

ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,368,000	4,457,000	89,000	2.0%
Special Revenue-Federal	200,000	700,000	500,000	250.0%
Total for AGENCY SUMMARY:	4,568,000	5,157,000	589,000	12.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	59	59	0
TOTAL:	59	59	0

Agency Mission

(Executive Budget: pp. 187 - 190)

The Adirondack Park Agency (APA) is charged with the broad mandate of 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 Executive recommends All Funds appropriations of \$5,157,000, an increase of \$589,000 from State Fiscal Year (SFY) 2005-06 levels. The Executive recommends no changes in staffing levels of 59 full-time equivalent (FTE) positions from SFY 2005-06.

State Operations

Proposed Increases

The Executive proposes a State Operations increase of \$589,000 which includes:

- \$89,000 in the General Fund appropriation for personal service attributed to rising salary costs; and
- \$500,000 in the Special Revenue Federal maintenance undistributed appropriation related to a new federal grant for wetlands mapping within the Adirondack Park.

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 2005-06. 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 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	49,880,000	47,213,900	(2,666,100)	-5.3%
Special Revenue-Other	41,929,000	39,920,600	(2,008,400)	-4.8%
Special Revenue-Federal	47,194,000	48,544,000	1,350,000	2.9%
Fiduciary	1,693,000	1,681,200	(11,800)	-0.7%
Capital Projects Fund	3,000,000	3,750,000	750,000	25.0%
Capital Projects Fund - Authority Bonds	0	40,000,000	40,000,000	-
Enterprise	20,343,000	22,387,700	2,044,700	10.1%
Total for AGENCY SUMMARY:	164,039,000	203,497,400	39,458,400	24.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	390	369	(21)
All Other Funds:	177	177	0
TOTAL:	567	546	(21)

Agency Mission

(Executive Budget: pp. 191 - 195)

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, improve soil and water quality, and 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) 2006-07 Executive Budget includes the following:

- funding for the construction of a food laboratory on Airline Drive in Albany County;
- additional General Fund Aid to Localities appropriation for grants to organizations that run county fairs to help improve the quality of their exhibits; and
- the proposed elimination of 21 food inspectors.

Budget Detail

The Executive recommends All Funds appropriations totaling \$203,497,400 in State Fiscal Year (SFY) 2006-07, which represents an increase of \$39,458,400 from SFY 2005-06 levels. The Executive recommends staffing for the Department at 546 full-time equivalent (FTE) positions, a reduction of 21 positions.

State Operations

The Executive recommends a net increase of \$5,674,400 in SFY 2006-07.

Proposed Increases

- \$4,335,500 in increased costs due to rising salary and fringe benefits; and
- \$1,350,000 in federal grant awards for the Consumer Food Services program;

Aid to Localities

The Executive proposes General Fund Aid to Localities appropriations totaling \$35,620,000. This represents a net reduction of \$6,966,000 from SFY 2005-06 levels.

Proposed Increases

The Executive proposes increased funding in the amount of \$3,762,000 for the following programs:

- \$3,000,000 in new funding for county fair exhibit improvements; and
- \$762,000 for the Wine and Grape Foundation.

Proposed Decreases

The Executive proposes to reduce the following programs in the following amounts for a total decrease of \$4,353,000:

- \$2,774,000 for the Farmland Viability Institute;
- \$606,000 for the Migrant Child Care program;
- \$265,000 for the Cornell Diagnostic Laboratory;
- \$148,000 for the Quality Milk Promotion program;
- \$147,000 for the Cornell Cattle Health Assurance program;
- \$118,000 for Agriculture Economic Development programs;
- \$69,000 for Cornell Agriculture in the Classroom;
- \$49,000 for the Future Farmers of America;
- \$43,000 for Avian Disease;
- \$41,000 for Farm Family Assistance;
- \$41,000 for Johnes Disease;
- \$27,000 for the Cornell Seed Inspection program;
- \$14,000 for New York State Onion Research;
- \$7,000 for the Golden Nematode program; and
- \$4,000 for the Grape Entomologist.

The Executive proposes to eliminate the following programs in the following amounts for a total decrease of \$2,875,000:

- \$1,000,000 for the Dairy Waste-to-Energy project;
- \$500,000 for the New York State Apple Growers Association;
- \$400,000 for Upstate Agricultural Development;
- \$250,000 for the Cornell Rabies program;
- \$200,000 for the Farm Net/Farm Link program;
- \$200,000 for the Apiary Inspection program
- \$100,000 for the Marine Resources program
- \$100,000 for the Maple Syrup Producers Association
- \$85,000 for Cornell Apiary Research; and
- \$40,000 for Agriculture Teachers Education.

The Executive also proposes to eliminate \$3,500,000 in Special Revenue funding for the Department's wine marketing program and for the Wine and Grape Foundation that was included in the SFY 2005-06 Enacted Budget.

Capital Projects

The Executive recommends Capital appropriations of \$43,750,000. This is an increase of \$40,750,000 over SFY 2005-06 levels. Most of the increase is related to a new appropriation of

\$40,000,000 for a food laboratory to be constructed in Albany County on Airline Drive. The remaining \$750,000 is related to increases in capital funding for the State Fair.

Article VII

The Executive recommends Article VII legislation that would:

- eliminate the annual inspection requirement for retail food establishments and require all food stores to adopt food security plans designed to protect food from tampering or criminal activity. The Executive proposes moving to a "risk-based" inspection regimen, the frequency of which would be determined by establishment size, type of food offered for sale, and other factors affecting public health. Food security provisions would be established by the Commissioner;
- increase the penalties for critical deficiency violations and the failure to comply with Department orders to remedy critical health and public safety problems uncovered during inspections of food establishments and businesses; and
- Clarify the Commissioner of Agriculture and Markets' authority to enter into fee-for-service agreements for laboratory work done for other states, local and federal agencies and educational institutions.

BANKING DEPARTMENT

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	250,000	0	(250,000)	-100.0%
Special Revenue-Other	97,238,817	93,519,000	(3,719,817)	-3.8%
Total for AGENCY SUMMARY:	97,488,817	93,519,000	(3,969,817)	-4.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	575	575	0
TOTAL:	575	575	0

Agency Mission

(Executive Budget: pp. 197 - 199)

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.

Programmatic Highlights

The Executive Budget includes a proposal to develop and fund financial literacy programs across the State.

Budget Detail

The Executive proposes an All-Funds appropriation of \$93,519,000, a decrease of \$3,970,000 from SFY 2005-06. The Executive assumes 575 All-Funds full-time equivalent (FTE) positions in the Banking Department for SFY 2006-07.

State Operations

Proposed Increases

- \$59,000 for the Analysis and Compliance Program.

Proposed Decreases

The Executive's SFY 2006-07 budget recommendation for the Banking Department proposes a workforce of 550 FTEs, reflecting a decrease of 25 positions below SFY 2005-06 levels. This recommendation results in the following reductions:

- \$1,400,000 for the Administration Program; and
- \$3,879,000 for the Regulation Program.

Aid to Localities

Proposed Increases

- \$1,500,000 for financial literacy programs across the state.

Proposed Decreases

- \$250,000 eliminating the financial literacy pilot program at LaGuardia Community College.

Article VII

The Executive recommends Article VII legislation that would:

- increase the maximum penalties for various Banking Law violations; and
- eliminate annual license renewal fees.

DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	38,014,000	36,915,000	(1,099,000)	-2.9%
Special Revenue-Other	5,414,900	5,414,900	0	0.0%
Special Revenue-Federal	1,000,000	1,000,000	0	0.0%
Total for AGENCY SUMMARY:	44,428,900	43,329,900	(1,099,000)	-2.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	201	201	0
All Other Funds:	14	14	0
TOTAL:	215	215	0

Agency Mission

(Executive Budget: pp. 201 - 206)

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.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget provides funding for the establishment of an office in Shanghai, China to promote international trade.

Budget Detail

State Operations

The Executive provides a \$1,651,000 increase in State Operations funding totaling \$37,552,900. Within this amount, the Executive maintains funding for the I LOVE NY Program at the SFY 2005-06 level of \$11,015,000. The DED currently has 215 full time employees. This reflects no change from SFY 2005-06 levels.

Proposed Increases

The Executive provides the following increases within State Operations for the Department:

- \$800,000 in new funding to be used for the Small Business Pollution Prevention and Environmental Compliance Assistance Program;
- \$555,000 within Personal Service to be used for adjusted salary levels and collective bargaining agreements;
- \$225,000 for activities promoting International Trade by creation of a trade office in Shanghai, China; and
- \$71,000 to be used for increased utilities, travel expenses and costs associated with contracting temporary employees.

