

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

OVERVIEW AND PERFORMANCE MEASURES

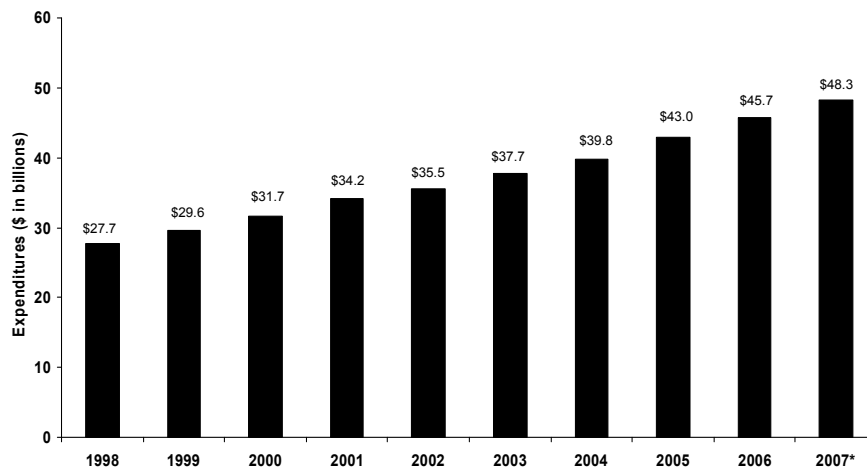
ELEMENTARY AND SECONDARY EDUCATION

The following charts provide information on performance and fiscal measures related to New York's K-12 elementary and secondary education program. As noted in the data below, New Yorkers make a significant investment in education. Through a combination of State and local taxpayer support, New York spent approximately \$15,263 per pupil in 2006-07 — more than every other state except Vermont, and 1.5 times the national average of \$10,212.

The information below is based on the most recent data available from the National Center for Education Statistics (NCES), the National Education Association (NEA) and the New York State Education Department (SED), and includes:

- The total amount of resources provided for K-12 purposes in New York.
- Student-teacher ratios in 2005 for New York and other comparable states.
- Total spending per pupil in 2007 for New York and other comparable states.
- Total spending per pupil for New York and the national average from 1998 through 2007.
- Trends in fourth and eighth grade State assessments in Math and English.

New York K-12 Total Public School Expenditures

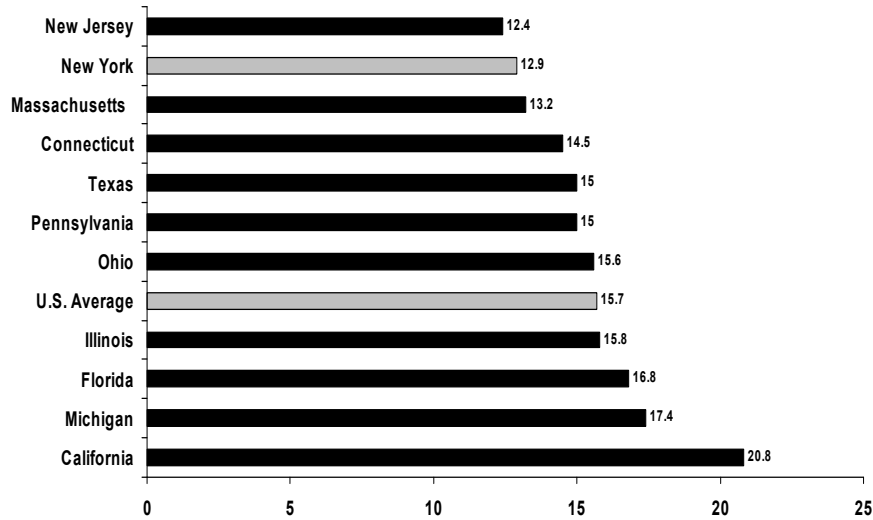


Source: The New York State Education Department
*estimate

Of the approximately \$48.3 billion in resources provided to New York's public elementary and secondary schools in school year 2006-07, the State contributed approximately 44 percent (\$21.4 billion). The other 56 percent was a combination of local and Federal funding.

ELEMENTARY AND SECONDARY EDUCATION

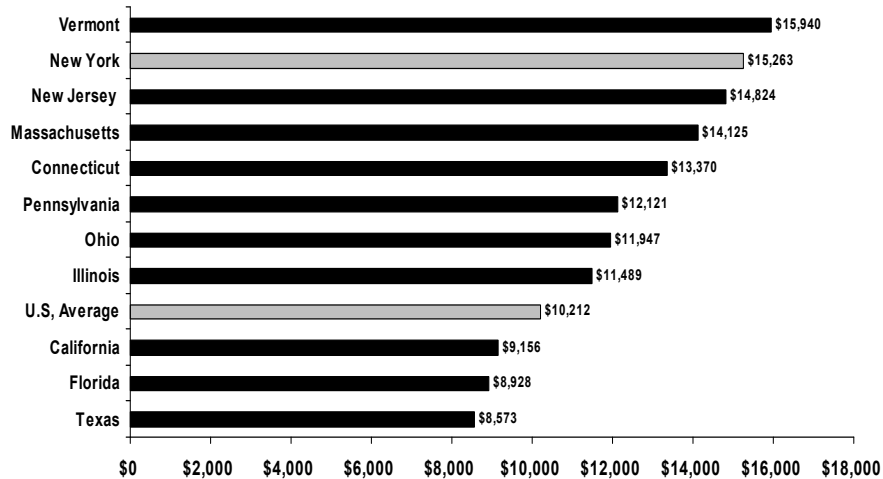
Student/Teacher Ratios



Source: National Center for Education Statistics

New York's student teacher ratio (12.9) in 2005-06 was richer than most of its peer states, as well as richer than the national average (15.7). New York's number of students per teacher decreased by 2.6 students between 1995 and 2006, while the national average decreased by 1.6 students during this time.

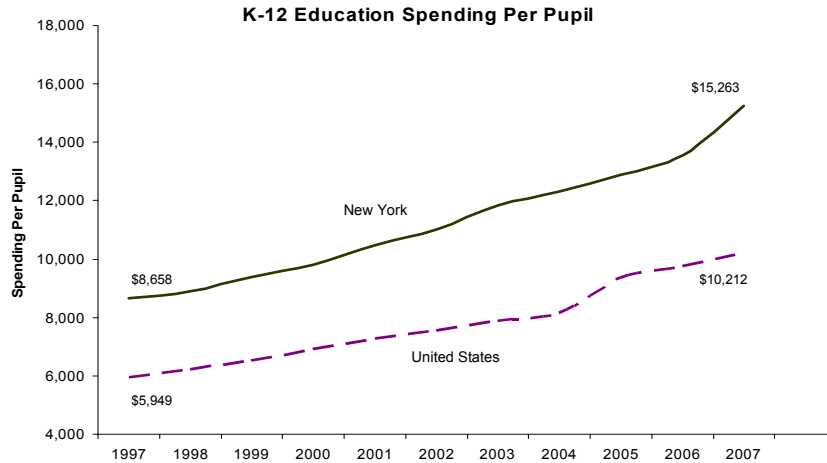
K-12 Education Spending Per Pupil



Source: National Education Association- Ranking of States

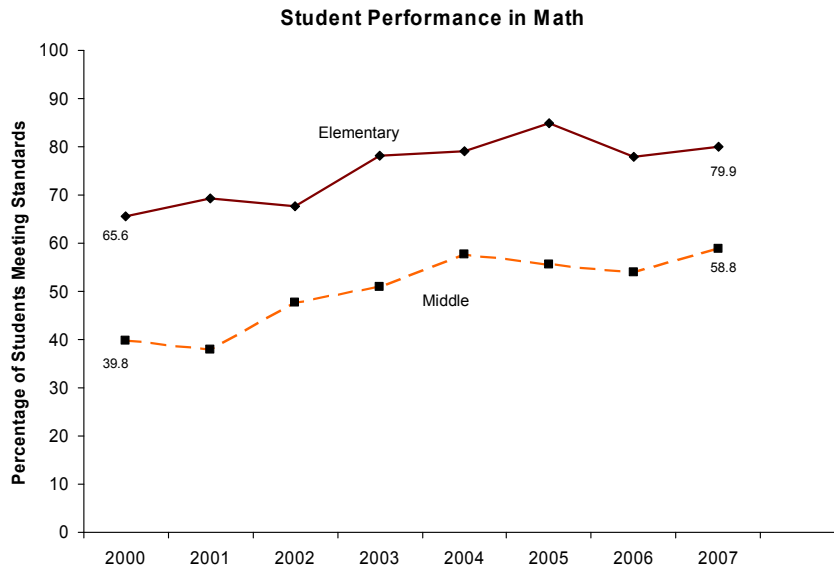
New York has ranked either first or second nationally in per pupil spending for each of the five most recent years for which data are available. In 2006-07, New York's per pupil spending of \$15,263 was 1.5 times the national average of \$10,212.

ELEMENTARY AND SECONDARY EDUCATION



Source: National Educational Association – Ranking of States

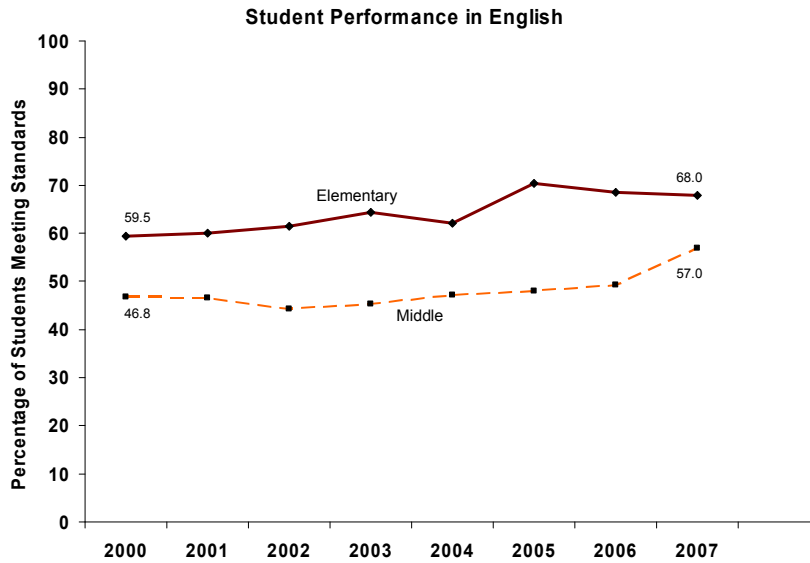
Between 1997 and 2007, New York’s total spending per pupil increased at an annual rate of 5.5 percent, which was above the national average (5.2 percent). Between 2003 and 2007, New York’s growth in per pupil spending has been even higher at 6.3 percent and has remained above the national average (5.8 percent) during this time period. This spending includes administrative costs as well as funding dedicated directly to student education.



Source: The New York State Education Department

ELEMENTARY AND SECONDARY EDUCATION

The percentage of fourth-graders and eighth-graders meeting the State's math standards has improved significantly since 2000. In 2007, nearly 80 percent of New York's fourth-graders met the State's math standards. At both the fourth-grade and eighth-grade levels, a significantly higher percentage of students met the State's math standards in 2007 than in 2000.



Source: The New York State Education Department

The percentage of fourth-graders meeting the State's English standards has improved to 68 percent in 2007 from 59.5 percent in 2000. The percentage of eighth-graders has increased from 46.8 percent to 57.0 percent, an increase of 21.8 percent.

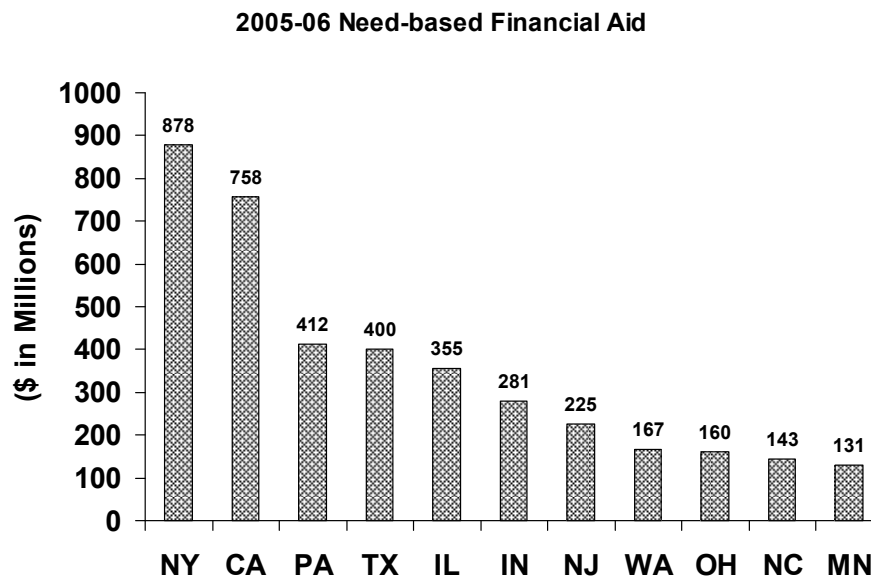
HIGHER EDUCATION

The following charts provide information on performance and fiscal measures related to higher education in the State of New York. New Yorkers have access to an affordable, quality education at our public and private colleges and universities as demonstrated by:

- **Tuition Assistance Program.** New York remains the national leader in providing need-based student financial aid.
- **Access.** Total enrollment at our public and private colleges and universities has reached an all-time high. Minority enrollment at our public universities is also at record levels.
- **Affordability.** Tuition and fees at New York's four-year public colleges and universities are not only competitive with, but are generally more affordable than most other public colleges and universities in the Northeastern and Mid-Atlantic United States.
- **Quality.** The quality of students admitted to our public university systems continues to improve. Average SAT scores of incoming freshman in Fall 2005 reached an all time high and declined only slightly in 2006.

Information is based on the most recent data available from a variety of sources, including the College Board, the State Education Department (SED), The State University of New York (SUNY), the City University of New York (CUNY), the National Association of State Student Grant and Aid Programs, and the National Center for Education Statistics.

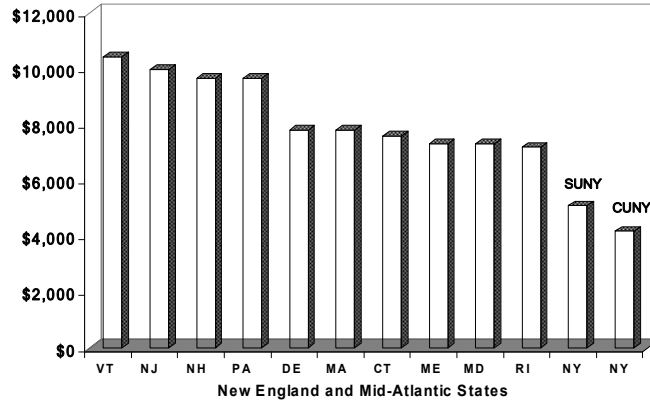
ACCESS AND AFFORDABILITY



Source: National Association of State Student Grant and Aid Programs

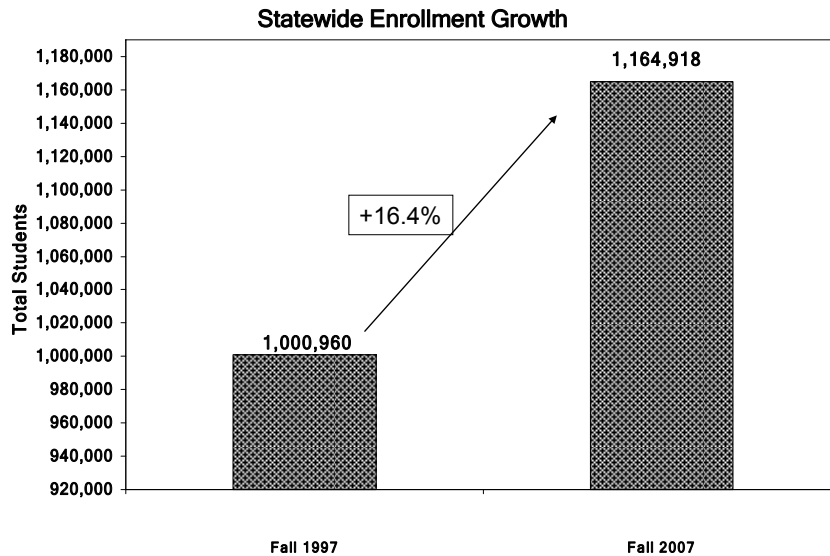
New York provides more need-based financial aid than any other state in the nation. New York also ranks first in the nation in the number of financial aid recipients.

Tuition and Fees



Source: The College Board: Trends in College Pricing 2007

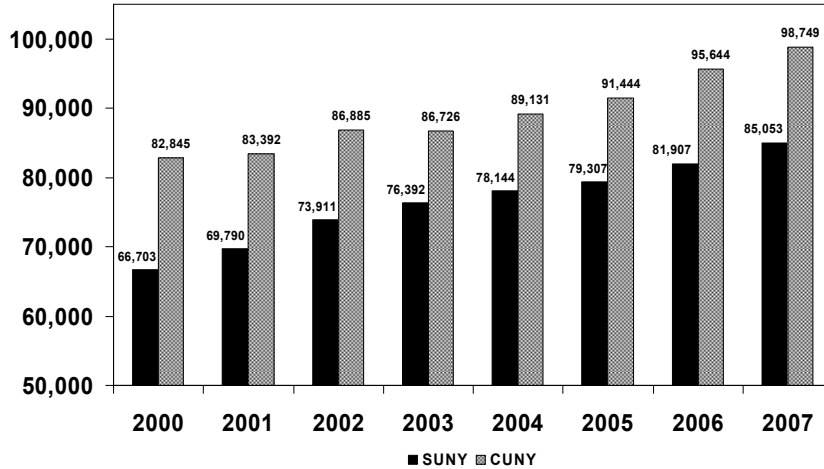
In 2007-08, tuition and fees at New York’s four-year public colleges and universities were below those charged at other public institutions in New England and the Mid-Atlantic states.



Source: New York State Education Department
Fall 2007 Enrollment figures are preliminary

Total student enrollment at New York’s public and private colleges and universities has grown by 16.4 percent since Fall 1997 and hit an all-time high of 1,164,918 students in Fall 2007.

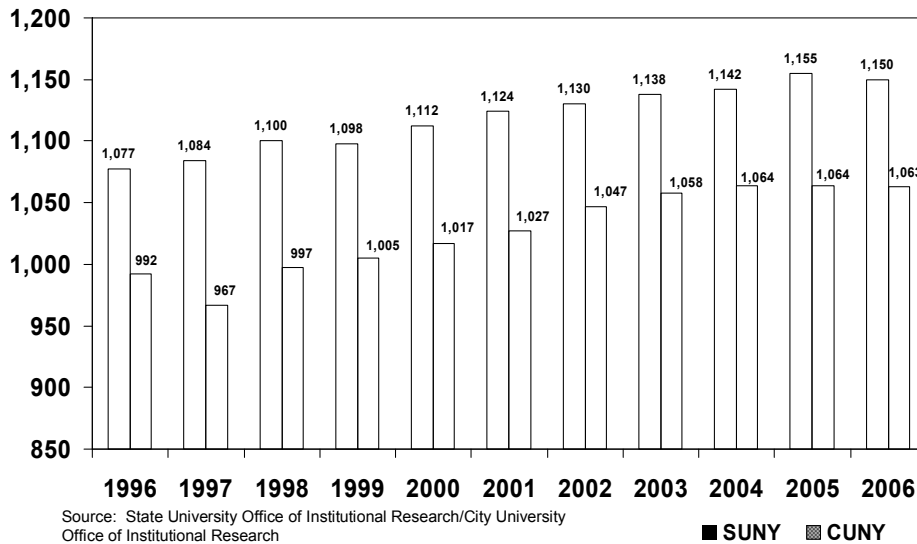
Minority Enrollment at SUNY and CUNY



Source: State University of New York/CUNY Office of Institutional Research

In 1999, the CUNY Board of Trustees amended its Master Plan to establish more rigorous admissions criteria and implement a new remedial education policy. Despite concerns expressed by some critics regarding the potential impact of this policy change, CUNY’s minority enrollments have continued to climb – growing by more than 19.2 percent since 2000. Minority enrollment at SUNY has increased to over 85,000 students – the highest level in SUNY history.

