



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

COUNCIL ON THE ARTS

MISSION

The New York State Council on the Arts (NYSCA) is an Executive Agency dedicated to preserving and expanding New York State's rich and diverse cultural resources and expanding access to arts and cultural institutions statewide. NYSCA has played a prominent role in increasing access to the performing and fine arts, preserving the State's cultural resources and promoting greater public awareness of New York's rich cultural heritage.

In prior years, the State has also provided funding for two small, arts-based public benefit corporations, the Empire State Plaza Performing Arts Center Corporation (The Egg) and the New York State Theatre Institute (NYSTI). The 2010-11 Executive Budget recommends eliminating State support for The Egg and NYSTI and transitioning them into self-supporting organizations.

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 2010-11, the Council on the Arts will have a workforce of 34 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. The Egg is a performing arts venue located in the Nelson A. Rockefeller Empire State Plaza in Albany, NY. The Egg's Board of Directors is comprised of members appointed by the Governor, President of the Senate, Speaker of the Assembly, Minority Leaders of both houses, the Albany County Executive, the Albany Mayor, and the Commissioner of the Office of General Services (OGS). In prior years, The Egg has received a State subsidy totaling approximately 15 percent of its operating budget. The 2010-11 Executive Budget eliminates this subsidy. Instead, The Egg will continue to operate on a self-supporting basis. Although The Egg will not receive any State appropriations, it will continue to operate in the current facility, which is owned by OGS.

The New York State Theatre Institute (NYSTI) was established in 1974 and reconstituted in 1992 as a public benefit corporation. NYSTI is located on the Russell Sage Campus in Troy, NY and provides educational theatre experiences for children and families. NYSTI is governed by a board of directors comprised of 14 voting members and a non-voting chairperson representing the theatre, education and business communities. All members are appointed by the Governor. In prior years, NYSTI received a State subsidy totaling approximately 85 percent of its operating budget. The 2010-11 Executive Budget phases-out this subsidy and requires NYSTI to operate on a self-supporting basis. In 2010-11, \$1.5 million is provided for NYSTI to pay for certain obligations that have already been incurred and provide a short transition period so NYSTI can seek non-State funding sources to support its future operations.

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BUDGET HIGHLIGHTS

The 2010-11 Executive Budget recommends **\$44.2 million** (\$40.0 million General Fund; \$4.2 million Other Funds) for NYSCA and NYSTI. This is a decrease of **\$9.6 million** (\$7.1 million in General Fund and \$2.5 million in Other Funds) from the 2009-10 Final Enacted Budget. This net change primarily reflects the reduction in funding for grants to arts and cultural organizations, the reduction of staff at NYSCA, and the phase-out of State support for the Egg and NYSTI. The Executive Budget recommendation includes \$2.5 million in Federal funds. This amount represents a decrease of \$0.4 million from the 2009-10 Budget due to the phase-out of one-time funding for grants to arts and cultural organizations provided under the American Recovery and Reinvestment Act of 2009.

Major budget actions include:

- **Reduce Funding for NYSCA Grants:** The 2010-11 Executive Budget provides \$35.2 million in General Fund support for arts grants. This represents a decrease of \$6.5 million from the 2009-10 Final Enacted Budget.
- **Restructure NYSCA's staff to generate operational efficiencies:** The 2010-11 Executive Budget provides funding for 34 full-time employees at NYSCA. This represents a decrease of 10 from the 2009-10 authorized fill level. The agency intends to consolidate programmatic functions under fewer managerial positions in order to improve operational efficiency and achieve the savings required by the Governor's statewide directives to reduce spending on agency operations. These actions will generate approximately \$0.6 million in savings, which represents 12 percent of NYSCA's operating budget.
- **Eliminate State Funding for The Egg:** Currently, The Egg receives \$0.6 million annually in State funding, which represents approximately 15 percent of its operating budget. The remainder is comprised of receipts from ticket sales, private donations, and sales and lease of products and facilities. It is expected that The Egg will continue operating in 2010-11 using non-State revenue sources.
- **Phase-out State Funding for NYSTI:** The 2009-10 Budget provided \$3.1 million in State funding to support NYSTI. This amount represents approximately 85 percent of its operating budget; the remainder is comprised of receipts from ticket sales, private donations, and sales and lease of products and facilities. The 2010-11 Executive Budget provides \$1.5 million to support NYSTI; this amount represents a 50 percent decrease from the 2009-10 funding level, reflecting a phase-out of the State subsidy. It is expected that, beginning in 2011-12, NYSTI will be fully self-supporting through increased non-State revenue sources.

PROGRAM HIGHLIGHTS

Council on the Arts: Approximately 94 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 6 percent of 2010-11 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.

Grant awards to not-for-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.

Empire State Plaza Performing Arts Center Corporation (The Egg): The Egg hosts approximately 300 events annually featuring dance, music, and theatre companies from across the State and around the world. The Center’s performing arts series has continued to evolve. Highlights of the past year included the “New Work, New York” project, which featured the commissioning of four new works to honor the Hudson River Quadricentennial involving music, film and spoken work and toured to four communities in New York State; the “Living Legacy” project, which explored “Jazz Dance” with mainstage performances and an extensive outreach tour; and “New York - The State of the Arts,” an original multimedia production that was staged for the second consecutive year and was performed in front of over 4,500 young people.

New York State Theatre Institute (NYSTI): In 2009-10, 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. It is expected that the Board will explore opportunities to make NYSTI self-sufficient.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	9,232,000	6,472,000	(2,760,000)	600,000
Aid To Localities	44,611,783	37,759,000	(6,852,783)	9,687,000
Capital Projects	0	0	0	0
Total	53,843,783	44,231,000	(9,612,783)	10,287,000

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
General Fund	44	34	(10)
Total	44	34	(10)

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

<u>Fund Type</u>	<u>Available 2009-10</u>	<u>Recommended 2010-11</u>	<u>Change</u>
General Fund	5,482,000	4,838,000	(644,000)
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	3,650,000	1,534,000	(2,116,000)
Total	<u>9,232,000</u>	<u>6,472,000</u>	<u>(2,760,000)</u>

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

<u>Program</u>	<u>Available 2009-10</u>	<u>Recommended 2010-11</u>	<u>Change</u>
Administration			
General Fund	5,482,000	4,838,000	(644,000)
Special Revenue Funds - Federal	100,000	100,000	0
Empire State Performing Arts Center Corporation			
Special Revenue Funds - Other	584,000	0	(584,000)
New York State Theatre Institute			
Special Revenue Funds - Other	3,066,000	1,534,000	(1,532,000)
Total	<u>9,232,000</u>	<u>6,472,000</u>	<u>(2,760,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	3,198,000	(520,000)	3,197,000	(520,000)
Total	<u>3,198,000</u>	<u>(520,000)</u>	<u>3,197,000</u>	<u>(520,000)</u>

<u>Program</u>	<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>
Administration	1,000	0
Total	<u>1,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	1,640,000	(124,000)	32,000	(5,000)
Total	<u>1,640,000</u>	<u>(124,000)</u>	<u>32,000</u>	<u>(5,000)</u>

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	64,000	(7,000)	1,480,000	(105,000)
Total	<u>64,000</u>	<u>(7,000)</u>	<u>1,480,000</u>	<u>(105,000)</u>

<u>Program</u>	<u>Equipment</u>	
	<u>Amount</u>	<u>Change</u>
Administration	64,000	(7,000)
Total	<u>64,000</u>	<u>(7,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	100,000	0	0	0
Empire State Performing Arts Center Corporation	0	(584,000)	0	(182,400)
New York State Theatre Institute	1,534,000	(1,532,000)	965,000	(830,000)
Total	1,634,000	(2,116,000)	965,000	(1,012,400)

Program	Nonpersonal Service	
	Amount	Change
Administration	100,000	0
Empire State Performing Arts Center Corporation	0	(401,600)
New York State Theatre Institute	569,000	(702,000)
Total	669,000	(1,103,600)

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

Fund Type	Available	Recommended	Change
	2009-10	2010-11	
General Fund	41,602,783	35,150,000	(6,452,783)
Special Revenue Funds - Federal	2,813,000	2,413,000	(400,000)
Special Revenue Funds - Other	196,000	196,000	0
Total	44,611,783	37,759,000	(6,852,783)

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

Program	Available	Recommended	Change
	2009-10	2010-11	
Administration			
General Fund	41,602,783	35,150,000	(6,452,783)
Special Revenue Funds - Federal	2,813,000	2,413,000	(400,000)
Special Revenue Funds - Other	196,000	196,000	0
Total	44,611,783	37,759,000	(6,852,783)

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 six community colleges. The University is governed by a 17-member Board of Trustees comprised of: 10 members appointed by the Governor, five members appointed by the Mayor and two 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. The City University's operating budget supports an estimated **12,933 full time equivalent positions** consisting of 12,641 positions supported through a combination of State tax dollars and tuition revenues and 292 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 \$2.8 billion All Funds (\$1.07 billion in Fiduciary Funds that represent the City of New York paying Senior College costs in the first instance, \$1.22 billion in General Fund support that represents the State's contribution to these costs, and \$471 million Other Funds). The budget includes General Fund growth in personal service costs (as a result of collective bargaining contracts), nonpersonal services, fringe benefits and community college enrollment growth, offset by General Fund decreases associated with reductions to senior college campuses and community colleges necessary to close State budget gaps.

Major 2010-11 budget actions include;

- **Reduced General Fund Support for Senior Colleges:** The Executive Budget recommends an \$81 million decrease in direct General Fund support for the operations of CUNY Senior Colleges and University-wide programs, which will be allocated by the Board of Trustees. This reduction includes \$17.3 million related to personal service savings to be negotiated.
- **Reduced Community College Base Operating Aid:** The Executive Budget recommends reducing base operating aid support for CUNY's 6 community colleges by 11 percent. Support per full-time equivalent (FTE) student would decline from \$2,545 to \$2,260. This action generates General Fund savings of \$21.9 million on an academic year basis.

SENIOR COLLEGES

The Executive Budget proposes the New York State Higher Education Empowerment and Innovation Act which proposes significant reforms related to how CUNY procures

CITY UNIVERSITY

goods and services and establishes tuition rates. The Act authorizes the University to collect and spend approximately \$793 million of revenue from tuition and other-supporting programs outside of the State appropriation process. As such, Executive Budget appropriations consist of \$1.07 billion in General Fund resources (including \$490 million in fringe benefits) to support senior college campuses, central administration and University-wide programs. Recommended levels of General Fund support (not including fringe benefits) represent a \$33.6 million decrease from 2009-10 final Enacted Budget levels, consisting of \$47.4 million in increases from collective bargaining and non-personal services inflationary costs, offset by recommended reductions of \$81 million.

COMMUNITY COLLEGES

CUNY's community colleges have three basic funding sources: State support, local sponsor support, and student tuition revenue. The Executive Budget recommends \$187.2 million in State support (\$154.4 million in General Fund support and \$32.8 million in Federal funding through the ARRA State Fiscal Stabilization Fund), representing a \$4 million increase in total available funding from 2009-10 final Enacted Budget levels. This change is attributable to a \$15.8 million increase for enrollment growth and \$4.6 million in the annualization of ARRA funds, offset by a \$16.4 million State fiscal year (\$21.9 million academic fiscal year basis) decrease resulting from a \$285 per student FTE reduction in base operating aid (from \$2,545 to \$2,260).

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 2010-11 Executive Budget continues a commitment to preserve and rehabilitate CUNY's educational facilities infrastructure by providing the third of five annual \$284 million appropriations to address the accumulated backlog of critical maintenance projects throughout the University system. The Executive Budget also includes \$35 million for the State's 50 percent share of capital projects for community college campuses that have secured a match from the City of New York.

Although appropriations for CUNY's multi-year capital program are continued in the Executive Budget, a Capital Reduction Plan will achieve \$24 million in 2010-11 savings, and planned disbursements in the succeeding four years will be reduced as well. Over this five-year period, CUNY's capital disbursements will be reduced by \$256 million, from \$2.791 billion to \$2.535 billion.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. Approximately 259,000 full-time and part-time students – 170,200 at the senior colleges and 88,800 at the community colleges – were enrolled in programs for the fall 2009 semester. In addition, the University serves more than 273,000 continuing and professional educational students. 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 partners with 350 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 quality and strengthen the planning and management functions of the University. The Board of Trustees continues to encourage campuses to set higher standards, reduce time-to-program completion and allocate resources in a cost efficient yet academically effective manner.

The City University through its master plan, will continue to advance the core values the University has established including; academic rigor, accountability, assessment, and a commitment to serving a diverse student population. These values have been expressed through a series of system wide changes and initiatives, implemented over time, which include; the restructuring and integration of admission policies, recruitment and retention of talented full-time faculty, collaboration with the New York City Department of Education to enhance preparation for higher education and development of a performance management process to assess leadership and progress toward University-wide goals.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	2,102,826,900	1,211,866,000	(890,960,900)	0
Aid To Localities	1,248,005,840	1,223,916,110	(24,089,730)	0
Capital Projects	284,222,000	318,785,000	34,563,000	4,723,821,000
Total	<u>3,635,054,740</u>	<u>2,754,567,110</u>	<u>(880,487,630)</u>	<u>4,723,821,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Institutional Support Services			
Special Revenue Funds - Other	292	292	0
Fiduciary Funds	12,641	12,641	0
Total	<u>12,933</u>	<u>12,933</u>	<u>0</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
Special Revenue Funds - Other	145,000,000	145,000,000	0
Fiduciary Funds	1,957,826,900	1,066,866,000	(890,960,900)
Total	<u>2,102,826,900</u>	<u>1,211,866,000</u>	<u>(890,960,900)</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
Institutional Support Services			
Special Revenue Funds - Other	145,000,000	145,000,000	0
Fiduciary Funds	1,957,826,900	1,066,866,000	(890,960,900)
Total	<u>2,102,826,900</u>	<u>1,211,866,000</u>	<u>(890,960,900)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Institutional Support Services	1,211,866,000	(890,960,900)	534,102,365	(809,303,065)
Total	<u>1,211,866,000</u>	<u>(890,960,900)</u>	<u>534,102,365</u>	<u>(809,303,065)</u>

Program	Nonpersonal Service	
	Amount	Change
Institutional Support Services	677,763,635	(81,657,835)
Total	<u>677,763,635</u>	<u>(81,657,835)</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	1,245,027,840	1,216,362,110	(28,665,730)
Special Revenue Funds - Federal	2,978,000	7,554,000	4,576,000
Total	<u>1,248,005,840</u>	<u>1,223,916,110</u>	<u>(24,089,730)</u>

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

<u>Program</u>	<u>Available 2009-10</u>	<u>Recommended 2010-11</u>	<u>Change</u>
American Recovery and Reinvestment Act of 2009 State Stabilization Fund			
Special Revenue Funds - Federal	2,978,000	7,554,000	4,576,000
Community College Programs			
General Fund	169,386,840	154,397,110	(14,989,730)
Institutional Support Services			
General Fund	1,072,904,000	1,059,965,000	(12,939,000)
Senior College Pension Payments			
General Fund	2,000,000	2,000,000	0
Community Projects			
General Fund	737,000	0	(737,000)
Total	<u>1,248,005,840</u>	<u>1,223,916,110</u>	<u>(24,089,730)</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2009-10</u>	<u>Recommended 2010-11</u>	<u>Change</u>	<u>Reappropriations 2010-11</u>
Senior Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	51,222,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	284,222,000	284,222,000	0	3,783,390,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	1,164,000
New Facilities				
Cap Proj Fund - CUNY (Direct Auth Bonds)	0	0	0	352,300,000
Subtotal	<u>284,222,000</u>	<u>284,222,000</u>	<u>0</u>	<u>4,188,076,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	15,579,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	0	34,563,000	34,563,000	520,166,000
Subtotal	<u>0</u>	<u>34,563,000</u>	<u>34,563,000</u>	<u>535,745,000</u>
Total	<u>284,222,000</u>	<u>318,785,000</u>	<u>34,563,000</u>	<u>4,723,821,000</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 17 members – one for each of the State's 13 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 \$32.09 billion in All Funds support (\$18.59 billion General Fund; \$13.50 billion Other Funds). This is a decrease of \$694 million from the 2009-10 budget. This net change primarily reflects a reduction to School Aid and other educational programs, an appropriation decrease of \$159 million for STAR, and a net decrease in Federal funds of \$47 million.

