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CHAIRMAN
Ways and Means Committee
COMMITTEE
Rules
Black, Puerto Rican, Hispanic and
Asian Legislative Caucus

January 23, 2012

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, 2012 to March 31, 2013. 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 February 17, 2012. This publication may also be accessed using the Assembly Website at www.assembly.state.ny.us/Reports/WAM/2012Yellow/.

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 2012-13 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 2012-13 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.

Speaker Silver and I know that you share our goal of meeting the challenges facing this State as we confront continuing economic uncertainty. Together, we will continue to strive toward producing an on-time budget that meets the needs of working families across the State. Live coverage of Assembly Sessions and Joint Budget Hearings, as well as a cable television schedule and local system list can be found at <http://www.assembly.state.ny.us/av/>.

As the Legislature begins its work on the State Fiscal Year 2012-13 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 thank the public for their participation as we adopt a State Budget. Finally, 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 "Herman D. Farrell, Jr.", written in a cursive style.

HERMAN D. FARRELL, JR.

STATISTICAL AND NARRATIVE SUMMARY
OF THE
EXECUTIVE BUDGET
FISCAL YEAR APRIL 1, 2012 TO MARCH 31, 2013

January 2012

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

Prepared by the
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FINANCIAL PLAN OVERVIEW OF THE EXECUTIVE BUDGET SFY 2012-13

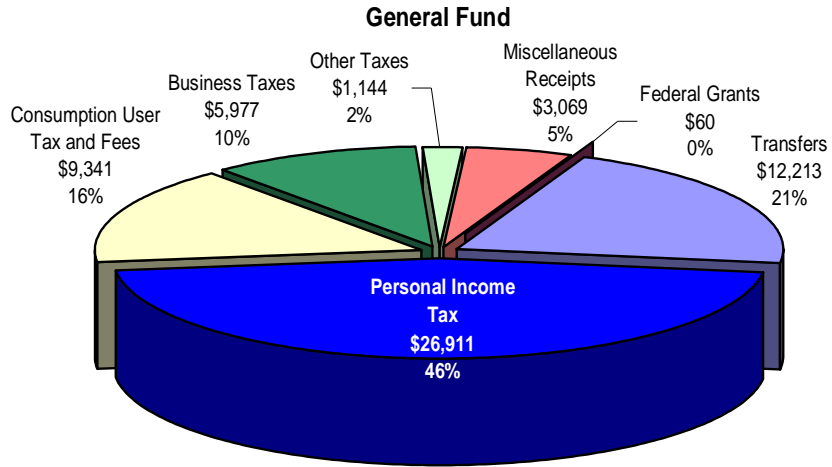
Overview of the Executive Budget

Table 1

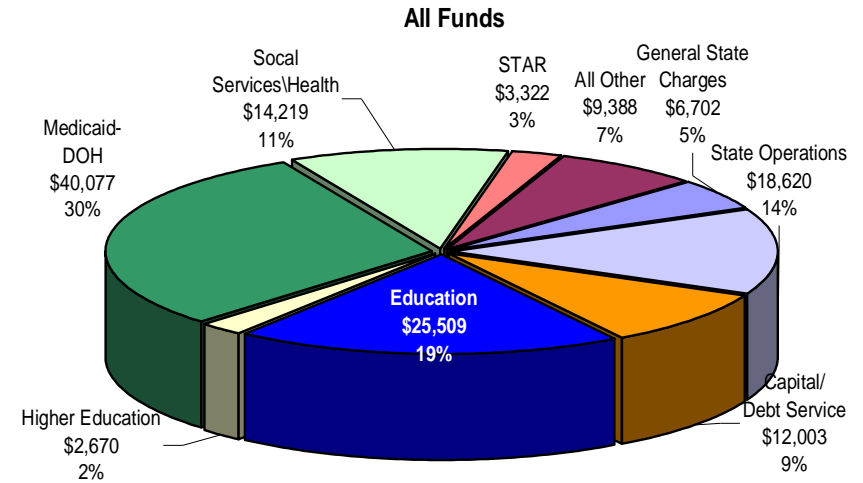
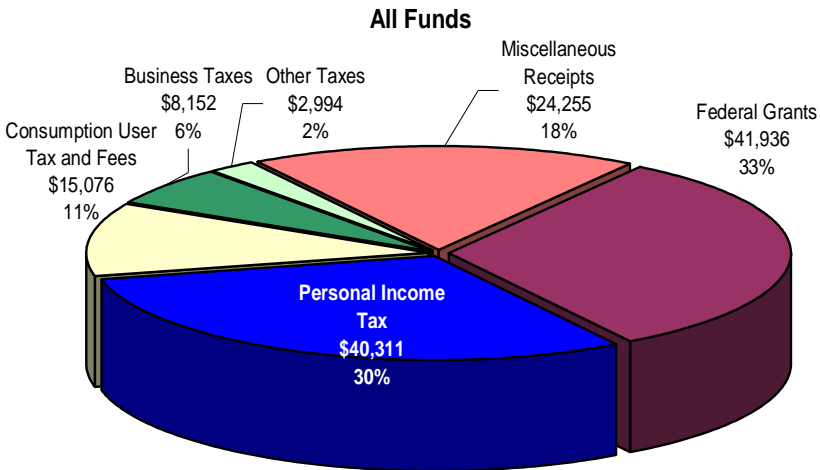
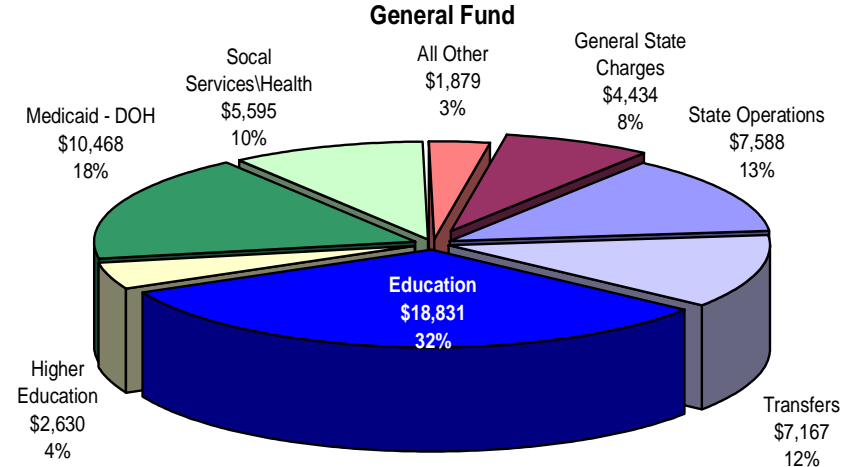
Size of Budget (\$ in Millions)				
	2011-12	2012-13	Difference	Percent
General Funds	\$56,915	\$58,592	\$1,677	2.9%
State Funds	\$93,288	\$94,795	\$1,507	1.6%
All Funds	\$132,735	\$132,510	(\$225)	(0.2%)

- **The Governor proposes an All Funds Budget of \$132.51 billion for State Fiscal Year (SFY) 2012-13:** The Executive proposal is \$225 million lower than the estimated \$132.74 billion in spending for SFY 2011-12 representing a decline of 0.2 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.
- **Federal government aid decreased by \$1.7 billion for SFY 2012-13 from \$39.45 billion to \$37.71 billion:** This decrease is primarily due to the loss of federal aid for child-care slots for working families, the mental hygiene system, and the phase-down of Federal-State Health Reform Partnership (F-SHRP).
- **For SFY 2012-13 the Governor proposes General Fund spending of \$58.59 billion:** The General Fund consists of unrestricted taxes and receipts, and spending on state operations and local governments not funded through dedicated revenues. The Executive proposal would increase General Fund spending by \$1.7 billion or 2.9 percent.
- **State Funds spending for SFY 2012-13 is projected to total \$94.8 billion:** State Funds spending consists of the General Fund plus Debt Service Funds, Capital Projects Funds and Other State Funds. This is an increase of 1.6 percent or \$1.5 billion higher than SFY 2011-12.
- **State Operating Funds is estimated to total \$88.7 billion, an increase of \$1.7 billion or two percent:** The State Operating Funds include all State spending in the General Funds, State Special Revenue Funds, Debt Service Funds except Capital Projects Funds and federal spending.

Where Receipts Come From



Where Disbursements Go



Note: Values are dollars in millions.

Sources: NYS Division of Budget, 2012-13 New York State Division of Budget; NYS Assembly Ways and Means Committee staff.

Figure 1

Table 2

EXECUTIVE BUDGET FINANCIAL PLAN			
2012-13			
(\$ in Millions)			
	Executive General Fund	Executive State Funds	Executive All Funds
OPENING BALANCE	1,675	3,959	3,869
RECEIPTS:			
Personal Income Tax	26,911	40,311	40,311
User Taxes and Fees	9,341	15,076	15,076
Business Taxes	5,977	8,152	8,152
Other Taxes	1,144	2,994	2,994
Total Taxes	<u>43,373</u>	<u>66,533</u>	<u>66,533</u>
Licenses, Fees, etc.	661	661	661
Abandoned Property	785	785	785
ABC License Fees	51	51	51
Motor Vehicle Fees	99	1,380	1,380
Reimbursements	202	202	202
Investment Income	10	10	10
Other Transactions	1,261	21,035	21,166
Total Miscellaneous Receipts	<u>3,069</u>	<u>24,124</u>	<u>24,255</u>
Federal Grants	60	145	41,936
PIT in Excess of Revenue Bond Debt Service	8,284		
Sales Tax in Excess of LGAC Debt Service	2,466		
Real Estate Taxes in Excess of CW/CA Debt Service	474		
All Other	989		
Total Transfers from Other Funds	<u>12,213</u>		
TOTAL RECEIPTS	<u>58,715</u>	<u>90,802</u>	<u>132,724</u>
DISBURSEMENTS:			
School Aid	16,949	20,002	22,845
Higher Education	2,630	2,662	2,670
All Other Education	1,882	1,890	2,664
STAR	0	3,322	3,322
Medicaid - DOH	10,468	15,859	40,077
Public Health	659	1,918	3,087
Mental Hygiene	1,867	3,574	3,733
Children and Families	1,581	1,582	2,517
Temporary & Disability Assistance	1,488	1,492	4,882
Transportation	98	4,398	4,438
Unrestricted Aid	776	776	776
All Other	1,005	2,828	4,174
Total Local Assistance Grants	<u>39,403</u>	<u>60,303</u>	<u>95,185</u>
Personal Service	5,729	11,965	12,566
Non-Personal Service	1,859	5,167	6,054
Total State Operations	<u>7,588</u>	<u>17,132</u>	<u>18,620</u>
General State Charges	4,434	6,388	6,702
Debt Service	1,610	6,149	6,149
Capital Projects	1,079	4,823	5,854
State Share Medicaid	2,903		
Other Purposes	1,575		
Total Transfers to Other Funds	<u>7,167</u>		
TOTAL DISBURSEMENTS	<u>58,592</u>	<u>94,795</u>	<u>132,510</u>
Other Financing Sources (uses):			
Transfers from Other Funds		27,880	27,572
Transfers to Other Funds		(23,660)	(27,581)
Bonds and Note proceeds		400	400
Net Financing Sources		<u>4,620</u>	<u>391</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>123</u>	<u>627</u>	<u>605</u>
CLOSING BALANCE	<u>1,798</u>	<u>4,586</u>	<u>4,474</u>

Closing the SFY 2012-13 Executive Budget Gap

Table 3

Executive Budget General Fund Gap-Closing Plan for 2012-13 (\$ in Millions)	
	2012-13
Executive Budget Current Services GAP Estimate (before any actions)	(3,500)
Total Executive Budget Gap-Closing Actions	3,500
Spending Control	1,964
Agency Operation	1,141
Agencies	580
Independent Officials	255
Enterprise/Consolidations	109
Health Benefits Management	130
Fringe Benefits	67
Debt Management	140
New Initiatives/Investments	(73)
Local Medicaid Growth/Administrative Takeover	16
Agency Redesign-Enterprise Services	(43)
SSI Administration Takeover from Federal Government	(11)
Protection of Vulnerable Populations	(10)
Rural Rental Assistance	(6)
All Other	(19)
Local Assistance	756
COLAs/Trends	150
Mental Hygiene	172
Social Services/Housing	144
Public Health	105
All Other	185
Tax Reform	1,536
Tax Code Reform	1,931
MTA Payroll Tax Small Business Relief	(250)
New York Youth Works Tax Credit	(20)
Economic Development Initiatives	(32)
Inner-City Summer Youth Employment	(25)
Disaster Relief Package	(20)
Educational Opportunities	(11)
All Other	(12)
New Costs/Other	0
TANF Child Care Replacement	(93)
Mental Hygiene System Funding	0
Excess Pension Payment	0
All Other	93
Executive Budget Surplus/(Gap) Estimate	0

- **The Executive Proposal includes recommendations that are intended to close an estimated \$3.5 billion General Fund budget gap in SFY 2012-13:** The Executive has indicated that these actions are comprised of the following: \$2 billion in spending reductions and \$1.5 billion in net new resources from tax reform.

Executive Budget General Fund Gap Estimates

Table 4

OUT YEAR GENERAL FUND GAPS			
(\$ in Millions)			
	Executive Mid-Year	Before Action	Executive Proposal
2011-12	(350)	0	0
2012-13	(3,250)	(3,500)	0
2013-14	(3,274)	(3,624)	(715)
2014-15	(4,798)	(5,044)	(2,974)
2015-16	N/A	(4,246)	(3,721)

- **The Executive projections of the current out-year gaps confronting the state:** The out-year budget gaps have been revised to zero for SFY 2011-12 (due to receipts and disbursement revisions), \$3.5 billion for SFY 2012-13, \$3.6 billion for SFY 2013-14, \$5 billion for SFY 2014-15 and \$4.2 billion for SFY 2015-16.
- **The Executive Budget reduces the projected out-year gaps primarily with reductions in certain Local Assistance programs, and State Agency operations:** The proposed gap closing actions reduce the gaps to the following: zero gap in SFY 2012-13, \$715 million gap for SFY 2013-14, \$3 billion gap for SFY 2014-15 and \$3.7 billion in SFY 2015-16.

Table 5

Estimated General Fund Closing Balance		
(\$ in Millions)		
	2011-12	2012-13
Tax Stabilization Reserve Fund	1,031	1,031
Statutory Rainy Day Reserve Fund	275	275
Contingency Reserve Fund	21	21
Community Projects Fund	51	-
Reserved for Prior Year Labor Agreement	284	458
Reserved for Debt Reduction	13	13
Total	1,675	1,798

Fund Reserves

- **The Executive Budget anticipates \$1.8 billion in reserves at the end of the 2013 fiscal year:** The Executive General Fund closing balance maintains \$1 billion in the Tax Stabilization Reserve Fund, \$21 million in the Contingency Reserve Fund, \$275 million in the Rainy Day Reserve, \$458 million is reserved for labor agreements, and \$13 million is reserved for debt reduction. 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. The balance of \$1 billion in the Tax Stabilization Reserve Fund is 1.7 percent of the value of the General Fund.

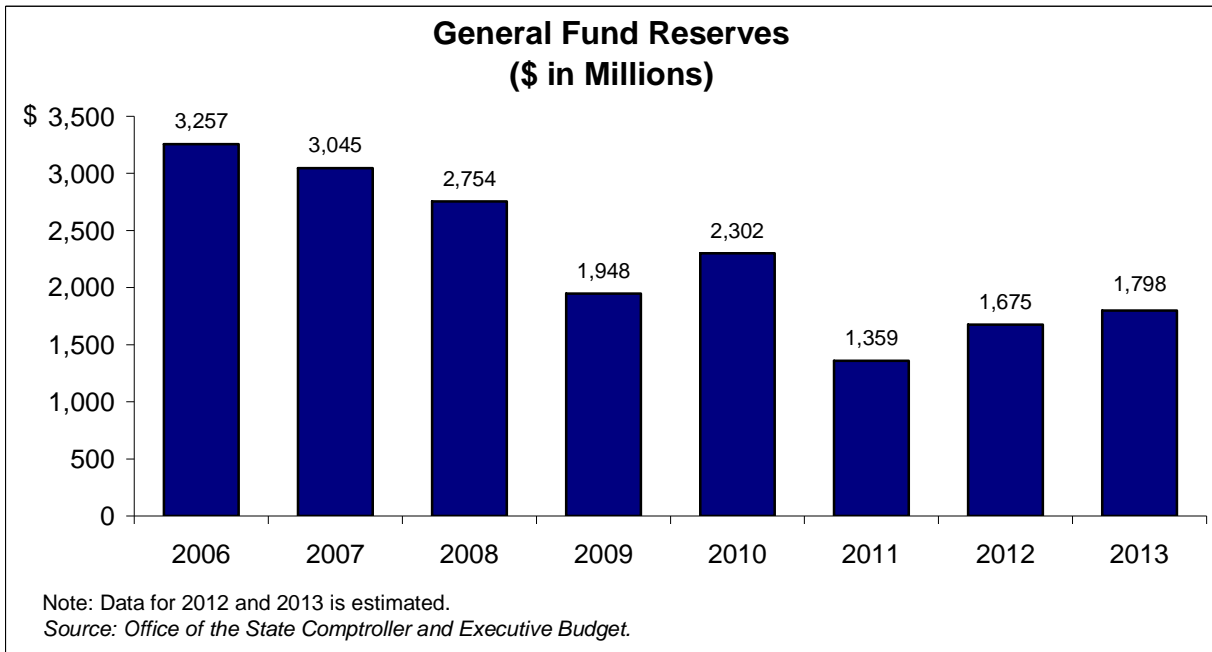


Figure 2

EDUCATION

Table 6

2012-13 Executive School Aid Proposal (\$ in Millions)	
2011-12 General Support for Public Schools	19,507
Expense Based Aids and Grant Programs	265
Gap Elimination Adjustment (GEA) Restoration	290
Subtotal: Year to Year General Support for Public Schools Increase	555
SY 2011-12 Performance Grants	50
SY 2012-13 Performance Grants	200
Year to Year Increase: General Support for Public Schools	805
<i>Source: NYS Division of the Budget.</i>	

- **General Support for Public Schools:** The Executive proposes a year to year increase in General Support for Public Schools (GSPS) of \$805 million for the 2012-13 School Year (SY) or 4.1 percent (see Table 6). As a result of this increase, School Aid would rise from \$19.5 billion in SY 2011-12 to \$20.3 billion in SY 2012-13. Under the Executive proposal:

 - eligibility to receive increases in School Aid for the 2012-13 School Year would be contingent upon district compliance with a new teacher and principal professional evaluation process which must be implemented by January 17, 2013;
 - funding is continued at the 2011-12 level for Foundation Aid, High Tax Aid, and certain grants, while Universal Prekindergarten would be increased by \$1.06 million, to \$384.3 million; and
 - a two year appropriation is recommended that provides state support for State Fiscal Year (SFY) 2012-13 and SFY 2013-14 as well. The appropriation provides a \$711 million increase in School Aid for the 2013-14 SY, which is indexed to a projected 3.5 percent increase in personal income (see Figure 3).

- **Gap Elimination Adjustment (GEA) Restoration:** The Governor’s proposal includes \$290 million in additional funding which is targeted to high need school districts. This GEA restoration takes into account student poverty, district wealth, enrollment and the impact of the GEA reduction, and provides for an across the board restoration for all districts. High need school districts will receive 76 percent of the 2012-13 allocated increase. This restoration reduces the GEA reduction from \$2.56 billion to \$2.27 billion.

- **Expense Based Aids:** The Executive proposal allows reimbursable aids such as Building Aid, Transportation Aid, BOCES Aid and Instructional Materials Aids, to grow by \$265 million as reflected by data that is currently available. The proposal also freezes all school aid formulas for the 2011-12 and 2012-13 school years at either the Executive school aid run or the revised data, whichever is less.
- **Building Aid:** The Executive proposal would provide school districts the opportunity to regain eligibility for building aid in cases where districts missed the final cost report filing deadline. The loss of building aid would be limited to the period when the cost report was outstanding. Without this legislation, districts that fail to file a timely cost report would be ineligible for any State reimbursement.
- **Performance Grants:** The 2012-13 Executive Budget authorizes \$250 million in performance grants for the 2012-13 school year and an additional \$100 million in awards for 2013-14. The 2011-12 enacted Budget authorized two competitive grant programs, the School District Management Efficiency Program and the School District Performance Improvement Program, which have been reappropriated. Under the Governor’s plan:
 - \$50 million in grants appropriated in SFY 2011-12 would be paid during the 2012-13 school year, and an additional \$200 million in grants would be paid in the 2012-13 school year.

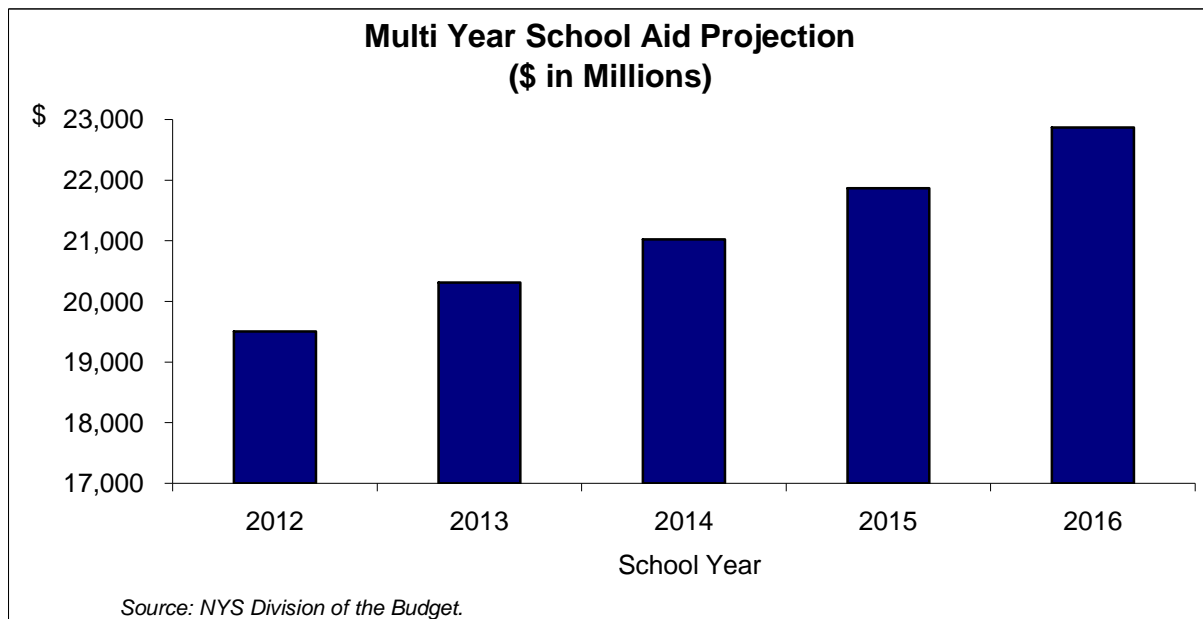


Figure 3

Special Education

- **Preschool Special Education (4410) Schools:** The State currently pays 59.5 percent and the counties pay 40.5 percent of costs associated with programs for disabled children ages three to five. The Executive proposes that all growth above the county share of SY 2011-12 costs would be paid equally by the State, school district and the county. Preliminary estimates indicate this proposal will result in a shift in costs to school districts of approximately \$5 million in SFY 2012-13. The program would increase by \$66.8 million in SY 2012-13, for total funding of \$936.7 million. In addition, the proposal would:
 - prohibit children from receiving services from a preschool special education provider if there is a “less than arms length” relationship between the provider and the child’s approved evaluator;
 - require justification when a distant provider is chosen over closer, suitable providers; and
 - increase the role of counties when providers request an exception to existing payment rates.
- **Schools for the Blind and Deaf:** The Executive proposal includes \$99.3 million to reimburse school districts for costs incurred during the 2011-12 school year, representing an increase of \$79 million over SFY 2011-12.
- **Summer School Special Education (4408) Schools:** The Executive proposal would increase support by \$30.4 million for programs serving significantly disabled youth attending summer programs, for a total of \$321.7 million.
- **School Bus and Equipment Purchases:** Under the Governor’s plan, school buses and related equipment would be purchased through the use of a state contract in order to receive state reimbursement, except in instances where the Commissioner determines that the district would be unable to provide appropriate transportation services with vehicles and equipment purchased under the state contract. School districts would also be required to obtain the Commissioner’s approval prior to purchasing school bus equipment in order to receive state transportation aid reimbursement.
- **Teacher Disciplinary Hearings:** The Executive proposal alters the arbitration process for tenured employees by:
 - allowing the Commissioner to set maximum rates paid to hearing officers;
 - limiting the number of study days claimed by hearing officers;

- eliminating the requirement for a stenographer or other recording mechanisms;
 - allowing for the disqualification of hearing officers who fail to comply with timeline requirements; and
 - requiring the employing board and the employees' bargaining unit or employee to share the costs of the hearing.
- **Maintain the Contracts for Excellence Program (C4E):** Under the Executive proposal, school districts that are required to submit a Contract for Excellence for the current school year would also be required to maintain funding on C4E programs during the 2012-13 SY at the same level as required for the 2011-12 SY, unless all schools in the district are in "good standing" academically.
 - **Executive Commission on Education:** The Governor has indicated that he will establish a new commission by Executive Order to focus on school accountability in both management and teaching.
 - **Other Education Programs:**
 - The Executive proposal eliminates \$20.4 million in funding for Teacher Resource and Computer Training Centers;
 - The Executive proposes funding for Nonpublic Schools at \$116.62 million, an increase of \$13.243 million;
 - The Executive proposal maintains funding of \$7 million for State assessments;
 - The Executive proposal also maintains funding of \$0.7 million for GED testing; and
 - The Executive proposal increases funding for the School Lunch and Breakfast program by \$0.6 million to \$33.7 million.

HEALTH

The SFY 2012-13 Executive Budget includes \$54.039 billion in All Funds support for the Medicaid program across all state agencies, representing a decrease of \$136 million or 0.3 percent from SFY 2011-12 spending levels. The Executive proposal assumes \$21.780 billion in State share spending for the Medicaid program, an increase of \$650 million or 3.1 percent from SFY 2011-12 levels (see Table 7).

Table 7

All State Agency Medicaid Expenditure Projections				
(\$ in Millions)				
	SFY 2011-12	SFY 2012-13	Yr-Yr Change	
			Amount	Percent
State Share	\$21,130	\$21,780	\$650	3.1%
Federal Share	\$24,424	\$24,218	(\$206)	(0.8%)
Local Share	\$8,621	\$8,040	(\$580)	(6.7%)
All Funds	\$54,175	\$54,039	(\$136)	(0.3%)

- Extension of the Medicaid Global Cap:** The Executive proposes the continuation of a Medicaid spending cap which limits growth in Department of Health (DOH) State Funds Medicaid spending to the 10 year rolling average of the Medical Consumer Price Index, currently estimated at 4 percent. DOH Medicaid expenditures are currently capped at \$15.32 billion in SFY 2011-12 and \$15.91 billion in SFY 2012-13. The Executive proposes to extend the global cap for one additional year and would cap SFY 2013-14 DOH Medicaid expenditures at \$16.59 billion (see Table 8). Authorization for DOH to reduce payment rates and benefits in the event that Medicaid expenditures exceed the global cap would be reauthorized.

Table 8

DOH Medicaid Global Cap Amounts	
(\$ in Millions)	
SFY 2011-12	15,326
SFY 2012-13	15,916
SFY 2013-14	16,590

- Medicaid Redesign Team (MRT) – Phase II Recommendations:** The Executive Budget continues \$3.3 billion in savings actions enacted in the SFY 2011-12 budget, including 78 discrete cost containment initiatives as recommended by the MRT; the elimination of scheduled Medicaid inflationary rate increases; and the implementation of a two percent across-the-board reduction in Medicaid rates. In addition, the Executive proposes a cost-neutral series of actions that were developed

through the MRT workgroup process, which includes new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment modalities and the elimination of spousal refusal from Medicaid long term care eligibility determinations.

- State Assumption of Local Medicaid Expenditure Growth:** The Executive proposes that the State assume, at a rate of one percent per year, the current 3 percent annual growth in the local share of Medicaid. The annual growth rate in the Medicaid local share would be two percent in SFY 2013-14, one percent in SFY 2014-15, and would be eliminated in SFY 2015-16. The Executive proposal would save localities \$61.1 million in SFY 2013-14 and \$1.17 billion over the next five state fiscal years (see Table 9).

Table 9

Medicaid Takeover - Local Savings (\$ in Millions)	
SFY 2012-13	-
SFY 2013-14	61
SFY 2014-15	187
SFY 2015-16	370
SFY 2016-17	552
Five-Year Total	1,170

- State Assumption of Local Medicaid Administration:** The Executive proposes a phased-in takeover of local government administration of the Medicaid program, financed initially by a cap on local Medicaid administration expenditures at SFY 2011-12 levels. The first year of this proposal would result in a net State share reduction of \$8.5 million.
- New York Health Benefit Exchange:** The Executive proposes legislation to establish a New York Health Benefit Exchange as a public benefit corporation that will serve as a centralized marketplace for individuals and small businesses to purchase health insurance, in accordance with the federal Patient Protection and Affordable Care Act (PPACA).
- Roswell Park Cancer Institute:** The Executive proposes legislation that would require Roswell, as a condition of receiving State support, to expand its collaborations in the Buffalo region and to become financially and operationally independent from the State by March 31, 2014. In addition to Roswell’s base State subsidy of \$77.6 million, the Executive proposes to make available \$25 million in prior-year HEAL NY capital funds.

- **Modify the Early Intervention (EI) Program:** The Executive proposes to require commercial health insurance carriers to include EI service providers in their networks; to establish a central fiscal intermediary for the EI program; and to reduce the local share of EI program costs.
- **Eliminate Cost of Living Adjustments (COLA):** The Executive proposes to eliminate the 3.6 percent annual human services COLA and maintain existing rates for programs supported by DOH. A new program would be established in State Fiscal Year (SFY) 2013-14 to provide reimbursement increases that are based on quality indicators and provider costs. Elimination of the COLA would reduce DOH and Office for the Aging expenditures by \$11.4 million.
- **Reduce Tobacco Control Funding:** The Executive proposal would reduce funding for the Tobacco Prevention and Control Program by \$5 million.
- **Aging Actions:** The Executive proposes to reduce funding for the Naturally Occurring Retirement Communities (NORC) program and the Neighborhood NORC program by \$460,000 and would discontinue \$115,000 in funding for Regional Caregivers Centers of Excellence Program.

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HIGHER EDUCATION

In SFY 2012-13 the Governor recommends an \$8 million increase for Higher Education.

Table 10

Executive Actions: Higher Education (\$ in Millions)	
	SFY 2012-13
CUNY Operating Budget	\$13
Community Colleges	(\$2)
Higher Education Services Corporation	(\$3)
Total	\$8

- **Support for SUNY/CUNY Operations:** The Executive recommends State operating support of \$968.6 million for State-operated campuses of the State University of New York (SUNY) and \$523.5 million for the Senior Colleges of the City University of New York (CUNY) in the 2012-13 Academic Year (AY).
- **Maintaining State Support for SUNY and CUNY Community Colleges:** The Executive recommends maintaining base aid for SUNY and CUNY Community Colleges at \$2,122 per full time equivalent (FTE) student. As a result, SFY or AY 2012-13 State support for SUNY Community Colleges stands at \$417.1 million and \$172.3 million for CUNY Community Colleges.
- **Tuition:** The Executive Budget recognizes the \$300 in-state tuition increase enacted by Chapter 260 of the Laws of 2011. In-state undergraduate tuition at SUNY is \$5,270 and at CUNY is \$5,130 for academic year 2011-12. The SUNY and CUNY Board of Trustees also raised tuition for graduate and out of state residents for the Fall 2011 semester. The Executive Budget includes \$113.2 million for SUNY and \$66.6 million for CUNY in additional spending authority to account for these tuition increases.
- **Continuing a General Fund Subsidy for SUNY Hospitals:** The Executive Budget continues a \$60 million General Fund subsidy for the operations of three SUNY teaching hospitals.
- **Tuition Assistance Program:** The Executive budget recommends \$930.6 million for the Tuition Assistance Program (TAP) for the 2012-13 Academic Year, representing a \$28.1 million SFY increase to the program due to increases in tuition. The Executive Budget does not include any programmatic changes to TAP.

- **Opportunity Programs:** During Special Session in December 2011, an additional \$9 million was provided to opportunity programs administered by SUNY, CUNY, and the State Education Department (SED). The Executive Budget maintains the additional funding for:
 - SUNY's Educational Opportunity Program (EOP) (\$21.1 million, which includes a continuation of the additional \$955,000 approved during December's Special Session);
 - CUNY's Search for Education, Elevation, and Knowledge (SEEK) (\$18.4 million, which includes a continuation of the additional \$1.0 million approved during December's Special Session); and
 - CUNY's College Discovery (\$883,390, which includes a continuation of the additional \$55,000 approved during December's Special Session)

Additional funding for the opportunity programs that are administered by SED are reappropriated in the Executive Budget, but new funding for these programs return to their enacted 2011-12 levels. The following opportunity programs are funded at pre-Special Session levels:

- the Higher Education Opportunity Program (HEOP) (\$20.8 million);
 - the Science and Technology Entry Program (STEP) (\$9.8 million);
 - the Collegiate Science and Technology Entry Program (CSTEP) (\$7.4 million); and
 - the Liberty Partnerships Program (\$10.8 million).
- **NYSUNY 2020:** The Executive proposal includes a \$215 million capital appropriation for the University at Buffalo to support the relocation and construction of a medical school and a biomedical sciences facility. Debt service for this project would be supported by non-State funds including parking fees, gifts, and Medical School program fees. The Executive budget also includes an additional \$184 million in capital for other projects associated with the NYSUNY 2020 program. This appropriation would be supported by gifts from private entities relating to NYSUNY 2020 projects and would include projects at Stony Brook and Buffalo. Reappropriation changes would allow funding from prior SUNY university-wide capital programs to be used for NYSUNY 2020 purposes as well.
 - **Other Higher Education Capital:** The Executive proposal continues its commitment to a five year critical maintenance investment of \$2.75 billion at SUNY and \$1.42 billion at CUNY, which was enacted in SFY 2008-09. In SFY 2012-13, the

Executive proposal appropriates \$550 million for critical maintenance projects at SUNY State-operated campuses and \$284.2 million for critical maintenance projects at CUNY Senior Colleges. The Executive proposal includes an additional \$87.0 million for projects at SUNY Community Colleges and \$26.7 million for CUNY Community Colleges to match local commitments. In addition, SUNY would receive \$45 million for residence hall rehabilitation, and CUNY is provided \$21 million to pay the Dormitory Authority for the state share for the administration of CUNY capital projects. The Executive also proposes to extend the New York Higher Education Capital Matching Grant Program to March 31, 2013.

- SUNY and CUNY Construction Fund:** The Executive proposal establishes capital appropriations to fund the State University Construction Fund (SUCF) and the City University Construction Fund (CUCF). Hard dollar capital funding will be used to pay for the capital projects of these agencies instead of bond proceeds. The Executive budget includes \$25.1 million for SUCF and \$16.0 million for CUCF.

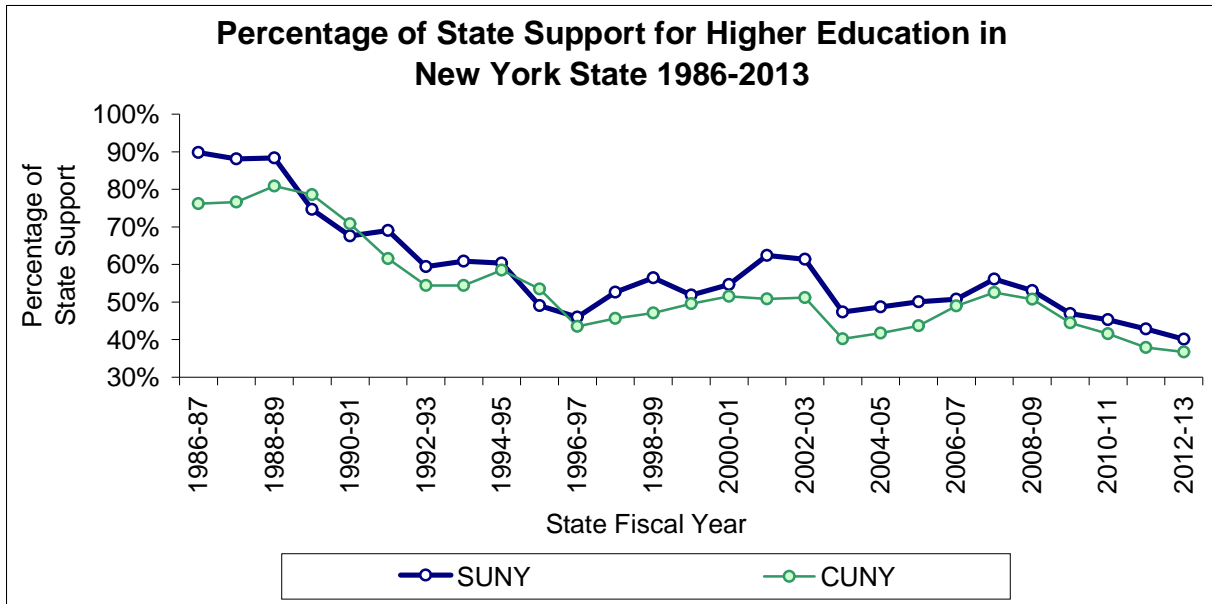


Figure 4

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HUMAN SERVICES

In SFY 2012-13, the Governor recommends a net increase of \$19 million across various Human Services agencies (see Table 11).

Table 11

Executive Budget Proposal - Human Services (\$ in Millions)	
Proposal	2012-13 Actions
Reform Juvenile Justice Services	12
Close/Downsize OCFS Facilities	(9)
Subtotal - Juvenile Justice Reforms	3
Offset Loss of Federal Funding for Child Care	93
Eliminate SFY 2012-13 Cost of Living Adjustments (COLAs) and Trends	(37)
Increase Funding for Nutrition Outreach and Education Program	1
Eliminate Support for Settlement Houses and Supplemental Child Welfare Funding	(1)
Take Over Administration of the State SSI Supplementation Program	11
Eliminate NYC Shelter Supplement Funding	(15)
Centralized 24 Hour Hotline for Reporting Abuse and Neglect Allegations	10
Phase in the Schedule Public Assistance Grant Increase	(6)
Streamline Administration of Child Support	(35)
Eliminate Funding for the Neighborhood and Rural Preservation Programs	(12)
Increase Funding for the Rural Rental Assistance Program	5
Establish Regional Human Services Public/Private Partnership Program	2
Subtotal - Human Services Proposals	16
Total	19

* Note: In addition to these proposed General Fund actions, the Executive Proposal would also eliminate \$9.4 million in Federal Temporary Assistance for Needy Families (TANF) funding for various Human Services programs that was provided in the SFY 2011-12 Enacted Budget. In addition, the Executive provides no new appropriations for \$39 million in TANF funded programs that were provided in Special Session legislation passed in December 2011 but does carry forward unspent funds related to such appropriations.

- **Juvenile Justice Reform (\$3 million in Net Investments):** The Executive proposes to reform juvenile justice services by:
 - placing New York City youth closer to home in facilities within New York City. Under this proposal, in SFY 2012-13 youth residing in non-secure settings would be placed into New York City administered facilities, and in SFY 2013-14, youth residing in limited-secure settings would be placed in New York City administered facilities. (SFY 2012-13 Investment: \$12 million); and

- reducing capacity of the State Office of Children and Family Services (OCFS) juvenile justice system by 324 beds to reflect the impact of the initiative to place New York City youth in facilities closer to home. (SFY 2012-13 Reductions: \$9 million).
- **Offset Loss of Funding for Child Care (SFY 2012-13 Investment: \$93 million):** The Executive Budget provides an additional \$93 million in General Fund support for child care subsidies to offset the loss of \$93 million federal TANF funding.
- **Eliminate Cost of Living Adjustments (COLAs) and Trend Factors (SFY 2012-13 Reductions: \$37 million):** The Executive proposes to eliminate the 3.6 percent COLA, as well as administrative trend factors that were scheduled to take effect in SFY 2012-13. A new program would be established in SFY 2013-14 that will award future reimbursement increases based on provider costs and an ability to meet specified performance outcomes.
- **Increase Funding for the Nutrition Outreach and Education Program (NOEP) (SFY 2012-13 Investment: \$1 million):** The Executive provides an additional \$1 million in funding for NOEP to increase enrollment in the Food Stamps program.
- **Eliminate Support for Settlement Houses and Supplemental Child Welfare Funding (SFY 2012-13 Reductions: \$1 million):** The Executive proposal eliminates State support for the settlement house program as well as State support to help local social services districts reduce the caseloads of child protective workers.
- **Take Over Administration of the State SSI Supplementation Program (SFY 2012-13 Investment: \$11 million):** The Executive proposal recommends a State assumption of administration of the supplemental benefit to the Federal Supplemental Security Income (SSI) benefit. The State currently pays the federal government to administer the benefit. The Executive proposal also provides funding for investment in new information technology systems and proposes additional employees within the Office of Temporary and Disability Assistance (OTDA) as well as short-term contracted employees for this purpose. When fully implemented, this action will generate \$90 million in savings annually.
- **Suspend New York City Shelter Supplement Funding (SFY 2012-13 Reductions: \$15 million):** The Executive proposes to eliminate \$15 million in funding for an initiative to prevent eviction and address homelessness in New York City that was first appropriated in the SFY 2011-12 enacted budget.
- **Centralized 24-Hour Hotline for Reporting Allegations of Abuse and Neglect (SFY 2012-13 Investment: \$10 million):** Pursuant to recommendations by the Governor's Special Advisor on Vulnerable Persons, the Executive proposes the

establishment of a centralized hotline for reporting allegations of abuse and neglect of children, the developmentally disabled, the elderly and other vulnerable persons.

- **Phase-in the Scheduled Public Assistance Grant Increase (SFY 2012-13 Reductions: \$6 million):** The Executive proposes to phase-in the remaining ten percent increase in the public assistance grant, scheduled to take effect July 1, 2012 with a five percent increase in July 2012 and another five percent increase in July 2013.
- **Streamline Administration of Child Support (SFY 2012-13 Reductions: \$35 million):** The Executive proposal would eliminate State support for the administrative costs associated with the child support enforcement program. Under this proposal, local social services districts would no longer receive State reimbursement for a portion of administrative costs incurred for enforcement activities and would instead retain the State share of child support payments previously collected on behalf of parents on public assistance.
- **Flexible Fund for Family Services (FFFS) Program:** The Executive proposal includes an additional \$13 million in TANF funding for the FFFS to assist local social services districts with administrative costs.
- **Eliminate Funding for the Neighborhood and Rural Preservation Programs (SFY 2012-13 Reductions: \$12 million):** The NPP serves 151 Neighborhood Preservation Companies and the RPP serves 62 Rural Preservation Companies. Both programs work to perform housing and community renewal activities across the State. The Executive proposes to eliminate these programs.
- **Increase Funding for the Rural Rental Assistance Program (RRAP) (SFY 2012-13 Investment: \$5 million):** RRAP provides State funded rental subsidies to approximately 4,700 low income occupants of rural housing projects financed by the Federal Department of Agriculture. The Executive proposes \$19.5 million to support such rental subsidies, an increase of \$5 million or three percent from SFY 2011-12. The cost of the program increases annually due to federally approved rent increases. The additional funding would continue the current number of rental units participating in the program.
- **Protection for Homeowners and Tenants:** The Executive proposal includes a new Foreclosure Relief Unit within the Department of Financial Services, which would provide counseling and mediation services to help New Yorkers avoid foreclosure. Additionally, the Executive proposes a new Tenant Protection Unit within the Division of Housing and Community Renewal to enforce landlord obligations and impose penalties for failure to comply with the State's rent laws.
- **Establish Regional Human Services Public/Private Partnership Pilot Programs (SFY 2012-13 Investment: \$2 million):** The Executive proposal includes funding for

the creation of a public/private partnership program designed to provide State resources to regional areas that can best leverage private funding for human services programs. Under this proposal, the State would provide up to 65 percent of funding in order to leverage private funding for the remaining 35 percent funding for innovative successful human services programs.

