

ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,457,000	5,498,000	1,041,000	23.4%
Special Revenue-Federal	700,000	700,000	0	0.0%
Total for AGENCY SUMMARY:	5,157,000	6,198,000	1,041,000	20.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	67	72	5
TOTAL:	67	72	5

Agency Mission

(Executive Budget: pp. 199-202)

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) 2007-08 Executive Budget includes an All Funds appropriation of \$6,148,000, an increase of \$1,041,000 from the SFY 2006-07 level, and 72 full-time equivalent (FTE) positions, an increase of 5 FTEs from the SFY 2006-07 level. The new positions would be used to increase enforcement, planning, and permit review.

State Operations

Proposed Increases

The Executive proposes a State Operations increase of \$1,041,000 which includes:

- \$900,000 in the General Fund appropriation for personal service attributed to rising salary costs and the new FTE positions; and
- \$141,000 in the non-personal service attributed to inflation and contracts.

Aid to Localities

The Executive recommends General Fund, Aid to Localities appropriations of \$50,000 for expenses related to the Adirondack Park Local Government Review Board, reflecting no change from SFY 2006-07. The Board monitors APA activities and consists of representatives from the counties entirely or partly within the Park.

DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	60,259,900	42,374,700	(17,885,200)	-29.7%
Special Revenue-Other	39,920,600	45,361,800	5,441,200	13.6%
Special Revenue-Federal	48,544,000	49,644,000	1,100,000	2.3%
Fiduciary	1,681,200	1,806,100	124,900	7.4%
Capital Projects Fund	3,750,000	3,750,000	0	0.0%
Capital Projects Fund - Authority Bonds	44,000,000	0	(44,000,000)	-100.0%
Enterprise	22,387,700	23,360,200	972,500	4.3%
Total for AGENCY SUMMARY:	220,543,400	166,296,800	(54,246,600)	-24.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	390	361	(29)
All Other Funds:	226	267	41
TOTAL:	616	628	12

Agency Mission

(Executive Budget: pp. 203-208)

The Department of Agriculture and Markets (Department) 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) 2007-08 Executive Budget provides \$500,000 for the development of a Pride of New York Wholesalers Market in New York City.

Budget Detail

The Executive recommends All Funds appropriations totaling \$166,296,800 in SFY 2007-08, which represents a decrease of \$54,246,600 from SFY 2006-07 levels. The Executive further recommends 628 full time equivalent (FTE) positions, an increase of 12 positions which include four apple inspectors and eight FTEs for increasing animal and food safety.

State Operations

The Executive recommends State Operations appropriations totaling \$131,976,800 in SFY 2007-08, which represents an increase of \$6,749,400 above SFY 2006-07 levels.

Proposed Increases

The Executive proposes increases including:

- \$500,000 in nonpersonal service for the planning and development of the Pride of New York Wholesalers Market in New York City to promote upstate agricultural products to downstate consumers;
- \$972,500 for the State Fair related to the impact of inflation on contracts and non-personal service; and
- \$2,641,200 due to the impact of inflation on contractual obligations and nonpersonal service.

Aid to Localities

The Executive recommends Aid to Localities appropriations of \$30,570,000 in SFY 2007-08 which represents a \$16,996,000 net decrease from SFY 2006-07 levels.

Proposed Increases

The Executive proposes increased funding in the amount of \$6,000,000 for farmland and agricultural viability programs which would be distributed based on criteria set by the Department.

Proposed Decreases

The Executive proposes decreased funding in the amount of \$22,996,000 for the Local Assistance Account which includes:

- \$7,517,000 from SFY 2006-07 appropriation levels for Cornell sponsored agriculture programs would be consolidated into one \$6,980,000 appropriation in the State University of New York SFY 2007-08 budget;
- \$4,596,000 from SFY 2006-07 appropriation levels for Migrant Child Care would be shifted to the Office of Children and Family Services in the SFY 2007-08 budget at the same funding level; and
- \$10,883,000 in funding for specific programs funded in SFY 2006-07 is eliminated, including wine marketing, agri-tourism, and the Farmland Viability Institute.

Capital Projects

The Executive recommends \$3,750,000 in Capital appropriations, a decrease of \$44,000,000 from SFY 2007-08 which include the elimination of:

- a one-time Capital appropriation of \$40,000,000 for the construction of a State Food Laboratory; and
- other one-time Capital appropriations from SFY 2006-07 including \$2,000,000 for construction of a Cornell Equine Drug Testing laboratory and \$2,000,000 for services and expenses related to the Fredonia Vineyard Laboratory.

BANKING DEPARTMENT

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	79,519,000	85,442,000	5,923,000	7.4%
Total for Agency:	79,519,000	85,442,000	5,923,000	7.4%
Total Contingency:	14,000,000	14,000,000	0	0.0%
Total for AGENCY SUMMARY:	93,519,000	99,442,000	5,923,000	6.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	550	550	0
TOTAL:	550	550	0

Agency Mission

(Executive Budget: pp. 209-211)

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 proposes total funding for the Banking Department of \$85,442,000 for the State Fiscal Year (SFY) 2007-08, an increase of \$5,923,000 from the SFY 2006-07 funding levels of \$79,519,000.

State Operations

Proposed Increases

The Executive proposes the following increases in the SFY 2007-08 Budget:

- \$2,062,000 for inflation associated with salary increase adjustments and performance advancement for 550 full time equivalent positions;
- \$953,000 for costs associated with fringe benefit increases; and
- \$3,000,000 for the anticipated enactment of legislation pertaining to Mortgage Loan Originators.

Aid to Localities

Proposed Increases

The Executive proposes the following increases in the SFY 2007-08 Budget:

- \$1,500,000 for sub-allocations from the Banking Department Settlement Account to any department, agency or authority for the purpose of increasing financial literacy.

DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	40,965,000	45,345,000	4,380,000	10.7%
Special Revenue-Other	5,414,900	5,415,000	100	0.00%
Special Revenue-Federal	1,000,000	1,000,000	0	0.0%
Total for AGENCY SUMMARY:	47,379,900	51,760,000	4,380,100	9.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	203	203	0
All Other Funds:	12	12	0
TOTAL:	215	215	0

Agency Mission

(Executive Budget: pp. 213-219)

The mission of the Department of Economic Development (DED) is to provide a network of technical and financial assistance network for businesses, while coordinating 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) 2007-08 Executive Budget includes the following:

- \$391,000 to be sub-allocated to the Department of Environmental Conservation for the expenses of the Small Business Pollution Prevention and Environmental Compliance Assistance Program;
- \$177,000 to be sub-allocated to the Environmental Facilities Corporation for the expenses of the Small Business Pollution Prevention and Environmental Compliance Assistance Program; and
- \$651,000 to be used to establish the Western New York Empire State Economic Development Corporation headquarters in Buffalo.

Budget Detail

State Operations

The Executive proposes a \$7,755,000 increase in State Operations funding totaling \$45,083,000. Within this amount, the Executive maintains funding for the Clean Air Program at the SFY 2006-07 level of \$500,000. The DED currently has 215 full-time employees, which is the same as the SFY 2006-07 level.

Proposed Increases

The Executive provides the following increases:

- \$5,000,000 increase for I LOVE NY Tourism Marketing over the SFY 2006-07 level;
- \$651,000 increase to be used for nonpersonal service in the Administration Program to establish the Western New York Empire State Economic Development Corporation headquarters in Buffalo; and
- \$200,000 for International Trade to support Department headquarters in China.

Proposed Decrease

- \$168,000 for the Small Business Pollution Prevention and environmental compliance assistance program.

Aid to Localities

The Executive proposes a \$3,375,000 decrease in Aid to Localities to reflect the elimination of the following programs:

- \$2,300,000 for the administration of Empire Zones;
- \$600,000 for the Delaware Watershed;
- \$300,000 for the Western New York Regional Business Marketing; and
- \$300,000 for the Adirondack North Country Association;
- \$225,000 for the Erie Canal Documentary; and
- \$150,000 for the Griffiss Local Development Corporation;

Proposed Increase

The Executive proposes:

- \$500,000 increase over the SFY 2006-07 for the Local Tourism Matching Program.

NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,000,000	0	(4,000,000)	-100.0%
Special Revenue-Other	14,656,000	16,056,000	1,400,000	9.6%
Special Revenue-Federal	700,000	0	(700,000)	-100.0%
Capital Projects Fund	14,000,000	13,500,000	(500,000)	-3.6%
Total for AGENCY SUMMARY:	33,356,000	29,556,000	(3,800,000)	-11.4%

Agency Mission

(Executive Budget: pp. 225-227)

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation responsible for the management of energy research, development, and demonstration programs which are funded by assessments on gas and electric utilities. NYSERDA also administers federal grant programs related to energy efficiency, issues tax-exempt bonds on behalf of private energy supply companies for environmental improvements, and carries out the programmatic and regulatory functions of the former State Energy Office. In addition, NYSERDA administers the Systems Benefit Charge (SBC) and manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and 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) 2007-08 Executive Budget includes a shift of some program costs from State Operations to Aid to Localities.