Aid to Localities

The Executive provides a decrease in Aid to Localities funding for a SFY 2006-07 total of \$5,777,000. Within this amount, the Executive maintains funding for the Local Tourism Matching Grants Program at the SFY 2005-06 levels.

Proposed Decreases

The Executive proposed a \$2,750,000 decrease in Aid to Localities funding by eliminating the following programs:

- \$300,000 for the Western New York Regional Business Marketing;
- \$2,300,000 for the Local Zone Administration; and
- \$150,000 for the Griffiss Local Development Corporation.

NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	14,656,000	14,656,000	0	0.0%
Special Revenue-Federal	0	700,000	700,000	-
Capital Projects Fund - Authority Bonds	11,350,000	14,000,000	2,650,000	23.3%
Total for AGENCY SUMMARY:	26,006,000	29,356,000	3,350,000	12.9%

Agency Mission

(Executive Budget: pp. 211 - 212)

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. NYSEERDA 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, NYSEERDA 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.

Budget Detail

The Executive recommends All Funds appropriations of \$29,356,000, reflecting a \$3,350,000 increase over State Fiscal Year (SFY) 2005-06.

State Operations

Proposed Increases

The Executive proposes State Operations appropriations of \$15,356,000, representing a \$700,000 increase over SFY 2005-06, the result of a new appropriation for the New York State share of funds received in connection with a consumer-overcharge case. The appropriation reflects the total amount of awards to be received by New York and is proposed to be used to for statewide demonstration of hydrogen technologies.

Capital Projects

The Executive proposes a \$2,650,000 increase in capital appropriations related to ongoing work at West Valley. The increase is the result of a corresponding increase in federal funding for the project which requires a 10 percent State match of total project costs.

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 \$14,656,000 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 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	113,257,800	111,015,700	(2,242,100)	-2.0%
Special Revenue-Other	242,158,000	266,327,000	24,169,000	10.0%
Special Revenue-Federal	85,211,000	80,218,000	(4,993,000)	-5.9%
Capital Projects Fund	30,569,000	30,000,000	(569,000)	-1.9%
Capital Projects Fund - Advances	150,000	300,000	150,000	100.0%
Federal Capital Projects Fund	148,880,000	149,000,000	120,000	0.1%
Clean Water-Clean Air Implementation Fund	1,050,000	1,050,000	0	0.0%
Environmental Protection Fund	150,000,000	180,000,000	30,000,000	20.0%
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	50,602,000	51,600,000	998,000	2.0%
Internal Service Fund	45,000	60,000	15,000	33.3%
Capital Projects Fund - Other	149,217,000	142,375,000	(6,842,000)	-4.6%
Total for AGENCY SUMMARY:	971,139,800	1,026,740,700	55,600,900	5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	1,144	1,144	0
All Other Funds:	2,191	2,234	43
TOTAL:	3,335	3,378	43

Agency Mission

(Executive Budget: pp. 213 - 224)

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 Executive Budget includes the following:

- a proposed increase in EPF appropriation over the SFY 2005-06 level;
- a proposal to expand DEC's regulatory authority over freshwater wetlands and an appropriation new \$1,000,000 to support program implementation; and
- increased staffing levels in a variety of programs.

Budget Detail

The Executive proposes All Funds appropriations of \$1,026,740,700, a \$55,600,900 increase over SFY 2005-06 levels. In SFY 2006-07, Executive proposes 3,378 full-time equivalent (FTE) positions, an increase of 43 positions over the previous state fiscal year including: seven FTEs for the new proposed wetland program, 15 FTEs for land stewardship activities, 14 FTEs responsible for monitoring concentrated animal feeding operations (CAFOs) and for dam safety, and 7 FTEs related to hazardous waste cleanups.

State Operations

The Executive recommends overall State Operations appropriations of \$455,125,000, reflecting a net \$23,874,000 increase over last year's levels.

Proposed Increases

The Executive recommends the following increases to existing appropriations:

- \$8,668,000 in General Fund personal service appropriations - across DEC program areas - attributed to contractually mandated salary increases;

- \$3,423,000 in General Fund non-personal appropriations across program areas, attributed to rising fuel costs and other fixed cost increases;
- \$2,768,500 in Special Revenue personal service appropriations related to contractually mandated salary increases;
- \$3,508,500 in Special Revenue non-personal service appropriations related to fixed cost increases and inflation;
- \$9,500,000 in Special Revenue maintenance undistributed funds for activities related to reducing existing waste tire stockpiles, developing in-state markets for recycling stockpiled and newly generated waste tires; and
- \$1,750,000 in Leaking Underground Storage Tank (LUST) grant funding.

The Executive also recommends the following new appropriations:

- \$1,400,000 in Special Revenue maintenance undistributed funds related to hiring 14 FTEs responsible for monitoring concentrated animal feed operations (CAFOs) and inspecting dams;
- \$1,000,000 in Special Revenue maintenance undistributed funds related to hiring seven new FTEs to implement the Executive's proposed wetlands regulation program;
- \$700,000 in Special Revenue maintenance undistributed funds in the Solid and Hazardous Waste program to fund 7 FTEs formerly funded out of a federal Resource Conservation and Recovery Act grant; and
- \$1,500,000 in Special Revenue maintenance undistributed funds associated with the hiring of 15 FTEs for land stewardship activities in the Fish, Wildlife and Marine Resources, Forest and Land Resources, and Operations programs.

Proposed Decreases

The Executive recommends a net reduction of \$6,925,100 in federal funds primarily related to decreased availability of federal grants for the Air and Water Quality Management program and the Fish, Wildlife and Marine Resources program.

Aid to Localities

Proposed Decreases

The Executive recommends overall Aid to Localities appropriations of \$2,495,700, an overall reduction of \$6,925,100 from SFY 2005-06, which includes the following:

- the elimination \$6,425,100 in General Fund appropriations for specific environmental projects listed in the SFY 2005-06 Enacted Budget including Jamaica Bay water quality projects, a study of the Port Washington aquifer; and funding for the establishment of a Jamaica Bay estuary plan; and.
- the elimination of a \$500,000 General Fund appropriation for environmental justice that was included in the SFY 2005-06 Enacted Budget.

Capital Projects

The Executive recommends Capital appropriations of \$569,120,000, a \$38,652,000 increase from SFY 2005-06.

The Executive recommends appropriations of \$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 \$7,365,000 for staff costs incurred for the program. There is a net \$6,842,000 decrease in appropriations related to staff costs associated with the implementation of the Brownfield Cleanup Program (BCP) and the Voluntary Cleanup Program (VCP). The decrease reflects the change in appropriation authority compared to the levels in the SFY 2005-06 enacted budget which supported costs incurred in SFY 2004-05 and SFY 2005-06.

Other significant increases in capital funding include:

- a \$14,795,000 increase 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). This reflects redirected funds from projects in New York City that the Executive proposes to use for the Long Island Sound Comprehensive Conservation Management Plan, the Hudson River Estuary Plan and for water quality improvement projects at Jamaica Bay;
- \$29,600,000 for the State Match for the Clean Water Revolving Loan Fund;
- \$10,000,000 for ongoing work at Onondaga Lake; and
- \$12,000,000 for other capital projects conducted by the DEC.

Environmental Protection Fund

- The Executive proposes \$180,000,000 in appropriations for the EPF, a \$30,000,000 increase over SFY 2005-06 levels. Although the Executive maintains that this is a permanent increase, the proposed Article VII language makes the transfer of up to \$30,000,000 in additional Real Estate Transfer Tax (RETT) revenue – the primary revenue source for the EPF – subject to the discretion of the director of the Division of the Budget. The Executive’s Financial Plan estimates that up to \$10,000,000 in additional RETT revenue will be deposited to the EPF in SFY 2006-07, but also provides for a \$10,000,000 sweep from the Fund for general budget relief.
- The Executive proposes to create a new Water Account in the EPF that would allow funding to be used for additional purposes, including Oceans and Great Lakes initiatives and water quality improvement projects.
- The Executive also proposes EPF appropriations as lump sum amounts which, if enacted, would provide no statutory guidance on the allocation of funds to be spent within each EPF category. Although the appropriations are presented as lump-sums, the Governor maintains that in SFY 2006-07, the EPF would be allocated as follows (categories in italics are new programs).

