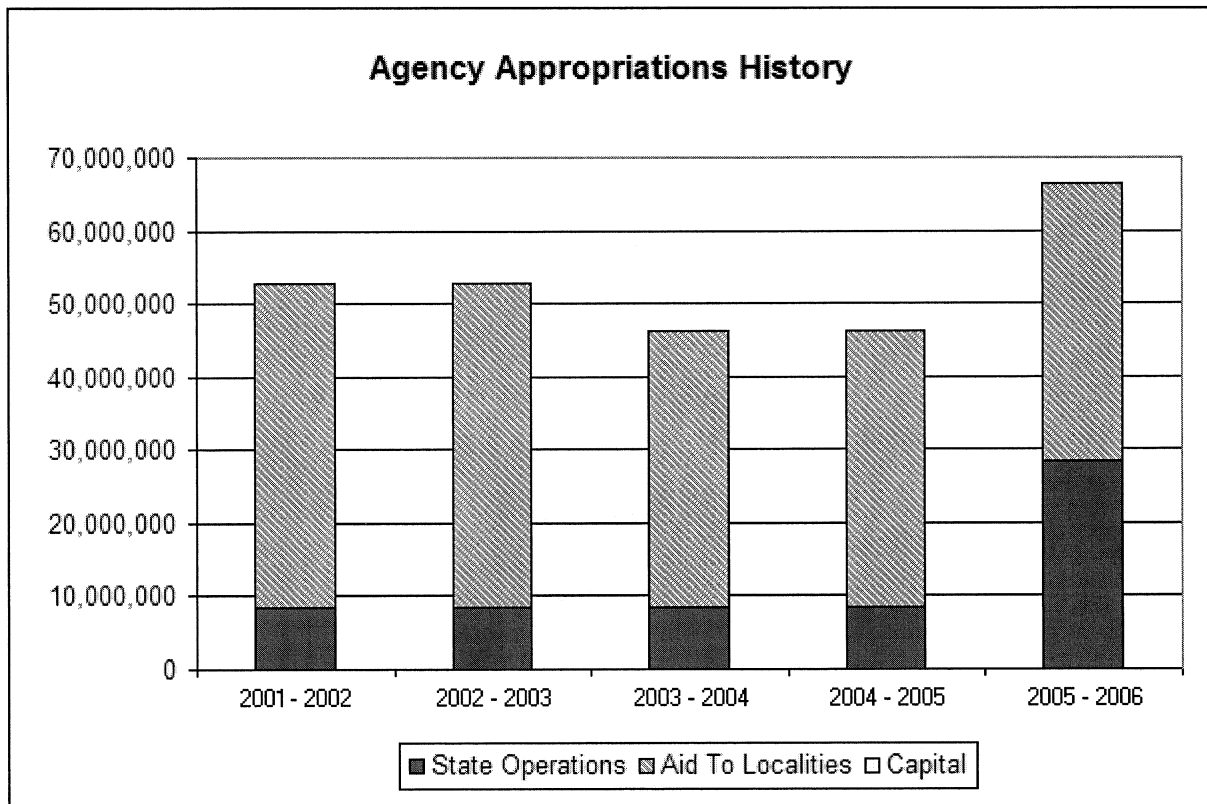


# COUNCIL ON THE ARTS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
--	--------------------------------------	---------------------------------	--------	-------------------

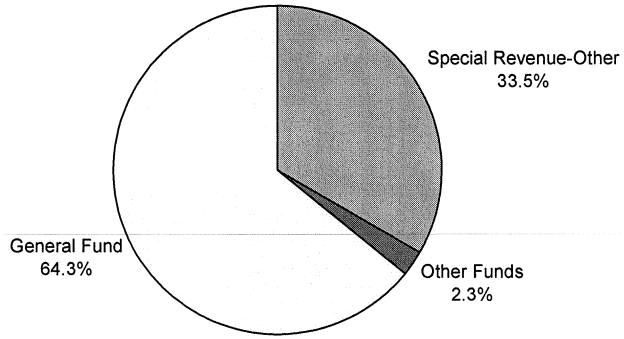
## AGENCY SUMMARY

General Fund	44,650,000	42,700,000	(1,950,000)	-4.4%
Special Revenue-Other	600,000	22,233,000	21,633,000	3,605.5%
Special Revenue-Federal	1,077,000	1,513,000	436,000	40.5%
<b>Total for AGENCY SUMMARY:</b>	<b>46,327,000</b>	<b>66,446,000</b>	<b>20,119,000</b>	<b>43.4%</b>

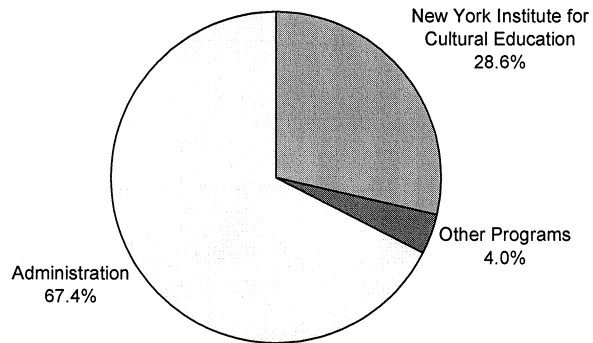


- \* 2001-02 through 2003-04 reflect enacted appropriations.
- \* 2004-05 reflects the Executive adjusted appropriations.
- \* 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources  
(By Funds)**



**Agency's Appropriations  
(By Programs)**



---

**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

---

<b>Fund</b>	<b>Current 2004-05</b>	<b>Requested 2005-06</b>	<b>Change</b>
General Fund:	47	47	0
All Other Funds:	8	408	400
<b>TOTAL:</b>	<b>55</b>	<b>455</b>	<b>400</b>

---

**BUDGET HIGHLIGHTS**

(Executive Budget: pp. 5 - 10)

The New York State Council on the Arts (NYSCA) is responsible for stimulating the performing and fine arts in New York State. The Council works to expand and encourage cultural resources and promote interest in the arts in the State. The Council is also responsible for administering grants to local not-for-profit arts organizations.

This agency is included in the Education, Labor and Family Assistance appropriation bill.

State Operations

The Executive recommends General Fund appropriations of \$5,300,000 for the Administration Program, an increase of \$184,000 over State Fiscal Year 2004-05 levels. This increase of 3.6 percent reflects a change in administrative costs.

The Executive proposes maintaining the SFY 2004-05 level of the Special Revenue Fund-Other appropriation for the Administration Program at \$400,000. This authorization provides the Council with the ability to spend revenues it receives from arts license plates, as well as gifts and donations.

The Executive proposes providing a Special Revenue Fund-Other appropriation of \$600,000 for the Empire State Plaza Performing Arts Center Corporation Program, a \$44,000 increase over SFY 2004-05 levels. This enhanced funding is appropriated through existing dedicated revenue in the Cultural Education Account and is offset by a reduction in General Fund support of \$556,000 from SFY 2004-05 levels.

The Executive provides a Special Revenue Fund-Other appropriation of \$2,033,000 for the New York State Theatre Institute, a \$455,000 increase over SFY 2004-05 levels. This enhanced funding is appropriated through existing dedicated revenue in the Cultural Education Account and is offset by a reduction in General Fund support of \$1,578,000 from SFY 2004-05 levels.

The Executive recommends the transfer of the operations and activities of the State Museum, Library and Archives within the State Education Department to a new public benefit corporation, the New York Institute for Cultural Education (NYICE). The Executive recommends a \$19,000,000 Special Revenue Fund-Other appropriation in order to create NYICE to be supported by an existing State surcharge imposed by county clerks for filing, recording and certifying records.

NYICE would have the authority to impose fees. Separate transitional funding is provided in SED to support the programs that are proposed to be transferred on October 1, 2005, when NYICE would assume responsibility for these programs.

In addition, 400 Full Time Equivalent (FTE's) positions would be transferred from the State Education Department to NYICE.

### Aid To Localities

The Executive recommends a General Fund appropriation of \$37,400,000 in the Administration Program, reflecting no change from SFY 2004-05 levels. In addition, the Executive provides State assistance for nonprofit cultural organizations offering services to the general public, including but not limited to orchestras, dance companies, museums and theatre groups. The Executive includes appropriation language authorizing:

- Up to \$3,000,000 for a State/local partnership including activities related to the Decentralization Program;
- Up to \$5,000,000 for not-for-profit cultural organizations, botanical gardens, zoos and aquariums offering programs of arts-related education for elementary and secondary school pupils; and
- Up to \$1,100,000 for capital grants pursuant to Section 3.07 of the Arts and Cultural Affairs Law.