Recommended staffing levels for 2010-11 are projected to total 2,915 positions at year's end, with 323 positions, or approximately 11 percent, supported by the General Fund. Various dedicated fees, chargebacks and Federal grants will support the remaining staff.

SCHOOL AID

The 2010-11 Executive Budget proposes \$20.53 billion (\$20.70 billion including EXCEL Building Aid) in School Aid for the 2010-11 school year. While the Executive Budget continues the long-term commitment to education funding, the economic downturn has impacted the State's ability to continue growth in School Aid for the 2010-11 school year. In order to achieve necessary savings, several actions are proposed to reduce overall School Aid funding levels by \$1.1 billion on a year-to-year basis. The Executive Budget recommends maintaining formula aid categories that provide operating support at current levels. In addition, the Executive Budget recommends a one-time \$1.4 billion reduction to overall School Aid. This reduction is comprised of a \$2.1 billion Gap Elimination Adjustment (GEA) for the 2010-11 school year, partially offset by the use of the remaining \$726 million of New York's American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund - Education Fund award. The GEA reduces School Aid on a per pupil basis, adjusted for each school district's wealth, student need, administrative efficiency, and residential property tax burden. The Gap Elimination

EDUCATION

Adjustment combined with growth in expense-based aids of \$366 million and modifications to categorical programs results in an overall School Aid year-to-year reduction of \$1.1 billion, or 5 percent. This proposed reduction represents two percent of school districts' total General Fund expenditures, statewide. Even with this reduction, School Aid will continue to represent the largest State supported program. On a State fiscal year basis, School Aid will be approximately 34 percent of State operating funds spending in 2010-11. The Executive Budget also recommends several mandate reform provisions to reduce school district costs.

Major budget actions for the 2010-11 school year include:

- **School Year Support:** The Executive Budget provides \$20.5 billion in State support for public schools for the 2010-11 school year, a year-to-year decrease of \$1.1 billion, or 5 percent. Even with this reduction, School Aid has increased by \$5.2 billion, or 34 percent, since the 2004-05 school year.
- **Fiscal Year Support:** The Executive Budget provides \$19.9 billion in State support for public schools in 2010-11, a reduction of \$0.6 billion from 2009-10 fiscal year support. This amount is supplemented by \$891 million for the 2010-11 fiscal year in Federal ARRA State Stabilization Fund resources which are being used to help fund School Aid.
- **Gap Elimination Adjustment:** As a result of the State's current financial situation, the Executive Budget recommends the application of a one-time Gap Elimination Adjustment. This recommendation applies a \$1.4 billion GEA composed of a \$2.1 billion school year reduction in State support, partially offset by the use of the remaining balance of \$726 million from the Federal ARRA State Fiscal Stabilization Fund - Education Fund. This approach reduces School Aid on a per pupil basis, adjusted for each school district's wealth, student need, administrative efficiency, and residential property tax burden. The GEA would be applied against formula-based School Aid, excluding Building Aid and Universal Pre-Kindergarten.
- **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. Consistent with existing statutory provisions, the Executive Budget recommends limiting Foundation Aid for the 2010-11 school year to the amount provided for the 2009-10 school year, \$14.89 billion. Additionally, the Executive Budget proposes to extend this freeze one additional year--through 2011-12. Consistent with the recommendation advanced by the New York State Board of Regents to extend the phase-in of Foundation Aid, the Executive Budget recommends extending the full phase-in of Foundation Aid until the 2016-17 school year. This extension of the full phase-in from 2013-14 to 2016-17 maintains the commitment to fully fund Foundation Aid, albeit over a longer time period.
- **Early Childhood Education:** The Executive Budget recommends limiting funding for the 2010-11 and 2011-12 school years to the 2009-10 level of \$400 million. The planned full phase-in of Universal Pre-Kindergarten will be extended from the 2013-14 school year to the 2016-17 school year, consistent with the proposed phase-in of Foundation Aid. Maintaining funding at the 2009-10 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. Existing statutory provisions for school districts to receive full-day kindergarten conversion aid are continued, although new applications are not anticipated for the 2010-11 school year.

- **Support for School Construction:** The Executive Budget recommends nearly \$2.5 billion in State support for the construction of school facilities, an increase of \$222 million. In addition to this amount, in 2010-11, the State will provide EXCEL Building Aid totaling \$169 million – reflecting the State’s 2010-11 debt service cost for EXCEL school construction bonds.
- **Boards of Cooperative Educational Services (BOCES):** The Executive Budget recommends \$732 million in BOCES Aid in 2010-11, an increase of over \$33 million from the 2009-10 school year.
- **Special Services Aid:** The Executive Budget recommends total funding of \$200 million, a decrease of \$6.7 million. This is the amount that is calculated under existing statutory provisions. 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 \$1.6 billion for reimbursement for the costs of transporting students. This represents an increase of \$100 million, or 6.5 percent from 2009-10 funding levels.
- **Private Special Education Aid:** The Executive Budget recommends \$329 million – the amount that is calculated under existing statutory provisions. This represents a \$14.1 million, or 4.5 percent increase from 2009-10 funding levels.
- **High Cost Special Education Aid:** The Executive Budget recommends \$454 million – the amount that is calculated under existing statutory provisions. This represents a \$10.2 million, or a 2.3 percent increase from 2009-10 funding levels.
- **Miscellaneous Operating Support Programs:** The Executive Budget maintains funding at 2009-10 levels for various programs that can be used by school districts for operating support. These programs include: High Tax Aid, Supplemental Public Special Education Aid, 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 existing statutory provisions enacted with the 2009-10 State Budget and the approach taken to maintain Foundation Aid and other aids that provide operating support at 2009-10 levels.
- **Charter Schools:** The Executive Budget provides \$21.8 million in Transitional Aid for school districts impacted by a concentration of charter schools, as well as \$4.8 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 provided to Roosevelt in the 2009-10 school year due to the school district’s improved fiscal circumstances as reported by the Office of State Comptroller. The \$6 million reduction in the Academic Improvement Grant reflects the elimination of Federal ARRA State Fiscal Stabilization Fund - Other Government Services Fund support for this program.
- **Teachers of Tomorrow:** The Executive Budget continues this \$25 million program for incentives, such as awards and stipends, to retain and attract teachers into New York State classrooms, particularly in areas where teacher shortages exist.

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- **Categorical Teacher-Related Programs:** The Executive Budget recommends eliminating funding for the Teacher Centers program. The \$2 million Teacher-Mentor Intern program is continued at 2009-10 levels, fully supported with funds from the Federal ARRA State Fiscal Stabilization Fund - Other Government Services Fund.
- **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.
- **Other Programs:** The Executive Budget recommends funding based on existing statutory formulas for several programs including: Textbook Aid, Library Materials Aid, Computer Software Aid, Computer Hardware Aid, Full Day Kindergarten Conversion Aid and Reorganization Operating Aid. In addition, all other categorical programs including Urban-Suburban Transfer, Education of Homeless Pupils, Incarcerated Youth, Education of Office of Mental Health (OMH)/Office of Mental Retardation and Developmental Disabilities (OMRDD) Pupils, and Native American Building Aid are maintained at 2009-10 funding levels.
- **Continuation of Special Federal Recovery Act Funding:** The Executive Budget includes a continuation of increased Federal resources for school districts through the American Recovery and Reinvestment Act of 2009. The 2010-11 Executive Budget provides \$454 million in additional Federal ARRA Title I funds to local education agencies (LEAs) for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. The Budget also provides \$398 million in Federal ARRA Individuals with Disabilities Education Act (IDEA) funds to schools to help ensure that children with disabilities have access to a free appropriate public education. The amounts are in addition to ongoing Federal support for these two programs.
- **Federal Race-to-the-Top:** The Executive Budget includes a \$750 million appropriation in anticipation of a successful application for competitive funds through the Federal Race-to-the-Top program.
- **Smart Scholars Early College High School Program:** The Executive Budget includes an appropriation of \$6 million, that will be expended over several years, to match a privately funded grant. The combined funding level of \$12 million will be used to create early college high schools that will give students the opportunity to earn college credits by the time they complete their high school education.
- **Reimbursement for the Metropolitan Commuter Transportation Mobility Tax:** The Executive Budget includes an appropriation of \$60 million for full reimbursement of school district expenses for the mobility tax.

MANDATE REFORM / STREAMLINING GOVERNMENT

The 2010-11 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 and flexibility for school districts. School districts will be able to adjust to the changing economic climate and evolving educational needs of their communities, providing needed savings.

Elements of the proposal include:

- **Four-Year Moratorium on Unfunded Statutory Mandates:** New State mandates are continuously imposed on school districts, and their accumulation over time has resulted in a burdensome and costly system of oversight. The Executive Budget proposes a four-year moratorium on unfunded statutory mandates to help school districts mitigate future cost increases.
- **State Education Department Regulatory Reform:** This Executive Budget recommends applying the same requirements regarding regulatory adoption procedures to the State Education Department that currently apply to other State agencies pursuant to Executive Order 17 of 2009. These requirements include the preparation of a fiscal note including local impacts, a cost-benefit analysis as well as identifying a funding source for any new regulations.
- **School District Exemption from the Wicks Law:** The Executive Budget recommends repealing multiple bidder requirements for school district construction projects. This will provide long-term capital and debt service savings to school districts and the State.
- **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. School districts would also be allowed to file reports electronically unless the Commissioner requires other means. In addition, the Department will develop one consolidated reporting system that captures all information required by New York State or collected by the State for the Federal Government.
- **Reform Procurement Practices:** School districts would be provided with greater flexibility to purchase from existing contracts held by other government entities. In addition, school districts would be allowed to purchase based on “best value”, the most advantageous balance of price, quality, and performance. The State already has the ability to purchase in this manner.
- **Authorize Regional Student Transportation:** School districts would be able to reduce expenses by contracting with other entities, including school districts, counties and municipalities to provide more efficient student transportation. School districts would also be authorized to partner on school bus maintenance.
- **Other Mandate Reform:** With Federal laws ensuring that each school district provide appropriate educational space for students with disabilities in the least restrictive environment, State reporting requirements for special education space planning are now duplicative and can be repealed without impact. Also, Federal law now mandates transition planning requirements for children who will no longer receive special education services because of their age. Therefore, certain duplicative State requirements for transition notification can be repealed.
- **Maintain the Contract for Excellence Program:** In recognition of the fiscal circumstances facing the State and the suspension of increases for Foundation Aid, all 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. This approach will ensure participation of 25 school districts including all “Big 5” city school districts. Seven school districts that participated in the Contract for Excellence program in the 2009-10 school year will leave the program for the 2010-11 school year since they have mitigated their academic issues and are “In Good Standing”. School districts that remain in the

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- program would be required to maintain funding on existing Contract for Excellence programs less the percentage reduction of the Gap Elimination Adjustment.
- **Allow Access to Employee Benefit Accrued Liability Reserve Funds:** A school district's governing board would be permitted to authorize a withdrawal of excess funds in an employee benefits accrued liability reserve fund in order to maintain educational programming during the 2010-11 school year. The amount withdrawn could not exceed the Gap Elimination Adjustment 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.
 - **School District Charter School Payments:** In recognition of the freeze in Foundation Aid for the 2010-11 school year, the charter school payments made by school districts to charter schools for children attending charter school will be maintained at the current per pupil levels. The 2009-10 State Budget initiated a one year freeze on these per pupil charter school payments. The 2010-11 Executive Budget will extend that freeze for one additional year.
 - **Contingency Budget Calculation:** Proposed statutory changes will prevent mandatory negative spending growth for school districts that are operating under a contingency budget by limiting the spending cap calculation to no less than the previous year's spending levels. The current statutory provisions for the calculation of the contingency budget cap does not account for a period of deflation, which is likely to be the case for the 2009 calendar year.

STATE OPERATIONS

The taxpayer-supported General Fund supports 7 percent of the Department's overall operating budget. Federal grants, including programs for disadvantaged pupils, account for 62 percent of the agency's resources. The remaining 31 percent is derived from fees, chargebacks and other miscellaneous receipts. For 2010-11, the Department's General Fund State Operations budget totals \$43 million, an appropriation decrease of \$8 million from the 2009-10 Enacted Budget. The Executive Budget recommends a staffing level of 2,915 FTEs for the Department, a decrease of 83 from the Final 2009-10 Enacted Budget.

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, Public High Cost Special Education Aid and Private Special Education 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 \$783 million for the 2010-11 school year, an increase of \$24 million or 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 80,000 children aged 3 to 5 during any given school year. The General

Fund recommendation of \$620 million, in combination with Federal funds, will support a 59.5 percent State share of preschool special education program costs in the 2010-11 fiscal year. Similar to 2009-10, funding from the Federal ARRA State Fiscal Stabilization Fund - Other Government Services Fund will be used to support preschool special education. The amount of ARRA funds used for this purpose would increase to \$194 million. The Executive Budget also proposes to expedite State action on local audits and strengthen procedures to ensure that children are educated as close as possible to their home. In addition, beginning with costs incurred for the 2010-11 school year, the growth in county expenses will be limited, with excess costs being assumed by school districts.

Summer School Special Education

The summer school special education program supports educational services provided during July and August for approximately 44,000 disabled students aged 5 to 21. The State has historically supported 70 percent of the total education, transportation and maintenance costs of summer programs regardless of a school district's relative wealth. The 2010-11 Executive Budget proposes to more closely align State reimbursement to school districts for summer school special education costs with wealth-based aid ratios used during the regular school year. Additionally, the priority of payment will be for claims for services provided during the 2009-10 school year, with State reimbursement for costs incurred prior to the 2009-10 school year limited to \$50 million during the upcoming fiscal year.

State-Supported Private Schools for the Blind and Deaf

Nearly 1,500 students attend 11 State-supported private schools for the blind and deaf. The Executive Budget would provide \$136 million in General Fund support for the schools for the cost of services provided during the regular school year as well as the summer months. This amount is supplemented by Federal Individuals with Disabilities Education Act (IDEA) funding.

EDUCATION-RELATED PROGRAMS

The Executive Budget recommends a net year-to-year reduction of approximately \$31 million in funding for education-related programs. This reduction is due primarily to the elimination of funding for one-time legislative grants (\$34 million), \$3 million in other reductions and \$6 million in a new State appropriation for the Smart Scholars Program.