Average Freshman SAT Scores

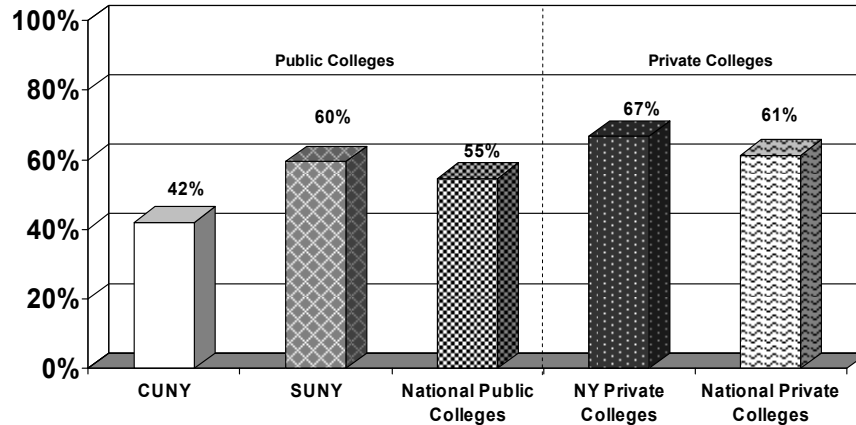


Source: State University Office of Institutional Research/City University Office of Institutional Research

HIGHER EDUCATION

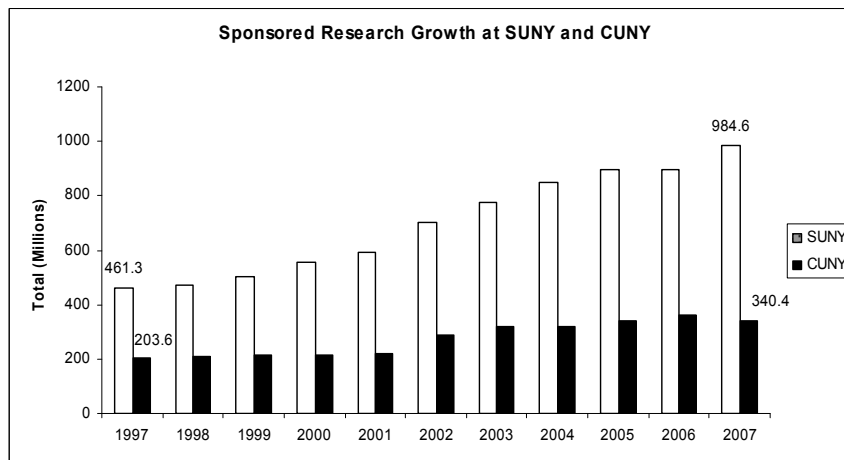
The academic profile of incoming students at SUNY State-Operated campuses and CUNY Tier I senior colleges is stronger than ever before. SAT scores of incoming SUNY freshman increased from 1,077 in Fall 1996 to 1,150 in Fall 2006. Average SAT scores of admitted freshman at CUNY's five Tier I colleges have also improved, growing from 992 in Fall 1996 to 1,063 in Fall 2006.

Bachelor Degrees within 6 Years



Sources:
New York State Education Department 2006 Graduation Rate Survey
National Rates: Federal IPEDS GR Survey, Preliminary Data

Overall, graduation rates for SUNY and for private colleges in New York are above the national averages for public and private colleges, respectively.



Source: SUNY Research Foundation/CUNY Research Foundation

Since 1997, research and other sponsored program expenditures have grown by \$523.3 million (113.4 percent) at SUNY and by over \$136.8 million (67.2 percent) at CUNY. In fiscal year 2007, SUNY recorded 201 patent applications and 40 patents, with royalties totaling more than \$11.6 million.

U.S. News & World Report Best National Universities-Top 100

Columbia University	9
Cornell University	12
New York University	34
University of Rochester	35
Rensselaer Polytechnic Institute	44
Syracuse University	50
Yeshiva University	52
Fordham University	67
SUNY-Binghamton	82
SUNY-College of Environmental Science and Forestry	85
SUNY-Stony Brook	96

Source: U.S. News "America's Best Colleges 2008"

In 2007, 11 of New York's public and private universities were ranked among the top 100 best universities in the nation.

PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

The following charts provide some information on performance and fiscal measures related to New York's public assistance and children's services programs.

The Federal Temporary Assistance for Needy Families (TANF) Block Grant provides assistance and work opportunities to needy families by granting states the funding and flexibility to develop and implement their own welfare programs. In addition, New York operates a Safety Net program that provides assistance to poor individuals who do not qualify for TANF. New York is one of only 10 states that provides benefits above and beyond the TANF program.

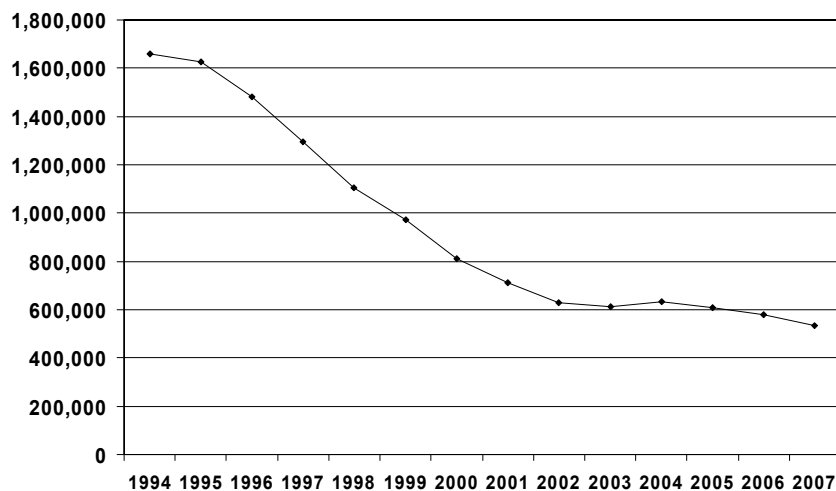
New York State has used savings generated from welfare reform and corresponding caseload declines to fund a variety of support programs that help low-income, working families obtain and retain employment and remain financially independent.

In addition, New York State also continues to enhance the well-being of children through initiatives that reduce reliance on foster care while increasing the number of children placed in permanent homes.

The following information is based on the most recent data available for New York State and includes:

- The public assistance caseload from 1994 through 2007.
- The number of New Yorkers who have received the Earned Income Tax Credit since 1994.
- Funding for child care in 1995 and 2007.
- Total child support collections between 2002 and 2007.
- The foster care caseload from 1998 through 2007.
- The growth in the number of former foster care children receiving adoption subsidies from 1998 through 2007.

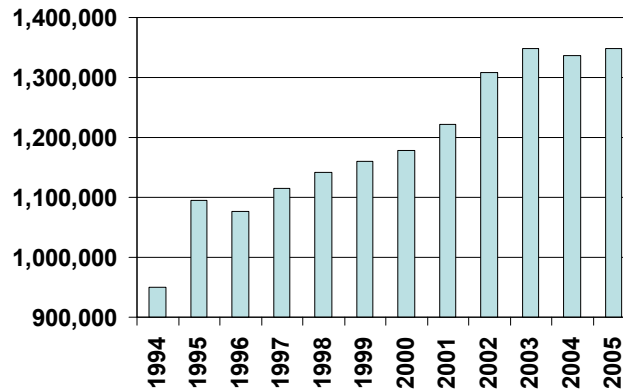
Public Assistance Caseload



PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

Since its high point in April 1994, more than 1.1 million recipients have transitioned off public assistance. As a result, New York State has been able to apply more of its annual \$2.4 billion TANF Block Grant towards supportive services including the earned income tax credit (EITC) child care subsidies, and programs for at risk families.

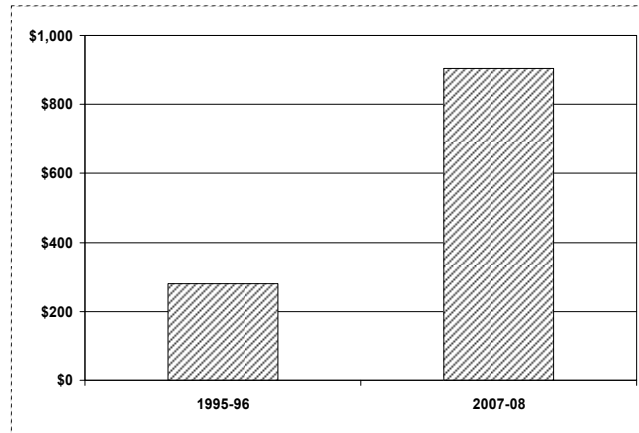
New Yorkers in Receipt of the Earned Income Tax Credit



The New York State EITC – a compliment to the Federal EITC – is a refundable tax benefit for individuals with low or moderate incomes. Serving as an incentive for individuals and families to maintain employment and avoid public assistance, the amount of EITC benefit is dependent on a family's earnings and size. A low-income, working family of three could receive as much as \$6,131 annually from the combined State and Federal EITC – making New York State one of the most generous in the nation.

State Child Care Block Grant Funding

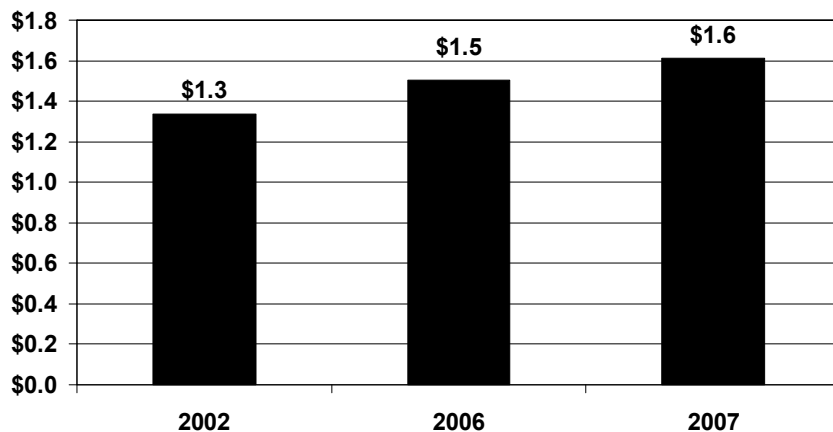
(\$ in millions)



Child care remains one of the most critical components of the welfare program, not only because it enables families on public assistance to transition off welfare, but because it eases the financial burden of low-income, working families, thereby reducing the likelihood they will need public assistance. In 1995, the Child Care Block Grant, comprising State, Federal and local dollars, was \$279 million. Over the past twelve years, this amount has been increased by 225 percent – to \$906 million.

Child Support Collections

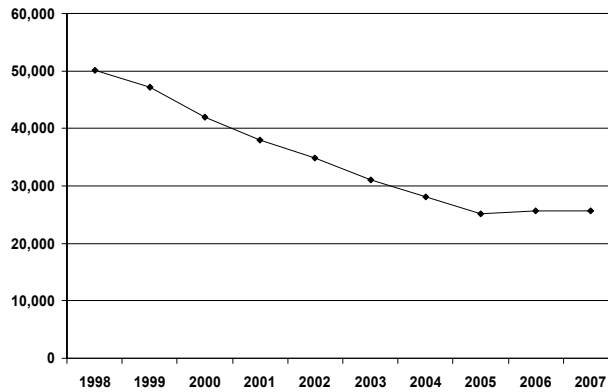
(\$ in billions)



In 2007 Child Support collections reached \$1.62 billion, the largest in State history.

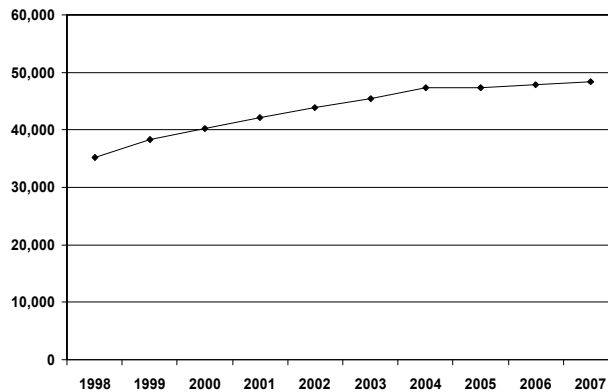
PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

Foster Care Caseload



Since 1998, the number of children in foster care has decreased by 49 percent – from 50,034 to an estimated 25,597 in 2007.

Adoption Caseload



The number of adoption subsidies provided to former foster children rose from 35,199 in 1998 to an estimated 48,306 in 2007, an increase of approximately 37 percent.

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. Working together, these agencies 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 to 5-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 located in New York City. The Council has expertise in several major artistic disciplines (including dance, theater and music) and provides advisory services and financial assistance to New York's arts community. In 2008-09, the Council on the Arts will have a workforce of 55 for the review, processing and administration of arts grants and loans to non-profit organizations.

The Empire State Plaza Performing Arts Center Corporation (the "Egg") was established in 1979 as a public benefit corporation to administer a performing arts center in Albany that offers a diverse array of cultural and artistic programming. 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 the Corporation and appoints its Executive Director. The Chair of the Board is selected by the Governor. The Corporation has a full-time staff of nine.

The New York State Theatre Institute (NYSTI) was established in 1974 and reconstituted in 1992 as a public benefit corporation 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 legislative leaders. The Chief Executive Officer of the Institute is its Producing Artistic Director, who is appointed by the Board. The Institute's staff of 33 is based in Troy, where its office, production and instructional facilities are located.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$60.8 million (\$55.1 million General Fund; \$5.7 million Other Funds)** for the New York State Council on the Arts (NYSCA), the Egg, and NYSTI. This is a decrease **\$2.3 million in Other Funds** from the 2007-08 budget. This net change primarily reflects the elimination of one-time expenses for retroactive NYSTI fringe benefits and indirect costs and the Arts Institutions Revolving Loan Fund. The Executive Budget recommendation continues \$1.5 million in Federal funds, the same level as the 2007-08 budget.

The Executive Budget recommends a staffing level of **55 FTEs** for the Council on the Arts, the same level as the 2007-08 budget.

ARTS

Major budget actions include:

- **NYSCA:** The 2008-09 Executive Budget recommendations provide \$6.1 million for administration of the Council's programs and \$49 million in General Fund support for arts grants, decentralization grants and arts-in-education grants, the same level as the 2007-08 budget.
- **NYSTI and The Egg:** For 2008-09, funding will again be provided to the Egg and NYSTI from existing dedicated revenue in the Cultural Education Account. Special revenue funding of \$650,000 is provided for the Egg and \$3,272,300 for NYSTI. Receipts from ticket sales, private donations, and sales and lease of products and facilities will supplement State funds provided to these organizations.

PROGRAM HIGHLIGHTS

Council on the Arts. Approximately 97 percent of the funding for the Council on the Arts is provided by the State's General Fund. Federal grants from the National Endowment for the Arts are projected to represent approximately 3 percent of 2008-09 funding. Grants to not-for-profit arts organizations represent approximately 92 percent of the projected expenditures of the Council. The remainder is used for the administration of grant programs and the statewide promotion and development of artistic and cultural programs.

Since April 1995, the Council has distributed approximately 32,000 grants totaling over \$474 million to nearly 2,000 cultural organizations. Grant awards to non-profit arts organizations are approved through a multi-step review process, 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 3,000 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 provides each county with a minimum base allocation of 40 cents per person in cultural funding.

Performing Arts Center Corporation (the "Egg"). During the 2006-07 season, the Egg hosted over 220 events that featured dance, music and theatre companies from across the State and around the world. The Center's performing arts series, is being expanded with the addition of the new "Living Legacy" project, which explores the contributions of major New York artists through performances and outreach events throughout the community. The Center hosts three performing arts "camps", as well as a three-week intensive ballet workshop and continues to be the home of the Ellen Sinopoli Dance Company and the Student Theatre Outreach Program.

New York State Theatre Institute (NYSTI). In 2007-08, NYSTI served schools, teachers, interns and families across the State through its productions, educational programs, in-class preparations, Theatre Arts School, Summer Stage and Summer Theatre Institute programs. The Institute has certified high school units and college credits to high school seniors and college students who participate in its internship program. Among NYSTI's accolades are: the award of an Emmy for its video production of *Hizzoner!*, recognition citations from the John F. Kennedy Center for the Performing Arts, and Audie Awards for artistic achievement in 1999, 2000, 2004, 2005, 2006 and 2007. NYSTI also received the American Alliance for Theatre and Education Award for artistic achievement, a Telly Award and a Worldfest Charleston Silver Award for its video production of *A Tale of Cinderella* as well as a Benjamin Franklin Award for its production of *The Snow Queen*.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	11,327,000	10,064,300	(1,262,700)	400,000
Aid To Localities	51,713,000	50,713,000	(1,000,000)	11,453,000
Capital Projects	0	0	0	0
Total	63,040,000	60,777,300	(2,262,700)	11,853,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
General Fund	55	55	0
Total	55	55	0

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	6,066,000	6,142,000	76,000
Special Revenue Funds - Other	5,261,000	3,922,300	(1,338,700)*
Total	11,327,000	10,064,300	(1,262,700)

Adjustments:

Recommended Deficiency Arts, Council on the Special Revenue Funds - Other	(2,468,000)
Appropriated 2007-08	8,859,000

*Excluding 2005-06 and 2006-07 fringe and indirect cost deficiency amounts, the year-to-year change totals \$169,300.

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
General Fund	6,066,000	6,142,000	76,000
Empire State Performing Arts Center Corporation			
Special Revenue Funds - Other	634,000	650,000	16,000
New York State Theatre Institute			
Special Revenue Funds - Other	4,627,000	3,272,300	(1,354,700)
Total	11,327,000	10,064,300	(1,262,700)

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,214,000	31,000	4,214,000	31,000
Total	4,214,000	31,000	4,214,000	31,000

ARTS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,928,000	45,000	39,000	1,300
Total	1,928,000	45,000	39,000	1,300

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	77,000	1,700	1,735,000	40,300
Total	77,000	1,700	1,735,000	40,300

Program	Equipment	
	Amount	Change
Administration	77,000	1,700
Total	77,000	1,700

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Empire State Performing Arts Center Corporation	650,000	16,000	193,900	3,700
New York State Theatre Institute	3,272,300	(1,354,700)	1,968,500	68,600
Total	3,922,300	(1,338,700)	2,162,400	72,300

Program	Nonpersonal Service	
	Amount	Change
Empire State Performing Arts Center Corporation	456,100	12,300
New York State Theatre Institute	1,303,800	(1,423,300)
Total	1,759,900	(1,411,000)

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	49,000,000	49,000,000	0
Special Revenue Funds - Federal	1,513,000	1,513,000	0
Special Revenue Funds - Other	1,200,000	200,000	(1,000,000)
Total	51,713,000	50,713,000	(1,000,000)

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
General Fund	49,000,000	49,000,000	0
Special Revenue Funds - Federal	1,513,000	1,513,000	0
Special Revenue Funds - Other	1,200,000	200,000	(1,000,000)
Total	51,713,000	50,713,000	(1,000,000)

CITY UNIVERSITY OF NEW YORK

MISSION

The City University of New York (CUNY) is the nation's largest urban public university system. 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 Graduate School of Journalism, a Law School and 6 community colleges. The University is governed by a 17-member Board of Trustees comprised of: 10 members appointed by the Governor, 5 members appointed by the Mayor and 2 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 subjected to fewer State government controls than are imposed on other State agencies, reflecting executive and legislative interest in providing enhanced administrative and managerial flexibility to the City University.

The City University's operating budget supports an estimated 11,450 full time equivalent positions consisting of 11,270 positions supported through a combination of State tax dollars and tuition revenues and 180 positions supported through other funds. Community college staff are not included in these totals as they are not employees of the State.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$4.8 billion (\$1.2 billion General Fund; \$1.7 billion Fiduciary Fund; \$1.7 billion Capital Funds; \$145 million Other Funds)** for the City University of New York. This is an increase of **\$1.6 billion (\$73 million General Fund; \$72 million Fiduciary Fund; \$1.4 billion Capital Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in personal services, nonpersonal services, fringe benefits and other inflationary costs, major budget actions described below and other measures. The Executive Budget does not assume a tuition increase. Therefore, CUNY's Senior College Tuition Revenue Offset will remain level at \$641.4 million, which includes a 2007-08 adjustment to fold in \$20 million in tuition revenues resulting from ongoing enrollment growth.