The Executive proposes a Special Revenue-Federal Fund appropriation of \$520,000. This \$270,000 increase reflects the award of additional Federal funding.

### Article VII

The Executive proposes legislation for the creation of a new public benefit corporation, the New York Institute for Cultural Education (NYICE). NYICE would administer programs for the preservation, development and promotion of New York's cultural resources, including the State Museum, the State Library and the State Archives. These programs are currently administered by the State Education Department (SED).

NYICE would be governed by a 15 member board, with eight members appointed by the Governor, two each by the Senate and Assembly Majorities, one each by the Senate and Assembly Minorities, and one by the Board of Regents. All members would serve five year terms.

The responsibility of chartering museums and libraries and the licensing of public television stations would remain with the State Education Department.

# CITY UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	771,772,000	806,575,000	34,803,000	4.5%
Special Revenue-Other	153,700,000	145,000,000	(8,700,000)	-5.7%
Capital Projects Fund	1,115,000,000	89,000,000	(1,026,000,000)	-92.0%
Total for Agency:	2,040,472,000	1,040,575,000	(999,897,000)	-49.0%
Total Contingency:	1,248,699,000	1,322,766,000	74,067,000	5.9%
<b>Total for AGENCY SUMMARY:</b>	<b>3,289,171,000</b>	<b>2,363,341,000</b>	<b>(925,830,000)</b>	<b>-28.1%</b>

## **BUDGET HIGHLIGHTS** (Executive Budget: pp. 11 - 14)

The City University of New York (CUNY) was established as a municipal college system in 1926. In 1961, the Legislature designated the municipal system as the City University of New York. There are nineteen campuses, including nine senior campuses, seven community colleges, one technical college, a graduate school, and an affiliated medical school.

The City University of New York is included in the Education, Labor and Family Assistance appropriation bill.

### State Operations

In State Fiscal Year (SFY) 2005-06 the Executive recommends a total Senior College operating budget of \$1,322,766,000. This reflects an increase of \$77,267,000, or 6.20 percent above SFY 2004-05 levels. This includes General Fund support for CUNY Senior Colleges of \$690,474,000 for the 2005-06 Academic Year, representing a net increase of \$48,615,000 or 7.57 percent in General Fund support above the prior year level.

The Executive provides an appropriation of \$600,017,000 for the CUNY Senior College Revenue Offset. This reflects a net increase of \$28,652,000 above SFY 2004-05 levels. This increase in appropriation authority is sufficient to support a \$250 tuition increase for CUNY Senior Colleges from \$4,000 to \$4,250.

In addition, the Executive proposal provides Special Revenue Fund-Other appropriations of \$145,000,000. This reflects a reduction of \$8,700,000 from SFY 2004-05 levels resulting from the discontinuation of the transfer of funds from the Higher Education Services Corporation to support CUNY financial aid operations.

The Executive proposal also would reduce the funding level for the Search for Education Elevation and Knowledge (SEEK) Program by \$6,439,000, or 46 percent below SFY 2004-05 levels, from \$13,876,000 to \$7,437,000. The Executive would maintain funding for CUNY Senior College childcare programs at the SFY 2004-05 funding level of \$1,230,000.

The Executive proposal would provide \$800,000 to CUNY Senior Colleges establishing a new Partnership to Accelerate Completion Time (PACT) Program.

The Executive proposal includes a \$55,000,000 deficiency request for senior colleges for SFY 2004-05. This deficiency would provide additional appropriation authority in the City University Tuition Reimbursable Account to accommodate unanticipated enrollment growth at CUNY Senior Colleges in the 2003-04 Academic Year

#### Aid To Localities

The Executive provides a total Aid to Localities appropriation of \$148,845,000 for SFY 2005-06. This represents a net increase of \$2,471,000, or 1.69 percent increase above SFY 2004-05 levels.

In SFY 2005-06, the Executive provides \$142,224,000 in General Fund support for CUNY Community Colleges, representing an increase of \$1,912,000, or 1.38 percent above SFY 2004-05 appropriated levels. CUNY Community College Base Aid is maintained at the SFY 2004-05 level of \$2,235 per full time equivalent (FTE) student. The Executive proposal provides \$142,224,000 for CUNY Community College Base Aid, reflecting a \$1,912,000 increase from SFY 2004-05 levels due to enrollment growth.

In addition, the Executive proposes increasing Rental Aid for leased space to \$3,873,000 in SFY 2005-06. This represents an increase of \$402,000 from SFY 2004-05 resulting from the relocation of academic space for the Borough of Manhattan Community College due to the damage that was sustained at Fiterman Hall during the attack of September 11, 2001. However, the College Discovery Program is cut by \$363,000, or 50 percent, from \$726,000 to \$363,000.

The Executive proposal would provide \$500,000 to CUNY Community Colleges establishing a new Partnership to Accelerate Completion Time (PACT) Program.

The Executive proposal maintains funding at the SFY 2004-05 level of \$865,000 for childcare programs for students enrolled at CUNY Community Colleges. In addition, support for contract courses provided at CUNY Community Colleges is maintained at the SFY 2004-05 level of \$1,000,000.

The Executive proposal includes a deficiency request for community colleges of \$2,258,000 for SFY 2005-06. This deficiency request would provide for the funding of Community College Base Aid at \$2,235 per FTE for SFY 2004-05.

### Capital Projects

The Executive Proposal includes new appropriations of \$89,000,000 for capital projects at CUNY Campuses. These new appropriations are in addition to the multi-year capital investment program for CUNY appropriated in SFY 2004-05. Of these new funds, \$69,000,000 is for projects at Senior Colleges, and \$20,000,000 is for a project at the Borough Manhattan Community College. Within the newly appropriated funds, the Executive recommends:

- \$41,500,000 appropriation for critical maintenance projects at senior and community colleges;
- \$20,000,000 for funding at the Borough of Manhattan Community College to support the rebuilding of Fiterman Hall, which was damaged in the attacks of September 11, 2001;
- \$15,000,000 in matching funds to support the creation of CUNY facilities at Governor's Island;
- \$10,000,000 for the renovation of the Marshak Building at City College; and
- \$2,500,000 for preliminary planning costs for the renovation of Roosevelt Hall at Brooklyn College.

The Executive will raise CUNY's bond cap by \$120,000,000 to support new 2005-06 capital appropriations, for a total bonding authorization of \$4,700,000,000.

### Article VII

The Executive proposal includes Article VII provisions that would establish a new Partnership for Accelerating Completion Time (PACT) Program. Each CUNY senior and community college would be required to establish a program, which would provide students who agree to participate in their first year of full time enrollment a guarantee of the availability in courses required to graduate in four years. Colleges will receive \$50 per student for all participating students and would receive \$250 per associates degree conferred within two years of a student's first enrollment on a full time basis and \$500 per bachelors degree conferred within four years of a student's first enrollment on a full time basis. Colleges would be required to pay additional tuition and fee costs for additional semesters required for students to graduate if course availability is denied.

The Executive proposal includes Article VII language that would change tuition policy at the City University of New York. The City University Board of Trustees would be authorized to enact changes in tuition policy prior to the enactment of the annual budget and would be authorized to establish differential tuition rates across the different campuses.



