

ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,548,000	5,548,000	0	0.0%
Special Revenue-Federal	700,000	700,000	0	0.0%
Total for AGENCY SUMMARY:	6,248,000	6,248,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	72	72	0
TOTAL:	72	72	0

Agency Mission

(Executive Budget: pp. 189-191)

The Adirondack Park Agency (APA) is charged with insuring the optimum overall protection, development and use of the unique scenic, aesthetic, wildlife, recreational, open space, ecological and natural resources of the Adirondack Park. The APA is responsible for the Administration of the Adirondack Park State Land Master Plan and the Adirondack Park Private Land Use and Development Plan. The APA administers the State's Wild Scenic and Recreational River System, operates two Visitor Interpretive Centers, and helps local governments develop land use plans consistent with the State Master Land Master Plan.

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

Budget Detail

The State Fiscal Year (SFY) 2008-09 Executive Budget includes an All Funds appropriation of \$6,248,000, continuing funding at the SFY 2007-08 level, and 72 full-time equivalent positions, no change from the SFY 2007-08 level.

State Operations

The Executive proposes \$6,148,000 in State Operations, maintaining SFY 2007-08 funding levels.

Aid to Localities

The Executive proposes \$100,000 in Aid to Localities, maintaining SFY 2007-08 funding levels.

DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	62,072,050	56,097,000	(5,975,050)	-9.6%
Special Revenue-Other	42,561,800	44,434,000	1,872,200	4.4%
Special Revenue-Federal	49,644,000	49,644,000	0	0.0%
Enterprise	23,360,200	24,161,000	800,800	3.4%
Misc. Capital Projects	2,000,000	2,000,000	0	0.0%
Fiduciary	1,806,100	1,836,000	29,900	1.7%
Capital Projects Fund	1,750,000	1,750,000	0	0.0%
Total for AGENCY SUMMARY:	183,194,150	179,922,000	(3,272,150)	-1.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	393	378	(15)
All Other Funds:	237	237	0
TOTAL:	630	615	(15)

Agency Mission

(Executive Budget: pp. 193-197)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- new funding of \$450,000 to provide assistance and incentives for farmers to adopt organic farming methods;
- savings associated with the implementation of risk-based food inspection; and
- increased funding of \$1,925,000 for the Agri-Business Child Development program.

Budget Detail

The Executive recommends All Funds appropriations totaling \$179,922,000 in SFY 2008-09, which represents a decrease of \$3,272,150 from SFY 2007-08 levels. The Executive further recommends 615 full time equivalent (FTE) positions, a net decrease of 15 positions.

State Operations

The Executive recommends State Operations appropriations totaling \$134,577,000 in SFY 2008-09, which represents a net increase of \$3,370,200 above SFY 2007-08 levels.

Proposed Increases

- The Executive provides an increase of \$4,045,200 in personal and non-personal service growth, as well as fringe and indirect cost increases. This figure also includes an increase of \$387,000 for marketing costs associated with the 'Got Milk' campaign;
- The Executive provides an additional \$415,000 for six additional FTE positions including two economic development grant administrators, one contract auditor, one employee assigned to work on community gardens, one golden nematode inspector, and one agricultural commodities specialist; and
- The Executive provides an additional \$110,000 for two staff positions added during SFY 2007-08 related to the Invasive Species Council, created by Chapter 674 of 2007.

Proposed Decreases

- The Executive recommends a reduction of \$1,200,000 reflecting the attrition of 21 food inspectors related to a proposed change in the frequency of retail food store inspections.

Aid to Localities

The Executive recommends Aid to Localities appropriations of \$41,595,000 in SFY 2008-09 which represents a \$6,642,350 net decrease from SFY 2007-08 levels.

Proposed Increases

- The Executive recommends an increase of \$6,234,000 for agricultural programs including apiary inspection, Cornell Farm Family Assistance, and other programs. This increase also includes additional funding for Agri-Business Child Development, otherwise known as the New York State Migrant Child Care program.

Proposed Decreases

- The Executive recommends program reductions or eliminations totaling \$11,730,000 for specific programs funded in SFY 2007-08, including wine marketing, agri-tourism, and the Farmland Viability Institute; and
- removal of \$1,146,350 in funding for community projects.

Capital Projects

The Executive recommends \$3,750,000 in Capital appropriations, maintaining funding at the SFY 2007-08 levels.

Article VII

The Executive recommends Article VII legislation that would:

- establish risk-based food safety inspections for retail food stores instead of the currently required yearly inspections; and
- increase penalties for violations of Department of Agriculture and Markets orders and regulations, as well as other laws under the enforcement of the Department. Increase from \$300 to \$1,000 the maximum penalty for first violations of Agricultural and Markets Law and other laws within the enforcement of the Department. Increase from \$600 to \$2,000 the penalty for each subsequent violation. In addition, the maximum penalty for violating a rule or order would increase from \$200 to \$1,000 for a first violation and from \$400 to \$2,000 for subsequent violations.

BANKING DEPARTMENT

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	98,142,000	101,883,000	3,741,000	3.8%
Total for AGENCY SUMMARY:	98,142,000	101,883,000	3,741,000	3.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	550	550	0
TOTAL:	550	550	0

Agency Mission

(Executive Budget: pp. 199-201)

The New York State Banking Department is charged with overseeing and monitoring the banking industry and approximately 3,600 State chartered banking institutions for the benefit of balancing the interests of New York State consumers, businesses, and the banking industry as a whole. Responsibilities include regulation of New York State banking companies and their products, monitoring the financial stability of such institutions, and ensuring compliance with banking laws and regulations.

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

Budget Detail

The Executive recommends an All Funds appropriation of \$101,883,000 for the Banking Department for State Fiscal Year (SFY) 2008-09, reflecting an increase of \$3,741,000 or 3.8 percent over the current SFY 2007-08 funding level.

The Executive recommends a workforce of 550 full time equivalent funded positions reflecting no change from current year funded levels.

State Operations

The Executive proposes \$98,383,000 in State Operations funding reflecting an increase of \$1,741,000 or 1.80 percent over the current State Fiscal Year 2007-08 funding level and mirroring the following changes.

Proposed Increases

The Executive proposes the following increases:

- \$1,638,000 for Personal Service adjustments related to the cost of continuing current programs including negotiated salary increases and fixed costs; and
- \$401,000 for expenditures associated with fringe benefits and indirect cost.

Proposed Decreases

- The Executive proposes \$298,000 in adjustments for Non Personal Service costs related to continuing existing programs.

Aid to Localities

Proposed Increases

The Executive proposes the following increase:

- \$3,500,000 in Aid to Localities Special Revenue Funds – Other is appropriated reflecting an increase of \$2,000,000 for the Governor's Halt Abusive Lending Transactions Taskforce for a matching grant program to provide financial support for counseling groups and legal aid societies assisting homeowners facing delinquency or foreclosure.

DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	52,669,610	56,894,000	4,224,390	8.0%
Special Revenue-Other	5,415,000	5,390,000	(25,000)	0.5%
Special Revenue-Federal	1,000,000	1,000,000	0	0.0%
Total for AGENCY SUMMARY:	59,084,610	63,284,000	4,199,390	7.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	206	221	15
All Other Funds:	9	9	0
TOTAL:	215	230	15

Agency Mission

(Executive Budget: pp. 41-52)

The mission of the Department of Economic Development (DED) 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.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- \$20,015,000 to promote and advertise State tourism through the I Love NY program;
- \$3,500,000 for a new marketing program to promote Upstate business success and to attract businesses to stay in New York; and
- \$3,500,000 for programs and activities to promote international trade including assistance to increase foreign exports Upstate and development of a direct foreign investment program for the State.

Budget Detail

The Executive Budget proposes an All Funds appropriation of \$63,284,000, an increase of \$8,474,000 or 13.4 percent, over the SFY 2007-08 levels. The Executive recommends funding support of 230 full-time equivalent (FTE) positions, an increase of 15 FTE positions requiring an additional \$1,415,000 in administrative costs.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$56,607,000, an increase of \$11,524,000, or 25.56 percent, over the SFY 2007-08 levels. The Executive recommends support for the following programs at SFY 2007-08 levels:

- \$200,000 for the Gateway Information Center at Binghamton;
- \$200,000 for the Gateway Information Center at Beekmantown;
- \$1,000,000 for the Explore NY; and
- \$5,277,000 for the Local Tourism Promotion Matching Grant.

Proposed Increases

The Executive proposes:

- a \$4,000,000 increase to the I Love NY program to promote the State as a premier business location and to expand New York's tourism market;
- \$3,500,000 for a new business marketing program to market and promote Upstate business success to create economic growth;
- a \$2,300,000 increase to the International Trade program which promotes exports to foreign countries and attracts foreign investment to New York;

- a \$149,000 increase for sub-allocation to the Department of Environmental Conservation for the expenses of the Small Business Pollution Prevention and Environmental Compliance Assistance Program; and
- a \$87,000 increase for sub-allocation to the Environmental Facilities Corporation for the expenses of the Small Business Pollution Prevention and Environmental Compliance Assistance Program.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$6,677,000, a decrease of \$7,324,610, or 52.31 percent, over the SFY 2007-08 levels. The Executive proposes a \$3,050,000 decrease in Aid to Localities to reflect the elimination of:

- \$2,300,000 for the administration of Empire Zones;
- \$300,000 for the Western New York Regional Business Marketing;
- \$300,000 for the Adirondack North Country Association; and
- \$150,000 for the Griffiss Local Development Corporation.

NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	16,056,000	18,456,000	2,400,000	14.9%
Capital Projects Fund - Authority Bonds	13,500,000	13,500,000	0	0.0%
Total for AGENCY SUMMARY:	29,556,000	31,956,000	2,400,000	8.1%

Agency Mission

(Executive Budget: pp. 215-217)

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation responsible for the management of energy research, development, and demonstration programs which are funded by assessments on gas and electric utilities. NYSEDA 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, NYSEDA administers the Systems Benefit Charge (SBC) and manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park (STEP) in Saratoga County.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes \$2,400,000 for an updating of the State Energy Plan, which was last completed in 2002.

Budget Detail

The Executive recommends All Funds appropriations of \$31,956,000, an increase of \$2,400,000 from SFY 2007-08 levels.

State Operations

The Executive recommends \$7,945,000 in appropriations for State Operations, an increase of \$2,031,000 from SFY 2007-08 levels.

Proposed Increases

- The Executive proposes \$2,031,000 for the planning effort related to the State Energy Plan update, and for the addition of five full-time equivalent (FTE) positions to carry out the planning function.

