

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

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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.

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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.

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- **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.

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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.

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Middle Class Rebate Program

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

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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)

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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	<u>31,921,986,333</u>	<u>29,962,352,000</u>	<u>(1,959,634,333)</u>	<u>5,807,408,600</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
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	<u>3,220</u>	<u>3,199</u>	<u>(21)</u>

**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