

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 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 2005-06 are projected to total 1,884 positions at year's end, with 362 positions, or approximately 19 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 2005-06, total funding for programs and operations of the State Education Department will increase by \$744.5 million, or 3.2 percent. This year-to-year change is primarily due to: increases of \$568 million in support for public schools from General Fund and Lottery Fund revenues; a \$130 million increase in the STAR school tax relief program; a Federal funds increase of \$142 million; and other increases totaling \$8.5 million. These increases are partially offset by decreases in state operations and capital projects totaling \$104 million.

The taxpayer-supported General Fund provides 9 percent of SED's operating budget. Federal grants, including programs for disadvantaged pupils, account for 54 percent of the agency's resources. The remaining 37 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 to provide needed tax relief for homeowners across the State. In 2005-06, \$3.2 billion is appropriated for STAR, an increase of \$130 million. This amount includes funds for the enhanced exemption for eligible senior citizens, the basic STAR exemption for other homeowners and the New York City Personal Income Tax reduction. The Governor will also call for a cap that would limit school spending increases to the lesser of 4 percent or 120 percent of the increase in the Consumer Price Index.

For 2005-06, STAR benefits will be increased to recognize the effects of inflation. As a result, local taxpayers will save \$48 million in property taxes paid to them as a credit on their 2005 income tax. The STAR credit provided for 2005-06 will be available for all homeowners in school districts that keep their spending growth within the proposed spending cap.

SCHOOL AID

The 2005-06 Executive Budget recommendations for elementary and secondary education provide the first installment of funding under the Governor's 5-year Sound Basic Education Plan.

EDUCATION

Major recommendations for 2005-06 include:

- **School Year Support:** For the 2005-06 school year, \$15.86 billion is provided in State support for public schools, a school year increase of \$526 million, or 3.4 percent. This amount is the largest increase ever proposed by a Governor;
- **Fiscal Year Support:** For the 2005-06 fiscal year, \$15.72 billion is provided in State support for public schools, a fiscal year increase of \$568 million, or 3.7 percent;
- **Flex Aid:** For the coming year, the Executive Budget recommendations would provide schools with greater flexibility to meet locally defined needs by consolidating six existing aid categories into a single program — Flex Aid. Overall, Flex Aid funding will total more than \$8.4 billion, representing an increase of \$121.5 million, or 1.5 percent. Nearly 70 percent of the Flex Aid increase is targeted to high-needs districts;
- **Sound Basic Education Aid program:** To provide needed funding to ensure all schools have the resources they require to provide every child with a quality education, a new \$325 million Sound Basic Education (SBE) Aid program is recommended for 2005-06. This program will be supported by video lottery terminal (VLT) revenues and will grow to more than \$2 billion over the next five years. Under the new SBE aid program, aid will be allocated using measures of educational and economic need, including a poverty measure and a regional cost factor. Nearly 86 percent of SBE aid will be targeted to the State's 207 high-needs school districts, with New York City receiving 60 percent of total SBE aid;
- **Video Lottery Terminals (VLTs):** For the 2005-06 school year, \$325 million in VLT revenues will be used to support a new SBE Aid program. Over the next five years, SBE Aid allocations supported by VLT revenues are expected to grow to more than \$2 billion;
- **Building Aid:** For the 2005-06 school year, \$1.42 billion is recommended in State support for the construction of school facilities, an increase of \$27 million. The Executive Budget recommends a series of reforms to ensure that State and local resources are effectively targeted to address school facility needs in New York City and across the State. These reforms include: providing all school districts an exemption from the Wicks Law; simplifying the building aid formula to provide reasonable, realistic allowances for construction costs and student-based space needs; and the creation of a State Clearinghouse for Efficient Construction Practices and Designs whereby the Dormitory Authority of the State of New York (DASNY) would provide advisory services and technical expertise to school districts. Additionally, to provide targeted assistance to New York City to address its pressing school facilities needs, the Executive Budget proposes: the creation of a State matching grant program to recognize certain legitimate construction costs that fall outside current cost allowances; providing New York City with \$2.8 billion in increased bonding authority for school construction projects; streamlining existing procurement processes to facilitate cost-effective school construction; and authorizing advisory State reviews of New York City school construction plans to promote greater conformity between actual project costs and established State cost allowances. Finally, payment reforms for new projects enacted in 2004-05 will be extended for 2005-06;
- **BOCES/Special Services Aid:** The 2005-06 Executive Budget recommends reforms that would eliminate an artificial incentive to use BOCES simply as a means of generating additional State aid — regardless of the actual cost-effectiveness of the BOCES services. Also, for 2005-06, the Executive Budget recommends limiting BOCES and Special Services Aid to the amount received by each school district in the prior year;
- **Transportation Aid:** A total of \$1.2 billion is recommended for reimbursement of the cost of transporting 2.5 million students statewide. This represents an increase of \$49.2 million, or 4.3 percent;
- **Teachers of Tomorrow:** Funding of \$20 million is continued for the Teachers of Tomorrow Program;