EPF ALLOCATIONS			
(In Millions)			
EPF Category	Enacted SFY 2005-06	Executive Proposal SFY 2006-07	Change
Solid Waste Account	20.775	18.775	-2.000
Landfill Closure	3.000	3.000	0.000
Municipal Recycling	7.000	6.000	-1.000
Secondary Markets	7.000	6.000	-1.000
Hudson River Natural Resource Damages	1.300	1.300	0.000
Pesticide Program (BCERF) - 1	2.475	2.475	0.000
Parks, Recreation & Historic Pres. Account	46.815	55.065	8.250
Local Waterfront Revitalization - 2	14.250	13.250	-1.000
Municipal Parks - 3	14.315	13.315	-1.000
Hudson River Park	5.000	5.000	0.000
Stewardship - 4	6.500	15.000	8.500
Historic Barn Program	0.750	2.500	1.750
Zoos, Botanical Gardens, & Aquaria	6.000	6.000	0.000
Open Space Account	61.750	78.750	17.000
Land Acquisition - 5	40.000	50.000	10.000
Quality Communities Grants	3.000	5.000	2.000
Agricultural & Farmland Protection	16.000	19.000	3.000
Biodiversity	1.000	1.000	0.000
Albany Pine Bush	0.800	0.800	0.000
<i>Invasive Species (New)</i>	<i>0.000</i>	<i>2.000</i>	<i>2.000</i>
Long Island Pine Barrens Planning	0.950	0.950	0.000
Water Account (NEW)	20.660	27.410	6.750
<i>Oceans and Great Lakes (New)</i>	<i>0.000</i>	<i>1.000</i>	<i>1.000</i>
<i>Water Quality Improvement (New)</i>	<i>0.000</i>	<i>5.000</i>	<i>5.000</i>
Long Island South Shore Estuary Reserve	0.600	0.600	0.000
Non-point Source Pollution Control	11.700	12.000	0.300
Soil and Water Conservation Districts	1.860	2.310	0.450
Finger Lakes - Lake Ontario Watershed	1.500	1.500	0.000
Hudson River Estuary Management	5.000	5.000	0.000
Total	150.000	180.000	30.000
1 – Enacted and proposed Include funding (\$450K) for BCERF			
2 - Enacted included 25% carve-outs for urban underserved, Senate projects and \$1 million for the Rivers and Estuaries Center			
3 – Enacted included 25% carve-outs for urban underserved			
4 - Enacted included \$750K carve-out for Bellayre Ski Center. Proposed includes \$1 million for fish hatcheries.			
5 – Enacted and proposed included \$500K each for Land Trust Alliance and Urban Forestry.			

Article VII

The Executive recommends Article VII legislation that would:

- permanently extend the DEC's authority to collect fees on surf clams and ocean quahogs;
- permanently authorize the use of the EPF for State Parks and Lands infrastructure improvement, assessment of natural resource damage to the Hudson River, implementation of the Hudson River Estuary Management Plan, County Soil and Water Conservation District activities, the Hudson River Park Project, historic barns projects, invasive species projects and Quality Communities Program grants. These provisions would also create a new Water Account to the EPF that would allow funding to be used for additional purposes, including Oceans and Great Lakes initiatives and water quality improvement projects. This legislation would empower the Director of the Division of Budget with discretion to deposit up to \$30,000,000 from Real Estate Transfer Tax revenues into the EPF for SFY 2006-07 and during the following fiscal years;
- Increase various DEC regulatory fees which would result in an additional \$3.7 million in revenue to the Environmental Regulatory Account. These provisions would:
 - increase the annual registration fee for well drillers from \$10 to \$100;
 - increase State Pollutant Discharge Elimination System (SPDES) 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 the general permit fees from \$50 to \$150 for medium CAFOs \$500 for large CAFOs, and \$300 for industrial storm water discharges; and
 - establish a \$500 fee for a permit to erect, construct, reconstruct or repair a dam pursuant to ECL Section 15-0503, and to establish a \$500 fee to be paid annually by dam owners.
- establish requirements and limitations regarding the use of all terrain vehicles (ATVs) on certain public lands, establish a State assistance program for ATV trail development, maintenance and enforcement, and set penalties for violations relating to ATV use;
- 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;
- expand DEC's regulatory authority over freshwater wetlands, increase penalties for freshwater wetlands violations, establish permit application fees for freshwater and tidal wetlands, authorize the Department to post wetland maps in an electronic format, and make changes and updates to certain other provisions of law relating to wetlands; and
- correct a technical error relating to the hazardous wastewater surcharge.

Deficiency Request

The Executive recommends a General Fund deficiency appropriation of \$7,500,000 for increased expenses in SFY 2005-06 related to the Department's response to chronic wasting disease. This appropriation includes funding for staff within in the Environmental Enforcement Program, Fish Wildlife and Marine Resources Program and Operations Program and includes funding for staff, public education costs, costs for lab equipment and animal testing, and animal disposal.

ENVIRONMENTAL FACILITIES CORPORATION

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	11,570,500	12,774,500	1,204,000	10.4%
Capital Projects Fund - Authority Bonds	6,250,000	0	(6,250,000)	-100.0%
Capital Projects Fund - Other	292,000	343,000	51,000	17.5%
Total for AGENCY SUMMARY:	18,112,500	13,117,500	(4,995,000)	-27.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	92	92	0
TOTAL:	92	92	0

Agency Mission

(Executive Budget: pp. -225 - 228)

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 provides assistance 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 with 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 Executive recommends All Funds appropriations of \$13,117,500, a net decrease of \$4,995,000 from State Fiscal Year (SFY) 2005-06 levels. The Executives provides funding for 92 full-time equivalent (FTE) positions, which represents no change from SFY 2005-06.

State Operations

Proposed Increases

The Executive proposes an increase of \$1,204,000 in Special Revenue funds for State Operations, including the following:

- \$669,000 for personal service attributed to salary adjustments for existing staff; and
- \$535,000 for increased fringe benefit costs.

Capital Projects

The Executive recommends Capital Projects appropriations of \$343,000 reflecting a net \$6,199,000 decrease from SFY 2005-06 levels, which includes the following:

- a \$51,000 increase for the implementation of the 1996 Clean Water/Clean Air Bond Act; and
- a \$6,250,000 decrease due to the elimination of new appropriation authority for the Pipeline for Jobs Program.

DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	80,756,600	75,188,000	(5,568,600)	-6.9%
Special Revenue-Other	66,003,350	66,993,000	989,650	1.5%
Special Revenue-Federal	101,468,050	102,148,000	679,950	0.7%
Housing Assistance Fund	1,500,000	0	(1,500,000)	-100.0%
Housing Program Fund	97,700,000	74,200,000	(23,500,000)	-24.1%
Total for AGENCY SUMMARY:	347,428,000	318,529,000	(28,899,000)	-8.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	320	320	0
All Other Funds:	620	620	0
TOTAL:	940	940	0

Agency Mission

(Executive Budget: pp. 229 - 234)

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.

Budget Detail

The Executive recommends an all funds appropriation of \$318,529,000, which results in a decrease of \$28,899,000 from State Fiscal Year (SFY) 2005-06 levels. DHCR would continue to have 940 full-time employees. This reflects no change from SFY 2005-06 levels.

State Operations

The Executive proposes an appropriation of \$98,235,000 for DHCR State Operations reflecting an increase of \$3,512,500.

Proposed Increases

The Executive proposal includes the following increases:

- \$729,000 in Administration due to contractual salary increases, lease escalations and energy costs;
- \$19,000 in Community Development due to contractual salary increases;
- \$959,950 in Housing due to contractual salary, fringe benefit, and indirect cost increases and additional costs processing for the Section 8 voucher program;
- \$1,030,000 in Housing Information Systems due to contractual salary increases and additional costs of updating the DHCR computing capabilities; and
- \$690,550 in Rent Administration due to rising lease escalation and energy costs.

Aid to Localities

The Executive proposes an appropriation of \$146,094,000 for DHCR Aid to Localities funding reflecting a decrease of \$7,411,500. Funding is maintained at SFY 2005-06 levels for the following:

- \$10,000,000 for the Housing Development Fund Program;
- \$13,100,000 for the Federal Department of Housing and Urban Development (HUD) Section 8 New Construction Program;
- \$21,350,000 for the Low Income Weatherization Program;
- \$16,220,000 for the Periodic Subsidies Program;
- \$19,604,000 for Rural Rental Assistance; and
- \$58,000,000 for the the Small Cities Community Development Block Grant.

Proposed Decreases

The Executive recommends the following reductions:

- \$5,041,500 to the Neighborhood Preservation Program reflecting elimination of SFY 2005-06 Legislative addition; and
- \$2,370,000 to the Rural Preservation Program reflecting elimination of SFY 2005-06 Legislative addition.

Capital Projects

The Executive proposes an appropriation of \$74,200,000 for DHCR Capital Projects reflecting a decrease of \$25,000,000. Funding is maintained at 2005-06 levels for the Public Modernization Program at \$12,800,000, and the Homes for Working Families Program at \$7,000,000. The Executive proposed reductions to the following programs:

- \$10,000,000 for the Affordable Housing Corporation from \$35,000,000 in SFY 2005-06 to \$25,000,000 in SFY 2006-07;
- \$10,000,000 for the Low Income Housing Trust Fund from \$39,000,000 in SFY 2005-06 to \$29,000,000 in SFY 2006-07;
- \$1,000,000 for the Housing Opportunity Program for Elderly from \$1,400,000 in SFY 2005-06 to \$400,000 in SFY 2006-07;
- \$1,000,000 for Rural Revitalization Program eliminating all funding from SFY 2005-06; and
- \$1,500,000 for the Urban Initiatives Program eliminating all funding from SFY 2005-06.

