



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

COUNCIL ON THE ARTS

MISSION

The primary responsibility for oversight and administration of the State's artistic and cultural resources is assigned to three existing entities – the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. Working together, these agencies have expanded access to the performing and fine arts, preserved the State's cultural resources and promoted greater public awareness of New York's rich cultural heritage. This year, the Executive Budget recommends the merger of the New York State Theatre Institute into the Empire State Plaza Performing Arts Center Corporation to achieve necessary efficiencies and to better achieve their core mission goals.

ORGANIZATION AND STAFFING

The Council on the Arts is headed by a Chair and a Vice Chair and consists of 21 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 2009-10, the Council on the Arts will have a workforce of 46 for the review, processing and administration of grants to not-for-profit arts and cultural 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. The Executive Budget recommends expanding the Egg's board of directors to 21 members – consisting of the Commissioner of General Services and members appointed by the Governor, leaders of the Legislature, and the Mayor and County Executive of Albany. Three new board members will represent the interests of the New York State Theatre Institute. The board 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. In 2009-10, the New York State Theatre Institute will become a subsidiary of the Empire State Plaza Performing Arts Center Corporation, which formerly hosted the Institute. All of the Theatre Institute's functions, powers and mission responsibilities will continue within the Corporation. The Institute's staff of 32 will continue to be based in Troy, where its office, production and instructional facilities are located.

BUDGET HIGHLIGHTS

The 2009-10 Executive Budget recommends **\$49.7 million** (\$44.4 million General Fund; \$5.3 million Other Funds) for the New York State Council on the Arts (NYSCA), the Egg, and NYSTI. This is a decrease of **\$8.3 million** (\$8.0 million in General Fund and \$0.3 million in Other Funds) from the 2008-09 final enacted budget. This net change

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primarily reflects the reduction in funding for grants to arts and cultural organizations, the reduction of staff at NYSCA, and operational efficiencies generated by the recommended merger of the Egg and NYSTI. The Executive Budget recommendation continues \$1.5 million in Federal funds, the same level as the 2008-09 Budget.

The Executive Budget recommends a staffing level of **46 FTEs** for the Council on the Arts. This represents a decrease of 3 FTEs from the 2008-09 final enacted budget.

Major budget actions include:

- **Reduce Funding for NYSCA Grants:** The 2009-10 Executive Budget recommendations provide \$38.9 million in General Fund support for arts grants. This represents a decrease of \$7.0 million from the final 2008-09 Enacted Budget.
- **Merge NYSTI with the Egg:** To achieve necessary efficiencies and enhance the achievement of their similar missions, the 2009-10 Executive Budget recommends merging the New York State Theatre Institute Corporation with the Empire State Plaza Performing Arts Center Corporation. NYSTI would continue to carry out its mission of providing educational theatre programming from its facilities in Troy under the aegis of the Egg. The 2009-10 Executive Budget recommendations would provide \$3.7 million in special revenue funding for the Egg and NYSTI, a decrease of \$0.3 million from the amount provided to both agencies in 2008-09. 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 98 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 2 percent of 2009-10 funding. Grants to not-for-profit arts organizations represent approximately 88 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 34,000 grants totaling over \$557 million to nearly 2,400 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.

Performing Arts Center Corporation (the "Egg"): During the 2007-08 season, the Egg hosted over 290 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 2008-09, 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. These functions will continue after the Institute's merger with the Egg. 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 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	10,544,300	5,582,000	(4,962,300)	500,000
Aid To Localities	47,541,602	44,159,000	(3,382,602)	13,019,000
Capital Projects	0	0	0	0
Total	58,085,902	49,741,000	(8,344,902)	13,519,000

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
General Fund	49	46	(3)
Total	49	46	(3)

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	6,412,000	5,482,000	(930,000)
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	4,032,300	0	(4,032,300)
Total	10,544,300	5,582,000	(4,962,300)

Adjustments:

Prior Year Deficiency

 Arts, Council on the

 Special Revenue Funds - Other

2,600,000

Transfer(s) From

 Special Pay Bill

 General Fund

(270,000)

 Special Revenue Funds - Other

(110,000)

Appropriated 2008-09

12,764,300

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	6,412,000	5,482,000	(930,000)
Special Revenue Funds - Federal	100,000	100,000	0
Empire State Performing Arts Center Corporation			
Special Revenue Funds - Other	650,000	0	(650,000)
New York State Theatre Institute			
Special Revenue Funds - Other	3,382,300	0	(3,382,300)
Total	<u>10,544,300</u>	<u>5,582,000</u>	<u>(4,962,300)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,718,000	(766,000)	3,717,000	(767,000)
Total	<u>3,718,000</u>	<u>(766,000)</u>	<u>3,717,000</u>	<u>(767,000)</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	1,000	1,000
Total	<u>1,000</u>	<u>1,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,764,000	(164,000)	37,000	(2,000)
Total	<u>1,764,000</u>	<u>(164,000)</u>	<u>37,000</u>	<u>(2,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	71,000	(6,000)	1,585,000	(150,000)
Total	<u>71,000</u>	<u>(6,000)</u>	<u>1,585,000</u>	<u>(150,000)</u>

Program	Equipment	
	Amount	Change
Administration	71,000	(6,000)
Total	<u>71,000</u>	<u>(6,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total Amount	Change	Personal Service Amount	Change
Administration	100,000	0	0	0
Empire State Performing Arts Center Corporation	0	(650,000)	0	(193,900)
New York State Theatre Institute	0	(3,382,300)	0	(2,048,500)
Total	100,000	(4,032,300)	0	(2,242,400)

Program	Nonpersonal Service Amount	Change
Administration	100,000	0
Empire State Performing Arts Center Corporation	0	(456,100)
New York State Theatre Institute	0	(1,333,800)
Total	100,000	(1,789,900)

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	45,932,602	38,900,000	(7,032,602)
Special Revenue Funds - Federal	1,413,000	1,413,000	0
Special Revenue Funds - Other	196,000	3,846,000	3,650,000
Total	47,541,602	44,159,000	(3,382,602)

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	45,932,602	38,900,000	(7,032,602)
Special Revenue Funds - Federal	1,413,000	1,413,000	0
Special Revenue Funds - Other	196,000	196,000	0
Empire State Performing Arts Center Corporation			
Special Revenue Funds - Other	0	3,650,000	3,650,000
Total	47,541,602	44,159,000	(3,382,602)

CITY UNIVERSITY OF NEW YORK

MISSION

The City University of New York (CUNY) has its origins in the Free Academy, established in 1847 under the auspices of the New York City Board of Education and today is the nation's largest urban public university system. 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 Board of Trustees appoints the Chancellor, the chief executive officer of the University and individual college presidents. 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 11,455 full time equivalent positions consisting of 11,276 positions supported through a combination of State tax dollars and tuition revenues and 179 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 **\$3.65 billion All Funds** (\$1.26 billion General Fund; \$1.96 billion Fiduciary Fund; \$145 million Other Funds and \$284 million Capital Funds) for the City University of New York. Changes to CUNY's budget primarily reflect continued General Fund growth in personal services (as a result of collective bargaining contracts), non-personal services and fringe benefits; and General Fund decreases associated with tuition offsets, community college base aid and other programs. The 2008-09 Budget saw enactment of a new \$1.8 billion multi-year capital program, funding for which is continued in 2009-10.

Major 2009-10 budget actions include:

- **Reduce General Fund Support to Reflect Additional Revenue from Increased Senior College Tuition Rates:** The Executive Budget assumes that CUNY will implement a \$600, or 15 percent, annual tuition rate increase for resident undergraduates, from \$4,000 to \$4,600. The Executive Budget also assumes that tuition rates for resident graduate and first-professional students will be increased in 2009-10 to levels that are 20 percent above those charged for the fall 2008 semester. In a departure from the more than 30 year old practice of using 100 percent of revenue resulting from tuition increases to offset General Fund

spending, CUNY will retain 20 percent of the revenue for increased investment. This budget action generates net General Fund savings of \$82.5 million and campuses will retain \$20.6 million.

- **Authorize Differential Tuition for Non-Resident Students:** The Executive Budget authorizes the CUNY Board of Trustees to establish differential tuition rates for non-New York State resident students by individual campus and program. This change would enable campuses and/or individual campus programs with regional or national appeal to better capitalize on their success. Statutory language will require the CUNY Board to establish appropriate maximum percentage thresholds for non-resident students by campus and/or program to ensure continued access to eligible New York State resident students. The Executive Budget assumes that campuses will retain all incremental revenue generated as a result of this change.
- **Reduce Community College Base Aid:** The Executive Budget reduces base aid support for CUNY's six community colleges by \$270, or 10 percent, per full-time equivalent student, generating General Fund savings of \$18 million.
- **Reduce Support for University-wide Programs and Institutes:** The Executive Budget reduces support for University-wide programs and institutes by \$20 million.
- **Reduce General Fund Support to Reflect Positive Cash Flow in Revenue Generating Accounts:** The Executive Budget assumes that \$3.6 million of positive operating cash flows from CUNY's Income Fund Reimbursable account will be used as an offset to General Fund support.
- **Assess the CUNY Research Foundation for Use of University Facilities:** The Executive Budget assumes that CUNY will require its Research Foundation to pay 10 percent (\$1.9 million) of its indirect cost recoveries on Federal grants as partial reimbursement for using State-funded facilities, and reduces General Fund support by a commensurate amount.

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

For 2009-10, CUNY's gross operating budget will total \$1.96 billion, an increase of \$124 million, or 6.8 percent. Within this amount, taxpayer support will total \$1.08 billion, a decrease of \$64 million or 5.6 percent. CUNY's Senior College Tuition Revenue Offset will increase to \$885 million, which includes \$110 million for new revenues generated by the tuition rate increases, \$40 million to accommodate tuition revenues resulting from ongoing enrollment growth, and the annualization of prior year budget reductions.

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

COMMUNITY COLLEGES

CUNY's community colleges have three basic funding sources: State support, local support from New York City, and tuition revenue. The Executive Budget recommends \$170.5 million in State support, a net decrease of \$6 million, or 3.4 percent. This change is attributable to a \$12 million increase for additional enrollment and an \$18 million decrease resulting from a recommended \$270 per-FTE reduction in base operating aid (from \$2,675 to \$2,405).

CAPITAL PROJECTS

The 2008-09 Enacted Budget provided CUNY with \$1.8 billion in new capital appropriations, a major step in the implementation of a \$3 billion multi-year capital plan, which provides for facility and infrastructure improvements at senior and community colleges, consistent with University needs and priorities. The 2009-10 Executive Budget continues a commitment to preserve and rehabilitate CUNY's educational facilities infrastructure by appropriating the second of five annual \$284 million appropriations to address the accumulated backlog of critical maintenance projects throughout the University system.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. Approximately 243,000 full-time and part-time students – 161,500 at the senior colleges and 81,500 at the community colleges – were enrolled in programs for the fall 2008 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 nearly 30,000 students at 17 college campuses annually and offers dual enrollment programs in more than 280 New York City public high schools;
- The New York City Alliance for Minority Participation is a consortium of 17 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 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	1,982,210,317	2,106,626,900	124,416,583	0
Aid To Localities	1,290,517,776	1,254,237,000	(36,280,776)	0
Capital Projects	1,828,844,000	284,222,000	(1,544,622,000)	4,446,844,000
Total	5,101,572,093	3,645,085,900	(1,456,486,193)	4,446,844,000

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Institutional Support Services			
Special Revenue Funds - Other	179	179	0
Fiduciary Funds	11,276	11,276	0
Total	11,455	11,455	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
Special Revenue Funds - Other	145,000,000	145,000,000	0
Fiduciary Funds	1,837,210,317	1,961,626,900	124,416,583
Total	1,982,210,317	2,106,626,900	124,416,583

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

Program	Available 2008-09	Recommended 2009-10	Change
Institutional Support Services			
Special Revenue Funds - Other	145,000,000	145,000,000	0
Fiduciary Funds	1,837,210,317	1,961,626,900	124,416,583
Total	<u>1,982,210,317</u>	<u>2,106,626,900</u>	<u>124,416,583</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)

Program	Total Amount	Change	Personal Service Amount	Change
Institutional Support Services	2,106,626,900	124,416,583	1,348,607,430	85,734,267
Total	<u>2,106,626,900</u>	<u>124,416,583</u>	<u>1,348,607,430</u>	<u>85,734,267</u>

Program	Nonpersonal Service Amount	Change
Institutional Support Services	758,019,470	38,682,316
Total	<u>758,019,470</u>	<u>38,682,316</u>

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	1,290,517,776	1,254,237,000	(36,280,776)
Total	<u>1,290,517,776</u>	<u>1,254,237,000</u>	<u>(36,280,776)</u>

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

Program	Available 2008-09	Recommended 2009-10	Change
Community College Programs			
General Fund	176,503,319	170,483,000	(6,020,319)
Institutional Support Services			
General Fund	1,110,676,257	1,081,754,000	(28,922,257)
Senior College Pension Payments			
General Fund	2,000,000	2,000,000	0
Community Projects			
General Fund	1,338,200	0	(1,338,200)
Total	<u>1,290,517,776</u>	<u>1,254,237,000</u>	<u>(36,280,776)</u>

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

Comprehensive Construction Program	Available 2008-09	Recommended 2009-10	Change	Reappropriations 2009-10
Senior Colleges				
General Maintenance and Improvements				
Capital Projects Fund	23,232,000	0	(23,232,000)	57,366,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	1,595,954,000	284,222,000	(1,311,732,000)	3,499,168,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	1,583,000
New Facilities				
Cap Proj Fund - CUNY (Direct Auth Bonds)	0	0	0	352,300,000
Subtotal	<u>1,619,186,000</u>	<u>284,222,000</u>	<u>(1,334,964,000)</u>	<u>3,910,417,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	2,750,000	0	(2,750,000)	16,261,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	206,908,000	0	(206,908,000)	520,166,000
Subtotal	<u>209,658,000</u>	<u>0</u>	<u>(209,658,000)</u>	<u>536,427,000</u>
Total	<u>1,828,844,000</u>	<u>284,222,000</u>	<u>(1,544,622,000)</u>	<u>4,446,844,000</u>

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 **\$30 billion in All Funds** support (\$19.4 billion General Fund; \$10.6 billion Other Funds) for programs and operations of the State Education Department. This is a decrease of **\$1.96 billion** (\$0.20 billion General Fund; \$1.76 billion Other Funds) from the 2008-09 budget. This net change primarily reflects a school year reduction of \$698 million in School Aid, an appropriation decrease of \$1.7 billion for STAR, special education modifications which reduce State funding by \$114 million, and a Federal funds increase of \$20 million.

Recommended staffing levels for 2009-10 are projected to total **3,199** positions at year's end, with 394 positions, or approximately 12 percent, supported by the General Fund. Various dedicated fees, charge-backs and Federal grants will support the remaining staff.

SCHOOL AID

The 2009-10 Executive Budget proposes \$20.7 billion in School Aid for the 2009-10 school year. While the Executive Budget continues the long-term commitment to education funding, the financial consequences of the recent economic downturn have temporarily impacted the State's ability to continue growth in School Aid for the 2009-10 school year. In order to achieve necessary savings, several actions are proposed to reduce overall School Aid funding levels. The Executive Budget recommends maintaining formula aid categories that provide operating support at 2008-09 levels. In addition, the Executive Budget recommends enacting a \$1.1 billion Deficit Reduction Assessment for the 2009-10 school year. This one-year Deficit Reduction Assessment, combined with anticipated growth in expense-based aids of \$462 million and modifications to categorical programs, results in an overall School Aid year-to-year reduction of \$698

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million or 3.3 percent. Even with this reduction, School Aid will continue to represent the largest State supported program; including STAR and lottery, it will account for 30 percent of State operating funds in 2009-10. The Executive Budget also recommends several mandate relief provisions to lower school districts costs and minimize paperwork.

