DIVISION OF ALCOHOLIC BEVERAGE CONTROL

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	13,856,000	14,929,000	1,073,000	7.7%
Total for AGENCY SUMMARY:	13,856,000	14,929,000	1,073,000	7.7%
	ALL FUNDS PERSON BUDGETED FILL LEV			

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	156	156	0
TOTAL:	156	156	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 283 - 284)

The Division of Alcoholic Beverage Control (ABC) regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State. The Division also issues and renews licenses and permits to manufacturers, distributors, wholesalers and retailers and works with local law enforcement agencies to ensure compliance with the ABC law.

This Agency is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive's proposed budget for State Fiscal Year (SFY) 2005-06 includes Special Revenue Fund-Other appropriations of \$14,929,000 reflecting an increase of \$1,073,000 or 7.7 percent over SFY 2004-05. This represents a \$1,073,000 net increase in appropriations reflecting costs associated with continuing current programs, including salary adjustments and other fixed costs.

The Executive's SFY 2005-06 budget recommendation for ABC assumes a workforce of 156 Full-Time Equivalent (FTE) positions, reflecting no changes to FTE funded positions from the current level.

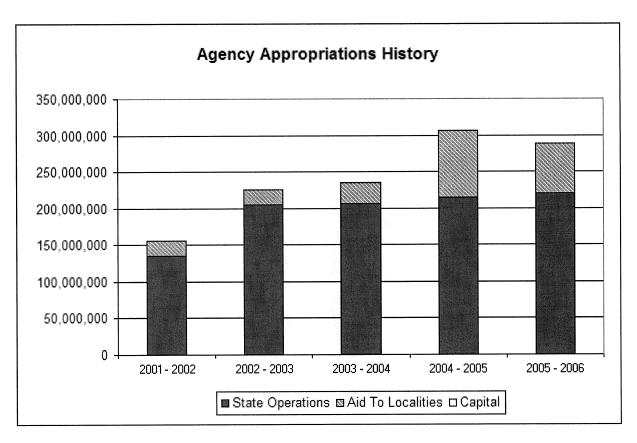
Article VII

The Executive proposes legislation to allow for the direct shipment of wine into New York State from out-of-state wineries, providing the winery is licensed in New York State and pays appropriate taxes.

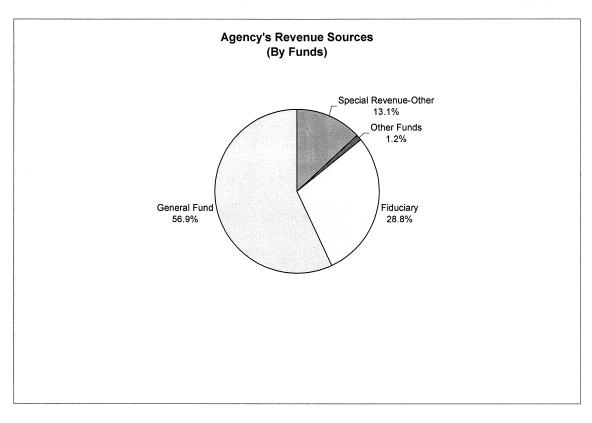
The Executive proposes Article VII legislation that would conform the open container laws, in relation to penalties for resealed bottles of wine, to Federal requirements. Failure to implement the changes would result in \$21 million per year in lost federal highway aid.

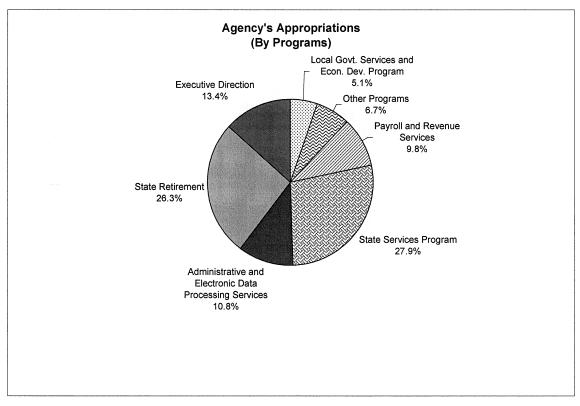
DEPARTMENT OF AUDIT AND CONTROL

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	166,966,000	164,467,000	(2,499,000)	-1.5%
Special Revenue-Other	57,544,000	37,838,000	(19,706,000)	-34.2%
Internal Service Fund	3,362,900	3,487,000	124,100	3.7%
Total for Agency:	227,872,900	205,792,000	(22,080,900)	-9.7%
Total Contingency:	78,856,200	83,085,000	4,228,800	5.4%
Total for AGENCY SUMMARY:	306,729,100	288,877,000	(17,852,100)	-5.8%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.





ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

2004-05	Requested 2005-06	Change
1,380	1,434	54
891	891	0
2,271	2,325	54
	1,380 891	1,380 1,434 891 891

BUDGET HIGHLIGHTS

(Executive Budget: pp. 285 - 291)

The Department of Audit and Control is responsible for paying the State's bills and payrolls, verifying all financial transactions of the State, reviewing the financial and management practices of State agencies, supervising the fiscal affairs of local governments, investing State funds and issuing bonds and notes, and administering the retirement program for State and most local government employees. The Department's operations has its central office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls, Newburgh and Hauppauge.

The Department is headed by the State Comptroller and is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes an All Funds appropriation of \$288,877,000, representing a net decrease of \$17,852,100 from the current State Fiscal Year (SFY) 2004-05 funding level. This appropriation reflects the following actions:

- General Fund appropriations totaling \$127,142,000, reflecting no change from SFY 2004-05 levels;
- Special Revenue-Other appropriations in the amount of \$5,838,000, reflecting an increase of \$294,000 or 5.30 percent over the SFY 2004-05 funding level. The increase represents a net adjustment associated with continuing existing programs, including salary and other fixed costs increases;
- Internal Service Fund appropriations of \$3,487,000 reflecting an increase of \$124,100 or 3.69 percent over the SFY 2004-05 funding level; and

 Fiduciary Fund appropriations in the amount of \$83,085,000, reflecting an increase of \$4,228,800 or 5.36 percent over SFY 2004-06 funding level. The increase is an adjustment to reflect the cost of continuing current programs including fringe benefits and centralized service costs.

Aid To Localities

The Executive proposes a General Fund Aid to Localities appropriation of \$37,325,000, representing a \$2,499,000 or 6.28 percent decrease in funding from SFY 2004-05. This decreased funding represents adjustments made to actuarial estimates for payments of benefits to survivors of police officers and firefighters in New York City who died during the performance of their duties. The funding is also needed to accommodate accidental death benefits payments for World Trade Center attack first responders.

The Executive also recommends a Special Revenue Funds-Other Aid to Localities appropriation of \$32,000,000, representing a \$20,000,000 or 38.46 percent decrease in funding from SFY 2004-05. The decreased funding is associated with adjustments to reflect Indigent Legal Services estimate of receipts in calendar year 2005.

Deficiency Appropriations:

The Executive recommends an Aid to Localities General Fund Deficiency appropriation of \$400,000 to cover a shortfall in local assistance funding for special accidental death benefits for SFY 2004-05.

The Executive also recommends an Aid to Localities Special Revenue Funds-Other Deficiency appropriation of \$40,000,000 to cover a shortfall in local assistance Special Revenue Funds-Other funding for Indigent Legal Services for SFY 2004-05.

DIVISION OF THE BUDGET

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	36,360,000	33,470,000	(2,890,000)	-7.9%
Special Revenue-Other	19,460,000	25,704,000	6,244,000	32.1%
Internal Service Fund	1,550,000	1,650,000	100,000	6.5%
Total for AGENCY SUMMARY:	57,370,000	60,824,000	3,454,000	6.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	309	297	(12)
All Other Funds:	21	33	12
TOTAL:	330	330	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 293 - 294)

The Division of the Budget prepares the Governor's proposed budget and executes the budget as enacted by the Legislature. The Division also serves as the Governor's primary advisor on such fiscal matters as local government and public authority finances. The Division of the Budget is included in the Public Protection and General Government bill.

State Operations

The Executive recommends All Funds appropriations totaling \$60,824,000, representing a net increase of \$3,454,000 or 6.0 percent from State Fiscal Year (SFY) 2004-05.

The Executive recommends \$27,970,000 in General Fund appropriations for the State Purposes Account, reflecting a \$1,390,000 or 4.74 percent reduction from the SFY 2004-05 funding level. This appropriation reflects the following changes:

- Personal Service funding of \$22,573,000 reflecting an increase of \$783,000 or 4 percent from current funding level and \$4,550,000 in Non-Personal service funding reflecting a flat year-to-year funding level.
- Elimination of two General Fund Maintenance Undistributed (MU) appropriations totaling \$2,000,000 which includes:
 - elimination of \$1,250,000 in funding for services and expenses related to administrative and technological services associated with the collection and maximization of overdue non-tax revenues owed to the state; and
 - elimination of \$750,000 in funding related to services and expenses for modification of statewide personnel, accounting, budgeting and related information systems.
- A \$847,000 Maintenance Undistributed (MU) appropriation reflecting a reduction of \$173,000 from the current funding level associated with services and expenses related to membership dues in various organizations such as Conference of Northeast Governors (\$90,000); Council of Great Lakes Governors (\$30,000); Council of State Governors (\$380,000) and National Governors Association (\$197,000).
- A \$150,000 Maintenance Undistributed (MU) appropriation for the Law Revision Commission reflecting a flat year to year funding level.

Special Revenue-Other (SRO) appropriations totaling \$19,704,000 are recommended by the Executive, reflecting an increase of \$6,244,000 from SFY 2004-05 funding levels. Funds in the SRO are derived from the collection of non-tax revenues. In addition, the Not-For-Profit Short Term Revolving Loan Account was reclassified from a Fiduciary Fund to a Special Revenue Funds – Other in SFY 2004-05 on recommendations from the Government Accounting Standards Board (GASB), which provides guidelines for establishing and improving standards of state and local government accounting. This Special Revenue Funds-Other/Not-For-Profit Account appropriation totaling \$150,000 reflects no change from SFY 2004-05.

\$16,354,000 is recommended for the Special Revenue-Other (SRO) Revenue Arrearage Account reflecting the following changes:

- \$1,244,000 increase in Personal Service, Fringe and Indirect Cost is recommended. To achieve General Fund Savings, 12 FTEs were shifted from the General Fund to this SRO account to accommodate negotiated salary increases.

- a \$3,000,000 Non-Personal Service cost increase is proposed to cover upgrades and enhancements associated with DOB's personnel (NYSTEP), and budgeting (IBS) systems which enable the Division to better manage the State's fiscal operations, including revenue management and cost recoveries related to public utilities.

A \$2,000,000 MU is recommended for a new Systems and Technological Account intended to replace the \$2,000,000 eliminated in General Fund Appropriations. This new appropriation will help fund the design and development of a Financial Management System (FMS) for all State agencies to link to Office of State Comptroller's new Centralized Accounting System (CAS) which is under development. This is a collaborative effort with the Office for Technology and the Office of the State Comptroller.

A Special Revenue-Other (SRO) Special Conservation Activities Account appropriation for \$1,200,000 is continued by the Executive, reflecting a flat year to year funding level.

The Executive recommends an Internal Service Fund/Federal Single Audit Account appropriation, totaling \$1,650,000, for an annual independent audit of federal programs. This appropriation reflects an increase of \$100,000 over SFY 2004-05 and mirrors higher anticipated contract costs associated with the contract with KPMG, which performs the audit.

In addition, the Executive recommends a \$5,500,000 General Fund appropriation for the Cash Management Improvement Act Program, reflecting a decrease of \$1,500,000 from the SFY 2004-05 funding level. This program was moved in SFY 2003-04 from the Miscellaneous All State Departments and Agencies into the Division of the Budget. This appropriation allows the state to accept and pay any State interest liabilities owed to the Federal Government under the Federal Cash Management Improvement Act (CMIA). The Executive also recommends a \$6,000,000 Special Revenue-Other (SRO) appropriation allowing the State to accept and spend any Federal interest liabilities owed to the State.

