

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 4 statewide members — who are elected by a joint session of the Legislature for staggered 5-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 staffing levels for 2003-04 are projected to total 1,417 positions at year's end, with 293 positions, or approximately 21 percent, supported by the General Fund. Various dedicated fees, charge-backs and Federal grants will support the remaining staff.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2003-04, total funding for programs and operations of the State Education Department will decrease by \$729 million or 3.3 percent. This year-to-year change is due primarily to a fiscal year decrease of \$606 million in support for public schools from the General Fund and lottery revenues.

The taxpayer supported General Fund provides over 10 percent of SED's operating budget. Federal grants, including programs for individuals with disabilities and disadvantaged pupils, account for 63 percent of the agency's resources. The remaining 27 percent is derived from fees, charge-backs and other miscellaneous receipts.

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.

In 2003-04, STAR funding appropriated for local taxpayer savings will reach \$2.78 billion, an increase of \$80 million. This amount includes funds for continuing the enhanced exemption for eligible senior citizens, the fully phased-in basic STAR exemption for other homeowners, and the New York City Personal Income Tax reduction. School districts and cities with dependent school districts, including New York City, will be fully reimbursed by the State for 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.

EDUCATIONAL GOVERNANCE

The Executive Budget proposes an overhaul of New York's educational governance system. Under this proposal a majority of the State Board of Regents will be appointed by the Governor — thereby making the State's highest elected official accountable for the performance of New York's educational system.

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Currently, New York and South Carolina are the only two states in the nation where the Legislature appoints a board that is responsible for supervising the state's educational system. As a result of the Governor's educational governance proposal, New York's educational governance structure will be brought into conformance with most other states. Under the proposed restructuring of the Board of Regents:

- The number of Regents will be increased from 16 to 18;
- The term of office will be changed from 5 years to 6 years;
- The Governor will appoint 12 Regents to provide representation from each of the State's judicial districts; and
- Legislative leaders will appoint the 6 remaining Regents, with 2 Regents appointed by the majority in each House, and 1 Regent by the minority in each House.

In addition to these changes in the governance of the State's educational system, local governance reforms that have been recently implemented in New York City will be extended to the State's other major urban centers to provide their mayors a greater voice in their school systems.

SCHOOL AID

The financial consequences of September 11, coupled with the national economic downturn, has undermined the State's ability to sustain its current level of investment in education. While seeking to avoid mid-year cuts in aid, the 2003-04 Executive Budget proposes reduced funding for the school year beginning July 1, 2003. Operating aid will be reduced by \$407 million, or 4 percent. This reduction combined with elimination of reductions of discretionary grants, declines in expense-based or enrollment-based programs and other targeted savings, results in an overall school aid reduction of \$1.24 billion, or 8.5 percent. Even with these reductions, education will continue to represent the single largest State supported program. Including STAR and lottery, it will account for over 37 percent of the State's General Fund in 2003-04 - approximately the same percentage as in 2002-03.

In addition to achieving required savings, the Governor's educational agenda for the coming year includes initiatives that will reform our outdated educational finance system and enable our schools to effectively target tax dollars to the classroom. Major recommendations for 2003-04 include:

- **School Year Support:** For the 2003-04 school year, \$13.4 billion is provided in State support for public schools, a reduction of \$1.24 billion or 8.5 percent;
- **Fiscal Year Support:** For the 2003-04 fiscal year, \$13.75 billion is provided in State support for public schools, a reduction of \$606 million or 4.2 percent, including a reduction of \$8 million in lottery revenues;
- **Consolidated Operating Aid:** For the coming year, the Executive Budget recommendations for State support for school operations reflect the basic principles of Flex Aid. Existing formulas are simplified and the number of formulas is reduced — nine existing aid categories are consolidated into a single funding stream — and school districts will have maximum flexibility in the use of these funds. Although resource constraints do not permit an aid increase this year, operating aid allocations will be sensitive to each district's relative wealth and student needs. The overall reduction in operating aid will be \$407 million, representing an average reduction of 4 percent, with reductions ranging from 2 percent to 8.75 percent for individual districts. In addition, school districts will be protected from reductions of more than 5 percent in their total operating budgets;
- **Discretionary Grant Programs:** In order to minimize the reduction in consolidated operating aid, \$448 million in State support for certain discretionary grant programs has been reduced or eliminated. Specifically, funding for Teacher Support Aid has been reduced and no funds are provided for Universal Pre-Kindergarten, Class Size Reduction, Full-Day Kindergarten and Minor Maintenance aid;
- **Building Aid:** For the 2003-04 school year, total funding of \$1.11 billion is recommended in State support for the construction of school facilities. This represents a decrease of \$144 million. This does not represent an aid loss for school

