

BUDGET SUMMARY

1970-71

STATE of NEW YORK
NELSON A. ROCKEFELLER
GOVERNOR

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**EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET**
T. N. HURD, Director of the Budget
Albany, N. Y., August 1970

This Budget Summary reflects action by the Legislature on the Governor's 1970-71 budget as well as revisions in the financial outlook. For greater detail on the financing and operations of all State agencies, the reader is referred to the Governor's Executive Budget of January 20, 1970, copies of which are available in libraries throughout the State.



A budget is for people.

It may be expressed in dollar terms. But its real meaning is in human terms. It is our way, as a society, of expressing our hopes and aspirations, what we want for our children, what we believe in as a people, and what share of our resources we will set aside to realize our goals.

* * *

This human dimension can be found behind every dollar in this document. It is your State's way of saying what we intend to do about rescuing a polluted lake for the pleasure of people, of getting a decent breakfast into an underfed ghetto child at the beginning of each school day, of saving lives because we are making a road safer, of making a city more livable by making its buses or subways better, of giving our children a good education without piling all the education costs onto the homeowner.

This is the meaning behind the columns of figures, the revenues to be collected, the sums to be appropriated and spent that make up a budget. It is all about people, and it is all for people.

—NELSON A. ROCKEFELLER, Governor
Budget Message, January 20, 1970

FINANCIAL SUMMARY

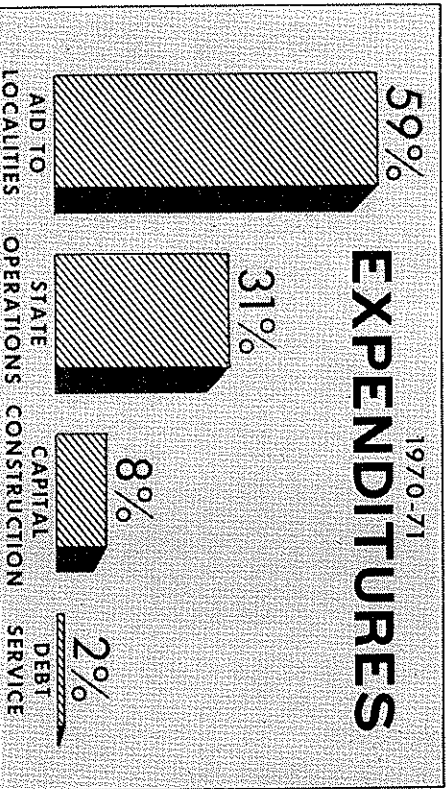
NEW YORK STATE'S 1970-71 BUDGET, as enacted, amounts to \$7,127 million. State financial assistance to local governments and school districts, for operating purposes and construction projects, accounts for the largest portion of the State budget. When bond-financed expenditures are excluded, an amount equivalent to 63 cents of every taxpayer dollar will be paid out in such assistance to localities. The remainder will finance direct State services to the public, construction of State facilities and debt service.

STATE INCOME AND EXPENDITURES

(millions of dollars)

	1969-70	1970-71	
	Actual	Estimated	Change
Income			
From current revenues	5,907	6,456	+549
From bond funds	304	671	+367
Total income	<u>6,211</u>	<u>7,127</u>	<u>+916</u>
Expenditures			
State aid			
Local Assistance Fund	(3,688)	(4,099)	(+411)
Capital Construction Fund	(30)	(141)	(+111)
Total State aid	3,718	4,240	+522
State operations	1,876	2,195	+319
Capital construction	496	542	+46
Debt service (bonded)	117	150	+33
Total expenditures	<u>6,207</u>	<u>7,127</u>	<u>+920</u>
Surplus	<u>4</u>	<u>* 4</u>	<u>- 4</u>

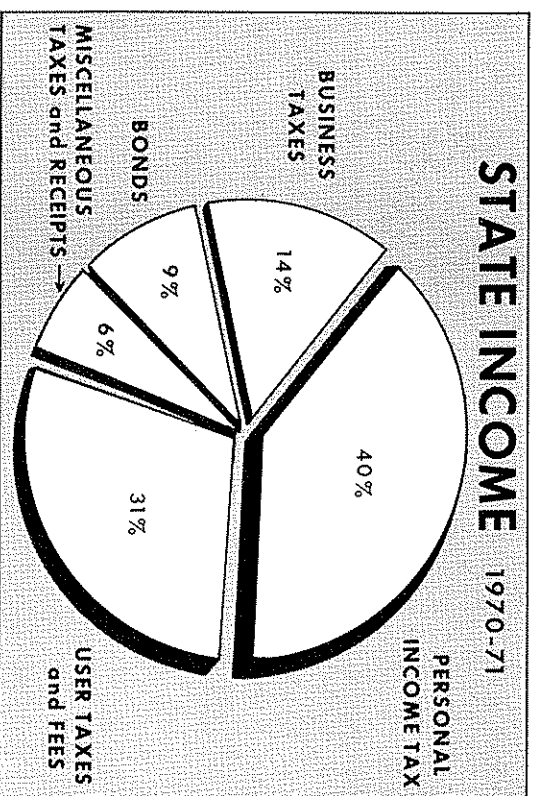
* Less than \$1 million.



Since publication of the Budget Message in January, the estimate of total State spending during fiscal year 1970-71 has been revised downward substantially, by \$130 million, reflecting the net effect of action by the Legislature on the Governor's recommendations, availability of larger-than-anticipated Federal reimbursements, and actual experience since January.

The most significant change, a \$91 million reduction in estimated expenditures for capital construction, including aid for local capital projects, is attributable primarily to legislative reductions in highway spending and revised scheduling and financing of some projects. Estimated expenditures for direct State operations have been reduced by \$48 million, mainly to reflect increased Federal reimbursements for patient care in mental hospitals and, to a lesser extent, legislative changes. Bonded debt service has been reduced by \$3 million, reflecting deferred sale of State bonds and notes due to unfavorable market conditions.

These reductions are somewhat offset by a \$12 million net increase in local assistance, despite expected deferral of some urban renewal costs. This change is traceable to such factors as greater public school aid and new programs to stimulate local narcotic addiction control efforts and to help defray the mandated administrative expenses of nonpublic elementary and secondary schools.



The largest single increase in the budget over-1969-70 is for State aid to support public elementary and secondary schools, which will rise by \$149 million in State fiscal year 1970-71, an increase of \$388 million on a school-year basis over what would have been received under earlier legislation. The budget provides an additional \$102 million for public assistance, including funds to provide a 10 per cent cost-of-living adjustment in public assistance allowances and special additional allowances for the aged, blind and disabled. The budget also provides \$65 million more for general (per capita) aid, primarily to help cities throughout the State meet their special problems. Other major increases are budgeted for control of drug abuse, expansion of the State University, mass transportation, care of mental patients, and other essential purposes, as described on the pages that follow.

The income side of the State financial ledger has also been reduced from the January 1970 estimate, primarily because of a greater softening in the economy than had been expected. The national economy has slowed more perceptibly than was anticipated six months ago but, thus far, the State's economy has characteristically proven less susceptible to recessionary pressures. For example, the unemployment rate in New York State during the past year has generally been below the national rate.

In recent months, the Federal government has taken vigorous steps to stem inflation through tight money and stringent fiscal policies, including a cutback in defense spending and repeal of the tax credit for corporate investment. Although the Federal income surtax is being phased out during 1970, consumer spending has softened somewhat, especially for durable goods.

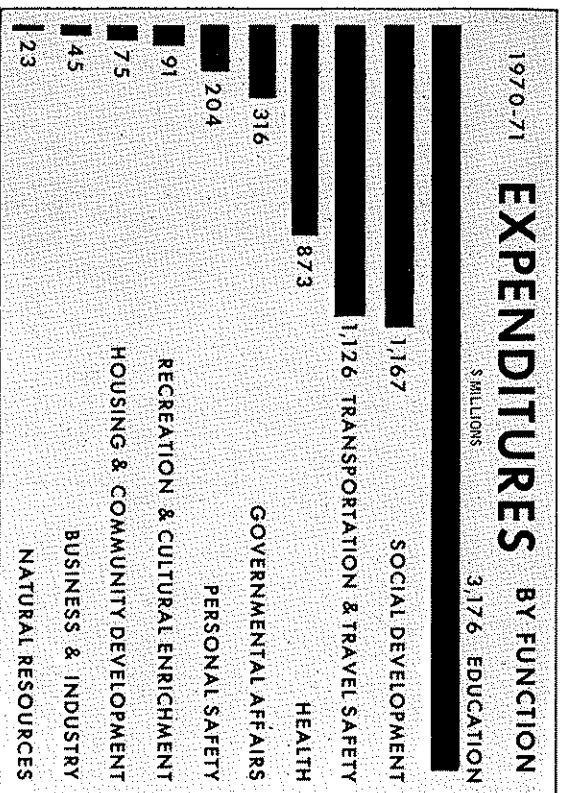
It is apparent that corporate profits, for tax purposes, will be lower than had been anticipated, although experience to date indicates that New York, because of its diversified enterprise, will fare better than the nation as a whole. For example, unlike many leading industrial states, New York does not depend heavily on any of the most sensitive durable sectors, such as aerospace, ordnance and automotive products.

State personal income tax withholdings are running slightly ahead of earlier expectations, but this rise is more than offset by a drop in payments accompanying final returns on 1969 income. Continued weakness in stock prices could further erode the capital gains component of personal income, corporation, and estate tax collections.