CAPITAL DEFENDER OFFICE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	12,825,000	12,277,000	(548,000)	-4.3%
Total for AGENCY SUMMARY:	12,825,000	12,277,000	(548,000)	-4.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	59	59	0
TOTAL:	59	59	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 295-297)

The Capital Defender Office (CDO) was established in conjunction with the death penalty statute enacted in 1995. The Office is an independent entity responsible for providing legal, investigative and expert services to indigent persons who are eligible to be prosecuted for capital murder, therefore not all defendants in capital cases will be defended by the CDO. The Office is required to set minimum standards for lawyers appointed to defend such cases, to provide training and assistance to these attorneys and to provide judges with a list of qualified lawyers.

This office is located within the Public Protection and General Government appropriation bill.

State Operations

In June 2004, the New York State Court of Appeals ruled that the so-called "deadlock" provision of the existing death penalty statute was unconstitutional. An Executive-proposed appropriation for Capital Defense stipulates that if the Legislature fails to enact amendments to the death penalty

statute to satisfy the Court's concerns by June 30, 2005, no more than thirty percent of the total appropriation may be utilized.

The Executive proposes an All Funds State Operations appropriation of \$12,277,000, representing a decrease of \$548,000 from State Fiscal Year (SFY) 2004-05 spending levels. This decrease is largely attributable to a smaller capital caseload, which reduces the occurrence of the CDO seeking the assistance of outside attorneys. These savings are partially diminished by an increase in spending required by collective bargaining agreements (\$175,000) as well as fixed cost increases (\$52,000).

DEPARTMENT OF CIVIL SERVICE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	22,995,000	26,455,000	3,460,000	15.0%
Special Revenue-Other	1,400,000	1,400,000	0	0.0%
Internal Service Fund	27,621,500	28,706,000	1,084,500	3.9%
Total for Agency:	52,016,500	56,561,000	4,544,500	8.7%
Total Contingency:	6,500,000	6,500,000	0	0.0%
Total for AGENCY SUMMARY:	58,516,500	63,061,000	4,544,500	7.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Current 2004-05	Requested 2005-06	Change
345	344	(1)
230	231	1
5 <i>7</i> 5	575	0
	2004-05 345 230	2004-05 2005-06 345 344 230 231

BUDGET HIGHLIGHTS

(Executive Budget: pp. 299 - 302)

The Department of Civil Service (DCS) is the central personnel agency for New York State government. The Department also provides testing and other support services to local governments.

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

State Operations

The Executive requests an All Funds appropriation of \$63,061,000, a net increase of \$4,544.500 or 3 percent from State Fiscal Year (SFY) 2004-05.

There is a General Fund appropriation of \$26,455,000, an increase of \$3,460,000 above SFY 2004-05. The increase reflects costs associated with the relocation of the Department to the Alfred E. Smith Building scheduled for late 2005, the reinstatement of the Public Management Intern program, and an adjustment due to salary and fixed cost increases.

A Contingency Fund appropriation of \$6,500,000 is included in the All Funds total.

Article VII

The Executive proposes legislation that will clarify the authority of the Department of Civil Service regarding the administration of the Employee Health Insurance Fund. This Fund was established in 1956 to account for payments in support of health insurance benefits provided to active and retired employees of the State and other local public employers. Although the appropriation for this Fund is in General State Charges, the Department is responsible for payment to insurers. The Comptroller has requested that the Department's authority regarding the Fund be clearly defined.

STATE CONSUMER PROTECTION BOARD

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY	330			
General Fund	386,000	0	(386,000)	-100.0%
Special Revenue-Other	3,120,000	3,792,000	672,000	21.5%
Total for AGENCY SUMMARY:	3,506,000	3,792,000	286,000	8.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund: All Other Funds:	5 24	0 29	(5) 5
TOTAL:	29	29	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 303 - 304)

The Consumer Protection Board's (CPB) current mission is to protect and advance the rights of New York State's consumers. The Board handles consumer complaints and mediates consumer disputes, engages in consumer education activities and fraud prevention, and represents consumer interests in utility rate cases before the Public Service Commission (PSC). The Board also advises the Governor on consumer issues and recommends legislative initiatives on consumer related matters. This agency is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$3,792,000 reflecting an increase of \$286,000 or 8.2 percent over State Fiscal Year (SFY) 2004-05 funding levels.

The Executive recommends the elimination of \$386,000 in General Fund appropriation representing a 100 percent net decrease from the SFY 2004-05 funding level. This action reflects the following:

- a \$42,000 net adjustment increase to reflect the cost of continuing current programs, including salary and other fixed costs increases; and
- a \$428,000 decrease reflecting a fund shift from General Fund appropriation to Special Revenue Other appropriation.

The Executive recommends a \$3,792,000 Special Revenue Funds-Other appropriation representing a \$672,000 or 21.5 percent increase over the current funding level. This increase represents the following:

- a \$85,000 net adjustment increase to reflect the cost of continuing current programs, including salary and other fixed costs increases;
- a \$428,000 increase representing a fund shift from a General Fund appropriation to Special Revenue Other appropriation; and
- a \$159,000 increase in appropriation reflecting associated fringe benefits and indirect costs related to the fund shift.

The Executive's SFY 2004-05 budget recommendation for the Division assumes a workforce of 29 Full-Time Equivalent (FTE) positions, reflecting no changes to FTE funded positions from the current level.

Article VII

The Executive proposes legislation to increase the maximum civil penalty for unfair and deceptive business practices and false advertising from \$500 to \$5,000.

The Executive also proposes legislation that any increased expenditures of the Consumer Protection Board from the Special Revenue Funds-Others Account for services and expenses related to consumer protection activities are deemed an expense of the Department of Public Service within the meaning of Section 18-a of the Public Service Law and are funded accordingly.

COMMISSION OF CORRECTION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,517,000	2,577,000	60,000	2.4%
Total for AGENCY SUMMARY:	2,517,000	2,577,000	60,000	2.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change	
General Fund:	32	32	0	_
All Other Funds:	3	3	0	
TOTAL:	35	35	0	

BUDGET HIGHLIGHTS

(Executive Budget: pp. 305-307)

The State Commission of Correction is responsible for the regulation and oversight of State and local correctional facilities. The Commission monitors 70 State correctional facilities, 60 county jails, 16 New York City correctional facilities and 267 locally operated police department detention facilities. Resulting from legislation enacted during 1996, the Commission also has oversight of the four secure detention facilities operated by the Office of Children and Family Services. The Commission collaborates with the Division of Criminal Justice Services and the Division of Probation and Correctional Alternatives to assist localities in analyzing operational issues in local correctional facilities.

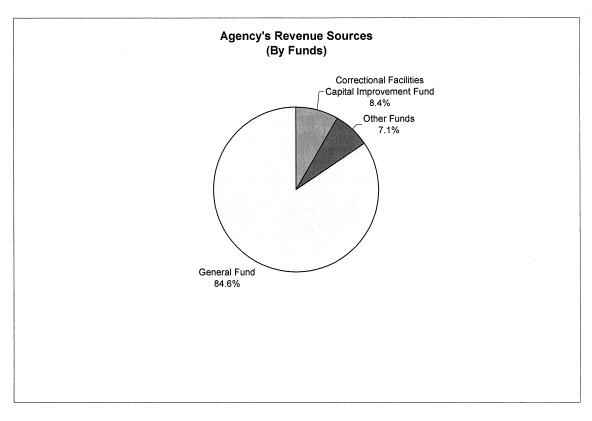
This agency is included in the Public Protection and General Government appropriation bill.

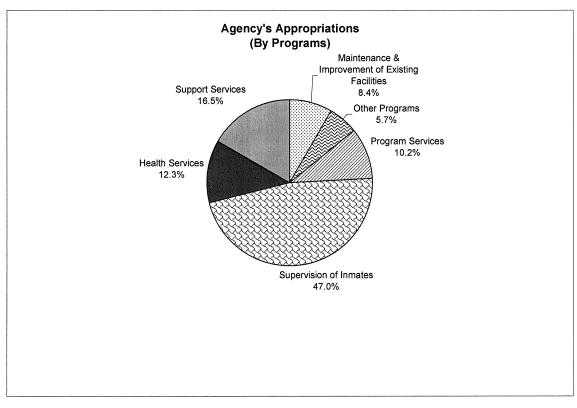
State Operations

The Executive recommends an All Funds State Operations appropriation of \$2,577,000, an increase of \$60,000 or 2.38 percent from State Fiscal Year (SFY) 2004-05. The increase is the result of honoring collective bargaining agreements associated with Chapter 103 of the Laws of 2004-05 and the increased cost of continuing current programming, including salary and fixed cost increases.

DEPARTMENT OF CORRECTIONAL SERVICES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
AGENCI SOMMAKI				
General Fund	2,021,339,000	2,075,345,000	54,006,000	2.7%
Special Revenue-Other	16,000,000	3,000,000	(13,000,000)	-81.2%
Special Revenue-Federal Correctional Facilities Capital	37,087,600	36,600,000	(487,600)	-1.3%
Improvement Fund	205,107,000	205,000,000	(107,000)	-0.1%
Internal Service Fund	72,771,300	75,011,000	2,239,700	3.1%
Enterprise	65,650,700	58,957,000	(6,693,700)	-10.2%
Total for AGENCY SUMMARY:	2,417,955,600	2,453,913,000	35,957,400	1.5%





ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	29,741	29,665	(76)
All Other Funds:	1,304	1,304	0
TOTAL:	31,045	30,969	(76)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 309-314)

The Department of Correctional Services (DOCS) is responsible for the operation of 70 correctional facilities and the supervision of an under-custody population of nearly 64,000 inmates who have been sentenced to a term of incarceration which is greater than one year.

The Executive proposes an All Funds appropriation of \$2,453,913,000 State Fiscal Year (SFY) 2004-05, which represents an increase of \$35,957,400 or 1.5 percent from SFY 2004-05 appropriation levels.

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

State Operations

The SFY 2005-06 adjusted appropriation includes a recommended deficiency appropriation of \$116,000,000 to support unanticipated increases in General Fund spending as follows:

The Health Services Program is augmented by \$65,000,000 to accommodate medical non-personal service needs, as follows:

- A total of \$22,000,000 for pharmaceuticals: \$10,000,000 to support additional SFY 2003-04 liabilities, and \$12,000,000 to support SFY 2004-05 costs.
- A total of \$43,000,000 for outside hospitalization costs: \$25,000,000 to support additional SFY 2003-04 liabilities and \$18,000,000 to support SFY 2004-05 costs.

The Supervision of Inmates Program is increased by \$31,000,000 to support unanticipated staffing needs as well as unforeseen overtime costs associated with increased absences of correction officers on military or worker's compensation leave.

The Support Services Program is enhanced by \$20,000,000 to accommodate higher than anticipated fuel and utilities costs.

The Executive budget proposal does not include funding to operate the Fulton work release facility (Bronx County), Camp Pharsalia (Chenango County), the camp at Mt. McGregor (Saratoga County) and the Special Housing Unit (SHU) at the Watertown correctional facility beyond April 1, 2005, thus carrying out a takedown initiative announced one year ago. These facilities were slated for closure at various points throughout SFY 2004-05, but remained open at the request of the Legislature. The Executive estimates that the closure of these facilities would represent a cost avoidance of \$20,100,000 in SFY 2005-06 (\$6,700,000 attributed to Fulton, \$7,000,000 for Pharsalia, \$6,000,000 for the camp at Mt. McGregor and \$400,000 for the Watertown SHU). The Executive proposal will offer reassignment to all current employees affected by these closings.

In addition to these facility closings, in SFY 2005-06, the Executive proposes to take down additional prison space at the Groveland Annex (Livingston County) and the Green Correctional Facility SHU (Greene County). The Executive proposal claims half-year savings totaling \$1,815,000 for the decommissioning of 176 beds at Groveland Annex. The 67 Full Time Equivalent (FTE) employees working in Annex will be offered reassignment. The Executive proposal also claims half year savings totaling \$489,000 for taking an older 15-bed SHU off-line at Greene. The nine FTE employees at Greene will be offered reassignment as well.

