

***EDUCATION,
LABOR AND
FAMILY ASSISTANCE***

COUNCIL ON THE ARTS

MISSION

The primary responsibility for oversight and administration of the State's artistic and cultural resources is assigned to three existing entities — the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute — and a newly established Office of Cultural Resources. Working together, these agencies will expand access to the performing and fine arts, preserve the State's cultural resources and promote greater public awareness of New York's rich cultural heritage.

ORGANIZATION AND STAFFING

The Council on the Arts is headed by a Chair and a Vice Chair and consists of 20 members nominated for five-year terms by the Governor with confirmation by the Senate. The Council's staff, headed by an Executive Director, is organized into an Administrative Division and a Program Division, both in New York City. The latter has expertise in several major artistic disciplines (including dance, theatre and music) and provides advisory services and financial assistance to the arts community of the State. During 2000-01, the Council on the Arts will have a workforce of 64 for the review, processing and administration of arts grants and loans to nonprofit organizations.

The Empire State Plaza Performing Arts Center Corporation (PACC) was established in 1979 as a public benefit corporation to administer a performing arts center in Albany to present the finest artistic talent in New York. An 18-member Board of Directors — consisting of the Commissioner of General Services and members appointed by the Governor, leaders of the Legislature, as well as the Mayor and County Executive of Albany — provides policy direction for PACC and appoints its Executive Director. The Chair of the Board is selected by the Governor. PACC has a full-time staff of 13.

The New York State Theatre Institute Corporation (NYSTI) is a public benefit corporation, established in 1992, committed to provide educational theater experiences for children and families across the State. The Governor appoints the Chair of the Board of Directors whose 15 members are selected by the Governor and the legislative leaders. The chief executive officer of NYSTI is its Producing Director, who is appointed by the Board. NYSTI's staff of 29 works mostly in Troy, where its office, production and instructional facilities are located.

To promote increased recognition and visibility of the important cultural programs administered by the State Museum, the State Library and the State Archives, a transfer of these functions from the State Education Department (SED) is recommended to establish a new entity — the Office of Cultural Resources (OCR) — the sole focus of which will be these cultural functions. The 2000-01 Executive Budget proposes to implement this functional transfer by October 1, 2000 and provides for the related transfer of funds, facilities and staff.

A nine-member Board of Trustees will oversee this new office with members nominated for five-year terms by the Governor subject to Senate confirmation. The Chair of the Board will be designated by the Governor from among the Trustees. The office's chief executive officer will be an Executive Director appointed by the Board. Funds for OCR's operations and grant programs will be transferred from SED's Cultural Education Program and the Office of Management Services. When the realignment is complete, OCR will have a staff of approximately 465.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Most of the Council's funding (97 percent) is provided by the State's General Fund. Federal grants from the National Endowment for the Arts are projected to represent approximately 2 percent of 2000-01 disbursements. One Fiduciary Fund account provides funding for short-term loans to arts organizations for acquisition of expensive musical instruments and for capital improvements. A second Fiduciary Fund, established in 1999-2000, enables the Council to receive and expend funds available through donations and gifts.

Grants to not-for-profit arts organizations represent 87 percent of the projected expenditures of the Council. The remainder is used for the administration of grant programs and the statewide advocacy, promotion and development of artistic and cultural programs.

The 2000-01 Executive Budget includes:

- Funding of \$4.9 million for administration of the Council's programs; and
- Funding of \$43.4 million for arts grants which will support general arts grants, decentralization grants and the Empire State Partnership initiative. Recommended 2000-01 funding levels reflect the elimination of \$1.8 million in one-time Community Projects grant funding.

Funding is provided in the Executive Budget for PACC at \$550,000; and for NYSTI at \$1,489,000, which includes the cost of negotiated salary increases. Receipts from ticket sales, private donations, and sales and lease of products and facilities will supplement the State funds provided to these organizations.

The Executive Budget provides \$9.6 million for OCR representing six months funding for the operations of the new office, upon its transfer from SED which is to take place by October 1. In addition, Local Assistance, non-General Fund and Capital appropriations which are necessary to fund OCR activities will be transferred from the corresponding funds and accounts in SED during 2000-01.

PROGRAM HIGHLIGHTS

Council on the Arts. Since April 1995, the Council has disbursed over 12,700 grants totaling approximately \$162 million to more than 1,300 cultural organizations. According to a recent study commissioned by the Council, these grants act as a catalyst and generate additional economic benefits that total an estimated \$13 billion. Grant awards to nonprofit arts organizations are approved through an application process overseen by a special appeals panel which ensures fair and equitable treatment of all applicants. Program audits are also conducted to promote accountability by monitoring program quality and contractual compliance.

The Council receives approximately 3,600 requests for funding each year from organizations throughout the State including symphony orchestras, museums, dance companies, theaters and libraries. To recognize program excellence and promote regional diversity, the Council devotes half of its State grant funding to organizations that have recognized standing in the field, and guarantees that each county receives a minimum base grant tied to its population.

Office of Cultural Resources. In assuming its redefined role as the custodian of the State's cultural assets, OCR would:

- Provide overall leadership for development of cultural resources in partnership with local governments, nonprofit organizations and the private sector;
- Play an integral role in promoting cultural tourism including implementation of the Cultural Heritage Trail initiative;
- Transform the State Museum into a more vibrant, attractive and high-tech resource to better showcase New York's cultural history and heritage; and
- Provide greater opportunity for the State Library and the State Archives to emerge as world-class information centers.

Performing Arts Center Corporation. During the 1998-99 season, PACC presented 41 events which generated a total attendance of 27,589 and produced a special Easter event for children. In 1998-99, subscriptions for PACC increased 6 percent from the previous year.

New York State Theatre Institute. More than 65,000 children, teachers and parents attended NYSTI's seven productions in 1998-99. During the same period, NYSTI certified 89 high school units and 168 college credits to 77 high school seniors and college students who participated in its internship program. The Institute received the National American Alliance for Theatre and Education award for artistic achievement and was nominated for an Audie Award for its production of *A Little Princess*.

**ALL FUNDS
APPROPRIATIONS**

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$18,232,600	\$17,656,200	-\$576,400	\$1,360,000
Aid To Localities	45,495,000	43,695,000	-1,800,000	95,000
Capital Projects .....	.....	.....	.....	.....
Total	\$63,727,600	\$61,351,200	-\$2,376,400	\$1,455,000

**ALL FUND TYPES
LEVELS OF EMPLOYMENT BY PROGRAM
ANNUAL SALARIED POSITIONS**

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
General Fund	56	55	.....	55	-1
Special Revenue Funds - Federal	9	9	.....	9	.....
Office of Cultural Resources					
General Fund	170	.....	170	170	.....
Total	235	64	170	234	-1

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$16,552,600	\$16,565,200	+\$12,600
Special Revenue Funds - Federal	680,000	691,000	+11,000
Fiduciary Funds	1,000,000	400,000	-600,000
Total	\$18,232,600	\$17,656,200	-\$576,400
Adjustments:			
Transfer(s) From			
Education Department, State			
General Fund	-9,402,100		
Special Pay Bill			
General Fund	-25,000		
Appropriated 1999-00	\$8,805,500		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Administration			
General Fund	\$4,969,000	\$4,911,000	-\$58,000
Special Revenue Funds - Federal	680,000	691,000	+11,000
Fiduciary Funds	1,000,000	400,000	-600,000
Office of Cultural Resources			
General Fund	9,402,100	9,615,200	+213,100
Empire State Performing Arts Center Corporation			
General Fund	550,000	550,000	....
New York State Theatre Institute			
General Fund	1,454,000	1,489,000	+35,000
Community Projects			
General Fund	177,500	....	-177,500
Total	<u>\$18,232,600</u>	<u>\$17,656,200</u>	<u>-\$576,400</u>

**STATE OPERATIONS — GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

<u>Program</u>	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$3,324,000	-\$14,000	\$3,189,000	-\$14,000	\$127,000	....
Total	<u>\$3,324,000</u>	<u>-\$14,000</u>	<u>\$3,189,000</u>	<u>-\$14,000</u>	<u>\$127,000</u>	<u>....</u>

<u>Program</u>	Holiday/Overtime Pay (Annual Salaried)	
	<u>Amount</u>	<u>Change</u>
Administration	\$8,000	....
Total	<u>\$8,000</u>	<u>....</u>

**STATE OPERATIONS — GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$1,587,000	-\$44,000	\$121,400	....
Office of Cultural Resources	9,615,200	+213,100	....	....
Empire State Performing Arts Center Corporation	550,000	....	....	....
New York State Theatre Institute ..	1,489,000	+35,000	....	....
Community Projects .....	....	-177,500	....	....
Total	\$13,241,200	+\$26,600	\$121,400	....

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$251,200	....	\$1,123,000	-\$44,000
Total	\$251,200	....	\$1,123,000	-\$44,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$91,400	....	....	....
Office of Cultural Resources .....	....	....	\$9,615,200	+\$213,100
Empire State Performing Arts Center Corporation .....	....	....	550,000	....
New York State Theatre Institute ..	....	....	1,489,000	+35,000
Community Projects .....	....	....	....	-177,500
Total	\$91,400	....	\$11,654,200	+\$70,600

**STATE OPERATIONS — OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$1,091,000	-\$589,000	\$461,400	....
Total	\$1,091,000	-\$589,000	\$461,400	....

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$229,600	+\$11,000	\$400,000	-\$600,000
Total	\$229,600	+\$11,000	\$400,000	-\$600,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$45,200,000	\$43,400,000	-\$1,800,000
Special Revenue Funds - Federal	95,000	95,000	....
Fiduciary Funds	200,000	200,000	....
Total	\$45,495,000	\$43,695,000	-\$1,800,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Administration			
General Fund	\$43,400,000	\$43,400,000	....
Special Revenue Funds - Federal	95,000	95,000	....
Fiduciary Funds	200,000	200,000	....
Community Projects			
General Fund	1,800,000	....	-\$1,800,000
Total	<u>\$45,495,000</u>	<u>\$43,695,000</u>	<u>-\$1,800,000</u>

COUNCIL ON CHILDREN AND FAMILIES

MISSION

The Council on Children and Families, established in 1977, ensures that services provided to children and families are coordinated across State agencies and between New York State and its political subdivisions in order to achieve the most rational and effective services system possible.

ORGANIZATION AND STAFFING

The Council consists of the commissioners and directors of the State's thirteen health, education and human services agencies. Chaired by the Governor's Director of State Operations, the Council provides a neutral forum for resolving interagency issues and integrating plans and policies affecting New York's children and families.

The agency consists of three Offices: Executive Director, Counsel, and Administrative Services; and two Bureaus: Policy Analysis and Interagency Coordination and Case Resolution. The Council will have a workforce of 21 in 2000-01. Fourteen of these positions are supported by State tax dollars from the General Fund and seven by Federal grants.

BUDGET HIGHLIGHTS

For fiscal year 2000-01, the Executive Budget provides \$928,000 in General Fund support for the Council, an increase of \$36,000 from the prior year. The Budget also includes new Federal appropriations of \$1.1 million to support a two year project, the New York State Alliance for Family Literacy. This project is intended to raise the quality and standards of family literacy statewide by expanding and strengthening services and through improved coordination of resources.

PROGRAM HIGHLIGHTS

The Council and the Commissioners and Directors of its member agencies have developed a common set of goals, objectives and indicators for improving the lives of children and families throughout the State, known as New York State Touchstones. Interagency activities undertaken by the Council are guided by Touchstones, and by the shared commitment of its member agencies to strengthen families by focusing on preventive strategies, removing barriers to effective service delivery, and coordinating efforts to facilitate outcome-based approaches at the local level. Furthering this goal, the Council annually issues the Touchstones/Kids Count data book. Publication costs are funded through grants from private foundations.

To improve timeliness and enable the sharing of data collected at the State and local level that measures children's well-being, the Council partnered with several organizations to develop an electronic resource to bring together data from multiple sources into a publicly-accessible information repository. This interactive Web Site will be available in SFY 2000-01 to provide up-to-date information and other supportive resources that will help users gather and analyze various indicators, assess needs, and design and improve programs.

The Council's major activities for 2000-01 include the following:

- A Statewide initiative to improve policy and practice in juvenile delinquency diversion for non-violent youth;
- Kids Well-Being Indicator Clearinghouse (KWIC);
- New York State Head Start Collaboration Project;
- Task Force on School-Community Collaboration; and

CHILDREN AND FAMILIES

— Family Support New York.

The Council provides guidance and direction on policy and program development through participation on the following interagency initiatives and workgroups: coordinated Children's Services Initiative; Mental Health/Juvenile Justice Project; Adolescent Project Team; New York State Task Force on HIV/AIDS Prevention; Governor's State Incentive Task Force/OASAS Cooperative Agreement; and the Interagency Workgroup for the Care and Management of Child and Adolescent Sexual Abusers.

The Council also will assist with the implementation of recommendations made to the Governor by the task forces on Out of Wedlock Pregnancies and Poverty and on School Violence.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$1,742,000	\$2,878,000	+\$1,136,000	\$295,000
Aid To Localities .....	....	....	....	....
Capital Projects .....	....	....	....	....
Total	\$1,742,000	\$2,878,000	+\$1,136,000	\$295,000

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
General Fund	14	14	....	14	....
Special Revenue Funds - Federal	2	2	3	5	+3
Subtotal, Direct Funded Programs	16	16	3	19	+3
Suballocations:					
Special Revenue Funds - Federal	2			2	....
Total	18			21	+3

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$892,000	\$928,000	+\$36,000
Special Revenue Funds - Federal	550,000	1,650,000	+1,100,000
Fiduciary Funds	300,000	300,000	....
Total	\$1,742,000	\$2,878,000	+\$1,136,000

CHILDREN AND FAMILIES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	Available 1999-00	Recommended 2000-01	Change
Administration			
General Fund	\$892,000	\$928,000	+\$36,000
Special Revenue Funds - Federal	550,000	1,650,000	+1,100,000
Expendable Trust Funds	300,000	300,000	.....
Total	<u>\$1,742,000</u>	<u>\$2,878,000</u>	<u>+\$1,136,000</u>

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

<u>Program</u>	Total Personal Service		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	\$837,000	+\$17,000	\$837,000	+\$17,000
Total	<u>\$837,000</u>	<u>+\$17,000</u>	<u>\$837,000</u>	<u>+\$17,000</u>

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

<u>Program</u>	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$91,000	+\$19,000	\$15,200	+\$3,680
Total	<u>\$91,000</u>	<u>+\$19,000</u>	<u>\$15,200</u>	<u>+\$3,680</u>

<u>Program</u>	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$20,000	-\$1,760	\$50,000	+\$12,720
Total	<u>\$20,000</u>	<u>-\$1,760</u>	<u>\$50,000</u>	<u>+\$12,720</u>

<u>Program</u>	Equipment	
	Amount	Change
Administration	\$5,800	+\$4,360
Total	<u>\$5,800</u>	<u>+\$4,360</u>

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

<u>Program</u>	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$1,950,000	+\$1,100,000	\$1,950,000	+\$1,100,000
Total	<u>\$1,950,000</u>	<u>+\$1,100,000</u>	<u>\$1,950,000</u>	<u>+\$1,100,000</u>

CITY UNIVERSITY OF NEW YORK

MISSION

The City University of New York (CUNY) is the third-largest public university system in the nation. The City University had its origin in the Free Academy established in 1847 under the auspices of the New York City Board of Education. The University's mission is to provide affordable higher education with a focus on the urban community of New York City.

ORGANIZATION AND STAFFING

The City University of New York has 11 senior colleges, a Graduate School and University Center, a Law School, and six community colleges. The University is governed by a 17-member Board of Trustees comprised of: ten members appointed by the Governor, five members appointed by the Mayor, and two ex-officio members — the chairs of the Student Senate and the Faculty Senate.

The chief executive officer of the University is the Chancellor, who is appointed by the Board of Trustees. Individual college presidents are also appointed by the Board of Trustees.

University operations are governed by fewer of the State government controls that are imposed on other State agencies, reflecting executive and legislative interest in providing enhanced administrative and managerial flexibility to both the City University and the State University.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

New York City's fiscal crisis in the 1970's led to State assumption of full financial responsibility for CUNY's senior college operations, begun on a phased basis in 1979 and completed in 1982. In conjunction with the City of New York, the State also supports CUNY's community colleges.

SENIOR COLLEGES

CUNY senior colleges have two major funding sources: State support and tuition revenue. Additional support is secured from New York City and from various fees. New York City provides support for the costs of associate degree programs at CUNY's senior colleges and a share of the central administration costs attributable to the community colleges. New York City also prefinances CUNY's senior college operating costs; the State subsequently reimburses the City for CUNY's net operating expenses.

For the 2000-01 academic year, the senior college operating budget will be \$1.003 billion — an increase of \$19.2 million above its 1999-2000 amount of \$983.8 million. State support for the net operating expenses of the senior colleges in the 2000-01 academic year will be \$587.5 million — an increase of \$19.2 million.

For the 2000-01 fiscal year, which overlaps two academic years, State support for the net operating expenses of the senior colleges will be \$582.5 million — an increase of \$15.3 million. This appropriation is used to reimburse New York City for its prefinancing of senior college expenses.

The budget ensures sufficient resources are available to support the University's academic programs and provides full funding for CUNY's collective bargaining requirements. In addition, tuition at CUNY's senior colleges is not expected to increase

beyond the current level of \$3,200 per year. This tuition level has remained unchanged since 1995-96, allowing CUNY students to receive a quality education at costs comparable to, or below that of, other public universities in the Northeast.

In 2000-01, CUNY will implement a new financial aid pilot program — the Tuition Assistance Program (TAP) Aid for Part-Time Study. Under this program, students with a demonstrated record of achievement will be able to attend a CUNY senior or community college on a part-time basis and be eligible for tuition assistance. This new program is intended to increase the number of students who successfully obtain their college degrees by recognizing the need for certain students to adjust their courseloads to accommodate work and family responsibilities.

Savings from productivity improvements should also be available to offset the cost of ongoing and new University initiatives. One of the University's primary goals is to increase the number of full-time faculty, in order to reduce reliance on adjunct staff. It is anticipated that the Board of Trustees will continue its policy, begun in 1997, of allocating new faculty positions to individual colleges based on performance measures, such as graduation and retention rates, administrative efficiency, student satisfaction and the level of sponsored research.

The budget recommendations for the State Education Department include \$9 million within New York City's school aid allocation to fund academic support services at CUNY senior and community colleges necessitated by the remedial needs of graduates from the City's high schools.

COMMUNITY COLLEGES

CUNY community colleges have three basic funding sources: State support, New York City support and tuition revenue. The majority of State funding is for operating aid, including rental costs. Separate appropriations are provided for Child Care and College Discovery, an educational opportunity program for disadvantaged community college students.

Consistent with their important role in ensuring access to public higher education, State aid to CUNY's community colleges is preserved at the enriched levels provided in the 1999-2000 academic year. The 2000-01 academic year budget is predicated on \$2,125 per full-time equivalent (FTE) student in base aid and aidable enrollment of 55,800. Total operating aid, including rental funding, is \$119.2 million for the 2000-01 academic year. The budget provides \$1.4 million for the Child Care and College Discovery programs and \$1 million for contract courses, workforce development courses and enhanced child care support. The total appropriation for the 2000-01 fiscal year, which overlaps two academic years, is \$121.7 million.

CAPITAL PROJECTS

The State finances all CUNY capital project costs for senior colleges, other than Medgar Evers College, and shares the capital costs for community colleges and Medgar Evers with the City of New York.

In 1998-99, CUNY received appropriations totaling \$1.0 billion in support of the Governor's multi-year Capital Investment Program, with language specifying that amounts to be obligated from subsequent reappropriations were to be pursuant to a plan developed by the Governor. Concomitantly, CUNY's bond cap was increased by \$660 million, for a total bonding authorization of \$3.4 billion, to cover CUNY's planned bond sales for the course of the Capital Investment Program.

CUNY's capital reappropriations support the third year of the Governor's multi-year Capital Investment Program which provides for additional facility and infrastructure improvements at City University senior and community colleges, consistent with the University's needs and priorities. The projects to be advanced in 2000-01 encompass critical health and safety, preservation and handicapped access projects, as well as major renovations and new facilities at Brooklyn, City, John Jay and Staten Island colleges and the CUNY Law School. A bond

sale by the Dormitory Authority of the State of New York will provide \$160 million for the State share of project costs to be obligated during 2000-01.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. More than 194,000 full-time and part-time students — 133,000 at the senior colleges and 61,000 at the community colleges — were enrolled in degree programs for the fall 1999 semester.

