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NEW YORK STATE BUDGET SUMMARY

1954 - 1955



"This, my twelfth budget, naturally differs in some respects from the budgets which I have previously presented to you, but the philosophy embodied in it is the same. It is a philosophy of progressive government, alive to the changing needs of our society and using the soundest methods of administration and finance for the accomplishment of its ends. It is a policy which seeks to move toward positive long range social objectives in addition to making immediate social gains. It is a policy which attributes as much importance to the use of sound methods in the pursuit of its objectives as to the choice of the objectives themselves."

Governor Thomas E. Dewey
Budget Message
February 1, 1954

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EXECUTIVE DEPARTMENT
June, 1954

FOREWORD

This is a summary of the financial plan for operation of New York State government for the 1954-55 fiscal year.

Primary responsibility for the preparation of the State's budget rests with the Governor. He is required by the State Constitution to present to the Legislature, on or before February 1 of each year, a complete plan of estimated expenditures for the fiscal year beginning April 1 and estimates of the revenues expected to be available.

The Governor also presents legislative bills which incorporate his recommendations. The Governor's recommended appropriations include not only those for the year ahead but any deficiency appropriations required to complete the current year. Deficiency appropriations are necessary when amounts appropriated in prior years are insufficient for the intended purpose. Expenditures differ from total appropriations mainly by the amount of these deficiencies and by the amounts of prior years' committed but unspent appropriations carried forward for expenditure from one year to another.

The Governor may supplement or amend his budget during the legislative session. The Legislature may reduce or strike out items and, with certain limitations, may add new items. After passage of the budget bills, the Legislature may pass special appropriation bills or revenue measures.

Thus, the State's budget as it is finally adopted differs somewhat from the original financial plan presented by the Governor. This booklet has been prepared to meet the need for a summary of the financial plan as finally enacted.

Note on New York State Funds

This booklet deals mainly with the State's General Fund and the Capital Construction Fund. With some minor exceptions, the current operations of the State are financed through the State's General Fund.

The General Fund is divided into two subsidiary funds: 1) the Local Assistance Fund from which appropriations are made in support of units of local government, and 2) the State Purposes Fund from which appropriations are made for operation of State departments, for debt service, and for transfers to the Capital Construction Fund. General Fund revenues are divided between the Local Assistance and State Purposes Funds. Each has its own reserve fund to which operating surpluses are transferred, and which may be drawn upon if an operating deficit occurs.

The State's capital construction is financed through the Capital Construction Fund. This fund was originally built up from savings during World War II when little or no construction work could be done. Since then, its resources have been provided mainly by transfers from the General Fund, supplemented by transfers from the War Bonus Account and bond funds.

HIGHLIGHTS OF THE 1954-55 BUDGET

REVENUES AND EXPENDITURES

The 1954-55 budget is based on the assumption that economic activity in 1954 will not be greatly below that of 1953. Revenues and expenditures are expected to increase by four and five per cent, respectively. The budget is balanced by a narrow margin.

TAXES

The major tax rate change was an increase in the State's tax on harness racing pools. The ten per cent reduction in the personal income tax and the 25 per cent reduction in the unincorporated business tax were reenacted.

APPROPRIATIONS

General Fund appropriations total \$1,143 million of which \$639 million, or 56 per cent, is for local assistance and \$504 million, or 44 per cent, is for state purposes.

LOCAL ASSISTANCE

Appropriations for State aid for education total \$328 million, an increase of \$25 million over last year. The rise is largely the result of increasing school enrollment and the enactment of a program of emergency State aid for schools.

STATE PURPOSES

Salary increases for State employees, an increasing number of patients in the State's mental institutions, expanded facilities at the State's cancer hospital, and increasing pension requirements are among the major items accounting for the \$19 million increase in appropriations for the State's current operations.

RESERVES

The State's reserve funds reached an all time high of \$142 million on March 31, 1954.

CAPITAL CONSTRUCTION FUND

A \$350 million bond issue for mental health facilities was approved by the Legislature and will be submitted to the voters at the November election. Appropriations for new construction totaled \$217 million, \$85 million of it for highways, parkways, and grade crossings and \$79 million for mental health facilities.

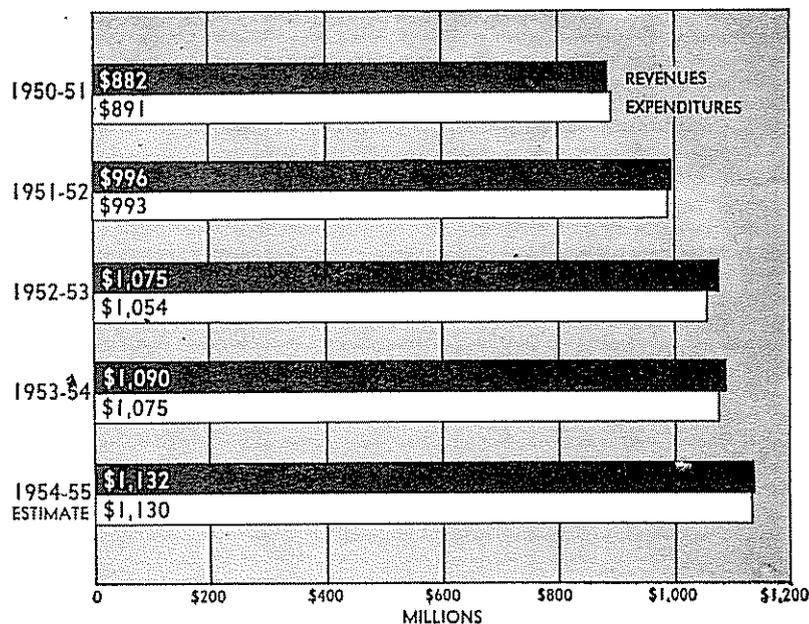
REVENUES AND EXPENDITURES

New York's General Fund revenues and expenditures are both expected to increase slightly in 1954-55, revenues by four per cent and expenditures by five per cent. With estimated revenues of \$1,132 million and expenditures of \$1,130 million, the 1954-55 budget is balanced by a narrow margin.