The Executive claims an additional \$900,000 in variable cost savings related to under custody population declivity.

The Executive proposal contains a \$2,000,000 appropriation to provide for the compensation of State employee-victims and survivors of deceased state-employee-victims of the September 1971 uprising and retaking of the Attica Correctional Facility. The proposed appropriation is part of a settlement, which will be paid out in six annual installments, totaling \$12,000,000.

The Executive proposes to increase General Fund spending for personal service expenses by a total \$48,413,000 to accomplish the following:

- \$40,917,000 to accommodate general salary increases;
- \$5,998,000 for security positions at mental health units (121 FTE); and
- \$1,508,000 to replace lost Federal funding for Residential Substance Abuse Treatment.

While increases in General Fund spending for non personal service would be offset by \$35,000,000 in non-recurring (residual SFY 2003-04) medical costs, these savings are completely diminished by the following increases in non-personal service spending:

- \$12,197,000 increase for the outside hospitalization for inmates;

- \$4,169,000 increase to address the rising cost of prescription medications;
- \$1,464,000 increase to accommodate rising costs of laboratory and medical equipment;
- \$9,000,000 shift of Family Benefit Fund expenses to the General Fund;
- \$8,091,000 increase for higher-priced fuel and utilities;
- \$1,936,000 for technological upgrades in facilities;
- \$3,565,000 for security apparel and training costs; and
- \$6,533,000 to accommodate an overall other rise non personal service costs throughout the DOCS system.

When these spending increases are accounted for, the Executive recommendation for non-personal service expenditures in SFY 2005-06 rise by \$12,197,000 over SFY 2004-05 spending levels.

Aid To Localities

The Executive recommends a General Fund Aid to Localities appropriation of \$8,000,000 for reimbursement to localities for the care of State-ready inmates and inmates who await coram nobis proceedings, a decrease of \$3,400,000 from SFY 2004-05 funding levels. Since fewer inmates are awaiting transport to DOCS facilities for shorter periods of time, this decrease in appropriation level reflects an anticipated decrease in necessary payments in localities.

Capital Projects

The Executive recommends a Capital appropriation of \$205,000,000 for the ongoing maintenance and rehabilitation of existing correctional facilities, a decrease of \$107,000 from SFY 2004-05 funding levels.

<u>Article VII</u>

The Executive recommends Article VII legislation that would:

- Provide compensation for State employee-victims who were killed or injured or their survivors during the 1971 inmate uprising at the Attica Correctional Facility.

CRIME VICTIMS BOARD

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,056,000	3,332,000	276,000	9.0%
Special Revenue-Other	27,480,000	32,018,000	4,538,000	16.5%
Special Revenue-Federal	38,448,000	38,448,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	64	64	0
All Other Funds:	39	39	0
TOTAL:	103	103	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 315-318)

The Crime Victims Board (CVB) awards compensatory damages to victims of crime, focusing mainly on those whose victimization was violent in nature. Damages are awarded to victims for loss of earnings, essential personal property loss, and medical or counseling services incurred. The CVB provides grants in aid to 193 local not-for-profit agencies that assist witnesses and victims. The CVB serves as the State's advocate for crime victims' rights, needs and interests.

This agency is included in the Public Protection and General Government bill.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$6,184,000, which represents a \$346,000 or 5.93% increase from State Fiscal Year (SFY) 2004-05 spending levels. This increase in spending is attributed to a transfer of funds to honor collective bargaining agreements and net adjustments to reflect the costs of continuing current programming.

Aid To Localities

The Executive recommends an All Funds Aid to Localities appropriation of \$67,614,000, which represents a \$4,468,000 or 7.08% increase from SFY 2004-05 spending levels. This increase will allow the Criminal Justice Improvement Account to support direct payments to hospitals and licensed health care providers for costs associated with conducting forensic sexual assault examinations as required by recent amendments to the Sexual Assault Reform Act.

DIVISION OF CRIMINAL JUSTICE SERVICES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	157,790,000	172,831,000	15,041,000	9.5%
Special Revenue-Other	26,758,200	28,550,000	1,791,800	6.7%
Special Revenue-Federal	419,763,000	148,360,000	(271,403,000)	-64.7%
Total for AGENCY SUMMARY:	604,311,200	349,741,000	(254,570,200)	-42.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	556	567	11
All Other Funds:	153	153	0
TOTAL:	709	720	11

BUDGET HIGHLIGHTS

(Executive Budget: pp. 319-323)

The Division of Criminal Justice Services (DCJS) is the administering agency for both State and Federal monies, that support programs designed to combat crime, drug abuse and violence across the State. DCJS maintains criminal history and statistical data for Federal, State and local law enforcement agencies, identifies criminals through fingerprints; and provides training and management services to local law enforcement agencies.

The Executive proposes an All-Funds appropriation of \$349,741,000, which represents a \$254,570,200 or 42.1 percent decrease from State Fiscal Year (SFY) 2004-05 spending levels.

This agency is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes All Funds State Operations appropriations totaling \$148,347,000, which represents a \$181,822,200 or 55.07 percent decrease from SFY 2004-05 appropriation levels. This reduction is primarily attributable to an Executive proposal to transfer the responsibility for administration of Federally-funded homeland security grants to the Office Homeland Security, which results in a loss of \$200,000,000 in Federal appropriation authority in DCJS.

In SFY 2005-06, the Executive proposes to merge the Division of Probation and Correctional Alternatives (DPCA) with DCJS. General Fund support in the amount of \$1,888,000 would be transferred from DPCA to DCJS to support 28 existing Full Time Equivalent (FTE) positions from DPCA.

General Fund spending in the Division's budget is augmented by \$1,320,000 to reflect the costs of continuing current programming, including salary and other fixed cost increases. This new spending is partially offset by a \$979,000 reduction in personal services costs through the attrition of 17 FTE staff positions.

The Executive proposes a \$3,000,000 appropriation to support the Division's administration of an Automated Speed Enforcement (ASE) program, as proposed in Article VII language, which would place photo-monitoring equipment in various work zones and "dangerous stretches of highway" throughout the State.

The Executive proposal would augment the appropriation authority in a Federal Miscellaneous Discretionary Account by \$46,400,000, to accept Federal awards directed to support Traffic and Criminal Software (TraCS), a program which will enable State and local police to electronically prepare traffic tickets and accident reports.

Aid To Localities

The Executive proposes an All Funds Aid to Localities appropriation totaling \$201,394,000, which represents a \$72,748,000, or 26.54 percent decrease from SFY 2004-05 spending levels. This decrease is attributable to a reduction in appropriation authority for various Federal funding initiatives totaling \$86,248,000.

The Executive proposal to merge DPCA into DCJS would require the transfer of \$68,303,000 in General Fund support for local Probation Aid and Alternatives to Incarceration (ATI) grant programming to DCJS.

The Executive appropriates \$6,259,000, an increase of \$5,300,000 over SFY 2004-05 funding levels, to reauthorize Integrated Municipal Police Anti-Crime Teams (Operation IMPACT) and expand its mission throughout the State. The expanded program, IMPACT II, would require the assistance of 100 New York State Troopers throughout the State.

The Executive further appropriates \$4,515,000 to provide \$1,915,000 for the Road to Recovery Program (unchanged from SFY 2004-05 funding levels) and an additional \$2,600,000 for Drug Treatment Alternatives to Prison.

The Executive further proposes a \$3,800,000 General Fund appropriation for Alternatives to Incarceration Programming (ATI) for eligible public assistance recipients. This initiative was previously funded through an allocation from Federal Temporary Assistance to Needy Families (TANF) funds.

The Executive further proposes an appropriation of \$7,800,000 from the Legal Services Assistance Account, \$6,000,000 would be subject to a Memorandum of Understanding between the Executive, Senate and the Assembly. The Executive allocates \$1,800,000 of this appropriation to provide reimbursement to district attorneys and defense counsel for increased costs associated with retroactive sex offender risk-level determination hearings.

Article VII

The Executive proposes Article VII legislation that would:

- extend various criminal justice programs and fees;
- merge the Division of Probation and Correctional Alternatives (DPCA) into the Division of Criminal Justice Services; and
- authorize the Division of Criminal Justice Services to implement a system of automated photo-monitoring at highway work zones and "dangerous stretches of highway" to reduce speeding and allow for localities to employ red-light cameras.

STATE BOARD OF ELECTIONS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,745,000	3,609,000	(136,000)	-3.6%
Special Revenue-Other	120,000	7,820,000	7,700,000	6,416.7%
Special Revenue-Federal	0	220,000,000	220,000,000	
Total for AGENCY SUMMARY:	3,865,000	231,429,000	227,564,000	5,887.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	41	39	(2)
All Other Funds:	0	8	8
TOTAL:	41	47	6

BUDGET HIGHLIGHTS

(Executive Budget: pp. 325 - 327)

The State Board of Elections executes and enforces the Election Law and oversees the disclosure of campaign financing practices. This agency is in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Funds appropriation of \$231,429,000 or 5,887.8 percent above the State Fiscal Year (SFY) 2004-05 funding level. The increased appropriation will enable the State to carry out its work related to the implementation of the statewide voter database and the

replacement of voting machines in anticipation of Federal funds available from the Help America Vote Act of 2002 (HAVA).

The Executive proposes General Fund spending in the amount of \$3,609,000, a \$136,000 decrease for the agency from SFY 2004-05. This action reflects a net adjustment including the cost of continuing current programs, salary and other fixed costs increases, as well as the shift of two positions to Federal funding.

The Executive also proposes an appropriation of \$40,000,000 in the Special Revenue Fund Federal, which reflects anticipated Federal reimbursement of expenses incurred by the State for work on the voter database and other costs associated with implementation of the Act. This is an increase of \$20,000,000 over the Executive's proposal for SFY 2004-05 and reflects a refined estimate from the Federal government of the amount of funds that the State is expected to receive in this fiscal year.

Aid To Localities

The Executive budget includes an appropriation of \$180,000,000, which reflects anticipated Federal funds to implement provisions of the HAVA, which will be used to purchase new voting machines and assist local voting districts with implementation of Act. This is an increase of \$20,000,000 over the Executive's proposal for SFY 2004-05 and reflects a refined estimate from the Federal government of the amount of funds that the State is expected to receive this fiscal year.

In addition, the Executive recommends an appropriation of \$7,700,000 in a new Special Revenue Fund – Other account. The funding is needed for the required State match for the Federal HAVA funds. It is anticipated that local election districts will reimburse the State for this expenditure.

OFFICE OF EMPLOYEE RELATIONS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,439,000	3,559,000	120,000	3.5%
Special Revenue-Other	479,000	479,000	0	0.0%
Internal Service Fund	1,998,000	2,470,000	472,000	23.6%
Total for AGENCY SUMMARY:	5,916,000	6,508,000	592,000	10.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	39	39	0
All Other Funds:	33	33	0
TOTAL:	72	72	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 329 - 331)

The Office of Employee Relations represents the Governor in labor negotiations conducted pursuant to the Public Employees' Fair Employment Act, also known as the Taylor Law. The Office also provides management services for the labor-management committees, which are created pursuant to collective bargaining agreements.

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

State Operations

The Executive recommends an All Funds appropriation of \$6,508,000, an increase of \$592,000 or 10 percent from State Fiscal Year (SFY) 2004-05.

EXECUTIVE CHAMBER

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	14,884,500	15,624,500	740,000	5.0%
Special Revenue-Other	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	14,984,500	15,724,500	740,000	4.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	158	158	0
TOTAL:	158	158	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 333 - 334)

The Executive Chamber is the Office of the Governor and includes the immediate staff that assists him in developing Executive policies.