Budget Detail

The Executive recommends All Funds appropriations of \$29,556,000, a decrease of \$3,800,000 from SFY 2006-07 levels.

State Operations

The Executive recommends \$5,914,000 in appropriations for State Operations, a net decrease of \$9,542,000 from SFY 2006-07 levels.

Proposed Increase

The Executive proposes the following increase:

- \$1,400,000 to fully fund Energy Analysis program.

Proposed Decreases

The Executive proposes the following decreases:

- \$10,142,000 shifted to Aid to Localities;
- \$700,000 because of the elimination of Petroleum Overcharge Restitution funds; and
- \$100,000 from the elimination of funding for the Conservation Coordination Task Force.

Aid to Localities

The Executive recommends \$10,142,000 in Aid to Localities, a net increase of \$6,242,000 from SFY 2006-07 levels.

Proposed Increases

The Executive proposes the following increases:

- \$9,392,000 for research, development, and demonstration program grants; and
- \$750,000 for the University of Rochester laboratory for laser energetics.

Proposed Decrease

The Executive proposes the following decrease:

- \$3,900,000 from SFY 2006-07 funding for a conservation and efficiency pilot program.

Capital Projects

The Executive proposes a \$500,000 decrease in Capital appropriations related to ongoing work at West Valley. 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 \$16,056,000 to support NYSERDA's Energy Research Development and Demonstration Program; and
- authorize the Authority to make available:
 - \$913,000 from unrestricted corporate resources to the General Fund to help offset New York State's debt service requirements related to West Valley; and
 - \$330,000 to the Environmental Conservation Special Revenue Low Level Radioactive Waste Account from funds rebated to New York by the federal government.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	123,761,230	131,586,950	7,825,720	6.3%
Special Revenue-Other	285,338,000	283,692,000	(1,646,000)	-0.6%
Special Revenue-Federal	80,218,000	79,240,000	(978,000)	-1.2%
Capital Projects Fund	61,700,000	34,300,000	(27,400,000)	-44.4%
Capital Projects Fund - Advances	300,000	350,000	50,000	16.7%
Federal Capital Projects Fund	149,000,000	150,600,000	1,600,000	1.1%
Clean Water-Clean Air Implementation Fund	1,050,000	1,050,000	0	0.0%
Environmental Protection Fund	225,000,000	250,000,000	25,000,000	11.1%
Natural Resource Damages Fund	0	26,000,000	26,000,000	-
Hazardous Waste Remedial Fund	142,375,000	144,375,000	2,000,000	1.4%
Capital Projects Fund - EQBA (Bondable)	0	327,000	327,000	-
Capital Projects Fund - PWBA (Bondable)	0	14,468,000	14,468,000	-
Capital Projects Fund - Authority Bonds	51,600,000	51,600,000	0	0.0%
Internal Service Fund	60,000	60,000	0	0.0%
Total for AGENCY SUMMARY:	1,120,402,230	1,167,648,950	47,246,720	4.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	1,257	1,366	109
All Other Funds:	2,114	2,114	0
TOTAL:	3,371	3,480	109

Agency Mission

(Executive Budget: pp. 229–240)

The Department of Environmental Conservation (DEC) is responsible for conserving and improving the State's natural resources and environment, as well as controlling water, land, and air pollution, to enhance the health, safety and general welfare of New York State's residents. DEC responsibilities also include administering 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) 2007-08 Executive Budget includes the following proposals:

- an increase in EPF appropriations by \$25,000,000 over the SFY 2006-07 level;
- an expansion of the Returnable Container Act (Bottle Bill) to cover certain non-carbonated beverages; and
- increased staffing levels in a variety of programs.

Budget Detail

The Executive proposes All Funds appropriations of \$1,167,648,950, a \$47,246,720 increase over SFY 2006-07 levels. In SFY 2007-08, the Executive proposes 3,480 full-time equivalent (FTE) positions, an increase of 109 positions over the previous year including:

- 12 staff for a new Climate Change Office in DEC which would implement the Regional Greenhouse Gas Initiative (RGGI), collaborate other states and identify carbon reduction programs beyond power plants;
- 25 new engineer, geologist and program specialist positions in the Division of Water, including 10 staff for the Dam Safety program;
- 8 positions in the Division of Fish Wildlife and Marine Resources, including wildlife and fish pathologists, and six biologists to implement the new Fishing Promotion program;
- 19 positions in the Division of Lands and Forests, including 9 related to wetlands regulation and 10 for natural resource damage claims;

- 11 staff in the Division of Solid and Hazardous Waste, including three related to implementation of the Bottle Bill, three related to aquatic pesticide control, two related to electronic waste programs and three related to the radiation program;
- 7 positions in the Division of Environmental Enforcement, including five attorneys and two paralegals;
- 10 staff in the Division of Air, including three chemists and seven engineers;
- 7 positions in the Division of Environmental Remediation, including two chemists and five engineers;
- 4 positions in the Division of Environmental related to enhancing the Department's pollution prevention program; and
- 6 positions in Regional Affairs to be distributed across the DEC regions.

State Operations

The Executive recommends State Operations appropriations of \$492,433,850, a net increase of \$6,596,850 from SFY 2006-07 levels.

Proposed Increase

The Executive proposes an increase of \$9,220,850 which includes General Fund personal service adjustments for new FTEs and the impact of inflation.

Proposed Decreases

The Executive proposes decreases including:

- \$1,646,000 in Special Revenue Funds-Other which includes \$677,000 in reduced Leaking Underground Storage Tank grant funding; and
- \$978,000 in Special Revenue Funds-Federal related to a reduction in anticipated federal grants.

Aid to Localities

The Executive recommends Aid to Localities appropriations of \$2,145,100, an overall reduction of \$1,395,130 from SFY 2006-07 levels.

Proposed Decreases

The Executive proposes the following decreases to existing appropriations:

- \$1,060,850 in General Fund appropriations for specific environmental projects listed in the SFY 2006-07 Enacted Budget including reduced funding for the construction of a sewer collection system in the Village of Pulaski, and elimination of funding for a study of the Port Washington aquifer, and funding for the establishment of a Jamaica Bay estuary plan; and
- \$334,280 in General Fund appropriations for specific environmental commissions listed in the SFY 2006-07 Enacted Budget, including the Interstate Environmental Commission and the Delaware River Basin Commission.

Capital Projects

The Executive recommends Capital appropriations of \$673,070,000, a \$42,045,000 increase from SFY 2006-07 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 \$9,375,000 for staff costs incurred by the program; and
- \$14,795,000 related to new appropriation authority from the 1965 Pure Waters Bond Act (\$14,468,000) and the 1972 Environmental Water Quality Bond Act (\$327,000).

The Executive recommends a \$31,700,000 reduction in Capital Projects Fund Authority Bonds. These funds were appropriated in SFY 2006-07 for a new ski lodge at Belleayre Mountain Ski Center, for a public water system in the Towns of Bristol and Canandaigua, and for the rehabilitation of the former Kings Park Psychiatric Center in Smithtown.

Environmental Protection Fund (EPF)

- The Executive proposes \$250,000,000 in appropriations for the EPF, a \$25,000,000 increase over SFY 2006-07 levels. As part of this proposal, the Governor proposes expanding the Bottle Bill and directing unclaimed deposits to the EPF. It is estimated that this additional revenue to the EPF would be \$25,000,000 in SFY 2007-08 and \$100,000,000 annually thereafter.
- Unlike previous Executive Budget proposals, appropriations for each EPF category are presented as individual lines of appropriation. In addition, the Executive maintains the requirement that no less than 25 percent of the amounts appropriated for local waterfront revitalization and municipal parks projects be made available for projects in densely

populated or low-income communities that are underserved with respect to existing recreational opportunities in the area.

- Finally, the Executive proposes to transfer up to \$20 million from the cash balance in the EPF to the General Fund. The existing General Fund guarantee included in section 92-s of the State Finance Law (EPF statute) would be increased by a like amount.