Among academic offerings and programs, the following programs are of note:

- The Language Immersion Program was designed to strengthen the language skills of first year students prior to their entry into collegiate coursework. This intensive, full-time program has successfully taken a holistic approach to language development. The program operates at seven sites and, in its brief history, has helped more than 6,700 students to prepare for full collegiate matriculation.
- The College Preparatory Initiative is a system-wide collaboration between the City University and the New York City public schools to improve the academic preparation of high school students. The cooperative effort has enabled CUNY to strengthen its academic prerequisites for admission to the University.
- The Workforce Development Initiative is a University-wide program designed to help meet New York City's current and future labor force needs. The University has been successful in garnering support from the private sector to supplement its State funding for this program.
- The New York City Alliance for Minority Participation is a consortium of 16 CUNY campuses that have joined with the National Science Foundation in a cooperative venture to increase the number of under-represented students successfully completing science, mathematics, engineering and technology baccalaureate programs.
- Approximately 80 research institutes and centers are located throughout the University. Notable examples include the Levich Institute for Physico-Chemical Hydrodynamics at City College and the Institute for Biomolecular Structure and Function at Hunter College. University-wide research activities have been enhanced by the Applied Science Coordinating Institute.

The CUNY Board of Trustees has advanced a series of significant actions since 1995 to improve academic program quality and strengthen the planning and management functions of the University. These actions include establishing more rigorous admissions criteria and implementing a new remedial education policy. The Board of Trustees continues to encourage campuses to use flexibility to set higher standards, reduce time to program completion, and reallocate resources through program consolidation.

Under the City University's new remedial education policy, students will generally obtain such instruction at community colleges, through summer and inter-session skills immersion programs at senior colleges, and through Prelude to Success — a year-round skills immersion program at the senior colleges. Pursuant to the established implementation schedule, four colleges (Baruch, Brooklyn, Hunter and Queens) will be subject to the new policy effective January 1, 2000. Three senior colleges (John Jay, NYC Technical and the College of Staten Island) will be subject to the policy as of the beginning of the 2000-01 academic year. The four remaining senior colleges (City, Lehman, Medgar Evers and York) will be covered in 2001-02.

The University has also begun to implement recommendations of the Mayor's Task Force of the City University of New York, which called for greater reliance on strategic planning and meaningful performance standards; a recommitment to excellence by establishing a tiered University system with one or more selective colleges; and the clear delineation of the roles of the Chancellor and the Board of Trustees with the empowerment of the Chancellor to reconstitute CUNY as an integrated University system.

**ALL FUNDS
APPROPRIATIONS**

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$1,038,830,000	\$1,093,000,000	+\$54,170,000	.....
Aid To Localities	702,242,000	718,469,000	+16,227,000	.....
Capital Projects .....	.....	.....	.....	\$1,082,806,000
Total	<u>\$1,741,072,000</u>	<u>\$1,811,469,000</u>	<u>+\$70,397,000</u>	<u>\$1,082,806,000</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

Fund Type	Available 1999-00	Recommended 2000-01	Change
Special Revenue Funds - Other	\$55,000,000	\$90,000,000	+\$35,000,000
Fiduciary Funds	983,830,000	1,003,000,000	+19,170,000
Total	<u>\$1,038,830,000</u>	<u>\$1,093,000,000</u>	<u>+\$54,170,000</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$702,242,000	\$718,469,000	+\$16,227,000
Total	<u>\$702,242,000</u>	<u>\$718,469,000</u>	<u>+\$16,227,000</u>
Adjustments:			
Prior Year Deficiency			
City University of New York			
General Fund	+6,345,000		
Appropriated 1999-00	<u>\$708,587,000</u>		

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

Program	Available 1999-00	Recommended 2000-01	Change
Community College Programs			
General Fund	\$122,827,000	\$121,744,000	-\$1,083,000
Institutional Support Services			
General Fund	567,247,000	582,525,000	+15,278,000
Senior College Pension Payments			
General Fund	12,000,000	14,200,000	+2,200,000
Community Projects			
General Fund	168,000	.....	-168,000
Total	<u>\$702,242,000</u>	<u>\$718,469,000</u>	<u>+\$16,227,000</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

Comprehensive Construction Program	Available 1999-00	Recommended 2000-01	Change	Reappropriations 2000-01
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	\$67,749,000
Capital Projects Fund - Advances	516,637,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	7,788,000
Capital Projects Fund - Advances
Preservation of Facilities				
Capital Projects Fund	559,000
New Facilities				
Capital Projects Fund	97,000
Capital Projects Fund - Advances	352,300,000
City University of New York Capital Projects Fund				
City University of New York Capital Projects Fund	4,031,000
Subtotal	\$949,161,000
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	\$15,283,000
Capital Projects Fund - Advances	116,609,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	1,594,000
Capital Projects Fund - Advances
New Facilities				
Capital Projects Fund	159,000
Subtotal	\$133,645,000
Total	\$1,082,806,000

STATE EDUCATION DEPARTMENT

MISSION

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department's primary mission is to oversee public elementary and secondary education programs throughout New York and promote educational excellence, equity and cost-effectiveness.

ORGANIZATION AND STAFFING

Oversight of the Department is provided by the Board of Regents, which was originally established by the Legislature in 1784 and subsequently continued in the State Constitution. The Board of Regents is comprised of 16 members — one for each of the State's 12 judicial districts and four statewide members — who are elected by a joint session of the Legislature for staggered five-year terms. The Board elects its chair, who holds the title Chancellor, and appoints the Commissioner of Education as the chief administrative officer of the Department.

SED's central operations are located in the Education Building in Albany. The Department also has regional service facilities at various locations throughout the State.

Recommended funding levels for 2000-01 will support a total of 2,931 positions, of which approximately 19.5 percent will be supported by the General Fund. Various dedicated fees, chargebacks and Federal grants will support the remaining staff.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2000-01, total funding for the State Education Department will increase by \$1.1 billion or 6.2 percent. This year-to-year change is largely due to an increase of over \$723 million for the STAR program, \$432 million in increased fiscal year support for school aid and \$99 million in new Federal funding for such activities as class-size reduction, charter schools and services for persons with disabilities.

The taxpayer-supported General Fund provides about 16.6 percent of SED's operational budget. Federal grants, including programs for individuals with disabilities and disadvantaged pupils, account for 52.2 percent of agency resources. The remaining 31.2 percent is derived from fees, chargebacks and other miscellaneous receipts.

The 2000-01 Executive Budget recommends \$12.63 billion in support for public schools, reflecting a State fiscal year increase of \$432 million in school aid, and \$2.11 billion for school property tax relief through STAR, reflecting an appropriation increase of \$723 million. School aid represents the single largest expenditure item in the State's 2000-01 General Fund budget.

SCHOOL TAX RELIEF (STAR)

The School Tax Relief (STAR) program was enacted in 1997-98 as a multi-year effort to provide needed property tax relief while promoting educational excellence and accountability.

School Property Tax Relief and New York City School Tax Reduction

By the 2001-02 State fiscal year, local taxpayers will benefit from \$2.8 billion in annual school tax relief provided through STAR. In 2000-01, funding appropriated for local taxpayer savings will exceed \$2.1 billion, including funds for continuing the full exemption for eligible senior citizens and the second year of STAR exemptions for other homeowners. School districts and cities with dependent school districts, including New York City, will be fully reimbursed by the State of New York for these foregone local revenues. A portion of the State personal income tax will be dedicated to the School Tax Relief Fund from which the State reimbursement payments will be made. The school tax relief provisions include:

EDUCATION

- **Basic Homestead Exemption:** In 2000-01, the basic school property tax homestead exemption will increase from \$10,000 to \$20,000 for residential owner-occupied primary residences that are not eligible for the enhanced senior citizen exemption. When fully implemented in 2001-02, the basic exemption will provide a school property tax exemption of at least \$30,000 for all owner-occupied primary residences.
- **Senior Citizen Homestead Exemption:** The school property tax exemption of at least \$50,000 (on a "full value" basis) is continued for eligible senior citizens;
- **New York City School Tax Reduction:** The multi-year STAR program provides local personal income tax relief for taxpayers in New York City, where a combination of non-property taxes and property taxes is used to support the City's public schools. In 2000-01, this tax reduction will generate \$380 million in local personal income tax savings. This represents both a tax credit and a rate reduction for all New York City resident personal income tax filers. When fully implemented in 2001-02, savings from the New York City School Tax Reduction will total \$470 million. The City of New York will be fully reimbursed by the State for these foregone local revenues; and
- **Property Taxpayers Bill of Rights:** Enacted in 1997, this new Bill of Rights ensures the full disclosure of information to property taxpayers in a more readable and comprehensive format than was previously available. This will enable taxpayers to better understand their property taxes and their rights under the law.

Limiting School Property Tax Increases

To ensure that STAR results in property tax savings to homeowners, and that STAR benefits are not eroded by excessive tax increases, Governor Pataki is proposing that limits be placed on the ability of school districts to increase total spending. School districts will be subject to a cap on spending increases of the lesser of 4 percent (per year) or 120 percent of the increase in the Consumer Price Index. A two-thirds majority vote will be required to exceed the spending cap.

The same exceptions that are currently allowed in calculating the maximum contingency budget would be allowed in calculating spending increases. Expenditures for increases in enrollment, capital projects, certified emergencies, court orders, judgments and tax certiorari proceedings would be excluded from the cap.

Local Voter Empowerment

The STAR program enacted in 1997 included a series of school budget voting reforms that gave local voters a greater role in education spending decisions and in controlling property tax growth. As proposed in the 1999-00 Executive Budget, schools are now required to report proposed property tax increases, spending growth and estimated enrollment changes to the State Department of Education prior to the statewide school voting day. A property tax report card is then compiled and released to the public before school budget votes are held.

In 2000-01, additional reforms will be advanced to increase local accountability by ensuring that taxpayers are fully informed prior to school budget votes.

- **Contingency Budget Disclosure:** A school district will be required to demonstrate to voters how a proposed budget would compare to the contingency budget that would be put in place by statute if the voters were to defeat the proposed budget on two successive votes.
- **STAR Erosion from Tax Increases:** Schools will be required to notify voters how STAR savings were affected by school tax increases for a typical homeowner in the current year and the estimated effects of proposed tax changes on estimated STAR savings under the budget proposed for the coming year.

SCHOOLS 2000

To forge a stronger partnership between families and schools throughout the State, Governor Pataki's *Schools 2000* program includes the following comprehensive set of educational initiatives:

- **School Safety:** Consistent with the Governor's Safe Schools Against Violence in Education (SAVE) proposal and recommendations of Lieutenant Governor Donohue's Task Force on School Violence, the *Schools 2000* program will include a range of school safety initiatives including the development of comprehensive school safety plans and fingerprinting requirements for prospective school employees. The Executive Budget includes \$500,000 to fund the cost of integrating character, civility, and citizenship education throughout the K-12 curriculum. In addition, \$500,000 in General Fund support is provided for a State Center for School Safety to coordinate statewide efforts to promote school safety.
- **Charter Schools:** In September 1999, the opening of New York's first charter schools marked the beginning of one of the most significant education reforms in State history. The 2000-01 Executive Budget increases General Fund support for the Charter School Stimulus Fund from \$1 million to \$6 million including \$3.85 million to support charter school start-up costs such as facility expenses and supplies.
- **Reading for Results:** A new "Reading for Results" initiative will fund a range of early grade reading initiatives including summer school and intensive school year reading programs during extended school breaks. In 2001-02, \$40 million will be recommended to fund this initiative.
- **Parental Empowerment:** Schools will be required to report directly to parents on overall school performance, as well as their own child's performance. In addition, each school board will include an ex-officio parent member selected by the PTA.
- **Big Five City Governance Reform:** The mayors of our large cities will be given greater authority over public schools in an effort to improve accountability and strengthen school performance. At the same time, a new maintenance of effort requirement will ensure that Big Five City schools realize the full benefit of State and Federal funding increases, and protect them from disproportionate reductions in local support.
- **Mandate Relief:** School districts will be provided greater flexibility in managing their operations, including Wicks reform to allow school districts to reduce construction costs.

SCHOOL AID

State support for public schools in the 2000-01 State fiscal year will total \$12.63 billion. This represents a 2000-01 fiscal year increase of \$432 million, and supports a 2000-01 school year increase of \$355 million. Since 1996-97, the State will have provided an additional \$2.55 billion in State aid to public schools to enhance educational quality for all students. This increase, together with STAR property tax relief, is responsible for raising the State's share

EDUCATION

of total education spending from 39.3 percent in 1996-97 to an estimated 45.1 percent in 1999-2000.

Major recommendations for the 2000-01 school year include:

- **Operating Aid:** To provide schools with flexible support to meet locally identified needs in the implementation of higher standards, an increase of \$140.7 million in operating aid has been recommended. Under the Governor's proposal, all school districts will receive an operating aid increase of at least 1.25 percent and will receive additional State operating aid up to a maximum of 2.25 percent or 10 percent of the amount currently held back by the transition adjustment, whichever is greater.
- **Building Aid:** There will be a total increase of \$210 million in State support for school facilities, raising total State support for school facilities to over \$1.1 billion. To direct additional funding to the highest priority school construction projects, the building aid formula will be reformed to target the 10 percent building aid enrichment to instruction-related projects. In addition, school districts will be provided access to the Dormitory Authority's expertise in construction management to promote cost-efficiency and better facilities. Other school facility reforms will provide greater incentives to properly maintain school facilities and give the Commissioner of Education broader authority to close unsafe schools.
- **Textbook and Computer Aids:** An additional \$29 million is provided in textbook aid, and an increase of \$15.5 million is provided in computer hardware/software aid. By 2001-02, textbook aid will more than double from its 1997-98 level and hardware/software aid will experience a five-fold increase.
- **Reading 2000:** Funds now provided for Categorical Reading and Improving Pupil Performance would be retargeted to support a Reading 2000 program for children in grades 2-4 in Big Five City schools.
- **BOCES Reform:** The current BOCES aid formula has given the BOCES a monopoly on shared services activity that discourages school district efforts to seek true cost efficiencies. Following the 20 percent reduction from present law funding levels proposed for 2000-01, future BOCES aid increases will be limited to the overall growth in operating aid. School districts will also be given greater flexibility to contract for shared services outside the BOCES network.
- **Categorical Aids:** Over \$96 million is eliminated for a number of aid programs that duplicate formula-driven aid categories or are no longer essential. In addition, funding for aid to small cities is reduced by \$6.4 million, consistent with a statutory phase-out of save harmless funding.
- **Teachers of Tomorrow:** A new \$25 million Teachers of Tomorrow program will fund several new initiatives to ensure an adequate supply of qualified teachers and to assist uncertified teachers in securing permanent licensure. Beginning in 2000-01, awards of \$3,400 a year will be provided for 5,000 teachers who agree to teach in shortage areas across the State. The Teachers of Tomorrow program will also fund vouchers up to \$2,000 to assist teachers with temporary licenses in achieving permanent certification. Finally, a "Summer in the City" program will be created to encourage college students from across the State to gain teaching experience in the State's inner-city schools.
- **High Needs School Districts:** A \$25 million program is proposed for school districts that have special needs for additional resources to achieve the State's new higher learning standards through activities including full-day kindergarten and after-school programs.

In addition to a \$355 million increase in State school aid funding, the 2000-01 Executive Budget will target over \$140 million in Federal discretionary funds to support key education reform initiatives including school safety, public school choice and early childhood reading programs.

SPECIAL EDUCATION

School-Age Special Education

Faced with a possible loss of Federal funding, changes to the State's special education financing system were enacted in 1999 to encourage school districts to serve more disabled children in regular classroom settings. While these changes take the first step toward improving special education financing systems, more fundamental reforms are necessary to remove existing disincentives that keep New York's special education referral rate well above the national average. Effective in the 2001-02 school year, a comprehensive reform of special education is proposed that includes:

- **Performance-Based Funding:** School districts that demonstrate strong performance or improvement in lowering classification rates and serving disabled children in the least restrictive classroom settings will be eligible for incentive funding totaling \$50 million. Each school district will receive at least its 2000-01 funding level in addition to this performance-based incentive funding.
- **Enrollment Adjustments:** Additional funding will be allocated for enrollment growth and a separate funding set-aside will be created for high cost, special needs children who move into a school district.
- **Funding Flexibility:** School districts will be allowed to retain all funding provided under the new formula, thereby eliminating the current disincentive to remove children from special education simply to maximize State aid.

In addition to the proposed reform of public special education programs, in 2000-01 reimbursement formulas for private special education programs will be conformed to those used for public programs, thereby eliminating the current funding incentive to place children in high cost, restrictive private settings.

Preschool Special Education

In 1996, the Governor and Legislature enacted fundamental reforms in the preschool special education program to better meet the needs of over 60,000 disabled children, while also controlling rapidly growing program costs. Building on these reforms, Governor Pataki's 2000-01 Budget continues this preschool reform agenda by advancing further program changes to encourage the appropriate placement of disabled preschool children. Specifically, school districts that fail to regularly reevaluate and declassify preschoolers placed in special education will be assigned fiscal responsibility for 10 percent of the program costs currently borne by the State and counties. School districts will be given two years to improve their performance before this reform takes effect in 2002-03.

The 2000-01 recommended level of \$552 million, an increase of \$16 million over 1999-2000, will support the State's 59.5 percent share of preschool special education program costs.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

The State currently supports nineteen categorical education programs intended to address various special needs of schools and communities across the State. In the coming year, these programs will be continued at 1999-2000 funding levels.

EDUCATION

Elementary, Middle and Secondary Categorical Programs 2000-01 State Fiscal Year

<u>Program</u>	<u>2000-2001 Appropriation (in 000's)</u>
Adult Basic Education	\$5,000
Adult Literacy Education	3,325
AIDS Education	990
Apprenticeship Training	1,830
Comprehensive School Health	525
Consortium for Workers Education	8,000
Education of Children of Migrant Workers	90
Effective Schools	1,889
Extended Day/School Violence Prevention	20,200
Missing Children Prevention Education	900
Parenting Education	506
Primary Mental Health Project	570
Professional Development	5,000
School Health Demonstration	150
Schools as Community Sites	6,000
Schools Under Registration Review	2,000
Transferring Success	630
Youth-at-Risk	5,325
Workplace Literacy	1,376
TOTAL	\$64,306

Funding for Teacher Resource and Computer Training Centers will be limited to remaining obligations totaling \$10.0 million for the 1999-2000 school year.

OTHER RECOMMENDATIONS

To sharpen the focus of the Board of Regents on matters directly related to education and to streamline agency operations, the 2000-01 Executive Budget recommends the following organizational changes:

- Programs related to cultural development and promotion — the State Library, the State Museum, the State Archives — will be reassigned to a new Office of Cultural Resources (OCR) and budgeted within the Council on the Arts. The 2000-01 Executive Budget reflects the implementation of this functional transfer by October 1, 2000 and provides for the related transfer of funds, facilities and staff.
- The Higher Education Program and the Office of the Professions will be consolidated into an Office of Higher Education and the Professions. Additionally, academic reviews of college and university programs currently conducted by SED will be discontinued, with accreditation to be provided through national or regional accreditation services. These actions will eliminate duplication of efforts, provide regulatory relief for higher education institutions and generate \$1.2 million in General Fund savings.

- SED will be required to submit a staff deployment plan to streamline its remaining operations and reduce its General Fund staffing by 10 percent through attrition by March 31, 2001.
- All Federal discretionary funds received by SED will be allocated pursuant to plans that target funding for identified State priorities. Also, SED administrative costs charged against Federal grants generally will be limited to 5 percent of such grants.

The following legislative actions are also recommended to provide an enhanced level of accountability of the Board of Regents and SED to the Executive:

- Authorize the Governor to select the Chancellor of the Regents from among the members of the Board of Regents;
- Authorize the Governor to review and approve the candidate nominated by the Regents as President of the University of the State of New York;
- Authorize the Governor to nominate members of the Board of Regents from a list of candidates developed by a "blue ribbon panel" for submission to the Legislature for final approval; and
- Curtail the State Board of Regents' powers to unilaterally impose costly regulatory mandates on school districts.

Budget recommendations for 2000-01 also include a redirection of \$275,000 for the oversight of charter schools from SED to the State University of New York (SUNY), consistent with the application volume received by the two agencies. SED will continue to receive Federal funds to support its administrative costs associated with charter schools.

PROGRAM HIGHLIGHTS

Under the policy direction of the Board of Regents, operational responsibilities of the State Education Department include administration, regulation and review of numerous education programs. The following provides a description of the major program areas administered by the Department.

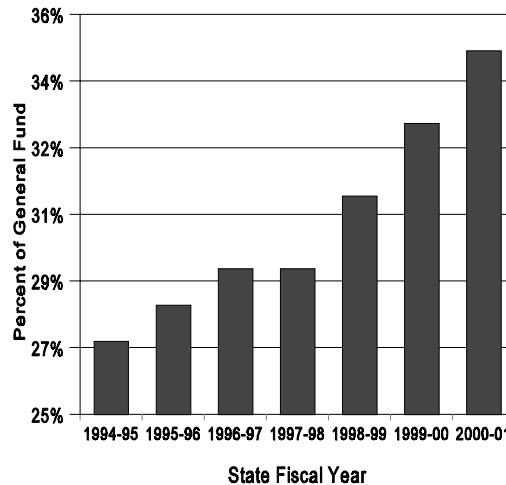
SCHOOL AID

New York currently provides over \$12.5 billion in school aid to nearly 700 school districts throughout the State for educational programs serving nearly 2.9 million students. State school aid increases and property tax relief provided in the 2000-01 Executive Budget will increase total State spending on public education in grades kindergarten through twelve to almost \$12.9 billion in the 2000-01 school year. This major investment will increase the State's share of projected total education spending from 39.3 percent in 1996-97 to over 45.1 percent in 1999-2000. As a percentage of State General Fund spending, support for education has grown from 27 percent in 1994-95 to nearly 35 percent in 2000-01.