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

State Operations

The Executive proposes All Funds appropriations of \$15,724,500 to support the activities of the Office of the Governor and the Office of the Lieutenant Governor. The requested appropriation reflects a net increase of \$740,000, or 5.00 percent in funding over the current State Fiscal Year 2004-05 funding levels.

This includes a General Fund appropriation of \$15,216,000 for the Office of the Governor, an increase of \$726,000 or 5.0 percent from SFY 2004-05. The increase is attributable to negotiated salary increases.

The Executive recommends an appropriation of \$100,000 to fund the Special Revenue Other (SRO) Community Relations Account. This fund was reclassified from a Fiduciary Expendable Trust Fund to an SRO in SFY 2004-05 on recommendations from the Government Accounting Standards Board (GASB) which provides guidelines for establishing and improving standards of state and local government accounting. The funding request reflects a flat year-to-year appropriation and is required to permit the use of private grants within the Office of Community Affairs.

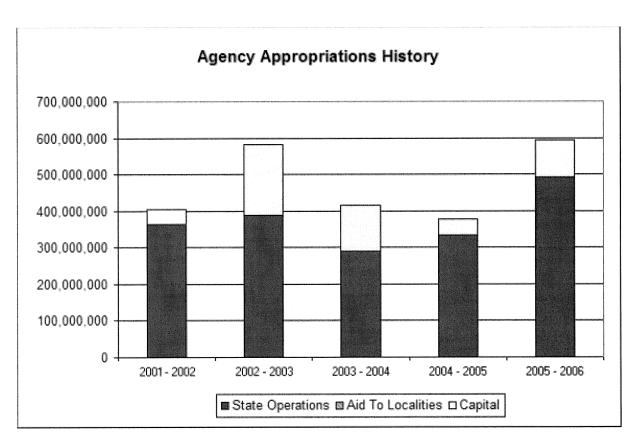
A General Fund appropriation of \$300,000 is provided for the activities of the Moreland Act.

The Executive proposes a General Fund appropriation of \$508,500, a \$14,000 or 3.0 percent increase over SFY 2004-05 for support of the Office of the Lieutenant Governor. The increase is attributable to negotiated salary increases.

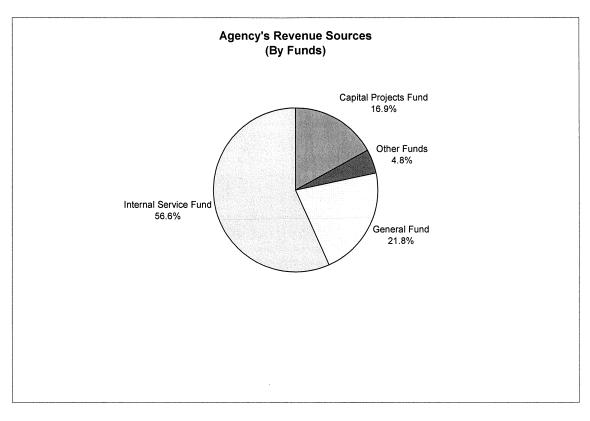
The Executive's recommendation reflects a workforce of 158 Full-Time Equivalent (FTE) positions, representing no changes from the current level.

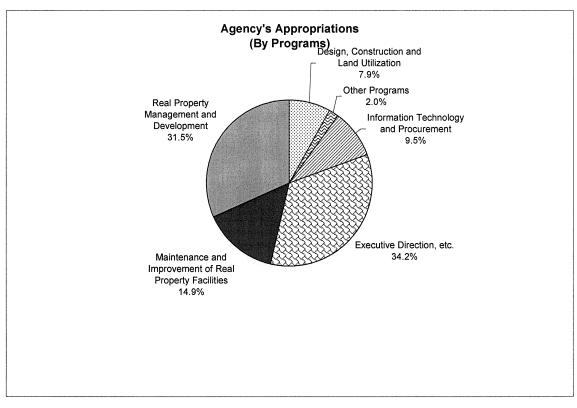
OFFICE OF GENERAL SERVICES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	144,382,000	129,123,000	(15,259,000)	-10.6%
Special Revenue-Other	16,238,000	18,910,000	2,672,000	16.5%
Special Revenue-Federal	7,600,000	7,700,000	100,000	1.3%
Capital Projects Fund	43,450,000	100,250,000	56,800,000	130.7%
Internal Service Fund	164,518,200	335,413,000	170,894,800	103.9%
Enterprise	1,217,000	1,371,000	154,000	12.7%
Total for Agency:	377,405,200	592,767,000	215,361,800	57.1%
Total Contingency:	250,000	250,000	0	0.0%
Total for AGENCY SUMMARY:	377,655,200	593,017,000	215,361,800	57.0 %



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.





ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	1,052	1,062	10
All Other Funds:	581	647	66
тотаl:	1,633	1,709	76

BUDGET HIGHLIGHTS

(Executive Budget: pp. 335 - 339)

The Office of General Services (OGS) provides four major categories of services to State agencies including:

- custodial, maintenance, security and utility services at non-institutional State buildings;
- -- centralized services on a General Fund chargeback basis, including communication, design and construction;
- procurement and lease contract negotiations; and
- surplus State land conveyances services.

The Executive proposes an All Funds appropriation of \$593,017,000, an increase of \$215,361,800 or 57 percent from State Fiscal Year (SFY) 2004-05 funding levels.

The Executive proposal includes a current year General Fund deficiency of \$20,500,000 for the Donovan Building Relocations, and \$7,416,000 to reflect salary adjustments and other fixed costs. This appropriation is for demolition, site preparation, and relocation of tenants and equipment of the Donovan State Office Building in Buffalo for a Bass Pro Store.

This agency is located in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes an All Funds appropriation of \$492,767,000, an increase of \$158,561,800 or 47.4 percent from SFY 2004-05 providing:

- an increase of \$2,829,800 to \$47,027,000 in support of the Design and Construction Program for personal service, nonpersonal service, fringe benefits, and indirect costs;

- an increase of \$115,614,000 or 156.9 percent to \$189,293,000 in the Executive Direction Program Internal Service Fund including:
 - a \$110,000,000 appropriation for the bulk purchase of electricity for State agencies in compliance with the "Green Power" Executive Order.
- an increase of \$783,000 to \$31,945,000 for the Procurement Services Program including an increase of \$100,000 to \$7,700,000 to reflect the potential for an increased federal grant for services and expenses related to state administrative costs for the National Lunch Program;
- an increase of \$51,668,000 or 333.7 percent to \$67,148,000 in the Real Property Management and Development Internal Service Fund including:
 - a \$45,000,000 maintenance undistributed appropriation for Automated External Defibrillators in compliance with chapter 510 of the Laws of 2004:
 - a \$6,000,000 appropriation for a study of leased office space needs.
- a pilot program for bulk information technology equipment procurement is provided for in a \$1,500,000 appropriation; and
- an increase of 76 Full-time Equivalent Positions (FTE) s from 1,633 to 1,709.

Capital Projects

The Executive recommends \$100,250,000 in new Capital appropriations, representing an increase of \$56,800,000 or 130.7 percent from SFY 2004-05 appropriation levels. The SFY 2005-06 Capital Spending Plan includes:

- \$31,250,000 is appropriated for Health and Safety Purpose, presenting an increase of \$18,207,000 including updating fire alarm systems within State facilities;
- \$12,000,000 is appropriated for the Design and Construction Supervision representing an increase of \$2,929,000;
- \$42,000,000 is appropriated for preservation of facilities, an increase of \$28,707,000 including alteration, improvements, and rehabilitation for the preservation of the State Capitol and the Lenroc façade at the Rockefeller Plaza;
- \$8,000,000 is appropriated for preventive maintenance related issues, a decrease of \$43,000; and
- the proposed Capital Projects fund includes a New Facilities Purpose appropriation of \$4,000,0000.

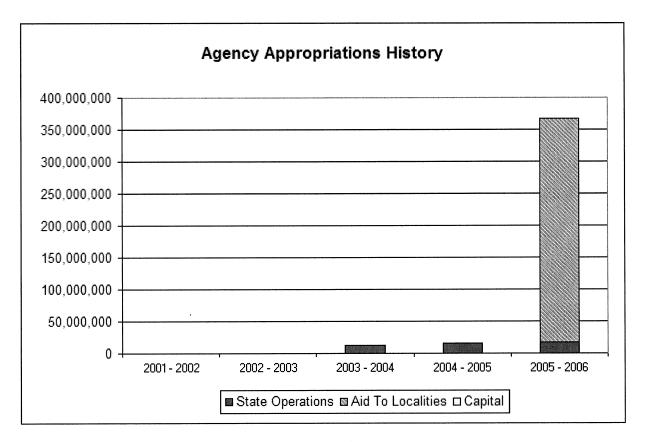
Article VII

The Executive proposes legislation that would:

- -- give the state authority to award emergency construction contracts of up to \$200,000 without competitive bidding;
- -- authorize the use of owner-controlled insurance by state agencies, public authorities, and municipalities;
- make permanent the authorization for centralized purchasing of commodities and services;
- make permanent the authorization for up to 15 year real estate leases for state agencies; and
- add electricity, insurance and risk management to the list of OGS services available to State agencies, public authorities and municipalities.

OFFICE OF HOMELAND SECURITY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY	7.345.000	0.500.000	1 275 000	17.40
General Fund	7,315,000	8,590,000	1,275,000	17.4%
Special Revenue-Other	6,730,000	7,418,000	688,000	10.2%
Special Revenue-Federal	1,000,000	350,000,000	349,000,000	34,900.0%
Internal Service Fund	0	1,500,000	1,500,000	



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	32	42	10
All Other Funds:	44	44	0
TOTAL:	76	86	10

BUDGET HIGHLIGHTS

(Executive Budget: pp. 341 - 344)

The Office of Homeland Security (OHS) is responsible for the development and implementation of a comprehensive statewide strategy to detect, protect against and respond to terrorist threats and events. Formerly the Office of Public Security, OHS was established as a permanent office by antiterror legislation enacted in July 2004 (Chapter 1 of the Laws of 2004) and continues its mission to direct and coordinate public security matters throughout the State. The Office is charged with assessing the vulnerability of critical assets, systems and materials; assisting in policy development; aiding in the allocation of Federal homeland security-related funds; and detecting and preventing cyber events.

This agency's budget is contained in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Funds appropriation of \$17,508,000, an increase of \$2,463,000 or 16.37 percent over State Fiscal Year (SFY) 2004-05. General Fund spending is increased by \$1,142,000 to support a chemical security assessment required by anti-terror legislation enacted in 2004 and by an additional \$133,000 to accommodate an increase in the costs of continuing current programming. Internal Service Fund appropriations are increased by \$1,500,000 to allow for OHS to offer fee-based computer intrusion detection services to other State agencies. The Office claims a \$200,000 reduction in spending by the Public Service Account.

The Executive has announced that a State Preparedness Training Center is to be established in the Mohawk Valley this year. At the present time, no funding exists for this initiative.

Aid To Localities

The Executive recommends \$350,000,000 in appropriation authority to accept Federal funding related to the Homeland Security Grant Program (HSGP). In SFY 2004-05, appropriations for this purpose totaled \$325,000,000 and were made in the Division of Criminal Justice Services (DCJS) and through a Miscellaneous All State Agencies— Homeland Security appropriation. Under a Federal funding rule, a portion of many of the sub-grants under HSGP may be utilized for State Operations purposes.

OFFICE OF THE INSPECTOR GENERAL

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	4,308,000	4,606,000	298,000	6.9%
Special Revenue-Other	1,779,000	1,934,000	155,000	8.7%
Total for AGENCY SUMMARY:	6,087,000	6,540,000	453,000	7.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change	
General Fund: All Other Funds:	50 18	50 18	0	
TOTAL:	68	68	0	

BUDGET HIGHLIGHTS

(Executive Budget: pp. 345 - 346)

The Office of the Inspector General is responsible for investigating instances of fraud, abuse, criminal activity, and corruption in State agencies and certain public authorities. The agency is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Funds appropriation in the amount of \$6,540,000 reflecting a \$453,000 increase or 7.4 percent change over State Fiscal Year (SFY) 2004-05 funding levels.