Major budget actions for the 2009-10 school year include:

- **School Year Support:** The Executive Budget provides \$20.7 billion in State support for public schools for the 2009-10 school year, a year-to-year decrease of \$698 billion, or 3.3 percent. Even with this reduction, School Aid has increased by 42 percent since the 2003-04 school year.
- **Fiscal Year Support:** The Executive Budget provides \$20.78 billion in State support for public schools in 2009-10, approximately the same fiscal year support as last year.
- **Deficit Reduction Assessment:** As a result of the State's current financial situation, the Executive Budget recommends the application of a Deficit Reduction Assessment. This recommendation applies a \$1.1 billion Deficit Reduction Assessment to total School Aid for all school districts, excluding Building Aids and Universal Prekindergarten. This approach reduces School Aid on a per pupil basis, adjusted for each school district's wealth, student need, and residential property tax burden. For High Need school districts, the Deficit Reduction Assessment will be no more than 2.5 percent of a school district's total General Fund expenditures.
- **Foundation Aid:** The Foundation Aid formula calculates funding based on the cost of an education in a successful school, student need, and local ability to pay. Given the current economic situation, the Executive Budget recommends limiting Foundation Aid for the 2009-10 and 2010-11 school years to the amount provided for the 2008-09 School Year, \$14.87 billion. The Executive Budget also recommends extending the full phase-in of Foundation Aid until the 2014-15 school year. This extension of the phase-in maintains the commitment to fully fund Foundation Aid over a longer time period.
- **Universal Prekindergarten:** The Executive Budget recommends limiting funding for the 2009-10 and 2010-11 school years to the 2008-09 level of \$401 million. In addition, the planned full phase-in of Universal Prekindergarten will be extended from the 2010-11 school year to the 2014-15 school year, consistent with the proposed phase-in of Foundation Aid. Maintaining funding at the 2008-09 level ensures continued school district participation, stability of funding for those school districts that are currently participating and preserves the current commitment for this high priority program.
- **Support for School Construction:** The Executive Budget recommends over \$2.4 billion in State support for the construction of school facilities, an increase of \$263 million. Included in this amount, in 2009-10, the State will provide EXCEL Building Aid totaling \$165 million – reflecting the State's 2009-10 debt service cost for EXCEL bonds.
- **High Tax Aid:** The Executive Budget recommends funding High Tax Aid at the 2008-09 school year level of \$205 million for the 2009-10 school year. This is consistent with the approach taken to maintain Foundation Aid and other programs that provide operating support for school districts at 2008-09 levels.
- **BOCES:** The Executive Budget recommends \$706 million in BOCES Aid in 2009-10, an increase of over \$33 million from the 2008-09 school year.

- **Special Services Aid:** The Executive Budget recommends total funding of \$203 million, an increase of \$6.6 million. This aid category funds career education programs and computer services for school districts that are not component districts of BOCES.
- **Transportation Aid:** The Executive Budget recommends \$1.62 billion for reimbursement for the costs of transporting 2.3 million students statewide. This represents an increase of \$93 million.
- **Private Excess Cost Aid:** The Executive Budget recommends \$300 million – the amount that is calculated under existing statutory provisions. This represents a \$37.8 million, or 14.4 percent increase from 2008-09 funding levels.
- **High Cost Excess Cost Aid:** The Executive Budget recommends \$465 million – the amount that is calculated under existing statutory provisions. This represents a \$52 million, or a 12.6 percent increase from 2008-09 funding levels.
- **Miscellaneous Operating Support Programs:** The Executive Budget maintains funding at 2008-09 levels for various programs that can be used by school districts for operating support. These programs include: Supplemental Public Excess Cost, New York City Academic Achievement Grant, Academic Enhancement Aid, Supplemental Educational Improvement Plan Grant, and Supplemental Valuation Impact Grants. These actions are consistent with the approach taken to maintain Foundation Aid and other aids that provide operating support at 2008-09 levels.
- **Charter Schools:** The Executive Budget provides \$18.4 million in Transitional Aid for school districts impacted by a concentration of charter schools, as well as \$5.5 million for technical assistance and start-up grants for Charter Schools.
- **Roosevelt Union Free School District:** The Executive Budget includes \$6 million to provide an Academic Improvement Grant for the Roosevelt Union Free School District. This is a reduction from the \$12 million awarded to Roosevelt in the 2008-09 school year due to the school district's improved fiscal circumstances as reported by the Office of State Comptroller.
- **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.
- **Categorical Teacher-Related Programs:** The Executive Budget recommends eliminating funding for the \$40 million Teacher Centers program and the \$10 million Teacher-Mentor Intern program due to the State's financial condition.
- **Math/Science Initiatives:** The Executive Budget recommends eliminating funding for the \$10 million Math/Science Initiatives program due to the State's financial condition.
- **Bilingual Education/English Language Learners:** The Executive Budget maintains \$12.5 million in funding for Bilingual Education grants. These funds support programs which include technical assistance centers, two-way Bilingual classrooms, intensive Bilingual teacher training and leadership programs.
- **Eliminate Funding for the Rochester Children's Zone:** The Executive Budget recommends eliminating funding for this program which intends to create a community schools model in Rochester.
- **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

EDUCATION

Kindergarten Conversion Aid and Reorganization Operating Aid. In addition, several categorical programs (Urban-Suburban Transfer, Education of Homeless Pupils, Incarcerated Youth, Education of OMH/OMR Pupils, and Native American Building Aid) are declining year-to-year based on estimates provided by the State Education Department for the level of State funding that would be needed to support these programs consistent with existing statutory provisions.

MANDATE RELIEF

The 2009-10 Executive Budget proposes measures to reduce school district costs, ease the paperwork workload, and remove selected mandates. By encouraging structural reforms and reducing operational costs, this proposal promotes efficiency by increasing flexibility for school districts. This mandate relief package will allow school districts to adjust to the changing economic climate and evolving needs of their communities, providing needed flexibility and savings.

Elements of the proposal include:

- **Repeal Wicks:** The Executive Budget proposes to repeal multiple bidder requirements for school districts for a period of five years. This will provide long-term capital and debt service savings to school districts.
- **Reform Pensions:** The Executive Budget would remove pension enhancements that were added after the creation of the Tier IV retirement category. This action will reduce school district pension costs – one of the fastest growing local government cost drivers by reducing pension costs associated with new employees.
- **Reform Procurement:** The Executive Budget proposes to give school districts additional contracting flexibility by increasing existing bidding thresholds and allowing “best value” and “piggybacking” on existing contracts.
- **Reduce Paperwork:** This proposal streamlines existing reporting requirements and eliminates required reports that are deemed to be outdated or no longer serve a public policy purpose. In addition, the Department will be required to develop one consolidated reporting system that captures all information required by New York State or collected by the State for the Federal Government.
- **Delay Effective Date of Mandates with Fiscal Implications:** In the event that a Board of Regents mandate or new statute imposes a cost upon a school district after a school budget has been adopted, the mandate will not be implemented sooner than the following school year.
- **Allow Access to Employee Benefit Accrued Liability Reserve Funds:** A school district’s governing board may authorize a withdrawal of excess funds in an employee benefits accrued liability reserve fund in order to maintain educational programming during the 2009-10 school year. The amount withdrawn may not exceed the Deficit Reduction Assessment for a school district. The State Comptroller would certify that funds withdrawn are in excess of the amount required for employee benefits which are a liability against the fund.
- **Modify Contract for Excellence:** In recognition of the fiscal circumstances facing the State and the two year suspension of increases for Foundation Aid, the Contract for Excellence program is modified for the 2009-10 and 2010-11 school years. All 39 districts currently in the program would be required to continue in the program with a reduced financial liability unless all school buildings in a school district are reported as “In Good Standing” for purposes of the State

accountability system. The school districts which remain in the program would be required to maintain funding on existing Contract for Excellence programs less the percentage reduction of the Deficit Reduction Assessment.

STATE OPERATIONS

The taxpayer-supported General Fund provides 9 percent of the Department's operating budget. Federal grants, including programs for disadvantaged pupils, account for 58 percent of the agency's resources. The remaining 33 percent is derived from fees, charge-backs and other miscellaneous receipts. For 2009-10, the Department's General Fund State Operations support totals \$50 million, a decrease of \$13 million. The Executive Budget recommends a staffing level of 3,199 FTEs for the Department, a decrease of 21 from the 2008-09 Budget. This decrease primarily reflects efficiencies generated by the Department in response to reductions taken in 2008-09 and additional efficiencies that will be achieved in 2009-10.

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 \$764 million for the 2009-10 school year, an increase of \$90 million or 13.3 percent.

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 Executive Budget recommends reforms to the preschool special education program. Specifically, in order to better align fiscal and programmatic responsibilities, school districts will be responsible for a 15 percent share of preschool special education costs. This action will reduce the State share of costs by 12.5 percent and the county share by 2.5 percent. The General Fund recommendation of \$590 million will support a 47 percent State share of preschool special education program costs in the 2009-10 fiscal year. Additionally, the Executive Budget proposes changes to Preschool Special Education Itinerant Teacher (SEIT) reimbursement to ensure that such services are provided in a cost-efficient manner.

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 supports 70 percent of the total education, transportation and maintenance costs of summer programs, with school districts contributing 20 percent and counties 10 percent. The 2009-10 Executive Budget provides funding of \$260 million to support the 70 percent State share of program costs.

EDUCATION

State-Supported Private Schools for the Blind and Deaf

Approximately 1,600 students attend 11 private schools for the blind and deaf. The 2009-10 General Fund recommendation of \$118 million supports approximately 90 percent of the tuition and maintenance costs for these students and also includes \$7 million for ongoing debt service for capital construction.

EDUCATION-RELATED PROGRAMS

The Executive Budget recommends a net year-to-year reduction of approximately \$102 million in funding for education-related programs. This reduction is due primarily to the elimination of funding for one-time legislative grants (\$37 million), and \$69 million in reductions.

Major actions include:

- **Aid for Nonpublic Schools:** The Executive Budget proposes that nonpublic schools no longer be required to participate in comprehensive attendance taking. Funding for this activity is not recommended for continuation, resulting in a year-to-year reduction of \$44 million. A total of \$81 million will continue to be available to reimburse nonpublic schools for other mandated activities.
- **After School Programs:** The Executive Budget proposes the elimination of additional State funding in the amount of \$9.8 million for the 21st Century Community Learning Centers afterschool program. Funding for the Extended Day/School Safety program is maintained at 2008-09 levels to allow schools to provide after-school services such as academic and social support for at-risk students.
- **Prior-Year Claims:** The Executive Budget reduces funding available for payment of school district prior-year claims by \$10 million, resulting in \$15 million continuing to be available for these liabilities.

**ELEMENTARY, MIDDLE, SECONDARY AND CONTINUING (EMSC) EDUCATION-RELATED PROGRAMS
2009-10 SCHOOL YEAR
(\$000)**

Program	2008-09 School Year	2009-10 School Year	Change
Academic Intervention Services for Nonpublic Schools	921	921	0
Adult Basic Education	1,842	1,842	0
Adult Literacy Education	4,906	4,906	0
After School Programs/21 st Century Learning Centers	9,800	0	(9,800)
Apprenticeship Training	1,686	0	(1,686)
Charter School Start-Up and Technical Assistance	5,527	5,527	0
Consortium for Worker Education (CWE)	11,500	11,500	0
County Vocational Education and Extension Boards	940	931	(9)
Education of Children of Migrant Workers	89	89	0
Extended Day/School Safety Program	27,820	27,820	0
Fiscal Stabilization Grants	28,015	30,022	2,007
Health Education Program	691	691	0
Math and Science High Schools	1,382	0	(1,382)
National Board for Professional Teaching Standards	490	490	0
Nonpublic School Aid	125,062	80,605	(44,457)
Primary Mental Health	894	894	0
Prior Year Claims	25,262	15,046	(10,216)
School Lunch and Breakfast Program	30,028	31,700	1,672
Statewide Center for School Safety	466	466	0
Student Mentoring and Tutoring Initiative	490	490	0
Summer Food Program	3,049	3,049	0
SUNY Center for Autism and Related Disabilities	490	490	0
SURR Schools	1,750	1,750	0
Targeted Prekindergarten	1,303	1,303	0
Workplace Literacy	1,268	0	(1,268)
One-Time Legislative Grants	37,144	0	(37,144)
Total EMSC programs	322,815	220,532	(102,283)

OTHER RECOMMENDATIONS

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

Major budget actions include:

- **Library Aid:** The Executive Budget recommends an 18 percent, or \$18 million decrease from the 2008-09 final enacted level of funding for Library Aid, for a total program level of \$80.5 million in 2009-10. Funding for library construction will be maintained at \$14 million for 2009-10.
- **Public Broadcasting Aid:** State support for the New York's 9 public television stations and 17 public radio stations will be \$9.4 million, a 50 percent reduction from the 2008-09 final enacted funding level.
- **College Science and Technology Entry Program (CSTEP):** This program awards funds to colleges to promote student interest in science, technology and mathematics. The Executive Budget recommends \$4.0 million for CSTEP, a 50 percent reduction from the 2008-09 funding level. Funding for the Science and Technology Entry Program (STEP), which provides similar opportunities to high school students, remains supported at its 2008-09 final enacted funding level of \$10.3 million.
- **Bundy Aid:** The Executive Budget recommends a \$41.6 million for Unrestricted Aid for Independent Colleges and Universities, also known as Bundy Aid.
- **Early Childhood Direction Centers:** The Executive Budget recommends using discretionary Federal Individuals with Disabilities Education Act funding to support the costs of this program.

EDUCATION

- **Capital Projects:** The Executive Budget includes \$6.8 million in new capital support for critical health and safety and rehabilitation projects at facilities including the New York State School for the Blind located in Batavia and the St. Regis Mohawk Elementary School.

The Executive Budget also provides funding for the following programs:

- VESID Case Services (\$54.0 million);
- Supported Employment (\$15.2 million);
- Independent Living Centers (\$12.4 million);
- Higher Education Opportunity Program (\$23.8 million);
- Liberty Partnerships (\$11.8 million);
- Teacher Opportunity Corps Program (\$0.7 million); and
- High Needs Nursing (\$0.9 million).

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 \$3.25 billion for the STAR program comprised of the Enhanced STAR exemption for eligible senior citizens, the Basic STAR exemption for other homeowners, and the New York City Personal Income tax rate reduction and refundable tax credit.

Major budget actions include:

- **“Floor” Provision:** The Executive Budget changes the “floor” adjustment that limits annual reductions in STAR exemption amounts from 11 percent to 18 percent. This is expected to produce a savings of \$109 million for 2009-10.
- **Eliminate Rebate program:** The Executive Budget eliminates the Middle Class STAR Rebate program. This would reduce spending by \$1.43 billion in 2009-10. A corresponding decrease in New York City income tax credit amounts would reduce spending by an additional \$364 million in 2009-10.

PROGRAM HIGHLIGHTS

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

SCHOOL AID

The Executive Budget provides \$20.7 billion in School Aid for the 2009-10 school year. State support for public schools, combined with STAR and lottery payments, accounts for approximately 30 percent of State operating funds.

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.
- **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 \$4.04 billion and account for almost 20 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 2009-10 school year, funding will be available for approximately 105,000 students to attend Universal Prekindergarten programs throughout the State. Funding of \$1 million for Universal Prekindergarten planning grants is eliminated for the 2009-10 school year.
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs.

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 400,000 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 57 blind and multiply disabled students, including nine developmentally disabled students in the Intermediate Care Facility (ICF). The Rome School for the Deaf serves 89 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:

- **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 \$81 million to reimburse nonpublic schools for the cost of mandated services. The Executive Budget proposes that nonpublic schools no longer be required to implement comprehensive attendance taking. Funding for the Comprehensive Attendance Program is not recommended for continuation.
- **After School Programs:** The Executive Budget recommends \$28 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.

EDUCATION

CULTURAL EDUCATION

Cultural Education programs administered by the State Education 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 Department 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 48 professions regulated pursuant to Title VIII of the Education Law, including: Nursing, Optometry, Dentistry, Pharmacy, Veterinary Medicine, Social Work, Architecture, 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 2009-10, STAR will provide New York's taxpayers with savings of almost \$3.25 billion in school tax relief.