Article VII

The Executive recommends Article VII legislation that would increase the aggregate amount of low income housing tax credit the Commissioner of Housing and Community renewal may allocate from \$8,000,000 to \$10,000,000 in 2006. Thereafter the low income housing tax credit would increase by \$2,000,000 annually. Current State law provides for total allocation authority of \$8,000,000.

HUDSON RIVER PARK TRUST

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Capital Projects Fund - Advances	5,000,000	26,000,000	21,000,000	420.0%
Total for AGENCY SUMMARY:	5,000,000	26,000,000	21,000,000	420.0%

Agency Mission

(Executive Budget: pp. 241)

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

Capital Projects

In State Fiscal Year (SFY) 2006-07 the Executive recommends continued overall funding for the Trust in the amount of \$42,000,000. The Port Authority of New York and New Jersey contributed \$10,000,000 in funds in SFY 2005-06.

The Executive proposal includes:

- a capital projects fund advance appropriation of \$26,000,000 to be repaid by New York City, a \$21,000,000 increase over SFY 2005-06;
- a \$5,000,000 for capital projects for the Trust provided through the Environmental Protection Fund (EPF), located within the Department of Environmental Conservation's budget; and
- \$11,000,000 in new capital appropriations through the New York State Urban Development Corporation.

INSURANCE DEPARTMENT

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	177,819,000	194,148,000	16,329,000	9.2%
Total for AGENCY SUMMARY:	177,819,000	194,148,000	16,329,000	9.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	918	923	5
TOTAL:	918	923	5

Agency Mission

(Executive Budget: pp. 243 - 245)

The Insurance Department (Department) is charged with overseeing and monitoring the insurance industry for the benefit of balancing the interests of New York State consumers, companies and producers. Responsibilities include approval of formations, consolidations, and mergers of New York State insurance companies and products, monitoring financial stability, and ensuring compliance with preexisting Insurance laws and regulations through enforcement, education via testing and licensing of Insurance employees, and enacting disciplinary actions on 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.

Budget Detail

The Executive proposes an All-Funds appropriation of \$194,148,000, an increase of \$16,329,000 from State Fiscal Year (SFY) 2005-06. The Executive assumes 923 All-Funds full-time equivalent (FTE) positions in the Insurance Department for State Fiscal Year (SFY) 2006-07.

State Operations

Proposed Increases

The Executive's SFY 2006-07 budget proposes a workforce of 935 FTE positions, reflecting an increase of 12 new positions above SFY 2005-06 levels.

The Executive proposes the following increases in the State Fiscal Year (SFY) 2006-07 Budget:

- \$14,502,000 in the Regulation Program;
- \$1,741,000 in the Administration Program; and
- \$86,000 in the Consumer Services Program.

The Executive proposes a total increase of \$10,014,000 in the following sub-allocations, under the Regulation Program:

- \$18,000 to the Banking Department for the Holocaust Claims Processing Office;
- \$1,130,000 to the Department of State for the enforcement, development, and maintenance of state building codes;
- \$24,000 to the Department of State for the Urban Search and Rescue Program;
- \$1,780,000 to the Department of State for the fire prevention and control program and state fire reporting system;
- \$80,000 to other State agencies for the costs of complying with Section 156-C of the Executive Law;
- \$60,000 to the Department of State for fire inspection and safety programs at private universities;
- \$1,470,000 to the Department of Law for the no-fault automobile insurance fraud investigation by the Attorney General;
- \$1,600,000 to the Department of Health for the Community Health Program;

- \$2,000,000 to the Department of Criminal Justice and Services for the continued funding of the Traffic and Criminal Software Project (TRACS);
- \$1,545,000 to the Department of Health for the forge-proof pharmaceutical prescription program; and
- \$500,000 in new support for the promotion and evaluation of Health Savings Accounts.

Proposed Decreases

- \$193,000 for services and expenses related to the Inspector General from efficiencies gained through the improved use of information technology.

Article VII

The Executive recommends Article VII legislation that would:

- uniformly increase the maximum penalties for various Insurance Law violations; and
- authorize the Superintendent to issue cease-and-desist orders for any violations to the Insurance Law.

DIVISION OF THE LOTTERY

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	124,235,000	128,235,000	4,000,000	3.2%
Total for AGENCY SUMMARY:	124,235,000	128,235,000	4,000,000	3.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	341	350	9
TOTAL:	341	350	9

Agency Mission

(Executive Budget: pp. 247 - 248)

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.

Programmatic Highlights

The Executive Budget includes funding to support the opening of additional VLT facilities at Yonkers Raceway (5,500 terminals) and Aqueduct Racetrack (4,500 terminals).

Budget Detail

The Executive recommends an appropriation of \$128,235,000 for SFY 2006-07, which represents an increase of \$4 million, or 3.2 percent, over SFY 2005-06. The Executive also recommends a workforce of 350 employees, which is an increase of nine full time equivalent (FTE) positions due to increased demands related to the administration of the VLT program.

State Operations

Proposed Increases

- The Executive proposes to increase Special Revenue spending on the VLT program by a total of \$4 million, which includes the following:
 - \$3,030,200 increase for New York State Police and security services;
 - \$432,500 increase for personal service expenses;
 - \$220,400 increase for fringe benefit expenses;
 - \$100,000 increase for auditing expenses; and
 - \$83,400 increase for other non-personal service expenses.

Article VII

The Executive recommends Article VII legislation that would:

- ease restrictions on Quick Draw and make the program permanent; and
- authorize expansion of the VLT program through the addition of up to three new facilities.

STATE OF NEW YORK MORTGAGE AGENCY

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	366,029,000	381,214,000	15,185,000	4.1%
Total for AGENCY SUMMARY:	366,029,000	381,214,000	15,185,000	4.1%

Agency Mission

(Executive Budget: pp. 237 - 239)

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 \$381,214,000 for State Fiscal Year (SFY) 2006-07. 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 \$15,000,0000 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.

Aid to Localities

Proposed Increases

- The Executive submits a \$304,414,000 appropriation for the SONYMA Mortgage Insurance Fund Reimbursement Program. This represents a \$15,185,000 increase over SFY 2005-06 levels.

DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	78,025,000	92,401,000	14,376,000	18.4%
Special Revenue-Federal	28,000,000	28,800,000	800,000	2.9%
Dedicated Highway and Bridge Trust Fund	188,701,000	191,419,000	2,718,000	1.4%
Internal Service Fund	8,500,000	10,500,000	2,000,000	23.5%
Total for AGENCY SUMMARY:	303,226,000	323,120,000	19,894,000	6.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	2,762	2,775	13
TOTAL:	2,762	2,775	13

Agency Mission

(Executive Budget: pp. 253 - 256)

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. 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 Executive Budget includes the following:

- implementation of a new \$596,000 program called the Internet Point Insurance Reduction Program (IPIRP), which would allow drivers to reduce demerit points on their licenses through the completion of an on-line Internet driver safety course.
- implementation of a pilot customer-service kiosk program in high-volume DMV offices. The kiosks are supposed to allow customers, themselves, to process standard DMV transactions that do not require proof of identification, in order to reduce wait times. The Executive estimates that the initial pilot program will tentatively call for installation of these kiosks in two or three high-volume DMV offices. Currently, the pilot kiosk program is estimated to cost \$500,000 for installation and operation.

Budget Detail

The Governor proposes a total All Funds appropriation of \$323,120,000. This is an increase of \$19,894,000, or 6.6 percent over SFY 2005-06, which is to be utilized to fund salary increases, inflation costs, expanded operational responsibilities such as the Driver Responsibility Program, and the two new initiatives listed above: the Internet Point Insurance Reduction Program (IPIRP), and the customer service kiosk pilot program. The Governor's proposal also anticipates an increase of 13 full-time equivalent (FTE) positions, bringing the size of the departmental workforce to 2,775 in SFY 2006-07. No extra FTE positions are associated with either the customer service kiosk program or IPIRP.

State Operations

The Executive proposes a total All Funds State Operations appropriation of \$117,301,000, an increase of \$16,776,000, or 16.7 percent, over SFY 2005-06 levels.

