



THIS BUDGET meets the current requirements of a dynamic and socially responsible state within the bounds of sound financing, efficient management and prudent choice. . . . It represents many hard decisions. Worthwhile programs have been postponed or set aside because they had a lower priority than those I am recommending. Other desirable programs have been pruned. We have insisted on finding economies in existing programs and improving administration to assure the most efficient operation of State government.

The past seven years have brought great changes to New York, and the State's Budgets have reflected these changes. . . . The investments we have made in the education of our young people, our mental and physical health, our environment, our recreational facilities, our economic growth, will all produce healthy dividends for the more complex and challenging society of tomorrow.

GOVERNOR NELSON A. ROCKEFELLER
Budget Message, January 18, 1966

Cover shows sketch of portion of South Mall complex of State office buildings in Albany, now under construction.

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EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
Albany, N. Y.

This Budget Summary reflects action by the Legislature on the Governor's 1966-67 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 18, 1966, copies of which are available in libraries throughout the State.

FINANCIAL SUMMARY

THE 1966-67 BUDGET amounts to \$4,007 million, the bulk of which — 59 per cent — is for aid to localities. (State aid to localities requires 61 per cent of all current revenues.) The remainder is for direct State services, capital construction and debt service.

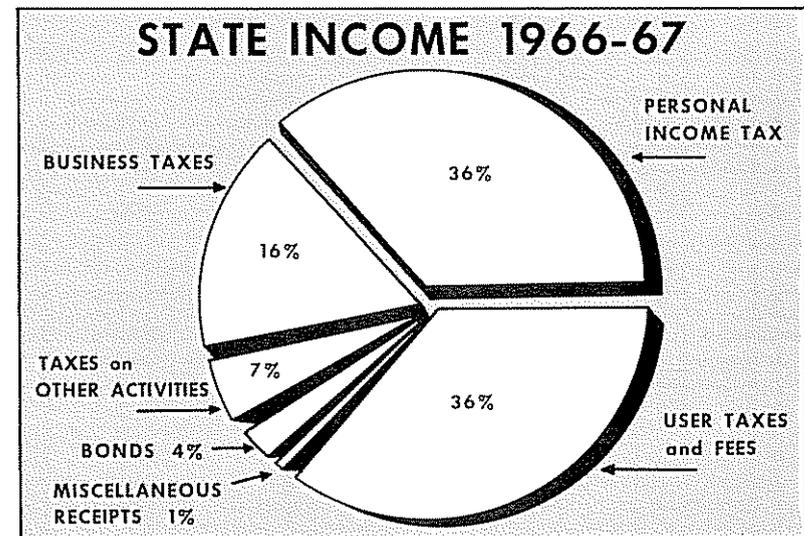
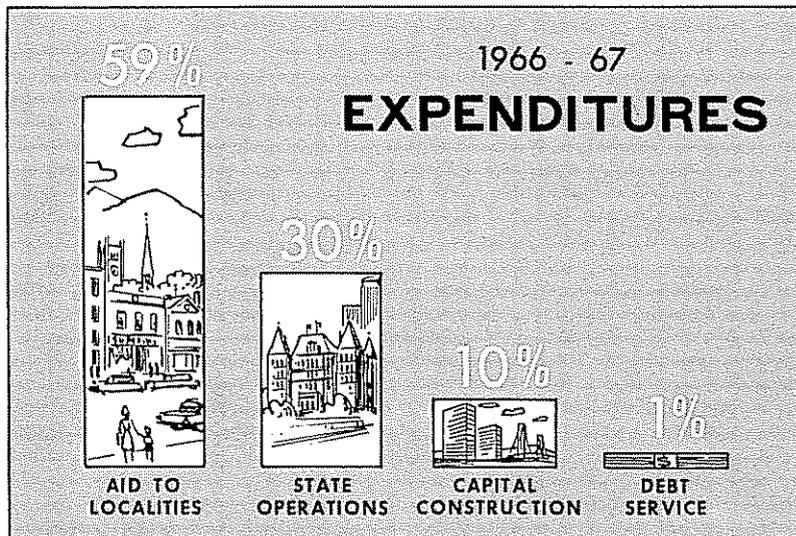
Highlights of State finances in 1966-67 are:

- ... A BALANCED BUDGET, with minimal reliance on tax-financed debt to undertake essential acceleration of the State's vital highway, mental health and higher education construction programs.
- ... NO TAX INCREASES, despite major liberalization of State aid and enhancement of other State programs. New York's taxes as a proportion of the personal income of residents are lower than those of 34 other states.
- ... \$200 MILLION INCREASE IN STATE AID TO ELEMENTARY AND SECONDARY EDUCATION, raising this aid to a level two and one-half times that of 1958-59.

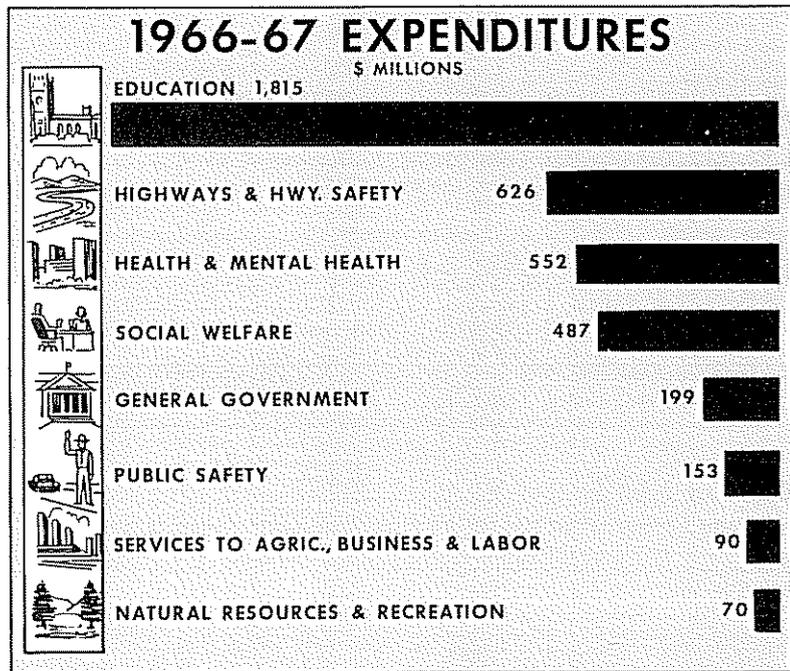
STATE INCOME AND EXPENDITURES

(millions of dollars)

| | 1965-66 Actual | 1966-67 Estimated | Change |
|--------------------------------|-------------------|----------------------|--------------|
| Income | | | |
| From current revenues | 3,345 | 3,869 | + 524 |
| From bond funds | 119 | 138 | + 19 |
| Total income | <u>3,464</u> | <u>4,007</u> | <u>+ 543</u> |
| Expenditures | | | |
| Local assistance | 2,126 | 2,348 | + 222 |
| State operations | 1,006 | 1,190 | + 184 |
| Capital construction | 293 | 425 | + 132 |
| Debt service (long term) | 35 | 44 | + 9 |
| Total expenditures | <u>3,460</u> | <u>4,007</u> | <u>+ 547</u> |
| Surplus | <u>4</u> | <u>.....</u> | <u>- 4</u> |



MAJOR STATE FUNCTIONS



EDUCATION: 45 per cent of State Budget

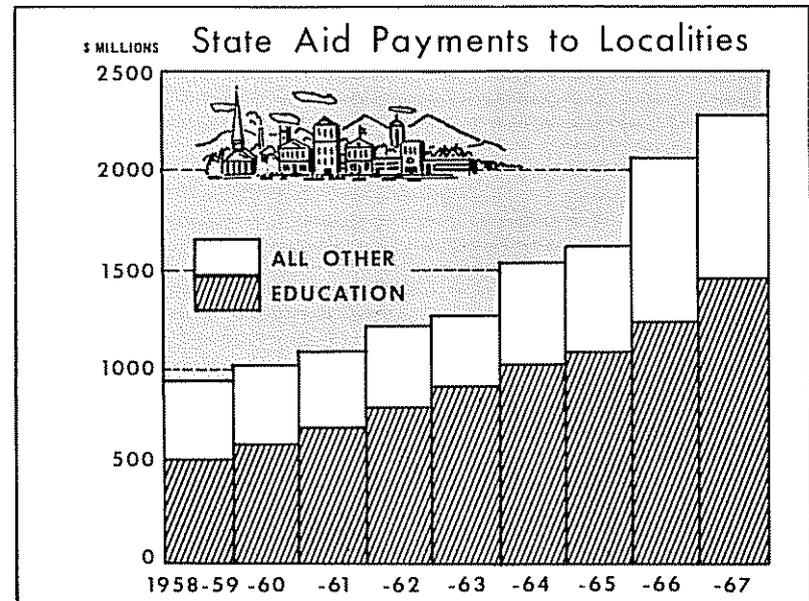
STATE EDUCATIONAL PROGRAMS, which account for the largest share of the State budget, demonstrate the willingness of the people of New York State to support outstanding schools, colleges and libraries. The increase in State expenditures for education in 1966-67 — an estimated \$250 million more than in the previous year — reflects the strong desire of New Yorkers to maintain the superiority of their educational system. State expenditures for education in 1966-67 will total a record-breaking \$1,815 million.