- **Office of New Americans:** The Executive proposes the transfer of six FTEs and \$3.34 million in funding from the Office of Temporary and Disability Assistance to the Department of State to support the Office for New Americans, which will provide services to legal permanent residents to facilitate participation in civic and economic life.
- **Temporary Assistance for Needy Families (TANF) Initiatives:** The Executive proposes the elimination of funding for various TANF programs (\$9.4 million), including:
 - \$3.4 million for child care demonstration projects, which provide child care subsidies for working families;
 - \$950,000 for the wage subsidy program, which provides employment subsidies for individuals who have been unable to find employment through conventional means;
 - \$600,000 for preventive services, which provides intensive case services to at-risk children and families;
 - \$546,000 for Displaced Homemakers, which provides support services for individuals who are primary caretakers in the home and who have experienced a loss of income;
 - \$510,000 for non-residential domestic violence screening programs, which provides case-management services to victims of domestic violence;
 - \$508,000 for supportive housing for families, which provides support services for formerly homeless or at risk families and young adults;
 - \$500,000 for advantage afterschool, which provide youth development opportunities to youth in the hours after school;
 - \$500,000 for settlement houses, which provides case management and supportive services for individuals in communities;
 - \$334,000 for Child Care SUNY/CUNY, which provides funding for child care subsidies at SUNY and CUNY institutions;

- \$250,000 for ACCESS – Welfare to Careers, which links educational opportunities to internships and job placements;
 - \$205,000 for the Supplemental Homeless Intervention Program, which provides case management services to prevent eviction and to secure housing;
 - \$200,000 for the fatherhood initiative, which promotes responsible fatherhood through healthy marriage activities, responsible parenting and enhanced economic stability;
 - \$176,000 for the emergency homeless program, which provides services to homeless individuals and families;
 - \$144,000 for the Wheels for Work program, which assists individuals in obtaining personal vehicles for employment related purposes;
 - \$112,000 for Community Solutions to Transportation, which provides transportation services individuals who are employed or participating in allowable employment activities;
 - \$102,000 for Bridge, which provides employment preparation services for individuals in conjunction with SUNY;
 - \$102,000 for a refugee resettlement program, which provides services for refugees to attain economic self-sufficiency;
 - \$98,000 for the disability advocacy program, which provides legal representation to individuals that have been denied or are in jeopardy of losing their benefits;
 - \$82,000 for the Rochester-Genesee Regional transportation authority, which provides a monthly bus pass to individuals to participate in work related activities;
 - \$51,000 for kinship care, which provides support to the caretaker relatives of minors; and
 - \$25,000 for Centro of Oneida, which provides gas cards and enhanced bus service for individuals working in Oneida County.
- **Special Session TANF Programs:** The Executive also provides no new funding for \$39 million in support for the following TANF funded programs that were appropriated in Special Session legislation passed in December 2011. The

Executive provides reappropriation authority for remaining unspent funds provided in the following amounts:

- \$25,000,000 for the summer youth employment program, which provides summer employment and education experience for youth;
 - \$7,000,000 for child care demonstration projects;
 - \$2,500,000 for the Career Pathways program, which provides job training and education to improve the economic prospects of low-income workers throughout the state;
 - \$2,500,000 in funding for Displaced Homemakers; and
 - \$2,000,000 for the ATTAIN program, which promotes digital parity, inclusion and access through technology training.
- **Title XX Funding:** The Executive maintains the existing financing structure for Federal Title XX funding, which provides that of New York State's total award, \$66 million will be provided to local districts for adult protective and domestic violence expenditures, and the remaining balance of the award will be allocated to local districts for discretionary Title XX eligible expenditures.

MENTAL HYGIENE

In SFY 2011-12, the Governor recommends \$209 million in reductions for the various Mental Hygiene Agencies (see Table 12).

Table 12

Executive Budget Proposal - Mental Hygiene (\$ in Millions)	
	SFY 2012-13
Eliminate Planned Cost of Living Adjustments (COLA) and Rate Increases	(102)
Office for People with Developmental Disability Reforms	(45)
Enhance Office of Mental Health (OMH) Collections and Audits	(39)
Other OMH Actions	(19)
Office of Alcoholism and Substance Abuse Services	(5)
Commission on Quality of Care and Advocacy for Persons with Disabilities Investments	1
Total Reduction	(209)

- **Eliminate Scheduled Cost of Living Adjustments (COLA) and Rate Increases (\$102 million in Reductions):** The Executive proposes to eliminate the scheduled 3.6 percent annual human services COLA and maintain existing rates for programs operating under the Office of Mental Health (OMH). A new program would be established in State Fiscal Year (SFY) 2013-14 to provide reimbursement increases that are based on quality indicators and provider costs.
- **Enhance OMH Collections and Audits (\$39 million in Reductions):** The Executive proposes to enhance audit collections through programmatic reviews of OMH providers and an expansion of efforts to recover State funds through enhanced financial review of not-for profit providers.
- **Office for People with Developmental Disability (OPWDD) Reforms (\$45 million in Reductions):** The Executive would reduce State administrative staff of OPWDD; transition individuals from institutional to community based care; reduce out-of-state placements; expand services at a lower rate than projected, and continue other reforms included in the SFY 2011-12 budget. In addition, the Executive proposes to make a variety of changes to improve quality of care at OPWDD State-operated and not-for-profit facilities, including increased hiring qualifications for State staff and improved provider audits and oversight. The Executive provides support for 2,300 new non-residential service program slots and 250 new community residential program slots. The Executive Budget provides funding to return all out-of-state placements to community residential options in New York.

- **Other OMH Actions (\$19 million in Reductions):** The Executive proposal would make reductions related to prioritizing of program reimbursement to focus on individual recovery and employment (\$9.4 million); converting certain residential units to lower-cost alternatives and providing regional per-bed payments for supported housing providers (\$10.6 million); making various changes to Sex Offender Management and Treatment Act (SOMTA) programs (\$6.2 million); and reducing agency administrative staffing levels and other administrative costs (\$10 million); The Executive proposal would reinvest \$17 million of these savings to create 1,000 new supported housing units for residents of nursing homes; 5,100 new supported housing beds to deal with emerging needs; and 3,400 new beds for the NY-NY III program.
- **OMH Facility Closures:** The Executive budget would permanently extend the authorization for the Commissioner of OMH to close, consolidate or merge state-operated OMH facilities without providing 12-months of notice and without reinvesting the savings from a closure in community based services. The Commissioner would be required to consider specific criteria when determining facility closures, and would be required to provide 30 days notification when closing a ward and 60 days notification prior to closing a facility. Also, the Executive proposes language that would eliminate Kingsboro Psychiatric Center from the statutory list of OMH facilities, upon such date determined by the Commissioner.
- **Office of Alcoholism and Substance Abuse Services (OASAS) Actions (\$5 million in Reductions):** The Executive proposes to implement a system-wide effort to achieve savings from a series of administrative actions, including a reduction in purchasing costs, a streamlining of IT applications, and a reduction in agency administrative staffing levels. In addition, the Executive includes funding for 25 new veteran's beds and 12 new residential treatment placements for women with children.
- **Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) Investments (\$1 million):** The Executive proposal includes funding for five additional investigators to conduct broader investigations into systemic abuse and transfers the ombudsman program from OPWDD to CQCAPD to provide greater independence in its oversight functions.

PUBLIC PROTECTION

In SFY 2012-13, the Governor recommends \$91.8 million in reductions for the various public protection agencies.

Table 13

Components of Executive Public Protection Reductions (\$ in Millions)	
	SFY 2012-13
Division of Criminal Justice Services	(3.4)
Department of Corrections and Community Services	(81.5)
Division of Homeland Security and Emergency Services	1.6
Division of State Police	(6.1)
State Commission of Correction	(0.1)
Division of Military and Naval Affairs	(2.5)
Office of Victim Services	0.2
Total	(91.8)

Note: The Executive's proposed appropriation levels reflect large increases related to prior year liabilities in DOCCS and increased authority to expend federal disaster relief grants in DHSES.

- **All-Crimes DNA Database:** The Executive proposal would require all persons convicted of any Penal Law misdemeanor and any felony defined under New York state law to submit a sample to the DNA Databank. Under current law, the collection of DNA is limited to those convicted of any felony and certain misdemeanors defined in the Penal Law. This expansion would cost \$700,000 in SFY 2012-13, and would result in the collection of approximately 46,000 additional DNA samples annually.
- **Recovery from Hurricane Irene and Tropical Storm Lee:** The Executive estimates that the overall recovery costs of Hurricane Irene and Tropical Storm Lee would total \$1.5 billion. The federal government has committed to cover at least 75 percent of these costs, with recovery efforts to span several years. The Executive proposal includes a new appropriation of \$150 million to cover state share costs.
- **Combined Ballistic Identification System (CoBIS):** The Executive proposes to repeal the requirement that the State maintain its own independent digital database of the marking of gun casings registered in New York. Rather, the Executive proposes to invest in local labs so they can participate in the National Integrated Ballistics Information Network (NIBIN).
- **State Police Academy Classes:** The Executive proposal includes funding to hold two State Police Academy classes to hire 230 new recruits. These classes, the first in three years, are necessary to maintain current member strength at 4,458.

- **Statewide Interoperable Communications Grants:** The Executive proposes a continuation of a program to provide grants to support county efforts to consolidate public safety communications networks with the goal of facilitating communication between all emergency responders statewide. The Executive recently awarded \$20 million in grants to counties and will award a second round of grants totaling \$45 million in the coming months. The SFY 2012-13 budget proposal includes an additional \$75 million to support a third round of grants.

TRANSPORTATION

In State Fiscal Year (SFY) 2012-13, the Governor recommends \$1.16 billion in new capital funding and \$32.5 million in reductions for the Department of Transportation (DOT) and the Department of Motor Vehicles (DMV) (see Table 15).

Table 14

New York Works: Transportation Actions (\$ in Millions)	
	SFY 2012-13
Funding Source	
Federal Capital Projects Fund	916.8
Dedicated Highway and Bridge Trust Fund	232.0
Capital Projects Fund - Authority Bonds	15.0
Total	1,163.8
Purposes	
Transportation Projects, including the Pavement Preservation Program and repairs to 115 bridges	1,148.8
Peace Bridge Plaza	15.0
Total	1,163.8

Table 15

Executive Budget Proposal Transportation Reductions (\$ in Millions)	
	SFY 2012-13
Proposal	
DOT – Transportation Shared Services	(3.7)
DOT – Reduce Salt Cost and Usage	(3.6)
DOT – Implement Performance-Based Bus Inspection	(0.7)
DOT – Reduce Snow and Ice Contract Costs	(0.5)
DOT – Enhance Accident Damage Revenue Recovery/Consolidate SRO	(10.1)
DOT – Pay-as-you-go for Maintenance/Repair Activities	(7.5)
DOT – Fund State Match for Aviation Capital from Regional Aviation Fund	(1.5)
DMV - Contract Timing	(4.9)
Total	(32.5)

- **Continued Capital Funding:** The Executive Budget proposes to fund transportation Capital expenditures at \$4.6 billion in SFY 2012-13, representing a year to year increase of \$306 million. SFY 2012-13 capital expenditures include: \$187 million

for the Department of Motor Vehicles (DMV), \$1.8 million for the Thruway Authority (TA), \$333 million for the Metropolitan Transportation Authority (MTA), and \$4 billion for the Department of Transportation (DOT).

- **State Road and Bridge Capital Plan:** The Executive Budget proposes \$1.16 billion in new DOT capital appropriations (New York Works) for a total year to year increase in the DOT capital plan of \$1.1 billion (see Table 14). Components include \$212 million for bridge repairs, \$250 million for pavement preservation on 2,000 miles of state roads, and \$700 million to accelerate other, undeclared projects. The total SFY 2012-13 DOT Capital Plan appropriation is \$5.1 billion.
- **State Capital Funding for the MTA:** The Executive proposal would provide for the first installment of \$770 million in new state funding to support the final three years of the 2010-2014 MTA Capital Plan (\$150 million in SFY 2012-13). In addition to this commitment, the proposal includes a \$255 million transfer from the General Fund to fully offset MTA Mobility Tax revenue reductions resulting from actions taken during the December 2011 Special Legislative Session. The proposal also includes a \$7 billion increase to the MTA's debt cap, raising its debt ceiling to \$41.877 billion.
- **Continued Local Capital Construction Programs Funding:** The Executive proposal would continue authorization of \$363.1 million for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program. This proposal would also extend for one year the eligibility of some short-use highway maintenance work for reimbursement from 10-year CHIPS bonds.
- **Other Actions:** The Executive proposal recommends \$32.5 million in reductions (\$27.6 million in DOT and \$4.9 million in DMV) that are expected to be achieved through programmatic and operational efficiencies. These actions include: a Transportation Shared Services initiative (\$3.7 million); a snow salt and ice management program (\$4.1 million total); Performance-Based Bus Inspections (\$0.7 million); and an Enhanced Accident Damage Revenue Recovery initiative (\$4.2 million net in SFY 2012-13).
- **Rail Program:** The Executive proposal includes an increase in rail spending of \$9.7 million, bringing the total to \$26.6 million.
- **Non-MTA Transit:** The Executive proposes \$261 million for non-MTA Transit operating assistance, an increase of \$18 million or 7.55 percent. All non-MTA transit systems received an increase. Non-MTA transit systems include: the Capital District Transportation Authority, the Central New York Regional Transportation Authority, the Rochester Genesee Regional Transportation Authority, and the Niagara Frontier Transportation Authority.

- **Transmission Tax Split:** The Executive recommends Article VII legislation that would redistribute Transmission Tax revenues. Currently the Dedicated Highway and Bridge Trust Fund (DHBTF) currently receives 20 percent (\$16 million) of these revenues while the Metropolitan Mass Transportation Operating Assistance (MMTOA) fund receives 80 percent (or \$65 million). A portion of MMTOA's Transmission Tax revenue is transferred to the Public Transportation Operating Assistance (PTOA) fund. This proposal would:
 - continue to direct 20 percent of the Transmission Tax to the DHBTF;
 - reduce MMTOA's percentage to 54 percent;
 - and direct 26 percent to PTOA in lieu of a transfer.

This change will increase the amount of Transmission Tax revenues received by PTOA from \$16.7 million to \$21.4 million.

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STATE OPERATIONS AND WORKFORCE

Many of the proposed State Operations appropriations contain language that would vest authority in the Director of the Budget to “interchange” entire appropriations. This language would allow appropriations identified for specific purposes in the Executive proposal to be redirected by the Budget Director for any other purpose permitted by the interchange language. The only constraint of the interchange language is that the Budget Director must believe that such interchange would “improve the efficiency and effectiveness of government”. In hundreds of separate items of appropriation, the Budget Director would be authorized to redirect billions of dollars of state spending.

In State Fiscal Year (SFY) 2012-13, the Executive proposes \$1.1 billion in State Operations and Workforce Reductions (see Table 16).

Table 16

Agency Operations Reductions (\$ in Millions)	
	SFY 2013 Reductions
Agencies	(580)
Independent Officials	(255)
Enterprise/Consolidations	(109)
Health Insurance Rate Renewal	(130)
Fringe Benefits	(67)
Total	(1,141)

- **State Agencies:** The Executive Budget proposes \$580 million in savings related to State agencies. Specifically, the Executive anticipates savings in fringe benefit costs directly tied to salary levels, such as Social Security and pensions, as a result of the Executive State workforce that has declined from 125,787 full time equivalents (FTEs) in SFY 2010-11 to 121,868 FTEs in SFY 2011-12. In addition, a reconciliation of pension costs in SFY 2011 will lower the State's pension bill in SFY 2013 by \$77 million. Further savings are to be expected through operational efficiencies as agencies continue to redesign operations.
- **Independent Officials:** The Executive Budget assumes \$255 million in savings from original financial plan projections by the Legislature, Judiciary, State Comptroller, and the Department of Law, which do not propose spending increases for SFY 2012-13.

- **Enterprise/Consolidations:** The Executive proposes to centralize and coordinate operations such as procurement, business services and IT across state agencies, which is estimated to result in a savings of \$100 million. Additionally, the Executive includes \$9 million in savings from rent reductions achieved through statewide office space consolidations.
- **Health Benefits Management:** State management of health benefits has controlled year-by-year growth in health insurance benefits spending to 2.6 percent, which is 10 percentage points lower than the 12.6 percent increase initially projected by the Executive. Additionally, there would be savings to the State related to increased employee share of health benefit costs pursuant to recently negotiated collective bargaining agreements. This measure would result in a savings of \$130 million in SFY 2012-13.
- **Fringe Benefits:** The Executive proposes to save \$67 million in fringe benefit costs by pre-paying pension obligations in SFY 2011-12 to avoid annual interest costs (\$30 million); increasing Federal Medicare Part D reimbursements through the conversion of the retiree drug coverage program to an Employer Group Waiver Plan (\$26.5 million); and by requiring employees of certain State public authorities to contribute toward the cost of Medicare Part B premium (\$10.5 million) reimbursement.
- **Workforce Summary:** The Executive proposes a State Workforce of 185,867 for SFY 2012-13. This represents a net increase of 70 FTE over SFY 2011-12, with 123 layoffs proposed in the Office of Children and Family Services (OCFS) due to facility closures (see Table 16).
- **Tier VI:** The Executive proposes to create a Tier VI retirement benefit for newly hired public employees. Under the proposal, the employee would have a choice between two options for a retirement plan upon employment.
 1. The Defined Benefit plan would include: an increase to the employees' contribution to the pension system from 3 percent to 4, 5, or 6 percent depending on salary; employees vesting after 12 years instead of 10 years; an increase in the retirement age from 62 years to 65 years or, according to special plans, upon 20 or 25 years of service; and decrease the pension multiplier from 2 percent to 1.67 percent for each year credited. In addition, member contributions would vary according to market conditions under a risk sharing plan proposed by the Executive.
 2. The Defined Contribution plan would include: a minimum employer contribution of 4 percent; a 3 percent employer match when the employee makes a contribution; no required employee contribution; and under this plan employee pension benefits would be vested after one year.

- **Mergers and Consolidations of State Agencies, and Elimination of Certain Boards and Commissions:** The Executive proposal includes legislation that would reform the operations of agencies, commissions and boards accordingly:
 - the Division of Lottery and the State Racing and Wagering Board would be merged into a new “New York State Gaming Commission”;
 - the Department of Civil Service and the Office of Employee Relations would be merged into a new “ Department of Workforce Management”;
 - the operations and management of the Belleayre Mountain ski center would be transferred from the Department of Environmental Conservation to the Olympic Regional Development Authority; and
 - eliminate or consolidate certain state boards and commissions.
- **Not for Profit Executive Compensation:** The Executive Budget includes legislation to limit State reimbursement to service providers for costs associated with administration and executive compensation. This proposal would require that by April 2015, no more than 15 percent of State payments for services rendered may be allocated to administrative purposes. In addition, the proposal would require that State funds may not support executive salaries in excess of \$199,000 annually.

Table 17

Workforce Impact Summary All Funds 2010-11 Through 2012-13									
	2010-11 Actuals (03/31/11)	Starting Estimate (03/31/12)	Layoffs*	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/13)
Major Agencies									
Children and Family Services, Office of	3,352	3,143	(123)	(466)	780	0	0	191	3,334
Corrections and Community Supervision, Department of	29,530	29,773	0	(1,899)	1,899	0	0	0	29,773
Education Department, State	2,735	2,672	0	(111)	204	0	0	93	2,765
Environmental Conservation, Department of	3,003	2,983	0	(52)	52	0	0	0	2,983
Financial Services, Department of	0	1,531	0	(52)	52	0	0	0	1,531
General Services, Office of	1,345	1,315	0	(60)	74	0	0	14	1,329
Health, Department of	4,995	5,000	0	(301)	421	0	0	120	5,120
Labor, Department of	3,953	3,753	0	(424)	197	0	0	(227)	3,526
Mental Health, Office of	15,727	15,327	0	(1,620)	1,620	0	0	0	15,327
Motor Vehicles, Department of	2,447	2,393	0	(52)	73	0	0	21	2,414
Parks, Recreation and Historic Preservation, Office of	1,800	1,748	0	(75)	63	0	0	(12)	1,736
Parole, Division of	1,863	0	0	0	0	0	0	0	0
People with Developmental Disabilities, Office for	21,221	20,718	0	(1,842)	1,728	0	0	(114)	20,604
State Police, Division of	5,435	5,220	0	(208)	208	0	0	0	5,220
Taxation and Finance, Department of	5,125	4,897	0	(194)	97	0	0	(97)	4,800
Temporary and Disability Assistance, Office of	2,159	2,225	0	(12)	59	0	(6)	41	2,266
Transportation, Department of	9,130	8,583	0	(304)	213	0	0	(91)	8,492
Workers' Compensation Board	1,364	1,380	0	(80)	71	0	0	(9)	1,371
Subtotal - Major Agencies	115,184	112,661	(123)	(7,752)	7,811	0	(6)	(70)	112,591
Minor Agencies	10,603	9,207	0	(591)	576	0	6	(9)	9,198
Subtotal - Subject to Direct Executive Control	125,787	121,868	(123)	(8,340)	8,387	0	0	(79)	121,789
University Systems									
City University of New York	12,844	12,747	0	0	0	0	0	0	12,747
State University Construction Fund	140	152	0	0	0	0	0	0	152
State University of New York	41,053	42,206	0	0	0	0	0	0	42,206
Subtotal - University Systems	54,037	55,105	0	0	0	0	0	0	55,105
Off-Budget Agencies									
Roswell Park Cancer Institute	2,025	2,025	0	(101)	101	0	0	0	2,025
Science, Technology and Innovation, NYS Foundation for	20	0	0	0	0	0	0	0	0
State Insurance Fund	2,545	2,536	0	(125)	125	0	0	0	2,536
Subtotal - Off-Budget Agencies	4,590	4,561	0	(226)	226	0	0	0	4,561
Independently Elected Agencies									
02000 - Audit & Control	2,444	2,516	0	0	98	0	0	98	2,614
03000 - Law	1,653	1,747	0	0	51	0	0	51	1,798
Subtotal - Independently Elected Agencies	4,097	4,263	0	0	149	0	0	149	4,412
Grand Total	188,511	185,797	(123)	(8,566)	8,762	0	0	70	185,867
* This table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.									

**Workforce Impact Summary
All Funds
2010-11 Through 2012-13**

	2010-11 Actuals (03/31/11)	Starting Estimate (03/31/12)	Layoffs*	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/13)
Minor Agencies									
Adirondack Park Agency	52	56	0	(2)	2	0	0	0	56
Aging, Office for the	119	114	0	(14)	14	0	0	0	114
Agriculture and Markets, Department of	508	495	0	(37)	30	0	0	(7)	488
Alcoholic Beverage Control, Division of	128	123	0	(2)	11	0	0	9	132
Alcoholism and Substance Abuse Services, Office of	842	822	0	(39)	30	0	0	(9)	813
Arts, Council on the	29	28	0	(1)	1	0	0	0	28
Banking Department	530	0	0	0	0	0	0	0	0
Budget, Division of the	313	307	0	(20)	30	0	0	10	317
Civil Service, Department of	432	416	0	(10)	2	0	0	(8)	408
Consumer Protection Board, State	21	0	0	0	0	0	0	0	0
Correction, Commission of	27	29	0	0	0	0	0	0	29
Criminal Justice Services, Division of	630	589	0	(52)	55	0	0	3	592
Deferred Compensation Board	4	4	0	0	0	0	0	0	4
Economic Development, Department of	133	143	0	(3)	18	0	0	15	158
Elections, State Board of	59	58	0	0	0	0	0	0	58
Employee Relations, Office of	42	41	0	0	13	0	0	13	54
Environmental Facilities Corporation	76	88	0	(98)	10	0	0	(88)	0
Executive Chamber	124	136	0	(24)	24	0	0	0	136
Financial Control Board, New York State	14	14	0	0	0	0	0	0	14
Higher Education Services Corporation, New York State	502	495	0	(25)	25	0	0	0	495
Homeland Security and Emergency Services, Division of	383	427	0	(20)	35	0	0	15	442
Housing and Community Renewal, Division of	749	745	0	(68)	82	0	0	14	759
Hudson River Valley Greenway Communities Council	1	1	0	0	0	0	0	0	1
Human Rights, Division of	194	188	0	(10)	0	0	0	(10)	178
Indigent Legal Services, Office of	1	10	0	0	0	0	0	0	10
Inspector General, Office of the	59	62	0	0	3	0	0	3	65
Insurance Department	899	0	0	0	0	0	0	0	0
Interest of Lawyer Account	8	8	0	0	0	0	0	0	8
Judicial Commissions	39	49	0	0	0	0	0	0	49
Labor Management Committees	77	79	0	0	0	0	0	0	79
Lieutenant Governor, Office of the	4	7	0	(1)	1	0	0	0	7
Lottery, Division of the	314	362	0	(15)	15	0	0	0	362
Medicaid Inspector General, Office of the	606	558	0	(52)	0	0	0	(52)	506
Military and Naval Affairs, Division of	410	433	0	(9)	9	0	0	0	433
Prevention of Domestic Violence, Office for	25	26	0	0	0	0	0	0	26
Public Employment Relations Board	34	33	0	0	0	0	0	0	33
Public Ethics, Joint Commission on	45	45	0	0	0	0	0	0	45
Public Service Department	510	508	0	(30)	46	0	0	16	524
Quality of Care and Advocacy for the Disabled	92	99	0	(1)	5	0	0	4	103
Racing and Wagering Board, State	102	105	0	(5)	5	0	0	0	105
Regulatory Reform, Governor's Office of	10	0	0	0	0	0	0	0	0
State, Department of	574	598	0	(14)	30	0	6	22	620
Statewide Financial System	88	136	0	(17)	26	0	0	9	145
Statewide Wireless Network	3	0	0	0	0	0	0	0	0
Tax Appeals, Division of	25	26	0	(1)	1	0	0	0	26
Technology, Office for	587	571	0	(14)	40	0	0	26	597
Veterans' Affairs, Division of	96	91	0	(5)	8	0	0	3	94
Victim Services, Office of	78	75	0	(2)	5	0	0	3	78
Welfare Inspector General, Office of	5	7	0	0	0	0	0	0	7
Subtotal - Minor Agencies	10,603	9,207	0	(591)	576	0	6	(9)	9,198

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ENVIRONMENT, AGRICULTURE AND ENERGY

In State Fiscal Year 2012-13, the Governor recommends \$8.1 million in General Fund reductions to the operational expenses of the various agencies and departments (see Table 18).

Table 18

Environment and Energy Reductions (\$ in Millions)	
	SFY 2012-13
Utilize Existing Office of Parks, Recreation and Historic Preservation Revenues for Operating Expenses	(5.0)
Reduce Funding for Farm Viability Institute	(0.8)
Utilize Existing Balances in the Conservation Fund for Environmental Conservation Officer Fish and Wildlife Activities	(2.3)
Total Reductions	(8.1)

- **New York Works Program:** The Executive proposal provides the Department of Environmental Conservation (DEC) with \$102 million in capital to advance flood control projects, and provides the Office of Parks, Recreation, and Historic Preservation (OPRHP) with \$94 million in capital to expedite rehabilitation and improvement needs of state parks and historic sites and ski facilities operated by the Olympic Regional Development Authority (ORDA).
- **Environmental Protection Fund:** The Executive proposes \$134 million for the Environmental Protection Fund (EPF), reflecting no change from the SFY 2011-12 funding level.
- **Utilize Existing OPRHP Revenues for Operating Expenses:** The Executive proposal includes a shift of \$5 million in operating expenses from the General Fund to the Parks Patron Services Account.
- **Utilize Existing DEC balances within the Conservation Fund:** The Executive proposes to shift \$2.3 million in expenses for 65 Environmental Conservation Officers from the General Fund to the Conservation Fund.
- **Reduce funding for the Farm Viability Institute:** The Executive proposal includes a funding level of \$400,000 for the Institute, a reduction of \$800,000 from the SFY 2011-12 level.

- **Authorize the Department of Health (DOH) to finance certain activities with revenues from an assessment on cable television companies:** The Executive Budget would authorize DOH to finance public service education activities with revenues generated from cable television assessments.

ECONOMIC DEVELOPMENT

In SFY 2012-13, the Governor recommends \$665 million in new appropriations for economic development capital initiatives under the state Department of Economic Development (DED) and the Empire State Development Corporation (ESDC) (see Table 19).

Table 19

New Capital Appropriations: Urban Development Corporation	
(\$ in Millions)	
	State Fiscal Year 2012-13
NY SUNY 2020 Challenge Grant Program	110
SUNY College for Nanoscale and Science Engineering	250
Aqueduct Racetrack	25
New York Works: Regional Economic Development Councils	130
New York Works: Economic Development Program	75
New York Works: Buffalo Regional Innovation Cluster	75
Total	665

- **Regional Economic Development Councils:** The Governor recommends \$130 million in new capital appropriations to support a second round of awards to be allocated through ten regional councils that were established last year. In addition, the Executive proposal would make available \$70 million in Excelsior tax credits to be allocated by the Councils on a competitive basis.
- **NYSUNY 2020 Challenge Grant Program:** The Governor proposes a total of \$110 million in capital funding under the Urban Development Corporation to continue support for economic development projects at SUNY University Centers (\$80 million), as well as a new \$30 million capital appropriation for the remaining SUNY campuses on a competitive basis.
- **Buffalo Regional Innovation Cluster:** The Governor provides \$75 million in capital and \$25 million in Excelsior tax credits as a first installment toward a \$1 billion multi-year benefit package that was recently announced by the Governor for the City of Buffalo. Under the Executive proposal, a second \$100 million in State resources would be provided in SFY 2013-14. The Western New York Regional Economic Development Council would be responsible for developing a plan to leverage these funds through public-private partnerships.
- **Additional capital investments:** The Executive proposal also includes discrete capital appropriations of \$250 million for the SUNY College for Nanoscale and

Science Engineering, \$75 million for unidentified projects under the New York Works Program, and \$25 million for renovations to gaming facilities at the Aqueduct racetrack.

Table 20

Executive Actions: Economic Development	
(\$ in Millions)	
	State Fiscal Year 2012-13
DED: MWBE Compliance and Monitoring	1.6
DED: I Love NY Program	(1.1)
DED: International Operations	(0.4)
DED: Manufacturing Extension Partnership Program	(3.1)
DED: Elimination of Various High Technology Programs	(3.5)
DED: Other Administrative Actions	1.1
ESDC: Removal of Two-Year Economic Development Appropriation	(62.4)
ESDC: Elimination of Various Legislative Programs	(6.5)
ESDC: Empire State Economic Development Fund	50.4
ESDC: Jobs Now Program	16.2
Total	(7.7)

- **Minority and Women Businesses Enterprises (MWBE):** The Executive proposal includes an additional \$1.6 million to support 15 new staff positions and a computerized monitoring and compliance system to enhance participation rates of MWBEs.
- **I Love NY:** The Executive proposal decreases support for the I Love NY marketing program by \$1.1 million, and provides \$2.5 million for this program in SFY 2012-13.
- **New support for various Economic Development initiatives:** The Executive Budget provides new support of \$50.4 million for undetermined economic development projects through the Economic Development Fund, as well as a new \$16.2 million appropriation for the Jobs Now Program.
- **Jacob K. Javits Convention Center/Aqueduct Development:** The Executive proposes legislation that would authorize the Convention Center Development Corporation, a subsidiary of the New York State Urban Development Corporation, to dispose of any real or personal property located at the Javits site. Future proceeds

from the sale of such property would be transferred into the General Fund. The Executive has called for the creation of a new convention center at the Aqueduct racetrack site in Queens, however, no funds or legislation is provided in the Executive proposal for this initiative.

- **International Trade:** The Executive proposal reduces support for programs and activities to promote international trade by \$380,000, reflecting the possible closure of trade offices.
- **Manufacturing Extension Partnership Program:** The Executive proposal decreases support for the Manufacturing Extension Partnership Program by \$3.1 million to bring appropriation levels in line with actual spending under the federal program.
- **Elimination of Support for High Technology Programs:** The Executive proposal eliminates appropriations for high technology programs at Columbia University, Cornell University, Rensselaer Polytechnic Institute, Stony Brook University, and the University at Albany totaling \$3.5 million.
- **Elimination of Various Legislative Initiatives:** The Executive proposal eliminates a total of \$6.5 million in appropriations for various legislative economic development initiatives.
- **Other Administrative Actions:** The Executive proposal includes a net increase of \$1.1 million for various administrative actions, related to the addition increased spending on MWBE compliance and monitoring, and an adjustment of appropriation levels to match prior year spending.

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LOCAL GOVERNMENTS

Table 21

Impact of the 2012-13 Executive Budget on Local Governments						
Local Fiscal Year Basis Ending in 2013						
(\$ in Millions)						
	Total	NYC	School Districts	Counties	Other Cities	Towns & Villages
School Aid	569.9	224.0	326.0	19.9	0.0	0.0
Human Services	2.2	(1.9)	0.0	4.1	0.0	0.0
Health	27.9	12.3	0.0	15.6	0.0	0.0
Revenue Actions	1.8	0.9	0.0	0.8	0.0	0.1
Municipal Aid*	28.0	0.0	0.0	0.0	28.0	0.0
Transportation	17.5	7.5	0.0	10.0	0.0	0.0
New Pension Tier VI	44.6	TBD	24.6	12.0	2.9	5.1
Subtotal	691.9	242.8	350.6	62.4	30.9	5.2
School District Performance Grants	250.0	TBD	TBD	0.0	0.0	0.0
Total	941.9	242.8	350.6	62.4	30.9	5.2

* Spin-up AIM aid to City of Rochester.

The Executive estimates a \$941.9 million state budget impact to local governments (see Table 21). The largest components of the impact on local governments are the increase of \$569.9 million in School Aid and an additional \$250 million in competitive performance grants.

Some significant actions of the Executive Budget affecting local governments are:

- **Local Medicaid Relief:** The Executive Budget proposes that the State would assume costs related to the growth in the local share of Medicaid expenses phased-in over three years, and would phase-in the state takeover of local Medicaid administration over a multi-year period, and provide that the local administration reimbursement would be capped at SFY 2011-12 levels (see Page 12).
- **Tier VI Pension Reform:** The Executive budget creates a new pension tier for new public employees which increases employee contributions, raises the retirement age, excludes overtime and other payments from the formula used to calculate final average salary for pension allowances and allows a defined contribution option available to employees (see page 32).
- **Modify the Early Intervention (EI) Program:** The Executive proposes to modify the EI program by requiring commercial health insurance to include EI service providers

in their networks, by establishing a central fiscal intermediary for the EI program, and by reducing the local share of EI program costs (see Page 12).

- **Modify the Preschool Special Education:** Provides for the growth in county costs associated with the Preschool Special Education Program to be shared equally by the State, school district and county. In addition, the legislation prohibits children from receiving services from a preschool special education provider if there is a “less than arms length” relationship between the provider and the child’s approved evaluator, unless specifically authorized by the Commissioner of Education. The legislation also requires the proximity of a provider to be considered when determining a child’s placement and a justification to be state when a provider which is more distant from a child’s home is chosen over another appropriate provide (see Page 9).

Municipal Aid

- **Aid & Incentives for Municipalities (AIM) - Local Aid:** The Executive Budget for State Fiscal Year (SFY) 2012-13 would provide \$715 million in AIM for cities, towns and villages, maintaining the same level of funding from the prior year. The Executive would authorize language to accelerate (Spin-up) \$28 million of AIM payments to the City of Rochester.
- **Aid & Incentives for Municipalities (AIM) – Local Government Efficiency Grants (LGEG):** The Executive proposes to provide \$4 million for LGEG. This grant program provides local governments with funding for costs associated with efficiency projects such as consolidation or shared services. The maximum grant award for a project would be \$200,000 per municipality or a total of \$1 million. Local matching funds of 10 percent of the total cost of the activities under the grant work plan would be required.
- **Aid & Incentives for Municipalities (AIM) – Programs Rewarding Local Government Consolidation and Performance Improvements - \$35 million.**
 - The Executive Budget recommends the implementation of Citizen Empowerment Tax Credits. Municipalities that would consolidate or dissolve would be provided with a bonus equal to 15 percent of the newly combined local government’s tax levy. At least 70 percent of that amount would be required to be used for direct relief to property tax payers.
 - The Executive Budget would establish the Citizens Reorganization Empowerment Grants. These grants would provide local governments up to \$100,000 to cover costs associated with studies, plans and implementation efforts related to local government reorganization measures.

- **Local Government Performance and Efficiency Program - \$40 million:** The Executive Budget would establish the Local Government Performance and Efficiency Program, which would provide one-time awards to local governments that have achieved efficiencies and performance improvements. These awards would be funded up to \$25 per capita and would be subject to a \$5 million cap.
- **Video Lottery Terminal (VLT) Municipal Aid:** The Executive Budget would maintain \$6.3 million in payments to eligible host municipalities. The City of Yonkers would continue to receive \$19.6 million in VLT aid funding, which is used to directly support its local school district.
- **Miscellaneous Financial Assistance and Small Government Assistance:** The Executive includes \$1.96 million in financial assistance to mitigate shortfalls in real property tax revenues resulting from non-payment of property taxes by the Oneida Indian Nation to the counties of Madison and Oneida. The Executive provides \$217,000 in Small Government Assistance to the counties of Essex, Franklin and Hamilton.
- **Payments in lieu of taxes (PILOTS):** The Executive would increase PILOTS to the City of Albany by \$7.85 million in SFY 2012-13 and reduce PILOTS by \$7.85 million in SFY 2032-33.

Table 22

2012-13 Executive Budget---Aid and Incentives for Municipalities Proposal			
Municipality	2011-12 AIM Enacted Budget	Proposed YTY Dollar Change from 2011-12	2012-13 Proposed AIM Funding
BUFFALO	161,285,233	0	161,285,233
YONKERS	108,215,479	0	108,215,479
ROCHESTER	88,234,464	0	88,234,464
SYRACUSE	71,758,584	0	71,758,584
NIAGARA FALLS	17,794,424	0	17,794,424
UTICA	16,110,473	0	16,110,473
ALBANY	12,607,823	0	12,607,823
TROY	12,279,463	0	12,279,463
SCHENECTADY	11,205,994	0	11,205,994
BINGHAMTON	9,249,457	0	9,249,457
ROME	9,083,340	0	9,083,340
MOUNT VERNON	7,155,691	0	7,155,691
NEW ROCHELLE	6,162,927	0	6,162,927
LACKAWANNA	6,309,821	0	6,309,821
WHITE PLAINS	5,463,256	0	5,463,256
AUBURN	4,982,093	0	4,982,093
WATERTOWN	4,703,208	0	4,703,208
JAMESTOWN	4,572,280	0	4,572,280
NEWBURGH	4,464,656	0	4,464,656
ELMIRA	4,578,801	0	4,578,801
POUGHKEEPSIE	4,248,021	0	4,248,021
NORTH TONAWANDA	4,335,111	0	4,335,111
LONG BEACH	3,152,704	0	3,152,704
KINGSTON	3,069,151	0	3,069,151
GLEN COVE	2,837,667	0	2,837,667
AMSTERDAM	2,866,670	0	2,866,670
MIDDLETOWN	2,705,826	0	2,705,826
COHOES	2,742,886	0	2,742,886
LOCKPORT	2,650,525	0	2,650,525
PLATTSBURGH	2,648,880	0	2,648,880
ITHACA	2,610,398	0	2,610,398
TONAWANDA	2,602,104	0	2,602,104
OSWEGO	2,451,698	0	2,451,698
GLOVERSVILLE	2,302,592	0	2,302,592
PEEKSKILL	2,219,384	0	2,219,384
OLEAN	2,239,826	0	2,239,826
ONEONTA	2,231,857	0	2,231,857
CORTLAND	2,018,330	0	2,018,330
GENEVA	1,942,613	0	1,942,613
BATAVIA	1,750,975	0	1,750,975
OGDENSBURG	1,708,659	0	1,708,659
SARATOGA SPRINGS	1,649,701	0	1,649,701
ONEIDA	1,700,877	0	1,700,877
FULTON	1,626,822	0	1,626,822
GLENS FALLS	1,607,009	0	1,607,009
DUNKIRK	1,575,527	0	1,575,527
BEACON	1,537,478	0	1,537,478
CORNING	1,499,556	0	1,499,556
HORNELL	1,497,788	0	1,497,788
HUDSON	1,456,991	0	1,456,991
PORT JERVIS	1,406,263	0	1,406,263
JOHNSTOWN	1,388,910	0	1,388,910
WATERVLIET	1,210,193	0	1,210,193
RYE	1,208,024	0	1,208,024
RENSSELAER	1,137,317	0	1,137,317
CANANDAIGUA	1,119,304	0	1,119,304
NORWICH	1,089,279	0	1,089,279
SALAMANCA	928,131	0	928,131
LITTLE FALLS	866,034	0	866,034
MECHANICVILLE	662,392	0	662,392
SHERRILL	372,689	0	372,689
Cities Total	647,093,629	0	647,093,629
TOWNS	47,709,257	74,523	47,783,780
VILLAGES	19,928,815	(74,523)	19,854,292
Total	714,731,701	0	714,731,701

CAPITAL PROGRAM AND FINANCING PLAN

Table 23

Capital Spending by Function 5-Year Plan (\$ in Thousands)						
Spending	2012-13	2013-14	2014-15	2015-16	2016-17	Total 5-Yr
Transportation	4,574,763	4,532,407	4,300,352	4,070,749	3,990,733	21,469,004
Other Higher Education/ Education Programs	2,036,526	1,795,607	1,858,031	1,803,984	1,585,786	\$9,079,934
Economic Development & Gov't. Oversight	628,807	778,591	779,811	608,513	273,009	3,068,731
Mental Hygiene	551,940	528,273	747,309	697,412	672,252	3,197,186
Parks and Environment	651,049	571,258	531,499	483,330	438,080	2,675,216
Health and Social Welfare	498,123	389,696	139,821	139,264	139,264	1,306,168
Public Protection	331,706	310,547	327,282	324,532	318,436	1,612,503
Education - EXCEL	100,000	100,000	92,172	-	-	292,172
General Government	62,613	59,309	69,883	69,883	69,883	331,571
Other	99,100	99,000	85,100	40,000	40,000	363,200
Total	9,534,627	9,164,688	8,931,260	8,237,667	7,527,443	43,395,685

The Five-Year Capital Plan

- **The Executive is proposing a \$43.4 billion Five-Year Capital Plan:** The new capital plan is \$2.5 billion or 6.2 percent over the Mid-year Capital Plan of SFY 2011-12. This new Five-Year Capital Plan reprioritizes and accelerates existing projects and implements the portion of the New York Works program.
 - The Executive's proposal of \$9.5 billion Capital Plan spending for SFY 2012-13 reflects a decrease of 2 percent, or \$191.8 million, from SFY 2011-12.
 - Increases in Capital projects spending for SFY 2012-13 include an increase in Transportation by seven percent or \$306 million, Education/Higher Education programs by nine percent or \$168 million, Mental Hygiene programs by eight percent or \$40 million and public protection by four percent or \$11 million.
 - Decreases in Capital projects spending in SFY 2012-13 include a decrease of \$443 million or 41 percent in Economic Development & Government Oversight, \$116 million or 15 percent in Parks and Environment, \$70 million or 12 percent in Health and Social Welfare, \$10 million or nine percent in Education-EXCEL programs, \$22 million or 26 percent in general government and \$56 million or 36 percent in the Other category.

Financing the Capital Plan for 2012-13

- **The Executive proposes to finance the Five-Year Capital program with a combination of pay as you go (PAYGO) funding and bonded resources:** The Capital Program for SFY 2012-13 of \$9.5 billion is proposed to be financed as follows:
 - \$2.6 billion or 26.9 percent in State PAYGO;
 - \$1.8 billion or 18.7 percent in Federal PAYGO;
 - \$0.4 billion or 4.2 percent in General Obligation; and,
 - \$4.7 billion or 50.2 percent in Public Authority bonding.