School Property Tax Relief

- In 2009-10, approximately 633,550 senior homeowners will be eligible to receive an enhanced exemption. The statewide average STAR enhanced benefit for seniors is estimated at \$1,145. 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 \$73,000 to receive benefits in 2009.
- In 2009-10, 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 \$629.
- 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 11 percent to 18 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 decreasing the flat refundable credit available to taxpayers with incomes under \$250,000, to 2005 amounts of \$125 for married couples filing jointly and surviving spouses and \$62.50 for others.
- Total local taxpayer savings will be nearly \$750 million in 2009-10, reducing New York City personal income tax liability by almost 7 percent.

EDUCATION

Middle Class Rebate Program

- Legislation accompanying the Executive Budget would eliminate Middle Class STAR Rebate program.

EDUCATION

School Aid School Year Payments (Millions)

Program	Estimated 2008-09	Recommended 2009-10	Change Amount	Change Percent
I. Formula-Based Aids:				
Foundation Aid	\$14,873.59	\$14,873.59	\$0.00	0.00
Excess Cost - High Cost	412.50	464.51	52.01	12.61
Excess Cost - Private	262.09	299.93	37.84	14.44
Reorganization Operating Aid	2.86	2.86	0.00	0.00
Textbooks (Incl. Lottery)	184.83	183.65	(1.18)	(0.64)
Computer Hardware	37.50	37.76	0.26	0.69
Computer Software	45.53	45.77	0.24	.53
Library Materials	19.40	19.29	(0.11)	(0.57)
BOCES	672.79	706.09	33.30	4.95
Special Services	196.78	203.43	6.65	3.38
Transportation (Including Summer)	1,525.55	1,618.49	92.94	6.09
High Tax	204.70	204.70	0.00	0.00
Universal Prekindergarten	401.23	401.23	0.00	0.00
Academic Achievement Grant	1.20	1.20	0.00	0.00
Supplemental Educational Improvement Grant	17.50	17.50	0.00	0.00
Charter School Transitional Aid	20.28	18.41	(1.87)	(9.22)
Full-Day Kindergarten	5.40	2.85	(2.55)	(47.22)
Academic Enhancement Aid	8.32	8.32	0.00	0.00
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00
Formula-Based Aids Total	\$18,896.36	\$19,113.90	\$217.54	1.15
Deficit Reduction Assessment	0.00	(1,097.93)	(1,097.93)	NA
	\$18,896.36	\$18,015.97	(\$880.39)	(4.66)
EXCEL Building Aid - New York City	97.00	130.00	33.00	34.02
Building Aid/Reorganization Building	1,992.75	2,204.51	211.76	10.63
	2,089.75	2,334.51	244.76	11.71
Total Formula-Based and Other Aids	\$20,986.11	\$20,350.48	(\$635.63)	(3.03)
II. Grant Programs and Additional Aid Categories:				
EXCEL Debt Service - Rest of State	5.00	35.00	30.00	600.00
Building BANs New Debt Service	70.38	59.05	(11.33)	(16.10)
UPK and Full-Day K Planning Grants	1.00	0.00	(1.00)	(100.00)
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	40.00	0.00	(40.00)	(100.00)
Teacher-Mentor Intern	10.00	0.00	(10.00)	(100.00)
Math and Science Initiatives	10.00	0.00	(10.00)	(100.00)
Rochester Community Schools	2.00	0.00	(2.00)	(100.00)
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	12.00	6.00	(6.00)	(50.00)
Urban-Suburban Transfer	2.55	1.13	(1.42)	(55.69)
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	9.23	6.48	(2.75)	(29.79)
Incarcerated Youth	17.50	16.50	(1.00)	(5.71)
Bilingual	12.50	12.50	0.00	0.00
Education of OMH/OMR Pupils	66.00	54.60	(11.40)	(17.27)
Special School Districts	2.70	2.70	0.00	0.00
Chargebacks	(46.00)	(33.31)	12.69	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	11.00	2.50	(8.50)	(77.27)
Native American Education	36.50	36.50	0.00	0.00
Supplemental Valuation Impact Grants	3.80	3.80	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Subtotal	405.37	342.66	(62.71)	(15.47)
SCHOOL YEAR TOTAL	\$21,391.48	\$20,693.14	(\$698.34)	(3.26)

EDUCATION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	592,408,900	565,384,000	(27,024,900)	585,699,700
Aid To Localities	31,272,937,433	29,376,168,000	(1,896,769,433)	5,080,217,900
Capital Projects	56,640,000	20,800,000	(35,840,000)	141,491,000
Total	31,921,986,333	29,962,352,000	(1,959,634,333)	5,807,408,600

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Office of Management Services Program			
General Fund	127	116	(11)
Special Revenue Funds - Other	209	209	0
Internal Service Funds	135	135	0
Elementary, Middle and Secondary Education			
General Fund	210	201	(9)
Special Revenue Funds - Federal	296	296	0
School for the Blind			
Special Revenue Funds - Other	121	121	0
School for the Deaf			
Special Revenue Funds - Other	106	106	0
Higher Education and the Professions, Office of			
General Fund	62	61	(1)
Special Revenue Funds - Federal	17	17	0
Special Revenue Funds - Other	415	415	0
Cultural Education			
General Fund	16	16	0
Special Revenue Funds - Federal	65	65	0
Special Revenue Funds - Other	325	325	0
Internal Service Funds	54	54	0
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	1,062	1,062	0
Total	3,220	3,199	(21)

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	63,132,400	50,351,000	(12,781,400)
Special Revenue Funds - Federal	334,282,100	328,356,000	(5,926,100)
Special Revenue Funds - Other	163,587,400	155,451,000	(8,136,400)
Internal Service Funds	31,407,000	31,226,000	(181,000)
Total	592,408,900	565,384,000	(27,024,900)

Adjustments:

Transfer(s) From

Education Department, State	
Special Revenue Funds - Other	(1,612,000)
Special Pay Bill	
General Fund	(2,133,000)
Special Revenue Funds - Federal	(10,043,000)
Special Revenue Funds - Other	(7,628,000)
Internal Service Funds	(1,339,000)

Transfer(s) To

Education - School for the Blind	
Special Revenue Funds - Other	825,000
Education - School for the Deaf	
Special Revenue Funds - Other	787,000
Appropriated 2008-09	571,265,900

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

Program	Available 2008-09	Recommended 2009-10	Change
Office of Management Services Program			
General Fund	18,884,800	13,929,000	(4,955,800)
Special Revenue Funds - Other	25,516,000	28,221,000	2,705,000
Internal Service Funds	18,682,800	18,522,000	(160,800)
Elementary, Middle and Secondary			
Education			
General Fund	35,013,100	27,922,000	(7,091,100)
Special Revenue Funds - Federal	147,405,000	141,881,000	(5,524,000)
Special Revenue Funds - Other	2,179,400	1,970,000	(209,400)
School for the Blind			
Special Revenue Funds - Other	10,775,000	10,418,000	(357,000)
School for the Deaf			
Special Revenue Funds - Other	10,329,000	9,992,000	(337,000)
Higher Education and the Professions,			
Office of			
General Fund	8,368,400	7,797,000	(571,400)
Special Revenue Funds - Federal	3,406,000	2,952,000	(454,000)
Special Revenue Funds - Other	63,081,770	57,792,000	(5,289,770)
Cultural Education			
General Fund	866,100	703,000	(163,100)
Special Revenue Funds - Federal	15,329,000	15,378,000	49,000
Special Revenue Funds - Other	50,506,230	45,879,000	(4,627,230)
Internal Service Funds	12,724,200	12,704,000	(20,200)
Vocational and Educational Services for			
Individuals with Disabilities			
Special Revenue Funds - Federal	168,142,100	168,145,000	2,900
Special Revenue Funds - Other	1,200,000	1,179,000	(21,000)
Total	592,408,900	565,384,000	(27,024,900)

EDUCATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	8,774,000	(3,761,200)	8,484,000	(3,695,200)
Elementary, Middle and Secondary Education	17,026,000	(3,044,200)	16,216,000	(2,857,400)
Higher Education and the Professions, Office of	3,617,000	(314,000)	3,469,000	(295,000)
Cultural Education	611,000	(133,000)	611,000	(133,000)
Total	30,028,000	(7,252,400)	28,780,000	(6,980,600)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Office of Management Services Program	145,000	(33,000)	145,000	(33,000)
Elementary, Middle and Secondary Education	648,000	(149,400)	162,000	(37,400)
Higher Education and the Professions, Office of	74,000	(9,500)	74,000	(9,500)
Cultural Education	0	0	0	0
Total	867,000	(191,900)	381,000	(79,900)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program	5,155,000	(1,194,600)	265,000	(99,700)
Elementary, Middle and Secondary Education	10,896,000	(4,046,900)	174,000	(65,400)
Higher Education and the Professions, Office of	4,180,000	(257,400)	71,000	(14,200)
Cultural Education	92,000	(30,100)	28,000	(10,000)
Total	20,323,000	(5,529,000)	538,000	(189,300)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program	133,000	(49,300)	1,918,000	(705,700)
Elementary, Middle and Secondary Education	162,000	(59,900)	10,266,000	(3,811,100)
Higher Education and the Professions, Office of	71,000	(14,200)	3,967,000	(214,800)
Cultural Education	2,000	(1,000)	58,000	(18,100)
Total	368,000	(124,400)	16,209,000	(4,749,700)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Office of Management Services Program	929,000	(347,300)	1,910,000	7,400
Elementary, Middle and Secondary Education	294,000	(110,500)	0	0
Higher Education and the Professions, Office of	71,000	(14,200)	0	0
Cultural Education	4,000	(1,000)	0	0
Total	1,298,000	(473,000)	1,910,000	7,400

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	46,743,000	2,544,200	25,253,000	2,695,100
Elementary, Middle and Secondary				
Education	143,851,000	(5,733,400)	61,111,000	(4,599,100)
School for the Blind	10,418,000	(357,000)	6,278,000	(172,000)
School for the Deaf	9,992,000	(337,000)	5,958,000	(120,000)
Higher Education and the Professions,				
Office of	60,744,000	(5,743,770)	26,775,000	(7,308,370)
Cultural Education	73,961,000	(4,598,430)	31,721,000	(2,287,962)
Vocational and Educational Services for				
Individuals with Disabilities	169,324,000	(18,100)	70,969,000	(10,540,600)
Total	<u>515,033,000</u>	<u>(14,243,500)</u>	<u>228,065,000</u>	<u>(22,332,932)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	21,490,000	(150,900)	0	0
Elementary, Middle and Secondary				
Education	73,278,000	(959,300)	9,462,000	(175,000)
School for the Blind	4,140,000	(185,000)	0	0
School for the Deaf	4,034,000	(217,000)	0	0
Higher Education and the Professions,				
Office of	33,245,000	1,563,800	724,000	800
Cultural Education	41,068,000	(2,291,468)	1,172,000	(19,000)
Vocational and Educational Services for				
Individuals with Disabilities	82,598,000	4,902,200	15,757,000	5,620,300
Total	<u>259,853,000</u>	<u>2,662,332</u>	<u>27,115,000</u>	<u>5,427,100</u>

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	19,453,237,653	19,328,461,000	(124,776,653)
Special Revenue Funds - Federal	3,844,834,000	3,871,035,000	26,201,000
Special Revenue Funds - Other	7,974,865,780	6,176,672,000	(1,798,193,780)
Total	<u>31,272,937,433</u>	<u>29,376,168,000</u>	<u>(1,896,769,433)</u>

Adjustments:

Prior Year Deficiency	
Education Department, State	
General Fund	58,150,000
Recommended Deficiency	
Education Department, State	
General Fund	55,100,000
Special Revenue Funds - Other	(32,100,000)
Appropriated 2008-09	<u>31,354,087,433</u>

EDUCATION

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

Program	Available 2008-09	Recommended 2009-10	Change
Office of Management Services Program			
Special Revenue Funds - Other	5,214,000	5,214,000	0
School Tax Relief			
Special Revenue Funds - Other	4,970,000,000	3,250,000,000	(1,720,000,000)
Elementary, Middle and Secondary Education			
General Fund	19,138,311,659	19,063,069,000	(75,242,659)
Special Revenue Funds - Federal	3,025,862,000	3,052,063,000	26,201,000
Special Revenue Funds - Other	2,974,100,000	2,899,000,000	(75,100,000)
Higher Education and the Professions, Office of			
General Fund	99,926,602	93,662,000	(6,264,602)
Special Revenue Funds - Other	980,000	0	(980,000)
Cultural Education			
General Fund	115,481,812	89,915,000	(25,566,812)
Special Revenue Funds - Federal	5,400,000	5,400,000	0
Special Revenue Funds - Other	12,113,780	10,000,000	(2,113,780)
Vocational and Educational Services for Individuals with Disabilities			
General Fund	80,290,398	81,815,000	1,524,602
Special Revenue Funds - Federal	813,572,000	813,572,000	0
Special Revenue Funds - Other	12,458,000	12,458,000	0
Community Projects			
General Fund	19,227,182	0	(19,227,182)
Total	31,272,937,433	29,376,168,000	(1,896,769,433)

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

Comprehensive Construction Program	Available 2008-09	Recommended 2009-10	Change	Reappropriations 2009-10
Education Building				
Capital Projects Fund	2,000,000	0	(2,000,000)	3,711,000
Capital Projects Fund - Advances	0	0	0	100,000
School for the Blind				
Capital Projects Fund	2,330,000	800,000	(1,530,000)	2,441,000
Capital Projects Fund - Advances	0	0	0	200,000
School for the Deaf				
Capital Projects Fund	650,000	0	(650,000)	7,039,000
Schools For Native American Reservations				
Capital Projects Fund	0	0	0	659,000
Capital Projects Fund - Authority Bonds	0	4,000,000	4,000,000	0
Cultural Education Center				
Capital Projects Fund	9,075,000	0	(9,075,000)	13,673,000
Capital Projects Fund - Advances	0	0	0	2,310,000
Capital Projects Fund - Authority Bonds	27,585,000	0	(27,585,000)	27,585,000
Administration				
Capital Projects Fund	1,000,000	2,000,000	1,000,000	7,189,000
Library Construction				
Library Aid (Auth Bonds)	14,000,000	14,000,000	0	16,057,000
Public Broadcasting Facilities				
Capital Projects Fund - Authority Bonds	0	0	0	527,000
Cultural Education Storage Facility				
Cap Proj Fund - Cultrual Education Storage Facility	0	0	0	60,000,000
Total	56,640,000	20,800,000	(35,840,000)	141,491,000

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 2009-10, OCFS will operate 25 residential facilities and five day placement programs statewide serving approximately 1,390 youth. The Office will end the 2009-10 fiscal year with a workforce of 3,678 positions.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.7 billion All Funds** (\$2 billion General Fund; \$1.7 billion Other Funds) for the Office of Children and Family Services. This is a net decrease of **\$117 million** (\$112 million General Fund decrease; \$5 million Other Funds decrease) from the 2008-09 budget. This net change primarily reflects funding reductions in several program areas to address the 2009-10 budget deficit.

OCFS' staffing level for 2009-10 will be **3,678**, a decrease of **288 annual salaried positions** from the 2008-09 budget. This reduction reflects the net impact of closing/downsizing eight underutilized youth facilities and three underutilized evening reporting centers (-255), the elimination of 39 positions in various programs through attrition, and an increase of six positions associated with child abuse legislation passed in 2008.

Major budget actions include:

- **Preserve Open-ended Funding for Child Welfare Services.** The centerpiece of the child welfare financing system is the provision of 64 percent State reimbursement for preventive and child protective services. In order to preserve this funding source, the Executive Budget eliminates funding for Community Optional Preventive Services (COPS), which supports an array of non-mandated programs, as well as OCFS-contracted preventive services for youth and families in the child welfare system. Since open-ended child welfare services funding is preserved at the 64 percent State/36 percent local level, districts can choose to support services for families and youth at imminent risk of foster care formerly provided by OCFS-contracted preventive services providers. Additionally, local districts will be asked to increase the amount they spend on child welfare from their Federal Flexible Fund for Family Services in order to achieve both State and local child welfare savings.
- **Preserve Adoption Subsidies:** The Executive Budget includes \$228 million, an increase of \$6 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.