The Executive proposes allocating the EPF as follows:

EPF ALLOCATIONS
(in millions)

EPF Category	Enacted 2006-07	Executive Proposal 2007-08	Difference
Solid Waste Account	24.275	27.075	2.800
Landfill Closure	3.000	3.000	0.000
Municipal Recycling	8.750	10.000	1.250
Secondary Materials Marketing	8.750	8.750	0.000
Hudson River Natural Resource Damages	1.300	1.300	0.000
Pesticide Program - 1	2.475	2.025	-0.450
<i>Pollution Prevention Institute (new)</i>		2.000	2.000
Parks, Recreation & Historic Preservation Account	79.970	82.225	2.255
Local Waterfront Revitalization - 2	27.000	23.000	-4.000
Municipal Parks - 3	20.470	25.225	4.755
Hudson River Park	5.000	5.000	0.000
Stewardship	15.000	21.500	6.500
Historic Barn Program	5.000		-5.000
Zoos, Botanical Gardens, & Aquaria	7.500	7.500	0.000
Open Space Account	120.755	140.700	19.945
Land Acquisition - 5	50.000	58.000	8.000
<i>Smart Growth/Quality Communities Grants - 6</i>	3.000	2.000	-1.000
Agricultural & Farmland Protection	23.000	28.000	5.000
Biodiversity	1.500	1.500	0.000
Albany Pine Bush	1.500	1.450	-0.050
Invasive Species (New 06-07) - 7	3.250	5.000	1.750
Long Island Pine Barrens Planning	1.100	1.100	0.000
Oceans and Great Lakes (New 06-07)	3.000	3.000	0.000
Water Quality Improvement (New 06-07)	7.000	10.000	3.000
Long Island South Shore Estuary Reserve	0.900	0.900	0.000
Non-Point Source - Agricultural	11.003	12.833	1.830
Non-Point Source - Municipal	5.502	6.417	0.915
Soil and Water Conservation Districts	3.000	3.000	0.000
Finger Lakes - Lake Ontario Watershed	2.000	2.000	0.000
Hudson River Estuary Management	5.000	5.500	0.500
Total	225.000	250.000	25.000

Notes:

1 - 2006-07 amount includes \$450K for Cornell Breast Cancer and Enviro. Risk Factors program.

2 - 2007-08 includes 25% carve-out for urban underserved areas (\$5,750,000). 2006-07 includes 25% carve-outs for urban underserved areas (\$6,750,000). 2006-07 also included following project carve-outs: \$7.25 million for the Beacon Institute, \$1 million for Rensselaer waterfront, \$300K for Sea Cliff, \$300K for Huntington, \$100,000 for Laurel Hollow, \$100,000 for Asharoken, \$100,000 for Lloyd Harbor, and \$100,000 for Bayville.

3 - 2007-08 includes 25% carve-outs for urban underserved (\$6,306,000). 2006-07 includes 25% carve-out for urban underserved (\$5,118,000) and \$1.5 million for the Albany Pine Bush Discovery Center.

4 - 2006-07 includes \$750K for Belleayre Ski Center.

5 - 2007-08 includes \$1 million for the Land Trust Alliance and \$500K for Urban Forestry. 2006-07 includes \$500K for each.

6 - 2006-07 amount was for quality communities grants; 2007-08 appropriation refers to eligible costs related to the New York state smart growth program.

7 - Both 2007-08 and 2006-07 include \$250K carve-out for Lake George and at least \$1 million for eradication.

Article VII

The Executive recommends Article VII legislation that would:

- make a technical correction relating to the hazardous wastewater surcharge;
- amend the State Finance Law to increase the aggregate amount of allowable transfers from the General Fund to the EPF in the event the EPF faces a fund shortfall from \$302,171,000 to \$322,171,000;
- 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 to expanding the Bottle Bill to include non-carbonated beverages, 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 \$67, and establish a minimum fee of \$1,250 per operating permit facility; and
- increase various DEC regulatory fees which would result in an additional \$2,600,000 in revenue to the Environmental Regulatory Account. Specifically, these provisions would:
- increase the annual registration fee for well drillers from \$10 to \$100;

- increase State Pollutant Discharge Elimination System program fees for private/commercial/institutional (P/C/I) facilities from \$100 to \$300 for small facilities and from \$200 to \$600 for large facilities; and increase general permit fees from \$50 to \$150 for medium concentrated animal feeding operations (CAFO); from \$50 to \$500 for large CAFOs, and from \$50 to \$300 for industrial storm water permits; and
- establish a \$500 fee for a permit to erect, construct, reconstruct or repair a dam pursuant to a provision of the Environmental Conservation Law and an additional \$500 fee to be paid annually by dam owners.

Deficiency Request

The Executive recommends a deficiency appropriation of \$10,000,000 in the Environmental Protection and Oil Spill Compensation Fund in the Air and Water Quality Management Program. This additional appropriation funds the costs associated with unanticipated oil spill cleanups.

ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	12,774,500	13,552,000	777,500	6.1%
Clean Water-Clean Air Implementation Fund	343,000	343,000	0	0.0%
Capital Projects Fund - Authority Bonds	5,000,000	0	(5,000,000)	-100.0%
Total for AGENCY SUMMARY:	18,117,500	13,895,000	(4,222,500)	-23.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	92	92	0
TOTAL:	92	92	0

Agency Mission

(Executive Budget: pp. 241-244)

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) 2007-08 Executive Budget proposes an All Funds appropriation of \$13,895,000, a decrease of \$4,222,500 from the SFY 2006-07 level, and 92 full-time equivalent positions, the same as the SFY 2006-07 level.

State Operations

Proposed Increases

The Executive proposes an increase of \$777,500 in Special Revenue-Other funds for State Operations, which includes:

- \$421,000 for personal service attributed to salary increases; and
- \$356,500 for inflation-related costs.

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 2006-07 level. The Executive also recommends eliminating new appropriation authority for the Pipeline for Jobs Program with a resulting decrease of \$5,000,000 from the SFY 2006-07 level.

DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	82,673,500	82,049,500	(624,000)	-0.8%
Special Revenue-Other	66,993,000	66,993,000	0	0.0%
Special Revenue-Federal	102,148,000	103,101,000	953,000	0.9%
Capital Projects Fund	5,000,000	0	(5,000,000)	-100.0%
Capital Projects Fund - Bondable	95,200,000	74,200,000	(21,000,000)	-22.1%
Total for AGENCY SUMMARY:	352,014,500	326,343,500	(25,671,000)	-7.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	373	363	(10)
All Other Funds:	577	587	10
TOTAL:	950	950	0

Agency Mission

(Executive Budget: pp 245 -251)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- The creation of a \$50,000,000 Affordable Housing Program to be administered by the Housing Finance Agency and supported by savings resulting from the restructuring of Empire State Development Corporation debt.

Budget Detail

The Executive recommends an all funds appropriation of \$326,343,500, a decrease of \$25,671,000 or 7.3% from SFY 2006-07 funding levels of \$352,014,500.

State Operations

Proposed Increases

The Executive proposes the following increases in the SFY 2007-08 Budget:

- \$590,000 to the Special Revenue Federal fund appropriation for the Housing Program, reflecting the shifting of 10 full-time equivalent (FTE) positions from the General Fund; and a \$50,000 increase to the Special Revenue Federal Fund reflecting nonpersonal service increases associated with the shift, to better reflect the specific duties of such employees in relation to the administration of the federal Section 8 Housing Program.
- \$532,000 in the Administration Program due to lease escalations.
- \$313,000 for nonpersonal services in the Housing Program due to fringe benefits and indirect costs.
- \$300,000 for personal services due to an appropriation adjustment to better reflect anticipated overtime, salary increases, and other salary adjustments required for 71 FTE positions.

Proposed Decreases

The Executive proposes the following decreases in the SFY 2007-08 Budget:

- \$590,000 in General Fund appropriations due to the shifting of ten full-time positions within the Housing Program from the General Fund to the Special Revenue Fund-Federal; and \$50,000 in the General Fund reflecting nonpersonal services decreases associated with the shift.

- \$331,000 in the Housing Information Systems Program due to a five percent overall nonpersonal services reduction resulting from decreased contractual services.
- \$285,000 in the Administration Program due to nonpersonal service reductions resulting from a five percent reduction in contractual services.

Aid to Localities

The Executive provides \$10,506,500 in funding for the Neighborhood Preservation Program, and \$4,725,000 for the Rural Preservation Program, reflecting no change from the SFY 2006-07 funding. However, the Executive includes appropriation language requiring the Commissioner of the DHCR to initiate a program review and reform before any such contractual payments may be made.

Proposed Decreases

- \$200,000 for the Lead Paint Poisoning Prevention Program reflecting the elimination of funding for the program.

Capital Projects

The Executive proposes an appropriation of \$74,200,000 for DHCR Capital Projects reflecting a decrease of \$26,000,000. Funding is maintained at SFY 2006-07 levels for the Public Modernization Program at \$12,800,000, and the Homes for Working Families Program at \$7,000,000.

Proposed Decreases

The Executive proposes the following decreases in Capital Projects for the SFY 2007-08 Budget:

- \$10,000,000 for the Low Income Housing Trust Fund from \$39,000,000 in the SFY 2006-07 to \$29,000,000 in funding for the SFY 2007-08;
- \$5,000,000 for the Affordable Housing Corporation from \$30,000,000 in the SFY 2006-07 to \$25,000,000 in SFY 2007-08;
- \$5,000,000 for the Main Street Program eliminating all funding enacted in SFY 2006-07;
- \$2,500,000 for the Rural Revitalization Program eliminating all funding enacted in SFY-2006-07;

- \$1,500,000 for the Urban Initiatives Program eliminating all funding enacted in SFY 2006-07;
- \$1,000,000 for the Housing Assistance Fund, eliminating all funding enacted in SFY 2006-07; and
- \$1,000,000 for the Housing Opportunity Program for the Elderly from \$1,400,000 in SFY 2006-07 to \$400,000 in funding for the SFY 2007-08.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the State Comptroller to intercept local assistance aid to New York City to collect State costs arising out of the administration of the Rent Regulation Program.