Table 24

New Capital Obligations 2012-13 Executive Budget (\$ in Thousands)	
	New Obligations
<u>New Capital Spending - Increases</u>	<u>\$3,031,813</u>
Accelerations: Primarily Transportation & Economic Development	\$1,639,813
MTA Capital Plan for 2010-2014 - State Contribution	\$770,000
SUNY 2020 Competitive Grants	\$110,000
SUNY 2020 Buffalo Plan	\$215,000
SUNY 2020 PAYGO Capital Commitments	\$184,000
SUNY Community Colleges w/ Sponsor Approval	\$87,000
CUNY Community Colleges w/ Sponsor Approval	\$26,000
<i>(1) Accelerations will result in appropriations and spending increasing in the early years and declining in later years</i>	

Capital Initiatives

- **The Executive proposes \$3 billion in new capital investment:**
 - The Executive proposal includes \$1.6 billion in accelerated spending for the New York Works program as follows:
 - \$917 million would be funded with Federal Aid; and

- \$723 million would be funded with State funds (see Table 25).
- An additional \$1.4 billion is earmarked for new capital investments in infrastructure and economic development which include the following:
 - \$770 million to the MTA to fund their revised MTA 2010-14 Capital Plan for core infrastructure improvements;
 - \$110 million of NYSUNY 2020 Competitive Grants;
 - \$215 million for NYSUNY 2020 to relocate the School of Medicine and Biomedical Sciences to the Buffalo Niagara Medical Campus;
 - \$184 million for NYSUNY 2020 projects at Buffalo and Stony Brook; and
 - \$113 million to the SUNY and CUNY Community Colleges.
- The Executive's proposed 2012-13 Capital Plan increased spending by \$2.53 billion from the SFY 2011-12 Mid-year Plan as the addition of \$3 billion in new obligations were added over the Five-Year Plan. These additions are offset by \$37.6 million in re-estimated Capital Spending of Mental Hygiene and other miscellaneous adjustments.

Table 25

New York Works Program SFY 2012-13 New Capital Obligations (\$ in Millions)			
Accelerated Capital Spending	State	Federal	Total State and Federal
<u>Department of Transportation</u>	<u>247.1</u>	<u>916.8</u>	<u>1,163.8</u>
General Maintenance	232.1	916.8	1,148.8
Peace Bridge	15.0		15.0
<u>Parks, Recreation and Historic Preservation</u>	<u>94.3</u>		<u>94.3</u>
Parks, Historic Place Preservation	89.3		89.3
ORDA	5.0		5.0
<u>Department of Environmental Conservation</u>	<u>101.7</u>		<u>101.7</u>
Flood Control	101.7		101.7
<u>Urban Development Corporation</u>	<u>280.0</u>		<u>280.0</u>
NY Works Economic Development Fund	75.0		75.0
Buffalo Innovation Cluster	75.0		75.0
Regional Councils, Broadband	130.0		130.0
<u>New Capital</u>	<u>723.1</u>	<u>916.8</u>	<u>1,639.8</u>

New York Works Program

The Executive proposes Capital Spending of \$1.6 billion which is part of the \$15 billion NY Works Program for roads and bridges, parks, dams and flood control projects, upgrading water systems and educational facilities and investing in energy efficient improvements to commercial and residential buildings.

- **\$1.2 billion for the Department of Transportation:** \$1.15 billion is allocated for general maintenance for the DOT Capital Plan (\$917 million will be Federal Aid) and \$15 million to support the completion of the Peace Bridge Plaza.
- **\$280 million for the Urban Development Corporation:** \$130 million for Regional Council Projects, \$75 million for NY Works new infrastructure and other Economic Development projects and \$75 million for Buffalo Regional Innovation Cluster activities.
- **\$102 million for the Department of Environmental Conservation:** To advance flood control, coastal erosion and critical dam safety projects.
- **\$94.3 million for Parks:** \$89.3 million for Capital rehabilitation and improvements in 48 state parks and historic sites and \$5 million for ski facilities operated by ORDA.

State Debt Outstanding

Table 26

Projected Debt Outstanding		
(\$ in Thousands)		
	SFY 2011-12	Projected SFY 2012-13
General Obligation	3,494,365	3,584,854
LGAC	3,118,923	2,874,738
PA Debt -Other Lease-Purchase & Contractual Obligation (Revenue Bonds)	46,730,145	48,436,931
Total State-supported Debt	53,343,433	54,896,523
Other State Obligations:		
Tobacco	2,689,805	2,370,095
All Other	944,919	857,182
Total State-related Debt	56,978,157	58,123,800

- State-supported debt includes debt paid by state resources and has a budgetary impact on the state financial plan. State-supported debt includes General Obligation debt, Local Government Assistance Corporation (LGAC), and other lease purchase and contractual obligations to public authorities and municipal governments from state appropriations from the personal income tax, sales tax and other taxes.

State Supported Debt

Table 27

New York State-Supported Debt Outstanding by Function 2012-13 (\$ in Thousands)		
Economic Development & Housing	5,449,366	9.93%
Environment	2,717,812	4.95%
Health & Mental Hygiene	5,190,907	9.46%
Transportation	16,051,409	29.24%
State Facilities & Equipment	6,004,942	10.94%
Education	16,607,350	30.25%
LGAC	2,874,738	5.24%
Total State-Supported	54,896,524	

- **State-supported debt outstanding will total \$54.9 billion an increase of \$1.5 billion over SFY 2011-12.** The amount of debt outstanding by function are as follows:
 - Economic Development and Housing programs totaling \$5.5 billion, a decrease of \$5.1 million or 0.09 percent;
 - Environment totaling \$2.7 billion, an increase of \$62 million or 2.4 percent;
 - Health and Mental Hygiene totaling \$5.2 billion, an increase of \$329 million or 6.8 percent;
 - Transportation totaling \$16.0 billion, an increase of \$427 million or 2.7 percent;
 - State Facilities and Equipment totaling \$6.0 billion, a decrease of \$89 million or 1.5 percent;
 - Education totaling \$16.6 billion, an increase of \$1.0 billion or 6.9 percent; and
 - LGAC with a total of \$2.9 billion, a decrease of \$244 million or 7.8 percent.

- **Transportation and Education, which make up 29 percent and 30 percent of debt outstanding, are the largest component of the State's obligations:** The remaining obligations by function of debt outstanding are: 11 percent in State Facilities and Equipment; 5.2 percent in LGAC; 9.5 percent in Health and Mental Hygiene; 5 percent in Environment; and 10 percent in Economic Development and Housing.

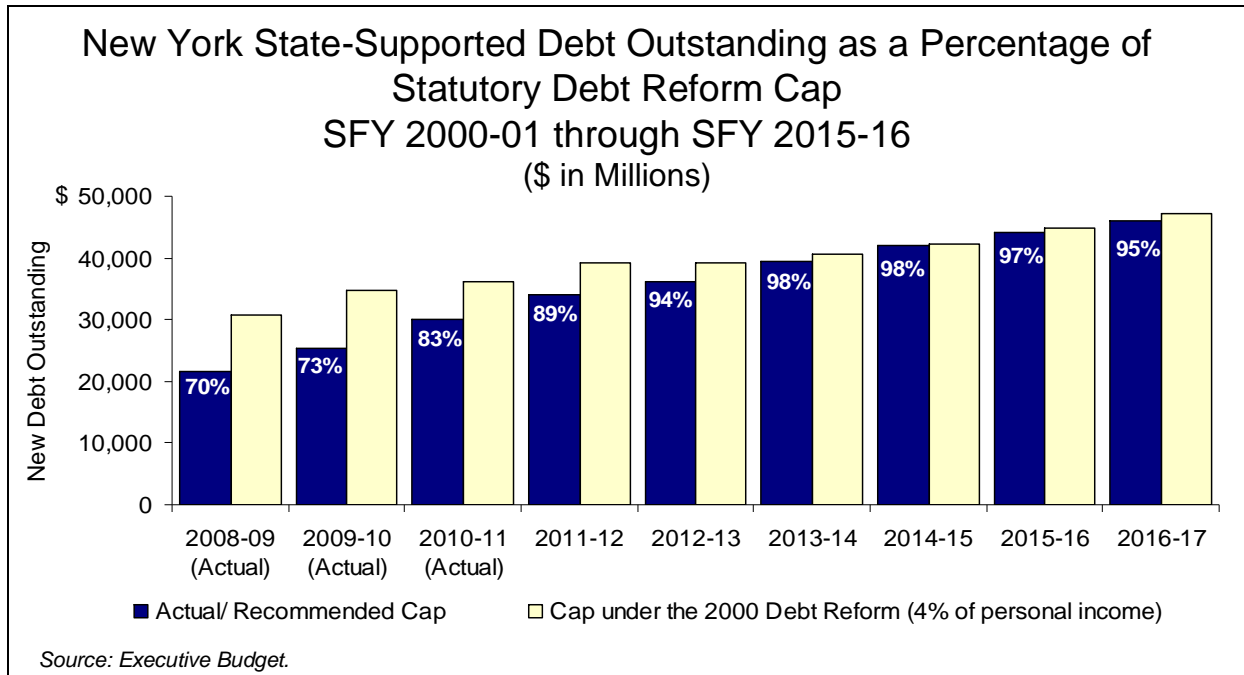


Figure 5

- **The state cap on the amount of new debt outstanding is limited to four percent of Personal Income:** The amount of debt outstanding projected under the statutory cap for SFY 2012-13 is 96.1 percent or \$1.2 billion below the statutory cap.
- **The Executive estimates \$317 million of available room under the cap for SFY 2013-14 and \$559 million in SFY 2014-15:** This estimate is the narrowest margin of room under the statutory cap the state has projected in recent history.

State-Related Debt

Table 28

State-related Debt Outstanding (Other State Debt Obligations in addition to State-supported) (\$ in Thousands)	
	SFY 2012-13
Contingent Contractual	
DASNY/MCFFA Secured Hospitals Prg.	481,660
Tobacco Settlement Financing Corp.	2,370,095
Moral Obligation	
HFA Moral Obligation Bonds	13,767
MCFFA Nursing Homes & Hospitals	1,560
State Guaranteed	
Job Development Authority (JDA)	15,435
State Funded	
MBBA Prior Year School Aid Claims	<u>344,760</u>
Total	3,227,277

- **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).
 - State-related debt obligation in all areas are estimated to increase by \$1.15 billion or 2 percent from SFY 2011-12.
 - 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 not 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 \$15.4 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 \$345 million.

ECONOMIC FORECAST SUMMARY

The National Economy: The U.S. economy went through several setbacks in 2011. The Executive estimates that the economy grew 1.7 percent in 2011. As the economy is expected to face many headwinds going forward, including a slow global economy and financial market volatility, the Executive forecasts growth of 2.2 percent in Gross Domestic Product (GDP) for 2012.

Table 29

Executive Compared To Major Forecasters			
	Estimate	Forecast	Forecast
	2011	2012	2013
Real Gross Domestic Product (GDP)			
(2005 chained percent change)			
Division of the Budget	1.7	2.2	2.9
Blue Chip Consensus	1.7	2.2	NA
Moody's Economy.com	1.8	2.6	NA
Global Insight	1.8	2.0	2.4
Macroeconomic Advisers	1.8	2.3	3.0
Consumer Price Index (CPI)			
(percent change)			
Division of the Budget	3.2	1.8	2.1
Blue Chip Consensus	3.2	2.1	NA
Moody's Economy.com	3.2	2.1	NA
Global Insight	3.1	1.5	1.8
Macroeconomic Advisers	3.1	1.8	1.5
Unemployment Rate			
(percent)			
Division of the Budget	9.0	8.6	8.2
Blue Chip Consensus	9.0	8.8	NA
Moody's Economy.com	9.0	8.8	NA
Global Insight	9.0	8.8	8.6
Macroeconomic Advisers	9.0	8.9	8.7
<small>Note: Numbers are as reported in the Executive Budget 2012-13 released on January 17, 2012. Sources: New York State Division of the Budget, 2012-13 Executive Budget & Reform Plan, January 17, 2012; Blue Chip Economic Indicators, December 2011; Moody's Economy.com, Macro Forecast, December 2011; Macroeconomic Advisers, Economic Outlook, January 2012; Global Insight, U.S. Forecast Summary, January 2012.</small>			

- **Consumption:** The Executive forecasts real consumption spending to slow to 2.0 percent in 2012, following growth of 2.2 percent in 2011. According to the Division of the Budget, the slowdown in consumption spending in 2012 is due partly to households continuing to deleverage as well as rebalance their wealth after substantial losses.

- **Investment:** The Executive estimates that nonresidential investment spending grew by 8.8 percent in 2011, its largest gain since 2001. Gains in 2011 were driven by a resurgence in spending on structures and continued strength in spending on software and equipment. Nonresidential investment spending is forecast to grow 8.3 percent in 2012. Growth in business spending will be aided by low interest rates, easing credit markets, and improvements in domestic demand. The Executive forecasts residential investment spending to grow 6.2 percent in 2012.
- **Government Spending:** The Executive forecasts that overall government spending will fall by 1.1 percent in 2012 following a decline of 2.0 percent in 2011. In addition, the Executive projects that state and local government spending, adjusted for inflation, will decline another 1.6 percent in 2012 after falling 2.3 percent in 2011. According to the Executive, the multiyear declines in state and local government spending can be attributed to primary sources of revenues being constrained by falling home prices, a weak labor market, and turbulence in financial markets.
- **Employment:** Employment is expected to grow by 1.3 percent in 2012, following an estimated 1.0 percent gain in 2011. The Executive expects that the unemployment rate will average 8.6 percent in 2012 as labor market conditions improve and the labor force grows.
- **International Economy:** The Executive indicates that the European sovereign debt crisis poses significant risk to the national economy through U.S. banks' exposure to the euro-debt crisis and the possibility that recession in some European countries could spill over to the global economy. Slow growth in other areas of the world could also affect U.S. growth.
- **Inflation:** The Executive estimates inflation, as measured by the Consumer Price Index (CPI), grew 3.2 percent in 2011. The Executive forecasts that sluggish domestic and international growth in 2012 will moderate U.S. inflation to 1.8 percent.
- **Corporate Profits:** The Executive estimates corporate profits grew 7.9 percent in 2011, following growth of 32.2 percent in 2010. In 2011, growth slowed at financial firms as the industry struggled with both the euro-debt crisis and an evolving regulatory environment—these issues will continue to plague the sector in 2012. Profits at nonfinancial firms are estimated to have been strong in 2011, as a significant share of gains at large U.S. corporations came from overseas sources. As the global economy has cooled, foreign earnings are expected to weaken. Corporate profit growth is forecast to slow to 4.7 percent in 2012.

- Stock Market:** The Executive states that even a tough equity market has recently become more reflective of the fear surrounding the European sovereign debt crisis than of corporate earnings. In the long run, equity market price growth is expected to be consistent with growth in corporate earnings. With corporate earnings expected to be slow while interest rates are rising gradually, the Executive projects slow equity market growth in 2012 at 2.9 percent, after growing 11.4 percent in 2011.

The New York State Economy: The forecast contained in the Executive Budget indicates that the State recession ended in December 2009 and that the current recovery is proceeding at a stronger pace than the recovery following the 2001-2003 recession. The Executive forecasts payroll employment and wages in the State to improve in 2012. However, as the economy is expected to face many headwinds going forward, employment and wage growth in 2012 are forecast to be slower than in 2011.

Employment: According to the Executive, the State labor market enjoyed strong broad-based private sector growth in 2011. The Executive forecasts that New York State employment will grow 1.0 percent in 2012, slower than the nation’s employment growth of 1.3 percent (see Figure 6).

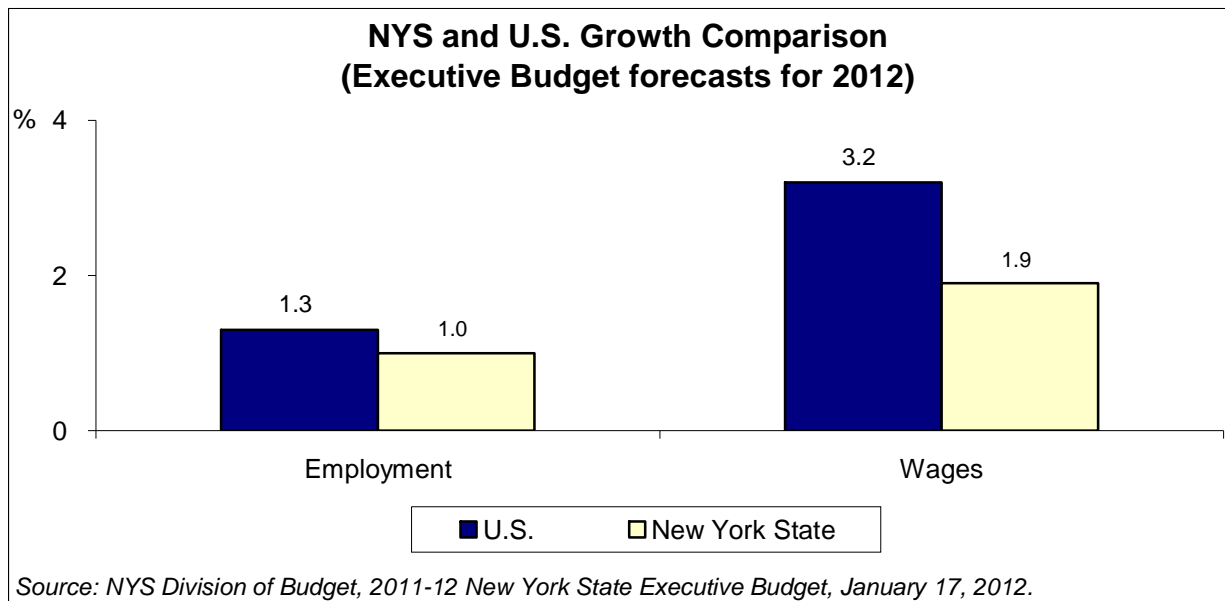


Figure 6

- Wages:** The Executive estimates that New York State wages grew 3.8 percent in 2011, while national wages grew 3.5 percent. The growth in State wages for 2011 was helped by bonus growth of almost 20 percent in the first quarter of 2011, due to improved conditions on Wall Street. The Executive forecasts that State wage

growth will slow to 1.9 percent in 2012 due to anticipated declines in finance and insurance bonuses.

- **Risks:** The Executive acknowledges several risks to the economic forecast presented in the budget. The Executive states that uncertainty surrounding the current environment, particularly the impact of European sovereign debt crisis on financial markets, slow growth in other areas of the world, and other volatile components such as home foreclosures, capital gains, bonuses, and energy prices present particular risk for the New York State outlook.

EXECUTIVE TAX REVENUE FORECAST

Table 30

Revenue Forecast Summary				
(\$ in Millions)				
	2010-11 Actual	2011-12 Mid-Year Executive	2011-12 Executive	Executive Difference from Executive Mid-Year
Personal Income Tax	36,210	38,884	38,664	(220)
User Taxes	14,206	14,603	14,719	116
Business Taxes	7,279	7,895	7,921	26
Other	3,175	3,121	3,228	107
Total	60,870	64,503	64,532	29

SFY 2011-12 Estimate

- **The Executive estimates that All Funds tax collection in State Fiscal Year (SFY) 2011-12 will total \$64.532 billion, an increase of 6.0 percent or \$3.662 billion.** The majority of the increase in revenues reflects the rebound in economic activity from the depths of the recession.
- **The Executive's current estimate is \$29 million higher than their Mid-Year Financial Plan Update released in November.** This increase in the Executive estimate for SFY 2011-12 is caused by a \$220 million decline in Personal Income Tax revenues, with offsetting increases in user, business and other taxes. The decline in Personal Income tax expectations would have been even more severe without the additional \$385 million provided by the reforms enacted in December.

Table 31

Revenue Forecast Summary (\$ in Millions)					
	2012-13 Mid-Year	2012-13 Executive	Change From 2011-12	Percent Growth	Executive Difference from Executive Mid-Year
Personal Income Tax	\$38,589	\$40,311	\$1,647	4.3	\$1,722
User Taxes	15,018	15,076	357	2.4	58
Business Taxes	8,392	8,152	231	2.0	(240)
Other	3,259	2,994	(234)	(7.2)	(265)
Total	\$65,258	\$66,533	\$2,001	3.1	\$1,275

- **All Funds tax receipts are expected to increase by \$2.001 billion, or 3.1 percent, to \$66.533 billion.** The increase in revenues can be primarily attributed to a rising economy coupled with the revenue increases proposed with this budget.
- **The Executive is depending on revenue actions that would increase total tax collections by \$1.536 billion in SFY 2012-13.** The majority of these revenues are attributable to reforms that were enacted in December of 2011. These reforms included a restructuring of the Personal Income Tax, which increased SFY 2012-13 revenues by \$1.93 billion. It also included reform of the MTA Payroll Tax that provided \$250 million in tax cuts for small businesses and other business tax credits that will lower collections by \$145 million. Proposals included in the SFY 2012-13 Executive Budget would increase revenues by \$25 million.

EXECUTIVE TAX REVENUE PROPOSALS

Table 32

Executive Revenue Actions				
(\$ in Millions)				
	2012-13	2013-14	2014-15	2015-16
Tax Compliance	11	29	29	29
Credit Extensions	(2)	(18)	(40)	(48)
Solar Energy Benefits	(2)	(5)	(5)	(5)
Tobacco/Other	18	24	24	24
Total	25	30	8	0

The Executive Budget contains a series of provisions that would improve tax compliance, extend certain tax credits that are set to expire, reform the taxation of cigars and loose tobacco products, and expand solar energy tax benefits. There are also a few technical amendments included in the Executive Budget Revenue Article VII.

Tax Compliance

- Prohibit banks from charging fees on levied bank accounts (\$5 million in SFY 2012-13, \$7 million in SFY 2013-14);
- Deny STAR exemptions to persons owing past-due tax liabilities (\$0 in SFY 2012-13, \$1 million in 2013-14);
- Expand the sales tax registration clearance process (\$1 million in SFY 2012-13, \$1 million in SFY 2013-14);
- Make permanent the tax modernization provisions, which include mandatory e-filing and e-payment for both preparers and taxpayers, to achieve full intended taxpayer compliance improvement (\$4 million in SFY 2012-13, \$16 million in SFY 2013-14); and
- Make permanent the Sales Tax Modernization provisions set to expire December 31, 2012 (\$1 million in SFY 2012-13, \$4 million in SFY 2013-14).

Credit Extensions

- Extend the Empire State commercial production credit for five years, through tax year 2016, for qualified costs associated with TV commercials produced in New York (\$0 in SFY 2012-13, \$7 million in 2013-14);

- Extend the bio-fuel production credit for seven additional years through tax year 2019 (\$0 in SFY 2012-13, \$0 in SFY 2013-14, \$10 million in SFY 2014-15);
- Provide the Commissioner of the Division of Housing and Community Renewal authorization to allocate an additional \$8 million annually in low income housing tax credits for five additional years (\$0 in SFY 2012-13, \$8 million in SFY 2013-14);
- Make permanent the enhanced Earned Income Tax Credit (EITC) for certain noncustodial parents who pay child support for a qualifying child with whom they do not reside (\$0 in SFY 2012-13, \$0 in SFY 2013-14, \$4 million in SFY 2014-15); and
- Extend for five years the full or partial tax exemptions on E85, CNG, hydrogen and B20 when purchased for use in a motor vehicle engine (\$2 million in SFY 2012-13, \$3 million in SFY 2013-14).

Solar Energy Benefits

- Extend residential solar equipment credit to leases (\$0 in SFY 2012-13, \$2 million in SFY 2013-14); and
- Expand the sales tax exemption on solar energy equipment to include commercial use (\$2 million in SFY 2012-13, \$3 million in SFY 2013-14).

Tobacco/Other

- Reform the tobacco products tax by equalizing the per-ounce rate on loose tobacco with cigarettes and levy the tax on cigars at the retail level (\$18 million in SFY 2012-13, \$24 million in SFY 2013-14);
- Extend certain pari-mutuel tax rates and authorization for account wagering for a period of one year (no fiscal impact);
- Redistribute the statewide collected transmission tax between the upstate and downstate transit accounts in an equitable manner and provide much needed funding to upstate transit systems (no fiscal impact); and
- Make technical amendments to the tax classification of diesel motor fuel (no fiscal impact).

Table 33

Total Tax Collections SFY 2011-12				
(\$ in Millions)				
	2010-11	2011-12		Percent
	Actual	Estimate	Change	Growth
Personal Income Tax	\$36,210	\$38,664	\$2,454	6.8%
Gross Receipts	44,002	45,891	1,889	4.3%
Withholding	31,240	31,197	(43)	(0.1%)
Estimated Payments	9,735	11,530	1,795	18.4%
Vouchers	7,386	7,985	599	8.1%
IT 370s	2,349	3,545	1,196	50.9%
Final Payments	1,964	2,125	161	8.2%
Delinquencies	1,063	1,039	(24)	(2.3%)
Total Refunds	7,792	7,227	(565)	(7.3%)
Collections	36,210	38,664	2,454	6.8%
User Taxes and Fees	14,206	14,719	513	3.6%
Sales and Use Tax	11,538	11,997	459	4.0%
Motor Fuel Tax	517	501	(16)	(3.1%)
Cigarette Tax	1,616	1,665	49	3.0%
Highway Use	129	134	5	3.9%
Alcoholic Beverage Tax	230	233	3	1.3%
Auto Rental Tax	95	104	9	9.5%
Taxi Surcharge	81	85	4	4.9%
Business Taxes	7,279	7,922	643	8.8%
Corporate Franchise	2,846	3,231	385	13.5%
Utility Tax	813	815	2	0.2%
Insurance Tax	1,351	1,413	62	4.6%
Bank Tax	1,179	1,374	195	16.5%
Petroleum Business Tax	1,090	1,089	(1)	(0.1%)
Other	3,175	3,228	53	1.7%
Estate and Gift	1,219	1,195	(24)	(2.0%)
Real Estate Transfer	580	620	40	6.9%
Pari Mutuel	16	16	0	0.0%
Other	1	1	0	29.4%
Payroll Tax	1,359	1,396	37	2.7%
Total All Funds Taxes	60,870	64,533	3,663	6.0%
All Funds Misc Receipts	23,148	23,832	684	3.0%
Federal Grants	49,303	43,942	(5,361)	(10.9%)
Total All Funds Receipts	\$133,321	\$132,307	(\$1,014)	(0.8%)

Table 34

Total Tax Collections SFY 2012-13				
(\$ in Millions)				
	2011-12	2012-13		Percent
	Estimate	Forecast	Change	Growth
Personal Income Tax	\$38,664	\$40,311	\$1,647	4.3%
Gross Receipts	45,891	48,117	2,226	4.9%
Withholding	31,197	32,598	1,401	4.5%
Estimated Payments	11,530	12,212	682	5.9%
Vouchers	7,985	8,879	894	11.2%
IT 370s	3,545	3,334	(212)	(6.0%)
Final Payments	2,125	2,203	78	3.7%
Delinquencies	1,039	1,104	65	6.3%
Total Refunds	7,227	7,806	579	8.0%
Collections	38,664	40,311	1,647	4.3%
User Taxes and Fees	14,719	15,076	357	2.4%
Sales and Use Tax	11,997	12,246	249	2.1%
Motor Fuel Tax	501	515	14	2.8%
Cigarette Tax	1,665	1,733	68	4.1%
Highway Use	134	147	13	9.7%
Alcoholic Beverage Tax	233	238	5	2.1%
Auto Rental Tax	104	109	5	4.8%
Taxi Surcharge	85	88	3	3.5%
Business Taxes	7,922	8,152	230	2.9%
Corporate Franchise	3,231	3,299	68	2.1%
Utility Tax	815	877	62	7.6%
Insurance Tax	1,413	1,463	50	3.5%
Bank Tax	1,374	1,351	(23)	(1.7%)
Petroleum Business Tax	1,089	1,162	73	6.7%
Other	3,228	2,994	(234)	(7.2%)
Estate and Gift	1,195	1,127	(68)	(5.7%)
Real Estate Transfer	620	690	70	11.3%
Pari Mutuel	16	16	0	0.0%
Other	1	1	0	0.0%
Payroll Tax	1,396	1,160	(236)	(16.9%)
Total All Funds Taxes	64,533	66,533	2,000	3.1%
All Funds Misc Receipts	23,832	24,255	423	1.8%
Federal Grants	43,942	41,936	(2,006)	(4.6%)
Total All Funds Receipts	\$132,307	\$132,724	\$417	0.3%

APPROPRIATION BUDGET BILL

A. 9050/S. 6250	State Operation Appropriation Bill
A. 9051/S. 6251	Legislature & Judiciary Budget Appropriation Bill
A. 9052/S. 6252	Debt Service Budget Appropriation Bill
A. 9053/S. 6253	Aid to Localities Budget Appropriation Bill
A. 9054/S. 6254	Capital Projects Budget Appropriation Bill
A. 9055/S. 6255	Public Protection and General Governments Article VII Bill
A. 9056/S. 6256	Health & Mental Hygiene Article VII Bill
A. 9057/S. 6257	Education, Labor and Family Assistance Article VII Bill
A. 9058/S. 6258	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 9059/S. 6259	Revenue Article VII Bill
A. 9060/S. 6260	Merger State Entities Article VII Bill

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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. 9055 - PUBLIC PROTECTION AND GENERAL GOVERNMENT

PART	DESCRIPTION	SUMMARY
A	Expand the list of offenses for which a DNA sample will be collected and entered into the State DNA Databank	This part would expand the list of offenses for which a DNA sample will be collected and entered into the State DNA Databank to include all felonies and all Penal Law misdemeanors. This part would also specify the government official responsible for collection of a DNA sample and, provide that when a defendant is not sentenced to imprisonment or probation, the court shall order the defendant to report to the office of the county sheriff to provide a sample.
B	Repeal the requirement for a pistol and revolver ballistic identification database, known as CoBIS	This part would repeal the requirement that the Division of State Police maintain the Combined Ballistic Identification System (CoBIS), an automated electronic databank containing data and other ballistic information relevant to the identification of shell casings and to the pistols or revolvers from which such casings were discharged. This part would also repeal the requirement that manufacturers include a ballistic sample with any pistol or revolver shipped into the state of New York and that firearms dealers submit such sample to the State Police for inclusion in CoBIS.
C	Trial date for a traffic violation	This part would provide that, in cases where a defendant has pled not guilty by mail to a violation of any provision of the tax law or the transportation law regulating traffic, or for a traffic infraction, the court must advise the defendant by first class mail of the initial appearance date and where the defendant requests a trial, the court must set a trial date for a date subsequent to the initial appearance.
D	Authorize court discretion in the duration of probation sentence	This part would grant the court the discretion to sentence defendants convicted of class A misdemeanors and unclassified misdemeanors to a probationary term of two or three years, rather than the currently required fixed term of three years. Additionally, this part would allow the court discretion to sentence defendants convicted of a felony to a four or five year probationary term rather than the currently required five years.

PART	DESCRIPTION	SUMMARY
		Finally, this part would authorize probation directors or deputy directors to issue detainer warrants for technical violations of probation when judges are not available.
E	Expand the authority of State judges to order the forfeiture of properties and proceeds at the time of sentencing	This part would establish a new criminal forfeiture mechanism in the Penal Law requiring the court to order the forfeiture of property derived from, or involved in, a criminal offense. The forfeiture proceeding would take place at the time of sentencing and would be mandatory for all offenses. This part would also allow any property subject to forfeiture to be seized by law enforcement in advance of forfeiture proceedings. Additionally, this part would allow civil forfeiture of property and proceeds in misdemeanor cases. This part would amend the revenue sharing formula for funds forfeited based on a criminal proceeding to increase the amount retained by a district attorney's office and reduce the amount received by the State.
F	Continue provisions relating to the disposition of certain monies recovered by county attorneys	This part would extend for one year the existing formula under which a district attorney in the City of New York is authorized to retain a portion of settlement monies recovered before the filing of an accusatory instrument.
G	Modify emergency response and disaster preparedness provisions	This part would amend provisions relating to emergency responses to disasters by the State pursuant to the Intrastate Mutual Aid Plan and coordinated disaster responses by the State and localities.
H	Tier VI	This part would establish a new Tier VI for new public employees hired on or after April 1, 2012.
I	Expand 2010 Medicare Part B changes	This part would extend current provisions allowing State employee and retiree contributions to NYSHIP to be adjusted for Medicare Part B to employees and retirees of public authorities.
J	Lapse aged State and local appropriations	This part would require all reappropriations, with the exception of reappropriations for capital projects and federal purposes, to lapse five years after the close of the fiscal year of the original appropriation.
K	Modify the payments in lieu of taxes (PILOT) schedule made by the State to the City of Albany	This part would increase the PILOT made by the State to the City of Albany by \$7.85 million for SFY 2012-2013 and decrease the PILOT made by the State to the City of Albany by \$7.85 million for SFY 2032-2033.
L	Modify statewide procurement procedures and practices	This part would modify procurement provisions contained in the State Finance Law and related statutes: amend the definitions of "lowest price" and "best value" for

PART	DESCRIPTION	SUMMARY
		<p>statewide procurements to authorize the use of either procurement method for purchases of commodities and services in certain circumstances; authorize the Office of General Services (OGS) to procure contracts as “centralized contracts” without a request by an agency and mandate that agencies procure services from a centralized contract if available unless the required service is offered by a preferred source; expand the ability of local governments and non-profit organizations to purchase from state contracts; exempt centralized contracts from pre-audit by the Office of the State Comptroller; and, expand the authority of OGS to purchase commodities and services through electronic bidding. In addition, this part would repeal provisions relating to the procurement of printing and public documents and would direct OGS to assume responsibility for centralized printing contracts and allow printing to be procured on the basis of lowest cost or best value. This part would also increase the dollar thresholds above which procurements are required to be advertised in the procurement newsletter and must be procured through competitive bidding, and would make the Procurement Stewardship Act permanent.</p>
M	<p>Increased flexibility for recruiting/hiring/promoting/transferring State employees</p>	<p>This part would enable the Department of Civil Service (DCS) to temporarily appoint, without an examination, highly skilled professional, scientific, technical or other employees with specialized skills into the State workforce. This part would also modify existing civil service requirements related to hiring, promoting, and transferring of State employees by allowing increased flexibility regarding who can take an “open promotion examination” and allowing DCS to certify the use of an interdepartmental promotion eligible list when it is in the best interest of the State.</p>
N	<p>Authorize transfers, temporary loans, and amendments to miscellaneous capital/debt provisions including bond caps</p>	<p>This part would provide the statutory authorization necessary for the administration of funds and accounts included in the SFY 2012-13 Financial Plan. Specifically, it would authorize temporary loans and the deposits of certain revenues to specific funds and accounts, authorize the transfer and deposits of funds to and across various accounts, extend various provisions of law related to capital projects, authorize modifications to various debt provisions, and modify various bond authorizations necessary to implement the budget.</p>
O	<p>Rename the Office for Technology</p>	<p>This part would change the name of the Office for Technology (OFT) to the Office of Information Technology Services.</p>

PART	DESCRIPTION	SUMMARY
P	Accelerate Aid and Incentives for Municipalities (AIM) funding payment to the City of Rochester	This part would provide the City of Rochester with an additional AIM payment in the City's 2012-2013 fiscal year.
Q	Metropolitan Transportation Authority (MTA) reimbursement of rebate program for E-Z Pass tolls paid on travel over the Cross Bay Veterans Memorial Bridge	This part would direct the State to reimburse the MTA for costs associated with establishing and implementing a rebate program for E-Z Pass tolls associated with the Cross Bay Veterans Memorial Bridge.

A. 9056 - HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	Modify the Early Intervention (EI) program	This part would: transfer the responsibility of processing EI provider claims from counties to a fiscal intermediary; eliminate a municipality's authorization to contract with providers while monitoring service delivery; require EI evaluators and other service providers to participate in third party payor networks and require that such networks be adequate to meet the needs of program enrollees; allow the State to increase the aid percentage for EI services and eliminate the lag on payments of claims from counties; and require service coordinators to notify the Office for People With Developmental Disabilities (OPWDD) when a child may be eligible for OPWDD services.
B	Establish requirements for continued State funding of Roswell Park Cancer Institute	This part would require Roswell Park Cancer Institute to become operationally and fiscally independent from the Department of Health by March 31, 2014 in order to continue receiving Health Care Reform Act (HCRA) and Health Care Efficiency and Affordability Law for New Yorkers (HEAL-NY) funding.
C	Implement an Electronic Death Record Registration System	This part would require the Department of Health to design, implement, and maintain an Electronic Death Registration System for counties outside of the City of New York in order to update the State's system of filing and maintaining information and documents related to the registration of death occurrences.
D	Implement Medicaid Redesign Team recommendations	This part would implement Phase II recommendations made by the Medicaid Redesign Team work groups and modify certain other previously enacted provisions: expand Medicaid benefits to cover additional services; modify certain pharmacy provisions; make changes to the assisted living program; establish a Primary Care Service Corps Loan Repayment program; modify provisions regarding the Managed Care and Managed Long Term Care programs; eliminate spousal refusal; and make modifications to the Medicaid spending cap.
E	Establish the New York Health Benefit Exchange	This part would establish the New York Health Benefit Exchange as a public benefit corporation that would serve as the marketplace for the purchase and sale of health plans, in accordance with federal health care reform.
F	Reduce Medicaid growth for counties and implement a	This part would authorize a phased-in State assumption of the growth in the local share of Medicaid expenditures. The State would assume one percent of the three

PART	DESCRIPTION	SUMMARY
	phased-in takeover of Medicaid administration	percent in 2013, two percent in 2014, and the full three percent in 2015. This part would further authorize the Commissioner of Health to implement a phased-in State takeover of local Medicaid administration to be completed in 2018, and cap local government reimbursement for Medicaid administration costs at SFY 2011-12 levels.
G	Extend the authority for previously enacted Medicaid initiatives	This part would extend certain provisions of the Preferred Drug Program until June 15, 2019 and certain hospital rate adjustments for potentially preventable re-admissions and negative outcomes until March 31, 2013.
H	Repeal the Human Services Cost-of-Living Adjustment (COLA) and establishes standards for administrative costs for providers	This part would repeal the Human Services COLA and, instead, provide for annual adjustments based on actual costs, performance, and/or financial metrics. This part would also require state agencies to place limits on the State's reimbursement of provider's costs for administration and executive compensation.
I	Establish pilot programs for the "People First" 1115 Waiver	This part would authorize the Office for People With Developmental Disabilities (OPWDD) to enter into contracts for pilot programs related to the agency's 1115 Waiver application submitted to the Centers for Medicare and Medicaid Services (CMS) notwithstanding current competitive bidding and request for proposals issuance requirements.
J	Streamline the organizational structure of the Office for People With Developmental Disabilities (OPWDD)	<p>This part would remove all statutory references to existing Developmental Disabilities Services Offices (DDSOs) and instead require the Commissioner of OPWDD (at his or her discretion) to establish Developmental Disabilities Regional Offices to oversee the administration of supports and services provided in non-state operated programs and establish State Operations Offices to oversee the administration of supports and services provided in state operated programs. Directors of both the Developmental Disabilities Regional Offices and the State Operations Offices would be appointed by the Commissioner. This part would also transfer specific power and duties of existing DDSOs and respective DDSO directors to the new State Operations Offices, provided that the authority to appoint staff would be given to the Commissioner.</p> <p>Additionally, this part would require that the Commissioner, when making appointments for employment within OPWDD, take all reasonable and necessary steps to ensure that such appointee has not engaged in any act in violation of any</p>

PART	DESCRIPTION	SUMMARY
		law that could compromise the health and safety of individuals with developmental disabilities. Finally, this part would make conforming changes in statute to reflect the recent renaming of the agency to OPWDD as well as the renaming of the “Commission on Quality of Care for the Mentally Disabled” to the “Commission on Quality of Care and Advocacy of Persons with Developmental Disabilities.”
K	Extend authorization for the Comprehensive Psychiatric Emergency Program (CPEP)	This part would extend for an additional four years the authority of the Commissioner of the Office of Mental Health (OMH) to administer operating certificates for CPEP until July 1, 2016.
L	Permit certain agencies to integrate health and behavioral health services	This part would authorize the Commissioners of the Department of Health (DOH), the Office of Mental Health (OMH), the Office for People With Developmental Disabilities (OPWDD), and the Office of Alcoholism and Substance Abuse Services (OASAS) to jointly establish requirements for providers who offer integrated delivery of services. This part would also provide for a mechanism for the Commissioners to waive certain duplicative regulations for such providers.
M	Establish a pilot program to restructure educational services for youth residing in Office of Mental Health (OMH) hospitals	This part would allow OMH to enter into an agreement with the State Education Department (SED) to provide educational services for children between the ages of 5 and 21 years old who reside in OMH hospitals. Educational programming would be provided by the school district or Board of Cooperative Educational Services (BOCES) where the hospital is located. Pilot programs for children in the City of New York would commence during the 2012-13 school year and all other districts would commence programs in the 2013-14 school year. Pilot programs would run through 2015 and OMH and SED would submit a report on their findings.
N	Create a joint Behavioral Health Advisory Council within Department of Mental Hygiene	This part would establish a Behavioral Health Advisory Council for the Office of Mental Health (OMH) and the Office of Alcoholism and Substance Abuse Services (OASAS), replacing existing councils in either agency and would consolidate the Statewide Comprehensive Plan (5.07 Plan) between OMH and OASAS.
O	Authorize Office of Mental Health (OMH) facility closures and consolidations	This part would authorize the closures of Kingsboro Psychiatric Center and Hudson River Psychiatric Center and would consolidate the Bronx Children's Psychiatric Center, Queens Children's Psychiatric Center, and Brooklyn Children's Center into the New York City Children's Center. This part would also permit OMH to close, consolidate, or make service reductions to state run facilities notwithstanding the

PART	DESCRIPTION	SUMMARY
P	Modify Sex Offender Management and Treatment Act (SOMTA)	<p>requirements of the Community Mental Health Support Workforce Reinvestment Act.</p> <p>This part would require that sex offenders facing civil commitment proceedings remain in the Department of Corrections and Community Services (DOCCS) custody, rather than in an Office of Mental Health (OMH) secure treatment facility, unless they have reached their maximum expiration of sentence date or have been released to parole. This part would also permit OMH to contract out for care and security services in SOMTA facilities confining sex offenders under civil commitment orders.</p> <p>This part would also provide that an offender confined under SOMTA must “meaningfully” participate in treatment; failure to do so would be a violation of the court order of confinement. Further, a sex offender who intentionally causes physical injury to another person at a treatment facility would be guilty of assault in the second degree, a class D felony.</p> <p>Additionally, this part would create procedural changes to the SOMTA, including authorizing the use of video teleconferencing during certain SOMTA proceedings, and providing for biennial, rather than annual, examinations of sex offenders and petitions for discharge of civilly committed sex offenders.</p> <p>Finally, this part would require that a sex offender under strict and intensive supervision and treatment who violates a material condition of supervision and treatment would have his or her parole revoked; if such violation was intentional the person would be guilty of a class E felony.</p>
Q	Provide for outpatient capacity restoration in jails for felony defendants	<p>This part would amend the Criminal Procedure Law to include certain local correctional facilities on the list of “appropriate institutions” in which a defendant determined to be an incapacitated person could be held. This part would also allow an incapacitated defendant committed to the jurisdiction of Office of Mental Health (OMH) or Office for People With Developmental Disabilities (OPWDD) to receive care or treatment on an outpatient basis. A felony defendant under outpatient treatment pursuant to a final order of observation could remain on bail.</p>
R	Recover exempt income for	<p>This part would permit OMH to recover Medicaid income that was paid in excess of</p>

PART	DESCRIPTION	SUMMARY
	Office of Mental Health (OMH) community residences and family based treatment programs	a provider's fiscal plan from community residences and family based treatment programs.