While sales tax collections for the first quarter exceeded earlier projections, it is still too early to determine sales activity precisely or to assess the impact on consumer buying intentions of expanded purchasing power following repeal of the Federal surtax on July 1. In view of the diverse economic crosscurrents in mid-1970 and the unforeseeable impact of major pending industrial collective bargaining negotiations, the revised revenue estimates can perhaps best be characterized as reflecting "cautious optimism."

Today, the interrelated challenges of civil rights, crime and delinquency, drug addiction, environmental conservation, housing, poverty, and urban decay are severely testing the ability of our traditional institutions and our federal system. The efforts by state and local governments which these problems require far exceed their tax resources.

Despite efforts by the Governor of New York to obtain needed Federal financial assistance and despite recognition of this national problem by the President, as evidenced by his revenue-sharing and public assistance proposals, no major relief is in sight during the current State fiscal year. Thus, maintenance of a delicate State budget balance will depend essentially on the course of the economy during the next six to eight months, and its repercussions on budgeted tax revenues and on spending for such State programs as welfare benefits.



MAJOR STATE FUNCTIONS

EDUCATION . . . 45 per cent of State Budget

Elementary and Secondary Education An estimated 3,494,000 pupils will attend public elementary and secondary schools during the 1970-71 school year. To help provide adequate facilities and ensure educational excellence for these students, State aid to local school districts will total almost \$2.2 billion in the State's 1970-71 fiscal year. Almost all districts will receive substantial increases in aid in school year 1970-71, with a statewide increase of \$388 million over the amount that would have been given under earlier legislation. On the average, State aid is 49 per cent of a district's approved operating expenditures. Districts whose wealth, as measured by the full value of real property per pupil, is above or below the statewide average receive correspondingly less or greater assistance. Aid for school construction is given in the same ratio as for operating expenses. Districts are also reimbursed for almost all approved pupil transportation costs. This year's budget extends the program of high-tax-rate aid to smaller school districts.

A new \$10 million program of general urban aid was established this year to assist districts facing special educational problems. These funds will supplement a \$52 million categorical aid program which is designed to meet the needs of urban districts in areas of widespread poverty. This year a change in criteria will allow the participation of smaller school districts in poverty areas.

Funds are also included in this year's budget to initiate a program of State aid for certain State-mandated services performed by nonpublic schools. Aid will be given to each qualifying private school to cover the cost of administering examinations and inspections, grading and reporting tests, maintaining enrollment, health and personnel records, and preparing various reports. For the 1970-71 school year, \$28 million is available for this program.

The State will continue to provide funds during 1970-71 for the correction of racial imbalance in the schools, for adult education programs, and for the extension of the prekindergarten program. Support is also maintained for Project ABLE, a program of help for academically talented but disadvantaged children. State aid to public libraries will this year amount to \$15 million.

State University New York State makes strong efforts to meet the needs of the increasing numbers of students seeking a college education. The State University of New York, including community colleges, will have 192,000 full-time and 122,000 part-time students enrolled on its 69 campuses this fall, and 290,000 full-time students are anticipated in 1975. The State University system thus stands as one of the nation's leading institutions of higher learning. Its programs embrace the liberal arts and a wide range of graduate and specialized training in such fields as medicine, law, engineering, maritime studies, agriculture, forestry, industrial and labor relations, and public affairs. The State University and all other higher educational programs amount to \$633 million in the 1970-71 State budget.

To meet expected increases in enrollment, the University has undertaken a multi-billion-dollar self-sustaining construction program aided by the State University Construction Fund, with no direct taxpayer contribution. Since its inception in 1962, the Fund has expedited a development program under which more than 1,200 projects valued at \$2.3 billion are now completed, under construction or under design. New four-year colleges have opened, and continue to develop, at Old Westbury in Nassau County and at Purchase in Westchester County, and planning and development is progressing for a new upper-division college and graduate school in the Utica-Rome area. Legislation has also been enacted creating a State University College of Optometry.

Full Opportunity The new Full Opportunity Program of the State University will start this year and will bring together a wide assortment of special programs to ensure that no high school graduate in New York State with the desire and capacity for higher education will be denied it for lack of facilities or personal financial means. Under the Full Opportunity Program the State's share of the operating costs of locally sponsored and administered community colleges will be raised from one-third to two-fifths. This



The State University campus at Albany is noted for its outstanding architecture.

additional aid will be made available to those colleges which submit acceptable plans for the admission of all local high school graduates and returning veterans who apply. State aid for construction costs remains at 50 per cent. The 37 community colleges, including the new Hostos Community College in New York City, will account for 81,000 of all full-time and 82,000 of all part-time students enrolled in the State University in 1970. The State will spend \$92.6 million on its community colleges during 1970-71.

A sum of \$19.7 million is also contained in this year's budget under the Full Opportunity Program for the promotion of three programs of particular benefit to the disadvantaged student, who often needs special counseling and tutoring if he is to realize his full scholastic potential. This sum includes \$6.7 million for the SEEK (Search for Education, Elevation and Knowledge) Program of the State University, \$9 million for the SEEK Program of the City University of New York, and \$4 million for equivalent programs in nonpublic institutions of higher education in the State.

Funds are also included to permit an increase in enrollment at the State University's Urban Centers from 6,500 in 1969-70 to 11,500 in 1970-71. These centers, including a sixth to be opened at Farmingdale this fall, offer a wide range of vocational training and college-qualifying courses to help the disadvantaged student find a job or transfer into regular college courses. Additional funds will establish four new cooperative college centers and expand the two existing centers. These centers will provide remedial courses, special counseling and tutoring and some courses for credit. Students wishing to continue their academic studies will transfer to degree-granting institutions. Under this program, some 3,800 more students will be enrolled at State University campuses than originally planned.

City University The City University of New York is an integral part of the State's higher education system. In recent years substantial State support has enabled City University to expand its enrollment and services, launch new programs and improve the quality of its courses. State aid for City University will amount to \$99.9 million this year, in part to support the new Open Admissions Program there, one component of the State's Full Opportunity Program. The State will also provide more than \$37.6 million for the eight community colleges in New York City.

Private Institutions A total of \$26 million will be provided to eligible institutions in 1970-71 under the State's program of aid

to nonpublic institutions of higher education. This will extend a program begun in 1968 to maintain New York's traditional partnership between public and private universities, thereby providing a rich diversity of educational excellence and preserving freedom of choice for college-bound young people. Other State programs benefit both private and public colleges. The State Dormitory Authority finances student housing and other facilities on public and private campuses. Private medical colleges, under contract with the State University, receive capital and operating assistance to meet the cost of training additional doctors. This year such assistance will be extended to private dental colleges. Another new program will supplement aid to private medical schools by providing funds on a general per student basis.

Scholarships and Fellowships New York State's program of financial aid to students and their families unable to meet the total costs of higher education remains outstanding. Funds are provided in this year's budget to cover:

- Regents scholarships and veteran and child-of-veteran programs benefiting over 83,000 students.
- Scholar incentive awards benefiting 236,000 students.
- Fellowship programs benefiting over 1,100 graduate students.

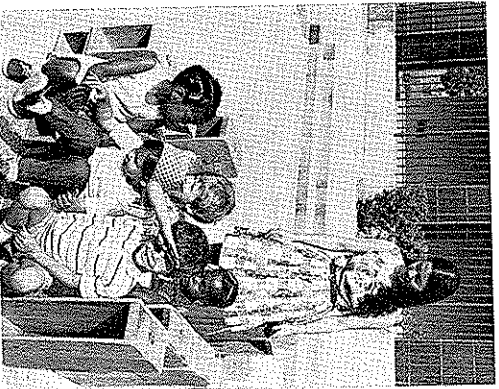
SOCIAL DEVELOPMENT . . . 16 per cent of State Budget

Public Assistance Social services in New York State are designed to help those who cannot support themselves — the aged, the blind, the disabled, dependent children and persons unable to meet the full cost of medical care. These services are financed jointly by the Federal government, the State and its localities. In addition, the State and its localities together support the Home Relief Program of general assistance to needy families and individuals unable to qualify under other programs, including many who, though employed, earn inadequate incomes. A monthly average of 1.8 million New Yorkers received some form of public assistance in 1969, at a total cost to the State of \$966 million.

A general cost-of-living increase for all welfare recipients was enacted this year. In addition, effective April 1, 1970, the supplementary allowances instituted last year to meet the exceptional needs of the elderly and the handicapped were increased to \$10 per month for persons living alone and \$6.25 for members of family groups. The aged, blind and disabled are also now able to retain up to \$7.50 per month of any outside income they may receive, including social security payments, without having their welfare benefits reduced by an equivalent amount.

Food-on-the-Table Program The United States Department of Agriculture early in 1970 approved participation in the Federal Food Stamp Program by all social services districts in the State. Under this program, not only all welfare recipients but other selected low-income persons as well are eligible to buy these stamps and thereby raise their food purchasing power by as much as one-third. To cover the costs of administering this program, which will replace the distribution of donated commodities, the State expects to spend \$10 million in 1970-71.

Job Training and Work Incentives A major goal of New York State is to provide its able-bodied welfare recipients with job training programs that will free them from the dependency cycle and enable them to become productive, self-supporting citizens. The State has cooperated fully with the Federal government in the Work Incentive Program (WIN), under which persons aided under federally supported programs are given appropriate job training and job placement. As trainees, these persons receive an incentive allowance of \$30 per month, when employed, they may retain the first \$30 plus one-third of the balance of their earnings before their welfare benefits are reduced. Legislation enacted this year has extended incentive payments to additional categories of welfare recipients who are participating in approved training programs. Other new legislation authorizes State employment offices



Day care centers free mothers for work or training.

to refer employable welfare recipients to occupational training programs as well as to existing jobs. Unemployed and underemployed persons will benefit from the creation this year of a State Manpower Resources Commission, which will provide centralized direction of the State's manpower training programs.