## EDUCATION DEPARTMENT

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	14,187,406,000	14,659,460,400	472,054,400	3.3%
Special Revenue-Other	5,449,165,800	5,684,588,200	235,422,400	4.3%
Special Revenue-Federal	3,780,516,600	3,888,220,800	107,704,200	2.8%
Capital Projects Fund	90,300,000	4,000,000	(86,300,000)	-95.6%
Capital Projects Fund - Authority Bonds	0	15,000,000	15,000,000	--
Internal Service Fund	21,253,000	22,947,000	1,694,000	8.0%
Total for Agency:	23,528,641,400	24,274,216,400	745,575,000	3.2%
Total Contingency:	7,239,000	6,205,000	(1,034,000)	-14.3%
<b>Total for AGENCY SUMMARY:</b>	<b>23,535,880,400</b>	<b>24,280,421,400</b>	<b>744,541,000</b>	<b>3.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	402	362	(40)
All Other Funds:	2,652	1,522	(1,130)
<b>TOTAL:</b>	<b>3,054</b>	<b>1,884</b>	<b>(1,170)</b>

### BUDGET HIGHLIGHTS

(Executive Budget: pp. 15 - 30)

For the 2005-06 School Year (SY), the Governor provides an increase of \$201,330,000 in General Support for Public Schools (GSPS) over 2004-05 levels. This represents a 1.31 percent increase over the prior year. The Governor also proposes an additional \$324,870,000 in Sound Basic Education Aid (SBE) to be funded by Video Lottery Terminal (VLT) revenues for a total increase of \$526,200,000. The Governor appropriates \$24,274,216,400 on an All Funds basis to the Education Department in State Fiscal Year (SFY) 2005-06.

This agency is included in the Education, Labor and Family Assistance appropriation bill.

## State Operations

The Executive recommends a net reduction of 1,170 Full Time Equivalent (FTE) positions in State Education Department (SED) staffing levels. Of these positions, 750 are Vocational and Educational Services for Individuals with Disabilities (VESID) positions that would be moved to the Department of Labor (DOL). An additional 400 positions would be transferred to a new entity, the New York Institute for Cultural Education (NYICE). NYICE would be responsible for Cultural Education programs that are now administered under SED. The Executive recommends reducing 20 FTE positions as part of a Management Efficiencies Program, representing a savings of \$2,000,000 in SFY 2005-06.

The Executive proposes shifting the cost of tenured teacher hearings to local school districts, resulting in General Fund savings of \$2,100,000. The Executive also recommends changes to the tenured teacher hearing process, which may have the effect of shortening the time it takes to complete these hearings.

The Executive recommends a transfer in funding for the New York State Summer School for the Arts, Empire State Plaza Performing Arts Center Corporation (The Egg), and the New York State Theater Institute (NYSTI) to the Cultural Education Account, which is supported by fees, for a General Funds savings of \$3,600,000.

The Executive provides a deficiency appropriation of \$3,900,000 for the General Equivalency Diploma (GED) Program due to a loss in the ability to use Federal funding in SFY 2004-05. Funding for this program in 2005-06 is increased by \$2,100,000 with General Fund dollars.

## School Aid

The Executive proposes to consolidate six existing aids into Flex Aid and increases this aid by \$121,500,000. This proposal would consolidate Comprehensive Operating Aid (COA), Extraordinary Needs Aid (ENA), Limited English Proficiency Aid (LEP), Educationally Related Support Services Aid (ERRSA), Minor Maintenance Aid and Summer School Aid. All districts would receive a minimum 0.5 percent increase in Flex Aid; 70 percent of the increase in this aid category would be targeted to high need school districts.

The Executive proposes a change to special education funding as provided through Private Excess Cost Aid, the funding formula for public school students who attend private school special education programs. The Executive's proposal would cut present law funding of this program by \$105,000,000, primarily by modifying a reimbursement ratio from 85 percent to 49 percent.

The Executive proposes to limit BOCES Aid and Special Services Aid to be funded by the lesser of the amount received by each school district in the prior year or the amount generated by the current formula. This limitation reduces the reimbursement to school districts for BOCES Aid by \$55,100,000 and Special Services Aid by \$4,000,000. In addition the Executive proposes to

eliminate certain administrative functions as eligible for reimbursement, and requires a demonstration of savings for services such as telecommunications.

The Executive proposes Building Aid changes, including the deferral of payments for school construction projects without signed contracts as of November 15<sup>th</sup>. This proposal reduces Building Aid by \$81,500,000 from present law levels. In addition, the Executive proposes a simplified calculation of the building and cost allowance to take effect in 2005-06. The Executive also proposed additional capital construction and building aid provisions for New York City. A \$2,800,000,000 increase in statutory bonding authority for the New York City (NYC) Transitional Finance Authority is proposed. The Executive recommends a new State matching grant program for NYC's building costs that fall outside of current cost allowances and modifying procurement processes in NYC. Additionally, the Executive recommends providing for advisory State review of NYC school building plans.

The Executive proposes an increase of \$30,500,000 in Tax Limitation Aid over 2004-05 levels by creating a new formula tier within this aid category, bringing total funding to \$78,450,000.

Aid for instructional materials including textbooks, software, library materials and hardware are maintained at current year levels.

Transportation Aid is continued at present law level providing an increase of \$49,200,000, bringing total aid to \$1,200,750,000.

Aid for Small City School Districts and Bilingual Education grants are continued at \$81,880,000 and \$11,200,000 respectively.

Growth Aid will be funded at present law levels. For 2005-06 Growth Aid will total \$9,970,000, a decrease of \$12,120,000.

### Sound Basic Education

The Executive proposes a five-year Sound Basic Education (SBE) Plan intended to increase aid for schools by \$2,000,000,000 by the fifth year. SBE Aid would be funded through revenues generated by an expansion of VLT's. This funding source would be guaranteed by the General Fund. NYC would receive 60 percent of SBE Aid. In the first year all districts would receive at least \$25,000 each. Overall, high need districts would receive 85 percent of these dollars. This plan would require NYC to match all new State dollars in a Local to State ratio of 40 percent to 60 percent. The Executive's proposal for NYC to match the combined amount of both SBE funding and traditional State Aid, would require an additional contribution of \$187,000,000 from NYC in 2005-06.

The Executive proposes a new Office of Educational Accountability and Efficiency (OEAE) and provides \$2,000,000 to support its operation. The Executive Director would be appointed by the

Governor. Additionally, the Governor proposes requiring school districts to develop a three-year Comprehensive SBE Plan in order to receive SBE Aid.

#### LADDER: Learning, Achieving Developing by Directing Educational Resources

LADDER programs were primarily maintained at 2004-05 levels. Both Universal Prekindergarten and Class Size Reduction would be maintained at \$204,000,000 and \$140,000,000 respectively. Extended Day/ School Violence Prevention is maintained at its final 2004-05 funding level of \$28,690,000. Full Day Kindergarten would be reduced by \$1,180,000 to \$3,340,000 million which reflects current usage. Funding for the Minor Maintenance program at \$50,000,000 would be folded into Flex Aid and eliminated as a distinct program. Finally, Experimental Prekindergarten would also be maintained at \$50,200,000.

#### Teacher Programs

The Teachers of Tomorrow program is maintained at \$20,000,000. Teacher Resource and Computer Centers and the Teacher-Mentor Intern program are both maintained at their 2004-05 levels of \$31,000,000 and \$6,000,000, respectively. Teacher Support Aid is maintained at 2004-05 levels of \$67,500,000.

#### Other Elementary and Secondary Education Programs

The Executive proposes \$750,000 for the Health Education Program which combines AIDS Education, School Health Demonstration, and Comprehensive School Health Demonstration programs. This is a cut of \$400,000 to these programs.

Adult Basic Education funding would be reduced by \$3,000,000 due to the elimination of funding for the EDGE program. Funding of \$2,000,000 would be provided in the 2005-06 SY.

The Executive proposes 10 percent decreases in funding of three training programs: the Apprenticeship Training would be cut by \$174,000 to \$1,560,000; Consortium for Worker Education (CWE) would be cut by \$1,150,000 to \$10,350,000 million; and Workplace Literacy would be cut by \$130,000 to \$1,170,000.

The Executive recommends increasing Non-Public School Aid by \$4,200,000 for a total of \$87,500,000.

The Executive continues a \$2,000,000 appropriation for salary enhancements for teachers who teach in private schools for students with disabilities.

The Executive proposes to fund Prior Year Claims (PYC) / Fiscal Stabilization grants at \$28,000,000 in SFY 2005-06.

The Executive proposes \$2,900,000 for School Audits, an increase of \$2,650,000 to be facilitated through the proposed Office of Educational Accountability and Efficiency.

The Executive proposes the expenditure based increase of Native American Education by \$5,000,000 for a total of \$24,000,000.

Adult Literacy Education, Academic Intervention Services (AIS) for Non-Public Schools, Charter Schools, Migrant Workers, Primary Mental Health Project (PMHP), School Lunch/Breakfast, Statewide School Safety Center, Summer Food Program, SURR Schools, Academic Improvement Grant for Roosevelt School District, Learning Technology Grants, Bus Driver Safety and Transferring Success would also be funded at 2004-05 levels.

