

**TRANSPORTATION,
ECONOMIC
DEVELOPMENT &
ENVIRONMENTAL
CONSERVATION**

**Summary of Recommended Appropriations
By Agency**

ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,119,000	4,607,000	(512,000)	-10.0%
Special Revenue-Federal	700,000	700,000	0	0.0%
Capital Projects Fund	500,000	500,000	0	0.0%
Total for AGENCY SUMMARY:	6,319,000	5,807,000	(512,000)	-8.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	56	56	0
TOTAL:	56	56	0

Agency Mission

(Executive Budget: pp. 4-7)

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

Budget Detail

The Executive proposes an All Funds appropriation of \$6,319,000, a decrease of \$512,000 or 8.08 percent under the SFY 2010-11 level. The Executive recommends funding support of 56 full-time equivalent positions, reflecting no change over SFY 2010-11 staffing levels.

State Operations

The Executive proposes a State Operations appropriation of \$5,307,000, a decrease of \$512,000 or 8.08 percent from the SFY 2010-11 level.

Proposed Decreases

The Executive proposes a General Fund reduction of \$512,000 due to the Executive's proposed 10 percent State Operations reduction of the agency 2011-12 baseline projection.

Capital Projects

The Executive proposes an overall capital appropriation of \$500,000, reflecting no change from the SFY 2010-11 level. This is a dry appropriation that would allow the APA to utilize gift or grant money.

DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	48,094,000	40,166,000	(7,928,000)	-16.5%
Special Revenue-Other	47,257,000	46,600,000	(657,000)	-1.4%
Special Revenue-Federal	49,644,000	49,644,000	0	0.0%
Enterprise	21,361,000	21,361,000	0	0.0%
Misc. Capital Projects	2,000,000	2,000,000	0	0.0%
Fiduciary	1,836,000	1,836,000	0	0.0%
Capital Projects Fund	1,750,000	1,000,000	(750,000)	-42.9%
Total for AGENCY SUMMARY:	171,942,000	162,607,000	(9,335,000)	-5.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	264	264	0
All Other Funds:	247	247	0
TOTAL:	511	511	0

Agency Mission

(Executive Budget: pp. 13-17)

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

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- Elimination of separate line item funding for Local Assistance Programs to be replaced by a competitive grants program.

Budget Detail

The Executive proposes an All Funds appropriation of \$162,607,000, a decrease of \$9,335,000 for 5.4 percent under the SFY 2010-11 level. The Executive recommends funding support of 511 full-time equivalent positions, the staffing level remains at SFY 2010-11 levels.

State Operations

The Executive proposes a State Operations appropriation of \$125,798,000 a decrease of \$3,586,000 or 2.8 percent from the SFY 2010-11 level. Funding levels are maintained for the New York Federation of growers and processors agribusiness child care (\$6,521,000). Programs administered by the Cornell Diagnostic Lab are consolidated into a single appropriation with funding maintained at \$6,066,000.

Proposed Increases

The Executive proposes a Special Revenue fund increase of \$500,000 in the Miscellaneous Gift Account allowing the Department to accept expected gifts or donations.

Proposed Decreases

The Executive proposes:

- a General Fund decrease of \$2,929,000 due to the Executive's proposed 10 percent State Operations reduction of the agencies 2011-12 baseline projection;
- a Special Revenue Fund-Other decrease of \$75,000 for the Animal Disease Control Account; and
- a Special Revenue Fund-Other decrease of \$1,082,000 from a decrease in the Animal Population Control appropriation which the state no longer administers.

Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$13,809,000, a decrease of \$4,999,000 or 12.9 percent from the SFY 2010-11 level.

Proposed Decreases

The Executive proposes:

- a General Fund elimination of a \$3,000,000 appropriation for Genesee Valley Farmers' Markets which was expected to sunset in SFY 2010-11; and
- a General Fund \$1,999,000 reduction related to the elimination of local assistance programs to be replaced by a new competitive grant program in which the programs must compete with one another for funding.

Capital Projects

The Executive proposes an overall capital appropriation of \$3,000,000 representing a decrease of \$750,000 below the SFY 2010-11 level. These appropriations will be used to maintain and repair the State Fair's 19 major buildings and other structures as well as continue support for the development of private partnerships at the Fair. This decrease represents the reduction of State Fair capital hard dollar appropriations.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the Commissioner of Agriculture and Markets to establish a competitive Local Grants Program to fund education, marketing, and research activities for the benefit of New York's agricultural community; and
- authorize the Department of Agriculture and Markets to expand farmers' markets and community supported agriculture in underserved areas.

DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	25,903,000	23,562,000	(2,341,000)	-9.0%
Special Revenue-Other	3,765,000	3,765,000	0	0.0%
Special Revenue-Federal	1,000,000	1,000,000	0	0.0%
Total for AGENCY SUMMARY:	30,668,000	28,327,000	(2,341,000)	-7.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	130	130	0
All Other Funds:	4	4	0
TOTAL:	134	134	0

Agency Mission

(Executive Budget: pp. 61-66)

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

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- \$3,815,000 to assist local tourism promotion agencies through the Tourism Matching Grants program;

- \$3,600,000 to promote and advertise state tourism through the I Love NY program; and
- \$1,080,000 for programs and activities to promote international trade.

Budget Detail

The Executive Budget proposes an All Funds appropriation of \$28,327,000, a decrease of \$2,341,000 or eight percent below SFY 2010-11 levels.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$24,512,000, a net decrease of \$2,194,000, or 8 percent below SFY 2010-11 levels.

Proposed Decreases

The Executive proposes:

- a total reduction of \$2,194,000 from the General Fund consisting of a net decreases of \$761,000 for personal service and \$1,433,000 for non-personal service;

The non-personal service reductions include:

- a decrease of \$120,000 to the promotion of International Trade, from \$1,200,000 in SFY 2010-11 to \$1,080,000 in SFY 2011-12 ; and
- a decrease of \$400,000 to the I Love NY Program, from \$4,000,000 in SFY 2010-11 to \$3,600,000 in SFY 2011-12.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$3,815,000, a decrease of \$147,000, or four percent below SFY 2010-11 levels.

Proposed Decreases

The Executive proposes elimination of \$147,000 in funding for the Gateway Information Center at Binghamton.

Article VII

The Executive recommends Article VII legislation that would increase the lifetime limit on the Linked Deposit loan program from \$1,000,000 to \$2,000,000.

NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	16,230,000	16,230,000	0	0.0%
Capital Projects Fund	0	15,310,000	15,310,000	-
Capital Projects Fund - Authority Bonds	19,247,000	0	(19,247,000)	-100.0%
Total for AGENCY SUMMARY:	35,477,000	31,540,000	(3,937,000)	-11.1%

Agency Mission

(Executive Budget: pp. 94-96)

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 System Benefit Charge (SBC) and manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and Saratoga Technology and Energy Park (STEP) in Saratoga County.

Budget Detail

The Executive proposes an All Funds appropriation of \$31,540,000, a decrease of \$3,937,000 or 11.1 percent under the SFY 2010-11 levels.

State Operations

The Executive proposes a State Operations appropriation of \$8,090,000, an increase of \$1,094,000 or 15.6 percent from the SFY 2010-11 levels. This includes authority to sub-allocate up to \$1,000,000 for the services and expenses of the Climate Change Office in the Department of Environmental Conservation.

Proposed Increases

The Executive proposes a Special Revenue Fund increase of \$1,094,000 to the Research, Development and Demonstration Program.

Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$8,140,000, a decrease of \$1,094,000 or 11.9 percent from the SFY 2010-11 levels.

Proposed Decreases

The Executive proposes a Special Revenue Fund decrease of \$1,094,000 to the Research, Development and Demonstration Program.

Capital Projects

The Executive proposes a capital appropriation of \$15,310,000 for ongoing work at the West Valley Nuclear Fuel Reprocessing Facility, a decrease of \$3,937,000 or 20.5 percent from the SFY 2010-11 levels. This reflects a decrease of Federal spending on the West Valley facility, as NYSERDA's costs are matched nine to one by the Federal contribution.

Article VII

The Executive recommends Article VII legislation that would:

- authorize NYSERDA to make \$913,000 available to the General Fund to offset New York State's debt service requirements to the West Valley Nuclear Fuel Reprocessing Facility; and
- authorize NYSERDA to finance its Research, Development and Demonstration Program and its Policy and Planning Program, as well as the DEC's climate change program with revenues from utility assessments collected pursuant to section 18-a of the Public Service Law.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	122,241,000	110,002,000	(12,239,000)	-10.0%
Special Revenue-Other	266,634,300	256,077,000	(10,557,300)	-4.0%
Special Revenue-Federal	127,419,000	76,012,000	(51,407,000)	-40.3%
Capital Projects Fund	16,834,000	16,834,000	0	0.0%
Federal Capital Projects Fund	156,700,000	184,000,000	27,300,000	17.4%
Environmental Protection Fund	134,000,000	134,000,000	0	0.0%
Internal Service Fund	60,000	60,000	0	0.0%
Cap Proj Fund - DEC Regular Auth Bonds	12,000,000	12,000,000	0	0.0%
Cap Proj Fund - State Revolving Fund Auth Bonds	29,600,000	35,000,000	5,400,000	18.2%
Capital Project Fund - Onondaga Lake (Auth. Bonds)	5,000,000	0	(5,000,000)	-100.0%
Capital Projects Fund - EQBA 86 Bondable	342,000	0	(342,000)	-100.0%
Hazardous Waste Remedial Fund - Oversight and Assesment	12,250,000	10,000,000	(2,250,000)	-18.4%
Hazardous Waste Remedial Fund - Cleanup	120,000,000	120,000,000	0	0.0%
Total for AGENCY SUMMARY:	1,003,080,300	953,985,000	(49,095,300)	-4.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	1,096	1,096	0
All Other Funds:	1,907	1,907	0
TOTAL:	3,003	3,003	0

Agency Mission

(Executive Budget: pp. 97-106)

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

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- a \$134,000,000 appropriation for the EPF maintaining funding levels provided in SYF 2010-11.
- a \$12,046,100 reduction in State Operations funding resulting from the Executive's proposed 10 percent State Operations reduction of the agencies SFY 2011-12 baseline projection.

Budget Detail

The Executive proposes an All Funds appropriation of \$953,985,000 for DEC, which is a \$49,095,300 decrease or five percent below SFY 2010-11 levels. The Executive recommends funding support of 3,003 full-time equivalent positions which is consistent with SFY 2010-11 levels.

State Operations

The Executive proposes a State Operations appropriation of \$440,476,000, a \$74,010,400 decrease below SFY 2010-11 levels.

Proposed Decreases

The Executive proposes:

- a General Fund decrease of \$12,046,100 due to the Executive's proposed 10 percent State Operations reduction of the agencies SYF 2011-12 baseline projection;
- a Special Revenue Fund–Other reduction of \$10,557,300 to the Operating Account, the Environmental Regulatory Account, the Natural Resources Account, and the Recreation Account due to decreased revenues; and
- a Special Revenue Fund–Federal reduction of \$51,407,000 due to the sunset of the Federal Great Lakes Restoration Initiative Funding.

Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$1,675,000, a \$192,900 decrease below SFY 2010-11 levels.

Proposed Decreases

The Executive proposes:

- a net General Fund decrease of \$192,900 from a 25 percent decrease in payments to the Susquehanna River Basin Commission, Delaware River Basin Commission, and the Great Lakes Commission offset by a statutorily required increase of \$28,000 to the Ohio River Basin Commission.

Capital Projects

The Executive proposes an overall capital appropriation of \$511,834,000, an increase of \$25,108,000 over SFY 2010-11 levels.

The Executive proposal includes the following capital projects:

- a federal funding increase of \$27,300,000 for the Clean Water Pollution Revolving Loan Fund to \$175,000,000; and
- a state funding increase of \$5,400,000 for the Clean Water State Revolving Loan Fund to \$35,000,000.

Environmental Protection Fund (EPF)

The Executive proposes \$134,000,000 in appropriations for the EPF, maintaining SFY 2010-11 appropriation levels. These appropriations provide funding for high priority environmental projects including farmland preservation, recycling programs, non-point source pollution control and municipal park and waterfront revitalization projects.

The Executive proposes to support the EPF with \$133,500,000 in cash disbursements for SFY 2011-12. The Executive projects an opening balance of \$17,077,000 and a closing balance of \$17,000,000 for the fund.

The individual SFY 2011-12 appropriations are outlined in the following table.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the Tug Hill Commission and remove all statutory references.
- make permanent the current pesticide product fees and registration timetable. These provisions were extended last in 2008. Expiration of the product fee provision would result in the current \$600 fee reverting to \$50.