The State Operations General Fund appropriation of \$4,606,000 reflects a \$298,000 or 6.9 percent increase over SFY 2004-05 funding levels. This action provides for a net increase to reflect the cost of continuing current programs, including salary and other fixed cost increases.

The Executive also recommends \$1,934,000 in Special Revenue-Other funding. This amount reflects an increase of \$155,000 or 8.7 percent over the SFY 2004-05 funding level which provides for the cost of continuing current programs, including salary and other fixed costs increases.

The Executive recommends 68 FTE positions for this agency in SFY 2005-06, reflecting no changes to FTE funded positions from the current year.

NEW YORK INTEREST ON LAWYERS ACCOUNT

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	13,633,000	12,661,000	(972,000)	-7.1%
Total for AGENCY SUMMARY:	13,633,000	12,661,000	(972,000)	-7.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
All Other Funds:	9	9	0
TOTAL:	9	9	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 347 - 348)

The Interest on Lawyers Account (IOLA) was established in 1983 to finance civil legal services for those who cannot afford such services, and for the elderly and disabled. Funding for civil legal services is derived from interest earned on trust accounts that attorneys hold for their clients, which would not earn interest for their clients if held in a separate escrow account.

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

State Operations

The Executive recommends All Funds appropriations of \$12,661,000 for the State Fiscal Year (SFY) 2005-06, a decrease of \$972,000 or 7.1 percent from SFY 2004-05. The decrease is attributable to reduced interest earnings.

The Executive recommends a State Operations appropriation of \$1,661,000, reflecting an increase of \$28,000 or 1.7 percent from SFY 2004-05. The net increase in State Operations funds reflects salary adjustments and other costs associated with agency operations.

Aid To Localities

The Executive recommends an appropriation of \$11,000,000 for SFY 2004-05, a decrease of \$1,000,000 from SFY 2004-05.

TEMPORARY STATE COMMISSION OF INVESTIGATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	3,351,000	3,486,000	135,000	4.0%
Special Revenue-Other	186,000	192,000	6,000	3.2%
Total for AGENCY SUMMARY:	3,537,000	3,678,000	141,000	4.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	31	31	0
TOTAL:	31	31	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 349 - 350)

The Temporary State Commission of Investigation is a bipartisan fact finding agency which investigates and reports on organized crime, racketeering, the conduct of public officers, and other matters affecting public peace, safety and justice. This agency is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$3,678,000, reflecting an increase of \$141,000, or 3.99 percent over State Fiscal Year (SFY) 2004-05 funding levels. The State Operations General Fund appropriation of \$3,486,000 reflects a \$135,000 or 4.03 percent increase from SFY 2004-05. This net increase in reflects an adjustment to support the cost of continuing existing program, including salary and other fixed cost increases.

The Executive also recommends a State Operations Special Revenue Fund-Other appropriation of \$192,000 for SFY 2005-06, which reflects a \$6,000 or 3.23 percent net increase from current year funding levels. The net increase in funding reflects an adjustment for the cost of continuing existing programs, including salary and other fixed cost increases.

The Executive recommends 31 Full-Time Equivalent (FTE) positions for this agency in SFY 2005-06 representing no change in FTE funded positions from the current level.

Article VII

The Executive proposes to extend the Temporary State Commission of Investigation for an additional six years. The Commission was last extended in July 2001 and is set to sunset on September 1, 2005. The Executive proposal would extend the Commission to September 1, 2011.

JUDICIAL COMMISSIONS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,619,000	2,769,000	150,000	5.7%
Total for AGENCY SUMMARY:	2,619,000	2,769,000	150,000	5.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	28	28	0
TOTAL:	28	28	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 351 - 353)

The Commission on Judicial Conduct, the Commission on Judicial Nomination, and the Governor's Judicial Screening Committees are the three Judicial Commissions for the State of New York. The Commission on Judicial Conduct investigates complaints of misconduct against judges and justices. The Commission on Judicial Nomination evaluates candidates and makes recommendations to the Governor for appointments to the Court of Appeals. The Governor's Judicial Screening Committees review qualifications and make recommendations to the Governor to fill judicial vacancies on courts other than the Court of Appeals, such as the Court of Claims and the Appellate Divisions of the Supreme Court.

The Commissions are included in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,769,000, an increase of \$150,000 or 5.7 percent over State Fiscal Year (SFY) 2004-05.

Commission on Judicial Conduct

The Executive proposes a General Fund appropriation of \$2,609,000. This represents an increase of \$150,000 or 6.1 percent over the SFY 2004-05 funding level. The increase is attributed to salary adjustments and other costs associated with Commission operations.

Judicial Screening Committees

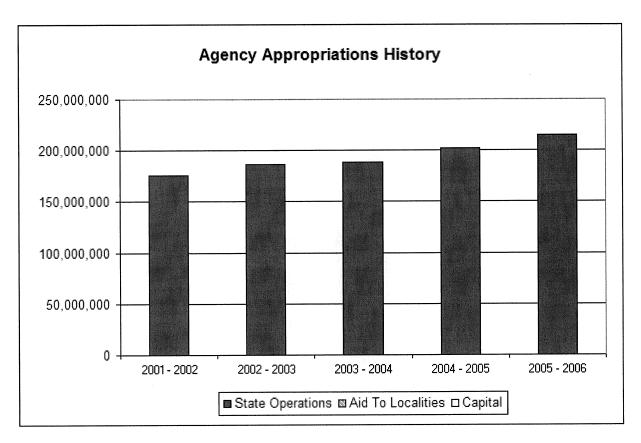
The Executive recommends a General Fund appropriation of \$150,000. This represents no change from the SFY 2004-05 funding level.

Commission on Judicial Nominations

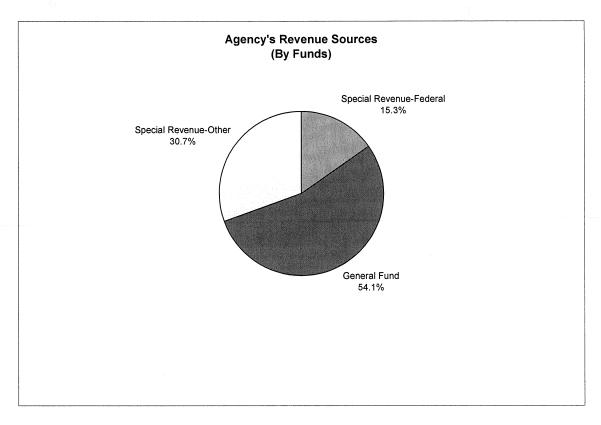
The Executive recommends a General Fund appropriation of \$10,000. This represents no change from the SFY 2004-05 funding level.

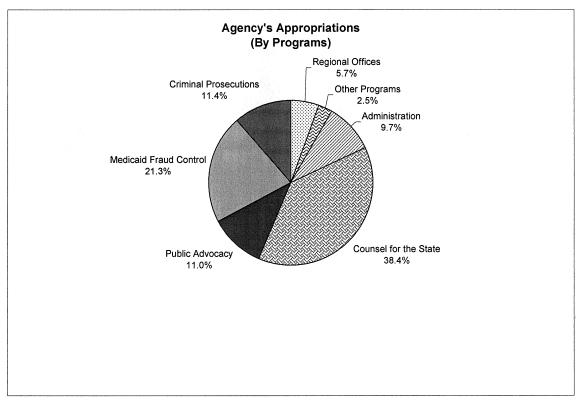
DEPARTMENT OF LAW

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	115,978,000	115,978,000	0	0.0%
Special Revenue-Other	54,411,000	65,756,000	11,345,000	20.9%
Special Revenue-Federal	32,067,000	32,738,000	671,000	2.1%
Total for AGENCY SUMMARY:	202,456,000	214,472,000	12,016,000	5.9%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.





ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	1,123	1,123	0
All Other Funds:	612	612	0
TOTAL:	1,735	1,735	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 355 - 359)

The Department of Law provides legal counsel to the State and represents the State in many court proceedings. It protects State agencies and citizens through the investigation of organized and white-collar crime as well as Medicaid fraud. The Office of the Attorney General protects consumers from fraudulent business practices and brings civil and/or criminal actions against violators of antitrust laws. The Department defends the public's interest through protecting charitable donors and beneficiaries and enforcing laws that prohibit discrimination. The Department also brings civil and criminal actions against violators of environmental law.

This agency is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$214,472,000, an increase of \$12,016,000, or 5.94 percent above State Fiscal Year (SFY) 2004-05 funding levels.

These increases reflect actual costs of continuing current programs including personal service, fringe benefits, indirect and fixed cost increases. Funds resulting from litigation settlement and civil recoveries will support \$11,345,000 of the net increase, while Federal funds will support the remaining \$671,000 in additional expenses.

Article VII

The Executive proposes Article VII language that would increase the maximum civil penalty for unfair and deceptive business practices from \$500 to \$5,000 per violation.

TEMPORARY STATE COMMISSION ON LOBBYING

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,040,000	974,000	(66,000)	-6.3%
Special Revenue-Other	300,000	540,000	240,000	80.0%
Total for AGENCY SUMMARY:	1,340,000	1,514,000	174,000	13.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Current 2004-05	Requested 2005-06	Change
18	15	(3)
0	3	3
18	18	0
	2004-05 18 0	2004-05 2005-06 18 15 0 3

BUDGET HIGHLIGHTS

(Executive Budget: pp. 361 - 362)

The Temporary State Commission on Lobbying monitors, maintains, and publicly discloses the identities, activities, and expenditures of lobbyists in their efforts to influence the legislative process. The Commission also collects, maintains, and discloses the records of appearance before State regulatory agencies. It is empowered to hold hearings and may impose civil penalty fines on lobbyists for violations of the Lobbying Law.

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

State Operations

The Executive recommends an All Funds appropriation of \$1,514,000 for State Fiscal Year (SFY) 2005-06 for this agency, reflecting an increase of \$174,000 or 13 percent over the SFY 2004-05 funding level.

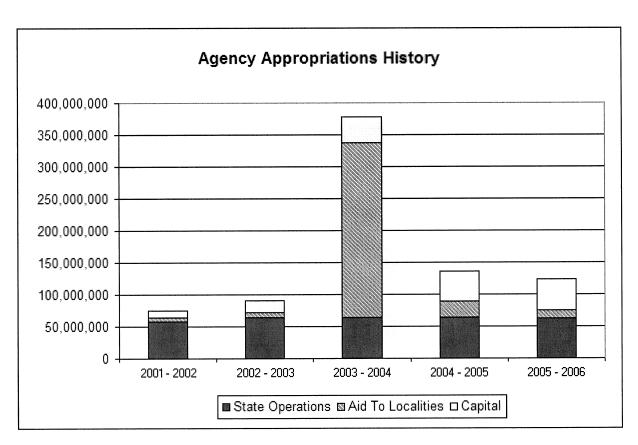
The Executive recommends State Operations appropriations of \$974,000 for SFY 2005-06 representing a decrease of \$66,000 or 6.3 percent below the SFY 2004-05 funding level. This proposed decrease reflects the following changes:

- \$95,000 net increase in General Fund appropriations reflecting the increased costs associated with_continuing_current_programs, including_salary_adjustments and other_fixed_costs increases; and
- \$161,000 net reduction in General Fund appropriations reflecting the shift of three General Fund positions to a Special Revenue Fund-Other appropriation.