School aid is distributed to school districts through formula-based aids and categorical grants. The major formula-based aids include:

- Operating Aid, which provides support for general operational costs of school programs and accounts for approximately 50 percent of overall school aid;
- Excess Cost Aid, which helps school districts fund the cost of providing educational services to disabled students. This aid category has grown more than 180 percent over the past 10 years and now represents almost 14.5 percent of overall school aid;
- Transportation Aid and Building Aid, which provide support to school districts for student transportation and the construction and preservation of school facilities. These two aid categories account for approximately 15 percent of overall school aid; and
- State assistance is also provided through specialized aid and grant programs that address specific educational needs, ranging from textbooks to adult education programs. Notable program recommendations for 2000-01 include \$135.4 million in grants for magnet school programs in 18 cities throughout the State and \$90.2 million to support literacy services for 150,000 adults enrolled in the Employment Preparation Education program.

State Support for Education Under Governor Pataki Share of General Fund Spending



SCHOOL TAX RELIEF (STAR)

When fully implemented in 2001-02, New York's taxpayers will benefit from a total of \$2.8 billion in STAR tax savings from School Property Tax Relief and the New York City School Tax Reduction. School districts and cities with dependent school districts, including the City of New York, will be fully reimbursed by the State for these foregone local revenues. The State's reimbursement payments will be made from the School Tax Relief Fund to which a portion of the personal income tax is dedicated.

School Property Tax Relief

- In 2000-01, more than 700,000 senior homeowners will be eligible to receive an enhanced exemption of at least \$50,000 (on a "full value" basis) with a statewide average benefit exceeding \$800. To be eligible, senior citizen residential property owners must be at least 65 years of age and have incomes of \$60,000 or less (combined incomes of the owners and their spouses who reside on the premises). A new, more simple definition of senior citizen income using federal Adjusted Gross Income was authorized in 1999 to determine eligibility for the STAR program;
- In 2000-01, the school property tax exemption will continue for owner-occupied primary residences that are not eligible for the senior citizen enhanced exemption. Nearly 3 million homeowners will be eligible to receive a full value equivalent homestead exemption of at least \$20,000. When fully implemented in 2001-02,

- these residential property taxpayers will receive a full value equivalent exemption of at least \$30,000, with an average statewide tax savings of approximately \$600.
- The exemptions provided to homeowners (seniors and non-seniors alike) living in a county whose median home sale price exceeds the statewide median will be adjusted upward to account for the variation in property values for similar homes in different regions of the State.

New York City Tax Reduction

- In 2000-01, all of New York City's nearly 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Total local taxpayer savings in 2000-01 will be \$380 million.
- In subsequent years, the credit will increase for non-senior citizens and the tax rates will be reduced to provide even greater savings to New York City taxpayers. When fully implemented in 2000-01, the personal income tax credit and changes in the tax rates will reduce the New York City personal income tax by about 10 percent.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special educational services for more than 400,000 students from ages 3 to 21. These services range from in-home speech therapy for preschool children to placement in full-time residential schools for school-age children with the most severe disabling conditions. The costs of the preschool special education program are split between the State and county governments. The network of service providers includes school districts, Boards of Cooperative Educational Services (BOCES), private not-for-profit schools and State-operated facilities.

With special education State funding provided within school aid, school districts and BOCES serve 390,000 school-age children in classroom settings. An additional 9,700 students who require particularly intensive programs are served by 140 private schools, 16 Special Act School Districts and 11 State-supported schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The New York State School for the Blind in Batavia serves approximately 70 blind and multiply-disabled students including 16 developmentally disabled students served in an Intermediate Care Facility operated by the school. The New York State School for the Deaf in Rome serves approximately 100 deaf and multiply-disabled students.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

The State Education Department also administers various programs that address specialized student needs or reimburse school districts for education-related services. Major programs include:

- **School Lunch and Breakfast Program:** State funds supplement federal support to provide free and reduced-price meals for low-income students. Approximately 1.7 million lunches and 450,000 breakfasts are served daily under this program;
- **Summer Food Program:** State funds supplement federal support to provide free meals for low-income students participating in summer recreation programs. There are approximately 320 sponsors of summer programs serving almost 275,000 students;
- **Nonpublic School Aid:** The State reimburses 1,400 nonpublic schools for costs incurred in administering pupil evaluations and other data collection efforts.

REGULATION OF THE PROFESSIONS

EDUCATION

New York State regulates professionals to protect the public by ensuring the quality and integrity of services provided to consumers. The reorganized Office of Higher Education and the Professions will license and provide oversight for members of the 38 professions regulated pursuant to Title VIII of the Education Law, including: Nursing, Optometry, Dentistry, Pharmacy, Veterinary Medicine, Social Work, Architecture, Civil Engineering and Public Accountancy. The Office will also be responsible for enforcing standards of practice, codes of conduct and professional discipline. Professional licensure, oversight and enforcement functions have been self-supporting, through the collection of fines and fees, since 1987.

VOCATIONAL REHABILITATION

The Vocational and Educational Services for Individuals with Disabilities (VESID) program provides job training, counseling and placement services for disabled persons throughout New York. Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. This program arranges job placements for over 16,700 individuals annually from an active caseload of 54,342.

Program	School Aid (Millions)			
	School Year Payments			
	Estimated 1999-00	Recommended 2000-01	Change Amount	Change Percent
Formula-based Aids:				
Major Operating Aid	\$6,266.52	\$6,407.22	\$140.70	2.25
Operating Standards	102.04	99.91	(2.13)	(2.09)
Extraordinary Needs	665.81	665.81	.....	.....
Limited English Proficiency	68.06	67.23	(0.83)	(1.22)
Gifted & Talented	14.19	14.19	.....	.....
Textbooks	152.68	181.70	29.02	19.01
Computer Hardware	18.13	24.39	6.26	34.53
Computer Software	22.03	31.24	9.21	41.81
Library Materials	18.27	18.69	0.42	2.30
ERSSA	65.18	66.98	1.80	2.76
Excess Cost - Public	1,720.39	1,839.02	118.63	6.90
Excess Cost - Private	134.34	78.34	(56.00)	(41.69)
Transportation	805.85	880.01	74.16	9.20
Building w/o BANS	872.55	1,049.88	177.33	20.32
Special Services: (Career Ed./Computer Admin.)	133.95	131.70	(2.25)	(1.68)
Reorganization Incentive (Operating + Bldg.)	42.45	40.08	(2.37)	(5.58)
Growth Aid	31.60	35.21	3.61	11.42
BOCES	429.31	360.20	(69.11)	(16.10)
Full-Day K *	7.31	0.00	(7.31)	(100.00)
Minor Maintenance	49.97	0.00	(49.97)	(100.00)
Universal Pre-K	85.48	119.78	34.30	40.13
Class Size Reduction	75.00	75.00	.....	.....
Subtotal Formula-based Aids	\$11,781.11	\$12,186.59	\$405.48	3.44
Other Aids:				
Shared Services for Big 5	10.00	0.00	(10.00)	(100.00)
Education Technology Incentive	24.99	22.99	(2.00)	(8.00)
Teacher Support Aid	67.48	0.00	(67.48)	(100.00)
Stabilization Aid	4.00	0.00	(4.00)	(100.00)
Tax Limitation Aid	24.77	0.00	(24.77)	(100.00)
Experimental Pre-K	50.20	50.20	.....	.....
Employment Preparation Education (EPE)	96.18	90.18	(6.00)	(6.24)
Aid to Small City School Districts	81.88	75.53	(6.35)	(7.76)
Urban-Suburban Transfer	1.13	1.13	.....	.....
Homeless Pupils	4.00	4.00	.....	.....
Incarcerated Youth	11.50	11.50	.....	.....
Bilingual	11.20	0.00	(11.20)	(100.00)
Reading 2000/Categorical Reading/IPP	130.30	130.30	.....	.....
Fort Drum	2.63	2.63	.....	.....
Comptroller's Audits	0.25	0.25	.....	.....
Magnet Schools	134.97	135.44	0.47	0.35
Education of OMH/OMR Pupils	20.00	20.00	.....	.....
CIMS	2.50	0.00	(2.50)	(100.00)
AI/DP Grants	0.95	0.00	(0.95)	(100.00)
Special School Districts	1.70	1.70	.....	.....
Chargebacks	(18.00)	(18.00)	.....	.....
CVEEB	0.92	0.92	.....	.....
Building Aid BANS	23.48	56.46	32.98	140.46
BOCES Aid for Special Act Districts	0.66	0.53	(0.13)	(19.70)
Tuition Adjustment	1.18	1.18	.....	.....
Native American Building	1.70	1.70	.....	.....
Learning Technology Grants	3.29	3.29	.....	.....
Shared Services Incentive	0.20	0.20	.....	.....
Bus Driver Safety	0.40	0.40	.....	.....
CUNY Academic Intervention Services	0.00	9.00	9.00	NA
Teacher Certification	0.00	25.00	25.00	NA
Aid for High Needs Districts	0.00	25.00	25.00	NA
Prior Year Claims	64.30	57.00	(7.30)	(11.35)
Grand Total	\$12,539.87	\$12,895.12	\$355.25	2.83

* Full-day kindergarten and after-school programs are eligible for funding under the new \$25 million Aid for High Needs Districts.

EDUCATION

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$298,272,700	\$303,084,300	+\$4,811,600	\$187,849,300
Aid To Localities	16,839,798,539	18,056,889,300	+1,217,090,761	2,292,252,000
Capital Projects	145,909,000	5,065,000	-140,844,000	184,876,000
Total	<u>\$17,283,980,239</u>	<u>\$18,365,038,600</u>	<u>+\$1,081,058,361</u>	<u>\$2,664,977,300</u>

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

2000-01 Recommended Average Fill Level

Program	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	Change
Office of Management Services Program					
General Fund	171	166	....	166	-5
Special Revenue Funds - Other	136	118	....	118	-18
Elementary, Middle and Secondary Education					
General Fund	246	228	....	228	-18
Special Revenue Funds - Federal	400	400	....	400	....
School for the Blind					
Special Revenue Funds - Other	89	89	....	89	....
Batavia ICF/DD					
Special Revenue Funds - Other	35	35	....	35	....
School for the Deaf					
Special Revenue Funds - Other	90	90	....	90	....
Office of Higher Education and the Professions					
General Fund	38	....	17	17	-21
Special Revenue Funds - Federal	28	28	....	28	....
Special Revenue Funds - Other	481	504	....	504	+23
Cultural Education					
General Fund	148	148	....	148	....
Special Revenue Funds - Federal	74	74	....	74	....
Special Revenue Funds - Other	43	43	....	43	....
Internal Service Funds	25	25	....	25	....
Expendable Trust Funds	2	2	....	2	....
Vocational Educational Services for Individuals with Disabilities					
General Fund	11	11	....	11	....
Special Revenue Funds - Federal	953	953	....	953	....
Total	<u>2,970</u>	<u>2,914</u>	<u>17</u>	<u>2,931</u>	<u>-39</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$48,829,500	\$50,214,400	+\$1,384,900
Special Revenue Funds - Federal	154,827,300	158,290,900	+3,463,600
Special Revenue Funds - Other	75,799,900	75,595,200	-204,700
Internal Service Funds	17,484,000	17,651,800	+167,800
Fiduciary Funds	1,332,000	1,332,000	.....
Total	\$298,272,700	\$303,084,300	+\$4,811,600
Adjustments:			
Prior Year Deficiency			
Education Department, State			
Special Revenue Funds - Other	+180,000		
Recommended Deficiency			
Education Department, State			
Special Revenue Funds - Other	-2,000,000		
Transfer(s) To			
Arts, Council on the			
General Fund	+9,402,100		
Appropriated 1999-00	<u>\$305,854,800</u>		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Office of Management Services Program			
General Fund	\$15,192,700	\$17,675,900	+\$2,483,200
Special Revenue Funds - Other	12,844,000	12,000,500	-843,500
Internal Service Funds	10,028,000	10,195,800	+167,800
Fiduciary Funds	600,000	600,000	.....
Elementary, Middle and Secondary Education			
General Fund	20,629,300	20,586,100	-43,200
Special Revenue Funds - Federal	41,994,700	44,888,000	+2,893,300
Special Revenue Funds - Other	978,900	978,900	.....
School for the Blind			
Special Revenue Funds - Other	7,142,900	7,142,900	.....
Fiduciary Funds	20,000	20,000	.....
Batavia ICF/DD			
General Fund	126,100	126,100	.....
Special Revenue Funds - Other	2,214,800	2,515,000	+300,200
School for the Deaf			
Special Revenue Funds - Other	7,008,000	7,008,000	.....
Fiduciary Funds	20,000	20,000	.....
Office of Higher Education and the Professions			
General Fund	3,568,000	2,393,000	-1,175,000
Special Revenue Funds - Federal	1,808,700	1,938,000	+129,300
Special Revenue Funds - Other	41,689,000	41,898,600	+209,600
Cultural Education			
General Fund	8,434,100	8,647,200	+213,100
Special Revenue Funds - Federal	7,523,900	7,523,900	.....
Special Revenue Funds - Other	3,796,000	3,925,000	+129,000
Internal Service Funds	7,456,000	7,456,000	.....
Fiduciary Funds	692,000	692,000	.....
Vocational Educational Services for Individuals with Disabilities			
General Fund	779,300	786,100	+6,800
Special Revenue Funds - Federal	103,500,000	103,941,000	+441,000
Special Revenue Funds - Other	126,300	126,300	.....
Community Projects			
General Fund	100,000	.....	-100,000
Total	\$298,272,700	\$303,084,300	+\$4,811,600

EDUCATION

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Office of Management Services Program .. Elementary, Middle and Secondary	\$8,549,600	+\$70,900	\$8,440,700	+\$70,900	....	....
Education	11,948,000	+88,900	10,946,900	+88,900	\$1,000,000	....
Batavia ICF/DD	126,100	....	....	....	126,100	....
Cultural Education	5,885,100	+43,800	5,885,100	+43,800	....	....
Vocational Educational Services for Individuals with Disabilities	733,200	+5,500	733,200	+5,500	....	....
Total	<u>\$27,242,000</u>	<u>+\$209,100</u>	<u>\$26,005,900</u>	<u>+\$209,100</u>	<u>\$1,126,100</u>	<u>....</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Office of Management Services Program .. Elementary, Middle and Secondary	\$108,900	....
Education	1,100	....
Total	<u>\$110,000</u>	<u>....</u>

**STATE OPERATIONS — GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

<u>Program</u>	<u>Total</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Office of Management Services Program	\$9,126,300	+\$2,412,300	\$400,000	....
Elementary, Middle and Secondary Education	8,638,100	-132,100	282,300	....
Office of Higher Education and the Professions	2,393,000	-1,175,000	....	....
Cultural Education	2,762,100	+169,300	1,512,700	+\$169,250
Vocational Educational Services for Individuals with Disabilities	52,900	+1,300	9,200	....
Community Projects .....	....	-100,000	....	....
Total	\$22,972,400	+\$1,175,800	\$2,204,200	+\$169,250

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Office of Management Services Program	\$350,000	....	\$6,556,300	+\$3,312,300
Elementary, Middle and Secondary Education	697,500	....	4,658,300	+142,900
Cultural Education	72,900	....	1,105,100	....
Vocational Educational Services for Individuals with Disabilities	13,600	....	21,300	+1,300
Total	\$1,134,000	....	\$12,341,000	+\$3,456,500

<u>Program</u>	<u>Equipment</u>		<u>General State Charges</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Office of Management Services Program	\$250,000	....	\$1,570,000	-\$900,000
Cultural Education	71,400	+\$50	....	....
Vocational Educational Services for Individuals with Disabilities	8,800	....	....	....
Total	\$330,200	+\$50	\$1,570,000	-\$900,000

<u>Program</u>	<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>
Elementary, Middle and Secondary Education	\$3,000,000	-\$275,000
Office of Higher Education and the Professions	2,393,000	-1,175,000
Community Projects .....	....	-100,000
Total	\$5,393,000	-\$1,550,000

EDUCATION

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	\$22,796,300	-\$675,700	\$8,472,200	-\$787,800
Elementary, Middle and Secondary Education	45,866,900	+2,893,300	26,145,600	+832,000
School for the Blind	7,162,900	.....	4,897,000	.....
Batavia ICF/DD	2,515,000	+300,200	1,582,000	+220,000
School for the Deaf	7,028,000	.....	4,564,000	.....
Office of Higher Education and the Professions	43,836,600	+338,900	3,644,200	+140,000
Cultural Education	19,596,900	+129,000	7,199,000	+743,700
Vocational Educational Services for Individuals with Disabilities	104,067,300	+441,000	52,855,200	-1,336,100
Total	\$252,869,900	+\$3,426,700	\$109,359,200	-\$188,200

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	\$10,724,100	-\$2,887,900	\$3,600,000	+\$3,000,000
Elementary, Middle and Secondary Education	18,742,400	+2,061,300	978,900	.....
School for the Blind	2,265,900	.....	.....	.....
Batavia ICF/DD	933,000	+80,200	.....	.....
School for the Deaf	2,464,000	.....	.....	.....
Office of Higher Education and the Professions	3,827,400	+198,900	36,365,000	.....
Cultural Education	12,397,900	-614,700	.....	.....
Vocational Educational Services for Individuals with Disabilities	51,085,800	+1,777,100	126,300	.....
Total	\$102,440,500	+\$614,900	\$41,070,200	+\$3,000,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available	Recommended	Change
	1999-00	2000-01	
General Fund	\$11,936,919,539	\$12,183,357,300	+\$246,437,761
Special Revenue Funds - Federal	2,140,729,000	2,236,382,000	+95,653,000
Special Revenue Funds - Other	2,762,150,000	3,637,150,000	+875,000,000
Total	\$16,839,798,539	\$18,056,889,300	+\$1,217,090,761

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Elementary, Middle and Secondary Education			
General Fund	\$11,651,730,700	\$11,932,878,700	+\$281,148,000
Special Revenue Funds - Federal	1,738,566,000	1,811,738,000	+73,172,000
Special Revenue Funds - Other	1,365,000,000	1,517,000,000	+152,000,000
School Tax Relief			
Special Revenue Funds - Other	1,387,000,000	2,110,000,000	+723,000,000
Office of Higher Education and the Professions			
General Fund	91,315,000	80,535,000	-10,780,000
Cultural Education			
General Fund	105,300,000	105,673,000	+373,000
Special Revenue Funds - Federal	4,660,000	4,660,000	....
Special Revenue Funds - Other	10,150,000	10,150,000	....
Vocational Educational Services for Individuals with Disabilities			
General Fund	64,270,600	64,270,600	....
Special Revenue Funds - Federal	397,503,000	419,984,000	+22,481,000
Community Projects			
General Fund	24,303,239	....	-24,303,239
Total	<u>\$16,839,798,539</u>	<u>\$18,056,889,300</u>	<u>+\$1,217,090,761</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Comprehensive Construction Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>	<u>Reappropriations 2000-01</u>
Design and Construction Supervision				
Capital Projects Fund .....	....	....	....	\$237,000
Education Building				
Capital Projects Fund .....	....	\$1,365,000	+\$1,365,000	673,000
Capital Projects Fund - Advances .....	....	....	....	2,460,000
School for the Blind				
Capital Projects Fund	\$159,000	700,000	+541,000	159,000
Capital Projects Fund - Advances .....	....	....	....	2,697,000
School for the Deaf				
Capital Projects Fund .....	....	550,000	+550,000	62,000
Capital Projects Fund - Advances .....	....	....	....	1,971,000
Schools For Native American Reservations				
Capital Projects Fund - Advances .....	....	....	....	500,000
Cultural Education Center				
Capital Projects Fund .....	....	1,500,000	+1,500,000	....
Capital Projects Fund - Advances .....	....	....	....	20,550,000
Administration				
Capital Projects Fund	750,000	950,000	+200,000	2,352,000
Rebuild Schools to Uphold Education Program				
Capital Projects Fund	145,000,000	....	-145,000,000	145,000,000
Washington Avenue Armory				
Capital Projects Fund - Advances .....	....	....	....	8,215,000
Total	<u>\$145,909,000</u>	<u>\$5,065,000</u>	<u>-\$140,844,000</u>	<u>\$184,876,000</u>

OFFICE OF CHILDREN AND FAMILY SERVICES

MISSION

The Office of Children and Family Services (OCFS) was established in 1998 to strengthen services to children and families. The Office is committed to promoting the well-being and safety of children, families and communities.