2011-12 Environmental Protection Fund (000's)				
	2010-11 Enacted	2011-12 Executive	Change 10-11 v. Executive	Percent Change 10-11 v. Executive
SOLID WASTE				
Landfill Closure/Gas Management	600	600	0	0%
Municipal Recycling	6,639	6,435	-204	-3%
Pollution Prevention Institute	2,000	2,000	0	0%
<i>Green Initiative Institute</i>	600	0	-600	-100%
<i>Intrste Chemicals Clearinghouse</i>	0	0	0	
Secondary Marketing	1,000	1,000	0	0%
Natural Resource Damages	200	200	0	0%
Pesticide Database	575	575	0	0%
Solid Waste	11,014	10,810	-204	-2%
PARKS & REC				
Waterfront Revitalization	12,000	11,500	-500	-4%
<i>Inner City/Underserved</i>	6,000	5,750	-250	-4%
<i>Hudson and Champlain Docks</i>	250	0	-250	-100%
<i>Buffalo Waterfront</i>	550	0	-550	-100%
<i>Niagara River Greenway</i>	300	0	-300	-100%
Municipal Parks	13,432	13,000	-432	-3%
<i>Innecity/Underserved</i>	5,730	6,500	770	13%
<i>Olmsted Park</i>	225	0	-225	-100%
<i>Hyde Park</i>	125	0	-125	-100%
<i>Darwin Martin House</i>	225	0	-225	-100%
<i>Graycliff Manor House</i>	125	0	-125	-100%
Hudson River Park (HRP)	3,000	3,000	0	0%
Public Access & Stewardship	16,228	16,228	0	0%
DEC	10,228		-10,228	-100%
OPRHP	6,000		-6,000	-100%
State Park Operations	0	0	0	
ZBGA	9,000	9,000	0	0%
Parks & Rec	53,660	52,728	-932	-2%
OPEN SPACE				
Land Acquisition	17,614	17,500	-114	-1%
<i>Land Trust Alliance</i>	1,575	1,575	0	0%
<i>Urban Forestry (UF)</i>	500	500	0	0%
<i>UF to cities pop 65,000 or over</i>	0	250	250	
Taxes - Forest Preserve Lands	0	0	0	0%
Smart Growth	300	300	0	0%
Farmland Protection	10,750	12,000	1,250	12%
Agricultural Waste Management	430	430	0	0%
Biodiversity Stewardship	500	500	0	0%
<i>Cayuga Island</i>	75	0	-75	-100%
Albany Pine Bush Commission	2,000	2,000	0	0%
Invasive Species	3,800	3,800	0	0%
<i>Eradication Grants</i>	0	1,000	1,000	
<i>Lake George</i>	95	95	0	0%
LI Pine Barrens Commission	1,100	1,100	0	0%
Oceans & Great Lakes Initiative	5,000	5,000	0	0%
Water Quality Improvement Prog	2,932	2,932	0	0%
LI South Shore Estuary Reserve	900	900	0	0%
Non-Point Source Poll Cont	17,000	17,000	0	0%
<i>Agricultural</i>	13,297	13,297	0	0%
<i>Non-Agricultural</i>	3,703	3,703	0	0%
Soil & Water Conserv. Dist	3,000	3,000	0	0%
Finger Lk-Lk Ontario Watershed	1,000	1,000	0	0%
Hudson River Estuary Plan	3,000	3,000	0	0%
Open Space	69,326	70,462	1,136	2%
TOTAL EPF	134,000	134,000	0	0%

ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	12,310,000	12,310,000	0	0.0%
Clean Water-Clean Air Implementation Fund	343,000	343,000	0	0.0%
Total for AGENCY SUMMARY:	12,653,000	12,653,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	88	88	0
TOTAL:	88	88	0

Agency Mission

(Executive Budget: pp. 107-110)

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

Budget Detail

The Executive proposes an All Funds appropriation of \$12,653,000, reflecting no change to the State Fiscal Year (SFY) 2010-11 levels. The Executive recommends funding support of 88 full-time equivalent positions, thereby maintaining the SFY 2010-11 levels.

State Operations

The Executive proposes a State Operations appropriation of \$12,310,000, reflecting no change to the SFY 2010-11 levels.

Capital Projects

The Executive proposes an overall capital appropriation of \$343,000, reflecting no change to the SFY 2010-11 levels.

HUDSON RIVER PARK TRUST

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Total for AGENCY SUMMARY:	0	0	0	0%

Agency Mission

(Executive Budget: pp. 181)

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.

Budget Detail

Traditionally, the appropriations for the Trust represent advance payments for New York City's (NYC) share of costs associated with the Park. These advance payments typically serve as a match for previous and/or current year state contributions, which often come from the Environmental Protection Fund. The Executive does not include a NYC advance, maintaining level funding as in State Fiscal Year (SFY) 2010-11, the trust is however funded in the Environmental Protection Fund at \$3,000,000 maintaining the SFY 2010-11 appropriation.

Capital Projects

As was the case in SFY 2010-11, the Executive proposal does not include a capital appropriation for the Trust.

DIVISION OF THE LOTTERY

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	95,310,700	89,704,000	(5,606,700)	-5.9%
Total for AGENCY SUMMARY:	95,310,700	89,704,000	(5,606,700)	-5.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	319	369	50
TOTAL:	319	369	50

Agency Mission

(Executive Budget: pp. 208-210)

The Division of Lottery (DOL) is an independent unit of the Department of Taxation and Finance. DOL is responsible for the administration and operational logistics of New York State Lottery games and video lottery terminals (VLTs) which operate to raise revenue for the support of education.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- An increase of 50 additional staff members that are needed to implement measures to improve the efficiency of lottery sales to assist in the closing the state's budget gap.

Budget Detail

The Executive recommends an All Funds appropriation of \$89,704,000, a decrease of \$5,606,700 or 5.9 percent over SFY 2010-11. The Executive recommends funding support of 369 full-time equivalent (FTE) positions, an increase of 50 positions; 38 additional FTE's will be for the administration of video lottery, the remaining 12 additional FTE's will be for the administration of Traditional Lottery programs.

State Operations

Proposed Decreases

The Executive proposes the following:

- an appropriation of \$80,052,000 for the administration of the Lottery Program. The appropriation represents a decrease of \$4,424,800 or 5.2 percent from SFY 2010-11. This represents a \$5,526,100 or 8.6 percent reduction in non-personal service and an increase of \$1,101,300 or 5.5% in personal service; and
- an appropriation of \$9,652,000 for the administration of the VLT Program. The appropriation represents a decrease of \$7,737,000 or 22.4 percent reduction in non-personal service and an increase of \$1,750,300 or 24.4 percent in personal service.