Aid to Localities

The Executive recommends \$10,511,000 in Aid to Localities, an increase of \$369,000 from SFY 2007-08 levels.

Proposed Increases

- The Executive proposal includes an additional \$369,000 for increased expenditures of the Research, Development and Demonstration Program grants.

Capital Projects

The Executive proposes \$13,500,000 in Capital appropriations related to ongoing work at West Valley, maintaining SFY 2007-08 funding levels. The State's share of the costs for West Valley is ten percent of the federal contribution.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the use of utility assessments collected pursuant to Section 18-a of the Public Service Law in the amount of \$18,456,000 to support NYSERDA's Energy Research Development and Demonstration Program;
- authorize the Authority to make available \$913,000 to the General Fund to help offset New York State's debt service requirements related to West Valley; and

- extend the expiration of the Power for Jobs and Energy Cost Savings Benefit Programs for one year to June 30, 2009. The legislation also would authorize the Power Authority of the State of New York (PASNY) to pay up to \$25,000,000 to the General Fund for a loss of gross receipts tax revenue associated with Power for Jobs in SFY 2008-09. The Executive also proposes the creation of an Electricity Cost Discount Program, a new 1,000 megawatt long-term program beginning July 1, 2009. The new program would be administered and paid for by PASNY, with annual payments of up to \$120,000,000. PASNY would have the authority to enter into contracts of up to seven years with eligible businesses and not-for-profit corporations. Award criteria would include significance of electricity cost to an applicant's overall costs, the number of jobs created and retained, and energy efficiency investments, among other criteria.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	149,913,295	143,257,700	(6,655,595)	-4.4%
Special Revenue-Other	284,151,000	288,907,000	4,756,000	1.7%
Special Revenue-Federal	79,240,000	64,252,000	(14,988,000)	-18.9%
Capital Projects Fund	34,300,000	31,884,000	(2,416,000)	-7.0%
Capital Projects Fund - Advances	350,000	10,000,000	9,650,000	2,757.1%
Federal Capital Projects Fund	150,600,000	154,000,000	3,400,000	2.3%
Clean Water-Clean Air Implementation Fund	1,050,000	1,050,000	0	0.0%
Environmental Protection Fund	250,000,000	250,000,000	0	0.0%
Natural Resource Damages Fund	26,000,000	0	(26,000,000)	-100.0%
Capital Projects Fund - EQBA (Bondable)	0	327,000	327,000	--
Capital Projects Fund - PWBA (Bondable)	0	14,468,000	14,468,000	--
Internal Service Fund	60,000	60,000	0	0.0%
Cap Proj Fund - DEC Regular Auth Bonds	12,000,000	12,000,000	0	0.0%
Cap Proj Fund - State Revolving Fund Auth Bonds	29,600,000	29,600,000	0	0.0%
Capital Project Fund - Onondaga Lake (Auth. Bonds)	10,000,000	10,000,000	0	0.0%
Hazardous Waste Remedial Fund - Oversight and Assesment	24,375,000	25,275,000	900,000	3.7%
Hazardous Waste Remedial Fund - Cleanup	120,000,000	120,000,000	0	0.0%
Total for AGENCY SUMMARY:	1,171,639,295	1,155,080,700	(16,558,595)	-1.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	1,425	1,429	4
All Other Funds:	2,323	2,323	0
TOTAL:	3,748	3,752	4

Agency Mission

(Executive Budget: pp. 219-230)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- an expansion of the Returnable Container Act (Bottle Bill) to cover certain non-carbonated beverages; and
- the creation of several new accounts and categories in the EPF.

Budget Detail

The Executive proposes All Funds appropriations of \$1,155,080,700, a decrease of \$16,558,595 from SFY 2007-08 levels. In SFY 2008-09, the Executive proposes 3,752 full-time equivalent (FTE) positions, an increase of 4 positions over the previous year including:

- one FTE related to the Canal Flood Mitigation Task Force created by Chapter 456 of 2007; and
- three FTEs related to the Invasive Species Council created by Chapter 674 of 2007.

State Operations

The Executive recommends State Operations appropriations of \$494,685,300, a net decrease of \$10,432,550 from SFY 2007-08 levels. The changes include:

- elimination of a one-time appropriation increase in SFY 2007-08 related to the Agency Law Enforcement Services (ALES) labor settlement;
- reduction in receipt of federal funds;
- removal of excess appropriation authority in the Operating Permit account;

- elimination of an appropriation from SFY 2007-08 in the Air and Water Quality program used to forestall a Title V fee increase; and
- elimination of a one-time appropriation for a study of wastewater infrastructure needs.

To comply with federal law and based on the advisement of the Office of State Comptroller (OSC), some Special Revenue-Federal funds are moved to Special Revenue-Other account.

Aid to Localities

The Executive recommends Aid to Localities appropriations of \$1,791,400, an overall reduction of \$6,455,045 from SFY 2007-08 levels.

Proposed Decreases

The Executive recommends:

- a reduction of \$4,048,230 in General Fund appropriations for specific environmental projects listed in the SFY 2007-08 Enacted Budget, including funding for the Sea Grant Institute and the Healthy Schools Network; and
- the elimination of \$2,406,815 in community projects funds.

Capital Projects

The Executive recommends Capital appropriations of \$658,604,000, a \$329,000 net increase from SFY 2007-08 including:

- \$120,000,000 for the State Superfund: \$15,000,000 for the Brownfield Cleanup Program, including Brownfield Opportunity Area programs and technical assistance grants, and \$10,275,000 for staff costs incurred by the Cleanup program;
- \$14,795,000 related to new appropriation authority: \$14,468,000 from the 1965 Pure Waters Bond Act and \$327,000 from the 1972 Environmental Water Quality Bond Act. The funds would be used for the state share of water quality improvement projects, including habitat restoration projects in Jamaica Bay; and
- elimination of one-time appropriations made in the SFY 2007-08 Budget, including \$4,300,000 for the Court of Claims related to anticipated eminent domain cases and \$26,000,000 for Natural Resource Damages related to anticipated habitat restoration costs.

Environmental Protection Fund (EPF)

EPF Category & Account (\$ millions)	Enacted 2007-08	Executive 2008-09	Annual Change	Percent Change
Solid Waste	27.350	29.100	1.750	6.4%
Landfill Closure	3.000	2.000	-1.000	-33.3%
Municipal Recycling	9.825	10.825	1.000	10.2%
Secondary Materials Marketing	8.750	8.750	0.000	0.0%
Hudson River Natural Resource Damages	1.300	1.500	0.200	15.4%
Pesticide Program	2.025	2.025	0.000	0.0%
Cornell BCERF	0.450		-0.450	-100.0%
Pollution Prevention Institute	2.000	4.000	2.000	100.0%
Parks, Recreation & Historic Preservation	83.100	62.100	-21.000	-25.3%
Local Waterfront Revitalization - 1	23.000	23.375	0.375	1.6%
Beacon Institute	1.625		-1.625	-100.0%
Rensselaer County Waterfront	1.000		-1.000	-100.0%
Long Island Water Projects	1.000		-1.000	-100.0%
Municipal Parks - 2	21.225	21.225	0.000	0.0%
Hudson River Park	5.000		-5.000	-100.0%
<i>Catskill Interpretive Center</i>		1.000	1.000	
Stewardship	21.500	4.125	-17.375	-80.8%
Belleayre Mountain Ski Center	0.750	0.750	0.000	0.0%
<i>Masten House</i>		0.125	0.125	
<i>Hudson-Fulton-Champlain Quadricentennial</i>		3.000	3.000	
Zoos, Botanical Gardens, & Aquaria	8.000	8.500	0.500	6.3%
Open Space	95.717	107.450	11.733	12.3%
Land Acquisition - 3	55.000	66.000	11.000	20.0%
Smart Growth Program	2.000	2.500	0.500	25.0%
Biodiversity	1.500	1.500	0.000	0.0%
Albany Pine Bush	2.000	2.000	0.000	0.0%
<i>Niagara River Greenway Commission</i>		0.150	0.150	
Invasive Species- 4	5.000	4.000	-1.000	-20.0%
Long Island Pine Barrens Planning	1.100	1.100	0.000	0.0%
Oceans and Great Lakes	4.000	4.000	0.000	0.0%
Water Quality Improvement	10.000	10.000	0.000	0.0%
Long Island South Shore Estuary Reserve	0.900	0.900	0.000	0.0%
Non-Point Source - Municipal	6.417	6.500	0.083	1.3%
Finger Lakes - Lake Ontario Watershed	2.300	2.300	0.000	0.0%
Hudson River Estuary Management	5.500	6.500	1.000	18.2%

EPF Category & Account (\$ millions)	Enacted 2007-08	Executive 2008-09	Annual Change	Percent Change
<i>Farmland Protection</i>	43.833	46.350	2.517	5.7%
Agricultural & Farmland Protection	28.000	30.000	2.000	7.1%
Non-Point Source - Agricultural	12.833	13.000	0.167	1.3%
Soil and Water Conservation Districts	3.000	3.000	0.000	0.0%
<i>Agricultural Waste Management</i>		0.350	0.350	
<i>Environmental Justice</i>		3.000	3.000	
<i>Air Quality</i>		3.000	3.000	
<i>Renewable Energy</i>		2.000	2.000	
<i>Solar Initiatives</i>		2.000	2.000	
Total	250.000	250.000	0.000	0.0%

Notes: New accounts/categories in *italics*.

1 - 2008-09 includes carve-out for urban underserved areas (\$6,656,000). 2007-08 included carve-out for urban underserved areas (\$6,656,000). 2007-08 also included following project carve-outs: \$1.625 million for the Beacon Institute, \$1 million for Rensselaer waterfront, and \$1 million for Long Island water projects.

2 - 2008-09 includes carve-out for urban underserved (\$6,000,000). 2007-08 included carve-out for urban underserved (\$5,306,000).

3 - 2008-09 includes \$2 million for the Land Trust Alliance, \$500K for Urban Forestry, \$500K for the Preservation League of New York, and \$500K for Parks and Trails New York. 2007-08 included \$1 million for the Land Trust Alliance and \$500K for Urban Forestry.

4 - Both 2008-09 and 2007-08 include \$250K carve-out for Lake George and at least \$1 million of amount for eradication.