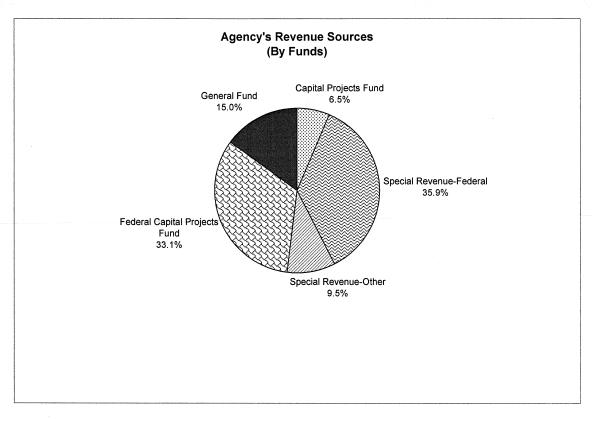
The Executive also recommends a \$540,000 Special Revenue Funds-Other appropriation for SFY 2005-06 representing an increase of \$240,000 or 80 percent above SFY 2004-05 funding levels. This increase reflects a transfer of positions from the General Fund and other related costs including fringe benefits.

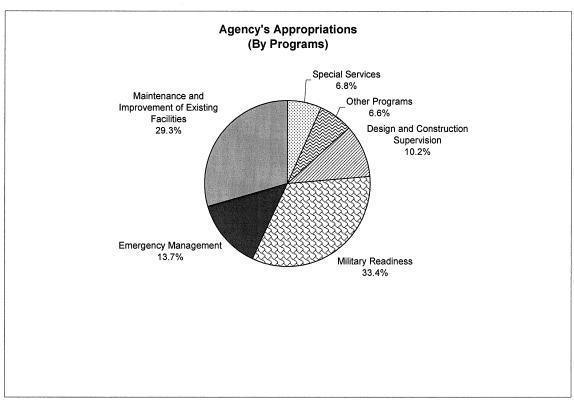
DIVISION OF MILITARY AND NAVAL AFFAIRS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	16 <i>,77</i> 9,000	18,548,000	1,769,000	10.5%
Special Revenue-Other	13,372,000	11,720,000	(1,652,000)	-12.4%
Special Revenue-Federal	59,254,000	44,272,000	(14,982,000)	-25.3%
Capital Projects Fund	7,000,000	8,000,000	1,000,000	14.3%
Federal Capital Projects Fund	39,000,000	40,800,000	1,800,000	4.6%
Total for AGENCY SUMMARY:	135,405,000	123,340,000	(12,065,000)	-8.9%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.





ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	244	247	3
All Other Funds:	326	337	11
TOTAL:	570	584	14

BUDGET HIGHLIGHTS

(Executive Budget: pp. 363 - 367)

The Division of Military and Naval Affairs (DMNA) supports a military force ready to respond to civil emergencies and natural disasters at the call of the Governor. National Guard troops are also available for national service at the call of the President. DMNA General Fund spending primarily covers the administration and operational expenses of the State's 59 armories and an estimated 15,700 New York based National Guard troops who are paid directly by the Federal government. DMNA is also charged, through the State Emergency Management Office, with the coordination of the State's response to natural and man-made disasters.

This agency is included in the Public Protection and General Government appropriation bill.

The Executive recommends an All Funds appropriation of \$123,340,000, which reflects a net decrease of \$12,065,000 from State Fiscal Year (SFY) 2004-5 levels. This appropriation reflects a decrease of \$2,515,000 in State Operations funding, a decrease of \$12,350,000 in Aid to Localities and an increase of \$2,800,000 in Capital Projects funding.

State Operations

The Governor proposes a General Fund appropriation of \$18,548,000 for SFY 2005-06, representing a net increase of \$1,769,000 or 10.5 percent from SFY 2004-05. This increase is attributable to the following actions:

- a \$569,000 net increase to reflect adjustments associated with the cost of continuing current programs including salary and other fixed costs increases as follows:
 - a \$21,000 increase reflecting personal service (PS) adjustments;
 - a \$640,000 increase associated with utilities such as energy costs increases;
 - a \$358,000 increase reflecting non-personal service (NPS) cost adjustments; and

- a \$450,000 decrease associated with the purchase of a marine security patrol boat during the last fiscal year that is to be stationed at the Indian Point nuclear power facility in Westchester County.
- -- a \$1,200,000 increase to offset rental income not realized by the Park Avenue Armory;

The Executive proposes a Special Revenue Funds – Federal appropriation of \$33,127,000 for SFY 2005-06, representing a net decrease of \$2,632,000 or 7.36 percent from SFY 2004-05 and reflecting the following actions:

- \$2,622,000 net increase in appropriation reflecting a net adjustment associated with the cost of continuing current programs including salary and other fixed costs; and
- \$5,254,000 net decrease in appropriation reflecting administrative procedures consistent with recent changes in the Federal Homeland Security grant structure. These federally supported emergency management State Operations are now being included in the consolidated Homeland Security Program appropriations.

The Executive also proposes a Special Revenue Funds – Other appropriation of \$10,070,000 for SFY 2005-06, representing a net decrease of \$1,652,000 or 14.09 percent from SFY 2004-05 and reflecting the following actions:

- \$372,000 net decrease in appropriation reflecting a net adjustment associated with the cost of continuing current programs including salary and other fixed costs; and
- -- \$1,280,000 decrease to reflect lost revenue to the Special Revenue Fund due to the privatization of the Park Avenue Armory.

Aid To Localities

The Executive recommends an appropriation of \$11,145,000 in local assistance Special Revenue Funds-Federal funding, which reflects a reduction of \$12,350,000 from the 2004-05 funding level. The reduction mirrors an adjustment to funding put in last year in anticipation of a Competitive Pre-Disaster Mitigation grant that did not materialize.

The Executive also recommends a \$1,650,000 in Special Revenue Funds-Other appropriations representing no change from SFY 2004-05. Fees generated under the Radiological Emergency Preparedness Program are deposited into this Fund.

Capital Projects

The Executive recommends Capital Projects appropriations of \$48,800,000, reflecting a \$2,800,000 increase in funding from SFY 2004-05. The appropriations provide State and Federal support for a multi-year Federal military construction plan to replace or expand armories and

equipment maintenance facilities across the State. These funds will also support the continuation of the Division's maintenance and rehabilitation projects at armories across the State.

Article VII

The Executive proposes Article VII legislation that would extend the practice of depositing all revenues derived from rentals of armories into the armory rental account to offset the operating costs of its facilities (utility and non-personal services costs) for five years until July 31, 2010.

The Executive also proposes legislation to extend the Tuition Recruitment and Incentive program for members of the State's organized militia. This program provides qualified individuals and active National Guard members with a tuition benefit for undergraduate study.

DIVISION OF PAROLE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
	10.1.1.70.000	400 400 000	(600,000)	0.40/
General Fund	184,178,000	183,490,000	(688,000)	-0.4%
General Fund Special Revenue-Other	825,000	825,000	(688,000)	0.0%
General Fund				
General Fund Special Revenue-Other	825,000	825,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	2,089	2,022	(67)
TOTAL:	2,089	2,022	(67)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 369 - 372)

The Division of Parole is responsible for monitoring and supervising nearly 60,000 parolees who have been released from the State's prison system as a result of Parole Board action, conditional release, a presumptive release determination by the Department of Correctional Services or a maximum expiration date of sentence. The Division operates occur in the community and within State correctional facilities.

The Division of Parole is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$149,626,000, a decrease of \$68,000 from State Fiscal Year (SFY) 2004-05. The Executive claims a total of \$2,803,000 in savings resulting from the following:

- a \$2,063,000 reduction in personal service spending associated with the attrition of 47 Full Time Equivalent (FTE) Parole Officer Positions;
- a \$540,000 reduction in personal service spending associated with the attrition of 20 FTE support staff positions; and
- a \$200,000 reduction in non personal service costs related to an Article VII provision which would extend the period to return out-of-state parole violators to New York State.

These savings are diminished by a \$1,156,000 increase in personal service costs as well as a \$1,579,000 increase in non personal service costs to include:

- a \$576,000 increase to accommodate increased cost of power and real estate;
- a \$250,000 increase to continue roll-out of technological upgrades for administration and supervision;
- an additional \$346,000 for maintenance of the existing vehicle fleet; and
- \$407,000 to reflect the actual cost of continuing current programming including salary and other fixed costs.

Aid To Localities

The Executive recommends an All Funds Aid to Localities appropriation of \$44,439,000, an overall \$1,380,000 increase from SFY 2004-05 funding levels. An appropriation for Internal Service Funds to support the Neighborhood Work Project is augmented by an additional \$2,000,000 to provide vocational training to inmates emerging from Riker's Island.

Article VII

The Executive proposes Article VII legislation that would extend the period of time when the Division of Parole can process a parole violation warrant for certain out-of-state parole violators from 5 to 10 days.

OFFICE FOR PREVENTION OF DOMESTIC VIOLENCE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,152,000	2,230,000	78,000	3.6%
Special Revenue-Other	70,000	70,000	0	0.0%
Special Revenue-Federal	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	2,322,000	2,400,000	78,000	3.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	15	15	0
All Other Funds:	18	18	0
TOTAL:	33	33	0

BUDGET HIGHLIGHTS

(Executive Budget: pp. 373 - 375)

The Office for the Prevention of Domestic Violence develops statewide policies to improve the response of various State and local public agencies to families affected by domestic violence. In cooperation with other agencies, the Office provides training and information about domestic violence to judges, prosecutors, law enforcement officers, and social services and health care providers. The Office also serves as a clearinghouse for information about domestic violence.

The Executive recommends total All Funds appropriations of \$2,400,000, an increase of \$78,000 or 3.4 percent over State Fiscal Year (SFY) 2004-05. The agency supports a workforce of 33 employees.

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

State Operations

The Executive proposes a State Operations General Fund appropriation of \$1,513,000, an increase of \$78,000, or 5.44 percent, in State Fiscal Year (SFY) 2005-06. The year-to-year change in appropriations reflects an increase in personal service costs pursuant to collective bargaining agreements, as well as other fixed cost increases related to inflation.

Aid To Localities

The Executive recommends level funding of \$717,000 in General Fund Aid to Localities. The Executive eliminates appropriation authority for the Batterer's Intervention Project of \$172,000; however funding for support services and programs that prevent domestic violence, including the operation of hotlines for victims of domestic violence, increases to \$547,000. An appropriation of \$170,000 will continue to support the Capital District Domestic Violence Law Clinic and the Western New York Family Violence Clinic and Regional Resource Center.

STATE LABOR RELATIONS BOARD

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
Conoral Fund	E 220 000	4,356,000	(873,000)	-16.7%
General Fund Special Revenue-Other	5,229,000 257,000	586,000	329,000	128.0%
Total for AGENCY SUMMARY:	5,486,000	4,942,000	(544,000)	-9.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	37	44	7
TOTAL:	37	44	7

BUDGET HIGHLIGHTS

(Executive Budget: pp. 377 - 379)

The State Labor Relations Board would be a new agency if legislation authorizing the merging of the State Employment Relations Board (SERB) and the Public Employment Relations Board (PERB) is enacted. The new Board would resolve labor disputes between employers and employees in both the public and the private sectors. The Board would also settle questions of union representation, conduct hearings on charges of improper or unfair labor practices, designate Management/Confidential positions, and act as a clearinghouse for information on wages, benefits and employment practices.

The State Labor Relations Board is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Fund appropriation of \$4,942,000 for SFY 2005-06, a net decrease of \$544,000 over the combined SFY 2004-05 funding levels for SERB and PERB.

The Executive anticipates \$840,000 in savings as a result of the merger through the elimination of five SERB board member positions whose term expired in December 2004.

The Executive proposes new fee revenue of \$329,000 to maintain a new database of contact data and collective bargaining information from employee organizations and public employers.

The Executive proposes \$1185,000 for salary and fixed cost increases.

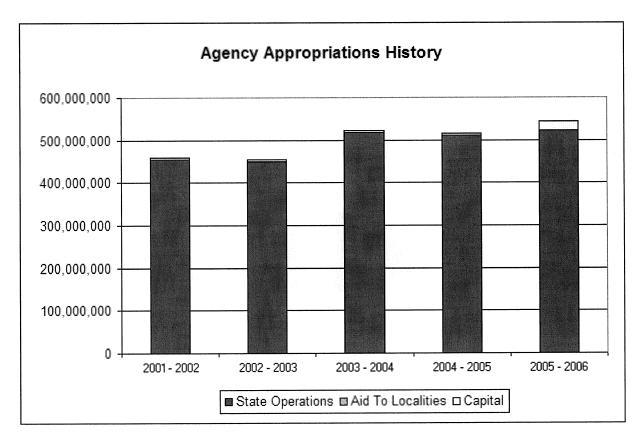
Article VII

The Executive proposes legislation to merge the Public Employment Relations Board and the State Employment Relations Board into a new State Labor Relations Board.