Estimates for 1954-55 are based on the expectation that 1954 will be a prosperous year with economic activity not greatly below that of 1953. At the same time, the State's fiscal planning for 1954-55 recognizes that there may be some rough spots ahead. State finances are in a position to meet any economic difficulties short of a major downward plunge. The State's Reserve Funds stood at \$142 million on March 31, 1954, and the State is ready with a substantial capital construction program. Capital Construction appropriations in force on April 1, 1954 totaled \$527 million. Bond issues for housing and mental health construction have been authorized by the Legislature and will go to the voters for approval in November.

GENERAL FUND REVENUES AND EXPENDITURES

1950-51 thru 1954-55



The continued upward trend in revenues is the result of high economic activity in 1953 and expected increased yields from some consumption taxes and the pari-mutuel taxes. Expenditures will also continue to rise mainly as the result of such factors as rising school enrollment, increasing institutional population, and increased employee retirement system contributions. A major legislative measure requiring additional funds was the enactment of a program of emergency State aid for schools. This added \$10 million to the 1954-55 local assistance fund requirements. Other important legislation provided increased compensation for State employees.

The 1953-54 fiscal year concluded with a surplus which permitted repayment of the final installment of the amounts borrowed from the Reserve Funds in 1949-50 and 1950-51, and left a net operating surplus of \$7.7 million. Although the operating surplus for 1954-55 is expected to be only \$2 million, it will bring the State's Reserve Funds to a new peak.

The table below summarizes General Fund revenues and expenditures for 1953-54 and 1954-55. Greater detail is shown in Table 1 of the Appendix.

GENERAL FUND REVENUES AND EXPENDITURES (Millions)

	Local Assistance	State Purposes	Total
1953-54			
Revenues	\$610.3	\$480.2	\$1,090.5
Expenditures	599.2	475.7	1,074.9
Gross Operating Surplus	\$ 11.1	\$ 4.5	\$ 15.6
Repayment to Reserve Fund	7.9		7.9
Net Operating Surplus	\$ 3.2	\$ 4.5	\$ 7.7
1954-55			
Revenues	\$633.6	\$498.8	\$1,132.4
Expenditures	632.9	497.5	1,130.4
Net Operating Surplus	\$ 0.7	\$ 1.3	\$ 2.0

REVENUES

The 10 per cent reduction in the personal income tax and 25 per cent reduction in the unincorporated business tax were continued by the 1954 Legislature. The State's tax on harness racing pools was substantially increased.

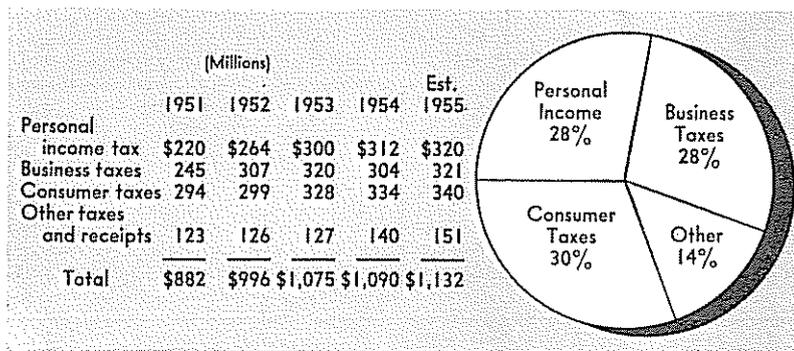
For 1954-55, the State's General Fund revenues are expected to total \$1,132 million, an increase of \$42 million over the amount collected in 1953-54. This is an increase of four per cent. The larger part of it results from expected increased yields in taxes. The State's three most important taxes—the corporation franchise tax, the personal income tax, and the motor fuel tax are all expected to produce increased revenues in the year ahead. Revenues from the insurance premium tax, bank tax, and utilities tax are also expected to increase.

The higher estimated yields of the personal income tax and business taxes are based on the high level of prosperity in 1953. Consumption taxes, however, reflect rates of current consumption. Among these, only the motor fuel and highway use taxes are expected to produce more. Consumption of cigarettes declined in 1953-54 for the first time since World War II, and a further slight decline in 1954-55 is anticipated. The yields of the alcoholic beverage taxes and licenses are also expected to decrease slightly.

The pari-mutuel taxes on harness and flat racing are expected to produce \$58.6 million in revenue in 1954-55, or almost \$10 million more than in 1953-54. Of this, \$6.2 million is the result of the increased State share of harness racing pools enacted by the 1954 Legislature.

GENERAL FUND REVENUES

1954-55

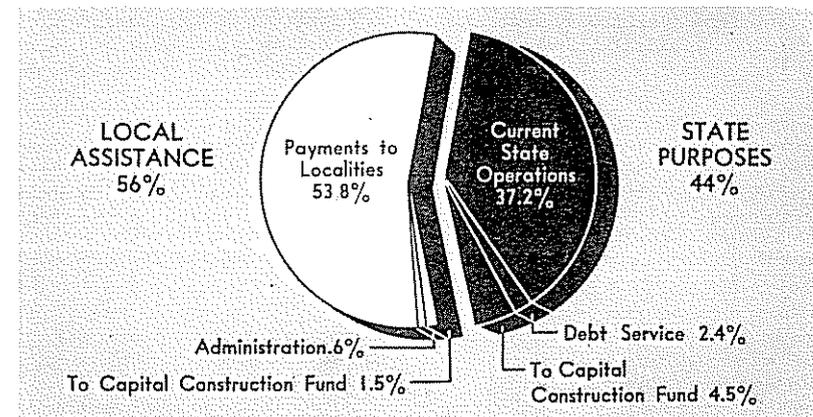


APPROPRIATIONS

General Fund appropriations made by the 1954 Legislature total \$1,143 million, an increase of five per cent over the previous year. Of this, Local Assistance Fund appropriations amount to \$639 million. In other words, 56 cents of each dollar appropriated is for the State's grants to its units of local government and for administration of these programs. The State Purposes budget takes 44 per cent of the General Fund Appropriation dollar—for operation of State departments, for debt service, and for transfer to the Capital Construction Fund.