districts, but instead reflects implementation of recent school construction finance reforms. For 2003-04, additional reforms are recommended to ensure that limited State resources are effectively targeted to address our top priority school facility needs. These reforms include the creation of a priority-based funding program for all school construction projects approved by the State Education Department after February 1, 2003;

- **BOCES Aid:** The 2003-04 Executive Budget recommends reforms that would refocus BOCES on their core mission — to promote cost-efficiency through the regional delivery of educational services. This goal will be accomplished by eliminating BOCES aid for routine administrative services; prospectively consolidating BOCES aid into operating aid to provide districts with maximum flexibility in the use of these funds; and restructuring the role of BOCES superintendents;
- **Teachers of Tomorrow:** The 2003-04 Executive Budget provides funding of \$20 million for the Teachers of Tomorrow Program. The success of Teachers of Tomorrow and other efforts to attract and retain teachers in hard-to-staff schools has alleviated the shortage of qualified teachers. As a result, funding for this program can be reduced from \$25 million in 2002-03 to \$20 million in 2003-04;
- **Other Programs:** The 2003-04 Executive Budget recommends funding based on existing statutory formulas for several programs, including growth aid, textbook aid, reorganization incentive aid, special services aid and instructional materials aids. Additionally, the 2003-04 Executive Budget reflects the elimination of \$25 million for Tax Limitation Aid and reductions of \$20 million and \$3.33 million for Teacher Centers and the Teacher Mentor Intern program;
- **School Evaluation Services:** The 2003-04 Executive Budget includes \$600,000 for a school evaluation services initiative to enhance the accountability and operational efficiency of our public schools. As a result of this new program, local school officials will be able to evaluate the relative cost-effectiveness of their educational and administrative programs by reviewing data that clearly display the “return on resources” among comparable school districts. Similar programs have already begun in Michigan and Pennsylvania and have proven to be a successful means of promoting improved student performance and accountability;
- **Mandate Relief:** Legislation accompanying the Executive Budget would require the Board of Regents to obtain the review and approval of the State Office of Regulatory Reform for new regulations that have significant costs for the State, local governments, or educational institutions. Other mandate relief initiatives include providing schools a Wicks exemption to promote greater efficiency in school construction;
- **Adult Education Programs:** Performance measurements will be adopted for programs providing literacy and job training to adults. In order to receive continued State funding, providers will be required to demonstrate that students being served by their programs make appropriate educational gains;
- **School Safety:** The Governor’s Safe Schools Against Violence in Education Act of 2000 — based upon the recommendations of the Task Force on School Violence, chaired by Lieutenant Governor Mary Donohue — represents the most comprehensive plan in the nation to ensure the safety and well-being of school children. For 2003-04, \$500,000 is continued to support the efforts of the Statewide Center for School Safety in promoting “best practices” and providing technical assistance to schools, and \$500,000 is continued for character education curriculum development activities;
- **School Choice:** For 2003-04, the State will provide \$6 million for the Charter School Stimulus Fund to assist with facility needs and other costs connected to the development and expansion of charter schools. School choice will also be enhanced by the implementation of the Federal No Child Left Behind Act, which requires that students in unsafe or failing schools be provided with the opportunity to transfer to another school within their district; and

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- **Advantage Schools:** The Advantage School program currently operates at 210 sites across the State, providing 26,000 students with structured and supervised educational and social activities that complement the instructional programs offered during regular school hours. The 2003-04 Executive Budget provides \$20.2 million in Federal Temporary Assistance for Needy Families (TANF) funding for the Advantage School program, preserving support in 2003-04 for programs that operated in 2002-03.