The Executive proposes an expenditure-based total of \$16,500,000 in Aid for Incarcerated Youth, which is a \$2,000,000 increase.

The Executive proposes funding Magnet Schools, Categorical Reading, and Improving Pupil Performance at \$136,100,000, \$63,950,000 and \$66,350,000 respectively, the same as last year.

The Executive proposes creating the following new categorical programs:

- Academic Achievement Awards which would recognize 50 schools for educational performance and efficiency funded at \$500,000;
- Fund for Innovation for the Big 5 City School districts to create public/private partnerships for integrating technology into the classroom would be funded at \$15,000,000; and
- Character Education would be funded at \$475,000.

#### VESID

The Executive proposes shifting VESID from the State Education Department to the Department of Labor as of October 1, 2005. This would constitute a transfer of 750 positions.

The Executive proposes \$54,600,000 for Case Services, representing an increase of \$2,000,000 or four percent over SFY 2004-05. This appears to restore a \$2,000,000 Legislative appropriation vetoed by the Governor in 2004-05.

The Executive proposes \$14,800,000 for Supported Employment, reflecting the same level of funding as last year.

The Executive proposes \$10,200,000 million for Independent Living Centers, reflecting the same level of funding as last year.

## Cultural Education

The Executive proposes \$10,000,000 for Public Broadcasting representing a decrease of \$3,100,000, or 24 percent below SFY 2004-05 levels.

The Executive proposes \$15,000,000 in bondable capital funding for a new Public Broadcasting Facilities Assistance matching grant program.

The Executive proposes \$10,000,000 for a Cultural Education Challenge Fund to provide matching grants. This program would be funded using the Cultural Education Account.

The Executive recommends a transfer in funding for the New York State Summer School for the Arts, the Empire State Plaza Performing Arts Center Corporation (The Egg), and the New York State Theater Institute (NYSTI) to the Cultural Education Account which is supported by fees for a General Funds savings of \$3,600,000.

## Higher Education

The Executive Proposal provides \$138,934,000 in funding for Higher Education Programs administered by the State Education Department (SED). This represents a \$8,170,000 reduction from SFY 2004-05 levels. The Executive Proposal provides support for higher education programs administered by SED at the following levels:

- \$42,037,500 to support Bundy Aid maintaining funding at the SFY 2004-05 level;
- \$10,925,000 to support the Liberty Partnership Program maintaining funding at the SFY 2004-05 level;
- \$8,170,000 to support the Higher Education Opportunity Program (HEOP), reflecting a reduction of \$8,170,000 below SFY 2004-05 levels;
- \$635,000 to support the Post-secondary Aid to Native American Program;
- \$9,500,000 to support the Science and Technology Entry Program and the Collegiate Science and Technology Entry Program (STEP/CSTEP), maintaining funding at the SFY 2004-05 level; and
- \$712,500 to support the Teacher Opportunity Corps Program (TOC), maintaining funding at the SFY 2004-05 level.

## Capital Projects

The Executive proposes:

- a \$15,000,000 bonded Public Broadcasting Facilities Assistance program to provide matching grants for public broadcasting stations;
- \$3,000,000 in capital funds for the School for the Blind in Batavia; and
- \$1,000,000 in capital funds for minor rehabilitation projects.

## Article VII

The Executive proposes legislation on the use of \$13,000,000 in uncommitted Federal IDEA funds for teacher certification initiatives in private schools for school-age and pre-school pupils with disabilities.

The Executive proposes legislation to reinstate the moratorium on the creation or expansion of preschool programs that serve children with disabilities.

The Executive proposes legislation to transfer the Deaf Infant Program from the New York State Education Department to the Department of Health.

The Executive proposes legislation requiring a second, independent evaluation for students with disabilities, in cases where the child is maintaining his/her enrollment with his/her Early Intervention Provider.

The Executive proposes legislation allowing school districts to seek private insurance information from parents of disabled preschool and school age students.

The Executive proposes legislation that individual school districts cap increases in total spending to the lesser of four percent or 120 percent of the increase in the CPI without a two-thirds majority vote.

The Executive proposes legislation transferring VESID to the Department of Labor. This represents a transfer of 750 positions.

The Executive proposes legislation establishing a New York Institute for Cultural Education (NYICE) that would be responsible for administration of the State Museum, the State Library, the State Archives and other cultural education programs that are currently administered by the State Education Department. This represents a transfer of 400 positions.

The Executive proposes legislation establishing a program to Reform the School Voting Process (RSVP). Changes include expanding the number of polling places for school elections, setting a

statewide date for all budget revotes, and requiring a statewide vote date for bond resolutions. In addition, the Executive proposes extending voting hours, authorizing the involvement of county boards of elections in the supervision of school elections, and limiting the role of school district employees, board members and candidates.

The Executive proposes legislation requiring School Board members to attend training about their Board responsibilities including fiscal oversight.

The Executive proposes new requirements for the school property tax report card. New requirements would mandate that districts provide a comparison between the change in the total school tax levy and the percentage increase in the consumer price index over a three year period. Lastly, the Executive proposes requiring school districts to establish an internal audit function. Additionally, the Executive proposes requiring school districts to change independent auditors every three years and to use a competitive process to select these auditors. Also, the Executive proposes a requirement for school districts to establish an audit committee to oversee required annual audits.

The Executive also proposes legislation:

- requiring that school districts notify the public of significant audit findings;
- requiring the Board of Regents to present an annual report on student performance in a public meeting with the Governor;
- requiring the Board of Regents to appoint an independent panel to review current testing requirements;
- exempting school districts statewide from Wicks Law provisions;
- creating a State Clearinghouse for Efficient Construction Practices and Designs. The Dormitory Authority of the State of New York (DASNY) would provide advisory services to school districts;
- changing the building aid formula to simplify cost allowance calculations;
- eliminating aid for BOCES administrative services. Additionally, BOCES would be required to demonstrate cost savings over existing State contracting services in order to continue to generate BOCES aid;
- authorizing the Mayors of Buffalo, Rochester, Syracuse and Albany to appoint members to their respective city boards of education;
- creating a maintenance of effort requirement for the Big 4 city school districts;



- exempting 50 new charter schools in New York City from counting against the current statutory limit on charter schools. Charter schools would also be eligible to access DASNY financing services;
- allowing districts to replace tenure for principals and administrators with renewable three to five year contracts. The Executive also makes changes to the existing 3020-A disciplinary process for teachers;
- creating an alternative certification for teachers and administrators and would require 175 hours of professional development for administrators;
- clarifying the State Aid payment schedule for libraries;
- authorizing the expansion of the Video Lottery Terminal (VLT) program to authorize eight additional facilities. The Executive proposes to modify the current distribution of VLT revenues. Alteration of the distribution of these proceeds is expected to generate an additional \$108,000,000 in 2005-06 lottery receipts for education;
- requiring school districts to develop a three year Comprehensive SBE Plan which would include a resource allocation plan. The Executive proposes establishing a value-added accountability system that would track individual student performance and annual progress. Within the Plan, school districts would be required to develop building specific improvement plans for poorly performing schools and would impose sanctions for poorly performing schools that fail to improve; and
- creating the Office of Educational Accountability and Efficiency (OEAE) which would monitor school performance, review and approve school improvement plans and provide financial oversight.

## STAR

The Executive proposes to increase STAR by \$130,000,000 in 2005-06. The program is expected to grow by \$150,000,000 but save \$20,000,000 in 2005-06 due to savings from the proposed school district spending cap.

The Executive proposes a new STAR Plus Tax Credit for districts that keep their spending within the proposed cap on school spending increases to the lesser of 4 percent or 120 percent of the increase in the CPI.