Proposed Increases

The Executive proposes the following increases in the SFY 2006-07 Budget:

- \$9,068,000, or 57.7 percent over SFY 2005-06, in appropriations from the Special Revenue – Other Fund for the Clean Air Program. This incorporates a shift of 81 FTE positions from the Transportation Support Program to the Clean Air Program. With the addition of 13 FTE's, the result is 94 more FTE's for the Clean Air Program than the SFY 2005-06 workforce level;
- \$1,000,000, or 50.0 percent over SFY 2005-06, in appropriations from the Special Revenue – Other Fund for the Administration Program. The \$1,000,000 in extra funds are the result of increases in DMV's Federal Seized Assets Fund and is

available due to the DMV's participation in a joint assets seizure conducted with the Federal government; and

- \$639,000, or 41.4 percent over SFY 2005-06, in appropriations from the Special Revenue – Other Fund for the Transportation Safety Program. Of this increase, \$596,000 or 93.3 percent is utilized to fund the proposed Internet Point Insurance Reduction Program (IPIRP). The Executive proposes that the remaining balance of IPIRP costs are to be offset by revenues achieved from fees generated by IPIRP users and on-line course providers.

Aid to Localities

The Executive proposes an Aid to Localities appropriation in the amount of \$14,400,000 from the Federal Special Revenue Fund representing a \$400,000 or 2.86 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 \$191,419,000 for Capital Projects, an increase of \$2,718,000 or 1.4 percent over SFY 2005-06 levels. Of the total amount, \$128,849,000 or 67.3 percent would be used to support personal service and fringe benefits.

Article VII

The Executive recommends Article VII legislation that would:

- reinstate and make permanent the bulk mailing rate provisions for the DMV;
- amend the Motor Carrier Safety Improvement Act (MCSIA) regarding disqualifications of commercial driver license holders; and
- increase the photo image fees for non-driver identification cards from five dollars to ten dollars.

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	8,350,000	7,986,000	(364,000)	-4.4%
Special Revenue-Other	400,000	400,000	0	0.0%
Total for AGENCY SUMMARY:	8,750,000	8,386,000	(364,000)	-4.2%

Agency Mission

(Executive Budget: pp. 257 - 259)

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

State Operations

The Executive recommends State Operations appropriations of \$8,386,000, a net decrease of \$364,000 from State Fiscal Year (SFY) 2005-06.

Proposed Increases

- The Executive proposes an increase of \$636,000 in the maintenance undistributed appropriation attributable to rising fuel and personnel costs.

Proposed Decreases

- The Executive proposes a decrease of \$1,000,000 due to a proposed deficiency appropriation for SFY 2005-06 that is not recurring in SFY 2006-07.

Deficiency Request

The Executive recommends a SFY 2005-06 General Fund deficiency appropriation of \$1,000,000 related to an operating deficit at the Authority, based in part on increased fuel and labor costs, as well as overall revenue shortfalls from a poor ski season.

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	109,877,100	120,093,100	10,216,000	9.3%
Special Revenue-Other	72,978,900	76,454,900	3,476,000	4.8%
Special Revenue-Federal	11,320,900	10,320,900	(1,000,000)	-8.8%
Misc. Capital Projects	1,750,000	4,600,000	2,850,000	162.9%
Fiduciary	25,000,000	10,000,000	(15,000,000)	-60.0%
State Parks Infrastructure Fund	42,075,000	31,200,000	(10,875,000)	-25.8%
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:	269,501,900	259,168,900	(10,333,000)	-3.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	1,307	1,323	16
All Other Funds:	284	284	0
TOTAL:	1,591	1,607	16

Agency Mission

(Executive Budget: pp. 261 - 266)

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides safe and enjoyable recreational and interpretive opportunities for all New York State residents and visitors at 172 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.

Budget Detail

The Executive recommends All Funds appropriations of \$259,168,900. This amount reflects a \$10,333,000 decrease from State Fiscal Year (SFY) 2005-06 levels.

State Operations

The Executive recommends State Operations appropriations of \$194,489,900. These appropriations reflect an increase of \$15,142,000 over SFY 2005-06 levels. The State Fiscal Year (SFY) 2006-07 Executive Budget includes the addition of 16 new full-time equivalent (FTE) positions, including 12 positions to support new parks and 4 positions formerly located within the Natural Heritage Trust.

Proposed Increases

The Executive proposes the following General Fund increases totaling \$11,666,000:

- \$5,100,000 for fixed costs increases related to energy and fossil fuels;
- \$2,948,000 for increased salary costs;
- \$2,300,000 for increased costs associated with a higher minimum wage;
- \$1,250,000 in personal and non-personal service costs associated with opening new parks; and
- \$68,000 for the New York State Battle Flag Preservation project.

The Executive proposes the following Special Revenue fund increases totaling \$3,476,000:

- \$1,850,500 for increased salary and fringe benefit costs;
- \$1,300,000 for a one-time adjustment to the New York Waterways account;
- \$285,000 fixed costs increases related to energy and fossil fuels; and
- \$20,000 for the Water Rescue Team Awareness Account.

Aid to Localities

The Executive proposes Aid to Localities appropriation of \$14,870,000, reflecting a decrease of \$2,450,000 from SFY 2005-06 levels.

Proposed Decreases

The Executive proposes the following decreases:

- elimination of the General Fund appropriation of \$1,450,000 for the Independence Trail and for New York State Heritage Trail tourism projects; and

- reduction of \$1,000,000 in Special Revenue funds attributable to decreased federal grant awards from the Land and Water Conservation Fund and funding related to the National Recreation Trails Act.

Capital Projects

The Executive proposes Capital appropriations of \$49,800,000 for SFY 2006-07, a net decrease of \$23,025,000 from SFY 2005-06 levels.

Proposed Increases

- The Executive proposes a \$1,475,000 increase in appropriations from the Miscellaneous Capital Improvements Fund, which includes \$500,000 for improvements at Minekill State Park.

Proposed Decreases

The Executive proposes the following decreases:

- a \$15,000,000 decrease in appropriations from the Miscellaneous Gifts Account. In SFY 2005-06, the Enacted Budget included a \$25,000,000 appropriation to accommodate the receipt of mitigation payments and related spending at various locations around the State. The decrease is attributable to an expected decline in mitigation payments.
- a \$10,875,000 decrease in appropriations for the State Park Infrastructure Fund (SPIF). The decrease is the net result of changes across purposes within the fund. The majority of the reduction is attributed to shedding excess appropriation authority that was needed last year to move forward with drinking water improvements at Harriman State Park. In SFY 2006-07, the Executive recommends total SPIF appropriations of \$31,200,000.

DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	71,482,000	72,744,000	1,262,000	1.8%
Special Revenue-Federal	1,691,000	1,691,000	0	0.0%
Total for AGENCY SUMMARY:	73,173,000	74,435,000	1,262,000	1.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	545	545	0
TOTAL:	545	545	0

Agency Mission

(Executive Budget: pp. 281 - 283)

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 Executive recommends All Funds appropriations of \$74,435,000 for DPS, representing an increase of \$1,262,000 from State Fiscal Year (SFY) 2005-06.

State Operations

Proposed Increases

The Executive recommends the following increases in Special Revenue appropriations:

- \$424,000 for personal service within the Administration program, attributed to rising salary costs;
- \$310,000 for non-personal service for corresponding increases in fringe benefit costs;
- \$105,000 for personal service within the Regulation of Utilities Program, attributed to rising salary costs; and
- \$423,000 for the Regulation of Utilities Program, related to increased fixed costs and fringe benefit costs.

Aid to Localities

The Executive recommends a Special Revenue appropriation of \$400,000 for the Electric Generating Intervenor Account, reflecting no change from SFY 2005-06. 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 \$86,409,900 for programs in certain State agencies in the following amounts:

- \$68,886,000 for the Department of Public Service;
- \$4,357,000 for the Consumer Protection Board;
- \$6,298,000 for the Department of Environmental Conservation;
- \$322,000 for the Department of Agriculture and Markets;
- \$839,900 for the Department of Economic Development;
- \$89,000 for the Office of Parks, Recreation and Historic Preservation; and
- \$5,618,000 for the Office of Homeland Security.

The Executive also proposes legislation to authorize expenditures by the Department of Health for public health program announcements to be paid for with cable television assessment revenues in the amount of \$454,000.

STATE RACING AND WAGERING BOARD

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	24,135,000	24,768,000	633,000	2.6%
Total for AGENCY SUMMARY:	24,135,000	24,768,000	633,000	2.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	135	135	0
TOTAL:	135	135	0

Agency Mission

(Executive Budget: pp. 285 - 287)

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) 2006-07, reflecting an overall increase of \$633,000 or 2.62 percent over the current year funding level.

The Executive's recommendation reflects a workforce of 135 full-time equivalent positions, representing no changes from the current level.