Major actions include:

- **Aid for Nonpublic Schools:** The Executive Budget proposes a \$1.5 million reduction in funding for this program. Nonpublic schools will receive \$109.1 million in aid, including \$28.5 million for comprehensive attendance-taking and \$80.6 million for other mandated activities.
- **After School Programs:** The Executive Budget provides \$24 million for the Extended Day/School Safety Program, consistent with amounts from the 2009-10 Final Enacted Budget.
- **Schools Under Registration Review (SURR) Grants:** The Executive Budget proposes to eliminate separate State funding for SURR grants.

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ELEMENTARY, MIDDLE, SECONDARY AND CONTINUING (EMSC) EDUCATION-RELATED PROGRAMS 2010-11 SCHOOL YEAR (\$000)

Program	2009-10 School Year	2010-11 School Year	Change
Academic Intervention Services for Nonpublic Schools	922	922	0
Adult Basic Education	1,843	1,843	0
Adult Literacy Education	4,293	4,293	0
Charter School Start-Up and Technical Assistance	4,837	4,837	0
County Vocational Education and Extension Boards	932	932	0
Education of Children of Migrant Workers	89	89	0
Extended Day/School Safety Program	24,343	24,343	0
Fiscal Stabilization Grants	30,022	30,022	0
Health Education Program	691	691	0
National Board for Professional Teaching Standards	490	490	0
Nonpublic School Aid	110,605	109,105	(1,500)
Primary Mental Health	894	894	0
Prior Year Claims	15,046	15,046	0
School Lunch and Breakfast Program	31,700	32,300	600
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
Schools Under Registration Review (SURR) Grants	1,750	0	(1,750)
Targeted Prekindergarten	1,303	1,303	0
Smart Scholars Program	0	6,000	6,000
One-Time Legislative Grants	33,700	0	(33,700)
Total EMSC education-related programs	267,954	237,604	(30,350)

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 provides \$84.5 million in funding for Library Aid - this represents a decrease of \$2.4 million from the Final 2009-10 Enacted Budget. State funding for local library construction will be maintained at \$14 million for 2010-11.
- **Public Broadcasting Aid:** State support for New York's 9 public television stations and 17 public radio stations will continue at \$15.0 million through a combination of State support and Federal ARRA funding, the same level of funding provided in the 2009-10 Enacted Budget.
- **Bundy Aid:** The Executive Budget recommends \$39.0, a reduction of \$0.7 million for Unrestricted Aid for Independent Colleges and Universities, also known as Bundy Aid.
- **Capital Projects:** The Executive Budget includes \$6.8 million in new capital support for various minor rehabilitation projects to maintain SED's facilities in safe operating condition. SED will use these funds for various health and safety and critical infrastructure projects, including upgrading elevators in the Education Building, replacing boilers at the Onondaga Nation Elementary School, and installing concrete pavement and other exterior renovations at the School for the Deaf in Rome.

The Executive Budget also maintains funding for the following programs at the same levels as the Final 2009-10 Enacted Budget:

- Vocational and Educational Services for Individuals with Disabilities (VESID) Case Services (\$54.0 million);

- Supported Employment (\$15.2 million);
- Independent Living Centers (\$12.4 million);
- Higher Education Opportunity Program (\$20.8 million);
- Liberty Partnerships (\$10.8 million);
- Science and Technology Entry Program (\$9.8 million);
- Collegiate Science and Technology Entry Program (\$7.4 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 \$3.2 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 possible annual reductions in STAR exemption amounts from 11 percent to 18 percent. This is expected to produce savings of \$40 million for 2010-11.
- **Eliminate STAR exemption benefit for the homes with value of \$1.5 million and above:** Under current law, every home that is used as a primary residence, regardless of how much it is worth, is eligible to receive a STAR exemption benefit. This proposal would eliminate the exemption benefit for the homes with equalized value of \$1.5 million and above. This would reduce spending by \$30 million in 2010-11.
- **Restructure New York City Personal Income Tax STAR:** The Executive Budget would cap the tax rate reduction benefit for taxpayers with incomes above \$250,000. Under current law, the rate reduction applies to all taxpayers, regardless of income. This proposal would limit the rate reduction benefit to the first \$250,000 of income. This would reduce spending by \$143 million in 2010-11.

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 \$20.53 billion (\$20.70 billion including EXCEL Building Aid) in School Aid for the 2010-11 school year. State support for public schools, including lottery payments, accounts for approximately 34 percent of State operating funds.

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

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- **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 \$4.3 billion and account for nearly 21 percent of overall School Aid.
- **Universal Pre-Kindergarten** provides grants to school districts ranging from \$2,700 to \$5,800 per child reflective of varying district wealth and educational needs. For the 2010-11 school year, funding will be available for approximately 107,700 students to attend Universal Pre-Kindergarten programs throughout the State.
- **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 students aged 5 to 21. These services range from speech therapy to placement in full-time residential schools for school-age children with the most severe disabling conditions. Statewide, approximately 405,000 school-age children with special needs receive special education services. 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 53 blind and multiply-disabled students. The Rome School for the Deaf serves 60 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:

- **School Nutrition Programs:** The Executive Budget recommends \$36 million in State funds to supplement Federal support for the School Lunch and Breakfast program and the Summer Food service program. Approximately 400 million school meals are served annually to nearly three million students participating in the school lunch and breakfast program. In addition, more than 280 sponsors of summer food programs serve free meals to approximately 325,000 low-income students participating in summer recreation programs.
- **Aid for Nonpublic Schools:** The Executive Budget recommends a total of \$109.1 million to reimburse nonpublic schools for the cost of mandated services. This includes \$28.5 million for comprehensive attendance-taking.

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 the State 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.

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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. IN 2008-09, this program arranged job placements for nearly 12,200 individuals from an active caseload of 68,000.

SCHOOL TAX RELIEF (STAR)

For 2010-11, STAR will provide New York's taxpayers with savings of almost \$3.2 billion in school tax relief.

School Property Tax Relief

- In 2010-11, approximately 642,000 senior homeowners will be eligible to receive an enhanced exemption. The statewide average STAR enhanced benefit for seniors is estimated at \$1,205. 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 \$74,700 to receive benefits in 2010.
- In 2010-11, the school property tax exemption will provide nearly 2.9 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 \$641.
- 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 and eliminate STAR exemption benefit for the homes with value of \$1.5 million and above.

New York City Tax Reduction

- Under the current STAR program, New York City's more than 3 million resident personal income taxpayers receive a rate reduction.
- For those taxpayers whose income below certain thresholds also receive a flat refundable credit.
- Legislation accompanying the Executive Budget would restructure the New York City STAR income tax program by restricting the tax rate reduction benefit to income at or below \$250,000 (higher-income taxpayers will continue to receive the tax rate reduction benefit for the first \$250,000).
- Total New York City taxpayer savings will be nearly \$550 million in 2010-11, or about 5 percent.

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School Aid School Year Payments (Millions)

Program	Estimated 2009-10	Recommended 2010-11	Change Amount	Change Percent
I. Formula-Based Aids:				
Foundation Aid	\$14,892.22	\$14,892.22	\$0.00	0.00
Special Education - High Cost	443.92	454.12	10.20	2.30
Special Education - Private	314.91	328.97	14.06	4.46
Reorganization Operating Aid	2.86	2.86	0.00	0.00
Textbooks (Incl. Lottery)	182.50	181.38	(1.12)	(0.61)
Computer Hardware	37.85	37.43	(0.42)	(1.11)
Computer Software	45.46	45.79	0.33	0.73
Library Materials	19.40	19.29	(0.11)	(0.57)
BOCES	698.87	731.91	33.04	4.73
Special Services	206.41	199.70	(6.71)	(3.25)
Transportation (Including Summer)	1,546.94	1,646.66	99.72	6.45
High Tax	204.77	204.77	0.00	0.00
Universal Prekindergarten	399.72	399.72	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	18.67	21.84	3.17	16.98
Full-Day Kindergarten	7.34	0.00	(7.34)	(100.00)
Academic Enhancement Aid	8.32	8.32	0.00	0.00
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00
Gap Elimination Adjustment	0.00	(1,412.15)	(1,412.15)	NA
Formula-Based Aids	\$19,053.10	\$17,785.82	(\$1,267.28)	(6.65)
Building Aid/Reorganization Building	2,263.89	2,485.73	221.84	9.80
Total Formula-Based Aids	\$21,316.99	\$20,271.55	(\$1,045.44)	(4.90)
II. Grant Programs and Additional Aid Categories:				
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	35.00 (a)	0.00	(35.00)	(100.00)
Teacher-Mentor Intern	2.00 (a)	2.00 (a)	0.00	0.00
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	12.00 (b)	6.00	(6.00)	(50.00)
Urban-Suburban Transfer	2.73	2.73	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	9.23	9.23	0.00	0.00
Incarcerated Youth	17.50	17.50	0.00	0.00
Bilingual	12.50	12.50	0.00	0.00
Education of OMH/OMR Pupils	69.00	69.00	0.00	0.00
Special Act School Districts	2.70	2.70	0.00	0.00
Chargebacks	(47.00)	(47.00)	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Native American Building	2.50	2.50	0.00	0.00
Native American Education	35.00	35.00	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
	296.17	255.17	(41.00)	(13.84)
SCHOOL YEAR TOTAL	\$21,613.15	\$20,526.71	\$1,086.44	(5.03)
EXCEL Building Aid - New York City	127.02	127.03	0.01	0.01
EXCEL Debt Service - Rest of State	27.02	41.92	14.90	55.14
	154.04	168.95	14.91	9.68
SCHOOL YEAR TOTAL w/EXCEL	\$21,767.19	\$20,695.66	(\$1,071.53)	(4.92)

(a) Supported in full by American Recovery and Reinvestment (ARRRA) Aid.

(b) Supported in part by \$6.00 million in American Recovery and Reinvestment (ARRRA) Aid.

EDUCATION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	575,463,000	587,625,000	12,162,000	402,055,000
Aid To Localities	32,209,276,254	31,503,129,000	(706,147,254)	8,016,156,780
Capital Projects	20,800,000	20,800,000	0	121,586,000
Total	32,805,539,254	32,111,554,000	(693,985,254)	8,539,797,780

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Office of Management Services Program			
General Fund	89	74	(15)
Special Revenue Funds - Other	221	211	(10)
Internal Service Funds	136	136	0
Elementary, Middle and Secondary Education			
General Fund	220	189	(31)
Special Revenue Funds - Federal	288	288	0
School for the Blind			
Special Revenue Funds - Other	121	121	0
School for the Deaf			
Special Revenue Funds - Other	97	97	0
Higher Education and the Professions, Office of			
General Fund	57	51	(6)
Special Revenue Funds - Federal	11	11	0
Special Revenue Funds - Other	392	404	12
Cultural Education			
General Fund	10	9	(1)
Special Revenue Funds - Federal	60	60	0
Special Revenue Funds - Other	302	270	(32)
Internal Service Funds	23	23	0
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	971	971	0
Total	2,998	2,915	(83)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	50,430,000	42,564,000	(7,866,000)
Special Revenue Funds - Federal	338,356,000	363,198,000	24,842,000
Special Revenue Funds - Other	155,451,000	150,300,000	(5,151,000)
Internal Service Funds	31,226,000	31,563,000	337,000
Total	575,463,000	587,625,000	12,162,000

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

Program	Available 2009-10	Recommended 2010-11	Change
Office of Management Services Program			
General Fund	13,929,000	11,633,000	(2,296,000)
Special Revenue Funds - Other	28,221,000	27,091,000	(1,130,000)
Internal Service Funds	18,522,000	18,914,000	392,000
Elementary, Middle and Secondary Education			
General Fund	27,922,000	22,953,000	(4,969,000)
Special Revenue Funds - Federal	151,881,000	176,723,000	24,842,000
Special Revenue Funds - Other	1,970,000	2,286,000	316,000
School for the Blind			
Special Revenue Funds - Other	10,418,000	10,060,000	(358,000)
School for the Deaf			
Special Revenue Funds - Other	9,992,000	9,661,000	(331,000)
Higher Education and the Professions, Office of			
General Fund	7,797,000	7,376,000	(421,000)
Special Revenue Funds - Federal	2,952,000	2,952,000	0
Special Revenue Funds - Other	57,792,000	58,298,000	506,000
Cultural Education			
General Fund	782,000	602,000	(180,000)
Special Revenue Funds - Federal	15,378,000	15,378,000	0
Special Revenue Funds - Other	45,879,000	41,752,000	(4,127,000)
Internal Service Funds	12,704,000	12,649,000	(55,000)
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	168,145,000	168,145,000	0
Special Revenue Funds - Other	1,179,000	1,152,000	(27,000)
Total	575,463,000	587,625,000	12,162,000

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	7,281,000	(1,493,000)	7,021,000	(1,463,000)
Elementary, Middle and Secondary Education	14,307,000	(2,719,000)	13,585,000	(2,631,000)
Higher Education and the Professions, Office of	3,149,000	(468,000)	3,128,000	(341,000)
Cultural Education	442,000	(169,000)	442,000	(169,000)
Total	25,179,000	(4,849,000)	24,176,000	(4,604,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Office of Management Services Program	130,000	(15,000)	130,000	(15,000)
Elementary, Middle and Secondary Education	578,000	(70,000)	144,000	(18,000)
Higher Education and the Professions, Office of	20,000	(54,000)	1,000	(73,000)
Cultural Education	0	0	0	0
Total	728,000	(139,000)	275,000	(106,000)

EDUCATION

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary Education	4,352,000	(803,000)	226,000	(39,000)
Higher Education and the Professions, Office of Cultural Education	8,646,000	(2,250,000)	140,000	(34,000)
	4,227,000	47,000	63,000	(8,000)
	160,000	(11,000)	26,000	(2,000)
Total	17,385,000	(3,017,000)	455,000	(83,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary Education	114,000	(19,000)	1,588,000	(330,000)
Higher Education and the Professions, Office of Cultural Education	130,000	(32,000)	8,140,000	(2,126,000)
	63,000	(8,000)	4,038,000	71,000
	2,000	0	128,000	(9,000)
Total	309,000	(59,000)	13,894,000	(2,394,000)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary Education	793,000	(136,000)	1,631,000	(279,000)
Higher Education and the Professions, Office of Cultural Education	236,000	(58,000)	0	0
	63,000	(8,000)	0	0
	4,000	0	0	0
Total	1,096,000	(202,000)	1,631,000	(279,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary Education	46,005,000	(738,000)	24,374,000	(879,000)
School for the Blind School for the Deaf Higher Education and the Professions, Office of Cultural Education	179,009,000	25,158,000	64,977,000	3,866,000
	10,060,000	(358,000)	6,061,000	(217,000)
	9,661,000	(331,000)	5,760,000	(198,000)
	61,250,000	506,000	26,996,000	221,000
Vocational and Educational Services for Individuals with Disabilities	69,779,000	(4,182,000)	29,497,000	(2,224,000)
	169,297,000	(27,000)	73,638,000	2,669,000
Total	545,061,000	20,028,000	231,303,000	3,238,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary Education	21,631,000	141,000	0	0
School for the Blind School for the Deaf Higher Education and the Professions, Office of Cultural Education	76,331,000	3,053,000	37,701,000	18,239,000
	3,999,000	(141,000)	0	0
	3,901,000	(133,000)	0	0
	33,533,000	288,000	721,000	(3,000)
Vocational and Educational Services for Individuals with Disabilities	39,146,000	(1,922,000)	1,136,000	(36,000)
	77,760,000	(4,838,000)	17,899,000	2,142,000
Total	256,301,000	(3,552,000)	57,457,000	20,342,000