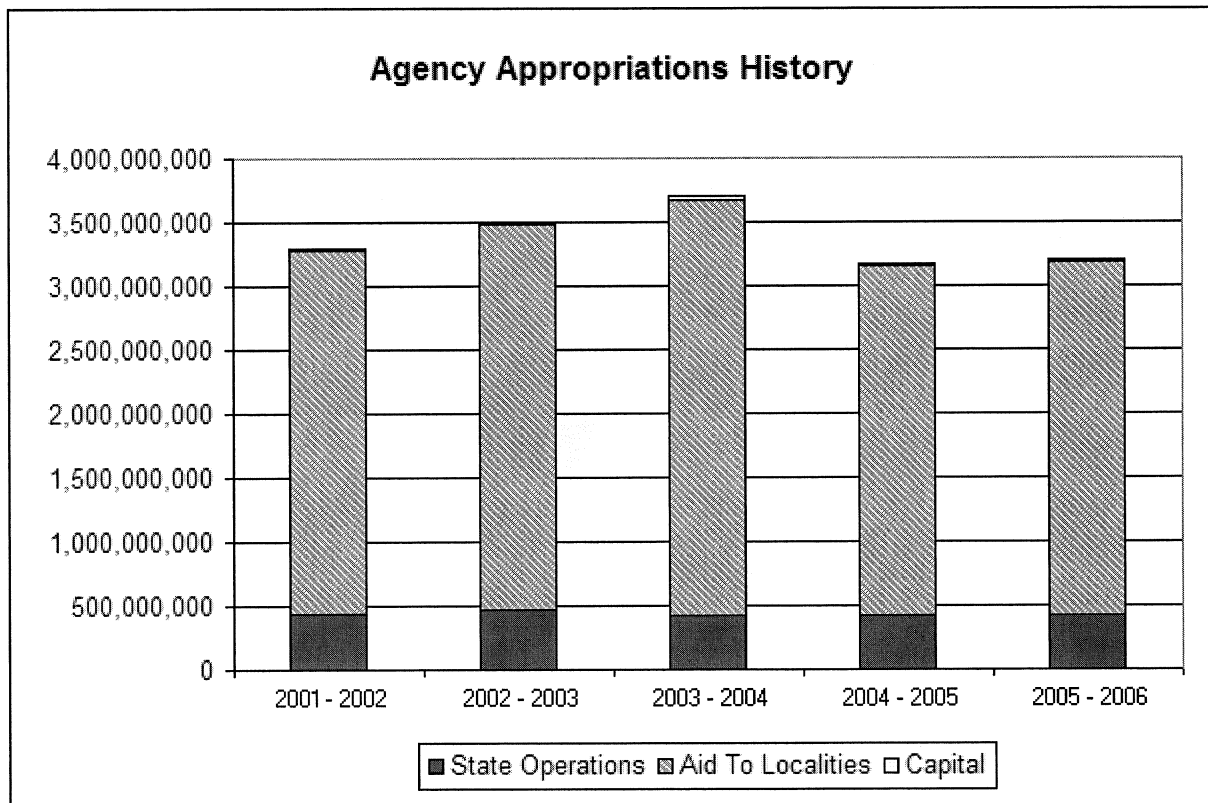
The Executive proposes a Deficiency Appropriation of \$72,000,000 for the STAR program. This increase is necessitated by determination of the Commissioner of the Department of Taxation and Finance as required by State Finance Law.

# OFFICE OF CHILDREN AND FAMILY SERVICES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
--	--------------------------------------	---------------------------------	--------	-------------------

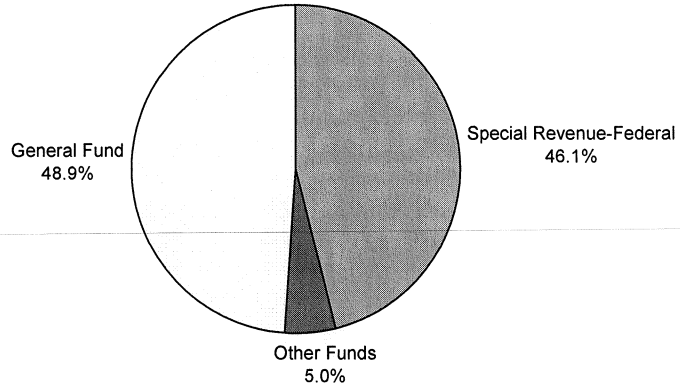
## AGENCY SUMMARY

General Fund	1,523,065,500	1,568,536,000	45,470,500	3.0%
Special Revenue-Other	148,840,000	134,801,000	(14,039,000)	-9.4%
Special Revenue-Federal	1,485,520,000	1,479,597,000	(5,923,000)	-0.4%
Capital Projects Fund	1,325,000	1,325,000	0	0.0%
Youth Facilities Improvement Fund	18,700,000	22,602,000	3,902,000	20.9%
Internal Service Fund	100,000	100,000	0	0.0%
Enterprise	500,000	500,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,178,050,500</b>	<b>3,207,461,000</b>	<b>29,410,500</b>	<b>0.9%</b>

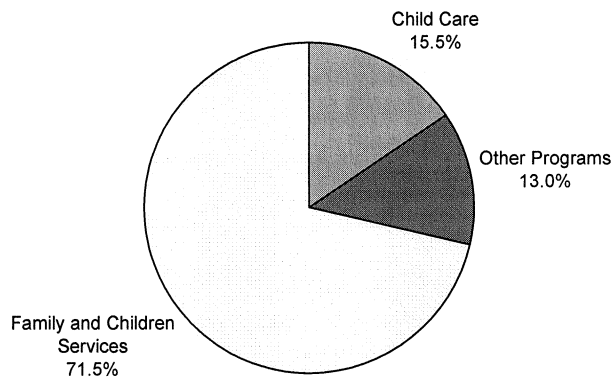


- \* 2001-02 through 2003-04 reflect enacted appropriations.
- \* 2004-05 reflects the Executive adjusted appropriations.
- \* 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources  
(By Funds)**



**Agency's Appropriations  
(By Programs)**



---

**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

---

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	3,222	3,110	(112)
All Other Funds:	631	644	13
<b>TOTAL:</b>	<b>3,853</b>	<b>3,754</b>	<b>(99)</b>

---

**BUDGET HIGHLIGHTS**

(Executive Budget: pp. 31 - 38)

The New York State Office of Children and Family Services (OCFS) is responsible for coordinating a system of support to help families achieve and maintain self-sufficiency in order to provide for the well-being of their children. The Office administers a broad range of child welfare programs, including child protective, preventive, foster care and adoption services, and adolescent pregnancy prevention programs. The Office also administers child care programs and adult protective programs, as well as residential and non-residential services for New York's juvenile justice system and delinquency prevention programs. The Office also supervises services to the blind and visually handicapped. In State Fiscal Year (SFY) 2003-04, the Council on Children and Families was merged with the Office.

The Executive proposes All Funds appropriations totaling \$3,207,461,000 for SFY 2005-06, a net increase of \$29,410,500, or 0.9 percent, over SFY 2004-05. Agency appropriations will support a workforce of 3,754 full-time equivalent (FTE) positions.

The Office is included in the Education, Labor and Family Assistance appropriation bill.

State Operations

For SFY 2005-06, the Executive recommends an All Funds State Operations appropriation of \$423,046,000, a net decrease of \$6,273,500, or 1.46 percent below SFY 2004-05. This decrease is primarily due to a decrease of \$12,000,000 in Special Revenue Funds-Other appropriations to the Departmental Administrative Reimbursement Program, related to funding for services provided to juvenile delinquents in OCFS operated facilities that is being shifted to a newly proposed Flexible Fund for Family Services in the Office of Temporary and Disability Assistance (OTDA). The Governor proposes State Operations General Fund appropriations of \$221,947,000, a net increase of \$4,469,500 or 2.06 percent, resulting from the following actions: a savings of \$3,680,000 from the reduction of 115 beds in OCFS-operated youth facilities; a \$1,210,000 increase for administration of the Evidence-Based Community Initiative; a General Fund savings of

\$440,000 from the transfer of seven full-time equivalent positions (FTEs) from the Youth Facilities Program to bond funds; a General Fund savings of \$690,000 from the transfer of 2 FTEs from the Family and Children's Services Program to a Special Revenue account; a General Fund savings of \$190,000 from the transfer of 4 FTEs in Central Administration to Federal funds; a decrease of \$400,000 corresponding to an increase in Federal grants to the Commission for the Blind and Visual Handicapped; an increase of \$3,290,000 due to increases in Office for Technology rates of payment; an increase of \$2,450,000 for nonpersonal service (NPS) cost inflation; an additional \$2,990,000 in negotiated salary increases; and a savings of \$70,000 from the transfer of one FTE from the National Community Service staff to Federal funds.