CHILDREN AND FAMILY SERVICES

- **Maintain Foster Care Block Grant:** The Foster Care Block Grant is maintained at \$434 million and 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. In the face of an unprecedented budget deficit, base-level funding for this program has been preserved.
- **Delay Implementation of the Bridges to Health Medicaid Waiver:** The Bridges to Health Medicaid Waiver, designed to enhance services to foster care children with multiple needs and prevent them from entering institutional care, will be maintained at its current projected level of 610 slots until 2011-12 when the remaining 2,695 slots will begin phasing in again.
- **Reduce or Eliminate Contract and Other Programs:** In order to ensure that scarce resources continue to be invested in core mandated programs, the Executive Budget would reduce the Kinship Program, which provides services to those caring for individuals related to them, by 50 percent. Other contract programs including Advantage Schools, Home Visiting, Hoyt and Post Placement services would be reduced by 25 percent. Additionally, the Executive Budget eliminates funding for pilots and other programs including caseworker training, caseworker ratio and portable information technology pilots, the Amy Watkins scholarship program, the Preventive Services COLA, the Substance Abuse Co-location pilot and a portion of the beds for former foster youth funded in the NY/NY III agreement.
- **Create a Youth Programs Block Grant.** The 2009-10 Executive Budget creates a \$90 million youth programs block grant. The block grant will provide local districts with flexibility in funding their youth programs based on local district priorities. Programs that were previously funded through discrete appropriations that will now be included in the block grant are Detention Services; Youth Development and Delinquency Prevention (YDDP); Special Delinquency Prevention Program (SDPP); Runaway and Homeless Youth Act (RHYA); Alternatives to Detention and Alternatives to Residential Placement.
- **Right-Size Youth Facility Capacity:** The 2009-10 Executive Budget reflects \$12.4 million in net savings, growing to \$17.8 million in 2010-11, from the announced closures and downsizings of OCFS facilities. A total of eight facilities will be closed/downsized and three evening reporting centers are proposed for closure as of June 1, 2009. These actions are consistent with a significant decline in the population at OCFS' non-secure and limited secure facilities that has led to a 67 percent system-wide utilization rate and more than 500 vacant beds. June 2009 actions will include the following: closure of the Great Valley, Cattaraugus and Adirondack non-secure centers; closure of the Rochester and Syracuse Community Residential Homes; closure of the Pyramid boys reception center; downsizing of the Tryon limited secure center and Allen non-secure center; and closure of evening reporting centers in Albany, Buffalo and Syracuse. These actions will reduce OCFS facility jobs by 255 annual salaried positions, of which 241 were filled as of November 2008.

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.

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 2009-10, will include 25 residential facilities and five day placement programs 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.

CHILD ABUSE HOTLINE

The Office operates the State Central Register Child Abuse Hotline, which is expected to receive over 375,000 calls reporting alleged child maltreatment or abuse in 2009-10. 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.

CHILDREN AND FAMILY SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	531,799,000	513,812,000	(17,987,000)	400,777,000
Aid To Localities	3,218,906,645	3,120,713,400	(98,193,245)	2,320,600,676
Capital Projects	38,488,000	37,675,000	(813,000)	137,022,000
Total	3,789,193,645	3,672,200,400	(116,993,245)	2,858,399,676

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Central Administration			
General Fund	348	368	20
Special Revenue Funds - Federal	2	2	0
Special Revenue Funds - Other	84	0	(84)
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	166	164	(2)
Special Revenue Funds - Other	1	1	0
Family and Children Services			
General Fund	473	514	41
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	2	2	0
Maintenance & Improvement of Youth Facilities			
Capital Projects Funds - Other	7	7	0
Systems Support			
General Fund	188	180	(8)
Training and Development			
Special Revenue Funds - Other	62	62	0
Youth Facilities			
General Fund	2,330	2,075	(255)
Total	3,966	3,678	(288)

CHILDREN AND FAMILY SERVICES

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	290,212,000	276,417,000	(13,795,000)
Special Revenue Funds - Federal	134,261,000	132,162,000	(2,099,000)
Special Revenue Funds - Other	106,751,000	104,658,000	(2,093,000)
Enterprise Funds	475,000	475,000	0
Internal Service Funds	100,000	100,000	0
Total	531,799,000	513,812,000	(17,987,000)

Adjustments:

Transfer(s) From

National and Community Service	
Special Revenue Funds - Federal	(54,000)
Special Pay Bill	
General Fund	(14,394,000)
Special Revenue Funds - Federal	(3,840,000)
Special Revenue Funds - Other	(1,200,000)

Transfer(s) To

Children and Family Services Office of	
General Fund (Aid To Localities)	750,000
National and Community Service	
General Fund	34,000
Special Revenue Funds - Federal	54,000
Appropriated 2008-09	513,149,000

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

Program	Available 2008-09	Recommended 2009-10	Change
Central Administration			
General Fund	32,885,500	32,925,000	39,500
Special Revenue Funds - Federal	528,000	528,000	0
Special Revenue Funds - Other	13,634,000	3,534,000	(10,100,000)
Internal Service Funds	100,000	100,000	0
Child Care			
Special Revenue Funds - Federal	47,455,000	45,356,000	(2,099,000)
Commission for the Blind and Visually Handicapped			
General Fund	8,818,600	9,082,000	263,400
Special Revenue Funds - Federal	32,714,000	32,714,000	0
Special Revenue Funds - Other	1,914,000	1,914,000	0
Departmental Administrative			
Reimbursement			
General Fund	(19,978,000)	(27,985,000)	(8,007,000)
Special Revenue Funds - Other	26,478,000	34,485,000	8,007,000
Family and Children Services			
General Fund	39,525,800	44,428,000	4,902,200
Special Revenue Funds - Federal	22,971,000	22,971,000	0
Special Revenue Funds - Other	1,344,000	1,344,000	0
Systems Support			
General Fund	51,680,200	57,087,000	5,406,800
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	6,627,000	6,319,000	(308,000)
Special Revenue Funds - Other	53,381,000	53,381,000	0
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	170,652,900	154,561,000	(16,091,900)
Enterprise Funds	275,000	275,000	0
Total	531,799,000	513,812,000	(17,987,000)

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	24,281,000	645,500	23,840,000	1,658,500
Commission for the Blind and Visually Handicapped	1,843,000	13,400	1,830,000	15,400
Departmental Administrative Reimbursement	(27,985,000)	(8,007,000)	(27,985,000)	(8,007,000)
Family and Children Services	30,071,000	982,200	27,547,000	(485,800)
Systems Support	11,447,000	(2,481,200)	11,270,000	(2,460,200)
Youth Facilities	122,393,000	(12,939,900)	108,875,000	(13,922,900)
Total	162,050,000	(21,787,000)	145,377,000	(23,202,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Central Administration	356,000	(845,000)	85,000	(168,000)
Commission for the Blind and Visually Handicapped	0	0	13,000	(2,000)
Departmental Administrative Reimbursement	0	0	0	0
Family and Children Services	0	0	2,524,000	1,468,000
Systems Support	0	0	177,000	(21,000)
Youth Facilities	3,588,000	(2,730,000)	9,930,000	3,713,000
Total	3,944,000	(3,575,000)	12,729,000	4,990,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Administration	8,644,000	(606,000)	667,000	(293,000)
Commission for the Blind and Visually Handicapped	7,239,000	250,000	9,000	(1,000)
Family and Children Services	14,357,000	3,920,000	399,000	(339,000)
Systems Support	45,640,000	7,888,000	385,000	27,000
Training and Development	6,319,000	(308,000)	0	0
Youth Facilities	32,168,000	(3,152,000)	11,638,000	1,475,000
Total	114,367,000	7,992,000	13,098,000	869,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Administration	264,000	(116,000)	6,530,000	488,000
Commission for the Blind and Visually Handicapped	0	0	7,230,000	251,000
Family and Children Services	376,000	(47,000)	13,509,000	4,424,000
Systems Support	195,000	33,000	43,580,000	7,527,000
Training and Development	0	0	6,319,000	(308,000)
Youth Facilities	504,000	(89,000)	19,490,000	(3,986,000)
Total	1,339,000	(219,000)	96,658,000	8,396,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	1,183,000	(685,000)	0	0
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	73,000	(118,000)	0	0
Systems Support	1,480,000	301,000	0	0
Training and Development	0	0	0	0
Youth Facilities	536,000	(302,000)	0	(250,000)
Total	3,272,000	(804,000)	0	(250,000)

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	4,162,000	(10,100,000)	36,000	(5,100,000)
Child Care	45,356,000	(2,099,000)	0	0
Commission for the Blind and Visually Handicapped	34,628,000	0	45,000	0
Departmental Administrative Reimbursement	34,485,000	8,007,000	27,985,000	8,007,000
Family and Children Services	24,315,000	0	112,000	0
Systems Support	40,593,000	0	0	0
Training and Development	53,581,000	0	5,676,000	0
Youth Facilities	275,000	0	0	0
Total	237,395,000	(4,192,000)	33,854,000	2,907,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	3,598,000	(5,000,000)	528,000	0
Child Care	0	0	45,356,000	(2,099,000)
Commission for the Blind and Visually Handicapped	1,869,000	0	32,714,000	0
Departmental Administrative Reimbursement	6,500,000	0	0	0
Family and Children Services	10,656,000	0	13,547,000	0
Systems Support	0	0	40,593,000	0
Training and Development	47,705,000	0	200,000	0
Youth Facilities	275,000	0	0	0
Total	70,603,000	(5,000,000)	132,938,000	(2,099,000)

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

Fund Type	Available	Recommended	Change
	2008-09	2009-10	
General Fund	1,847,341,645	1,749,148,400	(98,193,245)
Special Revenue Funds - Federal	1,352,763,000	1,352,763,000	0
Special Revenue Funds - Other	18,802,000	18,802,000	0
Total	3,218,906,645	3,120,713,400	(98,193,245)

Adjustments:			
Transfer(s) From			
Children and Family Services Office of			
General Fund (State Operations)	(750,000)		
Appropriated 2008-09	3,218,156,645		

CHILDREN AND FAMILY SERVICES

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

Program	Available 2008-09	Recommended 2009-10	Change
Child Care			
General Fund	138,578,809	137,362,700	(1,216,109)
Special Revenue Funds - Federal	314,644,000	314,644,000	0
Special Revenue Funds - Other	343,000	343,000	0
Commission for the Blind and Visually Handicapped			
General Fund	549,900	0	(549,900)
Family and Children Services			
General Fund	1,675,613,308	1,606,269,900	(69,343,408)
Special Revenue Funds - Federal	1,018,900,000	1,018,900,000	0
Special Revenue Funds - Other	18,459,000	18,459,000	0
Training and Development			
General Fund	5,515,782	5,515,800	18
Special Revenue Funds - Federal	19,219,000	19,219,000	0
Community Projects			
General Fund	27,083,846	0	(27,083,846)
Total	<u>3,218,906,645</u>	<u>3,120,713,400</u>	<u>(98,193,245)</u>

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

Comprehensive Construction Program	Available 2008-09	Recommended 2009-10	Change	Reappropriations 2009-10
Design and Construction Supervision				
Youth Facilities Improvement Fund	7,000,000	7,000,000	0	15,529,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	1,825,000	1,825,000	0	7,801,000
Youth Facilities Improvement Fund	15,823,000	15,850,000	27,000	70,855,000
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	13,000,000	(840,000)	34,804,000
Youth Center				
Capital Projects Fund	0	0	0	5,313,000
Total	<u>38,488,000</u>	<u>37,675,000</u>	<u>(813,000)</u>	<u>137,022,000</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 public assistance 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 include each county and New York City. Social services districts are responsible for directly administering most public assistance 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 **\$5.2 billion All Funds** (\$1.2 billion General Fund; \$4.0 billion Other Funds) for OTDA. This is an increase of **\$261 million** (\$142 million General Fund decrease; \$403 million Other Funds increase) from the 2008-09 budget. This net change reflects increased funding for the Federal Home Energy Assistance Program, reduced funding for the State SSI supplementation program, and other budget actions.

The Office's workforce will be **2,280 positions** in 2009-10. Approximately 647 of these positions are paid by State tax dollars from the General Fund with partial Federal reimbursement and 1,331 are funded directly by Federal grants. The remaining 302 positions are supported by various special revenues.

Major budget actions include:

- **Increase Public Assistance Grant:** The Executive Budget will increase the basic allowance portion of the public assistance grant by 10 percent a year for the next three years. At full implementation, this will result in a \$96 per month increase in the basic allowance.
- **Reduce Supplemental Security Income (SSI) State Benefit:** 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 provides additional financial support to its SSI recipients. Although the 2009-10 Executive Budget reduces the 2009 calendar

TEMPORARY AND DISABILITY ASSISTANCE

year State benefit for SSI, a recipient's total monthly SSI benefit will still be \$9 to \$34 higher than their 2008 monthly benefit as a result of a 5.8 percent cost of living increase to the Federal benefit.

- **Reduce Personal Needs Allowance of Certain Public Assistance Recipients:** The 2009-10 Executive Budget will reduce the allowance given to the 7,000 public assistance recipients who reside in chemical dependence treatment facilities to an amount that is comparable to the allowance given to recipients who reside in similar settings that provide room and board.
- **Eliminate Local Administration Fund:** The 2009-10 Executive Budget replaces General Fund support of the Local Administration Fund (which supports the State share of food stamps and public assistance administration) with Federal funding by increasing the Flexible Fund for Family Services allocation by \$310.6 million.
- **Reduce Reimbursement for New York City Adult Homeless Shelters:** The Executive Budget caps reimbursement to New York City for adult homeless shelter expenditures at \$79.7 million, a reduction of \$10.6 million from 2008-09 levels.
- **Reduce or Eliminate Funding for Various Homeless, Refugee and Employment-Related Programs:** Funding is reduced for the Homelessness Intervention Program (HIP) and the Single Room Occupancy (SRO) Supportive Services Program. These programs assist homeless individuals and families in achieving self-sufficiency by strengthening their independent living skills and helping them acquire and retain permanent housing. Funding is also reduced for the Citizenship Program and the New York State Refugee Resettlement Assistance Program (NYSRRAP), which assists refugees and asylees by providing such services as job search and housing location help, employment training, and assistance in the attainment of citizenship status. The Executive Budget will also eliminate funding for the Homeless Prevention Program (HPP), the Safety Net Assistance Local Innovations Program (SNAP), the Local Interagency VESID Employment Services Program, the Educational Resources Program, and the HIV Welfare-to-Work Program. These programs have sufficient unexpended balances to continue for a period of time absent new funding.
- **Eliminate the Strengthening Families Through Stronger Fathers Program:** Funding is eliminated for the Fatherhood program, which currently supports five pilots that provide employment training, parenting training, legal services, financial counseling and mental health services to non-custodial parents. The program will continue to run until the end of the pilot phase on September 30, 2009.

PROGRAM HIGHLIGHTS

The public assistance program 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.

TEMPORARY AND DISABILITY ASSISTANCE

Since 1994, the public assistance caseload has decreased by over 1.1 million recipients, 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 Federal Temporary Assistance for Needy Families (TANF) Block Grant to fund supportive services (such as child care and the Earned Income Tax Credit) that encourage employment.

OTDA's programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households.

FAMILY ASSISTANCE PROGRAM

The Family Assistance program, which is financed jointly by the State, Federal government and local districts, provides employment assessments, supportive 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 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.

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 include families who have exhausted their five-year limit on Family Assistance, single adults and childless couples. 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.

CHILD SUPPORT ENFORCEMENT PROGRAM

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 continues 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 \$1.7 billion in 2009.

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OTHER SUPPORTIVE PROGRAMS

The Federal Food Stamp Program provides low-income households with an electronic benefit card that can be used as cash to purchase food. In 2007-08, New York received \$2.43 billion in Federal Food Stamp benefits, with eligible households receiving an average monthly benefit of \$207.