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	19,044,242,629	18,551,852,000	(492,390,629)
Special Revenue Funds - Federal	6,933,554,000	6,861,798,000	(71,756,000)
Special Revenue Funds - Other	6,231,479,625	6,089,479,000	(142,000,625)
Total	<u>32,209,276,254</u>	<u>31,503,129,000</u>	<u>(706,147,254)</u>

Adjustments:

Prior Year Deficiency			
Education Department, State			
General Fund	(64,300,000)		
Special Revenue Funds - Other	32,100,000		
Appropriated 2009-10	<u>32,177,076,254</u>		

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

Program	Available 2009-10	Recommended 2010-11	Change
Office of Management Services Program			
Special Revenue Funds - Other	5,214,000	5,214,000	0
School Tax Relief			
Special Revenue Funds - Other	3,359,000,000	3,200,000,000	(159,000,000)
Elementary, Middle and Secondary Education			
General Fund	18,766,133,310	18,286,117,000	(480,016,310)
Special Revenue Funds - Federal	5,695,095,000	5,591,739,000	(103,356,000)
Special Revenue Funds - Other	2,846,000,000	2,863,000,000	17,000,000
Higher Education and the Professions, Office of			
General Fund	92,731,099	90,047,000	(2,684,099)
Cultural Education			
General Fund	96,272,652	93,873,000	(2,399,652)
Special Revenue Funds - Federal	10,987,000	10,987,000	0
Special Revenue Funds - Other	8,807,625	8,807,000	(625)
Vocational and Educational Services for Individuals with Disabilities			
General Fund	81,815,000	81,815,000	0
Special Revenue Funds - Federal	1,227,472,000	1,259,072,000	31,600,000
Special Revenue Funds - Other	12,458,000	12,458,000	0
Community Projects			
General Fund	7,290,568	0	(7,290,568)
Total	<u>32,209,276,254</u>	<u>31,503,129,000</u>	<u>(706,147,254)</u>

EDUCATION

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

Comprehensive Construction Program	Available 2009-10	Recommended 2010-11	Change	Reappropriations 2010-11
Education Building				
Capital Projects Fund	0	0	0	2,531,000
Capital Projects Fund - Advances	0	0	0	20,000
School for the Blind				
Capital Projects Fund	800,000	0	(800,000)	2,191,000
Capital Projects Fund - Advances	0	0	0	200,000
School for the Deaf				
Capital Projects Fund	0	0	0	3,373,000
Schools For Native American Reservations				
Capital Projects Fund	0	0	0	409,000
Capital Projects Fund - Authority Bonds	4,000,000	0	(4,000,000)	4,000,000
Cultural Education Center				
Capital Projects Fund	0	0	0	12,642,000
Capital Projects Fund - Advances	0	0	0	1,280,000
Capital Projects Fund - Authority Bonds	0	0	0	13,797,000
Administration				
Capital Projects Fund	2,000,000	6,800,000	4,800,000	5,032,000
Library Construction				
Library Aid (Auth Bonds)	14,000,000	14,000,000	0	16,111,000
Cultural Education Storage Facility				
Cap Proj Fund - Cultrual Education Storage Facility	0	0	0	60,000,000
Total	<u>20,800,000</u>	<u>20,800,000</u>	<u>0</u>	<u>121,586,000</u>

OFFICE OF CHILDREN AND FAMILY SERVICES

MISSION

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

ORGANIZATION AND STAFFING

The Office is headquartered in Rensselaer with regional offices throughout the State. These offices provide operational support and policy direction to local social services districts and youth bureaus. By the end of 2010-11, OCFS will operate 23 residential facilities and five day placement programs statewide, serving approximately 1,200 youth. The Office will end the 2010-11 fiscal year with a workforce of 3,497 positions.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.9 billion All Funds** (\$2.2 billion General Fund; \$1.7 billion Other Funds) for the Office of Children and Family Services. This is a net decrease of **\$34 million** (\$105 million General Fund increase; \$139 million Other Funds decrease) from the 2009-10 budget. This net change primarily reflects the elimination of the one-time Federal Stimulus child care appropriation as well as reductions to several program areas.

OCFS' staffing level for 2010-11 will be **3,497**, a decrease of **79** annual salaried positions from the 2009-10 budget. This reduction reflects the net impact of closing/downsizing three underutilized youth facilities (-251), an increase of 169 positions associated with implementing improvements to services for youth in OCFS operated youth facilities, a decrease of 33 non-health and safety related positions through attrition and, an increase of 36 to reflect projected fill levels of federal child care and Commission for the Blind and Visually Handicapped positions.

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 reduces funding for Community Optional Preventive Services (COPS), which supports an array of non-mandated programs, as well as eliminates 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 use this funding source 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 develop and report on performance measures to improve outcomes for youth and families while generating efficiencies in the child welfare system.

CHILDREN AND FAMILY SERVICES

- **Preserve Adoption Subsidies:** The Executive Budget includes \$210 million, an increase of \$4 million, for the State's share of subsidies provided to families that adopt children with special needs. These funds will support approximately 46,000 children in adoptive homes.
- **Maintain Foster Care Block Grant:** The Foster Care Block Grant is maintained at \$436 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.
- **Fully Implement the Bridges to Health Medicaid Waiver Program:** The Bridges to Health Medicaid Waiver Program, designed to enhance services to foster care children with multiple needs and prevent them from entering institutional care, will be fully-implemented in 2010-11. The program will grow from 1,565 slots to 3,305 slots in 2010-11.
- **Implement the Kinship Guardianship Assistance Program:** This new program will enhance permanency for children in foster care while generating a cost avoidance for districts. This program will flow through the Foster Care Block Grant and will provide assistance on behalf of eligible foster children who are discharged from foster care to their relatives that had been caring for them while in foster care. While assistance payments will continue to be made to relative guardians, children will no longer be under the supervision of the district, which will reduce administrative oversight and costs.
- **Continue Support to Modernize CONNECTIONS:** The 2010-11 Executive Budget includes a second installment of bond financing to support modernization of CONNECTIONS, the State's child welfare information system. The current outdated CONNECTIONS infrastructure is fragile, inflexible and difficult to use for both caseworkers and local governments. Modernization will make the system more agile and user friendly, thereby easing administrative burdens and permitting case workers to spend more time with clients. CONNECTIONS modernization will be coordinated with systems development in other human services agencies to maximize service delivery and reduce costs.
- **Implement Child Care Unionization Agreements:** In October 2009, the State reached agreements with the Civil Service Employees Association and the United Federation of Teachers, the unions that represent home based child care providers. The 2010-11 Executive Budget includes \$3 million in appropriations pursuant to the agreements for quality improvement grants and a professional development fund for home-based child care providers.
- **Utilize Title XX Funding to Support the Adult Protective/Domestic Violence Program:** Currently, districts are allocated \$103 million annually in Federal Title XX funding, of which the State requires that \$66 million must be used to offset State and local AP/DV cost shares (49 percent State and 51 percent local). The 2010-11 Executive Budget would shift the remaining \$37 million in Title XX funds to the AP/DV program to reduce the State and local shares. In doing this, the State generates \$18 million in savings and reduces by \$19 million the direct cost to districts for providing mandated AP/DV services. Districts would lose \$37 million of discretionary Title XX funds, which currently reimburse local discretionary Title XX services.

- **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 Child Welfare Quality Program by 50 percent and eliminate the portable information technology pilot. General Fund support would generally be reduced by 10 percent for other contract programs including Home Visiting, Child Fatality Review Teams, Child Protective Services Caseload Reduction, Kinship, Hoyt Children and Family Trust Fund, Alternatives to Detention and Residential Placement, Settlement Houses, and Post Placement services.
- **Right-Size Youth Facility Capacity:** The 2010-11 Executive Budget reflects \$2.9 million in net savings, growing to \$14.6 million in 2011-12, from the closure and downsizing of OCFS facilities. A total of three facilities will be closed/downsized as of January 19, 2011. These actions are consistent with a significant decline in the population at OCFS' non-secure and limited secure facilities that has led to a 70 percent system-wide utilization rate and more than 400 vacant beds. January 2011 actions will include the following: closure of Annsville non-secure center, downsizing the Tryon campus by closing the limited secure boys program and downsizing the Lansing non-secure center. These actions will reduce OCFS facility jobs by 251 annual salaried positions, of which 239 were filled as of November 2009.
- **Additional Agency Reductions:** The Executive Budget recommends an additional \$5.8 million reduction to OCFS operations. The reductions will be managed through various Personal Service and Non Personal Service actions including: not filling 33 non-health and safety positions that become vacant through attrition and reducing costs associated with supplies, travel, equipment and contractual services.
- **Improve OCFS Facility Operations:** The Executive Budget includes \$18.2 million to increase staff to youth ratios and to provide improved medical and mental health services for youth in facilities. This investment will improve conditions in the facilities and outcomes for youth as they return to their home communities. This action will result in an increase of 169 staff in the youth facility program.

PROGRAM HIGHLIGHTS

The Office of Children and Family Services supervises the State's system of family support and child welfare services to help families live independently. County departments of social services and, in many cases, community-based local organizations, administer programs that identify and protect abused and neglected children; provide counseling and other services to strengthen families and avoid foster care; place children in foster care as needed; reunite children and families; find permanent adoptive parents for children who cannot be reunited with birth families; and prepare teens for independent living.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. Programs include oversight of locally administered adult protective services and programs providing services to victims of domestic violence, including emergency shelters and community-based crisis intervention.

CHILDREN AND FAMILY SERVICES

CHILD CARE

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

YOUTH FACILITIES

The Office operates a Youth Facilities Program which, by the end of 2010-11, will include 23 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 2010-11. The State initiates investigations of these allegations, which are conducted by county protective services staff and/or local law enforcement agencies. The Register maintains a master database of those found culpable of child abuse so that employers, such as day care centers, can screen out potential employees with a history of child abuse.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	522,966,000	534,363,700	11,397,700	364,333,600
Aid To Localities	3,362,340,131	3,316,715,100	(45,625,031)	2,312,312,728
Capital Projects	37,675,000	37,675,000	0	144,542,000
Total	<u>3,922,981,131</u>	<u>3,888,753,800</u>	<u>(34,227,331)</u>	<u>2,821,188,328</u>

CHILDREN AND FAMILY SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Central Administration			
General Fund	331	310	(21)
Special Revenue Funds - Federal	2	2	0
Child Care			
Special Revenue Funds - Federal	213	235	22
Commission for the Blind and Visually Handicapped			
General Fund	11	11	0
Special Revenue Funds - Federal	148	162	14
Special Revenue Funds - Other	1	1	0
Family and Children Services			
General Fund	505	505	0
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	164	153	(11)
Training and Development			
Special Revenue Funds - Other	61	60	(1)
Youth Facilities			
General Fund	2,073	1,991	(82)
Total	3,576	3,497	(79)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	277,571,000	287,088,000	9,517,000
Special Revenue Funds - Federal	140,162,000	142,165,700	2,003,700
Special Revenue Funds - Other	104,658,000	104,535,000	(123,000)
Enterprise Funds	475,000	475,000	0
Internal Service Funds	100,000	100,000	0
Total	522,966,000	534,363,700	11,397,700

CHILDREN AND FAMILY SERVICES

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

Program	Available 2009-10	Recommended 2010-11	Change
Central Administration			
General Fund	32,925,000	30,308,000	(2,617,000)
Special Revenue Funds - Federal	528,000	6,528,000	6,000,000
Special Revenue Funds - Other	3,534,000	3,534,000	0
Internal Service Funds	100,000	100,000	0
Child Care			
Special Revenue Funds - Federal	45,356,000	49,583,700	4,227,700
Commission for the Blind and Visually Handicapped			
General Fund	9,082,000	9,098,000	16,000
Special Revenue Funds - Federal	40,714,000	32,503,000	(8,211,000)
Special Revenue Funds - Other	1,914,000	1,919,000	5,000
Departmental Administrative Reimbursement			
General Fund	(27,985,000)	(27,990,000)	(5,000)
Special Revenue Funds - Other	34,485,000	34,490,000	5,000
Family and Children Services			
General Fund	44,428,000	43,884,000	(544,000)
Special Revenue Funds - Federal	22,971,000	22,958,000	(13,000)
Special Revenue Funds - Other	1,344,000	1,343,000	(1,000)
Systems Support			
General Fund	57,087,000	56,968,000	(119,000)
Special Revenue Funds - Federal	30,593,000	30,593,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Training and Development			
General Fund	6,319,000	5,887,000	(432,000)
Special Revenue Funds - Other	53,381,000	53,249,000	(132,000)
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	155,715,000	168,933,000	13,218,000
Enterprise Funds	275,000	275,000	0
Total	<u>522,966,000</u>	<u>534,363,700</u>	<u>11,397,700</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	23,574,000	(707,000)	23,146,000	(694,000)
Commission for the Blind and Visually Handicapped	1,859,000	16,000	1,846,000	16,000
Departmental Administrative Reimbursement	(27,990,000)	(5,000)	(27,990,000)	(5,000)
Family and Children Services	30,980,000	909,000	28,380,000	833,000
Systems Support	10,950,000	(497,000)	10,780,000	(490,000)
Youth Facilities	121,802,000	(1,610,000)	108,460,000	(1,434,000)
Total	<u>161,175,000</u>	<u>(1,894,000)</u>	<u>144,622,000</u>	<u>(1,774,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Central Administration	346,000	(10,000)	82,000	(3,000)
Commission for the Blind and Visually Handicapped	0	0	13,000	0
Departmental Administrative Reimbursement	0	0	0	0
Family and Children Services	0	0	2,600,000	76,000
Systems Support	0	0	170,000	(7,000)
Youth Facilities	3,542,000	(46,000)	9,800,000	(130,000)
Total	<u>3,888,000</u>	<u>(56,000)</u>	<u>12,665,000</u>	<u>(64,000)</u>

CHILDREN AND FAMILY SERVICES

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Administration	6,734,000	(1,910,000)	520,000	(147,000)
Commission for the Blind and Visually Handicapped	7,239,000	0	9,000	0
Family and Children Services	12,904,000	(1,453,000)	359,000	(40,000)
Systems Support	46,018,000	378,000	373,000	(12,000)
Training and Development	5,887,000	(432,000)	0	0
Youth Facilities	47,131,000	14,828,000	10,469,000	(1,218,000)
Total	<u>125,913,000</u>	<u>11,411,000</u>	<u>11,730,000</u>	<u>(1,417,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Administration	206,000	(58,000)	5,086,000	(1,444,000)
Commission for the Blind and Visually Handicapped	0	0	7,230,000	0
Family and Children Services	338,000	(38,000)	12,142,000	(1,367,000)
Systems Support	196,000	1,000	43,940,000	360,000
Training and Development	0	0	5,887,000	(432,000)
Youth Facilities	453,000	(53,000)	17,533,000	(2,039,000)
Total	<u>1,193,000</u>	<u>(148,000)</u>	<u>91,818,000</u>	<u>(4,922,000)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	922,000	(261,000)	0	0
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	65,000	(8,000)	0	0
Systems Support	1,509,000	29,000	0	0
Training and Development	0	0	0	0
Youth Facilities	482,000	(56,000)	18,194,000	18,194,000
Total	<u>2,978,000</u>	<u>(296,000)</u>	<u>18,194,000</u>	<u>18,194,000</u>