Major budget actions include:

- **New Five-Year Capital Program.** The Executive Budget recommends a new \$2.8 billion five-year capital investment program for CUNY, which provides for facility and infrastructure improvements at senior and community colleges, consistent with the University's needs and priorities. Funded projects encompass critical maintenance, health and safety, preservation and handicapped access projects, as well as the completion of ongoing projects at John Jay and Medgar Evers College, and the construction of new projects upon approval of the newly established University Capital Projects Review Board.

CITY UNIVERSITY

- **Nursing Programs.** The Executive Budget provides \$1 million to expand CUNY nursing programs.
- **Energy Costs.** The Executive Budget includes a \$45 million contingency appropriation outside of CUNY's appropriation schedule to cover extraordinary utility cost increases experienced by the University's Senior Colleges in 2008-09, should they arise.
- **Savings from Innovation and Enhanced Flexibility.** The Executive Budget recognizes the flexibility of the Board of Trustees to manage a \$16.7 million (2.5 percent) reduction in General Fund support in a manner that is responsive to student needs and University priorities. The Executive Budget also includes Article VII legislation that would enhance CUNY's existing flexibility in the areas of procurement and administration, which will facilitate the cost savings efforts.
- **\$50 per FTE Reduction in Community College Base Operating Aid.** Funding for base operating aid is reduced by \$50 per full-time equivalent (FTE) student, from \$2,675 to \$2,625 per FTE, to achieve savings of \$3.1 million on an academic fiscal year basis.

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 pre-finances CUNY's senior college operating costs, and the State subsequently reimburses the City for CUNY's net operating expenses.

For 2008-09, CUNY's gross operating budget will total \$1.7 billion, an increase of \$52.6 million, or 3.2 percent. Within this amount, taxpayer support will total \$1.0 billion, an increase of \$35.9 million, or 3.6 percent. CUNY's Senior College Tuition Revenue Offset will remain level at \$641.4 million, which includes a 2007-08 adjustment to fold in \$20 million in tuition revenues resulting from ongoing enrollment growth.

Special revenue funding for CUNY will remain level at \$145 million.

COMMUNITY COLLEGES

CUNY community colleges have three basic funding sources: State support, local support from New York City, and tuition revenue. Recommended State funding for community colleges of \$174.5 million reflects a net increase of \$1.7 million attributable to: a \$50 per FTE decrease in operating aid from \$2,675 to \$2,625, resulting in a funding decrease of \$3.1 million; revised enrollment projections, resulting in a \$2.1 million increase; and a \$2.7 million increase in rental aid for leased space at the Borough of Manhattan Community College due to the loss of Fiterman Hall in the wake of the 2001 World Trade Center attacks.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. Approximately 232,000 full-time and part-time students — 155,000 at the senior colleges and 77,000 at the community

colleges — were enrolled in degree programs for the fall 2007 semester. In addition, the University serves more than 230,000 individuals through adult and continuing education courses. CUNY’s academic offerings include the following important programs:

- The Language Immersion Program is 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 in the context of academic preparation. The program operates on nine campuses and, since its inception in 1995, has helped thousands of students prepare for full collegiate matriculation;
- The College Now Program is a joint project of the City University of New York (CUNY)/Office of Academic Affairs and the New York City Department of Education designed to improve the academic preparation of high school students and implement tougher graduation standards. College Now serves more than 30,000 students annually and offers dual enrollment programs in more than 250 New York City public high schools;
- 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; and
- Approximately 120 research institutes and centers are located throughout the University. Notable examples include the Structural Biology Center — a consortium of public and private research institutions located on the City College campus, the Levich Institute for Physico-Chemical Hydrodynamics at City College and the Institute for Biomolecular Structure and Function at Hunter College.

In recent years, the CUNY Board of Trustees has advanced a series of significant actions to improve academic program quality and strengthen the planning and management functions of the University. These actions include the establishment of more rigorous admissions criteria and the successful implementation of a new remedial education policy. The Board of Trustees continues to encourage campuses to set higher standards, reduce time-to-program completion and reallocate resources through program consolidation.

The City University will continue implementing its Master Plan, which was approved by the Board of Regents in 2005. The Plan’s objectives include: establishing a more rigorous and selective University system; creating a flagship environment; fostering a research environment; improving CUNY’s teacher education programs; expanding collaborative and outreach programs with the New York City Board of Education; and facilitating economic development.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	1,772,937,607	1,845,568,800	72,631,193	0
Aid To Localities	1,136,570,745	1,210,227,600	73,656,855	0
Capital Projects	265,800,000	1,699,602,000	1,433,802,000	2,621,617,000
Total	3,175,308,352	4,755,398,400	1,580,090,048	2,621,617,000

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Special Revenue Funds - Other	145,000,000	145,000,000	0
Fiduciary Funds	1,627,937,607	1,700,568,800	72,631,193
Total	1,772,937,607	1,845,568,800	72,631,193

Adjustments:

Prior Year Deficiency			
City University of New York			
Agency Trust Funds	23,460,000		
Appropriated 2007-08	1,796,397,607		

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	1,136,570,745	1,210,227,600	73,656,855
Total	1,136,570,745	1,210,227,600	73,656,855

Adjustments:

Prior Year Deficiency			
City University of New York			
General Fund	8,082,000		
Appropriated 2007-08	1,144,652,745		

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Community College Programs			
General Fund	170,502,015	174,764,600	4,262,585
Institutional Support Services			
General Fund	963,043,030	1,033,463,000	70,419,970
Senior College Pension Payments			
General Fund	2,000,000	2,000,000	0
Community Projects			
General Fund	1,025,700	0	(1,025,700)
Total	1,136,570,745	1,210,227,600	73,656,855

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

Comprehensive Construction Program	Available 2007-08	Recommended 2008-09	Change	Reappropriations 2008-09
Senior Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	23,232,000	23,232,000	37,750,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	225,000,000	1,415,920,000	1,190,920,000	1,903,214,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	1,584,000
New Facilities				
Cap Proj Fund - CUNY (Direct Auth Bonds)	0	0	0	352,300,000
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	2,750,000	2,750,000	13,511,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	40,800,000	257,700,000	216,900,000	313,258,000
Subtotal	40,800,000	260,450,000	219,650,000	326,769,000
Total	265,800,000	1,699,602,000	1,433,802,000	2,621,617,000

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

The Board of Regents oversees the State Education Department, 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.

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

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$31.54 billion in All Funds support (\$19.15 billion General Fund; \$12.39 billion Other Funds)** for programs and operations of the State Education Department. This is an increase of **\$1.52 billion (\$1.19 billion General Fund; \$0.33 billion Other Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in School Aid of \$1.46 billion for the 2008-09 school year including an increase of \$899 million in Foundation Aid and an increase of \$347 million for school construction and transportation services; an appropriation increase of \$88 million for STAR and a Federal funds increase of \$73 million.

Recommended staffing levels for 2008-09 are projected to total **3,287 positions** at year's end, with 439 positions, or approximately 13 percent, supported by the General Fund. Various dedicated fees, charge-backs and Federal grants will support the remaining staff.

SCHOOL AID

The Executive Budget continues the multi-year education improvement strategy through continued implementation of the plan to increase State support for education coupled with accountability measures.

Major budget actions for the 2008-09 school year include:

- **School Year Support:** The Executive Budget provides \$21.01 billion in State support for public schools for the 2008-09 school year, an increase of \$1.46 billion, or 7.45 percent. When this amount is combined with the increase in school aid provided last year, State support for public schools will have increased by \$3.18 billion compared to the amounts provided in 2006-07. By 2010-11, the 4-year increase will be over \$7 billion.

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- **Fiscal Year Support:** The Executive Budget provides \$20.43 billion in State support for public schools in 2008-09, a fiscal year increase of \$1.39 billion, or 7.3 percent.
- **Foundation Aid:** The Executive Budget continues implementation of Foundation Aid. Based on updated wealth and demographic information reported by school districts, the expected amount and distribution of Foundation Aid changed significantly under present law. While the basic elements of Foundation Aid, such as calculating funding based on the cost of a successful education and student needs remain in place, the Executive Budget recommends several adjustments to the formula. These adjustments will ensure that high needs school districts continue to receive the greatest increases in Foundation Aid. In addition, for 2008-09, all school districts will receive a minimum increase of 2 percent and a maximum increase of 15 percent in total Foundation Aid. In 2008-09, school districts will receive 37.5 percent of the planned four year increase. These changes result in a recommended increase of \$899 million. Since the inception of Foundation Aid, school districts will have received approximately \$2 billion in additional Foundation Aid payments.
- **Universal Prekindergarten:** The Executive Budget recommends total funding of \$452 million for the 2008-09 school year to expand access to quality prekindergarten programs. The recommended formula for the 2008-09 school year includes a targeted approach to expansion while also providing school districts with stability in funding. When fully implemented in the 2010-11 school year, it is projected that total funding for Universal Prekindergarten will grow to \$633 million. The Executive Budget also recommends \$2 million for Universal Prekindergarten and Full Day Kindergarten planning and transition grants.
- **Support for School Construction:** The Executive Budget recommends over \$2 billion in State support for the construction of school facilities, an increase of \$174 million. The Executive Budget recommends modifications to conform payment of building aid to New York City for new projects to the process used for all other school districts in the State. In addition, in 2008-09, the State will provide EXCEL Building Aid totaling \$135 million — reflecting the State’s 2008-09 debt service cost for EXCEL bonds. EXCEL will provide school districts with \$2.6 billion in bonded State grants to support school construction costs that are associated with increasing school capacity to reduce overcrowding in classrooms and projects related to health and safety and improving energy efficiency. As additional bonds are issued up to the total authorized amount of \$2.6 billion, the annual amount of EXCEL Building Aid will increase to \$191 million.
- **High Tax Aid:** The Executive Budget continues State funding of \$100 million for High Tax Aid for school districts with high tax effort relative to the statewide average. However, the recommended allocation of High Tax Aid for 2008-09 would direct a greater proportion of aid to high and average need school districts.
- **BOCES:** The Executive Budget recommends modifications to the existing BOCES Aid formula to more accurately reflect school districts’ current fiscal capacity as measured by both relative income and property wealth. The Executive Budget recommends \$594 million in BOCES Aid in 2008-09. This reflects a year-to-year decrease of \$31 million due to a change in the reimbursement ratio.
- **Transportation Aid:** The Executive Budget recommends more than \$1.52 billion for reimbursement for the costs of transporting 2.3 million students statewide. This represents an increase of \$108 million.

- **Bilingual Education/English Language Learners:** The Executive Budget recommends \$13.5 million in funding for Bilingual Education grants, an increase of \$2 million. These funds support programs which include technical assistance centers, two-way Bilingual classrooms, intensive Bilingual teacher training and leadership programs. The increase will provide incentive funds for school districts to implement model programs with demonstrated effectiveness. Additionally, the Executive Budget recommends increasing funding for the State University of New York's (SUNY) Office of Diversity and Educational Equity by \$200,000 to provide resources necessary for the development and dissemination of model programs proven to be effective in meeting the needs of English Language Learners.
- **Healthy Schools:** The Executive Budget proposes measures which enhance the nutritional quality of school meals while improving access and affordability. Specifically, reimbursement for school meals will be increased by \$9 million for the 2008-09 school year, so that all children now eligible for reduced price meals will be able to receive school meals at no cost. In addition, beginning in 2009-10, State reimbursement for all meals will be increased to enable schools to purchase healthier food.
- **Charter Schools:** The Executive Budget provides \$21 million in Transitional Aid for school districts impacted by a concentration of charter schools, as well as \$6 million for technical assistance and start-up grants for Charter Schools.
- **Math/Science Initiatives:** The Executive Budget continues the \$10 million provided for math and science initiatives. The uses of the funding will be expanded to include pre-engineering and advanced hands-on technical learning opportunities, such as robotics, that are an essential part of modern scientific applications.
- **New York City Academic Achievement Grant:** The Executive Budget recommends two New York City Academic Achievement Grants of \$100 million and \$79 million. These grants will be available for operating expenses, if not required to offset additional expense-based aid claims.
- **Special Services Aid:** The Executive Budget recommends total funding of \$171 million, an increase of \$39 million. This aid category funds career education programs and computer services for school districts that are not component districts of BOCES.
- **Supplemental Educational Improvement Plan Grant:** The Executive Budget includes \$17.5 million for this program, which provides additional resources to the Yonkers City School District in support of its educational improvement plan.
- **Categorical Teacher Programs:** Support for programs to attract, retain and support teachers is continued at \$50 million with \$40 million available for Teacher Centers and \$10 million available for the Teacher-Mentor Intern program.
- **Teachers of Tomorrow:** The Executive Budget continues this \$25 million program for incentives, such as awards and stipends, to retain and attract teachers into New York State classrooms, particularly in areas where teacher shortages exist. The program will expand to assist subject matter specialists working in private industry, such as engineers and computer scientists, to become certified classroom teachers.
- **School Leadership Initiatives:** The Executive Budget recommends the establishment of a Task Force on School Leadership. The Task Force will evaluate the processes through which school leaders and supervisors develop and recommend new programs and services to ensure that these leaders are prepared for

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the challenges of educating the New York's students. In addition, the State Education Department will develop accountability measures for school leaders by January 1, 2009.

- **Other Programs:** The Executive Budget recommends funding based on existing statutory formulas for several programs including: Textbook Aid; Library Materials Aid; Computer Software Aid; Computer Hardware Aid; Full Day Kindergarten Conversion Aid; and Reorganization Incentive Aid.

STATE OPERATIONS

The taxpayer-supported General Fund provides 10.5 percent of the Department's operating budget. Federal grants, including programs for disadvantaged pupils, account for 56.9 percent of the agency's resources. The remaining 32.6 percent is derived from fees, charge-backs and other miscellaneous receipts. For 2008-09, the Department's General Fund State Operations support totals \$570 million, an increase of \$11.8 million.

Major budget actions include:

- **Accountability Initiative:** The Executive Budget provides \$15 million for accountability requirements, the same level as in 2007-08 which will continue to enhance the ability of the Department to measure and improve educational outcomes with a particular focus on Contract for Excellence districts.
- **Staffing:** The Executive Budget recommends a staffing level of **3,287 FTEs** for the State Education Department, an increase of **113** from the 2007-08 Enacted Budget. This increase primarily reflects new hires for the continuing implementation of accountability standards enacted in the 2007-08 Budget and the transfer of off-budget staff to the Office of Cultural Education.

SPECIAL EDUCATION

School-Age Special Education

School districts receive funding for Special Education services to school-age children through the Foundation Aid formula. In addition, High Cost Excess Cost Aid and Private Excess Cost Aid supplement Foundation Aid for students with severe needs. The Executive Budget recommends continuing existing statutory provisions for these two aid categories with total funding of \$672 million for the 2008-09 school year, an increase of \$37 million or 5.8 percent. The one-year authorization for Supplemental Public Excess Cost Aid is not continued in the 2008-09 school year.

Preschool Special Education

Approximately 500 providers (school districts, BOCES, and private entities) operate preschool special education programs that provide educational and therapeutic services to approximately 84,000 children aged 3 to 5. The Temporary Taskforce on Preschool Special Education (Taskforce), which was created in the 2007-08 Enacted Budget, submitted its recommendations to the Governor and the Legislature on November 15, 2007. The Taskforce recommended placing responsibility for preschool decision-making and the service delivery processes with school districts, since school districts have the responsibility for ensuring the provision of special education services under both Federal and State law.

The Executive Budget recommends reforms that align school districts' fiscal responsibility with their programmatic responsibility for the preschool special education program. The General Fund recommendation of \$662 million will support the 59.5 percent State share of preschool special education program costs in the 2008-09 fiscal year. The Executive Budget also includes \$20 million for additional State reimbursement to eligible counties for costs that exceed the predetermined growth rate.

Major budget actions include:

- **County Costs in Preschool Special Education:** The Executive Budget recommends limiting the growth in county costs for preschool special education. Under the proposal, county costs for the 2007-08 school year will be no more than 4 percent higher than their costs for the prior period with the State assuming the remainder of the cost growth. By the 2009-10 school year, annual growth in county costs will be limited to 3 percent. However, this limit on county costs growth will not be applicable to New York City, as its five counties constitute both a unified government and a single school district.
- **Preschool Evaluations:** The Executive Budget recommends allocating to school districts the programmatic and fiscal responsibility for the evaluation of preschoolers suspected of having disabilities resulting in State savings of \$24 million in the 2008-09 fiscal year.
- **Committee on Preschool Special Education (CPSE) Administration:** The Executive Budget also recommends allocating a portion of CPSE administration costs to school districts resulting in State savings of \$22 million in the 2008-09 fiscal year.

Summer School Special Education

The summer school special education program supports educational services provided during July and August for approximately 40,000 disabled students aged 5 to 21. The State covers 70 percent of the total education, transportation and maintenance costs of summer programs, with school districts contributing 20 percent and counties 10 percent. The 2008-09 Executive Budget continues funding of \$243 million to support the 70 percent State share of the program costs.

State-Supported Private Schools for the Blind and Deaf

Approximately 1,600 students attend 11 private schools for the blind and deaf. The 2008-09 total funding recommendation of \$123 million, an increase of \$4.7 million, covers approximately 90 percent of the tuition and maintenance costs for these students and also includes \$7 million to cover debt service for capital construction.

EDUCATION-RELATED PROGRAMS

The Executive Budget recommends a net year-to-year reduction of approximately \$20 million in funding for education-related programs. This reduction is primarily due to the elimination of funding for one-time legislative grants. The reduction is partially offset by planned increases in costs associated with The Healthy Schools Act and \$10 million in State funding to supplement existing Federal funding for after school programs.

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ELEMENTARY, MIDDLE, SECONDARY AND CONTINUING (EMSC) EDUCATION-RELATED PROGRAMS 2008-09 SCHOOL YEAR (\$000)

Program	2007-08 School Year	2008-09 School Year	Change
Academic Intervention Services for Nonpublic Schools	1,000	1,000	0
Adult Basic Education	2,000	2,000	0
Adult Literacy Education	6,325	5,325	(1,000)
Apprenticeship Training	1,830	1,830	0
Character Education	475	0	(475)
Charter School Start-Up and Technical Assistance	6,000	6,000	0
Consortium for Worker Education (CWE)	11,500	11,500	0
County Vocational Education and Extension Boards	1,000	1,000	0
Education of Children of Migrant Workers	90	90	0
Extended Day/School Safety Program	30,200	30,200	0
Fiscal Stabilization Grants	45,094	28,583	(16,511)
Health Education Program	750	750	0
Hurd Advances	206	154	(52)
Legislative Grants	34,901	0	(34,901)
Math and Science High Schools	1,500	1,500	0
Missing Children Prevention Education Program	1,000	0	(1,000)
National Board for Professional Teaching Standards	500	500	0
Nonpublic School Aid (including Comprehensive Attendance Program)	127,400	142,400	15,000
Primary Mental Health	970	970	0
Prior Year Claims	25,900	25,900	0
School Lunch and Breakfast Program	31,700	31,700	0
Statewide Center for School Safety	475	475	0
Summer Food Program	3,300	3,300	0
SUNY Center for Autism and Related Disabilities	1,000	500	(500)
SURR Schools	1,900	1,900	0
Targeted Prekindergarten	1,400	1,400	0
Transferring Success	630	0	(630)
Workplace Literacy	1,376	1,376	0
After School Programs/21 st Century Learning Centers	0	10,000	10,000
Healthy Schools	0	9,400	9,400
Student Mentoring and Tutoring Initiative	0	1,000	1,000
Total EMSC programs	344,422	324,753	(19,669)

OTHER RECOMMENDATIONS

In addition to funding for agency operations, the Department's budget also includes support for various aid programs in the areas of higher education, cultural education and vocational rehabilitation. The Executive Budget provides funding for the following programs:

- Library Aid (\$96.3 million);
- Library Construction Aid (\$14.0 million);
- Public Broadcasting Aid (\$18.8 million);
- VESID Case Services (\$54.6 million);
- Supported Employment (\$16.4 million);
- Independent Living Centers (\$11.7 million);
- Unrestricted Aid for Independent Colleges and Universities (\$41.0 million);
- Higher Education Opportunity Program (\$24.2 million);
- Liberty Partnerships (\$12.0 million);
- Teacher Opportunity Program (\$0.7 million); and
- Science and Technology Entry Program (\$19.0 million).