ORGANIZATION AND STAFFING

The Office of Children and Family Services is headquartered in Rensselaer with regional offices throughout the State. These offices provide operational support and policy direction to local social services districts and youth bureaus. The Office is also responsible for the operation of 48 residential and day placement facilities statewide serving over 2,200 youth. The workforce for fiscal year 2000-2001 is estimated at 4,702 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Office of Children and Family Services receives 39 percent of its \$3.3 billion budget from State tax dollars and 61 percent from Federal and other funds. The State Operations Budget of \$466.4 million supports oversight of child welfare, child care, adult protection and domestic violence programs, among others. In addition, the State Operations Budget supports the continued operation of juvenile justice facilities.

The Local Assistance Budget of \$2.7 billion provides payments to local governments and not-for-profit providers for programs such as foster care, adoption, child protective services, delinquency prevention and child care.

Capital projects appropriations of \$92.6 million primarily support the maintenance and construction of the State-operated juvenile justice facilities in order to provide a safe living environment and sufficient program space for youth while they are in residential care and at the same time, maintain an appropriate level of security.

Although new appropriations for the Office show a decrease of \$191.3 million, this does not reflect a proposed reduction in overall spending. Rather, the decrease is largely due to a required adjustment for the Child Care Reserve Fund, which was fully appropriated in 1999-00, but which will spend out over three years, and a realignment of appropriations for the Title XX Block Grant to coincide with prior year cuts in Federal funding levels. These, and other lesser decreases, are more than offset by appropriation increases.

CHILDREN AND FAMILY SERVICES

The Executive Budget recommendation continues to provide local governments with substantial funding for child welfare services and maximum flexibility in determining the best use of these monies. The recommendation continues the Family and Children's Services Block Grant (FCSBG) and provides almost \$850 million in State and Federal welfare funding to reimburse local social services districts for foster care, foster care prevention and adoption administration activities. The General Fund recommendation of \$533 million for the FCSBG includes \$6 million in new funding to provide cost-of-living adjustments for foster care and preventive services' voluntary agency staff.

The SFY 2000-2001 recommendation maintains the transfer of Federal Temporary Assistance to Needy Families (TANF) Block Grant funds to the Federal Title XX Social Services Block Grant at \$241 million to support locally provided child welfare services.

CHILDREN AND FAMILY SERVICES

In addition, the Executive Budget provides \$30 million in additional funding through the TANF Block Grant for preventive services to low income families with children at risk of foster care placement.

Within the TANF Block Grant, funds are set aside for children and their families facing emergency situations. This recommendation reflects continued use of TANF funding to reimburse local governments for the Juvenile Delinquent/Persons in Need of Supervision (JD/PINS) Foster Care Program and other local foster care expenditures.

TANF Block Grant funds are used to increase the amounts available for the home visiting program to \$9.6 million, thereby allowing an expansion to an additional three or four locations across the State. Finally, since the reduction of out-of-wedlock births is one of the major goals of Federal welfare reform, the Adolescent Pregnancy Prevention Program is funded from the TANF Block Grant and suballocated to the Department of Health where it will be consolidated with several other programs that promote abstinence and maternal and newborn health.

The Executive Budget continues uncapped funding for critical child protective activities that, prior to SFY 1998-1999, were financed through the Family and Children's Services Block Grant. Set at \$70 million, this reimbursement provides local governments with necessary resources to protect abused and neglected children.

The Executive Budget continues to provide local governments with funding to support implementation of the Federal Adoption and Safe Families Act (ASFA). This legislation provides important safeguards for protecting children placed in foster care and ensuring timely resolution of foster care placements through accelerated permanency planning hearings and other mandated case actions. The recommendation includes \$6.4 million for State and local ASFA implementation activities, including staff training, fingerprinting of foster care and adoptive parents, and administrative hearings. The Executive Budget also includes \$1.2 million to promote timely actions on requests for child welfare and child protective special hearings.

The Executive Budget supports a continued emphasis on prevention and early identification of child abuse and neglect. More than \$8 million is included to support operation of the State Child Abuse Hotline. Using funds provided last year, planned improvements to the Hotline will be completed in 2000-2001. Additional funds are recommended to expand OCFS' capability to investigate reports of institutional abuse in residential care facilities.

The Budget includes \$118 million for the State's share of adoption subsidies provided to families who adopt special needs children. These funds will support approximately 35,000 children in adoptive homes, including 4,750 children adopted last year. It is anticipated that an additional 4,850 children will be adopted in 2000-2001. In addition, the Budget continues \$1 million in new funding to help parents cover the legal costs they incur when they adopt children who have been awaiting final placement for longer than six months.

CHILD CARE

The Executive Budget includes Federal, State and local funding of \$711 million for the State Child Care Block Grant, an increase of \$85 million over the 1999-2000 level. The Block Grant supports child care subsidies for low-income families and families in transition from welfare to employment. Those transitioning from welfare are guaranteed subsidized child care for 12 months after leaving Family Assistance. The State also guarantees child care to public assistance recipients with children up to age 13 when such care is required for the parent/guardian to go to work. Each social services district receives a single grant that enables it to tailor its expenditures to meet local needs and to comply with mandated work participation requirements for Family Assistance recipients.

CHILDREN AND FAMILY SERVICES

Under the Child Care Block Grant, districts' ability to plan for and meet district-specific child care needs has increased. To foster even greater local flexibility, a new \$200 million Child Care Reserve Fund was established in 1999-2000. This Fund may be accessed by local social services districts over a three-year period as their child care demands change. The Executive Budget anticipates that approximately \$51 million will be allocated from the Child Care Reserve Fund in 2000-2001.

The Executive Budget includes \$18.5 million to fingerprint all regulated child care providers, expand oversight and monitoring activities, and increase the percentage of inspections for registered programs from 20 percent to 50 percent over 3 years. In addition, \$2.5 million is set aside to support child care programs meeting the special needs of migrant workers' children.

During 2000-2001 the Office will initiate the new Child Care Facilities Construction Program. Authorized in 1999-2000, this \$15 million bond-financed program will make grants available to child care providers to build or rehabilitate child care centers.

The Executive Budget also provides \$10 million for the third year of the Advantage After-School initiative, a program offered from the end of classes to the early evening hours during the school year. Funds will be provided to community-based organizations demonstrating the ability to work collaboratively with schools, child care providers and/or other organizations or businesses for after-school programming. This funding is anticipated to leverage additional Federal, local and philanthropic dollars.

YOUTH FACILITIES

The Youth Facilities Program includes the Office's 48 residential facilities and day placement centers serving youth placed by the Family Courts or committed by the Criminal Courts. Through a broad array of programs, the Office provides rehabilitative services that include counseling, education and training designed to promote positive youth development and foster a youth's return to the community as a law-abiding and productive citizen.

The Executive Budget recommendations address a growing demand for residential capacity by including \$75 million in capital funds to construct a new secure center to replace the Harlem Valley facility, which is being sold, and to increase limited secure capacity for boys. In addition, operating funds are provided to add 13 limited secure beds for girls at the Lansing Residential Center.

SYSTEMS

The Executive Budget includes approximately \$66 million in State and Federal funding to operate and continue development of CONNECTIONS, the State's child welfare information system.

CONNECTIONS provides for electronic transmission of reports of child abuse or neglect from the State's Child Abuse Hotline to local governments. This enables local caseworkers to intervene quickly with as much information as possible, affording greater protections for children and enhanced case management. In addition, CONNECTIONS enables local governments to track and approve foster and adoptive homes.

During 1999-2000, a State review involving local governments and other stakeholders identified the need for a third party technical expert to guide improvements to the CONNECTIONS software application and hardware infrastructure. Accordingly, OCFS retained a quality assurance contractor to assist CONNECTIONS project leadership in managing this project. This new project management structure will enable the State to plan critical work for the future full implementation of the system while undertaking improvements to existing functions.

To further strengthen the State's ability to oversee programs serving children and families, the Office has identified the need to upgrade its computer technology to support larger data bases and more powerful analytical software. Accordingly, the Executive Budget continues \$6.5 million to implement a common computer platform agencywide, improve financial management capabilities and develop comprehensive data collection and reporting tools.

CHILDREN AND FAMILY SERVICES

PROGRAM HIGHLIGHTS

The Office of Children and Family Services supervises the State's system of family support and child welfare services to help families live independently. County departments of social services and, in many cases, community-based local organizations administer most programs that identify and protect abused and neglected children; provide counseling and other services to strengthen families and avoid foster care; place children in foster care as needed; reunite children and families; find permanent adoptive parents for children who cannot be reunited with birth families; prepare teens for independent living and protect vulnerable adults from family violence.

The State Child Abuse Hotline receives over 300,000 calls each year over a toll-free 800 telephone number reporting alleged child maltreatment or abuse. County protective services staff and/or local law enforcement agencies conduct those resulting investigations which have been initiated by the State. The Register maintains a master database of those found culpable of child abuse so that employers, such as day care centers, can screen out potential employees with a history of familial child abuse.

OCFS also oversees a variety of programs serving the State's neediest and most vulnerable adult residents. Many of these programs serve the public assistance population and play an important role as the State and its localities implement welfare reform. Programs include oversight of locally-administered adult protective services and programs providing services to victims of domestic violence, including emergency shelters and community-based crisis intervention.

Through the Commission for the Blind and Visually Handicapped, the Office provides, directly or through contract, services to help visually handicapped people live independently and achieve self-sufficiency through employment. The Commission also assists over 3,800 children and elderly individuals with services such as orientation and mobility, social casework, adaptive equipment, interpreter services, low-vision examinations, diagnostic examinations and intensive adaptive skills training.

The Office provides significant funding to counties and municipalities, and community-based not-for-profit agencies for the provision of youth development and delinquency prevention programs.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$456,693,000	\$466,418,100	+\$9,725,100	\$284,000,000
Aid To Localities	3,008,569,796	2,741,931,900	-266,637,896	2,054,466,300
Capital Projects	26,950,000	92,600,000	+65,650,000	61,261,000
Total	<u>\$3,492,212,796</u>	<u>\$3,300,950,000</u>	<u>-\$191,262,796</u>	<u>\$2,399,727,300</u>

CHILDREN AND FAMILY SERVICES

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	2000-01 Recommended Average Fill Level				Change
	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Central Administration					
General Fund	383	383	....	383	....
Special Revenue Funds - Other	98	98	....	98	....
Child Care					
General Fund	57	32	....	32	-25
Special Revenue Funds - Federal	60	170	85	255	+195
Commission for the Blind and Visually Handicapped					
Special Revenue Funds - Federal	196	196	....	196	....
Special Revenue Funds - Other	3	....	3	3	....
Expendable Trust Funds	4	....	4	4	....
Family and Children Services					
General Fund	404	404	....	404	....
Special Revenue Funds - Federal	26	....	26	26	....
Systems Support					
General Fund	216	221	....	221	+5
Training and Development					
Special Revenue Funds - Federal	91	91	....	91	....
Youth Facilities					
General Fund	2,884	2,884	....	2,884	....
Subtotal, Direct Funded Programs	4,422	4,479	118	4,597	+175
Suballocations:					
Special Revenue Funds - Federal	105	....	....	105	....
Total	4,527	....	....	4,702	+175

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$223,879,000	\$241,110,100	+\$17,231,100
Special Revenue Funds - Federal	119,600,000	111,810,000	-7,790,000
Special Revenue Funds - Other	109,389,000	109,673,000	+284,000
Enterprise Funds	500,000	500,000	....
Internal Service Funds	100,000	100,000	....
Fiduciary Funds	3,225,000	3,225,000	....
Total	\$456,693,000	\$466,418,100	+\$9,725,100

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Central Administration			
General Fund	\$28,924,600	\$32,154,900	+\$3,230,300
Special Revenue Funds - Other	9,100,000	9,100,000	.....
Internal Service Funds	100,000	100,000	.....
Fiduciary Funds	1,825,000	1,825,000	.....
Child Care			
General Fund	3,778,000	2,477,100	-1,300,900
Special Revenue Funds - Federal	10,800,000	10,800,000	.....
Children's Services			
Special Revenue Funds - Federal	.....	.....	.....
Commission for the Blind and Visually Handicapped			
General Fund	8,378,700	8,379,000	+300
Special Revenue Funds - Federal	28,000,000	22,210,000	-5,790,000
Special Revenue Funds - Other	500,000	500,000	.....
Fiduciary Funds	1,400,000	1,400,000	.....
Departmental Administrative Reimbursement			
General Fund	-37,233,000	-32,093,000	+5,140,000
Special Revenue Funds - Other	37,233,000	38,593,000	+1,360,000
Family and Children Services			
General Fund	32,984,700	29,173,800	-3,810,900
Special Revenue Funds - Federal	16,800,000	17,800,000	+1,000,000
Special Revenue Funds - Other	956,000	1,046,000	+90,000
Systems Support			
General Fund	43,212,000	53,986,300	+10,774,300
Special Revenue Funds - Federal	.....	25,000,000	+25,000,000
Special Revenue Funds - Other	.....	10,000,000	+10,000,000
Training and Development			
General Fund	10,000,000	10,000,000	.....
Special Revenue Funds - Federal	64,000,000	36,000,000	-28,000,000
Special Revenue Funds - Other	61,300,000	50,134,000	-11,166,000
Enterprise Funds	200,000	200,000	.....
Youth Facilities			
General Fund	133,834,000	137,032,000	+3,198,000
Special Revenue Funds - Other	300,000	300,000	.....
Enterprise Funds	300,000	300,000	.....
Total	\$456,693,000	\$466,418,100	+\$9,725,100

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Central Administration	\$19,275,700	-\$517,300	\$18,337,500	-\$546,500	\$808,100	+\$25,100
Child Care	1,526,800	-1,309,200	1,526,800	-1,309,200	.....	.....
Family and Children Services	18,396,800	+275,800	17,634,200	+252,200	5,200	+200
Systems Support	9,388,300	+240,300	9,363,300	+240,300	.....	.....
Youth Facilities	112,564,000	+1,993,000	102,796,500	+1,626,500	5,194,500	+235,500
Total	\$161,151,600	+\$682,600	\$149,658,300	+\$263,300	\$6,007,800	+\$260,800

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Central Administration	\$130,100	+\$4,100
Family and Children Services	757,400	+23,400
Systems Support	25,000	.....
Youth Facilities	4,573,000	+131,000
Total	\$5,485,500	+\$158,500

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Administration	\$12,879,200	+\$3,747,600	\$208,000	....
Child Care	950,300	+8,300	74,000	....
Commission for the Blind and Visually Handicapped	8,379,000	+300	....	....
Family and Children Services	10,777,000	-4,086,700	577,500	....
Systems Support	44,598,000	+10,534,000	340,000	....
Training and Development	10,000,000	....	....	....
Youth Facilities	24,468,000	+1,205,000	10,514,000	....
Total	\$112,051,500	+\$11,408,500	\$11,713,500	....

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Administration	\$755,000	....	\$9,317,200	+\$2,547,600
Child Care	184,000	....	662,300	+8,300
Family and Children Services	356,500	....	7,614,000	-4,186,700
Systems Support	99,000	....	2,719,000	....
Youth Facilities	820,000	....	11,679,000	+955,000
Total	\$2,214,500	....	\$31,991,500	-\$675,800

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	\$136,000	....	\$2,463,000	+\$1,200,000
Child Care	30,000	....	....	....
Commission for the Blind and Visually Handicapped .....	....	....	8,379,000	+300
Family and Children Services	29,000	....	2,200,000	+100,000
Systems Support	140,000	....	41,300,000	+10,534,000
Training and Development .....	....	....	10,000,000	....
Youth Facilities	1,205,000	....	250,000	+250,000
Total	\$1,540,000	....	\$64,592,000	+\$12,084,300

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS — OTHER THAN GENERAL AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	\$11,025,000	....	....	....
Child Care	10,800,000	....	....	....
Commission for the Blind and Visually Handicapped	24,110,000	-\$5,790,000	....	....
Family and Children Services	18,846,000	+1,090,000	....	....
Systems Support	35,000,000	+35,000,000	....	....
Training and Development	86,334,000	-39,166,000	\$1,434,000	....
Youth Facilities	600,000	....	....	....
Total	\$186,715,000	-\$8,866,000	\$1,434,000	....

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	\$1,925,000	....	\$9,100,000	....
Child Care .....	....	....	10,800,000	....
Commission for the Blind and Visually Handicapped .....	....	....	24,110,000	-\$5,790,000
Family and Children Services	5,000,000	....	13,846,000	+1,090,000
Systems Support .....	....	....	35,000,000	+35,000,000
Training and Development	2,566,000	....	82,334,000	-39,166,000
Youth Facilities	600,000	....	....	....
Total	\$10,091,000	....	\$175,190,000	-\$8,866,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available	Recommended	Change
	1999-00	2000-01	
General Fund	\$1,058,942,796	\$1,039,311,900	-\$19,630,896
Special Revenue Funds - Federal	1,925,097,000	1,678,090,000	-247,007,000
Special Revenue Funds - Other	21,000,000	21,000,000	....
Fiduciary Funds	3,530,000	3,530,000	....
Total	\$3,008,569,796	\$2,741,931,900	-\$266,637,896
Adjustments:			
Transfer(s) From			
Children and Family Services, Office of General Fund	-12,270,000		
Transfer(s) To			
Children and Family Services, Office of Special Revenue Funds - Federal	+12,270,000		
Appropriated 1999-00	<u>\$3,008,569,796</u>		

CHILDREN AND FAMILY SERVICES

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Child Care			
General Fund	\$96,066,000	\$96,066,000	.....
Special Revenue Funds - Federal	730,000,000	551,000,000	-\$179,000,000
Family and Children Services			
General Fund	934,415,900	938,245,900	+3,830,000
Special Revenue Funds - Federal	1,171,270,000	1,098,652,000	-72,618,000
Special Revenue Funds - Other	21,000,000	21,000,000	.....
Fiduciary Funds	3,530,000	3,530,000	.....
Training and Development			
General Fund	5,000,000	5,000,000	.....
Special Revenue Funds - Federal	23,827,000	28,438,000	+4,611,000
Community Projects			
General Fund	23,460,896	.....	-23,460,896
Total	<u>\$3,008,569,796</u>	<u>\$2,741,931,900</u>	<u>-\$266,637,896</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Comprehensive Construction Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>	<u>Reappropriations 2000-01</u>
Design and Construction Supervision				
Youth Facilities Improvement Fund .....	.....	\$1,000,000	+\$1,000,000	\$1,000,000
Child Care Facilities Development Program				
Capital Projects Fund	\$15,000,000	.....	-15,000,000	15,000,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	4,250,000	1,900,000	-2,350,000	4,250,000
Youth Facilities Improvement Fund	4,000,000	7,700,000	+3,700,000	18,300,000
Executive Direction and Administrative Services				
Capital Projects Fund	700,000	.....	-700,000	769,000
Misc. Capital Projects .....	.....	4,000,000	+4,000,000	.....
Youth Facilities Improvement Fund .....	.....	.....	.....	1,178,000
New Construction				
Youth Facilities Improvement Fund .....	.....	75,000,000	+75,000,000	.....
Program Improvement or Program Change				
Youth Facilities Improvement Fund	3,000,000	3,000,000	.....	10,200,000
Youth Center				
Capital Projects Fund .....	.....	.....	.....	9,838,000
Rehabilitative Services				
Youth Facilities Improvement Fund .....	.....	.....	.....	726,000
Total	<u>\$26,950,000</u>	<u>\$92,600,000</u>	<u>+\$65,650,000</u>	<u>\$61,261,000</u>

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

MISSION

Working in close collaboration with the Department of Labor and Office of Children and Family Services, the Office of Temporary and Disability Assistance (OTDA) helps needy adults and families achieve economic self-sufficiency through work, job training, and child support enforcement. The Office also provides economic assistance to aged and disabled persons who are unable to work, and transitional support to welfare recipients while they are working toward self-sufficiency.

ORGANIZATION AND STAFFING

Core responsibilities of the Office of Temporary and Disability Assistance include providing policy and technical support to social services districts responsible for implementing welfare reform and administering programs serving the homeless and refugees. Through its Division of Disability Determinations, the agency also evaluates the medical eligibility of disability claimants for Supplemental Security Income and Social Security Disability Insurance.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A total of \$4.8 billion is recommended from all funding sources in SFY 2000-2001 to support State Operations and Aid to Localities programs including Family Assistance, Safety Net, Supplemental Security Income (SSI), Food Assistance Program, Home Energy Assistance (HEAP), child support enforcement and food stamp administration.

Aid to Localities is funded by \$4.3 billion in Federal funds, the General Fund, and other revenue. Within this amount, the General Fund cost for direct welfare programs — Family Assistance and Safety Net — will decrease by approximately \$89 million in 2000-2001 reflecting continued welfare caseload declines and available Federal funding. Partially offsetting this decrease are increases in General Fund spending for Supplemental Security Income (SSI) for the aged and disabled.