A. 9057 - EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	Amend school aid	This part would: require school districts to fully implement new Annual Professional Performance Review standards and procedures in order to be eligible to receive increases in state school aid for the 2012-13 school year; continue the Contract for Excellence program for the 2012-13 school year; alter the calculation of payments to county vocational education and extension boards and limit time to submit a claim; authorize additional funding for competitive awards; create a gap elimination restoration; require school buses and equipment to be purchased from a centralized state contract; limit state aid adjustments; freeze school aid formulas at the lesser of the executive run or revised data; require commissioner approval for school bus equipment purchases; provide a window for validation of late final building project cost reports; maintain funding for Aid to Public Libraries; and extend various other provisions of Education Law.
B	Amend disciplinary procedures and penalties for tenured employees	This part would implement changes to the tenured teacher disciplinary procedures relating to costs, payment, hearing officer qualifications, recording requirements, and timeliness.
C	Supplemental Security Income (SSI) Cost of Living Adjustment pass-through	This part would allow for a federal Cost of Living Adjustment (COLA) increase in 2013 for individuals receiving SSI who reside in various living arrangements.
D	Phase-in of the Scheduled Public Assistance Grant Increase	This part would phase-in the final scheduled ten percent of the public assistance grant increase by authorizing a five percent increase in July 2012 and another five percent increase in July 2013.
E	State assumption of SSI Supplementation Program	This part would authorize the Office of Temporary and Disability Assistance (OTDA) to assume responsibility for administration and eligibility determinations for New York's SSI Supplementation Program.
F	Child Welfare Financing extension	This part would extend Child Welfare Financing until June 30, 2017. It provides for 62 percent open-ended State reimbursement to local social services districts for the non-federal portion of child protective, preventive after care, independent living and adoption administration and services, and continued funding for the Kinship Guardianship Assistance program out of the Foster Care Block Grant. This part would also make permanent 62 percent open-ended State reimbursement to local

PART	DESCRIPTION	SUMMARY
		social services districts for the non-Federal portion of adoption subsidies and allow the State Commission on Quality of Foster Care to sunset.
G	New York City (NYC) operation of facilities for juvenile delinquents	This part would authorize NYC to operate limited-secure and non-secure facilities for adjudicated juvenile delinquents, subject to a plan approved by the Office for Children and Family Services (OCFS) and the Director of the Budget. Upon approval of the plan, adjudicated NYC youth requiring limited-secure or non-secure care would be placed with, or transferred to, NYC-operated facilities. Upon the effective date of the approved plan, OCFS would be authorized, for one year, to close any of its facilities. Such closures would be authorized to take place upon 60 days notice of any service and staffing reductions. Currently, OCFS is required to provide a one-year notification of closures.
H	Extend the Higher Education Capital Matching Grant Program	This part would extend the Higher Education Capital Matching Grant Program until March 31, 2013.
I	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 providing services and technical assistance rather than a contract pursuant to state finance law.
J	Amend preschool special education financing and evaluation and placement procedures	This part would: require school districts to share, equally with the county and state, the costs associated with increases in preschool special education funding; prohibit children from receiving services from a preschool special education provider if a “less than arms length” relationship exists between the provider and the child’s approved evaluator; and require consideration and justification regarding the proximity of an educational placement to the child’s home.

A. 9058 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Provide the annual authorization for the Consolidated Highway Improvement Program (CHIPs) and Marchiselli Programs	This part would authorize \$363.097 million in capital for CHIPs and \$39.7 million for the Marchiselli Program for SFY 2012-13.
B	Consolidate the Accident Damage Recovery Account with the Dedicated Highway and Bridge Trust Fund	This part would require monies recovered by the Department of Transportation (DOT), which are currently deposited into a fund for the maintenance and repair of State highways known as the "Accident Damage Recovery Account", to instead be deposited to the Dedicated Highway and Bridge Trust Fund.
C	Amend bus inspection requirements	This part would modify the law requiring semi-annual inspections by the Department of Transportation (DOT) of certain vehicles carrying passengers by eliminating the six month requirement and clarifying that the inspection is required of vehicles "designed to carry" passengers.
D	Modify laws relating to commercial driver's licenses and permits, and commercial motor vehicles	This part would modify provisions of law relating to commercial driver's license (CDL) and learner's permit (CLP) applicants and holders for the purpose of further conforming State law to federal physical qualification rules, and would prohibit the operation of commercial motor vehicles by persons lacking required medical certification.
E	Metropolitan Transportation Authority (MTA), the New York City Transit Authority (NYCTA), and the Triborough Bridge and Tunnel Authority (TBTA) debt cap increase	This part would raise the bond issuance limit that the MTA and its subsidiaries may issue in connection to its 2010-2014 capital program plan by \$7 billion (from \$34.877 billion to \$41.877 billion).
F	Provide an additional retention rate for county clerks	This part would authorize county clerks to retain a percentage of revenue collected by the Department of Motor Vehicles for transactions conducted on the internet.
G	Modify laws relating to motor carrier safety requirements	This part would modify various provisions of law relating to safety, hours of service, and record keeping of commercial motor carriers, operators, and vehicles.

PART	DESCRIPTION	SUMMARY
H	Modify various fishing and hunting provisions	This part would remove certain tagging requirements, eliminate and/or extend existing licensing requirements, and authorize fees for the taking of ocean quahogs.
I	State oversight of Voice over Internet Protocol (VoIP) technology	This part would prohibit the Public Service Commission (PSC) and other State agencies from regulating rates or other terms of service related to VoIP service.
J	Modify the exemption for fees related to recycled hazardous waste	This part would expand the eligibility for the exemption of recycled hazardous waste from certain hazardous waste fees where a certain amount of waste is recycled.
K	Eliminate the requirement for State Operating Fund support of certain funds	This part would eliminate certain funding requirements for the Sewage Treatment Program Management and Administration Fund and the Drinking Water Program Management and Administration fund.
L	Additional seed testing entities	This part would eliminate the mandate that the New York State Agricultural Experiment Station be the exclusive seed testing entity, allow testing by the Department of Agriculture and Markets or a qualified laboratory, and require that when citizens submit seeds for testing, they must pay a fee that covers the full costs of the services provided, which would be deposited in a Special Revenue Fund to defray the costs of such services.
M	Expand fee for service authority of the Commissioner of Agriculture and Markets	This part would extend the Commissioner of Agriculture and Market's ability to enter into contracts to include services such as laboratory services and services relating to food safety, animal health, and invasive species control, and similar services relating to the duties of the Department of Agriculture and Markets. Existing law limits this authorization to laboratory services, requires that such contract be in the public interest, and requires that payment for the costs of the services be provided.
N	Redirect funds from Consumer Food Account and Commercial Feed Licensing Account	This part would redirect the proceeds of the Consumer Food Account and the Commercial Feed Licensing Account from the Special Revenue Funds to the General Fund. This part would also provide that food-processing license renewals would continue for two years from the date of issuance. Currently, the licenses are renewed biennially, and the month of renewal is determined by alphabetical order of the applicant's last name.
O	Authorize the State Comptroller to receive payment from New	This part would direct the State Comptroller to receive from the New York State Energy Research and Development Authority a payment of \$913,000 to be deposited

PART	DESCRIPTION	SUMMARY
	York State Energy Research and Development Authority	into the General Fund.
P	Authorize New York State Energy Research and Development Authority to receive revenue from the Department of Public Service	This part would extend for an additional year the 18-a assessment on gas and electric corporations at one cent per one thousand cubic feet of gas sold and .010 cent per kilowatt-hour of electricity sold by such utilities in their intrastate utility operations in calendar year 2010. Without this extension, the rate would drop to 0.6 cents per one thousand cubic feet of gas sold and .006 cents per kilowatt hour of electricity sold in the previous calendar year.
Q	Authorizes the disposal of properties adjacent to the Jacob K. Javits Convention Center	This part would authorize the New York State Urban Development Corporation (ESDC) to sell property and land owned by the Convention Center Development Corporation (CCDC), at the Jacob K. Javits Convention Center site.
R	Make permanent the general loan powers of 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, 2012.
S	Make permanent the Empire State Economic Development Fund (EDF)	This part would make permanent the Empire State Economic Development Fund and provide for a retroactive effective date of April 1, 2009.
T	Provide general grant making power to New York State Urban Development Corporation (UDC)	This part would provide general grant-making powers to the UDC to make grants to any person or entity regardless of the funding source so long as they are in compliance with UDC established guidelines.
U	Modify Linked Deposit Loan Program	This part would modify the Linked Deposit Loan Program to provide a three percent reduction in interest rates on linked deposit loans for eligible agricultural projects.
V	Extend Department of Health public service education program	This part would extend the appropriation of funds from the cable television account to fund the Department of Health's public service education program.
W	Extend the renewal periods for certain professions licensed by the Department of State	This part would increase the renewal term for security guards and real estate salespersons and brokers from two to four years and double the fee for such renewals.
X	Make winning cash vouchers subject to escheatment	This part would require all pari-mutuel winning cash vouchers to be presented for payment before April 1 st of the year following the year of purchase. Funds that are received would be deposited into the racing regulation account.
Y	Reduce Racing and Wagering	This part would authorize the licensed harness racing associations and corporations

PART	DESCRIPTION	SUMMARY
	Board employee costs	to appoint and employ the starter and one associate judge at pari-mutuel harness race meetings.
Z	Authorize dairy research and education orders	This part would authorize the Commissioner of Agriculture and Markets to issue a dairy research and education order, create an advisory board, and provide for the procedural rules and regulations necessary to operate the order. This proposal would build upon existing law pertaining to dairy promotion orders, which allow industry-initiated and funded referendums to provide the Commissioner with approval to issue dairy promotion orders.
AA	Relate to the State Governmental Cost Recovery System increase	This part would increase the amount that the State may recover from public benefit corporations for costs incurred by the State from \$60 million to \$62 million.

A. 9059 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Oil and gas fee extender	This part would extend the current fees paid by oil and gas producers to the Office of Real Property Tax Services (ORPTS) within the Department of Taxation and Finance. These fees offset the costs incurred by ORPTS in establishing the "unit of production values" utilized by local assessors for the assessment of oil and gas producing properties.
B	STAR benefit offset	This part would authorize the Department of Taxation and Finance to suspend a taxpayer's STAR exemption if they have any past-due state or local tax liabilities. This part would also apply to the New York City Personal Income Tax STAR benefits.
C	Tobacco/Cigar tax reform	This part would reform the taxation of loose tobacco and cigars. Currently, loose tobacco and cigars are taxed as "tobacco products" and therefore subject to the tobacco products tax rate of 75 percent of wholesale price. This part would subject loose tobacco to a tax of \$4.53 per ounce – commensurate with the tax on a pack of cigarettes. It would subject cigars to a tax of 50 percent of the retail price as well as extend taxation to cigars that are brought into the state by individuals, so long as 50 or more cigars are imported.
D	Alternative fuels extender	This part would extend the tax exemptions for alternative fuels, including E85, compressed natural gas (CNG), hydrogen, and B20 from September 1, 2012 to September 1, 2017.
E	Fuel technical	This part would amend the classification of certain types of diesel motor fuel for tax purposes and would explicitly exempt certain sales of previously untaxed qualified biodiesel from motor fuel taxes, petroleum business taxes, fuel use taxes, and sales and use taxes.
F	Expand sales tax registration clearance	This part would authorize the Department of Taxation and Finance to refuse to issue a Certificate of Authority for sales and use tax purposes if any persons required to collect the tax has any outstanding tax liabilities, not just sales tax liabilities. It would also authorize the Department to disclose to the applying entity the names and outstanding liabilities that caused the denial.

G	Permanent tax modernization	This part would make permanent certain electronic filing requirements and segregated sales tax account provisions which are currently set to expire on December 31, 2012.
H	Solar equipment bill	This part would extend the personal income tax credit and sales tax exemptions for the purchase of solar energy equipment to the leasing of such equipment. It would also extend the sales tax exemption to purchases of solar equipment by non-residential consumers, provided the energy capacity of the installed components does not exceed two megawatts.
I	TV commercial credit extender	This part would reinstate the commercial production tax credit for an additional five years. The credit expired on December 31, 2011.
J	Low income housing 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 \$8 million a year for the next five years.
K	Bio-fuel extender	This part would extend the bio-fuel tax credit for an additional seven years – from December 31, 2012 to December 31, 2019.
L	Non-Custodial Earned Income Tax Credit (EITC) extender	This part would make the Non-Custodial Parent Earned Income Tax Credit permanent. The current credit expires on December 31, 2012.
M	Prohibit bank levy fees	This part would prohibit banks from levying additional fees on bank accounts that are being subjected to levies for the purpose of retrieving back state taxes or child support.
N	Metropolitan Transit Authority (MTA) Technical Fix	This part would authorize professional employer organizations that provide payments to workers for small businesses who would be eligible for the lower rates to utilize the lower MTA Payroll Tax rates.
O	Pari-Mutuel extender	This part would extend, for a period of one year, various provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, which is set to expire during SFY 2012-13.
P	Transmission tax split	This part would amend the distribution of revenues collected from the tax on utility transportation and transmission services to be split between upstate and downstate transit accounts, removing the requirement for an annual transfer among accounts.

A. 9060 - MERGE STATE ENTITIES

PART	DESCRIPTION	SUMMARY
A	Merge Division of Lottery and the Racing and Wagering Board into a newly established New York State Gaming Association	This part would merge the operations and regulatory functions of the Division of Lottery and the Racing and Wagering Board into a newly established New York State Gaming Association. This part would also establish the New York State Office of Racing Development and Promotion which would take over the operational aspects of the New York State Thoroughbred Breeding and Development Fund, the Agriculture and New York State Horse Breeding Development Fund, and the New York State Quarter Horse Breeding and Development Fund.
B	Merge Department of Civil Service (DCS) and Office of Employee Relations (OER) into Department of Workforce Management (DWM)	This part would transfer all functions, powers, and duties, as well as all employees of DCS and OER into DWM.
C	Authorize the transfer of the Belleayre Mountain Ski Center	This part would transfer the operation and management of the Belleayre Mountain Ski Center from the Department of Environmental Conservation to the Olympic Regional Development Authority.
D	Elimination and/or merger of certain boards and commissions	This part would eliminate the Direct Marketing Advisory Councils, the Agricultural Transportation Review Panel, the Hudson Valley Agricultural Trails Council, the Statewide Wireless Network Advisory Council, the Child Welfare Research Advisory Panel, the Boards of Visitors, the Upstate and Downstate Tourism Councils, the Minority and Women owned Business Enterprises (MWBE) Advisory Board, the Solid Waste Management Board, the technical advisory committee to the Environmental Facilities Corporation, the Tow Truck Advisory Board, the Temporary Advisory Committee on the Restoration and Display of New York State's Military Battle Flags, the Conservation Corporation Advisory Committee, the Armored Car Carrier Advisory Board, the Long Island Sound Coastal Advisory Commission, the Manufactured Homes Advisory Council, the Barbers Board, the Advisory Committee on Legal Advocacy, the Veterans' Hall of Fame and Council, the Child Performer Advisory Board to Prevent Eating Disorders, the Freshwater Wetlands Appeals Board, the State Environmental Board, the State and Regional Forest Practice Boards, the State Home Inspection Council, the Organic Food

PART	DESCRIPTION	SUMMARY
		<p>Advisory Committee, the Animal Health Issues Committee, the Surf Clam/Ocean Quahog Management Advisory Board, and the New York State Statewide Law Enforcement Telecommunications Committee.</p> <p>This part would also repeal provisions relating to the Emergency Medical Advisory Committee, the EMS Program Agencies, and the Emergency Medical Advisory Committee, continuation of existing Emergency Medical Service of Suffolk County Emergency Medical, Trauma, and Disaster Care Emergency Medical Services for Children. These entities would be replaced by a Statewide Medical Services Advisory Board and Regional Medical Services Advisory Boards; in addition, some of the responsibilities of the repealed entities would be transferred to the Commissioner of Public Health.</p> <p>Further, this part would repeal provisions establishing the Breast and Cervical Cancer Detection and Education Program Advisory Council and the Ovarian Cancer Information Advisory Council; it would create a new Breast, Cervical and Ovarian Cancer Detection and Education Program Advisory Council.</p>

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET
FOR STATE FISCAL YEAR 2012-13**

<u>DATE</u>	<u>LOCATION</u>	<u>TIME</u>	<u>TOPIC</u>
January 23	Hearing Room B	10:00 AM	Elementary & Secondary Education
January 24	Hearing Room B	9:30 AM	Local Government Officials and General Government
January 25	Hearing Room B	10:00 AM	Workforce Issues
January 26	Hearing Room B	10:00 AM	Transportation
January 30	Hearing Room B	9:30 AM	Public Protection
January 31	Hearing Room B	9:30 AM	Economic Development
February 1	Hearing Room B	9:30 AM	Higher Education
February 6	Hearing Room B	10:00 AM	Taxes
February 7	Hearing Room B	9:30 AM	Environmental Conservation
February 8	Hearing Room B	10:00 AM	Health / Medicaid
February 13	Hearing Room B	9:30 AM	Human Services
	Hearing Room B	12:00 PM	Housing
February 14	Hearing Room B	9:30 AM	Mental Hygiene

FORECAST OF RECEIPTS

On or before February 29

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
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PUBLIC PROTECTION & GENERAL GOVERNMENT

**Summary of Recommended Appropriations
By Agency**

DIVISION OF ALCOHOLIC BEVERAGE CONTROL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	16,860,000	17,001,000	141,000	0.8%
Total for AGENCY SUMMARY:	16,860,000	17,001,000	141,000	0.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	123	132	9
TOTAL:	123	132	9

Agency Mission

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 State Operations appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a \$141,000 net increase associated with the Division's statewide e-Licensing Project, which is designed to streamline and improve the processing of license applications. Six agencies

including the Division, the Department of State, the Department of Environmental Conservation, the Department of Agriculture and Markets, the Department of Education and the Office for Technology are involved in the first phase of this project.

Budget Detail

The Executive proposes an All Funds appropriation of \$17,001,000 reflecting a net increase of \$141,000 in State Operations funding from the SFY 2011-12 funding level.

A workforce of 132 full-time equivalent positions is recommended for the Division, reflecting an increase of nine positions from the SFY 2011-12 budget level and is related to the Division's e-Licensing Project.

State Operations

A \$141,000 proposed net increase in State Operations funding recommended reflects the following changes:

Proposed Increases

The Executive proposes:

- a \$489,000 increase in Special Revenue Funds in the Licensing and Wholesaler Services Program, reflecting a 9.58 percent increase over the current year funding level. This amount reflects new costs related to the statewide e-Licensing Project, which will streamline and improve the processing of license applications; and
- a \$231,000 increase in Special Revenue Funds is recommended for the Administration program, reflecting a 5.23 percent increase over the current year funding level.

Proposed Decreases

The Executive proposes a \$579,000 decrease in Special Revenue Funds for the Compliance program, reflecting a 7.89 percent reduction from the current funding level.

DEPARTMENT OF AUDIT AND CONTROL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	157,826,000	157,370,000	(456,000)	-0.3%
Special Revenue-Other	18,508,000	18,628,000	120,000	0.6%
Total for Agency:	176,334,000	175,998,000	(336,000)	-0.2%
Total Contingency:	107,999,000	128,286,000	20,287,000	18.8%
Total for AGENCY SUMMARY:	284,333,000	304,284,000	19,951,000	7.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	1,337	1,384	47
All Other Funds:	1,179	1,230	51
TOTAL:	2,516	2,614	98

Agency Mission

The Department of Audit and Control (Department) is responsible for paying the state's bills and payrolls, verifying all financial transactions of the state, reviewing the financial and management practices of state agencies, supervising the fiscal affairs of local governments, investing state funds, issuing bonds and notes, and administering the retirement programs for the 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a \$17,584,000 increase in appropriations to provide for additional audit staff; and
- a \$5,339,000 increase in Fiduciary Funds for additional staff, along with necessary technology the Retirement System.

Budget Detail

The Executive proposes an All Funds appropriation of \$304,284,000, representing an increase of \$19,951,000, or 7.0 percent, from the SFY 2011-12 funding level.

The Executive recommends a workforce of 2,614 full-time equivalent (FTE) positions reflecting an increase of 98 FTEs needed by the Department to perform audits related to the local property tax cap, Medicaid and public authorities, and additional staff for the Retirement System.

State Operations

The Executive recommends an overall State Operations appropriation of \$272,259,000.

General Fund State Operations appropriations total \$125,345,000 and reflect an overall decrease of \$456,000 from current year levels, reflecting the following actions:

- funding of \$42,297,000 for the State and Local Accountability Program, which reflects an increase of \$2,636,000 in funding from current year levels; and
- funding of \$33,249,000 for the State Operations Program, reflecting a decrease of \$3,092,000 in funding from current year levels to help fund additional staff for audit functions.

There are Special Revenue Fund appropriations in the amount of \$18,626,000 reflecting an increase of \$120,000 as follows:

- funding of \$4,502,000 for support of Office of the Special Deputy Comptroller for New York City, which reflects an increase of \$105,000 over the SFY 2011-12 funding level;
- funding of \$1,030,000 for Environmental Protection and Spill Compensation, which reflects an increase of \$12,000 over the SFY 2011-12 funding level; and

- funding of \$12,605,000 for support of the State Operations Program, which reflects an increase of \$3,000 in funding in the Abandoned Property Account over the SFY 2011-12 funding level to accommodate additional audits.

An Internal Service Fund appropriation of \$21,557,000 is proposed and reflects the following actions:

- funding of \$15,234,000 is proposed for the Chief Information Office Information Technology Centralized Services Account for shared technology services, a \$12,883,000 increase over SFY 2012-13;
- a new Internal Service Fund of \$2,000,000 is proposed for the State and Local Accountability Program, which reflects an increase of \$2,000,000 in funding over current year levels. This funding is needed to accommodate an increased work load associated with additional audit functions; and
- funding of \$1,933,000 for the Executive Direction Program, an increase of \$65,000 over the SFY 2011-12 funding level.

The Executive provides \$106,729,000 to fund the Office's fiduciary activities under the Retirement Services Program, reflecting an increase of \$5,339,000 over the SFY 2011-12 funding level.

Aid to Localities

The Executive recommends \$32,025,000 in General Fund funding for state reimbursements to cities, towns, or villages for special accidental benefits and for reimbursement to New York City for payments for special accidental death benefits to beneficiaries of first responders to the World Trade Center attack.

Article VII

The Executive recommends legislation that would increase assessments from public authorities to support auditing and oversight by the Office of the State Comptroller.

DIVISION OF THE BUDGET

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	29,054,000	28,562,000	(492,000)	-1.7%
Special Revenue-Other	22,931,000	21,431,000	(1,500,000)	-6.5%
Internal Service Fund	1,650,000	1,650,000	0	0.0%
Total for AGENCY SUMMARY:	53,635,000	51,643,000	(1,992,000)	-3.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	248	258	10
All Other Funds:	59	59	0
TOTAL:	307	317	10

Agency Mission

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

DOB is included in the State Operations appropriation bill.

Budget Detail

The Executive recommends All Funds appropriations totaling \$51,643,000, representing a net decrease in funding of \$1,992,000, or 3.71 percent, from SFY 2011-12 funding levels.

The Executive recommends 317 full-time equivalent (FTE) funded positions reflecting an increase of 10 FTE positions over the SFY 2011-12 staffing level. This increase is due to the establishment of a management function within DOB to assist the Governor with the functional reorganization of government and the oversight of agency performance.

State Operations

Proposed Increases

The Executive proposes a General Fund appropriation of \$26,788,000 for personal service and non personal service costs, reflecting an overall increase of \$13,000 over the current funding level for contractual services.

Proposed Decreases

The Executive proposal includes:

- a General Fund appropriation of \$274,000 to support membership dues in the Conference of Northeast Governors (\$81,000) and the National Governors Association (\$193,000). The funding reflects a \$505,000 reduction from the current funding level and includes the elimination of funding for the Council of State Governments; and
- an elimination of the Special Revenue fund support for the Cash Management Improvement Act Program, reflecting a reduction of \$1,500,000 from the current funding level.

DEPARTMENT OF CIVIL SERVICE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	16,734,000	15,710,000	(1,024,000)	-6.1%
Special Revenue-Other	2,257,000	2,257,000	0	0.0%
Internal Service Fund	40,704,000	38,704,000	(2,000,000)	-4.9%
Total for AGENCY SUMMARY:	59,695,000	56,671,000	(3,024,000)	-5.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	195	187	(8)
All Other Funds:	221	221	0
TOTAL:	416	408	(8)

Agency Mission

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

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget proposes to merge the Office of Employee Relations and the Department of Civil Service into a new Department of Workforce Management. There would not be savings to the financial plan as a result of the merger.

Budget Detail

The Executive proposes an All Funds appropriation of \$56,671,000 a decrease of \$3,024,000, or 5.1 percent, from the SFY 2011-12 level. The Executive recommends funding support of 408 full-time equivalent positions, a decrease of eight positions through attrition.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$56,671,000 a decrease of \$3,024,000, or 5 percent, from SFY 2011-12. The decrease is attributable to attrition within the agency, a 2.5 percent reduction in the agency's operating budget and an adjustment to better align appropriations with cash.

Article VII

The Executive recommends Article VII legislation that would:

- merge the Office of Employee Relations and the Department of Civil Service into a new Department of Workforce Management; and
- enable the Department of Civil Service to authorize the appointment of highly skilled information technology, professional, scientific, technical or other employees with specialized skills into the state workforce.

DEPARTMENT OF CORRECTIONS AND COMMUNITY SUPERVISION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,424,785,000	2,524,358,000	99,573,000	4.1%
Special Revenue-Other	30,355,000	30,355,000	0	0.0%
Special Revenue-Federal	39,400,000	39,300,000	(100,000)	-0.3%
Enterprise	43,013,000	43,013,000	0	0.0%
Correctional Facilities Capital Improvement Fund	320,000,000	320,000,000	0	0.0%
Internal Service Fund	84,692,000	75,809,000	(8,883,000)	-10.5%
Total for AGENCY SUMMARY:	2,942,245,000	3,032,835,000	90,590,000	3.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	28,788	28,788	0
All Other Funds:	985	985	0
TOTAL:	29,773	29,773	0

Agency Mission

The Department of Corrections and Community Supervision (DOCCS) is responsible for the operation of the state's correctional facilities and the supervision of an under-custody population of approximately 55,000 inmates who have been sentenced to a term of incarceration which is greater than one year. DOCCS is also responsible for the reintegration of inmates into their communities and the supervision of offenders upon release.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a resumption of corrections officer training classes, with seventeen scheduled to be held before the end of SFY 2012-13; and
- an additional parole officer training class.

Budget Detail

The Executive budget proposes an All Funds appropriation of \$3,032,835,000, an increase of \$90,590,000, or 3.1 percent, over SFY 2011-12 funding levels. The Executive proposes support for a workforce of 29,773 full-time equivalent (FTE) positions, representing no change from SFY 2011-12 staffing levels. These staffing numbers are predicated on the assumption that both correction officer and parole officer classes will resume in SFY 2012-13.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,681,664,000, an increase of \$76,590,000, or 2.94 percent, over SFY 2011-12 funding levels. The General Fund will support a total of \$2,504,187,000, or 93 percent, of DOCCS' State Operations non-capital expenditures.

Proposed Increases

The Executive proposal includes:

- an increase of \$118,935,000 to provide for prior year personal service and other spending obligations that exceeded appropriation levels;
- an increase of \$14,830,000 to support performance related promotions and mandatory salary adjustments;
- an increase of \$12,390,000 to support the costs of seventeen new corrections officer training classes;
- an increase of \$4,468,000 to support increased costs related to rent and new Hepatitis C medications; and
- an increase \$1,401,000 to support one parole officer training classes.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$40,000,000 related to the annualization of correctional facility closure savings;
- a decrease of \$16,230,000 related to savings related to inmate participation in the Medicaid program and other contractual service costs; and
- a decrease of \$10,221,000 related to Executive agreements with employee unions to provide for deficit reduction leave.

Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$31,171,111, an increase of \$14,000,000, or 81.5 percent, over SFY 2011-12 funding levels.

Proposed Increases

The Executive proposal includes a new \$14,000,000 appropriation to provide for the state share of Medicaid costs that are incurred by DOCCS inmates when receiving care outside of correctional facilities.

Capital Projects

The Executive budget recommends a capital appropriation of \$320,000,000, unchanged from SFY 2011-12 funding levels.

COMMISSION OF CORRECTION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,975,000	2,915,000	(60,000)	-2.0%
Total for AGENCY SUMMARY:	2,975,000	2,915,000	(60,000)	-2.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	29	29	0
TOTAL:	29	29	0

Agency Mission

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 state correctional facilities, county jails, New York City correctional facilities and locally-operated police department detention facilities. The commission's role also includes the oversight of secure detention facilities operated by the Office of Children and Family.

Budget Detail

The Executive budget recommends a General Fund State Operations appropriation of \$2,915,000, a decrease of \$60,000, or two percent from State Fiscal Year (SFY) 2011-12 funding levels. The Executive proposes support for a workforce of 29 full-time equivalent positions, unchanged from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,915,000, a decrease of \$60,000, or two percent from SFY 2011-12. These savings are associated with an anticipated relocation of the Commission's offices from leased to state-owned space.

DIVISION OF CRIMINAL JUSTICE SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	164,769,000	164,229,000	(540,000)	-0.3%
Special Revenue-Other	51,260,000	46,442,000	(4,818,000)	-9.4%
Special Revenue-Federal	57,075,000	45,400,000	(11,675,000)	-20.5%
Total for AGENCY SUMMARY:	273,104,000	256,071,000	(17,033,000)	-6.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	482	520	38
All Other Funds:	107	72	(35)
TOTAL:	589	592	3

Agency Mission

The Division of Criminal Justice Services (DCJS) is the agency administering both state and federal funds that support programs designed to combat crime, drug abuse, and violence. 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes a proposal to require all defendants convicted of any Penal Law misdemeanor and any felony defined in any New York State Law to submit a sample to the DNA Databank. Under current law, the collection of DNA is limited to those convicted of any felony and certain misdemeanors defined in the Penal Law. This expansion will result in the collection of approximately 46,000 additional DNA samples annually.

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$256,071,000, a decrease of \$17,033,000, or 6.2 percent, from its SFY 2011-12 funding level. The Executive proposal includes support for a workforce of 592 full-time equivalent (FTE) positions, an increase of three FTE positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$94,506,000, a decrease of \$1,634,000, or 1.7 percent, from SFY 2011-12 funding levels.

Proposed Increases

The Executive proposes:

- an increase of \$5,000,000 in Crime Identification and Technology Account funding to support improved record retention and information technology upgrades;
- an increase of \$1,416,000 related to the transfer of federally funded positions to the General Fund; and
- an increase of \$700,000 (\$1,400,000 when fully implemented) to support the expansion of the DNA Databank to include all Penal Law misdemeanors and any other felony defined under New York State Law.

Proposed Decreases

The Executive proposes:

- a reduction of \$5,350,000 to miscellaneous federal appropriations;
- a reduction of \$2,000,000 in Edward Byrne/JAG State Operations appropriations to reflect an anticipated reduction in the federal award;

- a reduction of \$1,100,000 related to savings associated with moving from rental property to state owned facilities; and
- a reduction of \$300,000 associated with sharing information technology services.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$161,565,000, a decrease of \$15,399,000, or 8.7 percent, from SFY 2011-12 funding levels.

Proposed Increases

The Executive proposes:

- an increase of \$750,000 in Crime Identification and Technology Account funding to improve record retention and IT upgrades; and
- an increase of \$530,000 in General Fund support to provide payments to counties for costs associated with district attorney salary increases, which would be tied to judicial compensation that is scheduled to take effect on April 1, 2012.

Proposed Decreases

The Executive proposes:

- a reduction of \$5,375,000 in Edward Byrne/JAG Aid to Localities appropriations to reflect an anticipated reduction in the federal award;
- a reduction of \$3,600,000 related to the elimination of legislatively-directed Legal Services Assistance Account allocations;
- a reduction of \$2,700,000 in miscellaneous federal appropriations;
- a reduction of \$1,218,000 related to the elimination of legislatively-directed Criminal Justice Improvement Account appropriations;
- an elimination of \$1,000,000 in appropriations for the Center for Employment Opportunities;
- a reduction of \$600,000 in appropriations supporting Oneida County's Public Safety Answering Point; and
- a reduction of \$186,000 in appropriations supporting the New York State Defenders Association.

Article VII

The Executive recommends Article VII legislation that would:

- expand to all felonies and all Penal Law misdemeanors the list of offenses for which a DNA sample must be collected from a convicted defendant, and entered into the DNA Databank;
- repeal the requirement that the state maintain its own independent pistol and revolver ballistic identification database, the Combined Ballistic Identification System;
- provide flexibility in the options available to courts when sentencing an individual to a term of probation;
- establish a probation detainer warrant program to allow probation officers to issue warrants for the temporary detention (up to 48 hours) of alleged probation violators when a judge is not available;
- establish a criminal forfeiture mechanism at the time of sentencing requiring the forfeiture of property “derived from” or “involved in” a criminal offense;
- extend for one year the provision of law that allows a district attorney in New York City to retain a portion of funds recovered through settlements before the filing of an accusatory instrument, with the remaining funds being distributed equally between New York City and the state;
- amend the Sex Offender Management and Treatment Act to encourage participation in Strict and Intensive Supervision and Treatment, with non-compliance constituting a violation of the order of confinement;
- require that a sex offender facing civil commitment must remain in the custody of the Department of Corrections and Community Supervision until the maximum expiration date of their sentence, or until they are released to parole; and
- allow the respondent and witness in any civil commitment proceeding, other than a trial, to appear in court by means of video-conferencing.

STATE BOARD OF ELECTIONS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,521,000	5,305,000	(216,000)	-3.9%
Special Revenue-Other	500,000	0	(500,000)	-100.0%
Special Revenue-Federal	7,500,000	1,000,000	(6,500,000)	-86.7%
Total for AGENCY SUMMARY:	13,521,000	6,305,000	(7,216,000)	-53.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	58	58	0
TOTAL:	58	58	0

Agency Mission

The State Board of Elections (Board) executes and enforces the Election Law and oversees the disclosure of campaign financing practices.

Budget Detail

The Executive recommends an All Funds appropriation of \$6,305,000, reflecting a net decrease of \$7,216,000, or 57.63 percent, from the State Fiscal Year (SFY) 2011-12 funding level, primarily related to the loss of federal funds.

The Executive recommends funding 58 full-time equivalent positions in SFY 2012-13, reflecting no change from the current fiscal year staffing level.

State Operations

The Executive recommends \$5,305,000 in State Operations funding, reflecting a net decrease of \$216,000 from the 2011-12 funding levels.

Proposed Increases

The Executive proposes a \$90,000 increase in General Fund funding is proposed to support additional costs involved in the 2013 presidential and statewide election cycle. This increase is needed to print voter registration forms and increase the number of polling clerks.

Proposed Decreases

The Executive proposes a \$306,000 decrease in funding to reflect savings associated with the anticipated move of the Board into state office building space (restacking).

Aid to Localities

The Executive recommends \$1,000,000 in federal appropriations, reflecting no change from the current funding level. This funding will support the alteration of poll sites to provide accessibility for disabled voters.

OFFICE OF EMPLOYEE RELATIONS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,961,000	2,961,000	0	0.0%
Special Revenue-Other	121,000	121,000	0	0.0%
Internal Service Fund	3,710,000	4,810,000	1,100,000	29.6%
Total for AGENCY SUMMARY:	6,792,000	7,892,000	1,100,000	16.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	29	29	0
All Other Funds:	12	25	13
TOTAL:	41	54	13

Agency Mission

In accordance with the Public Employees' Fair Employment Act (the Taylor Law), the Office of Employee Relations 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget proposes to merge the Office of Employee Relations with the Department of Civil Service into a new Department of Workforce Management. There would not be savings to the financial plan as a result of the merger.

Budget Detail

The Executive proposes an All Funds appropriation of \$7,892,000, an increase of \$1,100,000, or 16.2 percent, over the SFY 2011-12 level. The Executive recommends funding support of 54 full-time equivalent (FTE) positions, an increase of 13 FTE positions to support the Statewide Learning Management System.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$7,892,000, an increase of \$1,100,000, or 16.2 percent, over SFY 2011-12. The increase is attributable to the new Statewide Learning Management System which will provide online and classroom training opportunities for state employees.

Article VII

The Executive recommends Article VII legislation that would merge the Office of Employee Relations with the Department of Civil Service into a new Department of Workforce Management.

EXECUTIVE CHAMBER

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	18,484,000	18,484,000	0	0.0%
Special Revenue-Other	90,000	0	(90,000)	-100.0%
Total for AGENCY SUMMARY:	18,574,000	18,484,000	(90,000)	-0.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	143	143	0
TOTAL:	143	143	0

Agency Mission

The Executive Chamber is the Office of the Governor and includes the immediate staff assisting the Governor. The principal office of the Governor is located in the State Capitol in Albany, while offices are also maintained in New York City and Washington, DC.

The Executive Chamber is included in the State Operations appropriation bill.

Budget Detail

The Executive proposes All Funds appropriations totaling \$18,484,000 to support the activities of the Office of the Governor (\$17,854,000) and the Office of the Lieutenant Governor (\$630,000). The requested appropriation reflects a net decrease of \$90,000, or 0.48 percent, in State Operations funding from the State Fiscal Year (SFY) 2011-12 funding level.

The Executive's recommendation for the Office of the Governor and the Office of the Lieutenant Governor reflects an overall workforce of 143 full-time equivalent (FTE) positions, representing no change from the current funding level. Recommended FTEs for the Office of the Governor is 136 and a workforce of seven FTE positions is recommended for Office of the Lieutenant Governor.

State Operations

Proposed Decreases

The Executive proposes a \$90,000 decrease reflecting the elimination of a Community Relations Account that is no longer in use.

FINANCIAL SERVICES, DEPARTMENT OF

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	554,996,823	552,196,823	(2,800,000)	-0.5%
Total for AGENCY SUMMARY:	554,996,823	552,196,823	(2,800,000)	-0.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	1,531	1,531	0
TOTAL:	1,531	1,531	0

Agency Mission

The Department of Financial Services (DFS) supports the regulatory and oversight functions of the Banking and Insurance Departments to make the state's oversight of financial services responsive to the current needs of the industry and its customers. DFS was consolidated as part of the State Fiscal Year (SFY) 2011-12 Budget and began its operations on October 3, 2011. The consolidation enabled the state to unify oversight functions of financial services and to more rapidly respond to changing market practices.

Budget Detail

The Executive recommends an All Fund appropriation of \$552,196,823, reflecting a \$2,800,000 decrease from the SFY 2011-12 funding levels. The Executive recommends funding support for 1,531 full-time equivalent positions, representing no change from SFY 2011-12.

State Operations

The Executive proposal includes an All Funds State Operations appropriation of \$326,630,823, a decrease of \$2,800,000 from the SFY 2011-12 levels.

Proposed Decreases

The Executive proposal includes the following reductions:

- a decrease of \$1,900,000 in sub-allocations to the Department of Health for implementation of the forge-proof pharmaceutical prescription program;
- a decrease of \$600,000 in sub-allocations to the Department of Health for services and expenses in the Center of Community Health;
- a decrease of \$100,000 in sub-allocations to the Division of Homeland Security for the Urban Search and Rescue Program;
- a decrease of \$75,000 in sub-allocations to the Division of Homeland Security and Emergency Preparedness for fire safety standards related to fire safe cigarettes;
- a decrease of \$75,000 in sub-allocations to the Division of Homeland Security and Emergency Preparedness for fire inspections and safety training programs; and
- a decrease of \$50,000 in sub-allocations to the Division of Criminal Justice Services for the Traffic and Criminal Software (TraCS) project.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$225,566,000, representing no change from the SFY 2011-12 funding level.

Article VII

The Executive recommends Article VII legislation that would establish the New York Health Benefit Exchange, a public benefit corporation that will serve as a marketplace for the purchase and sale of qualified health plans in the State of New York, in accordance with the federal health care reform law (The Patient Protection and Affordable Care Act).

OFFICE OF GENERAL SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	136,335,439	149,632,000	13,296,561	9.8%
Special Revenue-Other	21,591,000	22,064,000	473,000	2.2%
Special Revenue-Federal	8,230,000	8,230,000	0	0.0%
Enterprise	2,009,000	1,266,000	(743,000)	-37.0%
Capital Projects Fund	50,900,000	56,000,000	5,100,000	10.0%
Capital Projects Fund - Authority Bonds	33,100,000	26,000,000	(7,100,000)	-21.5%
Internal Service Fund	300,720,000	802,344,000	501,624,000	166.8%
Fiduciary	750,000	750,000	0	0.0%
Total for AGENCY SUMMARY:	553,635,439	1,066,286,000	512,650,561	92.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	790	800	10
All Other Funds:	525	529	4
TOTAL:	1,315	1,329	14

Agency Mission

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) 2012-13 Executive Budget includes the following:

- an enterprise shared services initiative, which would involve a centralization of services that are common across state agencies. The Executive proposal would centralize procurement, real estate management, and back office functions between state agencies; and
- a new \$500,000,000 appropriation related to information technology (IT) staff augmentation contracts. Under the Executive proposal, OGS would provide vendor management services to all agencies in order to coordinate bulk purchasing for IT staff augmentation contracts. There is no impact to the financial plan as a result of this appropriation, as the appropriations exist in other state agencies, but this new appropriation authority would allow the Executive to undertake a vendor management role.

Budget Detail

The Executive proposes an All Funds appropriation of \$1,066,286,000, an increase of \$512,650,561, or 92.6 percent, from the SFY 2011-12 level. The Executive recommends funding support for 1,329 full time equivalent (FTE) positions, a net increase of 14 FTE positions over the SFY 2011-12 level.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$984,286,000, an increase of \$514,650,561, or 109.6 percent, from the SFY 2011-12 level.

Proposed Increases

The Executive proposes:

- an increase of \$500,000,000 in Internal Service Fund appropriations to provide vendor management to all state agencies related to IT staff augmentation contracts. Funds will continue to be appropriated within other agencies, but the new appropriation within OGS would allow OGS to facilitate centralized purchasing on such contracts;
- an increase of \$6,020,000 related to “restacking” state employees to maximize space in state-owned buildings and minimize leased space;
- an increase of \$5,519,000 related to the assumption of building operating costs by OGS. Previously, such buildings were operated by the Department of Transportation and the Department of Agriculture and Markets;

- an increase of \$4,720,000 related to strategic sourcing initiatives, including staff to compare purchase orders between agencies to get the best price on goods;
- an additional 33 FTEs supported by appropriations of \$3,400,000 to implement enterprise services initiatives;
- a new Business Services Center that would be supported with \$3,000,000 in appropriations to begin combining the back office functions of 29 agencies that all use the same time and attendance system;
- an increase of \$1,300,000 to support 23 FTEs to centralize all major state contracting services;
- an increase of \$1,000,000 to develop a centralized rate setting unit to determine how agencies will be charged for shared services;
- an increase of \$713,000 for two FTEs and other associated expenses for cooperation with the Joint Commission on Public Ethics' (JCOPE) "Project Sunlight" database; and
- an increase of \$112,000 to support two FTEs for a Statewide Fleet Management System to track the state's fleet of vehicles, gasoline cards, and insurance.

Proposed Decreases

The Executive proposes:

- a decrease of \$5,968,000 related to the attrition of 50 FTEs;
- net decreases totaling \$2,806,000 related to more closely aligning appropriations with cash;
- net decreases totaling \$1,359,000 related to fringe and indirect benefits; and
- a decrease of \$1,000,000 for strategic sourcing savings within OGS. Additional savings would accrue to other state agencies.

Capital Projects

The Executive proposes \$82,000,000 for capital projects, a net reduction of \$2,000,000 from SFY 2011-12. Specifically, the Executive proposes:

- a net increase of \$6,971,000 in appropriations for maintenance and improvement of real property facilities; and
- a decrease of \$8,791,000 in appropriations for design and construction supervision.

Article VII

The Executive recommends Article VII legislation that would modify procurement provisions contained in the State Finance Law and related statutes through the following actions:

- it would amend the definitions of “lowest price” and “best value” for statewide procurements;
- authorize OGS to procure goods and services through centralized contracts without a request by an agency and mandate that agencies procure services from a centralized contract;
- expand the ability of local governments and non-profit organizations to purchase from state contracts, exempt centralized contracts from pre-audit by the Office of the State Comptroller;
- expand the authority of OGS to purchase commodities and services through electronic bidding;
- repeal existing procurement laws relating to the procurement of printing and public documents;
- amend the procurement laws to direct OGS to assume responsibility for centralized printing contracts and allow printing to be procured on the basis of lowest cost or best value;
- increase the dollar thresholds above which procurements must be advertised in the procurement newsletter and must be procured through competitive bidding; and
- would make the Procurement Stewardship Act permanent.

DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	9,066,000	159,066,000	150,000,000	1654.5%
Special Revenue-Other	129,741,000	130,791,000	1,050,000	0.8%
Special Revenue-Federal	627,474,000	1,235,474,000	608,000,000	96.9%
Enterprise	50,000,000	0	(50,000,000)	-100.0%
Internal Service Fund	2,000,000	2,000,000	0	0.0%
Total for AGENCY SUMMARY:	818,281,000	1,527,331,000	709,050,000	86.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	52	51	(1)
All Other Funds:	375	391	16
TOTAL:	427	442	15

Agency Mission

The Division of Homeland Security and Emergency Services (DHSES) is responsible for the protection of the state's cyber security infrastructure, counter terrorism efforts, the coordination of emergency management activities, the training of emergency personnel, fire prevention activities, and the interoperability of emergency communications. DHSES is also responsible for developing and coordinating a comprehensive all-hazards strategy for disaster preparedness and response to acts of terrorism and natural disasters. DHSES maintains strong ties with federal security-related agencies including the United States Department of Homeland Security.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a new \$150,000,000 appropriation to support the state share of the costs associated with disaster relief activities; and
- a \$30,000,000 increase in grants to counties for the development of interoperable communications networks, bringing total program funding to \$75,000,000 in SFY 2012-13.

Budget Detail

The Executive recommends an All Funds appropriation of \$1,527,331,000, representing an increase of \$709,050,000, or 86.7 percent, over SFY 2011-12 funding levels. The Executive proposes support for a workforce of 442 full-time equivalent (FTE) positions, an increase of 15 FTEs over SFY 2011-12 staffing levels.

The State Operations activities of DHSES rely significantly on revenue derived from an existing state surcharge on wireless devices. The Executive proposal includes Public Safety Communications Account appropriations totaling \$110,258,000 to support the following:

- grants for the development of interoperable public safety communications networks: \$75,000,000;
- administrative and other non-personal expenses: \$18,500,000;
- reimbursement of localities for improvements to Public Safety Answering Points: \$9,300,000; and
- personal service expenses: \$7,458,000.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$64,280,000, a \$71,250,000, or 52.6 percent, decrease from SFY 2011-12 funding levels largely attributable to the loss of federal funds and the elimination of a dry appropriation for New York Alert.

Aid to Localities

The Executive recommends an All Funds Aid to Localities appropriation of \$1,463,051,000, a \$780,300,000, or 114.3 percent, increase from SFY 2011-12 funding levels.

Proposed Increases

The Executive proposal includes:

- an increase of \$600,000,000 in federal appropriation authority to allow the expenditure of the federal government's share of costs resulting from natural or man-made disasters;
- an increase of \$150,000,000 in disaster relief appropriations to support the state share of the cost associated with disaster relief activities; and
- an increase of \$30,000,000 for grants to counties for the development of interoperable communications networks, providing a total of \$75,000,000 in SFY 2012-13.

Article VII

The Executive recommends Article VII legislation that would:

- improve emergency responses under the existing Intrastate Mutual Aid Plan and would coordinate disaster response at the State and municipal level in a more efficient manner; and
- eliminate the Statewide Wireless Network Advisory Council.

INDIGENT LEGAL SERVICES, OFFICE OF

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	78,500,000	78,500,000	0	0.0%
Total for AGENCY SUMMARY:	78,500,000	78,500,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	10	10	0
TOTAL:	10	10	0

Agency Mission

The Office of Indigent Legal Services (Office) and its associated Indigent Legal Services Board, is responsible for the study, oversight, and improvement of the public criminal defense system in New York State. The Indigent Legal Services Board is responsible for the approval or modification of grant distribution proposals, advising the Office with regard to legal defense programs, and for reporting to the Governor, the Legislature and the Judiciary on an annual basis.

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$78,500,000, representing no change from State Fiscal Year (SFY) 2011-12 funding levels. The Executive proposes support for a workforce of ten full-time equivalent positions, representing no change from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$1,500,000, representing no change from SFY 2011-12 funding levels.

Aid to Localities

The Executive proposal includes an All Funds Aid to Localities appropriation of \$77,000,000, representing no change from SFY 2011-12 funding levels. As in prior years these funds would support payments to counties and the City of New York for the provision of indigent legal representation.

OFFICE OF THE INSPECTOR GENERAL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,524,000	6,660,000	1,136,000	20.6%
Special Revenue-Other	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	5,624,000	6,760,000	1,136,000	20.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	62	65	3
TOTAL:	62	65	3

Agency Mission

The Office of the Inspector General is responsible for investigating instances of fraud, abuse, criminal activity, and corruption in state agencies. Its mission is designed to ensure that state government maintains the highest standards of integrity and accountability.

The Office of the Inspector General is included in the State Operations appropriation bill.

Budget Detail

The Executive recommends an All Funds appropriation of \$6,760,000 reflecting a net increase of \$1,136,000 or 20.2 percent in State Operations funding over the State Fiscal Year (SFY) 2011-12 funding level.

A workforce of 65 full-time equivalent (FTE) funded positions is recommended reflecting an increase of three FTEs over the SFY 2011-12 staffing level.

State Operations

The Executive recommends a \$1,136,000 increase in General Fund to reflect the cost of full staffing, including annualization of current year staffing. This increase represents alignment of the agency's appropriations with six FTE positions that were transferred from the Department of Tax and Finance during the current year as well as planned hiring necessary to meet an increased caseload. In addition, this increase includes approximately \$100,000 for higher rent costs.

NEW YORK INTEREST ON LAWYERS ACCOUNT

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	46,889,000	46,841,000	(48,000)	-0.1%
Total for AGENCY SUMMARY:	46,889,000	46,841,000	(48,000)	-0.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	8	8	0
TOTAL:	8	8	0

Agency Mission

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 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.

Programmatic Highlights

The Judiciary's State Fiscal Year (SFY) 2012-13 budget, as submitted to the Governor, provides for the suballocation of \$15,000,000 to support grants to civil legal services providers.

Budget Detail

The Executive budget recommends an All Funds appropriation of \$46,841,000, a decrease of \$48,000 from SFY 2011-12 funding levels. The Executive proposes support for a workforce of eight full-time equivalent positions, representing no change from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$1,841,000, a decrease of \$48,000 to reflect savings from a decrease in state operating costs.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$45,000,000, unchanged from SFY 2011-12 funding levels.

JUDICIAL COMMISSIONS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,452,000	5,452,000	0	0.0%
Total for AGENCY SUMMARY:	5,452,000	5,452,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	49	49	0
TOTAL:	49	49	0

Agency Mission

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

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$5,452,000, representing no change from State Fiscal Year (SFY) 2011-12 funding levels. The Executive proposal maintains support for a workforce of 49 full-time equivalent positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$5,452,000, representing no change from SFY 2011-12 funding levels.

DEPARTMENT OF LAW

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	101,381,000	98,846,000	(2,535,000)	-2.5%
Special Revenue-Other	72,819,000	80,225,000	7,406,000	10.2%
Special Revenue-Federal	34,820,000	36,207,000	1,387,000	4.0%
Total for AGENCY SUMMARY:	209,020,000	215,278,000	6,258,000	3.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	1,041	1,066	25
All Other Funds:	706	732	26
TOTAL:	1,747	1,798	51

Agency Mission

The Department of Law (Department) provides legal counsel to the state and represents the state in 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.

Budget Detail

The Executive Budget recommends an All Funds State Operations appropriation of \$215,278,000, an increase of \$6,258,000, or three percent, over SFY 2011-12 funding levels. The Executive proposes support for a workforce of 1,798, an increase of 51 over SFY 2011-12.

State Operations

The Executive Budget recommends an All Funds State Operations appropriation of \$215,278,000, an increase of \$6,258,000, or three percent over SFY 2011-12 funding levels.

DIVISION OF MILITARY AND NAVAL AFFAIRS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	24,444,000	24,282,000	(162,000)	-0.7%
Special Revenue-Other	8,741,000	9,577,000	836,000	9.6%
Special Revenue-Federal	42,780,000	42,780,000	0	0.0%
Capital Projects Fund	14,200,000	24,200,000	10,000,000	70.4%
Federal Capital Projects Fund	25,000,000	78,200,000	53,200,000	212.8%
Total for AGENCY SUMMARY:	115,165,000	179,039,000	63,874,000	55.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	162	162	0
All Other Funds:	271	271	0
TOTAL:	433	433	0

Agency Mission

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

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$179,039,000, an increase of \$63,874,000, or 55.5 percent, from State Fiscal Year (SFY) 2011-12 funding levels. The Executive

proposes support for a workforce of 433 full-time equivalent positions, representing no change from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$75,739,000, an increase of \$424,000 over SFY 2011-12 funding levels.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$900,000, an increase of \$250,000, or 38.5 percent, from SFY 2011-12 funding levels.

Capital Projects

The Executive proposal includes capital appropriations of \$102,400,000, an increase of \$63,200,000, or 161 percent, over SFY 2011-12 funding levels. Federal funds will support \$53,200,000 of the proposed increase to provide for the rehabilitation of the National Guard armory in Harlem, New York while the state will commit a new \$10,000,000 for the same purpose.

Article VII

The Executive recommends Article VII legislation that would eliminate the Temporary Advisory Committee on the Restoration and Display of New York State's Military Battle Flags.

OFFICE FOR THE PREVENTION OF DOMESTIC VIOLENCE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,050,000	2,210,000	160,000	7.8%
Special Revenue-Other	70,000	41,000	(29,000)	-41.4%
Special Revenue-Federal	1,600,000	1,600,000	0	0.0%
Internal Service Fund	890,000	890,000	0	0.0%
Total for AGENCY SUMMARY:	4,610,000	4,741,000	131,000	2.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	14	16	2
All Other Funds:	12	10	(2)
TOTAL:	26	26	0

Agency Mission

The Office for the Prevention of Domestic Violence (OPDV) develops statewide policies to protect victims of domestic violence and provides domestic violence training and information to judges, attorneys, law enforcement officers, and social services and health care providers.

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

Budget Detail

The Executive proposes an All Funds appropriation of \$4,741,000, a net increase of \$131,000 or 2.8 percent, from the State Fiscal Year (SFY) 2011-12 budget level. The Executive recommends funding support of 26 full-time equivalent positions, which is unchanged from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$3,556,000, a net increase of \$131,000, or 3.8 percent, from the SFY 2011-12 budget level.

Proposed Increases

The Executive proposes an increase of \$160,000 to provide General Fund support for two staff positions formerly funded from sources that are no longer available.

Proposed Decreases

The Executive proposes a decrease of \$29,000 in various Special Revenue accounts for the provision of domestic violence training, research, technical assistance, and evaluation activities related to the loss of grant funding from other sources.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,185,000, unchanged from the SFY 2011-12 budget level. However, a change made in appropriation language allows \$170,000 in funds previously earmarked for the Capital District domestic violence law clinic and the Western New York family violence clinic to be made available to other programs that provide similar services pursuant to a competitive process.

PUBLIC EMPLOYMENT RELATIONS BOARD

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,571,000	3,409,000	(162,000)	-4.5%
Special Revenue-Other	575,000	575,000	0	0.0%
Total for AGENCY SUMMARY:	4,146,000	3,984,000	(162,000)	-3.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	33	33	0
TOTAL:	33	33	0

Agency Mission

The Public Employment Relations Board (PERB) resolves major labor disputes between public employers and employees. PERB provides mediation, fact finding, and arbitration in contract disputes for approximately 4,760 negotiating units in New York State. In addition, PERB 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. PERB is also responsible for administering the State Employment Relations Act, and PERB's labor management oversight activities include private sector employers that are not provided services by the National Labor Relations Board, the Federal Mediation and Conciliation Service, or the National Mediation Board.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,984,000, a decrease of \$162,000 or 3.9 percent, below the State Fiscal Year (SFY) 2011-12 level. The Executive recommends funding support of 33 full-time equivalent positions, which represents no change from SFY 2011-12.

State Operations

Proposed Decreases

The Executive proposes a reduction of \$162,000 related to a continued across-the-board reduction in General Fund agency operating budgets.

PUBLIC ETHICS, JOINT COMMISSION ON

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,878,000	4,100,000	222,000	5.7%
Total for AGENCY SUMMARY:	3,878,000	4,100,000	222,000	5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	45	45	0
TOTAL:	45	45	0

Agency Mission

The Joint Commission on Public Ethics (JCOPE) was established in 2011 by the Public Integrity Reform Act. JCOPE succeeds the Commission on Public Integrity and assumes responsibility for administering and enforcing the state's ethics and lobbying statutes. JCOPE's mission is to foster public trust and confidence in state government by ensuring compliance with financial disclosure and ethical standards.

JCOPE is comprised of 14 appointed members and has jurisdiction over 190,000 statewide officials, state officers and employees, and candidates for statewide elected office and political party chairs. The responsibility of this new agency is broadened to include not only executive branch employees and elected officials, but also some jurisdiction in relation to legislative employees.

Budget Detail

The Executive recommends \$4,100,000 in All Funds appropriation for JCOPE. This reflects an increase of \$222,000 in General Fund appropriation over the State Fiscal Year (SFY) 2011-12 funding level for the Commission on Public Integrity, which JCOPE formally replaced on December 12, 2011.

The Executive recommends a workforce of 45 full-time equivalent (FTE) positions which reflects no change from the SFY 2011-12 staffing level of the Commission on Public Integrity when it was fully operational.

State Operations

Proposed Increases

The Executive recommends a \$222,000 increase in State Operations General Funds appropriation for JCOPE. This funding level is expected to accommodate start-up costs related to the expanded role of this new agency, including full staffing and per diem payments for the Commissioners. This funding will enable JCOPE to fill 13 FTE positions, bringing the new workforce to 45 FTEs.

DIVISION OF STATE POLICE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	560,442,000	557,932,000	(2,510,000)	-0.4%
Special Revenue-Other	120,550,000	120,831,400	281,400	0.2%
Special Revenue-Federal	7,335,000	8,335,000	1,000,000	13.6%
Capital Projects Fund	5,500,000	0	(5,500,000)	-100.0%
Capital Projects Fund - Authority Bonds	6,000,000	6,000,000	0	0.0%
Total for AGENCY SUMMARY:	699,827,000	693,098,400	(6,728,600)	-1.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	4,803	4,803	0
All Other Funds:	417	417	0
TOTAL:	5,220	5,220	0

Agency Mission

The Division of State Police (DSP) 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. DSP is also part of several counter-terrorism initiatives.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- an increase to support the recruitment and training of new members with two classes scheduled for SFY 2012-13; and
- a repeal of the state's existing independent pistol and revolver ballistic identification database.

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$693,098,400, a decrease of \$6,728,600, or one percent from SFY 2011-12 funding levels. The Executive proposes support for a workforce of 5,220 full-time equivalent (FTE) positions, representing no change from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$687,098,400, a decrease of \$1,228,600 from SFY 2011-12 funding levels.

The Executive proposes repeal of the requirement that the state maintain its existing independent pistol and revolver ballistic identification database, the Combined Ballistic Identification System (CoBIS). Instead, the Executive would invest \$200,000 in savings associated with the repeal of CoBIS to support local and state law enforcement use of the National Integrated Ballistics Information Network.

Proposed Increases

The Executive proposal includes:

- an increase of \$13,500,000 to support the resumption of training classes for the purpose of hiring 230 new recruits, which would maintain troop member strength at 4,458 officers; and
- an increase of \$3,790,000 to support the purchase and lease of new patrol vehicles.

Proposed Decreases

The Executive proposal includes a decrease in support for the Division of \$2,580,000, attributable to savings achieved through the consolidation of call centers and other efficiencies.

Capital Projects

The Executive proposes an All Funds Capital appropriation of \$6,000,000, a decrease of \$5,500,000, or 48 percent, from SFY 2011-12 funding levels, attributable to a reduction to amounts available for the preservation of facilities.

Article VII

The Executive recommends Article VII legislation that would:

- prohibit a court from issuing a subpoena to compel a state police officer to appear at the initial court appearance related to a traffic infraction and require that a date for trial be set after the initial appearance; and
- repeal the requirement that the state maintain its independent pistol and revolver ballistic identification database.

STATEWIDE FINANCIAL SYSTEM

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	45,000,000	55,000,000	10,000,000	22.2%
Total for AGENCY SUMMARY:	45,000,000	55,000,000	10,000,000	22.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	136	145	9
TOTAL:	136	145	9

Agency Mission

The Statewide Financial System Project is responsible for developing and maintaining a single statewide financial system for use by all agencies. The first operational phase of the new system is to be launched in April 2012 with 63 agencies expected to be fully utilizing the system.

Budget Detail

The Executive recommends a \$55,000,000 All Funds appropriation, reflecting an increase of \$10,000,000 or 22.2 percent over the State Fiscal Year 2011-12 level. The funding represents the first budget under which the new system will be fully operational for approximately 62 agencies.

The Executive Budget recommends a workforce of 145 full-time equivalent (FTE) positions. This is an increase of nine FTEs from the 2011-12 budget, and reflects additional staff needed to support agencies during their transition to the new system.

State Operations

Proposed Increases

The Executive recommends a \$10,000,000 increase in Special Revenue funding to reflect new ongoing operating costs associated with the transformation from project status to an operating system. The additional costs are partially offset by a \$4,160,000 reduction in equipment and consulting costs.

The increases will support the following:

- \$6,131,000 in software costs for a total expenditure of \$7,130,000;
- \$4,518,000 in Debt Service for a total expenditure of \$22,439,000;
- \$1,675,000 in Personal Service expenditure; and
- \$1,400,000 for the OSC Data Center for a total expenditure of \$4,100,000.

The Executive's Financial Plan provides that \$5,000,000 of this increase is considered a contingency amount for the project in order to mitigate any unforeseen circumstances arising during the initial months of system operation.

OFFICE FOR TECHNOLOGY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	27,502,000	27,502,000	0	0.0%
Special Revenue-Other	3,445,000	3,445,000	0	0.0%
Internal Service Fund	403,165,000	403,165,000	0	0.0%
Total for AGENCY SUMMARY:	434,112,000	434,112,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	144	160	16
All Other Funds:	427	437	10
TOTAL:	571	597	26

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- an information technology (IT) transformation effort that would include consolidating IT operations, including data centers, and creating IT agency clusters to facilitate application development; and
- a proposal to rename the OFT as the “Office of Information Technology Services.”

Budget Detail

The Executive proposes an All Funds appropriation of \$434,112,000, which represents no change from the SFY 2010-11 funding level. The Executive recommends funding support for 597 FTE positions, an increase of 26 FTE positions over the SFY 2011-12 level, attributable to a multi-agency e-licensing effort.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$434,112,000, which represents no change from the SFY 2010-11 funding level.

Article VII

The Executive proposal would change the name of the OFT to the Office of Information Technology Services.

DIVISION OF VETERANS' AFFAIRS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	14,482,000	14,232,000	(250,000)	-1.7%
Special Revenue-Federal	2,466,000	2,466,000	0	0.0%
Total for AGENCY SUMMARY:	16,948,000	16,698,000	(250,000)	-1.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	83	86	3
All Other Funds:	8	8	0
TOTAL:	91	94	3

Agency Mission

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.

Budget Detail

The Executive recommends an All Funds appropriation of \$16,698,000 for the Division, representing a net decrease of \$250,000 from the State Fiscal Year (SFY) 2011-12 funding level.

A workforce of 94 full-time equivalent (FTE) positions is recommended for the DVA reflecting an increase of three FTE positions over the SFY 2011-12 staffing level and reflects planned hiring in local field offices.

State Operations

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

The Executive proposes \$5,806,000 in General Fund appropriations, which reflects a net decrease of \$500,000, or 7.93 percent, below SFY 2011-12 funding levels.

The Executive provides \$5,322,000 in General Funds to maintain payments for services and expenses related to the Veteran's Counseling Services Program.

Proposed Decreases

The Executive proposal includes \$484,000 in General Fund support for the Administration Program, reflecting a decrease of \$500,000 below SFY 2011-12 funding levels.

Aid to Localities

The Executive preserves local funding for veteran services and provides a General Fund appropriation of \$8,926,000, reflecting a net increase of \$250,000, or 3.06 percent, above SFY 2011-12. Funding is maintained for the following programs at SFY 2011-12 funding levels:

- \$599,000 is provided in funding to maintain payments for gold star annuity benefits to eligible families of military personnel and \$200,000 is provided for payment of supplemental burial benefits to eligible families of military personnel; and
- \$500,000 is provided in funding to maintain payments for services and expenses related to Veteran's counseling and outreach.

Proposed Increases

The Executive recommends \$6,200,000 to fund the Blind Veteran annuity program reflecting a \$400,000 increase over the current funding level. The increase reflects a 3.6 percent cost of living adjustment in funding needed to accommodate additional payments of annuities to blind veterans and their eligible surviving spouses.

Proposed Decreases

Local assistance appropriations are reduced by \$150,000, reflecting the elimination of legislative adds. General Fund support for payment of aid to county and city veterans'

service agencies as well as for services and expenses of the Monroe County Veteran Outreach Center is maintained at SFY 2011-12 levels.

OFFICE OF VICTIM SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	37,790,000	37,790,000	0	0.0%
Special Revenue-Federal	39,454,000	38,613,000	(841,000)	-2.1%
Total for AGENCY SUMMARY:	77,244,000	76,403,000	(841,000)	-1.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	75	78	3
TOTAL:	75	78	3

Agency Mission

The Office of Victim Services (OVS) awards compensatory damages to victims of crime, focusing mainly on those whose victimization was violent in nature, and also serves as the state's advocate for crime victim's rights, needs, and interests. Damages are awarded to victims for loss of earnings, essential property loss, and costs associated with medical treatment or counseling services. The OVS currently administers approximately 200 contracts with other state agencies, local governments and not-for-profit agencies to provide direct services to crime victims and witnesses.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget provides for an additional three full-time equivalent (FTE) positions for the purpose of the expediting of claims processing and the reduction of caseloads currently experienced by staff at OVS.

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$76,403,000, a decrease of \$841,000, or 1.1 percent, from SFY 2011-12 funding levels. The Executive proposes support for a workforce of 78 FTE positions, an increase of three FTE positions over SFY 2011-12 staffing levels.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$10,283,000, an increase of \$59,000 from SFY 2011-12 funding levels.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$66,120,000, a decrease of \$900,000, or 1.3 percent, from SFY 2011-12 funding levels. This reduction is largely attributable to a reduction in federal grant support.

WORKERS' COMPENSATION BOARD

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	204,749,000	196,801,000	(7,948,000)	-3.9%
Total for AGENCY SUMMARY:	204,749,000	196,801,000	(7,948,000)	-3.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	1,380	1,371	(9)
TOTAL:	1,380	1,371	(9)

Agency Mission

The Workers' Compensation Board (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.

Budget Detail

The Executive proposes an All Funds appropriation of \$196,801,000, a decrease of \$7,948,000 or 3.9 percent, over the State Fiscal Year (SFY) 2011-12 level. The Executive recommends funding support of 1,371 full-time equivalent (FTE) positions, a decrease of nine positions through attrition.

State Operations

Proposed Increases

The Executive proposes an increase of \$6,204,000 for data warehouse and case management redesign. The Executive proposal includes an additional 11 FTEs for this purpose.

Proposed Decreases

The Executive proposes:

- a reduction of \$10,492,000 attributed to the elimination of non-recurring costs related to the Board's management of failed group self-insured trusts;
- a reduction of \$3,000,000 attributed to the alignment of cash and appropriation levels; and
- a reduction of \$660,000 attributed to attrition.

GENERAL STATE CHARGES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,891,510,000	2,572,936,000	(318,574,000)	-11.0%
Fiduciary	101,000,000	150,250,000	49,250,000	48.8%
Total for AGENCY SUMMARY:	2,992,510,000	2,723,186,000	(269,324,000)	-9.0%

Agency Mission

General State Charges are primarily the costs of providing fringe benefits to 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the creation of a Tier VI retirement benefit for newly-hired state and local government employees; and
- a savings of \$30,000,000 due to a \$100,000,000 pre-payment toward pension costs.

Additionally, the Executive includes \$26,500,000 in savings from increasing Federal Medicare Part D reimbursements through the conversion of the retiree drug coverage program from the current retiree drug subsidy to an Employer Group Waiver Plan. The Executive can make this change administratively.

Budget Detail

State Operations

The Executive proposes a SFY 2012-13 appropriation of \$2,723,186,000, a decrease of \$269,324,000 or nine percent, below the SFY 2011-12 level.

Proposed Increases

The Executive proposes:

- an increase of \$22,647,000 for Social Security costs related to increases in the salary base;
- an increase of \$11,211,000 for Workers' Compensation claims incurred by state employees for on-the-job injuries;
- an increase of \$9,174,000 for taxes on state-owned lands, attributed to re-evaluations by the Office of Real Property Services; and
- an increase of \$7,850,000 for the City of Albany related to a payment-in-lieu-of-taxes (PILOT) for the Empire State Plaza.

Proposed Decreases

The Executive proposes:

- a decrease in fringe benefit offset revenue of \$150,016,000 related to increased fringe benefit rates;
- a net reduction of \$90,821,000 for pensions, reflecting a contribution rate of 11.5 percent for the New York State and Local Employees' Retirement System and 19.5 percent for the New York State and Local Police and Fire Retirement System. The net reduction is achieved through the non-recurrence of an extra \$100,000,000 payment in March 2012 that will generate \$30,000,000 in savings in SFY 2012-13. Additionally, there is a reconciliation of SFY 2010-11 costs through lower than expected salaries;
- a reduction of \$36,145,000 related to health insurance, which represents an increase of 2.6 percent in premiums offset by reduced state costs pursuant to enacted collective bargaining agreements;

- a reduction of \$20,000,000 in Court of Claims costs due to higher than anticipated costs in SFY 2011-12 related to Watson v. New York. The case involved state liability for vehicular accident cause by an Environmental Conservation officer; and
- a reduction of \$4,239,000 in other fringe benefits attributed to lower costs associated with vision and dental coverage.

Article VII

The Executive recommends Article VII legislation that would:

- create a Tier VI retirement benefit. Under this proposal, an employee would have a choice between two options upon employment:
 - the Defined Benefit plan would include: an increase to the employees' contribution to the pension system from three percent to four, five, or six percent depending on salary; employees vesting after 12 years instead of 10; an increase in the retirement age to 65 years or, according to special plans, upon 20 or 25 years of service; and decrease the pension multiplier from two percent to 1.67 percent for each year credited. In addition, member contributions would vary according to market conditions under a risk sharing plan.
 - the Defined Contribution plan would include: a minimum employer contribution of four percent; a three percent employer match when the employee makes a contribution; and no required employee contribution.
 - once an employee chooses a retirement plan, the choice is irrevocable.
- include employees and retirees of public authorities in the provisions of current law that require state employees and retirees to contribute toward the cost of Medicare Part B premiums. This proposal would generate \$10,500,000 in savings; and
- modify the schedule of payments-in-lieu-of taxes (PILOT) payments made to the City of Albany. Under the proposal, an additional \$7,850,000 payment would be made to the city on SFY 2012-13, and a payment scheduled for 2033 would be reduced by the same amount.

MISCELLANEOUS: PUBLIC PROTECTION & GENERAL GOVERNMENT

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,450,093,300	3,443,006,300	(7,087,000)	-0.2%
Special Revenue-Other	10,317,000	1,031,000	(9,286,000)	-90.0%
Special Revenue-Federal	1,050,000,000	1,000,000,000	(50,000,000)	-4.8%
Fiduciary	222,400,000	222,400,000	0	0.0%
Emergency	179,132,000	300,000,000	120,868,000	67.5%
Total for AGENCY SUMMARY:	4,911,942,300	4,966,437,300	54,495,000	1.1%

Budget Detail

State Operations

Collective Bargaining Agreements

The Executive recommends an appropriation of \$25,038,000, a reduction of \$7,210,000, or 22.4 percent, from SFY 2011-12 levels. The appropriation supports benefits and programs provided for in contract agreements with Civil Service Employees Association and Management/Confidential. Separate legislation would support contracts that have not had a pay-bill enacted.

Public Security and Emergency Response

The Executive recommends an appropriation of \$200,000,000 for the purpose of preventing, deterring, or responding to acts of terrorism, disasters, or other emergencies. This appropriation includes the consolidation of SFY 2011-12 appropriations totaling \$169,000,000.

Article VII

The Executive recommends Article VII legislation that would:

- accelerate up to \$28,000,000 in Aid and Incentives for Municipalities (AIM) funding to the City of Rochester beginning in SFY 2013-14; and

- authorize transfers, temporary loans and amendments to the miscellaneous capital and debt provisions including bond caps necessary to implement the 2012-13 Executive Budget.

EDUCATION, LABOR & FAMILY ASSISTANCE

**Summary of Recommended Appropriations
By Agency**

COUNCIL ON THE ARTS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	36,209,000	35,974,000	(235,000)	-0.6%
Special Revenue-Other	196,000	196,000	0	0.0%
Special Revenue-Federal	2,513,000	1,513,000	(1,000,000)	-39.8%
Total for AGENCY SUMMARY:	38,918,000	37,683,000	(1,235,000)	-3.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	28	28	0
TOTAL:	28	28	0

Agency Mission

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.

Budget Detail

The Executive proposes an All Funds appropriation of \$37,683,000, a decrease of \$1,235,000 or three percent, below the State Fiscal Year (SFY) 2011-12 level. The Executive recommends funding support for 28 full-time equivalent positions, which is unchanged from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$4,219,000, a decrease of \$235,000 or 5.3 percent from SFY 2011-12. The decrease is attributable to workforce savings and efficiencies in purchasing that were annualized from SFY 2011-12.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$33,464,000, a decrease of \$1,000,000 or 2.9 percent, from SFY 2011-12. The decrease is attributable to an adjustment to better align appropriations with actual federal resources.

CITY UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,208,362,000	1,295,976,990	87,614,990	7.3%
Special Revenue-Other	175,400,000	175,400,000	0	0.0%
Capital Projects Fund	21,000,000	36,983,000	15,983,000	76.1%
Fiduciary	1,917,190,000	2,055,509,900	138,319,900	7.2%
Cap Proj Fund - CUNY - Direct Auth Bonds	315,461,000	310,926,000	(4,535,000)	-1.4%
Total for AGENCY SUMMARY:	3,637,413,000	3,874,795,890	237,382,890	6.5%

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- state support for CUNY Senior Colleges remains constant from SFY 2011-12 at \$523,542,900;
- CUNY Community College Base Aid is maintained at SFY 2011-12 levels, at \$2,122 per full-time equivalent (FTE) student; and
- a \$66,551,000 increase to the Senior College Revenue Offset Account, which accounts for tuition increases that were authorized by Chapter 260 of the Laws of 2011. CUNY undergraduate tuition is now \$5,130 per year.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,874,795,890, an increase of \$237,382,890 over SFY 2011-12.

State Operations

The Executive proposes a Senior College Academic Year operating budget of \$2,055,509,900, a \$138,319,000 increase from SFY 2011-12 levels. Under the Executive proposal, All Funds state operations budget for CUNY would be \$2,230,909,900.

Proposed Increases

The Executive proposal includes:

- an increase of \$66,551,000 in additional spending authority to account for tuition increases that were authorized in Chapter 260 of the Laws of 2011;
- a General Fund increase of \$57,603,900 to accommodate fringe benefits increases;
- a General Fund increase of \$13,000,000 to adjust funding levels related to the mid-year cuts of 2010-11; and
- a General Fund increase of \$1,000,000 to the Search for Education, Elevation, and Knowledge (SEEK) program as authorized by Chapter 55 of the Laws of 2011.

Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$1,295,976,990 for SFY 2012 -13, representing an \$87,614,990 increase above SFY 2011-12 levels. Of this appropriation, \$1,109,866,200 would support the SFY 2012-13 operating costs for CUNY Senior Colleges and \$184,110,790 would support CUNY Community Colleges. Within this appropriation, funding is maintained for Contract Courses for workforce development (\$1,800,000), and the College Discovery program (\$883,390).

Proposed Increases

The Executive proposes a General Fund increase of \$33,000 to support Rental Aid.

Proposed Decreases

The Executive proposes a General Fund decrease of \$544,000 to CUNY Child Care.

Capital Projects

The Executive proposes a capital projects appropriation of \$347,909,000, an increase of \$11,448,000 from SFY 2011-12 levels. This includes an appropriation of \$284,222,000 which is the fifth installment of the five year CUNY capital plan for critical maintenance that was enacted in SFY 2008-09. It also includes \$26,704,000 to provide for the state's 50 percent share of projects at

CUNY Community Colleges and a \$21,000,000 appropriation to pay the Dormitory Authority for administrative costs of managing of projects at CUNY. The Executive Budget includes a capital appropriation of \$15,983,000 to allow hard dollar capital financing to reimburse the City University of New York Construction Fund (CUCF).

EDUCATION DEPARTMENT

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	36,127,091,000	36,471,657,000	344,566,000	1.0%
Special Revenue-Other	9,434,772,000	9,627,672,000	192,900,000	2.0%
Special Revenue-Federal	4,429,791,000	4,599,080,000	169,289,000	3.8%
Capital Projects Fund	3,400,000	3,400,000	0	0.0%
Internal Service Fund	33,563,000	33,563,000	0	0.0%
Library Aid (Auth Bonds)	14,000,000	14,000,000	0	0.0%
Total for AGENCY SUMMARY:	50,042,617,000	50,749,372,000	706,755,000	1.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	286	279	(7)
All Other Funds:	2,386	2,486	100
TOTAL:	2,672	2,765	93

Agency Mission

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department oversees public elementary and secondary education programs through 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- The Executive proposes funding General Support for Public Schools (GSPS) at \$20,311,700,000, which is an increase of \$804,960,000 or 4.13 percent; which includes \$250,000,000 in Performance Improvement Grants.
- The Executive recommends a \$289,790,000 increase through a Gap Elimination Adjustment (GEA) restoration. The GEA restoration takes into account student poverty, school district wealth, enrollment, the impact of the original GEA reduction and provides for an across the board restoration for all districts.
- Reimbursable aids would continue to grow by \$261,963,000. The proposal freezes all school aid formulas for both 2011-12 and 2012-13 school years at the lesser of the Executive school aid run or revised data.
- The 2012-13 Executive Budget authorizes \$250,000,000 in grant awards for the 2012-13 school year and an additional round of awards for 2013-14. In addition, the 2011-12 enacted Budget authorized two competitive performance grant programs, the School District Management Efficiency Program and the School District Performance Improvement Program which are re-appropriated.
- Under the Executive proposal, eligibility to receive increases in School Aid for the 2012-13 School Year (SY) would be contingent upon district compliance with a new teacher and principal professional evaluation process which must be implemented by January 17, 2013.
- Funding is continued at the 2011-12 level for Foundation Aid, High Tax Aid, and certain grants. Funding increased for Universal Prekindergarten to \$384,290,000 for SY 2012-13, an increase of \$1,060,000.
- The Executive Budget includes legislation to authorize school districts to regain eligibility for building aid in cases where districts missed the final cost report filing deadline. The loss of building aid would be limited to the period when the cost report was outstanding.
- The Executive proposes that all growth above the county share of SY 2011-12 costs for Preschool Special Education will be paid equally by the State, school district and the county. Currently, the State pays 59.5 percent and the counties pay 40.5 percent of costs associated with programs for disabled children aged three to five. The program is receiving a \$66.8 million increase for total funding of \$936.7 million in SY 2012-13. In addition the proposal:

- prohibits children from receiving services from a preschool special education provider if there is a “less than arms length” relationship between the provider and the child’s approved evaluator in most cases; and
 - requires justification when a distant provider is chosen over a closer, suitable provider.
- Schools for the Blind and Deaf: an appropriation of \$99.3 million is provided to reimburse school districts for costs incurred in the 2011-12 school year.
- School Bus and Equipment Purchases: Under the Executive proposal, school buses and equipment would have to be purchased through the use of a state contract in order to receive state reimbursement except when the Commissioner determines that the district is unable to provide appropriate transportation for its students with the vehicles and equipment that are available under the state contract. School districts would also have to obtain the Commissioner’s approval prior to purchasing school bus equipment in order to receive state transportation reimbursement.
- Teacher Disciplinary Hearings: The Executive proposal alters the arbitration process for tenured employees by:
 - allowing the Commissioner to set maximum rates paid to hearing officers;
 - limiting the number of study days claimed by hearing officers;
 - eliminating the requirement for a stenographer;
 - allowing for the disqualification of hearing officers who fail to comply with timeline requirements; and
 - requiring the employing board and the employees’ bargaining unit or employee to share the costs of the hearing.
- The Executive budget provides for a two year appropriation which is indexed to growth in personal income. Based on current data, personal income in the state is estimated to grow by 3.5 percent, which will generate an additional \$711,000,000 for the 2013-14 school year.
- Executive Commission on Education: A Commission will be created by Executive Order to focus on school accountability in both management and teaching.

Budget Detail

State Operations

Proposed Increases

The Executive recommends an increase of \$9,245,000 or 1.61 percent for the State Education Department on an All Funds basis. Total State Operations funding is \$582,345,000; of this amount, Federal funding is \$356,849,000, and General Fund dollars account for \$42,640,000. Remaining funding for the Department comes from Internal Service Funds and Special Revenue Funds. As a result, General Fund support for the State Education Department is approximately 7.3 percent of its total budget. The Executive provides for 2,765 full time equivalent (FTE) positions in the State Education Department, an increase of 93 FTEs from last year, which is primarily related to additional direct care positions for vocational rehabilitation services and for staff overseeing the licensing of professions. In addition, the Executive budget maintained additional funding for state assessments and for the operations of the General Equivalency Diploma (GED) program that was provided in the SFY 2011-12.

Aid to Localities

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

The Executive proposes:

- funding Foundation Aid at \$14,893,624,000, which is the same level of funding as SY 2011-12;
- funding High Tax Aid at \$204,770,000, which is the same level of funding as SY 2011-12;
- funding the Supplemental Educational Improvement Grant for Yonkers at \$17,500,000, which is the same level of funding as SY 2011-12;
- funding Academic Enhancement Aid at \$8,320,000, which is the same level of funding as SY 2011-12;
- funding Supplemental Public Excess Cost Aid at \$4,313,000, which is the same level of funding as SY 2011-12;
- funding Reorganization Operating Aid at \$2,857,000, which is the same level of funding as SY 2011-12; and
- funding the Academic Achievement Grant at \$1,200,000, which is the same level of funding as SY 2011-12.

Proposed Increases

The Executive proposes:

- an increase of \$289,790,000 through a Gap Elimination Adjustment (GEA) restoration. This calculation takes into account student poverty, district wealth, enrollment, the impact of the GEA reduction and provides for an across the board restoration for all districts;
- funding Building Aid at \$2,721,490,000, which is an increase of \$91,690,000 over SY 2011-12;
- funding High Cost Excess Cost Aid for special needs students at \$498,090,000, which is a \$22,920,000 increase over SY 2011-12;
- funding Private Excess Cost Aid for special needs students at \$362,754,000, which is an increase of \$45,610,000 over SY 2011-12;
- funding BOCES Aid at \$720,875,000, which is an increase of \$16,650,000 over SY 2011-12;
- funding Special Services Aid at \$219,300,000, which is an increase of \$6,940,000 over SY 2011-12;
- funding Universal Prekindergarten at \$384,290,000, which is an increase of \$1,060,000 over SY 2011-12;
- funding Textbook Aid at \$182,630,000, which is an increase of \$3,850,000 over SY 2011-12;
- funding Computer Hardware Aid at \$39,270,000, which is an increase of \$1,880,000 over SY 2011-12;
- funding Computer Software Aid at \$46,970,000, which is an increase of \$1,490,000 over SY 2011-12;
- funding Library Materials Aid at \$19,600,000, which is an increase of \$460,000 over SY 2011-12;
- funding Transportation Aid at \$1,675,710,000, which is an increase of \$64,020,000 over SY 2011-12;

- funding Charter School Transitional Aid at \$30,978,000, which is an increase of \$3,630,000 over SY 2011-12; and
- funding Full Day Kindergarten at \$6,764,000, which is an increase of \$1,770,000 over SY 2011-12.

GRANT PROGRAMS AND ADDITIONAL AID CATEGORIES

The Executive proposes:

- funding Teachers of Tomorrow at \$25,000,000, which is the same level as SY 2011-12;
- funding the Teacher-Mentor Intern Program at \$2,000,000, which is the same level as SY 2011-12;
- funding School Health Services at \$13,840,000, which is the same level as SY 2011-12;
- funding Urban-Suburban Transfer at \$2,730,000, which is the same level as SY 2011-12;
- funding Employment Preparation Education Aid at \$96,000,000, which is the same level as SY 2011-12;
- funding Bilingual Education at \$12,500,000, which is the same level as SY 2011-12;
- funding Special Act School Districts at \$2,700,000, which is the same level as SY 2011-12;
- funding BOCES Aid for Special Act School Districts at \$700,000, which is the same level as SY 2011-12;
- funding Learning Technology Grants at \$3,285,000, which is the same level as SY 2011-12; and
- funding Bus Driver Safety at \$400,000, which is the same level as SY 2011-12.

Proposed Increases

The Executive proposal would provide:

- funding to support in competitive Performance Grants, a \$250,000,000 increase over SFY 2011-12;
- funding Homeless Pupils at \$18,230,000, which is an increase of \$1,000,000 over SY 2011-12;

- funding Incarcerated Youth at \$20,500,000, which is an increase of \$1,000,000 over SY 2011-12;
- funding Education of OMH/OPWDD pupils at \$80,000,000, which is an increase of \$4,000,000 over SY 2011-12;
- funding Native American Building Aid at \$5,000,000, which is an increase of \$1,000,000 over SY 2011-12;
- funding for the Special Academic Improvement Grant for the Roosevelt school district at \$12,000,000, which is an increase of \$6,000,000 over SY 2011-12; and
- decreasing the cost for chargebacks to \$39,800,000, which is \$14,700,000 less than SY 2011-12.

Proposed Decreases

The Executive proposes the following actions:

- eliminating funding for Teacher Resource and Computer Training Centers, which totaled \$20,440,000 in SY 2011-12; and
- funding Native American Education at \$32,000,000, which is a decrease of \$4,050,000 from SY 2011-12.

OTHER ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

The Executive proposes:

- continuing Prior Year Claims/Fiscal Stabilization Grants at \$45,068,000, which is the same funding level as SY 2011-12;
- maintaining the Extended Day/School Violence Prevention program at \$24,344,000;
- continuing Charter School Startup Grants at \$4,837,000, which is the same funding level as SY 2011-12;
- continuing funding for Adult Basic Education at \$1,843,000;
- continuing Math and Science High Schools at \$1,382,000, which is the same funding level as SY 2011-12;

- continuing Targeted Pre-kindergarten at \$1,303,000, which is the same funding level as SY 2011-12;
- continuing the County Vocational Education and Extension Boards (CVEEB) at \$932,000, which is the same funding level as SY 2011-12;
- continuing Academic Intervention Services for Nonpublic Schools at \$922,000;
- funding of \$691,000 for the Health Education Program, which is the same funding level as SY 2011-12;
- continuing the New York State Center for School Safety at \$466,000, which is the same funding level as SY 2011-12;
- maintaining funding for the Say Yes to Education Program at \$350,000, which is the same funding level as SY 2011-12;
- maintaining funding for the Primary Mental Health Program at \$894,000, which is the same level of funding as SY 2011-12;
- maintaining funding for the Summer Food Program at \$3,094,000, which is the same level of funding as SY 2011-12;
- maintaining funding for the Student Mentoring and Tutoring program at \$490,000, which is the same level of funding as SY 2011-12;
- continuing aid for Children of Migrant Workers at \$89,000, which is the same funding level as SY 2011-12;
- continuing Adult Literacy Education at \$4,293,000, which is the same funding level as SY 2011-12;
- maintaining the Summer School of the Arts appropriation level at \$1,481,000, which is the same level as SY 2011-12;
- continuing funding for the Center for Autism and Related Disabilities at the University of Albany at \$490,000 for SFY 2011-12. In addition, \$500,000 in Federal funds are also continued;
- continuing funding for Small Government Assistance grants at \$1,868,000, which is funded at the same level as SY 2011-12;

- continuing federal funds of \$4,000,000 for Salary Enhancements for Teachers in Schools for Students with Special Needs; and
- continuing funding for Postsecondary Aid to Native Americans at \$598,000, which is the same level as SFY 2011-12.

Proposed Increases

The Executive proposes:

- increasing Nonpublic School Aid to \$116,620,000, which is an increase of \$13,243,000 over SY 2011-12; and
- increasing School Lunch/Breakfast programs to \$33,700,000, which is an increase of \$600,000 over SY 2011-12.

