

2008-2009 Financial Management Plan

New York State Education Department

**May 16, 2008
(Revised 6-3-08)**

Strategic Plan

New York State Board of Regents and the State Education Department

Who We Are

The University of the State of New York (USNY) is the most complete, interconnected system of educational services in the United States. Its origins date back to 1784 with the creation of the Board of Regents to oversee Kings College (now Columbia University) and to the Unification Act of a century ago. In 1904, Governor Theodore Roosevelt proposed the creation of a department under the Regents with the responsibility for all education in the State. He said education should be *“unified for the sake of greater efficiency, economy, and harmony.”*

Today, USNY includes: 7,000 public and private elementary and secondary schools; 270 public and independent colleges and universities; 359 proprietary (for-profit) schools; nearly 7,000 libraries; 750 museums; the State Archives, Library and Museum; vocational rehabilitation services for adults with disabilities; special education services for children and teenagers; State schools for the blind and for the deaf; 25 public broadcasting facilities; and more than 740,000 professionals practicing in 47 licensed professions.

USNY means education. The pathways to a good education in New York State are through its institutions. USNY can and does educate millions of people of all ages. USNY means high standards – for schools, museums, colleges, libraries, public broadcasting, archives, professions, vocational rehabilitation programs, and other institutions. USNY is about potential – to collaborate, innovate and create new knowledge. Finally, USNY is about membership in a great endeavor, and that membership carries both rights and responsibilities. For example, higher education institutions exercise a right when they confer degrees, and fulfill a responsibility to their communities when they collaborate with local schools to improve instruction.

The Board of Regents and its State Education Department are constitutionally responsible for setting educational policy, standards, and rules – and are legally required to ensure that the entities we oversee carry them out. The Regents and the Department also provide leadership to The University by drawing attention to major problems and by bringing all parts of USNY together to create solutions. Taken together, the members of USNY and its governing Board comprise a vast resource of knowledge, talent and leadership vital to advancing the State’s economic competitiveness and promoting the well being of New Yorkers.

Our Challenge

Despite a decade of progress and many instances of excellence, New York’s educational system today faces two critical problems that demand urgent attention. First, we face a great divide in educational opportunity and achievement along lines of income, race and ethnicity, language, and disability. Second, New York – and the nation – are not keeping pace with growing demands for still more knowledge and skill in the face of increasing competition in a changing global economy.

Closing the achievement gaps must begin with the fundamental belief that all learners can reach higher standards. It requires that we set high expectations and employ powerful strategies that build on the success of many USNY institutions that are working to close these gaps.

Overall, too few people are completing their education with the skill and knowledge that will be needed among the workforce. Experts estimate that by 2020, America will be unable to fill 14 million of the most skilled, highest paying jobs because there will not be enough qualified people.

Raising achievement throughout the State's educational system is important to all of us. When some are left behind, all of us ultimately suffer – from the failure of America's classic commitment to opportunity for all, from competition with others who educate their citizens to higher standards, from a lagging economy, from a society in greater stress. Only when achievement gaps are eliminated and the overall performance improves will our State and nation have the resources on which our economic future depends. Only then will all New Yorkers have the choices in life that they deserve.

Woven throughout the plan is our commitment to confront problems and create solutions through a focus on setting high standards, building capacity, promoting collaboration and accounting for results – whether it is for students, institutions, or the staff of the State Education Department. This commitment guides the work we do throughout all areas of the Department's responsibilities. This plan does not mention all the services the Department will perform. Detailed plans for each major program area flow from this broad plan.

Our Mission

To raise the knowledge, skill, and opportunity of all the people in New York.

Our Vision

We will provide leadership for a system that prepares the best educated people in the world.

We will do this by:

- Setting goals and standards of excellence;
- Ensuring educational opportunities throughout a lifetime;
- Seeing that everyone has the opportunity to gain skills for work, citizenship, and individual growth;
- Building partnerships for success;
- Having the courage to speak up for the educational needs of all people; and
- Maintaining a collaborative partnership between the Board of Regents and staff of the State Education Department.

We will be known for:

- A quality of work that is a model of what we expect of others;
- Persistence in pursuit of our goals;
- Integrity;
- High productivity;
- Responsiveness; and
- Being a good place to work.