The Executive proposes:

- \$250,000,000 in appropriations for the EPF, maintaining funding at SFY 2007-08 levels. As part of this proposal, the Governor proposes expanding the Bottle Bill and directing unclaimed deposits to the EPF. The Executive estimates that the resulting additional revenue to the EPF would be \$25,000,000 in SFY 2008-09 and \$100,000,000 annually thereafter.
- the creation of three new accounts, Farmland Protection, Environmental Justice, and Renewable Energy. The Executive also proposes establishing these new accounts and several categories permanently into statute.
- appropriations for each EPF category presented as individual lines of appropriation. In addition, the Executive maintains the requirement that no less than \$6,656,000 of the local waterfront revitalization category and \$6,000,000 of the municipal parks projects category be made available for projects in densely populated or low-income underserved communities with respect to existing recreational opportunities in the area; and

- the transfer of up to \$100,000,000 from the cash balance in the EPF to the General Fund. The existing General Fund guarantee originally established by Article VII Legislation included in section 92-s (EPF statute) of the State Finance Law would be increased by an amount equal to the proposed transfer. The Executive proposes \$75,000,000 in disbursements from the EPF be financed by bond proceeds. The Executive projects an opening balance in SFY 2008-09 of \$127,885,000 for the EPF. Based on the Executive's proposed sweeps bonding, revenue and disbursement projections, the EPF is expected to close SFY 2008-09 with a \$137,885,000 balance.

Article VII

The Executive recommends Article VII legislation that would:

- amend the State Finance Law to increase the aggregate amount of allowable transfers from the General Fund to the EPF from \$322,171,000 to \$422,171,000 in the event the EPF faces a fund shortfall. The legislation would also add three new funding accounts in permanent statute, as well adding several existing funding categories into statute;
- amend the Bottle Bill by expanding the statute to cover all beverages, with the exception of liquor, wine, infant formula and milk. The legislation would provide for the recapture of unclaimed deposits by the State to be deposited in the EPF. In addition, this legislation would provide for several reforms, including provisions designed to increase redemption rates, ease burdens on retailers, encourage the establishment of new redemption centers, clarify the rights and responsibilities of consumers, dealers and deposit initiators, and facilitate enforcement;
- increase the Title V facility per ton operating permit fee on regulated air contaminants from \$45 to a maximum of \$80 and adjust the fee annually based on the consumer price index, establish a minimum fee of \$5,000 per operating permit facility, and eliminate the current annual 6,000 ton per-contaminant cap;
- make permanent the current time frames for review of pesticide product registration applications and fees;
- reform the Brownfields Cleanup Program to authorize DEC to cap the redevelopment tax credit at \$10,000,000 and reject an application for the Brownfields Cleanup Program upon a determination that reuse or redevelopment would occur without tax credits; and
- amend the Brownfields Cleanup Program to separate eligibility for participation in the Program from eligibility for tax credits. The legislation would also modify the current tax credit structure to provide graduated financial incentives based on criteria including: the category of the clean up (i.e. residential, commercial), location, the proposed utilization of green building construction and use of renewable energy sources. It would establish a \$15,000,000 cap on the tangible property tax credit.

ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	13,552,000	13,828,000	276,000	2.0%
Capital Projects Fund	4,400,000	0	(4,400,000)	-100.0%
Clean Water-Clean Air Implementation Fund	343,000	343,000	0	0.0%
Total for AGENCY SUMMARY:	18,295,000	14,171,000	(4,124,000)	-22.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	92	100	8
TOTAL:	92	100	8

Agency Mission

(Executive Budget: pp. 231-235)

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

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

Budget Detail

The State Fiscal Year (SFY) 2008-09 Executive Budget proposes an All Funds appropriation of \$14,171,000, a decrease of \$4,124,000 from the SFY 2007-08 level, and 100 full-time equivalent positions, an increase of eight positions from the SFY 2007-08 level. Support for the additional staff is the result of increased revenue.

State Operations

Proposed Increases

The Executive proposes an increase of \$276,000 in Special Revenue-Other funds for State Operations, which includes:

- \$118,000 for personal service increases; and
- \$158,000 for non-personal service increases.

Capital Projects

The Executive recommends Capital Projects appropriations of \$343,000 to implement and maintain the 1996 Clean Water/Clean Air Bond Act at the SFY 2007-08 level.

Deficiency Request

The adjusted appropriation includes a recommended deficiency appropriation of \$4,400,000 to fund the Environmental Farm Assistance and Resource Management (EFARM) Program. Originally charged to the 1996 Clean Water/Clean Air Bond Act, the EFARM program, which assists farmers with their nutrition management plans, in certain activities which do not meet the requirements needed to be considered bondable.

DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	95,316,762	86,049,000	(9,267,762)	-9.7%
Special Revenue-Other	66,993,000	66,993,000	0	0.0%
Special Revenue-Federal	103,101,000	103,101,000	0	0.0%
Housing Program Fund	74,200,000	74,200,000	0	0.0%
Total for AGENCY SUMMARY:	339,610,762	330,343,000	(9,267,762)	-2.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	375	375	0
All Other Funds:	575	575	0
TOTAL:	950	950	0

Agency Mission

(Executive Budget: pp. 237-244)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- In collaboration with the State of New York Mortgage Agency (SONYMA), a \$400,000,000 Housing Opportunity Fund is proposed to provide affordable, supportive and workforce housing options across New York State.

Budget Detail

The Executive recommends an All Funds appropriation of \$330,343,000, a \$9,267,762 decrease from SFY 2007-08 funding level. The Executive proposes continued support for a workforce of 950 full-time equivalent (FTE) positions.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$102,638,000, a \$4,000,000 increase over the SFY 2007-08 funding level.

Proposed Increases

- The Administration program's funding is increased by \$2,000,000, to accommodate increased lease costs at DHCR offices in New York City.
- The Housing Information Systems Program is also increased by \$2,000,000 to support required information technology upgrades.

Aid to Localities

The Executive recommends an All Funds Aid to Localities appropriation of \$153,505,000, a \$13,267,000 decrease from SFY 2007-08 funding level.

Through appropriations made for SONYMA, the Executive authorizes a \$400,000,000 Housing Opportunity Fund, which would seek to increase access to affordable housing options and to improve access to supportive housing for persons with physical disabilities or mental illness. While the Housing Opportunity Fund would be directly administered by SONYMA, DHCR and a host of other State agencies would become members of an advisory council to provide oversight of the Fund.

The Executive proposal would finance the program through the release of \$100,000,000 in reserves from the Mortgage Insurance Fund, and an additional \$300,000,000 through a portion of the proceeds gained from the sale of property at the Jacob K. Javits Convention Center site in New York City.

Proposed Decreases

The Executive proposes decreases of \$13,267,000 for local assistance projects as follows:

- \$4,000,000 from the Periodic Subsidies Program providing \$16,220,000 in SFY 2008-09;
- \$3,272,000 from the Neighborhood Preservation Program, providing \$10,634,000 in SFY 2008-09;
- \$1,628,000 from the Rural Preservation Program, providing \$4,597,000 in SFY 2008-09;
- \$1,589,000 in support of various legislative initiatives is eliminated;
- \$1,200,000 for the New York City Housing Authority Tenant Pilot Program is eliminated;
- \$400,000 for the Lead Poisoning Prevention Program is eliminated;
- \$400,000 for the Rural Community Revitalization Program is eliminated
- \$390,000 in support for the Home Ownership Economic Stabilization Program for Long Island is eliminated; and
- \$388,000 for the Urban Homeownership Program is eliminated.

Capital Projects

The Executive proposal for SFY 2008-09 maintains prior year funding levels in support of five capital programs totaling \$74,200,000. The programs to receive continued appropriations are:

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

Article VII

The Executive recommends Article VII legislation that would:

- Increase the aggregate amount of the State Low Income Housing Tax Credit that the Commissioner of DHCR may allocate by \$4,000,000.

HUDSON RIVER PARK TRUST

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Capital Projects Fund - Advances	0	25,000,000	25,000,000	--
Total for AGENCY SUMMARY:	0	25,000,000	25,000,000	--

Agency Mission

(Executive Budget: pp. 251-252)

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

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

Budget Detail

The State Fiscal Year (SFY) 2008-09 Executive Budget includes an All Funds appropriation of \$25,000,000, an increase of \$25,000,000 from no appropriation in SFY 2007-08.

Capital Projects

The \$25,000,000 appropriation in Capital Projects represents the State paying the advance on New York City's share of costs associated with the Hudson River Park. This advance is to match State payments of \$5,000,000 from the SFY 2007-08 Environmental Protection Fund and an anticipated \$20,000,000 in State economic development capital payments.

INSURANCE DEPARTMENT

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	101,000,000	100,000,000	(1,000,000)	-1.0%
Special Revenue-Other	199,182,000	217,223,000	18,041,000	9.1%
Special Revenue-Federal	0	150,000	150,000	--
Total for AGENCY SUMMARY:	300,182,000	317,373,000	17,191,000	5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	9	12	3
All Other Funds:	935	956	21
TOTAL:	944	968	24

Agency Mission

(Executive Budget: pp. 253-256)

The Insurance Department oversees and monitors the insurance industry to balance the interests of New York State consumers, companies and producers. The Department's responsibilities include approving formations, consolidations, and mergers of New York State insurance companies; all new insurance products; monitoring financial stability; ensuring compliance with insurance laws and regulations through enforcement, education via testing, and licensing of insurance employees; and commencing disciplinary actions against firms and employees that violate such laws. The Department primarily receives its operating revenue from assessments levied on the insurance industry.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- the continuation of \$100,000,000 in General Fund appropriations to support provisions related to a statutory mandate to provide mental health coverage as part of health insurance plans (Timothy's Law);
- an increase of \$11,900,000 related to the shift of the Enhanced Newborn Screening Program from the Department of Health to the Insurance Department; and
- an increase of \$2,000,000 to support the addition of 24 Full Time Equivalent (FTE) positions, including:
 - 12 FTEs to support the administration of Timothy's Law;
 - 5 FTEs to support activities related to the "Partnership for Coverage" initiative; and
 - 7 FTEs to support activities related to the Commission to Modernize the Regulation of Financial Services.

Budget Detail

The Executive requests the following:

- all Funds appropriations totaling \$317,373,000, an increase of \$17,191,000 or 5.7 percent from SFY 2007-08 levels;
- General Fund appropriations totaling \$100,000,000, a decrease of \$1,000,000 or 1.0 percent from SFY 2007-08 levels;
- Special Revenue Fund–Other appropriations totaling \$217,223,000, an increase of \$18,041,000 or 9.1 percent from SFY 2007-08 levels; and
- a new Special Revenue Fund–Federal appropriation totaling \$150,000.

State Operations

The Executive requests State Operations appropriations totaling \$316,337,000 for the Insurance Department, an increase of \$16,155,000 or 5.38 percent from SFY 2007-08 levels.