The Federal Home Energy Assistance Program (HEAP) provides cash benefits to assist low-income households in meeting their home heating costs. The HEAP program also provides funding for weatherization activities to reduce energy usage in residential units occupied by low-income households. Federal funding for HEAP has increased substantially for Federal fiscal year 2009, with New York State receiving \$539 million, a \$180 million increase from 2008 levels. The Executive Budget includes additional Federal appropriation authority to accommodate this increase.

The 2009-10 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 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	492,584,000	467,808,000	(24,776,000)	344,647,000
Aid To Localities	4,467,727,596	4,760,242,000	292,514,404	3,476,214,537
Capital Projects	36,500,000	30,000,000	(6,500,000)	111,490,000
Total	4,996,811,596	5,258,050,000	261,238,404	3,932,351,537

TEMPORARY AND DISABILITY ASSISTANCE

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

Full-Time Equivalent Positions (FTE)			
Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
General Fund	203	203	0
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 - Federal	57	57	0
Special Revenue Funds - Other	30	30	0
Disability Determinations Program			
Special Revenue Funds - Federal	956	956	0
Special Revenue Funds - Other	105	105	0
Employment and Economic Support Program			
General Fund	43	43	0
Special Revenue Funds - Federal	190	190	0
Special Revenue Funds - Other	27	27	0
Executive Direction			
General Fund	16	16	0
Information Technology Program			
General Fund	88	88	0
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	27	27	0
Special Revenue Funds - Federal	23	23	0
Special Revenue Funds - Other	12	12	0
Total	<u>2,280</u>	<u>2,280</u>	<u>0</u>

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	67,548,000	60,750,000	(6,798,000)
Special Revenue Funds - Federal	255,358,000	246,347,000	(9,011,000)
Special Revenue Funds - Other	168,478,000	159,511,000	(8,967,000)
Internal Service Funds	1,200,000	1,200,000	0
Total	<u>492,584,000</u>	<u>467,808,000</u>	<u>(24,776,000)</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(5,531,000)		
Special Revenue Funds - Federal	(10,412,000)		
Special Revenue Funds - Other	(1,044,000)		
Appropriated 2008-09	<u>475,597,000</u>		

TEMPORARY AND DISABILITY ASSISTANCE

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	15,272,000	12,989,000	(2,283,000)
Special Revenue Funds - Federal	9,000,000	9,000,000	0
Special Revenue Funds - Other	36,025,000	34,715,000	(1,310,000)
Internal Service Funds	1,200,000	1,200,000	0
Child Well Being Program			
General Fund	2,500,000	2,400,000	(100,000)
Special Revenue Funds - Federal	12,046,000	17,447,000	5,401,000
Special Revenue Funds - Other	31,044,000	24,212,000	(6,832,000)
Disability Determinations Program			
Special Revenue Funds - Federal	174,412,000	160,000,000	(14,412,000)
Special Revenue Funds - Other	10,600,000	10,600,000	0
Employment and Economic Support Program			
General Fund	5,196,000	3,015,000	(2,181,000)
Special Revenue Funds - Federal	21,400,000	21,400,000	0
Special Revenue Funds - Other	7,109,000	8,684,000	1,575,000
Executive Direction			
General Fund	791,000	648,000	(143,000)
Special Revenue Funds - Other	1,200,000	1,200,000	0
Information Technology Program			
General Fund	30,278,000	28,280,000	(1,998,000)
Special Revenue Funds - Federal	35,000,000	35,000,000	0
Special Revenue Funds - Other	69,000,000	66,600,000	(2,400,000)
Legal Affairs			
General Fund	12,245,000	12,349,000	104,000
Special Revenue Funds - Other	11,000,000	11,000,000	0
Specialized Services Program			
General Fund	1,266,000	1,069,000	(197,000)
Special Revenue Funds - Federal	3,500,000	3,500,000	0
Special Revenue Funds - Other	2,500,000	2,500,000	0
Total	492,584,000	467,808,000	(24,776,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,892,000	(404,000)	2,738,000	(403,000)
Child Well Being Program	300,000	0	300,000	0
Employment and Economic Support Program	283,000	(1,882,000)	202,000	(1,881,000)
Executive Direction	328,000	(158,000)	267,000	(151,000)
Information Technology Program	848,000	(1,313,000)	848,000	(1,313,000)
Legal Affairs	8,811,000	104,000	8,387,000	94,000
Specialized Services Program	826,000	(197,000)	777,000	(200,000)
Total	14,288,000	(3,850,000)	13,519,000	(3,854,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	120,000	0	34,000	(1,000)
Child Well Being Program	0	0	0	0
Employment and Economic Support Program	0	0	81,000	(1,000)
Executive Direction	56,000	(9,000)	5,000	2,000
Information Technology Program	0	0	0	0
Legal Affairs	39,000	10,000	385,000	0
Specialized Services Program	0	0	49,000	3,000
Total	215,000	1,000	554,000	3,000

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	10,097,000	(1,879,000)	110,000	0
Child Well Being Program	2,100,000	(100,000)	0	0
Employment and Economic Support Program	2,732,000	(299,000)	27,000	0
Executive Direction	320,000	15,000	20,000	(4,000)
Information Technology Program	27,432,000	(685,000)	37,900	0
Legal Affairs	3,538,000	0	128,000	(32,000)
Specialized Services Program	243,000	0	12,000	(9,000)
Total	46,462,000	(2,948,000)	334,900	(45,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	290,000	0	9,347,000	(1,879,000)
Child Well Being Program	0	0	2,100,000	(100,000)
Employment and Economic Support Program	112,000	(35,000)	2,569,000	(264,000)
Executive Direction	47,000	12,000	235,000	10,000
Information Technology Program	36,700	0	6,598,400	0
Legal Affairs	200,000	2,000	2,753,000	150,000
Specialized Services Program	110,000	3,000	112,000	6,000
Total	795,700	(18,000)	23,714,400	(2,077,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	350,000	0	0	0
Child Well Being Program	0	0	0	0
Employment and Economic Support Program	24,000	0	0	0
Executive Direction	18,000	(3,000)	0	0
Information Technology Program	70,000	0	20,689,000	(685,000)
Legal Affairs	457,000	(120,000)	0	0
Specialized Services Program	9,000	0	0	0
Total	928,000	(123,000)	20,689,000	(685,000)

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	44,915,000	(1,310,000)	22,726,000	(614,000)
Child Well Being Program	41,659,000	(1,431,000)	8,364,000	(279,000)
Disability Determinations Program	170,600,000	(14,412,000)	80,050,000	(4,969,000)
Employment and Economic Support Program	30,084,000	1,575,000	18,327,000	2,080,000
Executive Direction	1,200,000	0	1,200,000	0
Information Technology Program	101,600,000	(2,400,000)	7,350,000	(688,000)
Legal Affairs	11,000,000	0	11,000,000	0
Specialized Services Program	6,000,000	0	3,670,000	(73,000)
Total	407,058,000	(17,978,000)	152,687,000	(4,543,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	22,189,000	(696,000)	0	0
Child Well Being Program	33,295,000	(1,152,000)	0	0
Disability Determinations Program	90,550,000	(9,443,000)	0	0
Employment and Economic Support Program	11,757,000	(505,000)	0	0
Executive Direction	0	0	0	0
Information Technology Program	59,250,000	(1,712,000)	35,000,000	0
Legal Affairs	0	0	0	0
Specialized Services Program	2,330,000	73,000	0	0
Total	219,371,000	(13,435,000)	35,000,000	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	1,294,753,756	1,159,068,000	(135,685,756)
Special Revenue Funds - Federal	3,145,446,000	3,573,647,000	428,201,000
Special Revenue Funds - Other	17,527,840	17,527,000	(840)
Fiduciary Funds	10,000,000	10,000,000	0
Total	4,467,727,596	4,760,242,000	292,514,404

TEMPORARY AND DISABILITY ASSISTANCE

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

Program	Available 2008-09	Recommended 2009-10	Change
Child Well Being Program			
General Fund	33,573,600	30,810,000	(2,763,600)
Special Revenue Funds - Federal	102,000,000	128,000,000	26,000,000
Employment and Economic Support Administration Program			
General Fund	344,558,462	24,826,000	(319,732,462)
Employment and Economic Support Program			
General Fund	794,184,000	996,808,000	202,624,000
Special Revenue Funds - Federal	2,604,746,000	2,994,257,000	389,511,000
Fiduciary Funds	10,000,000	10,000,000	0
Food Stamp Administration Program			
Special Revenue Funds - Federal	406,275,000	420,390,000	14,115,000
Special Revenue Funds - Other	7,627,840	7,627,000	(840)
Specialized Services Program			
General Fund	122,062,694	106,624,000	(15,438,694)
Special Revenue Funds - Federal	32,425,000	31,000,000	(1,425,000)
Special Revenue Funds - Other	9,900,000	9,900,000	0
Community Projects			
General Fund	375,000	0	(375,000)
Total	<u>4,467,727,596</u>	<u>4,760,242,000</u>	<u>292,514,404</u>

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

Comprehensive Construction Program	Available 2008-09	Recommended 2009-10	Change	Reappropriations 2009-10
Supported Housing Program				
Housing Program Fund	36,500,000	30,000,000	(6,500,000)	111,490,000
Total	<u>36,500,000</u>	<u>30,000,000</u>	<u>(6,500,000)</u>	<u>111,490,000</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 (SUNY) and the City University of New York (CUNY) 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. Agency administrative operations are located in Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.04 billion All Funds** (\$896 million General Fund; \$143 million Other Funds) in support of the Corporation. This is a net increase of **\$44 million** (a \$72 million General Fund increase and a \$28 million Other Funds decrease) over 2008-09 funding levels. The Budget reflects an investment to help establish a new State student loan program and increased spending for the Tuition Assistance Program (TAP) driven by anticipated tuition increases at SUNY and CUNY, offset by reduced administrative spending by the Corporation.

The Executive Budget recommends a staffing level of **682 FTEs** for the Corporation, a decrease of 18 from 2008-09 staffing levels. Virtually all employees are paid through funds received for the administration of Federal student loans.

Major budget actions include:

- **Establish the New York Higher Education Loan Program:** The Executive Budget includes a \$50 million General Fund investment to support the creation of a new affordable student loan program for New York State residents attending New York State higher education institutions. This program will help students fill the gap between the cost of college attendance and available financial aid by providing education loans of up to \$10,000 annually at rates that are significantly below conventional private bank student loans.
- Increase TAP Funding for SUNY and CUNY Tuition Adjustments:** The Executive Budget includes \$44 million to support increased TAP awards resulting from the recommended tuition rate increases for SUNY and CUNY.

HIGHER EDUCATION SERVICES

- **Increase TAP Full-Time Eligibility Threshold to 15 Credits and Expand TAP Eligibility:** Currently, although students must earn an average of 15 credits per semester in order to graduate on a timely basis after eight semesters of study, students who earn as few as 12 credits per semester are eligible for full TAP awards. This disparity can result in students being short of the 120 credits required for graduation when they reach the current eight semester lifetime TAP eligibility limit. To remedy this, the 2009-10 Executive Budget defines full-time study as 15 credits per semester, converts the lifetime TAP eligibility limit from 8 semesters to 120 credits, and provides pro-rated TAP awards for students taking between 10 and 14 credits per semester. Combined, these measures are expected to produce savings of \$31 million in 2009-10.
- **Treat Pension Income Equitably in TAP Eligibility Determinations:** Currently, unlike income earned from private sector pension systems, income earned from public sector pension systems is not included in TAP award eligibility determinations. The 2009-10 Executive Budget eliminates this inequity by including all pension income in TAP eligibility determinations. This measure is expected to produce savings of \$15 million in 2009-10.
- **Increase Academic Standards for Continued TAP Eligibility:** The 2009-10 Executive Budget would increase minimum academic standards for non-remedial students to maintain TAP eligibility. Such students will now be required to have earned at least 18 credits and a 1.8 Grade Point Average (GPA) after two semesters of study. Current standards would remain unchanged for remedial students. These measures are expected to produce savings of \$6.5 million in 2009-10.
- **Eliminate TAP for Graduate Study:** The 2009-10 Executive Budget eliminates TAP award eligibility for graduate students. This measure is expected to produce savings of \$3 million in 2009-10.
- **Eliminate Enhanced TAP Awards for Multiple Family Members:** The 2009-10 Executive Budget eliminates the current enhancement in TAP award amounts for applicants who have multiple dependent family members in college. This measure is expected to reduce TAP spending by \$6 million in 2009-10.
- **Establish 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 2009-10 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 \$3.7 million in 2009-10.

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 2009-10 through increased reliance on technology and streamlined administrative practices. Colleges and lenders are now able to conduct all loan transactions on-line using the Corporation's "New York State

Marketplace,” an internet portal that facilitates 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 2009-10, providing early college preparation and guidance services to low-income individuals.

NEW YORK HIGHER EDUCATION LOAN PROGRAM

The Executive Budget establishes a new student loan program for New York State residents. The New York Higher Education Loan Program will provide students and parents with access to low-cost loans not currently available in the private loan market. The Program is a partnership between the State, private lenders and higher education institutions that will make available at least \$350 million annually in student loans with interest rates well below those of conventional private bank offerings, beginning in the spring semester of the 2009-10 academic year. Eligible students must be New York State residents attending degree-granting postsecondary education institutions in the State that are approved to participate in Federal HEA Title IV student aid programs. The Corporation will finance and administer the program in tandem with the State of New York Mortgage Agency (SONYMA). It is expected that SONYMA will issue \$350 million in tax-free bonds in 2009-10 to finance new fixed rate loans of up to \$10,000 per borrower. There will also be unlimited private lender participation in an affordable variable rate loan program. In addition to the allocation of Private Activity Bond Volume Cap to authorize the issuance of the SONYMA tax-exempt bonds, in 2009-10, the State will make available \$50 million to support a guarantee fund that will enable favorable borrower interest rates and fees. The debt-service on program bonds will be entirely self-supported by loan repayments and borrower fees, and the bonds issued by SONYMA will not be considered State-supported debt.

FEDERAL LOAN GUARANTEE PROGRAM

The traditional cornerstone of the Corporation’s operations is the administration of the Federal Family Education Loan program (FFELP). Under this program, more than \$21.2 billion in outstanding FFELP loans are guaranteed by the Corporation. FFELP loans are made by banks to students, and should the banks prove unable to collect loan repayments from students following the completion of their studies, 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:

- \$3.7 billion in new guaranteed loans in 2007-08;
- Processing of student loans for over 615,000 borrowers; and

HIGHER EDUCATION SERVICES

- Defaulted loan collections of \$416 million and defaulted loan purchases of \$464 million in 2007-08.

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 \$788 million in General Fund support will be provided to both full- and part-time (TAP) recipients in all sectors of higher education, with an additional \$5.9 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: \$43.3 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.

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 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 590,000 accounts have been opened, with contributions totaling approximately \$8.0 billion. New York's program has received national recognition as one of the top college savings plans in the nation.