Major budget actions include:

- **Cultural Education:** The Executive Budget recommends \$42 million in new capital funding for cultural education facilities, including: \$13 million for expansion of the State Records Center; \$14 million for public library construction

- projects; and \$15 million for the State Museum Renewal project reflecting the replacement of previous state operations appropriations with a bonded appropriation.
- **Other Capital Support:** The Executive Budget recommends \$15 million in new capital support for health and safety and minor rehabilitation projects at SED facilities including the Batavia School for the Blind and the Rome School for the Deaf, and the Cultural Education Center and the Education Building.
 - **Bundy Aid:** The Executive Budget recommends a 2.5 percent, or \$1.05 million, reduction from base level funding for Unrestricted Aid for Independent Colleges and Universities, also known as Bundy Aid. After this reduction, funding for Bundy Aid will total \$41 million for the 2008-09 Academic Year. This recommendation is consistent with the rate of productivity savings assumed in the Executive Budget for SUNY and CUNY.

SCHOOL TAX RELIEF (STAR)

The School Tax Relief (STAR) program was enacted in 1997 to provide needed tax relief for homeowners across the State. The Executive Budget provides \$4.97 billion for the existing STAR program comprised of the enhanced STAR exemption for eligible senior citizens, the basic STAR exemption for other homeowners, the New York City Personal income tax rate reduction and refundable tax credit and the Middle Class Rebate Program. This represents an appropriation increase of \$88 million.

Major budget actions include:

- **“Floor” Provision:** The Executive Budget changes the “floor” adjustment that limits annual reductions in STAR exemption amounts from 5 percent to 10 percent. This is expected to produce a savings of \$110 million for 2008-09.
- **Rebate Offsets:** The Executive Budget authorizes the Tax Department to offset tax debts, child support and other debts against STAR rebates. Such debts include, among other items, delinquent taxes, past-due child support and certain State overpayments. This action increases revenues by \$15 million annually beginning in 2008-09.
- **NYC PIT:** The Executive Budget restructures the NYC STAR income tax program by targeting the flat refundable credit to taxpayers with incomes under \$250,000. This reduces spending by \$20 million in 2008-09.
- **Delay the Rebate Increase:** The Executive Budget delays the scheduled 2008-09 increases in the Basic Middle Class STAR Rebate Program by one year, making the program fully phased in during 2010-11. This would reduce spending by \$169 million in 2008-09. A corresponding change in NYC credit amount increases would reduce spending by \$40 million in 2008-09.

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.

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SCHOOL AID

The Executive Budget provides \$21.01 billion in School Aid for the 2008-09 school year. State support for public schools, combined with STAR and lottery payments, accounts for approximately 39 percent of the State's General Fund.

School Aid is distributed to school districts through formula-based aids and categorical grants including the following:

- **Foundation Aid** provides sufficient State and local resources to give all children the opportunity to meet New York's learning standards. The formula is based on the cost of a successful education adjusted by regional cost variations and pupil needs. This formula has been further targeted to provide additional resources to high need school districts.
- **Transportation Aid and Building Aid** provides support to school districts for student transportation and the construction/preservation of school facilities. These two aid categories, including EXCEL Building Aid, will total \$3.65 billion and account for 17.4 percent of overall School Aid.
- **Universal Prekindergarten** provides grants to school districts ranging from \$2,700/child to approximately \$5,800/child reflective of varying district wealth and educational needs. For the 2008-09 school year, funding will be available for approximately 120,000 students to attend Universal Prekindergarten programs throughout the State.
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs.

The Executive Budget continues accountability programs designed to assist school districts to raise student achievement to meet or exceed State standards. These programs measure progress and provide assistance for failing schools.

- **Contract for Excellence:** For 2008-09, all school districts receiving a Foundation Aid increase in excess of 10 percent, or \$15 million, or receiving a Supplemental Educational Improvement Plan grant and having a school identified as having educational deficiencies will develop a Contract for Excellence. The Contract outlines how they will spend State funding on measures that have been proven to improve student performance, especially for students with the greatest educational needs. The Contract also requires districts to make progress in attaining State and Federal standards. The Executive Budget recommends that these districts, as well as the 55 districts that had Contracts in 2007-08, be required to enter into the Contract annually for a three year period unless the district no longer has any schools with performance deficiencies.

Initiatives currently permitted under the Contracts for Excellence program include:

- Reducing class sizes;
- Increasing time on task;
- Increasing the quality of teaching;
- Restructuring Middle and High Schools; and
- Participating in full-day kindergarten or prekindergarten.

For the 2008-09 school year, the Executive Budget recommends expanding allowable activities to include programs which are effective in improving the academic achievement of English Language Learners.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special education services for over 450,000 students aged 3 to 21. These services range from speech therapy to placement in full-time residential schools for school-age children with the most severely disabling conditions. The network of service providers includes over 1,200 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 with special needs. An additional 15,000 students who require particularly intensive programs, are served by nearly 150 private schools, including 13 Special Act School Districts and 11 State-supported private schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The Batavia School for the Blind serves 60 blind and multiply disabled students, including nine developmentally disabled students in the Intermediate Care Facility (ICF). The Rome School for the Deaf serves 80 deaf and multiply disabled school-age students.

EDUCATION-RELATED 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:

- **Healthy Schools:** Currently, the State provides \$32 million to supplement the Federal School Lunch and Breakfast Program which serves approximately 1.7 million school lunches and 500,000 school breakfasts on a daily basis. The Executive Budget proposes measures to enhance and improve the nutritional quality of school meals. In addition to enhancing nutritional standards, the Executive Budget would improve access and affordability of these meals by providing \$9 million in State funds for the 2008-09 school year. These additional funds will permit reduced priced school meals to be served at no cost to eligible students. The Executive Budget also recommends increasing the State subsidy for all school meals served beginning with the 2009-10 school year to defray costs associated with healthier food options.
- **Summer Food Program:** The Executive Budget recommends \$3 million in State Funds to supplement Federal support for the provision of free meals for low-income students participating in summer recreation programs. More than 280 sponsors of summer food programs serve approximately 325,000 students daily.
- **Aid for Nonpublic Schools:** The Executive Budget recommends a total of \$142 million to reimburse nonpublic schools for the cost of mandated services, including comprehensive attendance taking.
- **After School Programs:** The State provides \$30 million through the Extended Day/School Safety program to allow schools to provide after-school services such as academic and social support for at-risk students. For the 2008-09 school year, the State will also provide \$10 million to supplement Federal funding for the 21st Century Learning Centers program. 21st Century Learning Centers provide academic enrichment outside of the regular school hours primarily to children who attend high-poverty and low-performing schools.

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CULTURAL EDUCATION

Cultural Education programs administered by the Department include support for public broadcasting stations and aid to public libraries and library systems. The State Library, the State Museum and the State Archives are located in the Cultural Education Center in Albany and are also administered by agency staff.

The State Library is the largest of its kind in the nation, providing reference information and other coordinated library services to State agencies, businesses and the public. The State Library also charters all libraries in the State and distributes State and Federal aid to local libraries.

The State Museum is the largest state-operated museum in the nation and contains exhibits on New York's cultural and natural history. The Museum is also a major research center and the home of the Geological Survey, Biological Survey, Anthropological Survey and the Historical Survey. Each of these surveys is involved with developing and maintaining the collections and exhibits of the State Museum. The State Museum also administers the Cultural Resource Survey which oversees the handling and preservation of artifacts found at construction sites.

The State Archives is responsible for the maintenance and preservation of important State and local government records. In addition to its operations in the Cultural Education Center, the State Archives also operates a regional Records Center at the Harriman State Office Campus in Albany. The operations of the State Museum, State Library and State Archives are largely supported by a surcharge on certain documents filed in county clerk offices.

HIGHER EDUCATION AND REGULATION OF THE PROFESSIONS

The Office of Higher Education and the Professions is responsible for ensuring the quality and availability of postsecondary 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 47 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 are self-supporting, through the collection of fines and fees.

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 nearly 13,200 individuals annually from an active caseload of 49,000.

SCHOOL TAX RELIEF (STAR)

For 2008-09, STAR will provide New York's taxpayers with savings of almost \$5.0 billion in school tax relief.

School Property Tax Relief

- In 2008-09, approximately 652,000 senior homeowners will be eligible to receive an enhanced exemption. The statewide average STAR enhanced benefit for seniors is estimated at \$1,247. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age. (If property is owned by husband and wife or by siblings, then one of them must be at least 65 years old. Eligibility was expanded in 2000 to surviving spouses who are at least 62 years of age, and certain nursing home residents). In addition to the age requirement, annual income cannot exceed \$70,650 to receive benefits in 2008.
- In 2008-09, the school property tax exemption will provide over 2.8 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 \$650.
- The exemptions provided to all homeowners living in counties where median home sale prices exceed the statewide median are adjusted upward from the minimums stated above to account for regional variations in property values.
- Legislation accompanying the Executive Budget would lower the "floor" adjustment that limits year over year reductions in STAR exemption amounts from 5 percent to 10 percent.

New York City Tax Reduction

- Under the STAR program, New York City's (NYC) more than 3 million resident personal income taxpayers receive a flat refundable credit and a rate reduction.
- Legislation accompanying the Executive Budget would modify the NYC STAR income tax program by limiting the flat refundable credit available to all NYC residents to taxpayers with incomes under \$250,000, and delaying scheduled increases in such credits for one year.
- Total local taxpayer savings will be nearly \$1.1 billion in 2008-09, reducing New York City personal income tax liability by over 10 percent.

EDUCATION

Middle Class Rebate Program

The 2008-09 Executive Budget includes funding of over \$1.2 billion for a Middle Class STAR Rebate Program which targets additional tax relief to middle class homeowners as follows:

- Recipients of Basic STAR with incomes of \$90,000 or below (\$120,000 in the Downstate Metropolitan area consisting of New York City and the counties of Nassau, Suffolk, Westchester, Rockland and Putnam) will receive a rebate equal to 60 percent of their 2006-07 basic exemption benefit.
- Middle Class STAR Rebate benefits will be adjusted using a sliding scale for homeowners with incomes between \$90,000 and \$250,000 (or between \$120,000 and \$250,000 in Downstate Metropolitan areas).
- Approximately 95 percent of current basic STAR exemption recipients will be eligible to receive an additional benefit under the Middle Class Rebate Program.
- Recipients of Enhanced STAR will receive a rebate equal to 35 percent of their 2006-07 enhanced exemption benefit.
- Legislation accompanying the Executive Budget would authorize the Tax Department to offset tax debts, child support and other debts against basic STAR rebates and would delay the 2008-09 increases in the Basic Middle Class STAR Rebate Program by one year.

School Aid
School Year Payments (Millions)

Program	Estimated 2007-08	Recommended 2008-09	Change Amount	Change Percent
I. Formula-Based Aids:				
Foundation Aid	\$13,644.33	\$14,542.89	\$898.56	6.59
Excess Cost - High Cost	412.31	437.46	25.15	6.10
Excess Cost - Private	222.40	234.37	11.97	5.38
Reorganization Operating Aid	0.00	2.86	2.86	NA
Textbooks (Incl. Lottery)	185.19	184.93	(0.26)	(0.14)
Computer Hardware	36.95	37.11	0.16	0.43
Computer Software	45.93	46.48	0.55	1.20
Library Materials	19.64	19.63	(0.01)	(0.05)
BOCES	625.43	593.99	(31.44)	(5.03)
Special Services (Career Ed./Computer Admin.)	132.20	171.33	39.13	29.60
Transportation (Including Summer)	1,412.90	1,521.03	108.13	7.65
High Tax	99.99	100.22	0.23	0.23
Universal Prekindergarten	363.29	452.25	88.96	24.49
Education Grants	97.39	196.39	99.00	101.65
Charter School Transitional Aid	20.30	21.17	0.87	4.29
Full-Day Kindergarten	1.64	3.19	1.55	94.51
Formula-Based Aids Total	\$17,319.89	\$18,565.30	\$1,245.41	7.19
EXCEL Building Aid - New York City	70.00	109.00	39.00	55.71
Building/Reorganization Building	1,828.39	2,002.45	174.06	9.52
Supplemental Public Excess Cost	19.62	0.00	(19.62)	(100.00)
	<u>1,918.00</u>	<u>2,111.45</u>	<u>193.45</u>	<u>10.09</u>
Total Formula-Based and Other Aids	\$19,237.90	\$20,676.75	\$1,438.85	7.48
II. Grant Programs and Additional Aid Categories:				
EXCEL Building Aid - Rest of State	0.00	26.00	26.00	NA
UPK and Full-Day K Planning Grants	2.00	2.00	0.00	0.00
Mid-Year UPK Expansion	10.00	0.00	(10.00)	(100.00)
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	40.00	40.00	0.00	0.00
Teacher-Mentor Intern	10.00	10.00	0.00	0.00
Math and Science Initiatives	10.00	10.00	0.00	0.00
Rochester Community Schools	4.00	4.00	0.00	0.00
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	6.00	6.00	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	6.48	6.48	0.00	0.00
Incarcerated Youth	16.50	16.50	0.00	0.00
Bilingual	11.50	13.50	2.00	17.39
Education of OMH/OMR Pupils	54.60	54.60	0.00	0.00
Special School Districts	2.70	2.70	0.00	0.00
Chargebacks	(33.31)	(33.31)	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
Native American Building	2.50	2.50	0.00	0.00
Native American Education	36.50	36.50	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Subtotal	<u>319.81</u>	<u>337.81</u>	<u>18.00</u>	<u>5.63</u>
SCHOOL YEAR TOTAL	<u>\$19,557.71</u>	<u>\$21,014.56</u>	<u>\$1,456.85</u>	<u>7.45</u>

EDUCATION

ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2007-08</u>	<u>Appropriations Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations Recommended 2008-09</u>
State Operations	558,383,500	570,165,900	11,782,400	465,435,200
Aid To Localities	29,378,119,279	30,910,110,100	1,531,990,821	5,611,455,400
Capital Projects	78,900,000	56,640,000	(22,260,000)	103,347,000
Total	<u>30,015,402,779</u>	<u>31,536,916,000</u>	<u>1,521,513,221</u>	<u>6,180,237,600</u>

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

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2007-08 Estimated FTEs 03/31/08</u>	<u>2008-09 Estimated FTEs 03/31/09</u>	<u>FTE Change</u>
Office of Management Services Program			
General Fund	161	137	(24)
Special Revenue Funds - Other	208	218	10
Internal Service Funds	115	135	20
Elementary, Middle and Secondary Education			
General Fund	224	229	5
Special Revenue Funds - Federal	300	296	(4)
School for the Blind			
Special Revenue Funds - Other	109	121	12
School for the Deaf			
Special Revenue Funds - Other	103	106	3
Higher Education and the Professions, Office of			
General Fund	49	57	8
Special Revenue Funds - Federal	21	17	(4)
Special Revenue Funds - Other	450	439	(11)
Cultural Education			
General Fund	19	16	(3)
Special Revenue Funds - Federal	74	65	(9)
Special Revenue Funds - Other	305	335	30
Internal Service Funds	24	54	30
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	1,012	1,062	50
Total	<u>3,174</u>	<u>3,287</u>	<u>113</u>

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	59,891,000	59,899,400	8,400
Special Revenue Funds - Federal	313,719,480	324,239,100	10,519,620
Special Revenue Funds - Other	157,592,020	155,959,400	(1,632,620)
Internal Service Funds	27,181,000	30,068,000	2,887,000
Total	558,383,500	570,165,900	11,782,400

Adjustments:

Transfer(s) From			
Education Department, State			
Special Revenue Funds - Other	(34,380)		
Special Pay Bill			
Special Revenue Funds - Other	(573,000)		
Transfer(s) To			
Education Department, State			
Special Revenue Funds - Federal	34,380		
Appropriated 2007-08	557,810,500		

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Office of Management Services Program			
General Fund	17,806,000	16,751,800	(1,054,200)
Special Revenue Funds - Other	30,684,620	24,826,000	(5,858,620)
Internal Service Funds	16,801,000	17,507,800	706,800
Elementary, Middle and Secondary Education			
General Fund	34,934,000	35,013,100	79,100
Special Revenue Funds - Federal	131,631,000	137,816,000	6,185,000
Special Revenue Funds - Other	2,079,400	2,179,400	100,000
School for the Blind			
Special Revenue Funds - Other	9,950,000	9,950,000	0
School for the Deaf			
Special Revenue Funds - Other	9,542,000	9,542,000	0
Higher Education and the Professions, Office of			
General Fund	7,151,000	7,268,400	117,400
Special Revenue Funds - Federal	2,952,000	2,952,000	0
Special Revenue Funds - Other	59,068,000	60,268,000	1,200,000
Cultural Education			
General Fund	0	866,100	866,100
Special Revenue Funds - Federal	10,960,000	15,329,000	4,369,000
Special Revenue Funds - Other	45,168,000	47,994,000	2,826,000
Internal Service Funds	10,380,000	12,560,200	2,180,200
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	168,176,480	168,142,100	(34,380)
Special Revenue Funds - Other	1,100,000	1,200,000	100,000
Total	558,383,500	570,165,900	11,782,400

EDUCATION

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	10,402,200	74,800	10,046,200	74,800
Elementary, Middle and Secondary Education	20,070,200	142,000	19,073,400	142,000
Higher Education and the Professions, Office of	2,941,000	(276,900)	2,818,000	(256,900)
Cultural Education	744,000	744,000	744,000	744,000
Total	34,157,400	683,900	32,681,600	703,900

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	178,000	0	178,000	0
Elementary, Middle and Secondary Education	797,400	0	199,400	0
Higher Education and the Professions, Office of	61,500	(10,000)	61,500	(10,000)
Cultural Education	0	0	0	0
Total	1,036,900	(10,000)	438,900	(10,000)

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program	6,349,600	(1,129,000)	364,700	8,500
Elementary, Middle and Secondary Education	14,942,900	(62,900)	239,400	5,600
Higher Education and the Professions, Office of	4,327,400	394,300	63,200	(8,300)
Cultural Education	122,100	122,100	38,000	38,000
Total	25,742,000	(675,500)	705,300	43,800

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program	182,300	4,300	2,623,700	(1,471,700)
Elementary, Middle and Secondary Education	221,900	5,200	14,077,100	(83,200)
Higher Education and the Professions, Office of	63,200	(8,300)	4,137,800	419,200
Cultural Education	3,000	3,000	76,100	76,100
Total	470,400	4,200	20,914,700	(1,059,600)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Office of Management Services Program	1,276,300	29,900	1,902,600	300,000
Elementary, Middle and Secondary Education	404,500	9,500	0	0
Higher Education and the Professions, Office of	63,200	(8,300)	0	0
Cultural Education	5,000	5,000	0	0
Total	1,749,000	36,100	1,902,600	300,000

EDUCATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	42,333,800	(5,151,820)	21,309,900	23,380
Elementary, Middle and Secondary				
Education	139,995,400	6,285,000	59,292,100	2,486,000
School for the Blind	9,950,000	0	5,898,000	0
School for the Deaf	9,542,000	0	5,551,000	0
Higher Education and the Professions,				
Office of	63,220,000	1,200,000	31,787,600	437,000
Cultural Education	75,883,200	9,375,200	32,217,000	4,503,700
Vocational and Educational Services for				
Individuals with Disabilities	169,342,100	65,620	81,509,600	(23,580)
Total	<u>510,266,500</u>	<u>11,774,000</u>	<u>237,565,200</u>	<u>7,426,500</u>

Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change		
Office of Management Services Program	21,023,900	(5,175,200)	0	0
Elementary, Middle and Secondary				
Education	71,066,300	3,778,000	9,637,000	21,000
School for the Blind	4,052,000	0	0	0
School for the Deaf	3,991,000	0	0	0
Higher Education and the Professions,				
Office of	30,709,200	763,000	723,200	0
Cultural Education	42,475,200	4,866,200	1,191,000	5,300
Vocational and Educational Services for				
Individuals with Disabilities	77,695,800	89,200	10,136,700	0
Total	<u>251,013,400</u>	<u>4,321,200</u>	<u>21,687,900</u>	<u>26,300</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	17,895,862,279	19,090,094,100	1,194,231,821
Special Revenue Funds - Federal	3,773,030,000	3,844,834,000	71,804,000
Special Revenue Funds - Other	7,709,227,000	7,975,182,000	265,955,000
Total	<u>29,378,119,279</u>	<u>30,910,110,100</u>	<u>1,531,990,821</u>

Adjustments:			
Prior Year Deficiency			
Education Department, State			
General Fund	169,671,000		
Recommended Deficiency			
Education Department, State			
General Fund	(58,150,000)		
Appropriated 2007-08	<u>29,489,640,279</u>		

EDUCATION

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Office of Management Services Program			
Special Revenue Funds - Other	0	5,320,000	5,320,000
School Tax Relief			
Special Revenue Funds - Other	4,888,000,000	4,970,000,000	82,000,000
Elementary, Middle and Secondary Education			
General Fund	17,569,717,000	18,792,113,600	1,222,396,600
Special Revenue Funds - Federal	2,955,428,000	3,025,862,000	70,434,000
Special Revenue Funds - Other	2,795,265,000	2,973,000,000	177,735,000
Higher Education and the Professions, Office of			
General Fund	105,706,000	99,128,000	(6,578,000)
Special Revenue Funds - Other	0	1,000,000	1,000,000
Cultural Education			
General Fund	121,030,000	115,163,900	(5,866,100)
Special Revenue Funds - Federal	5,030,000	5,400,000	370,000
Special Revenue Funds - Other	13,150,000	13,150,000	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	85,188,600	83,688,600	(1,500,000)
Special Revenue Funds - Federal	812,572,000	813,572,000	1,000,000
Special Revenue Funds - Other	12,812,000	12,712,000	(100,000)
Community Projects			
General Fund	14,220,679	0	(14,220,679)
Total	<u>29,378,119,279</u>	<u>30,910,110,100</u>	<u>1,531,990,821</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Education Building				
Capital Projects Fund	0	2,000,000	2,000,000	2,066,000
Capital Projects Fund - Advances	0	0	0	100,000
School for the Blind				
Capital Projects Fund	0	2,330,000	2,330,000	1,275,000
Capital Projects Fund - Advances	0	0	0	200,000
School for the Deaf				
Capital Projects Fund	0	650,000	650,000	8,145,000
Schools For Native American Reservations				
Capital Projects Fund	0	0	0	942,000
Cultural Education Center				
Capital Projects Fund	0	9,075,000	9,075,000	4,609,000
Capital Projects Fund - Advances	0	0	0	2,310,000
Capital Projects Fund - Authority Bonds	0	27,585,000	27,585,000	0
Administration				
Capital Projects Fund	4,900,000	1,000,000	(3,900,000)	7,829,000
Library Construction				
Library Aid (Auth Bonds)	14,000,000	14,000,000	0	15,344,000
Public Broadcasting Facilities				
Capital Projects Fund - Authority Bonds	0	0	0	527,000
Cultural Education Storage Facility				
Cap Proj Fund - Cultrual Education Storage Facility	60,000,000	0	(60,000,000)	60,000,000
Total	<u>78,900,000</u>	<u>56,640,000</u>	<u>(22,260,000)</u>	<u>103,347,000</u>

OFFICE OF CHILDREN AND FAMILY SERVICES

MISSION

The Office of Children and Family Services (OCFS) was established in 1998 to strengthen services for and promote the well-being and safety of children and families.