Article VII

The Executive recommends Article VII legislation that would:

- eliminate the restrictions related to the game of "Quick Draw" (e.g. bars and taverns must have 25 percent of their sales from food, square footage of 25,000 feet if no alcohol is served, and that persons must be 21 years of age to play Quick Draw in a Bar/Tavern); the Executive estimates this will generate an additional \$10,000,000 in SFY 2010-11 and \$44,000,000 thereafter;
- authorize DOL to issue "free-play" credits of up to 10 percent of the net machine income (income after payout of prizes) and clarifies that "free play credits" are not included in the net machine income; the Executive estimates this will generate an additional \$38,000,000 million annually;
- authorize DOL to increase the number of instant games that pay out up to 75 percent of the sales receipt from three to five; the Executive estimates this will generate an additional \$4,000,000 annually;

- authorize multi-jurisdictional VLT games, provided the payout of prizes remains at no less than 90% of the sales receipts; the Executive estimates this will generate an additional \$2,000,000 in SFY 2011-12 and \$3,000,000 in SFY 2012-13; and
- authorize higher payouts on multi-jurisdictional lottery games provided two-thirds of the multi-jurisdictional participants concur; current law limits multi-state payout to no more than 50% (no revenue expectation was provided).

DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	90,478,000	90,431,000	(47,000)	-0.1%
Special Revenue-Federal	36,800,000	38,001,000	1,201,000	3.3%
Dedicated Highway and Bridge Trust Fund	217,842,000	201,137,000	(16,705,000)	-7.7%
Internal Service Fund	11,500,000	13,500,000	2,000,000	17.4%
Total for AGENCY SUMMARY:	356,620,000	343,069,000	(13,551,000)	-3.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	2,472	2,472	0
TOTAL:	2,472	2,472	0

Agency Mission

(Executive Budget: pp. 235-239)

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

Budget Detail

The Governor recommends a total All Funds appropriation of \$343,069,000, which represents a decrease of \$13,551,000 or 3.8 percent from funding levels in the current fiscal year. The

Executive recommends funding to support 2,472 full-time equivalent (FTE) positions, reflecting no change over State Fiscal Year (SFY) 2010-11 staffing levels.

State Operations

The Executive recommends a total State Operations appropriation of \$121,312,000, an increase of \$2,944,000 or 2.49 percent over funding levels in the current fiscal year.

Proposed Increases

The Executive proposes:

- a Special Revenue Funds increase of \$991,000 in federal funds for the Governor's Traffic Safety Committee due to a projected increase in grants; and
- an Internal Service Fund increase of \$2,000,000 to the Banking Service Account.

Proposed Decreases

The Executive proposes a Special Revenue decrease of:

- \$47,000 to the DMV Administration Program.

Aid to Localities

The Executive recommends a total Aid to Localities appropriation of \$20,620,000, an increase of \$210,000 or 1.03 percent from the adjusted SFY 2010-11 Budget.

Proposed Increases

The Executive proposes a Special Revenue increase of:

- \$210,000 in federal funds for the Governor's Traffic Safety Committee due to a projected increase in grants.

Capital Projects

The Executive recommends an appropriation of \$201,137,000 from the Dedicated Highway and Bridge Trust Fund for Capital Projects. This represents a decrease of \$16,705,000 or 7.67 percent from the SFY 2010-11 level. The reduction is a 10 percent decrease of the portion of the DMV's operating expenses that are paid out of the Dedicated Highway and Bridge Trust Fund.

Article VII

The Executive recommends Article VII legislation that would:

- require the suspension of licenses pending prosecution of certain alcohol-related charges;
- require the suspension of licenses pending prosecution of certain drug-related charges;
- permanently extend provisions of law relating to motor vehicle financial security requirements; and
- modify the Vehicle and Traffic Law relating to commercial drivers' licenses.

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,222,000	4,700,000	(522,000)	-10.0%
Special Revenue-Other	354,000	354,000	0	0.0%
Total for AGENCY SUMMARY:	5,576,000	5,054,000	(522,000)	-9.4%

Agency Mission

(Executive Budget: pp. 240-242)

The Olympic Regional Development Authority (ORDA) administers the post-1980 Winter Olympic program for the facilities in Lake Placid and the surrounding areas. These facilities include: the Olympic Ice Center; the Olympic Speed-Skating Oval; the Whiteface Mountain Ski Area; Veterans' Memorial Highway; the Mt. Van Hoevenberg Complex; the Olympic Ski Jumping Complex; and the U.S. Olympic Training Center. ORDA also manages the Gore Mountain Ski Center in Warren County. ORDA's activities are supported by revenue generated by venue marketing, fees, and ticket sales to athletic and other events, as well as through appropriation in the State Budget.

Budget Detail

The Executive proposes an All Funds appropriation of \$5,054,000, a decrease of \$522,000 or 9.4 percent under the SFY 2010-11 level.

State Operations

The Executive proposes a State Operations appropriation of \$5,054,000, a decrease of \$522,000 or 9.4 percent under the SFY 2010-11 level.

Proposed Decreases

The Executive proposes a General Fund decrease of \$522,000 due to a 10 percent reduction of administrative costs.

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	135,654,600	119,461,200	(16,193,400)	-11.9%
Special Revenue-Other	93,788,900	93,788,900	0	0.0%
Special Revenue-Federal	9,820,900	9,820,900	0	0.0%
Enterprise	1,500,000	0	(1,500,000)	-100.0%
Misc. Capital Projects	3,800,000	3,800,000	0	0.0%
State Parks Infrastructure Fund	29,001,000	29,001,000	0	0.0%
Federal Capital Projects Fund	4,000,000	4,000,000	0	0.0%
Fiduciary Funds - Misc Combined Expendable Trust Fund	10,000,000	10,000,000	0	0.0%
Total for AGENCY SUMMARY:	287,565,400	269,872,000	(17,693,400)	-6.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	1,449	1,449	0
All Other Funds:	336	336	0
TOTAL:	1,785	1,785	0

Agency Mission

(Executive Budget: pp. 243-248)

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides recreational and interpretive opportunities for New York State residents and visitors at 178 parks and 35 historic sites across the state. OPRHP also hosts cultural and educational programs and provide a variety of recreational programs. The state parks and historic sites serve over 60 million visitors annually.