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ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	122,610,000	160,391,000	37,781,000	7,000,000
Aid To Localities	872,149,000	878,829,000	6,680,000	7,000,000
Capital Projects	0	0	0	0
Total	994,759,000	1,039,220,000	44,461,000	14,000,000

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
Special Revenue Funds - Other	320	312	(8)
Guaranteed Loan Programs			
Special Revenue Funds - Other	380	370	(10)
Total	700	682	(18)

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	0	50,000,000	50,000,000
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	117,610,000	105,391,000	(12,219,000)
Total	122,610,000	160,391,000	37,781,000

Adjustments:	
Transfer(s) From	
Special Pay Bill	
Special Revenue Funds - Other	(4,693,000)
Transfer(s) To	
Audit and Control, Department of	
General Fund	335,000
Appropriated 2008-09	118,252,000

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
Special Revenue Funds - Other	62,327,000	50,569,000	(11,758,000)
Education Loan Program, New York State			
General Fund	0	50,000,000	50,000,000
Special Revenue Funds - Other	0	5,000,000	5,000,000
Guaranteed Loan Programs			
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	55,283,000	49,822,000	(5,461,000)
Total	122,610,000	160,391,000	37,781,000

HIGHER EDUCATION SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Education Loan Program, New York State	50,000,000	50,000,000	50,000,000	50,000,000
Total	50,000,000	50,000,000	50,000,000	50,000,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	50,569,000	(11,758,000)	15,502,000	(3,768,000)
Education Loan Program, New York State	5,000,000	5,000,000	0	0
Guaranteed Loan Programs	54,822,000	(5,461,000)	21,408,000	(593,000)
Total	110,391,000	(12,219,000)	36,910,000	(4,361,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	35,067,000	(7,825,000)	0	(165,000)
Education Loan Program, New York State	0	0	5,000,000	5,000,000
Guaranteed Loan Programs	28,414,000	(4,868,000)	5,000,000	0
Total	63,481,000	(12,693,000)	10,000,000	4,835,000

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	823,729,000	845,729,000	22,000,000
Special Revenue Funds - Federal	12,900,000	10,900,000	(2,000,000)
Special Revenue Funds - Other	35,520,000	22,200,000	(13,320,000)
Total	872,149,000	878,829,000	6,680,000

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

Program	Available 2008-09	Recommended 2009-10	Change
Scholarships and Fellowships			
General Fund	41,669,000	42,306,000	637,000
Special Revenue Funds - Other	3,920,000	0	(3,920,000)
State Grant Programs			
General Fund	767,703,000	789,066,000	21,363,000
Special Revenue Funds - Federal	12,900,000	10,900,000	(2,000,000)
Special Revenue Funds - Other	31,600,000	22,200,000	(9,400,000)
Tuition Awards for Part-Time Students			
General Fund	14,357,000	14,357,000	0
Total	872,149,000	878,829,000	6,680,000

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

The Division of Housing and Community Renewal (DHCR) is responsible for the supervision, maintenance and development of affordable low- and moderate-income housing in New York State. The Division currently performs a number of activities in fulfillment of this mission, including:

- Oversight and regulation of the State's public and publicly assisted rental housing;
- Administration of the State's rent regulations; and
- Administration of housing development and community preservation programs, including State and Federal grants and loans to housing developers to finance construction or renovation of affordable housing.

ORGANIZATION AND STAFFING

Headed by a Commissioner, the Division maintains three main offices and nine regional offices. Main offices in Albany and Manhattan are responsible for agency-wide administrative functions and the development and execution of the Division of Housing and Community Renewal's policies for its Community Development and Housing programs. The Division's Rent Administration program is administered through the main office in Queens and local offices in rent regulated communities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$374.5 million All Funds** (\$68.8 million General Fund; \$305.7 million Other Funds) for the Division of Housing and Community Renewal. This is a decrease of **\$61.7 million** (\$26 million decrease for General Fund; \$35.7 million decrease for Other Funds) from the 2008-09 budget. This net change primarily reflects the elimination of one-time capital funding, an anticipated increase of Federal Weatherization funds, and various program reductions. The Executive Budget recommends a staffing level of **923 FTEs** for the Division of Housing and Community Renewal, a 17 position reduction from the 2008-09 budget.

Major budget actions include:

- **Reduce Neighborhood Preservation and Rural Preservation Program Funding:** The 2009-10 budget recommends funding of \$11.7 million for these programs, an \$8.5 million decrease from the \$20.2 million originally enacted for these programs in 2008-09. This reduction includes recurring savings of \$623,400 enacted during the August Special Session. These programs provide funding to 222 not for profit community based housing corporations that provide housing related services across the state.
- **Close Rent Administration Offices:** DHCR's Office of Rent Administration operates five offices in New York City (Brooklyn, Staten Island, Queens and two in Manhattan) and three in Nassau (Hempstead), Rockland (Spring Valley) and Westchester (White Plains) counties. The increased use of automation in processing complaints and rent increase applications has significantly reduced customer traffic at these offices and it is no longer

HOUSING AND COMMUNITY RENEWAL

efficient to operate all eight offices. The Executive Budget proposes to save \$450,000 by closing the Nassau, Rockland and Staten Island offices. Legislation is required to close the offices and is submitted as part of the Executive Budget. This proposal includes the elimination of seven positions.

- **Reduce Rural Rental Assistance Program (RRAP):** RRAP provides rental subsidies to landlords for housing projects financed with mortgages from the United States Department of Agriculture Rural Housing Services “515 Program”. RRAP serves projects that provide housing for the elderly and low income populations of Upstate New York. In addition to \$696,000 in recurring savings enacted during the August Special Session, the Executive Budget proposes to achieve \$2 million of savings by: eliminating subsidies for 75 new units scheduled to come on line in 2009-10; reducing subsidies for existing units to reflect a lowering of the capital reserves landlords are required to maintain; and, transferring 394 units scheduled to expire from the program to Federal HUD (Housing and Urban Development) Housing Choice Vouchers. These actions will not impact individuals currently being served by this program.
- **Various Operational Efficiencies:** Consistent with administrative actions taken by other agencies in 2008-09, DHCR reduced its operational costs by 10.35 percent. These actions generate recurring savings of \$3.3 million that are reflected in the 2009-10 Executive Budget. Additional operational efficiencies recommended in the Executive Budget include shifting \$3 million of General Fund costs to other funds and \$500,000 savings from attrition during 2009-10.
- **State Low Income Housing Tax Credit:** The 2009-10 budget recommends \$4 million for the State Low-Income Housing Tax Credit Program which will result in nearly \$40 million in new funding for affordable housing over the next ten years.

The Division’s fee revenues come from the following sources: 1) mortgage servicing fees; 2) application and monitoring fees collected from developers of housing projects that are partially financed by Federal low-income tax credits; 3) payments by New York City to finance a portion of the Division’s rent regulation activities; and 4) fees collected from the U.S. Department of Housing and Urban Development in connection with State administration of the Federal Section 8 rental subsidy program.

PROGRAM HIGHLIGHTS

COMMUNITY DEVELOPMENT

Community Development staff provide support to the Housing Trust Fund Corporation, a public benefit corporation that provides State-funded loans and grants to for-profit and not-for-profit entities to develop housing for low-income families, tenants with special needs and the low-income elderly.

Community Development staff also administer the allocation of low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the tax liability of investors who finance the acquisition and construction of these projects.

SMALL CITIES

The Small Cities Community Development Block Grant Program administers approximately \$58 million in annual funding from the U.S. Department of Housing and Urban Development (HUD). The Small Cities program supports projects in communities with populations of less than 50,000 or non-urban counties with populations of less than 200,000 for housing rehabilitation, job creation or retention, infrastructure repair or replacement, micro-enterprise programs and homeownership assistance.

HOUSING OVERSIGHT

The Housing Program oversees the management of State-assisted housing projects. On a project-by-project basis, Housing Program staff periodically review the financial and physical condition of:

- 176 housing developments constructed between 1957 and 1974 under the State's Mitchell-Lama housing laws and financed with State-guaranteed debt. These projects provide more than 83,380 dwelling units to low- and moderate-income families;
- 74 public housing projects constructed between 1941 and 1973 and financed with State General Obligation bonds that provide more than 20,000 apartments for low-income families; and
- Approximately 1,100 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program is responsible for the administration of over 38,000 HUD Housing Choice vouchers in New York State. These vouchers provide rental assistance to low-income families in 50 local program areas in New York State.

RENT ADMINISTRATION

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation under the DHCR in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants. The Office of Rent Administration has been recognized for its outstanding efforts to make the program more responsive to its customers. By streamlining the administrative process, the amount of time necessary to close a rent overcharge case has been reduced significantly.

HOUSING CAPITAL PROGRAMS

In 2008-09, \$100 million in one-time capital funding was provided for housing development projects. The 2009-10 Executive Budget reflects the reappropriation of these funds and the continuation of recurring capital funding levels. There are two primary low- and moderate-income housing construction programs supported by State appropriations: the Housing Trust Fund Program and the Affordable Housing Corporation Program. This budget includes a \$29 million appropriation and \$148 million in reappropriations for the Housing Trust Fund Program, which provides grants to finance construction or rehabilitation of low-income apartment buildings. The Affordable Housing Corporation will receive \$25 million in new funds and \$84.5 million

HOUSING AND COMMUNITY RENEWAL

in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$35,000 per unit or \$40,000 per unit in designated high cost areas.

To support municipal housing authorities, this budget also recommends that \$12.8 million in new funding and \$69 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	108,026,000	106,206,000	(1,820,000)	48,792,000
Aid To Localities	160,560,546	163,132,000	2,571,454	151,623,000
Capital Projects	167,700,000	105,200,000	(62,500,000)	430,057,000
Total	436,286,546	374,538,000	(61,748,546)	630,472,000

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
General Fund	55	51	(4)
Community Development			
General Fund	45	31	(14)
Special Revenue Funds - Federal	60	60	0
Special Revenue Funds - Other	12	16	4
Housing			
General Fund	29	19	(10)
Special Revenue Funds - Federal	71	76	5
Special Revenue Funds - Other	78	79	1
Housing Development Fund Program			
Special Revenue Funds - Other	0	10	10
Housing Information Systems			
General Fund	76	72	(4)
New Facilities			
Capital Projects Funds - Federal	37	43	6
Rent Administration			
General Fund	153	135	(18)
Special Revenue Funds - Other	324	331	7
Total	940	923	(17)

HOUSING AND COMMUNITY RENEWAL

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	36,087,000	28,604,000	(7,483,000)
Special Revenue Funds - Federal	14,352,000	17,007,000	2,655,000
Special Revenue Funds - Other	57,587,000	60,595,000	3,008,000
Total	108,026,000	106,206,000	(1,820,000)

Adjustments:

Transfer(s) From

Special Pay Bill

General Fund

(1,954,000)

Special Revenue Funds - Federal

(640,000)

Special Revenue Funds - Other

(3,655,000)

Appropriated 2008-09

101,777,000

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	15,195,000	13,008,000	(2,187,000)
Special Revenue Funds - Other	2,911,000	2,911,000	0
Community Development			
General Fund	3,484,000	2,051,000	(1,433,000)
Special Revenue Funds - Federal	3,254,000	5,909,000	2,655,000
Special Revenue Funds - Other	1,646,000	1,968,000	322,000
Housing			
General Fund	3,717,000	1,416,000	(2,301,000)
Special Revenue Funds - Federal	11,098,000	11,098,000	0
Special Revenue Funds - Other	9,390,000	8,841,000	(549,000)
Housing Development Fund Program			
Special Revenue Funds - Other	0	1,371,000	1,371,000
Housing Information Systems			
General Fund	10,164,000	9,464,000	(700,000)
Rent Administration			
General Fund	3,527,000	2,665,000	(862,000)
Special Revenue Funds - Other	43,640,000	45,504,000	1,864,000
Total	108,026,000	106,206,000	(1,820,000)

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,880,000	(618,000)	3,855,000	(618,000)
Community Development	1,979,000	(1,336,000)	1,954,000	(1,336,000)
Housing	1,348,000	(2,302,000)	1,343,000	(2,302,000)
Housing Information Systems	4,295,000	(189,000)	4,275,000	(189,000)
Rent Administration	2,145,000	(832,000)	2,140,000	(832,000)
Total	13,647,000	(5,277,000)	13,567,000	(5,277,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	25,000	0	0	0
Community Development	25,000	25,000	0	(25,000)
Housing	0	0	5,000	0
Housing Information Systems	0	0	20,000	0
Rent Administration	0	0	5,000	0
Total	50,000	25,000	30,000	(25,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	9,128,000	(1,569,000)	299,000	(51,000)
Community Development	72,000	(97,000)	7,000	(10,000)
Housing	68,000	1,000	2,000	0
Housing Information Systems	5,169,000	(511,000)	27,000	(3,000)
Rent Administration	520,000	(30,000)	43,000	(2,000)
Total	14,957,000	(2,206,000)	378,000	(66,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	256,000	(44,000)	7,993,000	(1,404,000)
Community Development	36,000	(49,000)	18,000	(24,000)
Housing	46,000	1,000	15,000	0
Housing Information Systems	46,000	(4,000)	3,976,000	(393,000)
Rent Administration	5,000	0	378,000	(22,000)
Total	389,000	(96,000)	12,380,000	(1,843,000)

Program	Equipment	
	Amount	Change
Administration	580,000	(70,000)
Community Development	11,000	(14,000)
Housing	5,000	0
Housing Information Systems	1,120,000	(111,000)
Rent Administration	94,000	(6,000)
Total	1,810,000	(201,000)

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	0	660,000	0
Community Development	7,877,000	2,977,000	4,052,000	1,137,000
Housing	19,939,000	(549,000)	12,054,000	(148,000)
Housing Development Fund Program	1,371,000	1,371,000	925,000	925,000
Rent Administration	45,504,000	1,864,000	28,155,000	1,843,000
Total	77,602,000	5,663,000	45,846,000	3,757,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	2,251,000	0	0	0
Community Development	3,825,000	1,840,000	0	0
Housing	6,384,000	(401,000)	1,501,000	0
Housing Development Fund Program	446,000	446,000	0	0
Rent Administration	17,349,000	21,000	0	0
Total	30,255,000	1,906,000	1,501,000	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	58,769,444	40,191,000	(18,578,444)
Special Revenue Funds - Federal	92,450,000	113,600,000	21,150,000
Special Revenue Funds - Other	9,341,102	9,341,000	(102)
Total	160,560,546	163,132,000	2,571,454

HOUSING AND COMMUNITY RENEWAL

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

Program	Available 2008-09	Recommended 2009-10	Change
Downtown Heritage Restoration Program			
General Fund	564,000	0	(564,000)
Housing Development Fund Program			
Special Revenue Funds - Other	9,341,102	9,341,000	(102)
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Lead Poisoning Prevention Program			
General Fund	188,000	0	(188,000)
Low Income Weatherization			
Special Revenue Funds - Federal	21,350,000	42,500,000	21,150,000
Neighborhood Preservation			
General Fund	13,474,886	8,153,000	(5,321,886)
New York City Housing Authority Tenant			
Pilot Program			
General Fund	928,220	0	(928,220)
Periodic Subsidies - Local Areas			
General Fund	15,429,321	12,430,000	(2,999,321)
Rural Preservation			
General Fund	6,097,735	3,548,000	(2,549,735)
Rural Rental Assistance			
General Fund	18,730,752	16,060,000	(2,670,752)
Small Cities Community Development			
Block Grant			
Special Revenue Funds - Federal	58,000,000	58,000,000	0
Urban Homeownership Assistance Program			
General Fund	916,500	0	(916,500)
Community Projects			
General Fund	2,440,030	0	(2,440,030)
Total	<u>160,560,546</u>	<u>163,132,000</u>	<u>2,571,454</u>

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

Comprehensive Construction Program	Available 2008-09	Recommended 2009-10	Change	Reappropriations 2009-10
Affordable Housing Corporation				
Housing Program Fund	45,000,000	25,000,000	(20,000,000)	84,450,000
Housing Assistance Fund				
Housing Assistance Fund	0	31,000,000	31,000,000	11,386,000
Low Income Housing Trust Fund				
Housing Program Fund	60,000,000	29,000,000	(31,000,000)	148,000,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	2,139,000
Housing Opportunity Program For Elderly				
Housing Program Fund	4,400,000	400,000	(4,000,000)	4,400,000
Housing Program Capital Improvement				
Capital Projects Fund	0	0	0	19,720,000
Main Street Program				
Housing Program Fund	5,000,000	0	(5,000,000)	5,000,000
New Facilities				
Capital Projects Fund	0	0	0	122,000
Federal Capital Projects Fund	0	0	0	27,615,000
Housing Program Fund	9,000,000	0	(9,000,000)	9,000,000
Public Housing Modernization Program				
Housing Program Fund	17,800,000	12,800,000	(5,000,000)	69,000,000
Rural Revitalization Program				
Housing Program Fund	6,000,000	0	(6,000,000)	7,700,000
Urban Initiatives Program				
Housing Program Fund	3,500,000	0	(3,500,000)	4,325,000
Homes for Working Families Program				
Housing Program Fund	17,000,000	7,000,000	(10,000,000)	37,200,000
Total	<u>167,700,000</u>	<u>105,200,000</u>	<u>(62,500,000)</u>	<u>430,057,000</u>

HOUSING FINANCE AGENCY

MISSION

The New York State Housing Finance Agency is a public benefit corporation created in 1960 to finance low- and moderate-income rental housing. The Agency issues tax-exempt and taxable bonds to provide mortgage loans for the construction and rehabilitation of both low income and mixed income multi-family rental housing.