The Executive proposes a General Fund decrease of 99 FTEs in the OCFS workforce, for a total of 3,754 positions in SFY 2005-06. The decrease in the OCFS workforce is primarily a product of the reduction of State-operated youth facility beds and associated positions resulting from the new community-based initiative.

### Aid To Localities

The Executive recommends an All Funds appropriation of \$2,760,488,000 in Aid to Localities for SFY 2005-06, a net increase of \$31,782,000 or 1.16 percent over SFY 2004-05. This net increase is attributable to an additional \$40,000,000 General Fund appropriation to ensure that the State fully meets the Federal maintenance of effort requirement for child care, offset by a reduction of \$9,219,000 in the Training and Development program related to unnecessary federal appropriation authority.

The Executive proposes Aid to Localities General Fund appropriations of \$1,346,589,000, a net increase of \$41,001,000 or 3.14 percent, resulting from the following actions: an increase of \$4,500,000 for increased reimbursement claims for child welfare services; an increase of \$2,340,000 to support 245 new Home and Community Based Services mental health waiver slots for children at risk of foster care; a new \$1,900,000 to support child welfare quality demonstration projects; an additional \$12,000,000 to support a projected 7 percent growth in adoption subsidies; an increase of \$1,871,000 related to a technical adjustment in the Home Visiting Program; an increase of \$20,000 to support salary increases associated with Adoption & Safe Families Act (ASFA) activities; an increase of \$11,600,000 for Committee on Special Education (CSE) reimbursement of local social services district maintenance costs; an increase of \$2,000,000 for the increased Medicaid per diem rate for medical services provided to children in foster care; an increase of \$700,000 for projected claims and capital costs associated with secure and non-secure detention; an additional \$5,200,000 to support new community-based program alternatives to prevent Persons-in-Need-of-Supervision (PINS) placements in detention; an additional \$120,000 for a projected increase in child welfare claims submitted by Native Americans; a new \$250,000 for a kinship care demonstration project; and a decrease of \$1,500,000, related to the use of a proportionate amount of Federal funds to support Youth Development and Delinquency Prevention (YDDP).

## Child Care

The New York State Child Care Block Grant is comprised of State funding, local social services district child care funds, a Federal grant from the Federal Child Care and Development Fund, and any Federal funds transferred from the Temporary Assistance to Needy Families (TANF) Block Grant.

In SFY 2004-05, the Executive continued the Child Car Block Grant at the prior year's level of \$929,000,000 to support 186,900 child care subsidies, an increase of 3,500 above the prior year. The Block Grant also provided for market rate increases effective October 1, 2004. In the Executive Budget for SFY 2005-06, the Governor recommends \$510,066,000 for the Child Care Block Grant, a decrease of \$418,934,000 from SFY 2004-05. This support consists of State funds totaling \$136,066,000, an increase of \$40,000,000 above the State's share in the current fiscal year; \$68,000,000 in local government funding; and a \$306,000,000 grant from the Federal Child Care Development Fund. The increase in State funding is provided to insure the State's ability to meet Federal maintenance of effort requirements.

Missing from this year's Block Grant are TANF funds as the Governor does not provide for a direct transfer of such funds for child care purposes. Instead, he proposes the creation of a Flexible Fund for Family Services (FFFS) supported with \$1,000,000,000 in TANF Funds. Under this proposal, the FFFS could be used to supplement General Fund and local support for any federally-allowable TANF purpose, including child care assistance. Within percentages to be established by OCFS, counties would be allowed to request OTDA to transfer a portion of their FFFS allocation to the Federal Child Care Block Grant account for eligible child care expenditures. Each district that elects to make this request must certify to OTDA, by June 30, 2005, the amount of funds it wants to have transferred for child care purposes.

## Family and Children Services

The Executive recommends All Funds appropriations of \$2,239,853,000 to support the Family and Children's Services Program, a net increase of \$41,001,000, or 1.86 percent. This increase is due primarily to the funding shift of the Home Visiting and Advantage Schools Programs from TANF to the General Fund.

The Executive recommends level funding for the Foster Care Block Grant and provides a General Fund appropriation of \$373,500,000 for that purpose. This amount supports the annual allocation to local social services districts for foster care services, reflecting reimbursement to counties for services rendered to approximately 29,826 children in foster care. In addition, the Governor recommends a new General Fund appropriation of \$250,000 to support a demonstration project for kinship care as an alternative to foster care.

The Executive also recommends a General Fund appropriation of \$351,800,000, an increase of \$4,500,000, to support 65 percent reimbursement to local districts for child protective, preventive, independent living, aftercare, and adoption services other than subsidies. The Governor provides

a new General Fund appropriation of \$2,340,000 which will be transferred to the Office of Mental Health to support 245 additional Home and Community Based Services mental health waiver slots to enable local districts to increase mental health services for children at risk of out-of-home placements.

As part of the new Flexible Fund proposal, support for the Advantage Schools and Home Visiting programs would be shifted to the General Fund. The Governor recommends General Fund appropriations of \$20,200,000 for the Advantage Schools Program and \$16,000,000 for the Home Visiting Program. The Governor, however, does not propose General Fund support for the Adolescent Pregnancy Prevention Program (APPS) which was allocated \$5,870,000 in TANF funds in SFY 2004-05. The APPS Program could continue to be supported at county option from FFFS funds. The Governor also does not provide for a direct transfer of TANF funds to the Title XX Block Grant. Instead, the Governor's proposal would allow counties the option to direct a portion of their FFFS allocation to programs and services that are eligible for funding under the Title XX block grant. As with child care, the local social services district must certify to OTDA the amount of funds it wants to have transferred to the Title XX Block Grant by June 30, 2005.

In SFY 2005-06, the Executive proposes a General Fund increase of \$12,000,000 for adoption subsidies, bringing total funding from \$172,000,000 to \$184,000,000. This appropriation will support approximately 45,638 children adopted from the State's foster care system.

### Youth Programs

The Executive recommends continued support for the Youth Development and Delinquency Prevention Programs, through the combination of a General Fund appropriation of \$26,972,000, and \$1,500,000 from the Federal Workforce Investment Act (WIA) statewide discretionary fund. WIA funds could support activities such as education, counseling, job training and substance abuse services. The Governor continues General Fund support of \$9,379,000 for Special Delinquency Prevention Programs.

The Executive recommends a General Fund appropriation of \$6,120,000 for the juvenile justice reform initiative, referred to as Evidence-based Community Initiative (EbCI), an increase of \$1,210,000 above SFY 2004-05. Funds would be used to expand the initiative's community-based programming efforts.

The Executive also proposes new legislation that would reduce the number of placements of PINS in detention facilities and make services available to PINS in their communities. A General Fund appropriation of \$5,200,000 is proposed to support this effort. This new legislation also imposes additional responsibilities on Runaway Homeless Youth Act (RHYA) programs; however, there is no increase to the General Fund appropriation of \$5,314,000 for Runaway and Homeless Youth Act programs.

## Capital Projects

The Executive recommends an All Funds appropriation of \$23,927,000 in Capital Projects in SFY 2005-06, a \$3,902,000 increase or 19.49 percent from SFY 2004-05 which will be supported by proceeds from the issuance of bonds. Funds are proposed to be used to continue routine maintenance and improvement of OCFS facilities.

The Executive does not propose any new capital funding for the development of new child care capacity.

## Article VII

The Executive proposes Article VII legislation to reduce placements of PINS in detention facilities and to make services available to PINS in their communities. The purpose of this bill is to discourage placement by requiring local governments and the courts to exhaust community-based preventive service alternatives before filing PINS petitions and making detention placements. The major provisions of this bill would:

- require all counties and New York City to use preventive services, including respite and crisis intervention, to divert youth from Family Court PINS adjudications;
- require all counties and New York City to designate either the local social services district or probation department as the lead agency in diversion efforts;
- require police or peace officers who apprehend at-risk youth to bring them before the local social services or probation department, a crisis intervention program, or their parents, or before a family court if the other options cannot be used;
- increase the maximum length of stay for youth in approved RHYA programs and authorize such programs to provide crisis intervention or respite services for youth who are not runaways or homeless;
- requires the court to determine that alternatives to detention have been exhausted and that the youth would not benefit from preventive services, before making a detention placement;
- reduces from 30 days to 15 days the time that PINS may remain in detention after placement; and
- requires documentation to the OCFS that youth remaining in detention need specialized treatment or placement and that efforts have been made to locate an alternative placement before extending the detention placement an additional 15 days.