GENERAL FUND APPROPRIATIONS

1954-55



The table below gives a comparison of 1954-55 appropriations with those for 1953-54 by major purposes.

GENERAL FUND APPROPRIATIONS

(Millions)

	1953-54	1954-55	Change
Local Assistance Budget			
Payments to Localities	\$591	\$615	+ \$24
Administration	6	7	+ 1
Transfers to Capital Construction Fund	7	17	+ 10
Total	\$604	\$639	+ \$35
State Purposes Budget			
Current State Operations	\$406	\$425	+ \$19
Debt Service	28	28	..
Transfers to Capital Construction Fund	54	51	- 3
Total	\$488	\$504	+ \$16
Total General Fund Appropriations	\$1,092	\$1,143	+ \$51

LOCAL ASSISTANCE APPROPRIATIONS

Education—State aid for education requires \$328 million for 1954-55—more than half the amount appropriated for 1954-55 for all local assistance programs and their administration. The State's programs of aid for education are:

	(Millions)		
	1953-54	1954-55	Change
Support of schools	\$287.3	\$308.5	+ \$21.2
Teacher training, New York City	6.2	6.4	+ 0.2
School lunch program	4.0	6.0	+ 2.0
Aid to libraries	2.5	2.3	- 0.2
Community colleges	2.0	3.0	+ 1.0
Emergency school building	1.0	1.4	+ 0.4
Physically handicapped	0.2	0.2	—
Commission on Public School Buildings	0.1	—	- 0.1
Total	\$303.3	\$327.8	+ \$24.5

The large increase in State aid for schools came about partly as the result of increasing enrollments in the public schools of the State. Equally important was new legislation providing for additional emergency aid to school districts. This extra aid will amount to \$25 million in the 1954-55 school year, of which \$10 million will be paid in the State's 1954-55 fiscal year. A study of school finances is to be made by the Educational Finance Commission which was created at the 1954 session of the Legislature.

The rapid growth in the school lunch program will require an increase of \$2 million in the State's share of this program.

With the conversion of the five former State Institutes of Applied Arts and Sciences to community colleges and the establishment of a new college at Auburn, the total number of community colleges has increased to ten. The funds for 1954-55 also provide for construction of a new campus for the Broome County Community College at Binghamton.

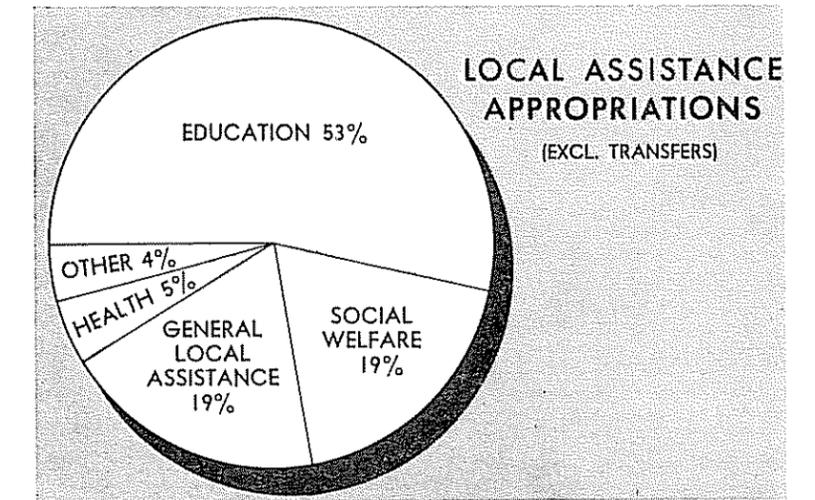
Social Welfare—A new State aid welfare formula went into effect on January 1 of this year. It extends State reimbursement to types of welfare assistance formerly not covered, and reduces the State's reimbursement for home relief and the four federally-aided categories. The 1953-54 appropriation figures include \$4.5 million which was needed to finish the 1952-53 year. No similar deficiency appropriation was needed for 1953-54.

Health—State aid for tuberculosis care increased sharply on January 1, 1954. A new formula enacted by the 1953 Legislature raised the maximum State reimbursement from \$2.50 per patient day to \$5.00. Funds are also provided for furnishing hearing aids for hard-

of-hearing children under the program for physically handicapped children, and for State aid to the two new county health departments for Genesee and Clinton counties. Legislation was passed this year providing for State aid for local mental health services. It is expected that this program will get under way in the last half of the fiscal year and \$475,000 is provided for this purpose.

There was little change in the other programs of local assistance. State aid for housing subsidies continues to increase with the completion of additional public housing projects. There is a small increase in the amount required for the town highway program.

General Local Assistance includes per capita aid to cities, towns and villages which is based on the 1950 census and therefore remains constant. It also includes aid to counties based on the State's motor fuel and vehicle tax collections.



	(Millions)		
Purpose	1953-54	1954-55	Change
Education	\$303.3	\$327.8	+ \$24.5
Social Welfare	125.7	116.8	- 8.9
General Local Assistance*	118.5	118.5	—
Health	23.9	31.9	+ 8.0
Public Works	10.1	10.6	+ 0.5
Housing Subsidies	9.0	9.7	+ 0.7
Rent Control	3.5	3.7	+ 0.2
Youth Commission	2.7	2.5	- 0.2
Veterans' Affairs	0.4	0.4	—
Conservation	0.1	0.1	—
Total	\$597.2	\$622.0	+ \$24.8

* Includes per capita aid and counties' share of motor fuel and vehicle taxes.

STATE PURPOSES CURRENT OPERATIONS

The State Purposes Fund budget, excluding debt service and transfers to the Capital Construction Fund, totals \$425 million for 1954-55.