Elementary and Secondary Education Under New York State's long tradition of home rule, local boards of education operate the public schools, which will educate 3,250,000 elementary and secondary school pupils in the 1966-67 school year. Providing adequate facilities and well-trained teachers for these students places great responsibilities on local school districts. To help schools meet their responsibilities, State aid will reach a record level of \$1,373 million in 1966-67. This reflects a \$200 million increase over the normal level

of such aid in 1965-66 (although the net increase is \$154 million because 1965-66 was inflated by special one-time payments). The State aid estimate allows \$6 million for school textbooks in State fiscal year 1966-67; in view of court action, the Attorney General's opinion and the Governor's recent statement, the total may be higher but the exact amount cannot now be determined.

State aid is distributed by a formula which helps to assure high educational standards for all students throughout the State. Districts whose financial capacity, as measured by the full value of real property per pupil, is close to the statewide average receive State aid equal to 49 per cent of the first \$660 of operating expenses per pupil. The ceiling was raised to \$660 from \$600 in 1966 to reflect rising school costs. Districts with financial capacity above or below the statewide average receive correspondingly lesser or greater assistance. Beginning this year, operating aid will be paid to low-expenditure districts based on their current expenses rather than those of the previous year.

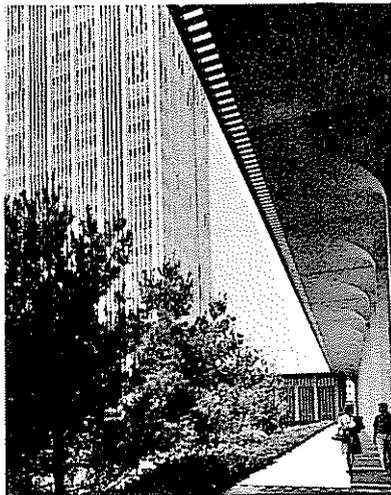
Aid for school construction is given in the same ratio as for operating expenses, and districts are reimbursed for 90 per cent of approved transportation costs for pupils attending public and private schools. The six largest cities also receive "density aid" to compensate for higher costs of vocational schools and classes for the emotionally disturbed and the physically, mentally and culturally handi-



capped. "Sparsity aid" may be paid to districts with especially high operating costs per pupil resulting from low student enrollment.

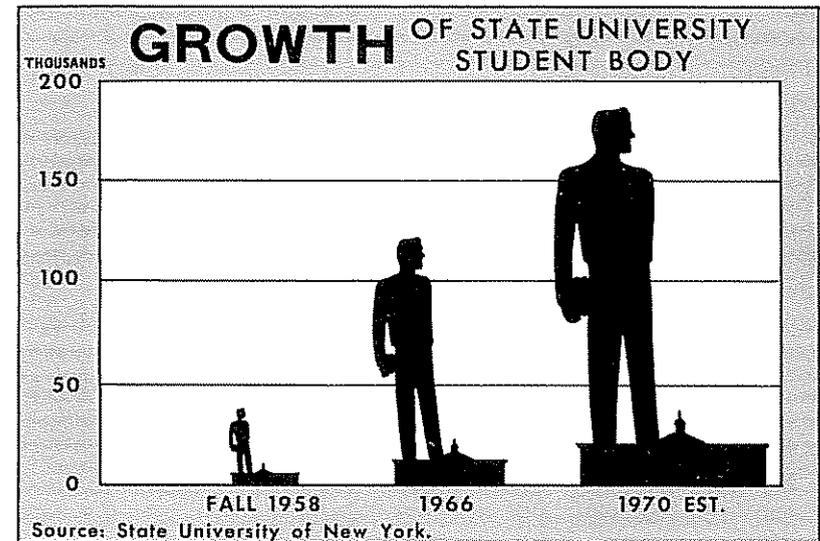
A special financing authority — the New York City Educational Construction Fund — was created in 1966 to enable the city to finance urgently needed elementary and secondary school buildings in combination with other compatible uses, such as apartment houses and office buildings. Revenues from these other sources will help the city amortize the school construction bonds.

The superior quality of New York's educational system is nationally recognized. In competitive examinations, New York State pupils consistently win a large share of top honors. Competent, stimulating teachers and up-to-date textbooks enable the State to maintain its national leadership in education. A higher salary schedule for teachers has been adopted, effective in 1966-67, and beginning in 1967-68 school districts will pay a larger portion of teachers' retirement contributions, thus giving teachers an increase in take-home pay. The districts' costs will be shared by the State. To help educationally deprived children prepare for regular schoolroom instruction, \$5 million was appropriated for a new pre-kindergarten program. Under legislation adopted in 1966, a new formula provides a balanced and comprehensive program of increased State aid to cooperative library systems. State aid for public libraries will amount to more than \$12 million in 1966-67.



Graceful architecture, academic excellence and modern facilities have won the State University nationwide recognition

Higher Education The State University of New York now has 120,000 full-time students, three times as many as the 38,600 enrolled in 1958-59. Its 57 units offer a wide variety of programs for undergraduates and graduates, including liberal arts, medicine, veterinary medicine, dentistry, law, pharmacy, engineering, public affairs, maritime studies, agriculture, home economics, ceramics, forestry, industrial and labor relations and teacher training. Schools for social welfare and criminal justice have recently been added. The State pays one-half of con-



struction costs and one-third of operating costs of the 28 locally sponsored and operated community colleges, which are part of the State University's program, with a total full-time enrollment of 46,000 students. Nine additional community colleges will be established by 1970.

This year, \$2 million was appropriated for creation of four experimental two-year urban vocational education centers. These will offer specialized vocational courses to persons past high school age who are not benefiting from regular community college programs. While the length of the training courses will vary according to the students' needs, the goal of the urban centers is to help students assume productive jobs as quickly as possible.

To meet the educational aspirations of future students, the State University has mapped a plan of growth to accommodate 184,650 students by 1970. The university's \$1.349 billion physical development program is being directed by the self-supporting State University Construction Fund, which was created in 1962 to expedite construction in accordance with the State University Master Plan. Since mid-1962, projects worth \$306 million have been completed. Planning of two liberal arts colleges — in Westchester and Nassau counties — is continuing. The new Health Science Centers at Buffalo and Stony Brook will be financed in part from previously authorized State bonds.

AID FOR THE CITY UNIVERSITY OF NEW YORK

State aid to the City University of New York will exceed \$63 million in 1966-67, of which \$14 million is for the seven community colleges. Actions this year:

- . . . *Created the City University Construction Fund which, with State Dormitory Authority financing, will speed construction of academic facilities to meet expanding enrollments. The fund will be supported by equal State and city appropriations and secured by student fees.*
- . . . *Simplified and expanded the formula for State operating aid for the City University's senior colleges, and based the State aid on the university's current budgeted expenditures. For the 1966-67 fiscal year, \$48 million has been appropriated for operating aid for the senior colleges.*
- . . . *Established a Chancellor's Fund for improving educational quality and services, to which \$500,000 will be appropriated each year for the next ten years.*
- . . . *Appropriated \$1 million for a special talent search program under which 1,000 high school graduates from the city's poverty areas will be screened, tutored and enrolled in the City University.*

The Dormitory Authority finances student housing and other facilities for public and private colleges in the State. Since it began operations in 1948, the Authority has aided in planning and financing educational facilities costing more than \$1,309 million.

The strength of New York's higher education system is based on the high quality and wide variety of schools, both public and private, in the State. Many State programs benefit private as well as public colleges. Herbert H. Lehman graduate fellowships in the social sciences and public and international affairs, established in 1965, have drawn outstanding students selected in nationwide competition to our public and private colleges. Einstein professorships in science and Schweitzer chairs in the humanities, each endowed with \$100,000, have attracted leading scholars, while the Visiting Distinguished Professorships have encouraged excellence in scientific and technological education in the State. This year, a new State program will enable

private medical schools, under contract with the State, to begin an immediate expansion of the number of physicians trained in New York State. This program is designed to increase the number of private medical school graduates by 129 doctors a year from 1970 onward — the equivalent of a new medical college.

New York's varied programs of financial aid to students assure that no young person in this State with the ambition and aptitude will be denied a college education for lack of personal financial means. New York State offers the nation's most generous programs of student aid. The number of scholarships has been increased this year to provide 300 War Service Scholarships for veterans of the Vietnam conflict and 100 additional scholarships annually for children of deceased or disabled veterans, including Vietnam veterans. In 1966-67, an estimated 76,000 scholarships and fellowships, valued at \$32 million, will be provided for undergraduate and graduate study, and 177,000 scholar incentive awards worth \$38 million will be given. The State University also awards special scholarships to students from low-income families who need further financial help to supplement aid received under other programs. The State guarantees bank loans to students and pays all interest costs while the students attend college and the excess over 3 per cent thereafter. An estimated 160,000 students will have loans outstanding under this program at a cost to the State of \$12 million in 1966-67. All State higher education programs paid from the State budget will aggregate \$367 million in 1966-67.