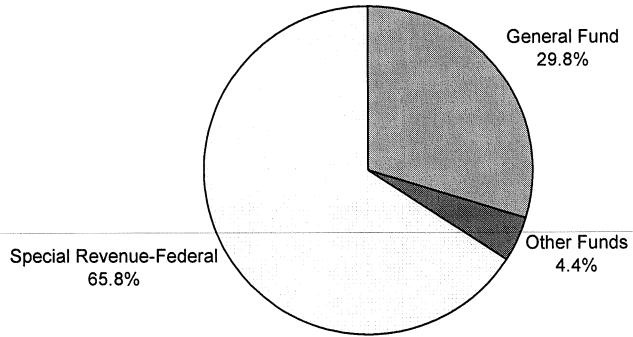


The Executive recommends \$5,200,000 to support this initiative. This new legislation also would place increased responsibilities on RHYA programs; however, there is no related increase in the appropriation for these programs.

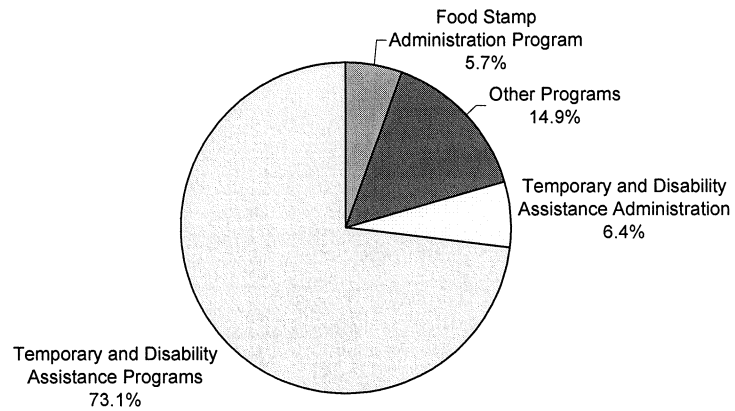
## OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	1,404,193,300	1,581,501,000	177,307,700	12.6%
Special Revenue-Other	165,035,000	183,118,000	18,083,000	11.0%
Special Revenue-Federal	3,664,629,600	3,492,885,000	(171,744,600)	-4.7%
Capital Projects Fund	30,000,000	30,000,000	0	0.0%
Internal Service Fund	1,200,000	1,200,000	0	0.0%
Fiduciary	10,000,000	20,000,000	10,000,000	100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>5,275,057,900</b>	<b>5,308,704,000</b>	<b>33,646,100</b>	<b>0.6%</b>

**Agency's Revenue Sources  
(By Funds)**



**Agency's Appropriations  
(By Programs)**



---

**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

---

<b>Fund</b>	<b>Current 2004-05</b>	<b>Requested 2005-06</b>	<b>Change</b>
General Fund:	463	463	0
All Other Funds:	1,884	2,069	185
<b>TOTAL:</b>	<b>2,347</b>	<b>2,532</b>	<b>185</b>

---

**BUDGET HIGHLIGHTS**  
(Executive Budget: pp. 39 - 47)

The Office of Temporary and Disability Assistance (OTDA) were created pursuant to Chapter 436 of the Laws of 1997. OTDA, along with the Office of Children and Family Services (OCFS), are the successor agencies to the Department of Social Services (DSS). OTDA is responsible for the administration of public assistance programs including Family Assistance, Safety Net Assistance, Supplemental Security Income (SSI), the Federal Food Stamp Program, the State Food Assistance Program, the Home Energy Assistance Program (HEAP), child support services, refugee assistance programs, and homeless shelter and service programs. Through its Division of Disability Determinations, OTDA evaluates the medical eligibility claimants for Federal SSI and Social Security Disability Insurance benefits.

The Executive projects a total public assistance caseload of 655,900 recipients in State Fiscal Year (SFY) 2005-06, an increase of 14,200 or 2.2 percent from SFY 2004-05. The family assistance caseload includes 327,200 families supported through the Family Assistance Program and 175,900 families receiving benefits through the Safety Net program. The caseload for single adults and childless couples supported through the Safety Net program is projected at 152,800 recipients.

The Executive requests All Funds appropriations totaling \$5,308,704,000 in SFY 2005-06. This represents an increase of \$33,646,100 from SFY 2004-05.

The Office of Temporary and Disability Assistance is included in the Education, Labor, and Family Assistance appropriation bill.

State Operations

The Executive recommends an All Funds State Operations appropriation totaling \$430,710,000, which represents an increase of \$507,000 from SFY 2004-05. This overall increase can mainly be attributed to negotiated increases in salaries and fringe benefits.

The Executive proposes a \$5,802,000 decrease in overall appropriation authority for Systems Support and Information Services, but relies more heavily on Federal Health and Human Services appropriation authority. The systems appropriation for Special Revenue-Federal funding increases from \$8,500,000 to \$30,000,000. Of that amount \$11,500,000 is allocated from this year's Temporary Aid to Needy Families (TANF) allocation.

The Executive also recommends a \$3,000,000 increase in the Special Revenue appropriation for the Child Support Enforcement Program which is used to support several initiatives aimed at increasing child support collections. This increase was requested by the agency to correspond to an anticipated increase in the amount of incentive revenue the State will receive this year.

### Aid To Localities

The Executive proposes an All Funds Aid To Localities appropriation totaling \$4,847,994,000 in SFY 2005-06, which reflects an increase of \$33,139,100 from SFY 2004-05 levels. Part of the overall Aid to Localities appropriation increase is due to economic factors necessitating program funding increases in Family Assistance, Safety Net Assistance, and Supplemental Security Income for the aged and disabled.

The Executive proposes to keep the funding for the Aid to Localities appropriation of the Refugee Resettlement Fund under the Transitional Supports and Policy Program level at \$40,000,000. However, the Executive recommends eliminating the State Operations component of the Refugee Resettlement Fund, which was \$3,642,000 in SFY 2004-05. This cut is partially offset by language added to the Aid to Localities appropriation giving authority to transfer up to \$2 million to State Operations for administrative costs associated with refugee assistance programs.

### Capital Projects

The Executive proposes a Capital Projects appropriation totaling \$30,000,000 from the Housing Program Fund under the Supportive Housing Program. This appropriation is unchanged from SFY 2004-05.

### Article VII

The Executive proposes legislation that would authorize withholding of the welfare grant for an entire family if the head of household does not comply with work requirements. This "full family sanction" proposal also expands the sanction process to notify district child welfare staff before the final determination of non-compliance.

The Executive proposes legislation that would tie the amount of earned income disregarded when determining benefit eligibility to the length of time a family has been on welfare. This proposal would retain the \$90 monthly disregard, but would increase the earnings disregard to 50 percent for families who have been on welfare less than five years and decrease the earnings disregard to 25 percent for families who have been on welfare more than five years.

The Executive also proposed legislation that would transfer Welfare-to-Work programs from the Department of Labor (DOL) to OTDA. All staff, responsibilities, and resources allocated for employment programs for public assistance recipients would be reassigned to OTDA.

The Executive proposes legislation that would create a new state-level Earned Income Tax Credit (EITC) targeted to low-income non-custodial parents. This program, titled Strengthening Families through Stronger Fathers, would provide up to \$1,950 per year to working individuals between the ages of 18 and 30 who are current with their child support obligations. This legislation also provides for a pilot program in up to five local social service districts to provide intensive employment services and parenting education. The cost of this proposal in 2005-06 are estimated at \$6,400,000, including \$3,400,000 for the EITC and \$3,000,000 for the pilot program.

The Executive also proposes legislation that would authorize penalties against local social service districts that fail to meet work participation rates for TANF and Safety Net recipients.

#### Federal TANF Block Grant

State Fiscal Year 2005-06 will be the ninth year in which New York has received its federal public assistance funding through the Temporary Assistance to Needy Families (TANF) Block Grant. New York's \$2.44 billion TANF allocation is based on the State's caseload and expenditures in Federal Fiscal Year (FFY) 1995, which were significantly higher than in subsequent years. As a result, the State has annually experienced federal TANF funding above the amount needed to support the Federal share of the Family Assistance Program. This funding overage is referred to as the TANF "Surplus." The Executive projects the TANF "Surplus" to be \$1,746,390,000 in SFY 2005-06.