HUDSON RIVER PARK TRUST

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Capital Projects Fund	26,000,000	0	(26,000,000)	-100.0%
Total for AGENCY SUMMARY:	26,000,000	0	(26,000,000)	-100.0%

Agency Mission

(Executive Budget: p. 259)

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) 2007-08 Executive Budget includes no All Funds appropriation, a decrease of \$26,000,000 from SFY 2006-07 levels.

Capital Projects

In SFY 2007-08 the Executive recommends no new appropriations for Capital Projects.

Proposed Decreases

- \$26,000,000 provided in SFY 2006-07 was a capital projects fund advance appropriation to be repaid by New York City. The amount provided in SFY 2006-07 represented New York City's remaining commitment to the costs of constructing the Park. The Executive asserts that both the State and City funding obligations have been fulfilled.
- The Executive includes \$5,000,000 for the Trust from the Environmental Protection Fund located within the Department of Environmental Conservation's budget.

INSURANCE DEPARTMENT

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	0	100,000,000	100,000,000	--
Special Revenue-Other	190,260,000	199,182,000	8,922,000	4.7%
Total for AGENCY SUMMARY:	190,260,000	299,182,000	108,922,000	57.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	935	935	0
TOTAL:	935	935	0

Agency Mission

(Executive Budget: pp. 261-263)

The Insurance Department oversees and monitors the insurance industry to balance the interests of New York State consumers, companies and producers. Its responsibilities include approving formations, consolidations, and mergers of New York State insurance companies; 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 receives all of its operating revenue from assessments levied on the insurance industry.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- A \$100,000,000 General Fund increase to the Regulation Program to implement provisions relating to a statutory mandate to provide mental health coverage as part of health insurance plans (Timothy's Law).

Budget Detail

The Executive recommends an All Funds appropriation of \$299,182,000, an increase of \$108,922,000 over SFY 2006-07 funding levels of \$190,260,000.

State Operations

Proposed Increases

The Executive proposes the following increases:

- \$100,000,000 to implement provisions related to *Timothy's Law*;
- \$1,327,000 for personal service in the regulation program due to 45 new Insurance Investigation Trainees;
- \$1,053,000 for the Regulation Program for fringe benefits and indirect costs; and
- \$458,000 for salary increases and performance advancements for the current workforce.

The Executive proposes \$74,619,000 in funding for sub-allocations under the Regulation Program. This represents an increase of \$5,458,000 in funding over the SFY 2006-07 funding levels for the following sub-allocations:

- \$21,500,000 to the Department of Health for the forge-proof pharmaceutical prescription program, an increase of \$4,600,000 in funding over the SFY 2006-07 funding levels of \$16,900,000;
- \$14,600,000 to the Department of Health for the Community Health Program;
- \$12,590,000 to the Department of State for the fire prevention and control program and state fire reporting system, an increase of \$235,000 in funding over SFY 2006-07;
- \$7,351,000 to the Department of State for the enforcement, development, and maintenance of state building codes;

- \$6,500,000 to the Department of Law for the no-fault automobile insurance fraud investigation by the Attorney General;
- \$3,000,000 to the Department of Law for the investigation of broker/insurer practices;
- \$2,183,000 to other State agencies for the costs of complying with section 156-C of the Executive Law, an increase of \$1,023,000 in funding over SFY 2006-07 funding;
- \$2,000,000 to the Department of Criminal Justice and Services for the continued funding of the Traffic and Criminal Software Project (TRACS);
- \$1,104,000 to the Department of State for fire inspection and safety programs at private universities;
- \$1,036,000 to the Department of State for the New York City fire training academy;
- \$523,000 to the Department of the State for the repair and rehabilitation of the state fire training academy;
- \$536,000 to the Department of the State for the Urban Search and Rescue Program;
- \$465,000 to the Banking Department for the Holocaust Claims Processing Office;
- \$381,000 to the Department of Health for inpatient hospital rates for insurance payments;
- \$300,000 to the Department of Health for the Managed Care Program;
- \$300,000 to the Department of Health for managed care implementation plans; and
- \$250,000 to the Office of the Inspector General for services and expenses.

DIVISION OF THE LOTTERY

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	156,235,000	123,357,300	(32,877,700)	-21.0%
Total for AGENCY SUMMARY:	156,235,000	123,357,300	(32,877,700)	-21.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	350	350	0
TOTAL:	350	350	0

Agency Mission

(Executive Budget: pp. 265-267)

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

Budget Detail

State Operations

Proposed Decreases

The Executive proposes to decrease Special Revenue spending by \$32,877,700 for State Fiscal Year (SFY) 2007-08 including:

- \$28,000,000 reflecting a one-time appropriation in SFY 2006-07 for transfer a to the New York Racing Association (NYRA);
- savings of \$4,855,000 expected from a new memorandum of understanding with the State Police for security at VLT Facilities; and
- \$22,700 in appropriation authority to more accurately reflect actual Division costs.

Article VII

The Executive recommends Article VII legislation that would:

- extend the Division's authority to operate Quick Draw until May 31, 2008. Authorization is currently set to expire on May 31, 2007. Extension of this authorization is estimated to produce approximately \$90,000,000 in additional revenues for education in SFY 2007-08.

Deficiency Request

The SFY 2006-07 Deficiency Bill includes \$23,000,000 for disbursement to the NYRA. This appropriation is intended to ensure operation of the NYRA franchise until December 31, 2007 when such franchise expires. The deficiency also repeals previous authorization for disbursing \$5,000,000 to NYRA which became unnecessary because of NYRA's bankruptcy filing. In addition, the deficiency repeals a reappropriation that authorized a \$14,000,000 transfer to NYRA.

STATE OF NEW YORK MORTGAGE AGENCY

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	381,214,000	370,518,000	(10,696,000)	-2.8%
Total for AGENCY SUMMARY:	381,214,000	370,518,000	(10,696,000)	-2.8%

Agency Mission

(Executive Budget: pp. 255-257)

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.

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

Budget Detail

The Executive recommends an All Funds appropriation of \$370,518,000 for State Fiscal Year (SFY) 2007-08. However, 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.

State Operations

The Executive provides a \$61,800,000 appropriation for the SONYMA Homeowners Mortgage Revenues Reimbursement Program, and a \$308,718,000 appropriation for State Operations for the Mortgage Insurance Fund Reimbursement Program. These appropriations represent contingency reserve funds which provide a guarantee backing self-generated revenues produced and expended by SONYMA.

DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	91,731,000	97,198,000	5,467,000	6.0%
Special Revenue-Federal	28,800,000	33,200,000	4,400,000	15.3%
Dedicated Highway and Bridge Trust Fund	190,919,000	200,378,000	9,459,000	5.0%
Internal Service Fund	10,500,000	9,500,000	(1,000,000)	-9.5%
Total for AGENCY SUMMARY:	321,950,000	340,276,000	18,326,000	5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	2,775	2,833	58
TOTAL:	2,775	2,833	58

Agency Mission

(Executive Budget: pp. 273-277)

The New York State Department of Motor Vehicles (DMV) promotes traffic safety, provides consumer protection and information services, and assists other government agencies to achieve their missions concerning the operation of motor vehicles. The DMV collects fees and generates non-tax revenues to support these objectives. Major services provided by the DMV include issuing drivers' licenses and vehicle registrations.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following expansions to DMV's computer and Internet-based services:

- Implementation of a new \$1,291,000 program known as the Internet Point Insurance Program (IPIRP), which would allow drivers to reduce demerit points on their licenses through the completion of an online Internet driver safety course.
- Installation of customer self-service kiosks in high-volume DMV issuing offices in order to speed and facilitate the completion of selected DMV transactions. The kiosks would allow customers to self-process standard DMV transactions that do not require proof of identity, in order to reduce wait times. The Executive estimates that the program will cost approximately \$300,000 to \$500,000 for installation and operation in SFY 2007-08.
- Implementation of Internet-based permit testing, which would allow high school students to take written permit tests online at participating high schools.
- Continuation of the plead-and-pay Traffic Violations Bureau that allows individuals to pay tickets online.

Budget Detail

The Governor proposes a total All Funds appropriation of \$340,276,000. This is an increase of \$18,326,000, or 5.7 percent over the adjusted SFY 2006-07 Budget.

However, in the SFY 2006-07 budget the Legislature included a \$20 million State Operations appropriation from the General Fund to be used by DMV for the purpose of financing operating expenses; this appropriation is not reflected in the tables above. This is due to the fact that the previous governor vetoed the appropriation, and while that veto was subsequently overridden by the Legislature, this additional spending authorization was not actually made available to the Department.