For State Operations, an appropriation of approximately \$555 million is recommended from all funding sources. These funds will support a workforce of approximately 2,468, including 1,360 federally funded positions in the Division of Disability Determinations.

The recommended \$77 million General Fund appropriation includes funding for staff and other costs related to the oversight of social services district administration of public assistance and child support enforcement programs; administrative hearings for public assistance, Food Stamp, and Medicaid applicants and recipients; and operation of the major computer systems supporting public assistance programs. Approximately \$435 million in Federal funds and other revenues are recommended for the administration of the Division of Disability Determinations, the Home Energy Assistance program (HEAP), and the Bureau of Refugee and Immigration Affairs.

Approximately \$210 million in State and Federal funds are appropriated for the costs of the redesign of the Welfare Management System (WMS) and development of the Welfare-to-Work Caseload Management System. WMS is the primary data management tool used by districts to support eligibility determinations and other critical welfare administration activities.

TEMPORARY AND DISABILITY ASSISTANCE

Specific priorities for the Office of Temporary and Disability Assistance for 2000-2001 are as follows:

- In partnership with social services districts, the Department of Labor and the Office of Children and Family Services, operate programs enacted through the State Welfare Reform Act of 1997 so that the welfare system can more effectively transition participants to work and self-sufficiency;
- Develop and implement regulations and administrative policies consistent with the objectives of welfare reform;
- Improve, redesign, and more effectively use technology, information, and communication to support program operations; and
- Continue to strengthen program integrity and anti-fraud activities throughout the welfare system.

PROGRAM HIGHLIGHTS

The welfare system in New York State has changed in basic philosophy and approach, bringing to fruition the overall objectives of State welfare reform. These changes include transforming welfare into a system of temporary income support while recipients secure employment and child support payments; promoting individual responsibility; and providing social services districts with the flexibility, incentives, and rewards they need to effectively administer a work-oriented welfare system. The system has evolved from one that focused primarily on determining client eligibility and distributing benefit payments to one that now focuses on securing alternative non-welfare means of income support such as employment, child support, or temporary assistance.

The new emphasis has resulted in a dramatic decline in welfare caseloads. The total public assistance caseload in New York State in 2000-2001 is projected at 850,000 recipients, a decrease of 70,000 persons from 1999-2000. When compared to caseload levels in January 1995, welfare caseloads are projected to decline by over 820,000 recipients as of March 31, 2001, or by approximately 49 percent.

FAMILY ASSISTANCE

The Family Assistance program provides employment assessments, support services and time-limited cash assistance to eligible families with children while the parent acquires the necessary work skills to secure and retain employment.

With certain statutorily prescribed exceptions, those who receive benefits must participate in work activities to remain eligible. Cash benefits for Family Assistance participants are limited to a cumulative period of five years. If the head of a Family Assistance household is unable to become employed during this period, the family is limited to non-cash benefits through the Safety Net program (discussed below) while the head of household continues to search for a job.

The new welfare system fosters recipient self-sufficiency. All Family Assistance participants undergo an assessment of their employability skills and training needs and, unless disabled, must participate in assigned work activities. Participants are covered by a larger and greatly strengthened earned income disregard than was historically the case and may retain a higher level of savings and other resources to help the transition from welfare.

Social services districts are required to meet Federal work activity participation targets. The Federal Department of Health and Human Services (DHHS) recently announced that New York exceeded these Federal standards for Federal Fiscal Year 1998. Reflecting scheduled increases in work participation requirements in Federal law, for FFY 2000, districts must place at least 40 percent of all family assistance cases in an allowable work activity for not less than 30 hours per week. State law places the focus of participant employment plans directly on work or work-like activities such as job training, community service, or workfare. This approach will position the State to continue to meet or exceed required employment targets in future years. Under Federal law, the targets increase incrementally

TEMPORARY AND DISABILITY ASSISTANCE

until the year 2002 when 50 percent of the Family Assistance caseload must participate in work activities for not less than 30 hours per week.

The Governor's welfare reform program also fosters individual responsibility to help break the cycle of long-term dependency. All applicants and recipients are required to participate in screening and assessment to determine if the need for welfare results from use of illegal drugs or excessive consumption of alcoholic beverages. If a participant is unable to work because of such circumstances, he or she is referred to an appropriate treatment program and welfare benefits are restricted to non-cash assistance. Students in Family Assistance cases participate in Learnfare to encourage school attendance and teen parents must attend high school or other approved education programs to receive welfare benefits.

Welfare reform also requires each social services district to screen its Family Assistance caseload for domestic violence. Acting through its designated domestic violence liaison, each district informs the individual of voluntary services which may be available. Districts waive application of welfare program rules, including but not limited to child support cooperation, work requirements, and residency requirements, if the district determines that these provisions would cause further risk or make it more difficult for the person to escape domestic violence.

The Governor's welfare reform program has strengthened child support enforcement. Improvements include automated updating of child support awards to reflect inflation; interstate reciprocity in child support proceedings; a strengthened role for child support staff in welfare case processing; and administrative authority for social services districts to order genetic tests, subpoena information, and collect relevant data from Federal, State and local agencies. These measures have helped to increase total child support collections to their current level of over \$1 billion.

For SFY 2000-2001, the Governor is proposing to increase the maximum monthly amount of child support (from \$50 to \$100) that can be passed-through to a custodial parent receiving family assistance and to strengthen provisions relating to medical support enforcement. The Executive Budget would also re-invest Federal incentive bonuses in child support initiatives to strengthen performance in "hard-to-collect" cases, update asset information on non-custodial parents, expand private health care coverage for children in support cases, and expand the "Celebrating Fatherhood" media campaign to encourage voluntary compliance. These initiatives will further strengthen the child support enforcement system, thus helping to ensure that parents provide for the income support of their children.

Welfare reform also protects taxpayer investments in the welfare system by strengthening sanctions for persons who refuse to comply with work requirements and prohibiting welfare payments to fugitive felons, persons who have been convicted of a felony and failed to abide by the terms of their probation or parole, or who have been convicted of fraudulently seeking to obtain benefits in two or more states.

SAFETY NET PROGRAM

Article XVII of the State Constitution requires the State and its social services districts to provide for the needy. State welfare reform meets this obligation through the Safety Net program for persons who are not eligible for Family Assistance or Supplemental Security Income.

Safety Net participants, primarily single adults and childless couples, can receive cash allowances for a two year period after which benefits can be provided on a non-cash basis. Other groups that may receive non-cash benefits include families that have exhausted their five year limit on Family Assistance, certain non-citizens, households where the adult is unable to work because of substance abuse, and households where the adult has refused to participate in drug/alcohol screening or treatment. In addition to providing for essential needs, the Safety Net is a work program which provides such services as job search, work training, and workfare. Unless prevented from doing so by a physical or mental disability, Safety Net participants must engage in assigned work activities to receive assistance.

DISABILITY ASSISTANCE

TEMPORARY AND DISABILITY ASSISTANCE

Participants in both Family Assistance and Safety Net can be exempt from work assignments, or given limited work activities, if necessary because of a medically verifiable physical or mental impairment. The social services district is responsible for determining if such a disability exists. In making this determination, the district must consider information provided by the participant's treating physician, but also can conduct its own medical examination.

SUPPLEMENTAL SECURITY INCOME

Federal Supplemental Security Income (SSI) provides cash assistance to the aged, visually handicapped, and disabled. New York's SSI benefit, is \$599 per month for an individual living alone in the community, including a scheduled January 2000 cost-of-living adjustment in the Federal portion of the grant. The State's SSI benefit currently is one of the highest nationally. The 2000-2001 recommendation of \$621 million funds the State cost of SSI benefits for a projected 610,440 recipients.

STATE FOOD ASSISTANCE PROGRAM

The State Welfare Reform Act of 1997 created New York's Food Assistance Program, (FAP) for non-citizens who lost Federal Food Stamps solely due to their alien status. FAP was designed to target the most vulnerable immigrants — children, disabled adults, and persons 60 years of age or older. On November 1, 1998, Federal Food Stamps were restored to children, disabled adults, and those over age 67. The 2000-2001 Aid to Localities recommendation provides \$8.2 million, combined State and local funds, to continue food benefits to an estimated 5,000 immigrant seniors who remain ineligible for the Federal program.

ALL FUNDS APPROPRIATIONS

<u>Category</u>	<u>Available 1999-00</u>	<u>Appropriations Recommended 2000-01</u>	<u>Change</u>	<u>Reappropriations Recommended 2000-01</u>
State Operations	\$493,023,000	\$555,010,000	+\$61,987,000	\$384,590,000
Aid To Localities	4,400,350,000	4,256,931,000	-143,419,000	3,404,160,000
Capital Projects	32,000,000	30,000,000	-2,000,000	139,903,000
Total	<u>\$4,925,373,000</u>	<u>\$4,841,941,000</u>	<u>-\$83,432,000</u>	<u>\$3,928,653,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	2000-01 Recommended Average Fill Level				Change
	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
General Fund	180	180	....	180	....
Special Revenue Funds - Federal	133	....	133	133	....
Special Revenue Funds - Other	59	....	59	59	....
Child Support Enforcement					
General Fund	57	....	....	....	-57
Special Revenue Funds - Other	....	57	....	57	+57
Disability Determinations					
Special Revenue Funds - Federal	1,360	1,360	....	1,360	....
Special Revenue Funds - Other	111	....	111	111	....
Executive Direction					
General Fund	21	21	....	21	....
Legal Affairs					
General Fund	164	164	....	164	....
Refugee and Immigrant Affairs					
Special Revenue Funds - Federal	19	19	....	19	....
Shelter and Supported Housing					
General Fund	22	22	....	22	....
Special Revenue Funds - Federal	2	....	2	2	....
System Support and Information Services					
General Fund	193	163	30	193	....
Special Revenue Funds - Federal	30	30	....	30	....
Special Revenue Funds - Other	19	19	....	19	....
Temporary and Disability Assistance Programs					
General Fund	59	59	....	59	....
Special Revenue Funds - Federal	21	....	21	21	....
Special Revenue Funds - Other	18	....	18	18	....
Subtotal, Direct Funded Programs	2,468	2,094	374	2,468	....
Suballocations:					
Special Revenue Funds - Federal	18	....	....	18	....
Total	2,486			2,486	....

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$67,408,000	\$76,559,000	+\$9,151,000
Special Revenue Funds - Federal	320,570,000	347,870,000	+27,300,000
Special Revenue Funds - Other	104,045,000	129,581,000	+25,536,000
Internal Service Funds	1,000,000	1,000,000	....
Total	\$493,023,000	\$555,010,000	+\$61,987,000

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Administration			
General Fund	\$19,964,000	\$18,019,000	-\$1,945,000
Special Revenue Funds - Federal	7,000,000	7,000,000	.....
Special Revenue Funds - Other	18,850,000	18,850,000	.....
Internal Service Funds	1,000,000	1,000,000	.....
Child Support Enforcement			
General Fund	4,164,000	.....	-4,164,000
Special Revenue Funds - Federal	2,300,000	2,900,000	+600,000
Special Revenue Funds - Other .....	.....	25,000,000	+25,000,000
Departmental Administrative Reimbursement			
General Fund	-61,926,000	-62,462,000	-536,000
Special Revenue Funds - Other	65,495,000	66,031,000	+536,000
Disability Determinations			
Special Revenue Funds - Federal	162,500,000	169,200,000	+6,700,000
Special Revenue Funds - Other	10,400,000	10,400,000	.....
Executive Direction			
General Fund	1,686,000	1,684,000	-2,000
Legal Affairs			
General Fund	11,185,000	11,367,000	+182,000
Refugee and Immigrant Affairs			
Special Revenue Funds - Federal	2,270,000	2,270,000	.....
Shelter and Supported Housing			
General Fund	1,357,000	1,338,000	-19,000
Special Revenue Funds - Federal	500,000	500,000	.....
System Support and Information Services			
General Fund	86,275,000	101,655,000	+15,380,000
Special Revenue Funds - Federal	140,000,000	160,000,000	+20,000,000
Special Revenue Funds - Other	6,800,000	6,800,000	.....
Temporary and Disability Assistance Programs			
General Fund	4,703,000	4,958,000	+255,000
Special Revenue Funds - Federal	6,000,000	6,000,000	.....
Special Revenue Funds - Other	2,500,000	2,500,000	.....
Total	<u>\$493,023,000</u>	<u>\$555,010,000</u>	<u>+\$61,987,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administration	\$8,789,000	-\$118,000	\$8,675,000	-\$207,000	\$83,600	+\$83,600
Child Support Enforcement .....	.....	-2,961,000	.....	-2,961,000	.....	.....
Executive Direction	1,340,000	-2,000	1,255,500	-46,500	83,000	+49,000
Legal Affairs	8,408,000	+182,000	8,118,000	-8,000	.....	.....
Shelter and Supported Housing	1,199,000	-19,000	1,184,000	-34,000	.....	.....
System Support and Information Services	9,060,000	-164,000	8,750,000	-191,000	.....	.....
Temporary and Disability Assistance Programs	3,656,000	+255,000	3,196,000	+8,000	440,000	+227,000
Total	\$32,452,000	-\$2,827,000	\$31,178,500	-\$3,439,500	\$606,600	+\$359,600

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	\$30,400	+\$5,400
Executive Direction	1,500	-4,500
Legal Affairs	290,000	+190,000
Shelter and Supported Housing	15,000	+15,000
System Support and Information Services	310,000	+27,000
Temporary and Disability Assistance Programs	20,000	+20,000
Total	\$666,900	+\$252,900

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$9,730,000	-\$1,827,000	\$150,300	.....
Child Support Enforcement .....	.....	-1,203,000	.....	-\$34,000
Executive Direction	344,000	.....	22,200	+200
Legal Affairs	2,959,000	.....	137,500	-21,000
Shelter and Supported Housing ...	139,000	.....	10,400	.....
System Support and Information Services	92,595,000	+15,544,000	414,100	.....
Temporary and Disability Assistance Programs	1,302,000	.....	25,000	+23,400
Total	\$107,069,000	+\$12,514,000	\$759,500	-\$31,400

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$183,300	.....	\$5,530,900	+\$898,000
Child Support Enforcement .....	.....	-\$57,800	.....	-446,200
Executive Direction	61,100	+300	235,000	.....
Legal Affairs	116,100	-17,000	2,639,400	-22,300
Shelter and Supported Housing ...	35,500	.....	87,800	.....
System Support and Information Services	154,100	.....	2,943,400	.....
Temporary and Disability Assistance Programs	200,000	-10,200	987,000	-100,200
Total	\$750,100	-\$84,700	\$12,423,500	+\$329,300

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$1,220,500	+\$1,150,000	\$2,645,000	-\$3,875,000
Child Support Enforcement .....	.....	.....	.....	-665,000
Executive Direction	25,700	-500	.....	.....
Legal Affairs	66,000	+60,300	.....	.....
Shelter and Supported Housing ...	5,300	.....	.....	.....
System Support and Information Services	209,400	.....	88,874,000	+15,544,000
Temporary and Disability Assistance Programs	90,000	+87,000	.....	.....
Total	\$1,616,900	+\$1,296,800	\$91,519,000	+\$11,004,000

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS — OTHER THAN GENERAL AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$26,350,000	.....	\$600,000	.....
Child Support Enforcement	27,900,000	+\$25,600,000	.....	.....
Disability Determinations	179,600,000	+6,700,000	71,300,000	+\$4,600,000
Refugee and Immigrant Affairs	2,270,000	.....	.....	.....
Shelter and Supported Housing	500,000	.....	.....	.....
System Support and Information Services	166,800,000	+20,000,000	.....	.....
Temporary and Disability Assistance Programs	8,500,000	.....	.....	.....
Total	\$411,920,000	+\$52,300,000	\$71,900,000	+\$4,600,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$250,000	.....	\$25,500,000	.....
Child Support Enforcement .....	.....	.....	27,900,000	+\$25,600,000
Disability Determinations	97,900,000	+\$2,100,000	10,400,000	.....
Refugee and Immigrant Affairs .....	.....	.....	2,270,000	.....
Shelter and Supported Housing .....	.....	.....	500,000	.....
System Support and Information Services .....	.....	.....	166,800,000	+20,000,000
Temporary and Disability Assistance Programs .....	.....	.....	8,500,000	.....
Total	\$98,150,000	+\$2,100,000	\$241,870,000	+\$45,600,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available	Recommended	Change
	1999-00	2000-01	
General Fund	\$1,810,650,000	\$1,707,231,000	-\$103,419,000
Special Revenue Funds - Federal	2,493,500,000	2,453,500,000	-40,000,000
Special Revenue Funds - Other	86,200,000	86,200,000	.....
Fiduciary Funds	10,000,000	10,000,000	.....
Total	\$4,400,350,000	\$4,256,931,000	-\$143,419,000

TEMPORARY AND DISABILITY ASSISTANCE

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration			
Special Revenue Funds - Other	\$65,000,000	\$65,000,000	.....
Child Support Enforcement			
General Fund	26,600,000	27,010,000	+\$410,000
Special Revenue Funds - Federal	72,000,000	84,000,000	+12,000,000
Special Revenue Funds - Other	100,000	100,000	.....
Employment Services			
General Fund	50,650,000	47,278,000	-3,372,000
Food Assistance Program			
General Fund	4,100,000	4,100,000	.....
Special Revenue Funds - Other	4,100,000	4,100,000	.....
Food Stamp Administration Program			
General Fund	112,928,000	113,911,000	+983,000
Special Revenue Funds - Federal	214,000,000	219,000,000	+5,000,000
Special Revenue Funds - Other	6,000,000	6,000,000	.....
Refugee and Immigrant Affairs			
General Fund	5,050,000	5,000,000	-50,000
Special Revenue Funds - Federal	41,500,000	41,500,000	.....
Shelter and Supported Housing			
General Fund	120,950,000	110,750,000	-10,200,000
Special Revenue Funds - Federal	20,000,000	20,000,000	.....
Special Revenue Funds - Other	10,000,000	10,000,000	.....
Temporary and Disability Assistance Administration			
General Fund	215,472,000	218,182,000	+2,710,000
Temporary and Disability Assistance Programs			
General Fund	1,274,900,000	1,181,000,000	-93,900,000
Special Revenue Funds - Federal	2,146,000,000	2,089,000,000	-57,000,000
Special Revenue Funds - Other	1,000,000	1,000,000	.....
Agency Trust Funds	10,000,000	10,000,000	.....
Total	\$4,400,350,000	\$4,256,931,000	-\$143,419,000

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Comprehensive Construction Program	Available 1999-00	Recommended 2000-01	Change	Reappropriations 2000-01
Information Management Technology Program				
Capital Projects Fund .....	.....	.....	.....	\$361,000
Supported Housing Program				
Capital Projects Fund .....	.....	.....	.....	13,750,000
Housing Program Fund	\$32,000,000	\$30,000,000	-\$2,000,000	125,792,000
Total	\$32,000,000	\$30,000,000	-\$2,000,000	\$139,903,000

HIGHER EDUCATION SERVICES CORPORATION

MISSION

The Higher Education Services Corporation was established in 1974 to provide centralized processing of student financial aid programs. The Corporation administers the State's Tuition Assistance Program, the Federal Family Education Loan Program and other State and federal aid programs.

ORGANIZATION AND STAFFING

The Corporation is governed by a 15-member Board of Trustees, ten of whom are appointed by the Governor to six-year terms. The ten gubernatorial appointees include two student representatives, a representative of the general public, a college financial aid administrator, a chief executive officer of a proprietary institution, two presidents of independent institutions, one chief executive officer of a proprietary school and two banking representatives. The remaining five ex-officio members include the Commissioner of Education, the Chancellors of the State University of New York and the City University of New York and student government leaders representing the public university systems.

The Corporation's chief executive officer is the President, who is appointed by the Governor, subject to Senate confirmation. The President's responsibilities include administrative oversight of key program areas including legal counsel, data processing, operations, grants and scholarships, loans and research.

The agency will have a workforce of 830 employees in 2000-01. Of this total, 688 positions (83 percent) are paid through funds received for the administration of federal student loans and 142 positions (17 percent) are paid from State funds for administration of State student financial aid programs. General administrative operations are located in Albany and Menands, while data processing operations are located in Troy.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends over \$713 million in support of agency operations and programs. Of this amount, \$92 million will be available to support administration of State and federal student aid programs and \$621 million will be awarded in financial aid to students or colleges to provide access to postsecondary opportunities and help maintain New York's leadership in higher education.

General Fund support of \$9.4 million is recommended for administration of State grants and scholarships. Over \$83 million of the operating budget represents federal loan-related functions, which are supported from non-General Fund sources and include funding for administration of the new federal GEAR UP program. Costs for shared data processing, personnel, finance and other administrative activities are allocated proportionately according to time expended for State or federal activities.

Of the \$621 million invested in financial aid and institutional grants, General Fund dollars account for nearly \$612 million. Support for the remaining expenditures is provided from federal funds and non-General Fund revenues.