1 REGENTS GOAL *All students will meet high standards for academic performance and personal behavior and demonstrate the knowledge and skills required by a dynamic world.*

Performance Measures¹:

- Percentage of children entering kindergarten knowing sounds and letters
- Percentage of students meeting standards on State assessments
- Participation rates for students with disabilities on State assessments
- Percentage of ninth graders graduating high school within four years
- Number of individuals with disabilities who have received vocational rehabilitation services and have successful outcomes

Key Strategies:

1. Promote the grade-by-grade Math and English Language Arts standards.
2. Distribute detailed curriculum resources in math and English language arts.
3. Expand research-based reading programs statewide.
4. Develop policy and practice to ensure that the high school diploma signifies readiness for citizenship, work and adult responsibility.
5. Implement the school improvement strategy, regional support networks and academic interventions for low performing schools.
6. Focus Department oversight on districts where outcomes indicate the greatest need for improvement for students with disabilities and English language learners.
7. Strengthen the use of library, museum, archives and public broadcasting resources to support learning.
8. Implement grade-by-grade testing.
9. Implement the Statewide Student Data System and Comprehensive Special Education Information System.

2 REGENTS GOAL *All educational institutions will meet Regents high performance standards.*

Performance Measures:

- Percentage of schools meeting Annual Yearly Progress standards
- Number of schools on SURR list or identified as In Need of Improvement
- Number of districts identified as being in financial stress

¹ Data will be disaggregated by race/ethnicity, capacity/resource need of district, disability status, and for English Language Learners, and Career and Technical Education students as appropriate and when available.

- Percentage of applying museums and historical societies achieving an absolute charter
- Number of public libraries which become voting public library districts
- Percentage of teacher education institutions achieving the established pass rate on teacher certification examinations
- Progress on implementation of postsecondary education sectors' master plans after four years compared to the original plans

Key Strategies:

1. Implement middle school reforms.
2. Begin high school reforms.
3. Implement a system of fiscal indicators for school districts.
4. Simplify school district reporting mandates.
5. Require corrective action for teacher education programs that fall below the established pass rates on certification examinations. Review need to increase the pass rates or otherwise strengthen the examinations.
6. Implement the Statewide Plan for Higher Education.
7. Put into place a new approach for State aid to schools.
8. Strengthen local school districts' capacity to use data to improve instruction.
9. Develop instructional leadership at all levels.
10. Provide training and guidance on internal controls and fiscal fitness to school administrators and school boards.
11. Provide guidance and training to help cultural institutions and local government records programs meet standards.
12. Expand the capacity of colleges and universities to educate students with disabilities.
13. Convene USNY leaders to promote stronger collaboration across institutions to improve instruction and learning.
14. Conduct forums for educators and business leaders to collaborate on challenges shared by the education and the workforce systems.
15. Partner with health and mental health organizations to remove barriers to learning.
16. Expand the capacity of the vocational rehabilitation system.

3 REGENTS GOAL *The public will be served by qualified, ethical professionals who remain current with best practice in their fields and reflect the diversity of New York State.*

Performance Measures:

- Percentage of teachers teaching subjects for which they are certified
- Percentage of elementary schools with certified library media specialists
- Cycle time for determinations of summary suspensions for licensees who pose imminent public harm

- Percentage of licensed professionals who receive guidance information on professional practice issues from the Department
- Enrollment trends in graduate science programs

Key Strategies:

1. Recruit librarians in all fields, including school librarians.
2. Assess progress on the Regents teaching policy.
3. Recruit and prepare more teachers of mathematics, science, special education, and English language learners and then retain them once they are in the classroom.
4. Coordinate implementation of the recommendations of the Regents Task Force on Nursing.
5. Increase access to graduate and professional education programs.
6. License and regulate the six new professions established by statute in 2002.
7. Develop practice guidelines for the licensed professions.

4 REGENTS GOAL *Education, information, and cultural resources will be available and accessible to all people.*

Performance Measures:

- Percentage of students with disabilities in different educational settings
- Trends in classification rates for school-age students with disabilities
- Number of four- and five-year olds residing in school districts without prekindergarten or full-day kindergarten programs
- Number of New Yorkers without local public library service
- Number of on-site and electronic users of the State Archives, Library and Museum resources
- Number of collections about under-documented groups preserved and made accessible for teaching and learning
- Percentage of selected Department customer service transactions available via the internet
- Net price for full-time students from low income families to attend a NYS public postsecondary institution
- Percentage of schools and libraries with broadband connections
- Percentage of elementary and middle schools with librarians and media specialists

Key Strategies:

1. Review early childhood education policy and practice so that all children get a good start.
2. Make prekindergarten universal.
3. Build capacity to educate children with disabilities in the least restrictive environment.
4. Promote greater accessibility in the design of curriculum materials and instructional practices.