Of the \$18.7 million increase over the 1953-54 appropriations for current operations, \$10.9 million is the result of salary increases for State employees. By October 1, all State positions will have been reviewed and allocated to a new salary schedule, thereby freezing-in the existing emergency compensation, correcting inequities in internal alignment of State jobs, and putting them in better adjustment with outside salaries. The money provided to accomplish this was appropriated in a lump sum of \$44 million (see Appendix, Table 3). In the table below, the amount required by each department has been estimated in order to present a summary of appropriations by function.

STATE PURPOSES APPROPRIATIONS FOR CURRENT OPERATIONS (Millions)

	1953-54	1954-55	Change
Mental Hygiene	\$132.6	\$140.8	+ \$ 8.2
Education and State University	46.4	46.8	+ 0.4
Public Works	40.3	40.6	+ 0.3
Correction	29.1	30.0	+ 0.9
Taxation and Finance	17.9	19.6	+ 1.7
Health	16.9	19.3	+ 2.4
All Other Departments and Agencies	75.6	78.3	+ 2.7
Legislature and Judiciary	12.8	13.5	+ 0.7
General State Charges	34.6	36.0	+ 1.4
Total Current Operations	\$406.2	\$424.9	+ \$18.7

The operation of the State's mental hospitals and schools takes approximately one-third of the appropriation for current operations. The number of patients in these institutions is expected to reach 115,000 in 1954-55 and is increasing at a rate of 3,000 per year. This, and higher salaries for more than 15,000 mental hospital attendants are the major reasons for the increase over last year.

The amount required for the Education Department and State University is approximately the same as for 1953-54. The transfer of the five Institutes of Applied Arts and Sciences to community college status

decreased the State University's appropriation by \$1.2 million, but offsetting increases were provided for the college of medicine, for the teachers colleges, and for the State colleges at Cornell.

Within the Department of Health, the appropriation for the State's cancer hospital, Roswell Park Memorial Institute, has been more than doubled. New facilities are increasing the Institute's bed capacity to 500. Its research program is being vastly expanded and includes a study of the causes of lung cancer.

The 1954-55 appropriations for the Department of Taxation and Finance provide additional funds for enforcement of tax laws and for improvement of the present collection system. Increased funds are also required to provide automobile license plates instead of the tabs currently in use. The increases for other departments and agencies are largely the result of the salary increase.

An increase of \$2.4 million is required for the State's contribution to the employees' retirement fund, a general state charge. The State's contributions to the supplemental pension fund and social security fund are also increased. The State's pension expenses will total over \$29 million in 1954-55. Taxes on public lands have also increased. Appropriations for two general state charges decreased substantially—the State's compensation insurance and Court of Claims judgments.

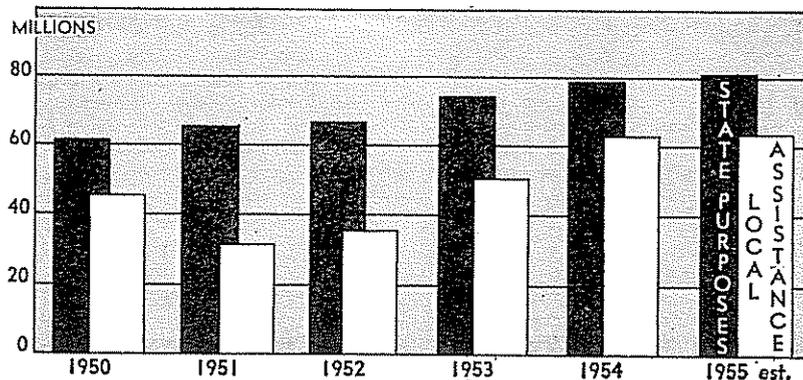
RESERVE FUNDS

The State Purposes Reserve Fund had increased to \$79.5 million on March 31, 1954 and the Local Assistance Reserve Fund to \$63 million. This brought to \$142.5 million the total of these funds which were created to protect State finances against unexpected drops in revenue or increases in expenditures.

The increase of over \$11 million in the Local Assistance Reserve Fund was, in part, a repayment of money withdrawn from the Fund in 1949-50 and 1950-51. This is the final repayment of previous withdrawals which, by statute, must be repaid in six years or less. Both Reserve Funds now stand at their highest points, and it is estimated that small additions to the Funds will be made at the end of 1954-55.

If these estimates are realized, on March 31, 1955, the State Purposes Reserve will stand at 16 per cent and the Local Assistance Reserve at 10 per cent of their respective estimated 1954-55 expenditures. The law creating these funds requires that any operating surpluses be transferred to them until the State Purposes Reserve Fund reaches 35 per cent and the Local Assistance Reserve Fund reaches 45 per cent of their respective annual expenditure totals.

STATUS OF RESERVE FUNDS AT END OF FISCAL YEAR



CAPITAL CONSTRUCTION FUND

The 1954 Legislature appropriated \$217 million for capital projects—\$138 million from current funds and \$79 million from bond funds. The following table summarizes these:

Purpose	(Millions)		Total
	From Current Funds	From Bond Funds	
Highways, parkways, and grade crossings	\$ 85.3		\$ 85.3
Mental hospitals and schools		\$ 72.9	72.9
Education Department and State University	8.9		8.9
Other departmental projects	10.2	5.8	16.0
Flood control, canals, and shore protection	1.9		1.9
Rehabilitation and equipment	11.6		11.6
To supplement projects	2.0		2.0
Planning and inspection	2.5		2.5
Administrative services and expenses	16.1		16.1
Total	\$138.5	\$ 78.7	\$217.2

The continued rapid increase in the mental hospital population, the need for relieving overcrowding, and the need to replace some existing buildings led to a recommendation of a \$350 million bond issue for mental health facilities. If approved, the bonds are to have a life of 15 years or less and will be retired from the yield of the taxes presently used for the retirement of the war bonus bonds. The yield of these taxes currently exceeds the requirements for debt service on the bonus bonds, the last of which will be retired in 1958.