STATE OPERATIONS

The Corporation will continue to improve its administrative operations in 2000-01 through investments in enhanced employee skills, modern technological infrastructure, and streamlined administrative practices. In addition to a renewed emphasis on providing comprehensive services to its clientele, the Corporation continues to develop partnerships with other student

HIGHER EDUCATION SERVICES

loan guaranty agencies to streamline costs, improve services, and increase responsiveness through shared development efforts.

FINANCIAL AID PROGRAMS

The 2000-01 recommendation for the Tuition Assistance Program (TAP) is \$575 million on an academic year basis. This level of funding maintains the current structure of the TAP program with no changes in award levels or eligibility criteria. The \$40 million year-to-year decrease in the TAP appropriation reflects a natural decline in program participation due to the State's strong economy, and related income growth that will reduce average award amounts.

New York's TAP program will facilitate access to higher education for approximately 250,000 students. Yet, access to higher education is not sufficient if students are not able to graduate on a timely basis and reap the economic benefits of a college degree. In the coming year, our higher education community, both public and private, will be called upon for their guidance in developing strengthened academic standards and changes that enable and encourage students to complete their degrees in a timely manner.

In 2000-01, CUNY will implement a new financial aid pilot program which will enable students with a demonstrated record of achievement to attend a CUNY college on a part-time basis and be eligible for financial assistance under TAP. This program should help increase the number of students who successfully obtain their college degrees by recognizing the need of certain students to adjust their courseloads to accommodate work and family responsibilities.

A total of \$14 million, an increase of \$3.5 million, will support the full implementation of the Scholarships for Academic Excellence program. Under this program, 2,000 of New York's top scholars will be eligible for annual awards of \$1,500 and 6,000 academically distinguished high school students will be eligible for annual awards of \$500 for four years of undergraduate study. By recognizing high school achievement, this program encourages our most academically talented students to pursue their postsecondary education in New York State.

PROGRAM HIGHLIGHTS

STATE OPERATIONS

The Corporation continues to streamline and improve its computer systems for the payment and tracking of student financial aid funds. The Corporation's goal is to provide payments more quickly to students, parents and colleges and to improve the accuracy of State financial aid data.

In 2000-01, the Corporation will administer the State's project under the new \$120 million Federal GEAR-UP program. In 1999, the Corporation was awarded a five-year Federal GEAR-UP grant to provide early college preparation and guidance services to low income communities. New York GEAR UP will serve participating students, as early as seventh grade, with mentoring, counseling, outreach, and support services designed to help them aspire to and prepare for higher education. The Corporation's GEAR UP staff will coordinate statewide activities for the 11 local GEAR UP partners — in the metropolitan New York City area, the Capital Region, the Southern Tier and Buffalo — which received competitive grants under the GEAR UP Partnership project.

FEDERAL LOAN GUARANTEE PROGRAM

The largest part of agency operations is the administration of the Federal Family Education Loan program. Under this program, the Corporation guarantees over \$9 billion in outstanding loans made by banks to students. When banks are unable to collect loan repayments, the agency intervenes to avert default. If unsuccessful, loans are purchased from banks and measures are taken to bring such defaulted loans into repayment. The Corporation also provides customer services for lenders, schools and students, which include the distribution of loan information, as well as training and technical assistance related to loan applications and processing.

Federal loan activities administered by the Corporation include:

- \$1.5 billion in new guaranteed loans estimated for 1999-2000;
- Loans guaranteed for approximately 350,000 individual borrowers; and
- Projected defaulted loan collections of over \$143 million and \$174 million in defaulted loan purchases for 1999-2000.

FINANCIAL AID PROGRAMS

The Corporation's State-funded responsibilities include processing student applications for State student financial aid programs, determining award amounts, processing and auditing aid payments to students and colleges, conducting reviews of participating institutions, collecting disallowed amounts identified in audits of participating institutions and providing information services to the public, students and schools for the following programs:

- Tuition Assistance Program: \$575 million in aid will be provided to students in the public and private sectors.
- Aid for Part Time Study: \$14.6 million will be available to nearly 23,000 part-time students in all sectors of higher education.
- Scholarships and Fellowships: 5,200 recipients are projected to receive aid for special employment preparation or targeted needs under fifteen State and Federal programs; 29,000 Scholarships for Academic Excellence will be available in 2000-01 to students pursuing their college education in New York State.

COLLEGE CHOICE TUITION SAVINGS PROGRAM

Signed into law in 1997, the College Choice Tuition Savings Program presents a major commitment by the State to encourage families throughout New York to save for the college education of their children or grandchildren. Under this program, families can save for their children's education at accredited public and private colleges in New York or anywhere in the country by providing tax benefits on contributions made to, and interest earned on, college savings accounts.

Jointly administered by the Corporation and the Office of the State Comptroller, the program has been well received by the general public. Since its inception in September 1998, close to 70,000 accounts have been opened, with contributions exceeding \$280 million. New York's program has already received national recognition as one of the top college savings plans in the nation and, in the coming year, consideration will be given to further improvements in the program to encourage even greater participation.

Recently, Governor Pataki announced that the minimum amount required to open an account has been reduced from \$250 to \$25.

HIGHER EDUCATION SERVICES

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$87,797,000	\$92,458,000	+\$4,661,000	\$750,000
Aid To Localities	657,548,000	620,948,000	-36,600,000	.....
Capital Projects .....	.....	.....	.....	.....
Total	\$745,345,000	\$713,406,000	-\$31,939,000	\$750,000

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
General Fund	50	42	.....	42	-8
Special Revenue Funds - Other	241	219	.....	219	-22
Guaranteed Loan Programs					
Special Revenue Funds - Other	469	469	.....	469	.....
Grants and Scholarships					
General Fund	105	100	.....	100	-5
Total	865	830	.....	830	-35

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$10,660,000	\$9,425,000	-\$1,235,000
Special Revenue Funds - Federal .....	.....	3,930,000	+3,930,000
Special Revenue Funds - Other	77,137,000	79,103,000	+1,966,000
Total	\$87,797,000	\$92,458,000	+\$4,661,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration			
General Fund	\$5,248,000	\$4,769,000	-\$479,000
Special Revenue Funds - Other	30,637,000	31,703,000	+1,066,000
Guaranteed Loan Programs			
Special Revenue Funds - Federal .....	.....	3,930,000	+3,930,000
Special Revenue Funds - Other	46,500,000	47,400,000	+900,000
Grants and Scholarships			
General Fund	5,412,000	4,656,000	-756,000
Total	\$87,797,000	\$92,458,000	+\$4,661,000

HIGHER EDUCATION SERVICES

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administration	\$2,122,000	-\$578,000	\$2,099,000	-\$571,000	.....	.....
Grants and Scholarships	3,345,000	-184,000	3,311,000	-183,000	\$34,000	-\$1,000
Total	\$5,467,000	-\$762,000	\$5,410,000	-\$754,000	\$34,000	-\$1,000

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	\$23,000	-\$7,000
Total	\$23,000	-\$7,000

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$2,647,000	+\$99,000	\$170,000	+\$6,000
Grants and Scholarships	1,311,000	-572,000	42,000	-19,000
Total	\$3,958,000	-\$473,000	\$212,000	-\$13,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$5,000	.....	\$2,438,000	+\$92,000
Grants and Scholarships	5,000	-\$3,000	1,249,000	-\$45,000
Total	\$10,000	-\$3,000	\$3,687,000	-\$453,000

Program	Equipment	
	Amount	Change
Administration	\$34,000	+\$1,000
Grants and Scholarships	15,000	-5,000
Total	\$49,000	-\$4,000

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$31,703,000	+\$1,066,000	\$8,772,000	-\$721,800
Guaranteed Loan Programs	51,330,000	+4,830,000	16,600,000	+100,000
Total	\$83,033,000	+\$5,896,000	\$25,372,000	-\$621,800

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$22,431,000	+\$1,787,800	\$500,000	.....
Guaranteed Loan Programs	30,800,000	+800,000	3,930,000	+\$3,930,000
Total	\$53,231,000	+\$2,587,800	\$4,430,000	+\$3,930,000

HIGHER EDUCATION SERVICES

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$648,148,000	\$611,548,000	-\$36,600,000
Special Revenue Funds - Federal	2,400,000	2,400,000	.....
Special Revenue Funds - Other	7,000,000	7,000,000	.....
Total	<u>\$657,548,000</u>	<u>\$620,948,000</u>	<u>-\$36,600,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Scholarships and Fellowships			
General Fund	\$18,418,000	\$21,918,000	+\$3,500,000
Special Revenue Funds - Other	7,000,000	7,000,000	.....
State Grant Programs			
General Fund	615,100,000	575,000,000	-40,100,000
Special Revenue Funds - Federal	2,400,000	2,400,000	.....
Tuition Awards for Part-Time Students			
General Fund	14,630,000	14,630,000	.....
Total	<u>\$657,548,000</u>	<u>\$620,948,000</u>	<u>-\$36,600,000</u>

DEPARTMENT OF LABOR

MISSION

The Department of Labor (DOL) helps prepare the people of our State for employment, and delivers dozens of services that help people find jobs and employers find workers. The Department administers Federal Unemployment Insurance benefits for people who have lost jobs through no fault of their own. DOL also enforces regulations that maintain safety and health in the workplace and ensure fair compensation.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner and is organized into six programs: Employment and Training; Occupational Safety and Health; Labor Standards; Unemployment Insurance; Employment Relations Board; and Administration.

The Department of Labor's Central Office is located in Albany. The Department also has 71 Employment Service Centers located throughout the State and eight employment service regional offices, located in Endicott, Hicksville, New York City, Rochester, Glens Falls, Buffalo, Utica and White Plains. In addition, the Department has nine worker protection district offices which enforce child labor laws, foster workplace health and safety, and ensure that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department of Labor will have a workforce of 4,591 employees in SFY 2000-01. Approximately 86 percent of these positions are financed by Federal grants; ten percent are supported by fees and assessments; and the remaining four percent are paid by State tax dollars from the General Fund.

General Fund appropriations will provide partial support for agency administration, job training, welfare employment services, and enforcement activities as well as funding for the Employment Relations Board (ERB). ERB helps to mediate disputes between private sector employers and employees to avoid and settle strikes.

General Fund and Federal Temporary Assistance for Needy Families (TANF) Block grant appropriations totaling \$8,958,700 will support the current level of Youth Education, Employment and Training program (YEETP) contracts that serve economically disadvantaged youth. The use of TANF dollars in support of some YEETP contracts reflects the State's continuing efforts to use Federal funds wherever feasible to provide General Fund savings without reducing service levels. In addition, a General Fund appropriation of \$2,287,000 will continue support for Green Teams program contracts that provide vocational training and work experience for approximately 300 youth and 100 adults.

Federal Fund appropriations support approximately 27 percent of the Department's overall budget. Specific programs and activities include Unemployment Insurance, re-employment services for persons who may be affected adversely by international trade agreements, and Workforce Investment Act (WIA) services that will replace the Job Training Partnership Act program on July 1, 2000. Federally funded local assistance appropriation authority includes \$336 million for 2000-01 from WIA and the close-out of JTPA.

Under the State Welfare Reform Act of 1997, the Department is responsible for supervising social services district operation of welfare employment programs. The programs are supported by the General Fund, Federal Temporary Assistance for Needy Families (TANF) block grant dollars, and Federal Food Stamp Employment and Training money. Highlights

LABOR

include continued support of the InVest program which helps welfare recipients upgrade skills needed for employment and earn higher wages and provision of the New York Works Block Grant (NYWBG) to social services districts to address specific local employment and training needs including a district option to set-aside up to 25 percent of funding for services to low income former welfare families. Eligibility for work support programs such as InVest and transportation services has been expanded to include families with income up to 200 percent of the poverty level.

Federal appropriations also include funding to assist families that are the victims of natural disasters. Adjustments to federally funded State Operations appropriations mostly reflect additional authority for work training programs.

Fee revenues support approximately one percent of the Department of Labor's overall budget, funding worker protection and compensation enforcement activities and job training programs. These accounts are financed by fees for health and safety inspections, revenue from Workers' Compensation Board assessments, and interest on overdue Unemployment Insurance taxes owed by employers. The Unemployment Insurance benefit appropriation of \$2.5 billion comprises 71 percent of the Department of Labor's overall budget. These benefits are funded from Unemployment Insurance taxes paid by employers.

The Department's budget also includes an appropriation of \$245,000 which partially finances construction projects by local governments to correct workplace hazards.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with requirements under the Federal Workforce Investment Act (WIA), and in conjunction with local governments, the Department of Labor continues to assist with the expansion of local One-Stop Centers that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer information, and support services such as child care and transportation. The Centers benefit employers by providing them with access to worker resumes and information on tax credits, workplace safety issues and apprenticeship services. Department of Labor employment services also help move individuals from welfare to work and help prevent public assistance dependency by focusing on disadvantaged youth, displaced homemakers, and persons who may lose their jobs because of plant closings or relocations.

Through the use of computers and the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from agency services. For example, employers and job seekers can immediately access relevant information without assistance from Department staff. In addition, using Federal funds, the Department is implementing new software that will make it easier to match welfare and Unemployment Insurance case management information with job opportunities on various national job bank Internet sites. In program year 1998, the Department served approximately 393,000 individuals and successfully placed an estimated 56,400 individuals in jobs.

In addition to the development of One-Stop Centers across the State, the Department is working with other State and local agencies, community colleges and others to build a workforce development system that provides access to information and services across agency lines regardless of where a person may initially go for assistance — State office, local government office, community service agency or college placement office.

WORKFORCE INVESTMENT ACT (WIA)

Beginning July 1, 2000, the Federal Workforce Investment Act (WIA) will replace the Job Training Partnership Act, providing job training to youth, adults, and dislocated workers.

WIA also will upgrade the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants can access WIA services through a network of local one-stop centers for the delivery of employment and training services. WIA will also improve customer choice and program effectiveness, as participants will be able to choose training providers based on past performance through the use of vouchers.

Legislation enacted in 1999 established a State Workforce Investment Board that will assist in the development of the State's plan for using WIA funds.

WORKER PROTECTION

Worker Protection functions are carried out by two Department of Labor programs: Occupational Safety and Health, and Labor Standards.

The Occupational Safety and Health program is responsible for health and safety inspections and granting licenses to qualified persons to operate or handle dangerous equipment or substances. Statistics for recent years show that the Division inspected 19,447 amusement park devices, 906 ski lifts, 7,864 places of public assembly (e.g., bleachers at concerts), and 34,597 commercial boilers. It also reviewed applications for 669 Radioactive Materials licenses and 55,795 asbestos licenses and certificates. The Labor Standards program enforces the Labor Law in such areas as minimum and prevailing wage, child labor, and garment industry registration. Statistics for recent years indicate the Division inspected 1,677 businesses for compliance with child labor laws, and found actual violations in 728 cases (43 percent). It also collected almost \$10 million in back wages, unpaid fringe benefits, and minimum wage underpayments for approximately 18,149 employees.

UNEMPLOYMENT INSURANCE

The Unemployment Insurance (UI) program makes weekly payments to eligible unemployed workers who have lost a job through no fault of their own. These temporary payments, available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work.

To help unemployed workers find work as quickly as possible, the Department of Labor operates a Self-Employment program to help workers establish businesses and become self-employed. Workers whom the Department identifies as least likely to find another job without such assistance are referred to this program. Since April 1996 the program has served 7,802 workers. In addition, the Department also operates a re-employment services program to further strengthen efforts to move individuals back to work.

As part of Governor Pataki's continuing efforts to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received over the phone to determine if applicants are eligible to receive Unemployment Insurance benefits and handle all other processing issues related to an individual's benefits. The system operates through three Tele-Claims Centers located in Troy, Endicott, and New York City that currently process about 62 percent of the statewide claims workload. A second New York City center, and fourth center overall, is scheduled to open by late summer of 2000. This system replaces the less efficient process of requiring DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices.

LABOR

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$3,008,464,000	\$3,176,380,900	+\$167,916,900	\$478,872,200
Aid To Localities	550,180,700	345,287,700	-204,893,000	824,802,000
Capital Projects .....	.....	.....	.....	.....
Total	<u>\$3,558,644,700</u>	<u>\$3,521,668,600</u>	<u>-\$36,976,100</u>	<u>\$1,303,674,200</u>

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

2000-01 Recommended Average Fill Level

Program	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	Change
Administration					
General Fund	83	83	.....	83	.....
Special Revenue Funds - Federal	3,943	.....	3,943	3,943	.....
Employment Relations Board					
General Fund	14	16	.....	16	+2
Employment and Training					
General Fund	48	48	.....	48	.....
Special Revenue Funds - Other	74	.....	74	74	.....
Labor Standards					
General Fund	21	21	.....	21	.....
Special Revenue Funds - Other	192	173	19	192	.....
Occupational Safety and Health					
Special Revenue Funds - Other	214	214	.....	214	.....
Total	<u>4,589</u>	<u>555</u>	<u>4,036</u>	<u>4,591</u>	<u>+2</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$10,760,900	\$11,474,800	+\$713,900
Special Revenue Funds - Federal	451,167,300	617,834,600	+166,667,300
Special Revenue Funds - Other	46,535,800	47,071,500	+535,700
Fiduciary Funds	2,500,000,000	2,500,000,000	.....
Total	<u>\$3,008,464,000</u>	<u>\$3,176,380,900</u>	<u>+\$167,916,900</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Administration			
General Fund	\$4,633,700	\$4,881,000	+\$247,300
Special Revenue Funds - Federal	417,067,300	583,734,600	+166,667,300
Employment Relations Board			
General Fund	1,811,700	2,043,000	+231,300
Employment and Training			
General Fund	3,319,800	3,537,200	+217,400
Special Revenue Funds - Other	12,205,500	12,284,000	+78,500
Labor Standards			
General Fund	995,700	1,013,600	+17,900
Special Revenue Funds - Other	11,671,700	11,784,500	+112,800
Occupational Safety and Health			
Special Revenue Funds - Other	22,658,600	23,003,000	+344,400
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	34,100,000	34,100,000	.....
Expendable Trust Funds	2,500,000,000	2,500,000,000	.....
Total	<u>\$3,008,464,000</u>	<u>\$3,176,380,900</u>	<u>+\$167,916,900</u>

**STATE OPERATIONS — GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

<u>Program</u>	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$3,858,600	+\$99,000	\$3,858,600	+\$99,000	.....	.....
Employment Relations Board	1,070,400	+70,200	1,053,700	+70,200	\$16,700	.....
Employment and Training	827,400	.....	827,400	.....	.....	.....
Labor Standards	866,700	+14,500	866,700	+14,500	.....	.....
Total	<u>\$6,623,100</u>	<u>+\$183,700</u>	<u>\$6,606,400</u>	<u>+\$183,700</u>	<u>\$16,700</u>	<u>.....</u>

LABOR

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$1,022,400	+\$148,300	\$50,900	+\$1,200
Employment Relations Board	972,600	+161,100	18,600	+400
Employment and Training	2,709,800	+217,400	35,900	+900
Labor Standards	146,900	+3,400	5,500	....
Total	\$4,851,700	+\$530,200	\$110,900	+\$2,500

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$71,300	+\$1,700	\$472,600	+\$11,000
Employment Relations Board	64,000	+1,500	388,000	+9,100
Employment and Training	24,800	+600	15,600	+400
Labor Standards	7,600	....	116,700	+3,400
Total	\$167,700	+\$3,800	\$992,900	+\$23,900

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$100,600	+\$2,400	\$327,000	+\$132,000
Employment Relations Board	2,000	+100	500,000	+150,000
Employment and Training	24,500	+500	2,609,000	+215,000
Labor Standards	17,100	....	....	....
Total	\$144,200	+\$3,000	\$3,436,000	+\$497,000

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$583,734,600	+\$166,667,300	....	....
Employment and Training	12,284,000	+78,500	....	....
Labor Standards	11,784,500	+112,800	\$8,015,700	+\$59,700
Occupational Safety and Health ...	23,003,000	+344,400	10,786,300	+196,800
Unemployment Insurance Benefit Fund	2,534,100,000	....	....	....
Total	\$3,164,906,100	+\$167,203,000	\$18,802,000	+\$256,500

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration .....	....	....	\$583,734,600	+\$166,667,300
Employment and Training .....	....	....	12,284,000	+78,500
Labor Standards	\$2,763,400	+\$53,100	1,005,400	....
Occupational Safety and Health ...	12,216,700	+147,600	....	....
Unemployment Insurance Benefit Fund .....	....	....	2,534,100,000	....
Total	\$14,980,100	+\$200,700	\$3,131,124,000	+\$166,745,800

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$73,349,700	\$4,690,700	-\$68,659,000
Special Revenue Funds - Federal	476,586,000	340,352,000	-136,234,000
Special Revenue Funds - Other	245,000	245,000	.....
Total	<u>\$550,180,700</u>	<u>\$345,287,700</u>	<u>-\$204,893,000</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Employment and Training			
General Fund	\$69,358,700	\$4,690,700	-\$64,668,000
Special Revenue Funds - Federal	476,586,000	340,352,000	-136,234,000
Occupational Safety and Health			
General Fund	350,000	.....	-350,000
Special Revenue Funds - Other	245,000	245,000	.....
Community Projects			
General Fund	3,641,000	.....	-3,641,000
Total	<u>\$550,180,700</u>	<u>\$345,287,700</u>	<u>-\$204,893,000</u>

OFFICE OF REAL PROPERTY SERVICES

MISSION

The Office of Real Property Services is charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration pursuant to constitutional provisions for the supervision, review and equalization of local assessments for purposes of taxation. Its aim is that all municipalities assess real property equitably.

