lake George</i>	96	100	4	4.17%
LI Pine Barrens Commission	1,100	1,100	0	0.00%
Oceans & Great Lakes Initiative	5,953	6,000	47	0.79%
Water Quality Improvement Prog	8,900	2,000	-6,900	-77.53%
LI South Shore Estuary Reserve	900	900	0	0.00%
Non-Point Source Poll Cont	17,068	19,000	1,932	11.32%
<i>Agricultural</i>	11,468	14,000	2,532	22.08%
<i>Non-Agricultural</i>	5,600	5,000	-600	-10.71%
Soil & Water Conserv. Dist	3,000	3,000	0	0.00%
Finger Lk-Lk Ontario Watershed	1,151	1,200	49	4.26%
Hudson River Estuary Plan	3,706	4,000	294	7.93%
<b>Open Space</b>	<b>130,876</b>	<b>62,925</b>	<b>-67,951</b>	<b>-51.92%</b>
<b>TOTAL EPF</b>	<b>212,000</b>	<b>143,000</b>	<b>-69,000</b>	<b>-32.55%</b>

\* 2009-10 New categories

\*\* 2010-11 New categories

## Article VII

The Executive recommends Article VII legislation that would:

- authorize the DEC to establish a waiver process for vehicles that are to be retired on or before December 31, 2013 from the requirement to install best available retrofit pollution control devices;
- eliminate the sunset of the Waste Tire Management and Recycling Fee, expand the authorized purpose of the Waste Tire Management and Recycling Fund and rename the fund the Waste Management and Cleanup Fund;
- modify the DEC's public notice requirements including newspaper publication requirements and web postings, revise certain annual reporting requirements and authorize mutual aid and assistance pursuant to forest fire protection compacts;
- amend the Tax Law to reduce the amount of Real Estate Transfer tax revenue that is deposited into the EPF from \$199,300,000 to \$132,300,000; and
- establish, beginning September 1, 2010, a three percent tax on the fair market value of natural gas extracted from the Marcellus or Utica shale formations using a horizontal drilling process.

# ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	13,031,000	12,310,000	(721,000)	-5.5%
Clean Water-Clean Air Implementation Fund	343,000	343,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>13,374,000</b>	<b>12,653,000</b>	<b>(721,000)</b>	<b>-5.4%</b>

## ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	97	97	0
<b>TOTAL:</b>	<b>97</b>	<b>97</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 195-198)

The Environmental Facilities Corporation (Corporation) is a public benefit corporation responsible for assisting local governments, State agencies and private businesses in their compliance with State and Federal environmental laws and regulations. The Corporation assists 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 in 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 Corporation is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$12,653,000, a decrease of \$721,000 or 5.4 percent from the State Fiscal Year (SFY) 2009-10 level. The Executive recommends funding support of 97 full-time equivalent positions, thereby maintaining the SFY 2009-10 level.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$12,310,000, a decrease of \$721,000 or 5.5 percent from the SFY 2009-10 level.

#### **Proposed Decreases**

The Executive proposes:

- A \$721,000 reduction to the State Operations appropriations reflects a salary deferral and the continuation of across-the-board reductions.

### **Capital Projects**

The Executive proposes a capital appropriation of \$343,000, thereby maintaining funding at the SFY 2009-10 level. This appropriation would finance clean water and air quality activities set forth in accordance with the 1996 Clean Water/ Clean Air Bond Act.

# HUDSON RIVER PARK TRUST

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	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Capital Projects Fund - Advances	7,000,000	0	(7,000,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>7,000,000</b>	<b>0</b>	<b>(7,000,000)</b>	<b>-100.0%</b>

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## Agency Mission

(Executive Budget: pp. 199)

The Hudson River Park Trust (the Trust) is a public benefit corporation that 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 59<sup>th</sup> Street.

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

## Budget Detail

Traditionally, the appropriations for the Trust represent advance payments for New York City's (NYC) share of costs associated with the Park. These advance payments typically serve as a match for previous and/or current year State contributions, which often come from the Environmental Protection Fund (EPF). This year the Executive proposes to eliminate the NYC advance, a reduction of \$7,000,000 from the State Fiscal Year (SFY) 2009-10 level, while funding the Trust with \$3,000,000 in EPF appropriations.

## Capital Projects

The Executive proposes to eliminate the capital appropriation for the Trust, which would have represented a NYC advance, for a reduction of \$7,000,000 from the SFY 2009-10 level.

## INSURANCE DEPARTMENT

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	81,544,000	51,792,000	(29,752,000)	-36.5%
Special Revenue-Other	452,692,826	450,340,555	(2,352,271)	-0.5%
Special Revenue-Federal	150,000	0	(150,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>534,386,826</b>	<b>502,132,555</b>	<b>(32,254,271)</b>	<b>-6.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	11	11	0
All Other Funds:	911	981	70
<b>TOTAL:</b>	<b>922</b>	<b>992</b>	<b>70</b>

### Agency Mission

(Executive Budget: pp. 201-204)

The Insurance Department oversees and monitors the insurance industry to balance the interests of New York State consumers, companies and producers. The Department's responsibilities include approving formations, consolidations, and mergers of New York State insurance companies; all new insurance products; monitoring financial stability; ensuring compliance with insurance laws and regulations through enforcement, education, testing, and licensing of insurance employees; and commencing disciplinary actions against firms and employees that violate such laws. The Department receives its operating revenue primarily from assessments levied on the insurance industry.

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

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- A reduction in funding for the Timothy's Law Small Business Subsidy program to bring total program spending to \$50 million per year.
- A reinstatement of the Insurance Department's responsibility to provide prior approval for any health insurance premium increase.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$502,132,555, a decrease of \$32,254,271 or 6.0 percent from SFY 2009-10 levels. The Executive recommendation includes funding to support 992 full-time Equivalent (FTE) positions, an increase of 70 FTE positions over SFY 2009-10 levels, including the addition of 60 FTE positions associated with the hiring of three new classes of insurance examiner trainees and 10 FTE positions associated with the Executive's proposal to require Insurance Department approval for health insurance rate increases.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$230,564,000, a decrease of \$533,445 from SFY 2009-10 funding levels.

#### **Proposed Increases**

The Executive proposal includes:

- a net increase of \$7,239,087 related to personal service and non-personal service for the Regulation program;
- a net increase of \$2,073,511 related to personal service and non-personal service for the Administration program; and
- a net increase of \$1,178,688 related to personal service and non-personal service for the Consumer Services program;

### Proposed Decreases

The Executive proposal includes:

- a reduction of \$10,865,711 in Maintenance Undistributed appropriations to reflect actual spending in programs that are presently sub-allocated to other State agencies;
- a reduction of \$150,000 related to the Feasibility Risk Pool Study; and
- a reduction of \$9,000 related to personal service for the administration of the Timothy's Law Program.

### Aid to Localities

The Executive proposes an All Funds-Aid to Localities appropriation of \$271,566,000, a decrease of \$31,720,826, or 10.5 percent from SFY 2009-10 funding levels.

### Proposed Decreases

The Executive proposal includes:

- a decrease of \$29,743,000 in support for the Timothy's law Small Business Subsidy program, which reduces total funding for the program to \$50,000,000; and
- a decrease of \$1,977,826 in Maintenance Undistributed appropriations to reflect actual spending in programs that are sub-allocated to other State agencies.

### Article VII

The Executive recommends Article VII legislation that would reinstitute Insurance Department prior approval of health insurance premium increases. This proposal is projected to generate \$70 million in State savings in SFY 2010-100, achieved by reducing the number of persons who shift to public insurance programs when employer-sponsored programs become unaffordable.