State Operations

The Executive proposes a total All Funds State Operations appropriation of \$122,658,000, an increase of \$6,027,000, or 5.2 percent, over SFY 2006-07 levels.

Proposed Increases

The Executive proposes the following increases in the SFY 2007-08 Budget:

- The Executive appropriates \$1.291 million for IPIRP, a program that was not funded in the SFY 2006-07 budget.
- The Executive also estimates an increase in the number of full-time equivalent (FTE) positions within DMV's Administrative Adjudication and Transportation Safety Programs. The number of FTEs within the Administrative Adjudication Program is expected to rise from 442 to 450 in SFY 2007-08 to reflect the employment of eight more administrative law judges. These judges are expected to help alleviate the volume of Driver Responsibility Assessment (DRA) Program complaints being processed in traffic courts. The number of FTE positions within the Transportation Safety Program is expected to rise from one to four positions as a direct result of the proposed IPIRP implementation.

Aid to Localities

The Executive proposes an Aid to Localities appropriation in the amount of \$17,240,000 from the Federal Special Revenue Fund, representing a \$2,840,000 or 19.7 percent increase over the current fiscal year 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 \$200,378,000 from the Dedicated Highway and Bridge Trust Fund for Capital projects. This represents an increase of \$9,459,000, or 5.0 percent over SFY 2006-07 levels. Of the total amount, \$90,636,000 or 45.2 percent would be used to support personal service and fringe benefits.

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 many of the new proposed Internet-based technology initiatives for SFY 2007-08. The Executive's SFY 2007-08 proposal anticipates an increase of 46 new FTE positions within the Transportation Support Program, increasing the size of the FTE workforce from 1,822 to 1,868 total positions. The Executive projects that 36 of these new FTE positions will be Internet-Technology positions to bolster new and existing Internet-based programs. Ten of the new FTE positions will be administrative positions in support of the DRA Program.

Article VII

The Executive recommends Article VII legislation that would:

- permanently extend authority for the suspension of drivers' licenses for certain alcohol related convictions to conform State penalties with federal law;
- permit DMV to utilize the United States Postal Service change-of-address file to improve the Department's mailing accuracy in order to take advantage of bulk mailing rates;
- extend provisions for the suspension of registrations and licenses for lapses in insurance coverage, and allow reinstatement upon payment of a fine;
- conform Vehicle and Traffic Law to federal requirements governing operators of commercial motor vehicles;
- permanently extend provisions relating to the suspension and disqualification of driving privileges for failure to make child support payments; and
- permanently extend the suspension of driver's licenses for certain drug-related convictions to conform State penalties with federal law.

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	7,986,000	8,226,000	240,000	3.0%
Special Revenue-Other	400,000	400,000	0	0.0%
Capital Projects Fund	5,500,000	0	(5,500,000)	-100.0%
Total for AGENCY SUMMARY:	13,886,000	8,626,000	(5,260,000)	-37.9%

Agency Mission

(Executive Budget: pp. 279-281)

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 and 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) 2007-08 Executive Budget includes an All Funds appropriations of \$8,626,000, a decrease of \$5,260,000 from the SFY 2006-07 level.

State Operations

Proposed Increases

The Executive proposes a State Operations increase of \$240,000 which includes:

- \$147,000 for salary adjustments; and
- \$93,000 for inflation and health insurance.

Capital Projects

The Executive proposes a \$5,500,000 decrease in Capital projects from SFY 2006-07 levels. This figure reflects the non-recurrence of a one-time Capital expense for improvements to Gore Mountain enacted in SFY 2006-07.

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	129,027,100	136,808,100	7,781,000	6.0%
Special Revenue-Other	86,454,900	85,154,900	(1,300,000)	-1.5%
Special Revenue-Federal	10,320,900	10,320,900	0	0.0%
Misc. Capital Projects	4,600,000	3,300,000	(1,300,000)	-28.3%
State Parks Infrastructure Fund	37,700,000	34,200,000	(3,500,000)	-9.3%
Federal Capital Projects Fund	4,000,000	4,000,000	0	0.0%
Enterprise	2,500,000	2,500,000	0	0.0%
Total for AGENCY SUMMARY:	274,602,900	276,283,900	1,681,000	0.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	1,664	1,716	52
All Other Funds:	528	528	0
TOTAL:	2,192	2,244	52

Agency Mission

(Executive Budget: pp. 283-288)

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides recreational and interpretive opportunities for New York State residents and visitors at 176 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) 2007-08 Executive Budget includes the following:

- the addition of 52 full-time equivalent (FTE) positions; and
- the opening of 13 new facilities.

Budget Detail

The Executive recommends All Funds appropriations of \$276,283,900, a \$1,681,000 increase from SFY 2006-07 levels.

State Operations

The Executive recommends State Operations appropriations of \$209,413,900, an increase of \$8,406,000 over SFY 2006-07 levels. The SFY 2007-08 Executive Budget includes the addition of 52 new FTEs, including 14 positions to support new parks, 13 new police officers, ten environmental specialists, ten for maintenance and five positions for implementing and administering the historic preservation tax credit passed by the Legislature in 2006.

Proposed Increases

The Executive proposes the following increases totaling \$15,381,000:

- \$4,840,000 in personal and nonpersonal service costs associated with opening new parks;
- \$4,168,000 for increased costs associated with a higher minimum wage and salary adjustments;
- \$3,115,000 for fixed costs increases related to energy and fossil fuels;
- \$1,480,000 for 20 additional FTEs;
- \$1,328,000 for a conversion of certain seasonal employees to FTEs; and
- \$450,000 in personal and non-personal service to enact requirements of legislation, including fishing promotion, sun safety, and the historic preservation tax credit.

Proposed Decreases

The Executive proposes the following decreases totaling \$6,975,000:

- \$5,675,000 from a one-time payment related to a labor settlement; and
- \$1,300,000 for a one-time adjustment to the New York Waterways account.

Aid to Localities

The Executive recommends Aid to Localities appropriations of \$15,370,000, a net decrease of \$1,925,000.

Proposed Increases

The Executive proposes the following increase:

- \$500,000 for increased administration costs related to increased expected revenue from Department of Motor Vehicle boat registrations which OPRHP distributes to local law enforcement.

Proposed Decreases

The Executive proposes the following decrease:

- \$2,425,000 by eliminating funding for the Natural Heritage Trust Program, which includes several different projects added in SFY 2006-07 such as the New York State Heritage Trail, the Independence Trail, and the Tioga State Park program.

Capital Projects

The Executive proposes Capital appropriations of \$51,500,000 for SFY 2007-08, a net decrease of \$4,800,000 from SFY 2006-07 levels.

Proposed Increases

The Executive proposes the following increase:

- \$3,000,000 for the State Parks Infrastructure Fund (SPIF), which includes a \$2,752,000 increase for preservation of facilities.

Proposed Decreases

The Executive proposes the following decreases:

- \$6,500,000 reflecting last year's Capital appropriation for the rehabilitation and construction of a Brentwood athletic complex; and
- \$1,300,000 for a technical correction to the New York Waterways account.

DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	72,744,000	76,703,000	3,959,000	5.4%
Special Revenue-Federal	1,691,000	1,691,000	0	0.0%
Total for AGENCY SUMMARY:	74,435,000	78,394,000	3,959,000	5.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	540	540	0
TOTAL:	540	540	0

Agency Mission

(Executive Budget: pp. 303-305)

The Department of Public Service (DPS) is the staff arm of the Public Service Commission (PSC) and has the mandate of ensuring that all New Yorkers have access to reliable and low cost utility services. The PSC is responsible for regulating rates and services of the State's public utilities, 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) 2007-08 Executive Budget includes an All Funds appropriations of \$78,394,000, an increase of \$3,959,000 from SFY 2006-07 levels and staffing levels of 540 full-time equivalent (FTE) positions, maintaining the same levels as in SFY 2006-07.

State Operations

Proposed Increases

The Executive proposes an increase of \$3,959,000 in Special Revenue Funds for State Operations which includes:

- \$2,114,000 for personal service in the Regulation of Utilities program related to contractual salary increases;
- \$1,149,000 for contractual fringe benefit increases;
- \$472,000 for inflation and real estate increases, as well as technical and equipment upgrades;
- \$193,000 for personal service in Administration related to contractual salary increases; and
- \$31,000 for personal service in the Cable Television Regulation program related to contractual salary increases.

Aid to Localities

- The Executive recommends a Special Revenue appropriation of \$400,000 for the Electric Generating Intervenor Account, reflecting no change from SFY 2006-07. This appropriation is intended to support municipal and other parties' 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 \$91,008,500 for programs maintained by State agencies as follows:

- \$72,781,000 for the Department of Public Service;
- \$6,686,000 for the Department of Environmental Conservation;
- \$6,243,000 for the Office of Homeland Security
- \$4,013,000 for the Consumer Protection Board;
- \$840,000 for the Department of Economic Development;
- \$356,500 for the Department of Agriculture and Markets; and
- \$89,000 for the Office of Parks, Recreation and Historic Preservation.

STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	24,918,000	24,768,000	(150,000)	-0.6%
Total for AGENCY SUMMARY:	24,918,000	24,768,000	(150,000)	-0.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	136	136	0
TOTAL:	136	136	0

Agency Mission

(Executive Budget: pp. 307-309)

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 \$24,768,000 in State Fiscal Year (SFY) 2007-08, reflecting a net decrease of \$150,000 or .60 percent from the current year funding level.

The Executive's recommendation reflects a workforce of 136 full-time equivalent positions, representing no changes from the current level.

State Operations

An appropriation of \$10,716,000 Special Revenue Fund Other is continued for the support of the regulation of wagering including \$2.4 million for the regulation of charitable gaming such as bell jar games, and \$8.2 million to support the regulation, monitoring, and oversight of Indian casinos.

Proposed Decreases

The Executive proposes an appropriation of \$14,052,000 in Special Revenue Fund Other, reflecting a decrease of \$150,000 for costs associated with services and expenses of a deputy lab director for the Cornell Equine Drug Testing Program.

GOVERNOR'S OFFICE OF REGULATORY REFORM

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,744,000	3,751,000	7,000	0.2%
Total for AGENCY SUMMARY:	3,744,000	3,751,000	7,000	0.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	36	36	0
TOTAL:	36	36	0

Agency Mission

(Executive Budget: pp. 311-313)

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) 2007-08, representing a net increase of \$7,000 or .19 percent over SFY 2006-07 funding levels.

No changes in full-time equivalent funded positions are recommended. Funding for the Online Permitting Assistance and Licensing (OPAL) system is continued at \$650,000, reflecting contractual costs associated with related software and hardware which support the ongoing maintenance and development of the OPAL system.

State Operations

Proposed Increases

- The Executive proposes a \$53,000 increase to fund personal service increases.

Proposed Decreases

- The Executive proposes an overall decrease of \$46,000 for nonpersonal service representing a five percent reduction.

SCIENCE, TECHNOLOGY AND INNOVATION, NYS FOUNDATION FOR

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	48,440,000	48,167,000	(273,000)	-0.6%
Special Revenue-Other	500,000	500,000	0	0.0%
Special Revenue-Federal	6,500,000	6,500,000	0	0.0%
Total for AGENCY SUMMARY:	55,440,000	55,167,000	(273,000)	-0.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	30	30	0
TOTAL:	30	30	0

Agency Mission

(Executive Budget: pp. 315-318)

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 creation and retain high-technology jobs. The Foundation is also responsible for directing the State’s university- based high-technology economic development programs.

Budget Detail

The Executive recommends an all funds appropriation of \$55,167,000 to support the operations and programs administered by the Foundation. These appropriations maintain a workforce of 30 positions.

State Operations

Proposed Increases

The Executive proposes a \$1,302,000 increase in the Administration Program to support pension and healthcare costs associated with the conversion from NYSTAR to a foundation.

Aid to Localities

The Executive proposal maintains funding for the following programs at SFY 2006-07 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 additional expenses related to the Incentive Program;
- \$1,500,000 for College Applied Research Centers;
- \$1,500,000 for Technology Development Organizations;
- \$1,000,000 for the Industrial Technology Extension Service;
- \$1,000,000 for the James D. Watson Investigator Program; and
- \$750,000 for SUNY Albany Semiconductor Research Corporation;
- \$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 Rennsalaer 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, Anaylzing, 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 Decreases

The Executive proposes a \$1,575,000 decrease in Aid to Localities funding by eliminating funding support for the following programs:

- \$800,000 for the Center for Integrated Manufacturing Systems;
- \$400,000 for the Center for Remanufacturing;
- \$250,000 for the New York State Engineering Design and Industrial Innovation; and
- \$125,000 for the Rensselaer Polytechnic Institute Engineering Research Corporation.

DEPARTMENT OF STATE

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	18,421,400	50,124,000	31,702,600	172.1%
Special Revenue-Other	54,348,000	18,943,000	(35,405,000)	-65.1%
Special Revenue-Federal	70,602,000	72,802,000	2,200,000	3.1%
Buffalo Mass Transit	1,000,000	0	(1,000,000)	-100.0%
Total for AGENCY SUMMARY:	144,371,400	141,869,000	(2,502,400)	-1.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	216	640	424
All Other Funds:	657	272	(385)
TOTAL:	873	912	39

Agency Mission

(Executive Budget: pp. 319-323)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- The Executive increases the agency's staffing by 39 full-time equivalent (FTE) positions. Of the new positions, 26 are due to newly enacted statutory mandates, including, fire safety and training, cemetery regulation, and mandates arising from the Oceans & Great Lakes Program. The remaining 13 FTE's are associated with Brownfields Program and the Shared Municipal Services Incentive Grant program.

Budget Detail

The Executive recommends an All-Funds appropriation of \$141,869,000, a decrease of \$2,502,400 in funding from SFY 2006-07 total funding of \$144,371,400.

State Operations

Proposed Increases

The Executive proposes the following increases:

- \$27,501,000 to the General Fund due to the shifting of the Business & Licensing Program from the Special Revenue Fund to the General Fund to enhance management and increase efficiency;
- \$3,261,000 to the Local Government and Community Services Program for personal services attributed to inflation and salary increases;
- \$1,050,000 funding increase to the Administration program due to non-personal service costs associated with the anticipated relocation of the Department of State to One Commerce Plaza;
- \$800,000 to the Local Government program for personal service and non-personal service related to fringe benefits and indirect costs associated with the collection of inspection fees by the Department of State for the Manufactured Housing Act of 2005;
- \$354,000 due to anticipated personal service increases associated with the relocation of the Department of State to One Commerce Plaza;
- \$335,000 to personal services associated with 3 new FTE's added in 2006-07 for ethics training.

Proposed Decreases

The Executive proposed the following decreases:

- \$35,703,000 to the Special Revenue Fund due to the shifting of the Business & Licensing Program to the General Fund;
- \$4,600,911 due to shifting of Civil Legal Services to the Interest on Lawyers Account;
- \$1,163,400 to Local Government and Community Services due to a one-time SFY 2006-07 appropriation for building code manuals;
- \$600,000 to Local Government and Community Services due to a one-time SFY 2006-07 appropriation for fire manuals; and
- \$20,000 to the Lake George Park Commission Program due to adjustment of Nonpersonal services appropriation.

Aid to Localities

Proposed Increases

The Executive proposes the following increases:

- \$2,200,000 Coastal Zone Management increase due to an anticipated local assistance grant from the federal government; and
- \$550,000 to the General Fund due to the shifting of the cemetery regulation account from the Special revenue fund to the General fund.

Proposed Decreases

The Executive proposes the following decreases:

- \$550,000 to the Special revenue fund due to the shifting of the cemetery regulation account from the Special revenue fund to the General fund to enhance efficiency.

Article VII

The Executive recommends Article VII legislation that would:

- permit the Department of State to redirect fees, fines, penalties and assessments derived through the Department's Business and Licensing Services Account to the General Fund and would also require that costs incurred by the Department be financed by a General Fund appropriation ;
- make permanent the authority of the Secretary of State to charge increased fees for the expedited handling of documents; and
- permanently extend the current formula for distribution of the Federal Community Services Block Grant Program and delete an existing provision of law relating to eligibility of entities for funding.

DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	331,852,000	311,352,000	(20,500,000)	-6.2%
Special Revenue-Other	46,000,000	76,420,000	30,420,000	66.1%
Special Revenue-Federal	582,000	582,000	0	0.0%
Internal Service Fund	53,102,000	47,502,000	(5,600,000)	-10.5%
Fiduciary	500,000	0	(500,000)	-100.0%
Total for AGENCY SUMMARY:	432,036,000	435,856,000	3,820,000	0.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	4,326	4,526	200
All Other Funds:	440	440	0
TOTAL:	4,766	4,966	200

Agency Mission

(Executive Budget: pp. 325-331)

The Department of Taxation and Finance is responsible for the administration and collection of various State taxes and related local taxes.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- An increase of 200 full time equivalent (FTE's) positions in audit, collections and information technology to assist with voluntary compliance efforts.

Budget Detail

State Operations

Proposed Increase

- The Executive proposes an increase in Special Revenue Funds Other of \$30,420,000 reflecting the New York City assessment for processing income tax returns and the movement of monies from the General Fund.
- The Executive proposes an increase of \$5,500,000 for additional 200 FTE's and a \$4,400,000 increase in general operating costs.

Proposed Decreases

The Executive proposes the following decreases:

- \$20,500,000 in the General Fund which includes the movement of the NYC assessment for processing income tax returns to the Special Revenue Funds.
- \$5,600,000 in Internal Service Funds due to a cost reduction in income tax return processing as a result of increased electronic filing.