Day Care Too often the mothers of children receiving welfare assistance are able and willing to work but cannot find a suitable place where their children may be cared for in

their absence. Last year a Youth Facilities Improvement Act was passed, designed to speed the construction of urgently needed day care centers by permitting the State Housing Finance Agency to make low-interest mortgage loans to nonprofit sponsors of day care facilities. This year additional financing and technical assistance was made available to such sponsors, with a revolving "seed-money" fund of \$2 million established to provide cash advances to defray their initial development expenses. The Housing Finance Agency's authority to issue loans for day care centers has now been increased from \$50 million to \$100 million, and the State will guarantee up to 90 per cent of loans made by private lending institutions. Other new legislation authorizes school districts to contract with social services districts for the provision of day care facilities.

Programs for the Aging State-operated or State-funded programs for the aging are available to approximately two million persons 65 years of age or older, or 10.5 per cent of the total population of New York State. These programs include the provision of counseling, vocational, recreational and educational services, as well as homecare services for the household. The State Office for the Aging furnishes technical and legal assistance for locally operated programs, and helps coordinate the wide variety of local, State and Federal programs that are available to senior citizens. The Department of Social Services helps the aging to obtain adequate housing, nutritional guidance, institutional care, legal advice, and medical assistance.

In 1966, local governments were allowed to grant partial property tax relief to older homeowners with annual incomes up to \$3,000. This year local governments were given discretion to grant a 50 per cent real property tax exemption to older homeowners with combined annual incomes up to \$5,000. The State Office for the Aging is now able to provide reimbursement for personal "out-of-pocket" expenses incurred by older persons active in volunteer programs. The New York State Housing Finance Agency has been authorized to issue low-cost mortgage loans totaling \$50 million for the construction of Community Senior Citizens Centers to care for the growing number of older persons in need of special daytime programs and services. The Agency's authority to make low-interest mortgage loans for the construction of nursing homes has also been expanded this year.

Youth Programs Youth development and delinquency prevention are coordinated by the State Division for Youth to give guidance and help to our under-21 population. State aid is supplied for local youth bureaus, youth services and recreation programs in communities throughout the State. State-operated Youth Opportunity Centers offer concentrated counseling, job placement and other services to disadvantaged youths. The State also helps local governments bear the cost of foster care and enforces standards in public and private child care institutions. New legislation strengthens the State's child abuse laws and facilitates the adoption of abandoned or institutionalized children.

To offset the scarcity of summer jobs for young people this year, the State is providing \$1.7 million to create 4,000 temporary jobs. Under the Hometown Beautification Program, an additional 3,700 young people are employed for the summer to improve local parks, roadside areas and beach fronts. For the third year, a Summer Satellite Program will give 1,200 disadvantaged youths a two-week camping experience on State-owned conservation sites.

The Division for Youth operates 17 youth homes, resident training centers, youth camps and residential aftercare units offering a wide range of rehabilitation programs. Seven additional youth homes will be opened during the 1970-71 fiscal year. The Department of Social Services operates fourteen training facilities, two aftercare centers and four residences, all of which provide care and treatment of juveniles placed by Family Courts. To reduce the shortage of adequate juvenile detention facilities, new legislation authorizes the Department of Social Services to establish, operate and maintain regional facilities for the temporary detention of delinquent youths. The State also provides State aid to localities for the care of juvenile delinquents.

Human Rights New York State's anti-discrimination laws, administered by the State Division of Human Rights, were strengthened in 1970. The Division is charged with assuring equal opportunity for all individuals to promote their economic and social development. New legislation has broadened the powers of the Division to uphold existing legal prohibitions against discrimination in employment, public accommodations, education, and union membership because of race, creed, color, national origin, age or sex. Discrimination based on sex as well as race is now illegal in connection with the sale, lease or rental of housing accommodations, land or commercial space. New laws also forbid

banking and lending institutions to discriminate on the basis of sex when making loans for the purchase or repair of housing, land or commercial space. The law forbidding "blockbusting" practices has been stiffened to provide protection for community areas as well as individual property owners.

Labor Workers in New York State enjoy a high degree of job protection through State activities designed to prevent unfair labor practices, enforce minimum wage and industrial safety standards, administer social insurance programs and settle labor disputes. In order to keep pace with the rapidly rising cost of living, the minimum wage rate was increased this year from \$1.60 to \$1.85 per hour, and provision has been made for automatic increases up to \$2.00 per hour to match any future increases in the Federal rate. Weekly benefits under State-administered social insurance programs have been raised as follows:

- Maximum unemployment insurance benefits, \$75.
- Maximum disability benefits, \$75.
- Workmen's compensation maximum benefits, \$80 for permanent total disability or partial disability; maximum for temporary total disability, \$95. Comparable benefits for volunteer firemen.

In addition to administering these programs, the State Department of Labor operates job-placement services, regulates employment agencies, administers training programs, and collects unpaid wages. In 1969, the Department of Labor collected \$821,000 in minimum wage underpayments for more than 19,000 employees. The State Employment Service placed more than 665,000 persons in jobs last year. This year a computerized job-placement system has been installed at three pilot locations in New York City. The system matches the qualifications and preferences of New York City job hunters against some 20,000 job openings.

Services to Veterans The State Division of Veterans' Affairs maintains counseling facilities in every county in New York State. Through these offices, State counselors provide veterans and their families with coordinated advice concerning State, Federal and local benefits. Legislation approved this year provides for 600 special State War Service Scholarships in 1970 for returning veterans of the Vietnam conflict. This continues a program inaugurated in 1966 under which qualified individuals receive \$350 a year for four years of study. New York also provides the children

of deceased or severely disabled veterans with annual scholarships of \$450 to cover up to five years of study at approved institutions. Other State benefits previously approved include preference for Vietnam veterans or their widows in admission to middle-income housing projects, and a one-stop service center in New York City at the Division of Employment Office at 132 West 125th Street, which offers varied services to returning veterans to ease their readjustment to civilian life. The State also furnishes financial aid for local veterans' services. Through programs such as these, New York State continues to honor its debt of gratitude to the members of our country's armed forces.

TRANSPORTATION and TRAVEL SAFETY

. . . 16 per cent of State Budget

Under the overall direction of the State Department of Transportation, the continued expansion and improvement of New York's roadways are being complemented by the development of mass transportation facilities in all areas of the State.

Mass Transportation Mass transportation is being aided by monies from the \$2.5 billion Transportation Bond Issue, approved by the voters in 1967. The major commitment to mass transportation from this issue will improve subway and commuter railroad facilities in the New York City area. Subway improvements and extensions are part of a massive program that will eventually receive \$600 million in State aid. Initiation of the \$65 million modernization of the Hudson and Harlem divisions of the Penn Central Railroad will mean that practically every major rapid transit and railroad commuter service in the area is being re-



State funds are enabling the Long Island Rail Road to purchase new commuter cars.

vitalized and extended. State-financed modernization programs are already underway on the Penn Central's New Haven Railroad, the Long Island Rail Road and the Staten Island Rapid Transit Line.

Appropriations have been made for new buses and improved bus facilities in upstate

localities. Projects have been authorized for the following areas in 1970-71: Buffalo, Schenectady, Troy and Utica, and Chemung, Onondaga and Westchester counties. Further progress will be made as two additional transportation authorities in central New York and the Capital District join the Metropolitan Transportation Authority in the New York City area and the Niagara Frontier and Rochester-Genesee transportation authorities in providing comprehensive transportation planning and services on a regional basis.

For 1970-71, the State has appropriated \$124.3 million for mass transportation projects. In addition, over \$30 million is available under the Emergency Maintenance Program to repair, clean and improve subway, commuter railroad and bus facilities.

Airports Air travel, for both private and commercial purposes, is becoming an increasingly important element in New York's overall transportation system. Almost one-half of the common-carrier intercity passenger mileage in New York State is by air. The demands on aviation, especially in the New York metropolitan area, urgently require airport development and improvement. This year monies from the \$250 million in Transportation Bond Issue funds set aside for aviation purposes have been authorized for 27 projects at airports throughout the State. In addition, State funds have enabled the Metropolitan Transportation Authority to acquire Stewart Air Force Base in Rockland County for conversion into a general aviation facility.

Highways and Streets In both urban and rural areas, New York's people and industries depend heavily, and often exclusively, on the State's highways and streets for transportation. Within the State there are over 104,000 miles of highways of all kinds, 14,500 miles of which are the direct responsibility of State government. The State will provide \$530.1 million in 1970-71 for the planning and construction of State highways and parkways, for improved traffic operations in urban areas (the TOPICS Program) and for the elimination of railroad grade crossings. Additional funds, in the form of first instance appropriations totaling \$340.4 million, will be available in anticipation of Federal reimbursement. The regular inspection, maintenance and repair of State highways will be made possible by an appropriation of \$92.6 million.

The maintenance, repair and construction of local highways and streets, which account for about 80,000 miles of the State's

highway system, are greatly facilitated by a number of State local assistance programs. Motor fuel tax sharing, motor vehicle fee distribution, county highway aid, town highway aid and town highway improvement aid will provide nearly \$143 million in State payments to local governments during 1970-71, and town highway improvement aid, scheduled to be terminated at the end of 1971-72, will be extended and enriched.