Proposed Increases

The Executive proposes:

- an increase of \$800,000 in General Fund support for personal services costs related to the addition of 12 Full Time Equivalent (FTE) positions associated with the administration of Timothy's Law;
- an increase of \$506,000 in Special Revenue–Other support for personal service costs related to underlying wage growth;
- an increase of \$1,200,000 in Special Revenue–Other support for personal service costs related to the addition of five FTE positions associated with the Partnership for Coverage and seven FTE positions associated with the Commission to Modernize the Regulation of Financial Services;
- an increase of \$11,900,000 in Special Revenue–Other support related to the shift of the Enhanced Newborn Screening Program from the Department of Health to the Insurance Department;
- an increase of \$3,500,000 in Special Revenue–Other support related to increased rent costs in the New York City office;
- an increase of \$435,000 in Special Revenue–Other support related to a re-estimate of fringe and indirect costs;
- an increase of \$500,000 in Special Revenue–Other support related to a shift of the Workers Compensation Task Force from General Fund to Special Revenue–Other funding. This appropriation represents six months of funding which the Executive believes is sufficient for the Task Force to complete its work; and
- an increase of \$150,000 in Special Revenue–Federal support related to a federal study of risk pool mechanisms.

Proposed Decreases

The Executive proposes:

- a decrease of \$800,000 in General Fund support related to a re-estimate of the Timothy's Law subsidy payments;
- a decrease of \$1,000,000, in General Fund support related to a shift of the Workers Compensation Task Force from General Fund to Special Revenue–Other funding; and
- a decrease of \$1,036,000 in Special Revenue–Other support related to the shift of a Department of State sub-allocation for the New York City Fire Training Academy from State Operations to Aid to Localities.

Aid to Localities

The Executive requests a new Aid to Localities appropriation totaling \$1,036,000 for the Insurance Department.

Proposed Increases

- The Executive proposes an increase of \$1,036,000 in Special Revenue–Other support related to the shift of a Department of State sub-allocation for the New York City Fire Training Academy from State Operations to Aid to Localities.

Article VII

The Executive recommends Article VII legislation that would:

- increase fines and penalties for various violations of the Insurance Law;
- authorize the superintendent to issue cease and desist orders; and
- increase the length of time that an individual, corporation, firm or association must wait to obtain a license after revocation.

DIVISION OF THE LOTTERY

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	132,357,300	120,314,100	(12,043,200)	-9.1%
Total for AGENCY SUMMARY:	132,357,300	120,314,100	(12,043,200)	-9.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	361	361	0
TOTAL:	361	361	0

Agency Mission

(Executive Budget: pp. 257-259)

The Division of the Lottery is responsible for administering New York State Lottery games and video lottery terminals (VLTs), which raise revenue used to support education. The agency is included in the Transportation, Economic Development and Environmental Conservation appropriation bill.

Budget Detail

The Executive proposes an All Funds appropriation of \$120,314,100, a decrease of \$12,043,200 or 9 percent, below the SFY 2008-09 level. The Executive recommends funding support for 361 full-time equivalent (FTE) positions, reflecting no change from SFY 2008-09.

State Operations

Proposed Decreases

The Executive proposes to decrease Special Revenue Funding by \$12,043,200 for SFY 2008-09 including:

- \$2,675,300 reflecting a reduction in non personal service funds;
- \$367,900 reflecting a reduction in personal service; and
- an elimination of a \$9,000,000 one-time NYRA contingency appropriation enacted in the SFY 2007-08 budget.

Article VII

The Executive recommends Article VII legislation that would:

- eliminate the sunset date for Quick Draw making permanent the Division's authority to operate the Quick Draw Game. Quick Draw was due to sunset on May 31, 2008. It is estimated that the continuation of the Quick Draw will produce a projected \$136 million in revenues for the SFY 2008-09 which supports education funding as well as providing commissions for Lottery retailers;
- authorize the operation of VLTs at Belmont Park and sets the commission rate paid to the operators of VLTs at Belmont and Aqueduct at 32 percent. It is anticipated that the sale of the Belmont Park VLT development rights will produce \$250,000,000 in revenue; and
- authorize the monetization of the Lottery to support primary, secondary and higher education institutions in New York State pursuant to a chapter of the Laws of 2008. However, the proposal specifically excludes monetization of VLTs.

STATE OF NEW YORK MORTGAGE AGENCY

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	370,518,000	331,809,000	(38,709,000)	-10.4%
Total for AGENCY SUMMARY:	370,518,000	331,809,000	(38,709,000)	-10.4%

Agency Mission

(Executive Budget: pp. 247-249)

The State of New York Mortgage Agency (SONYMA) is a public benefit corporation created to increase the affordability of homeownership for low to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. SONYMA receives no direct operating support from the State.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes \$400,000,000 for a Housing Opportunity Fund to provide affordable, supportive and workforce housing options across New York State.

Budget Detail

The Executive Budget recommends an All Funds appropriation for SONYMA in the amount of \$331,809,000, a \$38,709,000 decrease from the SFY 2007-08 funding level. No cash disbursements are projected to be made from this appropriation. All SONYMA programs and operations are supported by mortgage income, application fees, insurance premiums and investment proceeds.

The Executive proposes continued support for a workforce of 101 full-time equivalent (FTE) positions, an increase of eight FTEs from 2007-08.

State Operations

The Executive provides a \$61,800,000 appropriation for the SONYMA Homeowners Mortgage Revenues Reimbursement Program and a \$15,000,000 appropriation for the Mortgage Insurance Fund Reimbursement Program, maintaining SFY 2007-08 funding levels.

Aid to Localities

The Executive recommends General Fund support in the amount of \$255,009,000, a decrease of \$38,709 from SFY 2007-08 funding levels.

The Executive Budget would authorize a \$400,000,000 Housing Opportunity Fund to increase access to affordable housing options and to improve access to supportive housing for persons with physical disabilities or mental illness. The Housing Opportunity Fund would be administered by SONYMA in consultation with an advisory council composed of relevant stakeholders from State agencies including: the Division of Housing and Community Renewal (DHCR); the Office of Temporary and Disability Assistance (OTDA); the Office of Substance Abuse Services (OASAS); the Office of Mental Health (OMH); and the Office Mental Retardation and Developmental Disabilities (OMRDD).

The Executive proposal would finance the Housing Opportunity Fund through the release of \$100,000,000 in reserves from the Mortgage Insurance Fund and through a portion of the proceeds gained from the sale of property at the Jacob K. Javits Convention Center site (\$300,000,000).

Article VII

The Executive recommends Article VII legislation that would create an account within the Mortgage Insurance Fund to support a new Housing Opportunity Fund.

DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	95,970,000	99,139,000	3,169,000	3.3%
Special Revenue-Federal	33,200,000	32,105,000	(1,095,000)	-3.3%
Dedicated Highway and Bridge Trust Fund	199,806,000	221,453,000	21,647,000	10.8%
Internal Service Fund	9,500,000	10,500,000	1,000,000	10.5%
Total for AGENCY SUMMARY:	338,476,000	363,197,000	24,721,000	7.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	2,829	2,943	114
TOTAL:	2,829	2,943	114

Agency Mission

(Executive Budget: pp. 265-269)

The New York State Department of Motor Vehicles (DMV) is responsible for registering vehicles to identify and authorize use, providing vehicle titles to establish vehicle ownership, licensing and regulating the motor vehicle industry, and licensing drivers to protect consumers and promote traffic safety. The DMV Traffic Violations Bureau also helps to adjudicate traffic infractions. The DMV collects fees and generates non-tax revenues to support these objectives.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- a proposal implementing a \$1,386,000 pilot program known as the Internet Point Insurance Reduction Program (IPIRP), which would allow drivers to reduce demerit points on their licenses through the completion of online Internet driver safety courses; and
- approximately \$15,900,000 to implement the Western Hemisphere Travel Initiative (WHTI). WHTI is a federal program which would require all travelers to present a secure document, such as a passport, or a combination of documents, for the purpose of identity verification when entering or exiting the United States. DMV plans to provide optional enhanced drivers' licenses and non-driver photo identification cards which meet the standards set by the United States Department of Homeland Security for WHTI-compliant enhanced identification documents – standards which include that such documents possess physical security features such as radio frequency identification (RFID) chips and holographic finishes. An additional fee of \$20, on top of the existing license or renewal fee, would be charged by DMV for issuance of a WHTI-compliant enhanced drivers' license.

Budget Detail

The Governor proposes a total All Funds appropriation of \$363,197,000, an increase of \$24,721,000, or 7.3 percent over the adjusted SFY 2007-08 Budget. The Executive recommends funding to support 2,943 full-time equivalent (FTE) positions, an increase of 114 positions.

State Operations

The Executive proposes a total All Funds State Operations appropriation of \$124,480,000, an increase of \$3,050,000, or 2.5 percent, over SFY 2007-08 levels.

Proposed Increases

- The Executive appropriates \$1,386,000 for IPIRP, a program that was not funded in the SFY 2007-08 Enacted Budget. Of the 114 new FTE positions proposed for DMV, four positions are associated with the IPIRP initiative.

Proposed Decreases

- The \$14,841,000 State Operations appropriation for the Governor's Traffic Safety Committee is reduced by \$1,119,000, or 7.0 percent, from SFY 2008-09 funding levels due to a projected decrease in Federal grants for the program.

Aid to Localities

The Executive proposes an Aid to Localities appropriation in the amount of \$17,264,000, representing a \$24,000, or 0.14 percent, increase over the SFY 2007-08 funding levels. These funds would be used to support the Governor's Traffic Safety Committee which administers State highway safety programs.

Capital Projects

The Executive proposes an appropriation of \$221,453,000 from the Dedicated Highway and Bridge Trust Fund (DHBTF). This amount represents an increase of \$21,647,000 or 10.8 percent over SFY 2007-08 levels. Of the total amount, \$95,366,000 or 43.1 percent would be used to support personal service and an additional \$49,422,000 (or 22.3 percent) for fringe benefits indirect and travel costs, rather than capital expenditures.

The overall capital projects appropriation in DMV is intended for the Transportation Support Program under which many of DMV's administrative functions and initiatives are implemented, including the WHTI proposal. In fact, the increase in the size of the Transportation Support Program over SFY 2007-08 is primarily attributable to WHTI, which is projected to cost approximately \$15,900,000 in the first year of implementation. This \$15,900,000 would be used to fund 110 new FTE's, and to purchase additional identification authentication equipment for verifying the identities of people wishing to obtain an enhanced drivers' license or non-driver identification card. In SFY 2008-09, it is anticipated that approximately \$52,500,000 in revenue will be collected by DMV as a result of the additional \$20 fee associated with the issuance of WHTI-compliant enhanced driver's licenses and non-driver identification cards; \$19,500,000 is anticipated in SFY 2009-10, and approximately \$10,000,000 in WHTI-related revenue is anticipated each year thereafter.