Aid to Localities

Proposed Decrease

- The World Trade Center Relief Fund is no longer active resulting in a decrease of \$500,000.

DIVISION OF TAX APPEALS

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,423,000	3,228,000	(195,000)	-5.7%
Total for AGENCY SUMMARY:	3,423,000	3,228,000	(195,000)	-5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	33	31	(2)
TOTAL:	33	31	(2)

Agency Mission

(Executive Budget: pp. 333-335)

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.

Budget Detail

State Operations

Proposed Decrease

- The Executive proposes a decrease of \$195,000 to reflect the reduction of two full time equivalent positions (\$150,000) and a five percent reduction in nonpersonal service expense (\$45,000).

NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
NYS Canal System Development Fund	4,000,000	2,000,000	(2,000,000)	-50.0%
Total for AGENCY SUMMARY:	4,000,000	2,000,000	(2,000,000)	-50.0%

Agency Mission

(Executive Budget: pp. 337)

The New York State Thruway Authority (Authority) 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 Authority 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 Executive provides for the transfer of Interstate 84 operating responsibility from the Authority to the Department of Transportation (DOT) by increasing the number of full-time equivalent (FTE) positions in the proposed State Fiscal Year (SFY) 2007-08 DOT budget. This proposed transfer was initiated in October, 2006, when a resolution was passed by the Authority Board to provide DOT with the required one year's notice of the transfer of operating responsibility to DOT.

Budget Detail

Capital Projects

The Executive proposes an appropriation of \$2,000,000 for the Canal Development Program. This represents a decrease of \$2 million, or 50 percent, from the SFY 2006-07 Budget, thereby returning to pre-SFY 2004-05 annual appropriation levels. The revenues generated by the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. The Executive also seeks CSDF re-appropriations of \$8,809,000. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canal system.

DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	103,016,000	103,016,000	0	0.0%
Special Revenue-Other	2,444,212,000	2,738,336,000	294,124,000	12.0%
Special Revenue-Federal	56,421,000	61,591,000	5,170,000	9.2%
Capital Projects Fund - Rebuild & Renew (Bondable)	297,000,000	352,000,000	55,000,000	18.5%
Federal Capital Projects Fund	1,706,000,000	2,033,299,000	327,299,000	19.2%
Dedicated Mass Transportation Trust Fund	58,100,000	64,100,000	6,000,000	10.3%
Dedicated Highway and Bridge Trust Fund	2,172,773,000	1,919,247,000	(253,526,000)	-11.7%
NY Metro Transportation Account	15,894,000	15,894,000	0	0.0%
Capital Projects Fund - Aviation (Bondable)	5,300,000	0	(5,300,000)	-100.0%
Capital Projects Fund - Authority Bonds	22,000,000	0	(22,000,000)	-100.0%
Fiduciary	50,000,000	50,000,000	0	0.0%
Total for AGENCY SUMMARY:	6,930,716,000	7,337,483,000	406,767,000	5.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	9,949	10,360	411
TOTAL:	9,949	10,360	411

Agency Mission

(Executive Budget: pp. 339-348)

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 more 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) 2007-08 Executive Budget includes the following:

- A transfer of Interstate 84 operating responsibility from the New York State Thruway Authority to DOT by increasing the number of full-time equivalent (FTE) positions in the proposed SFY 2007-08 DOT budget by 89 FTEs resulting in \$11,600,000 in additional expenses. The proposed transfer was initiated in October 2006 when a resolution was passed by the Authority Board to provide DOT with the required one year's notice of the transfer of operating responsibility to DOT.
- A proposal to change the distribution formula for revenues collected from the transmission tax portion of the Corporations and Utilities Tax for utilization by upstate and downstate transit systems. This action would result in the transfer of an additional \$23,000,000 in revenue to the Public Transportation Operating Assistance (PTOA) account for utilization by Upstate Transit Systems.
- An increase in the overall size of DOT's five-year Capital Program from \$17.9 billion to over \$18.7 billion to reflect the investment of \$827 million in additional federal aid for highway and bridge capital projects.
- An increase of 311 new FTE engineering positions. The Executive projects that the 108 new positions will enhance DOT's in-house engineering capability, and 203 new positions will support the delivery of the newly enhanced five-year Capital Program. The cost would be an additional \$35,000,000 in SFY 2007-08 with a total increase of \$74,000,000 for engineering and management slated for the 2005-2009 Capital Plan.

Budget Detail

The Executive recommends a total All Funds appropriation of \$7,337,483,000 for SFY 2007-08, which represents an increase of \$406,767,000, or 5.9 percent from SFY 2006-07 Enacted Budget funding levels.

State Operations

The Executive proposes that a total of \$47,986,000 be appropriated for the purpose of State Operations. This represents an increase of \$1,569,000 or 3.4 percent over the SFY 2006-07 funding level, attributable primarily to a combination of increased federal operating assistance and regular growth in personal service and non-personal service costs.

Aid to Localities

The Governor recommends Aid to Localities All Funds appropriations totaling \$2,854,957,000, an increase of \$297,725,000 or 11.6 percent over SFY 2006-07 appropriations. The Executive proposes to continue the \$45 million 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 are aimed at increasing the efficiency of public transit systems.

Proposed Increases

The Executive proposes the following increases:

- Upstate transit systems will receive total appropriations of \$160,991,000, an increase of \$11,625,000 or 7.8 percent over SFY 2006-07 levels. Of the \$160.9 million in new Upstate transit aid, \$23,000,000 or 14.3 percent can be attributed to the Governor's Article VII proposal to re-distribute revenues from the transmission portion of the Corporations and Utilities Tax.
- Non-MTA Downstate transit systems will receive total appropriations of \$177,730,000, an increase of \$13,045,600 or 7.9 percent over SFY 2006-07 levels.
- The MTA, which serves the New York City Metropolitan Commuter District, will receive \$2.4 billion, an increase of \$274.2 million or 12.3 percent over the SFY 2006-07 \$2.2 billion appropriation.

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 a \$17.9 billion five-year 2005-10 Capital Program.

Currently in the third year of the Capital Program, the Executive proposes a total of \$4,434,540,000 in appropriations for capital projects. This is an increase of \$107,473,000 or 2.5 percent from appropriations in SFY 2006-07. This increase primarily results from the final passage of the Federal Transportation Act, also known as SAFETEA-LU, which allowed DOT to estimate that more than \$1.457 billion in additional Federal transportation aid is available to New York State than was estimated where the Capital Program was adopted. Of this amount, the Executive projects that \$827 million will be added to the current five-year Capital Program. The remaining \$630 million is intended to help pay for projects in the out-years of the five-year plan that are currently unfunded. Ultimately, this action would reduce the size of the funding gap in the Capital Program to \$278 million.

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

- \$290,000,000 for Highway Facilities Capital Projects;
- an additional \$50,000,000 is available through Multi-Modal reappropriations;
- \$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:

- that the Industrial Access Program continue to be funded at \$9,000,000. The proposed appropriation does not incorporate language affirming current program provisions;
- a highway and bridge construction letting level of \$1.975 billion for SFY 2007-08, which is an increase of \$125 million or 6.4 percent over the adjusted construction letting level for SFY 2006-07;
- \$296.5 million for the Consolidated Highway Improvement Program (CHIPs), a decrease of \$13 million, or 4.4 percent from the SFY 2006-07 Budget; and
- maintaining the current level of \$39.7 million in funding for the Municipal Streets and Highways Program ("Marchiselli").

Article VII

The Executive recommends Article VII legislation that would:

- provide the annual authorizations for the CHIPs and Marchiselli programs;
- permanently extend the single audit program for recipients of State transportation assistance;
- amend the Eminent Domain Procedure Law to suspend State interest payments when a condemnation notice is completed through certified mail;
- amend the Transportation Law to conform with federal law and allow the continued collection of motor carrier registration fees;
- require the Commissioner of Transportation to convene a panel of non-MTA transit systems to seek input on performance standards that would ultimately aid in creating a performance-based distribution formula for State transit aid;
- require the Commissioner of Transportation to convene a Procurement Council to identify opportunities to achieve savings in procurements through the expanded use of aggregate purchases, leasing, and other financial techniques; and
- amend and clarify reporting requirements in the Capital Program and Financing Plan (CPFP) for the Dedicated Highway and Bridge Trust Fund.

The Executive also proposes Article VII legislation that would modify the distribution formula for transmission tax revenues that support state transit aid. Under the current formula, 20 percent is deposited into the Dedicated Highway and Bridge Trust Fund (DHBTF) and the remaining 80 percent is deposited into the Metropolitan Mass Transportation Operating Assistance (MMTOA) account, which provides aid to Downstate transit systems including the MTA. The new formula would still provide 20 percent to DHBTF, but 53 percent would now be channeled into the MMTOA account and 27 percent to the Public Transportation Operating Assistance (PTOA) account, which provides funding to Upstate transit systems. This would increase by \$23 million upstate transit aid, and decrease by a corresponding amount the revenue received from the transmission tax available to support downstate transit systems.