Appropriations of \$79 million were made for facilities to be financed by the mental health bonds. These include funds for beginning construction of four new institutions—two hospitals for the mentally ill and two State schools for mental defectives. An appropriation of \$7 million provides for construction of two cottage-plan units of 400 beds each to meet the growing need for separate facilities for children. Major construction at Buffalo, Harlem Valley, and Manhattan State Hospitals is also provided. An appropriation of \$5.3 million to the Department of Correction out of bond funds includes construction of a building to house 450 patients at Matteawan State Hospital.

New construction for the State University includes the start of a new campus for Harpur College, a food processing building at the Geneva Experiment Station, and a health and physical education building at Oswego State Teachers College.

Funds for the Department of Health provide for further expansion of facilities at Roswell Park Memorial Institute.

The proposed bond issue for mental health facilities makes possible a larger program of highway, parkway, and grade crossing elimination construction than would otherwise have been possible. New appropriations for these purposes total \$85 million.

Aside from the money to be provided from bond funds, the sources of Capital Construction Fund income provided in this budget are: \$68 million in State Purposes and Local Assistance Fund transfers, \$18 million of it out of 1953-54 income; \$30 million in transfers of excess funds from the War Bonus Account; and \$6 million in interest and other income.

Transfers from the Local Assistance Fund to the Capital Construction Fund provide funds for grade crossing elimination projects in municipalities, for completion of county parkway projects in Westchester County, for matching Federal grants for town and county roads, and for shore protection.

DEBT AND DEBT SERVICE

Creation of new State debt for housing, for mental health facilities, and for highways was approved by the 1954 Legislature. The proposals for bond issues for housing and mental health of \$200 million and \$350 million, respectively, will be submitted to the voters of the State at the November election. Alternative highway bond issues were approved, one for \$500 million and one for \$750 million. These will require action by the 1955 Legislature, and the one which is passed will go to the voters in November, 1955.

On March 31, 1954, State debt stood at \$738 million, an increase of \$11 million over the previous year, composed as follows:

	(Millions)		Change
	Net Debt March 31, 1953	Net Debt March 31, 1954	
General Fund (State Purposes)	\$247.8	\$256.2	+ \$ 8.4
Grade Crossing Elim. Debt Fund	71.2	47.1	- 24.1
State Housing Debt Fund	257.8	314.5	+ 56.7
War Bonus Account	150.0	120.0	- 30.0
Total	\$726.8	\$737.8	+ \$11.0

General Fund Debt is retired by appropriations from the State Purposes Fund. Debt incurred for grade crossing elimination is financed partly through the Grade Crossing Elimination Debt Fund. The amount so financed is dependent on the revenue received by the Grade Crossing Elimination Debt Fund from railroad companies. The remainder of the grade crossing elimination debt is financed by the General Fund. The increase in General Fund debt for 1954-55 and the decrease in the Grade Crossing Elimination Debt result from the transfer of debt from the Grade Crossing Elimination Debt Fund to the General Fund. There are partially offsetting decreases in the General Fund Debt.

Housing Debt is retired through annual payments by local housing authorities with the assistance of State subsidies. Bonds issued for payment of the World War II bonus are retired in ten years or less from earmarked taxes of one cent per package of cigarettes and ten per cent of the normal personal income tax.

Debt service requirements for 1954-55 are as follows:

	(Millions)
General Fund (State Purposes)	\$27.9
Grade Crossing Elimination Debt Fund	2.9
State Housing Debt Fund	12.5
War Bonus Account	32.1
Total	\$75.4

FIRST INSTANCE APPROPRIATIONS

Services such as those provided by the Insurance and Banking Departments are supported by assessments against the businesses supervised. Such functions are temporarily financed through appropriations from the State Purposes Fund, but since they are subject to reimbursement, the amounts for these "first instance" appropriations are not included in the budget totals. Similarly, highway construction that is to be paid for by Federal aid is financed in the first instance by appropriations from the Capital Construction Fund.

First instance appropriations from the State Purposes Fund made by the 1954 Legislature totaled \$22 million. Major items were \$6.7 million for the Workmen's Compensation Board, \$2.8 million for the Insurance Department, \$1.7 million for the Banking Department, and \$1.7 million for the Division of Safety Responsibility.

First instance appropriations of \$20 million to the Department of Public Works include funds for Thruway maintenance which will be reimbursed by the Thruway Authority.

First instance appropriations from the Capital Construction Fund total \$37 million, of which \$35.4 million is in anticipation of Federal aid funds for highway construction.

BUDGETARY IMPROVEMENTS

Some of the features of a performance-type budget were included in the presentation of the 1954-55 budget. The Division of the Budget has made plans to extend this effort in the year ahead by testing program budgeting on a limited scale in selected departments or units of a department.

COMMISSION ON FISCAL AFFAIRS

Created by the 1953 Legislature, the Commission on the Fiscal Affairs of State Government made a preliminary report to the Governor and Legislature on February 15, 1954. The Commission has delineated three areas for purposes of study: 1) The State's fiscal activities, 2) Federal-State relationships, 3) State-local relationships.

The study of the State's fiscal activities has progressed most rapidly. Estimates have been made of the probable course of future revenues and expenditures. The Commission concluded that there is a possibility, even assuming no new or expanded services, that expenditures may exceed the yield of the present revenue structure, and it recommended "avenues of approach" to future budgetary problems.

The Commission recommended that all aspects of performance budgeting be explored and that efforts be made to develop the most effective cost system in one or two departments.

An intensive study of the State's revenue structure and a detailed study of Federal grants-in-aid are contemplated in the coming year.