Article VII

The Executive recommends Article VII legislation that would:

- amend the Vehicle and Traffic Law and the Transportation Law, in relation to disqualification of commercial driver's licenses;
- amend the Vehicle and Traffic Law in relation to establishing the \$20 fee for enhanced drivers' licenses and non-driver identification cards; and
- transfer the adjudication of all traffic infractions in the City of Buffalo from the New York State Department of Motor Vehicles' Traffic Violations Bureau to the City of Buffalo.

There is also Article VII legislation proposed in the Public Protection and General Government bill that would authorize cities with a population of 125,000 or more, and counties with populations of one million or more, to adopt local laws or ordinances establishing red light camera traffic safety pilot programs.

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	8,226,000	8,626,000	400,000	4.9%
Special Revenue-Other	400,000	400,000	0	0.0%
Total for AGENCY SUMMARY:	8,626,000	9,026,000	400,000	4.6%

Agency Mission

(Executive Budget: pp. 271-273)

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 Speedskating 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.

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

Budget Detail

The State Fiscal Year (SFY) 2008-09 Executive Budget includes an All Funds appropriation of \$9,026,000, an increase of \$400,000 from the SFY 2007-08 level. This includes an increase of three positions raising the overall size of the ORDA workforce to 203 positions.

State Operations

The Executive proposes \$9,026,000 in appropriations for State Operations, an increase of \$400,000 from SFY 2007-08 levels.

Proposed Increases

The Executive proposes:

- \$208,000 for salary adjustments, including the addition of three new positions; and
- \$192,000 for increases in health care costs and inflation.

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	159,239,746	146,230,100	(13,009,646)	-8.2%
Special Revenue-Other	75,243,900	75,586,900	343,000	0.5%
Special Revenue-Federal	10,355,900	10,320,900	(35,000)	0.3%
Enterprise	2,500,000	1,500,000	(1,000,000)	-40.0%
Misc. Capital Projects	3,300,000	3,800,000	500,000	15.2%
State Parks Infrastructure Fund	34,200,000	144,200,000	110,000,000	321.6%
Federal Capital Projects Fund	4,000,000	4,000,000	0	0.0%
Fiduciary Funds - Misc Combined Expendable Trust Fund	10,000,000	10,000,000	0	0.0%
Total for AGENCY SUMMARY:	298,839,546	395,637,900	96,798,354	32.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	1,716	1,748	32
All Other Funds:	528	528	0
TOTAL:	2,244	2,276	32

Agency Mission

(Executive Budget: pp. 275-280)

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides recreational and interpretive opportunities for New York State residents and visitors at 178 parks and 35 historic sites across the State. The Office also hosts cultural and education programs and provides a variety

of recreational programs, including the Empire State Summer and Winter Games. The parks and historic sites serve over 60 million visitors annually.

OPRHP is located in the Transportation, Economic Development and Environmental Conservation appropriations bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- an infusion of \$110 million in new capital funding for various recreational and park capital project improvements; and
- the addition of 32 full-time equivalent (FTE) positions. The positions include 20 FTEs related to the opening of ten new facilities and 12 FTEs associated with the conversion and use of Camp Cass in Rensselaerville as the new parks police training center.

Budget Detail

The Executive recommends All Funds appropriations of \$395,637,900, an increase of \$96,798,354 from SFY 2007-08 levels.

State Operations

The Executive recommends State Operations appropriations of \$218,767,900, a net increase of \$3,454,000 over SFY 2007-08 levels. The net increase is primarily related to the costs associated with the opening of new facilities, start-up and operating costs for Camp Cass, and funds for lifeguard recruitment and retention.

Aid to Localities

The Executive recommends Aid to Localities appropriations of \$14,870,000, representing a \$17,155,646 net decrease from SFY 2007-08 levels. The decrease results from the elimination of community projects and the elimination of \$1,678,075 in funding for the Natural Heritage Trust Program (NHTP). This program includes several different projects added in SFY 2007-08 such as the Village of Schuylerville Revolutionary War Site, the Independence Trail, and French and Indian War 250th Anniversary Commemoration Commission.

Capital Projects

The Executive proposes Capital appropriations of \$162,000,000 for SFY 2008-09, an increase of \$110,500,000 from SFY 2007-08 levels.

Proposed Increases

The Executive proposes:

- \$110,000,000 in state parks capital initiatives. This amount includes \$90,500,000 for various parks capital projects, \$8,000,000 for the Walkway Over the Hudson project in Poughkeepsie, and funds for capital improvements in the Department of Environmental Conservation and at the State Fair.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the Power Authority of the State of New York (PASNY) to transfer \$8,000,000 to the Office of Parks, Recreation and Historic Preservation for the operation and maintenance of state parks near the Niagara and Saint Lawrence-FDR power projects, respectively.

DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	76,703,000	78,687,000	1,984,000	2.6%
Special Revenue-Federal	1,691,000	1,691,000	0	0.0%
Total for AGENCY SUMMARY:	78,394,000	80,378,000	1,984,000	2.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	540	540	0
TOTAL:	540	540	0

Agency Mission

(Executive Budget: pp. 295-297)

The Department of Public Service (DPS) is the staff arm of the Public Service Commission (PSC) and has the mandate of ensuring New Yorkers access to reliable and low cost utility services. The PSC is responsible for regulating rates and services of the State's public utilities, overseeing the siting of major electric and gas transmission lines and facilities, and ensuring the safety of natural gas and liquid petroleum pipelines. The Department is also responsible for the oversight and regulation of the cable television industry.

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

Budget Detail

The State Fiscal Year (SFY) 2008-09 Executive Budget includes an All Funds appropriations of \$80,378,000, an increase of \$1,984,000 from SFY 2007-08 levels. Staffing levels of 540 full-time equivalent (FTE) positions are maintained at the same levels as in the current fiscal year.

State Operations

The Executive proposes a State Operations appropriation of \$79,828,000, an increase of \$1,834,000 from SFY 2007-08. This increase includes personal service salary increases, along with non-personal service and fringe benefit growth.

Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$550,000, an increase of \$150,000 from SFY 2007-08. This increase is the result of the Executive's expectation of a reauthorized power plant siting law and a corresponding increase in intervenor activity. This appropriation is attended to actions related to proposed electric generating facility sitings.

Article VII

The Executive recommends Article VII legislation that would authorize utility assessments in the amount of \$89,967,000, a decrease of 1.1 percent from the current fiscal year, for programs maintained by State agencies as follows:

- \$74,534,000 for the Department of Public Service, up 2.4 percent;
- \$3,775,000 for the Department of Environmental Conservation, down 43.5 percent;
- \$6,243,000 for the Office of Homeland Security, no change;
- \$4,250,000 for the Consumer Protection Board, up 5.9 percent;
- \$820,000 for the Department of Economic Development, down 2.4 percent;
- \$256,000 for the Department of Agriculture and Markets, down 28.2 percent ; and
- \$89,000 for the Office of Parks, Recreation and Historic Preservation, no change.

The Executive anticipates that the significant decreases will be supplemented by the General Fund revenue to avoid exceeding the statutory 18A cap.

STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	24,768,000	25,018,000	250,000	1.0%
Total for AGENCY SUMMARY:	24,768,000	25,018,000	250,000	1.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	136	136	0
TOTAL:	136	136	0

Agency Mission

(Executive Budget: pp. 299-300)

The State Racing and Wagering Board regulates all legalized gambling activities in New York State with the exception of the State Lottery. The Board also has shared responsibility for the oversight of bingo and other permitted games of chance conducted by not-for-profit and religious organizations.

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

Budget Detail

The Executive recommends an All Funds appropriation of \$25,018,000 for State Fiscal Year (SFY) 2008-09, reflecting a net increase of \$250,000 or 1.01 percent over SFY 2007-08.

A workforce of 136 full-time equivalent positions is proposed, representing no changes from the current level.

State Operations

The Executive proposal includes a \$10,716,000 Special Revenue Fund Other appropriation for the continued support of the regulation of wagering program including \$2,446,000 for the regulation of charitable gaming such as bell jar games and \$8,270,000 to support the regulation, monitoring, and oversight of Indian casinos.

Proposed Increases

- The Executive proposal includes a \$14,302,000 in Special Revenue Fund - Other appropriation reflecting an increase of \$250,000 for costs associated with funding for the Cornell Equine Drug Testing Program.

GOVERNOR'S OFFICE OF REGULATORY REFORM

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,751,000	3,751,000	0	0.0%
Total for AGENCY SUMMARY:	3,751,000	3,751,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	36	36	0
TOTAL:	36	36	0

Agency Mission

(Executive Budget: pp. 303-305)

The Governor's Office of Regulatory Reform (GORR) was created in 1995 and focuses on the oversight, review and streamlining of State regulations, providing information on regulatory requirements, and expediting regulatory approval.

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

Budget Detail

The Executive recommends an All Funds appropriation of \$3,751,000 for State Fiscal Year (SFY) 2008-09 reflecting no change from SFY 2007-08 funding levels.

A workforce of 36 full-time equivalent (FTE) funded positions is recommended reflecting no change from SFY 07-08 staffing levels.

State Operations

The Executive proposal includes \$3,751,000 in State Operations General Fund appropriations reflecting no change in General Fund spending.

Funding for the Online Permitting Assistance and Licensing (OPAL) system is continued at \$750,000, reflecting software and hardware contractual costs for the ongoing maintenance and development of the OPAL system.

SCIENCE, TECHNOLOGY AND INNOVATION, NYS FOUNDATION FOR

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	53,967,000	51,626,000	(2,341,000)	-4.3%
Special Revenue-Other	500,000	500,000	0	0.0%
Special Revenue-Federal	6,500,000	0	(6,500,000)	-100.0%
Total for AGENCY SUMMARY:	60,967,000	52,126,000	(8,841,000)	-14.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	30	30	0
TOTAL:	30	30	0

Agency Mission

(Executive Budget: pp. 308-326)

The New York State Foundation for Science, Technology, and Innovation – formerly the Office of Science, Technology and Academic Research (NYSTAR) – is a public benefit corporation responsible for promoting and investing in enterprises with the potential to create and retain high-technology jobs. The Foundation is also responsible for directing the State’s university-based high-technology economic development programs.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes \$4,000,000 for the Supercomputer Consortium, a collaboration of ten New York State universities, research institutions and high technology inter-university organizations.