ORGANIZATION AND STAFFING

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is conducted by a Board-appointed Executive Director. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2000-01 Executive Budget will support a staffing level of 480 positions for the Office of Real Property Services. State tax dollars from the General Fund will support 75 percent of these positions, with the remaining 25 percent supported by various fees.

General Fund appropriations of \$29.6 million will finance 66 percent of the Office's \$45.1 million operating budget in 2000-01. The remaining agency operations are supported by the following three revenue accounts: the Improvement of Real Property Tax Administration Account; the Industrial and Utility Services Account; and the Local Services Account. These accounts are funded from the State's share of the real property transfer recording fee, chargebacks for assessments made on industrial, utility and railroad property and charges for miscellaneous consulting and computing services.

Budget recommendations for the Office of Real Property Services for 2000-01 include:

- The continuation of \$12 million in State aid for ongoing administration of the School Tax Relief (STAR) program and \$11.5 million for the State's administrative responsibilities for STAR;
- An increase of \$1.7 million for financial incentives for local governments to conduct annual updates of their assessment rolls pursuant to the higher standards enacted in 1999; and
- Realignment of certain functions from the General Fund to a Special Revenue Fund account dedicated to the improvement of real property tax administration, resulting in General Fund savings of \$800,000.

PROGRAM HIGHLIGHTS

The Office of Real Property Services is involved with all State-level responsibilities relating to the real property tax, which represents the largest revenue source for counties, municipalities, school districts and special districts. Accordingly, the Office has programs to establish equalization rates which are used to estimate the full market value of taxable real property in each municipality, to provide policy guidance as well as technical and

REAL PROPERTY SERVICES

financial assistance to local assessing units, and to assist other State agencies with information and administrative support in areas that relate to property tax policy or administration.

DETERMINATION OF MUNICIPAL FULL VALUE

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. However, every assessing unit is required to indicate its assessment ratio — i.e., the ratio of the assessed value to the full value of properties — on the assessment roll and tax bills. Using statistical tests on sample data, the Office of Real Property Services verifies the accuracy of the assessment ratio stated annually by each of the approximately 1000 assessing units (i.e., cities, towns and the counties of Nassau and Tompkins). If the assessment ratio provided by a local assessor is determined to be accurate, it is established as the State equalization rate for that assessing unit; otherwise, the Office will prepare an independent estimate of the local assessment ratio which will be established as the equalization rate.

By adhering to statewide standards, the Office ensures that equalization rates can be used to estimate full values of properties in a consistent manner. Full value estimates are necessary to distribute taxes for counties and school districts when tax levies are based upon assessments by more than one assessing unit. They are also used as indicators of local fiscal capacity for several purposes, including allocation of State aid.

ASSISTANCE AND SERVICES TO LOCAL GOVERNMENTS

Since many municipal assessing units are very small-scale operations, local property tax administrators are dependent on technical assistance provided by the Office of Real Property Services. Centralized assistance to assessors and taxing jurisdictions includes administrative, legal and other technical services. In helping municipalities, the Office works closely with county offices of real property tax services, many of which have developed programs for coordinating reassessment projects on a countywide basis.

In furthering the State-local partnership in property tax administration, the Office also administers various State aid programs in support of local assessment administration, including:

- Annual aid of up to \$5 per parcel for assessing units that meet State standards that include annual revisions of assessments and comprehensive re-inventory and revaluation at least once every six years;
- Consolidation aid providing a one-time financial incentive of up to \$7 per parcel to encourage cost-efficiency through the coordination of assessment functions performed by two or more assessing units;
- Assessor training aid to reimburse local assessment officials (including assessors and county directors of property tax services) for their cost of attending State-mandated training courses;
- STAR administration aid to ensure that localities are compensated for their workload associated with the implementation of the State's school tax relief program;
- Software support which includes the development, maintenance, training and consulting relating to a state-of-the-art software program to facilitate cost-efficient administration of local property taxes; and
- Advisory appraisals for certain complex properties — such as utilities and large manufacturing plants — which require highly specialized resources that are not available to most local assessors.

These State aid programs have been a catalyst for enhancing the equity and cost-efficiency of local property tax administration throughout the State. According to recent data, nearly

REAL PROPERTY SERVICES

two-thirds of the State's assessing units prepare assessment rolls that are reasonably equitable and current. Additionally, since the introduction of consolidation aid in 1994, 73 towns in 18 counties have come together to form 31 coordinated assessment programs.

OTHER SERVICES AND RESPONSIBILITIES

The Office of Real Property Services maintains inventory and valuation data on approximately 3.9 million acres of State-owned land and conservation easements that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas.

Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$37,037,200	\$45,126,400	+\$8,089,200	....
Aid To Localities	16,911,000	18,600,000	+1,689,000	....
Capital Projects .....	....	....	....	....
Total	\$53,948,200	\$63,726,400	+\$9,778,200	....

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Policy and Organizational Support Services					
General Fund	224	215	....	215	-9
Special Revenue Funds - Other	32	36	....	36	+4
Regional Operations					
General Fund	140	140	....	140	....
Special Revenue Funds - Other	75	84	....	84	+9
School District Income Verification					
General Fund	5	5	....	5	....
Total	476	480	....	480	+4

REAL PROPERTY SERVICES

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$22,686,100	\$29,631,400	+\$6,945,300
Special Revenue Funds - Other	14,351,100	15,495,000	+1,143,900
Total	<u>\$37,037,200</u>	<u>\$45,126,400</u>	<u>+\$8,089,200</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Policy and Organizational Support Services			
General Fund	\$16,061,100	\$22,954,200	+\$6,893,100
Special Revenue Funds - Other	4,389,100	4,438,900	+49,800
Regional Operations			
General Fund	6,381,500	6,430,900	+49,400
Special Revenue Funds - Other	9,962,000	11,056,100	+1,094,100
School District Income Verification			
General Fund	243,500	246,300	+2,800
Total	<u>\$37,037,200</u>	<u>\$45,126,400</u>	<u>+\$8,089,200</u>

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

<u>Program</u>	<u>Total Personal Service</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Policy and Organizational Support				
Services	\$8,903,600	-\$330,700	\$8,903,600	-\$330,700
Regional Operations	6,342,200	+47,200	6,342,200	+47,200
School District Income Verification	195,000	+1,500	195,000	+1,500
Total	<u>\$15,440,800</u>	<u>-\$282,000</u>	<u>\$15,440,800</u>	<u>-\$282,000</u>

REAL PROPERTY SERVICES

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services	\$14,050,600	+\$7,223,800	\$252,700	.....
Regional Operations	88,700	+2,200	70,160	+\$1,760
School District Income				
Verification	51,300	+1,300	.....	.....
Total	<u>\$14,190,600</u>	<u>+\$7,227,300</u>	<u>\$322,860</u>	<u>+\$1,760</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services	\$368,200	.....	\$1,234,600	-\$776,200
Regional Operations	18,540	+\$440	.....	.....
Total	<u>\$386,740</u>	<u>+\$440</u>	<u>\$1,234,600</u>	<u>-\$776,200</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services	\$695,100	.....	\$11,500,000	+\$8,000,000
School District Income				
Verification	51,300	+\$1,300	.....	.....
Total	<u>\$746,400</u>	<u>+\$1,300</u>	<u>\$11,500,000</u>	<u>+\$8,000,000</u>

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services	\$4,438,900	+\$49,800	\$2,903,600	+\$21,600
Regional Operations	11,056,100	+1,094,100	3,875,900	+425,900
Total	<u>\$15,495,000</u>	<u>+\$1,143,900</u>	<u>\$6,779,500</u>	<u>+\$447,500</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational				
Support Services	\$1,535,300	+\$28,200	.....	.....
Regional Operations	6,180,200	+668,200	\$1,000,000	.....
Total	<u>\$7,715,500</u>	<u>+\$696,400</u>	<u>\$1,000,000</u>	<u>.....</u>

REAL PROPERTY SERVICES

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$16,911,000	\$18,600,000	+\$1,689,000
Total	<u>\$16,911,000</u>	<u>\$18,600,000</u>	<u>+\$1,689,000</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Policy and Organizational Support Services			
General Fund	\$16,911,000	\$18,600,000	+\$1,689,000
Total	<u>\$16,911,000</u>	<u>\$18,600,000</u>	<u>+\$1,689,000</u>

STATE UNIVERSITY OF NEW YORK

MISSION

Created in 1948, the State University of New York is the largest public university system in the nation with 64 campuses offering a complete range of academic, professional and vocational programs. The State University system is uniquely positioned to provide New Yorkers with postsecondary educational programs of the highest quality and with the broadest possible access.

ORGANIZATION AND STAFFING

The three major components of the State University's mission — teaching, public service and research — are carried out by:

- Eight campuses (including four health science centers) offering academic programs through the doctoral level and serving as research centers.
- Fourteen comprehensive colleges providing undergraduate education in a variety of academic fields.
- Seven colleges of technology focusing on the development of a workforce with the advanced skills required by an increasingly technology-dependent economy.
- Five statutory and contract colleges at Alfred and Cornell universities that offer nationally-acclaimed programs in ceramics, veterinary medicine, agriculture and life sciences, industrial and labor relations, and human ecology.
- Thirty community colleges offering access to a wide array of higher education opportunities that prepare students for transfer to senior colleges or train them for a variety of technical or paraprofessional occupations.

The University is governed by a Board of Trustees consisting of 16 members, with 15 appointed by the Governor to staggered seven-year terms and approved by the Senate, and one ex-officio trustee representing the student assembly of the State University. The Board oversees the operations of the University's State-operated campuses and also exercises general supervisory authority over the community colleges, which are sponsored by local governments and governed by local boards of trustees.

The chief executive officer of the University is the Chancellor who is appointed by, and serves at the pleasure of, the Board of Trustees. Individual college presidents are also appointed by, and serve at the pleasure of, the Board.

The State University's operating budget supports an estimated 35,500 full-time equivalent positions consisting of 22,900 positions that are supported through a combination of State tax dollars and tuition revenues and 12,600 positions supported by other funds. Community college staff are not included in these totals as they are not employees of the State.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

STATE-OPERATED COLLEGES

The 2000-01 Executive Budget recommends over \$3.3 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to over \$1 billion in support from the General Fund (\$921 million for operations and \$128 million for certain fringe benefit costs), the University's budget includes approximately \$2.3 billion in activities funded by other revenues. Revenue-generating entities and programs include: three teaching hospitals at Brooklyn, Stony Brook and

Syracuse; the Long Island Veterans' Home administered by the Stony Brook Health Science Center; dormitory operations; food services; and tuition-supported activities, including summer session and overseas academic studies.

The State University's general operating budget for the 2000-01 academic year is \$1.689 billion, representing a year-to-year net increase of \$74 million. This net amount reflects an \$87 million increase to fully support collective bargaining requirements, cover inflation, and provide \$13 million in discretionary funding for priority initiatives identified by SUNY. There are offsetting reductions totaling \$13 million, including \$7.3 million in non-recurring expenses for the one-time \$500 bonus provided in 1999 under the UUP contract and \$5.6 million in 1999-2000 legislative adds.

The Budget also proposes statutory changes to authorize SUNY Board of Trustees to establish campus-based graduate and professional level tuition rates. At the present time, all SUNY campuses are required to charge the same tuition rate for like degree programs, regardless of the cost or demand for such programs at individual campuses.

For 2000-01, federal appropriations totaling \$136 million will support the Pell grant program and various other student financial aid programs, while fiduciary fund appropriations totaling \$51 million support low-interest loans to needy students and the expenditure of earnings on SUNY endowment funds.

SUNY HOSPITALS

Over the past decade, the SUNY hospitals have been moving toward self-sufficiency by assuming responsibility for financing an increasing portion of their fringe benefit and capital debt service costs. Since 1996-97, the hospitals have been contributing \$116 million toward their fringe benefit and capital debt service costs of approximately \$128 million, with the State continuing to subsidize the remaining \$12 million of costs.

With the enactment of Chapter 363 of the Laws of 1998, the SUNY hospitals were given additional tools — authority to enter into networking and managed care contracts and greater autonomy in contracting for management services and purchasing goods and services — to improve their competitiveness in the health care markets and enhance their revenues. Yet, the SUNY hospitals, like other teaching hospitals across the nation, are still experiencing financial pressures caused, in large part, by reductions in Medicare payments and the growth of managed care. The fiscal challenges facing the SUNY hospitals are further exacerbated by the operational inflexibility caused by their State agency status. A nationally recognized health care consulting firm has been engaged to assess the current finances of SUNY's teaching hospitals and recommend short-term and long-term actions needed to maintain their fiscal viability in today's changing health care environment.

COMMUNITY COLLEGES

SUNY community colleges have three primary funding sources — State aid, support from local sponsors and tuition revenue. Recommended State aid of \$302 million includes an increase of \$3.3 million to fully fund the \$75 per full-time student base aid enhancement provided for the 1999-2000 academic year. Overall funding reflects a year-to-year net decrease of \$2.2 million attributable largely to the proposed elimination of \$3.1 million for 1999-2000 academic year payments under the Fashion Institute of Technology (FIT) chargeback reimbursement program and \$2.4 million in 1999-2000 legislative adds. While General Fund support for community colleges reflects the discontinuation of the State's reimbursement to counties for their cost of resident students attending FIT, funding is included to reimburse remaining 1998-99 payments to FIT.

Components of State aid include: basic operating aid (\$292 million), rental aid (\$4.8 million), child care (\$1.1 million), workforce training (\$1 million) and reimbursement to counties outside New York City for remaining 1998-99 payments made to FIT (\$3.1 million).

Cornell Cooperative Extension

County cooperative extension associations — funded by State, county and federal contributions — provide specialized information and assistance in community development, agricultural technology, 4-H youth development, and consumer and family education. The Executive Budget recommends nearly \$3.4 million in continued State support for this program.

CAPITAL

The 2000-01 Executive Budget recommendations represent the third year of the Governor's Capital Investment Program that will provide over \$2.0 billion for facility and infrastructure improvements at SUNY State-operated and community college campuses, consistent with needs and priorities established by the University.

Overall capital recommendations for State-operated colleges total \$302 million including \$259 million in bonded projects and \$43 million in hard dollar capital funding for academic and other facilities. Of the \$259 million total for bonded projects, \$239 million reflects the awarding of major construction contracts anticipated in the coming year for educational facilities. Capital spending will address not only critical health, safety and preservation needs, but also the construction and renovation of facilities necessary to meet the educational and technological challenges of the next millennium.

Community college capital projects are funded through State aid and direct sponsor support. Recommendations for 2000-01 total \$40 million, including \$35 million in high priority bonded projects for which financial commitments have already been obtained from local sponsors. The remaining \$5 million will fund hard dollar projects addressing critical health, safety and preservation issues

PROGRAM HIGHLIGHTS

The State University of New York is the nation's largest comprehensive public university, offering 5,000 degree programs from research universities, community colleges, medical schools and colleges of technology among its 64 campuses. The State University now enrolls 40 percent of the college-bound students graduating from New York State high schools. More than 369,000 full-time and part-time students — 190,400 at State-operated campuses and 178,800 in community colleges — are pursuing studies ranging from one-year certificate programs to a doctorate. More than 4,600 students are now studying at home through the SUNY Learning Network, which offers 1,000 different courses over the Internet.

More than ever before, the University is devoted to excellence and dedicated to achievement. SUNY is currently engaged in an unprecedented process of reviewing the missions of all 64 of its academic institutions, from community colleges to university centers and initiating ways to measure success and build greater accountability into its academic administration. As part of this effort, the University will be implementing one of the most rigorous undergraduate curricular reforms in the nation beginning in the 2000-01 academic year. This initiative will ensure that all State University students have a solid foundation in key academic subjects and strengthen the ability of students to transfer from the University's 30 community colleges to its four-year colleges and universities.

The State University has also embarked upon a significant initiative in the area of technology that will place it at the forefront of higher education institutions across the nation. *SUNY Connect* is a path-breaking project which will electronically tie together all the University's library resources, creating a single university-wide "virtual library" that can be accessed anytime, anywhere at the touch of a computer key pad.

STATE UNIVERSITY

The State University's 30 locally-sponsored community colleges serve as an essential source of skilled employees and play a critical role in the State's efforts to attract and retain businesses seeking an able workforce. Through their policy of open admissions, the community colleges also ensure access to post-secondary education. The five colleges of technology of the State University of New York recently joined forces in a new management structure that will allow each campus to operate more efficiently, while helping these schools fulfill the increasing demand for highly-skilled technicians.

From the curriculum and instruction in its classrooms, research in its laboratories, support from its alumni and its appeal to a growing number of high school graduates and other prospective students, the State University continues to elevate its ranking among the nation's finest universities while improving its responsiveness to student demands and its accountability to State taxpayers.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$3,220,866,000	\$3,385,697,000	+\$164,831,000	\$27,000,000
Aid To Localities	308,884,600	305,581,000	-3,303,600	.....
Capital Projects .....	.....	.....	.....	2,574,337,000
Total	<u>\$3,529,750,600</u>	<u>\$3,691,278,000</u>	<u>+\$161,527,400</u>	<u>\$2,601,337,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$973,675,000	\$1,048,556,000	+\$74,881,000
Special Revenue Funds - Federal	129,100,000	136,150,000	+7,050,000
Special Revenue Funds - Other	2,063,791,000	2,144,891,000	+81,100,000
Internal Service Funds	5,000,000	5,000,000	.....
Fiduciary Funds	49,300,000	51,100,000	+1,800,000
Total	<u>\$3,220,866,000</u>	<u>\$3,385,697,000</u>	<u>+\$164,831,000</u>
Adjustments:			
Prior Year Deficiency			
State University of New York			
Special Revenue Funds - Federal	+10,000,000		
Transfer(s) From			
Special Pay Bill			
General Fund	-21,948,000		
Appropriated 1999-00	<u>\$3,208,918,000</u>		

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS**

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$308,884,600	\$305,581,000	-\$3,303,600
Total	\$308,884,600	\$305,581,000	-\$3,303,600
Adjustments:			
Prior Year Deficiency			
State University of New York			
General Fund	+12,800,000		
Appropriated 1999-00	<u>\$321,684,600</u>		

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Community Colleges			
General Fund	\$304,462,000	\$302,218,400	-\$2,243,600
County Cooperative Extension Program - Cornell University			
General Fund	3,362,600	3,362,600	.....
Community Projects			
General Fund	1,060,000	.....	-1,060,000
Total	<u>\$308,884,600</u>	<u>\$305,581,000</u>	<u>-\$3,303,600</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Comprehensive Construction Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>	<u>Reappropriations 2000-01</u>
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund				\$149,356,000
Capital Projects Fund - Advances				1,713,033,000
State University Capital Projects Fund
State University Residence Hall Rehabilitation Fund
Program Changes - Expansion and Improvements				
Capital Projects Fund - Advances
State University Capital Projects Fund				
State University Capital Projects Fund				129,701,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund				<u>270,371,000</u>
Subtotal				<u>\$2,262,461,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund				\$31,777,000
Capital Projects Fund - Advances				260,433,000
State University Residence Hall Rehabilitation Fund				
Capital Projects Fund - Advances
New Facilities				
Capital Projects Fund - Advances				19,666,000
Subtotal				<u>\$311,876,000</u>
Total				<u>\$2,574,337,000</u>

STATE UNIVERSITY CONSTRUCTION FUND

MISSION

The State University Construction Fund is a public benefit corporation established in 1962 to serve as the construction agent for academic buildings, dormitories and other facilities at State-operated institutions and statutory colleges under the jurisdiction of the State University of New York (SUNY). Consistent with the State University's approved Master Capital Construction Plan, the Fund oversees construction, acquisition, reconstruction and rehabilitation or improvement of such facilities.

ORGANIZATION AND STAFFING

The Fund is administered by a Board of Trustees consisting of three members appointed by the Governor, one of whom must be a State University Trustee. Members other than the State University Trustee are confirmed by the Senate. The Board appoints a General Manager who serves as chief administrative officer of the agency.

The agency's workforce of 113 positions for 2000-01 represents an increase of 6 positions to administer the anticipated increase in design and construction workload. The Fund's positions are supported entirely from proceeds of revenue bonds issued to finance the construction and reconstruction of academic facilities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The State University Construction Fund is supported by proceeds from the sale of State University Educational Facilities Revenue bonds. The 2000-01 Executive Budget recommendation of \$10,000,000, an increase of \$600,000, reflects an increased workload associated with the implementation of the Capital Investment Program.