APPENDIX

- Table 1. Executed Financial Plan for 1953-54 and Revised Financial Plan for 1954-55
- Table 2. Revenue Collections, 1953-54 Actual, and 1954-55 Estimate
- Table 3. State Purposes Appropriations, 1953-1954 and 1954-55
- Table 4. Local Assistance Appropriations, 1953-54 and 1954-55
- Table 5. Capital Construction Fund Appropriations

TABLE I. EXECUTED FINANCIAL PLAN FOR 1953-54

and
REVISED FINANCIAL PLAN FOR 1954-55

	ACTUAL 1953-54			REVISED ESTIMATE 1954-55		
	State Purposes Fund	Local Assistance Fund	Total General Fund	State Purposes Fund	Local Assistance Fund	Total General Fund
INCOME						
Revenue collections.....	\$480,152,522	\$610,301,351	\$1,090,453,873	\$498,850,000	\$633,575,000	\$1,132,425,000
EXPENDITURES						
Total appropriations by Legislature.....	487,859,609	604,606,427	1,092,466,036*	504,233,536	638,859,472	1,143,093,008
Less: Appropriations to complete prior year.....	22,349,119	5,610,809	27,959,928	18,578,148	5,775,010	24,353,158
Regular appropriations for year.....	\$465,510,490	\$598,995,618	\$1,064,506,108	\$485,655,388	\$633,084,462	\$1,118,739,850
Add: Additional appropriations to complete current year.....	18,578,148	5,775,010	24,353,158	7,000,000	.....	7,000,000
Total appropriations for year.....	\$484,088,638	\$604,770,628	\$1,088,859,266	\$492,655,388	\$633,084,462	\$1,125,739,850
Add: Unexpended appropriations from prior years	35,132,286	8,440,653	43,572,939	38,651,028	9,862,556	48,513,584
Total available for expenditure.....	\$519,220,924	\$613,211,281	\$1,132,432,205	\$531,306,416	\$642,947,018	\$1,174,253,434
Less: Appropriations lapsed or repealed.....	4,941,727	4,109,637	9,051,364	6,725,000	6,050,000	12,775,000
Less: Appropriations to be carried forward.....	38,651,028	9,862,556	48,513,584	27,051,028	3,962,556	31,013,584
Total expenditures during year.....	\$475,628,169	\$599,239,088	\$1,074,867,257	\$497,530,388	\$632,934,462	\$1,130,464,850
SURPLUS						
Gross operating surplus or deficit.....	4,524,353	11,062,263	15,586,616	1,319,612	640,538	1,960,150
Less: Repayment of Reserve Funds.....	.....	7,864,301	7,864,301	.....	.....	.....
Net operating surplus or deficit.....	\$ 4,524,353	\$ 3,197,962	\$ 7,722,315	\$ 1,319,612	\$ 640,538	\$ 1,960,150
Add: Reserve Funds, April 1.....	74,270,254	51,778,339	126,048,593	79,537,326	62,938,339	142,495,665
Add: Repayment to Reserve Funds.....	.....	7,864,301	7,864,301	.....	.....	.....
Add: Earnings of Reserve Funds.....	742,719	117,737	860,456	730,000	125,000	875,000
Reserve Funds, March 31.....	\$ 79,537,326	\$ 62,958,339	\$ 142,495,665	\$ 81,606,938	\$ 63,723,877	\$ 145,330,815

* Adjusted to include \$83,630 appropriated at the June 1953 special session, \$15,316.72 appropriated at the November 1953 special session, and appropriation transfers of \$509,637 from the Local Assistance Fund to the State Purposes Fund.

TABLE 2. REVENUES*

	1953-54 Actual	1954-55 Revised Estimate	Change
Personal income tax	\$ 312,059,863	\$ 320,000,000	+ \$ 7,940,137
Business taxes	\$ 304,268,544	\$ 321,500,000	+ \$17,231,456
Corporation tax (article 9)	56,920,464	58,250,000	+ 1,329,536
Utilities tax (gross receipts)	35,457,086	36,500,000	+ 1,042,914
Corporation franchise tax (art 9a)	162,939,920	175,000,000	+ 12,060,080
Organization of corporations	910,551	1,000,000	+ 89,449
Unincorporated business tax	20,650,577	20,000,000	- 650,577
Bank tax	20,911,563	22,000,000	+ 1,088,437
Insurance premium tax	6,478,383	8,750,000	+ 2,271,617
Consumer taxes	\$ 334,473,483	\$ 339,925,000	+ \$ 5,451,517
Motor vehicle tax	98,359,481	97,525,000	- 834,481
Motor fuel tax	110,739,548	117,200,000	+ 6,460,452
Alcoholic beverage tax	49,196,167	48,700,000	- 496,167
Alcoholic beverage control licenses	24,054,424	24,000,000	- 54,424
Cigarette tax	39,960,112	39,500,000	- 460,112
Highway use tax	12,163,751	13,000,000	+ 836,249
Taxes on transfers and exchanges	\$ 100,987,882	\$ 109,600,000	+ \$ 8,612,118
Inheritance and estate tax	29,250,286	27,000,000	- 2,250,286
Stock transfer tax	23,084,243	24,000,000	+ 915,757
Pari-mutuel tax	48,653,353	58,600,000	+ 9,946,647
Other taxes	\$ 2,454,047	\$ 2,475,000	+ \$ 20,953
Racing tax	1,806,667	1,800,000	- 6,667
Motion picture tax**	404,646	400,000	- 4,646
Boxing exhibitions tax	242,734	275,000	+ 32,266
Other receipts	\$ 36,210,054	\$ 38,925,000	+ \$ 2,714,946
Revenues of general departments	29,155,632	31,750,000	+ 2,594,368
Sundry general revenues	555,639	450,000	- 105,639
Refunds and reimbursements	6,476,253	6,500,000	+ 23,747
Lands, buildings, and property sold	22,530	225,000	+ 202,470
STATE PURPOSES FUND	\$ 480,152,522	\$ 498,850,000	+ \$18,697,478
LOCAL ASSISTANCE FUND	610,301,351	633,575,000	+ 23,273,649
GRAND TOTAL	\$1,090,453,873	\$1,132,425,000	+ \$41,971,127

* Exclude collections earmarked for the War Bonus Account as follows:

Personal income tax	\$39,007,483	\$40,000,000	+ \$992,517
Cigarette tax	19,980,056	19,750,000	- 230,056