# JOB DEVELOPMENT CORPORATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	66,268,000	73,441,000	7,173,000	10.8%
Special Revenue-Other	4,570,000	3,765,000	(805,000)	-17.6%
Special Revenue-Federal	1,000,000	1,000,000	0	0.0%
Capital Projects Fund - Authority Bonds	100,000,000	25,000,000	(75,000,000)	-75.0%
<b>Total for AGENCY SUMMARY:</b>	<b>171,838,000</b>	<b>103,206,000</b>	<b>(68,632,000)</b>	<b>-39.9%</b>

### Agency Mission

(Executive Budget: pp. 224-254)

The Executive proposes to create a new hybrid agency which will assume the responsibilities and administer the programs of the Empire State Development Corporation (ESDC) – formerly the Urban Development Corporation – and the Department of Economic Development (DED). Named the New York State Job Development Corporation (JDC), this new entity would centralize current economic development efforts to promote growth in New York State.

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

### Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- The consolidation of the ESDC and DED into the JDC, which will provide administrative savings of \$4,700,000.
- A multi-agency Capital Reduction Program intended to achieve \$317,000,000 in projected spending reductions over a five-year period.
- Funding of \$25,000,000 for the Small Business Revolving Loan Fund.
- Funding of \$25,000,000 for the New Technology Seed Fund.

## Budget Detail

The Executive proposes an All Funds appropriation of \$103,206,000, a decrease of \$68,632,000 or 39.9 percent from the SFY 2009-10 level due to the merger of ESDC and DED. The Executive recommends funding support of 406 full time equivalent (FTE) positions, which is consistent with SFY 2009-10 levels prior to the merger.

### State Operations

The Executive proposes an All Funds State Operations appropriation of \$4,765,000, a decrease of \$33,700,000 or 87.6 percent from the SFY 2009-10 level due to lower administrative costs from the merger.

### Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$73,441,000, an increase of \$40,068,000 or 120.1 percent above the SFY 2009-10 level. The Executive Proposal maintains funding for the following programs transferred from ESDC at the same level as SFY 2009-10:

- funding of \$6,180,000 for the Empire State Economic Development Fund;
- funding of \$3,404,000 for the Urban and Community Development program in economically distressed areas;
- funding of \$2,940,000 for the retention of football in Western New York;
- funding of \$980,000 for the University at Buffalo's Krabbe Disease Research Institute;
- funding of \$980,000 for the University at Albany's Institute for Nanoelectronics Discovery and Exploration (INDEX); and
- funding of \$490,000 for the Entrepreneurial Assistance Program.

### Proposed Increases

The Executive proposes transferring programs and activities related to the promotion of International Trade from DED and increasing funding by \$1,207,000 to \$2,707,000 from the SFY 2009-10 level.

The Executive also proposes the following increases:

- an appropriation of \$25,000,000 to create the new Small Business Revolving Loan Fund;

- an increase of \$14,222,000 in administrative spending, from \$2,518,000 in SFY 2009-10 to \$16,740,000 in SFY 2010-11, relating to the merger of ESDC and DED; and
- an increase of \$2,769,000 in the Minority and Women-owned Business Development and Lending program, from \$635,000 in SFY 2009-10 to \$3,404,000 in SFY 2010-11.

### Proposed Decreases

The Executive Proposal decreases funding for the following program transferred from DED:

- a \$3,550,000 total decrease to tourism promotion efforts, which includes the I Love New York program, Local Tourism Matching Grants program, and the Explore New York program. The aggregate total of these programs from SFY 2009-10 was \$14,160,000, and funding is proposed under one appropriation at \$10,610,000 for three programs in SFY 2010-11.
- a decrease of \$1,274,000 due to the elimination of additional support for the Entrepreneurial Assistance Program (EAP);
- a decrease of \$196,000 due to the elimination of Gateway Information Center at Beekmantown, New York; and
- a \$196,000 decrease from the elimination of Gateway Information Center at Binghamton, New York.

### Capital Projects

The Executive recommends a \$25,000,000 appropriation for new Capital projects reflecting a decrease of \$75,000,000 from the SFY 2009-10 Budget. This funding is designated for the Empire State Economic Development Fund and remains at the SFY 2009-10 level.

### Article VII

The Executive recommends Article VII legislation that would:

- consolidate the ESDC and DED into the new JDC;
- establish a new Small Business Revolving Loan Fund;
- establish the New Technology Seed Fund;
- make permanent the general loan powers of the ESDC;

- make technical corrections to Chapter 57 of the Laws of 2009 clarifying legislative intent for Empire Zone decertification;
- establish a new Excelsior Jobs Program, which is designed to replace the current Empire Zone Program that is set to expire June 30, 2010; and
- authorize contributions from ESDC to the New York City Empowerment Zones, the New Technology Seed Fund, and Governors Island.

## DIVISION OF THE LOTTERY

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	117,552,101	95,310,700	(22,241,401)	-18.9%
<b>Total for AGENCY SUMMARY:</b>	<b>117,552,101</b>	<b>95,310,700</b>	<b>(22,241,401)</b>	<b>-18.9%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	329	329	0
<b>TOTAL:</b>	<b>329</b>	<b>329</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 211-213)

The Division of Lottery (DOL) is an independent unit of the Department of Taxation and Finance. DOL is responsible for the administration and operational logistics of New York State Lottery games and video lottery terminals (VLTs), which operate to raise revenue for the support of education.

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

## Budget Detail

The Executive recommends an All Funds appropriation of \$95,310,700, a decrease of \$22,241,401 or 18.9 percent over the State Fiscal Year (SFY) 2009-10 level. The Executive recommends funding support of 329 full-time equivalent (FTE) positions, the staffing level remains at the SFY 2009-10 level and reflects the impact of the state-wide hiring freeze.

### State Operations

#### Proposed Decreases

The Executive proposes the following:

- an appropriation of \$84,476,800 for the administration of the Lottery Program. The appropriation represents a decrease of \$21,665,213, or 20.4 percent from SFY 2009-10. This represents a \$711,997, or 3.4 percent reduction in personal service funds and \$20,953,216, or 21.8 percent reduction in non-personal funds. The reduction in non-personal services is related to DOL securing a new telecommunications contract as well as contract services related to upgrading the lottery terminals; and.
- an appropriation of \$10,833,900 for the administration of the Video Lottery Terminal Program. This appropriation represent a decrease of \$576,188 or 5.0 percent from SFY 2009-10. This represents a \$726,809, or 8.2 percent reduction in non-personal service funds and a modest increase in personal service funding of 150,621 or 6.0 percent from SFY 2009-10.

### Article VII

The Executive recommends Article VII legislation that would:

- eliminate the sunset date and hour restriction for Video Lottery Terminal gaming operations. The Division of Lottery would determine the hours of operation for each VLT facility. The Executive estimates this will generate an additional \$45,000,000 in 2010-11 and thereafter; and,
- eliminate the sunset date and the facility restriction related to the game "Quick Draw". The Executive estimates this will generate an additional \$33,000,000 in 2010-11 and \$54,000,000 in SFY 2011-12.

## DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	93,202,000	89,850,000	(3,352,000)	-3.6%
Special Revenue-Federal	35,400,000	36,800,000	1,400,000	4.0%
Dedicated Highway and Bridge Trust Fund	220,435,000	217,842,000	(2,593,000)	-1.2%
Internal Service Fund	10,500,000	11,500,000	1,000,000	9.5%
<b>Total for AGENCY SUMMARY:</b>	<b>359,537,000</b>	<b>355,992,000</b>	<b>(3,545,000)</b>	<b>-1.0%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	2,812	2,809	(3)
<b>TOTAL:</b>	<b>2,812</b>	<b>2,809</b>	<b>(3)</b>

### Agency Mission

(Executive Budget: pp. 219-222)

The New York State Department of Motor Vehicles (DMV) is responsible for registering vehicles to identify and authorize use, providing vehicle titles to establish vehicle ownership, licensing and regulating the motor vehicle industry, and licensing drivers to protect consumers and promote traffic safety. The DMV Traffic Violations Bureau also helps to adjudicate traffic infractions. The DMV collects fees and generates non-tax revenues to support these objectives.