Highway Beautification and Safety New York State's ability to develop highways that are scenic, as well as safe and efficient, has once again been recognized by the United States Department of Transportation. In the second annual Highway Beauty Awards Competition, the State Department of Transportation received four of the sixteen national citations for which it was eligible. The beautiful settings of New York's highways will be further enhanced by new legislation which authorizes the Commissioner of Transportation to dispose of junkyards visible from the public way. To make highway travel safer, the State tests and licenses New York drivers, and requires registration and inspection of all motor vehicles. The State Police patrol the State's highways to enforce traffic laws and protect travelers.

HEALTH . . . 12 per cent of State Budget

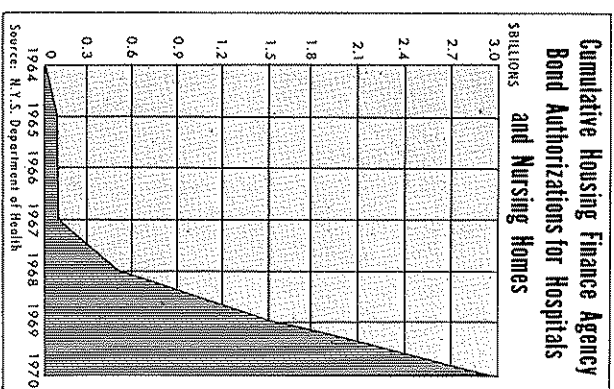
A total of \$873 million will be provided for health services and environmental protection for New York residents in 1970-71. This amount represents an increase of \$151 million, or 21 per cent, over the previous year.

Public Health To protect the health of its citizens, the State supports community health agencies which furnish maternity and child-care services, home nursing care, laboratory services and protective inoculations. This year the State is providing \$400,000 for a special aid program of inoculation, surveillance, testing and education designed to combat rubella (German measles), a disease that endangers unborn children. Rubella has also been added to the list of State-required immunizations of children.

Five State hospitals treat patients having cancer, tuberculosis or physical handicaps, and research in cancer, kidney disease and birth defects is conducted at three State institutes.

State-aided out-patient clinics for slum-area residents are now opening in a growing number of cities, while State-operated offices provide referral services and factual health information.

Health Care Facilities The State continues to face an urgent need for new and modernized hospitals, nursing homes and health-related facilities. A pioneering State program of low-cost loans for such facilities began in 1965, when the Legislature created a \$100 million fund to assist nonprofit nursing homes. So great was the need that the authorization was increased in 1968 to \$500 million and later extended, with voter approval, to voluntary hospitals. This year the State Housing Finance Agency's authority to make long-term low-interest mortgage loans was raised from \$700 million to \$1.2 billion for municipal hospitals and health-related facilities, and from \$850 million to \$1.75 billion for voluntary hospitals and nursing homes.



Health Care Costs A matter of grave concern to New York State government is the mounting spiral in the cost of medical care. To coordinate the State's study of this complex problem, the Division of Health Economics was created in the Health Department last year. The Division is charged with carrying out the 1969 Cost Control Law, which directs the Department to control hospital costs by setting up systems for cost accounting and by establishing specific standards for the determination of hospital rates. This year the Governor's Committee on Social Problems has been asked to develop recommendations for action and reform in this critical aspect of the State's economy.

Environmental Health New York State has led the nation in the extent of its commitment to environmental health. Using \$1 billion in voter-approved bonds, its Pure Waters Program has helped

build approved waste-treatment plants, and municipalities across the State have received aid for the operation of local treatment facilities. A program for air pollution control, inaugurated in 1957, was greatly expanded in 1966, and control standards for the entire State, supported by a continuous air monitoring network, have now been set.

To strengthen its safeguards against further deterioration of our environment, the State has this year:

- Created a new State agency, the Department of Environmental Conservation, to integrate all State activities for the control and abatement of environmental pollution.
- Converted the State's Pure Waters Authority into the Environmental Facilities Corporation, with expanded powers to assist communities in all phases of pollution control, water supply management, and solid waste disposal.
- Created a State Nature and Historical Preserve.
- Imposed new restrictions on the use of pesticides.
- Stiffened civil and criminal penalties against violators of the Water Pollution Control Law.
- Forbidden the construction or operation of steam-electric generating facilities without a State permit for thermal discharge.
- Enacted improved State aid programs for municipalities planning sewage treatment and solid waste facilities.
- Provided an appropriation of \$750 million to prefinance the Federal share of the cost of constructing sewage treatment plants.
- Established a new State aid program for the construction of sewage collection systems in smaller communities.
- Strengthened the power of counties to locate sanitary landfills for the disposal of solid wastes.

Mental Health Programs in the field of mental health carry out a major responsibility of State government, and during 1970-71 New York will spend \$566.7 million for its mentally ill and retarded. During the past year, the number of patients in New York State's mental hospitals dropped by more than 6,000, or approximately 9 per cent of the total hospital population. This continuing reduction can be attributed largely to the development of new programs which stress intensive care of the mentally ill, expansion of State-aided local community mental health services, and improved administrative practices. This year, construction was begun on the new South Beach Psychiatric Center on Staten Island, the first of six new State hospitals. These will be small, community-based facilities specifically designed to house a variety of treatment and rehabilitative activities.

State programs for the mentally retarded also reflect improvement. Over the past four years, the number of employees at State schools for the mentally retarded has been increased by almost 4,000, resulting in a reduction from 2.5 to 1.5 in the ratio of patients to staff. As a result, over the past year 2,400 residents of State schools have reached such levels of self-sufficiency that they have been able to return to their own communities. This year, emphasis will be placed upon more intensive, individualized treatment for the retarded.

A third summer camp for the mentally retarded will be opened this year. Located near Buffalo, the new camp will be able to accommodate 420 campers for each of five two-week camping sessions. Since the summer camp program began two years ago, more than 4,000 retarded children and adults have enjoyed the activities at camps located in Saratoga and Sullivan counties.

Of the State's 62 counties, 61 are now operating community mental health and retardation programs, with the State contributing funds for both the construction and operation of local facilities. This represents a significant increase over the 26 county programs in existence in 1960, and stands as a measure of the growing success of the partnership of State and local governments in providing quality care for the mentally disabled. Persons only moderately disabled can now receive a wide range of services in their own communities, while the State concentrates its resources on the more severely retarded and mentally ill. During the past year, more than 200,000 persons were aided in their own communities through local programs.

Narcotic Addiction The Narcotic Addiction Control Commission was created in 1966 to spearhead New York State's efforts to reduce the human misery and social costs of drug abuse. It has directed its major efforts to treating and rehabilitating known drug addicts, and to investigating the causes and cures of drug addiction. Today the Commission is treating more than 13,000 people in both public and private programs which are operated or funded by the State. This year's budget contains \$65.4 million to meet the cost of programs for institutional and community-based treatment of addicts, narcotic education and research.

During 1970-71, greatly expanded efforts will be undertaken to control the proliferating use of drugs. The Methadone Maintenance Program has been significantly enlarged this year,

and will provide \$15 million to treat approximately 20,000 heroin addicts with methadone, a drug which, while not a cure, enables the addict to lead a reasonably normal life. Furthermore, an appropriation of \$1 million now permits the Division for Youth and the Department of Social Services to expand their educational and counseling programs. The Division for Youth has also been authorized to provide residential treatment facilities, particularly for youthful drug abusers under 15. A sum of almost \$1 million will reimburse the Department of Social Services for the institutional care of certified addicts under 16 who will be transferred from the Narcotic Addiction Control Commission.

New legislation will enable the State to provide \$65 million in additional State aid to localities to operate treatment centers for youthful addicts. The State Housing Finance Agency has also been authorized to sell an additional \$200 million in bonds to help build local treatment centers, and funds are budgeted to implement this program. Other State actions this year include the creation of a Temporary State Commission to Evaluate the Drug Laws, and increased emphasis on encouraging community support for programs to reduce the incidence of drug abuse. An estimated \$800,000 has been allocated to the Education Department for the special training of approximately 10,000 New York State teachers to increase their understanding of the drug problem and their ability to discuss its implications with today's students.

GOVERNMENTAL AFFAIRS

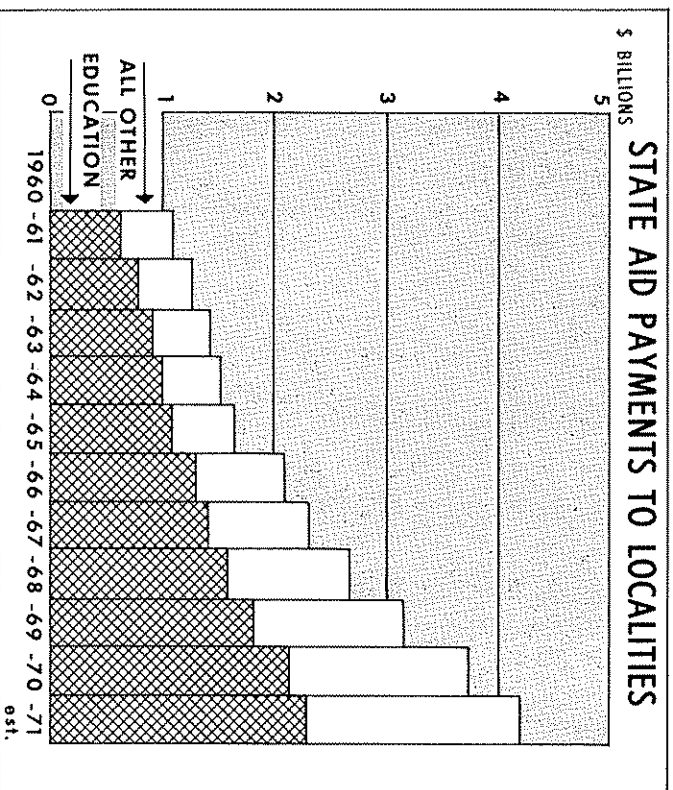
New York State is a leader in providing, at relatively low cost, the many services necessary in a representative democracy. These include operating the courts, the Legislature, the Executive Department and the other departments and agencies that serve the State's residents, municipalities and employees.