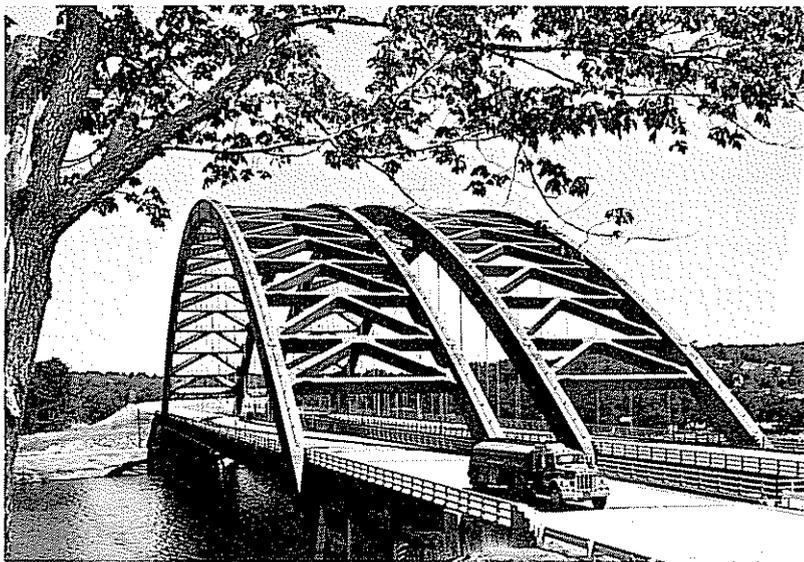
HIGHWAYS and HIGHWAY SAFETY:

16 per cent of State Budget

HIGHWAYS ARE of major and continuing importance in the growth of New York State's economy. Faster and safer highway transportation helps generate economic productivity and improved living standards by moving goods and services quickly from distant places to businesses and individuals throughout the State. Without highways, our medicine, food and clothing would be more difficult to obtain and business far more difficult and expensive to transact. About 7 million New York motorists, as well as great numbers of out-of-state shoppers, truckers, tourists, businessmen and others traveled an estimated 56 billion miles in 1965 on the 102,000 miles of roads and highways in New York State.

Construction and Maintenance From 1959 through 1965, more than 9,600 miles of road projects were completed in the State at a cost in excess of \$2 billion. About \$384 million in State funds will be spent in 1966-67 for planning and building highways, parkways and bridges, acquiring rights-of-way, eliminating grade crossings, and resurfacing and maintaining existing highways. The State's accelerated highway program begun last year has sped highway construction and land acquisition to handle the increasing numbers of vehicles, as well as avoiding potentially higher future costs.

New York's interstate highway network now is more than three-fourths completed. It is financed 90 per cent by the federal government and 10 per cent by the State. Other joint federal-State highway programs, such as construction, reconstruction and improvement of State primary and secondary highways and urban extensions, are financed 50 per cent each by the State and federal government. The State is constructing many additional miles of primary highways entirely with State funds. Starting in 1965-66, the federal government is providing an additional 3 per cent of federal funds for highway beautification. New York State has been a leader among the states in this field. In 1965, New York received five awards in national bridge competitions.



New York's highway bridges have won several awards in recent years for their functional beauty

Continuous inspection and repair of existing roads are essential for motorists' safety and comfort. The State's extensive maintenance services include pavement repair and marking, road shoulder improvement, culvert and drainage ditch maintenance, snow removal, ice control, traffic signal repair, and bridge painting and repair.

Aid to Localities The State bears a substantial portion of local government costs for constructing and maintaining local streets and roads. The State pays counties and New York City a portion of certain motor vehicle fees collected from their residents. Beginning this year, towns, villages and other cities also will receive a portion of such fees. New York City and the upstate counties each receive a percentage of total State motor fuel tax collections. State aid also is given to counties and towns for constructing and maintaining local highways. All State highway assistance to localities will total \$118 million this year. Municipalities may also spend State per capita aid for highway construction, repair and safety.

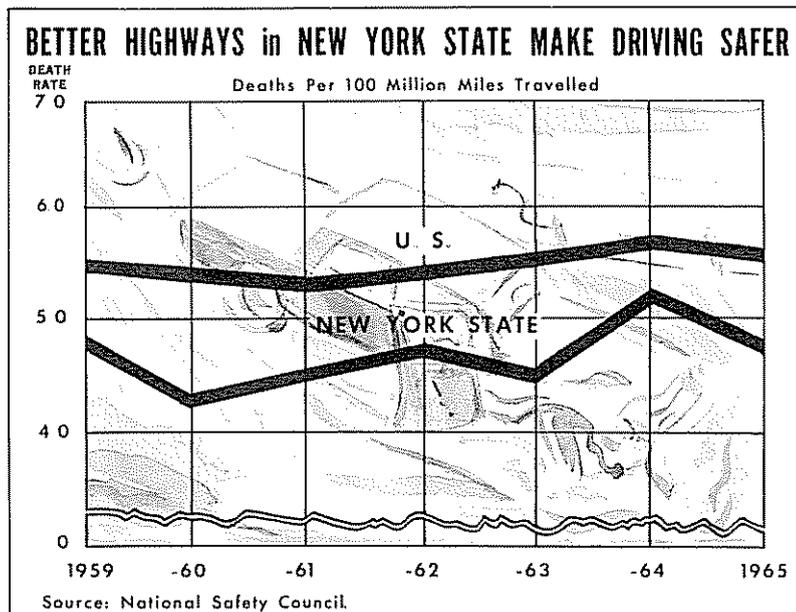
Highway Safety Safety programs have helped keep New York's highway death rate continually below the national average. In 1965, New York's death rate per 100 million miles traveled was 4.8 (down from 5.1 in 1964) compared with the national average of 5.6. The State's highway safety activities will cost \$51 million in 1966-67.

NEW THIS YEAR:

- . . . 1968 and later model automobiles registered in New York must have dual brakes, padded instrument panels and sun visors, and outside rear view mirrors.
- . . . All cars must be safety-inspected annually beginning in October, 1966.
- . . . Uniform traffic summonses and complaints will be used throughout the State.
- . . . Motorcycle equipment, operation and inspection requirements were strengthened.
- . . . The State may acquire property for enhancing natural beauty in areas traversed by State highways.

The State improves the safety of highways through research into vehicle construction, driver habits, highway conditions and other factors, and by reducing road hazards, including the elimination of sharp curves, extension of sight distances, widening of existing roads, and elimination of grade-level railroad crossings or installation of protective devices at the crossings. It establishes standards for vehicle inspection and insurance, registers all vehicles, keeps records of violations and accidents, and conducts driver improvement clinics. The State also tests and licenses New York drivers, and may revoke or suspend licenses for repeated violations of law, physical unfitness to drive or other conditions. Emergency telephones have been installed on the Adirondack Northway to serve motorists in distress, the first such service in the country.

The State Police make an important contribution to highway safety by patrolling highways and parkways, investigating accidents and vehicle breakdowns, weighing and inspecting trucks, and checking private motor vehicle inspection stations.



HEALTH and MENTAL HEALTH:

14 per cent of State Budget

Mental Health Services The State cares for an average of 110,500 persons with mental disabilities in 19 mental hospitals and 10 schools for the mentally retarded at an annual operating cost of \$323 million.

In 1965, the number of persons in the mental hospitals dropped by a record 2,079, despite a 3 per cent rise in admissions. The decrease in patients began in 1955 as a result of the use of tranquilizing drugs and other improved therapeutic measures. The trend has been aided by the growth of comprehensive community mental health centers, which offer such alternatives to State institutions as clinics, part-time hospitalization facilities and rehabilitation programs near the patients' homes. Patient care in the State hospitals has been improved through the recent introduction of a flexible staffing system for determining nursing needs.

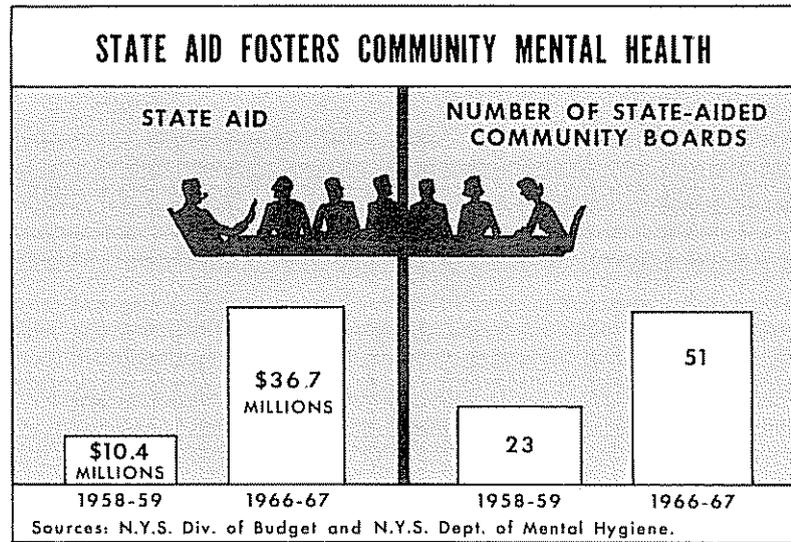
NARCOTIC ADDICTION CONTROL PROGRAM

The State Narcotic Addiction Control Commission has been established in the Department of Mental Hygiene to command the war against addiction. Its major weapon is a new law requiring up to three years of inpatient treatment and aftercare for addicts. The commission received an \$81 million appropriation, including \$75 million for capital construction. It is authorized to:

- . . . Establish and operate centers for screening and diagnosing addicts.
- . . . Approve private and public facilities for addict care.
- . . . Conduct research and aftercare programs.
- . . . Construct new facilities through the Mental Hygiene Facilities Improvement Fund.
- . . . Operate rehabilitation centers.

The commission will plan for the prevention and control of addiction, conduct an educational program about narcotics, and work with community agencies.

The commission already is negotiating to acquire three hospitals in New York City for rehabilitation of addicts.



The State reimburses communities for 50 per cent of their costs in providing mental health services. To stimulate these services in smaller communities, the State in 1966-67 will reimburse cities and counties with under 200,000 people for 75 per cent of the first \$100,000 they spend. Construction of 21 new community mental health and retardation centers is planned. The State pays one-third of the communities' costs in constructing these facilities. Total aid for these programs will be \$37 million this year.