State Operations

Proposed Increases

The Executive proposes an appropriation of \$14,052,000 in Special Revenue Fund – Other, reflecting an increase of \$454,000 for support of staff and costs associated with the regulation of racing and off-track betting. This includes increased costs for salary increments, fringe benefits and costs associated with non-personal services, along with an increase of \$250,000 for the Cornell Equine Drug Testing Program.

A \$2,446,000 Special Revenue Fund Other appropriation is also recommended for support of the regulation of charitable gaming such as bell jar games. In addition, an \$8,270,000 Special Revenue Fund – Other appropriation is recommended to support the regulation, monitoring and investigation of Indian casinos. These programs increased by \$38,000 and \$141,000 respectively for salary and fringe benefit adjustments.

Deficiency Request

The Executive recommends a \$20,000,000 deficiency appropriation for the Non-Profit Racing Association Oversight Board from the Lottery Division's administrative account to fund advances of video gaming vendor fees to the State's current thoroughbred racing franchisee, the New York Racing association (NYRA). These advances will be paid back by December 31, 2007 from NYRA's prospective video gaming revenues. In addition, the Executive proposes legislation modifying the Non-Profit Racing Association Oversight Board.

GOVERNOR'S OFFICE OF REGULATORY REFORM

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,554,000	3,744,000	190,000	5.3%
Total for AGENCY SUMMARY:	3,554,000	3,744,000	190,000	5.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	36	36	0
TOTAL:	36	36	0

Agency Mission

(Executive Budget: pp. 289 - 291)

The Governor's Office of Regulatory Reform (GORR) was created in 1995 and focuses on the oversight of State regulations, provides information on regulatory requirements, and attempts to expedite 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 \$3,744,000 for State Fiscal Year (SFY) 2006-07, reflecting a net increase of \$190,000 or 5.35 percent over SFY 2005-06 funding levels.

No changes in full-time equivalent funded positions are recommended.

State Operations

Proposed Increases

- The Executive recommends a State Operations General Fund appropriation of \$3,744,000, reflecting a SFY 2006-07 increase of \$190,000, which reflects the cost of continuing current programs including salary and other fixed costs, includes the costs of maintaining agency related software and hardware, and \$650,000 to support the continuing maintenance, development, and enhancement for the Online Permitting Assistance and Licensing (OPAL) system.

OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	51,860,000	46,990,000	(4,870,000)	-9.4%
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:	58,860,000	53,990,000	(4,870,000)	-8.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	30	30	0
TOTAL:	30	30	0

Agency Mission

(Executive Budget: pp. 293 - 296)

The New York State Office of Science, Technology, and Academic Research (NYSTAR) is an Executive agency which is slated for conversion to the New York State Foundation for Science, Technology, and Innovation. NYSTAR is responsible for identifying, promoting, and investing in enterprises with the potential to create and retain high-technology jobs.

The new Foundation will assume responsibility for directing the State's university-based high-technology economic development programs.

This agency is included in the Transportation, Economic Development and Environmental Conservation Budget Bill.

Programmatic Highlights

The Executive Budget includes discretion for Centers for Advanced Technology in the allocation of the appropriated \$15,000,000 to Centers of Excellence or other High Technology Centers.

Budget Detail

The Executive recommends an All Funds appropriation of \$53,990,000. This includes a \$3,425,000 State Operations appropriation, reflecting a \$100,000 increase over SFY 2005-06 levels. Also, the Executive includes a \$50,565,000 Aid to Localities appropriation reflecting a \$4,970,000 decrease from SFY 2005-06 levels. NYSTAR currently employs 30 full-time equivalent (FTE) positions. This reflects no change from SFY 2005-06 levels.

State Operations

Proposed Increases

- The Executive proposes a \$100,000 increase in the Administration Program to support contractual obligations.

Aid to Localities

The Executive proposal maintains funding for the following programs at SFY 2005-06 levels:

- \$15,000,000 for Centers for Advanced Technology;
- \$5,000,000 for the Focus Center;
- \$5,000,000 for Security Through Advanced Technology;
- \$1,500,000 for College Applied Research Centers;
- \$1,500,000 for Technology Development Organizations;
- \$1,000,000 for the Industrial Technology Extension Service;
- \$500,000 for the Cornell Nanoscale Center;
- \$500,000 for the Cornell National Nanotech Infrastructure Network;
- \$500,000 for the Columbia Nanoscale Center;
- \$500,000 for the RPI Nanoscale Center;
- \$400,000 for the Cornell Materials Research Center;
- \$320,000 for the Syracuse Sensing, Analyzing, Interpreting and Deciding Center;
- \$300,000 for the Cornell Nanobiotechnology Center;
- \$250,000 for the Columbia Materials Research Center;
- \$125,000 for the RPI Engineering Research Center; and
- \$70,000 for the CUNY Optical Sensing-Imaging Center.

Proposed Increases

- \$750,000 in new funding for the creation of the newly designated SUNY Albany Semiconductor Research Corp.

Proposed Decreases

The Executive proposes \$4,970,000 in reduction to agency programs comprised of the following:

- \$750,000 from the High Technology Program eliminating the following programs: RPI Semiconductor Research Corporation (\$500,000), Broadhollow Bioscience Park (\$100,000), Center for Remanufacturing (\$400,000), New York State Center for Engineering Design and Industrial Innovation (\$250,000), and Center for Integrated Manufacturing Systems (\$250,000); and
- \$4,220,000 from the Research Development Program eliminating funding for the following programs: Expenses of the Faculty Development Program (\$1,100,000), Expenses of the James D. Watson Program (\$1,000,000), Albany Law School Science and Technology Center (\$120,000), and the Centers for Advanced Technology Development (\$2,500,000).

DEPARTMENT OF STATE

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	18,678,911	17,030,000	(1,648,911)	-8.8%
Special Revenue-Other	53,204,000	54,348,000	1,144,000	2.2%
Special Revenue-Federal	75,136,000	70,602,000	(4,534,000)	-6.0%
Buffalo Mass Transit	1,600,000	1,000,000	(600,000)	-37.5%
Total for AGENCY SUMMARY:	148,618,911	142,980,000	(5,638,911)	-3.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	208	213	5
All Other Funds:	657	657	0
TOTAL:	865	870	5

Agency Mission

(Executive Budget: pp. 297 - 301)

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 elimination of funding for Civil Legal Services.

Budget Detail

The Executive recommends an All Funds appropriation of \$142,980,000. This reflects a net decrease of \$5,638,911 from SFY 2005-06 levels. There is an overall Agency Personnel increase of five positions which can be attributed to an increase of employees at the local level through the Shared Municipal Services Initiative Grant Program. These employees are to be funded through the Local Government Assistance Appropriation and therefore are not reflected in the Agency budget. In addition, \$45,510,000 will be swept in to the General Fund due to excess fees of \$13,510,000 from the Codes Enforcement Program and \$32,000,000 from the Business and Licensing Services Program.

State Operations

The Executive proposes \$68,130,000 in State Operation funding. This reflects a \$4,062,000 increase from SFY 2005-06 levels.

Proposed Increases

The Executive proposes the following:

- \$2,405,000 net increase from SFY 2005-06 levels in Nonpersonal Service attributed to inflation and improvements to the DOS Website, of which \$1,502,000 is used to support the automation and upgrade of the DOS website; and
- \$1,657,000 net increase in Personal Service attributed to inflation and increase salary levels.

Aid to Localities

The Executive proposes \$73,850,000 in Aid to Localities funding. This reflects a \$9,100,911 decrease from SFY 2005-06 levels.

Proposed Decreases

The Executive proposes \$9,100,911 in reductions in State Operations funding comprised of the following:

- \$4,600,911 reduction in General Fund support resulting from the elimination of funding for Civil Legal Services; and

- \$4,500,000 reduction in Special Revenue Fund support resulting from the elimination of funding for the Coastal Zone Management Program.

Capital Projects

The Executive proposes a new \$1,000,000 Capital appropriation to fund the cost of construction of a live fire training simulator building and an arson investigation simulation building for the State Fire Training Academy.

Article VII

The Executive recommends Article VII legislation that would make permanent the Expedited Service Program.

DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	311,584,000	333,452,000	21,868,000	7.0%
Special Revenue-Other	44,591,000	46,000,000	1,409,000	3.2%
Special Revenue-Federal	500,000	582,000	82,000	16.4%
Internal Service Fund	61,527,000	53,102,000	(8,425,000)	-13.7%
Total for AGENCY SUMMARY:	418,202,000	433,136,000	14,934,000	3.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	4,326	4,336	10
All Other Funds:	440	440	0
TOTAL:	4,766	4,776	10

Agency Mission

(Executive Budget: pp. 303 - 309)

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.

Budget Detail

State Operations

Proposed Increases

- The increase in the General Fund of \$21,868,000 is primarily due to an increase in general operating expenses such as salaries and benefits related to collective bargaining agreements and the addition of 10 enforcement officers.