The Housing Finance Agency also plays a role in administering several housing programs supported by State and Federal appropriations. In 1990, the Agency's mission was expanded to include the issuance of bonds to reimburse the State for appropriated expenditures under the State's housing programs.

ORGANIZATION AND STAFFING

The Housing Finance Agency is governed by a Board consisting of seven members: the Commissioner of Housing and Community Renewal, the Director of the Budget, the Commissioner of Taxation and Finance and four members nominated by the Governor with the consent of the Senate. The Governor designates a Chairperson.

The Agency headquarters is located in New York City and is managed by a President/Chief Executive Officer, who is appointed by the Board. The Agency has regional offices in Albany and Buffalo. The Housing Finance Agency is operated and administered jointly with the State of New York Mortgage Agency, but the two agencies are governed by separate Boards. The New York State Affordable Housing Corporation is a subsidiary of the Agency.

BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Its operating budget is funded with fees and revenues the Agency generates through its financing activities. HFA has a staffing level of 100 FTEs for its 2008-09 fiscal year (November 1, 2008 through October 31, 2009) reflecting no change from the prior fiscal year.

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of more than \$10.6 billion for more than 114,600 units of multi-family housing. During the Agency's fiscal year ending October 31, 2007, more than 3,800 units were financed with mortgage loans totaling more than \$1.2 billion, and in the fiscal year ending October 31, 2008, more than 6,600 units were financed with mortgage loans totaling more than \$1.6 billion.

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency (SONYMA) is a public benefit corporation created in 1970 to increase the affordability of homeownership for low- to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. In 1978, the Agency's mission was expanded to include the issuance of mortgage insurance to promote the stabilization of neighborhoods throughout the State.

ORGANIZATION AND STAFFING

The Agency is overseen by a Board of Directors comprised of the State Comptroller or his appointee, the Director of the Budget, the Commissioner of Housing and Community Renewal, four appointees of the Governor, one appointee of the Temporary President of the Senate and one appointee of the Speaker of the Assembly. Responsibility for operation of the Agency rests with the President/Chief Executive Officer, who also serves in this capacity for the Housing Finance Agency – the State's other major housing finance entity. The Agency is operated jointly with the Housing Finance Agency (HFA) out of its central headquarters in New York City and from regional offices in Albany and Buffalo.

The State of New York Mortgage Agency has two program divisions. The Single Family Programs and Financing Division provides low-interest rate mortgages to low- and moderate-income first-time homebuyers (and for other eligible homebuyers in designated target areas) through the issuance of mortgage revenue bonds. The Agency uses a network of banking institutions to originate mortgages on its behalf. The Mortgage Insurance Fund Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. In addition, in December 2004, the Mortgage Insurance Fund was authorized to enter into agreements to provide credit support for bonds and ancillary bond facilities issued by the Convention Center Development Corporation, a subsidiary of the New York State Urban Development Corporation. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax.

BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee payments made by the Agency to the State in prior years. The Executive Budget recommends \$233.3 million in appropriations in 2009-10 to satisfy this requirement, although no cash disbursements are projected to be made from this appropriation. All State of New York Mortgage Agency programs and operations are supported by Agency funds, consisting of mortgage income, application fees, insurance premiums and investment proceeds. SONYMA has a staffing level of 121 FTEs for its 2008-09 fiscal year (November 1, 2008 through October 31, 2009) reflecting no change from its prior fiscal year.

MORTGAGE AGENCY

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$10.5 billion of affordable financing for over 149,000 homes in New York. During the Agency's 2007-08 fiscal year, 3,867 loans were financed in the amount of \$504 million.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$5.6 billion. In 2007-08, mortgage insurance provided by the Agency totaled more than \$672 million.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	255,009,000	156,500,000	(98,509,000)	0
Capital Projects	0	0	0	0
Total	331,809,000	233,300,000	(98,509,000)	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	76,800,000	76,800,000	0
Total	76,800,000	76,800,000	0

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

Program	Available 2008-09	Recommended 2009-10	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues			
General Fund	61,800,000	61,800,000	0
SONYMA Mortgage Insurance Fund			
Restoration			
General Fund	15,000,000	15,000,000	0
Total	76,800,000	76,800,000	0

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total Amount	Change	Maintenance Undistributed Amount	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues	61,800,000	0	61,800,000	0
SONYMA Mortgage Insurance Fund				
Restoration	15,000,000	0	15,000,000	0
Total	76,800,000	0	76,800,000	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	255,009,000	156,500,000	(98,509,000)
Total	255,009,000	156,500,000	(98,509,000)

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

Program	Available 2008-09	Recommended 2009-10	Change
SONYMA Mortgage Insurance Fund			
Restoration			
General Fund	255,009,000	156,500,000	(98,509,000)
Total	255,009,000	156,500,000	(98,509,000)

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 208 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 **\$23 million All Funds** (\$14.8 million General Fund, \$8.2 million Other Funds) for the Division of Human Rights. This is an increase of **\$0.5 million All Funds** (\$0.8 million decrease in General Fund, \$1.3 million increase in Other Funds) from the 2008-09 budget. This increase is a result of collectively bargained salary increases and a shift of 14 positions from the General Fund to Other Funds.

The Executive Budget recommends a Division staffing level of **208 FTEs** in 2009-10. 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 2008-09, 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 2009-10, along with enforcing provisions of State law that enhance the rights of New Yorkers, particularly in the area of disabilities. The Division is also working with local communities to address issues of bias-related violence.

HUMAN RIGHTS

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	22,562,000	23,029,000	467,000	14,160,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	22,562,000	23,029,000	467,000	14,160,000

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
General Fund	168	154	(14)
Special Revenue Funds - Federal	40	54	14
Total	208	208	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	15,658,000	14,788,000	(870,000)
Special Revenue Funds - Federal	6,904,000	8,241,000	1,337,000
Total	22,562,000	23,029,000	467,000

Adjustments:	
Transfer(s) From	
Special Pay Bill	
General Fund	(961,000)
Appropriated 2008-09	21,601,000

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	15,658,000	14,788,000	(870,000)
Special Revenue Funds - Federal	6,904,000	8,241,000	1,337,000
Total	22,562,000	23,029,000	467,000

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	11,892,000	(870,000)	11,548,000	(870,000)
Total	11,892,000	(870,000)	11,548,000	(870,000)

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

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

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

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

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

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	8,241,000	1,337,000	8,241,000	1,337,000
Total	8,241,000	1,337,000	8,241,000	1,337,000

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 76 One-Stop Career Centers located 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 **\$5.3 billion All Funds** (\$5.3 billion Other Funds, including \$4.5 billion Enterprise Fund) for the Department of Labor. This is an increase of **\$462 million All Funds** from the 2008-09 budget, reflecting a projected increase in Unemployment Insurance claims.

The Executive Budget recommends a staffing level of **3,461 positions** in 2009-10, a **decrease of 86** from the 2008-09 budget, reflecting the elimination of the State Employment Relations Board and the transfer of its functions to the Public Employment Relations Board (PERB) and more closely aligning authorized workforce levels with filled positions. Approximately 83 percent of the Department's positions are financed by Federal grants and 17 percent are supported by fees and assessments.

Major budget actions include:

- **Unemployment Insurance Systems Modernization:** Federal grant funding received by DOL will support the Department's Unemployment Insurance computer systems modernization efforts. Appropriations totaling \$12 million are recommended for this project, a decrease of \$5.8 million from the 2008-09 budget.
- **State Employment Relations Board (SERB):** The budget recommends eliminating SERB and transferring its functions to PERB. This action will result in General Fund savings of \$1.7 million. SERB is the only Department of Labor program supported by the General Fund.

LABOR

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 \$238 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 20,230 amusement park devices, 936 ski lifts, 5,533 places of public assembly (e.g., bleachers at concerts) and 30,292 commercial boilers. It also reviewed applications for 50,517 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 991 businesses for compliance with child labor laws and collected nearly \$26.6 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 34,577 employees.

Through coordinated audit and investigative activities, the Governor's Joint Enforcement Task Force on Employee Misclassification 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. During 2008-09, the Division of Labor Standards participated in job site sweeps with 6 other State and local agencies, targeting 30 large construction sites, 14 specialty grocery/food stores and 1 restaurant, revealing thousands of misclassified workers and millions of dollars of unreported wages. These actions resulted in collection of additional Unemployment Insurance taxes, as well as wage underpayments that were due to workers.

The Bureau of Immigrant Worker's Rights established within the Department in 2007-08 will continue to detect and address abuses against immigrant workers throughout New York State.

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. In June 2008, the Federal Extended Unemployment Compensation Program (EUC08) was enacted, which provides an additional 13 weeks of benefits to eligible claimants who have exhausted their regular Unemployment Insurance benefits. Based on current legislation, this EUC08 program will continue into the first quarter of 2009-10, and could possibly be extended beyond June 2009. Additional Federal legislation was enacted in November 2008 to further extend Unemployment Insurance benefits by another 7 weeks for eligible claimants who remain unemployed. The 2009-10 budget increases Unemployment Insurance Fiduciary funding by \$1.5 billion – to \$4.5 billion – to 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.

The Department offers two safe and convenient options for receiving benefit payments, Unemployment Insurance benefit payment debit cards, known as Direct Payment Cards, and the Direct Deposit program. These efforts are intended to modernize the unemployment system, while making the process more customer friendly and cost effective.

LABOR

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	4,589,586,000	5,084,836,000	495,250,000	553,726,000
Aid To Localities	271,613,500	238,719,000	(32,894,500)	399,221,100
Capital Projects	0	0	0	0
Total	<u>4,861,199,500</u>	<u>5,323,555,000</u>	<u>462,355,500</u>	<u>952,947,100</u>

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
Special Revenue Funds - Federal	2,846	2,846	0
Employment Relations Board			
General Fund	15	0	(15)
Employment and Training			
Special Revenue Funds - Other	74	74	0
Labor Standards			
Special Revenue Funds - Other	269	269	0
Occupational Safety and Health			
Special Revenue Funds - Other	272	272	0
Total	<u>3,476</u>	<u>3,461</u>	<u>(15)</u>

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	1,772,000	0	(1,772,000)
Special Revenue Funds - Federal	507,766,000	499,788,000	(7,978,000)
Special Revenue Funds - Other	80,048,000	85,048,000	5,000,000
Enterprise Funds	4,000,000,000	4,500,000,000	500,000,000
Total	<u>4,589,586,000</u>	<u>5,084,836,000</u>	<u>495,250,000</u>

Adjustments:	
Recommended Deficiency	
Labor, Department of	
Enterprise Funds	(1,000,000,000)
Transfer(s) From	
Special Pay Bill	
General Fund	(52,000)
Special Revenue Funds - Federal	(25,438,000)
Special Revenue Funds - Other	(2,655,000)
Appropriated 2008-09	<u>3,561,441,000</u>

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
Special Revenue Funds - Federal	486,266,000	478,288,000	(7,978,000)
Employment Relations Board			
General Fund	1,772,000	0	(1,772,000)
Employment and Training			
Special Revenue Funds - Other	9,673,000	4,673,000	(5,000,000)
Labor Standards			
Special Revenue Funds - Other	28,197,000	28,197,000	0
Occupational Safety and Health			
Special Revenue Funds - Other	42,178,000	42,178,000	0
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	21,500,000	21,500,000	0
Special Revenue Funds - Other	0	10,000,000	10,000,000
Enterprise Funds	4,000,000,000	4,500,000,000	500,000,000
Total	<u>4,589,586,000</u>	<u>5,084,836,000</u>	<u>495,250,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Employment Relations Board	0	(1,303,000)	0	(1,270,000)
Total	<u>0</u>	<u>(1,303,000)</u>	<u>0</u>	<u>(1,270,000)</u>

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

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Employment Relations Board	0	(469,000)	0	(36,000)
Total	<u>0</u>	<u>(469,000)</u>	<u>0</u>	<u>(36,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Employment Relations Board	0	(33,000)	0	(375,000)
Total	<u>0</u>	<u>(33,000)</u>	<u>0</u>	<u>(375,000)</u>

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

LABOR

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	478,288,000	(7,978,000)	0	(17,027,000)
Employment and Training	4,673,000	(5,000,000)	2,847,000	0
Labor Standards	28,197,000	0	16,745,000	0
Occupational Safety and Health	42,178,000	0	19,558,000	0
Unemployment Insurance Benefit Fund	4,521,500,000	500,000,000	0	0
Total	5,074,836,000	487,022,000	39,150,000	(17,027,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	(8,411,000)	478,288,000	17,460,000
Employment and Training	1,826,000	0	0	(5,000,000)
Labor Standards	11,452,000	0	0	0
Occupational Safety and Health	22,620,000	0	0	0
Unemployment Insurance Benefit Fund	0	0	4,521,500,000	500,000,000
Total	35,898,000	(8,411,000)	4,999,788,000	512,460,000

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	19,186,500	0	(19,186,500)
Special Revenue Funds - Federal	251,997,000	238,289,000	(13,708,000)
Special Revenue Funds - Other	430,000	430,000	0
Total	271,613,500	238,719,000	(32,894,500)

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	4,606,000	0	(4,606,000)
Employment and Training			
General Fund	7,428,000	0	(7,428,000)
Special Revenue Funds - Federal	251,997,000	238,289,000	(13,708,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Community Projects			
General Fund	7,152,500	0	(7,152,500)
Total	271,613,500	238,719,000	(32,894,500)

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 the Board of Trustees. Individual college presidents are also appointed by 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 **\$8.4 billion All Funds** (\$2.8 billion General Fund and \$5.6 billion Other Funds) for the State University of New York. The Budget includes General Fund growth in personal service costs (as a result of collective

bargaining contracts), non-personal services and fringe benefits; General Fund decreases associated with tuition offset and community college base aid and other program reductions; Other Fund changes associated primarily with revenue from tuition rate increases; and the reappropriation of a \$4.1 billion multi-year capital program in 2008-09.

Major budget actions include:

- **Reduce General Fund Support to Reflect Additional Revenue from Increased State-Operated Campus Tuition Rates:** The Executive Budget reflects recent actions by the SUNY Board of Trustees to increase annual resident tuition rates for all degree categories by 14 percent (resulting in a \$620 increase in the undergraduate tuition rate, from \$4,350 to \$4,970) and annual non-resident tuition rates for all degree categories by 21 percent. The Executive Budget also assumes that tuition rates for resident graduate and first-professional students will be increased in 2009-10 to levels that are 21 percent above those charged for the fall 2008 semester. In a departure from the more than 30 year old practice of using 100 percent of revenue resulting from tuition increases to offset General Fund spending, SUNY will retain 20 percent of the revenue for increased investment. This budget action generates net General Fund savings of \$132 million and campuses will retain \$33 million.
- **Authorize Differential Tuition for Non-Resident Students:** The Executive Budget would authorize the SUNY Board of Trustees to establish differential tuition rates for non-New York State resident students by individual campus and program. This change would enable campuses and/or individual campus programs with regional or national appeal to better capitalize on their success. Statutory language will require the SUNY Board to establish appropriate maximum percentage thresholds for non-resident students by campus and/or program to ensure continued access to eligible New York State resident students. The Executive Budget assumes that campuses will retain all incremental revenue generated as a result of this change.
- **Reduce Community College Base Aid:** The Executive Budget recommends reducing base aid support for SUNY's 30 community colleges by 10 percent. On average, support per full-time equivalent (FTE) student would decrease by \$270, from \$2,675 to \$2,405. However, the Executive Budget distributes the reduction in a manner such that support for colleges with less than 3,000 FTE students would be reduced by \$160, colleges with from 3,000 to 6,000 students would see a \$230 reduction, and support for colleges with more than 6,000 students would be reduced by \$300. This reflects the capacity of larger campuses, which have more diverse funding streams and greater economies of scale, to better manage such reductions. This budget action would generate General Fund savings of \$46 million.
- **Reduce Subsidy for SUNY Hospitals:** The Executive Budget includes \$129 million for annual subsidy payments to SUNY's hospitals at Brooklyn, Stony Brook and Syracuse. This reflects a \$25 million reduction from the 2008-09 funding level. The subsidy payments recognize the additional costs that SUNY hospitals bear as State entities when compared to their private peers.
- **Reduce or Eliminate Support for Various University-wide Programs and Institutes:** The Executive Budget recommends \$23 million of savings associated with the reduction or elimination of various line item University-wide programs and institutes. Programs with State funding reduced by 15 percent include: the Empire Innovation Program, High Need and High Need Nursing Programs,

Native American Program, Rockefeller Institute of Government (RIG) Operations, RIG Statistical Year Book, RIG Philip Weinberg Senior Fellowship, Charter Schools Institute Operations, University Computer Center, Educational Technology Initiative, Library Automation, Small Business Development Centers, University Telecommunications Network, Tuition Reimbursement, State University Student Tuition Assistance, Child Care Centers, Empire State Scholarships, Just for the Kids at the University at Albany, Graduate Diversity Fellowships, and the Office of Diversity and Educational Equity. Programs with State funding reduced by 50 percent include: the Multidisciplinary Center for Earthquake Engineering at the University at Buffalo, Non-doctoral Graduate Research Initiatives, Library Conservation and Preservation Research Institute on Addictions at the University at Buffalo, Sea Grant Institute at Stony Brook University, Two Year College Development, Stony Brook University/Cold Spring Harbor Laboratory/Brookhaven National Laboratory Research Alliance Planning Study, Academic Equipment Replacement, Development Centers for Business and Industry, New York Network, Strategic Partnership for Industrial Resurgence, Faculty Diversity Program, University-Wide Governance, and Student Computing Access. Programs with State funding recommended for elimination include: the Sportsmanship Institute at Cortland, Nanoscale Science and Engineering at the University at Albany, and the Appointments Program at SUNY Maritime.