Budget Detail

The Executive proposes an All Funds appropriation of \$269,872,000 decreasing funding by \$17,693,400 or 6.2 percent below State Fiscal Year (SFY) 2010-11 levels. The Executive recommends funding support of 1,785 full-time equivalent positions maintaining SYF 2010-11 employment levels.

State Operations

The Executive proposes a State Operations appropriation of \$214,266,000 decreasing funding by \$13,823,400 below SFY 2010-11 levels.

Proposed Increases

The Executive proposes an increase of \$950,000 in Special Revenue Fund-Federal for anticipated increases in Federal grant allocations.

Proposed Decreases

The Executive proposes:

- a General Fund decrease of \$13,273,400 due to the Executive's proposed 10 percent State Operations reduction of the agencies 2011-12 baseline projection; and
- an Enterprise Fund reduction of \$1,500,000 due to the elimination of athletic fees as a result of the state no longer being involved in the Empire State games.

Aid to Localities

The Executive proposes an Aid to Localities appropriation of \$8,805,000 decreasing funding by \$3,870,000 below SFY 2010-11 levels.

The Executive proposes:

- a General Fund decrease of \$2,920,000 due to the elimination of reimbursements to localities for their enforcement of certain sections of the Navigation Law; and
- a Special Revenue Fund–Federal decrease of \$950,000 based on an ability to accept a large Federal grant within the State Operations budget.

Capital Projects

The Executive proposes an overall capital appropriation of \$46,801,000 maintaining SFY 2010-11 funding levels.

Article VII

The Executive recommends Article VII legislation that would repeal Article 4-A of the Navigation Law regarding reimbursements paid to certain local governmental entities.

DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	76,392,000	76,892,000	500,000	0.7%
Special Revenue-Federal	3,750,000	3,500,000	(250,000)	-6.7%
Total for AGENCY SUMMARY:	80,142,000	80,392,000	250,000	0.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	531	534	3
TOTAL:	531	534	3

Agency Mission

(Executive Budget: pp. 270-272)

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

Budget Detail

The Executive proposes an All Funds appropriation of \$80,392,000, an increase of \$250,000 or .31 percent over State Fiscal Year (SFY) 2010-11 levels. The Executive recommends funding support of 534 full-time equivalent (FTE) positions, an increase of three positions.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$78,892,000, a decrease of \$250,000 or .32 percent from SFY 2010-11 levels.

Proposed Increases

The Executive Budget proposes a Special Revenue Fund-Federal increase of \$1,000,000 to the Pipeline Safety Grant Account, which will fund the three additional FTE positions.

Proposed Decreases

The Executive Budget proposes a Special Revenue Fund-Federal decrease of \$1,250,000 to the Federal Operating Grants Fund due to the absence of American Recovery and Reinvestment Act.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,500,000, reflecting an increase of \$500,000 or 50 percent the SFY 2010-11 levels.

Proposed Increases

The Executive Budget proposes a Special Revenue Fund-Other increase of a \$500,000 to the Intervenor Account in anticipation of fees attributable to companies seeking to site major utility lines.

Article VII

The Executive recommends Article VII legislation that would require all expenses of the Department of Health Public Service Education Program incurred from the Cable Television Account be deemed expenses of the Department of Public Safety.

STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	22,470,000	24,750,000	2,280,000	10.1%
Total for AGENCY SUMMARY:	22,470,000	24,750,000	2,280,000	10.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	105	105	0
TOTAL:	105	105	0

Agency Mission

(Executive Budget: pp. 279-281)

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

Budget Detail

The Executive recommends All Funds appropriations of \$24,750,000 for State Fiscal Year (SFY) 2011-12, reflecting an increase of \$2,280,000 or 10.1 percent above SFY 2010-11 levels. The Executive recommends funding support of 105 full-time equivalent positions, which is unchanged from SFY 2010-11.

State Operations

Proposed Increases

The Executive proposes the following:

- an increase of \$1,800,300 related to equine drug testing; and
- an increases of \$479,700 associated with fringe and indirect costs including inconvenience pay and telecom expenses.

Article VII

The Executive recommends Article VII legislation that would:

- establish a 2.75 percent surcharge on purses at harness and thoroughbred racetracks, which would generate \$7,600,000 in the first year and \$8,400,000 annually; and
- extend for one year the current Pari-Mutuel tax rates and rules governing simulcasting of out-of-state racing.

GOVERNOR'S OFFICE OF REGULATORY REFORM

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,350,000	0	(2,350,000)	-100.0%
Total for AGENCY SUMMARY:	2,350,000	0	(2,350,000)	-100.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	14	0	(14)
TOTAL:	14	0	(14)

Agency Mission

(Executive Budget: pp. 282-283)

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.

Budget Detail

State Operations

Proposed Decreases

- The Executive recommends an All Funds appropriation of zero reflecting the complete elimination in funding (\$2,350,000) of GORR as an agency in order to achieve \$1.5 million in financial plan savings.

Article VII

The Executive Budget proposal also provides for the statutory elimination of all references to the Governor's Office of Regulatory Reform.

DEPARTMENT OF STATE

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	23,415,000	20,249,700	(3,165,300)	-13.5%
Special Revenue-Other	41,325,000	38,907,839	(2,417,161)	-5.8%
Special Revenue-Federal	118,286,940	74,656,000	(43,630,940)	-36.9%
Hazardous Waste Remedial Fund - Oversight and Assesment	2,750,000	0	(2,750,000)	-100.0%
Total for AGENCY SUMMARY:	185,776,940	133,813,539	(51,963,401)	-28.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	125	124	(1)
All Other Funds:	471	470	(1)
TOTAL:	596	594	(2)

Agency Mission

(Executive Budget: pp. 287-292)

The Department of State (Department) is the State's oldest agency and is responsible for programs relating to services to local governments and community based organizations. In addition, the Department administers programs for community development and local government service activities and supports businesses through various licensing and registration activities.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- transfer of the Do Not Call Registry and related 16 full-time equivalents (FTEs) from the Consumer Protection Board to the Department of State;
- elimination of the Tug Hill Commission and associated 17 FTEs in the amount of \$1.2 million;
- elimination of the Watershed Partnership in the amount of \$479,000; and
- elimination of capital funding for the Brownfield Opportunity Areas Program in the amount of \$2.75 million.

Budget Detail

The Executive proposes an All Funds appropriation of \$133,813,539, a decrease of \$51,963,401 or 28 percent, from the SFY 2010-11 funding level. The Executive recommends funding support for 594 positions, a net decrease of two FTE positions from the SFY 2010-11 level.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$66,568,539, a decrease of \$8,816,770 or 11.6 percent from the SFY 2010-11 funding level.