Budget Detail

The Executive proposes an All Funds appropriation of \$52,126,000, a decrease of \$8,841,000 or 14.5 percent over the SFY 2007-08 level. The Executive recommends funding support of 30 full time equivalent (FTE) positions, which is consistent with SFY 2007-08 levels.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$4,536,000, a decrease of \$191,000 or 4.04 percent from the SFY 2007-08 level due to lower administrative costs.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$47,590,000, a decrease of \$8,650,000 or 15.38 percent below the SFY 2007-08 level. The appropriation includes the elimination of \$6,500,000 of Federal funding in the Training and Business Assistance program because the Foundation no longer requires a state appropriation to disburse federal assistance since it is now a public authority.

The Executive proposal maintains funding for the following programs at SFY 2007-08 levels:

- \$15,000,000 for Centers for Advanced Technology;
- \$5,000,000 for the Focus Center;
- \$5,000,000 for Security Through Advanced Technology;
- \$4,000,000 for the Faculty Development Program;
- \$4,000,000 for the Incentive Program;
- \$1,500,000 for College Applied Research Centers;
- \$1,500,000 for the Federal Manufacturing Extension Partnership Program
- \$1,500,000 for Technology Development Organizations;
- \$1,000,000 for the Industrial Technology Extension Service;
- \$750,000 for SUNY Albany Semiconductor Research Corporation;
- \$650,000 for Emerging Industries Alliance
- \$500,000 for Cornell University National Science Foundation (NSF) Nanoscale Science and Engineering Center;
- \$500,000 for Cornell University NSF Nanotech Infrastructure Network;
- \$500,000 for Columbia University NSF Nanoscale Science and Engineering Center;
- \$500,000 for Rennselaer Polytechnic Institute NSF Nanoscale Science and Engineering Center;

- \$400,000 for Cornell University NSF Materials Research Center;
- \$350,000 for the Science and Technology Law Center Program;
- \$320,000 for Syracuse Sensing, Analyzing, Interpreting and Deciding Center;
- \$300,000 for Cornell University NSF Nanobiotechnology Center;
- \$250,000 for Columbia University NSF Materials Research Science and Engineering Center; and
- \$70,000 for CUNY Optical Sensing Imaging Center.

Proposed Increase

The Executive proposes \$4,000,000 for the Supercomputer Consortium; a collaboration of ten New York State universities, research institutions and high technology inter-university organizations.

Proposed Decreases

The Executive proposes a \$5,825,000 decrease in Aid to Localities funding by cutting support for the following programs:

- \$2,100,000 for the Emerging Technology Workforce Technology program;
- \$1,000,000 for Regional Partnerships;
- \$800,000 for the Center for Integrated Manufacturing Systems;
- \$400,000 for the Center for Remanufacturing;
- \$300,000 for the New York Loves Biomedical Marketing Program;
- \$250,000 for the New York State Engineering Design and Industrial Innovation; and
- \$1,000,000 for the elimination of the James D. Watson Investigator Program.

DEPARTMENT OF STATE

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	46,076,490	22,611,000	(23,465,490)	-50.9%
Special Revenue-Other	56,158,000	62,168,000	6,010,000	10.7%
Special Revenue-Federal	72,802,000	72,802,000	0	0.0%
Total for AGENCY SUMMARY:	175,036,490	157,581,000	(17,455,490)	-10.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	214	217	3
All Other Funds:	675	710	35
TOTAL:	889	927	38

Agency Mission

(Executive Budget: pp. 311-316)

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. The Department protects public safety by managing arson investigation, fire prevention, building and energy code programs; administers programs for community development and local government service activities; and supports businesses through various licensing and registration activities.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- A new Office of Indigent Defense Services is created to monitor the provision of indigent defense services statewide, and to make recommendations to improve the delivery of services.
- The New York Commission on Uniform State Laws is transferred from the Division of Budget to DOS.
- Funding for the Law Revision Commission is reinstated under DOS

Budget Detail

The Executive Budget recommends an All Funds appropriation of \$157,581,000, a \$17,455,490 decrease from its State Fiscal Year (SFY) 2007-08 funding levels. The Executive proposes support for a workforce of 927 full-time equivalent (FTE) positions, an increase of 38 FTE over SFY 2007-08.

State Operations

The Executive proposes funding to support State Operations in the amount of \$80,766,000, a \$7,028,000 increase from SFY 2007-08 funding levels.

The SFY 2008-09 Executive budget request does not include funding for the State Ethics Commission, as the Commission and its funding was merged into the new Commission of Public Integrity during the current state fiscal year pursuant to the provisions of Chapter 14 of the Laws of 2007.

Proposed Increases

- The Administration Program is increased by \$1,250,000 to support increases in personal and nonpersonal service.
- The Local Government and Community Services Program is increased by \$625,000 to accommodate scheduled salary increases.
- Appropriations made for the Tug Hill Commission are increased by \$320,000 to support personal and nonpersonal service costs.
- Funding for the State of New York Commission on Uniform State Laws is transferred from the Division of Budget to DOS. The Commission will be funded with \$160,000 in General Fund support.

- The General Fund will also support the expenses of the Law Revision Commission, with funding restored within DOS at \$158,000.

The Executive recommends an increase in Special Revenue-Other Funds to support the following:

Appropriations made for the Business and Licensing Services Program are increased by \$2,022,000 to allow for increased enforcement of newly-enacted laws pertaining to the monitoring of persons engaged in the business of reselling tickets to certain entertainment venues (Chapter 61, Laws of 2007) and the monitoring of unlicensed persons who install security and fire alarm systems (Chapter 437, Laws of 2007). These increased enforcement measures will require the hiring of an additional 20 FTE.

A \$3,000,000 appropriation from the Legal Services Assistance Fund (LSAF) is added for the administration of a new Office of Indigent Defense Services, which would examine, evaluate and collect information on the public defense system in New York State to ensure that the rights of the indigent are protected and represented in the State legal system. The Office would be empowered to make recommendations to improve the delivery of defense services, and would be allocated funds from the Indigent Legal Services Fund (ILSF) to provide legal assistance and targeted grants to communities in need. The SFY 2008-09, Office is allocated \$1,000,000 from the Legal Services Assistance Fund (LSAF) to support grants to civil legal service providers.

Proposed Decreases

- The Executive eliminates a \$1,000,000 appropriation for the Northway Travel Safety Program.
- The Administration Program is reduced by \$12,000 to reflect non-recurring payments related to a special pay bill.

Aid to Localities

The Executive proposes funding to support local assistance in the amount of \$876,815,000, a \$24,483,490 decrease from SFY 2007-08 funding levels.

Proposed Increases

- In SFY 2008-09, a \$1,000,000 appropriation is made from the LSAF to allow for the Office of Indigent Defense Services to administer a competitive grant program to provide assistance to civil legal service providers.

Proposed Decreases

The Executive reduces General Fund support by a total \$24,483,490, as follows:

- \$4,600,000 for civil legal/domestic violence service providers is eliminated.
- \$687,000 in funding the Settlement House Program is eliminated.
- \$505,000 for the Public Utilities Law Project is eliminated.
- Aid to localities assistance for the Emergency Services Revolving Loan Program in the amount of \$235,000 is shifted to State Operations.
- Legislative initiatives totaling \$19,430,579 are also eliminated.

Article VII

The Executive recommends Article VII legislation that would:

- create a State Office to monitor the provision of indigent defense services and to consider and recommend measures to improve the delivery of such services;
- conform the State's Community Services Block Grant Program to the federal Community Services Block Grant Program and make permanent the funds distribution formula; and
- make permanent the authority for the Secretary of State to charge increase fees for expedited handling of documents.

DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	311,352,000	313,720,000	2,368,000	0.8%
Special Revenue-Other	76,420,000	86,837,000	10,417,000	13.6%
Special Revenue-Federal	582,000	2,582,000	2,000,000	343.6%
Internal Service Fund	47,502,000	46,202,000	(1,300,000)	-2.7%
Total for AGENCY SUMMARY:	435,856,000	449,341,000	13,485,000	3.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	4,191	4,266	75
All Other Funds:	775	775	0
TOTAL:	4,966	5,041	75

Agency Mission

(Executive Budget: pp. 317-321)

The Department of Taxation and Finance is responsible for the administration and collection of various State taxes and related local taxes. The Department also manages the State Treasury and administers the State's Middle Class STAR Property Tax Rebate Program.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes an increase of 75 full time equivalent positions (FTE's) in audit, collections and enforcement (45 in audit and 30 in criminal enforcement) to assist with voluntary compliance efforts.

Budget Detail

State Operations

Proposed Increases

The Executive purposes:

- an increase of \$9,368,000 in the General Fund for the full year cost of the 200 additional FTE's added in SFY 2007-08 and the cost for an additional 75 FTE's proposed for SFY 2008-08;
- an increase of \$10,417,000 in Special Revenue Funds other to reflect the elimination of a fringe benefit waiver granted to New York City last year when their assessment for processing income tax returns was increased;
- a \$5,000,000 increase in Internal Services Funds for higher bank services contract cost to process paper tax returns; and
- a \$2,000,000 increase in Special Revenue Funds federal from the federal Equitable Sharing Agreement to support tax enforcement activities.

Proposed Decreases

The Executive proposes:

- a \$7,000,000 decrease in the General Fund from early completion of the e-MPIRE project. The project is expected to be completed by the end of SFY 2007-08; and
- a \$6,300,000 decrease in Internal Services Funds due to the electronic transaction initiative. This initiative would provide the Commissioner of Taxation and Finance with the ability to require e-filing for certain groups of taxpayers.

Article VII

The Executive recommends Article VII legislation that would provide the Commissioner of Taxation with the ability to require e-filing for certain groups of taxpayers.

DIVISION OF TAX APPEALS

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,228,000	3,273,000	45,000	1.4%
Total for AGENCY SUMMARY:	3,228,000	3,273,000	45,000	1.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
General Fund:	31	31	0
TOTAL:	31	31	0

Agency Mission

(Executive Budget: pp. 323-325)

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes the impartial and timely hearing of taxpayer disputes.

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

Budget Detail

State Operations

Proposed Increases

- The Executive proposes an net increase of \$45,000 to reflect growth in employee costs of \$65,000 and a reduction in contractual services of \$20,000.

NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2007-08	Executive Request 2008-09	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

(Executive Budget: pp. 327)

The New York State Thruway Authority (TA) is responsible for operating a 641 mile toll highway system, along with the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, the Authority maintains, operates, develops, and makes capital improvements to the 524-mile canal system which includes 57 locks, 16 lift bridges, and numerous dams, reservoirs, and water control structures.