PROGRAM HIGHLIGHTS

The 1998-99 Budget authorized a \$2.0 billion investment in the infrastructure and facilities of the State University of New York system. This strategic infrastructure investment will enable the State University to remain competitive into the 21st Century. Both appropriation levels and bonding authority are sufficient to allow the University to develop and implement a comprehensive multi-year construction program that addresses both the current and future capital needs of the University.

As of March 31, 1999, the Fund has completed more than 3,920 academic, dormitory and dining hall capital projects with a replacement value exceeding \$11.7 billion. During the 1999-2000 State fiscal year, the Fund initiated the design of 225 projects for a total value of \$67 million and began construction of 155 projects at an estimated cost of \$264 million. This reflects a 365 percent increase in the number of design starts and a 56 percent increase in the number of construction starts over the level attained prior to enactment of the new capital plan. Additionally, the Fund continues work on 236 projects — at an estimated cost of \$646 million — under construction prior to 1999-2000 and 337 projects in various stages of design.

In addition to design and construction of new and rehabilitated academic facilities, other key agency functions include:

- Preparation and development of the State University's Master Capital Construction Plan, as well as master plans for individual campuses, that go beyond the 2003-2004 timeframe.

STATE UNIVERSITY CONSTRUCTION

- Preparation of the State University's annual capital budget request and facility program.
- Development and maintenance of energy conservation and telecommunications programs.
- Development and maintenance of on-line interactive data processing systems on space and property inventories, real property, State building codes, and other related plant management functions.
- Management and administration of University-wide programs including minor rehabilitation and repair accounts, dormitory rehabilitation and other programs.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$9,400,000	\$10,000,000	+\$600,000	....
Aid To Localities .....	....	....	....	....
Capital Projects .....	....	....	....	....
Total	\$9,400,000	\$10,000,000	+\$600,000	....

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
Special Revenue Funds - Other	107	113	....	113	+6
Total	107	113	....	113	+6

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
Special Revenue Funds - Other	\$9,400,000	\$10,000,000	+\$600,000
Total	\$9,400,000	\$10,000,000	+\$600,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration			
Special Revenue Funds - Other	\$9,400,000	\$10,000,000	+\$600,000
Total	\$9,400,000	\$10,000,000	+\$600,000

STATE UNIVERSITY CONSTRUCTION

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

<u>Program</u>	<u>Total Amount</u>	<u>Change</u>	<u>Personal Service Amount</u>	<u>Change</u>
Administration	\$10,000,000	+\$600,000	\$6,877,000	+\$877,000
Total	<u>\$10,000,000</u>	<u>+\$600,000</u>	<u>\$6,877,000</u>	<u>+\$877,000</u>

<u>Program</u>	<u>Nonpersonal Service Amount</u>	<u>Change</u>
Administration	\$3,123,000	-\$277,000
Total	<u>\$3,123,000</u>	<u>-\$277,000</u>

DIVISION OF VETERANS' AFFAIRS

MISSION

The Division of Veterans' Affairs assists veterans, members of the armed forces and their families and dependents in securing benefits earned through military service. The Division coordinates veterans' programs and services offered by other State agencies, works closely with the Federal Department of Veterans' Affairs and advocates State and Federal actions to meet veterans' needs. The Division serves more than 1.4 million New Yorkers who are veterans, as well as their dependents and those on active duty.

ORGANIZATION AND STAFFING

The Division is headed by the Director who is appointed by the Governor. The Division's central office is in Albany, with regional offices in Albany, Hauppauge and Buffalo. The Division is also supported by a network of approximately 60 community field offices in nearly all of the State's counties and New York City.

The Division will have a workforce of 128 employees during 2000-01. Approximately 86 percent of these positions are paid for by State tax dollars from the General Fund and 14 percent of the staff are supported by Federal Medicaid and Veterans' Education funds.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2000-01 recommendation of \$9.0 million for the Division of Veterans' Affairs will fund veterans' counseling services at current levels, and will increase funding for the Blind Veteran Annuity Assistance Program to \$1.8 million, an increase of \$100,000. In addition, State aid to local county and city veterans' service agencies, which defrays the operating costs of these organizations, is continued. Federal appropriations are reduced to equal actual Federal support for the Veterans' Education Program.

PROGRAM HIGHLIGHTS

During 2000-01, the Division of Veterans' Affairs will operate four principal programs. The largest provides veterans' counseling and claims services. A statewide network of approximately 60 State Veterans' Counselors — all veterans — and 28 support staff review eligibility and help veterans complete applications for benefits and services, obtain necessary documentation and file for Federal, State, local and private veterans' benefits. Counselors also serve constituents through outreach to Veterans' Affairs Medical Centers, senior centers, State Veterans' Homes and local nursing homes, public assistance offices and correctional facilities.

The Division of Veterans' Affairs continues to maintain its community outreach activities through senior citizens seminars and similar forums for women veterans, and is the driving force behind the Interagency Veterans' Council, a consortium of Federal, State and local agencies and non-profit organizations that meets periodically to address and resolve problems and concerns within the veteran community. The Division is also collaborating with the New York State Department of Health and the United States Department of Veterans' Affairs in constructing a 252-bed long-term health care facility for veterans in the Lower Hudson Valley.

The Division of Veterans' Affairs is responsible for securing a substantial portion of the nearly \$1 billion in recurring Federal VA payments made directly to New York State veterans and dependents. During 1998, State Veterans' Counselors made more than 158,000 contacts — an average of over 2,600 a year per counselor — and provided some 275,000 services, filing nearly 14,000 applications for benefits for New York's veterans and dependents. In doing so, State Veterans' Counselors obtained 5,200 VA benefits awards worth approximately \$50 million in Federal payments, most of which are recurring.

VETERANS' AFFAIRS

Effective April 1, 1999, the Blind Veteran Annuity Assistance Program was extended to include all eligible surviving spouses. As a result, the Division received a dramatic increase in the number of applications, with a nearly 50 percent increase in the number of annuitants receiving the monthly benefit. To meet the increased workload, the Division streamlined its application process and utilized electronic technology to ensure effective and efficient program administration.

The agency will continue to maintain the New York State Vietnam Veterans' Memorial, which was created in 1984 as a living memorial to citizens who served in the Armed Forces during the war in Southeast Asia. The memorial includes a courtyard in honor of those killed or missing in action, an information resource room, and an art gallery that features a revolving art exhibit and educational programs. Memorial staff also provide educational outreach programs to school districts.

Staff of the Veterans' Education Program also investigate and certify post-secondary educational and vocational institutions for eligibility for student veterans' education benefits.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$6,561,000	\$6,510,300	-\$50,700	\$2,913,400
Aid To Localities	5,188,951	2,525,000	-2,663,951	.....
Capital Projects .....	.....	.....	.....	.....
Total	\$11,749,951	\$9,035,300	-\$2,714,651	\$2,913,400

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
General Fund	12	12	.....	12	.....
Higher Education					
Special Revenue Funds - Federal	13	13	.....	13	.....
Veteran Counseling Services Program					
General Fund	103	103	.....	103	.....
Total	128	128	.....	128	.....

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$5,097,000	\$5,149,300	+\$52,300
Special Revenue Funds - Federal	1,464,000	1,361,000	-103,000
Total	\$6,561,000	\$6,510,300	-\$50,700

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Administration			
General Fund	\$701,200	\$701,200	....
Higher Education			
Special Revenue Funds - Federal	1,200,000	1,097,000	-\$103,000
Veteran Counseling Services Program			
General Fund	4,395,800	4,448,100	+52,300
Special Revenue Funds - Federal	264,000	264,000	....
Total	<u>\$6,561,000</u>	<u>\$6,510,300</u>	<u>-\$50,700</u>

**STATE OPERATIONS — GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

<u>Program</u>	<u>Total Personal Service</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$596,200	....	\$596,200	....
Veteran Counseling Services Program	4,331,100	-\$8,700	4,331,100	-\$8,700
Total	<u>\$4,927,300</u>	<u>-\$8,700</u>	<u>\$4,927,300</u>	<u>-\$8,700</u>

**STATE OPERATIONS — GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

<u>Program</u>	<u>Total</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$105,000	....	\$15,000	....
Veteran Counseling Services				
Program	381,000	+\$61,000	30,000	....
Total	<u>\$486,000</u>	<u>+\$61,000</u>	<u>\$45,000</u>	<u>....</u>

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$27,000	....	\$52,000	....
Veteran Counseling Services				
Program	58,000	....	213,000	+\$61,000
Total	<u>\$85,000</u>	<u>....</u>	<u>\$265,000</u>	<u>+\$61,000</u>

<u>Program</u>	<u>Equipment</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$11,000	....	....	....
Veteran Counseling Services				
Program	15,000	....	\$65,000	....
Total	<u>\$26,000</u>	<u>....</u>	<u>\$65,000</u>	<u>....</u>

VETERANS' AFFAIRS

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Higher Education	\$1,097,000	-\$103,000	\$695,000	-\$5,000
Veteran Counseling Services Program	264,000	....	....	....
Total	<u>\$1,361,000</u>	<u>-\$103,000</u>	<u>\$695,000</u>	<u>-\$5,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Higher Education	\$402,000	-\$98,000	....	....
Veteran Counseling Services Program .....	....	....	\$264,000	....
Total	<u>\$402,000</u>	<u>-\$98,000</u>	<u>\$264,000</u>	<u>....</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$5,188,951	\$2,525,000	-\$2,663,951
Total	<u>\$5,188,951</u>	<u>\$2,525,000</u>	<u>-\$2,663,951</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Blind Veteran Annuity Assistance General Fund	\$1,700,000	\$1,800,000	+\$100,000
Veteran Counseling Services Program General Fund	1,295,000	725,000	-570,000
Community Projects General Fund	2,193,951	....	-2,193,951
Total	<u>\$5,188,951</u>	<u>\$2,525,000</u>	<u>-\$2,663,951</u>

OFFICE OF WELFARE INSPECTOR GENERAL

MISSION

The Office of Welfare Inspector General was established in 1992 to prevent, investigate, and prosecute public assistance fraud. The agency acts on allegations that welfare recipients are dishonestly receiving benefits for which they are not eligible, or that Medicaid, day care or other providers or administrators of services are accepting payments fraudulently.

In carrying out its responsibilities, the Office works closely with the Office of Temporary and Disability Assistance, local social services offices, the Office of Children and Family Services, the Department of Health and the Department of Law.

ORGANIZATION AND STAFFING

The Office is headed by the Welfare Inspector General who is appointed for a five year term by the Governor with the advice and consent of the Senate. In addition to the Inspector General, personnel include fraud investigators, legal counsel and administrative support staff. The Welfare Inspector General's statewide operations are administered from New York City, and a field office in Albany.

The Office will have a workforce of 12 for SFY 2000-2001, which is consistent with SFY 1999-2000 staffing levels.

BUDGET HIGHLIGHTS

The SFY 2000-2001 General Fund support for the Office of Welfare Inspector General is \$522,000. This represents an increase of \$166,000 compared with SFY 1999-00 levels. The increase is largely due to costs associated with moving to a new location in New York City. Approximately 56 percent of the Office's operations are supported by the General Fund and the remaining 44 percent are supported by funds the agency receives from the Federal government for fraud investigations related to welfare, Food Stamps and Medicaid. The All Funds appropriation for the Office will increase by \$202,000 in SFY 2000-2001, including funding to support scheduled increases in staffing costs.

PROGRAM HIGHLIGHTS

In the current year, the number of complaints of alleged fraud and abuse within the welfare system reported to the Office of Welfare Inspector General remained consistently high as the agency continued its aggressive anti-fraud effort. In addition, 1997 Welfare Reform legislation provides effective tools to prevent and prosecute welfare fraud including increased penalties for fraudulent activities, such as applying for welfare benefits in more than one state.

In 1999, the Office received approximately 600 complaints about alleged welfare fraud originating from citizens, government agencies, or the Office's own related investigations. Fraud investigations generate savings for the State, local and Federal governments by uncovering unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to welfare recipients. The Office of Welfare Inspector General completes hundreds of new investigations each year which substantiate allegations of some form of fraudulent activity by a member of a household receiving welfare.

In addition to these investigations of individual welfare recipients, the Office completes investigations to uncover patterns of abuse within the welfare system including investigation of internal corruption within social services offices. The Office works with the Department of Law to strengthen welfare fraud prosecution and also acts directly through its prosecutions

WELFARE INSPECTOR GENERAL

unit. In addition to fraud investigations, the Office's activities include making recommendations to the Department of Family Assistance and county and New York City social services offices so that welfare programs and services are more effectively administered throughout the State.

ALL FUNDS APPROPRIATIONS

<u>Category</u>	<u>Available 1999-00</u>	<u>Appropriations Recommended 2000-01</u>	<u>Change</u>	<u>Reappropriations Recommended 2000-01</u>
State Operations	\$690,000	\$892,000	+\$202,000	....
Aid To Localities .....	....	....	....	....
Capital Projects .....	....	....	....	....
Total	\$690,000	\$892,000	+\$202,000	....

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

<u>Program</u>	<u>Available 1999-00</u>	2000-01 Recommended Average Fill Level			<u>Change</u>
		<u>Personal Service (Regular)</u>	<u>Maintenance Undistributed</u>	<u>Total Recommended 2000-01</u>	
Welfare Inspector General, Office of the General Fund	12	12	....	12	....
Total	12	12	....	12	....

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund	\$356,000	\$522,000	+\$166,000
Special Revenue Funds - Other	334,000	370,000	+36,000
Total	\$690,000	\$892,000	+\$202,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Welfare Inspector General, Office of the General Fund	\$356,000	\$522,000	+\$166,000
Special Revenue Funds - Other	334,000	370,000	+36,000
Total	\$690,000	\$892,000	+\$202,000

WELFARE INSPECTOR GENERAL

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	\$688,000	+\$47,000	\$688,000	+\$47,000
Total	<u>\$688,000</u>	<u>+\$47,000</u>	<u>\$688,000</u>	<u>+\$47,000</u>

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	\$204,000	+\$155,000	\$60,000	+\$50,000
Total	<u>\$204,000</u>	<u>+\$155,000</u>	<u>\$60,000</u>	<u>+\$50,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	\$14,000	....	\$128,000	+\$105,000
Total	<u>\$14,000</u>	<u>....</u>	<u>\$128,000</u>	<u>+\$105,000</u>

Program	Equipment	
	Amount	Change
Welfare Inspector General, Office of the	\$2,000	....
Total	<u>\$2,000</u>	<u>....</u>

WORKERS' COMPENSATION BOARD

MISSION

Most private and public sector employers in New York are required to carry workers' compensation and disability benefits insurance for their employees or demonstrate their ability to self-insure. The Workers' Compensation Board reviews claims for workers' compensation payments and assists in resolving disputed claims. In performing these responsibilities, the Board administers provisions of the following laws: the Workers' Compensation Law, the Disability Benefits Law, the Civil Defense Volunteers' Law, the Volunteer Firefighters' Benefit Law and the Volunteer Ambulance Workers' Benefit Law.

Because of its broad mission, the Board is responsible for implementing many of the reforms included in the Governor's New York Employment, Safety and Security Act that made historic reforms in the workers' compensation system. The Act has improved workplace safety and reduced employer premiums by an average of 18 percent in 1996. Premiums were further reduced by 8 percent in 1997 and by 6 percent in 1998 — a 32 percent reduction since enactment of the reforms.

The Board has continued to institute several efficiencies during 1999 that have reduced costs and improved services. Among other advances, the Board increased the number of hearings held, made greater use of such electronic tools as video conferencing and created a new, expedited hearing process. The Board also, as required by the Governor's reform bill, created a new Workers' Compensation Inspector General with staff located across the State.

ORGANIZATION AND STAFFING

The Board is headed by a Chairperson selected by the Governor and includes 12 additional full-time members nominated by the Governor and confirmed by the Senate for seven year terms. District offices are located in Albany, Brooklyn, Binghamton, Buffalo, Hauppauge, Hempstead, Peekskill, Rochester, and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has 29 customer service centers located throughout the State. The Board's authorized staffing for 2000-01 is 1,727 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Board is funded with assessments on the Workers' Compensation and Disability Benefits insurance industry and with revenues produced by various services provided by the Board. The assessments paid by insurers are allocated to three major programs: Disability Benefits, Systems Modernization and Workers' Compensation.

The 2000-01 Executive Budget recommends approximately \$147.6 million for the Board, an increase of \$7.4 million. The recommended funding will enable the Board to continue to fulfill the Governor's commitment to revamp the operations of the Board and thereby improve service to businesses and injured workers. Major recommendations are as follows:

- A \$2 million reduction in the System Modernization program reflects the elimination of the remaining start-up costs for the new "electronic case folder" system, which became fully operational in 1999-2000 and which transformed the Board into a "paperless" operation.
- A \$3.5 million reduction reflects the completion of the consolidation of the Board's administrative offices.

WORKERS' COMPENSATION

- An \$8.9 million increase for the relocation of the Brooklyn office to 3 new, smaller offices, which is required by the expiration of the lease at the Brooklyn location and which will make the Board more accessible to its customers.

An additional \$3.5 million is also recommended for the maintenance of the Board's technology and for various management improvements. These improvements include creating a customer call center, developing a data warehouse to link the Board's separate data bases into a single, agency-wide information system and installing a new financial management information system.

PROGRAM HIGHLIGHTS

DISABILITY BENEFITS PROGRAM

Disability Benefits provide cash payments in lieu of lost wages to temporarily disabled employees. Coverage is required for employers of one or more employees with such selected exceptions as agricultural enterprises and public employers. Weekly statutory cash benefits equal one-half of a disabled worker's weekly wage, with a maximum of \$170 per week for a 26 week period.

SYSTEMS MODERNIZATION PROGRAM

The Office for Systems Modernization manages a multi-year effort to overhaul the Board's capacity to manage and use information. This program also maintains computerized systems vital to various Board operations and collects and analyzes data that measure performance and identify potential problems. Now that the Board has automated and improved the claims processing operation, its focus is being directed to other functional areas in need of automation and re-engineering, including Administration, Research and Compliance and Regulatory Services. When the modernization program is complete, the Board will have a new Workers' Compensation Board Information System that will automate and streamline all business activities. This has already increased productivity by enhancing the Board's capacity to process the millions of pieces of information it receives each year.

WORKERS' COMPENSATION PROGRAM

The Workers' Compensation Board reviews worker's claims for benefits, reports of injury filed by employers and medical reports from physicians and other health care providers. The Board adjudicates all issues, and law judges make awards and findings to ensure that an entitled claimant promptly receives benefits and medical treatment. The decisions by the law judges may subsequently be appealed to Board panels and eventually to the courts. The Board, through its Bureau of Compliance, also monitors employers to ensure that they properly provide coverage for their employees and levies penalties on those employers who fail to do so. In addition, the Board's Regulatory Services Bureau authorizes physicians to treat compensation cases, awards licenses to medical providers and arbitrates disputed medical bills.

WORKERS' COMPENSATION

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$140,210,300	\$147,579,400	+\$7,369,100	....
Aid To Localities .....	....	....	....	....
Capital Projects .....	....	....	....	....
Total	\$140,210,300	\$147,579,400	+\$7,369,100	....

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Disability Benefits					
Special Revenue Funds - Other	65	65	....	65	....
Systems Modernization					
Special Revenue Funds - Other	85	87	....	87	+2
Workers' Compensation					
Special Revenue Funds - Other	1,623	1,575	....	1,575	-48
Total	1,773	1,727	....	1,727	-46

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
Special Revenue Funds - Other	\$140,210,300	\$147,579,400	+\$7,369,100
Total	\$140,210,300	\$147,579,400	+\$7,369,100

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Disability Benefits			
Special Revenue Funds - Other	\$6,652,000	\$6,980,400	+\$328,400
Systems Modernization			
Special Revenue Funds - Other	33,823,500	37,371,200	+3,547,700
Workers' Compensation			
Special Revenue Funds - Other	99,734,800	103,227,800	+3,493,000
Total	\$140,210,300	\$147,579,400	+\$7,369,100

WORKERS' COMPENSATION

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	\$6,980,400	+\$328,400	\$3,928,100	+\$29,000
Systems Modernization	37,371,200	+3,547,700	4,058,400	+99,900
Workers' Compensation	103,227,800	+3,493,000	58,507,300	-1,090,300
Total	<u>\$147,579,400</u>	<u>+\$7,369,100</u>	<u>\$66,493,800</u>	<u>-\$961,400</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	\$3,052,300	+\$299,400	.....	.....
Systems Modernization	33,312,800	+3,447,800	.....	.....
Workers' Compensation	43,951,100	+4,747,300	\$769,400	-\$164,000
Total	<u>\$80,316,200</u>	<u>+\$8,494,500</u>	<u>\$769,400</u>	<u>-\$164,000</u>