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

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The Executive Budget reflects the Governor's decision to eliminate the requirement that all vehicle owners obtain a new license plate as of April 1<sup>st</sup>, 2010.

## **Budget Detail**

The Governor proposes a total All Funds appropriation of \$355,992,000, a decrease of \$3,545,000 or 0.98 percent from the adjusted SFY 2009-10 Budget. The Executive recommends funding to support 2,809 full-time equivalent (FTE) positions, a decrease of three positions over the previous fiscal year.

### **State Operations**

The Executive proposes a total All Funds State Operations appropriation of \$117,740,000, a decrease of \$1,822,000 or 1.52 percent from the adjusted SFY 2009-10 Budget.

#### **Proposed Decreases**

The Executive proposes:

- a decrease of \$972,000 is primarily the result of further administrative efficiencies in the Compulsory Insurance and Transportation Safety Programs. It reflects the fully annualized value of a workforce reduction plan and overall State operations reductions, offset by increases due to collective bargaining agreements and fringe benefit rates;
- a savings of \$600,000 and nine FTE positions from DMV operations by reducing certain report processing of accident reports; and
- a savings of \$250,000 from the utilization of less expensive mailing rates by obtaining up-to-date addresses from the United States Postal Service.

### **Aid to Localities**

The Executive proposes a total Aid to Localities appropriation of \$20,410,000, an increase of \$870,000 or 4.45 percent from the adjusted SFY 2009-10 Budget.

## Proposed Increases

The Executive proposes:

- an increase of \$870,000 reflects the projection of additional Federal grants for the Governor's Traffic Safety Committee, which administers State highway safety programs.

## **Capital Projects**

The Executive proposes an appropriation of \$217,842,000 from the Dedicated Highway and Bridge Trust Fund for Capital Projects. This represents a decrease of \$2,593,000 or 1.17 percent from the SFY 2009-10 level.

## **Article VII**

The Executive recommends Article VII legislation that would:

- increase the Law Enforcement Motor Vehicle Accident Report threshold from \$1,000 to \$3,000 and eliminate the requirement that motorists also file accident report; and
- allow the Department of Motor Vehicles to take advantage of bulk mailing rates by using the most up-to-date addresses provided by the United States Postal Service.

# OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	<b>Adjusted Appropriation 2009-10</b>	<b>Executive Request 2010-11</b>	<b>Change</b>	<b>Percent Change</b>
<b>AGENCY SUMMARY</b>				
General Fund	7,826,000	6,222,000	(1,604,000)	-20.5%
Special Revenue-Other	400,000	354,000	(46,000)	-11.5%
<b>Total for AGENCY SUMMARY:</b>	<b>8,226,000</b>	<b>6,576,000</b>	<b>(1,650,000)</b>	<b>-20.1%</b>

## Agency Mission

(Executive Budget: pp. 223-225)

The Olympic Regional Development Authority (ORDA) administers 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 Speed-Skating Oval; the Whiteface Mountain Ski Area; Veteran's Memorial Highway; the Mt. Van Hoevenberg Complex; the Olympic Ski Jumping Complex; and the U.S. Olympic Training Center. ORDA also manages the Gore Mountain Ski Center in Warren County. ORDA's activities are supported by revenue generated by venue marketing, fees, and ticket sales to athletic and other events, as well as through appropriation in the State Budget.

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

## Budget Detail

The Executive proposes an All Funds appropriation of \$6,576,000, a decrease of \$1,650,000 or 20.1 percent from the State Fiscal Year (SFY) 2009-10 level.

## State Operations

The Executive proposes an All Funds State Operations appropriation of \$6,576,000, a decrease of \$1,650,000 or 20.1 percent from the SFY 2009-10 level.

## Proposed Decreases

The Executive proposes:

- a \$1,650,000 decrease to be achieved through reduced energy costs and deferred maintenance.

## OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	147,930,438	123,133,600	(24,796,838)	-16.8%
Special Revenue-Other	96,184,900	99,901,900	3,717,000	3.9%
Special Revenue-Federal	9,320,900	9,820,900	500,000	5.4%
Enterprise	1,500,000	1,500,000	0	0.0%
Misc. Capital Projects	3,800,000	3,800,000	0	0.0%
State Parks Infrastructure Fund	73,200,000	29,001,000	(44,199,000)	-60.4%
Federal Capital Projects Fund	4,000,000	4,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>335,936,238</b>	<b>271,157,400</b>	<b>(64,778,838)</b>	<b>-19.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	1,583	1,622	39
All Other Funds:	490	384	(106)
<b>TOTAL:</b>	<b>2,073</b>	<b>2,006</b>	<b>(67)</b>

### Agency Mission

(Executive Budget: pp. 227-232)

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides recreational and interpretive opportunities for New York State residents and visitors at 178 parks and 35 historic sites across the State. The Office also hosts cultural and educational 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.

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

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- A delay in the graduation of a new Parks Police Academy Class until after SFY 2010-11.
- A shift of Parks' operating costs to the Environmental Protection Fund (EPF) to achieve General Fund savings.
- Elimination of certain Historic Preservation functions.
- An expansion of the authorized use of funds in the Snowmobile Trail Development and Maintenance Fund.

### **Budget Detail**

The Executive proposes an All Funds appropriation of \$271,157,400, a decrease of \$64,778,838 or 19.3 percent from the SFY 2009-10 level. The Executive recommends funding support of 2,006 full-time equivalent (FTE) positions, a decrease of 67 positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$211,681,400, a decrease of \$15,205,000 or 6.7 percent from the SFY 2009-10 level.

#### **Proposed Decreases**

The Executive proposes the following:

- the elimination of 30 FTEs for Park Police through attrition for a General Fund reduction of \$1,650,000;
- the elimination of certain Historic Preservation functions for a General Fund reduction of \$1,730,000;
- the elimination of Environmental Resource Management functions for a General Fund reduction of \$350,000;
- across the board reductions of \$8,941,000; and
- a five-day salary deferral of \$1,751,000.

## **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$12,675,000, a decrease of \$5,374,838 or 29.8 percent from the SFY 2009-10 level.

### **Proposed Decreases**

The Executive proposes the following:

- a reduction of \$1,000,000 in Navigation Law reimbursement payments; and
- the elimination of \$4,374,838 in appropriations from the Community Projects Fund.

## **Capital Projects**

The Executive recommends capital appropriations of \$46,801,000, a decrease of \$44,199,000 or 48.6 percent from the SFY 2009-10 level. This is primarily due to the removal of a one-time Parks Capital initiative of \$31,000,000, and the removal of \$8,000,000 in funding for the Walkway over the Hudson. Additionally \$5,000,000 in costs associated with the State Parks Infrastructure Fund (SPIF) are shifted to the EPF.

## **Article VII**

The Executive recommends Article VII legislation that would:

- reduce the authorized reimbursement rate paid to governmental entities that voluntarily enforce provisions of the Navigation Law from 75 percent to 50 percent; and
- expand the authorized use of funds in the Snowmobile Trail Development and Maintenance Fund to include all recreational activities.

## DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	81,111,000	76,392,000	(4,719,000)	-5.8%
Special Revenue-Federal	3,097,000	3,750,000	653,000	21.1%
<b>Total for AGENCY SUMMARY:</b>	<b>84,208,000</b>	<b>80,142,000</b>	<b>(4,066,000)</b>	<b>-4.8%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	0	2	2
All Other Funds:	553	553	0
<b>TOTAL:</b>	<b>553</b>	<b>555</b>	<b>2</b>

### Agency Mission

(Executive Budget: pp. 247-249)

The Department of Public Service (DPS) is the staff arm of the Public Service Commission (PSC) and has the mandate of ensuring New Yorkers' access to reliable and low cost utility services. The PSC is responsible for regulating the rates and services of the State's public utilities, overseeing the siting of major electric and gas transmission lines and facilities, and ensuring the safety of natural gas and liquid petroleum pipelines. The Department is also responsible for the oversight and regulation of the cable television industry.