ORGANIZATION AND STAFFING

The Office 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. By the end of 2008-09, OCFS will operate 28 residential facilities and eight day placement facilities statewide serving approximately 1,650 youth. The Office will end the 2008-09 fiscal year with a workforce of 3,862 positions.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.7 billion All Funds (\$2.09 billion General Fund; \$1.65 billion Other Funds)** for the Office of Children and Family Services. This is a net increase of **\$178.4 million (\$186.3 million General Fund increase; \$7.9 million Other Funds decrease)** from the 2007-08 Budget. This net change primarily reflects continued growth in child welfare services, the transfer of certain Office of Temporary and Disability Assistance (OTDA) appropriations to OCFS, the third year of the Human Services COLA, previously announced youth facility closings, and elimination of the 50 percent State share of local youth detention facility costs.

OCFS' staffing level for 2008-09 will be **3,862**, a **decrease of 243 annual salaried positions** from the 2007-08 Budget. This reduction reflects the net impact of closing seven youth facilities (-254), the redeployment of 23 current positions and the planned hiring of 12 additional staff to enhance educational and community reintegration services for youth, child welfare investigations and adult protective services, and the transfer of one position to the Department of Health to monitor the Adolescent Pregnancy Prevention and Services program.

Major Budget actions include:

- **Open-ended Funding for Child Welfare Services:** The centerpiece of the child welfare financing system is the provision of 65 percent State reimbursement for community-based preventive services that avert placement of children in foster care or juvenile justice facilities. State funding at the 65 percent level is also available for child protective services, aftercare services, independent living activities, and local administration costs related to adoptions. The Budget includes an increase of \$153.7 million in 2008-09, from \$465.6 million to \$619.3 million, to support local child welfare initiatives.
- **Enhanced Services for Children in Foster Care:** The Executive Budget includes \$10.2 million in General Fund support for the Bridges to Health Medicaid Waiver, which, by the end of 2008-09, will support 610 slots designed to enhance services to foster care children with multiple needs and prevent them from entering institutional care. Implementation of this program began in January 2008.

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- **Adoption Subsidies**: The Executive Budget includes \$226.8 million, an increase of \$17.2 million, for the State's share of subsidies provided to families that adopt children with special needs. These funds will support approximately 48,000 children in adoptive homes and include a cost of living adjustment (COLA) for adoptive parents.
- **Foster Care Block Grant**: The \$444.9 million Foster Care Block Grant provides counties with a clear incentive to reduce the number of children in foster care. Under the Block Grant, savings that result from reduced use of foster care can be reinvested in locally-designed child welfare initiatives that strengthen preventive services or better serve high-needs children. The Executive Budget includes an \$18.7 million increase in the Foster Care Block Grant to support a COLA for foster care workers and parents. The Executive Budget also provides districts with the ability to draw down increased Federal revenue for children in foster care through access to wage reporting data. A portion of savings associated with the anticipated Federal revenue is recouped for General Fund savings.
- **Temporary Assistance for Needy Families (TANF) Support to Local Social Services Districts**: Local districts will continue to receive up to \$35 million for summer youth employment, \$3 million for non-residential services to victims of domestic violence and \$1.01 billion for the Flexible Fund for Family Services. The Flexible Fund will continue to give local districts the discretion to use their TANF resources for child welfare and child care services, as well as any other TANF allowable purposes.
- **Transparency in Funding**: Programs historically funded within OTDA with Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars, but administered by other agencies, will be transferred to the administering agency and will be supported by the General Fund. This action will result in \$71.45 million in appropriation authority transferring from OTDA to OCFS and will increase transparency, eliminate unnecessary administrative steps, and expedite the distribution of funds. Additionally, the Adolescent Pregnancy Prevention and Services program that was previously funded in TANF and administered by OCFS will be transferred to the Department of Health (DOH) to better coordinate the State's pregnancy prevention programs.
- **Child Care Funding**: The Child Care Block Grant, comprised of Federal, State, local and one-time prior year funds, will total \$540 million in 2008-09. In addition to this amount, districts will maintain the option of using the Flexible Fund for Family Services to support their child care program. These funding sources, in combination with prior year resources, will allow districts to maintain current subsidy levels in the face of increased market rates.
- **Right-Size Youth Facility Capacity**: The 2008-09 Executive Budget reflects \$2.6 million in net savings, growing to \$12.1 million in 2009-10, from the previously announced closures and downsizings of OCFS facilities. These net savings reflect a partial reinvestment into community-based and other youth services. A total of seven facilities will be closed, including one closure by mid-May 2008 and six closures and one downsizing by mid-January 2009. These actions are consistent with a significant decline in the population at OCFS' non-secure facilities that has led to a 50 percent utilization rate and more than 200 vacant non-secure beds. In May 2008, the Cass non-secure facility, which has not provided direct services to children since January 2007, will be closed and then converted to a training center for the Department of Parks, Recreation and Historic

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Preservation. The January 2009 actions will include the closure of the Brace, Great Valley, and Auburn non-secure centers. The two Adirondack non-secure centers will be merged into one facility at a reduced capacity. The Pyramid reception center in the Bronx will be closed and its function relocated elsewhere in New York City, and a community residential home in Gloversville that has been vacant for more than a year will also be closed. The Lansing non-secure facility will be downsized consistent with its declining population.

These actions will reduce OCFS facility jobs by 254 annual salaried positions, of which 238 were filled as of December 2007. All annual salaried staff will be offered comparable jobs at another OCFS facility or State agency.

- **Enhance Community-Based Alternatives:** A total of \$863,000 in savings from the facility closures will be reinvested in alternative community-based programs that divert youth from facility placement and shorten the length of time a youth spends at a facility. Funding for these initiatives will grow from \$12.9 million in 2007-08 to \$14 million in 2008-09.
- **Juvenile Justice Staff:** By redeploying its existing staff resources and using a portion of its facility closure savings, OCFS will hire 25 new staff in 2008-09 to help improve outcomes for youth involved in the juvenile justice system. These positions will include additional teachers at youth facilities and aftercare workers for community service teams that work with youth released from a facility.
- **Local Detention Costs:** Counties and New York City will become responsible for 100 percent of the costs to operate their local detention facilities, an increase from their current 50 percent share. This should encourage the use of less costly community-based program options for non-violent youth who do not require confinement while their case is pending in Family Court.
- **Information Technology:** The Executive Budget includes \$112 million in State, Federal, and capital funding to operate and continue development of agency computer systems. This includes \$17 million in bond financing for the modernization of CONNECTIONS, the State's child welfare information system. The current outdated CONNECTIONS infrastructure is fragile, inflexible and difficult to use for both case workers and local governments. Modernization will make the system more agile and user friendly, thereby easing administrative burdens and permitting case workers to spend more time with clients. CONNECTIONS modernization will be coordinated with systems development in other human services agencies to maximize service delivery and reduce costs.

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 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; and prepare teens for independent living.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. 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.

CHILDREN AND FAMILY SERVICES

CHILD CARE

The Office's Child Care Block Grant supports child care subsidies for public assistance and low-income families. Subsidized child care is guaranteed for public assistance recipients with children up to age 13 when such care is required for the parent/guardian to engage in work activities. Families transitioning from welfare to work are guaranteed subsidized child care for up to 12 months after leaving public assistance. The State also provides subsidized child care to families at risk of becoming dependent on public assistance.

YOUTH FACILITIES

The Office of Children and Family Services operates a Youth Facilities Program which, by the end of 2008-09, will include 28 residential facilities and eight day-placement centers serving youth placed by the Family Courts or directed by the Criminal Courts. Through a broad array of programs, the Office provides rehabilitative services that include counseling, mental health, substance abuse, sex offender and education and vocational training designed to promote positive youth development and foster a youth's return to the community as a law-abiding, productive citizen. The Office also provides funding to counties, municipalities and community-based, not-for-profit agencies for the provision of youth development and delinquency prevention programs.

CHILD ABUSE HOTLINE

The Office operates the State Central Register Child Abuse Hotline which is expected to receive approximately 360,000 calls reporting alleged child maltreatment or abuse in 2008-09. The State initiates investigations of these allegations, which are conducted by county protective services staff and/or local law enforcement agencies. 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 child abuse.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	506,038,000	511,648,000	5,610,000	341,436,233
Aid To Localities	3,008,935,460	3,181,666,000	172,730,540	2,628,699,000
Capital Projects	38,460,000	38,488,000	28,000	128,550,000
Total	<u>3,553,433,460</u>	<u>3,731,802,000</u>	<u>178,368,540</u>	<u>3,098,685,233</u>

CHILDREN AND FAMILY SERVICES

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

Full-Time Equivalent Positions (FTE)			
Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Central Administration			
General Fund	353	353	0
Special Revenue Funds - Federal	6	2	(4)
Special Revenue Funds - Other	85	84	(1)
Child Care			
Special Revenue Funds - Federal	234	234	0
Commission for the Blind and Visually Handicapped			
General Fund	11	11	0
Special Revenue Funds - Federal	167	167	0
Special Revenue Funds - Other	1	1	0
Family and Children Services			
General Fund	456	474	18
Special Revenue Funds - Federal	62	58	(4)
Special Revenue Funds - Other	2	2	0
Maintenance & Improvement of Youth Facilities			
Capital Projects Funds - Other	7	7	0
Systems Support			
General Fund	192	192	0
Training and Development			
Special Revenue Funds - Other	62	62	0
Youth Facilities			
General Fund	2,467	2,215	(252)
Total	4,105	3,862	(243)

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	258,992,000	275,101,000	16,109,000
Special Revenue Funds - Federal	132,239,000	130,421,000	(1,818,000)
Special Revenue Funds - Other	114,232,000	105,551,000	(8,681,000)
Enterprise Funds	475,000	475,000	0
Internal Service Funds	100,000	100,000	0
Total	506,038,000	511,648,000	5,610,000

Adjustments:
 Transfer(s) From
 Children and Family Services Office of
 General Fund (Aid To Localities) (285,000)
 Appropriated 2007-08 505,753,000

CHILDREN AND FAMILY SERVICES

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Central Administration			
General Fund	32,506,000	32,029,000	(477,000)
Special Revenue Funds - Federal	528,000	528,000	0
Special Revenue Funds - Other	12,126,000	13,526,000	1,400,000
Internal Service Funds	100,000	100,000	0
Child Care			
Special Revenue Funds - Federal	48,094,000	45,356,000	(2,738,000)
Commission for the Blind and Visually Handicapped			
General Fund	8,463,000	8,700,000	237,000
Special Revenue Funds - Federal	30,670,000	31,590,000	920,000
Special Revenue Funds - Other	1,905,000	1,905,000	0
Departmental Administrative Reimbursement			
General Fund	(29,043,000)	(19,978,000)	9,065,000
Special Revenue Funds - Other	35,543,000	26,478,000	(9,065,000)
Family and Children Services			
General Fund	34,996,000	38,378,000	3,382,000
Special Revenue Funds - Federal	22,354,000	22,354,000	0
Special Revenue Funds - Other	2,207,000	1,191,000	(1,016,000)
Systems Support			
General Fund	46,167,000	50,570,000	4,403,000
Special Revenue Funds - Federal	30,593,000	30,593,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Training and Development			
General Fund	7,377,000	7,377,000	0
Special Revenue Funds - Other	52,451,000	52,451,000	0
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	158,526,000	158,025,000	(501,000)
Enterprise Funds	275,000	275,000	0
Total	<u>506,038,000</u>	<u>511,648,000</u>	<u>5,610,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Administration	22,779,000	(537,000)	21,325,000	(537,000)
Commission for the Blind and Visually Handicapped	1,711,000	50,000	1,696,000	49,000
Departmental Administrative Reimbursement	(19,978,000)	9,065,000	(19,978,000)	9,065,000
Family and Children Services	27,941,000	2,724,231	26,885,000	2,710,231
Systems Support	12,818,000	(1,544,000)	12,620,000	(1,559,000)
Youth Facilities	121,806,000	(1,039,000)	109,421,000	(1,466,600)
Total	<u>167,077,000</u>	<u>8,719,231</u>	<u>151,969,000</u>	<u>8,261,631</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Administration	1,201,000	0	253,000	0
Commission for the Blind and Visually Handicapped	0	0	15,000	1,000
Departmental Administrative Reimbursement	0	0	0	0
Family and Children Services	0	0	1,056,000	14,000
Systems Support	0	0	198,000	15,000
Youth Facilities	6,248,000	333,200	6,137,000	94,400
Total	<u>7,449,000</u>	<u>333,200</u>	<u>7,659,000</u>	<u>124,400</u>

CHILDREN AND FAMILY SERVICES

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Administration	9,250,000	60,000	960,000	26,000
Commission for the Blind and Visually Handicapped	6,989,000	187,000	10,000	2,000
Family and Children Services	10,437,000	657,769	738,000	16,978
Systems Support	37,752,000	5,947,000	358,000	27,000
Training and Development	7,377,000	0	0	0
Youth Facilities	36,219,000	538,000	9,957,000	208,300
Total	108,024,000	7,389,769	12,023,000	280,278

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Administration	380,000	(5,000)	6,042,000	(334,000)
Commission for the Blind and Visually Handicapped	0	0	6,979,000	185,000
Family and Children Services	423,000	17,945	9,085,000	572,154
Systems Support	162,000	20,000	36,053,000	5,742,000
Training and Development	0	0	7,377,000	0
Youth Facilities	576,000	147,700	17,733,000	19,700
Total	1,541,000	180,645	83,269,000	6,184,854

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	1,868,000	373,000	0	0
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	191,000	50,692	0	0
Systems Support	1,179,000	158,000	0	0
Training and Development	0	0	0	0
Youth Facilities	816,000	11,300	7,137,000	151,000
Total	4,054,000	592,992	7,137,000	151,000

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Administration	14,154,000	1,400,000	5,030,000	0
Child Care	45,356,000	(2,738,000)	0	0
Commission for the Blind and Visually Handicapped	33,495,000	920,000	39,000	0
Departmental Administrative Reimbursement	26,478,000	(9,065,000)	19,978,000	(9,065,000)
Family and Children Services	23,545,000	(1,016,000)	96,000	(399,000)
Systems Support	40,593,000	0	0	0
Training and Development	52,651,000	0	5,000,000	500,000
Youth Facilities	275,000	0	0	0
Total	236,547,000	(10,499,000)	30,143,000	(8,964,000)

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Administration	8,596,000	1,400,000	528,000	0
Child Care	0	0	45,356,000	(2,738,000)
Commission for the Blind and Visually Handicapped	1,866,000	0	31,590,000	920,000
Departmental Administrative Reimbursement	6,500,000	0	0	0
Family and Children Services	10,148,000	(617,000)	13,301,000	0
Systems Support	0	0	40,593,000	0
Training and Development	47,451,000	(500,000)	200,000	0
Youth Facilities	275,000	0	0	0
Total	74,836,000	283,000	131,568,000	(1,818,000)

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

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
General Fund	1,639,880,460	1,810,023,000	170,142,540
Special Revenue Funds - Federal	1,350,025,000	1,352,763,000	2,738,000
Special Revenue Funds - Other	19,030,000	18,880,000	(150,000)
Total	3,008,935,460	3,181,666,000	172,730,540

Adjustments:	
Transfer(s) To	
Children and Family Services Office of	
General Fund (State Operations)	285,000
Appropriated 2007-08	<u>3,009,220,460</u>

CHILDREN AND FAMILY SERVICES

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

Program	Available 2007-08	Recommended 2008-09	Change
Child Care			
General Fund	146,198,000	140,166,000	(6,032,000)
Special Revenue Funds - Federal	311,906,000	314,644,000	2,738,000
Special Revenue Funds - Other	500,000	350,000	(150,000)
Family and Children Services			
General Fund	1,467,623,000	1,664,857,000	197,234,000
Special Revenue Funds - Federal	1,018,900,000	1,018,900,000	0
Special Revenue Funds - Other	18,530,000	18,530,000	0
Training and Development			
General Fund	5,000,000	5,000,000	0
Special Revenue Funds - Federal	19,219,000	19,219,000	0
Community Projects			
General Fund	21,059,460	0	(21,059,460)
Total	<u>3,008,935,460</u>	<u>3,181,666,000</u>	<u>172,730,540</u>

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

Comprehensive Construction Program	Available 2007-08	Recommended 2008-09	Change	Reappropriations 2008-09
Design and Construction Supervision				
Youth Facilities Improvement Fund	7,000,000	7,000,000	0	11,693,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	1,825,000	1,825,000	0	7,074,000
Youth Facilities Improvement Fund	15,795,000	15,823,000	28,000	72,051,000
Executive Direction and Administrative Services				
Misc. Capital Projects	0	0	0	2,720,000
Program Improvement or Program Change				
Youth Facilities Improvement Fund	13,840,000	13,840,000	0	29,674,000
Youth Center				
Capital Projects Fund	0	0	0	5,338,000
Total	<u>38,460,000</u>	<u>38,488,000</u>	<u>28,000</u>	<u>128,550,000</u>

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

MISSION

The Office of Temporary and Disability Assistance (OTDA), working in close collaboration with the Office of Children and Family Services and other agencies, helps needy adults and families achieve economic self-sufficiency through work, job training and child support enforcement. OTDA provides economic assistance to aged and disabled persons who are unable to work, transitional support to welfare recipients while they are working toward self-sufficiency, and supportive services to low-income households to help them avoid welfare dependency.

ORGANIZATION AND STAFFING

The Office of Temporary and Disability Assistance has its central office in Albany and three major field offices throughout the State. These offices provide direct operational support, supervision and guidance to the State's 58 local social services districts, which comprise each county and New York City. Social services districts are responsible for directly administering most welfare programs, including those that serve the homeless and refugees.