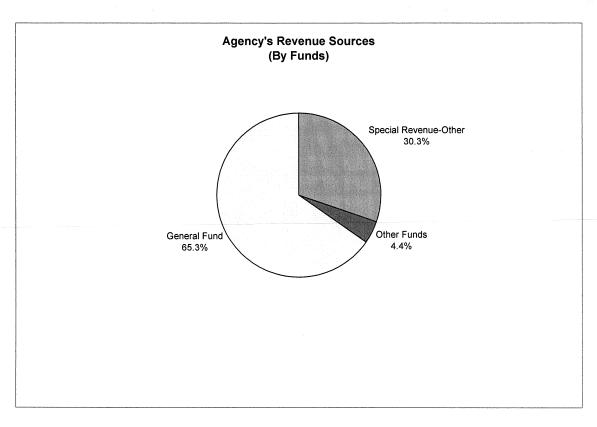
The Executive proposes to establish filing fees and information requirements for the State Labor Relations Board. Employee organizations and public employers will have to provide contact and collective bargaining information to the SLRB annually and pay a fee based on the size of the membership of the employee organization.

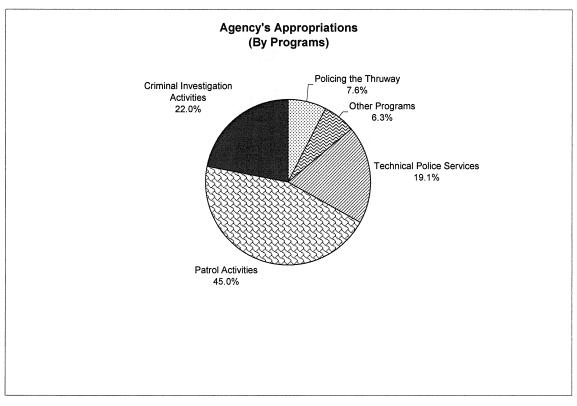
DIVISION OF STATE POLICE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
A GENERAL GUILLANDA				
AGENCY SUMMARY				
General Fund	333,366,000	354,382,000	21,016,000	6.3%
Special Revenue-Other	162,190,000	164,388,000	2,198,000	1.4%
Special Revenue-Federal	16,427,000	4,709,000	(11,718,000)	-71.3%
Capital Projects Fund	2,800,000	19,200,000	16,400,000	585.7%
Total for AGENCY SUMMARY:	514,783,000	542,679,000	27,896,000	5.4%



- * 2001-02 through 2003-04 reflect enacted appropriations.
 * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.





ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	5,045	5,113	68
All Other Funds:	673	600	(73)
TOTAL:	5,718	5,713	(5)

BUDGET HIGHLIGHTS

(Executive Budget: pp. 381 - 384)

The Division of State Police (DSP) is responsible for protecting life and property by patrolling the State's highways and performing special investigative police services throughout the State. The Division of State Police is also involved in several initiatives designed to counter terrorist activities.

This agency's budget is contained in the Public Protection and General Government appropriation bill.

State Operations

The Executive proposes State Operations appropriations totaling \$523,479,000, a \$11,496,000 increase from State Fiscal Year (SFY) 2004-05 spending levels.

The Executive proposal includes an additional \$19,005,000 in General Fund spending to reflect the cost of continuing current programming as well as salary adjustments and other fixed cost increases. Additionally, \$3,197,000 is added to accommodate 62 Full Time Equivalent (FTE) positions that were previously funded through a Federal Community Oriented Policing Services (COPS) grant, which has since expired.

In addition to the loss of Federal COPS grant funding, the Executive reduces Federal appropriations for various programs by an additional \$8,324,000. The Executive claims \$186,000 in savings through the attrition of civilian staff (5 FTE) and an additional \$1,000,000 in savings through a proposal to adopt an "aggregate weight" standard for the measurement of seized drugs.

The Executive proposes a new appropriation of \$142,000 to accept Federal funds for a Teleforensics and Digital Imaging Enhancement Program.

The Executive intends to reauthorize Integrated Municipal Police Anti-Crime Teams (Operation IMPACT) to expand its mission throughout the State. The Operation Impact Expansion, IMPACT II,

would require the assistance of 100 Troopers throughout the State. An appropriation of \$6,259,000 to support the entire IMPACT program is included within the Division of Criminal Justice Services budget.

Executive Order 133.36, which allowed for certain retired State Police members to return to the workforce following the September 11, 2001, attacks, will not be extended beyond September 2005. These members will be replaced with 90 new recruits who will be funded through the Miscellaneous-All State Departments and Agencies Homeland Security appropriation.

Capital Projects

The Executive proposal includes \$15,700,000 to fund the construction of a new Troop G headquarters in the Capital Region.

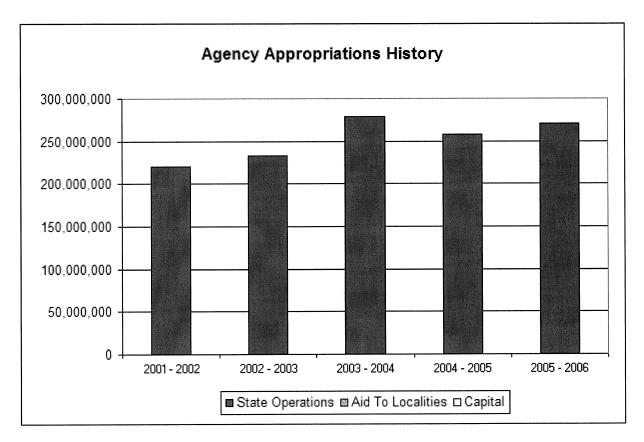
Article VII

The Executive proposes Article VII provisions that would:

- adopt an "aggregate weight" standard in the measurement of illegal drugs;
- extend the authorization to fund public safety efforts with motor vehicle law enforcement fees; and
- raise the compensation for the position of Superintendent of State Police to be commensurate with the current duties and responsibilities of the position.

OFFICE FOR TECHNOLOGY

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	23,000,000	21,953,000	(1,047,000)	-4.6%
Internal Service Fund	234,436,500	249,000,000	14,563,500	6.2%
Total for AGENCY SUMMARY:	257,436,500	270,953,000	13,516,500	5.3%



- * 2001-02 through 2003-04 reflect enacted appropriations.
- * 2004-05 reflects the Executive adjusted appropriations.
- * 2005-06 reflects Executive recommended appropriations.

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	105	105	0
II Other Funds:	551	594	43
TOTAL:	656	699	43

BUDGET HIGHLIGHTS

(Executive Budget: pp. 385 - 387)

The Office for Technology (OFT) was originally established in 1996 as a task force operating under the auspices of the Governor's Director of State Operations. In 1997, the Legislature created the Office for Technology with statutory responsibility for the development of the State's technology resources and policies. The mission of the OFT is to provide centralized technology-related programs to improve efficiency in New York State government.

The Office for Technology is included in the Public Protection and General Government appropriation bill.

State Operations

The Executive recommends an All Funds appropriation of \$270,953,000, an increase of \$13,516,500 or 5.3 percent from State Fiscal Year (SFY) 2004-05 levels.

The Executive proposes a General Fund appropriation totaling \$21,953,000, which reflects a decrease of \$1,047,000 or 4.6 percent. This decrease in funding can be attributed to the elimination of funding for equipment that does not need to be replaced on a yearly basis.

An Internal Service Fund appropriation of \$249,000,000, an increase of \$13,516,500, is recommended in the proposed budget. The Executive's recommendations include:

 \$105,000,000 for the New York Intranet (NYNet) and operation of the State's telephone system. Fees charged to the State and to local users support this high-speed communications system;

- \$109,000,000 for operation of the consolidated State Data Center. This will support positions previously transferred from the State Police and the Division of Criminal Justice Services, the cost of salary and fixed costs for 22 full time equivalent (FTE) technology consultants to be transferred to the state payroll, and the transfer of Human Services Network Help Desk and email services; and
- \$35,000,000 to support the modernization of the Human Services Network, to be renamed the Human Services Enterprise Network. This appropriation supports the transfer of 21 technology consultants to FTE state payroll status.

The Governor recommends eliminating a \$1,000,000 appropriation to fund existing statewide technology agreements between agencies and transferring the fund to the General Fund.

DIVISION OF VETERANS' AFFAIRS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	11,246,000	12,342,000	1,096,000	9.7%
Special Revenue-Federal	2,356,000	2,275,000	(81,000)	-3.4%
Total for AGENCY SUMMARY:	13,602,000	14,617,000	1,015,000	7.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Current 2004-05	Requested 2005-06	Change
101	101	0
12	12	0
113	113	0
	2004-05 101 12	2004-05 2005-06 101 101 12 12

BUDGET HIGHLIGHTS

(Executive Budget: pp. 389 - 392)

The Division of Veterans' Affairs (DVA) assists, counsels and advocates for veterans, military personnel and their families. The Division coordinates with other State agencies as well as the Federal Government on programs affecting veterans and advocates State and Federal actions to meet veterans' needs. The agency serves more than 1.2 million New Yorkers who are veterans, including their dependents and those on active duty. The agency's central office is located in Albany, with regional offices in New York City and Buffalo.

This agency is included in the Public Protection and General Government appropriation budget bill.

State Operations

The Executive recommends an All Funds appropriation of \$14,617,000 reflecting a net increase of \$1,015,000 from the State Fiscal Year (SFY) 2004-05 funding level.

The Executive budget proposes \$8,487,000 for State Operations in SFY 2005-06, which reflects a net increase of \$660,000 or 8.43 percent from the current year funding level. This is attributable to the following:

- a net increase of \$264,000 in General Fund appropriations reflecting an administrative Medicaid offset adjustment; and
- a net adjustment of \$477,000 in General Fund appropriations to reflect the cost of continuing current programs, including salaries, leases and other increases to fixed costs including information technology.

The Executive also proposes a \$2,275,000 Special Revenue-Federal Fund appropriation for the Higher Education Services Program and Veterans' Counseling Services Program, which reflects a net decrease of \$81,000 from the current funding level. The decrease is a net adjustment to the actual cost of continuing current programs, including salaries and other fixed costs increases.

Aid To Localities

The Executive recommends \$6,130,000 for Aid to Localities in SFY 2005-06, representing a net increase of \$355,000 or a 6.15 percent increase from current year funding levels. This increase reflects the following actions:

- a net increase of \$105,000 in the General Fund appropriation indicating a census adjustment made to reflect the latest census count for local veteran's organizations; and
- a restoration of \$250,000 for the Monroe County Veteran's Outreach Center, an appropriation that was vetoed by the Executive in SFY 2004-05.

GENERAL STATE CHARGES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,597,623,900	2,596,310,000	(1,313,900)	-0.1%
Total for AGENCY SUMMARY:	2,597,623,900	2,596,310,000	(1,313,900)	-0.1%

BUDGET HIGHLIGHTS

(Executive Budget: pp. 401 - 403)

The General State Charges budget provides General Fund support for two types of centralized funding: fringe benefits for State employees and fixed costs paid by the State for a variety of activities. These are costs that are incurred by all agencies and are calculated on a government-wide basis. Fringe benefits for State employees funded through the General Fund appear in the General State Charges budget, whereas fringe benefits for State employees supported through Special Revenue Funds do not appear in this budget but appear, instead, in individual agency budgets. The General State Charges budget is included in the Public Protection and General Government appropriation bill.

The Executive requests an All Funds appropriation for State Fiscal Year (SFY) 2005-06 of \$2,596,310,000, a decrease of \$1,313,900, or 0.05 percent from SFY 2004-05.