- **Tax Limitation Aid:** State support for Tax Limitation Aid will total \$78.5 million, a \$30.5 million increase;
- **Fund for Innovation:** A total of \$15 million is recommended for a new program targeted to the Big Five City school districts to create public-private partnerships that encourage the integration of technology in the classroom;
- **Categorical Grant Programs:** State support is maintained for various discretionary grant programs including Teacher Support Aid, Teacher Centers and the Teacher Mentor Intern program;
- **Other Programs:** The 2005-06 Executive Budget recommends funding based on existing statutory formulas for several programs, including growth aid, textbook aid, reorganization incentive aid and instructional materials aids;
- **Performance Initiatives:** A number of initiatives are proposed for the coming year to reward schools for academic performance and efficiency, including establishment of a \$500,000 Academic Achievement Awards program;
- **Accountability Reform:** A total of \$2 million is recommended for the creation of an independent Office of Educational Accountability and Efficiency (OEAE). The OEAE would monitor school performance, review and approve school improvement plans, provide enhanced financial oversight, and promote increased efficiency;
- **Voter Empowerment:** The 2005-06 Executive Budget recommends reforms to the school voting process to increase voter participation in local school district elections;
- **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 — is the most comprehensive plan in the nation to ensure the safety and well being of school children. For 2005-06, \$475,000 is continued to support the efforts of the Statewide Center for School Safety to promote "best practices" and provide technical assistance to schools, and \$475,000 is also recommended for character education curriculum development activities;
- **School Choice:** For 2005-06, \$6 million is provided for the Charter School Stimulus Fund to assist with facility needs and other costs connected to the development and expansion of charter schools. The Executive Budget proposes legislation to provide charter schools with access to the Dormitory Authority for construction management and financing services; and
- **Advantage Schools:** The Advantage After-School Program provides school-age children with supervised educational and social activities during non-school hours. The Executive Budget recommends continuing the Advantage Schools program at \$20.2 million, providing vital after-school services to approximately 29,000 children throughout the State.

SPECIAL EDUCATION

School-Age Special Education

To ensure that New York State's special education programs are financed in a manner that encourages the education of children with disabilities in the least restrictive environment possible, the 2005-06 Executive Budget recommends reforms to the State aid program that supports special education in private settings. The reimbursement formulas used for this program would be conformed to those used to support special education services provided to school age children in public schools during the regular school year. Under this reform, the average State aid ratio used to calculate aid for placements in private special educational settings would be reduced from 85 percent to 49 percent - the same as that used for public placements. This change would standardize the reimbursement mechanism and eliminate the existing incentive to place children in restrictive, high-cost settings away from their non-disabled peers.

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Preschool Special Education

Over the past several years, fundamental reforms have been enacted in the preschool special education program. These reforms have improved the cost-effectiveness of service delivery and ensured that more than 75,000 disabled children served by this program receive services in the least restrictive setting possible.