Improving State Government Administrative effectiveness and efficiency become more important as the size and number of State programs expand. Essential management procedures, such as revenue collection, personnel administration, central purchasing, accounting and auditing, are constantly improved by State agencies, often with the advice and assistance of inter-departmental committees and advisory councils. Installation of

electronic data-processing facilities has helped greatly to reduce costs and improve operations. A Legislative Commission on Expenditure Review was created last year to analyze the efficiency and effectiveness of State departments and agencies in fulfilling their statutory responsibilities. This year a Temporary Commission to Study the Court System was established to recommend ways of modernizing the State's court structure.

Intergovernmental Relations Action centers around intergovernmental relations in today's rapidly shifting picture of program needs as measured against available resources. While the main pressures for new or expanded domestic programs have been felt most keenly by local governments, particularly large city governments, and by state governments, the lion's share of new revenue growth is found at the Federal level.

For its part, New York State has made a strong effort to relieve some of the fiscal pressures felt by its local governments. The State will distribute some \$4.2 billion in State aid among its local governments in 1970-71, an increase of 275 per cent over the amount granted a decade ago. This year's additions to estab-



lished State aid programs include a revenue-sharing program for local governments, effective in 1971-72; local sharing in the proceeds of a new low-priced State lottery system; increased and extended town highway aid; and new programs of State aid for the construction of sewage collection systems and local narcotic addiction facilities. In addition to providing financial aid, the State assists localities in their efforts to improve their own government structures. The Office for Local Government, the Department of Audit and Control and the Department of Civil Service all contribute significant technical services to local governments.

NEW STATE REVENUE-SHARING PLAN

Legislation was enacted this year to establish a State revenue-sharing plan, effective in State fiscal year 1971-72. This marks a major advance in the State's relationships with its localities and should prove a strong stabilizing factor in local government finances.

Under the present State per capita aid and special city aid programs, local governments in the State receive a fixed amount per capita, based in part upon certain equalization factors. The new program, which replaces these aid programs, emphasizes the concept of revenue sharing, which has the important advantage to localities of tying the aid they receive to the normal annual growth rate of the State's revenues. By sharing a sum equal to 21 per cent of the State's personal income tax receipts for the previous year, the State in 1971-72 will enrich its general aid programs by \$247 million, or 70 per cent, for a total distribution to localities of \$598.5 million.

... 10½ per cent of the State's personal income tax collections will be shared with all cities, counties, towns and villages. Such governments will have their per capita aid allotments raised in 1971-72 by an average of nearly 60 per cent over the amount scheduled under the present formula.

... The remaining 10½ per cent revenue share will replace the present special city aid program. It will be distributed to cities in 1971-72 on the basis of their respective populations, and will be almost double the amount that would be provided under the present program.

... The two phases combined will produce an increase of \$158 million for New York City in State fiscal year 1971-72, with other increases expected to be as follows: other "Big Six" cities, \$21 million; all other cities, \$26 million; towns, \$30 million; counties, \$7 million; and villages, \$5 million.

The State has also worked to broaden potential local revenue sources. This year, for example, in order to allow hard-pressed New York City to do a better job of helping itself, the State authorized the following:

- ... Right to establish an off-track betting system (other areas may develop such systems at their option).
- ... Increased commercial rent tax.
- ... New hotel occupancy tax.
- ... State-collected automobile use and parking sales taxes.
- ... State cooperation in collecting traffic fines.
- ... State collection of the City personal income tax on residents and payroll tax on nonresident commuters.

State Employees This year for the first time most State employees are covered by written, collectively negotiated agreements. The agreements are for two-year periods, commencing April 1, 1970. They result from collective negotiations, following elections held in the summer of 1969, between the State and employee organizations certified to represent its employees. Basic agreements reached on economic items provide:

- ... A 7½ per cent salary increase, with a minimum raise of \$750, of which \$250 becomes effective on October 1, 1970; an additional 6 per cent, with a \$525 minimum, in 1971.
- ... A minimum annual salary of \$6,000, effective April 1, 1971, for those who have completed one year of State service.
- ... Improved pension benefits for employees with 20 or more years of service.
- ... Development of a noncontributory dental plan by 1971 covering major dental expenses of State employees and dependents and other health insurance improvements.

In addition, the agreements provide for comprehensive grievance and arbitration procedures, safety standards, improved disciplinary procedures, and higher allowances for travel and lodging expenses. Certain terms and conditions of employment vary by negotiating unit to accommodate particular situations.

The State's program for adjusting retirement allowances based on changes in the cost of living was updated to reflect price rises through 1969. In addition, persons retired from the State Employees Retirement System prior to social security coverage receive an additional 20 per cent increase in supplementation.

PERSONAL SAFETY

Organized Crime Task Force The control of organized crime in New York State was substantially strengthened this year under legislation which mandates the establishment of a statewide organized crime task force within the Department of Law. The task force is empowered to conduct investigations and prosecutions of organized crime involving two or more counties, or New York and other states, and to aid district attorneys and other local law enforcement officials in their efforts.

Crime Control The New York State Crime Control Council is responsible for the coordination of law enforcement activities among State agencies and between State and local criminal justice agencies. The Crime Control Planning Board, and its staff arm, the Office of Crime Control Planning, are charged with the preparation and maintenance of a comprehensive statewide crime control plan and the use of Federal funds in carrying out the plan. The State Identification and Intelligence System's computerized library of fingerprints, criminal records, and other data provides statewide coverage for local enforcement agencies as well as direct linkage to nationwide coverage through FBI crime computers in Washington, D.C.

Correctional Services The changes embodied in the newly created Department of Correctional Services reflect a comprehensive modernization of correctional programs and place the State in the forefront of national efforts to reduce reimprisonment.

The new department, which will begin operations in January 1971, will combine the responsibilities of the Department of Correction and the Division of Parole and will thus exercise unified leadership and direction over the institutional and field programs for convicted offenders and ensure the development of a consistent and continuous system of rehabilitation. The Board of Parole will continue as an independent body within the new department. The State has provided \$82.7 million for these services during 1970-71.

Probation Services The operations and responsibilities of the Division of Probation will be expanded and transferred from the Department of Correction to the Executive Department effective January 1, 1971. In addition to its former duties, the Division will

be authorized to provide complete probation services at State expense upon the request of any county having up to five probation officers. Moreover, when the Division finds an absence of adequate probation services in a county, it may, after consultation with the State Probation Commission, assume the operation of such services in that county for up to two years.

The Division will also continue to provide training programs for State and local probation personnel, and will maintain the present program of 50 per cent State aid to localities for the cost of approved probation services. A total of \$15.6 million has been provided to support these services during 1970-71.

EXPANDED CRIME CONTROL EFFORTS

- New York's extensive criminal justice network has been strengthened by new legislation which:
- Creates an organized crime task force headed by a statewide prosecutor, within the Department of Law, to investigate and prosecute organized crime across county lines.
 - Strengthens State efforts to reduce criminal repeaters by creating a new Department of Correctional Services.
 - Tightens controls over the sale of explosives and increases penalties for their illegal use.
 - Extends the life of the State Commission of Investigation to April 30, 1973.
 - Broadens the authority of the Waterfront Commission to combat air cargo thefts and infiltration of the air freight industry by organized crime.
 - Enables the State to establish and operate facilities to ease the shortage of proper detention centers for juvenile delinquents.
 - Strengthens probation services throughout the State by establishing an independent State Division of Probation and providing for State operation of local services in less populous counties.
 - Strengthens the effectiveness of the District Attorney's office by setting a minimum salary in large counties.
 - Increases protection against child abuse by authorizing social workers to remove an endangered child from his home, broadening the definition of "child abuse" and allowing guardians to represent children in abuse proceedings.

State Police The Division of State Police is faced with a rapidly expanding field of responsibility as a result of rising crime rates and completion of substantial new highway mileage. In addition to its patrol, enforcement and detection activities, the Division operates the newly completed State Police Academy. This facility

will permit the Division to step up its in-service training activities and offer advanced courses for both State and local personnel.

Civil and Military Defense The Division of Military and Naval Affairs maintains, houses and trains the State's military forces — the Army National Guard, Air National Guard, Naval Militia and State Guard. The Civil Defense Commission and the Division of Military and Naval Affairs are responsible for coordinating State operations during possible disorders or disasters resulting from civil, military or natural causes. A coordinated State plan for civil defense has been developed to make use of the services and resources of other State agencies.

RECREATION and CULTURAL ENRICHMENT

Parks and Recreation New York's 126 State parks, encompassing more than 227,000 acres, will be host to an estimated 47.5 million visitors this year for swimming, camping, boating, hiking, picnicking, tennis, golf and winter sports. The newest addition to the park system, the 2,500-acre Hudson Highlands State Park, was dedicated in May 1970. Plans call for this park to be preserved in its present natural state. An Office of Parks and Recreation has been created this year within the Executive Department. This Office will assume the functions of the Divisions of Parks and Motor Boats and the Saratoga Springs Reservation.

New York's long-range program for acquiring and developing land for park and recreational use has enabled local governments, as well as the State, to expand and improve their facilities. Under the Park Land Acquisition Program, begun in 1960, \$50 million has been made available to counties, cities, towns, villages and improvement districts to aid in the costs of acquiring open and natural lands for park conservation or recreational purposes. The \$400 million Outdoor Recreation Development Program permits the State to reimburse localities for up to 50 per cent of the cost of developing municipal parks, local marine facilities, harbors of refuge and municipal historic sites.