5. Increase the pre-employment training and employment opportunities for vocational rehabilitation consumers.
6. Increase access to postsecondary education for historically underrepresented students.
7. Oversee the renewal of the State Museum exhibition and education programs.
8. Expand the Documentary Heritage program.
9. Expand the Department's use of the Internet for customer service, data collection and reporting, dissemination of information, and educational content.
10. Develop a technology strategy based upon recommendations approved by the Regents from the USNY Technology Policy and Practices Council.

5 **REGENTS GOAL** *Resources under our care will be used or maintained in the public interest.*

Performance Measures:

- Progress on securing site, architectural work and construction plans for a new cultural education facility compared to planned timetable
- Progress on the renewal of State Museum exhibits and renovations of the State Library compared to plan milestones
- Ratio of vocational rehabilitation funds expended to wages earned, taxes paid, and public assistance savings for consumers who are rehabilitated
- Percentage of the Department's priority information technology projects which are on time and on budget
- Cycle time for selected Department services
- Percentage of customers indicating they are satisfied with selected SED services
- Percentage of the Department's discretionary funds that are awarded to low-performing schools and high need districts

Key Strategies:

1. Transition the Department's financial systems to web-based technology to improve efficiency and reliability.
2. Ensure the Department's operations are effective, efficient, and are in compliance with State and federal laws and regulations.
3. Improve the articulation between the Department's financial systems and those of other NYS agencies.
4. Reduce cycle time for specific Department services.
5. Maintain secure controls over the information contained in the Department's databases.
6. Complete priority information technology projects to improve key Department services and enhance information available for policy decision-making.
7. Complete renovations of the State Library and State Museum.
8. Implement the new research and collections facility plan.

6 **REGENTS GOAL** *Our work environment will meet high standards.*

Performance Measures:

- Percentage of Department staff participating in professional development programs and the percentage of those staff who rate those programs as useful to their jobs
- Demographic trends in the Department workforce
- Percentage of Department employees who indicate satisfaction with quality of the work environment
- Percentage of OSHA and PESHSA occupational workforce standards that Department facilities meet

Key Strategies:

1. Expand professional development offerings for all staff based on Department and employee needs.
2. Enhance workforce planning and opportunities for staff rotations so that the Department is prepared for the future.
3. Increase staff diversity.
4. Improve the health, security, and safety of the Department's facilities statewide.

Extending and Using the Plan

Check Performance and Find Ways to Improve

Staff is using performance measures to assess the quality of our services. Where results fall short, we are identifying opportunities to improve. We have already found ways to do our work faster, cheaper, and with better results for our customers. Clearly, however, we can, and must, do more.

Report on Results

This plan is the yardstick to measure performance for both the State Education Department and for the entities that constitute The University of the State of New York. Within the Department, we are using performance data to inform decisions and hold management accountable. The Commissioner continues to conduct quarterly performance reviews for each area of the Department. Performance agreements for individual managers now include quantifiable expectations about desired results. The Board and Department staff will build upon current efforts to communicate widely about efforts, progress, and results as evidence of our willingness to be held publicly accountable.

Align Budget Request and Legislative Program

This plan forms the rationale for the Department's annual State budget request, the Regents State legislative program and federal education policy positions.

Communicate and Advocate our Strategic Directions

The plan's goals are the hallmark of all our communications, thus reinforcing our priorities and building the foundation for a statewide consensus around a framework for educational reform.

**2008-09
Spending
Plan**

Agency Name: New York State Education Department

Agency Head: Richard P. Mills

A. Overview of Proposed Plan

A.1 Overall Approach

The following New York State Education Department spending control plan defines essential, non-discretionary and discretionary activities that will guide the Department's essential and non-discretionary nonpersonal service activities and expenditures until further notice. These guidelines will also govern filling of essential and non-discretionary staff positions under the Department's workforce management plan.

In accordance with Budget Bulletin B-1178, all discretionary nonpersonal service expenditures (including travel, conferences, publications, supplies, equipment and contractual services) will be eliminated. Only expenditures that are either non-discretionary or determined by agency senior management to be necessary to protect the health, safety and security of employees and citizens or are critical to the delivery of core agency services will be incurred.

The following definitions of core agency services, non-discretionary and discretionary spending will guide the State Education Department's spending until further notice:

Core agency services include direct services to schools, higher education institutions and the public including, but not limited to: professional licensing, registration and professional misconduct investigation, fingerprinting, vocational rehabilitation, teacher certification, the State Museum, Library and Archives services and the services at the State schools at Rome and Batavia.