Proposed Increases

An increase of \$2,508,000 in State Operation's funding for the Administration Program attributed to the transfer of the Do Not Call Registry service from the Consumer Protection Board to the Department of State.

Proposed Decreases

The Executive proposes:

- a decrease of \$1,971,300 in General Fund support as a result of a 10 percent reduction in state operation's spending;
- a decrease of \$5,306,000 related to the transfer of the Great Lakes Initiative from State Operations to Aid to Localities;

- a decrease of \$1,871,161 in funding in the Business and Licensing Services Program attributed to early retirement savings and the elimination of funding for the State Athletic Commission Chair position;
- elimination of the Tug Hill Commission and associated 17 FTEs in the amount of \$1,227,000;
- elimination of the Watershed Partnership in the amount of \$479,000; and
- elimination of \$430,000 attributed to the discontinuation of the Station Operations portion of federal stimulus funding for the Community Services Block Grant program.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$67,245,000, a net decrease of \$37,888,631 or 36 percent from the SFY 2010-11 level.

Proposed Increases

The Executive proposes an increase of \$5,306,000 related to transfer of the Great Lakes Initiative from State Operations to Aid to Localities.

Proposed Decreases

The Executive eliminates \$43,194,631 attributed to the discontinuation of the Aid to Localities portion of federal stimulus funding for the Community Services Block Grant program.

Capital Projects

The Executive recommends the elimination of the Brownfield Opportunity Areas Program in the amount of \$2,750,000.

Article VII

The Executive recommends Article VII legislation that would:

- make permanent the authority of the Secretary of State to charge increased fees for the expedited handling of documents;
- make permanent the funding distribution formula for the Community Services Block Grant program;

- eliminate the statutorily mandated salary of the State Athletic Commission Chair;
- increase the renewal term for the appearance enhancement disciplines and barbers from two to four years and double the associated fee; and
- eliminate the Tug Hill Commission.

DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	388,691,000	311,432,000	(77,259,000)	-19.9%
Special Revenue-Other	107,297,000	108,042,000	745,000	0.7%
Special Revenue-Federal	2,500,000	2,500,000	0	0.0%
Internal Service Fund	41,806,000	31,131,000	(10,675,000)	-25.5%
Total for AGENCY SUMMARY:	540,294,000	453,105,000	(87,189,000)	-16.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	4,214	4,214	0
All Other Funds:	794	794	0
TOTAL:	5,008	5,008	0

Agency Mission

(Executive Budget: pp. 309-311)

The Department of Taxation and Finance (Department) is responsible for the administration and collection of various state taxes as well as numerous local taxes. In addition, the Department also manages the State Treasury and provides investment and cash management services to various state agencies.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- a proposal to implement a “Tax Modernization Program”; this program will utilize the electronic technology to streamline correspondence and tax reporting (to include sales tax reporting) as a means of reducing administrative cost and increasing revenue collection while simultaneously promoting environmentally friendly administrative services.

Budget Detail

State Operations

Proposed Decreases

An All Funds decrease of \$75,614,000 or 14.3 percent over the SYF 2010-11 level as follows:

- General fund reductions of \$28,074,900 for Audit, Collections and Enforcement, \$7,208,600 reduction in Centralized Operations Support;
- \$320,000 for Office of Conciliation and Mediation;
- \$2,178,000 for Management, Administration and Counsel;
- \$6,988,000 for Real Property Tax Services;
- \$11,389,700 for Revenue Processing and Reconciliation;
- \$1,386,700 for Tax Policy, Revenue Accounting and Taxpayer Guidance;
- \$8,138,100 for Technology and Information Services; and
- Special Revenue Fund reductions of \$48,000 for Real Property Tax Services with offsetting increases in Special funds of \$760,000 for Revenue Processing and Reconciliation and \$33,000 for Treasury Management.

Aid to Localities

Proposed Decreases

- In the Executive’s Aid to Localities Appropriation bill, the Executive proposes to reduce the aid to localities by \$11,575,000 or 93.91 percent from SFY 2010-11. The appropriation eliminates the prior year appropriation of \$5,075,000 paid to local

governments pursuant to the Rail Infrastructure Investment Act of 2002, eliminates the prior year appropriation of \$350,000 for assessor training, and reduces the local aid payment for real property tax administration by \$6,150,000.

Article VII

The Executive recommends Article VII legislation that would:

- implement a “Tax Modernization Program” to utilize computer technology to reduce cost and modernize real property tax communications, make tax collections (to include sales tax) more effective and efficient, to streamline the administration related to tax preparers, and implement measures to ensure the efficiency of debit cards issued by the Department. The Executive estimates this provision will generate an additional \$200,000,000 in revenue and provide a savings to the state of \$25,000,000.

DIVISION OF TAX APPEALS

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,154,000	3,021,000	(133,000)	-4.2%
Total for AGENCY SUMMARY:	3,154,000	3,021,000	(133,000)	-4.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
General Fund:	24	24	0
TOTAL:	24	24	0

Agency Mission

(Executive Budget: pp. 312-314)

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

Budget Detail

The Executive proposes an All Funds appropriation of \$3,021,000, a decrease of \$133,000 or 4.22 percent. The Executive recommends the support of 24 full-time equivalent positions; the staffing level remains at the 2010-11 State Fiscal Year (SFY) level.

State Operations

Proposed Decreases

- The Executive proposes a decrease of \$133,000 or 4.2 percent in personal services from SFY 2010-11.

NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
NYS Canal System Development Fund	2,000,000	2,000,000	0	0.0%
Total for AGENCY SUMMARY:	2,000,000	2,000,000	0	0.0%

Agency Mission

(Executive Budget: pp. 318)

The New York State Thruway Authority (TA) is responsible for operating a 570-mile toll highway system, along with the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, TA maintains, operates, develops, and makes capital improvements to the 524-mile canal system which includes 57 locks, 16 lift bridges, and numerous dams, reservoirs, and water control structures.