OTHER SCHOOL PROGRAMS

The Executive proposal would:

- increase the Private Schools for the Blind & Deaf program (4201) by \$79,300,000 above 2011-12 funding levels. This program would be funded at \$99,300,000 for SY 2012-13;
- increase the Preschool Special Education program (4410) by \$66,800,000 above 2011-12 funding levels. This program would be funded at \$936,700,000 for SY 2012-13; and
- increase the Summer School Program for Students with Disabilities (4408) by \$30,400,000 above 2011-12 funding levels. This program would be funded at \$321,700,000 for SY 2012-13, in order to meet the state's share of the costs of summer school programs for school-age pupils with disabilities.

Proposed Decreases

The Executive proposes:

- providing \$60,000,000 to reimburse school districts for costs associated with the payment of the Metropolitan Commuter Transportation Mobility Tax, which is a decrease of \$10,000,000 from SY 2011-12, but covers current reimbursement amounts; and
- funding the Consortium for Worker Education at \$11,500,000, which is a decrease of \$1,500,000 from SY 2011-12.

ADULT CAREER AND CONTINUING EDUCATION SERVICES PROGRAM

For SFY 2012-13, the Executive proposes:

- funding Case Services at \$54,000,000, which is the same level of funding as in SFY 2011-12;
- funding Independent Living Centers at \$12,361,000, which is the same level of funding as in SFY 2011-12;
- funding College Readers Aid at \$294,000, which is the same level of funding as in SFY 2011-12; and
- funding Supported Employment at \$15,160,000, which is the same level of funding as SFY 2011-12.

CULTURAL EDUCATION PROGRAM

The Executive proposes:

- funding Aid for Public Libraries at \$79,012,000, which the same level as SFY 2011-12 levels; and
- funding Educational Television and Radio at \$14,002,000, which is the same level as SFY 2011-12.

HIGHER EDUCATION AND THE PROFESSIONS

For SFY 2012-13, the Executive proposes:

- maintaining funding for Unrestricted Aid to Independent Colleges and Universities at a SFY 2011-12 funding level of \$35,129,000;
- maintaining funding for the Teacher Opportunity Corps Program at a SFY 2011-12 funding level of \$450,000;
- maintaining funding for the High Needs Nursing Program at a SFY 2011-12 funding level of \$941,000; and
- maintaining funding for the National Board for Professional Teaching Standards Certification Grant Program at a SFY 2011-12 funding level of \$368,000.

Proposed Decreases

The Executive proposes:

- decreasing funding for Liberty Partnerships to \$10,842,000. This appropriation does not include a \$1,700,000 appropriation enacted in December 2011;
- decreasing funding for the Higher Education Opportunity Program (HEOP) to \$20,783,000. This does not include a \$3,485,000 appropriation enacted in December 2011;
- decreasing funding for the Science and Technology Program (STEP) to \$9,774,000. This does not include the \$1,027,000 appropriation enacted in December 2011; and
- decreasing funding for the Collegiate Science and Technology Program (CSTEP) to \$7,406,000. This does not include a \$778,000 appropriation enacted in December 2011.

Capital Projects

The Executive proposes:

- continuing funding of \$14,000,000 for Public Library Capital projects throughout the state; and
- funding various minor rehabilitation projects to keep State Education Department facilities in safe operating condition at \$3,400,000.

Article VII

The Executive recommends Article VII legislation that would:

- provide that no school district shall receive an increase in 2012-13 education funding unless the district has submitted documentation, approved by the Commissioner, by January 17, 2013, that demonstrates full implementation of new standards and procedures for conducting annual professional performance reviews of teachers and principals;
- continue the Contract for Excellence program by requiring all school districts that submitted a contract for the 2011-12 School Year to submit a contract for the 2012-13 School Year unless all schools within the district are reported as being in “good standing” academically, and provide for the same expenditure as school year 2011-12;

- alter the calculation of payments for County Vocational Education and Extension Boards, retroactive to July of 2006, and limit the amount of time permitted for these institutions to submit claims to the state;
- provide for an increase in the payment of the competitive performance grants within the allocable growth amount;
- require the purchase of school buses and equipment from centralized state contracts, unless otherwise authorized by the Commissioner, in order to receive state reimbursement as of July 1, 2012;
- require school districts to obtain Commissioner approval for school bus equipment purchases;
- continue existing provisions for the Teachers of Tomorrow program in the city school district in the City of New York;
- extend special education class size waivers for school districts;
- provide for the support of libraries;
- extends, for five years, the provision of law that mitigates the impact of decreases in aid to school districts when a federal military base closes;
- extend the authority of school districts to award transportation contracts through a request for proposals process for an additional five years;
- extend the provisions of law in regard to conditional appointments of school district, charter school, and BOCES employees;
- extend the provisions of state law that conform to federal No Child Left Behind (NCLB) requirements;
- extend the provisions of law allowing Universal Prekindergarten providers to continue current hiring practices;
- extend the Consortium for Workforce Education program and reduce their setaside from \$13,000,000 to \$11,500,000;
- continue current provisions for School Bus Driver Training;
- continue current Chapter 1 Advance provisions;
- continue miscellaneous extenders for one year;

- continue the existing provisions for 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 setasides within Foundation Aid;
- continue the provision of Foundation Aid at current funding levels in the 2012-13 school year;
- provide for the calculation of the Gap Elimination Adjustment (GEA) restoration by taking into account student poverty, district wealth, enrollment, the impact of the GEA reduction and provides for an across the board restoration;
- continue Supplemental Public Excess Cost Aid, High Tax Aid, and Academic Enhancement Aid at current levels through SY 2012-13;
- freeze all school aid formulas for both the 2011-12 and 2012-13 school years at the lesser of the SY 2012-13 Executive run or revised data;
- authorize school districts to regain eligibility for building aid in cases where districts missed the final cost report filing deadline;
- authorize the Office of Mental Health to enter into an agreement with the State Education Department for the purpose of providing educational services for patients ages five through twenty-one residing in hospitals operated by the Office of Mental Health. School districts and Boards of Cooperative Educational Services may be required to provide educational services comparable to what is received at the local school district;
- remove the State Education Department's ability to authorize approved preschool special education providers to also provide early intervention services to children;
- provides for the growth in county costs associated with the Preschool Special Education Program to be shared equally by the state, school district and county. In addition, the legislation prohibits children from receiving services from a preschool special education provider if there is a "less than arms length" relationship between the provider and the child's approved evaluator, unless specifically authorized by the Commissioner of Education. The legislation also requires the proximity of a provider to be considered when determining a child's placement and a justification to be stated when a provider which is more distant from a child's home is chosen over another appropriate provider; and

- amends the disciplinary procedures and penalties for tenured employees (3020-A) in order to require the employing board and the employee's collective bargaining unit or employee to pay hearing officer and panel member compensation, enforce specific timeline requirements for conducting a hearing and rendering a decision, remove the requirement for a stenographer and impose a statute of limitations for receiving payment by the State Education Department for expenses related to hearings conducted prior to April 1, 2012.

OFFICE OF CHILDREN AND FAMILY SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,083,074,250	2,218,927,250	135,853,000	6.5%
Special Revenue-Other	123,340,000	88,848,000	(34,492,000)	-28.0%
Special Revenue-Federal	1,547,701,000	1,484,803,000	(62,898,000)	-4.1%
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%
Total for AGENCY SUMMARY:	3,792,365,250	3,830,828,250	38,463,000	1.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	2,683	2,874	191
All Other Funds:	460	460	0
TOTAL:	3,143	3,334	191

Agency Mission

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 programs, as well as residential and community-based services for New York State's juvenile justice system. The OCFS also supervises services to the blind and visually handicapped.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- an investment of \$12,000,000 related to the realignment of non-secure and community based juvenile justice facilities in order to provide placements and services to youth from New York City within New York City-based facilities;
- a corresponding downsizing or closure of OCFS operated facilities by 324 beds, and 247 full-time equivalent positions (FTE), of which 123 FTEs would be eliminated by layoff and 124 FTEs can be attributed to attrition, reflecting the transition of New York City youth to New York City administered facilities;
- the addition of 258 new youth facility staff to provide improved medical, mental health and direct care services to individuals in remaining youth facilities;
- an additional \$93,000,000 in General Fund support for child care subsidies to offset the loss of federal Temporary Assistance to Needy Families (TANF) funding;
- the elimination of the planned 3.6 percent cost-of-living adjustment (COLA) scheduled to take effect in SFY 2012-13 for various human services programs, as well as elimination of administrative trend factors that are currently built into certain OCFS programs, such as foster care;
- a five year reauthorization of the current financing structure for child welfare services, maintaining the state share for preventive services and adoption subsidies (62 percent), as well as the structure of the foster care block grant, including funding for the kinship guardianship assistance program;
- new funding of \$15,000,000 for the establishment of a 24-hour hotline to report allegations of abuse and neglect of persons involved in the programs licensed or certified by various human service agencies;
- new funding of \$2,000,000 for the creation of a public/private partnership program designed to provide state resources to regional areas that can best leverage private funding for human services programs; and
- the elimination of \$1,200,000 in funding for settlement houses and programs that help local social services districts reduce the caseloads of child protective workers.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,830,828,250, a net increase of \$38,463,000, or one percent, above the SFY 2011-12 budget level. The Executive recommends funding to support 3,334 FTE positions, a net increase of 191 positions from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$529,128,200, a net decrease of \$71,800 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes:

- an increase of \$27,990,000 related to the elimination of an agency offset account that transferred funds from a special revenue fund to the General Fund;
- an increase of \$15,000,000 related to the implementation of a 24-hour hotline to report allegations of abuse and neglect of persons involved in programs licensed or certified by the Office of Mental Health, the Office for Persons with Developmental Disabilities, the Office of Alcoholism and Substance Abuse, the Office of Children and Family Services, the Department of Health, and the State Education Department;
- an increase of \$700,000 to provide for the net cost of agency hearings for cases brought following reports of child abuse and neglect to the State Central Registry (SCR), and other savings assumed as the result of increased agency efficiencies and shared services; and
- an increase of \$100,000 related to an adjustment in the amount of a federal grant award for the Commission for the Blind and Visually Handicapped (CBVH).

Proposed Decreases

The Executive proposal includes:

- a decrease of \$34,492,000 related to the elimination of an agency offset account that transferred funds from a special revenue fund account to the General Fund;
- a decrease of \$4,150,000 related to the closure/downsizing of OCFS operated youth facilities that would reduce employment by 247 FTE's and reduce capacity by 324 beds;
- a decrease of \$3,000,000 as a result of the unavailability of anticipated federal funding for the Elder Justice Act; and

- a decrease of \$2,220,000 related to the hiring of 86 fewer new youth facility staff to provide improved services to youth than originally anticipated per a Department of Justice settlement agreement, as a result of the Executive proposal to transition New York City youth to New York City-based facilities. As of SFY 2011-12, 70 FTE positions have been filled.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$3,264,025,050, a net increase of \$38,534,800, or 1.2 percent, above the SFY 2011-12 level.

Proposed Increases

The Executive proposes:

- an increase of \$93,000,000 in General Fund support for child care subsidies as a result of the loss of federal Temporary Assistance to Needy Families (TANF) funding. Overall support for child care subsidies is flat year-to-year;
- an increase of \$8,614,000 for the reimbursement of New York City for services provided to juvenile delinquents in a non-secure setting;
- an increase of \$2,350,000 for Medicaid per diem services provided for children in foster care as a result of the add-on rate for mental health services;
- an increase of \$2,000,000 for the establishment of a new public/private partnership program designed to provide state resources to regional areas that can best leverage private funding for human services programs;
- an increase of \$1,300,000 for foster care, adult and child protective services, preventive and adoption services provided by Indian tribes based on increased claims; and
- an increase of \$680,000 for the state share of Committee on Special Education (CSE) placements related to increased caseload estimates.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$93,000,000 related to the loss of federal TANF funding;
- a decrease of \$48,000,000 related to the loss of American Recovery and Re-investment Act (ARRA) funding for foster care and adoption subsidies;

- a decrease of \$12,000,000 as a result of the unavailability of anticipated federal funding for the Elder Justice Act;
- a decrease of \$7,000,000 in funding that was made available for the child care facilitated enrollment program in special session legislation passed in December 2011;
- a decrease of \$1,500,000 for the child care unionization agreements as a result of collective bargaining agreements by the United Federation of Teachers (UFT);
- a decrease of \$760,000 related to the elimination of funding provided to local social services districts to help reduce the caseloads of child protective workers; and
- a decrease of \$450,000 related to the elimination of funding for settlement houses.

Capital Projects

The Executive proposes funding of \$37,675,000 for the Capital Projects Fund and the Youth Facilities Improvement Fund, unchanged from SFY 2011-12.

Article VII

The Executive recommends Article VII legislation that would:

- extend Child Welfare Financing until June 30, 2017, including the current open-ended 62 percent state reimbursement to local social services districts for the non-federal portion of child preventive services, child protective services, after care, independent living and adoption administration and services, and continued funding for the Kinship Guardianship Assistance program out of the Foster Care Block Grant. This proposal would also make permanent current open-ended 62 percent state reimbursement to local social services districts for the non-federal portion of adoption subsidies, and allow the State Commission on Quality of Foster Care to sunset;
- authorize New York City (NYC) to operate limited-secure and non-secure facilities for adjudicated juvenile delinquents, subject to a plan approved by the OCFS and the Director of the Budget. Upon approval of the plan, adjudicated NYC youth requiring limited-secure or non-secure care would be placed with, or transferred to, NYC operated facilities. OCFS would be authorized to close any of its facilities for one year from the effective date of the approved plan, upon 60 days notice of any service and staffing reductions;

- repeal the Child Welfare Research Advisory Panel which is responsible for developing guidelines for research projects relating to child protective, preventive, foster care and other child welfare services; and
- repeal the Board of Visitors which is responsible for making recommendations to the facility director of each residential school operated by OCFS.

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,396,663,000	1,664,854,000	268,191,000	19.2%
Special Revenue-Other	169,103,000	22,400,000	(146,703,000)	-86.8%
Special Revenue-Federal	4,001,053,000	3,992,148,000	(8,905,000)	-0.2%
Housing Program Fund	30,000,000	30,000,000	0	0.0%
Internal Service Fund	1,199,000	1,000,000	(199,000)	-16.6%
Fiduciary	10,000,000	10,000,000	0	0.0%
Total for AGENCY SUMMARY:	5,608,018,000	5,720,402,000	112,384,000	2.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	183	1,119	936
All Other Funds:	2,042	1,147	(895)
TOTAL:	2,225	2,266	41

Agency Mission

The Office of Temporary and Disability Assistance (OTDA), working with the Office of Children and Family Services and other agencies, helps children and families in need to achieve economic self-sufficiency. OTDA administers public assistance programs, including Family Assistance, Safety Net Assistance, Supplemental Security Income, the Federal Food Stamp Program, the Home Energy Assistance Program, child support enforcement and services, refugee assistance programs, and homeless shelter and service programs. OTDA 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a proposal to phase in the remaining ten percent public assistance grant increase that is scheduled for July 2012 with a five percent increase in July 2012, and another five percent increase in July 2013;
- a recommendation to allow for the takeover of administration of the state's portion of the Supplemental Security Income (SSI) program, which the state currently pays the federal government to administer on behalf of the state. This action requires an \$11,000,000 investment in SFY 2012-13, and is expected to generate \$90,000,000 in savings upon full implementation in SFY 2014-15;
- the elimination of \$15,000,000 in funding for shelter supplements or other services to prevent eviction and address homelessness in New York City;
- a proposal to eliminate state support for the administrative costs associated with the child support enforcement program. Under this proposal, local social services districts would no longer receive state reimbursement for a portion of administrative costs incurred and would, instead, retain the state share of child support payments previously collected on behalf of parents on public assistance. The state would save \$34,760,000 under this proposal;
- a \$13,000,000 increase in Temporary Assistance for Needy Families (TANF) funding for the Flexible Fund for Family Services (FFFS);
- a \$93,300,000 reduction in TANF funding for child care subsidies for families in receipt of public assistance;
- the elimination of \$9,400,000 in TANF funding for various initiatives including: Child Care Facilitated Enrollment, SUNY/CUNY Child Care, Wage Subsidy Program, Preventive Services, Displaced Homemakers, Non-Residential Domestic Violence, Supportive Housing for Families and Young Adults, Advantage Afterschool, Settlement Houses, ACCESS-Welfare to Careers, Supplemental Homelessness Intervention Program, Fatherhood Initiative, Emergency Homeless, Wheels for Work, Community Solutions to Transportation, BRIDGE, Refugee Resettlement Program, Disability Advocacy Program, Rochester-Genesee Regional Transportation Authority, Kinship Caretaker/Relative, and Centro of Oneida;
- the elimination of \$39,000,000 for traditionally TANF funded programs that were appropriated in Special Session legislation passed in December 2011 including: Summer

Youth Employment Program, Career Pathways, Displaced Homemakers, ATTAIN, Child Care Facilitated Enrollment;

- an additional \$1,000,000 in funding for the Nutrition Education and Outreach Program (NOEP) intended to increase enrollment in the federal food stamp program; and
- the transfer of six full-time equivalents (FTEs) and \$3,340,000 in funding for refugee resettlement and the citizenship initiative from OTDA to the Department of State related to the establishment of a new Office of New Americans.

Budget Detail

The Executive proposes an All Funds appropriation of \$5,720,402,000, a net increase of \$112,384,000, or 2.0 percent, from the SFY 2011-12 budget level. The Executive recommends funding support of 2,266 FTE positions, a net increase of 41 positions from SFY 2011-12 attributable to additional staffing related to the state takeover of SSI administration and the transfer of FTEs to the Office of New Americans.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$469,180,000, a net decrease of \$2,670,000 from the SFY 2011-12 budget level.

Proposed Increases

The Executive proposes:

- an increase of \$150,900,000 in General Fund spending related to the consolidation of earned federal revenue into the General Fund, as opposed to Special Revenue accounts, including the following specific increases:
 - \$69,980,000 in the Information Technology program;
 - \$38,170,000 in the Administration program;
 - \$16,120,000 in the Legal Affairs program;
 - \$16,010,000 in the Employment and Economic Support program;
 - \$9,060,000 in the Child Support program; and
 - \$1,560,000 in the Specialized Services program;
- an increase of \$10,370,000 in federal funding for the Office of Disability Determinations; and
- an increase of \$2,160,000 in federal funding for the Food Stamp Employment and Training program to assist local districts with the administration of certain food stamp program functions.

Proposed Decreases

The Executive proposes:

- a decrease of \$136,700,000 in various special revenue fund accounts related to the consolidation of earned federal revenue into the General Fund;
- a decrease of \$12,600,000 in federal funding related to the administration of the FFFS and compliance with federal data reporting requirements;
- a decrease of \$9,410,000 in federal funding for welfare fraud prevention;
- a decrease of \$4,000,000 in federal funding for enhancements in the information technology program;
- a decrease of \$3,050,000 in federal funding for expenses related to the administration of the child support enforcement program; and
- a decrease of \$570,000 in federal funding for the administration of homeless housing grants.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$5,221,222,000, an increase of \$115,054,000, or 2.25 percent, from the SFY 2011-12 budget level. The largest funding source within Aid to Localities is the TANF block grant totaling \$2,586,667,000; a decrease of \$43,800,000 from last year. TANF appropriations of \$1,320,000,000 would support an anticipated 255,031 recipients of Family Assistance, a decrease of 6,730 from the current fiscal year. The Executive Budget proposes to continue the public assistance benefit financing structure that was included in the SFY 2011-12 Enacted Budget. This proposal fully finances Family Assistance benefit payments with TANF funding, thereby eliminating the state and local shares of Family Assistance expenditures. Further, in other Aid to Localities funding, the state reimbursement to local districts for Safety Net Expenditures remains at 29 percent, with a local share of 71 percent.

The Executive proposes to make \$964,000,000 of TANF funding available to local districts through the Flexible Fund for Family Services (FFFS), an increase of \$13,000,000 from SFY 2011-12.

The Executive provides TANF funding for child care subsidies at \$299,667,000, a decrease of \$93,300,000 from SFY 2011-12. The Executive proposal includes a corresponding increase of \$93,000,000 in the Office of Children and Family Services (OCFS) General Fund to offset this decrease in funding for child care. The Executive also eliminates \$3,729,000 in TANF funding for SUNY Child Care, CUNY Child Care, and the Child Care Facilitated Enrollment Program. In addition, the Executive eliminates funding for 21 other TANF initiatives, totaling

\$5,671,000, including: the Wage Subsidy Program, Preventive Services, Displaced Homemakers, Non-Residential Domestic Violence, Supportive Housing for Families and Young Adults, Advantage Afterschool, Settlement Houses, ACCESS-Welfare to Careers, the Supplemental Homelessness Intervention Program, the Fatherhood Initiative, Emergency Homeless Program, Wheels for Work, Community Solutions to Transportation, BRIDGE, Refugee Resettlement Program, Disability Advocacy Program, Rochester-Genesee Regional Transportation Authority, Kinship Caretaker/Relative, and Centro of Oneida.

Proposed Increases

The Executive proposes:

- an increase of \$163,600,000 in spending for public assistance expenditures related to the timing of payments to local social services districts;
- an increase of \$30,000,000 in federal funding for reimbursement of local administrative expenses for child support;
- an increase of \$25,000,000 in federal funding for the food stamp program;
- an increase of \$12,500,000 related to increased caseload in the SSI program;
- an increase of \$10,000,000 in funding for benefit issuance contracts related to the consolidation of funds from a special revenue funds to the General Fund;
- an increase of \$4,000,000 for the adult shelters and public homes outside the City of New York;
- an increase of \$1,420,000 for new single-room occupancy (SRO) units coming on-line in SFY 2012-13; and
- an increase of \$1,310,000 in funding for the Nutrition Outreach and Education Program (NOEP) to enhance enrollment in the food stamps program.

Proposed Decreases

The Executive proposes:

- a decrease of \$43,800,000 in TANF funding related to the loss of federal contingency and emergency contingency funds;
- a decrease of \$34,760,000 in state funding for reimbursement of local administrative expenses for child support;

- a decrease of \$15,500,000 for the Summer Youth Employment Program (SYEP);
- a decrease of \$15,000,000 in funding for shelter supplements or other services to prevent eviction and address homelessness in New York City;
- a decrease of \$10,000,000 in funding for benefit issuance contracts related to the consolidation of funds from a Special Revenue-Other (SRO) account to the General Fund;
- a decrease of \$7,800,000 in funding for adult homeless shelters related to isolating the appropriations for New York City and the rest of the state;
- a decrease of \$3,340,000 as the result of a transfer of funding for the Refugee Resettlement program and the Citizenship Initiative to the Office of New Americans in the Department of State;
- a decrease of \$3,000,000 in federal funding for homeless housing program related to the loss of stimulus funds;
- a decrease of \$2,500,000 in funding that was made available for the Career Pathways program in special session legislation passed December 2011;
- a decrease of \$1,880,000 as the result of a transfer of funding for NY/NY III supportive housing units to the Office of Substance Abuse Services; and
- a decrease of \$100,000 related to the elimination of funding for the Carolyn House YWCA and the Niagara Community Action program.

Capital Projects

The Executive proposes funding for \$30,000,000 for the Supported Housing Program Fund, which is unchanged from SFY 2011-12.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the Federal Cost of Living Adjustment (COLA) increase in 2013 for individuals receiving SSI, who reside in various living arrangements;
- phase in the full implementation of the scheduled public assistance grant increase from one final ten percent increase in July 2012 to a five percent increase in July 2012 and another five percent increase in July 2013;

- authorize a state administrative takeover of the responsibility for administration and eligibility determinations for New York's Social Security Income Supplementation Program; and
- eliminate the advisory committee on legal advocacy for individuals whose federal disability benefits have been denied or may be discontinued. The Commissioner would assume the responsibilities once carried out by the advisory committee. The Commissioner would have the sole responsibility of establishing the criteria for applications and awarding grants to providers that represent individuals whose federal disability benefits have been denied or may be discontinued.

NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	967,566,000	993,757,000	26,191,000	2.7%
Special Revenue-Other	104,292,000	116,699,000	12,407,000	11.9%
Special Revenue-Federal	12,601,000	7,052,000	(5,549,000)	-44.0%
Total for AGENCY SUMMARY:	1,084,459,000	1,117,508,000	33,049,000	3.0%

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- funding for TAP in the amount of \$930,614,000, which represents a net increase of \$28,072,000 from SFY 2011-12; and
- funding of \$43,875,000 for various scholarships administered by HESC, which represents a \$619,000 increase from SFY 2011-12.

Budget Detail

The Executive recommends an All Funds appropriation of \$1,117,508,000 for HESC, which is an increase of \$33,049,000 from the SFY 2011-12 level, or three percent. The Executive recommends funding support of 495 full-time equivalent positions which is consistent with SFY 2011-12 levels.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$104,930,000, a decrease of \$11,642,000 from the SFY 2011-12 level.

Proposed Decreases

The Executive Budget includes:

- a decrease in federal appropriations by \$5,549,000 due to the loss of funds under the GEAR UP program;
- a Special Revenue Fund decrease of \$3,593,000 due to the consolidation of the Division of Guaranteed Loan Programs with HESC administration; and
- a General Fund decrease of \$2,500,000 due to the elimination of funding to the New York Higher Education Loan Program (NYHELPS).

Aid to Localities

The Executive proposal maintains SFY 2011-12 funding levels for the Aid to Part-Time Study Program at \$14,357,000; the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness programs at \$3,933,000; and the Licensed Social Worker Loan Forgiveness Program at \$978,000. The Executive also proposes a \$930,614,000 appropriation for the TAP program, reflecting a net increase of \$28,072,000 from the 2011-12 level.

Proposed Increases

The Executive Budget includes:

- an increase of \$16,000,000 to TAP funding due to an increase to the HESC Insurance Premium Payments Account; and
- a General Fund increase for various scholarships administered by HESC of \$619,000, from \$43,256,000 in SFY 2011-12 to \$43,875,000 in SFY 2012-13.

DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	58,815,561	47,679,000	(11,136,561)	-18.9%
Special Revenue-Other	64,408,000	73,066,000	8,658,000	13.4%
Special Revenue-Federal	116,641,000	96,769,000	(19,872,000)	-17.0%
Housing Program Fund	74,200,000	74,200,000	0	0.0%
Total for AGENCY SUMMARY:	314,064,561	291,714,000	(22,350,561)	-7.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	122	122	0
All Other Funds:	623	637	14
TOTAL:	745	759	14

Agency Mission

The Division of Housing and Community Renewal (DHCR) supports community efforts to preserve and expand affordable housing, home ownership and economic opportunities. In addition, DHCR provides construction and rehabilitation loans and grants; administers rent control, rent stabilization and rent subsidy programs; and supervises the management of state-assisted housing stock.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- elimination of funding for the Neighborhood Preservation Program (NPP) and the Rural Preservation Program (RPP). Together, these programs were last funded at \$12,018,000 in SFY 2011-12;
- an increase of \$4,800,000 for the Rural Rental Assistance Program, which would accommodate costs related to federally approved rent increases; and
- the creation of a new Tenant Protection Unit, which would implement a tenant protection and landlord fraud investigation program.

Budget Detail

The Executive proposes an All Funds appropriation of \$291,714,000, a decrease of \$22,350,561, or 7.1 percent, from the SFY 2011-12 funding level. The Executive recommends funding support for 759 full-time equivalent (FTE) positions, which is an increase of 14 FTEs from the SFY 2011-12 level to reflect the new hires in the Tenant Protection Unit.

State Operations

The Executive proposes All Funds State Operations appropriations of \$97,687,000, an increase of \$5,700,000, or 6.2 percent, above the SFY 2011-12 level.

Proposed Increases

The Executive proposes:

- funding of \$4,800,000 for a new Tenant Protection Unit which would be charged with enforcing landlord obligations. The Executive proposes 14 FTE positions to staff the new unit;
- increases of \$3,860,000 related to higher fringe benefit and indirect rates; and
- funding in the amount of \$590,000 for community renewal costs that were inadvertently omitted in SFY 2011-12.

Proposed Decreases

The Executive proposes reductions of \$3,530,000 related to various State Operations efficiencies.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$119,827,000, a decrease of \$28,811,000, or 19.4 percent, from the SFY 2011-12 level.

Proposed Increases

The Executive proposes an increase of \$4,800,000 for the Rural Rental Assistance Program, which would accommodate costs related to federally approved rent increases and would maintain the same number of housing units.

Proposed Decreases

The Executive proposes:

- a reduction of \$18,000,000 for the Small Cities Community Development Block Grant related to a reduced grant award from the federal government;
- a reduction of \$8,479,000 related to the elimination of the NPP;
- a reduction of \$3,539,000 related to the elimination of the RPP;
- a \$1,870,000 reduction related to related to the loss of American Recovery and Re-investment Act (ARRA) funding for the low income weatherization program; and
- a \$719,000 reduction in periodic subsidies due to declining debt service.

Capital Projects

The Executive proposes capital projects funding consistent with the SFY 2011-12 funding level in the amount of \$74,200,000.

DIVISION OF HUMAN RIGHTS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	13,070,000	12,744,000	(326,000)	-2.5%
Special Revenue-Federal	8,223,000	6,000,000	(2,223,000)	-27.0%
Total for AGENCY SUMMARY:	21,293,000	18,744,000	(2,549,000)	-12.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	147	138	(9)
All Other Funds:	41	40	(1)
TOTAL:	188	178	(10)

Agency Mission

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.

Budget Detail

State Operations

The Executive proposes an All Funds State Operations appropriation of \$18,744,000, a decrease of \$2,549,000, or 11.97 percent, from the State Fiscal Year (SFY) 2011-12 budget level. The Executive recommends funding support for 178 full-time equivalent (FTE) positions, a decrease of 10 FTE positions from SFY 2011-12 related to attrition.

Proposed Decreases

The Executive Budget includes:

- a General Fund decrease of \$326,000 related to a 2.5 percent reduction in support for State Operations, to be achieved through administrative efficiencies; and
- a decrease of \$2,223,000 in federal appropriation authority to more closely reflect anticipated grant amounts. This action will have no impact on agency operations.

DEPARTMENT OF LABOR

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	29,650,000	0	(29,650,000)	-100.0%
Special Revenue-Other	83,010,000	72,740,000	(10,270,000)	-12.4%
Special Revenue-Federal	766,454,000	727,471,000	(38,983,000)	-5.1%
Enterprise	8,400,000,000	4,425,000,000	(3,975,000,000)	-47.3%
Total for AGENCY SUMMARY:	9,279,114,000	5,225,211,000	(4,053,903,000)	-43.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	3,753	3,526	(227)
TOTAL:	3,753	3,526	(227)

Agency Mission

The Department of Labor (DOL) administers New York's Unemployment Insurance 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) 2012-13 Executive Budget includes the following:

- A transfer of \$4,250,000,000 of funding for Unemployment Insurance (UI) benefits from State Operations to Aid to Localities to more accurately reflect how such payments are made.

Budget Detail

The Executive proposes an All Funds appropriation of \$5,225,211,000 a decrease of \$4,053,903,000, or 43.7 percent, below the SFY 2011-12 level. The Executive recommends funding support of 3,526 full-time equivalent positions, a decrease of 227 positions. The reductions are attributable to the expiration of funding from the American Recovery and Reinvestment Act (ARRA).

State Operations

The Executive proposes an All Funds State Operations appropriation of \$750,585,000 a decrease of \$8,306,010,000, or 90 percent, from SFY 2011-12.

Proposed Decreases

The Executive proposes:

- a reduction of \$4,250,000,000 as a result of a transfer of funding for UI benefits from State Operations to Aid to Localities to more accurately reflect how such payments are made;
- a reduction of \$3,975,000,000 comes as funding from ARRA expires;
- a reduction of \$4,300,000 as a result of strategic sourcing procurements and rent savings; and
- a reduction of \$1,900,000 in State Operations as a part of a statewide 2.5 percent reduction in agency operating budgets.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$4,474,626,000, a net increase of \$4,252,107,000 above SFY 2011-12.

Proposed Increases

The Executive proposes:

- an increase of \$4,250,000,000 resulting from the transfer of funding for UI benefits from State Operations to Aid to Localities to more accurately reflect how such payments are made; and
- a new appropriation of \$5,000,000 for the Disaster Unemployment Assistance Program related to flood relief.

Proposed Decreases

The Executive proposes:

- a reduction of \$1,800,000 from the elimination of the Work Force Development Institute;
- a reduction of \$250,000 from the elimination of the Summer of Opportunity Youth Employment Program; and
- a reduction of \$100,000 from the elimination of Hillside Works.

Article VII

The Executive recommends Article VII legislation that would eliminate the Child Performer Advisory Board to Prevent Eating Disorders.

STATE OF NEW YORK MORTGAGE AGENCY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	173,172,000	168,465,000	(4,707,000)	-2.7%
Total for AGENCY SUMMARY:	173,172,000	168,465,000	(4,707,000)	-2.7%

Agency Mission

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 SONYMA'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.

Budget Detail

The Executive proposes All Funds Appropriations of \$168,465,000, a decrease of \$4,707,000 from the State Fiscal Year (SYF) 2011-12 level. The SONYMA enabling statute requires the state to guarantee payments made by SONYMA, although no cash disbursements are projected to be made from this appropriation. All of SONYMA's programs and operations are supported by mortgage income, application fees, insurance premiums, and investment proceeds.

State Operations

The Executive proposes a \$61,800,000 appropriation for the SONYMA Homeowners Mortgage Reimbursement Revenue Program and a \$15,000,000 appropriation for the Mortgage Insurance Fund Reimbursement Program, reflecting no change from the SFY 2011-12 budget.

Aid to Localities

The Executive recommends a General Fund appropriation of \$91,665,000 for the SONYMA Mortgage Insurance Fund, a decrease of \$4,707,000 from the SFY 2011-12 funding level.

STATE UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,647,816,645	1,800,586,400	(847,230,245)	-32.0%
Special Revenue-Other	5,592,853,300	6,801,684,400	1,208,831,100	21.6%
Special Revenue-Federal	363,608,000	428,600,000	64,992,000	17.9%
Capital Projects Fund	0	25,098,000	25,098,000	-
Capital Projects Fund - Advances	550,000,000	765,000,000	215,000,000	39.1%
State University Capital Projects Fund	0	184,000,000	184,000,000	-
Internal Service Fund	19,100,000	20,100,000	1,000,000	5.2%
Cap Proj Fund - SUNY CC - Direct Auth				
Bonds	32,370,750	86,969,000	54,598,250	168.7%
SUNY Dorms - Direct Auth Bonds	331,000,000	0	(331,000,000)	-100.0%
State University Residence Hall				
Rehabilitation Fund	45,498,400	45,000,000	(498,400)	-1.1%
Total for AGENCY SUMMARY:	9,582,247,095	10,157,037,800	574,790,705	6.0%

Agency Mission

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, 13 university colleges, two independent health centers, four specialized colleges of technology, five statutory colleges, six colleges of technology and 30 community colleges.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- state support for SUNY State Operated Colleges remains constant from SFY 2011-12 at \$968,550,300;
- SUNY Community College Base Aid remains the same as SFY 2011-12 at \$2,122, per full-time equivalent student; and
- a \$113,221,000 increase to the Revenue Offset Account, which accounts for tuition increases approved in SFY 2011-12. SUNY undergraduate tuition is now \$5,270 per year.

Budget Detail

The Executive Proposal recommends a \$10,157,037,800 All Funds appropriation, an increase of \$574,790,705 from SFY 2011-12.

State Operations

The Executive proposes a State Operations budget of \$8,612,840,000 for State Operated campuses. This represents a \$434,733,800 increase above the SFY 2011-12 level of \$8,178,106,600.

Proposed Increases

The Executive proposes:

- eliminating the General Fund component of support for the SUNY state operated colleges. Instead, \$968,550,000 would be transferred to the Revenue Offset Account. This account also contains tuition and fees collected by all campuses;
- a General Fund increase of \$133,846,000 due to increased costs for fringe benefits;
- a Special Revenue Fund increase of \$113,221,000 to the Revenue Offset Account due to of additional spending authority to account for tuition increases authorized in Chapter 260 of the laws of 2011;
- a Special Revenue Fund increase of \$83,679,100 to the Hospital Income Reimbursable Account;
- an increase in federal appropriations of \$64,993,000 due to increased funding for Pell Grants;
- a Special Revenue Fund funding increase of \$40,000,000 due to increased funding for the SUNY Stabilization Account; and
- an Internal Service Fund increase of \$1,000,000 to reflect an increase of funding in the Banking Services Account.

Proposed Decreases

The Executive proposes a General Fund decrease of \$968,550,000 by moving General Fund spending for SUNY State Operated Colleges to the General Revenue Offset Account.

Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$438,130,400 for SFY 2012-13, representing a \$7,140,945 decrease from adjusted SFY 2011-12 levels. Within this appropriation, funding of \$1,880,000 is maintained for or contract courses for workforce development, \$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 General Fund increase of \$406,000 to support Rental Aid.

Proposed Decreases

The Executive proposes a General Fund decrease of \$653,000 to the SUNY Child Care program.

Capital Projects

The Executive proposes a capital projects appropriation of \$1,106,067,000, an increase of \$147,197,850 from SFY 2011-12 levels, including:

- an appropriation of \$550,000,000, which is the fifth installment of the five year SUNY capital plan for critical maintenance that was enacted in SFY 2008-09;
- a \$215,000,000 appropriation for the University of Buffalo to relocate its medical school to Downtown Buffalo in accordance with NYSUNY 2020;
- a \$184,000,000 appropriation for other NYSUNY 2020 projects at Buffalo and Stony Brook;
- \$86,969,000 to provide for the state's 50 percent share of projects at SUNY Community Colleges;
- an appropriation for SUNY's Residence Hall Rehabilitation Fund for \$45,000,000;
- the Executive also proposes to move funding for the SUNY Construction Fund to hard dollar capital and appropriates \$25,100,000 for this purpose.

STATE UNIVERSITY CONSTRUCTION FUND

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	26,172,000	0	(26,172,000)	-100.0%
Total for AGENCY SUMMARY:	26,172,000	0	(26,172,000)	-100.0%

Agency Mission

The State University Construction Fund (SUCF) is a public benefit corporation established in 1962 to serve as the construction agent for academic buildings, dormitories and other facilities at state-operated institutions and statutory colleges under the jurisdiction of the State University of New York (SUNY).

Programmatic Highlights

The Executive Budget recommends that funding for the SUNY Construction Fund be transferred to the SUNY Capital budget. SUCF is appropriated at \$25,098,000 which is a decrease of \$1,074,000 from SFY 2011-12, attributable to a reduction in personal service costs.

OFFICE OF WELFARE INSPECTOR GENERAL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	378,000	349,000	(29,000)	-7.7%
Special Revenue-Other	1,177,000	1,167,000	(10,000)	-0.8%
Total for AGENCY SUMMARY:	1,555,000	1,516,000	(39,000)	-2.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	3	3	0
All Other Funds:	4	4	0
TOTAL:	7	7	0

Agency Mission

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 the government. The Office is also charged with responsibility for investigating failures by state and local officials to investigate and prosecute such fraud and abuse within their jurisdictions.

The Office's statewide operations are directed from its main office in New York City and 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 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.

Budget Detail

State Operations

The Executive proposes an All Funds State Operations appropriation of \$1,516,000, a decrease of \$39,000, or 2.5 percent, from the State Fiscal Year (SFY) 2012-13 budget level. The Executive recommends funding for support of seven full-time equivalent positions, which is unchanged from SFY 2011-12.

Proposed Decreases

The Executive proposes a General Fund decrease of \$39,000, or 2.5 percent, related to a reduction in support for State Operations to be achieved through administrative efficiencies.

MISCELLANEOUS: EDUCATION, LABOR & FAMILY ASSISTANCE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	692,000	683,500	(8,500)	-1.2%
Special Revenue-Other	829,800	1,300,000	470,200	56.7%
Special Revenue-Federal	30,000,000	30,000,000	0	0.0%
Total for AGENCY SUMMARY:	31,521,800	31,983,500	461,700	1.5%

Budget Detail

State Operations

The Office of National and Community Service

The Executive proposes All Funds appropriation of \$30,683,500 for the Office of National and Community Service, which provides support to the New York State Commission on National and Community Service. This represents an overall decrease of \$8,500, or 0.3 percent, from the State Fiscal Year (SFY) 2011-12 level. This decrease is related to a 2.5 percent reduction in General Fund State Operations spending to be achieved through administrative efficiencies.

College Choice Tuition Savings Program

The Executive proposes an All Funds appropriation of \$1,300,000 for the College Choice Tuition Savings Program which supports program operation. This appropriation represents an overall increase of \$470,200, or 56.7 percent, from SFY 2011-12 levels. This increase is due to increased advertising costs to market the program.

HEALTH & MENTAL HYGIENE

**Summary of Recommended Appropriations
By Agency**

OFFICE FOR THE AGING

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	115,807,100	115,162,100	(645,000)	-0.6%
Special Revenue-Other	1,230,000	1,230,000	0	0.0%
Special Revenue-Federal	124,972,000	125,972,000	1,000,000	0.8%
Enterprise	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	242,109,100	242,464,100	355,000	0.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	26	21	(5)
All Other Funds:	88	93	5
TOTAL:	114	114	0

Agency Mission

The New York State Office for the Aging (SOFA) is responsible for promoting, coordinating, and administering the state, federal, and local programs and services for New Yorkers who are 60 years of age or older. SOFA provides leadership and direction to 59 area agencies on aging, as well as to numerous other local programs and providers that comprise the network of services to older adults.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a proposal to reduce funding for the Naturally Occurring Retirement Communities (NORC) program and the Neighborhood NORC program; and
- a proposal to discontinue State funding for Regional Caregivers Centers of Excellence Program.

Budget Detail

The Executive proposes an All Funds appropriation of \$242,464,100, a net increase of \$355,000 from the SFY 2011-12 level. The Executive recommends funding support of 114 full-time equivalent positions, reflecting no change from the previous year.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$14,187,600, a decrease of \$73,000 from the SFY 2011-12 level.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$228,276,500, an increase of \$428,000 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes an appropriations increase of \$428,000, attributed to the increase in federal funding to expand on New York's Aging and Disability Resource Center (ADRC) model offset by reductions for administrative efficiencies and other program reductions.

Proposed Decreases

The Executive proposes:

- a reduction of \$6,677,000 related to the elimination of the human services Cost of Living Adjustment for SOFA programs;
- a reduction of \$457,000 to the NORC and the Neighborhood NORC programs; and
- a reduction of \$115,000 related to the elimination of funding for the Regional Caregiver Centers of Excellence program.

Article VII

The Executive proposes language in Article VII that would make various technical changes to the Elderly Pharmaceutical Insurance Coverage (EPIC) Program.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Federal	4,750,000	4,750,000	0	0.0%
Enterprise	10,000	10,000	0	0.0%
Total for AGENCY SUMMARY:	4,760,000	4,760,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	18	18	0
TOTAL:	18	18	0

Agency Mission

The New York State Developmental Disabilities Planning Council (DDPC) is fully funded under the Federal Developmental Disabilities Assistance and Bill of Rights Act. The Act, originally signed into law in 1975, authorizes the DDPC to prepare, implement, and monitor a plan for improving the quality of life for people with developmental disabilities. The DDPC monitors contracts with not-for-profit service providers that work with consumers, helping them achieve community integration.

Budget Detail

State Operations

The Executive proposes an All Funds appropriation of \$4,760,000, which is unchanged from the State Fiscal Year 2011-12 level. The staffing will remain constant at 18 full-time equivalent positions.