Deficiency Request

The Executive proposes a deficiency appropriation of \$6,000,000 from the General Fund to the PTOA account. The PTOA account provides funding for Upstate transit operating assistance programs. The deficiency appropriation is requested due to a cash shortfall in the PTOA account in SFY 2006-07.

URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
AMD Direct (Direct Auth Bonds)	650,000,000	0	(650,000,000)	-100.0%
Capital Projects Fund - Stadium (Auth Bonds)	149,400,000	0	(149,400,000)	-100.0%
General Fund	112,731,000	74,922,000	(37,809,000)	-33.5%
Capital Projects Fund - Authority Bonds	1,597,050,000	650,450,000	(946,600,000)	-59.3%
Total for AGENCY SUMMARY:	2,509,181,000	725,372,000	(1,783,809,000)	-71.1%

Agency Mission

(Executive Budget: pp. 221-224)

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 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) 2007-08 Budget a new capital appropriation of \$650,450,000 which includes:

- \$300,000,000 for an International Computer Chip Research and Development Center;
- \$300,000,000 for the Investment and Job Creation Program; and
- \$50,450,000 to support various economic development initiatives throughout the state.

Budget Detail

The SFY 2007-08 Executive Budget provides an All Funds appropriation of \$725,372,000 reflecting a \$37,809,000 decrease from SFY 2006-07 levels.

Aid to Localities

The Executive proposes to decrease Aid to Localities funding by \$37,809,000 resulting in a \$74,922,000 appropriation, funding the following programs at SFY 2006-07 levels:

- \$7,075,000 for the operating expenses of the Centers of Excellence;
- \$3,473,000 Urban and Community Development Program in economically distressed areas;
- \$3,000,000 for retention of pro 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);
- \$650,000 for the Emerging Industries Alliance;
- \$1,000,000 for military base retention efforts; and
- \$500,000 for Entrepreneurial Assistance Program.

Proposed Increases

The Executive proposes the following increases in SFY 2007-08 Budget:

- \$40,000,000 for the Empire State Economic Development Fund, which reflects a \$7,222,000 increase above the SFY 2006-07 level;
- \$9,000,000 for Governor's Island Preservation, \$1,500,000 above the SFY 2006-07 level;
- \$8,224,000 in a new appropriation for the operations and administration expenses of the Empire State Development Corporation; and
- \$3,473,000 for the Minority-Women Business Development Lending Program, \$2,825,000 above the SFY 2006-07 level.

Proposed Decreases

The Executive proposes a \$37,809,000 decrease in the SFY 2007-08 Budget resulting in the elimination of the following programs:

- \$32,134,000 Jobs NOW Program;
- \$4,000,000 SUNY Institute of Technology – Site Planning and Development;
- \$3,473,000 Urban and Community Development Program in Economically Distressed Areas;
- \$1,875,000 SITE Available-New York;
- \$1,525,000 Community Development Financial Institutions Program;
- \$1,400,000 Griffiss Air Force Base Redevelopment;
- \$1,400,000 Plattsburgh Air Force Base;
- \$1,300,000 Entrepreneurial Assistance Program;
- \$1,000,000 American Axle-Tonawanda Forge;
- \$1,000,000 MDA-Essential New York Initiative;
- \$900,000 Seneca Army Infrastructure Improvement;
- \$750,000 Garment Industry Retention Network;
- \$750,000 Excell Partners;
- \$750,000 Advanced Biotechnology Center;
- \$750,000 Genesis Center of Biotechnology for Genomics;
- \$750,000 Economic Development Initiatives;
- \$650,000 Brooklyn Chamber of Commerce;
- \$500,000 Training of Manufacturing Employee Global Competitiveness;
- \$500,000 Long Island Hispanic Chamber of Commerce;
- \$500,000 Rochester Area Colleges Math and Sciences Hub;
- \$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;
- \$115,000 Jamaica Chamber of Commerce;
- \$100,000 Niagara Air Force Base Redevelopment;
- \$100,000 Seneca Army Depot Redevelopment;
- \$100,000 Seneca Army Depot Redevelopment; and
- \$45,000 DaVinci Project.

Capital Projects

The Executive recommends \$650,450,000 for Capital projects reflecting a reduction of \$1,746,000,000 from SFY 2006-07 due to the non-recurrence of one-time capital appropriations included in the SFY 2006-07 Budget. The Executive proposal includes the following economic development projects:

- \$300,000,000 for the International Computer Chip Research and Development Center;
- \$300,000,000 for the Investment and Job Creation Program;
- \$20,000,000 for the preservation of existing facilities on Governor's Island;
- \$15,000,000 Roosevelt Island Operating Corporation for costs associated with the renovation of the Roosevelt Island Tram-way;
- \$7,950,000 for Niagara USA Development Corporation; and
- \$7,500,000 for the Harriman Research and Technology Park.

Article VII

The Executive recommends Article VII legislation that would:

- Make permanent the general loan powers of the ESDC;
- Authorize a \$300 million Investment and Job Creation Program. 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; and
- Establish a new public benefit corporation, the Stem Cell and Innovation Fund Corporation in order to implement a new Stem Cell and Innovation Program. This program calls for a \$2,100,000,000 State investment over eleven years including a \$34,000,000 operating appropriation and a \$66,000,000 capital appropriation for SFY 2007-08. Contingent upon voter approval in SFY 2008-09 the remaining ten years will include a \$150,000,000 bonded capital funding annually for ten years along with \$50,000,000 in operating funding annually for ten years. Investment will be used to encourage and foster life sciences, and emerging technologies including but not limited to stem cell research, clean or renewable energy, new agribusiness,

security technologies, wireless technologies, nanotechnology, bioinformatics, photonics, software and small scale systems integration and packaging. The Corporation will be comprised of fifteen voting members, thirteen of which shall be appointed by the Governor without nomination by any other party; two will be appointed on the nomination of the Temporary President of the Senate; one will be appointed on the nomination of the Senate Minority Leader; two will be appointed on the nomination of the Speaker of the Assembly; one will be appointed on the nomination of the Assembly Minority Leader.

MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	6,178,000	39,368,000	33,190,000	537.2%
Special Revenue-Other	663,975,000	689,400,000	25,425,000	3.8%
Capital	0	66,000,000	66,000,000	--
Capital Projects Fund - Rebuild & Renew (Bondable)	297,000,000	352,000,000	55,000,000	18.5%
Total for AGENCY SUMMARY:	967,153,000	1,146,768,000	179,615,000	18.6%

Budget Detail

(Executive Budget: pp. 489-517)

State Operations

Racing Reform Program

For State Fiscal Year (SFY) 2007-08, the Executive provides a \$1,000,000 General Fund appropriation and a reappropriation of \$2,000,000 for services and expenses to be used to finance administrative and contractual costs of the Non-Profit Racing Association Oversight Board and the Ad-Hoc Committee on the Future of Racing.

Aid to Localities

Proposed Increases

Metropolitan Transportation Authority

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$660,100,000, an increase of \$15,400,000, or 2.4 percent over the SFY 2006-07 Enacted Budget. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2008-09 in the event the State budget for that fiscal year is not enacted by April 1, 2008.

Tribal State Compact Revenue

The Executive proposes a Special Revenue Funds – Other appropriation of \$29,300,000 for Tribal State Compact Revenue for purposes identified in Section 99-h of the State Finance Law. This represents an increase of \$10,025,000 over the SFY 2006-07 appropriation.

Capital Projects

Metropolitan Transportation Authority

The Executive proposes an appropriation of \$352,000,000 for the purpose of funding MTA Capital projects. This represents an increase of \$55,000,000, or 18.5 percent, over the appropriation in the SFY 2006-07 Enacted Budget per the provisions of the MTA five-year Capital Plan. These funds were generated by the sale of bonds authorized by the Renew and Rebuild New York Transportation Bond Act which was authorized by voters in November 2005.

Article VII

Stem Cell and Innovation Fund Corporation

The Executive proposes to establish a new public benefit corporation, the Stem Cell and Innovation Fund Corporation to implement a new Stem Cell and Innovation Program. This program calls for a \$2,100,000,000 State investment over eleven years including a \$34,000,000 operating appropriation and a \$66,000,000 capital appropriation for SFY 2007-08. Contingent upon voter approval in SFY 2008-09 the remaining ten years will include a \$150,000,000 bonded capital funding annually for ten years along with \$50,000,000 in operating funding annually for ten years. An additional description of this proposal may be found within the Article VII Section of the Empire State Development Corporation Agency Narrative.

Deficiency Request

The Executive proposes a deficiency appropriation of \$1,100,000 for the Tribal State Compact Revenue Program. This adjustment to the SFY 2006-07 appropriation is necessary to support new and unanticipated revenues from the Salamanca gaming facility.