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

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- Funding of \$1,000,000 in local assistance funding for parties seeking to intervene in the electric generation and transmission facility siting review process.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$80,142,000, a decrease of \$4,066,000 or 4.8 percent from the SFY 2009-10 level. The Executive recommends funding support of 555 full-time equivalent (FTE) positions, an increase of two positions.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$79,142,000, a decrease of \$4,516,000 or 5.4 percent from the SFY 2009-10 level. This decrease is primarily the result of across-the-board reductions, partially offset by additional funding for pipeline safety.

#### **Proposed Increases**

The Executive Budget includes the following:

- an increase of \$653,000 in Federal funding for pipeline safety.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$1,000,000, reflecting an increase of \$450,000 or 81.8 percent from the SFY 2009-10 level.

#### **Proposed Increases**

The Executive Budget includes the following:

- an increase of \$450,000 for transmission intervenor funding.

### **Article VII**

The Executive recommends Article VII legislation that would:

- authorize the Department of Health to finance public service education activities with revenues generated from an assessment on cable television companies.

## **Deficiency Request**

The adjusted appropriation includes a recommended deficiency appropriation of \$1,250,000 from the American Recovery and Reinvestment Act of 2009 for utility regulation.

## STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	25,203,000	22,470,000	(2,733,000)	-10.8%
<b>Total for AGENCY SUMMARY:</b>	<b>25,203,000</b>	<b>22,470,000</b>	<b>(2,733,000)</b>	<b>-10.8%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	99	99	0
<b>TOTAL:</b>	<b>99</b>	<b>99</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 251-254)

The State Racing and Wagering Board (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.

## Budget Detail

The Executive recommends an All Funds appropriation of \$22,470,000 for State Fiscal Year (SFY) 2010-11, reflecting a net decrease of \$2,733,000 or 10.84 percent below SFY 2009-10. The decrease reflects recurring personal and non-personal services spending reductions.

A workforce of 99 full-time equivalent (FTE) positions is proposed, representing no change in FTE positions from the current level.

### State Operations

#### Proposed Decreases

The Executive proposes the following:

- Special Revenue Fund - Other appropriations of \$12,970,000 for the support of the Regulation of Racing program representing a \$1,814,000 or 12.27 percent net reduction in funding below SFY 2009-10 ; and
- Special Revenue Fund Other appropriations of \$9,500,000 for the support of the Regulation of Wagering program reflecting an overall decrease of \$919,000 or 8.82 percent funding below SFY 2009-10 for the Bell Jar Collection and Indian Gaming accounts .

### Article VII

The Executive recommends Article VII legislation that:

- would provide for "Equine Drug Testing" to be conducted by a State college with an equine sciences program. This proposal opens up equine drug testing to other universities by removing the requirement that equine drug testing be performed exclusively by Cornell University;
- would extend for one year the current Pari Mutuel tax rates and rules governing out-of-State racing (Revenue Bill); and
- would repeal the Task Force on the Future of Off Track Betting in New York State, which was created in 2008 (Office of Taxpayer Accountability bill).

### Racing Reform

The Executive recommends the continuation of \$2,000,000 in General Fund reappropriations to support costs and expenses associated with the Racing Reform Program as provided in Chapters 18 and 140 of the Laws of 2008.

# GOVERNOR'S OFFICE OF REGULATORY REFORM

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,072,521	2,350,000	(722,521)	-23.5%
<b>Total for AGENCY SUMMARY:</b>	<b>3,072,521</b>	<b>2,350,000</b>	<b>(722,521)</b>	<b>-23.5%</b>

## ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	22	22	0
<b>TOTAL:</b>	<b>22</b>	<b>22</b>	<b>0</b>

### Agency Mission

(Executive Budget: pp. 255-258)

The Governor's Office of Regulatory Reform (GORR) was created in 1995 and focuses on the oversight, review and streamlining of State regulations, providing information on regulatory requirements and expediting regulatory approval.

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

## **Budget Detail**

The Executive recommends an All Funds appropriation of \$2,350,000 for State Fiscal Year (SFY) 2010-11 reflecting a net reduction of \$722,521 or 23.5 percent below SFY 2009-10 funding levels.

The Executive recommends a workforce of 22 full-time equivalent (FTE) funded positions which reflects no change from the current SFY 2009-10 staffing levels.

### **State Operations**

The Executive proposal includes \$2,350,000 in State Operations General Fund appropriations reflecting the following changes in spending:

#### **Proposed Decreases**

The Executive proposes:

- a \$376,000 reduction in Personal Service funding in the Administration program; and
- a \$346,000 reduction in Non-Personal Service funding associated with contractual services and equipment in the Administration program.

Decreases in funding reflect recurring savings taken as a result of the transfer of Online Permit and Licensing System (OPAL) functions, equipment and 10 associated FTEs to the Chief Information Officer/Office of Technology. The transfer will facilitate technological upgrades to the aging OPAL system and would make the system more user-friendly and efficient.

## SCIENCE, TECHNOLOGY AND INNOVATION, NYS FOUNDATION FOR

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	41,694,000	142,033,000	100,339,000	240.7%
Special Revenue-Other	500,000	500,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>42,194,000</b>	<b>142,533,000</b>	<b>100,339,000</b>	<b>237.8%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	24	24	0
<b>TOTAL:</b>	<b>24</b>	<b>24</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 306-326)

The New York State Foundation for Science, Technology, and Innovation Foundation is a public benefit corporation responsible for promoting and investing in enterprises with the potential to create and retain high-technology jobs. The Foundation is also responsible for directing the State's university-based high-technology economic development programs.

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

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- An appropriation of \$100,000,000 for the Innovation Economy Matching Grants Program.
- An appropriation of \$6,934,000 for the operating expenses of the Centers of Excellence. The administration of this program, and the respective appropriations, were transferred to the Foundation from the New York State Urban Development Corporation.

## **Budget Detail**

The Executive proposes an All Funds appropriation of \$142,533,000, an increase of \$100,339,000 or 337.8 percent over the SFY 2009-10 level. The Executive recommends funding support of 24 full time equivalent (FTE) positions, which is consistent with SFY 2009-10 levels.

### **State Operations**

The Executive proposes an All Funds State Operations appropriation of \$3,351,000, a decrease of \$942,000 or 21.9 percent below the SFY 2009-10 level due to lower administrative costs.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$139,182,000, an increase of \$101,281,000 or 267.7 percent above the SFY 2009-10 level. The Executive Proposal maintains funding for the following programs at the same level as SFY 2009-10:

- \$13,818,000 for the Centers for Advanced Technology;
- \$4,606,000 for the High Technology Matching Grants program;
- \$1,470,000 for the Training and Business Assistance Program;
- \$1,382,000 for the Technology Development Organization Matching Grants program;
- \$921,000 for the Industrial Technology Extension Service;
- \$750,000 for University at Albany Institute for Nanoelectronics Discovery and Exploration (INDEX);
- \$690,000 for SUNY Albany Semiconductor Research Corporation Center for Advanced Interconnect System Technologies (CAIST);
- \$500,000 for Rensselaer Polytechnic Institute Smart Lighting Systems Engineering Research Center;

- \$490,000 for Columbia University/NSF Nanoscale Science and Engineering Center;
- \$490,000 for Cornell University/NSF Nanoscale Science and Engineering Center;
- \$490,000 for Cornell University/NSF National Nanotechnology Infrastructure Network;
- \$490,000 for RPI/NSF Nanoscale Science and Engineering Center;
- \$392,000 for Cornell University NSF Materials Research Science and Engineering Center;
- \$343,000 for the Science and Technology Law Center;
- \$294,000 for Cornell University NSF Nanobiotechnology Center;
- \$250,000 for Stony Brook University Semiconductor High-energy Radiation project; and
- \$245,000 for Columbia University/NSF Materials Research Science and Engineering Center.