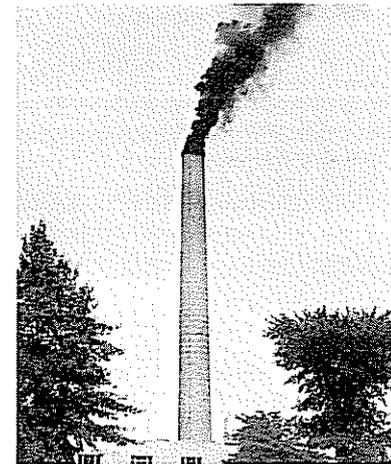
To serve the mentally ill in their own communities, relatively small State hospitals providing intensive care will be built in Albany, Syracuse, Staten Island and the Elmira-Corning area. The State's \$600 million, five-year construction program will also include nine rehabilitation centers in existing State hospitals and eight facilities for mentally ill children. New special units for treating alcoholics will bring to 570 the number of beds available for such persons who need intensive care.

While the number of persons in mental hospitals has declined, the number in State schools for the mentally retarded continues to rise. Three new schools at West Seneca in Erie County, Sunmount in Franklin County, and Suffolk were opened recently to accommodate increased admissions and reduce the number of persons at other schools. Eight additional schools are planned, and the State will con-

tinue to pay fees at private institutions for care of children under age five. The State schools will care for greater proportions of severely retarded patients who remain for longer periods of time, while most of the mildly retarded will be served in the community. Both school and community programs emphasize education and therapy to help the retarded reach their maximum potential. A residential summer camp is being built at Wilton in Saratoga County for retarded persons in institutions or living at home.

Through recently mandated tests for PKU (phenylketonuria), 26 cases of this retardation-causing disease have been discovered in time for preventive measures to be taken. The new Institute for Basic Research in Mental Retardation on Staten Island, which hires its first staff this year, will seek to discover other causes of retardation.

The State Department of Mental Hygiene has undertaken a sweeping reorganization to concentrate more effectively on mental retardation, strengthen the Commissioner's powers, and emphasize its growing involvement in planning, developing and coordinating local services.



Air pollution by industry, automobiles and other sources is a serious health problem in the State

Public Health Services New York provides health services to its residents in many ways. Patients are cared for at five State hospitals for tuberculosis, cancer and the physically handicapped. Roswell Park Memorial Institute is one of the country's leading cancer research centers. A high standard of hospital care in New York will be insured by strengthened State regulation of construction and operation of all hospitals and other medical care facilities and certification of those which meet federal Medicare standards.

To reduce the shortage of nursing care facilities, State aid for public nursing homes was begun in 1965. This year, low-interest loans will be made available to help nonprofit companies build such homes for patients with low incomes. Loans for up to 100 per cent of the cost of constructing and equipping the facilities will be provided through the State Housing Finance

Agency. A proposed constitutional amendment to authorize the Housing Finance Agency to make low-cost loans to nonprofit hospitals for construction or modernization was passed by the Legislature this year for the first time.

State aid is given to community health agencies which provide maternity and child care, preventive inoculations, environmental sanitation, laboratory services, treatment of tuberculosis patients and care of children with chronic diseases. Public health nurses, whose costs are shared by the State and locality, are now employed in virtually every county. A statewide system for regulating private ambulance services was established this year.

A growing realization of the importance of a healthful environment has led to a major fight against pollution. In November 1965, the voters approved a \$1.7 billion program for pure waters; as of July 1966, 153 local water pollution control projects had applied for funds. State and local enforcement powers were strengthened this year to combat violations of water pollution control laws.

AIR POLLUTION CONTROL

A comprehensive program to combat the growing health and economic problems of air pollution was developed this year. The Air Pollution Control Board may now:

- . . . Set standards for the composition and use of fuels.**
- . . . Require 1968 and later cars to have exhaust control devices.**
- . . . Take other steps to restrict the materials which may be emitted to the air by any source.**

Enforcement powers have been strengthened.

Construction of air pollution control facilities will be encouraged by:

- . . . Granting industries a rapid tax write-off of costs.**
- . . . Authorizing exemption of facilities from local property taxes.**
- . . . Providing 100 per cent State aid for municipal surveys of clean and efficient ways to dispose of solid wastes.**

Steps will be taken to achieve more active cooperation with New Jersey.

SOCIAL WELFARE: 12 per cent of State Budget



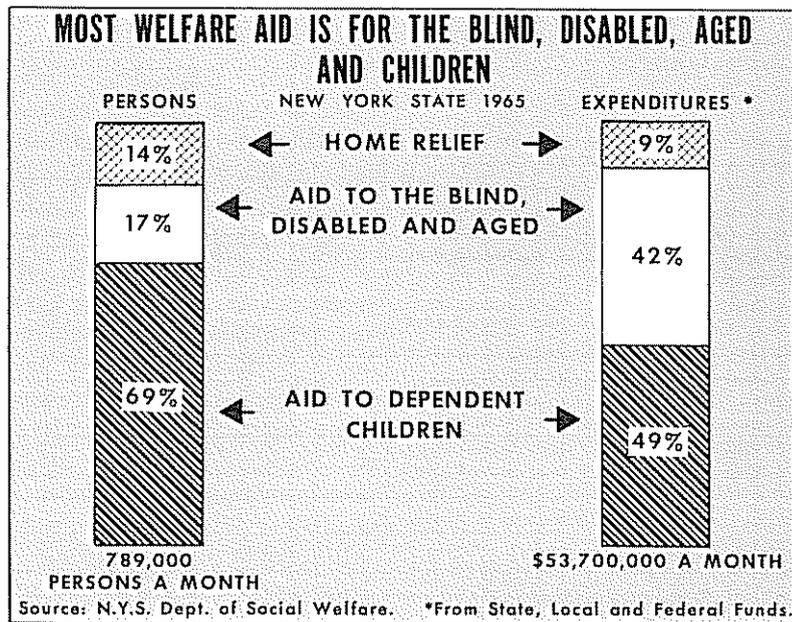
New emphasis was given this year to insuring adequate medical care for all New York residents

Public Assistance New York State provides a variety of programs to help residents who are unable to help themselves. Local governments, under State supervision, administer assistance for the aged, disabled, blind, dependent children, and other needy persons. Costs are shared by the federal, State and local governments, with the federal share expected to be about \$437 million in 1966-67, and the State's share \$366 million.

Two new programs which will improve living standards of New Yorkers are Medicare and Medicaid. Medicare, a federal program, provides hospital care benefits for all persons over 65 years of age, and offers them optional medical insurance at low cost. Medicaid, an expanded version of the State's long-established medical assistance program, makes hospital and medical care available to all residents with insufficient income to afford it themselves. Because increased federal funds are provided under Medicaid, benefits for more persons can be offered without increasing over-all State and local costs.

The vast majority of welfare recipients are unable to work because of age or disability. For those few welfare recipients who are able to work, State-supported adult elementary education courses, community work-training programs, and vocational counseling and rehabilitation help them prepare for adequately paying jobs. State funds are available to pay one-half the cost of local day care programs for children whose mothers are thus enabled to work or receive training and to become self-supporting.

Specialized State activities include home teaching and rehabilitative services for the blind, registration of fund-raising activities, and coordination of services to Indians. The State also counsels veterans, shares city and county costs for veterans' services and supervises the distribution of surplus food to the needy.



Youth Programs Training and guidance of youth and prevention of delinquency are goals of several State programs. Youth homes, short-term adolescent resident training centers, youth camps and residential after-care units provide guidance and rehabilitation for delinquent and potentially delinquent youths age 15 to 18. An appropriation of \$250,000 has been made available for construction of a combined youth facility and staff development center to train youth facility administrators. The first completely new training school to be constructed by the State since 1932 was opened this year at West Perth in Fulton County. When completed in 1968 it will accommodate 400 delinquent boys. This year, State aid for local youth bureaus, youth services, and recreation projects was increased by more than \$2 million. The maximum amounts that cities and counties may receive was raised and, for the first time, towns and villages (with at least 20,000 people) may receive aid for youth bureaus. A network of 11 Youth Opportunity Centers has been established to provide concentrated services to disadvantaged youths.

The success of the State's local beautification program last year prompted expansion of the program to 130 communities for 1966 — more than double the number participating originally. These projects provided jobs for 2,400 youths in the summer of 1966, improving the appearance of roadside areas, beach fronts and parks. Equipment

and supervision are furnished by localities, and wages are paid by the State. Plans are under way to establish a Job Corps camp at an existing State facility to accommodate and train 60 youths.

Approximately 600,000 persons receive benefits under the federally-aided program for dependent children. The State also shares with localities the cost of children placed with foster parents and enforces standards in public and private child-care institutions.

Programs for the Aged An average of 57,000 persons aged 65 and over will receive old age assistance in 1966-67. The State also shares with localities the cost of care for needy older citizens in public homes and private institutions. State aid supports both low-income and middle-income housing to help provide decent housing for the aged. Specially designed apartments for the elderly reduce the physical effort needed for housekeeping, minimize the likelihood of household accidents, and make the occupants more comfortable.

Local caseworkers help older welfare recipients to obtain sound housing, nutritional guidance, institutional care, legal advice and other assistance. The State inspects and supervises homes for the aged, nursing homes and other facilities and furnishes advice and training for their staffs. The Office for the Aging this year was authorized to provide a broad range of services to the elderly, including information, counseling, and home care and protection services. The agency may directly provide these services or contract with localities or public and private agencies.