The 2005-06 Executive Budget would reinstate the restriction on the creation or expansion of preschool programs that serve children with disabilities in non-inclusive settings. Provisions are also recommended that would authorize SED to approve new or expanded non-inclusive preschool programs when a need for such programs is demonstrated. The 2005-06 General Fund recommendation of \$552 million would support the State's 59.5 percent share of preschool special education program costs. Additionally, funds are provided for payment of claims authorized by the Legislature in Chapter 57 of the Laws of 2004.

The 2005-06 Executive Budget also recommends the use of uncommitted Federal IDEA funds for teacher certification initiatives in private schools that educate school-age and preschool pupils with disabilities.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

For categorical aid programs, the 2005-06 Executive Budget recommends a year-to-year reduction of \$9.5 million. This reduction is primarily due to the elimination of \$18.3 million in one-time funding for legislative grants. In addition, the recommendations for categorical aid programs include increases in several expenditure-based programs which include Non-Public School Aid (\$4.2 million) and Education of Native Americans (\$5 million). These increases are offset by several program reductions and consolidations of programs whose core missions are closely related. For example, the Executive Budget recommends consolidation of the AIDS Education program, the Comprehensive School Health Demonstration Program and the School Health Demonstration Program into a new \$750,000 Health Education Program. The 2005-06 Executive Budget also recommends the consolidation of several public assistance-related education and training programs. As a result, \$3 million in funding for the Education for Gainful Employment (EDGE) component of the Welfare Education Program (WEP) will no longer be provided through SED. In addition, the Executive Budget recommends ten percent reductions in funding for Apprenticeship Training, Workforce Literacy and the Consortium for Worker Education.

ELEMENTARY, MIDDLE AND SECONDARY CATEGORICAL PROGRAMS 2005-06 SCHOOL YEAR

(amounts in thousands of dollars)

Program	2004-05 School Year	2005-06 School Year	Change
Adult Basic Education - SED	2,000	2,000	0
Adult Literacy Education	3,325	3,325	0
Academic Intervention Services (AIS) for Non-Public Schools	1,000	1,000	0
Apprenticeship Training	1,739	1,565	(174)
Character Education	0	475	475
Charter Schools	6,000	6,000	0
Consortium for Worker Education (CWE)	11,500	10,350	(1,150)
Extended Day/School Safety	28,690	28,690	0
Health Education Program*	0	750	750
Hurd Advances	362	310	(52)
Legislative grants	18,293	0	(18,293)
Migrant Workers	85	85	0
Native American Education	19,000	24,000	5,000
Non-Public School Aid	83,300	87,500	4,200
Primary Mental Health	542	542	0
School Health Demonstration	143	0	(143)
School Lunch/Breakfast	31,700	31,700	0
Statewide School Safety Center	475	475	0
Special Education Teacher Retention	2,000	2,000	0
Summer Food Program	3,300	3,300	0
SURR Schools	1,900	1,900	0
Targeted Pre-Kindergarten	50,200	50,200	0
Transferring Success	598	598	0
Workplace Literacy	1,307	1,177	(130)
Total	\$267,459	\$257,942	(\$9,517)

*The new Health Education Program consolidates activities previously performed under the AIDS Education, School Health Demonstration and Comprehensive School Health Demonstration programs.

OTHER RECOMMENDATIONS

Legislation accompanying this budget proposes a restructuring of the Department to sharpen its focus on its core mission - the education of our children. Certain functions that are not central to education will be transferred from SED to other State agencies as follows:

- Vocational and Educational Services for Individuals with Disabilities (VESID) will be transferred to the Department of Labor which will provide all job-related services to current VESID clients and facilitate the merger of intensive supported employment services for mentally retarded or developmentally disabled individuals within the Office of Mental Retardation and Developmental Disabilities (OMRDD). All programs relating to the education of children with disabilities will continue to be administered by SED. A total of 750 positions will be transferred to the Department of Labor effective October 1, 2005;
- 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 to NYICE effective October 1, 2005.

Other recommendations on SED's operations include:

- Reassignment of the fiscal responsibility for tenured teacher hearings to local school districts resulting in General Fund savings of \$2.1 million;
- A transfer in funding for the New York State Summer School of the Arts to the existing Cultural Education Account supported by dedicated fees; and
- A reduction of \$2 million to be realized via agency-wide administrative efficiencies.