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	10,162,000	6,000,000	36,000	0
Child Care	49,583,700	4,227,700	0	0
Commission for the Blind and Visually Handicapped	34,422,000	(8,206,000)	50,000	5,000
Departmental Administrative Reimbursement	34,490,000	5,000	27,990,000	5,000
Family and Children Services	24,301,000	(14,000)	111,000	(1,000)
Systems Support	40,593,000	0	0	0
Training and Development	53,449,000	(132,000)	5,557,000	(119,000)
Youth Facilities	275,000	0	0	0
Total	247,275,700	1,880,700	33,744,000	(110,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	3,598,000	0	6,528,000	6,000,000
Child Care	0	0	49,583,700	4,227,700
Commission for the Blind and Visually Handicapped	1,869,000	0	32,503,000	(8,211,000)
Departmental Administrative Reimbursement	6,500,000	0	0	0
Family and Children Services	10,643,000	(13,000)	13,547,000	0
Systems Support	0	0	40,593,000	0
Training and Development	47,692,000	(13,000)	200,000	0
Youth Facilities	275,000	0	0	0
Total	70,577,000	(26,000)	142,954,700	2,016,700

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	1,805,775,131	1,901,377,809	95,602,669
Special Revenue Funds - Federal	1,537,763,000	1,396,535,300	(141,227,700)
Special Revenue Funds - Other	18,802,000	18,802,000	0
Total	3,362,340,131	3,316,715,100	(45,625,031)

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

Program	Available 2009-10	Recommended 2010-11	Change
Child Care			
General Fund	146,198,000	142,351,700	(3,846,300)
Special Revenue Funds - Federal	429,644,000	310,416,300	(119,227,700)
Special Revenue Funds - Other	343,000	343,000	0
Family and Children Services			
General Fund	1,643,477,927	1,753,510,300	110,032,373
Special Revenue Funds - Federal	1,088,900,000	1,066,900,000	(22,000,000)
Special Revenue Funds - Other	18,459,000	18,459,000	0
Training and Development			
General Fund	5,131,579	5,515,800	384,221
Special Revenue Funds - Federal	19,219,000	19,219,000	0
Community Projects			
General Fund	10,967,625	0	(10,967,625)
Total	3,362,340,131	3,316,715,100	(45,625,031)

CHILDREN AND FAMILY SERVICES

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

Comprehensive Construction Program	Available 2009-10	Recommended 2010-11	Change	Reappropriations 2010-11
Design and Construction Supervision				
Youth Facilities Improvement Fund	7,000,000	7,000,000	0	14,473,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	1,825,000	1,825,000	0	9,063,000
Youth Facilities Improvement Fund	15,850,000	18,850,000	3,000,000	72,172,000
Executive Direction and Administrative Services				
Misc. Capital Projects	0	0	0	2,121,000
Program Improvement or Program Change				
Youth Facilities Improvement Fund	13,000,000	10,000,000	(3,000,000)	41,400,000
Youth Center				
Capital Projects Fund	0	0	0	5,313,000
Total	37,675,000	37,675,000	0	144,542,000

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 **\$6.0 billion All Funds** (\$1.3 billion General Fund; \$4.7 billion Other Funds) for OTDA. This is an increase of **\$342 million** (\$69 million General Fund decrease; \$411 million Other Funds increase) from the 2009-10 budget. This net change primarily reflects increased funding from the American Recovery and Reinvestment Act of 2009, specifically funding for the TANF program.

The Office's workforce will be **2,379 positions** in 2010-11. Approximately 193 of these positions are paid by State tax dollars from the General Fund and 1,487 are funded directly by Federal grants. The remaining 699 positions are supported by earned revenue and other special revenues.

Major budget actions include:

- **Modification of the Scheduled Public Assistance Grant Increase:** The 2009-10 Enacted Budget increased the basic allowance portion of the public assistance grant by 10 percent a year for three consecutive years, starting in July 2009. Executive Budget recommendations reduce the planned July 2010 increase to five percent and provide for five percent increases for the next three successive years. The State will continue to assume the local share of the grant increase through March 31, 2014. At full implementation, this will result in a \$100 per month increase in the basic allowance.
- **State Administration of the SSI Supplementation Program:** The Federal Social Security Administration (SSA) administers New York's SSI supplementation program and charges a fee for each check issued on the State's behalf. The fee is currently set at \$10.45 and total administrative costs are

TEMPORARY AND DISABILITY ASSISTANCE

- projected to be \$84 million in 2010-11. The Executive Budget authorizes the State to assume responsibility for the administration of the supplementation program, achieving over \$60 million in annual savings when fully implemented.
- **Alignment of the Adult and Family Shelter Populations:** The 2010-11 Executive Budget aligns funding for the adult homeless shelter system with the family shelter system to encourage local social services districts to conduct public assistance eligibility determinations for all individuals seeking placement in temporary shelter settings, including homeless shelters for adults.
 - **Reduced Funding for Various Homeless, Refugee and Employment-Related Programs:** Funding is reduced by between 10 percent and 28 percent for various programs including the Homelessness Intervention Program (HIP) which provides services to stabilize households and prevent homelessness; the Operational Support for AIDS Housing (OSAH) Program, which funds supportive services and operating expenses of AIDS housing programs; the Response to Human Trafficking Program, the Citizenship Program, and the New York State Refugee Resettlement Assistance Program (NYSRRAP), which assist refugees and asylees by providing such services as job search and housing location help, employment training, and assistance in the attainment of citizenship status; and the HIV Welfare-to-Work Program, which addresses the employment and training needs of low-income individuals diagnosed with HIV or AIDS.

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.

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 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 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.

TEMPORARY AND DISABILITY ASSISTANCE

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.

STATE SUPPLEMENTAL SECURITY INCOME PROGRAM

The Federal SSI program provides cash assistance to low-income aged, blind, and disabled persons, and is administered by the Social Security Administration. New York State provides additional financial support to its SSI recipients. The cost of the State SSI supplementation program is projected to be \$707 million in 2010-11 to cover approximately 667,000 recipients.

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. Total child support collections are projected to be \$1.7 billion in 2010-11.

OTHER SUPPORTIVE PROGRAMS

The Federal Supplemental Nutrition Assistance Program (SNAP) provides low-income households with an electronic benefit card that can be used as cash to purchase food. In 2008-09, New York received \$3.1 billion in Federal SNAP benefits for approximately 1.1 million households at an average monthly benefit of \$227.

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. New York State will receive over \$475 million in Federal fiscal year 2010.

TEMPORARY AND DISABILITY ASSISTANCE

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	469,379,000	471,292,000	1,913,000	307,706,000
Aid To Localities	5,147,420,861	5,487,569,700	340,148,839	3,477,340,180
Capital Projects	30,000,000	30,000,000	0	111,100,000
Total	<u>5,646,799,861</u>	<u>5,988,861,700</u>	<u>342,061,839</u>	<u>3,896,146,180</u>

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
General Fund	183	37	(146)
Special Revenue Funds - Federal	65	65	0
Special Revenue Funds - Other	76	260	184
Internal Service Funds	4	4	0
Child Well Being Program			
Special Revenue Funds - Federal	57	57	0
Special Revenue Funds - Other	25	25	0
Disability Determinations Program			
Special Revenue Funds - Federal	1,099	1,156	57
Special Revenue Funds - Other	101	12	(89)
Employment and Economic Support Program			
General Fund	40	12	(28)
Special Revenue Funds - Federal	178	146	(32)
Special Revenue Funds - Other	24	91	67
Executive Direction			
General Fund	15	0	(15)
Information Technology Program			
General Fund	84	5	(79)
Special Revenue Funds - Federal	40	40	0
Special Revenue Funds - Other	42	122	80
Legal Affairs			
General Fund	265	115	(150)
Special Revenue Funds - Other	0	165	165
Specialized Services Program			
General Fund	26	24	(2)
Special Revenue Funds - Federal	23	23	0
Special Revenue Funds - Other	12	20	8
Total	<u>2,359</u>	<u>2,379</u>	<u>20</u>

TEMPORARY AND DISABILITY ASSISTANCE

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	61,671,000	63,116,000	1,445,000
Special Revenue Funds - Federal	246,997,000	250,359,000	3,362,000
Special Revenue Funds - Other	159,511,000	156,618,000	(2,893,000)
Internal Service Funds	1,200,000	1,199,000	(1,000)
Total	<u>469,379,000</u>	<u>471,292,000</u>	<u>1,913,000</u>

Adjustments:

Transfer(s) From	
Temporary and Disability Assistance,	
Office of	
General Fund (Aid To Localities)	(921,000)
Appropriated 2009-10	<u>468,458,000</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
General Fund	12,989,000	11,934,000	(1,055,000)
Special Revenue Funds - Federal	9,000,000	8,919,000	(81,000)
Special Revenue Funds - Other	34,715,000	37,519,000	2,804,000
Internal Service Funds	1,200,000	1,199,000	(1,000)
Child Well Being Program			
General Fund	2,400,000	2,400,000	0
Special Revenue Funds - Federal	17,447,000	17,375,000	(72,000)
Special Revenue Funds - Other	24,212,000	24,170,000	(42,000)
Disability Determinations Program			
Special Revenue Funds - Federal	160,000,000	170,544,000	10,544,000
Special Revenue Funds - Other	10,600,000	3,280,000	(7,320,000)
Employment and Economic Support Program			
General Fund	3,015,000	3,674,000	659,000
Special Revenue Funds - Federal	21,400,000	17,900,000	(3,500,000)
Special Revenue Funds - Other	8,684,000	10,479,000	1,795,000
Executive Direction			
General Fund	648,000	0	(648,000)
Special Revenue Funds - Other	1,200,000	0	(1,200,000)
Information Technology Program			
General Fund	28,280,000	29,913,000	1,633,000
Special Revenue Funds - Federal	35,000,000	31,500,000	(3,500,000)
Special Revenue Funds - Other	66,600,000	66,618,000	18,000
Legal Affairs			
General Fund	13,270,000	13,063,000	(207,000)
Special Revenue Funds - Other	11,000,000	12,520,000	1,520,000
Specialized Services Program			
General Fund	1,069,000	2,132,000	1,063,000
Special Revenue Funds - Federal	4,150,000	4,121,000	(29,000)
Special Revenue Funds - Other	2,500,000	2,032,000	(468,000)
Total	<u>469,379,000</u>	<u>471,292,000</u>	<u>1,913,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,038,000	(854,000)	1,675,000	(1,063,000)
Child Well Being Program	300,000	0	300,000	0
Employment and Economic Support Program	801,000	518,000	716,000	514,000
Executive Direction	0	(328,000)	0	(267,000)
Information Technology Program	618,000	(230,000)	618,000	(230,000)
Legal Affairs	8,604,000	(207,000)	8,144,000	(243,000)
Specialized Services Program	1,769,000	943,000	1,730,000	953,000
Total	<u>14,130,000</u>	<u>(158,000)</u>	<u>13,183,000</u>	<u>(336,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	251,000	131,000	112,000	78,000
Child Well Being Program	0	0	0	0
Employment and Economic Support Program	0	0	85,000	4,000
Executive Direction	0	(56,000)	0	(5,000)
Information Technology Program	0	0	0	0
Legal Affairs	0	(39,000)	460,000	75,000
Specialized Services Program	0	0	39,000	(10,000)
Total	<u>251,000</u>	<u>36,000</u>	<u>696,000</u>	<u>142,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	9,896,000	(201,000)	110,000	0
Child Well Being Program	2,100,000	0	0	0
Employment and Economic Support Program	2,873,000	141,000	18,000	(9,000)
Executive Direction	0	(320,000)	0	(20,000)
Information Technology Program	29,295,000	1,863,000	38,000	100
Legal Affairs	4,459,000	0	125,000	(3,000)
Specialized Services Program	363,000	120,000	12,000	0
Total	<u>48,986,000</u>	<u>1,603,000</u>	<u>303,000</u>	<u>(31,900)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	290,000	0	9,146,000	(201,000)
Child Well Being Program	0	0	2,100,000	0
Employment and Economic Support Program	86,000	(26,000)	2,749,000	180,000
Executive Direction	0	(47,000)	0	(235,000)
Information Technology Program	37,000	300	6,598,000	(400)
Legal Affairs	185,000	(15,000)	3,809,000	135,000
Specialized Services Program	105,000	(5,000)	237,000	125,000
Total	<u>703,000</u>	<u>(92,700)</u>	<u>24,639,000</u>	<u>3,600</u>

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	20,000	(4,000)	0	0
Executive Direction	0	(18,000)	0	0
Information Technology Program	70,000	0	22,552,000	1,863,000
Legal Affairs	340,000	(117,000)	0	0
Specialized Services Program	9,000	0	0	0
Total	<u>789,000</u>	<u>(139,000)</u>	<u>22,552,000</u>	<u>1,863,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	47,637,000	2,722,000	25,067,000	2,341,000
Child Well Being Program	41,545,000	(114,000)	8,588,000	224,000
Disability Determinations Program	173,824,000	3,224,000	82,718,000	2,668,000
Employment and Economic Support Program	28,379,000	(1,705,000)	18,077,000	(250,000)
Executive Direction	0	(1,200,000)	0	(1,200,000)
Information Technology Program	98,118,000	(3,482,000)	7,368,000	18,000
Legal Affairs	12,520,000	1,520,000	12,520,000	1,520,000
Specialized Services Program	6,153,000	(497,000)	3,265,000	(405,000)
Total	<u>408,176,000</u>	<u>468,000</u>	<u>157,603,000</u>	<u>4,916,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	22,570,000	381,000	0	0
Child Well Being Program	32,957,000	(338,000)	0	0
Disability Determinations Program	91,106,000	556,000	0	0
Employment and Economic Support Program	10,302,000	(1,455,000)	0	0
Executive Direction	0	0	0	0
Information Technology Program	59,250,000	0	31,500,000	(3,500,000)
Legal Affairs	0	0	0	0
Specialized Services Program	2,238,000	(92,000)	650,000	0
Total	<u>218,423,000</u>	<u>(948,000)</u>	<u>32,150,000</u>	<u>(3,500,000)</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	1,260,228,986	1,189,812,700	(70,416,286)
Special Revenue Funds - Federal	3,848,909,000	4,257,857,000	408,948,000
Special Revenue Funds - Other	28,282,875	29,900,000	1,617,125
Fiduciary Funds	10,000,000	10,000,000	0
Total	<u>5,147,420,861</u>	<u>5,487,569,700</u>	<u>340,148,839</u>

Adjustments:			
Transfer(s) From			
Temporary and Disability Assistance,			
Office of			
General Fund	(10,755,875)		
Transfer(s) To			
Temporary and Disability Assistance,			
Office of			
General Fund (State Operations)	921,000		
Special Revenue Funds - Other	10,755,875		
Appropriated 2009-10	<u>5,148,341,861</u>		

TEMPORARY AND DISABILITY ASSISTANCE

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

Program	Available 2009-10	Recommended 2010-11	Change
Child Well Being Program			
General Fund	30,810,000	34,760,000	3,950,000
Special Revenue Funds - Federal	145,000,000	146,200,000	1,200,000
Employment and Economic Support Program			
General Fund	1,113,830,361	1,129,377,000	15,546,639
Special Revenue Funds - Federal	3,208,219,000	4,076,157,000	867,938,000
Special Revenue Funds - Other	10,755,875	20,000,000	9,244,125
Fiduciary Funds	10,000,000	10,000,000	0
Food Stamp Administration Program			
Special Revenue Funds - Federal	438,690,000	0	(438,690,000)
Special Revenue Funds - Other	7,627,000	0	(7,627,000)
Specialized Services Program			
General Fund	115,140,625	25,675,700	(89,464,925)
Special Revenue Funds - Federal	57,000,000	35,500,000	(21,500,000)
Special Revenue Funds - Other	9,900,000	9,900,000	0
Community Projects			
General Fund	448,000	0	(448,000)
Total	<u>5,147,420,861</u>	<u>5,487,569,700</u>	<u>340,148,839</u>

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

Comprehensive Construction Program	Available 2009-10	Recommended 2010-11	Change	Reappropriations 2010-11
Supported Housing Program				
Housing Program Fund	30,000,000	30,000,000	0	111,100,000
Total	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>	<u>111,100,000</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, the New York Higher Education Loan Program (NYHELPS) 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 six-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 **\$1.03 billion All Funds** (\$844 million General Fund; \$188 million Other Funds) in support of the Corporation. This is a net decrease of **\$93 million** (a \$83.7 million General Fund decrease and a \$9.3 million Other Funds decrease) from 2009-10 funding levels. The budget reflects funding to continue the NYHELPS student loan program and decreased spending for the Tuition Assistance Program (TAP).