Agency staff also provide legal, audit and computer systems support. Through its Disability Determinations Program, the Agency evaluates the medical eligibility of disability claimants for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$5.0 billion All Funds (\$1.3 billion General Fund; \$3.7 billion Other Funds)** for OTDA. This is a decrease of **\$244 million (\$183 million General Fund; \$61 million Other Funds)** from the 2007-08 Budget. This net change primarily reflects the transfer of funding for non-OTDA programs from OTDA to the budgets of administering agencies; an increase in the county share of public assistance costs; and other adjustments.

The Office's workforce will remain unchanged at **2,305** positions in 2008-09. Approximately 660 of these positions are paid by State tax dollars from the General Fund with partial Federal reimbursement and 1,299 are funded directly by Federal grants. The remaining 346 positions are supported by various special revenues.

Major Budget actions include:

- **Child Support:** The amount of child support collections passed through to custodial parents receiving public assistance will increase from a maximum of \$50 to \$100 per month.
- **Supportive Housing:** The amount of funding for OTDA's Single Room Occupancy Program will reach \$21.3 million in 2008-09, a \$1.4 million increase from 2007-08. This increase will fund supportive services for new housing units expected to come online in 2008-09.

TEMPORARY AND DISABILITY ASSISTANCE

- **Cost of Living Adjustment (COLA) to the SSI State Supplement:** Legislation enacted in 2006 provided an annual State COLA for SSI recipients residing in Congregate Care Level III facilities. The 2008-09 Executive Budget includes \$3 million to fund the 2008 COLA.
- **Performance Reporting:** The 2007-08 Enacted Budget required performance reporting for a number of OTDA initiatives. The 2008-09 Executive Budget will expand this requirement to additional programs to assist OTDA in analyzing the effectiveness of current programs and implementing cost-effective program changes. Expanded performance data will be available on the agency's public website.
- **Transparency in Funding:** Programs historically funded within OTDA with Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars, but administered by other agencies, will be transferred to the administering agency and will be funded from the General Fund. This action, which will involve the transfer of \$112 million in appropriation authority out of OTDA and into the budgets of the administering agencies, will increase transparency, eliminate unnecessary administrative steps, and expedite the distribution of funds.
- **Public Assistance Costs:** The gross cost of public assistance benefits is approximately \$2 billion a year, of which approximately 60 percent is reimbursed with Federal and State funds, with the remainder paid by local governments. The 2008-09 Executive Budget will require New York City and counties to pay 2 percent more of all public assistance costs. In the case of families who have been on assistance for less than five years, the local share will increase to 27 percent. In the case of single adults and families on welfare for more than 5 years, the adjusted local share will be 52 percent. This proposal, which will generate \$40.5 million in State savings in 2008-09, should encourage counties to focus on those public assistance recipients, 111,000 in total, who they have deemed unable to work, to ensure they are either provided with the supportive services they need to make the successful transition from public assistance to self-sufficiency or that they receive the appropriate government support for any long term disabilities. In addition, the Executive Budget will apply more stringent work requirements for county attainment of a work incentive bonus initiated by the State to encourage counties to place more of their public assistance recipients in work activities.

PROGRAM HIGHLIGHTS

The welfare system in New York State is designed to provide temporary income and transitional support services while recipients secure employment and child support payments. The system promotes individual responsibility and provides social services districts with the flexibility 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 assisting individuals in achieving independence from publicly-supported welfare programs.

Since 1994, over 1.1 million recipients have left the welfare rolls, which represents a decline of 68 percent. In addition to generating significant State and local government savings, this caseload decrease has allowed the State to use the TANF Block Grant to fund supportive services that encourage employment. The programs funded include the Earned Income Tax Credit (EITC), child care, and transportation services.

TEMPORARY AND DISABILITY ASSISTANCE

OTDA's programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households. The Executive Budget continues the Strengthening Families through Stronger Fathers initiative to encourage employment and related activities for low-income, non-custodial parents.

FAMILY ASSISTANCE

The Family Assistance program, which is financed jointly by the State, Federal government, and local districts, provides employment assessments, support services and time-limited cash assistance to eligible families with children.

All Family Assistance participants must undergo an assessment of their employability, skills and training needs and, unless determined to be exempt, must participate in assigned work activities to remain eligible for cash benefits. Federal law mandates a 50 percent work participation rate for all Family Assistance cases, which can be offset by a state's reduction in public assistance caseloads. Federal financial participation in cash benefits for Family Assistance participants is limited to a cumulative period of five years. If the Family Assistance household is unable to transition off cash assistance during this period, the family typically moves to the Safety Net Assistance program, which is financed jointly by the State and local districts.

New York's welfare program 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 drug or alcohol abuse. If a participant is unable to work because of such circumstances, he or she is referred to an appropriate treatment program. 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 services they may access on a voluntary basis. Districts waive application of welfare program rules, including but not limited to child support cooperation and work requirements, if the district determines that these provisions would cause further risk or make it more difficult for the person to escape domestic violence.

SAFETY NET ASSISTANCE PROGRAM

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

Safety Net Assistance participants are single adults and childless couples; families that have exhausted their five-year limit on Family Assistance; 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 Assistance program provides employment services such as job search and work training. Unless prevented from doing so by a physical or mental disability, Safety Net Assistance participants must engage in assigned work activities to receive assistance.

TEMPORARY AND DISABILITY ASSISTANCE

SUPPORTIVE SERVICE PROGRAMS

Activities undertaken since welfare reform have strengthened child support enforcement to ensure that parents provide for the economic well-being of their children. Improvements include automated updating of child support awards to reflect inflation; improved customer services through website access of account information; interstate reciprocity in child support proceedings; and administrative authority for social services districts to order genetic tests, subpoena information and collect relevant data from Federal, State and local agencies. The Executive Budget continues to re-invest Federal incentive bonuses in child support initiatives to strengthen performance in “hard-to-collect” cases, and continue State-local partnerships to increase criminal prosecution of parents who refuse to pay child support. These measures will help to increase total child support collections to a projected level of \$1.66 billion in 2008.

The Federal Supplemental Security Income (SSI) program provides cash assistance to the aged, blind, and disabled, and is administered by the Social Security Administration. New York State has chosen to provide additional financial support to its SSI recipients. The State’s SSI supplement is one of the most generous in the nation. The cost of the SSI supplement is projected to be \$680 million in 2008-09 to cover approximately 652,000 recipients.

The Federal Food Stamp Program provides low-income households with an electronic benefit card that can be used as cash to purchase food. New York receives \$2.3 billion per year in Federal Food Stamp benefits, with eligible households receiving an average monthly benefit of \$202.

The 2008-09 Executive Budget provides a total of \$1.05 billion in TANF-supported allocations to counties and New York City, including \$3 million for non-residential services to victims of domestic violence, up to \$35 million for the Summer Youth Employment Program and \$1.01 billion for the Flexible Fund for Family Services. The Flexible Fund for Family Services gives counties more discretion and responsibility in determining where their TANF funding should be directed.

The 2008-09 Executive Budget also continues funding for the State’s transitional and emergency shelter system and supportive housing efforts, which assist homeless individuals and families in achieving self-sufficiency by strengthening their independent living skills and helping them acquire permanent housing.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	456,347,000	477,097,000	20,750,000	278,000,000
Aid To Localities	4,737,101,000	4,472,549,000	(264,552,000)	4,057,656,300
Capital Projects	30,000,000	30,000,000	0	113,795,000
Total	5,223,448,000	4,979,646,000	(243,802,000)	4,449,451,300

TEMPORARY AND DISABILITY ASSISTANCE

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

Program	Full-Time Equivalent Positions (FTE)		
	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
General Fund	201	203	2
Special Revenue Funds - Federal	65	65	0
Special Revenue Funds - Other	79	79	0
Internal Service Funds	4	4	0
Child Well Being Program			
Special Revenue Funds - Other	74	74	0
Disability Determinations Program			
Special Revenue Funds - Federal	993	993	0
Special Revenue Funds - Other	105	105	0
Employment and Economic Support Program			
General Fund	40	43	3
Special Revenue Funds - Federal	178	178	0
Special Revenue Funds - Other	27	27	0
Executive Direction			
General Fund	16	16	0
Information Technology Program			
General Fund	102	101	(1)
Special Revenue Funds - Federal	40	40	0
Special Revenue Funds - Other	45	45	0
Legal Affairs			
General Fund	270	270	0
Specialized Services Program			
General Fund	31	27	(4)
Special Revenue Funds - Federal	23	23	0
Special Revenue Funds - Other	12	12	0
Total	2,305	2,305	0

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	68,107,000	63,517,000	(4,590,000)
Special Revenue Funds - Federal	217,800,000	244,946,000	27,146,000
Special Revenue Funds - Other	169,240,000	167,434,000	(1,806,000)
Internal Service Funds	1,200,000	1,200,000	0
Total	456,347,000	477,097,000	20,750,000

TEMPORARY AND DISABILITY ASSISTANCE

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Administration			
General Fund	25,602,000	13,467,000	(12,135,000)
Special Revenue Funds - Federal	9,000,000	9,000,000	0
Special Revenue Funds - Other	24,540,000	36,025,000	11,485,000
Internal Service Funds	1,200,000	1,200,000	0
Child Well Being Program			
General Fund	0	2,500,000	2,500,000
Special Revenue Funds - Federal	3,800,000	12,046,000	8,246,000
Special Revenue Funds - Other	30,000,000	30,000,000	0
Departmental Administrative Reimbursement			
General Fund	(81,500,000)	0	81,500,000
Special Revenue Funds - Other	85,000,000	0	(85,000,000)
Disability Determinations Program			
Special Revenue Funds - Federal	168,000,000	164,000,000	(4,000,000)
Special Revenue Funds - Other	9,600,000	10,600,000	1,000,000
Employment and Economic Support Program			
General Fund	7,625,000	4,669,000	(2,956,000)
Special Revenue Funds - Federal	5,000,000	21,400,000	16,400,000
Special Revenue Funds - Other	4,000,000	7,109,000	3,109,000
Executive Direction			
General Fund	1,815,000	608,000	(1,207,000)
Special Revenue Funds - Other	0	1,200,000	1,200,000
Information Technology Program			
General Fund	89,784,000	30,756,000	(59,028,000)
Special Revenue Funds - Federal	31,500,000	35,000,000	3,500,000
Special Revenue Funds - Other	14,600,000	69,000,000	54,400,000
Legal Affairs			
General Fund	22,123,000	10,541,000	(11,582,000)
Special Revenue Funds - Other	0	11,000,000	11,000,000
Specialized Services Program			
General Fund	2,658,000	976,000	(1,682,000)
Special Revenue Funds - Federal	500,000	3,500,000	3,000,000
Special Revenue Funds - Other	1,500,000	2,500,000	1,000,000
Total	<u>456,347,000</u>	<u>477,097,000</u>	<u>20,750,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	1,491,000	(13,303,000)	1,336,000	(13,423,500)
Child Well Being Program	300,000	300,000	300,000	300,000
Departmental Administrative Reimbursement	0	35,500,000	0	35,500,000
Employment and Economic Support Program	1,638,000	(3,956,000)	1,556,000	(3,958,000)
Executive Direction	303,000	(1,207,000)	235,000	(1,194,400)
Information Technology Program	1,139,000	(7,294,000)	1,139,000	(7,294,000)
Legal Affairs	7,003,000	(11,582,000)	6,589,000	(11,635,400)
Specialized Services Program	733,000	(1,682,000)	687,000	(1,690,000)
Total	<u>12,607,000</u>	<u>(3,224,000)</u>	<u>11,842,000</u>	<u>(3,395,300)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	120,000	120,000	35,000	500
Child Well Being Program	0	0	0	0
Departmental Administrative Reimbursement	0	0	0	0
Employment and Economic Support Program	0	0	82,000	2,000
Executive Direction	65,000	(15,600)	3,000	3,000
Information Technology Program	0	0	0	0
Legal Affairs	29,000	(6,300)	385,000	59,700
Specialized Services Program	0	0	46,000	8,000
Total	<u>214,000</u>	<u>98,100</u>	<u>551,000</u>	<u>73,200</u>

TEMPORARY AND DISABILITY ASSISTANCE

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	11,976,000	668,000	110,000	(44,300)
Child Well Being Program	2,200,000	2,200,000	0	0
Departmental Administrative Reimbursement	0	46,000,000	0	0
Employment and Economic Support Program	3,031,000	1,000,000	27,000	(3,000)
Executive Direction	305,000	0	24,000	(8,900)
Information Technology Program	29,617,000	(51,734,000)	37,900	(1,000)
Legal Affairs	3,538,000	0	160,000	21,500
Specialized Services Program	243,000	0	21,000	(14,100)
Total	<u>50,910,000</u>	<u>(1,866,000)</u>	<u>379,900</u>	<u>(49,800)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	290,000	31,900	11,226,000	702,100
Child Well Being Program	0	0	2,200,000	2,200,000
Departmental Administrative Reimbursement	0	0	0	46,000,000
Employment and Economic Support Program	147,000	68,000	2,833,000	931,000
Executive Direction	35,000	(14,500)	225,000	14,400
Information Technology Program	36,700	2,000	6,598,400	(5,733,000)
Legal Affairs	198,000	42,300	2,603,000	(49,800)
Specialized Services Program	107,000	14,100	106,000	(300)
Total	<u>813,700</u>	<u>143,800</u>	<u>25,791,400</u>	<u>44,064,400</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	350,000	(21,700)	0	0
Child Well Being Program	0	0	0	0
Departmental Administrative Reimbursement	0	0	0	0
Employment and Economic Support Program	24,000	4,000	0	0
Executive Direction	21,000	9,000	0	0
Information Technology Program	70,000	(2,000)	22,874,000	(46,000,000)
Legal Affairs	577,000	(14,000)	0	0
Specialized Services Program	9,000	300	0	0
Total	<u>1,051,000</u>	<u>(24,400)</u>	<u>22,874,000</u>	<u>(46,000,000)</u>

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	46,225,000	11,485,000	23,340,000	10,420,000
Child Well Being Program	42,046,000	8,246,000	7,944,000	538,000
Departmental Administrative Reimbursement	0	(85,000,000)	0	(36,330,000)
Disability Determinations Program	174,600,000	(3,000,000)	78,050,000	(400,000)
Employment and Economic Support Program	28,509,000	19,509,000	16,247,000	13,747,000
Executive Direction	1,200,000	1,200,000	1,200,000	1,200,000
Information Technology Program	104,000,000	57,900,000	8,038,000	6,830,000
Legal Affairs	11,000,000	11,000,000	11,000,000	11,000,000
Specialized Services Program	6,000,000	4,000,000	3,743,000	2,408,000
Total	<u>413,580,000</u>	<u>25,340,000</u>	<u>149,562,000</u>	<u>9,413,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	22,885,000	1,065,000	0	0
Child Well Being Program	34,102,000	7,708,000	0	0
Departmental Administrative Reimbursement	0	(48,670,000)	0	0
Disability Determinations Program	96,550,000	(2,600,000)	0	0
Employment and Economic Support Program	12,262,000	5,762,000	0	0
Executive Direction	0	0	0	0
Information Technology Program	60,962,000	47,570,000	35,000,000	3,500,000
Legal Affairs	0	0	0	0
Specialized Services Program	2,257,000	1,592,000	0	0
Total	<u>229,018,000</u>	<u>12,427,000</u>	<u>35,000,000</u>	<u>3,500,000</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	1,422,832,000	1,244,181,000	(178,651,000)
Special Revenue Funds - Federal	3,277,930,000	3,200,432,000	(77,498,000)
Special Revenue Funds - Other	16,339,000	17,936,000	1,597,000
Fiduciary Funds	20,000,000	10,000,000	(10,000,000)
Total	<u>4,737,101,000</u>	<u>4,472,549,000</u>	<u>(264,552,000)</u>

TEMPORARY AND DISABILITY ASSISTANCE

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Child Well Being Program			
General Fund	34,000,000	34,500,000	500,000
Special Revenue Funds - Federal	108,000,000	102,000,000	(6,000,000)
Employment and Economic Support Administration Program			
General Fund	349,755,000	346,542,000	(3,213,000)
Employment and Economic Support Program			
General Fund	913,227,000	736,439,000	(176,788,000)
Special Revenue Funds - Federal	2,762,505,000	2,659,732,000	(102,773,000)
Fiduciary Funds	20,000,000	10,000,000	(10,000,000)
Food Stamp Administration Program			
Special Revenue Funds - Federal	364,000,000	406,275,000	42,275,000
Special Revenue Funds - Other	6,339,000	7,936,000	1,597,000
Specialized Services Program			
General Fund	125,850,000	126,700,000	850,000
Special Revenue Funds - Federal	43,425,000	32,425,000	(11,000,000)
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>4,737,101,000</u>	<u>4,472,549,000</u>	<u>(264,552,000)</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Supported Housing Program				
Housing Program Fund	30,000,000	30,000,000	0	113,795,000
Total	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>	<u>113,795,000</u>

HIGHER EDUCATION SERVICES CORPORATION

MISSION

The Higher Education Services Corporation (HESC) 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, 10 of whom are appointed by the Governor to 6-year terms. The 10 gubernatorial appointees include two student representatives, a representative of the general public, a college financial aid administrator, a chief executive officer of a degree-granting proprietary institution, two presidents of independent institutions, one chief executive officer of a non-degree 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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$988.5 million (\$821.8 million General Fund, \$166.7 million Other Funds)** in support of the Corporation. This reflects a net decrease of **\$68.6 million (a \$103.1 million General Fund decrease and a \$34.5 million Other Funds increase)** from the 2007-08 budget. This decrease primarily reflects the continued implementation of prior-year Tuition Assistance Program (TAP) eligibility reforms, such as increased minimum academic standards and more stringent requirements related to the use of the Ability to Benefit (ATB) test, as well as 2008-09 savings and revenue actions highlighted below.

The Executive Budget recommends a staffing level of **700 FTEs** for the Corporation, unchanged from 2007-08 staffing levels. Virtually all employees are paid through funds received for the administration of Federal student loans. Agency administrative operations are located in Albany.

Major budget actions include:

- **Veterans' Tuition Coverage Program**: The 2008-09 Executive Budget includes \$2 million to provide all returning combat veterans who served in the Vietnam, Afghanistan or Persian Gulf conflicts with a tuition benefit in the amount of up to the full cost of SUNY tuition (\$4,350) to be used at any college or university in New York State. This will expand upon the benefits already available through the existing Veterans' Tuition Assistance program, which provides awards up to

HIGHER EDUCATION SERVICES

\$2,000, and the Recruitment Incentive and Retention Program, which provides some active National Guard members and Guard Members who have been deployed with the equivalent of full SUNY tuition at New York State colleges and universities.

- **Challenge Grant Program:** This new federal program awards matching grants to organizations to increase the number of eligible students from underserved populations who enter and complete college. Organizations that receive these funds must provide need-based grants to eligible students. It is expected that HESC will receive a grant of up to \$7.0 million for the 2008-09 academic year.
- **Default Collection Collaboration with the U.S. Department of Education:** The Corporation and the U.S. Department of Education (DOE) will collaborate to collect on defaulted Federal FFELP and Direct loans. The Executive Budget authorizes the New York State Department of Taxation and Finance to provide HESC with certain information for educational loan borrowers to enable this collaboration. Revenues generated by this initiative will be used to support TAP program expenditures.
- **Default Parity:** Currently, students in default on Federal loans guaranteed by the Corporation are ineligible to receive TAP payments, but students in default on Federal loans guaranteed by organizations other than the Corporation retain TAP eligibility. The 2008-09 Executive Budget provides that all students in default on Federal loans would be ineligible for TAP awards, regardless of guarantor. This measure is expected to produce savings of \$2.6 million in 2008-09.
- **Federal Default Fee:** The Executive Budget assumes that the Corporation will no longer cover a federally mandated student loan default fee on loans that it guarantees. The fee is assessed to borrowers, and is equivalent to one percent of the loan amount. In 2008-09, this action will reduce the Corporation's costs by \$26.6 million, which will be used to support TAP program expenditures.