The Canal Development Program is the only Authority Program reflected in the Executive Budget. All other Thruway and Canal System programs are supported by TA revenues and are not included in the Executive Budget.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-2009 Executive Budget proposal for the Thruway Authority (TA) remains essentially unchanged from the SFY 2007-08 Enacted Budget. However, while appropriations have not traditionally been made toward the Authority's operating budget, it should be noted that the TA closed its 2007 fiscal year with a surplus of \$45,400,000; a surplus of \$79,500,000 is projected for the 2008 fiscal year. The TA plans to reduce the size of its workforce by ten positions in SFY 2008-09, bringing the total size of the workforce to 3,407 positions.

On January 8, 2008 a cash toll rate increase of ten percent which had been approved by the TA Board in April 2005 went into effect. The Thruway Authority's Audit and Finance Committee approved a resolution in November, 2007 to recommend, to the Thruway Board, a new plan which would take effect in June of 2008 that included increases in tolls and commuter permit fees and reductions in E-ZPass discounts. The Thruway Board voted in December, 2007 to approve a resolution authorizing the Executive Director to increase tolls. According to the toll adjustment plan, a lower E-ZPass discount of five percent would be instituted, with this new rate representing a decrease of roughly three percent from the current discount of approximately eight percent. In addition, an incremental five percent general toll increases would be instituted in SFY 2009-10.

Budget Detail

Capital Projects

The Executive proposes an appropriation of \$2,000,000 for the Canal Development Program, unchanged from the State Fiscal Year (SFY) 2007-08 appropriated level. The revenues deposited into the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. CSDF reappropriations of \$9,299,000 are also requested. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	105,893,300	103,016,000	(2,877,300)	-2.7%
Special Revenue-Other	2,096,036,000	2,289,007,000	192,971,000	9.2%
Special Revenue-Federal	61,934,000	71,075,000	9,141,000	14.8%
Fiduciary	50,000,000	50,000,000	0	0.0%
Capital Projects Fund	3,000,000	0	(3,000,000)	-100.0%
Federal Capital Projects Fund	2,033,299,000	2,071,000,000	37,701,000	1.9%
Dedicated Mass Transportation Trust Fund	728,900,000	693,272,000	(35,628,000)	-4.9%
Dedicated Highway and Bridge Trust Fund	1,909,247,000	2,085,396,000	176,149,000	9.2%
NY Metro Transportation Account	15,894,000	19,094,000	3,200,000	20.1%
Capital Projects Fund - Rebuild Renew NY 2005 - Bondable	352,000,000	337,000,000	(15,000,000)	-4.3%
Regional Aviation Fund	0	4,000,000	4,000,000	-
Total for AGENCY SUMMARY:	7,356,203,300	7,722,860,000	366,656,700	5.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2007-08	Requested 2008-09	Change
All Other Funds:	10,271	10,593	322
TOTAL:	10,271	10,593	322

Agency Mission

(Executive Budget: pp. 329-337)

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 airport 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's transportation system.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2008-09 Executive Budget includes the following:

- The DOT Capital Program provides funding for maintenance and rehabilitation of highways and bridges. The MTA Capital Program funds maintenance, rehabilitation, and expansion projects related to mass transit in the Metropolitan Commuter Transportation District. This year, both DOT and MTA are required to submit new five-year capital programs by March 31st per the requirements of Chapter 384 of the Laws of 2007. This accelerates the timeline for both capital programs. The State is currently in the fourth years of the existing DOT 2005-2010 Capital Program, as well as the MTA 2005-2009 Capital Program. The new five-year programs to be submitted by DOT and MTA will span the periods from 2009-2014 and 2008-2013, respectively – providing for one year of overlap with the existing capital programs.
- enhancement of the State Bridge Preservation Program by establishing a new component known as the Local Bridge Preservation Program, to better maintain and rehabilitate the network of bridges in New York State. The SFY 2008-09 Executive Budget would provide \$140,000,000 for the combined State and Local Bridge Preservation Program. This funding would support additional bridge crews and oversight, additional bridge maintenance and capital contracts, and it would include support for locally-owned bridge facilities. An additional 339 full-time equivalent (FTE) positions are associated with this expanded program. The funding for this enhanced program would be generated by increasing the motor vehicle law enforcement fee by \$15 which is assessed on auto insurance policies, bringing to \$20 the overall amount of the fee. From each fee collected, \$10 would be deposited to the credit of the Dedicated Highway and Bridge Trust Fund (DHBTF) to support the State and Local Bridge Preservation Program while the remainder would be used to support personnel costs of the Division of State Police;
- expansion of DOT's current 2005-2010 Capital Program, bringing the overall size of the program to \$19,400,000,000. This reflects the addition of \$587,000,000 to the program. The enhanced Bridge Preservation Program, discussed above, accounts for \$287,000,000 of the increase. (SFY 2007-08 includes \$140,000,000. \$147,000,000 is anticipated for the second year.) Additional federal funding in the amount of \$300,000,000 accounts for the remainder. The \$300,000,000 in new Federal funding will be used to support the projects

of Statewide significance identified in the 2005-2010 State Transportation Plan Memorandum of Understanding, including projects such as the conversion of Route 17 to I-86, Fort Drum connector, and the Gowanus Expressway; and

- a recommendation to continue to reduce the levels of work performed by consultant staff and enhance in-sourcing within the Department. The Executive proposes the addition of 55 new FTE positions for functions that are currently filled by consultants.

Budget Detail

The Executive recommends a total All Funds appropriation of \$7,722,860,000 for SFY 2008-09, which represents an increase of \$366,656,700, or 5 percent, from the SFY 2007-08 Enacted Budget funding levels. The Executive also recommends funding to support 10,593 full-time equivalent (FTE) positions, an increase of 322 positions.

State Operations

The Executive proposes total State Operations appropriations of \$49,033,000. This represents an increase of \$1,047,000 or 2.2 percent over the SFY 2007-08 funding level, attributable primarily to regular growth in personal service and non-personal service costs.

Aid to Localities

The Governor recommends Aid to Localities All Funds appropriations totaling \$3,036,265,000, an increase of \$173,087,700 or 6.1 percent over SFY 2007-08 appropriation levels. The Executive proposes to continue the \$45,000,000 appropriation in State General Fund monies to aid the Metropolitan Transportation Authority (MTA) in financing the costs of the reduced fare for school children program.

The Executive also proposes Article VII legislation that would require transit systems, other than the MTA, to purchase replacement buses through the use of consortiums to take advantage of economies of scale and reduce costs, unless a transit system can demonstrate similar cost savings in a purchase conducted alone.

Proposed Increases

The Executive proposes the following increases:

- Upstate transit systems will receive total appropriations of \$175,180,000 in operating aid, an increase of \$9,189,000 or 5.5 percent over SFY 2007-08 levels;
- Non-MTA Downstate transit systems will receive total appropriations of \$195,708,000 in operating aid, an increase of \$17,978,000 or 10 percent over SFY 2007-08 levels;

- the MTA, which serves the New York City Metropolitan Commuter District, will receive approximately \$2,600,000,000 in operating aid, an increase of over \$142,300,000 or 5.7 percent over the SFY 2007-08 appropriation. It should be noted that this level of State transit aid meets the amount anticipated by the MTA in its November 2007 Financial Plan, which was presented prior to the MTA Board's approval of the final schedule of 2008 fare and toll increases which will be implemented in March; and
- a \$23,000,000 transfer from the Metropolitan Mass Transit Operating Assistance (MMTOA) account to the Public Transit Systems Operating Assistance (PTOA) account to support transit aid for Upstate transit systems.

Proposed Decreases

- While the cumulative amount of transit operating assistance increases overall, it should be noted that some of Upstate transit systems will actually be cut or receive no increases in aid. After analysis by DOT, it was determined that the following two transit authorities could maintain their current levels of service without an increase in transit aid;
- the Capital District Transportation Authority (CDTA) will receive the same overall appropriation of \$30,400,000 in transit operating assistance as in the current state fiscal year.
- the Rochester Genesee Regional Transportation Authority (RGRTA) will receive \$29,600,000 in operating assistance, a decrease of \$3,000,000 or 9.2 percent from the SFY 2007-08 Enacted Budget.

Capital Projects

The Capital Program is a five-year plan to improve and rehabilitate critical components of the State's transportation infrastructure by providing funds for State and local roads and bridges, transit systems, the State's freight and passenger rail network, airports, ports and canals. In 2005, the Legislature approved 2005-2010 Capital Program of \$17.9 billion. This year, both DOT and MTA are required to submit new five-year capital programs by March 31st per the requirements of Chapter 384 of the Laws of 2007.

In the fourth year of the current Capital Program, the Executive proposes a total of \$4,637,562,000 in appropriations for capital projects. This is an increase of \$199,522,000 or 4.3 percent, from SFY 2007-08 appropriation levels. A portion of this increase reflects the Executive's proposal to expand the size of the current 2005-2010 Capital Program by \$587,000,000. The \$140,000,000 associated with the State and Local Bridge Preservation Program represents the only portion of the overall \$587,000,000 in new capital funding scheduled to be expended during the 2008-09 fiscal

year. The remaining \$147,000,000 associated with the Bridge Program, and the \$300,000,000 in increased Federal funding are to be committed toward SFY 2009-10 expenditures – the last year of the current DOT Capital Program.

Pursuant to the provisions of the 2005 Transportation Bond Act, the Executive has recommended the following appropriations in major programmatic areas:

- \$275,000,000 for Highway Facilities Capital Projects;
- \$27,000,000 for Rail and Port Capital Projects;
- \$15,000,000 for Aviation Capital Projects;
- \$10,000,000 for Canals and Waterways Capital Projects; and
- \$10,000,000 for Non-MTA Mass Transit Capital Projects.

In addition the Executive proposes:

- a highway and bridge construction letting level of \$2.128 billion for SFY 2008-09, which is an increase of \$153,000,000 or 7.8 percent over the current \$1.975 billion construction letting level;
- to decrease funding for the Consolidated Highway Improvement Program (CHIPs), by \$9,400,000, or three percent, from the SFY 2007-08 Budget yielding \$303,100,000 for the program; and
- to maintain the current level of \$39,700,000 in funding for the Municipal Streets and Highways Program (“Marchiselli”).

The Industrial Access Program (IAP) is not continued in the Executive’s SFY 2008-09 Budget Proposal under the Department of Transportation. However, there is a proposal to fund industrial access related projects out of the new Regional Blueprint Fund, which would be established under the Department of Economic Development at a similar level.