SPECIAL EDUCATION

School-Age Special Education

To ensure that New York's special education finance system conforms with the policy goal of including children with disabilities in the regular classroom, the 2003-04 Executive Budget recommends changes to the State aid programs that support special education. Effective in the 2003-04 school year, \$2.1 billion in funding for public special education programs will be consolidated within operating aid. This will serve to:

- Eliminate financial incentives for unnecessary referrals to special education;
- Discontinue the allocation of aid based upon special education placements; and
- Address discrepancies cited in recent reviews by the Office of the State Comptroller of New York's special education programs.

Also, reimbursement formulas for private special education formulas will be conformed to those used for public programs. Specifically, the average State aid ratio used in calculating aid for placements in private special education settings will be reduced from 85 percent to 49 percent — the same as that used for public placements. This change will eliminate the existing incentive to place children in restrictive, high cost private settings.

Additionally, State law regarding the composition of special education committees will be changed so that it conforms to Federal law. Aligning State and Federal law will simplify the requirements, thus making it easier for school districts to comply.

Preschool Special Education

Over the past several years, fundamental reforms have been enacted in the preschool special education program to improve the cost-effective delivery of these services, which are provided to more than 60,000 disabled children.

The existing statutory restriction on the creation or expansion of preschool programs that only serve children with disabilities will be continued, as will provisions that allow the State Education Department to approve new or expanded non-inclusive preschool programs when the need for such programs is demonstrated.

The 2003-04 General Fund recommendation of \$552 million will support the State's 59.5 percent share of preschool special education program costs. Additional Federal Individual with Disabilities Education Act (IDEA) funds will also be applied to support certain administrative costs of this program and to provide supplemental grants to eligible school-age special education providers.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

State funding for various categorical education programs has been reduced by \$81 million for the 2003-04 school year in order to minimize the operating aid reduction required of our schools. For the coming year, categorical funding for the following programs is recommended for elimination: Extended Day/School Violence Prevention, Schools as Community Sites, Schools Under Registration Review, New York City Peer Intervention, AIDS Education, Missing Children Prevention, Transferring Success, Primary Mental Health, Comprehensive School Health, Parenting Education, National Board of Professional Teaching Standards, School Health Demonstration and the Education of Children of Migrant

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Workers. New accountability measures are being proposed for 2003-04 to ensure that funding for programs providing literacy and job training for adults is targeted to providers with a demonstrated record of performance.

ELEMENTARY, MIDDLE AND SECONDARY CATEGORICAL PROGRAMS 2003-04 SCHOOL YEAR

(amounts in thousands of dollars)

Program	2002-03 School Year	2003-04 School Year	Change
Targeted Pre-Kindergarten	\$50,200	\$42,670	(\$7,530)
Extended Day/School Violence Prevention	30,200	0	(30,200)
Legislative Grants	27,894	0	(27,894)
Native American Education	15,650	16,000	350
Consortium for Worker Education	10,000	8,000	(2,000)
Schools as Community Sites	6,000	0	(6,000)
Adult Basic Education	5,000	5,000	0
Adult Literacy Education	3,325	3,325	0
Schools Under Registration Review	2,000	0	(2,000)
Apprenticeship Training	1,830	1,830	0
Workplace Literacy	1,376	1,376	0
New York City Peer Intervention	1,000	0	(1,000)
AIDS Education	990	0	(990)
Missing Children Prevention	900	0	(900)
Transferring Success	630	0	(630)
Primary Mental Health	570	0	(570)
Comprehensive School Health	525	0	(525)
Parenting Education	506	0	(506)
National Board of Professional Teaching Standards	500	0	(500)
School Health Demonstration	150	0	(150)
Education of Children of Migrant Workers	90	0	(90)
Total	\$159,336	\$78,201	(\$81,135)

OTHER RECOMMENDATIONS

The Executive Budget provides \$38.3 million in General Fund support for agency operations reflecting a net reduction of \$8.5 million, including \$9.1 million in savings from recommended management efficiencies and transfers.