To help elderly persons living on small fixed incomes remain in their homes, local governments were authorized this year to grant property tax exemptions of 50 per cent of assessed valuation for residential property owned and occupied by persons 65 and over with less than \$3,000 a year in income.

Through public education and enforcement of anti-discrimination laws, the State is combating job discrimination against the aged, and special counseling and vocational services are provided older workers. State aid is given localities for recreational and educational services for the elderly, a program which was made available for the first time this year to counties.

Housing and Community Renewal Since 1938, New York State has initiated many housing and community development programs which have subsequently been adopted by other states and the federal government. The success of these programs results from imaginative State policies that have enlisted the investment and active partnership of

the private sector and local governments. Through its public low-rent housing program, New York State has invested almost \$1 billion to provide more than 65,500 apartments for families with low incomes.

A major new program was created this year to make it financially possible for nonprofit educational, charitable and religious organizations to sponsor and operate housing projects for persons with low incomes. This will supplement traditional public housing projects which are built and maintained by municipal public housing authorities. The new program, begun with a \$10 million appropriation, will offer "seed money" loans to enable private sponsors to pay preliminary planning, legal and other costs and to apply for a mortgage loan under existing federal and State programs. In addition, the State's low-rent assistance program begun in 1965 helps low-income families to rent decent apartments in middle-income, privately owned housing projects. The cost to the State of such apartments is far lower than the cost of public housing.

The State's middle-income housing program has made rapid progress since 1960 when the State Housing Finance Agency was created. It channels private funds into construction of middle-income housing projects, which are sponsored and operated by private real estate corporations, nonprofit institutions, labor unions and church groups. More than 45,000 apartments have been approved for mortgage loans totaling over \$755 million at no expense to State taxpayers. In addition, more than 7,000 apartments are completed or planned through the aid of direct State loans totaling over \$129 million.

Responsible families often wish to purchase apartments in cooperative housing projects but lack sufficient savings for the purchase price. To make cooperative apartments available to such families, New York State began the Home Owners Purchase Endorsement (HOPE) program in 1962, authorizing the State Housing Finance Agency to make low-cost ten-year loans to tenant cooperators. More than 3,700 loans totaling over \$7 million are outstanding.

The State's urban renewal program provides capital grants to localities to help check the spread of slums and encourage the revitalization of decaying urban centers. The State and locality share equally the community's out-of-pocket cost for renewal projects. Since this program began in 1959, contracts for 61 urban renewal projects in 38 communities have been signed, involving more than \$56 million in State aid, and additional projects are planned. The State provides 50 per cent reimbursement for various types of local housing inspection costs to help prevent the spread of slum conditions.

GENERAL GOVERNMENT: 5 per cent of State Budget

THE COURTS, LEGISLATURE, GOVERNOR'S OFFICE and other agencies furnish general services to the State's residents, employees and municipalities. Internal management activities of State government include preparation and execution of the State budget, management improvement and cost reduction, collection of revenues, supervision of State legal affairs, personnel administration, establishing accounting and reporting standards, auditing accounts, comprehensive regional and program planning, coordination of intergovernmental operations, and central purchasing and control of State supplies, equipment, property and buildings. Direct State services to municipalities and the public include maintenance of election and other public records, counseling of local officials, auditing of municipal finances, establishment of equalization rates to help assure fair assessment and taxation of real property and equitable distribution of State assistance to local governments, and protection against consumer frauds.

Intergovernmental Operations The expanding participation of the State and its local governments in federal programs is exerting an increasing impact on the State budget. State expenditures from federal funds have risen from \$385 million in 1958-59 to about \$1 billion in 1966-67, and in recent years have made up about 17 per cent of total State spending. The increased number and variety of federal programs and the amount of federal aid going directly to local governments complicate the task of assuring that the use of federal assistance is consistent with the State's over-all needs. To help the State and its localities take effective advantage of federal aid, the Division of the Budget was made responsible this year for improved reporting of federal grants.

In addition to the program of assistance to localities for specific purposes, the State will provide \$199 million in general (per capita) grants to counties, cities, towns and villages in 1966-67. This money may be used for any local government purpose. (In this booklet, per capita aid has been distributed among functions in proportion to local expenditures for such functions.)

Constitutional Convention The Temporary State Commission on Revision and Simplification of the Constitution and to Prepare for a Constitutional Convention was established in 1965. The commission is making a comprehensive analysis of the State Constitution

to advise convention delegates on a wide range of proposed changes. These studies are expected to reflect the State's continuing concern for improvements in New York's basic governmental structure, including management, elections, fiscal matters and other subjects.

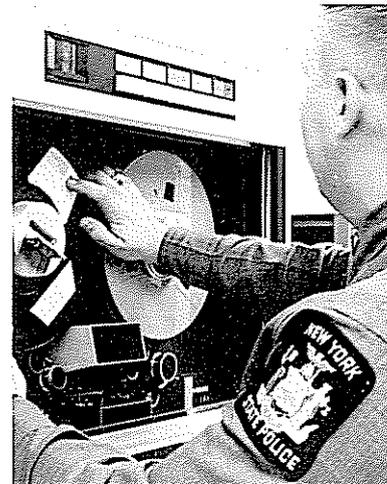
State Employees The employees who carry out the complex and diverse programs which New York State provides must be highly qualified if State residents are to receive the type and level of service they demand. The competence of the State's nurses, doctors, teachers, engineers, social workers, correction and conservation officers, hospital attendants and other employees must be second to none. Since 1961, the State has taken great strides toward making its salaries competitive with those paid by private industry in order to attract and retain qualified employees. Recent studies of salaries paid in other large governmental jurisdictions and in private industry indicated that salaries had increased substantially, however, and that State salaries were lagging behind those paid by other employers for comparable positions. An 8 per cent salary increase was granted to State employees this year to help overcome this lag and improve the State's ability to recruit and keep competent workers. In addition, a more equitable method was developed for determining salaries of employees whose jobs are reallocated. Other actions this year include:

- ... Liberalization of retirement benefits, now to be based on 1/60 of final average salary for each year's service since 1960.
- ... An increase in supplemental pensions for retired workers under the State retirement systems, and extension of supplementation to those retired in 1958, 1959 and 1960.
- ... Establishment of a \$2,000 survivor's benefit for State employees who retire after October 1, 1966.
- ... Appointment of a Governor's committee to make a major study of the State's retirement program.
- ... Improved benefits to members of the State's health insurance program and integration of the program with Medicare.

Government Efficiency New York has been in the forefront of the states in the use of electronic data processing techniques to achieve more effective operations. A statewide five-year plan for data processing and telecommunications is under way, with major emphasis on information sharing among State agencies and local governments.

The Business Advisory Committee on Management Improvement, composed of experienced business and industrial representatives, was appointed this year. It will work with the State Management Improvement Council to streamline the administration of State programs affecting businesses. Better regional and local planning throughout the State will result from this year's consolidation of the State's development planning activities in a single new Office of Planning Coordination. Progress toward consolidation of downtown State offices in the Capital City South Mall Development was advanced through a \$70 million construction bond issue by Albany County.

PUBLIC SAFETY: 4 per cent of State Budget



The State Police use the most modern equipment and techniques in their work

Enforcement of laws, preservation of public order, and protection of life and property from criminal acts, natural dangers such as floods, drought, fire or other disasters and from enemy attack are basic governmental responsibilities.

Crime Prevention and Detection The human and economic impact of crime is one of the country's major problems today. Our society's continued progress depends in good part on the protection given individuals and the community. Combatting crime in New York State

costs the State and local governments about \$728 million annually, or more than \$40 for every person in the State. This task requires more than 80,000 State and local employees, including police officers, district attorneys, judges, correctional staff, probation and parole officers, psychiatrists, medical examiners and others.

One of the most dramatic of the steps taken this year to fight crime is the State's new program to control narcotics addiction. Addicts are responsible for one-half of the crimes committed in New York City and this contagion is spreading to the suburbs and other

localities. The program's objective is to eliminate this major cause of crime, as well as to eradicate the public fear and anxiety created by this problem. One of the program's chief goals is the removal of carriers of this disease—the "pushers"—from the streets. Legislation this year permits much stiffer prison sentences for persons convicted of illegally possessing and selling drugs.

Constant efforts are made to find better law enforcement techniques. Funds are provided this year for a statewide facsimile transmission network for rapidly answering requests from local law enforcement agencies for fingerprints, criminal records and other data. To further expedite criminal identification services, transfer of the Division of Identification from the Department of Correction to the new State Identification and Intelligence System was approved. This is the first step in development of a computer system to aid data sharing among State and local criminal justice agencies.

To alleviate the personal suffering and financial loss resulting from crimes, a new State program to compensate innocent victims of violent crimes was authorized this year.

The State Police, with a total force of 3,193 troopers and other personnel, is responsible for a broad spectrum of law enforcement functions. It conducts criminal investigations, maintains a scientific laboratory and an extensive communications system for crime prevention and detection, and provides assistance to local officials. To reinforce the agency's crime detection activities, the 1966-67 budget provides for 25 new investigative positions. This year's budget also includes almost \$3 million for construction of a State Police Academy to provide basic training for new recruits and advanced courses for both State and local law enforcement personnel.

Correction, Parole and Probation The State is responsible for protecting society through confinement of convicted offenders, but it is also committed to rebuilding the lives of offenders and preparing them for a successful return to society. Some 18,500 offenders are confined and treated in 22 correctional institutions, ranging from minimum-security conservation work camps to maximum-security prisons. This year planning will begin for an additional correctional institution. To relieve severe overcrowding in New York City's institutions, legislation this year authorized the establishment of a State detention facility.