The Executive proposal maintains funding of \$6,934,000 for the six current Centers of Excellence transferred from the Empire State Development Corporation at the same level as SFY 2009-10.

#### Proposed Increases

The Executive proposal includes:

- a new \$100,000,000 appropriation to create the new Innovation Economy Matching Grants Program.

#### Proposed Decreases

The Executive proposal includes:

- a \$2,050,000 decrease to the Incentive Program from \$2,920,000 in SFY 2009-10 to \$870,000 in SFY 2010-11;
- a \$1,934,000 decrease to the Faculty Development Program from \$2,685,000 in SFY 2009-10 to \$751,000 in SFY 2010-11;
- a \$1,600,000 decrease to the Focus Center from \$4,606,000 in SFY 2009-10 to \$3,006,000 in SFY 2010-11; and
- a \$69,000 decrease from the elimination of CUNY Optical Sensing and Imaging Center.

## DEPARTMENT OF STATE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	39,747,384	20,907,000	(18,840,384)	-47.4%
Special Revenue-Other	46,342,000	41,082,000	(5,260,000)	-11.4%
Special Revenue-Federal	112,585,000	118,286,940	5,701,940	5.1%
Hazardous Waste Remedial Fund - Oversight and Assesment	2,750,000	2,750,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>201,424,384</b>	<b>183,025,940</b>	<b>(18,398,444)</b>	<b>-9.1%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	175	147	(28)
All Other Funds:	632	530	(102)
<b>TOTAL:</b>	<b>807</b>	<b>677</b>	<b>(130)</b>

#### Agency Mission

(Executive Budget: pp. 263 - 268)

The Department of State (Department) is the State's oldest agency, and is responsible for programs relating to services to local governments and community based organizations. The Department protects public safety by managing arson investigation, fire prevention, building and energy code programs; administers programs for community development and local government service activities; and supports businesses through various licensing and registration activities.

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

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- The Executive proposes the elimination of \$9,300,000 due to the transfer of Local Wireless 911 Service Costs to the Division of Homeland Security and Emergency Services.
- The Executive proposes an increase of 6 full-time equivalent (FTE) positions within the Business and Licensing Program attributed to the licensing and regulating of mixed martial arts. The increase of 6 FTE positions would be offset by the elimination of 15 FTE positions attributed to attrition. The FTE adjustment would result in a reduction of \$5,473,000 which is comprised of personal and nonpersonal service cost reductions.
- The Executive proposes to accept federal funding for the Great Lakes Initiative in the amount of \$5,306,000.
- The Executive proposes the transfer of the Office of Fire Prevention and Control, and the New York Fire Academy from the Local Government and Community Services Program to the Division of Homeland Security and Emergency Services. The proposal would result in a reduction of \$4,708,000 due to the transfer 124 FTE positions to the Division of Homeland Security and Emergency Services and the elimination of 8 FTE positions due to attrition. In addition, the Emergency Services Revolving Loan Fund Program Aid to Localities funding in the amount of \$3,787,700 would also be transferred to the Division of Homeland Security and Emergency Services.
- The Executive proposes the elimination of Civil Legal Services in the amount of \$8,395,911, the Census Program in the amount of \$2,000,000 and the Public Utility Law Project in the amount of \$505,000 for a net reduction of \$10,900,911.
- The Executive proposes funding in the amount of \$1,826,000 to support 11 FTE positions and program operations attributed to the transfer of the Authorities Budget Office Program to the Department.

### **Budget Detail**

The Executive Budget recommends an All Funds appropriation of \$183,025,940, a \$18,398,444 decrease from its SFY 2009-10 funding levels. The Executive proposes support for a workforce of 677 full-time equivalent FTE positions, a decrease of 130 FTEs below SFY 2009-10.

## State Operations

The Executive proposes an All Funds State Operations appropriation of \$71,760,309, a decrease of \$5,432,191 from the SFY 2009-10 level.

### Proposed Increases

The Executive proposal includes:

- an increase of \$1,826,000 to support the Authorities Budget Office Program which includes 11 FTE positions;
- an increase of \$5,306,000 in federal funding in order to establish the Great Lakes Initiative Program; and
- a \$4,809 increase to the Community Services Block Grant Program.

### Proposed Decreases

The Executive proposes the following actions to reduce support for state operations:

- a \$5,473,000 reduction in the Business and Licensing Program attributed to nonpersonal service cost reductions, primarily contractual services, as well as personal service cost adjustments;
- a \$4,708,000 decrease in support for the Local Government and Community Services Program due to the transfer of the Office of Fire Prevention and Control, Emergency Services Revolving Loan Fund and the New York Fire Academy to the Division of Homeland Security and Emergency Services;
- a \$2,016,000 decrease in General Fund support for the Administration Program, Local government and Community Services Program, Tug Hill Commission and New York State Commission on Uniform Laws attributed to personal and nonpersonal service cost reductions;
- a \$827,207 decrease in personal and nonpersonal service costs attributed to the transfer of the Office of Fire Prevention and Control and related fire safety programs to the Division of Homeland Security and Emergency Services;
- a \$273,000 net decrease in support for the Local Government and Community Services Program, Regulation of Manufactured Housing program, Fire Protection program, Cigarette Safety program and the Watershed Partnership program attributed to personal and nonpersonal service cost reductions;

- a \$49,406 decrease in support for the Coastal Zone Management program and the Appalachian Technical Assistance program attributed to personal and nonpersonal service cost reductions;
- a \$40,809 decrease in federal support for the Community Services Block Grant Program reflecting a reduction in administrative support; and
- a \$14,000 decrease in support for the Lake George Park Commission attributed to a reduction of administrative services.

### **Aid to Localities**

The Executive proposes an All Funds Aid to Localities appropriation of \$105,133,631 a decrease of \$16,348,253 from the SFY 2009-10 level.

#### **Proposed Increases**

The Executive proposes:

- An increase of \$476,131 from a federal stimulus appropriation for the Community Services Block Grant program in the amount of \$43,194,631.

#### **Proposed Decreases**

The Executive proposes:

- A \$9,300,000 decrease from the transferring of the Local Wireless 911 Service to the Division of Homeland Security and Emergency Services;
- the elimination of Civil Legal Services in the amount of \$8,395,911;
- a decrease of \$3,797,700 from the transfer of the Emergency Services Revolving Loan Fund Program to the Division of Homeland Security and Emergency Services;
- the elimination of the Census Program in the amount of \$2,000,000; and
- the elimination of the Public Utility Law Project in the amount of \$505,000.

### **Capital Projects**

The Executive proposes capital funding for the Hazardous Waste Remedial Fund in the amount of \$2,750,000, consistent with the 2009-10 funding level.

## **Article VII**

The Executive recommends Article VII legislation that would:

- extend for one year the authority of the Secretary of State to charge increased fees for the expedited handling of documents;
- extend for one year the funding distribution formula for the Community Services Block Grant Program;
- authorize and regulate the conduct of professional mixed martial arts in New York State; and
- streamline the classification of not for profit corporations.

## **Deficiency Request**

Amend Chapter 56 of the Laws of 2009 to increase the authorized transfer from the Statewide Public Safety Communications Account to the General Fund from \$20 million to \$70 million.

## DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	391,585,750	388,691,000	(2,894,750)	-0.7%
Special Revenue-Other	92,799,000	107,297,000	14,498,000	15.6%
Special Revenue-Federal	2,582,000	2,500,000	(82,000)	-3.2%
Internal Service Fund	46,202,000	41,806,000	(4,396,000)	-9.5%
<b>Total for AGENCY SUMMARY:</b>	<b>533,168,750</b>	<b>540,294,000</b>	<b>7,125,250</b>	<b>1.3%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	4,403	4,818	415
All Other Funds:	775	804	29
<b>TOTAL:</b>	<b>5,178</b>	<b>5,622</b>	<b>444</b>

### Agency Mission

(Executive Budget: pp. 269-275)

The Department of Taxation and Finance (Department) is responsible for the administration and collection of various State taxes as well as numerous local taxes. In addition, the Department also manages the State Treasury and provides investment and cash management services to various State agencies.

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

## **Programmatic Highlights**

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the following:

- An increase in tax “collections/compliance” by assigning up to 330 additional staff members to focus on personal income taxes and lower volume sales tax vendors; the Executive estimates this will generate \$221,000,000 in additional annual revenue; and
- Merging of the Office of Real Property Services (ORPS) into the Department. The function of ORPS as well as those of the “State Board” of Real Property Services will be a subdivision known as the Office of Real Property Tax Services (ORPTS) within the Department; and, similar to other tax grievances with the Department, the Tax Appeals Agency will be responsible for real property tax disputes, including equalization challenges. The merger is considered an expansion of the current host arrangement between the agencies; the Executive estimates a savings of over \$1,900,000 annually.

## **Budget Detail**

The Executive proposes an All Fund appropriation of \$540,294,000, an increase of \$7,125,250 or 1.3 percent over SFY 2009-10. The Executive recommends funding support of 5,622 full-time equivalent (FTE) positions, an increase of 444 positions; however, it is important to note that 268 of the FTE’s are being reassigned to the Department as a result of the proposed ORPS merger.

## **State Operations**

The Executive proposes an All Funds State Operations/Aid to Localities appropriation of \$12,325,000, a decrease of \$608,750 or 4.71 percent from the SFY 2009-10 level.

### **Proposed Increases**

The Executive proposes the following:

- an All Funds increase of \$19,259,913 or 10.5 percent from the SFY 2009-10 level for the Audit Collections and Enforcement; this includes a General Fund increase of \$6,841,913, an increase of \$12,500,000 in Special Revenue Funds – Other (SRO) with a modest decrease of \$82,000 in Special Revenue Funds – Federal (SRF). The increase in SRO is for equitable sharing agreements with law enforcement and contractual services for the administration and collection of outstanding tax liabilities; while the SRF reduction is related to the equitable sharing agreement with Federal law enforcement;
- a General Fund increase of \$410,316 or 2.4 percent from the SFY 2009-10 level for the Management, Administration and Counsel unit; this unit provides a full range of legal services to the Department;

- an All Funds increase of \$159,751 or 0.1 percent from the SFY 2009-10 level for the Revenue Processing and Reconciliation unit; this unit maintains taxpayers' accounts to include taxpayer returns and remittance; and
- a General Fund increase of \$153,096 or 8.7 percent from the SFY 2009-10 level for the Office of Conciliation and Mediation; this department provides taxpayers with a statutorily mandated option of informal and impartial dispute resolution.

### Proposed Decreases

The Executive proposes:

- a General Fund decrease of \$4,019,405 or 13.9 percent from the SFY 2009-10 level for the "Central Operations Support" unit which provides infrastructure support (e.g. printing and mailing services, telecommunications support, in-house security) within the agency;
- a General Fund decrease of \$1,662,133 or 2.4 percent from the SFY 2009-10 level for the Technology and Information Service; this unit maintains, secures and improves the Department's technological infrastructure;
- a General Fund decrease of \$215,538 or 4.7 percent from the SFY 2009-10 level for Tax Policy, Revenue Accounting and Taxpayer Guidance; this unit works as a legislative and budget liaison as well as tax policy analysis to include fiscal analysis; and
- an All funds decrease of \$6,352,000 or 19.5 percent for the "merging" of Office of Real Property Services into the Department.

### Aid to Localities

#### Proposed Decreases

The Executive proposes:

- The Governor proposes a General Fund decrease of \$608,750 or 4.7 percent for the aid to localities which includes payments to local governments pursuant to the rail infrastructure act of 2002 for assessor training and aid to municipalities for quality assessments (prior ORPS dedicated appropriation).

## Article VII

The Executive recommends Article VII legislation that would:

- improve the administration of the Department's electronic filing and electronic payment programs by eliminating the taxpayer's ability to "opt out" of electronic filing when using a qualified tax preparer. This proposal would also provide the Department with the authority to allow a penalty free period for electronic filings that are filed timely but subsequently rejected and prohibits tax preparers and software companies from charging separate electronic filing fees to New York filers;
- require the Department to complete a report within 245 days that makes recommendations to modernize the taxation of telecommunication services;
- reduce certified mail and registered mail filings by authorizing the Department to use other established methods for communication, including electronic mail when authorized by the addressee;
- authorize the Department more latitude in collecting outstanding taxes where the tax debtor can show exceptional circumstances and where such discharge or compromise in the collection of unpaid taxes are in the best interest of the State;
- merge ORPS into the Department for an annual savings of \$1.9 million. The new unit within the Department would be known as the ORPTS. The merger proposal includes the following:
  - ORPS and the Board of Real Property Services to merge into the Department;
  - the newly established ORPTS would be overseen by a deputy commissioner, who would be appointed by the Governor and report to the Commissioner ;
  - the responsibility of the Board would be transferred to the Commissioner - except for matters related to the special franchise assessments, railroad ceilings, and state equalization rate complaints, which would be the responsibility of the Tax Appeals Tribunal; and
  - all ORPS employees will be reassigned to the Department;
- decrease the "floor" used in the computation of the STAR exemption from 89 percent to 81 percent. The Governor estimates this will provide a savings to the State of \$40 million in SFY 2010-11 and thereafter;
- limit STAR to homes valued at less than \$1.5 million. The Governor estimates a savings to the State of \$30 million in SFY 2010-11 and thereafter; and

- eliminate the NYC STAR PIT rate reduction for taxpayers with incomes above \$250,000. The rate would increase from 3.2 percent to 3.4 percent, returning to pre-STAR level. The Governor estimates a savings to the State of \$143 million in SFY 2010-11.

## DIVISION OF TAX APPEALS

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,353,000	2,913,000	(440,000)	-13.1%
<b>Total for AGENCY SUMMARY:</b>	<b>3,353,000</b>	<b>2,913,000</b>	<b>(440,000)</b>	<b>-13.1%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
General Fund:	27	27	0
<b>TOTAL:</b>	<b>27</b>	<b>27</b>	<b>0</b>

#### Agency Mission

(Executive Budget: pp. 277-279)

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes impartial and timely hearing of taxpayers' disputes.

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

#### Budget Detail

The Executive proposes an All Funds appropriate of \$2,913,000, a decrease of \$440,000 or 13.1 percent from SFY 2009-10 levels. The Executive recommends support of 27 full-time equivalent (FTE) positions, the staffing level remains at the SFY 2009-10 level.

## State Operations

### Proposed Decreases

- The Executive proposes a decrease of \$440,000 to reflect a reduction in employee costs of \$360,000 (personal service) and \$80,000 in non-personal service expenditures; of the \$80,000, \$56,000 or 70 percent is a reduction in contractual services.

# NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
NYS Canal System Development Fund	2,000,000	2,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>0</b>	<b>0.0%</b>

## Agency Mission

(Executive Budget: pp. 281)

The New York State Thruway Authority (TA) is responsible for operating a 641-mile toll highway system, along with the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, the Authority maintains, operates, develops, and makes capital improvements to the 524-mile canal system which includes 57 locks, 16 lift bridges, and numerous dams, reservoirs, and water control structures.

The Canal Development Program is the only Authority Program reflected in the Executive Budget. All other Thruway and Canal System programs are supported by TA revenues and are not included in the Executive Budget.