DEPARTMENT OF HEALTH

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	30,453,664,815	32,183,088,915	1,729,424,100	5.7%
Special Revenue-Other	13,149,311,900	13,010,199,900	(139,112,000)	-1.1%
Special Revenue-Federal	63,269,474,000	63,697,167,000	427,693,000	0.7%
Capital Projects Fund	15,600,000	15,600,000	0	0.0%
Federal Capital Projects Fund	74,833,000	24,146,000	(50,687,000)	-67.7%
Total for AGENCY SUMMARY:	106,962,883,715	108,930,201,815	1,967,318,100	1.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	1,703	1,823	120
All Other Funds:	3,297	3,297	0
TOTAL:	5,000	5,120	120

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the continuation of the Medicaid spending cap enacted in SFY 2011-12 that limits growth in DOH State Funds Medicaid spending to the 10 year rolling average of the Medical Consumer Price Index, currently estimated at four percent. DOH Medicaid expenditures are capped at \$15,326,576,000 in SFY 2011-12; and would be capped at \$15,939,663,000 in SFY 2012-13 and \$16,590,763,000 in SFY 2013-14;
- a cost neutral package of reforms that was developed through the Medicaid Redesign Team workgroup process, including new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment outcomes and other Medicaid program reductions;
- the state assumption of the growth in the local share of Medicaid over a three-year period beginning in SFY 2013-14. The Executive proposal would save localities \$61,100,000 in SFY 2013-14 and \$1,170,000,000 over the next five State Fiscal Years;
- authorization for the Commissioner of Health to take all actions necessary to transfer administration of the Medicaid program from local social service districts to DOH over a multi-year period;
- the establishment of a New York Health Benefit Exchange in accordance with the federal health care reform law (Patient Protection and Affordable Care Act);
- a modification of the Early Intervention (EI) program to require commercial health insurance to include EI service providers in their networks, to establish a central fiscal intermediary for the EI program, and to reduce, over time, the local share of EI program costs;
- a proposal to eliminate the planned cost of living adjustments (COLA) payments for all human services programs; and
- the establishment of an Electronic Death Registration System (EDRS) to update and modernize the administrative process of filing death records.

Budget Detail

The Executive proposes an All Funds appropriation of \$108,930,201,815, a net increase of \$1,967,318,100, or 1.8 percent, from SFY 2011-12 appropriation levels.

The Executive requests the following:

- General Fund appropriations totaling \$32,183,088,915, a net increase of \$1,729,424,100, or 5.7 percent, from SFY 2011-12 levels;
- Special Revenue Fund appropriations totaling \$13,010,199,900, a net decrease of \$139,112,000, or 1.1 percent, from SFY 2011-12 levels; and
- Special Revenue Fund-Federal appropriations totaling \$63,697,167,000, a net increase of \$427,693,000, or 0.7 percent, from SFY 2011-12 levels.

The Executive recommends funding to support 5,120 full-time equivalent (FTE) positions, an increase of 120 positions. This increase in staffing is intended to support the state's multi-year assumption of Medicaid program administration from local social services districts.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,230,719,100, a decrease of \$20,204,000, or 0.9 percent, from the SFY 2011-12 levels.

The Executive proposes to realign DOH administrative operations by eliminating the Office of Long Term Care and transferring its functions to the Office of Health Insurance Programs and the Office of Health Systems Management.

Proposed Decreases

The Executive proposal includes a reduction of \$3,031,000 related to reduced lease costs, procurement costs and other administrative costs.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$106,659,736,715, a net increase of \$2,038,209,100, or 1.9 percent, from SFY 2011-12.

Proposed Increases

The Executive proposes an increase of \$1,207,000 Child Health Plus (CHP) expenditures related to requiring CHP to provide coverage for EI services.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$5,000,000 in support for the Tobacco Prevention and Control Program; and
- a decrease of \$4,682,000 related to the elimination of the planned 3.6 percent COLA for various for human services programs.

In addition, the Executive proposes to modify the EI program to require commercial health insurance to include EI service providers in their networks, to establish a central fiscal intermediary for the EI program, and to reduce, over time, the local share of EI program costs. A state savings of \$4,427,000 is associated with this proposal but will not be realized until SFY 2013-14.

Medical Assistance (Medicaid) Program and Health Care Reform Act (HCRA)

The Executive budget includes total Medicaid spending of \$54,038,898,000 a decrease of \$136,129,000 from SFY 2011-12. State share DOH Medicaid expenditures are projected to comprise \$15,911,663,000 of overall Medicaid spending, an increase of \$585,087,000, or 3.82 percent, from SFY 2011-12. To support projected expenditures in SFY 2012-13 and SFY 2013-14, the Executive proposes a two-year Medicaid appropriation totaling \$100,240,433,000.

HCRA was last extended through March 31, 2014 and is projected to remain balanced through SFY 2016-17. In SFY 2012-13, HCRA receipts are projected to total \$6,029,000,000, an increase of \$670,000,000 from SFY 2011-12. HCRA disbursements are also projected to total \$6,029,000,000, an increase of \$511,000,000 from SFY 2011-12.

Medicaid Global Cap

The Executive proposes the continuation of the Medicaid spending cap enacted in SFY 2011-12 that limits the growth of DOH State Funds Medicaid spending to the 10 year rolling average of the Medical Consumer Price Index, currently estimated at four percent. DOH Medicaid expenditures are capped at \$15,326,576,000 in SFY 2011-12 and \$15,939,663,000 in SFY 2012-13. The Executive proposes to extend the global cap for one additional year and caps SFY 2013-14 DOH Medicaid expenditures at \$16,590,763,000. The Executive also continues the authorization for DOH to reduce payment rates and benefits in the event that Medicaid expenditures are projected to exceed the global cap.

State Assumption of Local Medicaid Expenditure Growth

On January 1, 2006, the state implemented a cap on the local share of Medicaid expenditures, and assumed the full local share of Family Health Plus (FHP) 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 each year thereafter.

The Executive proposes that the state assume, at a rate of one percent per year, the growth in the local share of Medicaid over a three-year period beginning in SFY 2013-14. The annual growth rate in the Medicaid local share would be eliminated by SFY 2015-16. The Executive proposal would save localities \$61,100,000 in SFY 2013-14 and \$1,170,000,000 over the next five State Fiscal Years.

State Assumption of Local Medicaid Administration

The Executive Budget would authorize the Commissioner of Health to take all actions necessary to transfer administration of the Medicaid program from local social service districts to DOH over a multi-year period. The first year of this proposal would provide a net state share reduction of \$8,500,000, reflecting:

- an increase of \$14,500,000 related to an expansion of the State Enrollment Portal;
- an increase of \$5,000,000 related to the hiring of 120 new FTEs at DOH to support Medicaid administration activities;
- a decrease of \$23,000,000 related to a limit on local reimbursement for Medicaid administration that was achieved by capping such expenditures at SFY 2011-12 levels; and
- a decrease of \$5,000,000 related to other administrative savings.

Medicaid Redesign Team (MRT) – Phase II Recommendations

The Executive Budget continues the implementation of the 78 MRT proposals that were enacted as part of the SFY 2011-12 budget. Following its enactment, the MRT established a variety of workgroups to analyze potential options for additional Medicaid reforms. The Executive proposes a cost neutral package that was developed through the MRT workgroup process, including new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment outcomes and other Medicaid program reductions. The Executive also intends to seek Federal approval of a new Medicaid waiver that would redirect Federal Medicaid funding over a five-year period to support ongoing efforts to restructure the state's health care delivery.

Basic Benefit Review Workgroup

The SFY 2012-13 Executive Budget includes recommendations that provide reductions of \$19,400,000 that are offset by \$4,250,000 in spending reallocations, resulting in a net decrease of \$15,150,000 in state share spending in SFY 2012-13. The Executive proposes the following reductions:

- eliminate coverage for growth hormone for the treatment of idiopathic short stature (\$5,000,000 reduction in SFY 2012-13); expand podiatrist coverage to include private office services for adults (\$2,200,000 reduction in SFY 2012-13);
- expand coverage for specially trained lactation consultations (\$4,200,000 reduction in SFY 2012-13);
- expand podiatrist coverage to include private office services for adults (\$2,200,000 reduction in SFY 2012-13);
- eliminate certain low back pain related services (\$3,850,000 reduction in SFY 2012-13);
- reduce payment for elective c-sections and labor inductions that are performed less than 39 weeks without a clear medical indication (\$2,500,000 reduction in SFY 2012-13);
- eliminate coverage for Percutaneous Coronary Intervention (Angioplasty) in certain circumstances (\$1,450,000 reduction in SFY 2012-13); and
- limit coverage of arthroscopy for the knee for osteoarthritis (\$200,000 reduction in SFY 2012-13).

The reductions will be offset by an increase of \$4,250,000 to provide reimbursement tobacco cessation services by dentists.

Health Disparities Workgroup

The SFY 2012-13 Executive Budget includes \$6,110,000 in new initiatives, including:

- an increase of \$2,500,000 to expand services to promote maternal and child health;
- an increase of \$1,350,000 to improve language access by providing Medicaid reimbursement for interpretation services;
- an increase of \$1,050,000 to promote Hepatitis C care and treatment;

- an increase of \$1,000,000 to expand data collection on health disparities; and
- an increase of \$210,000 to promote coverage harm reduction materials.

Managed Long Term Care Workgroup

The SFY 2012-13 Executive Budget includes an investment of \$500,000 to support improvements in the fair hearing system related to the transition of fee for service enrollees to managed long term care and other care coordination programs.

Payment Reform and Quality Measures Workgroup

The SFY 2012-13 Executive Budget includes an investment of \$50,000,000 to invest in rate increases to support safety net providers, including short term rate increase for essential community providers and long term rate increases for vital access providers as defined by the Workgroup.

Program Streamlining and State/Local Responsibilities Workgroup

The SFY 2012-13 Executive Budget includes \$4,500,000 in new initiatives, including:

- an increase of \$2,000,000 to modernize and automate the Medicaid eligibility system;
- an increase of \$1,500,000 for enrollment assistors for disabled Medicaid applicants; and
- an increase of \$1,000,000 to invest in an automated asset verification system.

Workforce Flexibility/Scope of Practice Workgroup

The SFY 2012-13 Executive Budget includes an investment of \$500,000 to establish the Primary Care Service Corps Loan Repayment Program for non-physician practitioners who agree to practice full-time in an underserved area of the state.

Additional Reductions

The SFY 2012-13 Executive Budget proposes \$46,800,000 in additional reductions, including:

- the elimination of the right of spousal refusal related to Medicaid long term care service eligibility (\$34,300,000 in reductions in SFY 2012-13); and
- the reallocation of Medicaid inpatient reform transition pool funding to support the recommendations of the Payment Reform and Quality Measures Workgroup (\$12,500,000 in reductions in SFY 2012-13).

Capital Projects

The Executive provides capital appropriations totaling \$39,746,000, a reduction of \$50,687,000 from the SFY 2011-12 level to reflect the loss of federal Safe Drinking Water program funds.

While there are no new appropriations for the Health Care Efficiency and Affordability Law of New York (HEAL NY) program in the Executive Budget, the Governor proposes to make \$25,000,000 in prior-year HEAL NY funding available to the Roswell Park Center Cancer Institute (RPCI). As a condition to receiving state funds, RCPI will be required to take initial steps to become operationally and fiscally independent from State funding by March 31, 2014.

Article VII

PART A – Early Intervention (EI) Program

The Executive recommends Article VII legislation that would:

- require EI program evaluators to belong to the provider network of the parents' HMO or other insurer; and require EI service coordinators to notify the Office of Persons with Developmental Disabilities (OPWDD) if a child may be eligible for OPWDD services;
- authorize representatives of third party payors to attend meetings at which the Individualized Family Service Plan (IFSP) is developed and require that the EI service coordinator implement the IFSP in a timely manner;
- require children referred to the EI program on or after January 1, 2013, and who have third party insurance, to select a provider approved by the Department of Health (DOH) within their network, except under certain circumstances;
- allow New York State to increase the percentage of state reimbursement to municipalities for EI respite services, at the discretion of DOH and with Division of the Budget (DOB) approval;
- shift responsibility for notifying the Committee on Preschool Special Education of the potential transition of the child to the preschool special education system from the municipality's EI official to the service coordinator, and remove State Education Department authority to approve providers for the EI program that provide services in the Preschool Special Education Program;
- clarify that approved providers may be required to enter into an agreement with DOH regarding evaluations, service coordination and EI services, and require all approved evaluators and EI providers to maintain contracts with a sufficient number of insurers;

- remove the authorization for municipalities to contract with EI providers and require service coordinators to provide performance reports to municipalities;
- modify EI service reimbursement provisions for children without third party payor insurance and amend provisions regarding State reimbursement to municipalities for EI services, including authorizing an increase in the percentage of state aid reimbursement to municipalities for EI services with DOB approval;
- authorize DOH to contract with a fiscal agent for the payment of EI claims in an expedited manner and without competitive bid or request for proposal application, provided certain information is made available;
- require EI providers to bill third party payors directly through a fiscal agent, and require that rates for EI services be negotiated between the insurer and providers, except for out-of-network providers, which would be paid at the state established rate;
- require the Child Health Plus program to cover EI services;
- require third party payors to make available an adequate number of EI service providers, consistent with EI program enrollment; and require third party payors to make the list of EI providers publicly available and to review it quarterly;
- prohibit third party payors from denying EI service claims; provide that covered EI services do not count toward an established maximum annual or lifetime monetary limit but are subject to an insurer's policy or visit limitations; require insurance providers to inform municipalities and service coordinators on the extent of benefits within 15 days; and require insurers to accept claims submitted by the state's fiscal agent on a provider's behalf; and
- authorize insurers to negotiate rates for payments to providers; require payments to out-of-network providers to be paid at rates established by DOH; and, require insurance providers to inform municipalities and service coordinators on the extent of benefits available to a covered person.

Part B – Roswell Park Cancer Institute (RPCI)

The Executive recommends Article VII legislation that would require the Institute as a condition of receiving state funding authorized under the HCRA and HEAL-NY, to become financially and operationally independent from the Department of Health by March 31, 2014, and authorize the Commissioner of Health to establish benchmarks, monitor progress and ensure compliance with established goals and timelines.

Part C – Electronic Death Registration System (EDRS)

The Executive recommends Article VII legislation that would authorize the DOH to design, implement, and maintain an EDRS for counties outside of the City of New York, (which already operates an EDRS) in order to update the State’s system of filing and maintaining information and documents related to the registration of death.

Part D – Medicaid Redesign Team Recommendations

The Executive recommends Article VII legislation that would:

- allow for the re-investment of Medicaid savings from hospital and nursing home closures or bed de-certifications to expand supportive housing and related services;
- authorize assisted living programs to contract with multiple long term home health care programs, certified home health agencies and/or other qualified providers and eliminate authority to establish assisted living program beds following the decertification of an equal or greater number of nursing home beds;
- expand Medicaid program coverage to the following services: podiatry visits for adults with diabetes mellitus, services provided by certified lactation consultants to pregnant and postpartum women, harm reduction counseling and services, and services to promote care coordination and integration for individuals with hepatitis C;
- require that certain pharmacies provide translation or other language services to individuals with limited English proficiency;
- require coordination of services by community based organizations among providers and plans using health information technology and uniform screening criteria for perinatal risk;
- authorize the Commissioner of Health (COH) to promote education, outreach and enrollment assistance for aged, blind and disabled Medicaid applicants;
- establish the Primary Care Service Corps Loan Repayment Program for non-physician practitioners who agree to practice full-time in an underserved area of the state;
- authorize the COH to temporarily suspend or limit an operating certificate of a not-for-profit corporation participating in the Medicaid program and to make certain changes to the board of directors, if there are repeated violations of certain provisions of Public Health Law or a member of the board is indicted or convicted of a felony;
- allow the COH to establish a temporary operator of an adult care facility, a general hospital or a diagnostic and treatment center when a statement of deficiencies has been issued by

DOH and upon a determination by the Commissioner that significant management failures exist in the facility;

- extend the ability of the Dormitory Authority of the State of New York to establish one or more subsidiaries for purpose of limiting the potential liability of the Authority when exercising its powers and duties in pursuit of remedies against a borrower that has defaulted;
- allow monies of the Medical Indemnity Fund that are not required for immediate use to be invested in obligations of or guaranteed by the United States, with the proceeds of any such investments retained by the Fund;
- eliminate the requirement that hospitals submit and DOH audit information related to certain hospital medical staff, which is audited by the federal government;
- eliminate the requirement that providers issue written notice to DOH for repair or maintenance projects under \$6 million;
- authorize DOH to establish certain disproportionate share payments to Article 28 hospitals based on uninsured and Medicaid losses to conform to guidance received from the federal Centers for Medicare and Medicaid Services;
- provide technical changes to replace references to the Elderly Pharmaceutical Insurance Coverage panel, which no longer exists, with references to the COH and modify federally established benchmark premium;
- eliminate the requirement that in order for a nursing home to receive bed reservation payments at least 50 percent of its eligible residents must be enrolled in a Medicare Advantage Plan and authorize the COH to promulgate regulations establishing rates for bed reservation payments for residents over 21 years of age to achieve aggregate savings of at least \$40 million;
- clarify that allocations for home care workforce recruitment and retention funds shall be made “up to” the amounts specified in existing language;
- deny prior authorization when the existing limit of four opioids prescribed within 30 days is exceeded if, upon reasonable opportunity for the prescriber to present a justification, DOH determines the prescription is not medically necessary;
- include additional school districts and social services districts outside of New York City in sharing state of savings realized as a result of the use of certified public expenditures in relation to school supportive health services;

- allow mandatory generic authorization requirements for drugs subject to the Preferred Drug Program;
- simplify the information that must be made available on DOH's website regarding meetings of the Pharmacy and Therapeutics Committee;
- limit the Medicaid co-insurance for Medicare covered Part B services when the total co-insurance amount would exceed the amount Medicaid would have paid using a Medicaid rate for all qualified individuals, not just persons who are dually eligible for Medicaid and Medicare;
- allow diagnostic and treatment centers access to funds under the HEAL-NY program for the purpose of facilitating closures, mergers or restructuring of such facilities;
- clarify the existing six-year statute of limitations on audits under the HCRA and limit the time for providers to make amendments to their cost reports to the same six-year period;
- extend the COH's regulatory authority to limit reimbursement to outpatient settings for potentially preventable conditions;
- require electronic reporting and certification of reports by providers for the health facility cash assessment and hospital quality contributions;
- permit licensed home care service agencies that contract with local districts to temporarily serve Medicaid recipients who transition to fee-for-service from managed care or managed long-term care;
- clarify provisions requiring managed care plans and managed long term care plans to offer the consumer directed personal care program to their enrollees;
- require counties operating a mandatory Medicaid managed care program to use the enrollment broker;
- eliminate the requirement that an applicant to operate managed long-term care plans be a hospital, licensed or certified home care agency, health maintenance organization or not-for-profit organization with a history of providing or coordinating health care and long-term care services to elderly and disabled persons;
- eliminate "spousal refusal" by prohibiting a spouse or parent from refusing to contribute any available income or assets towards the costs of health care services being provided to a spouse or family member to reduce Medicaid financing of long-term care services;
- extend for one year the authorization for the Commissioner to implement a Medicaid Savings Allocation Plan to maintain spending within the Medicaid spending cap and to

allow the Director of Budget to modify the cap to reflect reductions in local district claims for Medicaid administration, consistent with the phased takeover by the state of local government Medicaid administration;

- eliminate the unintended local government impact associated with the across-the-board reduction in the EI program payments, avoiding a duplicative rate reduction on such payments;
- modify the timing of election revocations to be effective on a monthly rather than a quarterly basis;
- authorize the COH to promulgate regulations relating to grants awarded through DOH's Empire Center for Research and Investigation Program for periods on and after April 1, 2013; and
- clarify that local governments cannot claim overburden expenses incurred prior to January 1, 2006, when the "local cap" statute that limited local contributions to Medicaid expenditures took effect.

Part E – New York State Health Benefit Exchange

The Executive recommends Article VII legislation that would establish the New York Health Benefit Exchange as a public benefit corporation that will serve as a marketplace for the purchase and sale of qualified health plans in the State of New York, in accordance with the federal health care reform law.

Part F – Local Medicaid Takeover

The Executive recommends Article VII legislation that would:

- provide for a phased-in state assumption of the three percent growth in the local share of Medicaid expenditures for all counties and New York City, at a rate of one percent per year, and modify the Department of Health Medicaid State funds spending cap to allow for increased state spending on local government Medicaid relief beginning on April 1, 2013;
- allow Monroe County to opt into the local Medicaid cap in lieu of a sales tax intercept by January 1, 2013;
- authorize the Commissioner of Health to take actions necessary to transfer administration of the Medicaid program from local social service districts to DOH, transition certain local district employees to the DOH, and contract with local governments;
- cap state reimbursement of local government Medicaid administration, and allow the state to further reduce the administrative cap to account for the reduction in local government

administrative responsibilities, consistent with the state's assumption of the administration of the Medicaid program;

- authorize the Department of Health to assume sole responsibility for commencing Medicaid recovery actions and proceedings; and
- eliminate the annual reconciliation of local government Medicaid expenditures effective April 1, 2015.

Part G – Extension of Medicaid Initiatives

The Executive recommends Article VII legislation that would:

- extend certain provisions of the preferred Drug Program until June 15, 2019; and
- extend certain hospital rate adjustments for potentially preventable re-admissions and negative outcomes until March 31, 2013.

State Entity Mergers

The Executive recommends Article VII legislation that would:

- merge the Breast and Cervical Cancer Detection and Education Program Advisory Committee and the Ovarian Cancer Information Advisory Committee to create the Breast, Cervical, and Ovarian Cancer Detection and Education Program Advisory Council; and
- merge the four related emergency medical services boards: the State Emergency Medical Services Council, the State Trauma Advisory Committee, the Emergency Medical Services for Children Advisory Committee, and the State Emergency Medical Advisory Committee, to create the NYS Emergency Medical Services Advisory Board.

MEDICAID INSPECTOR GENERAL, OFFICE OF THE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	29,577,000	28,461,000	(1,116,000)	-3.8%
Special Revenue-Other	3,700,000	3,700,000	0	0.0%
Special Revenue-Federal	47,076,000	43,726,000	(3,350,000)	-7.1%
Total for AGENCY SUMMARY:	80,353,000	75,887,000	(4,466,000)	-5.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	279	253	(26)
All Other Funds:	279	253	(26)
TOTAL:	558	506	(52)

Agency Mission

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 and waste 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 DOH, the Office for Mental Health, the Office for People With Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services. OMIG also works closely with the Medicaid Fraud and Control Unit and with federal and local law enforcement agencies.

Budget Detail

The Executive proposes an All Funds State Operations appropriation of \$75,887,000, a decrease of \$4,666,000, or 5.6 percent, from State Fiscal Year (SFY) 2011-12 levels. The Executive provides funding support for 506 full-time equivalent positions, a decrease of 52 positions from SFY 2011-12 levels, reflecting attrition savings through administrative efficiencies.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$75,887,000, a decrease of \$4,666,000, or 5.6 percent, from SFY 2011-12 levels.

DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	600,000,000	600,000,000	0	0.0%
Total for AGENCY SUMMARY:	600,000,000	600,000,000	0	0.0%

Agency Mission

The Department of Mental Hygiene (DMH) operates through three independent agencies – the Office of Mental Health, the Office for People With Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services. 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.

Budget Detail

State Operations

The Executive proposes a Special Revenue Fund appropriation of \$600,000,000, reflecting no change from State Fiscal Year 2011-12.

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	36,878,000	36,878,000	0	0.0%
Special Revenue-Other	396,601,400	396,039,000	(562,400)	-0.1%
Special Revenue-Federal	141,530,000	141,530,000	0	0.0%
Capital Projects Fund	9,560,000	9,560,000	0	0.0%
Mental Hygiene Capital Improvement Fund-389	88,046,000	88,046,000	0	0.0%
Total for AGENCY SUMMARY:	672,615,400	672,053,000	(562,400)	-0.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	822	813	(9)
TOTAL:	822	813	(9)

Agency Mission

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for the development and management of the state system of addiction services for prevention, treatment, and recovery. OASAS exercises these responsibilities directly as a provider of treatment services through a statewide system of Addiction Treatment Centers through the regulation and oversight of over 1,550 chemical dependence and problem gambling prevention, treatment, and recovery service providers and as a conduit for federal and state financial assistance.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the elimination of Cost of Living Adjustments (COLA) and trend factor increases for OASAS facilities;
- the creation of 25 new veteran's beds and 12 new residential treatment beds for women with children;
- the creation a Behavioral Health Advisory Council to consolidate the comprehensive planning process for OASAS the Office of Mental Health (OMH);
- additional supportive housing units for the New York-New York III program; and
- improved integration of health and behavioral health services between the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse.

Budget Detail

The Executive proposes an All Funds appropriation of \$672,053,000, a net decrease of \$562,400 from the SFY 2011-12 levels. The Executive recommends funding support of 813 full-time equivalent (FTE) positions, a decrease of nine positions. This reduction will be achieved by controlling vacant positions in OASAS programs.

State Operations

The Executive proposed an All Funds State Operations appropriation of \$116,951,000, a net decrease of \$2,062,400, or 1.7 percent, from the SFY 2011-12 levels.

Proposed Increases

The Executive proposes the following:

- an increase of \$2,454,000 is related to an anticipated increase in federal funding; and
- an increase of \$100,000 related to inflationary adjustments for existing programs.

Proposed Decreases

The Executive proposes the following reductions:

- a decrease of \$500,000 related to the use of available federal funds to support operating costs;
- a decrease of \$400,000 related to controls on vacant positions;
- a decrease of \$400,000 related to fringe benefits and indirect rate adjustments;
- a decrease of \$300,000 related to reduced procurement costs achieved through the Enterprise Service Initiative;
- a decrease of \$200,000 related to strict controls on non-personal services spending;
- a decrease of \$100,000 related to the annualization of prior year initiatives; and
- a decrease of \$100,000 related to salary changes from collective bargaining agreements.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$457,496,000, a net increase of \$1,500,000, or 0.3 percent, from SFY 2011-12 levels.

Proposed Increases

The Executive proposes the following:

- an increase of \$1,500,000 related to the cost of continuing community-based services including chemical dependence and compulsive gambling services and additional funding for supportive housing units;
- an increase of \$1,100,000 to support 25 additional veterans treatment beds; and
- an increase of \$500,000 for to support new beds to serve women with children.

Proposed Decreases

The Executive proposes the following:

- a decrease of \$15,943,000 related to eliminating the planned 3.6 percent COLA for OASAS programs; and

- a decrease of \$1,600,000 related to the annualization of prior year cost containment initiatives.

Capital Projects

The Executive proposes a capital appropriation of \$97,606,000, unchanged from the SFY 2011-12 budget.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the COLA for OASAS providers and develop a system for rate adjustment to be implemented in SFY 2013-14 based on quality measures and actual costs;
- direct agencies to establish limits on reimbursement for administrative expenses and executive compensation;
- permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services; and
- create a Behavioral Health Advisory Council to assume responsibilities from OASAS Service Council and the Office of Mental Health Service Council to consolidate statewide comprehensive planning.

OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	421,782,000	421,778,000	(4,000)	-0.00%
Special Revenue-Other	2,863,210,000	2,853,068,000	(10,142,000)	-0.4%
Special Revenue-Federal	53,452,000	53,452,000	0	0.0%
Enterprise	8,606,000	8,606,000	0	0.0%
Capital Projects Fund	37,600,000	42,750,000	5,150,000	13.7%
Mental Hygiene Capital Improvement Fund-389	183,274,000	146,915,000	(36,359,000)	-19.8%
Internal Service Fund	2,610,000	2,597,000	(13,000)	-0.5%
Total for AGENCY SUMMARY:	3,570,534,000	3,529,166,000	(41,368,000)	-1.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	15,327	15,327	0
TOTAL:	15,327	15,327	0

Agency Mission

The Office of Mental Health (OMH) works to promote the mental health of all New Yorkers, with a particular focus on providing treatment and recovery services for adults and children with serious mental illness or emotional disturbances. The agency oversees all mental health services in New York State by acting as a direct provider of medium and long-term care at state-run psychiatric centers for both adults and children, by providing diagnostic and treatment services to persons involved in the criminal justice system at state-run forensic psychiatric centers, and by providing

funding, oversight, and certification to community programs operated by local governments, not-for-profit providers, and proprietary providers.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the elimination of Cost of Living Adjustments (COLA) and trend factor increases for OMH facilities;
- the creation of 1,000 supported new housing units for residents of nursing homes; 5,100 supportive housing beds for individuals currently in adult homes or State Psychiatric Centers; and 3,400 beds for the New York-New York III program;
- the creation of a behavioral health advisory council to consolidate the comprehensive planning process for OMH and OASAS;
- a continuation of OMH authority to consolidate, merge, close or redesign state-operated facilities without providing one-year prior notice;
- the integration of health and behavioral health between the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse; and
- amendments to the Sex Offender Management and Treatment Act (SOMTA) and the Criminal Procedure Law to reduce costs related to the civil confinement of sex offenders.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,529,166,000, a net decrease of \$41,368,000, or 1.2 percent, from the SFY 2011-12 levels. The Executive recommends funding support of 15,327 full-time equivalent positions, representing no change from SFY 2011-12. The Executive proposes the elimination of 110 positions due to attrition or abolition which will be offset by 110 new hires to support programs related to the SOMTA.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,041,067,000 a net decrease of \$10,159,000 from the SFY 2011-12 level.

Proposed Increases

The Executive proposal includes:

- an increase of \$44,886,000 related to fringe and indirect rate adjustments;
- an increase of \$20,900,000 related to program growth in the SOMTA/forensic program; and
- an increase of \$10,500,000 related to inflationary adjustments to existing State Operations programs.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$10,000,000 related to various administrative efficiencies;
- a decrease of \$9,100,000 related to prior year cost containment actions;
- a decrease of \$6,400,000 related to collective bargaining agreements;
- a decrease of \$4,800,000 related to amendments to SOMTA statute which governs the treatment of civilly confined sex offenders;
- a decrease of \$1,400,000 related to amendments to the Criminal Procedure Law related to the treatment of civilly confined sex offenders.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,298,434,000, representing no change from the SFY 2011-12 level.

Proposed Increases

The Executive proposal includes an increase of \$34,528,000 related to the annualization of prior year spending actions.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$39,013,000 related to provider performance reviews and other audit recoveries;

- a decrease of \$37,961,000 related to the elimination of COLAs and trend factors for OMH programs; and
- a decrease of \$3,000,000 related to the conversion of residential units into lower cost alternatives.

Capital Projects

The Executive proposes a capital funds appropriation of \$189,665,000, representing a decrease of \$31,209,000, or 14.3 percent, from the SFY 2011-12 level. This decrease is related to a planned decline in bonded appropriations and is partially offset by savings from energy conservation and rehabilitation projects.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the COLA for OMH providers and develop a system for rate adjustments to be implemented in SFY 2013-14 based on quality measures and actual costs;
- direct agencies to establish limits on reimbursement for administrative expenses and executive compensation;
- permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services;
- create a Behavioral Health Advisory Council to assume responsibilities from Office of Alcoholism and Substance Abuse Service Council and the OMH Service Council to consolidate statewide comprehensive planning;
- extend the authority for OMH to administer operating certificates for the comprehensive psychiatric emergency program (CPEP) from July 1, 2012 to July 1, 2016;
- allow OMH to enter into an agreement with the State Education Department to provide educational services for children between the ages of five and twenty-one who reside in OMH hospitals;
- authorize the closures of the Kingsboro Psychiatric Center and Hudson River Psychiatric Center;
- consolidate the Bronx Children's Psychiatric Center, Queens Children's Psychiatric Center, and Brooklyn Children's Center into the New York City Children's Center;

- permit OMH to close, consolidate, or make service reductions to state run facilities after considering certain criteria and providing 30 days public notice of a ward closure or 60 days notice of a facility closure;
- permit OMH to close, consolidate, or make service reductions notwithstanding the Community Mental Health Support Workforce Reinvestment Act;
- permit OMH to contract out for care or security services at SOMTA facilities;
- provide that an offender confined under SOMTA must meaningfully participate in treatment and if not this would constitute a violation of the order of confinement;
- provide that a sex offender who intentionally causes physical injury at a treatment facility would be guilty of assault in the second degree;
- authorize the use of video teleconferencing during certain SOMTA proceedings;
- provide for biennial examinations of sex offenders and petitions for discharge of a civilly committed sex offender;
- allow for defendants that are determined to be incapacitated to be held in psychiatric units of local correctional facilities while receiving treatment from OMH or OPWDD programs; and
- extend the authorization of OMH to recover exempt income for community residence and family based treatment program.

OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,430,607,700	1,662,830,000	232,222,300	16.2%
Special Revenue-Other	3,013,345,500	2,952,973,000	(60,372,500)	-2.0%
Special Revenue-Federal	751,000	751,000	0	0.0%
Enterprise	2,668,000	2,657,000	(11,000)	-0.4%
Capital Projects Fund	62,140,000	63,930,000	1,790,000	2.9%
Mental Hygiene Capital Improvement Fund-389	89,855,000	99,610,000	9,755,000	10.9%
Internal Service Fund	350,000	348,000	(2,000)	-0.6%
Total for AGENCY SUMMARY:	4,599,717,200	4,783,099,000	183,381,800	4.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	20,700	20,586	(114)
TOTAL:	20,700	20,586	(114)

Agency Mission

The Office for People with Developmental Disabilities (OPWDD) aims to help people with developmental disabilities live richer lives by assisting these individuals in enjoying meaningful relationships with family, friends, and others in their lives; experiencing personal health and growth; and living in homes and fully participating in the communities of their choice. OPWDD currently operates through 13 district offices called Developmental Disabilities Services Offices (DDSOs), which are overseen through the central office. OPWDD also operates the Institute for Basic Research in Developmental Disabilities (IBR) on Staten Island. OPWDD serves approximately 37,000 individuals with developmental disabilities residing in community settings,

an additional 300 individuals living in developmental centers, and 1,000 individuals in special units.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a streamlining of the organizational structure of OPWDD to improve management oversight of services by creating regional offices;
- an increase in the hiring qualifications and training standards in state-run programs;
- the creation of 2,300 new non-residential service opportunities for respite, crisis, employment, and community integration programs;
- the elimination of Cost of Living Adjustments (COLA) and trend factor increases for OPWDD facilities; and
- a proposal to permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services.

Budget Detail

The Executive proposes an All Funds appropriation of \$4,783,099,000, an increase of \$183,381,800, or four percent, from SFY 2011-12 levels. The Executive recommends funding support for 20,586 full-time equivalent (FTE) positions, a decrease of 114 from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,140,718,000, a decrease of \$10,102,700 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes the following increases:

- an increase of \$57,800,000 is provided to accommodate fringe benefit and indirect cost rate adjustments;
- an increase of \$6,800,000 is provided for inflationary adjustments to existing State Operations programs;

- an increase of \$1,900,000 is included to support salary changes related to collective bargaining agreements; and
- an increase of \$200,000 in federal support is assumed, related to the Assets for Independence Program, fringe benefits and indirect cost rate changes.

Proposed Decreases

The Executive proposes the following decreases:

- a reduction of \$20,000,000 related to anticipated reductions in federal grant awards;
- a reduction of \$7,800,000 as a result of reduced procurement costs from the Enterprise Services Initiative;
- a reduction of \$5,200,000 related to transferring responsibilities for delivering case management and residential service to not-for-profit providers; and
- a reduction of \$2,600,000 related to controlling vacant positions in administration and research.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$2,478,841,000, an increase of \$181,939,500, or 7.9 percent, from the SFY 2011-12 level.

Proposed Increases

The Executive proposes the following increases:

- an increase of \$15,300,000 related to continuing Local Assistance programs, including new non-residential services and supports;
- an increase of \$8,900,000 to support 250 NYS-CARES residential opportunities;
- an increase of \$8,400,000 to support 140 new opportunities for “aging-out” populations; and
- an increase of \$1,200,000 related to 31 new beds to support continuing deinstitutionalization efforts.

Proposed Decreases

The Executive proposes the following decreases:

- a reduction of \$38,743,000 related to the elimination of a planned Medicaid trend factor; and
- a reduction of \$8,761,000 related to the elimination of a planned COLA for OPWDD providers.

Capital Projects

The Executive recommends a Capital Projects appropriation of \$163,540,000, an increase of \$11,545,000, or 7.6 percent, from SFY 2011-12. This increase would support continuing deinstitutionalization efforts and assist residential and day programs to meet life safety code and health facility safety standards.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the COLA for human services providers and develop a system for rate adjustments to be implemented in SFY 2013-14 based on quality measures and actual costs;
- direct agencies to establish limits on reimbursement for administrative expenses and executive compensation;
- permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services;
- allow OPWDD to establish pilot programs for the "People First 1115 Waiver" and to enter into contracts without a competitive process;
- remove statutory references to Developmental Disabilities Services Offices (DDSO);
- allow the state to create Developmental Disabilities Regional Offices to oversee the administration of services of non-state operated programs and State Operations Offices to provide direct service delivery in state operated programs;
- expand the Commissioner's authority to allow for appointment of all OPWDD employees; and
- transfer the appointment authority for employees of DDSOs to OPWDD's Central Office.

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,092,000	6,536,000	1,444,000	28.4%
Special Revenue-Other	4,663,000	4,663,000	0	0.0%
Special Revenue-Federal	8,345,000	8,345,000	0	0.0%
Enterprise	45,000	45,000	0	0.0%
Total for AGENCY SUMMARY:	18,145,000	19,589,000	1,444,000	8.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	44	48	4
All Other Funds:	55	55	0
TOTAL:	99	103	4

Agency Mission

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) provides support and advocacy for individuals with disabilities by working to protect their rights and by promoting the interests and agenda of New Yorkers with disabilities. The Commission provides community outreach, information, referral, and advocacy services, and administers the Surrogate Decision-Making Committee program, which acts on behalf of individuals in the mental hygiene system who are deemed unable to make medical care decisions independently. Additionally, CQCAPD is responsible for exercising independent oversight of the three mental hygiene agencies: the Office of Mental Health (OMH), the Office for People with Developmental Disabilities (OPWDD), and the Office for Alcoholism and Substance Abuse Services (OASAS).

CQCAPD also conducts investigations of allegations of abuse or neglect and any reports of injuries or deaths of persons served within the mental hygiene system.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the addition of five investigators to improve CQCAPD's ability to investigate allegations and incidences of abuse pursuant to the preliminary recommendations from the Governor's Special Advisor on Vulnerable Persons.

Budget Detail

The Executive proposes All Funds appropriations of \$19,589,000, a net increase of \$1,444,000 from the SFY 2011-12 level. The Executive recommends funding support of 103 full-time equivalent (FTE) positions, reflecting a net increase of four FTEs from the SFY 2011-12 level.

State Operations

The Executive proposes All Funds State Operations appropriations of \$6,536,000, an increase of \$1,444,000 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes an increase of \$1,444,000 related to a shift of resources from the Office for People with Development Disabilities' ombudsman program to CQCAPD and the re-establishment the Policy Bureau with five new investigators.

Aid to Localities

The Executive proposes All Funds Aid to Localities appropriations of \$648,000, representing no change from the SFY 2011-12 level.

**TRANSPORTATION,
ECONOMIC
DEVELOPMENT &
ENVIRONMENTAL
CONSERVATION**

**Summary of Recommended Appropriations
By Agency**

ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,607,000	4,502,000	(105,000)	-2.3%
Special Revenue-Federal	700,000	700,000	0	0.0%
Miscellaneous Special Revenue Other Fund	500,000	500,000	0	0.0%
Total for AGENCY SUMMARY:	5,807,000	5,702,000	(105,000)	-1.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	56	56	0
TOTAL:	56	56	0

Agency Mission

The Adirondack Park Agency (APA) is charged with insuring the 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 also 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.

Budget Detail

The Executive proposes an All Funds appropriation of \$5,702,000, a decrease of \$105,000 or 1.8 percent, from the State Fiscal Year (SFY) 2011-12 level. The Executive recommends funding

support for 56 full-time equivalent positions, reflecting no change from the SFY 2011-12 staffing levels.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$5,202,000, a decrease of \$105,000 or 1.98 percent from the SFY 2011-12 level.

Proposed Decreases

The Executive proposal includes a General Fund reduction of \$105,000 due to savings achieved from collective bargaining agreements reached in 2011 and other administrative cost reductions.

Capital Projects

The Executive proposes an overall capital appropriation of \$500,000, reflecting no change from the SFY 2011-12 level. This is a dry appropriation that would allow the APA to utilize gift or grant money.

DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	44,097,000	48,843,000	4,746,000	10.8%
Special Revenue-Other	46,600,000	34,591,000	(12,009,000)	-25.8%
Special Revenue-Federal	49,644,000	49,644,000	0	0.0%
Enterprise	21,361,000	21,361,000	0	0.0%
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	1,000,000	1,000,000	0	0.0%
Total for AGENCY SUMMARY:	166,538,000	159,275,000	(7,263,000)	-4.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	262	355	93
All Other Funds:	233	133	(100)
TOTAL:	495	488	(7)

Agency Mission

The Department of Agriculture and Markets (Department) is charged with fostering a competitive and safe New York food and agriculture industry. Its major responsibilities include: encouraging the growth and prosperity of the state's agriculture 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 agriculture resources, to improve soil and water quality, and to operate the annual State Fair.

Budget Detail

The Executive proposes an All Funds appropriation of \$159,275,000 a decrease of \$7,263,000, or 4.36 percent, from the State Fiscal Year SFY 2011-12 level. The Executive recommends funding support of 488 full-time equivalent positions, a decrease of seven positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$119,645,000, a decrease of \$6,564,000, or 5.2 percent, from the SFY 2011-12 level.

Proposed Increases

The Executive proposal includes:

- a General Fund increase of \$5,767,000 resulting from the shift of the Consumer Food Program funding to the General Fund; and
- a General Fund increase of \$1,110,000 from consolidating administrative costs.

Proposed Decreases

The Executive proposal includes:

- a decrease in Special Revenue Fund appropriations of \$5,767,000 resulting from the shift of the Consumer Food Program funding to the General Fund;
- a Special Revenue Fund decrease of \$5,117,000 through an adjustment to appropriations to more accurately depict spending levels;
- a Special Revenue Fund-Other decrease of \$1,110,000 resulting from a shift of administrative costs to the General Fund;
- a General Fund reduction of \$610,000 due to a 2.5 percent State Operations reduction; and
- a Special Revenue Fund decrease of \$15,000 is achieved from eliminating the Commercial Feed Licensing Account and instead, funding the program from the General Fund.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$16,630,000, a net decrease of \$699,000, or 4.03 percent, from the SFY 2011-12 level.

The Executive proposes shifting funding for the Pro-Dairy Program to the General Fund at a level of \$822,000, reflecting no change in the level of funding from the SFY 2011-12 level.

Proposed Decreases

The Executive proposes:

- a General Fund decrease of \$821,000 to the Farm Viability Institute;
- a General Fund decrease of \$600,000 from the elimination of funding for the Maple Producers, Tractor Rollover Program, Northern New York Agriculture Development Program and the Long Island Rabies Program; and
- a General Fund decrease of \$100,000 to the Rabies Cornell Diagnostic Lab.

Capital Projects

The Executive proposes an overall capital appropriation of \$3,000,000, reflecting no change from the SFY 2011-12 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 requirement that the New York State Agriculture Experiment Station be the exclusive seed testing entity in the state;
- vest the Department of Agriculture and Markets with the authority to create a comprehensive fee-for-service program to recover normal costs related to services provided;
- redirect food safety expenses and licensing revenues currently deposited into a special revenue account into the General Fund in order to maintain existing levels of food safety inspection and oversight;
- enable the Commissioner of Agriculture and Markets to issue a dairy research and education order to fund research to improve dairy industry production and increase the efficiency and profitability of the state's dairy industry;
- expand access to the Linked Deposit Program by providing agricultural businesses a three percent reduction in interest rates on loans for qualifying projects; and

- eliminate the following boards and commissions: Agricultural Transportation Review Panel, the Hudson Valley Agricultural Advisory Council, the Organic Food Advisory Committee, and the Animal Health Issues Committee.

DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	60,664,998	58,654,000	(2,010,998)	-3.3%
Special Revenue-Other	3,765,000	3,458,000	(307,000)	-8.2%
Special Revenue-Federal	11,100,000	8,000,000	(3,100,000)	-27.9%
Total for AGENCY SUMMARY:	75,529,998	70,112,000	(5,417,998)	-7.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	105	120	15
All Other Funds:	2	2	0
TOTAL:	107	122	15

Agency Mission

The mission of the Department of Economic Development is to provide a network of technical and financial assistance for businesses and to coordinate with other state agencies, authorities, organizations, and local governments to develop successful state economic strategies.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a \$380,000 reduction in support for programs and activities to promote international trade; and

- a continued \$196,000 for each of the two Gateway Information Centers at Beekmantown and Binghamton.

Budget Detail

The Executive recommends an All Funds appropriation of \$70,112,000, a \$5,417,998, or 7.2 percent, decrease over SFY 2011-12 funding levels. The Executive proposes support for a workforce of 158 full-time equivalent (FTE) positions, an increase of 15 FTE's over 2011-12 staffing levels. The additional staff positions will be supported by the General Funds, and will enhance the state's effort to improve Minority and Women-Owned Business Enterprise participation.