** The motion picture license fee is denominated as a tax here for convenience of classification

TABLE 3. STATE PURPOSES FUND APPROPRIATIONS

	1953-54		1954-55		Total	Change From 1953-54
	Fiscal Year	Prior Years' Deficiencies	Fiscal Year	Prior Years' Deficiencies		
Executive Department						
Executive Chamber.....	\$ 664,616	.....	\$ 673,315	\$ 30,569	\$ 703,884	+ \$ 39,268
Office of the Commissioner of Investigation	75,000	.....	200,000	.....	200,000	+ 125,000
Division of the Budget.....	620,029	\$ 1,586	621,615	.....	632,453	+ 10,838
Division of Military and Naval Affairs	5,515,500	115,747	5,631,247	8,315	5,522,291	- 108,956
Division of Veterans' Affairs.....	1,822,574	.....	1,804,946	920	1,805,866	- 16,708
Division of Standards and Purchase.....	1,417,402	100,000	1,517,402	.....	1,408,778	- 108,624
Division of Parole.....	1,884,022	.....	1,970,128	14,012	1,984,140	+ 100,118
Division of State Police.....	6,732,308	1,500	7,057,841	.....	7,057,841	+ 324,033
Division of Alcoholic Beverage Control.....	1,483,673	.....	1,513,543	.....	1,513,543	+ 29,870
Local Alcoholic Beverage Control.....	825,605	.....	833,174	.....	833,174	+ 7,569
Division of Housing.....	582,163	.....	617,615	.....	617,615	+ 35,452
Division of Safety.....	219,638	.....	246,991	.....	246,991	+ 27,353
Commission Against Discrimination.....	373,436	.....	364,777	1,100	365,877	+ 7,559
State Building Code Commission.....	365,000	.....	352,000	.....	352,000	- 13,000
State Civil Defense Commission.....	1,550,000	.....	1,494,000	.....	1,494,000	- 56,000
Department of Law.....	1,977,303	300	1,971,409	300	1,971,709	- 5,894
Department of Audit and Control.....	3,601,237	550	3,601,917	36,591	3,638,508	+ 36,721
Department of Agriculture and Markets.....	4,545,101	853	4,633,208	566	4,633,774	+ 87,820
Banking Department.....	33,000	.....	30,000	.....	30,000	- 3,000
Department of Civil Service.....	2,180,324	.....	2,186,300	1,500	2,187,800	+ 7,476
Department of Commerce.....	2,345,811	1,974	2,361,000	3,169	2,364,169	+ 16,384
Conservation Department.....	9,580,506	147,268	9,672,137	140,200	9,812,337	+ 84,563
Corrections Department.....	25,942,729	24,156	26,205,783	21,636	26,227,419	+ 260,534
Education Department.....	14,274,960	572,620	14,693,223	333,477	15,026,700	+ 179,120
State University.....	27,473,141	284,978	26,719,767	163,510	26,883,277	+ 874,842
Department of Health.....	15,689,159	.....	17,538,633	2,663	17,541,296	+ 1,852,137
Insurance Department.....	.....	.....	301,500	23,500	325,000	+ 325,000
Department of Labor.....	6,155,143	313	6,139,517	578	6,140,095	+ 15,361
Department of Mental Hygiene.....	119,194,997	1,808	122,297,932	3,710	122,301,642	+ 3,104,837
Department of Public Service.....	2,681,296	968	2,701,609	27,228	2,728,837	+ 46,573
Department of Public Works.....	36,600,842	12,110	33,862,026	2,228,033	36,090,059	- 522,893
Department of Social Welfare.....	5,061,195	225	5,228,755	14,500	5,243,255	+ 181,835
Department of State.....	2,497,218	165,000	2,662,218	.....	2,870,736	+ 208,518
Department of Taxation and Finance.....	15,615,313	157,958	16,960,877	63,253	17,024,130	+ 1,250,859
Miscellaneous						
Emergency Compensation.....	32,000,000	1,250,000	44,100,000	.....	44,100,000	+ 10,850,000
Temporary State Commissions.....	1,100,000	.....	1,025,000	43,700	1,068,700	+ 31,300
All Other.....	3,174,003	127,003	2,340,619	23,671	2,364,290	- 936,716
Legislature.....	5,287,841	202,660	5,860,804	364,334	6,225,138	+ 734,637
Judiciary.....	7,269,514	67,056	7,299,746	31,201	7,330,947	+ 5,623
General State Charges						
Pension contributions and administration.....	26,250,171	15,689	29,116,176	19,860	29,136,036	+ 2,870,176
Taxes on public lands.....	2,372,300	.....	2,608,300	.....	2,608,300	+ 236,000
Compensation insurance.....	1,250,000	2,422,486	1,250,000	1,769,594	3,019,594	+ 652,892
Court of Claims judgments.....	1,520,228	512,915	1,016,750	.....	1,016,750	- 1,016,393
Other general state charges.....	51,429	161,396	51,429	204,919	256,348	+ 43,523
Total—Current Operations.....	\$399,855,727	\$ 6,349,119	\$419,328,690	\$ 5,576,609	\$424,905,299	+ \$18,700,453
Debt Service.....	27,627,100	.....	27,944,697	1,540	27,946,237	+ 319,137
Transfer to Capital Construction Fund.....	38,000,000	16,000,000	38,382,000	13,000,000	51,382,000	- 2,618,000
Grand Total.....	\$465,482,827	\$22,349,119	\$485,655,387	\$18,578,149	\$504,233,536	+ \$16,401,590

* Differs from appropriation total on Table 1 because of adjustments for greater comparability with 1954-55.