The Executive Budget recommends a staffing level of **630 FTEs** for the Corporation, unchanged from 2009-10. Virtually all employees are paid through funds received for the administration of Federal student loans.

Major budget actions include:

- **Increase Academic Standards for Continued TAP Eligibility:** The 2010-11 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 15 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 \$8.4 million in 2010-11.
- **Eliminate TAP for Graduate Study:** The 2010-11 Executive Budget eliminates TAP award eligibility for graduate students. This measure is expected to produce savings of \$3 million in 2010-11.

HIGHER EDUCATION SERVICES

- **Establish Default Parity:** Currently, students in default on loans guaranteed by the Corporation are ineligible to receive TAP payments, but students in default on loans guaranteed by organizations other than the Corporation retain TAP eligibility. The 2010-11 Executive Budget provides that all students in default on statutory New York State or Federal loans would be ineligible for TAP awards, regardless of guarantor. This measure is expected to produce savings of \$4.1 million in 2010-11.
- **Reduce Maximum TAP Award for Two-Year Degree Programs:** The 2010-11 Executive Budget reduces the maximum TAP award for students enrolled in a two-year degree granting program from \$5,000 to \$4,000. This measure is expected to produce savings of \$28.0 million in 2010-11.
- **Create New TAP Schedules for Certain Financially Independent Students:** The 2010-11 Executive Budget creates a new TAP schedule that increases the maximum award from \$3,025 to \$5,000 for orphans/wards of the court and other students under 22 years of age who meet certain criteria that establishes their financial independence. As such, they would receive an award similar to that of students who are declared dependents by their parents. This proposal also decreases the maximum award for independent students who are married without children from \$5,000 to \$3,025, which is consistent with the award provided to single adults with no children. This measure is expected to produce net savings of \$1.9 million in 2010-11.
- **Reduce TAP Awards by \$75:** The 2010-11 Executive Budget reduces all TAP awards by \$75. This measure is expected to produce savings of \$23.6 million in 2010-11.
- **Private Pension and Annuity Exclusion:** Currently, for individuals 59½ years of age and older, the first \$20,000 of private pension and annuity income is excluded for purposes of calculating TAP award eligibility levels for their dependent children. The 2010-11 Executive Budget eliminates this exclusion. This measure is expected to produce savings of \$2.0 million in 2010-11.
- **Eliminate Various Merit-Based Scholarship Awards:** The 2010-11 Executive Budget eliminates all new awards for the Scholarship for Academic Excellence and Math and Science Teacher Incentive Scholarship programs beginning in the 2010-11 academic year. This measure is expected to produce savings of \$5.25 million in 2010-11.
- **Provide TAP to Students Attending Certain Institutions Not Under the State Education Department's Direct Supervision:** Currently, there are some income-eligible students who attend non-profit institutions of higher education that cannot receive TAP because their schools, although authorized by the State Education Department (SED) to offer post-secondary education, are not under SED's direct supervision. The Executive Budget would effectively lift the statutory prohibition against providing TAP to otherwise income-eligible students at certain specialized faith-related institutions that primarily offer religious instruction or train members of the clergy. This measure is expected to cost \$18.3 million on an Academic Fiscal Year basis.

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 2010-11 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 2010-11, providing early college preparation and guidance services to low-income individuals.

NEW YORK HIGHER EDUCATION LOAN PROGRAM

The 2010-11 Executive Budget continues the NYHELPS student loan program, which student loan program for New York State residents provides students and parents with access to low-cost loans that would otherwise not be available in the private loan market. The Program is a partnership between the State, private lenders and higher education institutions that makes available an estimated \$350 million annually in student loans with interest rates well below those of conventional private bank offerings. 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 finances and administers 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 2010-11 to finance new fixed rate loans of up to \$10,000 per borrower. In addition to the allocation of Private Activity Bond Volume Cap to authorize the issuance of the SONYMA tax-exempt bonds, in 2010-11, the State will make available \$10 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 \$22.2 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

HIGHER EDUCATION SERVICES

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 2008-09;
- Processing of student loans for more than 711,000 borrowers; and
- Defaulted loan collections of \$369 million and defaulted loan purchases of \$492 million in 2008-09.

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 \$775 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 \$78 million in Federal and other funding sources in support of tuition assistance;
- Aid for Part-Time Study: \$14.4 million will be available to more than 19,000 part-time students in all sectors of higher education; and
- Scholarships and Fellowships: \$44.1 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, Senator Patricia K. McGee Nursing Faculty Scholarships/Nursing Faculty Loan Forgiveness Incentive Program and the Regents Licensed Social Worker Loan Forgiveness Program. More than 24,000 recipients are projected to receive aid under the sixteen 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 626,000 accounts have been opened, with contributions totaling approximately \$8.2 billion. New York's program has received national recognition as one of the top college savings plans in the nation.

HIGHER EDUCATION SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	165,391,000	120,047,000	(45,344,000)	41,163,000
Aid To Localities	959,245,000	911,566,000	(47,679,000)	64,764,000
Capital Projects	0	0	0	0
Total	<u>1,124,636,000</u>	<u>1,031,613,000</u>	<u>(93,023,000)</u>	<u>105,927,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
Special Revenue Funds - Other	292	292	0
Guaranteed Loan Programs			
Special Revenue Funds - Other	338	338	0
Total	<u>630</u>	<u>630</u>	<u>0</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	50,000,000	10,000,000	(40,000,000)
Special Revenue Funds - Federal	10,000,000	10,000,000	0
Special Revenue Funds - Other	105,391,000	100,047,000	(5,344,000)
Total	<u>165,391,000</u>	<u>120,047,000</u>	<u>(45,344,000)</u>

Adjustments:

Transfer(s) From	
Higher Education Services Corporation, New York State	
Special Revenue Funds - Federal (Aid To Localities)	(5,000,000)
Appropriated 2009-10	<u>160,391,000</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
Special Revenue Funds - Other	50,569,000	48,998,000	(1,571,000)
Education Loan Program, New York State			
General Fund	50,000,000	10,000,000	(40,000,000)
Special Revenue Funds - Other	5,000,000	5,000,000	0
Guaranteed Loan Programs			
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	49,822,000	45,799,000	(4,023,000)
State Grant Programs			
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Third Party Debt Collection Account			
Special Revenue Funds - Other	0	250,000	250,000
Total	<u>165,391,000</u>	<u>120,047,000</u>	<u>(45,344,000)</u>

HIGHER EDUCATION SERVICES

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Education Loan Program, New York State	10,000,000	(40,000,000)	10,000,000	(40,000,000)
Total	10,000,000	(40,000,000)	10,000,000	(40,000,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	48,998,000	(1,571,000)	15,843,000	341,000
Education Loan Program, New York State	5,000,000	0	0	0
Guaranteed Loan Programs	50,799,000	(4,023,000)	21,878,000	470,000
State Grant Programs	5,000,000	0	0	0
Third Party Debt Collection Account	250,000	250,000	0	0
Total	110,047,000	(5,344,000)	37,721,000	811,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	33,155,000	(1,912,000)	0	0
Education Loan Program, New York State	0	0	5,000,000	0
Guaranteed Loan Programs	23,921,000	(4,493,000)	5,000,000	0
State Grant Programs	0	0	5,000,000	0
Third Party Debt Collection Account	0	0	250,000	250,000
Total	57,076,000	(6,405,000)	15,250,000	250,000

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	877,281,000	833,566,000	(43,715,000)
Special Revenue Funds - Federal	59,764,000	55,800,000	(3,964,000)
Special Revenue Funds - Other	22,200,000	22,200,000	0
Total	959,245,000	911,566,000	(47,679,000)

Adjustments:

Recommended Deficiency Higher Education Services Corporation, New York State General Fund	(25,159,000)
Transfer(s) To Higher Education Services Corporation, New York State Special Revenue Funds - Federal (State Operations)	5,000,000
Appropriated 2009-10	939,086,000

HIGHER EDUCATION SERVICES

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

<u>Program</u>	<u>Available 2009-10</u>	<u>Recommended 2010-11</u>	<u>Change</u>
Administration			
General Fund	8,600,000	0	(8,600,000)
Scholarships and Fellowships			
General Fund	44,063,000	44,061,000	(2,000)
State Grant Programs			
General Fund	824,618,000	789,505,000	(35,113,000)
Special Revenue Funds - Federal	59,764,000	55,800,000	(3,964,000)
Special Revenue Funds - Other	22,200,000	22,200,000	0
Total	<u>959,245,000</u>	<u>911,566,000</u>	<u>(47,679,000)</u>

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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$465.3 million All Funds** (\$61.5 million General Fund; \$403.8 million Other Funds) for the Division of Housing and Community Renewal. This is a decrease of **\$434.2 million** (\$17.8 million decrease General Fund; \$416.4 million decrease Other Funds) from the 2009-10 budget. This net change primarily reflects the elimination of one-time American Recovery and Reinvestment Act (ARRA) appropriations and various program reductions. The Executive Budget recommends a staffing level of **875 FTEs** for the Division of Housing and Community Renewal.

Major budget actions include:

- **Housing Agency/Authority Efficiencies:** The 2010-11 Executive Budget assumes that the consolidation of administrative and program operations within the Division of Housing and Community Renewal and the nyhomes family of public benefit corporations will achieve total savings of \$3.5 million.
- **Reduce Neighborhood Preservation and Rural Preservation Program Funding:** The 2010-11 Executive Budget recommends funding of \$12 million for these programs, a \$3.7 million decrease from the \$16.6 million originally enacted for these programs in 2009-10. This reduction includes recurring savings of \$2.9 million enacted as part of the 2009-10 Deficit Reduction Plan. These programs provide funding to 217 not-for-profit community based housing corporations that provide housing related services across the State.

HOUSING AND COMMUNITY RENEWAL

- **Various Operational Efficiencies:** Consistent with administrative actions taken by other agencies in 2009-10, DHCR reduced its operational costs by 10 percent. These actions generate recurring savings of \$2.2 million that are reflected in the 2010-11 Executive Budget.
- **State Low Income Housing Tax Credit:** The 2010-11 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

HOUSING AND COMMUNITY RENEWAL

- Approximately 1,150 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 nearly 40,000 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.

HOUSING CAPITAL PROGRAMS

The 2010-11 Executive Budget reflects the continuation of recurring capital funding levels and the reappropriation of \$100 million in one-time capital funding for housing development projects in the 2008-09 budget. 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 \$146.5 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 \$76.1 million 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 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	106,206,000	99,303,000	(6,903,000)	66,800,000
Aid To Localities	466,070,596	291,800,000	(174,270,596)	474,827,400
Capital Projects	327,200,000	74,200,000	(253,000,000)	654,713,000
Total	<u>899,476,596</u>	<u>465,303,000</u>	<u>(434,173,596)</u>	<u>1,196,340,400</u>

HOUSING AND COMMUNITY RENEWAL

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

Program	Full-Time Equivalent Positions (FTE)		
	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
General Fund	71	67	(4)
Community Development			
General Fund	58	54	(4)
Special Revenue Funds - Federal	58	58	0
Housing			
General Fund	32	28	(4)
Special Revenue Funds - Federal	107	107	0
Special Revenue Funds - Other	71	71	0
Housing Information Systems			
General Fund	75	71	(4)
New Facilities Purpose			
Capital Projects Funds - Federal	33	33	0
Rent Administration			
General Fund	45	45	0
Special Revenue Funds - Other	341	341	0
Total	891	875	(16)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	28,604,000	23,061,000	(5,543,000)
Special Revenue Funds - Federal	17,007,000	16,837,000	(170,000)
Special Revenue Funds - Other	60,595,000	59,405,000	(1,190,000)
Total	106,206,000	99,303,000	(6,903,000)

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
General Fund	13,008,000	10,116,000	(2,892,000)
Special Revenue Funds - Other	2,911,000	2,634,000	(277,000)
Community Development			
General Fund	2,051,000	1,819,000	(232,000)
Special Revenue Funds - Federal	5,909,000	5,758,000	(151,000)
Special Revenue Funds - Other	1,968,000	2,338,000	370,000
Housing			
General Fund	1,416,000	1,254,000	(162,000)
Special Revenue Funds - Federal	11,098,000	11,079,000	(19,000)
Special Revenue Funds - Other	8,841,000	8,265,000	(576,000)
Housing Development Fund Program			
Special Revenue Funds - Other	1,371,000	1,279,000	(92,000)
Housing Information Systems			
General Fund	9,464,000	7,580,000	(1,884,000)
Rent Administration			
General Fund	2,665,000	2,292,000	(373,000)
Special Revenue Funds - Other	45,504,000	44,889,000	(615,000)
Total	106,206,000	99,303,000	(6,903,000)

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,465,000	(415,000)	3,440,000	(415,000)
Community Development	1,767,000	(212,000)	1,742,000	(212,000)
Housing	1,204,000	(144,000)	1,199,000	(144,000)
Housing Information Systems	3,835,000	(460,000)	3,815,000	(460,000)
Rent Administration	1,915,000	(230,000)	1,911,000	(229,000)
Total	<u>12,186,000</u>	<u>(1,461,000)</u>	<u>12,107,000</u>	<u>(1,460,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	25,000	0	0	0
Community Development	25,000	0	0	0
Housing	0	0	5,000	0
Housing Information Systems	0	0	20,000	0
Rent Administration	0	0	4,000	(1,000)
Total	<u>50,000</u>	<u>0</u>	<u>29,000</u>	<u>(1,000)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	6,651,000	(2,477,000)	217,000	(82,000)
Community Development	52,000	(20,000)	5,000	(2,000)
Housing	50,000	(18,000)	1,000	(1,000)
Housing Information Systems	3,745,000	(1,424,000)	20,000	(7,000)
Rent Administration	377,000	(143,000)	31,000	(12,000)
Total	<u>10,875,000</u>	<u>(4,082,000)</u>	<u>274,000</u>	<u>(104,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	186,000	(70,000)	5,828,000	(2,165,000)
Community Development	26,000	(10,000)	13,000	(5,000)
Housing	34,000	(12,000)	11,000	(4,000)
Housing Information Systems	33,000	(13,000)	2,881,000	(1,095,000)
Rent Administration	4,000	(1,000)	274,000	(104,000)
Total	<u>283,000</u>	<u>(106,000)</u>	<u>9,007,000</u>	<u>(3,373,000)</u>