PROGRAM HIGHLIGHTS

STATE OPERATIONS

HESC has made it easier for students to secure college loans by allowing them to apply on-line for loans and electronically sign promissory notes. The Corporation will continue to improve its operational efficiency in 2008-09 through increased reliance on technology and streamlined administrative practices. Colleges and lenders are now able to conduct all loan transactions on-line. During the 2008-09 academic year, the Corporation will launch its new website, New York State Marketplace. This portal will facilitate choice, competition and transparency for all government and private student loan products by providing students and their families with access to a broad spectrum of lending and guarantee information.

In addition to a renewed emphasis on providing comprehensive services to its clientele, the Corporation continues to develop partnerships with other student loan guaranty agencies and the Federal government to reduce costs, improve services and increase responsiveness through shared development efforts.

The Corporation will also continue to coordinate the State's participation in the Federal GEAR-UP program in 2008-09. The Corporation was awarded its second, six-year Federal GEAR-UP grant in the amount of \$21 million in 2006. This program provides early college preparation and guidance services to low-income individuals.

FEDERAL LOAN GUARANTEE PROGRAM

The largest part of the Corporation's operational responsibility is the administration of the Federal Family Education Loan program (FFELP). Under this program, the Corporation guarantees over \$21.2 billion in outstanding loans made by banks to students. When banks are unable to collect student loan repayments, the Corporation intervenes to avert default. If these default aversion efforts are unsuccessful, the Corporation purchases the defaulted loans from banks and steps are taken to bring such defaulted loans into repayment. In addition, the Corporation provides customer services for lenders, schools and students. This includes 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:

- \$4.6 billion in new guaranteed loans in 2006-07;
- Processing of student loans for over 655,000 borrowers; and
- Defaulted loan collections of \$418 million and defaulted loan purchases of \$409 million in 2006-07.

FINANCIAL AID PROGRAMS

The Corporation's responsibilities related to the administration of State financial aid programs include processing student applications, 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: New York leads the nation in funding for needs-based student financial aid, and \$796.4 million in State Operating Funds will be provided to both full- and part-time (TAP) recipients in all sectors of higher education with an additional \$12.9 million in federal funding in support of tuition assistance;
- Aid for Part-Time Study: \$14.6 million will be available to over 22,000 part-time students in all sectors of higher education; and
- Scholarships and Fellowships: \$42.4 million will be provided for various scholarships, fellowships, and loan forgiveness programs including the American Airlines Flight 587 Memorial Scholarships, the World Trade Center Memorial Scholarships, the New York State Math and Science Teaching Initiative Scholarships, Senator Patricia K. McGee Nursing Faculty Scholarships/Nursing Faculty Loan Forgiveness Incentive Program and the Regents Licensed Social Worker Loan Forgiveness Program. Over 26,000 recipients are projected to receive aid under the fifteen State and Federal scholarship programs administered by the Corporation. Additionally, the Veterans' Tuition Assistance program will be supplemented by \$2.0 million for the new Veterans' Tuition Coverage program that provides eligible combat veterans with a tuition benefit in an amount up to the full cost of SUNY tuition.

COLLEGE CHOICE TUITION SAVINGS PROGRAM

Enacted in 1997, the College Choice Tuition Savings Program represents a State initiative 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

HIGHER EDUCATION SERVICES

attendance at accredited public and private colleges in New York or in other states with accompanying 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, over 535,000 accounts have been opened, with contributions totaling approximately \$7.5 billion. New York's program has received national recognition as one of the top college savings plans in the nation.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	121,216,200	118,252,000	(2,964,200)	3,700,000
Aid To Localities	935,869,000	870,296,000	(65,573,000)	0
Capital Projects	0	0	0	0
Total	1,057,085,200	988,548,000	(68,537,200)	3,700,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
Special Revenue Funds - Other	320	320	0
Guaranteed Loan Programs			
Special Revenue Funds - Other	380	380	0
Total	700	700	0

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	116,216,200	113,252,000	(2,964,200)
Total	121,216,200	118,252,000	(2,964,200)

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
Special Revenue Funds - Other	61,899,000	57,969,000	(3,930,000)
Guaranteed Loan Programs			
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	54,317,200	55,283,000	965,800
Total	121,216,200	118,252,000	(2,964,200)

HIGHER EDUCATION SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	57,969,000	(3,930,000)	16,129,000	99,000
Guaranteed Loan Programs	60,283,000	965,800	22,001,000	185,000
Total	<u>118,252,000</u>	<u>(2,964,200)</u>	<u>38,130,000</u>	<u>284,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	41,340,000	971,000	500,000	(5,000,000)
Guaranteed Loan Programs	33,282,000	780,800	5,000,000	0
Total	<u>74,622,000</u>	<u>1,751,800</u>	<u>5,500,000</u>	<u>(5,000,000)</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	924,869,000	821,796,000	(103,073,000)
Special Revenue Funds - Federal	7,000,000	12,900,000	5,900,000
Special Revenue Funds - Other	4,000,000	35,600,000	31,600,000
Total	<u>935,869,000</u>	<u>870,296,000</u>	<u>(65,573,000)</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Scholarships and Fellowships			
General Fund	35,968,000	42,413,000	6,445,000
Special Revenue Funds - Other	4,000,000	4,000,000	0
State Grant Programs			
General Fund	874,271,000	764,753,000	(109,518,000)
Special Revenue Funds - Federal	7,000,000	12,900,000	5,900,000
Special Revenue Funds - Other	0	31,600,000	31,600,000
Tuition Awards for Part-Time Students			
General Fund	14,630,000	14,630,000	0
Total	<u>935,869,000</u>	<u>870,296,000</u>	<u>(65,573,000)</u>

DIVISION OF HUMAN RIGHTS

MISSION

New York holds the proud distinction of being the first state in the nation to enact a civil rights law, affording every individual an equal opportunity to enjoy a full and productive life, including in the areas of employment, housing, public accommodations, education, and credit. Under the State's Human Rights Law, discriminating against others because of their race, sex, age, disability or membership in other specified classes is illegal in the State of New York. Protection under the Human Rights Law also includes prohibiting discrimination based on military status and sexual orientation.

The New York State Division of Human Rights is the State agency charged with enforcing the Human Rights Law and protecting the civil rights of New Yorkers. To fulfill these responsibilities, the Division:

- Prosecutes unlawful discriminatory practices;
- Investigates and resolves individual complaints of illegal discrimination;
- Advances policies and legislation that expand and/or better protect the civil rights of New Yorkers; and
- Promotes human rights awareness through education and outreach.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, the Division operates from its main office in New York City and from nine regional and two satellite offices across the State.

The Division's workforce of 206 employees is primarily assigned to investigate complaints, to assist in the presentation of cases and to adjudicate individual cases of discrimination.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$21.6 million All Funds (\$14.7 million General Fund, \$6.9 million Other Funds)** for the Division of Human Rights. This is an increase of **\$2.2 million All Funds (\$0.2 million General Fund, \$2 million Other Funds)** from the 2007-08 Budget. This increase will enable the Division to keep pace with the anticipated growth in cases brought before it.

The Executive Budget recommends a Division staffing level of **208 FTEs** in 2008-09, an **increase of 2** from 2007-08 to handle increased workload expected from recently enacted legislation in the area of public accommodations for persons with disabilities. The \$2 million increase in Federal appropriation authority will allow the Division to increase its staff by an additional 20 if needed to address a growing caseload and to receive and investigate complaints and hear cases in a timely manner.

PROGRAM HIGHLIGHTS

In 2007-08 the Division focused its activities on investigating systematic forms of discrimination, on improving the individual complaint process, and on investigating and adjudicating individual cases. It will continue this work in 2008-09, along with enforcing new provisions of State law that enhance the rights of New Yorkers, particularly in the area of disabilities.

HUMAN RIGHTS

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	19,430,000	21,601,000	2,171,000	16,562,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	19,430,000	21,601,000	2,171,000	16,562,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
General Fund	166	168	2
Special Revenue Funds - Federal	40	40	0
Total	206	208	2

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	14,476,000	14,697,000	221,000
Special Revenue Funds - Federal	4,904,000	6,904,000	2,000,000
Special Revenue Funds - Other	50,000	0	(50,000)
Total	19,430,000	21,601,000	2,171,000

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
General Fund	14,476,000	14,697,000	221,000
Special Revenue Funds - Federal	4,904,000	6,904,000	2,000,000
Special Revenue Funds - Other	50,000	0	(50,000)
Total	19,430,000	21,601,000	2,171,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	11,801,000	121,000	11,457,000	(204,000)
Total	11,801,000	121,000	11,457,000	(204,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	325,000	325,000	19,000	0
Total	325,000	325,000	19,000	0

HUMAN RIGHTS

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	2,896,000	100,000	151,000	0
Total	2,896,000	100,000	151,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	192,000	0	2,353,000	100,000
Total	192,000	0	2,353,000	100,000

Program	Equipment	
	Amount	Change
Administration	200,000	0
Total	200,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Administration	6,904,000	1,950,000	0	(50,000)
Total	6,904,000	1,950,000	0	(50,000)

Program	Maintenance Undistributed	
	Amount	Change
Administration	6,904,000	2,000,000
Total	6,904,000	2,000,000

DEPARTMENT OF LABOR

MISSION

The Department of Labor (DOL) administers New York's Unemployment Insurance system, labor exchange system and State worker protection programs, including enforcement of safety and health regulations in the public sector, State labor laws and Federal statutes related to working conditions, wages and hours and laws related to public work. The Department is a primary advocate for job creation and economic growth through workforce development, and serves as the State's principal source for labor market information, offering a variety of services designed to help businesses find workers and people find jobs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner with a central office located in Albany. This office is responsible for two Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 78 locations throughout the State. In addition, through nine worker protection district offices, the Department enforces child labor laws, fosters workplace health and safety, and ensures that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.8 billion All Funds (\$1.5 million General Fund, \$3.8 billion Other Funds, including \$3.0 billion Enterprise Fund)** for the Department of Labor. This is a decrease of **\$299 million All Funds (\$0.2 million General Fund, \$299 million Other Funds, including \$250 million Enterprise Fund)** from the 2007-08 Budget. This change reflects the shift of disaster administration responsibility out of the Department, updated projections in Unemployment Insurance benefits, general inflationary increases, and other adjustments.

The Executive Budget recommends a staffing level of **3,643 positions** in 2008-09, a **decrease of 4** from the 2007-08 Budget, reflecting the conversion of State Employment Relations Board Members to per diem employees. Approximately 82 percent of the Department's positions are financed by Federal grants and 18 percent are supported by fees and assessments. Less than one percent of the Department's positions are supported by State tax dollars from the General Fund.

Major Budget actions include:

- **Joint Enforcement Task Force:** In 2008-09 DOL will continue its aggressive implementation of Executive Order No. 17, which established the Joint Enforcement Task Force on Employee Misclassification. DOL staff will focus on employers who intentionally misclassify workers as independent contractors instead of as employees, or pay them "off the books" to avoid the costs of unemployment insurance, workers' compensation, social security, State and Federal withholding, temporary disability insurance, minimum wage, and overtime.
- **Public Work Enforcement:** In 2008-09 the Department, using available resources, will strengthen enforcement of the State's public work law, including payment of prevailing wages, use of apprentices, and work in excess of eight hours per day/five days per week.

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- **Disaster Relief Program:** The 2008-09 Budget reflects the transfer of responsibility for administering Federal disaster relief grants and loans from DOL to the Federal Emergency Management Agency.
- **Unemployment Insurance Systems Modernization:** Existing fees and assessments received by DOL will support the Department's Unemployment Insurance computer systems modernization efforts. Appropriations totaling \$17.8 million are recommended for this project, a decrease of \$5 million from the 2007-08 Budget.
- **State Employment Relations Board (SERB):** The Budget recommends that a \$750 fee be charged to each party, labor and management, involved in an arbitration performed by a SERB staff person. Additionally, the Budget recommends that SERB Board members be paid a per diem rate for their services rather than an annual salary. Together, these actions will result in General Fund savings of \$339,000. SERB is the only Department of Labor program supported by the General Fund.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with the requirements of the Federal Workforce Investment Act, the Department of Labor and local governments work together at local One-Stop Centers and affiliated sites across the State that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer services, human resources consultation, 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.

Through the use of job orders, on-line forms, electronic job banks and talent banks available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from DOL services and to immediately access relevant information without assistance from Department staff.

In addition to partnering in One-Stop Centers across the State, the Department continues to work with other State and local agencies, community colleges and others to ensure that New York's workforce development system provides access to information and services across agency lines regardless of where a person may initially go for assistance.

WORKFORCE INVESTMENT ACT

Federally funded local assistance appropriation authority includes \$252 million for Workforce Investment Act (WIA) services. WIA provides job training to youth, adults and dislocated workers. WIA also upgrades the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants access WIA services through the network of local One-Stop Centers for the delivery of employment and training services. WIA also improves customer choice and program effectiveness, as participants can choose training providers based on past performance through the use of individual training accounts.

WORKER PROTECTION

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

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 the last two completed State fiscal years show that the Division inspected 20,463 amusement park devices, 941 ski lifts, 6,115 places of public assembly (e.g., bleachers at concerts) and 30,797 commercial boilers. It also reviewed applications for 46,968 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. During the last two completed State fiscal years, the Division inspected 1,065 businesses for compliance with child labor laws and collected nearly \$23 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 33,034 employees.

A Bureau of Immigrant Worker's Rights was established within the Department in May 2007 in order to detect and address abuses against immigrant workers throughout New York State.

In 2008-09, the Department will play a lead role in the Governor's Joint Enforcement Task Force on Employee Misclassification. Through coordinated audit and investigative activities, this enforcement initiative is aimed at employers who intentionally mislabel workers as independent contractors instead of employees, or pay them "off the books," to avoid employee-related costs. Misclassification puts law-abiding businesses at a competitive disadvantage, since they must bear the expense of providing these benefits, while those who skirt the law bear no such costs.

UNEMPLOYMENT INSURANCE

The Unemployment Insurance program makes weekly payments to eligible, unemployed workers who have lost a job through no fault of their own. These temporary payments, generally available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work. The Department also operates a re-employment services program to further strengthen efforts to move individuals back to work. The 2008-09 Budget reduces Unemployment Insurance Fiduciary funding by \$250 million – to \$3 billion – to more accurately reflect the level of claims anticipated in the upcoming State fiscal year.

As part of a continuing effort to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received to determine if applicants are eligible to receive Unemployment Insurance benefits and to handle all other processing issues related to an individual's benefits. The system, which operates through two Tele-Claims Centers located in Troy and Endicott, replaced a process which required DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices. In addition, the Department currently accepts Unemployment Insurance claims and employer registration through the Internet.

In 2006, the Department began issuing all Unemployment Insurance benefit payments through debit cards. The cards, known as Direct Payment Cards, offer customers a safe, convenient way to access their benefits. In 2007, the Department began offering a Direct

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Deposit program for Unemployment Insurance benefit payments to provide claimants with an additional option. These efforts are intended to modernize the unemployment system, while making the process more customer friendly and cost effective.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	3,853,366,000	3,561,441,000	(291,925,000)	628,287,000
Aid To Localities	259,519,750	252,427,000	(7,092,750)	475,709,500
Capital Projects	0	0	0	0
Total	4,112,885,750	3,813,868,000	(299,017,750)	1,103,996,500

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
Special Revenue Funds - Federal	2,996	2,996	0
Employment Relations Board			
General Fund	16	12	(4)
Employment and Training			
Special Revenue Funds - Other	74	69	(5)
Labor Standards			
Special Revenue Funds - Other	279	282	3
Occupational Safety and Health			
Special Revenue Funds - Other	282	284	2
Total	3,647	3,643	(4)

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	1,720,000	1,495,000	(225,000)
Special Revenue Funds - Federal	526,425,000	482,328,000	(44,097,000)
Special Revenue Funds - Other	75,221,000	77,618,000	2,397,000
Enterprise Funds	3,250,000,000	3,000,000,000	(250,000,000)
Total	3,853,366,000	3,561,441,000	(291,925,000)
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Federal	(464,000)		
Special Revenue Funds - Other	(512,000)		
Appropriated 2007-08	3,852,390,000		

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
Special Revenue Funds - Federal	454,925,000	460,828,000	5,903,000
Special Revenue Funds - Other	512,000	0	(512,000)
Employment Relations Board			
General Fund	1,720,000	1,495,000	(225,000)
Special Revenue Funds - Other	0	225,000	225,000
Employment and Training			
Special Revenue Funds - Other	9,673,000	9,673,000	0
Labor Standards			
Special Revenue Funds - Other	25,546,000	26,655,000	1,109,000
Occupational Safety and Health			
Special Revenue Funds - Other	39,490,000	41,065,000	1,575,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	71,500,000	21,500,000	(50,000,000)
Enterprise Funds	3,250,000,000	3,000,000,000	(250,000,000)
Total	<u>3,853,366,000</u>	<u>3,561,441,000</u>	<u>(291,925,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Employment Relations Board	1,251,000	0	1,218,000	0
Total	<u>1,251,000</u>	<u>0</u>	<u>1,218,000</u>	<u>0</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Employment Relations Board	33,000	0
Total	<u>33,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Employment Relations Board	244,000	(225,000)	36,000	0
Total	<u>244,000</u>	<u>(225,000)</u>	<u>36,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Employment Relations Board	33,000	0	150,000	(225,000)
Total	<u>33,000</u>	<u>0</u>	<u>150,000</u>	<u>(225,000)</u>

Program	Equipment	
	Amount	Change
Employment Relations Board	25,000	0
Total	<u>25,000</u>	<u>0</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	460,828,000	5,391,000	0	(670,000)
Employment Relations Board	225,000	225,000	0	0
Employment and Training	9,673,000	0	2,847,000	39,000
Labor Standards	26,655,000	1,109,000	15,713,000	720,000
Occupational Safety and Health	41,065,000	1,575,000	18,813,000	995,000
Unemployment Insurance Benefit Fund	3,021,500,000	(300,000,000)	0	0
Total	3,559,946,000	(291,700,000)	37,373,000	1,084,000

Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change	Amount	Change
Administration	0	(306,000)	460,828,000	6,367,000
Employment Relations Board	225,000	225,000	0	0
Employment and Training	1,826,000	(39,000)	5,000,000	0
Labor Standards	10,942,000	389,000	0	0
Occupational Safety and Health	22,252,000	580,000	0	0
Unemployment Insurance Benefit Fund	0	0	3,021,500,000	(300,000,000)
Total	35,245,000	849,000	3,487,328,000	(293,633,000)

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	20,470,750	0	(20,470,750)
Special Revenue Funds - Federal	238,619,000	251,997,000	13,378,000
Special Revenue Funds - Other	430,000	430,000	0
Total	259,519,750	252,427,000	(7,092,750)

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

Program	Available 2007-08	Recommended 2008-09	Change
Employment and Training			
General Fund	18,649,500	0	(18,649,500)
Special Revenue Funds - Federal	238,619,000	251,997,000	13,378,000
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Community Projects			
General Fund	1,821,250	0	(1,821,250)
Total	259,519,750	252,427,000	(7,092,750)

STATE UNIVERSITY OF NEW YORK

MISSION

Created in 1948, the State University of New York (SUNY) 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 access to quality postsecondary educational programs in all regions of the State.

ORGANIZATION AND STAFFING

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

- Eight campuses 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; and
- Three teaching hospitals in Stony Brook, Brooklyn and Syracuse, along with a medical school in Buffalo, which provide graduate medical education training for SUNY students as well as valuable health care services for their host communities.

The University is governed by a Board of Trustees consisting of 17 members, with 15 appointed by the Governor to staggered seven-year terms and approved by the Senate, and two ex-officio trustees representing the student assembly and faculty 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 40,632 full-time equivalent positions, consisting of 24,130 positions that are supported through a combination of State tax dollars and tuition revenues and 16,502 positions supported by other funds. Community college staff are not included in these totals as they are not employees of the State.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$11.7 billion in All Funds support (\$2.8 billion General Fund; \$8.9 billion Other Funds)** for the State University of New York. This represents an increase of **\$4.2 billion (\$0.04 billion General Fund; \$4.1 billion Other Funds)** from the 2007-08 budget. This net change primarily reflects base level adjustments

STATE UNIVERSITY

for personal services, nonpersonal services, fringe benefits and other inflationary costs, major budget actions described below, and other measures. The Executive Budget does not assume a tuition increase, therefore, the University's Tuition Revenue Offset will remain level at \$1.05 billion.