- **Eliminate Support for the Neil D. Levin Institute:** The Executive Budget recommends elimination of \$3.1 million of General Fund operating support for the Neil D. Levin Institute. It is assumed that the Institute's 45,000 square foot headquarters located on East 55th Street in Manhattan will be utilized for a suitable higher educational purpose. The building will retain the name of Neil D. Levin and, it is expected, that the SUNY Board of Trustees will take appropriate action to ensure that Mr. Levin's service and sacrifice continues to be recognized.
- **Reduce General Fund Support to Reflect Positive Cash Flow in Revenue Generating Accounts:** The Executive Budget assumes that \$40 million of positive operating cash flows from SUNY's General Income Fund Reimbursable account will be used as an offset to General Fund support.
- **Assess the SUNY Research Foundation for Use of University Facilities:** The Executive Budget assumes that SUNY will require its Research Foundation to pay 10 percent (\$7.8 million) of its indirect cost recoveries on Federal grants as partial reimbursement for using State-funded facilities, and reduces General Fund support by a commensurate amount.

STATE-OPERATED COLLEGES

The Executive Budget provides \$7.2 billion to support the 29 State-operated campuses, central administration and University-wide programs. In addition to \$2.2 billion in support from the General Fund, the University's operating budget includes \$5.0 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.

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2009-10 gross operating support for State-operated colleges and schools will total \$3.5 billion, representing an increase of \$103 million or 3 percent. Within this amount, taxpayer support will total nearly \$2.2 billion, a decrease of \$169 million or 7.1 percent. SUNY's General Revenue Offset Account, the primary repository of tuition revenues, will total \$1.28 billion, an increase of \$232 million from 2008-09 levels attributable to \$165 million in new revenues from tuition rate increases, \$59 million from enrollment growth, and \$7.8 million in indirect cost recoveries from the SUNY Research Foundation.

SUNY's special revenue funding, exclusive of the General Revenue Offset Account, will total \$3.2 billion, an increase of \$4 million, including:

- A decrease of \$85 million for the Stabilization Account, for which appropriations have a two-year life and are, therefore, appropriated every other year;
- An increase of \$160 million for the SUNY hospitals, reflecting collectively bargained salary increases and support for their revenue-generating initiatives;
- A decrease of \$44 million for the State University Tuition Reimbursable Account (SUTRA), a net change reflecting the shift of appropriations to the General Revenue Offset account to accommodate revenue from enrollment growth, collective bargaining agreements and inflationary cost increases;
- An increase of \$94 million for the General Income Fund Reimbursable account (IFR), reflecting general inflationary costs, enrollment growth, and the \$40 million in operating costs that will be supported in 2009-10 by positive cash flows in this account.
- Additional inflationary adjustments of \$10 million for the Dormitory IFR account.

For 2009-10, Federal appropriations totaling \$299 million will support the Pell grant program and various other student financial aid programs.

STATUTORY COLLEGES

The Executive Budget recommends a total of \$165.7 million in General Fund support for the operations of the five statutory colleges at Cornell and Alfred universities. The four statutory colleges at Cornell (Agriculture and Life Sciences, Human Ecology, Veterinary Medicine, and Industrial and Labor Relations) would receive \$99.8 million, a net increase of \$3.3 million from 2008-09 appropriation levels, reflecting \$14.4 million in increases from collective bargaining and inflation, offset by the continuation of \$5.7 million in 2008-09 mid-year reductions allocated by the SUNY Board of Trustees, and 2009-10 funding reductions of \$5.4 million. In addition, the Budget recommends \$55 million to support the land grant mission of Cornell University, a \$5 million decrease from 2008-09 appropriation levels, reflecting the continuation of 2008-09 mid-year reductions allocated by the SUNY Board. The College of Ceramics at Alfred University would receive \$10.4 million, a \$0.5 million net increase from 2008-09 appropriation levels, reflecting \$1.7 million in increases from collective bargaining and inflation, offset by the continuation of \$0.6 million in 2008-09 mid-year reductions allocated by the SUNY Board and 2009-10 funding reductions of \$0.6 million.

SUNY HOSPITALS

The 2009-10 Executive 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, with those revenues supplemented by a State subsidy amount.

The recommended 2009-10 State subsidy for the SUNY hospitals, which recognizes costs attributable to their State agency status, is decreased by \$25 million, from \$154 million to \$129 million.

COMMUNITY COLLEGES

SUNY's 30 community colleges have three basic funding sources: State support, local support, and tuition revenue. The Executive Budget recommends \$430 million in State support, a net decrease of \$28 million from 2008-09 funding levels. This change is attributable to an \$18 million increase for additional enrollment, a decrease of \$46 million resulting from the Executive Budget recommendation to reduce base operating aid by an average of \$270 per student FTE (from \$2,675 to \$2,405) and the annualization of 2008-09 reductions in State support of categorical programs.

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.

CAPITAL PROJECTS

The 2008-09 Enacted Budget provided SUNY with \$4.1 billion in new capital appropriations, a major step in the implementation of a new, \$6.3 billion multi-year capital plan for SUNY's educational facilities, hospitals, residence halls and community colleges. The 2009-10 Executive Budget continues this commitment to the rehabilitation of SUNY's educational facilities infrastructure. The second of five annual \$550 million appropriations will continue to address the accumulated backlog of critical maintenance projects throughout the University system. The Executive Budget also includes \$41 million for the State's 50 percent share of capital projects for community college campuses that have secured local sponsor resolutions.

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 approximately 40 percent of college-bound students graduating from New York State high schools. Nearly 440,000 full-time and part-time SUNY students— 217,858 at State-operated campuses and 221,766 in community colleges— are pursuing studies ranging from one-year certificate programs to doctorates.

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In 2008, two SUNY campuses, Geneseo and Binghamton, were ranked among the top 10 best values for public campuses in the nation by *Kiplinger's Personal Finance* magazine. The academic profile of incoming students continues to grow stronger at SUNY campuses. Nearly three-fourths of students that enrolled at SUNY University Centers in fall of 2007 had SAT scores above 1100, comparable to admission profiles found at other top public flagship institutions across the country. Overall, SUNY campuses averaged 1150 on the SAT, more than 133 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 totaled \$784 million in 2007-08. Research grants at SUNY now underwrite more than 7,650 projects, which directly support more than 17,400 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 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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	7,228,162,500	7,387,471,000	159,308,500	311,747,000
Aid To Localities	465,669,825	434,186,000	(31,483,825)	0
Capital Projects	4,138,766,000	591,965,000	(3,546,801,000)	7,090,632,000
Total	11,832,598,325	8,413,622,000	(3,418,976,325)	7,402,379,000

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

Full-Time Equivalent Positions (FTE)			
Program	2008-09	2009-10	FTE Change
	Estimated FTEs 03/31/09	Estimated FTEs 03/31/10	
All State University Colleges and Schools			
General Fund	24,130	24,130	0
Special Revenue Funds - Federal	3	3	0
Special Revenue Funds - Other	16,497	16,497	0
Capital Projects Funds - Other	2	2	0
Total	<u>40,632</u>	<u>40,632</u>	<u>0</u>

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	2,529,751,500	2,360,069,000	(169,682,500)
Special Revenue Funds - Federal	275,500,000	298,500,000	23,000,000
Special Revenue Funds - Other	4,410,501,000	4,713,602,000	303,101,000
Internal Service Funds	12,410,000	15,300,000	2,890,000
Total	<u>7,228,162,500</u>	<u>7,387,471,000</u>	<u>159,308,500</u>

Adjustments:	
Transfer(s) From	
Special Pay Bill	
General Fund	(128,769,000)
Special Revenue Funds - Other	(140,698,000)
Appropriated 2008-09	<u>6,958,695,500</u>

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

Program	Available 2008-09	Recommended 2009-10	Change
All State University Colleges and Schools			
General Fund	1,468,204,500	1,200,763,000	(267,441,500)
Special Revenue Funds - Federal	275,500,000	298,500,000	23,000,000
Special Revenue Funds - Other	4,410,501,000	4,713,602,000	303,101,000
Internal Service Funds	12,410,000	15,300,000	2,890,000
Employee Fringe Benefits			
General Fund	1,061,547,000	1,159,306,000	97,759,000
Total	<u>7,228,162,500</u>	<u>7,387,471,000</u>	<u>159,308,500</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
All State University Colleges and Schools	2,065,765,000	16,235,200	1,910,821,000	11,479,200
Total	<u>2,065,765,000</u>	<u>16,235,200</u>	<u>1,910,821,000</u>	<u>11,479,200</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
All State University Colleges and Schools	142,546,000	4,939,300	12,398,000	(183,300)
Total	<u>142,546,000</u>	<u>4,939,300</u>	<u>12,398,000</u>	<u>(183,300)</u>

STATE UNIVERSITY

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
All State University Colleges and Schools	456,782,000	(11,915,700)	53,742,000	(40,224,500)
Employee Fringe Benefits	1,159,306,000	97,759,000	0	0
Total	1,616,088,000	85,843,300	53,742,000	(40,224,500)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
All State University Colleges and Schools	12,495,000	871,000	353,100,000	37,097,300
Employee Fringe Benefits	0	0	0	0
Total	12,495,000	871,000	353,100,000	37,097,300

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
All State University Colleges and Schools	37,445,000	(5,359,500)	0	(4,300,000)
Employee Fringe Benefits	0	0	1,159,306,000	97,759,000
Total	37,445,000	(5,359,500)	1,159,306,000	93,459,000

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
All State University Colleges and Schools	3,670,618,000	22,230,000	1,319,786,000	(5,678,300)
Total	3,670,618,000	22,230,000	1,319,786,000	(5,678,300)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
All State University Colleges and Schools	2,309,632,000	26,128,300	41,200,000	1,780,000
Total	2,309,632,000	26,128,300	41,200,000	1,780,000

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	465,669,825	434,186,000	(31,483,825)
Total	465,669,825	434,186,000	(31,483,825)

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

Program	Available 2008-09	Recommended 2009-10	Change
Community Colleges			
General Fund	458,618,525	430,266,000	(28,352,525)
County Cooperative Extension Program -			
Cornell University			
General Fund	3,920,000	3,920,000	0
Community Projects			
General Fund	3,131,300	0	(3,131,300)
Total	465,669,825	434,186,000	(31,483,825)

STATE UNIVERSITY

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

Comprehensive Construction Program	Available 2008-09	Recommended 2009-10	Change	Reappropriations 2009-10
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	15,404,000
Capital Projects Fund - Advances	2,675,613,000	550,000,000	(2,125,613,000)	5,075,613,000
State University Capital Projects Fund				
State University Capital Projects Fund	500,000,000	0	(500,000,000)	663,000,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	123,000,000	0	(123,000,000)	142,017,000
SUNY Dorms (Direct Auth Bonds)	450,000,000	0	(450,000,000)	607,945,000
Subtotal	<u>3,748,613,000</u>	<u>550,000,000</u>	<u>(3,198,613,000)</u>	<u>6,503,979,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	20,000,000	0	(20,000,000)	50,000,000
Capital Projects Fund - Advances	0	0	0	18,000,000
Cap Proj Fund - SUNY CC (Direct Auth Bonds)	370,153,000	41,965,000	(328,188,000)	518,653,000
Subtotal	<u>390,153,000</u>	<u>41,965,000</u>	<u>(348,188,000)</u>	<u>586,653,000</u>
Total	<u><u>4,138,766,000</u></u>	<u><u>591,965,000</u></u>	<u><u>(3,546,801,000)</u></u>	<u><u>7,090,632,000</u></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 2009-10 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 **\$19.6 million** in appropriations funded from proceeds of State University Educational Facilities Revenue bonds. This level of funding represents a decrease of **\$0.1 million** from available 2008-09 funding levels, reflecting the combination of increased personal service spending resulting from collective bargaining offset by decreased non-personal service spending as a result of recurring savings proposals in the Fund's 2008-09 Financial Management Plan. This level of funding will provide the Fund with the required resources to address the design, planning and construction management workload of the State University's new \$5.4 billion multi-year Capital Plan for its educational facilities and Hospitals.

PROGRAM HIGHLIGHTS

The total capacity of all University State-operated campus academic, residential, and hospital facilities exceeds 78 million gross square feet of space; containing nearly 2,300 buildings, hundreds of miles of roads, millions of square yards of walks and plazas, more than 74,000 residential beds and approximately 1,275 licensed hospital and clinic beds. The current estimated replacement value of all State-operated academic facilities is nearly \$27 billion. During the 2007-08 fiscal year, the Fund initiated the design of 50 projects having a total value of \$417 million in design and construction work (\$54 million and \$363 million, respectively) and began construction of 75 projects having an estimated cost of \$236 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;

STATE UNIVERSITY CONSTRUCTION

- Preparation of the State University's annual capital budget request and facility program;
- 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 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	19,722,000	19,586,000	(136,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	19,722,000	19,586,000	(136,000)	0

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
Special Revenue Funds - Other	135	135	0
Total	135	135	0

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
Special Revenue Funds - Other	19,722,000	19,586,000	(136,000)
Total	19,722,000	19,586,000	(136,000)

Adjustments:
Transfer(s) From
 Special Pay Bill
 Special Revenue Funds - Other
Appropriated 2008-09

(917,000)
18,805,000

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
Special Revenue Funds - Other	19,722,000	19,586,000	(136,000)
Total	19,722,000	19,586,000	(136,000)

STATE UNIVERSITY CONSTRUCTION

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	19,586,000	(136,000)	12,004,000	439,000
Total	19,586,000	(136,000)	12,004,000	439,000

Program	Nonpersonal Service	
	Amount	Change
Administration	7,582,000	(575,000)
Total	7,582,000	(575,000)

OFFICE OF THE WELFARE INSPECTOR GENERAL

The 2009-10 Executive Budget recommends that the Office of the Welfare Inspector General be merged into the Office of the Medicaid Inspector General.

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
Total	0	<u>0</u>	<u>0</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(25,000)		
Special Revenue Funds - Other	(33,000)		
Transfer(s) To			
Medicaid Inspector General, Office of the			
General Fund	445,000		
Special Revenue Funds - Other	<u>1,210,000</u>		
Appropriated 2008-09	<u>1,597,000</u>		