Thousands of inner city residents will again enjoy visits to parks and recreational centers this summer under the popular Urban Recreation Program. An experimental program, begun in 1968-69, which includes combined nature study and hiking programs for the disadvantaged, will also be continued this year.

Progress is being made in the development of two new State parks in New York City, both representing a unique effort to "bring the parks to the people." One of these, Riverbank State Park, will be of exceptional interest in that it is being constructed on top of a new sewage treatment plant on the Hudson River.

The growing popularity of camping is shown by the fact that record numbers of campers are expected to enjoy the natural beauty of New York State this year. The State maintains a system of camping areas which include trailer and tent sites, cabins and lean-tos. These facilities are available by the day or for overnight stays. An additional 50 miles of hiking, bicycling, snowmobile and horseback trails are planned this year.

The responsibilities of the Division of Motor Boats have increased in proportion to the growing popularity of recreational boating. The Division sets standards of boating safety and sanitation, enforces the State's navigation law, operates the marine facility program and is responsible for the registration and identification of over 425,000 motor boats operating on State waters.

The New York State Historic Trust, created within the Division of Parks in 1966, operates and maintains historic sites. This year the Trust will acquire the Parrott Hall site and the Seneca Indian site of Gannagaro in Ontario County.

Cultural Enrichment This year stands as an historic date in New York State's support of the arts. The New York State Council on the Arts will administer an \$18 million program of new State aid to nonprofit performing arts centers, libraries, museums, symphony orchestras and opera companies. This money will be used to offset operating deficits and ensure the continued stability of these cultural organizations. Under existing programs, the Council provides grants to resident and touring companies, assists in the preparation and financing of traveling museum exhibits and aids in the formation of local organizations for the arts. In addition, the Council funds artists and art groups located primarily in ghetto areas.



State aid to the arts means fun for city children.

HOUSING and COMMUNITY DEVELOPMENT

Public Housing Under its traditional public housing program, New York State has now invested almost \$1 billion in 141 projects to provide 66,340 low-rent dwelling units. These efforts have recently been supplemented by two additional programs involving considerable private participation. The Capital Grant Low-Rent Assistance Program subsidizes rental quarters in middle-income projects for low-income families working to achieve full self-support. A second program utilizes a \$10 million fund to provide "seed money" loans to private nonprofit sponsors of low-income housing. A proposition will be submitted to the voters in November 1970 to increase by \$20 million the ceiling on annual State subsidies for low-rent public housing and community renewal projects.

Community Development The Office for Community Affairs, established in the Executive Department in 1969, serves as the focal point of State efforts to develop programs to meet the special problems of urban areas and of the disadvantaged. The Office also serves as the State's liaison with the Federal Model Cities and Economic Opportunity programs. Under the Model Cities Program, the State may provide a percentage of a local community's application costs and may then prefinance up to 90 per cent of the total approved planning costs.

Locally initiated urban renewal projects, whose net costs are shared by the Federal, State and local governments, have contributed toward the planned redevelopment of our urban areas. Since the start of the State's participation in 1959, 60 communities have been granted \$107 million for 103 projects.

Urban Development Corporation The New York State Urban Development Corporation, created in 1968, unites public and private resources in a positive approach to urban improvement. With its wide-ranging ability to design and construct residential, civic, industrial and commercial facilities, conduct research and demonstration projects and sponsor municipal development projects, the Corporation has added a new dimension to the State's urban policies. U.D.C. activities range from the redevelopment of a residential-industrial complex in Newburgh to planning for the integrated utilization of New York City's Welfare Island and for the creation of "new town" areas adjacent to several of our larger cities. To date, the U.D.C.'s 145 contracts involve \$26 million.

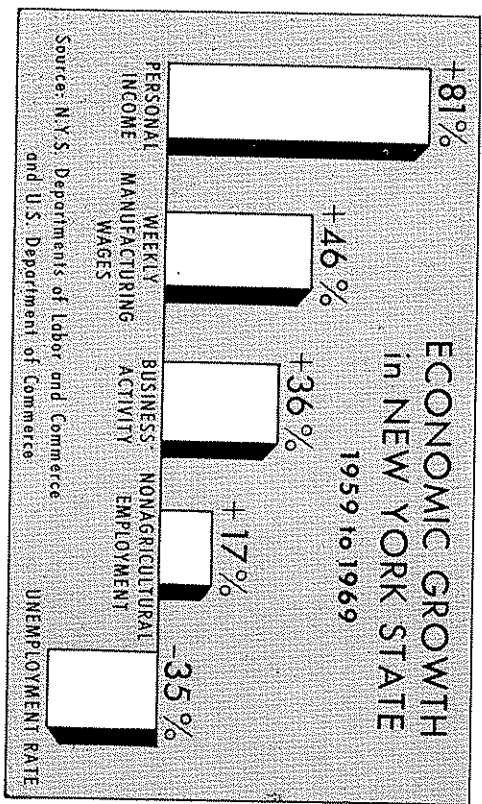
Middle-Income Housing The creation of the New York State Housing Finance Agency in 1960 gave the State an effective device for channeling private funds into the middle-income housing market. To date, the H.F.A. has invested more than \$1 billion in the planning and construction of middle-income apartments, including low-interest loans to private nonprofit sponsors. This program was considerably expanded this year when the Agency was authorized to make such loans to nonprofit sponsors for the construction of projects for the handicapped and the disadvantaged. To date, more than 60,000 apartments have been financed by the H.F.A. and direct State loan programs.

Home Mortgage Funds The success of most housing programs ultimately depends on the availability of mortgage financing. With the passage of new legislation this year, savings banks are now required to maintain a minimum level of investment in in-State home mortgages, which should produce a consequent easing in the supply of home-financing funds. Other legislation authorizes the Property and Liability Insurance Security Fund to invest up to one-third of its assets in home mortgages. This fund, established to protect citizens against the insolvency of insurers, should benefit from a broadening of investment opportunities. With the establishment this year of the State of New York Mortgage Agency, another significant step has been taken to alleviate the crisis in home mortgage financing within the State. The Agency will be authorized to sell up to \$750 million worth of bonds and to use the proceeds to purchase existing mortgages now held by banking institutions.

BUSINESS and INDUSTRY

Economic Development State government takes an active role in promoting the business and agricultural prosperity which marks the State's diverse and balanced economy. The State's vigorous economic expansion in recent years has enabled its residents to share in record levels of employment, income, and business and industrial activity. The State's efforts to attract new business and encourage the expansion of existing facilities have enabled New York to maintain its position of commercial and industrial leadership. Since 1958, there have been more than 7,300 major new manufacturing plants and industrial expansions in the State, with 754 in 1969 alone.

Assistance to Business The State offers many services to assist businesses that are already operating in New York or that are considering locating here. The State Commerce Department's International Commerce Division, with offices in Belgium, Canada, Japan and Puerto Rico, has stimulated over \$400 million in new



exports since its program began in 1962. The Department sends over 5,000 notices yearly to keep businessmen in the State informed of opportunities to bid on Federal contracts. The small businessman in the State receives specialized training through State business management courses, and in New York City may avail himself of store-front consultation offices in underprivileged areas. The State also assists businesses in utilizing the results of research through its Technical Services Program.

This year the Urban Job Incentive Board was redesignated as the Job Incentive Board and its program extended to smaller cities and low-employment rural areas. The Board was established in 1968 to encourage private capital to undertake job training and to locate, expand or improve business facilities in low-employment areas by offering tax credits. To date, 58 applications have been approved that will create or retain nearly 5,900 jobs. The New York Job Development Authority, established in 1962, has approved over 400 loans to business totaling \$50 million, with over 22,000 jobs created or saved.

Consumer Protection The consumers of New York State have long been beneficiaries of numerous programs ensuring them of

fair treatment in the market place. The State regulates the dairy industry, food processors, financial activities, real estate sales, public utilities, horse racing and other sports, and the alcoholic beverage industry. In addition, licensing of doctors, nurses, funeral directors, accountants and other professionals assures high standards of service for New York State consumers. As part of the State's program to regulate out-of-State land sales, over \$1 million was recovered in 1969 and returned to New Yorkers who were bilked in out-of-State retirement land transactions.

NEW CONSUMER PROTECTIONS

- • • A new State Consumer Protection Board to represent the interests of consumers before Federal, State and local administrative agencies.
- • • Modernization of the Public Service Commission to increase its capacity to respond to the public interest, including a new requirement for bipartisan representation.
- • • A new Credit Data Reporting Act to protect consumers from the spread of inaccurate information on their credit.
- • • A requirement that firms doing a mail-order insurance business in this State be qualified by the Insurance Department as being sound and responsible.
- • • Provision of a three-day "cooling off" period after signing a contract or purchase agreement, within which a buyer may cancel a home solicitation sale.
- • • Stronger powers for the Attorney General to obtain restitution for defrauded consumers through injunctions.
- • • A new 14-member Special Food Advisory Committee to encourage food processors and retail chains to develop programs of consumer education, as well as to encourage improved marketing practices in low-income areas.
- • • A new program to inspect poultry slaughterhouses and poultry-product processing plants to protect consumers in the sale of poultry not covered by Federal inspection.

Tourist Industry New York is fortunate in the abundance of its natural beauties, historic sites and man-made attractions which yearly draw many tourists to the State. Combined with vacationing travelers from within our borders, these tourists contribute substantially to New York's economic strength. Tourism yields

the State nearly \$3.5 billion annually and benefits over 500 communities and thousands of the State's smaller businesses.