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

## Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes the transfer of operational responsibility for Interstate 84 from the Thruway Authority to the New York State Department of Transportation.

## Budget Detail

The Executive proposes an appropriation of \$2,000,000 for the Canal Development Program, unchanged from the State Fiscal Year (SFY) 2009-10 funding level. The revenues deposited into

the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. CSDF re-appropriations of \$10,239,000 are also requested. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

## DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	61,587,591	97,550,900	35,963,309	58.4%
Special Revenue-Other	4,197,171,128	4,312,458,000	115,286,872	2.7%
Special Revenue-Federal	70,668,000	71,093,000	425,000	0.6%
Fiduciary	0	50,000,000	50,000,000	-
Federal Capital Projects Fund	4,516,000,000	2,316,000,000	(2,200,000,000)	-48.7%
Dedicated Highway and Bridge Trust Fund	1,329,504,000	1,945,144,000	615,640,000	46.3%
Cap. Proj. Fund - Rebuild Renew NY 2005 - Bondable	232,000,000	0	(232,000,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>10,406,930,719</b>	<b>8,792,245,900</b>	<b>(1,614,684,819)</b>	<b>-15.5%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2009-10	Requested 2010-11	Change
All Other Funds:	9,701	9,610	(91)
<b>TOTAL:</b>	<b>9,701</b>	<b>9,610</b>	<b>(91)</b>

### Agency Mission

(Executive Budget: pp. 283-292)

The Department of Transportation (DOT) maintains and improves the state's more than 40,000 highway lane miles and 7,500 bridges. In addition, DOT partially funds locally operated transit systems, local government highway and bridge construction, as well as rail and aviation programs. DOT closely coordinates with other State transportation agencies and authorities with the goal of creating an interconnected statewide transportation system that addresses environmental and community concerns and efficiently moves people and goods throughout the State.

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

### **Programmatic Highlights**

The State Fiscal Year (SFY) 2009-10 Executive Budget includes the following:

- A proposal for a new two year Road and Bridge Capital Plan totaling \$6,990,000,000.
- A proposal to require the Department of Environmental Conservation to issue waivers to State Agencies, regional public authorities and their contractors that would defer the statutory retrofitting requirements under the Diesel Emissions Reduction Act for vehicles that will be retired before December 31, 2013, which will generate \$36,000,000 in savings for the transit systems and \$1,400,000 for the DOT.
- A transfer of operational responsibility for I-84 from the Thruway Authority to DOT for an estimated annual savings of \$3,000,000 and the creation of 54 full time positions.

### **Budget Detail**

The Executive recommends a total All Funds appropriation of \$8,792,245,900 for SFY 2010-11, which represents a decrease of \$3,456,577,819 or 28.2 percent from funding levels in the current fiscal year. The Executive also recommends funding to support 9,610 full-time equivalent (FTE) positions, a net decrease of 91 positions over SFY 2009-10 staffing levels.

### **State Operations**

The Executive recommends total State Operations appropriations of \$37,840,000 for SFY 2010-11, which represents a decrease of \$10,589,000 or 21.8 percent from funding levels in the current fiscal year.

#### **Proposed Increases**

The Executive proposes:

- a \$15,300,000 increase to Fund the Amtrak service from Albany to Montreal to meet Federal requirements and to make additional rail investments; and
- a \$10,000,000 increase over the SFY 2009-10 funding levels in the Dedicated Highway and bridge Trust Fund for a total of \$501,000,000 for use on highway and bridge construction.

## Proposed Decreases

The Executive proposes:

- a \$28,600,000 reduction resulting from the fund shift of personal and non-personal services cost in order to maximize utilization of Federal transportation funding;
- a \$6,000,000 decrease from a reduction of 100 FTE positions for preventative maintenance, snow and ice control, and the implementation of new salt application techniques;
- a \$1,000,000 decrease resulting from reduced maintenance costs from the closing of unmanned highway rest areas in locations where other services are available to motorists; and
- a \$600,000 reduction resulting from a decrease of 15 FTE positions for information technology functions.

## Aid to Localities

The Executive recommends total Aid to Localities appropriations of \$4,357,490,900 for SFY 2010-11, which represents an increase of \$147,964,181 or 3.51 percent from funding levels in the current fiscal year. The preservation of Capital aid to local governments for highway and bridge projects at SFY 2009-10 levels, with \$363,100,000 provided for the Consolidated Highway Improvement Program (CHIPS) and \$39,700,000 for the Marchiselli program.

## Proposed Increases

The Executive proposes:

- a \$147,964,181 increase due to additional in Metropolitan Transportation Authority funding from dedicated revenue sources enacted in May 2009.

## Capital Projects

The current DOT Capital Plan ends April 1, 2010. The 2010-14 DOT Capital Plan 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 2010-14 DOT Capital Plan totaled \$25,845,000,000, but was presented without funding and was vetoed by the Executive.

The 2010-11 Executive Budget includes a two year Capital Plan totaling \$6,990,000,000, in which \$3,487,000,000 would be spent in SFY 2010-11 and \$3,503,000,000 would be spent in

SFY 2011-12. This is a reduction in spending of \$221,000,000 from SFY 2009-10 due to a reduction in funding from the Bond Act of \$278,000,000.

Additionally, the previous 2005-2009 Capital Plan has a proposed reduction in reappropriations for the Multi-Modal Program by \$101,000,000 and the Industrial Access Program by \$32,000,000.

## **Article VII**

The Executive recommends Article VII legislation that would:

- provide the annual authorization for the CHIPS and Marchiselli programs;
- consolidate DOT's Accident Damage Account with the Dedicated Highway and Bridge Trust Fund;
- establish a waiver process so that State agencies, transit systems, and authorities subject to the Diesel Emission Reduction Act can postpone compliance if approved vehicles will be retired within three years;
- eliminate the ability of industrial development agencies to grant an exemption on the additional portion of the Mortgage Recording Tax dedicated to transit systems; and
- extend the Department of Transportation's Single Audit program for one year.

## **Deficiency Request**

The adjusted appropriation includes a recommended deficiency appropriation of \$5,000,000 to the Department of Transportation for SFY 2009-10 for unanticipated grants from the Environmental Protection Administration. The appropriation is necessary to allow DOT to obligate funds received from the American Recovery and Reinvestment Act of 2009 from agencies other than the United States Department of Transportation.

## MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	3,473,000	3,305,000	(168,000)	-4.8%
Special Revenue-Other	681,254,000	2,292,400,000	1,611,146,000	236.5%
Cap. Proj. Fund - Rebuild Renew NY 2005 - Bondable	82,000,000	0	(82,000,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>766,727,000</b>	<b>2,295,705,000</b>	<b>1,528,978,000</b>	<b>199.4%</b>

### Budget Details

#### State Operations

##### Proposed Decreases

##### **Green Thumb**

The Executive proposes an appropriation of \$2,782,000 for the Green Thumb Program, which provides income-eligible seniors with part-time employment in State agencies. In SFY 2010-11, the Department of Environmental Conservation's participation in the program will be reduced, generating a decrease of \$49,000 or 1.7 percent in the Green Thumb Program.

##### **Hudson River Valley Greenway Communities Council (Greenway Council)**

The Executive proposes an appropriation of \$203,000 in State Operations funding for the Greenway Council, a reduction of \$95,000 or 31.9 percent from the SFY 2009-10 level.

## Aid to Localities

### Proposed Increases

#### **Metropolitan Transportation Authority**

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$2,253,300,000, an increase of \$153,764,000 or 215 percent from the SFY 2009-10 Enacted Budget. This includes annual appropriation of \$621,300,000, a decrease of \$12,354,000 or 1.95 percent, from the Dedicated Mass Transportation Trust Fund and a new appropriation of \$1,632,000,000 from the dedicated revenue sources that were enacted in May 2009. This contingency appropriation can be used for support operating costs as well as debt service payments for the MTA in SFY 2011-12 in the event that the State budget for that fiscal year is not enacted by April 1, 2011.