State Operations

The Executive proposes an All Funds appropriation of \$27,498,000, a net increase of \$1,136,000, or 4.3 percent, above SFY 2011-12 levels.

Proposed Increases

The Executive proposes an increase of \$2,172,000 in the Economic Development Program consisting of an increase of \$1,350,000 for personal service and an increase of \$822,000 for non-personal service.

Proposed Decreases

The Executive proposes \$700,000 for the promotion of international trade, a decrease of \$380,000 from current funding levels.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$42,614,000, a net decrease of \$6,554,000, or 13.3 percent, below SFY 2011-12 levels.

Proposed Decreases

The Executive proposes:

- a decrease of \$3,100,000 for the Manufacturing Extension Partnership Program;
- the elimination of \$750,000 for the University at Albany's INDEX;
- the elimination of \$690,000 for the SUNY Albany CAIST;
- the elimination of \$490,000 for the Cornell University/NSF Nanoscale Science and Engineering Center;

- the elimination of \$490,000 for the Columbia University/NSF Nanoscale Science and Engineering Center;
- the elimination of \$490,000 for the RPI/NSF Nanoscale Science and Engineering Center;
- the elimination of \$294,000 for the Cornell University NSF Nanobiotechnology Center; and
- the elimination of \$250,000 for the Stony Brook University Semiconductor High-energy Radiation project.

Article VII

The Executive recommends Article VII legislation that would provide a three percent linked loan savings option for agricultural businesses.

NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	16,230,000	16,230,000	0	0.0%
Capital Projects Fund	15,310,000	14,000,000	(1,310,000)	-8.6%
Total for AGENCY SUMMARY:	31,540,000	30,230,000	(1,310,000)	-4.2%

Agency Mission

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation that is responsible for the management of energy research, development and demonstration programs 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 System Benefit Charge and manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park in Saratoga County.

Budget Detail

The Executive proposes an All Funds appropriation of \$30,230,000, a decrease of \$1,310,000 or 4.15 percent, from the SFY 2011-12 level.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$8,090,000, reflecting no change from the SFY 2011-12 level.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$8,140,000, reflecting no change from the SFY 2011-12 level.

Capital Projects

The Executive proposes an overall capital appropriation of \$14,000,000, a decrease \$1,310,000 or 8.56 percent from the SFY 2011-12 level, attributable to a decrease in federal funds for ongoing work at West Valley.

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 at the West Valley Nuclear Fuel Reprocessing Facility; and
- authorize NYSERDA to finance its Research, Development and Demonstration Program and its Policy and Planning Program, as well as the Department of Environmental Conservation'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 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	105,739,000	105,364,000	(375,000)	-0.4%
Special Revenue-Other	254,077,000	252,685,000	(1,392,000)	-0.5%
Special Revenue-Federal	76,012,000	77,198,000	1,186,000	1.6%
Capital Projects Fund	16,834,000	20,900,000	4,066,000	24.2%
Capital Projects Fund - Advances	0	500,000	500,000	--
Federal Capital Projects Fund	184,000,000	175,000,000	(9,000,000)	-4.9%
Environmental Protection Fund	134,000,000	134,000,000	0	0.0%
Internal Service Fund	60,000	95,000	35,000	58.3%
Cap Proj Fund - DEC Regular Auth Bonds	12,000,000	113,743,000	101,743,000	847.9%
Cap Proj Fund - State Revolving Fund Auth Bonds	35,000,000	35,000,000	0	0.0%
Hazardous Waste Remedial Fund - Oversight and Assesment	10,000,000	10,000,000	0	0.0%
Hazardous Waste Remedial Fund - Cleanup	120,000,000	120,000,000	0	0.0%
Total for AGENCY SUMMARY:	947,722,000	1,044,485,000	96,763,000	10.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	1,127	1,099	(28)
All Other Funds:	1,856	1,884	28
TOTAL:	2,983	2,983	0

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a new commitment of \$101,743,000 in New York Works capital funding to pay for the capital rehabilitation and improvement needs in parks, historic sites and the ski facilities operated by the Olympic Regional Development Authority (ORDA); and
- the transfer of 37 Environmental Conservation Officers from the General Fund to the Conservation Fund.

Budget Detail

The Executive proposes an All Funds appropriation of \$1,044,485,000, an increase of \$96,763,000 or 10.2 percent, over the SFY 2011-12 level. The Executive recommends funding support of 2,983 full-time equivalent positions, reflecting no change from the SFY 2011-12 staffing levels.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$433,666,000, a decrease of \$7,010,000 or 1.62 percent, from the SFY 2011-12 level.

Proposed Increases

The Executive proposes an increase of \$5,418,000 is provided for personal service and inflationary costs.

Proposed Decreases

- a decrease of \$6,663,000 is proposed to reflect a transfer of Central Office operations to the Office of General Services budget; and
- a decrease of \$7,000,000 due to lowering of Waste Tire Cleanup Contracts appropriations.

Aid to Localities

The Executive proposes an All Funds appropriation of \$1,676,000, a decrease of \$199,000 or 10.61 percent, from the SFY 2011-12 level, attributable to a reduction to the Cornell Integrated Pest Management Program.

Capital Projects

The Executive proposes an overall capital appropriation of \$609,143,000, an increase of \$97,309,000 or 19.01 percent, over the SFY 2011-12 level.

Proposed Increases

The Executive proposes an increase of \$101,743,000 in infrastructure funding under the New York Works Program to support projects at parks, historic sites and ski facilities operated by ORDA.

Proposed Decreases

The Executive proposes a decrease of \$9,000,000 in Federal Miscellaneous Marine Projects and Forest Legacy Land Acquisition funds due to an anticipated elimination of Federal Aid.

Environmental Protection Fund (EPF)

The Executive proposes \$134,000,000 in appropriations for the EPF, maintaining SFY 2011-12 appropriation levels. 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 individual SFY 2011-12 appropriations are outlined in the following table (see Table 1).

Article VII

The Executive recommends Article VII legislation that would:

- remove certain tagging requirements; eliminate and/or extend existing licensing requirements; and authorize fees for the taking of ocean quahogs;
- expand the eligibility for the exemption of recycled hazardous waste from certain fees;
- eliminate certain funding requirements for the Sewage Treatment Program Management and Administration Fund and the Drinking Water Program Management and Administration Fund; and

- eliminate the following boards and commissions: the Solid Waste Management Board, the Conservation Corporation Advisory Committee, the Long Island Sound Coastal Advisory Commission, the Freshwater Wetlands Appeals Board, the State Environmental Board, and the Surf Clam/Ocean Quahog Management Advisory Board.

Table 1

2012-13 ENVIRONMENTAL PROTECTION FUND				
(\$ in Millions)				
	2011-12 Enacted	2012-13 Executive	Change 11-12 v. Executive	Percent Change 11-12 v. Executive
SOLID WASTE				
Landfill Closure/Gas Management	\$600	\$270	(\$330)	
Municipal Recycling	6,435	6,245	(190)	(3.0%)
Pollution Prevention Institute	2,000	2,100	100	5.0%
Secondary Marketing	1,000	1,000	0	0.0%
Natural Resource Damages	200	175	(25)	(12.5%)
Pesticide Database	575	1,150	575	100.0%
Solid Waste	\$10,810	\$10,940	\$130	1.2%
PARKS & REC				
Waterfront Revitalization	\$11,500	\$11,500	0	0.0%
<i>Inner City/Underserved</i>	5,750	5,750	0	0.0%
<i>Hoyt Lake</i>	100	0		
<i>Buffalo Waterfront</i>	300	0	(\$300)	(100.0%)
<i>Niagra River Greenway</i>	225	0	(225)	(100.0%)
Municipal Parks	13,000	13,000	0	0.0%
<i>Innecity/Underserved</i>	6,500	6,500	0	0.0%
<i>Olmsted Park</i>	2,500	0	(2,500)	(100.0%)
<i>Darwin Martin House</i>	250	0	(250)	(100.0%)
<i>Graycliff Manor</i>	50	0	(50)	(100.0%)
Hudson River Park (HRP)	3,000	3,000	0	0.0%
Public Access & Stewardship	16,228	16,000	(228)	(1.4%)
<i>OPRHP</i>	8,114	7,886	(228)	(2.8%)
<i>DEC</i>	8,114	8,114	0	
<i>Bellearyre</i>	500	500	0	
ZBGA	9,000	9,000	0	0.0%
Parks & Rec	\$52,728	\$52,500	(\$228)	(0.4%)
OPEN SPACE				
Land Acquisition	\$17,500	\$17,500	0	0.0%
<i>Land Trust Alliance</i>	1,575	1,575	0	0.0%
<i>Urban Forestry</i>	500	500	0	0.0%
Smart Growth	300	300	0	0.0%
Farmland Protection	12,000	12,000	0	0.0%
Agricultural Waste Management	430	700	\$270	62.8%
Biodiversity Stewardship	500	500	0	0.0%
Albany Pine Bush Commission	2,000	2,000	0	0.0%
Invasive Species	3,800	3,400	(400)	(10.5%)
<i>Lake George</i>	95	100	5	5.3%
LI Pine Barrens Commission	1,100	1,100	0	0.0%
Oceans & Great Lakes Initiative	5,000	4,728	(272)	(5.4%)
Water Quality Improvement Prog	2,932	2,932	0	0.0%
LI South Shore Estuary Reserve	900	900	0	0.0%
Non-Point Source Poll Cont	17,000	17,000	0	0.0%
<i>Agricultural</i>	13,000	13,000	0	0.0%
<i>Non-Agricultural</i>	4,000	4,000	0	0.0%
Soil & Water Conserv. Dist	3,000	3,500	500	16.7%
Finger Lk-Lk Ontario Watershed	1,000	1,000	0	0.0%
Hudson River Estuary Plan	3,000	3,000	0	0.0%
Open Space	\$70,462	\$70,560	\$98	0.1%
TOTAL EPF	\$134,000	\$134,000	\$0	0.0%

ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	12,310,000	0	(12,310,000)	-100.0%
Clean Water-Clean Air Implementation Fund	343,000	0	(343,000)	-100.0%
Total for AGENCY SUMMARY:	12,653,000	0	(12,653,000)	-100.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	88	0	(88)
TOTAL:	88	0	(88)

Agency Mission

The Environmental Facilities Corporation (Corporation) is a public benefit corporation responsible for assisting local governments, state agencies and private business 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.

Budget Detail

The Executive eliminates all appropriations for State Fiscal Year (SFY) 2012-13, a decrease of \$12,653,000 from the SFY 2011-12 level, as the Executive recommends funding this agency with federal funds off-budget.

Article VII

The Executive Budget proposes discontinuing State Operating Fund support of the Corporation with respect to the Clean Water and Drinking Water State Revolving Fund.

HUDSON RIVER PARK TRUST

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Total for AGENCY SUMMARY:	0	0	0	0%

Agency Mission

The Hudson River Park Trust (the Trust) is a public benefit corporation established to design, develop, and maintain the 550-acre Hudson River Park along five miles of Manhattan's West Side from Battery Park to 59th Street.

Budget Detail

The appropriations for the Trust traditionally represented 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. The Executive does not include a NYC advance, maintaining level funding as in State Fiscal Year (SFY) 2011-12. The Trust is, however, funded in the Environmental Protection Fund at \$3,000,000, maintaining the SFY 2012-13 appropriation.

Capital Projects

As was the case in SFY 2011-12, the Executive proposal does not include a capital appropriation for the Hudson River Park Trust.

DIVISION OF THE LOTTERY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	89,704,000	102,673,000	12,969,000	14.5%
Total for AGENCY SUMMARY:	89,704,000	102,673,000	12,969,000	14.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	362	362	0
TOTAL:	362	362	0

Agency Mission

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 (VLT) which operate to raise revenue for the support of education.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes:

- an appropriation of \$15,600,000 for expenses incurred by the video lottery gaming agent at Aqueduct racetrack for the remediation of pre-existing environmental conditions associated with the construction of the video lottery gaming facility.

Budget Detail

The Executive recommends an All Funds appropriation of \$102,673,000, an increase of \$12,969,000, or 14.5 percent, over SFY 2011-12. The Executive recommends funding support for 362 full-time equivalent positions.

State Operations

Proposed Increases

The Executive proposes an appropriation of \$24,227,000 for the administration of the VLT program, a net increase of \$14,575,000 from SFY 2011-12. The appropriation represents a non-personal service appropriation addition of \$15,600,000 for expenses incurred by the video lottery gaming agent for the remediation of pre-existing environmental conditions associated with the construction of the gaming facility at Aqueduct pursuant to a memorandum of understanding; and a decrease of \$1,025,000 (16.2 percent) in non-personal services.

Proposed Decreases

The Executive proposes an appropriation of \$78,446,000 for the administration of the Lottery Program. The appropriation represents a decrease of \$1,606,000, or 2.0 percent, from SFY 2011-12. The decrease is attributed to a reduction in non-personal contractual services of \$1,640,000 (3.4 percent); and an increase of \$34,000 (6.7 percent) for supplies.

Article VII

The Executive recommends Article VII legislation that would merge the Racing and Wagering Board with the DOL to create a New York State Gaming Commission. Currently, the Racing and Wagering Board regulates all gambling activities that are not regulated by DOL. DOL has full authority over the administration of New York State's traditional lottery games (e.g. lotto, quick-draw, scratch offs, etc.) and video lottery gaming.

DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	90,431,000	86,827,000	(3,604,000)	-4.0%
Special Revenue-Federal	38,001,000	38,487,000	486,000	1.3%
Dedicated Highway and Bridge Trust Fund	201,137,000	194,171,000	(6,966,000)	-3.5%
Internal Service Fund	13,500,000	15,000,000	1,500,000	11.1%
Total for AGENCY SUMMARY:	343,069,000	334,485,000	(8,584,000)	-2.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	2,393	2,414	21
TOTAL:	2,393	2,414	21

Agency Mission

The 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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the establishment of an additional retention percentage from internet transactions for county clerks acting as agents of the DMV.

Budget Detail

The Governor recommends an All Funds appropriation of \$334,485,000, which represents a decrease of \$8,584,000, or 2.5 percent, from funding levels in the current fiscal year. The Executive recommends funding to support 2,414 full-time equivalent (FTE) positions, reflecting an increase of 21 FTEs over SFY 2011-12 staffing levels.

State Operations

The Executive recommends a total State Operations appropriation of \$119,514,000, a decrease of \$1,798,000, or 1.48 percent, from funding levels in the current fiscal year.

Proposed Increases

The Executive proposal includes:

- an Internal Service Fund increase of \$1,500,000, or 11.11 percent, over current fiscal year to the Banking Services Account in the DMV Administration Program;
- a Special Revenue Fund increase of \$588,000 for the Compulsory Insurance Account;
- an increase of \$306,000 in federal funds for the Governor's Traffic Safety Committee, due to a projected increase in grants; and
- a Special Revenue Fund increase of \$300,000 to the Transportation Safety Program, including a \$219,000 increase to the Motorcycle Safety Account and an \$81,000 increase to the Internet Point Insurance Reduction Program Account.

Proposed Decreases

The Executive proposes:

- a decrease of \$2,205,000 in Special Revenue Fund appropriations from the Administration Adjudication Account; and
- a decrease of \$2,287,000 in Special Revenue Fund appropriations to the Clean Air Program.

Aid to Localities

The Executive recommends a total Aid to Localities appropriation of \$20,800,000, an increase of \$180,000 from SFY 2011-12 Budget.

Proposed Increases

The Executive proposes an increase of \$180,000 in federal appropriations for the Governor's Traffic Safety Committee to reflect a projected increase in grants.

Capital Projects

The Executive recommends an appropriation of \$194,171,000 from the Dedicated Highway and Bridge Trust Fund for Capital Projects, representing a decrease of \$6,966,000, or 3.46 percent, from the SFY 2011-12 level.

Article VII

The Executive recommends Article VII legislation that would:

- establish an additional retention rate for county clerks acting as agents of DMV, of between 2.5 and 6 percent of increases in internet transaction revenue over the revenue level from the 2011 calendar year; and
- modify the Vehicle and Traffic Law relating to commercial drivers' licenses to conform to federal law.

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,700,000	4,583,000	(117,000)	-2.5%
Special Revenue-Other	354,000	150,000	(204,000)	-57.6%
Total for AGENCY SUMMARY:	5,054,000	4,733,000	(321,000)	-6.4%

Agency Mission

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; Veterans' 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 appropriations in the State Budget.

Budget Detail

The Executive proposes an All Funds appropriation of \$4,733,000, a decrease of \$321,000, or 6.35 percent, from the State Fiscal Year (SFY) 2011-12 level.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$4,733,000, a decrease \$321,000, or 6.35 percent, from the SFY 2011-12 level.

Proposed Decreases

The Executive proposes a \$321,000 reduction to General Fund and Special Revenue Funds due to anticipated savings in utility costs.

Article VII

The Executive recommends Article VII legislation that would transfer the Belleayre Mountain Ski Center operations from the Department of Environmental Conservation to ORDA at the close of the 2011-12 ski season.

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	122,481,200	119,413,700	(3,067,500)	-2.5%
Special Revenue-Other	93,788,900	93,788,900	0	0.0%
Special Revenue-Federal	9,820,900	9,820,900	0	0.0%
Misc. Capital Projects	3,800,000	3,800,000	0	0.0%
State Parks Infrastructure Fund	29,001,000	123,271,000	94,270,000	325.1%
Federal Capital Projects Fund	4,000,000	4,000,000	0	0.0%
Fiduciary Funds - Misc Combined Expendable Trust Fund	10,000,000	25,000,000	15,000,000	150.0%
Total for AGENCY SUMMARY:	272,892,000	379,094,500	106,202,500	38.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	1,381	1,369	(12)
All Other Funds:	367	367	0
TOTAL:	1,748	1,736	(12)

Agency Mission

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. OPRHP also hosts cultural and educational programs and provide a variety of recreational programs. The state parks and historic sites serve over 60 million visitors annually.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes \$94,000,000 in New York Works capital funding to pay for the rehabilitation and improvement needs of parks, historic sites and the ski facilities operated by the Olympic Regional Development Authority (ORDA).

Budget Detail

The Executive proposes an All Funds appropriation of \$379,094,500, an increase of \$106,202,500, or 38.9 percent, over the SFY 2011-12 level. The Executive recommends funding support of 1,736 full-time equivalent positions, a decrease of 12 positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$211,298,500, a decrease of \$2,967,500, or 1.38 percent, from the SFY 2011-12 level.

Proposed Decreases

The Executive proposes a net reduction of \$2,967,500 due to a proposed shift of General Fund operating expenses to existing revenue streams in the Parks Patron Services Account.

Aid to Localities

The Executive proposes an All Funds appropriation of \$11,725,000, a decrease of \$100,000 from the SFY 2011-12 level, attributable to a \$100,000 reduction to the Natural Heritage Trust.

Capital Projects

The Executive proposes an overall capital appropriation of \$156,071,000, an increase of \$109,071,000, or 233.5 percent, over the SFY 2011-12 level.

Proposed Increases

The Executive proposes:

- an increase of \$94,270,000 in infrastructure funding at parks, historic sites and ORDA facilities under the New York Works Program;
- an increase of \$15,000,000 in the Miscellaneous Combined Expendable Trust Fund to reflect an agreement between ORPHP and the New York Power Authority to allow ORPHP to receive an increase in gifts; and
- an increase of \$58,000 to the Health and Safety program to reflect ORPHP spending requests.

Proposed Decreases

The Executive proposes:

- a decrease of \$52,000 to Energy Conservation appropriation to reflect ORPHP spending requests; and
- a decrease of \$7,000 to the Facilities from the Physically Disabled fund to reflect ORPHP spending requests.

Article VII

The Executive recommends Article VII legislation that would eliminate the following boards and commissions: the Upstate and Downstate Tourism Board and the State and Regional Forest Practice Boards.

DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	76,892,000	78,892,000	2,000,000	2.6%
Special Revenue-Federal	3,500,000	3,500,000	0	0.0%
Total for AGENCY SUMMARY:	80,392,000	82,392,000	2,000,000	2.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	508	524	16
TOTAL:	508	524	16

Agency Mission

The Department of Public Service (Department) 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.

Budget Detail

The Executive proposes an All Funds appropriation of \$82,392,000, an increase of \$2,000,000 or 2.49 percent, over the SFY 2011-12 level. The Executive recommends funding support of 524 full-time equivalent positions, an increase of 16 positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$78,892,000, reflecting no change from the SFY 2011-12 level.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$3,500,000, an increase of \$2,000,000 or 133 percent, over the SFY 2011-12 level, related entirely to an increase in Intervener Account appropriations in anticipation of fees attributable to companies seeking to site electric generation and transmission facilities.

Article VII

The Executive recommends Article VII legislation that would:

- require all expenses of the Department of Public Service Education Program incurred from the Cable Television Account be deemed expenses of the Department of Public Service; and
- clarify that the state does not regulate Voice over Internet Protocol (VoIP) service.

STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	22,250,000	21,684,700	(565,300)	-2.5%
Total for AGENCY SUMMARY:	22,250,000	21,684,700	(565,300)	-2.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	105	105	0
TOTAL:	105	105	0

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes a proposal to merge the State Racing and Wagering Board with the Division of Lottery into a New York State Gaming Commission.

Budget Detail

The Executive proposes an All Funds appropriation of \$21,684,700, a decrease of \$565,300, or 2.5 percent, below the SFY 2011-12 level. The Executive recommends funding support of 105 full-time equivalent positions, with no change from SFY 2011-12.

State Operations

Proposed Decreases

The Executive proposes a \$565,300 decrease in State Operations related to Article VII language which would require harness racing associations to appoint and employ the starter and one of the officiating judges at pari-mutuel harness race meetings. Currently, such employees are paid by the state.

Article VII

The Executive recommends Article VII legislation that would:

- merge the State Racing and Wagering Board with the Division of Lottery under the newly formed State Gaming Commission;
- require all cash vouchers to be presented for payment before April 1st of the year following the year of purchase. If the cash vouchers are not redeemed within this time frame, the money from the vouchers would be deposited into the Racing Regulation fund; and
- require licensed harness racing associations and corporations to appoint and employ the starter and one of the officiating judges at pari-mutuel harness race meetings. This action would align harness racing with thoroughbred racing.

DEPARTMENT OF STATE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	24,933,700	24,408,233	(525,467)	-2.1%
Special Revenue-Other	40,094,839	41,174,189	1,079,350	2.7%
Special Revenue-Federal	74,656,000	69,395,406	(5,260,594)	-7.0%
Total for AGENCY SUMMARY:	139,684,539	134,977,828	(4,706,711)	-3.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	155	166	11
All Other Funds:	443	454	11
TOTAL:	598	620	22

Agency Mission

The Department of State (DOS) is the state's oldest agency and is responsible for programs relating to services to local governments and community based organizations. In addition, DOS administers programs for community development and local government service activities and supports businesses through various licensing and registration activities.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the transfer of six staff positions and \$3,340,000 in funding for refugee resettlement and a citizenship initiative from the Office of Temporary and Disability Assistance (OTDA) to DOS, related to the establishment of a new Office of New Americans.

Budget Detail

The Executive proposes an All Funds appropriation of \$134,977,828, a decrease of \$4,706,711, or 3.4 percent, from the SFY 2011-12 funding level. The Executive recommends funding support for 620 full-time equivalent (FTE) positions, an increase of 22 FTEs from the SFY 2011-12 level. The increased FTEs are attributable to an e-licensing enterprise initiative (10 FTEs), the Office for New Americas (6 FTEs), responsibilities related to processing mail for domestic violence victims pursuant to Chapter 502 of the Laws of 2011 (5 FTEs), and compliance review and policy analysis within the Authorities Budget Office (1 FTE).

State Operations

The Executive proposes an All Funds State Operations appropriation of \$69,700,828, a net increase of \$599,289 from the SFY 2011-12 funding level.

Proposed Increases

The Executive proposes:

- an increase of \$1,745,000 in the Business and Licensing Services appropriations related to the shift of expenses from the General Fund to a Special Revenue Fund; and
- an increase of \$45,406 under the Appalachian Technical Assistance program due to increased federal aid.

Proposed Decreases

The Executive proposes:

- reductions of \$543,823 related to general reductions in agency operating budgets; and
- the elimination of \$620,000 in special revenue support for the manufactured housing unit. Employees would continue to be paid from other resources.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$65,277,000, a decrease of \$5,306,000, or 7.5 percent, from the SFY 2011-12 level, related entirely to the elimination of appropriation authority for the Great Lakes Initiative. The appropriation is eliminated because federal funding never materialized.

Article VII

The Executive recommends Article VII legislation that would extend the renewal period for security guards and real estate salespersons and brokers from two to four years and double the fee for such renewals.

DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	311,608,000	331,462,000	19,854,000	6.4%
Special Revenue-Other	108,042,000	108,671,000	629,000	0.6%
Special Revenue-Federal	2,500,000	2,500,000	0	0.0%
Internal Service Fund	31,131,000	25,380,000	(5,751,000)	-18.5%
Total for AGENCY SUMMARY:	453,281,000	468,013,000	14,732,000	3.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	4,103	4,006	(97)
All Other Funds:	794	794	0
TOTAL:	4,897	4,800	(97)

Agency Mission

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.

Budget Detail

Current staffing levels in the Department of Taxation and Finance are 4,897 full-time equivalent positions (FTEs). The Executive recommends a decrease of 97 employees (2.0 percent), for a total of 4,800 FTEs in SFY 2012-13.

State Operations

Proposed Increases

The Executive recommends an All Funds increase of \$14,732,000 or 3.3 percent over SFY 2011-12 to support the following:

- \$5,988,000 for Centralized Operations Support;
- \$41,000 for Conciliation and Mediation;
- \$11,675,000 for Audit, Collection and Enforcement;
- \$705,000 for Management, Administration and Counsel;
- \$332,000 for Tax Policy, Revenue Accounting and Taxpayer Guidance;
- \$557,000 for the Office of Real Property Tax Services; and
- \$316,000 for Treasury.

Proposed Decreases

The Executive proposal would decrease appropriations by \$4,882,000, accordingly:

- \$4,502,000 from Revenue Processing and Reconciliation; and
- \$380,000 from Technology and Information Services.

Aid to Localities

The Executive proposes to maintain the Aid to Localities appropriation at \$926,000, representing no change over SFY 2011-12.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the Department of Taxation and Finance to repeal a taxpayer's STAR exemption if they have any past-due state or local tax liabilities. This proposal would also apply to the New York City Personal Income Tax STAR benefits;
- authorize the Department of Taxation and Finance to refuse to issue a Certificate of Authority for sales and use tax purposes if the person required to collect the tax for the applying entity has any outstanding tax liabilities, not just sales tax liabilities. It would also authorize the Department to disclose to the applying entity the names and outstanding liabilities that caused the application to be denied; and
- make permanent certain electronic filing requirements and segregated sales tax account provisions which are currently set to expire on December 31, 2012.

DIVISION OF TAX APPEALS

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,021,000	3,121,000	100,000	3.3%
Total for AGENCY SUMMARY:	3,021,000	3,121,000	100,000	3.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	26	26	0
TOTAL:	26	26	0

Agency Mission

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes impartial and timely hearing of taxpayer disputes.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,121,000, a net increase of \$100,000, or 3.3 percent, over SFY 2011-12. The Executive recommends the support of 26 full-time equivalent positions; staffing remains at 2011-12 levels.

State Operations

The Executive proposes a net increase of \$256,000 attributable to increased costs in personal services.

NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
NYS Canal System Development Fund	2,000,000	2,000,000	0	0.0%
Total for AGENCY SUMMARY:	2,000,000	2,000,000	0	0.0%

Agency Mission

The New York State Thruway Authority (TA) is responsible for operating a 570-mile toll highway system, along with the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, TA 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 TA 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.

Budget Detail

The Executive recommends an appropriation of \$2,000,000 for the Canal Development Program, unchanged from the State Fiscal Year (SFY) 2011-12 funding level. The revenues deposited into the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	97,550,900	97,550,900	0	0.0%
Special Revenue-Other	4,113,073,000	4,350,791,800	237,718,800	5.8%
Special Revenue-Federal	69,377,000	69,851,000	474,000	0.7%
Federal Capital Projects Fund	2,006,000,000	2,922,751,000	916,751,000	45.7%
Dedicated Mass Transportation Trust Fund	66,471,000	37,000,000	(29,471,000)	-44.3%
Dedicated Highway and Bridge Trust Fund	1,845,958,000	2,052,458,000	206,500,000	11.2%
NY Metro Transportation Account	18,148,000	17,896,000	(252,000)	-1.4%
Capital Projects Fund - Authority Bonds	0	15,000,000	15,000,000	--
Miscellaneous New York State Agency Fund	50,000,000	50,000,000	0	0.0%
Regional Aviation Fund	0	3,000,000	3,000,000	--
Total for AGENCY SUMMARY:	8,266,577,900	9,616,298,700	1,349,720,800	16.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	8,583	8,492	(91)
TOTAL:	8,583	8,492	(91)

Agency Mission

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.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a proposed \$1,163,800,000 in new DOT capital appropriations (New York Works), bringing the total Road and Bridge Capital Plan appropriation for SFY 2012-13 to \$5,098,105,000 including a proposed \$2,753,000,000 in contract lettings; and
- a proposed \$101,000,000 increase in DOT Capital Plan obligations for private sector engineering consultants.

Budget Detail

The Executive recommends a total All Funds appropriation of \$9,616,298,700, which represents an increase of \$1,349,720,800, or 16.33 percent, from funding levels in the current fiscal year. The Executive also recommends funding to support 8,492 full-time equivalent (FTE) positions, reflecting a decrease of 91 FTEs from SFY 2010-11 staffing levels.

State Operations

The Executive recommends total State Operations appropriations of \$35,774,000, a decrease of \$11,630,000, or 24.53 percent, from funding levels in the current fiscal year.

Proposed Increases

The Executive proposal includes:

- an increase of \$219,000 in Rail Safety Inspection Account appropriations due to anticipated increases in dedicated revenues; and
- an increase of \$1,151,000 in Transportation Regulation Account appropriations due to anticipated increases in dedicated revenues.

Proposed Decreases

The Executive proposes a Special Revenue Fund decrease of \$13,000,000 to the Accident Damage Recovery Account due to its proposed merger with the Dedicated Highway and Bridge Trust Fund (DHBTF).

Aid to Localities

The Executive recommends an Aid to Localities appropriations of \$4,482,419,700, an increase of \$249,822,800, or 5.9 percent, from SFY 2011-12 funding levels. The Executive proposal maintains capital support to local governments for highway and bridge projects at SFY 2011-12 levels, with \$363,097,000 provided for the Consolidated Highway Improvement Program (CHIPS) and \$39,700,000 for the Marchiselli program.

Proposed Increases

The Executive proposal includes:

- a projected increase of \$37,849,000 in dedicated taxes and fees to the Dedicated Mass Transportation Trust Fund (DMTTF);
- an increase of \$474,000 in federal appropriations for the Local Transportation Planning Studies Program;
- an appropriation increase of \$129,499,800 to reflect deposits in dedicated taxes to the Metropolitan Mass Transportation Operating Assistance Account;
- a \$6,000,000 increase to the Public Transportation Systems Operating Assistance Account appropriations; and
- a \$76,000,000 increase to the Metropolitan Transportation Authority Support Program appropriations, including \$63,000,000 to the Mobility Tax Trust Account and \$13,000,000 to the Metropolitan Transportation Authority Aid Trust Account.

Capital Projects

The Executive recommends capital appropriations of \$5,098,105,000, an increase of \$1,111,528,000, or 27.88 percent, from the SFY 2011-12 level. The increase includes \$1,163,800,000 in new capital spending within the New York Works program which is offset by \$52,272,000 in reductions. However, \$19,781,000 of this reduction is due to a shift of funding to Aid to Localities appropriations. This results in an effective reduction of \$37,556,000 which includes the \$27,600,000 in gap-closing actions.

The majority of the Executive's proposed \$27,600,000 capital reductions are administrative actions, and include shared services savings (\$3,700,000); reduced salt cost and usage (\$3,600,000); reduced snow and ice contract costs (\$500,000); and pay-as-you-go for maintenance/repair activities (\$7,500,000). Additional actions such as implementing performance-based bus inspections (\$700,000); enhancing Accident Damage Recovery Account revenue collections, the merger of funds into the DHBTF (\$10,100,000); and the funding of a state match for Aviation Capital from the Regional Aviation Fund (\$1,500,000) would require legislative action.

The new \$1,163,800,000 New York Works program would be funded by \$917 million in federal aid, \$232,000,000 from the State's Dedicated Highway and Bridge Trust Fund (DHBTF) and \$15,000,000 from the state's Capital Projects Fund. Components of this new capital include \$212,000,000 for bridge repairs, \$250,000,000 for pavement preservation on 2,000 miles of state roads, and \$700,000,000 to accelerate other transportation projects.

Article VII

The Executive recommends Article VII legislation that would:

- provide the annual authorization for the CHIPS and Marchiselli programs;
- consolidate the Accident Damage Account with the Dedicated Highway and Bridge Trust Fund;
- modify the current semi-annual inspection process to allow the Commissioner of Transportation to implement a performance-based bus inspection program;
- adjust State Transportation Law to comply with Federal Motor Carrier Safety Administration rules;
- distribute 26 percent of the revenue collected from the transmission tax, previously deposited in the Metropolitan Mass Transportation Operating Assistance account, to the Public Transportation Operating Assistance account;
- eliminate the Tow Truck Advisory Board; and
- eliminate the Armored Car Carrier Advisory Board.

URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	79,098,000	76,838,000	(2,260,000)	-2.9%
Misc. Capital Projects	0	25,000,000	25,000,000	–
Capital Projects Fund - Authority Bonds	180,550,000	640,000,000	459,450,000	254.5%
Total for AGENCY SUMMARY:	259,648,000	741,838,000	482,190,000	185.7%

Agency Mission

The Empire State Development Corporation (ESDC) – formerly the Urban Development Corporation (UDC) – is a New York State public benefit corporation. The mission of ESDC is to promote economic and real estate development by providing financial assistance to local governments, businesses and not-for-profit corporations engaged in economic development activities. In addition, ESDC is engaged in housing portfolio maintenance as well as other special projects.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes new capital appropriations for the following:

- \$250,000,000 is provided to support the SUNY College for Nanoscale and Science Engineering;
- \$130,000,000 is provided for a second round of Regional Economic Development Council capital awards;
- \$110,000,000 is provided for the new NY-SUNY Challenge Grant Program; and
- \$100,000,000 is provided for the Buffalo Regional Innovation Cluster.

Budget Detail

The Executive recommends an All Funds appropriation of \$741,838,000, a \$482,190,000 increase over SFY 2011-12 funding levels.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$76,838,000, a net decrease of \$2,260,000, or 2.9 percent, below the SFY 2011-12 funding level.

The Executive proposal maintains funding for the following programs at the same level as SFY 2011-12:

- \$3,404,000 for the Urban and Community Development program in economically distressed areas;
- \$2,940,000 for the retention of football in Western New York;
- \$1,764,000 for the Entrepreneurial Assistance Program;
- \$1,495,000 for the Federal Community Development Financial Institutions program; and
- \$635,000 for the Minority and Women-owned Business Development and lending program.

Proposed Increases

The Executive proposes:

- a new appropriation of \$50,400,000 for the Empire State Economic Development Fund to support economic development initiatives in New York State; and
- a new appropriation of \$16,200,000 for the Jobs Now program which promotes business expansion and attraction.

Proposed Decreases

The Executive proposal would eliminate several appropriations in SFY 2012-13, including:

- removal of the \$62,360,000 two-year appropriation for economic development purposes;
- elimination of the \$2,000,000 appropriation for Center State CEO;

- elimination of the \$2,000,000 appropriation for the Western New York STAMP project;
- elimination of the \$980,000 appropriation for the University at Buffalo's Krabbe Disease Research Institute;
- elimination of the \$980,000 appropriation for the University at Albany's Institute for Nanoelectronics Discovery and Exploration (INDEX);
- elimination of the \$290,000 appropriation for the Monroe County Department of Planning and Development/economic development and workforce training initiatives;
- elimination of \$125,000 appropriation for Griffiss Airforce Base redevelopment; and
- elimination of the \$125,000 appropriation for the Seneca army depot.

Capital Projects

The Executive recommends \$665,000,000 in total appropriations for new capital projects reflecting an increase of \$484,450,000 from the SFY 2011-12 Budget.

Proposed Increases

The Executive proposal includes:

- capital funding of \$250,000,000 to support the SUNY College for Nanoscale and Science Engineering;
- a new capital appropriation of \$130,000,000 for a second round of Regional Economic Development Council capital grants, which would be supplemented by \$70,000,000 in Excelsior tax credits allocations;
- new capital appropriations totaling \$110,000,000 for the new NY SUNY Challenge Grant Program, which includes \$80,000,000 for the state universities at Albany, Binghamton, Buffalo, and Stony Brook, as well as \$30,000,000 for a competitive grant process for all other SUNY institutions;
- a new capital appropriation of \$75,000,000 for the Buffalo Regional Innovation Cluster, which would be supplemented by \$25,000,000 in Excelsior tax credits;
- a new capital appropriation of \$75,000,000 for the New York Works Economic Development Fund; and
- capital funding of \$25,000,000 for the Aqueduct racetrack.

Article VII

The Executive recommends Article VII legislation that would:

- enable ESDC to sell portions real and personal property at the Jacob K. Javits Convention Center site and allow those proceeds to benefit the General Fund;
- make permanent the loan powers of ESDC;
- make permanent the Empire State Development Fund; and
- provide ESDC with general grant making powers.

**MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT &
ENVIRONMENTAL CONSERVATION**

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,318,000	3,318,000	0	0.0%
Special Revenue-Other	2,195,300,000	2,240,000,000	44,700,000	2.0%
Capital Projects Fund - Authority Bonds	0	770,000,000	770,000,000	-
Total for AGENCY SUMMARY:	2,198,618,000	3,013,318,000	814,700,000	37.1%

Budget Detail

State Operations

Green Thumb

The Executive proposes an appropriation of \$2,831,000 for the Green Thumb Program, which provides income-eligible seniors with part-time employment in state agencies. In State Fiscal Year (SFY) 2012-13, the Department of Environmental Conservation's participation in the program will remain consistent with that of SFY 2011-12.

Greenway Heritage Conservancy of the Hudson River Valley

The Executive Budget includes an appropriation of \$166,000 in State Operations funding for the Greenway Heritage Conservancy, reflecting no change from the SFY 2011-12 level.

Hudson River Valley Greenway Communities Council (Greenway Council)

The Executive proposes an appropriation of \$185,000 in State Operations funding for the Greenway Council, reflecting no change from the SFY 2011-12 level.

Aid to Localities

Hudson River Valley Greenway Communities Council

The Executive proposes an appropriation of \$136,000 in Aid to Localities funding for the Greenway Council, reflecting no change from the SFY 2011-12 levels.

Metropolitan Transportation Authority

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$2,186,000,000, an increase of \$35,000,000, or 1.63 percent, from the SFY 2011-12 budget. This includes appropriation of \$634,000,000, an increase of \$4,000,000 from the Dedicated Mass Transportation Trust Fund and an appropriation of \$1,552,000,000, an increase of \$31,000,000 from the Metropolitan Transportation Authority Support Program (Mobility Tax Trust Account). This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2013-14 in the event that the state budget for that fiscal year is not enacted by April 1, 2013.

Tribal State Compact

The Executive proposes a Special Revenue appropriation of \$54,000,000 for the Tribal State Compact identified in Section 99-h of the State Finance Law. This appropriation represents an increase of \$9,700,000 or 21.9 percent from SFY 2011-12 appropriations to reflect additional revenue estimates from electronic gaming devices to be provided to certain municipalities.

Capital Projects

Metropolitan Transportation Authority

The Executive recommends \$770,000,000 in new state assistance from the Capital Projects Fund to assist in financing the final three years of the MTA 2010-2014 Capital Plan. The Executive proposal includes \$150,000,000 for this purpose in SFY 2012-13.

Article VII

The Executive recommends Article VII legislation that would:

- provide funding to the MTA for a program to reimburse residents of Broad Channel and the Rockaway Peninsula for E-Z Pass tolls paid for crossing the Cross Bay Veterans Memorial Bridge; and
- increase the cost recovery assessment by \$2,000,000 from public authorities to support auditing and oversight work done by the Office of the State Comptroller.

LEGISLATURE & JUDICIARY

**Summary of Recommended Appropriations
By Agency**

LEGISLATURE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	217,844,801	217,844,801	0	0.0%
Special Revenue-Other	2,100,000	2,100,000	0	0.0%
Total for AGENCY SUMMARY:	219,944,801	219,944,801	0	0.0%

JUDICIARY

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,297,777,572	2,316,469,123	18,691,551	0.8%
Special Revenue-Other	242,745,598	227,664,214	(15,081,384)	-6.2%
Special Revenue-Federal	10,500,000	10,500,000	0	0.0%
Total for AGENCY SUMMARY:	2,551,023,170	2,554,633,337	3,610,167	0.1%

Agency Mission

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 11 different trial courts (courts of original jurisdiction), its intermediate appellate courts and its highest court, the Court of Appeals.

Budget Detail

The Judiciary's budget request, as submitted to the Governor, recommends an All Funds appropriation of \$2,554,633,377, an increase of \$3,610,167, or 0.1 percent, over State Fiscal Year (SFY) 2011-12 funding levels.

The Judiciary's budget includes a \$25,000,000 appropriation to support the recommendations of the Chief Judge's task force to expand civil legal services, representing an increase of \$12,500,000, or 50 percent, over SFY 2011-12 funding levels. In addition, the request continues a \$15,000,000 sub-allocation to the Interest on Lawyers Account (IOLA) fund in support of civil legal service programs.

The Judiciary's budget request also provides for a judicial salary increase as determined by the Special Commission on Judicial Compensation.

DEBT SERVICE

Summary of Recommended Appropriations By Agency

DEBT SERVICE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	245,000,000	245,000,000	0	0.0%
Fiduciary	30,500,000	30,500,000	0	0.0%
Debt Service Fund	6,143,925,000	6,665,660,000	521,735,000	8.5%
Capital Projects Fund - Other	960,250,000	960,300,000	50,000	0.01%
Emergency	1,500,000,000	1,400,000,000	(100,000,000)	-6.7%
Total for AGENCY SUMMARY:	8,879,675,000	9,301,460,000	421,785,000	4.8%

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes \$9,301,460,000 in Debt Service Appropriations.

Budget Detail

State Operations

Proposed Increases

The Executive proposes:

- \$253,600,000 in the Revenue Bond Financing Agreement Payments;
- \$250,000,000 in the Debt Reduction Reserve Fund;
- \$31,900,000 in the General Financing Agreements;
- \$14,500,000 from the Local Government Assistance Tax Fund;
- \$11,800,000 in the State University Dormitory Income Fund; and
- \$50,000 in the Dedicated Highway and Bridget Trust Fund.

Proposed Decreases

The Executive proposes:

- \$27,500,000 from the General Obligation Payments;
- \$5,000,000 from the Mental Health Services Fund;
- \$3,000,000 from the Housing Debt Fund;
- \$1,600,000 from the Health Income Fund;
- \$2,900,000 from elimination of the Lease Purchase Payments; and
- \$100,000,000 from the All Funds to cover market uncertainties in interest rate exchange agreements and variable rate debt obligations.

Article VII

The Executive recommends Article VII legislation that would:

- reimburse certain appropriations and reappropriations from the Capital Projects Fund with authority bond proceeds;
- enable the Mental Health Services Fund to make arbitrage rebate payments to the federal government, if necessary;
- authorize the Comptroller to make required certification in relation to the 1986 Environmental Quality Bond Act to assure the continuation of the tax-exempt status of the bonds;
- extend the authorization to issue mental health bonds under the personal income tax credit structure until 2013;
- amends Section 73 of the State Finance Law to ensure that federal interest subsidy payments received by the State Qualified School Construction Bonds are accounted for consistent with interest subsidies for Build America Bonds;
- authorizes \$500,000,000 from the General Fund to be set aside (no cash behind appropriation) for the Debt Reduction Reserve Fund; and
- amends certain bond caps to reflect the Executive's capital investment plan.