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As a result of these recommendations, including proposed program restructuring, SED's overall staffing will be reduced by 1,170 (from 3,054 to 1,884) and the General Fund support for SED will be reduced by \$3.8 million from \$40.9 million to \$37.1 million.

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

- \$84.4 million for Library Aid, the same as in 2004-05;
- \$10 million for Public Broadcasting Aid, a decrease of \$3.1 million;
- \$15 million for a new bonded Public Broadcasting Facilities Assistance program, to provide matching grants to public broadcasting stations for their capital facility and equipment needs;
- \$54.6 million for Case Services, an increase of \$2 million;
- \$14.8 million for Supported Employment, the same as in 2004-05;
- \$10.2 million for Independent Living Centers, the same as in 2004-05;
- \$42.0 million for Unrestricted Aid for Independent Colleges and Universities, the same as in 2004-05;
- \$10.5 million for the Higher Education Opportunity Program, a reduction of \$10.5 million;
- \$10.9 million for the Liberty Partnerships Program, the same as in 2004-05;
- \$9.5 million for the Science and Technology Entry Program (STEP) and its collegiate counterpart (CSTEP), same as in 2004-05; and
- \$712,500 for the Teacher Opportunity program, the same as in 2004-05.

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 2005-06 Executive Budget would provide \$15.86 billion for the 2005-06 school year. As a result of the combination of school aid and property tax relief through STAR, New York State now supports more than 45 percent of local school districts' spending on education. State support for public schools, combined with STAR and lottery payments, now accounts for more than 37 percent of the State's General Fund — 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:

- **Flex Aid:** In this aid program, six aid categories are consolidated into a single funding stream that provides support to school districts for their general operating costs and represents more than 53 percent of State aid to local school districts. The Executive Budget recommends an increase of nearly \$122 million for a total Flex Aid amount of \$8.43 billion;
- **Sound Basic Education Aid:** This new aid program provides first year funding of \$325 million pursuant to the 5-year Sound Basic Education Plan to ensure that all students have the opportunity to receive a sound basic education. Funds would be allocated through a formula that is sensitive to concentrations of students in poverty, district wealth and varying regional costs with New York City public schools receiving 60 percent of the total funding;
- **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 more than \$2.6 billion, these two aid categories account for nearly 17 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 2005-06 include continuation of \$136.1 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 provides New York's taxpayers with savings totaling \$3.2 billion in appropriations for school property tax relief and New York City personal income tax reductions. For the coming year, a new State STAR credit will be created under the personal income tax to protect the STAR benefit from the effects of inflation.

School Property Tax Relief

- In 2005-06, more than 650,000 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 \$1,080. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age and have annual incomes of \$64,650 or less.
- In 2005-06, the school property tax exemption will provide nearly 2.7 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 relating to this basic STAR exemption will average \$710; and
- The exemptions provided to all homeowners living in counties where median home sale prices exceed the statewide median will be adjusted upward from the minimums stated above to account for regional variations in property values.

New York City Tax Reduction

Under the STAR program, 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 \$595 million in 2005-06, reducing the New York City personal income tax by nearly 10 percent.

New State STAR Credit

For 2005-06, STAR benefits will be increased to recognize the effects of inflation. As a result, projected STAR benefits under current law will be adjusted by the increase in the Consumer Price Index. This enhancement in benefits will be provided as a STAR credit which will be available to all homeowners in school districts that keep their spending growth within the proposed spending cap.

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:

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- **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. The 2005-06 recommendations would expand the property tax report card to include information displaying the three-year change in school tax levy compared to this change in the CPI, thereby helping local taxpayers review school spending trends.
- **Special Informational Mailings:** School districts are now required to mail notices to voters prior to budget votes, disclosing:
 - 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.

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. An annual cap would limit school spending increases in districts where budgets are subject to voter approval to the lesser of 4 percent or 120 percent of the increase in the Consumer Price Index. A two-thirds majority of school district voters would be required to exceed this spending cap.