Non-discretionary activities are those that the agency must do because of statutory mandate or as a condition of receiving program funding.

Discretionary activities are those that SED may elect not to do even though such activities may be essential, high priority operations and/or services.

A.2 Achievement of Savings on a Recurring Basis

The State Education Department targets limited resources to achieve results consistent with its mission, essential priority functions and the operating environment. Examples include:

- The Office of Education - P-16 (P-16) established priorities for team level activities:
 - Highest priority - the large Five City districts, Roosevelt and Wyandanch (Tier 1). These districts and schools may receive on-site technical assistance.
 - Second highest priority - districts that have Schools Under Registration Review (SURRE), corrective action or Title I schools in need of improvement (Tier 2). On-site technical assistance may be provided to Tier 2 districts and schools in collaboration with District Superintendents, Regional School Support Centers and other partners.
 - All other districts/schools fall into the lowest priority for direct service (Tier 3). No on-site technical assistance should be planned for Tier 3 districts and schools, except as required by law or regulation.
- The Department is continually reevaluating the plans, applications and reports required of school districts annually with the goal of creating a streamlined, results-oriented system that takes advantage of the capabilities of technology and includes information that promotes sustained, continuous school improvement. Examples of improvements include: centralized data collection on students, teachers and schools; automating the school transportation contract review process consistent with the State Aid Management System; and conforming the collection of data on students with disabilities for State Aid with that submitted to the Federal government.
- Pooling expertise across the Office of Cultural Education (OCE) regarding collection management and disaster preparedness has enabled us to implement action plans for safeguarding the State's resources that would be impossible if done separately for each of the three institutions (Museum, Archives and State Library).
- Extensive use of partnering with other State agencies, local governments, not-for-profit and community-based organizations and regional school-based networks to provide services the Department once provided more directly to the field.
- Taking advantage of technology:
 - Providing Cost-Effective Services to the Public. The State Library's on-line databases purchased centrally (through the Statewide Internet Library) is a great example of targeting investment to achieve dramatic savings. These databases could cost localities 30 times as much to purchase on their own.
 - Dissemination of Information to the Field and Public. Examples include:
 - The P-16 on-line Virtual Learning Space (including a link to the State Library's resources for teachers).
 - On-line digitized collections held by the State Library, Museum and Archives.
 - The Office of the Professions website that provides critical information on licensed professions and professionals.

- The internet-based educational resources provided by all New York State educational television stations for educators, students and parents/caregivers (for example see <http://www.thirteen.org/edonline/>).

A.3 Protecting Key Priorities

The Department's Strategic Plan influences all agency business and spending decisions. All resources allocated to Department program areas are aligned with the strategic goals contained in the Plan. Each program area has a tactical and operational plan, which establishes specific priorities, goals and performance standards that align with the Department's Strategic Plan.

Agency Priorities

The State Education Department's core services reflect the diversity of New Yorkers and their needs for educational, cultural, vocational and professional services of high quality. Specifically, the State Education Department is responsible for programs and services for the governance of more than 7,000 public and private elementary and secondary schools, 270 public and private colleges, 400 proprietary schools, 41 ESL schools, nearly 7,000 libraries, 750 museums and 25 public broadcasting facilities. In addition, the Department licenses 740,000 professionals practicing in 47 fields, and certifies 614,000 public school teachers, counselors and administrators, oversees public broadcasting, operates the State Archives, Library and Museum and oversees the records management of more than 4,300 local governments and 3,000 records repositories.

Priorities are reinforced through the Commissioner's annual performance agreement with the Board of Regents and include improving student achievement to ensure that all students achieve the standards, assisting low-performing schools, strengthening higher education systems, balancing the needs and concerns of consumers and licensed professionals, expanding the capacity of vocational rehabilitation and workforce development to help people with disabilities find employment and succeed in higher education, strengthening and supporting cultural institutions.

Priorities are further reinforced through the Commissioner's twice-yearly performance evaluations of his direct reports (a process which is cascaded down through the agency) and through discussions at Quarterly Performance Reviews of each of the Department's five program areas and through periodic meetings with all Department staff.

A description of each of SED's core services and programs is found in the Program Description Handbook at <http://www.oms.nysed.gov/budget/pro2008/>. You will note that each program is linked to one or more of our six agency goals.

