

# 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 <sup>st</sup> 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
<b>Total EMSC programs</b>	<b>344,422</b>	<b>324,753</b>	<b>(19,669)</b>

## 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 21<sup>st</sup> Century Learning Centers program. 21<sup>st</sup> 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.

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### ***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
<b>I. Formula-Based Aids:</b>				
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
<b>Formula-Based Aids Total</b>	<b>\$17,319.89</b>	<b>\$18,565.30</b>	<b>\$1,245.41</b>	<b>7.19</b>
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>
<b>Total Formula-Based and Other Aids</b>	<b>\$19,237.90</b>	<b>\$20,676.75</b>	<b>\$1,438.85</b>	<b>7.48</b>
<b>II. Grant Programs and Additional Aid Categories:</b>				
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
<b>Subtotal</b>	<b>319.81</b>	<b>337.81</b>	<b>18.00</b>	<b>5.63</b>
<b>SCHOOL YEAR TOTAL</b>	<b>\$19,557.71</b>	<b>\$21,014.56</b>	<b>\$1,456.85</b>	<b>7.45</b>

# 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)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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
<b>Total</b>	<b>34,157,400</b>	<b>683,900</b>	<b>32,681,600</b>	<b>703,900</b>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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
<b>Total</b>	<b>1,036,900</b>	<b>(10,000)</b>	<b>438,900</b>	<b>(10,000)</b>

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

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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
<b>Total</b>	<b>25,742,000</b>	<b>(675,500)</b>	<b>705,300</b>	<b>43,800</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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
<b>Total</b>	<b>470,400</b>	<b>4,200</b>	<b>20,914,700</b>	<b>(1,059,600)</b>

<b>Program</b>	<b>Equipment</b>		<b>General State Charges</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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
<b>Total</b>	<b>1,749,000</b>	<b>36,100</b>	<b>1,902,600</b>	<b>300,000</b>



# EDUCATION

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

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance</b>	<b>Undistributed</b>
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
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)**

<b>Fund Type</b>	<b>Available 2007-08</b>	<b>Recommended 2008-09</b>	<b>Change</b>
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>