It is also important to note that this year DOT is required by Chapter 384 of the Laws of 2007 to submit a new five-year capital program before March 31, 2008. This accelerates the timeline for the development of the new capital program, which would span the period from 2009-2014 – providing for one year of overlap with the existing 2005-2010 Capital Program. To date, there remains an estimated \$118,500,000 funding gap in the out-years of the 2005-2010 Program. Moreover, according to Commissioner Glynn’s testimony during the 2007 Transportation Capital Budget Hearing, over a twenty year time frame there is an estimated \$175.2 billion in capital needs that should be addressed.

Article VII

The Executive recommends Article VII legislation that would:

- provide the annual authorization for the CHIPS and Marchiselli programs;
- require that transit systems other than the MTA, participating in the State's Omnibus and non-MTA capital programs, purchase replacement buses through the use of consortiums, or demonstrate they can achieve similar savings without the use of a consortium, in order to receive the maximum State grant;
- permanently extend the Department of Transportation's Single Audit Program;
- modify the requirements related to the content of the Dedicated Highway and Bridge Trust Fund financial report;
- eliminate the return of the deposit for plans and specifications associated with successful Department of Transportation capital project bids;
- establish the Local Bridge Preservation Program; and
- amend the Highway Law to remove a disincentive for counties, cities, towns, and villages to participate in certain transfers of maintenance jurisdiction between municipalities.

Deficiency Request

The adjusted appropriation includes a recommended deficiency appropriation of \$3,000,000 from the General Fund to the Public Transportation Systems Operating Assistance Account (PTOA) within the Mass Transportation Operating Assistance Fund. PTOA provides funding for Upstate transit operating assistance programs. The deficiency appropriation is requested due to a SFY 2007-08 PTOA cash shortfall. A similar deficiency appropriation of \$6,000,000 was made in SFY 2006-07.

URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	85,364,000	81,121,000	(4,243,000)	-5.0%
Capital Projects Fund - Authority Bonds	350,450,000	900,000,000	549,550,000	156.8%
Total for AGENCY SUMMARY:	435,814,000	981,121,000	545,307,000	125.1%

Agency Mission

(Executive Budget: pp. 512-532)

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. ESDC administers its projects and programs through regional offices in both New York City and the City of Buffalo.

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

Programmatic Highlights

The Executive proposes for the State Fiscal Year (SFY) 2008-09 Budget a new capital appropriation of \$900,000,000 which includes:

- \$250,000,000 for the Upstate Regional Blueprint Fund;
- \$200,000,000 for the Downstate Revitalization Fund;
- \$150,000,000 for the Investment Opportunity Fund;
- \$115,000,000 for Upstate City by City Projects;
- \$60,000,000 for the New York State Economic and Community Development Program;

- \$50,000,000 for the Upstate Agricultural Economic Development Fund;
- \$40,000,000 for the New York State Arts and Cultural Capital Grants Program; and
- \$35,000,000 for Downstate Regional Projects.

Budget Detail

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$81,121,000, a decrease of \$4,243,000 or 5 percent from the SFY 2007-08 level. The following programs are funded at the same level as SFY 2007-08:

- \$7,075,000 for the operating expenses of the Centers of Excellence;
- \$3,473,000 Urban and Community Development Program in economically distressed areas;
- \$3,473,000 for the Minority and Women Owned Business Development and Lending Program;
- \$3,000,000 for retention of professional football in Western New York;
- \$1,000,000 for the University at Buffalo's Krabbe Disease Research Institute;
- \$1,000,000 for the Albany-Institute for Nanoelectronics Discovery and Exploration (INDEX); and
- \$1,000,000 for military base retention efforts.

Proposed Increases

The Executive proposes the following increases:

- \$11,500,000 in the Empire State Economic Development Fund for job creation and retention; and
- \$5,000,000 to create the new Venture Capital Program to assist small employers with the potential to become larger employers.

Proposed Decreases

The Executive proposes a \$24,052,000 decrease in the SFY 2008-09 Budget resulting from a \$1,300,000 decrease to the Entrepreneurial Assistance Program (EAP) and the elimination of the following programs:

- \$9,000,000 for the redevelopment of Governor's Island;
- \$1,525,000 Community Development Financial Institutions Program;
- \$1,400,000 Griffiss Air Force Base Redevelopment;
- \$1,400,000 Plattsburgh Air Force Base;
- \$1,000,000 Luther Forest Technology;
- \$1,000,000 Metropolitan Development Association -Grants for Growth;
- \$1,000,000 Seneca Army Infrastructure Improvement;
- \$750,000 Garment Industry Retention Network;
- \$750,000 Excell Partners;
- \$650,000 Brooklyn Chamber of Commerce;
- \$500,000 Training of Manufacturing Employee Global Competitiveness;
- \$500,000 Hudson Valley Economic Corporation;
- \$300,000 Progress Rochester;
- \$250,000 Metropolitan Development Association-New York Indoor Environmental Quality Center;
- \$250,000 New York Industrial Retention Network;
- \$250,000 Upstate Tooling and Contract Manufacturing Cluster;
- \$250,000 Catholic Family Center;
- \$210,000 Watervliet Arsenal Revitalization;
- \$200,000 Three Rivers Development Job Training;
- \$153,000 Bronx Business Alliance;
- \$150,000 Queens Minority & Women's Business Center;
- \$150,000 World Trade Center Buffalo Niagara;
- \$125,000 Syracuse University Technology & Commercial Law Program;
- \$115,000 Jamaica Chamber of Commerce;
- \$100,000 Niagara Air Force Base Redevelopment;
- \$100,000 Niagara Falls Airport;
- \$100,000 Seneca Army Depot Redevelopment;
- \$100,000 Stewart International Airport;
- \$100,000 Queens Chamber of Commerce;
- \$95,000 Metropolitan Development Association-Vision 2010;
- \$89,000 Upstate High Technology Assistance Program;
- \$50,000 Capital Region LOC;
- \$50,000 Canisius College Women's Business Center;
- \$45,000 DaVinci Project; and
- \$45,000 Buffalo Niagara Partnership Workforce Development

Capital Projects

The Executive recommends \$900,000,000 for Capital projects reflecting an increase of \$549,550,000 from the SFY 2007-08 Budget. The Executive's proposal includes the following economic development projects:

- \$250,000,000 for the Upstate Regional Blueprint Fund to enable ESDC to work with municipalities toward investments that are designed to spur economic development;
- \$200,000,000 for the Downstate Revitalization Fund to support investments in distressed communities to encourage business and community development;
- \$150,000,000 for the Investment Opportunity Fund to support project that will create regional economic development benefits or economic benefits to distressed areas;
- \$115,000,000 for previously announced Upstate City by City Projects which are separately lined out in the SFY 2008-09 Executive budget ;
- \$60,000,000 for the New York State Economic and Community Development Fund to support the development and preservation of New York's educational, recreational, tourism, and infrastructure resources;
- \$50,000,000 for the Upstate Agricultural Economic Development Fund to support growth of the food and agricultural industry;
- \$40,000,000 for the New York State Arts and Cultural Capital Grants Program which will support the preservation and expansion of cultural institutions; and
- \$35,000,000 for Downstate Regional Projects that are separately lined out in the SFY 2008-09 Executive budget.

Article VII

The Executive recommends Article VII legislation that would:

- make permanent the general loan powers of the ESDC;
- authorize a \$150,000,000 Investment Opportunity Fund. Funding will be provided statewide to projects that will provide economic and social benefits to the region or locality. The program establishes the Investment and Job Creation Program Capital Approval Board consisting of the Director of the Budget, the Temporary President of

the Senate, the Speaker of the Assembly and two non-voting members appointed by each the Minority Leader of the Senate and the Minority Leader of the Assembly;

- amend the legislation regarding the Jacob K. Javits Convention Center to allow the sale of adjacent land; and
- establish the Omnibus Economic Development Investment Act of 2008 that will create the framework of the Upstate Regional Blueprint Fund, the Downstate Revitalization Fund, the Upstate Agricultural Economic Development Fund, the New York State Arts and Cultural Capital Grants Program and the New York State Economic and Community Development Program.

MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2007-08	Executive Request 2008-09	Change	Percent Change
AGENCY SUMMARY				
General Fund	6,143,000	5,853,000	(290,000)	-4.7%
Special Revenue-Other	690,100,000	677,600,000	(12,500,000)	-1.8%
Capital Projects Fund - Rebuild Renew NY 2005 - Bondable	352,000,000	487,000,000	135,000,000	38.4%
Total for AGENCY SUMMARY:	1,048,243,000	1,170,453,000	122,210,000	11.7%

Budget Detail

(Executive Budget: pp. 532-552)

State Operations

Statewide Energy Improvement

The Executive eliminates a one-time appropriation from the State Fiscal Year (SFY) 2007-08 budget related to a technical correction allowing certain petroleum overcharge restitution funds included in the SFY 2006-07 budget to be disbursed by the Power Authority of the State of New York.

Aid to Localities

Metropolitan Transportation Authority

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$636,000,000, a decrease of \$24,100,000, or 3.7 percent from the SFY 2007-08 Enacted Budget. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2009-10 in the event the State budget for that fiscal year is not enacted by April 1, 2009.

Tribal State Compact Revenue

The Executive proposes a Special Revenue Funds-Other appropriation of \$41,600,000 for Tribal State Compact Revenue for purposes identified in Section 99-h of the State Finance Law. This represents an increase of \$12,300,000 over the SFY 2007-08 appropriation.

Capital Projects

Metropolitan Transportation Authority

The Executive proposes an appropriation of \$487,000,000 for the purpose of funding MTA Capital projects. This represents an increase of \$135,000,000, or 38.4 percent, over the appropriation in the SFY 2007-08 Enacted Budget in accordance with the provisions of the MTA five-year Capital Plan. These funds were generated by the sale of bonds authorized by the November 2005 Renew and Rebuild New York Transportation Bond Act which was approved by voters. The MTA Capital Program funds maintenance, rehabilitation, and expansion projects related to mass transit in the Metropolitan Commuter Transportation District. This year, the MTA is required to submit a new five-year capital program plan by March 31st per the requirements of Chapter 384 of the Laws of 2007. This accelerates the timeline for the capital program which is currently in the fourth year of the existing MTA 2005-2009 Capital Program Plan. The new five-year programs to be submitted by the MTA will span the periods from 2008-2013, – providing for one year of overlap with the existing capital program.

Article VII

The Executive recommends Article VII legislation that would direct the Metropolitan Transportation Authority to create the Traffic Congestion Mitigation Fund to receive moneys collected for the MTA from New York City's congestion mitigation plan.