Major budget actions include:

- **New Five-Year Capital Program.** The Executive Budget includes \$4.3 billion of new appropriations in 2008-09 to support the first year of a \$6.5 billion, five-year capital investment program. This five-year program will provide \$2.75 billion for critical maintenance projects and \$1.6 billion for strategic initiative projects at State-operated educational facilities; \$1.0 billion for projects at SUNY's self-supporting hospitals and residence halls; \$526 million for Community College capital projects, representing the State's 50 percent share of project costs; \$75 million to support a pilot "Greening of SUNY" initiative for self-supporting energy efficiency capital projects; and \$500 million in spending authority for projects supported by non-State funds (i.e. grants and donations).
- **Nursing Programs.** The Executive Budget provides \$1 million of additional funding to expand SUNY nursing programs
- **Office of Diversity and Educational Equity.** The Executive Budget provides \$200,000 in additional funding for SUNY's Office of Diversity and Educational Equity for the development and dissemination of model programs demonstrated to be effective in meeting the needs of English Language Learners. These additional funds will increase total support for the office to \$500,000.
- **Stony Brook Collaborative Research Alliance.** The Executive budget provides \$250,000 to support initial planning costs for a strategic research partnership between Stony Brook University, Cold Spring Harbor Laboratory and Brookhaven National Laboratory. The goal of the Alliance is to link the intellectual and infrastructure resources of these three pre-eminent research institutions to create a life sciences and biomedical research cluster that will attract world class researchers and bio-medical-related businesses to the Long Island region and New York State as a whole.
- **Energy Costs.** The Executive Budget includes a \$45 million contingency appropriation outside of SUNY's appropriation schedule to cover extraordinary utility cost increases experienced by the University's State-operated and statutory campuses in 2008-09, should they arise.
- **Savings from Innovation and Enhanced Flexibility.** The Executive Budget recognizes the flexibility of the Board of Trustees to manage a \$34 million (2.5 percent) reduction in General Fund support in a manner that is responsive to student needs and University priorities. The Executive Budget also includes Article VII legislation that would enhance SUNY's existing flexibility in the areas of procurement and construction, which will facilitate cost savings efforts.
- **\$50 per FTE Reduction in Community College Base Operating Aid.** Funding for base operating aid is reduced by \$50 per full-time equivalent (FTE) student from \$2,675 to \$2,625 per FTE to achieve savings of \$8.3 million on an academic fiscal year basis.

STATE-OPERATED COLLEGES

The Executive Budget provides \$6.9 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to \$2.4 billion in support from the General Fund, the University's operating budget includes \$4.5 billion in activities funded by other revenues. Revenue-generating entities and programs include: the three teaching hospitals at Brooklyn, Stony Brook and Syracuse; the Long Island Veterans' Home (which is administered by the Stony Brook Health Science Center); dormitory operations; food services; and tuition-supported activities, including summer session and overseas academic studies.

2008-09 gross operating support for State colleges and schools will total \$3.41 billion, representing an increase of \$42 million or 1.2 percent. Within this amount, taxpayer support will total nearly \$2.4 billion, an increase of \$42 million or 1.8 percent. SUNY's General Revenue Offset Account, the primary repository of tuition revenues, will total \$1.05 billion, unchanged from 2007-08 levels.

The 2008-09 Executive Budget provides \$26.6 million less in State support for energy spending than in 2007-08, better aligning energy funding with recent and projected future energy expenditure levels. However, the Budget also includes an energy contingency appropriation outside of the University's appropriation schedule as a buffer against extraordinary energy costs increases, should they arise.

SUNY's special revenue funding, exclusive of the General Revenue Offset Account, will total \$3.2 billion, an increase of \$217 million, including:

- An increase of \$85 million in appropriations for the Stabilization Account, which have a two-year life and are, therefore, appropriated every other year;
- An increase of \$61 million for the SUNY hospitals, reflecting collectively bargained salary increases and support for their revenue-generating initiatives;
- An increase of \$26 million for the State University Tuition Reimbursable Account (SUTRA), to accommodate revenue from potential enrollment growth;
- An increase of \$30 million for the General Income Fund Reimbursable account (IFR) reflecting general inflationary costs.
- Additional inflationary adjustments of \$13 million for the Dormitory IFR account, and \$2 million for the Long Island Veterans Home.

For 2008-09, Federal appropriations totaling \$251 million will support the Pell grant program and various other student financial aid programs.

SUNY HOSPITALS

The 2008-09 Budget continues the appropriation structure adopted in 2001-02 for the SUNY hospitals. All hospital spending is appropriated in one account with the hospitals being responsible for direct payment of their fringe benefit and debt service costs. Under this appropriation structure, the SUNY hospitals will continue to be directly accountable for operating within their available revenues, including a fixed State subsidy amount.

The recommended State subsidy for the SUNY hospitals, which recognizes costs attributable to their State agency status, is increased by \$7.8 million to a total of \$154.1 million to reflect collectively bargained salary increases and costs attributable to employee fringe benefits.

STATE UNIVERSITY

COMMUNITY COLLEGES

SUNY's 30 community colleges represent the primary point of access for nearly 215,000 students from across the State. Community colleges have three basic sources of funding: State support, local support and student tuition revenue. The Executive Budget recommends \$451.1 million of State support, a net decrease of \$77,000. This net change is attributable to an increase of \$9.2 million for additional enrollment and rental aid costs; a decrease of \$8.3 million related to a \$50 per FTE reduction in operating aid, from \$2,675 to \$2,625; and the elimination of \$1 million in additional operating support for low-enrollment community colleges.

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 \$3.7 million in State support for this program, the same level of funding provided in the 2007-08 Executive Budget.

CAPITAL PROJECTS

In the 2007-08 Executive Budget, the Governor called upon SUNY to develop a new five-year capital plan for the 2008-09 to 2012-13 period. In response to the University's 2008-09 capital budget request, the Executive Budget provides a new five-year capital funding framework that will promote stability, predictability and greater discipline in the capital funding process, while ensuring campus priorities are balanced with available resources. This framework will supplement existing reappropriations with \$4.3 billion in new appropriation authority, consisting of:

- \$1.6 billion for strategic initiatives at State-operated and statutory campuses that will improve, enhance and advance the academic, research, recreational and community support priorities of the University. The Executive Budget recommends that, following enactment of the capital appropriation for strategic initiatives, the SUNY Board of Trustees will advance a project schedule, up to the amount of the appropriation, to a newly established University Capital Projects Review Board (UCPRB), which will consider the schedule in its entirety. Article VII language submitted with the Executive Budget establishes the UCPRB;
- \$550 million, representing the first of five planned annual appropriations totaling \$2.75 billion to address critical maintenance needs at State-operated and statutory campuses;
- \$1.02 billion for projects at the self-supporting University hospitals and residence halls;
- \$526 million for Community College capital projects, representing the State's 50 percent share of project costs;
- \$75 million to initiate a pilot "Greening of SUNY" initiative to provide campuses with the ability to finance self-supporting projects that yield long-term operational savings through energy conservation;
- \$500 million in spending authority to enable campuses to use non-State funds (i.e. grants and donations) to fully or partially support Educational Facilities Program capital projects.

To accommodate this investment in University infrastructure, SUNY's bond cap will be increased by \$1.6 billion for a total bonding authorization of \$10.03 billion.

PROGRAM HIGHLIGHTS

The State University of New York is the nation's largest comprehensive public university, offering 7,669 degree and certificate programs at the research universities, community colleges, medical schools and colleges of technology that comprise its 64 campuses. The State University enrolls over 40 percent of college-bound students graduating from New York State high schools. Nearly 427,000 full-time and part-time SUNY students — 212,109 at State-operated campuses and 214,782 in community colleges — are pursuing studies ranging from one-year certificate programs to doctorates.

The academic profile of incoming students continues to grow stronger at SUNY campuses. More than half of all students that enrolled at SUNY University Centers in Fall 2003 had SAT scores above 1200 and grade point averages above 90 — comparable to admission profiles found at top public flagship institutions in California, Michigan, Texas and North Carolina. Overall, SUNY campuses averaged nearly 1150 on the SAT, more than 100 points above the national average.

The State University is also working to expand the volume of scholarly research conducted by its faculty, and is more aggressively seeking Federal and other external support for research. As a result, SUNY sponsored research expenditures are expected to reach nearly \$925 million in 2007. Research grants at SUNY now underwrite over 10,400 projects, which directly support more than 18,000 full and part-time jobs across New York State.

SUNY campuses are partners in the State's six University-based Centers of Excellence, a high-technology initiative that will continue New York's advancement in the areas of university-based research, business creation and job development, including:

- Albany Center of Excellence in Nanoelectronics, a semiconductor research center at SUNY-Albany;
- Buffalo Center of Excellence in Bioinformatics which includes the Life Sciences Complex used for super-computing, pharmaceutical research and workforce development; and
- Long Island Center of Excellence in Wireless Internet and Information Technology which, in tandem with several other high-tech research projects such as the Bioinformatics Research Center at Cold Spring Harbor Laboratory.

The State University's 30 locally sponsored community colleges serve as a source of skilled employees and play a 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 postsecondary education.

From the curriculum and instruction in its classrooms, research in its laboratories, support from its alumni and its appeal to a growing number of college-bound students, the State University continues to elevate its ranking among the nation's finest public universities.

STATE UNIVERSITY

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	6,636,587,140	6,896,446,000	259,858,860	759,142,000
Aid To Localities	449,894,713	455,813,000	5,918,287	0
Capital Projects	379,700,000	4,285,595,000	3,905,895,000	3,395,039,000
Total	7,466,181,853	11,637,854,000	4,171,672,147	4,154,181,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
All State University Colleges and Schools			
General Fund	24,125	24,130	5
Special Revenue Funds - Federal	3	3	0
Special Revenue Funds - Other	16,497	16,497	0
Capital Projects Funds - Other	2	2	0
Total	40,627	40,632	5

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	2,321,724,540	2,363,733,000	42,008,460
Special Revenue Funds - Federal	250,500,000	250,500,000	0
Special Revenue Funds - Other	4,052,362,600	4,269,803,000	217,440,400
Internal Service Funds	12,000,000	12,410,000	410,000
Total	6,636,587,140	6,896,446,000	259,858,860

Adjustments:

Prior Year Deficiency			
State University of New York			
General Fund	11,000,000		
Special Revenue Funds - Other	(11,000,000)		
Transfer(s) From			
Special Pay Bill			
General Fund	(1,016,000)		
Special Revenue Funds - Other	(3,015,000)		
Appropriated 2007-08	6,632,556,140		

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

Program	Available 2007-08	Recommended 2008-09	Change
All State University Colleges and Schools			
General Fund	1,341,378,540	1,302,186,000	(39,192,540)
Special Revenue Funds - Federal	250,500,000	250,500,000	0
Special Revenue Funds - Other	4,052,362,600	4,269,803,000	217,440,400
Internal Service Funds	12,000,000	12,410,000	410,000
Employee Fringe Benefits			
General Fund	980,346,000	1,061,547,000	81,201,000
Total	6,636,587,140	6,896,446,000	259,858,860

STATE UNIVERSITY

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
All State University Colleges and Schools	1,892,952,071	167,831,261	1,745,407,291	149,407,375
Total	<u>1,892,952,071</u>	<u>167,831,261</u>	<u>1,745,407,291</u>	<u>149,407,375</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
All State University Colleges and Schools	135,184,944	17,384,817	12,359,836	1,039,069
Total	<u>135,184,944</u>	<u>17,384,817</u>	<u>12,359,836</u>	<u>1,039,069</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
All State University Colleges and Schools	459,256,929	(207,023,801)	93,065,258	58,043,758
Employee Fringe Benefits	1,061,547,000	81,201,000	0	0
Total	<u>1,520,803,929</u>	<u>(125,822,801)</u>	<u>93,065,258</u>	<u>58,043,758</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
All State University Colleges and Schools	11,696,964	(1,014,751)	312,286,618	(237,425,867)
Employee Fringe Benefits	0	0	0	0
Total	<u>11,696,964</u>	<u>(1,014,751)</u>	<u>312,286,618</u>	<u>(237,425,867)</u>

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
All State University Colleges and Schools	42,208,089	(26,626,941)	0	0
Employee Fringe Benefits	0	0	1,061,547,000	81,201,000
Total	<u>42,208,089</u>	<u>(26,626,941)</u>	<u>1,061,547,000</u>	<u>81,201,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
All State University Colleges and Schools	3,482,690,000	217,850,400	1,225,422,300	775,900
Total	<u>3,482,690,000</u>	<u>217,850,400</u>	<u>1,225,422,300</u>	<u>775,900</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
All State University Colleges and Schools	2,217,847,700	216,965,500	39,420,000	109,000
Total	<u>2,217,847,700</u>	<u>216,965,500</u>	<u>39,420,000</u>	<u>109,000</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	449,894,713	455,813,000	5,918,287
Total	<u>449,894,713</u>	<u>455,813,000</u>	<u>5,918,287</u>

STATE UNIVERSITY

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Community Colleges			
General Fund	444,283,713	452,143,000	7,859,287
County Cooperative Extension Program - Cornell University			
General Fund	4,170,000	3,670,000	(500,000)
Community Projects			
General Fund	1,441,000	0	(1,441,000)
Total	<u>449,894,713</u>	<u>455,813,000</u>	<u>5,918,287</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	15,404,000
Capital Projects Fund - Advances	379,700,000	2,687,000,000	2,307,300,000	2,834,936,000
State University Capital Projects Fund				
State University Capital Projects Fund	0	500,000,000	500,000,000	168,949,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	0	123,000,000	123,000,000	19,017,000
SUNY Dorms (Direct Auth Bonds)	0	450,000,000	450,000,000	157,945,000
Subtotal	<u>379,700,000</u>	<u>3,760,000,000</u>	<u>3,380,300,000</u>	<u>3,196,251,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	20,000,000	20,000,000	32,288,000
Capital Projects Fund - Advances	0	0	0	18,000,000
Cap Proj Fund - SUNY CC (Direct Auth Bonds)	0	505,595,000	505,595,000	148,500,000
Subtotal	<u>0</u>	<u>525,595,000</u>	<u>525,595,000</u>	<u>198,788,000</u>
Total	<u>379,700,000</u>	<u>4,285,595,000</u>	<u>3,905,895,000</u>	<u>3,395,039,000</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 for 2008-09 is expected to be **135** employees. The Fund's operations are supported entirely from proceeds of revenue bonds issued to finance the construction and reconstruction of academic facilities.

BUDGET HIGHLIGHTS

The Executive Budget includes **\$18.8 million** in appropriations funded from proceeds of State University Educational Facilities Revenue bonds. This level of funding represents a change of **\$1.5 million** from 2007-08, due primarily to an increase in staff from 125 to 135 in order to address the design, planning and construction management workload of the State University's new \$4.4 billion, five-year Educational Facilities Capital Plan and \$450 million five-year Hospital Capital Plan. This funding level is based on the multi-year priorities identified by the State University of New York for its 29 State-operated campuses, three hospitals and the Statutory colleges at Cornell University and Alfred University.

PROGRAM HIGHLIGHTS

As of March 31, 2007, the Fund has completed 5,010 academic, hospital and dining hall capital projects with a replacement value of approximately \$25.7 billion (\$22.9 billion for buildings and \$2.8 billion for infrastructure). During the 2006-07 fiscal year, the Fund initiated the design of 57 projects having a total value of \$49.6 million and began construction of 77 projects having an estimated cost of \$232.5 million. These figures exclude projects administered by individual campuses.

In addition to design and construction of SUNY's educational facilities, other key functions of the Fund include:

- Preparation and development of the State University's Master Capital Construction Plan, as well as master plans for individual campuses;
- Preparation of the State University's annual capital budget request and facility program;

STATE UNIVERSITY CONSTRUCTION

- Development and maintenance of online interactive data processing systems on space and property inventories, real property, State building codes and other related plant management functions; and
- Management and administration of University-wide programs including minor rehabilitation, energy conservation and telecommunications.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	17,340,000	18,805,000	1,465,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>17,340,000</u>	<u>18,805,000</u>	<u>1,465,000</u>	<u>0</u>

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
Special Revenue Funds - Other	125	135	10
Total	<u>125</u>	<u>135</u>	<u>10</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Other	17,340,000	18,805,000	1,465,000
Total	<u>17,340,000</u>	<u>18,805,000</u>	<u>1,465,000</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
Special Revenue Funds - Other	17,340,000	18,805,000	1,465,000
Total	<u>17,340,000</u>	<u>18,805,000</u>	<u>1,465,000</u>

STATE UNIVERSITY CONSTRUCTION

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	18,805,000	1,465,000	10,951,000	629,000
Total	<u>18,805,000</u>	<u>1,465,000</u>	<u>10,951,000</u>	<u>629,000</u>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
Administration	7,854,000	836,000
Total	<u>7,854,000</u>	<u>836,000</u>

OFFICE OF WELFARE INSPECTOR GENERAL

MISSION

The Office of Welfare Inspector General was established in 1992 to prevent, investigate, and prosecute welfare fraud, waste, abuse and illegal acts involving social services programs at both the State and local levels. The Office investigates and when appropriate prosecutes welfare recipients who are dishonestly receiving benefits for which they are not eligible. It also investigates instances in which providers of Medicaid, day care or other social services are fraudulently receiving payments from government. The agency is also responsible for investigating any failure by State and local officials to investigate and prosecute such fraud and abuse within their jurisdiction. Furthermore, it is charged with recommending policies to prevent and to detect social services fraud, and then to monitor the implementation of these recommendations.

In carrying out its responsibilities, the Office works closely with various State agencies in support of fraud investigations. The Office of Temporary and Disability Assistance provides welfare program data and information concerning the application of program rules and regulations. Local social services districts assist the Office with identifying the amount of money fraudulently obtained from different welfare programs. The Attorney General assists the Office with the prosecution of those alleged to be involved in fraudulent activity. The Office also works with the Office of Children and Family Services on cases involving adult homes, and other community programs, as well as with the Department of Health and the Office of the Medicaid Inspector General on Medicaid-related cases.

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. The Welfare Inspector General's statewide operations are administered from New York City with a field office in Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.6 million All Funds (\$420,000 General Fund; \$1.2 million Other Funds)** for the Office of Welfare Inspector General. This is an increase of **\$260,000 (\$12,000 General Fund increase; \$248,000 Other Funds increase)** from the 2007-08 Budget. This change primarily reflects inflation and fringe benefit costs.

The Office will have a workforce of **ten positions** for 2008-09, unchanged from the 2007-08 Budget.

PROGRAM HIGHLIGHTS

The Office annually receives hundreds of complaints about alleged welfare fraud, waste and abuse that originate from citizens and other governmental agencies. The Office also generates investigations on its own initiative. Fraud investigations result in substantial savings for all levels of government by uncovering fraudulent activity by a member of a household receiving welfare, as well as unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to

WELFARE INSPECTOR GENERAL

welfare recipients. The Office annually works on approximately 200 fraud investigations and recovers funding which is repaid to the appropriate programs. Stopping fraudulent activity reduces future years' welfare costs by individuals who would otherwise continue to fraudulently take money from the government, and by providing a deterrent to those who may seek to defraud government programs.

In addition to investigations of individual welfare recipients, the Office completes investigations to uncover patterns of abuse within the welfare system including not only recipients but also social services agencies, organizations and contractors.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	1,337,000	1,597,000	260,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,337,000	1,597,000	260,000	0

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Welfare Inspector General, Office of the General Fund	4	4	0
Special Revenue Funds - Other	6	6	0
Total	10	10	0

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	408,000	420,000	12,000
Special Revenue Funds - Other	929,000	1,177,000	248,000
Total	1,337,000	1,597,000	260,000

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

Program	Available 2007-08	Recommended 2008-09	Change
Welfare Inspector General, Office of the General Fund	408,000	420,000	12,000
Special Revenue Funds - Other	929,000	1,177,000	248,000
Total	1,337,000	1,597,000	260,000

WELFARE INSPECTOR GENERAL

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	420,000	12,000	420,000	12,000
Total	<u>420,000</u>	<u>12,000</u>	<u>420,000</u>	<u>12,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total	
	Amount	Change
Total	<u>0</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	1,177,000	248,000	457,000	13,000
Total	<u>1,177,000</u>	<u>248,000</u>	<u>457,000</u>	<u>13,000</u>

Program	Nonpersonal Service	
	Amount	Change
Welfare Inspector General, Office of the	720,000	235,000
Total	<u>720,000</u>	<u>235,000</u>