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

Budget Detail

The Executive recommends an appropriation of \$2,000,000 for the Canal Development Program, unchanged from the State Fiscal Year (SFY) 2010-11 funding level. The revenues deposited into the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. CSDF re-appropriations of \$11,653,000 are also requested. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	97,550,900	97,550,900	0	0.0%
Special Revenue-Other	4,239,187,000	4,113,073,000	(126,114,000)	-3.0%
Special Revenue-Federal	71,093,000	69,377,000	(1,716,000)	-2.4%
Federal Capital Projects Fund	2,316,000,000	2,006,000,000	(310,000,000)	-13.4%
Dedicated Mass Transportation Trust Fund	66,471,000	66,471,000	0	0.0%
Dedicated Highway and Bridge Trust Fund	1,933,144,000	1,845,958,000	(87,186,000)	-4.5%
NY Metro Transportation Account	19,300,000	18,148,000	(1,152,000)	-6.0%
Miscellaneous New York State Agency Fund	50,000,000	50,000,000	0	0.0%
Total for AGENCY SUMMARY:	8,792,745,900	8,266,577,900	(526,168,000)	-6.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2010-11	Requested 2011-12	Change
All Other Funds:	8,708	8,708	0
TOTAL:	8,708	8,708	0

Agency Mission

(Executive Budget: pp. 319-327)

The Department of Transportation (DOT) maintains and improves the state's more than 40,000 highway lane miles and 7,500 bridges. In addition, DOT partially funds locally operated transit systems, local government highway and bridge construction, as well as rail and aviation programs. DOT closely coordinated with other state transportation agencies and authorities with the goal of creating an interconnected statewide transportation system that addresses environmental and community concerns and efficiently moves people and goods throughout the state.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- a proposal to reduce Metropolitan Transportation Authority (MTA) operating aid by \$200,000,000 from the Mass Transportation Operating Assistance Fund;
- a proposal to increase MTA Capital funding by \$100,000,000 using re-directed Economic Development State bonded capital;
- a proposal to restore funding levels for all non-MTA transit systems to SFY 2010-11 levels before mid-year reductions took place; and
- continues the second year of the two-year Road and Bridge Capital Plan with expected expenditures of \$1,807,000,000.

Budget Detail

The Executive recommends a total All Funds appropriation of \$8,266,577,900, which represents a decrease of \$526,168,000 or 5.98 percent from funding levels in the current fiscal year. The Executive also recommends funding to support 8,708 full-time equivalent (FTE) positions, reflecting no change over SFY 2010-11 staffing levels.

State Operations

The Executive recommends total State Operations appropriations of \$47,404,000, a decrease of \$2,936,000 or 5.83 percent from funding levels in the current fiscal year.

Proposed Increases

The Executive proposes a Special Revenue increase of \$500,000 to the Accident Damage Recovery Account due to anticipated increases in dedicated revenues.

Proposed Decreases

The Executive proposes:

- a Special Revenue Federal fund decrease of \$1,716,000 in Federal funds to the Passenger and Freight Transportation Program; and
- a Special Revenue fund decrease of \$1,720,000 in funds to the Passenger and Freight Transportation Program.

Aid to Localities

The Executive recommends total Aid to Localities appropriations of \$4,232,596,900, a decrease of \$124,894,000 or 2.87 percent from funding levels in the current fiscal year. The Executive proposal maintains capital support to local governments for highway and bridge projects at SFY 2010-11 levels, with \$363,097,000 provided for the Consolidated Highway Improvement Program (CHIPS) and \$39,700,000 for the Marchiselli program.

Proposed Increases

The Executive proposes a Special Revenue fund increase of 2,800,000 in dedicated taxes to the Dedicated Mass Transportation Trust Fund.

Proposed Decreases

The Executive proposes Special Revenue fund decreases of:

- \$75,600,000 to the Metropolitan Transportation Authority Support Program due to re-estimates in dedicated tax revenues; and
- \$52,094,000 to the MTA from the Mass Transportation Operating Assistance Fund.

Capital Projects

The Executive recommends capital appropriations of \$3,990,577,000, a decrease of \$398,338,000 or 9.08 percent from the SFY 2010-11 level. The reduction includes a \$63,972,000 or a 10 percent decrease of the portion of the DOT's operating expenses that are paid out of the Dedicated Highway and Bridge Trust Fund, which includes a \$54,000,000 reduction for snow and ice control and state forces preventative maintenance.

Article VII

The Executive recommends Article VII legislation that would:

- provide the annual authorization for the CHIPS and Marchiselli programs; and
- permanently extend the Department of Transportation's Single Audit program.

URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	45,896,000	55,239,000	9,343,000	20.4%
Capital Projects Fund - Authority Bonds	25,000,000	255,550,000	230,550,000	922.2%
Total for AGENCY SUMMARY:	70,896,000	310,789,000	239,893,000	338.4%

Agency Mission

(Executive Budget: pp. 87-90)

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.

The Executive proposes consolidating The New York State Foundation for Science, Technology, and Innovation (NYSTAR) into ESDC.

Programmatic Highlights

The State Fiscal Year (SFY) 2011-12 Executive Budget includes the following:

- the consolidation of NYSTAR into ESDC, which is estimated to provide administrative savings of \$1,900,000;
- funding of \$130,000,000 for the newly created Regional Economic Development Councils;
- funding of \$100,000,000 for the new Economic Transformation Program;
- funding of \$100,000,000 to support the Metropolitan Transportation Authority capital plan; and

- redirects \$340,000,000 in existing capital resources to support new and existing Executive programs.

Budget Detail

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$55,239,000, a net decrease of \$56,018,000 or 50.4 percent below the combined SFY 2010-11 levels for ESDC and NYSTAR. This decrease is due to the proposed merger of the two entities, as well as the discontinuation of one-time appropriations for the Small Business Revolving Loan Fund and the Innovation Economy Matching Grants program.

The Executive proposal maintains funding for the following programs at the same level as SFY 2010-11:

- funding of \$6,180,000 for the Empire State Economic Development Fund;
- funding of \$3,404,000 for the Urban and Community Development program in economically distressed areas;
- funding of \$2,940,000 for the retention of football in Western New York;
- funding of \$980,000 for the University at Buffalo's Krabbe Disease Research Institute;
- funding of \$980,000 for the University at Albany's Institute for Nanoelectronics Discovery and Exploration (INDEX); and
- funding of \$490,000 for the Entrepreneurial Assistance Program.

Proposed Increases

The Executive proposes an increase of \$2,769,000 for the Minority and Women-owned Business Development and Lending program, from \$635,000 in SFY 2010-11 to \$3,404,000 in SFY 2011-12.