TABLE 4. LOCAL ASSISTANCE FUND APPROPRIATIONS

	Appropriated 1953-54		Appropriated 1954-55		Change From 1953-54		
	Fiscal Year	Prior Years' Deficiencies	Total	Fiscal Year		Prior Years' Deficiencies	Total
Conservation							
County reforestation.....	\$ 46,400	\$ 525	\$ 46,925	\$ 50,900	\$ 50,900	+	\$ 3,975
County rabies control.....	8,000		8,000	5,000	5,000	-	3,000
Total	\$ 54,400	\$ 525	\$ 54,925	\$ 55,900	\$ 55,900	+	\$ 975
Education							
Support of common schools.....	287,300,000		287,300,000	308,518,000		+	21,218,000
Emergency school building.....	1,000,000		1,000,000	1,400,000		+	400,000
Temporary school building commission.....	150,000		150,000			+	150,000
School lunch program.....	4,000,000		4,000,000			+	2,000,000
Aid to libraries.....	2,350,000	150,000	2,500,000	2,300,000	\$ 400,000	-	200,000
Teacher training New York City.....	6,151,000		6,151,000	6,400,000	27,010	+	276,010
Community colleges.....	2,025,363		2,025,363	3,000,000		+	974,637
Physically handicapped children.....	110,000	10,000	120,000	125,000	15,000	+	20,000
Commission for services for physically handicapped and disabled persons.....	75,000		75,000	75,000		+	
Total	\$303,161,363	\$ 160,000	\$303,321,363	\$327,418,000	\$ 442,010	+	\$24,538,647
General Local Assistance							
Per capita aid.....	91,100,000		91,100,000	91,100,000			
Counties' share of motor fuel and motor vehicle taxes.....	26,500,000	950,000	27,450,000	27,400,000		-	50,000
Total	\$117,600,000	\$ 950,000	\$118,550,000	\$118,500,000		-	\$ 50,000
Health							
Aid to municipalities including tuberculosis Administration, local assistance.....	21,246,000		21,246,000	28,892,000		+	7,646,000
Physically handicapped children.....	256,520		256,520	436,000		+	179,480
County care of adult poliomyelitis.....	2,109,480		2,109,480	1,850,000		-	259,480
Total	36,000		36,000	35,000		-	1,000
Treatment of chronic alcoholism.....	100,000		100,000	120,000		+	20,000
Joint hospital survey and planning commission	130,000		130,000	141,000		+	11,000
Community mental health services.....				475,000		+	475,000
Total	\$ 23,878,000	\$ 8,953,337	\$ 32,831,337	\$ 31,949,000		+	\$ 8,071,000
Housing Subsidies.....	8,953,337		8,953,337	9,663,000		+	709,663
Public Works							
County highways.....	2,200,000		2,200,000	2,200,000			
Town highways.....	7,700,000		7,700,000	8,050,000		+	350,000
Municipal public works.....	150,000		150,000	250,000		+	100,000
Administration, local assistance.....	116,678		116,678	121,913		+	5,235
Total	\$ 10,166,678		\$ 10,166,678	\$ 10,621,913		+	\$ 455,235
Social Welfare							
Home relief.....	22,627,000	871,000	23,498,000	13,775,000		-	9,723,000
Old age assistance.....	31,850,000	1,298,000	33,148,000	26,944,000		-	6,204,000
Aid to dependent children.....	24,305,000	1,354,000	25,659,000	20,036,000		-	5,623,000
Aid to the disabled.....	12,188,000	977,000	13,165,000	9,944,000		-	3,221,000
Aid to the blind.....	1,621,000		1,621,000	1,338,000		-	283,000
Other public assistance and care.....	9,530,000		9,530,000	28,050,000		+	18,520,000
Local administrative expenses.....	17,668,000		17,668,000	15,298,000		-	2,370,000
Administration, local assistance.....	1,440,000		1,440,000	1,395,000		-	45,000
Total	\$121,229,000	\$ 4,500,000	\$125,729,000	\$116,780,000		-	\$ 8,949,000
State Housing Rent Commission.....	3,500,000	284	3,500,284	3,535,000	133,000	+	167,716
Veterans' Service Agencies.....	435,000		435,000	435,000			
Youth Commission.....	2,700,000		2,700,000	2,500,000		-	200,000
Leased flood control lands.....				7,849		+	7,849
Total, excluding transfers.....	\$591,677,778	\$ 5,610,809	\$597,288,587	\$621,465,662	\$ 575,010	+	\$24,752,085
Transfer to Capital Construction Fund.....	7,361,177		7,361,177	11,618,800	5,200,000	+	9,457,623
Grand Total.....	\$599,038,955	\$ 5,610,809	\$604,649,764*	\$633,084,462	\$ 5,775,010	+	\$34,209,708

* Differs from appropriation total on Table i because of adjustments for greater comparability with 1954-55.

TABLE 5. CAPITAL CONSTRUCTION FUND APPROPRIATIONS

<i>Purpose</i>	<i>Appropriations in Force March 31, 1954</i>	<i>1954-55 Appropriations*</i>	<i>Total Appropriations in Force April 1, 1954</i>
Departmental Projects:			
Conservation and Parks	\$ 2,798,880	\$ 3,015,000	\$ 5,813,880
Correction	4,635,047	6,328,500	10,963,547
Education and State University	42,161,427	8,893,000	51,054,427
Health	6,074,551	4,844,000	10,918,551
Mental Hygiene	115,879,004	72,851,500	188,730,504
Military and Naval Affairs	1,838,519	366,000	2,204,519
Social Welfare	432,743	512,500	945,243
State Police	1,002,651	.....	1,002,651
Public Works Buildings	6,620,389	1,025,000	7,645,389
Planning and Inspection	972,387	2,500,000	3,472,387
Miscellaneous	357,078	.....	357,078
Unapportioned Equipment	176,911	7,000,000	7,176,911
Unapportioned Rehabilitation	178,393	4,600,000	4,778,393
Unapportioned Construction	4,131,346	2,000,000	6,131,346
Services and Expenses	1,089,689	16,106,832	17,196,521
Highways	68,326,679	55,150,000	123,476,679
Parkways	15,645,210	10,000,000	25,645,210
Canals	2,069,820	1,000,000	3,069,820
Flood Control	1,028,866	.....	1,028,866
Shore Protection	1,120,250	900,000	2,020,250
Grade Crossings	40,878,227	12,500,000	53,378,227
Grand Total	\$317,418,067	\$209,592,332	\$527,010,399

* Excludes deficiency appropriations of \$7,650,066. These amounts, \$7,450,000 for highways, \$200,000 for parkways and \$66 for services and expenses were made available prior to April 1, 1954 and are included in the appropriations in force at March 31, 1954.