Programmatic Highlights

The transition to performance-based budgeting resulted in a more accurate reflection of anticipated expenditures by program in 2006-07 when compared to 2005-06.

Proposed Increases

- The overall net increase in State Operations is \$14,934,000.

Proposed Decreases

- The decrease in Internal Service Funds of \$8,425,000 is due to a cost reduction in income tax return processing as a result of increased electronic filing.

DIVISION OF TAX APPEALS

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,330,000	3,423,000	93,000	2.8%
Total for AGENCY SUMMARY:	3,330,000	3,423,000	93,000	2.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	31	31	0
TOTAL:	31	31	0

Agency Mission

(Executive Budget: pp. 311 - 313)

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

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

Budget Detail

State Operations

Proposed Increases

- \$93,000 in the General Fund to reflect higher operating costs such as salaries related to collective bargaining agreements.

NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
NYS Canal System Development Fund	4,000,000	4,000,000	0	0.0%
Total for AGENCY SUMMARY:	4,000,000	4,000,000	0	0.0%

Agency Mission

(Executive Budget: pp. 315)

The New York State Thruway Authority (Authority) is responsible for operating of 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 Authority is included in the Transportation, Economic Development, and Environmental Conservation appropriation bill.

Programmatic Highlights

The Executive Budget includes a proposal for the funding of canal projects through a proposed appropriation related to economic development bonded capital funds obtained through the New York State Urban Development Corporation.

Budget Detail

Capital Projects

The Executive proposes an appropriation of \$4,000,000 for the Canal Development Program, unchanged from the SFY 2005-06 appropriated level. The revenues generated by the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. CSDF appropriations of \$6,501,000 are also requested. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

Article VII

The Executive recommends Article VII legislation that would:

- authorize the Thruway Authority, along with the Department of Transportation (DOT), and the Metropolitan Transportation Authority (MTA) to enter into transportation development partnerships with public and private entities in order to utilize “innovative and cost effective financing techniques” to fund transportation projects, facilities, or services; and
- authorize the Thruway Authority and the DOT to undertake a pilot program to bid construction projects that include the cost of professional engineering services.

DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	153,016,000	103,016,000	(50,000,000)	-32.7%
Special Revenue-Other	2,238,523,000	2,421,212,000	182,689,000	8.2%
Special Revenue-Federal	45,581,000	56,421,000	10,840,000	23.8%
Capital Projects Fund - Rebuild & Renew (Bondable)	232,000,000	297,000,000	65,000,000	28.0%
Fiduciary	50,000,000	50,000,000	0	0.0%
Federal Capital Projects Fund	1,706,000,000	1,706,000,000	0	0.0%
Dedicated Mass Transportation Trust Fund	82,500,000	58,100,000	(24,400,000)	-29.6%
Dedicated Highway and Bridge Trust Fund	1,923,763,000	2,022,773,000	99,010,000	5.1%
NY Metro Transportation Account	10,202,000	15,894,000	5,692,000	55.8%
Capital Projects Fund - Aviation (Bondable)	0	5,793,000	5,793,000	-
Capital Projects - 338	2,900,000,000	0	(2,900,000,000)	-100.0%
Total for AGENCY SUMMARY:	9,341,585,000	6,736,209,000	(2,605,376,000)	-27.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	9,769	9,948	179
TOTAL:	9,769	9,948	179

Agency Mission

(Executive Budget: pp. 317 - 324)

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. The 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) 2006-07 Executive Budget includes the following:

- 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;
- a proposal to authorize public-private partnership agreements and alternative financing arrangements, (Transportation Development Partnerships), to help leverage funds to support capital expenditures; and
- a proposal to authorize DOT to bid construction projects that include the cost of professional engineering services.

Budget Detail

The Executive recommends a total All Funds appropriation of \$6,736,209,000 for SFY 2006-07, which represents a decrease of \$2,605,376,000, or 27.9 percent from SFY 2005-06 funding levels. This decrease is a result of a reduction in the amount of funds appropriated for capital projects.

State Operations

The Executive proposes that a total of \$46,417,000 be appropriated for State Operation. This represents an increase of \$2,916,000, or 6.7 percent over SFY 2005-06 funding levels.

The Executive also anticipates an increase of 179 full-time equivalent (FTE) positions resulting in 9,948 FTE's in the SFY 2006-07 workforce. Of the 179 new positions, the Governor projects that 177 (99 percent) of the positions will be engineering-related, and will be under the jurisdiction of the Department's Design and Construction Program.

Proposed Increases

- The Executive proposes an increase of \$62,001,000, or 13.5 percent, in non-federally aided highway maintenance appropriations. This increase is caused by a merging of the Snow and Ice Control program with the Preventive Maintenance Program, negating the need for a discrete appropriation to support the cost of snow and ice removal.

Proposed Decreases

- The Executive proposes a decrease of \$5,000,000 in the General Fund appropriation for the Office of Passenger and Freight Transportation Program due to a one-time appropriation of \$5,000,000 in SFY 2005-06 to conduct a transportation study.

Aid to Localities

The Governor recommends Aid to Localities All Funds appropriations totaling \$2,534,232,000, an increase of \$140,613,000, or 5.87 percent, over SFY 2005-06 appropriations.

Proposed Increases

The Executive proposes the following increases in the SFY 2006-07 Budget:

- Upstate transit systems will receive \$149,366,000, an increase of \$29,900,000 or 25.0 percent over SFY 2005-06 levels, of which \$23,000,000 or 77 percent, is 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 \$229,154,000, an increase of \$31,892,000, or 16.2 percent, over SFY 2005-06 levels.
- The MTA, which serves the New York City Metropolitan Commuter District, will receive \$2.1 billion, an increase of about \$300,000,000, or 17.5 percent, over the SFY 2005-06 \$1.8 billion appropriation. The Executive also requests deficiency appropriations totaling \$245,000,000 that would increase transit aid for SFY 2005-06, thus matching the proposed appropriation for SFY 2006-07, for the MTA.
- \$45,000,000 of the proposed deficiency is specifically marked to help finance the costs of the reduced fare for school children program.

Capital Projects

The Capital Program of 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 \$17.4 billion five-year Capital Program for SFY 2005-06 through SFY 2009-10.

Currently in the second year of the Capital Program, the Executive proposes a total of \$4,155,560,000 in appropriations for capital projects. This is a decrease of \$2,748,905,000, or 39.8 percent, from appropriations in SFY 2005-06. The decrease is primarily due to a one-time bond appropriation of \$2,900,000,000 in SFY 2005-06 for the Rebuild and Renew New York Transportation Bond Act of 2005 which was approved by the voters in November 2005.

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

- \$235,000,000 for Highway Facilities Capital Projects;
- \$50,000,000 for Multi-Modal;
- \$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 recommends that the Industrial Access Program continue to be funded at \$9,000,000. The proposed appropriation does not incorporate language affirming current program provisions.
- The Executive recommends a highway and bridge construction letting level of \$1.85 billion for SFY 2006-07, which is an increase of \$100,000,000 over the current State Fiscal Year.
- Proposed funding for the Consolidated Highway Improvement Program (CHIPs) is approximately \$289,500,000, an increase of \$6,200,000, or 2.2 percent. The Executive recommends maintaining the current level of \$39,700,000 in funding for the Municipal Streets and Highways Program ("Marchiselli"). In addition, to help fund MTA capital projects, the Governor proposes raising the MTA bond cap from \$16,500,000 to \$28,877,000 in accordance with federal commitments to finance joint capital projects.
- The Executive proposes to authorize the Department to bid construction projects that include the cost of professional engineering services. The Executive asserts that there are no estimated costs or revenues attached to these two proposals at this time.

Article VII

The Executive recommends Article VII legislation that would:

- provide for annual authorizations for the CHIPs and Marchiselli programs;
- add Oneida County to the Central New York Regional Transportation Authority Service District;
- extend the State Single Audit Act for the DOT, which would allow transportation agencies to permanently merge their federal and state audits, so that one report is generated;
- authorize DOT, along with the Thruway Authority, to undertake a pilot program to bid construction projects that include the cost of professional engineering services;
- authorize DOT, the New York State Thruway Authority, and MTA to enter into transportation development partnerships with public and/or private entities in order to leverage funds for transportation projects, facilities, or services; and
- increase the MTA Bond Cap from \$16,500,000 to \$28,877,000 to reflect the capital needs of the enacted State Transportation Plan and MTA capital programs.

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 Systems Operating Assistance (PTOA) account, which provides funding to upstate transit systems. This action results in an increase of \$23,000,000 in upstate transit aid and a corresponding 34 percent decrease in the amount of revenue available to support downstate transit systems.