Rehabilitation of offenders has been increasingly emphasized in recent years, reflecting a growing concern over the high rate of

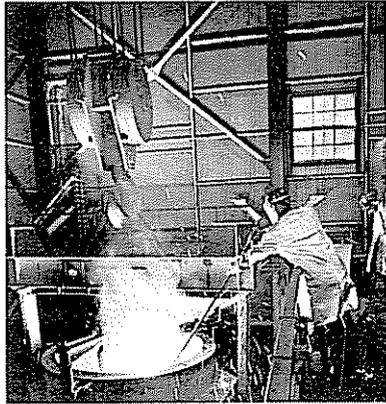
crimes committed by repeaters. New concepts are being advanced in the State's penal system to cope with this problem. As a result of recommendations made by the Governor's Special Committee on Criminal Offenders, measures were approved this year to: establish community-based residential treatment facilities to help rehabilitate State prisoners who become eligible for parole; set up a psychiatric clinic at Clinton State Prison to provide therapy for mentally-disordered inmates and intensive evaluation of inmates who may become eligible for parole; and remove the automatic legal disabilities that now may deprive a first offender, on his return to the community, of job opportunities or a normal life.

Parole and probation often contribute more to the rehabilitation of an offender than a long period of imprisonment, and at considerably less cost. For every \$100 spent in maintaining a prisoner in a State correctional institution, it costs only \$16 to supervise a parolee after release from prison, and \$14 to supervise a person on probation. State aid for local probation services is being increased to provide services for more than 45,000 persons on probation, some 2,500 more than last year, and to accommodate four additional counties newly eligible for State reimbursement. Another 10,000 persons are supervised by the State Board of Parole, and added funds will permit more intensive supervision and counseling.

Civil and Military Defense The Civil Defense Commission and the Division of Military and Naval Affairs are responsible for coordinating State preparations for a possible riot, natural disaster or enemy attack. The commission is prepared to carry out a coordinated State plan for civil defense using the services, resources, materials and facilities of other State agencies. It also is part of a warning system which transmits vital information from the federal government through State and local governments to the public. To prevent some of the serious consequences that could occur in an emergency, funds have been provided this year to acquire generators and other electrical equipment for State Police field stations and State armories.

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 the State Guard. Construction of a new State Armory in New York City is expected to begin next spring to replace the present obsolete structure.

SERVICES to AGRICULTURE, BUSINESS and LABOR: 2 per cent of State Budget



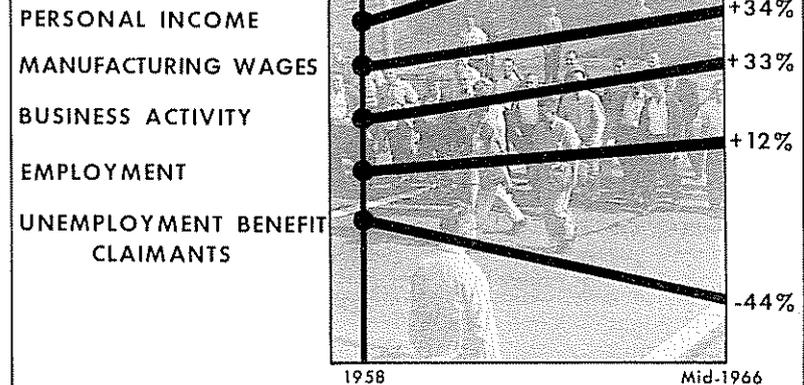
Economic Development Economic growth is imperative if all New York residents are to share in prosperity. State government is acting on many fronts to stimulate further gains above the record-breaking business and employment levels of recent years. The business loan program of the New York Job Development Authority has helped numerous businesses to get started and grow, and has led to the creation of thousands

of new jobs in the State. The voters will be asked this November to approve constitutional amendments which would raise the authority's lending power and permit loans to be made anywhere in this State. The new Office of Economic Development Grant Programs in the Department of Commerce will administer the State's share of the cooperative federal-State Appalachian program, and will also guide communities seeking economic development grants.

Small businesses are given extensive counseling, and the State actively promotes New York's advantages as a place to visit and do business, thus encouraging more tourists and exports and expanding the State's economy. A Far East Trade Office was opened in Tokyo this year to advance New York's export trade, which now has climbed to \$1.5 billion annually. The State is helping to develop a vigorous atomic energy industry in New York. The State's program of demonstrating to industry why a New York State location is profitable has helped lead to 4,500 major manufacturing plant expansions or new plant locations here since 1959.

Transportation In a dramatic step to help solve metropolitan New York's commuter transportation problems, the New York State Metropolitan Commuter Transportation Authority was created last year to improve operations of the Long Island Railroad and assure adequate commuter services. . . . Special attention is being given by the State to the problems of the New Haven Railroad pending its

NEW YORK STATE'S ACCELERATED ECONOMIC GROWTH 1958 TO MID-1966



Sources: N.Y.S. Depts. of Labor and Commerce, U.S. Dept. of Commerce, and N.Y.S. Division of Budget.

absorption into the newly merged New York Central-Pennsylvania line. . . . Repeal of provisions of the State's antiquated full crew laws this year should help railroads in the State to reduce costs, while State aid to communities for property tax relief to railroads continues. . . . The State also promotes airport development. State funds were advanced this year to the Niagara Frontier Port Authority to modernize and expand Buffalo's airport.

State Regulation and Licensing To protect consumers and legitimate businesses, the State regulates banking, insurance, public utilities, horse racing and other sports, and the alcoholic beverage industry. The State also licenses certain professions and occupations to assure proper standards. Consumer borrowing laws enacted in 1966 will help end undesirable practices used against borrowers.

The Arts New York's pioneering State Council on the Arts has enhanced the cultural life of the entire State by providing financial and other assistance to local organizations sponsoring concerts, performances, and exhibits. The new Saratoga Performing Arts Center, aided by State funds, became the summer home of the Philadelphia

Orchestra and New York City Ballet in 1966. State aid of \$600,000 was made available to museums this year for the first time to help them improve and expand their services. To encourage architectural excellence in public and private construction and to preserve important public buildings, a State Council on Architecture was set up in 1966, the first such agency in the nation.

Labor and Human Rights The State provides arbitration and mediation services to help insure fair settlements of labor disputes, protects workers against unfair labor practices, enforces industrial health and safety requirements and wage and hour laws, and supervises apprentice training programs. New York's minimum wage will rise to \$1.50 an hour on January 1, 1967, aiding 650,000 low-wage workers, and to \$1.60 an hour when the federal law reaches that level.

To aid workers who are unemployed or disabled, the State administers unemployment insurance, workmen's compensation and disability benefits programs. Unemployed workers are helped to get jobs, with special attention given to hard-to-place older workers. Over 330,000 men and women 40 years old or more were placed in jobs in 1965. One of the nation's leading occupational rehabilitation programs helps disabled workers recover from injuries and assume jobs.

The State's manpower training program, which has provided many thousands of workers with needed job skills, was expanded this year. State funds were made available to supplement federal money and permit more flexible and individualized training. The nation's largest single training program was begun this year in New York City.

New York's extensive anti-discrimination program was further strengthened this year. Membership of the State Commission for Human Rights was increased and new local offices were opened.

Agriculture State government activities aid farmers and protect consumers. Daily reports of market prices and other marketing information are provided and studies are made to help improve crop yields. Growers and packers are aided in organizing market facilities and cooperatives. The State inspects and grades farm products, helps fight insects and plant and animal diseases, enforces pure food and labeling laws, licenses milk dealers and other food processors, inspects slaughterhouses and meat processing plants, and promotes the State's agricultural economy. A State Commission on Preservation of Agricultural Land was appointed this year to help prevent the misuse of productive agricultural land, as in the case of "urban sprawl."

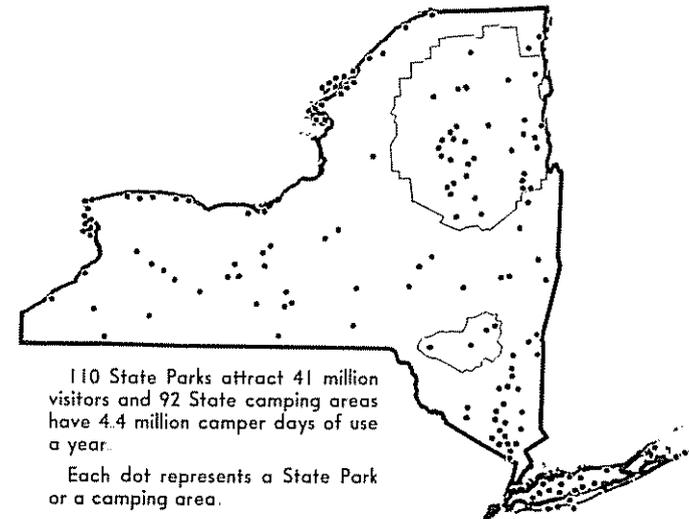
NATURAL RESOURCES and RECREATION:

2 per cent of State Budget

Parks and Recreation A growing population and its expanded mobility and increased leisure time have created a substantial need for more recreational areas and facilities in New York. The State has taken the lead in planning for the best use of available resources. Under the Park and Recreation Land Acquisition Program, \$100 million in bond funds was made available to the State and localities, which have bought or reserved about 375,000 acres of open lands for park and recreation purposes before they became irretrievably lost to urban expansion. Further acquisitions of land in New York City and other densely populated areas for vest-pocket parks will result from elimination this year of a one-acre minimum size requirement.