Program	Equipment	
	Amount	Change
Administration	420,000	(160,000)
Community Development	8,000	(3,000)
Housing	4,000	(1,000)
Housing Information Systems	811,000	(309,000)
Rent Administration	68,000	(26,000)
Total	<u>1,311,000</u>	<u>(499,000)</u>

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,634,000	(277,000)	605,000	(55,000)
Community Development	8,096,000	219,000	3,838,000	(214,000)
Housing	19,344,000	(595,000)	11,498,000	(556,000)
Housing Development Fund Program	1,279,000	(92,000)	833,000	(92,000)
Rent Administration	44,889,000	(615,000)	27,635,000	(520,000)
Total	76,242,000	(1,360,000)	44,409,000	(1,437,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	2,029,000	(222,000)	0	0
Community Development	4,258,000	433,000	0	0
Housing	7,846,000	1,462,000	0	(1,501,000)
Housing Development Fund Program	446,000	0	0	0
Rent Administration	17,254,000	(95,000)	0	0
Total	31,833,000	1,578,000	0	(1,501,000)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	50,643,048	38,411,000	(12,232,048)
Special Revenue Funds - Federal	407,200,000	245,162,000	(162,038,000)
Special Revenue Funds - Other	8,227,548	8,227,000	(548)
Total	466,070,596	291,800,000	(174,270,596)

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

Program	Available 2009-10	Recommended 2010-11	Change
Foreclosure Prevention Program			
Special Revenue Funds - Federal	21,875,000	0	(21,875,000)
Housing Development Fund Program			
Special Revenue Funds - Other	8,227,548	8,227,000	(548)
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Low Income Weatherization			
Special Revenue Funds - Federal	305,625,000	174,062,000	(131,563,000)
Neighborhood Preservation			
General Fund	11,021,508	8,479,000	(2,542,508)
Periodic Subsidies - Local Areas			
General Fund	15,430,000	11,591,000	(3,839,000)
Rural Preservation			
General Fund	4,686,150	3,539,000	(1,147,150)
Rural Rental Assistance			
General Fund	14,802,594	14,802,000	(594)
Small Cities Community Development			
Block Grant			
Special Revenue Funds - Federal	66,600,000	58,000,000	(8,600,000)
Community Projects			
General Fund	4,702,796	0	(4,702,796)
Total	466,070,596	291,800,000	(174,270,596)

HOUSING AND COMMUNITY RENEWAL

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

Comprehensive Construction Program	Available 2009-10	Recommended 2010-11	Change	Reappropriations 2010-11
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	76,138,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	9,400,000
Low Income Housing Trust Fund				
Housing Program Fund	29,000,000	29,000,000	0	146,569,000
Maintenance and Improvements of Existing Facilities				
Federal Stimulus	253,000,000	0	(253,000,000)	253,000,000
Housing Program Fund	0	0	0	3,307,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	400,000
Housing Program Capital Improvement				
Capital Projects Fund	0	0	0	19,720,000
State Housing Bond Fund				
State Housing Bond Fund	0	0	0	7,344,000
Main Street Program				
Housing Program Fund	0	0	0	1,938,000
New Facilities				
Capital Projects Fund	0	0	0	122,000
Federal Capital Projects Fund	0	0	0	21,446,000
Housing Program Fund	0	0	0	2,000,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	68,623,000
Rural Revitalization Program				
Housing Program Fund	0	0	0	6,225,000
Urban Initiatives Program				
Housing Program Fund	0	0	0	3,806,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	34,675,000
Total	<u>327,200,000</u>	<u>74,200,000</u>	<u>(253,000,000)</u>	<u>654,713,000</u>
Adjustments:				
Prior Year Deficiency				
Housing Assistance Fund	10,000,000			
Housing Assistance Fund	6,000,000			
Housing Assistance Fund	15,000,000			
Appropriated 2009-10	<u>358,200,000</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 2009-10 fiscal year (November 1, 2009 through October 31, 2010) reflecting no change from the prior fiscal year. The 2010-11 Executive Budget assumes that the consolidation of administrative and program operations within HFA and the nyhomes family of public benefit corporations and the Division of Housing and Community Renewal will achieve total savings of \$3.5 million.

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of more than \$11.4 billion for more than 118,990 units of multi-family housing. During the Agency's fiscal year ending October 31, 2009, more than 3,300 units were financed with mortgage loans totaling more than \$269.6 million.

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. In 2009, the Agency's existing authority to issue tax-exempt bonds to finance education loans was modernized and expanded to authorize the Agency to implement a program to finance education loans for higher education costs for students attending schools in New York 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 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 lending 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 \$174.52 million in appropriations in 2010-11 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 2009-10 fiscal year (November 1, 2009 through October 31, 2010) reflecting no change from its prior fiscal year. The 2010-11 Executive Budget assumes that the consolidation

MORTGAGE AGENCY

of administrative and program operations within SONYMA and the nyhomes family of public benefit corporations and the Division of Housing and Community Renewal will achieve total savings of \$3.5 million.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$10.7 billion of affordable financing for over 150,800 homes in New York. During the Agency's 2008-09 fiscal year, 1,619 loans were financed in the amount of \$229.7 million.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$4.8 billion. In 2008-09, mortgage insurance provided by the Agency totaled more than \$494 million.

In December 2009, the Agency issued its first series of student loan bonds, the proceeds of which will be used to acquire higher education loans.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	156,500,000	97,720,000	(58,780,000)	0
Capital Projects	0	0	0	0
Total	233,300,000	174,520,000	(58,780,000)	0

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

Fund Type	Available 2009-10	Recommended 2010-11	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 2009-10	Recommended 2010-11	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

MORTGAGE AGENCY

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 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	<u>76,800,000</u>	<u>0</u>	<u>76,800,000</u>	<u>0</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	156,500,000	97,720,000	(58,780,000)
Total	<u>156,500,000</u>	<u>97,720,000</u>	<u>(58,780,000)</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
SONYMA Mortgage Insurance Fund Restoration			
General Fund	156,500,000	97,720,000	(58,780,000)
Total	<u>156,500,000</u>	<u>97,720,000</u>	<u>(58,780,000)</u>

DIVISION OF HUMAN RIGHTS

MISSION

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

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

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

ORGANIZATION AND STAFFING

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

The Division's workforce of 216 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** (\$14.5 million General Fund, \$8.2 million Other Funds) for the Division of Human Rights. This is a decrease of **\$0.3 million All Funds** (\$0.3 million decrease in General Fund) from the 2009-10 budget. This decrease is the result of various personnel and nonpersonal service efficiency actions.

The Executive Budget recommends a Division staffing level of **206 FTEs** in 2010-11 which will allow the Division to receive claims, investigate complaints and hear cases in a timely manner.

PROGRAM HIGHLIGHTS

In 2009-10, 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 2010-11, 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 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	23,029,000	22,745,000	(284,000)	15,229,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	23,029,000	22,745,000	(284,000)	15,229,000

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
General Fund	162	152	(10)
Special Revenue Funds - Federal	54	54	0
Total	216	206	(10)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	14,788,000	14,522,000	(266,000)
Special Revenue Funds - Federal	8,241,000	8,223,000	(18,000)
Total	23,029,000	22,745,000	(284,000)

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
General Fund	14,788,000	14,522,000	(266,000)
Special Revenue Funds - Federal	8,241,000	8,223,000	(18,000)
Total	23,029,000	22,745,000	(284,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	11,626,000	(266,000)	11,282,000	(266,000)
Total	11,626,000	(266,000)	11,282,000	(266,000)

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

HUMAN RIGHTS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	2,896,000	0	151,000	0
Total	<u>2,896,000</u>	<u>0</u>	<u>151,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	192,000	0	2,353,000	0
Total	<u>192,000</u>	<u>0</u>	<u>2,353,000</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Administration	200,000	0
Total	<u>200,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	8,223,000	(18,000)	8,223,000	(18,000)
Total	<u>8,223,000</u>	<u>(18,000)</u>	<u>8,223,000</u>	<u>(18,000)</u>

DEPARTMENT OF LABOR

MISSION

The Department of Labor (DOL) administers New York's Unemployment Insurance system, Workforce Development Employment and Training 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 **\$8.1 billion All Funds** (\$8.1 billion Other Funds, including \$7.2 billion Enterprise Fund) for the Department of Labor. This is a decrease of **\$4.1 billion All Funds** from the 2009-10 budget, reflecting the non-recurrence of one-time Federal American Recovery and Reinvestment Act (ARRA) appropriations.

The Executive Budget recommends a staffing level of 4,001 **positions** in 2010-11, a decrease of **10** from the 2009-10 budget, reflecting the elimination of the State Employment Relations Board and the transfer of its functions to the Public Employment Relations Board (PERB). Approximately 86 percent of the Department's positions are financed by Federal grants and 14 percent are supported by fees and assessments.

Major budget actions include:

- **Continuation of ARRA Programs:** The budget recommends \$232 million in new appropriations and \$1.5 billion in reappropriation authority to allow the Department to fully disburse ARRA related Workforce Investment Act and Unemployment Insurance program funding.
- **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 continuation of the funding level from the 2009-10 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 \$1.3 million. SERB is the only Department of Labor program supported by the General Fund.

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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 about tax credits, workplace safety issues and apprenticeship services.

Through the use of job orders, online 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 direct 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.

In September 2009, there were 746,245 active customers in the Department's workforce development system, a 20 percent increase since September 2008.

WORKFORCE INVESTMENT ACT

Federally funded appropriation authority includes \$246 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. WIA customers in the Department's workforce development system increased by 50 percent since 2008 with the dislocated workers component of the total increasing by nearly 90 percent.

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 17,111 amusement park devices, 912 ski lifts, 4,665 places of public assembly (e.g., bleachers at concerts) and 30,696 commercial boilers. It also reviewed applications for 54,382 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 2008, the Department's Labor Standards Division inspected 699 businesses for compliance with child labor laws and the Division, together with the Bureau of Public Work, collected nearly \$17.5 million in back wages, unpaid and underpaid prevailing wage monies, unpaid fringe benefits, and minimum wage underpayments for approximately 16,500 employees. In 2009, the programs collected a record total of \$28.8 million of underpaid wages from employers for 18,000 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.

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. Since its establishment in September 2007, the enforcement and data sharing activities of the Task Force have identified more than 25,900 instances of employee misclassification and over \$302 million in unreported wages, resulting in the assessment of over \$8.9 million in UI taxes due, over \$1.3 million in UI fraud penalties, and over \$14 million in unpaid wages. In addition, unreported wage information provided to the Department of Taxation and Finance is expected to result in increased State and Federal income tax payments.

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. Since the inception of EUC08, various Federal legislation has been enacted to add additional weeks of EUC08 benefits, to provide a weekly \$25 Federal Additional Compensation (FAC) benefit payment, to authorize Federal reimbursement for the Extended Benefits (EB) program, and to extend the eligibility date for EUC08, FAC, and EB. Based on current legislation, a maximum total of 99 weeks of regular, EUC08 and EB benefits are available to eligible claimants, with payments continuing into the first half of 2010-11. In addition, new Federal legislation has been proposed which, if enacted, would extend the EUC08, FAC, and EB payments further into 2010-11. During calendar year 2009 the Department made 28 million weekly benefit payments totaling \$9.2 billion in combined regular and extended UI benefit payments compared to 11.7 million payments totaling \$3.4 billion paid in calendar year 2008. As of December 2009, there were 611,000 claimants receiving weekly UI benefit payments compared to 140,000 in December 2007.

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

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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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	11,686,708,000	7,840,163,000	(3,846,545,000)	5,453,112,656
Aid To Localities	500,961,825	225,617,000	(275,344,825)	541,186,141
Capital Projects	0	0	0	0
Total	12,187,669,825	8,065,780,000	(4,121,889,825)	5,994,298,797

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
Special Revenue Funds - Federal	3,421	3,421	0
Employment Relations Board			
General Fund	10	0	(10)
Employment and Training			
Special Revenue Funds - Other	74	74	0
Labor Standards			
Special Revenue Funds - Other	249	249	0
Occupational Safety and Health			
Special Revenue Funds - Other	257	257	0
Total	4,011	4,001	(10)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	1,772,000	0	(1,772,000)
Special Revenue Funds - Federal	587,888,000	545,583,000	(42,305,000)
Special Revenue Funds - Other	95,048,000	94,580,000	(468,000)
Enterprise Funds	11,002,000,000	7,200,000,000	(3,802,000,000)
Total	11,686,708,000	7,840,163,000	(3,846,545,000)
Adjustments:			
Prior Year Deficiency			
Labor, Department of Enterprise Funds	2,000,000,000		
Recommended Deficiency			
Labor, Department of Enterprise Funds	(1,000,000,000)		
Appropriated 2009-10	<u>12,686,708,000</u>		

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
Special Revenue Funds - Federal	544,888,000	497,855,000	(47,033,000)
Employment Relations Board			
General Fund	1,772,000	0	(1,772,000)
Employment and Training			
Special Revenue Funds - Federal	0	26,228,000	26,228,000
Special Revenue Funds - Other	4,673,000	4,644,000	(29,000)
Labor Standards			
Special Revenue Funds - Other	28,197,000	28,016,000	(181,000)
Occupational Safety and Health			
Special Revenue Funds - Other	42,178,000	41,920,000	(258,000)
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	43,000,000	21,500,000	(21,500,000)
Special Revenue Funds - Other	20,000,000	20,000,000	0
Enterprise Funds	11,002,000,000	7,200,000,000	(3,802,000,000)
Total	11,686,708,000	7,840,163,000	(3,846,545,000)

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Employment Relations Board	0	(1,303,000)	0	(1,269,000)
Total	0	(1,303,000)	0	(1,269,000)

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Employment Relations Board	0	(34,000)
Total	0	(34,000)

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

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

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

Program	Equipment	
	Amount	Change
Employment Relations Board	0	(25,000)
Total	0	(25,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	497,855,000	(47,033,000)	0	0
Employment and Training	30,872,000	26,199,000	2,823,000	(24,000)
Labor Standards	28,016,000	(181,000)	16,588,000	(157,000)
Occupational Safety and Health	41,920,000	(258,000)	19,340,000	(218,000)
Unemployment Insurance Benefit Fund	7,241,500,000	(3,823,500,000)	0	0
Total	7,840,163,000	(3,844,773,000)	38,751,000	(399,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	497,855,000	(47,033,000)
Employment and Training	1,821,000	(5,000)	26,228,000	26,228,000
Labor Standards	11,428,000	(24,000)	0	0
Occupational Safety and Health	22,580,000	(40,000)	0	0
Unemployment Insurance Benefit Fund	0	0	7,241,500,000	(3,823,500,000)
Total	35,829,000	(69,000)	7,765,583,000	(3,844,305,000)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	11,242,825	0	(11,242,825)
Special Revenue Funds - Federal	489,289,000	225,187,000	(264,102,000)
Special Revenue Funds - Other	430,000	430,000	0
Total	500,961,825	225,617,000	(275,344,825)

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
Special Revenue Funds - Federal	0	9,660,000	9,660,000
Employment and Training			
General Fund	8,685,125	0	(8,685,125)
Special Revenue Funds - Federal	489,289,000	215,527,000	(273,762,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Community Projects			
General Fund	2,557,700	0	(2,557,700)
Total	<u>500,961,825</u>	<u>225,617,000</u>	<u>(275,344,825)</u>

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 **41,815** full-time equivalent positions, consisting of 24,696 positions that are supported through a combination of State tax dollars and tuition revenues and 17,119 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 **\$4.1 billion All Funds** (\$2.8 billion General Fund and \$1.3 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), nonpersonal services, fringe benefits and community college

STATE UNIVERSITY

enrollment growth, offset by General Fund decreases associated with reductions to State-operated campuses, statutory colleges and community colleges necessary to close State budget gaps. Major 2010-11 budget actions include;

- **Reduced General Fund Support for State-Operated Colleges:** The Executive Budget recommends a \$148.8 million decrease in direct General Fund support for the operations of the SUNY State-Operated Colleges and University-wide programs, which will be allocated by the Board of Trustees. This reduction includes \$30.9 million related to personal service savings to be negotiated.
- **Reduced General Fund Support for Statutory Colleges:** The Executive Budget recommends a \$19.7 million decrease in direct General Fund support for the operations of the four statutory colleges at Cornell and a \$1.4 million decrease in support for the College of Ceramics at Alfred University. This reduction includes \$2.6 million related to personal service savings to be negotiated.
- **Reduce Community College Base Operating Aid:** The Executive Budget recommends reducing base operating aid support for SUNY's 30 community colleges by 11 percent. Support per full-time equivalent (FTE) student would decline from \$2,545 to \$2,260. This action generates General Fund savings of \$53.8 million on an academic year basis.