The State's Department of Commerce operates several travel information centers, including a popular ground floor center in midtown Manhattan, as well as travel and trade promotion offices in Montreal and overseas. Under a new program authorized in 1969, construction of the first of a planned network of travel centers on State highways will begin this year. These centers, to be built and staffed with private capital but operated under State regulation and inspection, will offer food and lodging as well as travel information.

Agriculture Many New York programs help farmers to maintain the high level of agricultural production that is so strong a component of the State's economy. The State's Department of Agriculture and Markets establishes and enforces regulations governing the production, packaging and distribution of food products sold in the State. It grades foods, enforces the pure food laws, licenses food handlers, and inspects nurseries. This year the Commissioner was permitted to establish separate rules and regulations for the production and sale of animal feeds, which were formerly subject to the same regulations as human foods. The Department's Market News Service provides information on prices and supplies of foods, benefiting producer and consumer alike. The State participates in programs to improve crop yields and protect animals and plants from disease and insects.

NATURAL RESOURCES

Conservation Conservation of New York State's varied natural resources is imperative if they are to serve as a source of recreation and commerce for present and future generations. The Conservation Bill of Rights, ratified by the voters in November 1969, amends the State Constitution to establish as State policy the conservation and protection of natural resources and scenic beauty in



Mountains and lakes abound in New York State.

New York State. It also requires that adequate provision be made for the abatement of air, water and noise pollution. The State Nature and Historical Preserve Trust, created in part to implement the new amendment, will work to preserve and protect lands of historical, geological or ecological significance.

A new Department of Environmental Conservation has been established to draw together in a single agency the responsibilities for conserving, developing and protecting the State's natural resources and environment and for controlling the pollution of our land, air and water. The new Department, which began operations on July 1, 1970, absorbs many of the functions of the Conservation Department, as well as those of the Water Resources Commission and the Natural Beauty Commission, which are abolished. It also embraces those functions of the Health Department relating to air and water pollution control and the pesticide control functions of the Departments of Agriculture and Health. Other significant legislation enacted this year permits cities and villages, as well as towns, to create conservation advisory councils to advise in the promotion, development, management and protection of natural resources at the local level. The State will provide these councils with technical and other services.

The State conducts flood-control, beach-erosion and hurricane-protection programs. It provides State aid to county watershed protection districts to help preserve local water resources. It also assists in preserving the State's mineral riches through regulations and assistance to mineral industries.

Wildlife and Forests The State operates six game farms and seventeen fish hatcheries for the benefit of hunters and fishermen. In addition, State programs provide training for an estimated 85,000 hunters during the year. Two laws protecting endangered species of fish and wildlife will take effect on September 1, 1970. The first prohibits the transportation, possession or sale in the State of any endangered species of fish or wildlife or their hides or parts. The second prohibits sale of the skins of certain species of wild animals or products made from them.

Management of the 424 State reforestation areas, comprising 715,000 acres, helps ensure an adequate future timber crop. Many State experts also provide technical advice on forest operations, marketing, and reforestation techniques to 9,700 cooperating forest and farm woodland owners. Three State nurseries and one shrub nursery will distribute 15 million seedlings this year for reforestation of State and private lands.

APPENDIX

Table 1. STATE FINANCIAL OPERATIONS

(millions of dollars)

	1969-70	1970-71	Change
	Actual	Estimated	
Income			
Current revenues	5,907	6,456	+ 549
Bond funds	304	671	+ 367
Total income	<u>6,211</u>	<u>7,127</u>	<u>+ 916</u>
Expenditures			
State aid			
Local Assistance Fund	(3,688)	(4,099)	(+ 411)
Capital Construction Fund	(30)	(141)	(+ 111)
Total State aid	<u>3,718</u>	<u>4,240</u>	<u>+ 522</u>
State operations	1,876	2,195	+ 319
Capital construction	496	542	+ 46
Debt service on bonded debt	117	150	+ 33
Total expenditures	<u>6,207</u>	<u>7,127</u>	<u>+ 920</u>
Surplus	4	.....	- 4
Net first instance repayments by the Federal government, public authorities and localities of loans temporarily advanced from capital reserves			
	16	- 87 ^a	- 103

^a Advances are estimated at \$87 million more than repayments.

Table 2. CURRENT REVENUES

(millions of dollars)

	1969-70	1970-71	Change
	Actual	Estimated	
Personal income tax	2,506	2,825	+ 319
User taxes and fees	2,026	2,233	+ 207
Sales and use tax	1,012	1,180	+ 168
Motor fuel tax	370	390	+ 20
Cigarette tax	257	258	+ 1
Motor vehicle fees	212	220	+ 8
Alcoholic beverage tax	113	122	+ 9
Alcoholic beverage control licenses	33	33	.....
Highway use tax	29	30	+ 1
Business taxes	962	957	- 5
Corporation franchise tax	529	510	- 19
Corporation and utilities taxes	248	261	+ 13
Bank tax	86	89	+ 3
Unincorporated business tax	78	73	- 5
Insurance premium tax	21	24	+ 3
Receipts from other activities	322	333	+ 11
Pari-mutuel tax	158	167	+ 9
Estate tax	128	126	- 2
Lottery	26	30	+ 4
Real estate transfer tax	6	6	.....
Other taxes	4	4	.....
Miscellaneous receipts	91	108	+ 17
Total current revenues	<u>5,907</u>	<u>6,456</u>	<u>+ 549</u>

Table 3. LOCAL ASSISTANCE FUND APPROPRIATIONS

(thousands of dollars)

Agency or Purpose	1969-70	1970-71 ^a
Education, total	2,223,264	2,398,341
Education, total	2,083,929	2,239,466
Support of public schools	2,101,346	2,101,346
Special education programs	1,974,270	65,433
Aid to nonpublic schools	65,434	28,000
School lunch and milk program	27,500	27,500
Library aid	15,490	15,500
Recreation for the elderly	725	812
Physically handicapped children	600	875
State University, total	139,335	158,875
City University of New York	89,535	90,875
Community colleges, incl. N.Y.C.	44,000	68,000
SEEK program	5,750	.....
Social Services, total	877,964	980,137
Public assistance and care	861,764	959,537
Care of juvenile delinquents	8,750	10,600
Food-on-the-table program	7,450	10,000
Taxation and Finance, total	439,756	496,713
Per capita aid—regular	202,272	203,038
Per capita aid—special city	99,784	149,675
County's share of motor fuel tax	75,000	78,000
Local share of motor vehicle fees	52,000	55,000
Railroad tax relief	10,700	11,000
Mental Hygiene, total	70,644	138,011
Operating aid	64,138	65,901
Facilities construction	6,506	7,110
Narcotic Addiction Control Commission	.....	65,000
Health, total	73,147	73,884
General public health work	47,697	45,816
Sewage treatment	11,300	9,000
Operation of medical clinics	425	5,760
Physically handicapped children	1,800	5,400
Nursing home construction	4,775	5,210
Laboratories and blood banks	2,000	2,070
Tuberculosis care	650	428
Construction of solid waste facilities	.....	200
Rodent control	4,500	54,933
Housing, total	61,146	37,207
Housing subsidies	36,907	17,000
Urban renewal grants	23,500	726
Urban renewal subsidies	739	18,000
Council on Arts	.....	15,200
Correction—probation services	12,991	12,948
Transportation, total	12,948	10,812
Town highways	10,812	2,136
County highways	2,136	10,495
N.Y.C. rent control	9,649	8,100
Youth, Division for	7,750	4,150
Judiciary — justices' salaries and expenses	4,130	2,487
H.F.A.—low rent lease account	4,500	670
Conservation	571	1,373
Miscellaneous	1,286	4,215,442
Total	3,799,746	.....

^a Excludes allowance for possible deficiency appropriations.
^b Transferred to State Purposes Fund.

Table 4. STATE PURPOSES FUND APPROPRIATIONS

(thousands of dollars)

Agency or Purpose	1969-70	1970-71 ^a
State University	354,387 ^b	395,143 ^b
Mental Hygiene, Department of	322,643 ^b	340,037 ^b
Narcotic Addiction Control Commission	51,180	80,448
Transportation, Department of	157,940	169,490
Education Department	159,036	168,634
Executive Department, total	130,905	151,351
State Police, Division of	37,271	45,494
General Services, Office of	23,139	25,330
Parole, Division of	10,962	11,553
Military and Naval Affairs, Division of	8,524	9,293
Youth, Division for	6,021	8,184
State Identification & Intelligence System	5,714	7,628
Local Government, Office for	5,639	7,014
Alcoholic Beverage Control, Division of	3,569	6,248
Executive Chamber	3,569	4,738
Housing and Community Renewal, Div. of	4,289	4,611
Budget, Division of the	3,740	3,957
Human Rights, Division of	3,380	3,536
Planning Coordination, Office of	3,096	3,200
Civil Defense Commission	3,068	3,094
Council on the Arts	2,206	2,131
Veterans' Affairs, Division of	1,791	1,946
Crime Victims Compensation Board	1,181	1,465
Crime Control Council	271	284
Other Executive agencies	1,414	1,645
Correction, Department of	64,330	71,592
Health, Department of	50,467	60,505
Taxation and Finance, Department of	50,455	59,635
Conservation Department	49,551	53,728
Social Services, Department of	38,780	45,231
Motor Vehicles, Department of	22,578	28,083
Judiciary	18,766	21,743
Legislature	19,370	20,613
Labor, Department of	14,971	16,356
Audit and Control, Department of	14,189	15,764
Law, Department of	12,466	14,332
Civil Service, Department of	11,282	13,276
Agriculture and Markets, Department of	10,598	12,439
Commerce, Department of	8,220	8,873
State, Department of	7,782	9,661
Public Service, Department of	5,417	7,117
Insurance Department	592	669
Banking Department	314	383
Other State agencies and commissions	28,975	65,455
All agencies—salary adjustments	113,035	113,856
General State charges	.....	.....
Pension administration, contributions	154,189	173,286
Social security admin., contributions	44,146	49,407
Health and compensation insurance	34,670	40,362
Taxes on public lands, judgements, etc.	14,210	14,199
Unemployment insurance	1,660	1,600
Total current operations	1,967,104	2,223,268
Debt service	159,094	131,692
Total	2,126,198	2,354,960

^a Excludes allowance for possible deficiency appropriations.
^b Excludes amount financed by the State University Income Fund.
^c Excludes amount financed by the Mental Hygiene Services Fund.