Prioritizing the use of scarce resources. Examples include:

- The Teachers of Tomorrow and Improving Teacher Quality grant funds are targeted to the highest need school districts.
- Transferred the Purchase Unit to fiscal management to obtain efficiencies and streamline the contract/purchase function.
- The Office of K-16 Initiatives and Access Programs' first priority in program monitoring site visits is given to those programs that are performing below standard or exhibiting difficulty in program administration.
- The Office of Quality Assurance has established priorities for the higher education and teacher education teams' institution and program review activities, concentrating available

resources on monitoring site visits and the provision of on-site technical assistance to high need programs and institutions, such as:

- low-performing teacher education programs
 - institutions with a high number of students at risk and low graduation rates
 - institutions with reported serious financial deficiencies
 - institutions moving to a new degree program level
 - higher education institutions with new owners
- The Professional Assistance Program (PAP) has divided its caseload into three categories:
 - I. Licensees with long-term addictions with the highest probability of relapse;
 - II. Licensees in recovery who are practicing their profession; and
 - III. Licensees whose license is surrendered and they are not permitted to practice.

Category I cases receive the most intense, personal attention from case managers. Category II cases are monitored closely with routine verification that they are in treatment. Category III cases are not monitored closely (except to verify quarterly that they are in treatment) since there is minimal threat to the public.
 - Transfer of routine, repetitive, clerical work to the Key Bank lockbox service freeing up Professional Licensing staff to focus on reviewing applications against requirements in order to continue to process incoming mail within three days of receipt.

A.4 Treatment of New Initiatives

The Regents Plan for the Next Stage of Educational Reform

For a decade, student achievement has improved in response to Regents policy and local action. But the improvement is not sufficient. The achievement gap has narrowed but not closed. The world has also changed as billions of people have entered the global economy and ignited a global education boom. Every society that can afford to do so is moving urgently to improve knowledge and skill and close their own version of the achievement gap. The Regents will engage with statewide and local partners on the actions below, adopt or recommend policy as appropriate, and, with the State Education Department and all of USNY, seek improved results systemwide:

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| STUDENTS | <ol style="list-style-type: none"> 1. Promote a sustainable early education program for all students. Resolve issues of standards, funding and service delivery for young children. 2. Improve academic outcomes for children with disabilities by setting performance targets, promoting effective practices, and holding schools accountable for dramatic improvements. 3. Improve outcomes for English Language Learners by setting performance targets, promoting effective practices, and holding schools accountable for dramatic improvements. 4. Improve high school attendance and graduation rates by setting performance targets, promoting practices that remove barriers to graduation, and holding schools accountable for dramatic improvements. 5. Report student persistence and college completion results, and increase investment in programs that have been shown to remove barriers to graduation. |
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| SYSTEMS | <ol style="list-style-type: none"> 6. Raise the learning standards to exceed global standards to graduate all students ready for citizenship, work, and continued education. Align standards, assessments, curriculum and instruction across P-16, emphasizing transitions. 7. Strengthen instruction. Define, reduce and then eliminate the inequitable distribution of teaching talent. Require all teachers of core academic subjects to be highly qualified in the subject they are teaching by July 2007. Improve teacher retention. Focus professional development on effective practices in areas in which academic needs are greatest. Accelerate the integration of technology into teaching and learning practices in P-16 institutions. 8. Advocate for a Foundation Formula to provide State Aid that is adequate, sustainable, fair, and commensurate with the cost of education that enables students to meet the standards. 9. Strengthen the capacity of the State Education Department to support schools as they work to improve student achievement and the Department's capacity to hold them accountable for doing so. 10. Create a P-16 student data system to drive improvements in graduation rates in high school and higher education. |
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| STRUCTURES | <ol style="list-style-type: none"> 11. Reduce barriers to teaching and learning in high need schools by creating a vision and leadership framework for an integrated education, health and mental health collaboration. Promote strategies found to be promising in resolving high incident health and mental health problems among children. 12. Create P-16 Councils to advise the Regents on actions to strengthen USNY and improve student outcomes dramatically at each transition point in the P-16 system. 13. Focus regional education networks on joint P-16 strategies and actions to improve student outcomes. |
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The Regents Approach: The Principles

The Regents propose this plan for the next stage of educational reform to accomplish the six USNY aims. As the Board and the State Education Department act to implement its plan, we commit to do so in a manner that is consistent with the following principles:

- We will confront the data, share it broadly, and use it to define as precisely as possible where resources and energy should be applied. We will recognize the achievements and also declare the problems as clearly as we can.
- We will engage everyone by listening to the people the education system is supposed to serve, to parents, to the educators at every level, to the employers, and to the elected officials who must weigh enormous competing demands for scarce resources. In particular, we will engage students and their parents, and the wider community because educational institutions do not belong to the educators but to the people. We will create a communications plan to listen to, inform, and involve people statewide.
- We will define measurable objectives so that others can hold us accountable, and we can hold education leaders accountable for improving results.
- We will study the practices of high performing education systems, states and nations, and adapt the best to New York's situation. We will examine what actions are most effective, and invite others to learn with us.
- We will take action focused on systematic change to effect sustained improvement. We know, for example, that closing the achievement gap for students requires correcting the unequal distribution of teaching talent. And we know that in demanding change in educational institutions to achieve better results, we must also build capacity in our own State Education Department to take on its part of this improvement strategy.
- We will continually renew the alignment of our actions to ensure coherence and effectiveness. For example, academic standards, curriculum, assessment, and instructional practice have to be aligned to be effective. When one element changes, all other elements must be examined to ensure that the system remains effective.
- We will strengthen USNY, because it has great potential to build more effective transitions for students from one level of the system to the next.
- We will advocate for State and federal financial resources and legislative actions that will help achieve better educational outcomes. And we will be accountable for the effective use of those resources.

THE AIMS OF THE UNIVERSITY OF THE STATE OF NEW YORK (USNY)

1. Every child will get a good start.
2. Every child will read by the second grade.
3. Everyone will complete middle level education ready for high school.
4. Everyone will graduate from high school ready for work, higher education, and citizenship.
5. People who begin higher education will complete their programs.
6. People of all ages who seek more knowledge and skill will have the fullest opportunity to continue their education.

November 2005 Education Summit

Summary of Financial Impact

B. Summary of General Fund Financial Impacts

GENERAL FUND -- SAVINGS SUMMARY			
	Required Approp. Reduction	2008-09 Approp. Savings	2009-10 Approp. Savings (b)
Local Assistance (a)	5,576,300	5,576,300	5,576,300
Personal Service	N/A	1,123,914	1,123,914
Non-personal Service	N/A	919,566	919,566
Total State Operations	2,043,480	2,043,480	2,043,480
Capital	0	0	0
TOTAL	7,619,780	7,619,780	7,619,780

(a) Excludes General Support for Public Schools (GSPS) and Special Legislative Projects.

(b) Maintains the 2% / 3.35% reduction implemented in 2008-09.

GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS				
	2007-08 Actual Approp.	2008-09 Original Plan	2008-09 Revised Plan	Percent Change
Local Assistance (a)	1,664,389,600	1,692,707,300	1,687,131,000	-0.33%
Personal Service	33,473,500	35,147,400	34,023,486	-3.20%
Non-personal Service	26,417,500	25,852,000	24,932,434	-3.56%
Total State Operations	59,891,000	60,999,400	58,955,920	-3.35%
Capital	4,900,000	15,055,000	15,055,000	0.00%
TOTAL	1,729,180,600	1,768,761,700	1,761,141,920	-0.43%

(a) Excludes General Support for Public Schools (GSPS) and Special Legislative Projects.

C. Identification of Proposed General Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
GENERAL FUND			
Local Assistance			
1. All Programs (a)	-9,504,000	-9,504,000	-9,504,000
State Operations			
2. All Programs (b)	-1,775,000	-1,775,000	-1,775,000
Capital Projects			
3. All Non-Bonded Projects	0	0	0

- (a) Local Assistance savings were taken per 2 percent reductions included in the 2008-09 Enacted Budget.
 (b) Savings will be achieved by reducing FTEs and other costs as outlined in this plan.

D. Summary of Impact on Other Funds

OTHER FUNDS -- SAVINGS SUMMARY			
	Required Cash Reduction	2008-09 Cash Savings	2009-10 Cash Savings (b)
Local Assistance (a)	326,000	326,000	326,000
Personal Service	N/A	1,300,000	1,300,000
Non-personal Service	N/A	1,597,000	1,597,000
Total State Operations	2,897,000	2,897,000	2,897,000
Capital	N/A	N/A	N/A
TOTAL	3,223,000	3,223,000	3,223,000

- (a) Excludes General Support for Public Schools (GSPS) and Special Legislative Projects.
 (b) Maintains the 2% / 3.35% reduction implemented in 2008-09.

OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS				
	2007-08 Actual Approp. (b)	2008-09 Original Plan (b)	2008-09 Revised Plan (b)(c)	Percent Change
Local Assistance (a)	45,962,000	22,352,000	22,026,000	-1.46%
Personal Service	72,267,500	66,382,000	65,082,000	-1.96%
Non-personal Service	76,925,900	77,929,000	76,332,000	-2.05%
Total State Operations	149,193,400	144,311,000	141,414,000	-2.01%
Capital	N/A	N/A	N/A	
TOTAL	195,155,400	166,663,000	163,440,000	-1.93%

(a) Excludes General Support for Public Schools (GSPS) and Special Legislative Projects.

(b) Excludes Fiduciary funds and SLATE.

(c) Reduction not applied to fringe benefits, indirect costs, IT charge-backs, printing and other transfers.

E. Identification of Proposed Other Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
OTHER FUNDS (Note the fund(s) affected by each proposal, in parentheses at the end of each entry)			
Local Assistance			
1. All Programs (a) (b)	-326,000	-326,000	-326,000
State Operations			
2. All Programs (c)	-2,897,000	-2,897,000	-2,897,000
Capital Projects			
3.	N/A	N/A	N/A

(a) Excludes General Support for Public Schools (GSPS) and Special Legislative Projects.

(b) Local Assistance savings were taken per 2 percent reductions included in the 2008-09 Enacted Budget.

(c) Savings will be achieved by reducing FTEs and other costs as outlined in this plan.

F. Plan to Manage the Workforce

F.1 Overall Approach

The State Education Department monitors and manages its workforce and staffing levels within its target and available funds through a series of review and controls. This is accomplished through an electronic system by which requests for the initiation of internal hiring freeze waivers are made by the Deputy Commissioners' offices for the programs under their direction. Guidelines require that requests be thoroughly justified indicating need, fill level impact and, fiscal impact and are needed only for the filling of essential and non-discretionary staff positions. Each request is reviewed by the Bureau of Budget Coordination, Office of Human Resources Management and the Deputy Commissioner for the Office of Operations and Management Services to ensure that the expenditure is within available funding and target levels; that the fill is essential or non-discretionary and an agency priority; and to determine if efficiencies can be achieved by accomplishing the required activity in another manner. Only requests withstanding this scrutiny are forwarded to the Division of the Budget as Department priorities for Hiring Freeze Waivers.

Where efficiencies are necessary or staffing priorities need to be shifted, it is achieved through attrition in less essential administrative and support staff in programs, particularly in the administrative offices in programs. The intent is to avoid diminishing core services below minimum required levels. Where shifts in priorities are needed, as vacancies occur, the backfills are being redirected to the more critical programmatic need.

The process of requesting and filling positions within the Department is being further refined to establish staffing targets by program and funding source and to require prioritization and continuous updating. Critical staffing for each program is then managed within these internal targets and allocations. This process is monitored to ensure that each program abides by the guidelines and the spending controls, and the Department as a whole, remains within established targets.

Waiver and fill level tracking reports are available electronically on a continuous basis and are updated upon the closing of each payroll to enable timely and informed decision making on workforce and staffing matters.

F.2 - Plan for Refill of Vacant Positions (both current and anticipated)