STATE-OPERATED COLLEGES

The Executive Budget proposes the New York State Higher Education Empowerment and Innovation Act. In addition to significant reforms related to how SUNY procures goods and services, utilizes its real property assets and establishes tuition rates, the Act authorizes the University to collect and spend approximately \$2.3 billion of revenue from tuition and most of its self-supporting programs outside of the State appropriation process. As such, Executive Budget appropriations consist of \$2.16 billion in General Fund resources (including \$1.2 billion in fringe benefits) to support the 29 State-operated campuses, central administration and University-wide programs, and approximately \$689 million, consisting primarily of Federal funds and residence hall operations funds, which remain appropriated due to considerations related to the bonded dormitory capital program. Recommended levels of General Fund support (not including fringe benefits) represent a \$33.6 million decrease from 2009-10 final Enacted Budget levels, consisting of \$115.1 million in increases from collective bargaining and non-personal services inflationary costs, offset by recommended reductions of \$148.8 million.

STATUTORY COLLEGES

The Executive Budget recommends a total of \$140.9 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 \$83 million, a net decrease of \$6.2 million from 2009-10 Final Enacted appropriation levels, reflecting \$7.1 million in increases from collective bargaining and inflation, offset by 2010-11 reductions of \$13.3 million. In addition, the budget recommends \$48.9 million to support the land grant mission of Cornell University, a \$6.4 million decrease from 2009-10 final Enacted Budget appropriation levels. The College of Ceramics at Alfred University

would receive \$8.7 million, a \$0.9 million decrease from 2009-10 Enacted Budget appropriation levels, reflecting \$0.5 million in increases from collective bargaining and inflation, offset by 2010-11 reductions of \$1.4 million.

SUNY HOSPITALS

As a result of the proposed Public Higher Education Empowerment and Innovation Act, approximately \$2.1 billion of patient and other revenue from SUNY's three teaching hospitals will be managed by the University outside of the State appropriation process. The hospitals will continue to be responsible for fully reimbursing the State for fringe benefit and debt service costs. The Executive Budget continues to appropriate a subsidy for the hospitals, which recognizes costs attributable to its State agency status. The subsidy is continued at 2009-10 levels of \$129 million.

COMMUNITY COLLEGES

SUNY's community colleges have three basic funding sources: State support, local sponsor support, and student tuition revenue. The Executive Budget recommends \$454.4 million in State support (\$371.2 million in General Fund support and \$83.3 million in Federal funding through the ARRA State Fiscal Stabilization Fund), representing an \$10.5 million decrease in total available funding from 2009-10 final Enacted Budget levels. This change is attributable to an \$18 million increase for enrollment growth and \$11.8 million in annualization of ARRA funds, offset by a \$40.3 million State Fiscal Year 2010-11 (\$53.8 million Academic Fiscal Year) decrease resulting from a \$285 per student FTE reduction in base operating aid (from \$2,545 to \$2,260).

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 \$3.9 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 2010-11 Executive Budget continues this commitment to the rehabilitation of SUNY's educational facilities infrastructure by providing the third of five annual \$550 million appropriations to address the accumulated backlog of critical maintenance projects throughout the University system. The Executive Budget also includes \$22 million for the State's 50 percent share of capital projects for community college campuses that have secured local sponsor resolutions.

STATE UNIVERSITY

Although appropriations for SUNY's multi-year capital program are continued in the Executive Budget, a Capital Reduction Plan will achieve \$39 million in 2010-11 savings, and planned disbursements in the following four years will be reduced as well. Over this five-year period, SUNY's capital disbursements will be reduced by \$467 million, from \$6.249 billion to \$5.782 billion.

PROGRAM HIGHLIGHTS

The State University of New York is the nation's largest comprehensive public university, offering 7,669 degree and certificate programs at the research universities, community colleges, medical schools and colleges of technology that comprise its 64 campuses. The State University enrolls approximately 40 percent of college-bound students graduating from New York State high schools. Nearly 477,000 full-time and part-time SUNY students – 233,000 at State-operated campuses and 244,000 in community colleges – are pursuing studies ranging from one-year certificate programs to doctorates.

In 2009, 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 \$850.0 million in 2008-09. Research grants at SUNY now underwrite more than 7,279 projects, which directly support more than 17,160 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 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	7,490,971,000	2,982,923,900	(4,508,047,100)	1,005,244,000
Aid To Localities	441,403,228	523,241,386	81,838,158	0
Capital Projects	595,700,000	572,426,000	(23,274,000)	7,023,675,000
Total	<u>8,528,074,228</u>	<u>4,078,591,286</u>	<u>(4,449,482,942)</u>	<u>8,028,919,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
All State University Colleges and Schools			
General Fund	24,696	24,696	0
Special Revenue Funds - Other	17,076	17,113	37
Capital Projects Funds - Other	6	6	0
Total	<u>41,778</u>	<u>41,815</u>	<u>37</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	2,382,846,000	2,297,109,900	(85,736,100)
Special Revenue Funds - Federal	338,500,000	358,500,000	20,000,000
Special Revenue Funds - Other	4,754,325,000	310,714,000	(4,443,611,000)
Internal Service Funds	15,300,000	16,600,000	1,300,000
Total	<u>7,490,971,000</u>	<u>2,982,923,900</u>	<u>(4,508,047,100)</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
All State University Colleges and Schools			
General Fund	1,223,540,000	1,086,313,900	(137,226,100)
Special Revenue Funds - Federal	338,500,000	358,500,000	20,000,000
Special Revenue Funds - Other	4,754,325,000	310,714,000	(4,443,611,000)
Internal Service Funds	15,300,000	16,600,000	1,300,000
Employee Fringe Benefits			
General Fund	1,159,306,000	1,210,796,000	51,490,000
Total	<u>7,490,971,000</u>	<u>2,982,923,900</u>	<u>(4,508,047,100)</u>

STATE UNIVERSITY

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
All State University Colleges and Schools	893,691,175	(1,190,726,373)	828,352,018	(1,099,722,484)
Total	893,691,175	(1,190,726,373)	828,352,018	(1,099,722,484)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
All State University Colleges and Schools	60,110,979	(83,722,121)	5,228,178	(7,281,768)
Total	60,110,979	(83,722,121)	5,228,178	(7,281,768)

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
All State University Colleges and Schools	192,622,725	(268,283,727)	22,662,749	(31,564,507)
Employee Fringe Benefits	1,210,796,000	51,490,000	0	0
Total	1,403,418,725	(216,793,727)	22,662,749	(31,564,507)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
All State University Colleges and Schools	5,269,083	(7,338,739)	148,900,612	(207,387,657)
Employee Fringe Benefits	0	0	0	0
Total	5,269,083	(7,338,739)	148,900,612	(207,387,657)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
All State University Colleges and Schools	15,790,281	(21,992,824)	0	0
Employee Fringe Benefits	0	0	1,210,796,000	51,490,000
Total	15,790,281	(21,992,824)	1,210,796,000	51,490,000

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
All State University Colleges and Schools	685,814,000	(3,140,527,000)	115,500,000	(1,214,721,000)
Total	685,814,000	(3,140,527,000)	115,500,000	(1,214,721,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
All State University Colleges and Schools	569,314,000	(1,810,606,000)	1,000,000	(115,200,000)
Total	569,314,000	(1,810,606,000)	1,000,000	(115,200,000)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	433,736,240	503,802,736	70,066,496
Special Revenue Funds - Federal	7,666,988	19,438,650	11,771,662
Total	441,403,228	523,241,386	81,838,158

STATE UNIVERSITY

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

Program	Available 2009-10	Recommended 2010-11	Change
American Recovery and Reinvestment Act of 2009 State Stabilization Fund			
Special Revenue Funds - Federal	7,666,988	19,438,650	11,771,662
Community Colleges			
General Fund	429,661,740	371,182,736	(58,479,004)
County Cooperative Extension Program - Cornell University			
General Fund	3,920,000	132,620,000	128,700,000
Community Projects			
General Fund	154,500	0	(154,500)
Total	<u>441,403,228</u>	<u>523,241,386</u>	<u>81,838,158</u>

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

Comprehensive Construction Program	Available 2009-10	Recommended 2010-11	Change	Reappropriations 2010-11
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	4,600,000
Capital Projects Fund - Advances	550,000,000	550,000,000	0	5,108,113,000
State University Capital Projects Fund				
State University Capital Projects Fund	0	0	0	633,000,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	0	0	0	142,017,000
SUNY Dorms (Direct Auth Bonds)	0	0	0	607,945,000
Subtotal	<u>550,000,000</u>	<u>550,000,000</u>	<u>0</u>	<u>6,495,675,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	48,000,000
Capital Projects Fund - Advances	0	0	0	18,000,000
Cap Proj Fund - SUNY CC (Direct Auth Bonds)	45,700,000	22,426,000	(23,274,000)	462,000,000
Subtotal	<u>45,700,000</u>	<u>22,426,000</u>	<u>(23,274,000)</u>	<u>528,000,000</u>
Total	<u>595,700,000</u>	<u>572,426,000</u>	<u>(23,274,000)</u>	<u>7,023,675,000</u>

STATE UNIVERSITY CONSTRUCTION FUND

MISSION

The State University Construction Fund (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 2010-11 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 New York State Public Higher Education Empowerment and Innovation Act, proposed in the Executive Budget, includes provisions that align the State University Construction Fund's operating budget structure with that of other public benefit corporations, such as the City University Construction Fund and the Dormitory Authority of the State of New York, which serve a similar function. As such, there are no appropriations recommended for the Fund in 2010-11. The Act would also allow for alternative design and construction delivery mechanisms to be utilized by the Fund. These changes would enable the Fund to more effectively fulfill its mission of implementing the State University's Master Capital Construction Plan.

PROGRAM HIGHLIGHTS

The total capacity of all University State-operated campus academic, residential, and hospital facilities exceeds 79 million gross square feet of space; containing 2,308 buildings, hundreds of miles of roads, millions of square yards of walks and plazas, more than 75,000 residential beds and approximately 1,275 licensed hospital and clinic beds. The current estimated replacement value of all State-operated academic facilities is nearly \$26 billion. During the 2008-09 fiscal year, the Fund initiated the design of 92 projects having a total value of \$857 million in design and construction work (\$109 million and \$748 million, respectively) and began construction of 77 projects having an estimated cost of \$309 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 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	19,586,000	0	(19,586,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	19,586,000	0	(19,586,000)	0

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	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 2009-10	Recommended 2010-11	Change
Special Revenue Funds - Other	19,586,000	0	(19,586,000)
Total	19,586,000	0	(19,586,000)

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
Special Revenue Funds - Other	19,586,000	0	(19,586,000)
Total	19,586,000	0	(19,586,000)

STATE UNIVERSITY CONSTRUCTION

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	0	(19,586,000)	0	(12,004,000)
Total	0	(19,586,000)	0	(12,004,000)
Nonpersonal Service				
Program	Amount		Change	
Administration	0	(7,582,000)		
Total	0	(7,582,000)		

OFFICE OF THE WELFARE INSPECTOR GENERAL

MISSION

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

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

ORGANIZATION AND STAFFING

The Office is headed by the Welfare Inspector General who is appointed for a five-year term by the Governor with the advice and consent of the Senate. The Welfare Inspector General's statewide operations are administered from New York City with a field office in Albany. In 2010-11 the Office will share administrative services with the Office of Medicaid Inspector General to achieve administrative efficiency and strengthen collaborative efforts to detect and control public benefits fraud.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.6 million All Funds** (\$420,000 General Fund; \$1.2 million Other Funds) for the Office of Welfare Inspector General. This is consistent with 2009-10 levels.

The Office will have a workforce of **seven positions** for 2010-11, which is unchanged from the 2009-10 budget.

PROGRAM HIGHLIGHTS

The Office annually receives hundreds of complaints about alleged welfare fraud, waste and abuse that originate from citizens and other governmental agencies. The Office also generates investigations on its own initiative. Fraud investigations result in substantial savings for all levels of government by uncovering fraudulent activity by a

WELFARE INSPECTOR GENERAL

member of a household receiving welfare, as well as unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to welfare recipients. The Office annually works on approximately 200 fraud investigations and recovers funding which is repaid to the appropriate programs. Stopping fraudulent activity reduces future years' welfare costs by individuals who would otherwise continue to fraudulently take money from the government, and by providing a deterrent to those who may seek to defraud government programs.

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

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	1,597,000	1,597,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,597,000	1,597,000	0	0

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Welfare Inspector General, Office of the General Fund	4	4	0
Special Revenue Funds - Other	3	3	0
Total	7	7	0

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	420,000	420,000	0
Special Revenue Funds - Other	1,177,000	1,177,000	0
Total	1,597,000	1,597,000	0

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

Program	Available 2009-10	Recommended 2010-11	Change
Welfare Inspector General, Office of the General Fund	420,000	420,000	0
Special Revenue Funds - Other	1,177,000	1,177,000	0
Total	1,597,000	1,597,000	0

WELFARE INSPECTOR GENERAL

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	420,000	0	420,000	0
Total	420,000	0	420,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the	1,177,000	0	457,000	0
Total	1,177,000	0	457,000	0

Program	Nonpersonal Service	
	Amount	Change
Welfare Inspector General, Office of the	720,000	0
Total	720,000	0