The Budget also proposes a restructuring of the State Education Department to sharpen its focus on its core mission — the education of our children. Functions that are not central to education will be transferred from the State Education Department to other State agencies as follows:

- Vocational and Educational Services for Individuals with Disabilities (VESID) will be transferred to the Department of Labor. This will be accompanied by the transfer of the Commission for the Blind and Visually Handicapped from the Office of Children and Family Services to consolidate the State's vocational rehabilitation programs within a single agency providing specialized, state-of-the-art job training and placement services. All programs relating to the education of children with disabilities will continue to be administered by the State Education Department. A total of 804 positions will be transferred from VESID to Department of Labor effective October 1, 2003;
- The Office of the Professions will be transferred to the Department of State and consolidated with its Business and Licensing Services program. A total of 340 positions will be transferred from the Office of the Professions to the Department of State effective October 1, 2003; and
- Cultural Education programs — including the State Museum, State Library and State Archives — will be transferred to create a new entity, the New York Institute for Cultural Education (NYICE). NYICE will be established as a new public benefit corporation and will be headed by a 15-member board appointed by the Governor, legislative leaders and the Board of Regents. A total of 400 positions will be transferred from Cultural Education to NYICE effective October 1, 2003.

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As a result of these transfers and the reduction of 191 positions resulting from the recommended management efficiencies, total staffing of the State Education Department will be reduced from 3,152 to 1,417.

In addition to funding for agency operations, the State Education Department's budget also includes support for various aid programs besides those for public schools. Recommendations relating to these programs include the following:

- \$75.6 million for Library Aid, a decrease of \$13.3 million;
- \$11.7 million for Aid for Public Broadcasting, a decrease of \$2.1 million;
- \$51.1 million for Case Services for vocational rehabilitation clients, reflecting elimination of a \$2 million non-recurring legislative add;
- \$14.8 million for Supported Employment, which reflects an increase of \$5.5 million for extended supported employment services for consumers being transitioned from the Office of Mental Retardation and Developmental Disabilities to VESID;
- \$9.5 million for Independent Living Centers, reflecting elimination of a \$1.2 million non-recurring legislative add;
- \$25.6 million for Unrestricted Aid for Independent Colleges and Universities ("Bundy Aid"), reflecting discontinuation of \$18.7 million in aid for master's and doctoral degrees;
- \$11 million for the Higher Education Opportunity Program, reflecting the elimination of \$11 million in supplemental student financial aid;
- \$5 million for the Liberty Partnerships Program, reflecting a reduction of \$6.5 million with remaining funds representing the State match for Federal GEAR UP grants; and
- Elimination of \$10 million in funding for the Science and Technology Entry Program (STEP) and its collegiate counterpart (CSTEP) and elimination of \$750,000 for the Teacher Opportunity Program.

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

The 2003-04 Executive Budget will provide \$13.4 billion for the 2003-04 school year. Through the combination of school aid and property tax relief through STAR, New York State now supports over 43 percent of local school districts' spending on education. State support for public schools, including STAR and lottery, now accounts for more than 37 percent of the State's General Fund budget — up from 27 percent when the Governor first took office.

School aid is distributed to school districts through formula-based aids and categorical grants, including:

- **Consolidated Operating Aid:** In this aid program, nine aid categories are consolidated into a single funding stream that represents nearly 73 percent of State aid to local school districts. This program provides support to school districts for their general operating costs;
- **Transportation Aid and Building Aid** provides support to school districts for student transportation and the construction and preservation of school facilities. With a combined total of \$2.1 billion, these two aid categories account for nearly 16 percent of overall school aid; and
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs. Notable program recommendations for 2003-04 include continuation of \$135.8 million in grants for magnet school programs in 19 cities throughout the State and \$81.9 million in aid to small city school districts.

SCHOOL TAX RELIEF (STAR)

STAR will be entering its third year of full implementation in 2003-04, providing New York's taxpayers with tax savings totaling \$2.78 billion in school property tax relief and New York City personal income tax reductions. School districts and cities with dependent school districts, including the City of New York, will be fully reimbursed by the State for their 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 2003-04, more than 620,000 senior homeowners will be eligible to receive an enhanced exemption of at least \$50,000 (on a "full value" basis) with a statewide benefit averaging \$980. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age and have annual incomes of \$62,100 or less (combined incomes of the owners and their spouses who reside on the premises). The new income limit reflects the first Cost of Living Adjustment to income eligibility, as enacted in the 2002-03 budget;
- In 2003-04, the school property tax exemption will provide 2.4 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Statewide tax savings for non-senior owner occupied residences will average \$630; and
- The exemptions provided to homeowners (both seniors and non-seniors) 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

Under the STAR program, in 2003-04, New York City's more than 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Total local taxpayer savings will be \$540 million. The personal income tax credit and changes in the tax rates were fully implemented in 2001-02 and have reduced the New York City personal income tax by nearly 10 percent.