This year the voters will have the opportunity to approve a bond issue making possible a \$400 million, ten-year program to develop State and local recreational facilities and, to a lesser extent, acquire additional lands, for use by pleasure motorists and boaters, sportsmen, outdoorsmen and the general public. The Outdoor Recreation Development Bond Act would provide \$200 million in self-liquidating State bond funds, which would be augmented with another \$200 million in State, local and federal funds.

State Parks and Camping Areas



The State's outdoor recreational system includes 110 State parks and other recreational areas with facilities for boating, swimming, hiking, camping, picnicking, golf, tennis, and skiing and other winter sports. The State's many recreational projects in 1966-67 include building of additional camping and other wilderness recreational facilities, and a stepped-up program to provide boat launching sites and navigation aids throughout the State.

As a result of a recommendation by the Hudson River Valley Commission appointed last year, New York has initiated legislation to create an interstate compact with New Jersey and the federal government to enhance and preserve the scenic and natural resources of the Hudson River Valley. To help local governments preserve and enhance the beauty of New York State, a Natural Beauty Commission was established this year. A New York State Historic Trust was also created to acquire historic sites and to operate and maintain sites.

Conservation, Fish and Wildlife To insure the fullest recreational and commercial use of our natural resources, it is essential that the proper balance of fish and wildlife be maintained. The State operates game farms and fish hatcheries and maintains wildlife refuges and game management areas to advance this goal, and conducts wildlife research. One of the most serious depletions of a natural resource has been the destruction of woodlands. To prevent wanton destruction, the State supplies forest fire control services for 21 million acres of State and private forests and provides or supervises pest control in many areas. Technical advice on approved forest practices is provided to many landowners, State aid is given counties for reforestation, and 18 million trees will be distributed this year by the State.

Water Resources and Waterways The optimum development of water resources presents one of today's great challenges. Despite New York State's abundant supply of water, the public's increasing demands emphasize the need for careful planning and allocation of our water supplies. The State is working to meet that need by initiating and coordinating water resource planning and development at all levels of government. Watershed areas in the State are being studied and a comprehensive statewide water resources plan is being prepared.

The State Barge Canal and New York's numerous lakes and waterways serve as a water supply and also provide recreational boating for the approximately 420,000 motorized boats registered by the State. Registration fees are used to reimburse counties for up to 50 per cent of expenses for enforcing the navigation law and to finance marine safety programs.

APPENDIX

Table 1

State Financial Operations

General Fund, War Bonus and Mental Health
Bond Account, and Highway Account

(millions of dollars)

| | 1965-66 Actual | 1966-67 Estimated | Change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|-------------|
| Income | | | |
| Current revenues | 3,345 | 3,869 | +524 |
| Bond funds | 119 | 138 | + 19 |
| Total income | <u>3,464</u> | <u>4,007</u> | <u>+543</u> |
| Expenditures | | | |
| Local assistance | 2,126 | 2,348 | +222 |
| State operations, total | 1,006 | 1,190 | +184 |
| State Purposes Fund | 1,006 | 1,190 | +184 |
| War Bonus and Mental Health Bond Account ..... | * | * | ..... |
| Capital construction | | | |
| Capital Construction Fund | 293 | 425 | +132 |
| Debt service on bonded debt, total | 35 | 44 | + 9 |
| State Purposes Fund | 4 | 4 | ..... |
| War Bonus and Mental Health Bond Account | 15 | 14 | - 1 |
| Highway Account | 16 | 26 | + 10 |
| Total expenditures | <u>3,460</u> | <u>4,007</u> | <u>+547</u> |
| Surplus | 4 | ..... | - 4 |
| Net first instance advances reimburs- able from the federal government, public authorities and localities, temporarily financed from capital reserves | 53 | 35 | - 18 |

* Less than \$0.5 million

Table 2
Current Revenues
(millions of dollars)

| | 1965-66 Actual | 1966-67 Estimated | Change |
|------------------------------------------------------------------|-------------------|----------------------|--------|
| Personal income tax | 1,271 | 1,455 | +184 |
| User taxes and fees | 1,127 | 1,452 | +325 |
| Sales and use tax | 299 | 600 | +301 |
| Motor fuel tax | 268 | 276 | + 8 |
| Cigarette tax | 216 | 230 | + 14 |
| Motor vehicle fees | 193 | 189 | - 4 |
| Alcoholic beverage tax | 66 | 68 | + 2 |
| Alcoholic beverage control licenses | 64 | 66 | + 2 |
| Highway use tax | 21 | 23 | + 2 |
| Business taxes | 569 | 629 | + 60 |
| Corporation franchise tax (Article 9A) | 302 | 345 | + 43 |
| Corporation and utilities tax (Article 9) | 162 | 170 | + 8 |
| Bank tax | 47 | 49 | + 2 |
| Unincorporated business tax | 43 | 49 | + 6 |
| Insurance premium tax | 15 | 16 | + 1 |
| Taxes on other activities | 300 | 278 | - 22 |
| Pari-mutuel tax | 141 | 144 | + 3 |
| Estate tax | 132 | 130 | - 2 |
| Stock transfer tax | 24 | ..... | - 24 |
| Other taxes | 3 | 4 | + 1 |
| Miscellaneous receipts | 78 | 55 | - 23 |
| Total current revenues * | 3,345 | 3,869 | +524 |
| * Total current revenues are divided among the funds as follows: | | | |
| General Fund | 3,095 | 3,592 | +497 |
| War Bonus and Mental Health Bond Account | | | |
| Personal income tax | 141 | 162 | + 21 |
| Cigarette tax | 21 | 23 | + 2 |
| Highway Account | | | |
| Motor fuel tax | 88 | 92 | + 4 |
| Total current revenues | 3,345 | 3,869 | +524 |

Table 3
Local Assistance Fund Appropriations

| Agency or Purpose | 1965-66 | 1966-67 ^a |
|-------------------------------------------------|-----------------|----------------------|
| Education, total | \$1,317,193,134 | \$1,494,506,669 |
| Education Department | 1,243,693,134 | 1,401,856,669 |
| Support of public schools | 1,221,829,134 | 1,376,422,227 |
| Library aid | 10,200,000 | 12,800,000 |
| School lunch program | 11,000,000 | 11,958,427 |
| Recreation for the elderly | 464,000 | 461,015 |
| Physically handicapped children | 200,000 | 215,000 |
| State University | 73,500,000 | 92,650,000 |
| City University of New York | 40,000,000 | 49,150,000 |
| Community colleges, incl. N.Y.C. | 33,500,000 | 43,500,000 |
| Social Welfare, total | 373,714,499 | 358,847,412 |
| Public assistance and care | 362,090,000 | 343,973,000 |
| Care of juvenile delinquents | 6,095,000 | 6,750,000 |
| Administration of local assistance | 5,529,499 | 8,124,412 |
| Taxation and Finance, total | 290,410,942 | 316,287,044 |
| Per capita aid | 197,810,942 | 199,487,044 |
| Counties' share of motor fuel tax | 53,000,000 | 56,000,000 |
| Counties' share of motor vehicle fees | 30,500,000 | 49,000,000 |
| Railroad tax relief | 9,100,000 | 11,800,000 |
| Health, total | 63,014,000 | 65,076,000 |
| General public health work | 32,645,000 | 35,645,000 |
| Sewage treatment works | 13,000,000 | 9,000,000 |
| Physically handicapped children | 8,000,000 | 8,000,000 |
| Tuberculosis care | 4,100,000 | 3,500,000 |
| Laboratories and blood banks | 1,810,000 | 1,810,000 |
| Nursing home construction | 1,100,000 | 1,100,000 |
| Water supply studies | 1,000,000 | 1,000,000 |
| Administration of local assistance | 1,359,000 | 5,021,000 |
| Housing, total | 39,783,828 | 54,414,262 |
| Housing subsidies | 27,770,949 | 30,239,513 |
| Urban renewal grants | 8,000,000 | 20,000,000 |
| Urban renewal subsidies | 792,240 | 779,040 |
| Administration of local assistance | 3,220,639 | 3,395,709 |
| Mental Hygiene | 25,449,667 | 41,484,234 |
| Public Works, total | 13,958,236 | 13,689,977 |
| Town highways | 11,676,247 | 11,399,199 |
| County highways | 2,103,806 | 2,115,723 |
| Administration of local assistance | 178,183 | 175,055 |
| Correction—probation services | 8,244,578 | 9,146,870 |
| N.Y.C. Rent and Rehabilitation Admin | 7,336,000 | 7,618,283 |
| Youth, Division for | 5,896,642 | 6,833,733 |
| Judiciary—justices' salaries | 3,403,334 | 3,440,000 |
| Conservation | 336,125 | 906,049 |
| Council on the Arts ..... | ..... | 600,000 |
| Veterans' Affairs—service agencies | 499,025 | 502,800 |
| Office for the Aging ..... | ..... | 200,000 |
| Executive—Office of Planning Coordination | 318,843 | 106,727 |
| General Services, Office of | 76,572 | 76,018 |
| Housing Finance Agency—low rent leases | 5,000,000 | ..... |
| Debt service | 4,602,000 | ..... |
| Miscellaneous | 222,317 | 1,173,566 |
| Total | \$2,159,459,742 | \$2,374,909,644 |

^a Excludes allowance for possible deficiency appropriations.