Certain exceptions including those currently allowed in calculating the maximum school contingency budget would be allowed in calculating spending increases. Expenditures for increases in enrollment, capital projects, certified emergencies, judgments, tax certiorari proceedings and court ordered funding to provide a sound basic education would be excluded from the cap.

Reforming the School Voting Process

The 2005-06 Executive Budget recommends significant reforms to the school voting process. The reforms are intended to increase voter participation in school elections and would:

- **Expand Access:** Expand the number of polling places for school elections in order to make participation more convenient for the voters;
- **Set a Single Revote Day:** Establish a single day for all budget revotes, thus ensuring that voters are aware of the budget revote;
- **Require a Single Voting Day for Bond Resolutions:** Require that all votes on bond resolutions occur on the single statewide voting day for school budgets;
- **Extend Voting Hours:** Conform the voting hours for school district elections to those for general elections; and
- **Improve Supervision:** Remove conflicts of interest in election supervision by involving county boards of elections in the supervision process and limiting the role of school district employees, board members and candidates in election supervision.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special education services for over 400,000 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 14,000 students who require particularly intensive programs, are served by nearly 150 private schools, including 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 73 blind and multiply disabled students, including 18 developmentally disabled students at its Intermediate Care Facility. The New York State School for the Deaf in Rome serves 78 deaf and multiply disabled school aged 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 456,000 breakfasts are served daily under this program;
- **Summer Food Program:** Federal support for the provision of free meals for low-income students participating in summer recreation programs is supplemented by \$3.3 million in additional State funds. There are more than 270 sponsors of summer programs serving almost 260,000 students; and
- **Non-Public School Aid:** The State reimburses 1,400 non-public schools for the costs of administering State mandated tests, attendance taking and other data collection efforts.

HIGHER EDUCATION AND REGULATION OF THE PROFESSIONS

The Office of Higher Education and the Professions is responsible for ensuring the quality and availability of post-secondary education programs and regulating professionals to protect the public by ensuring the quality and integrity of services provided to consumers in the State. This 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.
- Licenses and provides oversight for members of the 44 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 is also responsible for enforcing standards of practice, codes of conduct and professional discipline for the licensees, except members of the medical professions (Physicians, Physician Assistants and Special Assistants) whose professional conduct is within the purview of the Department of Health. Professional licensure, oversight and enforcement functions have been self-supporting, through the collection of fines and fees, since 1987.

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School Aid School Year Payments (millions)