Property Taxpayer's Bill of Rights

Enacted in 1997, the Property Taxpayer's Bill of Rights ensures the full disclosure of information to property taxpayers in a more readable and comprehensive format than was previously available. This enables taxpayers to better understand their property taxes and their rights under the law.

Local Voter Empowerment

The STAR program includes a series of school budget voting reforms that give local voters a greater role in education spending decisions and in controlling property tax growth. Reforms enacted in recent years include:

- **Property Tax Report Card:** Schools are now required to report proposed property tax increases, spending growth and estimated enrollment changes to the State Education Department prior to the statewide school budget voting day. A property tax report card is then compiled and released to the public before school budget votes are held.
- **Special Informational Mailings:** School districts are now required to mail notices to voters prior to budget votes, disclosing:

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- How proposed school spending increases compare with increases in consumer prices;
- How a proposed budget would compare to the contingency budget that would be authorized by statute if the voters were to defeat the proposed budget on two successive votes; and
- 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.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special education services for 404,000 students aged 4 to 21. These services range from speech therapy to placement in full-time residential schools for those school-age children with the most severely disabling conditions. The network of service providers includes school districts, Boards of Cooperative Educational Services (BOCES), private not-for-profit schools and State-operated facilities.

School districts and BOCES serve approximately 390,000 school-age children in classroom settings. An additional 14,400 students who require particularly intensive programs are served by nearly 140 private schools, 14 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 75 blind and multiply-disabled students, including 15 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 85 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 of \$31.7 million supplement Federal support for the provision of free and reduced-price meals to low-income students. Approximately 1.4 million lunches and 390,000 breakfasts are served daily under this program;
- **Summer Food Program:** In addition, \$3.3 million in State funds supplement Federal support for the provision of free meals for low-income students participating in summer recreation programs. There are more than 300 sponsors of summer programs serving almost 260,000 students; and
- **Nonpublic School Aid:** The State reimburses 1,400 nonpublic schools for the costs of administering State mandated tests and other data collection efforts.

HIGHER EDUCATION

The Office of Higher Education is responsible for ensuring the quality and availability of post-secondary education programs in the State. The Office assists the Regents in making higher education policies and plans, administers aid programs for colleges, universities and students, and reviews and registers academic programs of degree-granting institutions. This office also oversees the regulation of proprietary schools that offer a range of vocational education programs, as well as teacher certification and discipline and background checks of prospective school personnel.