### Proposed Decreases

#### **Hudson River Valley Greenway Communities Council (Greenway Council)**

The Executive proposes an appropriation of \$136,000 in Aid to Localities funding for the Greenway Council, a reduction of \$24,000 or 15 percent from the SFY 2009-10 level.

#### **Tribal State Compact Revenue**

The Executive proposes a Special Revenue Funds-Other appropriation of \$39,100,000 for the Tribal State Compact revenue for purposes identified in Section 99-h of the State Finance Law. This represents a decrease of \$8,500,000 from the SFY 2009-10 appropriation.

## Capital Projects

### Article VII

The Executive recommends Article VII legislation that would:

- facilitate a more efficient transfer of the State's share of the Native American Casino revenue to the General Fund;
- make a technical correction to the distribution of the local share of the revenues associated with the Niagara Falls Casino;

- eliminate the ability of the Metropolitan Transportation Authority (MTA) employees from receiving double the amount of workers' compensation benefits when injuries occur on leased New York City property;
- extend owner controlled insurance to all MTA capital projects in order to provide savings to the Authority;
- authorize the MTA to conduct a pilot program to test the use of electronic and reverse bidding; and
- indemnify the MTA from fault for injuries resulting from reckless or deliberate misconduct.

# **LEGISLATURE & JUDICIARY**

## **Summary of Recommended Appropriations By Agency**

## LEGISLATURE

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	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	219,767,845	220,045,254	277,409	0.1%
Special Revenue-Other	2,100,000	2,100,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>221,867,845</b>	<b>222,145,254</b>	<b>277,409</b>	<b>0.1%</b>

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# JUDICIARY

	<b>Adjusted Appropriation 2009-10</b>	<b>Executive Request 2010-11</b>	<b>Change</b>	<b>Percent Change</b>
<b>AGENCY SUMMARY</b>				
General Fund	2,269,057,771	2,452,295,285	183,237,514	8.1%
Special Revenue-Other	247,599,690	262,906,355	15,306,665	6.2%
Special Revenue-Federal	9,100,000	9,100,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>2,525,757,461</b>	<b>2,724,301,640</b>	<b>198,544,179</b>	<b>7.9%</b>

## Agency Mission

(Executive Budget: pp. 459-474)

The New York State Courts are established and administered as an independent branch of government pursuant to Article VI of the State Constitution. The cost of operating the courts (excluding town and village courts) is borne by the State pursuant to the Unified Court Budget Act. The mission of the Unified Court System is to promote the rule of law and to serve the public by providing just and timely resolutions of all matters before the courts. The New York State Judiciary (Judiciary) carries out its mission through eleven different trial courts (courts of original jurisdiction), its intermediate appellate courts and its highest court, the Court of Appeals.

The Judiciary is included in the Legislature and Judiciary appropriation bill.

## Budget Detail

The Judiciary's budget request, as submitted to the Governor, recommends an All Funds appropriation of \$2,709,301,640, an \$183,544,179 or 7.9 percent over State Fiscal Year (SFY) 2009-10 funding levels.

The Judiciary's budget request includes a new \$15,000,000 appropriation in support of civil legal service programs. Under the proposal, these funds would be suballocated to the Interest on Lawyers Account (IOLA) Fund for distribution by the IOLA Board of Trustees. The Judiciary's proposal includes an appropriation intended by Judiciary to provide funding for increased compensation for state-paid judges, justices of the Unified Court system and other civil court judges retroactive to April 1, 2005. A reappropriation of \$48,000,000 is included to provide

partial support for this purpose. In addition, the Judiciary's request includes \$6,300,000 in new funds to increase the amount that judges may annually seek for reimbursement of expenses incurred while performing their duties, from the present \$5,000 to a new \$20,000 annually.

The Governor proposes a number of civil court fee increases to fund this appropriation, which are expected to generate \$41,000,000 in SFY 2010-11 and \$54,000,000 each year thereafter, including:

- an increase in the Index Number Fee from the current \$165 to \$215;
- an increase in the Supreme Court Motion Fee from \$45 to \$120;
- an increase in the Appellate Court Motion fee \$45 to \$120; and
- an increase in the First Paper Fee from \$45 to \$60.

A portion of the revenue from these fee increases (\$16,000,000) will also be allocated to the Court Facilities Incentive Aid Fund, which provides reimbursement to local governments for facility maintenance projects.

## **Article VII**

The Judiciary's request did not contain any Article VII proposals.

The Executive proposal recommends Article VII legislation that would:

- increase civil court fees;
- provide an opportunity for local courts to consolidate their facilities for the purpose of achieving financial efficiencies; and
- require the Judiciary to provide a transparent accounting of the anticipated impact on municipalities and local governments of any new program or initiative mandated by the Judiciary's rules and regulations.

# **DEBT SERVICE**

## **Summary of Recommended Appropriations By Agency**

## DEBT SERVICE

	Adjusted Appropriation 2009-10	Executive Request 2010-11	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	245,000,000	245,000,000	0	0.0%
Fiduciary	35,500,000	30,500,000	(5,000,000)	-14.1%
Debt Service Fund	5,592,300,000	5,992,575,000	400,275,000	7.2%
Capital Projects Fund - Other	615,200,000	920,200,000	305,000,000	49.6%
Emergency	3,370,000,000	2,100,000,000	(1,270,000,000)	-37.7%
<b>Total for AGENCY SUMMARY:</b>	<b>9,858,000,000</b>	<b>9,288,275,000</b>	<b>(569,725,000)</b>	<b>-5.8%</b>

### Agency Mission

(Executive Budget: pp. 447-455)

### Programmatic Highlights

The State Fiscal Year (SFY) 2010-11 Executive Budget includes:

- \$9.3 billion in Debt Service Appropriations with \$5.8 billion in cash behind the appropriations.

### Budget Detail

#### Proposed Increases

The Executive proposes:

- \$377.3 million from the General Debt Service Fund for Revenue Bond Payments;
- \$305 million from the Capital Projects Fund for the Dedicated Highway and Bridge Trust Fund;
- \$47.3 million from the General Debt Service Fund for Financing Agreements; and
- \$25.0 million from the General Debt Service Fund for General Obligation Bonds

## Proposed Decreases

The Executive proposes:

- \$35 million from the Mental Health Services fund for Financing Agreements;
- \$5.0 million from the Fiduciary Funds for School Capital Facilities Financing Reserve Fund;
- \$5.0 million from the Local Government Assistance Tax Fund for the Financing Agreements;
- \$4.5 million from the Housing Debt Fund for General Obligation Bonds;
- \$3.5 million from the State University Dormitory Income Fund for Financing Agreements;
- \$1.3 million from the Department of Health Income for Financing Agreements;
- \$1.27 billion from the All Funds Contingency Appropriation; and
- \$0.25 million from the General Debt Service Fund for Lease Purchase Payments

## Article VII

The Executive recommends Article VII legislation that would:

- consolidate State-supported bond caps into Section 67-d of the State Finance Law;
- change the requirement of the LGAC Board to have a majority rule instead of the current unanimous rule which would enable the Board to react more quickly in case of fiscal crisis;
- authorize the State to be able to set-aside money in the General Debt Service Fund to ensure that scheduled debt service payments are made on time in the event of further General Fund cash flow difficulties;
- amend the general obligation bond structure adjustment by removing the 100.5 percent cap on new money and refunded GO bonds and change the notice period for a change in terms of sale from one day to one hour before pricing;

- make the variable rate calculations permanent; and
- \$250 million in appropriation for the Debt Reduction Reserve Fund in case of emergency, there is no cash behind this appropriation.