Proposed Decreases

The Executive proposes:

- a decrease of \$29,500,000 by discontinuing the appropriation for the Innovation Economy Matching Grants Program;

- a decrease of \$25,000,000 by discontinuing the appropriation for the Small Business Revolving Loan Fund;
- a decrease of \$1,518,000 in operation and administration funding for ESDC, from \$2,518,000 in SFY 2010-11 to \$1,000,000 in SFY 2011-12;
- a decrease of \$1,495,000 by eliminating the Federal Community Development Financial Institutions program; and
- a decrease of \$1,274,000 by eliminating additional support for the Entrepreneurial Assistance Program (EAP).

The Executive proposal maintains funding for the following programs transferred from NYSTAR at the same level as SFY 2010-11:

- \$13,818,000 for the Centers for Advanced Technology;
- \$5,234,000 for the Centers of Excellence (\$872,333 per Center);
- \$4,606,000 for the High Technology Matching Grants Program;
- \$3,006,000 for the Focus Centers;
- \$1,470,000 for the Training and Business Assistance Program;
- \$1,382,000 for the Technology Development Organization Matching Grants Program;
- \$921,000 for the Industrial Technology Extension Service;
- \$750,000 for University at Albany Institute for Nanoelectronics Discovery and Exploration (INDEX);
- \$690,000 for SUNY Albany Semiconductor Research Corporation Center for Advanced Interconnect System Technologies (CAIST);
- \$500,000 for Rensselaer Polytechnic Institute (RPI) Smart Lighting Systems Engineering Research Center;
- \$490,000 for Columbia University/NSF Nanoscale Science and Engineering Center;
- \$490,000 for Cornell University/NSF Nanoscale Science and Engineering Center;
- \$490,000 for Cornell University/NSF National Nanotechnology Infrastructure Network;

- \$490,000 for RPI/NSF Nanoscale Science and Engineering Center;
- \$392,000 for Cornell University/NSF Materials Research Science and Engineering Center;
- \$343,000 for the Science and Technology Law Center;
- \$294,000 for Cornell University/NSF Nanobiotechnology Center;
- \$250,000 for Stony Brook University Semiconductor High-energy Radiation project; and
- \$245,000 for Columbia University/NSF Materials Research Science and Engineering Center.

Capital Projects

The Executive recommends \$255,550,000 in total appropriations for new Capital projects reflecting an increase of \$230,550,000 from the SFY 2010-11 Budget. The Executive proposal maintains funding for the Economic Development Fund at \$25,000,000, the same level as SFY 2010-11.

In order to fund new initiatives, the Executive is repurposing \$340,000,000 in existing capital resources. The funds will be redirected to the following programs:

- \$130,000,000 for the proposed Regional Economic Development Councils;
- \$100,000,000 for the Economic Transformation Program;
- \$100,000,000 to support the Metropolitan Transportation Authority capital plan; and
- \$10,000,000 for the New York City Empowerment Zone.

Article VII

The Executive recommends Article VII legislation that would:

- merge NYSTAR into ESDC;
- make permanent the loan powers of ESDC;
- make technical amendments to the Empire Zone Program to ensure that firms that are decertified by DED after July 1, 2010 shall be denied tax credits; and

- enhance the Excelsior Jobs Program tax credits, to provide the following:
 - would expand the length of time that a business may claim benefits from five to ten years;
 - would double the cost of the program over a 10 year period from \$1,250,000,000 to \$2,500,000,000;
 - would alter the existing job credit to authorize that it be equal to the product of the gross wages paid and 6.85 percent;
 - increases the Excelsior Research and Development credit from 10 percent to 50 percent of the Federal Research and Development Tax Credit, up to a maximum amount of 3 percent of Research and Development expenditures;
 - makes the Real Property tax credit based upon post-investment property value; and
 - authorizes utility companies to offer discounted rates to companies participating in the Excelsior programs.

MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2010-11	Executive Request 2011-12	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,354,000	3,318,000	(36,000)	-1.1%
Special Revenue-Other	2,292,400,000	2,195,300,000	(97,100,000)	-4.2%
Total for AGENCY SUMMARY:	2,295,754,000	2,198,618,000	(97,136,000)	-4.2%

Budget Detail

State Operations

Green Thumb

The Executive proposes an appropriation of \$2,831,000 for the Green Thumb Program, which provides income-eligible seniors with part-time employment in state agencies. In State Fiscal Year (SFY) 2011-12, the Department of Environmental Conservation's participation in the program will remain consistent with that of SFY 2010-11.

Proposed Decreases

Greenway Heritage Conservancy of the Hudson River Valley

The Executive Budget includes an appropriation of \$166,000, a decrease of \$18,000 or 9.78 percent due to the Executive's proposed State Operations reductions.

Hudson River Valley Greenway Communities Council (Greenway Council)

The Executive proposes an appropriation of \$185,000 in State Operations funding for the Greenway Council, a reduction of \$18,000 or 5.31 percent from the SFY 2010-11 levels due to the Executive's proposed State Operations reductions.

Aid to Localities

Hudson River Valley Greenway Communities Council (Greenway Council)

The Executive proposes an appropriation of \$136,000 in Aid to Localities funding for the Greenway Council, reflecting no change from the SFY 2010-11 levels.

Proposed Increases

Metropolitan Transportation Authority

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$2,151,000,000, a decrease of \$102,300,000 or 4.54 percent from the SFY 2010-11 budget. This includes appropriation of \$630,000,000, an increase of \$8,700,000 or 1.4 percent from the Dedicated Mass Transportation Trust Fund and an appropriation of \$1,632,000,000, a decrease of \$111,000,000 or 6.8 percent from the Metropolitan Transportation Authority Support Program. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2012-13 in the event that the state budget for that fiscal year is not enacted by April 1, 2012.

Tribal State Compact Revenue

The Executive proposes a Special Revenue Funds - Other appropriation of \$44,300,000 for the Tribal State Compact identified in Section 99-h of the State Finance Law. This represents an increase of \$5,200,000 from the SFY 2010-11 appropriation.

Article VII

The Executive recommends Article VII legislation that would:

- facilitate a more efficient transfer of the State's share of the Native American Casino revenue to the General Fund;
- repeal section 2975-a of the Public Authorities Law that was enacted in SFY 2010-11, which authorized a recovery of state governmental costs from Industrial Development Agencies (IDAs);
- make liabilities of IDAs related to the State's recovery of governmental costs, incurred on or before March 31, 2011 to continue as legal liabilities of the IDAs; and
- authorize local governments to use a third-party vendor for collection of fines, civil penalties, rents, rates, taxes, fees, charges and other payments via the internet and

authorizes the Office of the State Comptroller to issue guidelines governing the use of third party vendors for these internet payments.