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Program	School Aid School Year Payments (millions)			
	Estimated 2002-03	Recommended 2003-04	Change Amount	Change Percent
I. Computerized Aids:				
Comprehensive Operating Aid	\$6,874.86	\$0.00	\$0.00	0.00
Extraordinary Needs Aid	725.42	0.00	0.00	0.00
Operating Standards Aid	221.38	0.00	0.00	0.00
Gifted & Talented	14.16	0.00	0.00	0.00
ERSSA	73.67	0.00	0.00	0.00
Limited English Proficiency	70.87	0.00	0.00	0.00
Summer School	43.52	0.00	0.00	0.00
Academic Support Aid	24.92	0.00	0.00	0.00
Excess Cost - Public	2,117.99	0.00	0.00	0.00
Consolidated Operating Aid	<u>\$10,166.79</u>	<u>\$9,760.04</u>	<u>(\$406.75)</u>	<u>(4.00)</u>
Textbooks (Incl. Lottery)	190.23	189.85	(0.38)	(0.20)
Computer Software	45.48	46.03	0.55	1.21
Computer Hardware	27.50	28.09	0.59	2.15
Library Materials	19.22	19.34	0.12	0.62
Reorganization Incentive (Operating)	19.49	17.47	(2.02)	(10.36)
Transportation (Including Summer)	997.40	991.25	(6.15)	(0.62)
Excess Cost - Private	161.48	90.80	(70.68)	(43.77)
BOCES	496.89	387.57	(109.32)	(22.00)
Special Services (Career Ed./Computer Admin.)	126.92	122.11	(4.81)	(3.79)
Tax Limitation Aid	25.00	0.00	(25.00)	(100.00)
Subtotal Computerized Aid Excluding Bldg. and Growth Aids and Discretionary Grants	<u>12,276.40</u>	<u>11,652.55</u>	<u>(623.85)</u>	<u>(5.08)</u>
Building/Reorganization Building	1,256.57 (a)	1,112.50	(144.07)	(11.47)
Growth Aid	30.65	15.79	(14.86)	(48.48)
Pre-Kindergarten	200.91	0.00	(200.91)	(100.00)
Class Size Reduction	134.56	0.00	(134.56)	(100.00)
Minor Maintenance	49.97	0.00	(49.97)	(100.00)
Full-Day Kindergarten	17.40	0.00	(17.40)	(100.00)
Teacher Support Aid	67.48	22.49	(44.99)	(66.67)
Computerized Aid Total	<u>\$14,033.94</u>	<u>\$12,803.34</u>	<u>(\$1,230.60)</u>	<u>(8.77)</u>
II. Grant Programs and Other Aid Categories:				
Teachers of Tomorrow	25.00	20.00	(5.00)	(20.00)
Teacher Centers	30.00	10.00	(20.00)	(66.67)
Teacher-Mentor Intern	5.00	1.67	(3.33)	(66.60)
Roosevelt	0.00	2.00	2.00	NA
Categorical Reading	63.95	63.95	0.00	0.00
Improving Pupil Performance	66.35	66.35	0.00	0.00
Magnet Schools	135.80	135.80	0.00	0.00
Aid to Small City School Districts	81.88	81.88	0.00	0.00
Fort Drum	2.63	2.63	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.18	76.70	(19.48)	(20.25)
Homeless Pupils	4.00	4.00	0.00	0.00
Incarcerated Youth	13.00	13.00	0.00	0.00
Bilingual	11.20	11.20	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	22.00	22.00	0.00	0.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(18.00)	(18.00)	0.00	0.00
Tuition Adjustment	1.18	1.18	0.00	0.00
CVEEB	0.92	0.92	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.51	(0.17)	(25.00)
Learning Technology Grants	3.29	3.29	0.00	0.00
Shared Services Incentive	0.20	0.20	0.00	0.00
Native American Building	2.00	2.00	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Prior Year Claims/Fiscal Stabilization Grants	57.00	90.00	33.00	57.89
Subtotal	<u>608.24</u>	<u>595.26</u>	<u>(12.98)</u>	<u>(2.13)</u>
SCHOOL YEAR TOTAL	<u>\$14,642.18</u>	<u>\$13,398.60</u>	<u>(\$1,243.58)</u>	<u>(8.49)</u>

(a) Includes \$96.67 million for Capital Outlay Transition grants.

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ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	379,812,200	372,668,300	(7,143,900)	297,982,000
Aid To Localities	21,412,127,899	20,836,308,400	(575,819,499)	3,672,194,300
Capital Projects	149,765,000	3,750,000	(146,015,000)	85,033,000
Total	21,941,705,099	21,212,726,700	(728,978,399)	4,055,209,300

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Office of Management Services Program			
General Fund	160	160	0
Special Revenue Funds - Other	198	178	(20)
Internal Service Funds	120	110	(10)
Elementary, Middle and Secondary Education			
General Fund	220	220	0
Special Revenue Funds - Federal	298	288	(10)
School for the Blind			
Special Revenue Funds - Other	104	104	0
Batavia ICF/DD			
Special Revenue Funds - Other	37	37	0
School for the Deaf			
Special Revenue Funds - Other	103	103	0
Higher Education and the Professions, Office of			
General Fund	40	40	0
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	433	93	(340)
Cultural Education			
General Fund	17	0	(17)
Special Revenue Funds - Federal	69	0	(69)
Special Revenue Funds - Other	288	0	(288)
Internal Service Funds	23	0	(23)
Fiduciary Funds	3	0	(3)
Vocational and Educational Services for Individuals with Disabilities			
General Fund	11	3	(8)
Special Revenue Funds - Federal	1,016	199	(817)
Management Efficiencies Program			
General Fund	0	(130)	(130)
Total	3,152	1,417	(1,735)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	46,820,600	38,327,600	(8,493,000)
Special Revenue Funds - Federal	195,700,000	234,074,200	38,374,200
Special Revenue Funds - Other	115,320,400	79,842,200	(35,478,200)
Internal Service Funds	20,570,800	19,023,900	(1,546,900)
Fiduciary Funds	1,400,400	1,400,400	0
Total	379,812,200	372,668,300	(7,143,900)