STATE EDUCATION DEPARTMENT - ALL FUNDS FTE REPORT
ANNUAL SALARIED POSITIONS - 2008-2009

	A	B	C	D	E	F (D - E)
<u>PROGRAM & FUND</u>	2008-09 DOB Projected AFL	SED Program Area Ceiling	3.35 Percent Savings	Adjusted SED Program Area Ceiling	Total Filled or Pending Fill 3-19-08	Required FTE Reductions -- Over (-) or Under (+) Ceiling
<u>OMS</u>						
General Fund	137.00		-5.00			
State Aid/TDU/GFU/SEMO	56.55					
General Fund (Adjusted)	193.55					
RSU/Medicaid/STAC	44.40					
Office of State Review	21.60					
Federal	66.00					
Special Revenue	218.00		-4.00			
Internal Service	135.00					
	612.55	622.00	-9.00	613.00	617.65	-4.65
<u>P-16 (EMSC + OHE)</u>						
EMSC-General Fund - 003	229.00		-8.00			
State Aid/TDU/GFU/SEMO	-56.55					
OHE-General Fund - 003	57.00		-2.00			
OSPRA Add	9.00					
General Fund (Adjusted)	238.45					
EMSC-Federal	296.00					
OHE-Federal	17.00					
SA/TCert/OCUE	6.00					
Federal (Adjusted)	319.00					
Special Revenue	83.00		-2.00			
	640.45	686.00	-12.00	674.00	666.70	7.30
<u>OP</u>						
Federal	0.00					
Special Revenue	356.00		-9.00			
	356.00	359.00	-9.00	350.00	359.25	-9.25
<u>OCE</u>						
General Fund - 001	16.00					
General Fund - 003	0.00					
Federal	65.00					
Fiduciary/Internal Service	54.00					
Special Revenue (a)	335.00					
	470.00	450.00		450.00	446.95	3.05
<u>VESID</u>						
General Fund - 003	0.00					
Federal	1062.00					
RSU/Medicaid/STAC	-44.40					
Office of State Review	-21.60					
SA/TCert/OCUE	-6.00					
Federal (Adjusted)	990.00					
	990.00	952.00		952.00	943.85	8.15
<u>BATAVIA</u>						
Federal	0.00					
Special Revenue	121.00					
	121.00	121.00		121.00	120.80	0.20
<u>ROME</u>						
Special Revenue	106.00					
	106.00	106.00		106.00	106.45	-0.45
Agency Totals						
General Fund	448.00		-15.00			
Federal	1440.00		0.00			
Internal Service	189.00		0.00			
Special Revenue	1219.00		-15.00			
	3296.00 (b)	3296.00	-30.00	3266.00	3261.65	4.35

(a) The Executive budget added 34 FTE to the Cultural Education Special Revenue Account for the transfer of temporary items to permanent items. There is no additional fiscal impact associated with this transfer.

G. Monthly Projections: All Funds Workforce; General Fund State Operations/Local/Capital

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
A. Workforce - All Funds												
Est FTEs Month-end	3,169	3,177	3,186	3,195	3,204	3,213	3,222	3,231	3,240	3,249	3,255	3,266
B. State Operations												
Personal Service												
1st PP	260,000	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448
2nd PP	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448	1,303,448
3rd PP (if applies)	1,303,448	0	0	0	0	0	1,303,448	0	0	0	0	1,173,193
Subtotal PS	2,867,568	2,606,897	2,606,897	2,606,897	2,606,897	2,606,897	3,010,345	2,606,897	2,606,897	2,606,897	2,606,897	3,700,000
NPS	1,110,002	000,000	1,422,000	787,500	1,521,000	1,481,400	1,300,000	2,803,500	2,052,000	041,400	1,045,000	0,238,308
Total Disbursements -- State Ops	3,985,568	3,406,897	4,028,897	3,394,397	4,127,897	4,088,297	5,280,145	5,410,397	4,658,897	3,548,297	4,451,897	10,010,308
C. Local Assistance (a)												
All Programs	25,302,420	122,101,042	334,035,470	150,772,700	68,420,192	112,078,042	108,508,473	10,782,020	135,408,517	65,720,756	168,238,724	282,528,042
Program y	0	0	0	0	0	0	0	0	0	0	0	0
Program z	0	0	0	0	0	0	0	0	0	0	0	0
All other local assistance	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements - Local	25,302,420	122,101,042	334,035,470	150,772,700	68,420,192	112,078,042	108,508,473	10,782,020	135,408,517	65,720,756	168,238,724	282,528,042
D. Capital Projects												
All Non-Bonded Projects	300,212	404,477	487,023	440,433	928,050	943,786	951,051	990,976	707,830	707,830	707,830	550,542
Program/proj. bb	0	0	0	0	0	0	0	0	0	0	0	0
Program/proj. cc	0	0	0	0	0	0	0	0	0	0	0	0
All other Capital Projects	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements - Capital	300,212	404,477	487,023	440,433	928,050	943,786	951,051	990,976	707,830	707,830	707,830	550,542

(a) Excludes General Support for Public Schools (GSPS) and Special Legislative Projects.

H. Assumptions Underlying the Proposed Plan - (See section A.1 – Overall Approach)

I. Management of Risks Inherent in the Plan

Budget Policy and Reporting Manual (BPRM) Item B-350 requires the head of each covered State agency and public authority to certify compliance with the State's Internal Control Act (the Act) for each fiscal year and submit an annual Internal Control (IC) Summary of the IC activities undertaken during the previous fiscal year. Please see the Department's Internal Control Summary submitted to the Division of the Budget earlier this year providing background on the Department's internal control certification.

J. Additional Savings Opportunities for 2008-09 – (See section A.1 through A.3)