Table 5. CAPITAL CONSTRUCTION FUND APPROPRIATIONS
(thousands of dollars)

Agency or Purpose	Appropriations		Total Appropriations Available 1970-71
	Prior In Force April 1, 1970	New Appropriations 1970-71	
Transportation, Dept. of, total	1,624,446	462,841	2,087,287
Mass transportation & aviation	831,937	102,811	934,748
Highways	583,753	311,035	894,788
Appalachian development program	69,892	16,495	86,387
Grade crossing elimination	65,736	65,736	131,472
Parkways — State	29,312	25,000	54,312
Taconic State Parkway	25,985	6,000	31,985
District offices and shops	5,415	5,415	10,830
Canals	4,342	500	4,842
Miscellaneous	8,074	1,000	9,074
Education, total	120,169	116,763	236,932
State University Construction Fund	90,677	86,929	177,606
State University	23,695	6,398	30,093
Community colleges	1,124	23,250	24,374
Education Department	4,673	186	4,859
Conservation Department	80,343	36,600	116,943
Mental Hygiene, total	85,964	24,052	110,016
Health & M.H. Facilities Improvement Corp.	60,991	23,452	84,443
Narcotic Addiction Control Commission	24,603	600	25,203
Mental Hygiene, Dept. of	370	47,783	48,153
Executive Department, total	61,140	108,923	170,063
General Services, Office of	46,199	40,045	86,244
Civil Defense Commission	7,669	50	7,719
Youth, Division for	887	5,248	6,135
Mil. & Naval Affairs, Div. of	2,961	1,190	4,151
State Police, Division of	2,994	250	3,244
Local Government Office for Parole, Division of	430	1,000	1,430
Correction, Department of	22,283	19,356	41,639
Social Services, Department of	13,905	3,643	17,548
Health, Department of	8,043	3,259	11,302
Public Service, Department of	1,935	3,475	5,410
Urban Development Corp.	2,186	3,000	5,186
Metropolitan Trans. Authority	3,632	1,444	5,076
Agriculture & Markets, Dept. of	607	50	657
Commerce, Department of	116	116	232
Other agencies	18	18	36
All agencies, unapportioned*	4,949	11,000	15,949
Total	2,029,736	733,266	2,763,002

* Includes amounts for rehabilitation and improvement; supplements for construction; and modifications of facilities for the physically handicapped, including level or direct access.

Table 6. FUNCTIONAL CLASSIFICATION OF ESTIMATED EXPENDITURES, 1970-71
(millions of dollars)

Function	General Fund	Federal Funds	Other Funds*	Total
Education	3,176	290	428	3,894
Social Development	1,167	1,287	117	2,571
Transportation and Travel	1,126	254	97	1,477
Safety	873	154	244	1,271
Health	316	22	186	502
Governmental Affairs	204	5	27	253
Personal Safety	91	16	112	219
Recreation and Cultural Enrichment	75	66	141	282
Housing and Community Development	45	31	79	155
Business and Industry	23	14	38	65
Natural Resources	31	1	31	63
Nonallocated general costs	7,127	2,016	1,226	10,369
Total	17,127	5,626	1,826	24,579

* Other Funds include first instance appropriations not reimbursed from Federal funds; gift and bequest funds; monies of independent operating funds, such as the Conservation Fund, which have earmarked revenues; and other monies.

Table 7. NET OUTSTANDING STATE DEBT, MARCH 31, 1970
(millions of dollars)

	Long Term	Temporary	Total
Tax-financed	319	492	811
Transportation capital facilities	()	(68)	(68)
Mass transportation	()	(4)	(4)
Aviation facilities	(319)	(420)	(739)
Highway construction	395	395	790
Highway health construction	140	21	161
Mental health construction	50	21	71
Pure waters	34	33	67
Higher education construction	48	1	49
Grade crossing elimination	1	1	2
General State improvements	1	1	2
Canals	1	1	2
Total tax-financed	987	566	1,553
Other	725	113	838
Housing and urban renewal	51	15	66
Park and recreation land acquisition	12	2	14
Outdoor recreation development	2	2	4
Parks and forest preserve	22	15	37
Grade crossing elimination	15	15	30
Pure waters	15	15	30
Transportation capital facilities (highways)	15	15	30
Total other	812	158	970

* Exclusive of State-guaranteed debt of the New York State Thruway Authority, Port of New York Authority, and Job Development Authority, which is not financed from State revenue.

^b Less than \$500,000.

^c Debt service is paid by municipal housing authorities and limited-profit housing corporations to whom loans were made.

^d Debt service is financed by park user fees and allocated motor fuel tax proceeds.

^e Debt service is paid by assessments against railroad companies.

^f Debt service is financed from municipal repayments.

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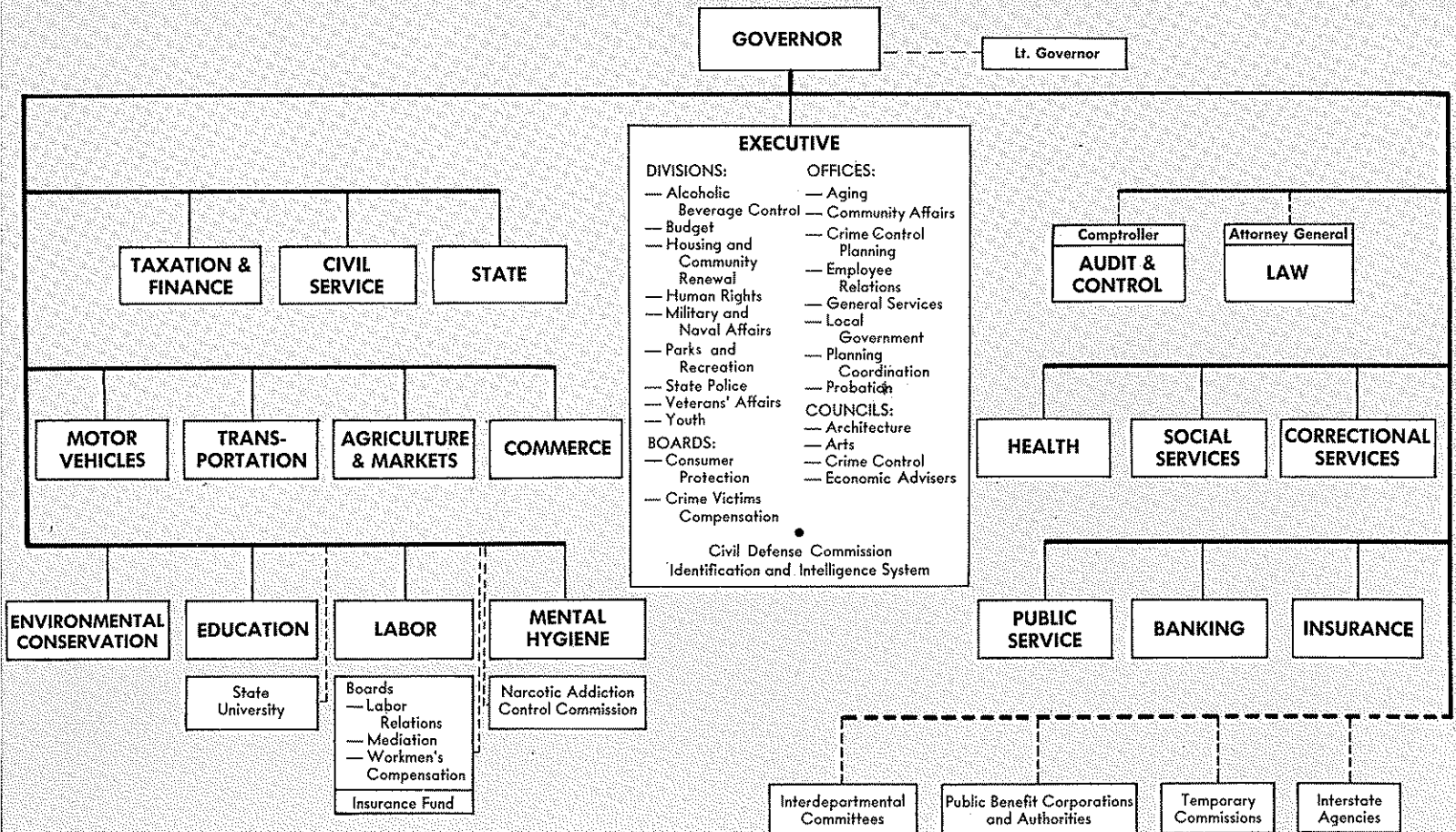
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ORGANIZATION OF THE EXECUTIVE BRANCH*



*Effective January 1, 1971