Program	Estimated 2004-05	Recommended 2005-06	Change Amount	Change Percent
I. Formula-Based Aids:				
Comprehensive Operating Aid	\$6,964.80	\$0.00	\$0.00	0.00
Extraordinary Needs Aid	1,090.87	0.00	0.00	0.00
ERSSA	72.27	0.00	0.00	0.00
Limited English Proficiency	104.14	0.00	0.00	0.00
Summer School	30.34	0.00	0.00	0.00
Minor Maintenance	49.98	0.00	0.00	0.00
Flex Aid	\$8,312.41	\$8,433.91	\$121.50	1.46
Excess Cost - Public	2,266.20	2,346.19	79.99	3.53
Excess Cost - Private	210.76	114.32	(96.44)	(45.76)
Tax Limitation Aid	47.99	78.45	30.46	63.47
BOCES	507.24	487.24	(20.00)	(3.94)
Special Services (Career Ed./Computer Admin.)	135.40	134.60	(0.80)	(0.59)
Textbooks (Incl. Lottery)	188.34	188.67	0.33	0.18
Computer Software	46.64	46.41	(0.23)	(0.49)
Computer Hardware	28.58	28.84	0.26	0.91
Library Materials	19.27	19.54	0.27	1.40
Transportation (Including Summer)	1,151.52	1,200.75	49.23	4.28
Prekindergarten	201.77	201.77	0.00	0.00
Class Size Reduction	138.12	138.12	0.00	0.00
Building	1,396.41	1,423.45	27.04	1.94
Teacher Support Aid	67.48	67.48	0.00	0.00
Fund for Innovation	0.00	15.00	15.00	NA
Formula-Based Aids Total	\$14,718.13	\$14,924.76	\$206.63	1.40
II. Grant Programs and Other Aid Categories:				
Growth Aid	22.09	9.97	(12.12)	(54.87)
Reorganization Incentive (Operating+ Building)	32.03	30.30	(1.73)	(5.40)
Full-Day K	4.52	3.34	(1.18)	(26.11)
Academic Achievement Awards	0.00	0.50	0.50	NA
Teachers of Tomorrow	20.00	20.00	0.00	0.00
Teacher Centers	31.00	31.00	0.00	0.00
Teacher-Mentor Intern	6.00	6.00	0.00	0.00
Roosevelt	6.00	6.00	0.00	0.00
Categorical Reading	63.95	63.95	0.00	0.00
Improving Pupil Performance	66.35	66.35	0.00	0.00
Magnet Schools	136.10	136.10	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	90.00	90.00	0.00	0.00
Homeless Pupils	5.90	6.48	0.58	9.83
Incarcerated Youth	14.50	16.50	2.00	13.79
Bilingual	11.20	11.20	0.00	0.00
School Audits	0.25	2.90	2.65	1,060.00
Education of OMH/OMR Pupils	26.00	30.00	4.00	15.38
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	0.68	0.00	0.00
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
Add'l Prekindergarten	2.91	2.91	0.00	0.00
Add'l Class Size Reduction	1.85	1.85	0.00	0.00
Subtotal	619.16	613.86	(5.30)	(0.86)
SCHOOL YEAR TOTAL	\$15,337.29	\$15,538.62	\$201.33	1.31
Sound Basic Education (SBE) Aid	0.00	324.87	324.87	NA
TOTAL Including SBE	\$15,337.29	\$15,863.49	\$526.20	3.43

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2004-05	Appropriations Recommended 2005-06	Change	Reappropriations Recommended 2005-06
State Operations	450,022,900	416,977,000	(33,045,900)	504,921,700
Aid To Localities	22,995,557,500	23,844,444,400	848,886,900	4,884,810,400
Capital Projects	90,300,000	19,000,000	(71,300,000)	108,977,000
Total	23,535,880,400	24,280,421,400	744,541,000	5,498,709,100

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

Full-Time Equivalent Positions (FTE)

Program	2004-05 Estimated FTEs 03/31/05	2005-06 Estimated FTEs 03/31/06	FTE Change
Office of Management Services Program			
General Fund	146	146	0
Special Revenue Funds - Other	180	180	0
Internal Service Funds	101	101	0
Elementary, Middle and Secondary Education			
General Fund	185	185	0
Special Revenue Funds - Federal	300	300	0
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	54	51	(3)
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	437	440	3
Cultural Education			
General Fund	17	0	(17)
Special Revenue Funds - Federal	68	0	(68)
Special Revenue Funds - Other	292	0	(292)
Internal Service Funds	23	0	(23)
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	995	245	(750)
Management Efficiencies Program			
General Fund	0	(20)	(20)
Total	3,054	1,884	(1,170)

EDUCATION

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

Fund Type	Available 2004-05	Recommended 2005-06	Change
General Fund	40,952,600	37,124,000	(3,828,600)
Special Revenue Funds - Federal	260,159,500	225,467,800	(34,691,700)
Special Revenue Funds - Other	127,657,800	131,438,200	3,780,400
Internal Service Funds	21,253,000	22,947,000	1,694,000
Total	<u>450,022,900</u>	<u>416,977,000</u>	<u>(33,045,900)</u>
Adjustments:			
Prior Year Deficiency			
Education Department, State Special Revenue Funds - Other	1,400,000		
Recommended Deficiency			
Education Department, State General Fund	(2,300,000)		
Transfer(s) From			
Education Department, State General Fund	(2,500)		
Special Revenue Funds - Other	(715,000)		
Special Pay Bill			
General Fund	(1,032,000)		
Special Revenue Funds - Federal	(4,230,000)		
Special Revenue Funds - Other	(3,402,700)		
Internal Service Funds	(420,000)		
Transfer(s) To			
Education - School for the Blind General Fund	2,500		
Special Revenue Funds - Other	412,000		
Education - School for the Deaf Special Revenue Funds - Other	303,000		
Appropriated 2004-05	<u>440,038,200</u>		