The Executive recommends a SFY 2005-06 General Fund appropriation of \$1,667,158,000 billion for the State's contribution to the Health Insurance Fund. This reflects a 9.1 percent increase over SFY 2004-05.

The Executive recommends a SFY 2005-06 appropriation of \$667,200,000 for the Employees' Retirement Accumulation Fund and the Police and Fire Retirement System Pension Accumulation Fund. This represents a State contribution rate of 7 percent. This is \$75,600,000 or a 12.8 percent increase over the SFY 2004-05 appropriation.

Article VII

The Executive proposes legislation to provide for an independent review of and public comment on pension funding changes and actuarial assumptions.

The Executive proposes legislation to clarify the administration of the Employee Health Insurance fund making permanent the 2004 change of law that allowed the Department of Civil Service to make payments from the Health Insurance Fund for premium and subscription payments without an appropriation.

The Executive proposes legislation to change the interest rate paid by the State and other governmental jurisdictions in court judgments from a fixed nine percent rate to a variable market-based index.

MISCELLANEOUS: PUBLIC PROTECTION & GENERAL GOVERNMENT

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,580,018,102	1,384,326,600	(195,691,502)	-12.4%
Special Revenue-Other	29,444,200	34,942,000	5,497,800	18.7%
Special Revenue-Federal	125,000,000	50,000,000	(75,000,000)	-60.0%
Capital Projects Fund	5,000,000	0	(5,000,000)	-100.0%
Fiduciary	26,581,501,600	28,778,300,000	2,196,798,400	8.3%
All Funds	53,943,000	70,153,000	16,210,000	30.1%
Emergency	0	45,000,000	45,000,000	
Total for Agency:	28,374,906,902	30,362,721,600	1,987,814,698	7.0%
Total Contingency:	3,364,578,000	3,425,753,000	61,175,000	1.8%
Total for AGENCY SUMMARY:	31,739,484,902	33,788,474,600	2,048,989,698	6.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change	
General Fund:	53	53	0	
All Other Funds:	46	66	20	
TOTAL:	99	119	20	

BUDGET HIGHLIGHTS

(Executive Budget: pp. 395 - 421)

State Operations

Homeland Security

The Executive recommends \$70,153,000 in All Funds appropriations in State Fiscal Year (SFY) 2005-06 for payments related to security measures implemented to prevent, deter or respond to acts of domestic terrorism. This represents a \$16,210,000 increase from SFY 2004-05.

The Executive recommends a \$50,000,000 Special Revenue-Federal appropriation in SFY 2005-06, representing a \$75,000,000 decrease from SFY 2004-05.

The Executive recommends a \$3,000,000 Special Revenue-Other appropriation for airport and transit security measures in SFY 20050-06, unchanged from SFY 2004-05.

The Executive recommends a \$75,000,000 Contingency appropriation for payments related to security measures implemented in response to heightened security threat alerts or domestic security terrorism incidents in SFY 2005-06, unchanged from SFY 2004-05.

Automated External Defibrillators

A \$45,000,000 Maintenance Undistributed appropriation in the Office of General Services for the purchase of Automated External Defibrillators in compliance with Chapter 510 of the Laws of 2004 requiring that State institutions and buildings be equipped with a defibrillator and that the OGS Commissioner prescribe regulations concerning the appropriate number of defibrillators for each size or class of building and the training of personnel.

Statewide Wireless Network

The Executive recommends a Special Revenue appropriation of \$27,800,000, an increase of \$5,476,000 from SFY 2004-05. This appropriation will support staff as well as the cost of continuing current programs associated with building the statewide wireless network.

Collective Bargaining Agreements

The Executive recommends a State Operations appropriation of \$38,535,600, a decrease of \$30,184,500 from SFY 2004-05. This decrease is attributed to a reduced appropriaton to reflect ratified agreements and a non-recurrence of funding for the second year in a two-year agreement with the Public Employees Federation (PEF), the Civil Service Employees Association (CSEA), and United University Professions (UUP).

Deferred Compensation Board

The Executive recommends a State Operations appropriation of \$806,000, an increase of 52,000 over SFY 2004-05. This increase is attributed to salary and fixed cost increases.

Health Insurance Contingency Reserve

The Executive proposes a General Fund State appropriation of \$474,305,000, an increase of \$64,121,000 or 15.6 percent from SFY 2004-05.

Workers' Compensation Reserve

The Executive recommends a General Fund appropriation of \$29,048,000, a decrease of \$2,946,000 or 9.2 percent from SFY 2004-05.

Stock Workmen's Compensation Security Fund

The Executive proposes eliminating this fund, a cut of \$14,000,000 from SFY 2004-05.

New York State Financial Control Board

The Executive recommends a Special Revenue appropriation of \$3,243,000, a decrease of \$26,200 associated with reduced personal service costs.

Aid To Localities

Aid to Municipalities

The Executive proposes the creation of a new Aid and Incentives for Municipalities (AIM) Program that consolidates five current unrestricted local government assistance programs. The programs being replaced are General Purpose Government Aid (Revenue Sharing); Supplemental Municipal Aid; Emergency Financial Aid to Certain Cities; Emergency Financial Assistance to Eligible Municipalities; and the portion of Small Government Assistance that went to cities and towns.

The Executive recommends \$1,068,315,100 in General Fund appropriations for the AIM Program. This represents an increase of \$54,599,998 over the base funding, which is the aggregate SFY 2004-05 appropriations of the five programs being consolidated.

The Executive recommends an increase of \$48,000,000 for all 61 cities outside of New York City, the increases will vary from 2.5 percent to 12.5 percent of each city's SFY 2004-05 base funding, with the size of the increase based upon per capita property value segmentation. For the 55 cities receiving more than the minimum, any increase beyond 2.5 percent will be contingent on their own cost and tax containment.

The Executive recommends an increase of \$1,104,000 for the 85 percent of towns and villages that meet the AIM program's per capita property value requirements. These increases represent 2.5 percent of each town and village's SFY 2004-05 base funding.

The Executive recommends \$5,500,000 for the Shared Municipal Services Incentive (SMSI) Award, a grant pool funded and managed by the Department of State to fund cooperative service efforts by multiple municipalities, including school districts and counties, but excluding New York City. Of this appropriation, \$500,000 shall be suballocated to the Department of State for administrative expenses.

Miscellaneous Financial Assistance

The Executive recommends a General Fund appropriation of \$4,000,000 for Oneida and Madison Counties to mitigate real property tax shortfalls related to non-payment by the Oneida Indian Nation. This represents an increase of \$3,889,000 from SFY 2003-04.

Yonkers Settlement

The Executive recommends a General Fund appropriation of \$45,000,000. This represents a decrease of \$10,000,000 from SFY 2003-04.

Nassau County Interim Finance Authority

The Executive recommends a General Fund appropriation of \$7,500,000 for Nassau County Interim Finance Authority pursuant to Chapter 84 of the Laws of 2000. This appropriation would only be paid if Nassau County demonstrates by October 1, 2005 that it is facing a deficit in its 2005 County Fiscal Year, otherwise this payment would be scheduled for SFY 2006-07. This appropriation is unchanged from SFY 2004-05 - \$7.5 million.

Local Government Assistance Tax Fund

The Executive recommends a General Fund appropriation of \$170,000,000 for New York City pursuant to Section 3238-a of the Public Authorities Law, representing no increase from SFY 2004-05.

Municipal Assistance Tax Fund

The Executive recommends a Fiduciary Fund appropriation of \$16,215,000,000 for the Municipal Assistance Corporations (MAC's) of New York City and Troy pursuant to Section 92-d of the State Finance Law. This represents an increase of \$1,200,000,000 from SFY 2004-05 related to additional sales tax revenue and increased activity in the financial markets.

Stock Transfer Tax Fund

The Executive recommends a Fiduciary Fund appropriation of \$12,000,000,000 for the Municipal Assistance Corporation (MAC) of New York City pursuant to Section 92-i of the State Finance Law. This represents an increase of \$1,000,000,000 from SFY 2004-05 related to increased activity in the financial markets.

Article VII

Aid to Municipalities

Amends The State Finance Law by repealing Sections 54 and 54-c and adding a new Section 54. This legislation would establish a base level grant for all cities, towns, and villages based upon their aggregate aid totals received in SFY 2004-05 from General Purpose Government Aid, Supplemental Municipal Aid, and Emergency Financial Aid to Certain Cities, Emergency Financial Assistance to Eligible Municipalities, and Small Government Assistance. All cities outside of New York City, as well as most towns and villages, would be eligible for additional aid based on relative property values and/or the execution of a Fiscal Performance Agreement (FPA's) with the State.

For most towns, villages, and cities additional AIM aid eligibility would be based on their full (taxable) value per capita relative to the average for all such municipalities. Additional AIM aid would be derived from one of four set percentages of the base level funding for each municipality. Such additional AIM aid amounts would double for SFY 2006-07 and remain the same every state fiscal year thereafter, contingent upon compliance of FPA.

Under fiscal performance agreements approved by the Director of the Budget, cities would be required to apply additional aid to property tax relief, and to contain their expenditure growth in declining amounts starting with their first city fiscal year that begins in the 2006 calendar year. Capital costs and expenditures in support of school districts are exempted from the growth caps. For city fiscal years beginning in 2007 and thereafter, the Director of the Budget must certify FPA compliance, and require the city to execute a fiscal reform plan with the Secretary of State. If a city declines to enter or fails to fulfill a FPA, the Director of the Budget is authorized to withhold additional AIM aid beyond the minimum 5 percent of the base level.

- Cities with a population greater than 125,000 would be eligible for a SFY 2005-06 increase of 12.5 percent, pursuant to an FPA.
- Cities with a population under 125,000 and a full value per capita under 75 percent of the average for such cities, would be eligible for a SFY 2005-06 increase of 12.5 percent, pursuant to an FPA.
- Cities with a population under 125,000 and a full value per capita between 75 percent and 100 percent of the average for such cities would be eligible for a SFY 2005-06 increase of 10 percent, pursuant to an FPA.
- Cities with a population under 125,000 and a full value per capita between 100 percent and 125 percent of the average for such cities would be eligible for a SFY 2005-06 increase of 5 percent, pursuant to an FPA.
- Cities with a population under 125,000 and a full value per capita at or greater than 125 percent of the average for such cities would be eligible for a SFY 2005-06 increase of 2.5 percent.

- Towns with a full value per capita under 125 percent of the average for towns would be eligible for a SFY 2005-06 increase of 2.5 percent.
- Villages with a full value per capita under 125 percent of the average for villages would be eligible for a SFY 2005-06 increase of 2.5 percent.

This legislation also establishes shared municipal services incentive (SMSI) awards, under which the Secretary of State may award competitive grants to cover feasibility studies, capital improvements, and consultant or legal services related to municipal consolidations, dissolutions, cooperative agreements, and shared services. Participating municipalities must put up at least 10 percent of the applicable costs, and the maximum award a municipality can receive is \$100,000.

Mandate Relief and Local Financial Flexibility

- Makes ability to pay the primary consideration in arbitration awards;
- Repeals multiple bidding requirements at all levels on government and public authority construction contracts;
- Authorizes offsetting of judgment awards with past and future collateral source compensation;
- Establishes market based method of interest calculation in court judgments;
- Confers Court of Claims jurisdiction on certain local government matters;
- Authorizes and clarifies statutes for inter-municipal agreements on consolidated services and shared revenues, as well as removing residency requirements;
- Authorizes expanded local government investment options.

Local Government Mergers and Consolidations

Amends the General Municipal Law by adding a new Article 17-A. This legislation establishes a procedure for locally initiated mergers between any adjoining categories of municipality other than New York City. Each participating municipality must adopt a plan of merger specifying the municipal class and name of the new entity; the disposition of assets, departments, and employees of the constituent municipalities; and a plan for the payment of outstanding obligations and the levying of taxes and assessments. Such plans must be approved by electors in each constituent municipality.