Deficiency Request

The Executive proposes a deficiency appropriation of \$200,000,000 from Special Revenue Funds – Other for DOT for transit aid to the MTA.

The Executive proposes a deficiency appropriation of \$45,000,000 from the General Fund for the Department of Transportation for reduced fare program for school children.

URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	85,125,100	93,858,000	8,732,900	10.3%
Capital Projects Fund - Authority Bonds	0	624,400,000	624,400,000	--
Total for AGENCY SUMMARY:	85,125,100	718,258,000	633,132,900	743.8%

Agency Mission

(Executive Budget: pp. 207 - 210)

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.

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

Programmatic Highlights

The Executive Budget includes the following:

- capital and operating funding for the rehabilitation and preservation of Governor's Island;
- new capital appropriations of \$475,000,000 to support various economic development initiatives across the State;
- the acceleration of the designation of nine new Empire Zones in SFY 2006-07;
- the establishment of five new Center of Excellence Empire Zones for businesses that have established relationships with Centers of Excellence; and
- the creation of a Statewide Clean Energy Research and Development Zone.

Budget Detail

The Executive recommends an All Funds appropriation of \$718,258,000. This includes a \$93,858,000 Aid to Localities appropriation, reflecting an \$8,732,900 increase from SFY 2005-2006 levels.

In addition, the Executive proposal would provide for the receipt of \$75,000,000 resulting from the sale of the ESDC luxury office condominium.

Aid to Localities

The Executive proposes to increase Aid to Localities spending by \$8,732,900 resulting in a \$93,858,000 appropriation, thereby funding the following programs at SFY 2005-06 levels:

- the JOBS NOW Program;
- the Empire State Economic Development Fund;
- the Urban & Community Development Program;
- the Minority and Women-owned Business Development & Lending Program; and
- the retention of professional football in Western New York.

Proposed Increases

The Executive proposes an appropriation of \$17,000,000 to fund the following new programs:

- \$7,500,000 for the Governor's Island Preservation and Education Corporation;
- \$7,500,000 for the Center's of Excellence;
- \$1,000,000 for the University at Buffalo's Krabbe's Disease Research Institute; and
- \$1,000,000 for the University at Albany's Institute for Nanoelectronics Discovery and Exploration (INDEX).

Proposed Decreases

- The Executive proposes to reduce General Fund support by \$15,000,000 from SFY 2005-06 levels reflecting a revised estimate of the cash disbursement needs of programs administered by ESDC;
- The Executive proposes to decrease aggregate funding for Griffiss and Plattsburgh Air Force Bases, and Seneca Army Depots from \$3,000,000 to \$2,500,000;
- The Executive proposes a \$8,732,900 decrease in Aid to Localities funding eliminating various legislative initiatives enacted in SFY 2005-06; and
- The Executive proposes to eliminate \$1,000,000 in support for military retention efforts.

Capital Projects

The Executive has proposed \$475,000,000 for various economic development projects. Only limited information for these projects has been forthcoming from the Division of the Budget. The Executive proposal includes appropriations for the following Capital projects:

- \$75,000,000 for the Albany Convention Center;
- \$10,000,000 for the Canal Corporation;
- \$11,000,000 for the Hudson River Park;
- \$25,000,000 for the Rivers and Estuary Center;
- \$5,000,000 for Historic Hudson Valley;
- \$5,000,000 for the Plattsburgh International Airport;
- \$1,200,000 for the Plattsburgh Aeronautical Institute;
- \$22,500,000 for Governor's Island Revitalization;
- \$3,000,000 for the Department of Environmental Conservation Fish Hatcheries;
- \$9,800,000 for Other Projects;
- \$6,000,000 for the University at Buffalo Krabbe Disease Research Center;
- \$10,000,000 for the Columbia University-Nano Facility;
- \$12,000,000 for the Columbia University-Cancer Facility;
- \$10,000,000 for the Fordham University;
- \$10,000,000 for the Syracuse Center of Excellence;
- \$12,000,000 for the Energy Recovery Linac Project @ Cornell;
- \$5,000,000 for Clarkson University;
- \$1,500,000 for Paul Smith's College;
- \$75,000,000 for the University at Albany's-Institute for Nanoelectronics Discovery and Exploration;
- \$18,000,000 for the Museum of Natural History;
- \$57,000,000 for the World Trade Center Visitor Orientation and Education Center;
- \$6,500,000 for the Adirondack Natural History Museum;
- \$12,000,000 for the New York City Public Library;
- \$5,500,000 for the New York Historical Society;
- \$1,000,000 for Old Fort Niagara;
- \$15,000,000 the Lincoln Center;
- \$1,000,000 for the Stanley Theatre;
- \$30,000,000 for the Renewable Fuel Research and Development Projects; and
- \$20,000,000 for the Pilot Cellulosic Ethanol Refinery.

In addition, the Executive proposes \$149,400,000 in Capital Projects Funding to support the following projects authorized in SFY 2005-06:

- \$74,700,000 for the Queens Stadium; and
- \$74,700,000 for the Bronx Stadium.

Article VII

The Executive recommends Article VII legislation that would:

- create a new \$475,000,000 bonded capital program to support economic development projects;
- make permanent ESDC's general loan powers which are set to expire July 1, 2006;
- increase the Excelsior Linked Deposit Program authorized amount of State Funds from \$350,000,000 to \$410,000,000;
- authorize the Dormitory Authority to provide up to \$1,200,000 to Cornell University for the Cornell Theory Center;
- authorize one-time funding for the development of the World Trade Center Visitor Orientation and Education Center. This project would utilize dormant account balances from the Regional Economic Development Program, Small and Medium-size Business Assistance, Child Care Facilities Construction, Job Retention and Defense Industry, and Higher Education Applied Technology, as well as residual funds associated with the now delayed New York Stock Exchange expansion project; and
- expand the Empire Zone Program to 1) at the discretion of the Commissioner, create five new one square mile Zones, each associated with a Center of Excellence, 2) establish a Statewide Clean Energy Research and Development Zone providing for business certification to be sole responsibility of the Commissioner, and 3) accelerate designation of the 12 Zones authorized in the 2005-06 enacted budget.

MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	13,743,000	6,178,000	(7,565,000)	-55.0%
Special Revenue-Other	29,368,000	14,600,000	(14,768,000)	-50.3%
Capital Projects Fund - Rebuild & Renew (Bondable)	232,000,000	297,000,000	65,000,000	28.0%
Capital Projects Fund	340,000,000	0	(340,000,000)	-100.0%
Dedicated Mass Transportation Trust Fund	646,000,000	644,700,000	(1,300,000)	-0.2%
Capital Projects Fund - A.C. & T.I Fund (Bondable)	75,000,000	0	(75,000,000)	-100.0%
Total for AGENCY SUMMARY:	1,336,111,000	962,478,000	(373,633,000)	-28.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	5	5	0
TOTAL:	5	5	0

Budget Detail

(Executive Budget: pp. 461 - 486)

State Operations

Proposed Increases

Green Thumb

In State Fiscal Year (SFY) 2006-07, the Executive recommends a \$3,194,000 General Fund State Operations appropriation for the Green Thumb Program. This represents an increase of \$422,000, or 15.2 percent over SFY 2005-06, and is primarily attributable to projected increases in operating costs.

Racing Reform Program

The Executive provides \$2,000,000 in General Fund-State Operations for services and expenses associated with the nonprofit Racing Association Oversight Board and with the operations of an ad-hoc committee as authorized in the Racing, Wagering and Breeding Law.

Aid to Localities

Proposed Decreases

Metropolitan Transportation Authority

The Executive proposes a contingency appropriation for the Metropolitan Transportation Authority (MTA) in the amount of \$644,700,000, a decrease of \$1,300,000, or 0.20 percent. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2006-07 in the event the State budget for that fiscal year is not passed on April 1, 2006.

Tribal-State Compact Revenue

The Executive recommends a Special Revenue Funds–Other appropriation of \$14,600,000 for Tribal-State Compact Revenue derived from the operation of Indian casinos. This represents a decrease of \$14,768,000 from SFY 2005-06.

Capital Projects

Metropolitan Transportation Authority

The Executive proposes an appropriation of \$297,000,000 for the purpose of MTA Capital Projects. Funds generated by the sale of bonds authorized by the Renew and Rebuild New York Transportation Bond Act which was authorized by voters in November of 2005.

New York State Economic Development Program

The Executive proposal reflects a decrease of \$75,000,000 resulting from a non-recurring appropriation that was enacted in SFY 2005-06.

Article VII

The Executive recommends Article VII legislation that would hold the MTA harmless for certain corporate tax reductions. Due to proposed business tax cuts that would negatively impact the Mass Transportation Operating Assistance (MTOA) fund, this legislation makes provisions to ensure that the MTOA fund maintains its current levels.