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

Program	Available 2004-05	Recommended 2005-06	Change
Office of Management Services Program			
General Fund	15,953,500	16,415,000	461,500
Special Revenue Funds - Other	22,128,000	23,500,000	1,372,000
Internal Service Funds	12,981,000	14,371,000	1,390,000
Elementary, Middle and Secondary Education			
General Fund	19,131,000	18,766,000	(365,000)
Special Revenue Funds - Federal	108,951,000	118,233,000	9,282,000
Special Revenue Funds - Other	978,900	2,079,400	1,100,500
School for the Blind			
Special Revenue Funds - Other	8,815,000	9,308,000	493,000
Batavia ICF/DD			
General Fund	128,600	133,000	4,400
Special Revenue Funds - Other	3,019,000	3,282,000	263,000
School for the Deaf			
Special Revenue Funds - Other	8,470,000	8,956,000	486,000
Higher Education and the Professions, Office of			
General Fund	5,739,500	3,810,000	(1,929,500)
Special Revenue Funds - Federal	2,900,000	2,952,000	52,000
Special Revenue Funds - Other	50,545,300	57,912,000	7,366,700
Cultural Education			
Special Revenue Funds - Federal	8,887,000	9,080,000	193,000
Special Revenue Funds - Other	32,789,600	25,944,800	(6,844,800)
Internal Service Funds	8,272,000	8,576,000	304,000
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	139,421,500	95,202,800	(44,218,700)
Special Revenue Funds - Other	912,000	456,000	(456,000)
Management Efficiencies Program			
General Fund	0	(2,000,000)	(2,000,000)
Total	<u>450,022,900</u>	<u>416,977,000</u>	<u>(33,045,900)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	9,571,000	323,400	9,571,000	323,400
Elementary, Middle and Secondary Education	11,530,000	390,000	11,530,000	390,000
Higher Education and the Professions, Office of	2,424,000	106,000	2,424,000	106,000
Total	<u>23,525,000</u>	<u>819,400</u>	<u>23,525,000</u>	<u>819,400</u>

EDUCATION

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	6,844,000	138,100	400,000	0
Education	7,236,000	(755,000)	282,000	(300)
Batavia ICF/DD	133,000	4,400	0	0
Higher Education and the Professions, Office of	1,386,000	(2,035,500)	0	0
Management Efficiencies Program	(2,000,000)	(2,000,000)	0	0
Total	13,599,000	(4,648,000)	682,000	(300)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	350,000	0	4,654,000	138,100
Education	698,000	500	5,981,000	(755,200)
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions, Office of	0	0	386,000	64,500
Management Efficiencies Program	0	0	0	0
Total	1,048,000	500	11,021,000	(552,600)

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
Management Efficiencies Program	0	0	0	0
Total	250,000	0	1,190,000	0

Program	Maintenance Undistributed	
	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	0	0
Education	275,000	0
Batavia ICF/DD	133,000	4,400
Higher Education and the Professions, Office of	1,000,000	(2,100,000)
Management Efficiencies Program	(2,000,000)	(2,000,000)
Total	(592,000)	(4,095,600)

EDUCATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2005-06 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	37,871,000	2,762,000	14,849,000	502,000
Elementary, Middle and Secondary Education	120,312,400	10,382,500	51,097,000	100,000
School for the Blind	9,308,000	493,000	5,710,000	195,000
Batavia ICF/DD	3,282,000	263,000	1,975,000	113,000
School for the Deaf	8,956,000	486,000	5,550,000	190,000
Higher Education and the Professions, Office of	60,864,000	7,418,700	5,033,000	143,000
Cultural Education	43,600,800	(6,347,800)	8,463,600	142,000
Vocational and Educational Services for Individuals with Disabilities	95,658,800	(44,674,700)	37,253,600	(21,351,500)
Total	379,853,000	(29,217,300)	129,931,200	(19,966,500)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	17,305,000	2,453,000	5,717,000	(193,000)
Elementary, Middle and Secondary Education	67,136,000	9,182,000	2,079,400	1,100,500
School for the Blind	3,598,000	298,000	0	0
Batavia ICF/DD	1,307,000	150,000	0	0
School for the Deaf	3,406,000	296,000	0	0
Higher Education and the Professions, Office of	5,597,000	474,000	50,234,000	6,801,700
Cultural Education	14,011,400	582,200	21,125,800	(7,072,000)
Vocational and Educational Services for Individuals with Disabilities	57,949,200	(22,867,200)	456,000	(456,000)
Total	170,309,600	(9,432,000)	79,612,200	181,200

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

Fund Type	Available	Recommended	Change
	2004-05	2005-06	
General Fund	14,153,692,400	14,628,541,400	474,849,000
Special Revenue Funds - Federal	3,520,357,100	3,662,753,000	142,395,900
Special Revenue Funds - Other	5,321,508,000	5,553,150,000	231,642,000
Total	22,995,557,500	23,844,444,400	848,886,900

Adjustments:			
Prior Year Deficiency			
Education Department, State			
General Fund	16,000,000		
Special Revenue Funds - Other	40,000,000		
Recommended Deficiency			
Education Department, State			
Special Revenue Funds - Other	(72,000,000)		
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Federal			
(State Operations)	(285,100)		
Appropriated 2004-05	<u>22,979,272,400</u>		

EDUCATION

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

Program	Available 2004-05	Recommended 2005-06	Change
School Tax Relief			
Special Revenue Funds - Other	3,072,000,000	3,202,000,000	130,000,000
Elementary, Middle and Secondary Education			
General Fund	13,890,338,400	14,376,775,400	486,437,000
Special Revenue Funds - Federal	2,770,125,100	2,855,021,000	84,895,900
Special Revenue Funds - Other	2,239,358,000	2,341,000,000	101,642,000
Higher Education and the Professions, Office of			
General Fund	84,710,000	74,260,000	(10,450,000)
Cultural Education			
General Fund	100,110,000	96,972,000	(3,138,000)
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	78,534,000	80,534,000	2,000,000
Special Revenue Funds - Federal	745,572,000	803,072,000	57,500,000
Total	<u>22,995,557,500</u>	<u>23,844,444,400</u>	<u>848,886,900</u>

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

Comprehensive Construction Program	Available 2004-05	Recommended 2005-06	Change	Reappropriations 2005-06
Education Building				
Capital Projects Fund	0	0	0	1,724,000
Capital Projects Fund - Advances	0	0	0	100,000
School for the Blind				
Capital Projects Fund	0	3,000,000	3,000,000	468,000
Capital Projects Fund - Advances	0	0	0	1,010,000
School for the Deaf				
Capital Projects Fund	2,500,000	0	(2,500,000)	2,769,000
Capital Projects Fund - Advances	0	0	0	150,000
Schools For Native American Reservations				
Capital Projects Fund	5,800,000	0	(5,800,000)	7,059,000
Cultural Education Center				
Capital Projects Fund	1,000,000	0	(1,000,000)	6,064,000
Capital Projects Fund - Advances	0	0	0	5,485,000
Administration				
Capital Projects Fund	1,000,000	1,000,000	0	4,048,000
Public Broadcasting Facilities				
Capital Projects Fund - Authority Bonds	0	15,000,000	15,000,000	0
Capital Transition Grants				
Cap Proj Fund - Transition Grants (Auth Bonds)	80,000,000	0	(80,000,000)	80,000,000
Washington Avenue Armory				
Capital Projects Fund - Advances	0	0	0	100,000
Total	<u>90,300,000</u>	<u>19,000,000</u>	<u>(71,300,000)</u>	<u>108,977,000</u>