Table 4

State Purposes Fund Appropriations

| Agency or Purpose | 1965-66 | 1966-67 ^a |
|----------------------------------------------|-----------------------------|-----------------------------|
| Mental Hygiene, Department of | \$ 261,983,702 ^b | \$ 287,302,964 ^b |
| State University | 149,945,895 ^b | 199,051,094 ^b |
| Education Department | 98,388,264 | 106,361,205 |
| Executive Department, total | 73,635,673 | 93,178,233 |
| Aging, Office for the | | 230,309 |
| Alcoholic Beverage Control, Division of | 4,555,630 | 4,728,648 |
| Architecture, Council on | | 50,000 |
| Atomic and Space Development, Office of | 290,780 | 295,757 |
| Budget, Division of the | 2,148,445 | 2,317,182 |
| Civil Defense Commission | 2,758,041 | 2,937,046 |
| Council on the Arts | | 904,477 |
| Crime Victims Compensation Board | | 500,000 |
| Economic Opportunity, Office of | 50,000 | 65,000 |
| Executive Chamber | 3,053,725 | 3,689,006 |
| General Services, Office of | 10,481,701 | 11,084,959 |
| Housing and Community Renewal, Div. | | 10,000,000 |
| Human Rights, Commission for | 1,876,875 | 1,989,608 |
| Local Government, Office for | 3,395,811 | 3,902,392 |
| Military and Naval Affairs, Division of | 7,102,521 | 7,083,446 |
| Parole, Division of | 6,077,843 | 6,513,189 |
| State Identification and Intelligence System | 1,250,000 | 3,771,688 |
| State Police, Division of | 25,021,162 | 27,065,212 |
| State Recreation Council | 33,345 | 2,000 |
| Transportation, Office of | 404,741 | 358,982 |
| Veterans' Affairs, Division of | 1,463,251 | 1,506,498 |
| Youth, Division for | 3,671,802 | 4,182,834 |
| Public Works, Department of | 68,272,606 | 78,717,382 |
| Correction, Department of | 56,998,237 | 57,121,405 |
| Taxation and Finance, Department of | 40,309,560 | 40,837,018 |
| Health, Department of | 29,685,987 | 31,338,208 |
| Conservation Department | 27,136,034 | 30,469,700 |
| Social Welfare, Department of | 18,683,456 | 20,181,441 |
| Motor Vehicles, Department of | 17,904,669 | 18,234,553 |
| Legislature | 12,477,051 | 14,375,423 |
| Judiciary | 11,753,825 | 13,683,053 |
| Labor, Department of | 12,424,793 | 12,844,435 |
| Audit and Control, Department of | 8,194,414 | 9,149,418 |
| Agriculture and Markets, Department of | 7,634,540 | 9,078,403 |
| Law, Department of | 7,045,175 | 7,368,384 |
| Commerce, Department of | 5,517,335 | 7,079,427 |
| State, Department of | 6,179,334 | 6,573,372 |
| Civil Service, Department of | 4,918,486 | 6,098,326 |
| Public Service, Department of | 4,577,833 | 4,802,988 |
| Insurance Department | 558,705 | 563,568 |
| Banking Department | 259,530 | 261,580 |
| Other State agencies and commissions | 16,983,925 | 22,118,115 |
| All agencies—salary adjustments | 400,000 | 41,200,000 |
| General State charges | | |
| Pension administration, contributions | 83,213,295 | 104,218,945 |
| Social security admin., contributions | 15,765,200 | 24,078,847 |
| Health and compensation insurance | 14,589,140 | 12,519,837 |
| Taxes on public lands, judgments, etc. | 13,916,429 | 11,763,229 |
| Unemployment insurance | 1,500,500 | 1,500,500 |
| Total current operations | \$1,070,853,593 | \$1,272,071,053 |
| Debt service | 4,467,836 | 4,131,117 |
| Grand total | \$1,075,321,429 | \$1,276,202,170 |

^a Excludes allowance for possible deficiency appropriations.

^b Excludes amounts financed by the Mental Hygiene Services Fund and the State University Income Fund.

Table 5

Capital Construction Fund Appropriations

| Agency or Purpose | Prior Appropriations in Force April 1, 1966 | New Appropriations 1966-67 | Total Appropriations Available 1966-67 |
|--------------------------------------------|---------------------------------------------|----------------------------|----------------------------------------|
| Public Works, Dept. of, total | \$ 553,842,547 | \$ 443,832,220 | \$ 997,674,767 |
| Highways | 280,151,556 | 334,162,500 | 614,314,056 |
| Accelerated highway construction | 159,665,887 | | 159,665,887 |
| Grade crossing elimination | 51,074,254 | 16,039,000 | 67,113,254 |
| Parkways—State | 14,339,505 | 21,813,000 | 36,152,505 |
| Taconic State Parkway | 20,265,536 | 11,873,000 | 32,138,536 |
| Accelerated parkway construction | 9,507,654 | | 9,507,654 |
| District offices and shops | 2,408,800 | 6,268,000 | 8,676,800 |
| Canals | 1,818,014 | 3,100,000 | 4,918,014 |
| Flood control | 3,269,109 | 1,630,339 | 4,899,448 |
| Buildings and grounds | 937,189 | 684,000 | 1,621,189 |
| Shore protection | 1,448,048 | | 1,448,048 |
| Capital City improvements | 367,643 | | 367,643 |
| Dag Hammarskjold memorial | 46,848 | | 46,848 |
| Rehabilitation and improvements | 98,314 | | 98,314 |
| Services and expenses | 8,444,190 | 48,262,381 | 56,706,571 |
| Mental Hygiene, Department of | 4,263 | 1,850,000 | 1,854,263 |
| Mental Hygiene Facilities Improvement Fund | 62,564,820 | 146,845,000 | 209,409,820 |
| Executive Department, total | 111,224,910 | 31,635,336 | 142,860,246 |
| Civil Defense Commission | 97,378,463 | | 97,378,463 |
| General Services, Office of | 8,039,569 | 21,315,336 | 29,354,905 |
| State Police, Division of | 1,412,429 | 4,195,000 | 5,607,429 |
| Military and Naval Affairs, Division of | 2,976,502 | 1,400,000 | 4,376,502 |
| Atomic and Space Development, Office of | 102,638 | 3,700,000 | 3,802,638 |
| Youth, Division for | 1,315,309 | 1,025,000 | 2,340,309 |
| Education, total | 6,512,094 | 33,910,500 | 40,422,594 |
| State University | 5,461,285 | 18,535,000 | 23,996,285 |
| State U. Construction Fund | 117,520 | 12,986,000 | 13,103,520 |
| Education Department | 933,289 | 2,389,500 | 3,322,789 |
| Conservation Department | 12,222,101 | 21,705,866 | 33,927,967 |
| Correction, Department of | 12,815,932 | 8,371,000 | 21,186,932 |
| Social Welfare, Department of | 7,600,615 | 12,660,700 | 20,261,315 |
| Metropolitan Trans. Authority | 9,900,246 | 4,500,000 | 14,400,246 |
| Health, Department of | 3,388,075 | 4,051,000 | 7,439,075 |
| Law, Department of | 243,097 | 2,314,568 | 2,557,665 |
| Public Service, Department of | 1,810,344 | 100,000 | 1,910,344 |
| Other agencies | 1,522,883 | 210,755 | 1,733,638 |
| All agencies, unapportioned ^a | 2,460,074 | 10,538,850 | 12,998,924 |
| Grand total | \$ 786,112,001 | \$ 722,525,795 | \$1,508,637,796 |

^a Includes amounts for rehabilitation and improvement; supplements for construction, land, and salaries; building access ramps for the physically handicapped; and general State charges.

Table 6
Functional Classification of Estimated Expenditures, 1966-67

(millions of dollars)

| | Regular Budget Funds ^a | Federal Funds | Other Funds | Total |
|------------------------------------------------------|-----------------------------------------|------------------|----------------|--------------|
| Education | 1,815 | 212 | 299 | 2,326 |
| Social Welfare | 487 | 437 | 48 | 972 |
| Highways and Highway Safety | 626 | 215 | 50 | 891 |
| Health and Mental Health | 552 | 25 | 113 | 690 |
| Services to Agriculture, Business and Labor | 90 | 84 | 111 | 285 |
| General Government | 199 | ..... | 32 | 231 |
| Public Safety | 153 | 7 | 31 | 191 |
| Natural Resources and Recreation | 70 | 12 | 46 | 128 |
| Nonallocated General Costs | 15 | ..... | ..... | 15 |
| Total | 4,007 | 992 | 730 | 5,729 |

^a General Fund, War Bonus and Mental Health Bond Account and Highway Account.

Table 7
Net Outstanding State Debt^a
March 31, 1966

(millions of dollars)

| | Long Term | Temporary | Total |
|---------------------------------------------------------|------------|--------------|------------|
| Tax-financed | | | |
| Highway construction | 208 | ^b | 208 |
| Mental health construction | 83 | ..... | 83 |
| Grade crossing elimination | 63 | ..... | 63 |
| Higher education construction | 26 | ..... | 26 |
| State institution buildings | 1 | ..... | 1 |
| Canals | 1 | ..... | 1 |
| General State improvements | 1 | ..... | 1 |
| Total tax-financed | 383 | ^b | 383 |
| Other | | | |
| Housing and urban renewal ^c | 699 | 58 | 757 |
| Park and recreation land acquisition ^d | 69 | ..... | 69 |
| Parks and forest preserve ^e | 3 | ..... | 3 |
| Grade crossing elimination ^f | 24 | ..... | 24 |
| Total other | 795 | 58 | 853 |

^a 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 one-half million dollars.

^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.

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

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