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2002-03	Recommended 2003-04	Change
Office of Management Services Program			
General Fund	17,472,500	17,472,500	0
Special Revenue Funds - Other	18,874,000	15,720,000	(3,154,000)
Internal Service Funds	12,550,000	10,970,000	(1,580,000)
Fiduciary Funds	600,000	600,000	0
Elementary, Middle and Secondary Education			
General Fund	24,628,000	25,228,000	600,000
Special Revenue Funds - Federal	59,910,000	133,456,000	73,546,000
Special Revenue Funds - Other	978,900	978,900	0
School for the Blind			
Special Revenue Funds - Other	7,537,900	7,537,900	0
Fiduciary Funds	40,000	40,000	0
Batavia ICF/DD			
General Fund	126,100	126,100	0
Special Revenue Funds - Other	2,650,000	2,650,000	0
School for the Deaf			
Special Revenue Funds - Other	7,426,000	7,426,000	0
Fiduciary Funds	20,000	20,000	0
Higher Education and the Professions, Office of			
General Fund	3,808,000	3,808,000	0
Special Revenue Funds - Federal	2,684,000	2,723,000	39,000
Special Revenue Funds - Other	45,510,000	27,348,000	(18,162,000)
Cultural Education			
Special Revenue Funds - Federal	7,854,000	8,154,000	300,000
Special Revenue Funds - Other	31,682,300	17,725,400	(13,956,900)
Internal Service Funds	8,020,800	8,053,900	33,100
Fiduciary Funds	740,400	740,400	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	786,000	393,000	(393,000)
Special Revenue Funds - Federal	125,252,000	89,741,200	(35,510,800)
Special Revenue Funds - Other	661,300	456,000	(205,300)
Management Efficiencies Program			
General Fund	0	(8,700,000)	(8,700,000)
Total	<u>379,812,200</u>	<u>372,668,300</u>	<u>(7,143,900)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	9,633,600	0	9,633,600	0
Elementary, Middle and Secondary Education	13,214,900	0	13,214,900	0
Vocational and Educational Services for Individuals with Disabilities	366,600	(366,600)	366,600	(366,600)
Total	<u>23,215,100</u>	<u>(366,600)</u>	<u>23,215,100</u>	<u>(366,600)</u>

EDUCATION

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	7,838,900	0	400,000	0
Education	12,013,100	600,000	282,300	0
Batavia ICF/DD	126,100	0	0	0
Higher Education and the Professions, Office of	3,808,000	0	0	0
Vocational and Educational Services for Individuals with Disabilities	26,400	(26,400)	5,000	(4,200)
Management Efficiencies Program	(8,700,000)	(8,700,000)	0	0
Total	15,112,500	(8,126,400)	687,300	(4,200)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	350,000	0	5,648,900	0
Education	697,500	0	5,258,300	600,000
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions, Office of	0	0	0	0
Vocational and Educational Services for Individuals with Disabilities	8,500	(5,000)	8,300	(13,000)
Management Efficiencies Program	0	0	0	0
Total	1,056,000	(5,000)	10,915,500	587,000

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	250,000	0	1,190,000	0
Education	0	0	0	0
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions, Office of	0	0	0	0
Vocational and Educational Services for Individuals with Disabilities	4,600	(4,200)	0	0
Management Efficiencies Program	0	0	0	0
Total	254,600	(4,200)	1,190,000	0

Program	Maintenance Undistributed	
	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	0	0
Education	5,775,000	0
Batavia ICF/DD	126,100	0
Higher Education and the Professions, Office of	3,808,000	0
Vocational and Educational Services for Individuals with Disabilities	0	0
Management Efficiencies Program	(8,700,000)	(8,700,000)
Total	1,009,100	(8,700,000)

EDUCATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	27,290,000	(4,734,000)	12,704,000	(1,118,000)
Elementary, Middle and Secondary Education	134,434,900	73,546,000	63,439,000	31,058,000
School for the Blind	7,577,900	0	5,190,000	0
Batavia ICF/DD	2,650,000	0	1,682,000	0
School for the Deaf	7,446,000	0	4,874,000	0
Higher Education and the Professions, Office of	30,071,000	(18,123,000)	4,640,000	0
Cultural Education	34,673,700	(13,623,800)	8,080,700	198,000
Vocational and Educational Services for Individuals with Disabilities	90,197,200	(35,716,100)	36,521,100	(19,074,200)
Total	334,340,700	1,349,100	137,130,800	11,063,800

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	13,986,000	(616,000)	600,000	(3,000,000)
Elementary, Middle and Secondary Education	70,017,000	42,488,000	978,900	0
School for the Blind	2,387,900	0	0	0
Batavia ICF/DD	968,000	0	0	0
School for the Deaf	2,572,000	0	0	0
Higher Education and the Professions, Office of	4,831,000	167,000	20,600,000	(18,290,000)
Cultural Education	12,467,200	178,200	14,125,800	(14,000,000)
Vocational and Educational Services for Individuals with Disabilities	53,220,100	(16,436,600)	456,000	(205,300)
Total	160,449,200	25,780,600	36,760,700	(35,495,300)

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	13,744,076,899	12,980,889,400	(763,187,499)
Special Revenue Funds - Federal	3,094,795,000	3,210,127,000	115,332,000
Special Revenue Funds - Other	4,573,256,000	4,645,292,000	72,036,000
Total	21,412,127,899	20,836,308,400	(575,819,499)

Adjustments:	
Prior Year Deficiency	
Education Department, State	
General Fund	(30,200,000)
Special Revenue Funds - Other	36,200,000
Appropriated 2002-03	<u>21,418,127,899</u>

EDUCATION

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2002-03	Recommended 2003-04	Change
School Tax Relief			
Special Revenue Funds - Other	2,700,000,000	2,780,000,000	80,000,000
Elementary, Middle and Secondary Education			
General Fund	13,447,250,800	12,772,488,800	(674,762,000)
Special Revenue Funds - Federal	2,519,151,000	2,568,162,000	49,011,000
Special Revenue Funds - Other	1,863,106,000	1,855,142,000	(7,964,000)
Higher Education and the Professions, Office of			
General Fund	89,235,000	42,185,000	(47,050,000)
Cultural Education			
General Fund	105,900,000	89,845,000	(16,055,000)
Special Revenue Funds - Federal	4,660,000	4,660,000	0
Special Revenue Funds - Other	10,150,000	10,150,000	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	74,070,600	76,370,600	2,300,000
Special Revenue Funds - Federal	570,984,000	637,305,000	66,321,000
Community Projects			
General Fund	27,620,499	0	(27,620,499)
Total	<u>21,412,127,899</u>	<u>20,836,308,400</u>	<u>(575,819,499)</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Education Building				
Capital Projects Fund	1,695,000	0	(1,695,000)	2,336,000
Capital Projects Fund - Advances	0	0	0	500,000
School for the Blind				
Capital Projects Fund	1,700,000	0	(1,700,000)	2,400,000
Capital Projects Fund - Advances	0	0	0	1,510,000
School for the Deaf				
Capital Projects Fund	175,000	250,000	75,000	181,000
Capital Projects Fund - Advances	0	0	0	320,000
Schools For Native American Reservations				
Capital Projects Fund	0	1,500,000	1,500,000	0
Cultural Education Center				
Capital Projects Fund	5,295,000	0	(5,295,000)	5,430,000
Capital Projects Fund - Advances	0	0	0	11,400,000
Administration				
Capital Projects Fund	900,000	2,000,000	1,100,000	3,656,000
Rebuild Schools to Uphold Education Program				
Capital Projects Fund - Authority Bonds	0	0	0	57,000,000
Capital Outlay Transition Grants				
Capital Projects Fund - Advances	140,000,000	0	(140,000,000)	0
Washington Avenue Armory				
Capital Projects Fund - Advances	0	0	0	300,000
Total	<u>149,765,000</u>	<u>3,750,000</u>	<u>(146,015,000)</u>	<u>85,033,000</u>