The Executive proposes that all TANF funding not used for public assistance benefits, state operations, or the EITC be allocated to counties in the form of a \$1 billion Flexible Fund for Family Services block grant.

Social service districts would be able to use their portion of the funds to provide support for any federally allowable TANF purpose. The Executive budget does not schedule out allocations for programs previously included as part of the TANF surplus distribution such as childcare, drug screening/treatment, pregnancy prevention, and youth employment.

The Executive proposes General Fund appropriations for some programs previously funded through TANF including:

- Advantage After-School Program - \$20,200,000 in the Office of Children and Family Services (OCFS);
- Alternatives to Incarceration - \$3,800,000 in the Division of Criminal Justice Services (DCJS);
- Child Care amounts - \$40,000,000 in OCFS;
- Child Welfare amounts - \$73,000,000 in OCFS;

- Child Welfare Quality - \$1,900,000 in OCFS;
- Food Pantries - \$12,000,000 in Department of Health (DOH);
- Juvenile Justice - \$15,800,000 in OCFS;
- Home Visiting Program - \$16,000,000 in OCFS;
- School-Based Health Centers - \$3,300,000 in DOH; and
- Women, Infants, and Children - \$4,900,000 in DOH.

A new State-funded Local Administration Fund would also provide \$309,300,000 for administrative activities as a complement to the Flexible Fund for Family Services. This Local Administration Fund would be created by consolidating the funding and activities from the Employment Services Administration (\$84,700,000), the Food Stamp Administration (\$65,400,000), and the Temporary and Disability Assistance Administration (\$133,300,000) programs.

# NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	944,898,000	773,615,000	(171,283,000)	-18.1%
Special Revenue-Other	104,618,000	121,937,000	17,319,000	16.6%
Special Revenue-Federal	12,426,000	12,000,000	(426,000)	-3.4%
<b>Total for AGENCY SUMMARY:</b>	<b>1,061,942,000</b>	<b>907,552,000</b>	<b>(154,390,000)</b>	<b>-14.5%</b>

## **BUDGET HIGHLIGHTS**

(Executive Budget: pp. 49 - 53)

The Higher Education Services Corporation (HESC) administers the State's Tuition Assistance Program (TAP), the Federal Family Education Loan Program, and other State and Federal aid programs.

HESC is located in the Education, Labor and Family Assistance appropriation bill.

### State Operations

The Executive recommends a total State Operations appropriation of \$108,307,000 for the Corporation. This represents a net increase of \$479,000 above State Fiscal Year (SFY) 2004-05 levels. This increase is attributable to a \$2,689,000 increase in support through Special Revenue - Other Funds from \$100,618,000 to \$103,307,000, offset by a decrease of \$2,203,000, from \$7,203,000 to \$5,000,000 in federal support for State Operations. The \$2,689,000 increase is to cover inflation and increases in fringe benefit costs and the \$2,203,000 decrease is from the loss of additional supplemental funds from the federal Gear – Up Program.

### Aid to Localities

The Executive provides an All Funds Aid to Localities appropriation of \$799,245,000 reflecting a net decrease of \$154,876,000 below SFY 2004-05 levels. This includes an appropriation of \$738,547,000 in support of the TAP Program, which represents a \$168,053,000 reduction from Academic Year 2004-05 funding levels and a \$171,453,000 reduction from estimated current law requirements for TAP in the 2005-06 Academic Year.



The Executive proposes to alter the TAP program by proposing a 50 percent deferral to the TAP Awards of all students first becoming eligible for TAP in the 2005-06 Academic Year. The Executive's proposal would alter the TAP Program by creating two components of a first-year student's TAP Award. Students would be eligible to receive a TAP base award which is equivalent to only one-half of what current law would provide. Students would then be required to self-finance the remaining one-half of their TAP award through Federal and State student loan programs. Upon the completion of an approved college degree program, students would become eligible to receive a TAP Performance Award equal to the amount of their TAP award deferred inclusive of accrued interest resulting from the need to enter into additional student loans.

In addition, the Executive proposes to create a new TAP Loan Program of \$6,000,000 to ensure that students that have exhausted their federal student loan eligibility will have the ability to access necessary student loans through this newly created State loan program.

The Executive Proposal includes Article VII provisions that would make additional changes to the TAP program. The following changes would result in an additional reduction of \$26,000,000 to the TAP program:

- requirement that students be in full-time attendance at the time their College or University certifies them as being eligible to receive a TAP award, (saving of \$6,000,000);
- enhanced restrictions on TAP eligibility for students in default of Federal student loans made by guarantors other than HESC (savings of \$5,000,000); and
- increased academic progress and academic good-standing criteria for continued TAP eligibility (savings of \$15,000,000).

The Executive maintains funding for the Aid for Part-Time Study Program at the SFY 2004-05 level of \$14,630,000. However, the Executive proposal eliminates General Fund support for the program and utilizes HESC corporate revenues to support the APTS program.

The Executive recommends \$29,068,000 for various scholarship and fellowship programs administered by the Corporation, which represents an increase of \$5,400,000 from SFY 2004-05 levels. Of this increase, \$5,000,000 is due to additional funding provided for the World Trade Center Memorial Scholarships which were formerly funded from a statewide appropriation outside the Corporation. The remaining \$400,000 reflects funding for a new memorial scholarship program for the spouses, children and financial dependents of the victims of American Airlines Flight 587 that crashed in Rockaway, Queens on November 12, 2001.

#### Article VII

The Executive proposal includes Article VII language providing for the creation of the new American Airlines Flight 587 Memorial Scholarships Program.

The Executive proposal includes Article VII language providing for the implementation of the one-half deferral of undergraduate TAP Awards for students first becoming eligible in the 2005-06 Academic Year, the creation of a new TAP Performance Award, and the creation of a new TAP Loan Program.

Additional Article VII language provides for further changes in TAP. Language restricting TAP eligibility to students who are not in default in the repayment of student loans guaranteed by HESC, is expanded to outside guarantors. Thus, students who are in default in the repayment of any Federal student loan and have not regained eligibility for Federal student aid programs will lose their eligibility for TAP awards. Other means by which a student could maintain eligibility are changed or eliminated to ensure that students in default are not eligible for TAP awards.

The Executive provides Article VII language that requires schools to certify their student enrollment 45 days after the start of the semester. Schools will only be conferred awards for students that have incurred full tuition liability and are in full-time attendance. The Executive proposes removing statutory authority for providing awards to schools if a student should withdraw from coursework but is no longer eligible for a tuition refund.

Finally, the Executive advances Article VII language enhancing the academic requirements needed to maintain eligibility for Tuition Assistance Awards. Additional credit completion requirements and minimum GPA levels would be assessed to students in order for them to remain eligible for receipt of a Tuition Assistance Program Award.

## DIVISION OF HUMAN RIGHTS

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	13,495,000	14,110,000	615,000	4.6%
Special Revenue-Other	115,000	140,000	25,000	21.7%
Special Revenue-Federal	4,704,000	4,704,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>18,314,000</b>	<b>18,954,000</b>	<b>640,000</b>	<b>3.5%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	166	166	0
All Other Funds:	37	37	0
<b>TOTAL:</b>	<b>203</b>	<b>203</b>	<b>0</b>

### BUDGET HIGHLIGHTS

(Executive Budget: pp. 55 -57)

The Division of Human Rights is responsible for the administration and enforcement of the New York State Human Rights Law. This law prohibits discrimination based on race, creed, color, sex, age, national origin, disability or other specified classes. In 2003, protections under the law were expanded to include prohibitions against discrimination based on military status and sexual orientation. The Division accomplishes its mission through the investigation and resolution of discrimination complaints; the promotion of human rights awareness; the development of human rights policy for the State; and outreach to community groups.

The Division operates from its main office in New York City, as well as nine regional offices.

The Division is included in the Education, Labor, and Family Assistance appropriation bill.

## State Operations

The Executive proposes a total All Funds appropriation for the Division of \$18,954,000, an increase of \$640,000, or 3.5 percent, in State Fiscal Year (SFY) 2005-2006, to support a workforce of 203 employees. For SFY 2005-06, the Executive recommends a General Fund appropriation of \$14,110,000, an increase of \$615,000, or 4.56 percent, related to negotiated salary agreements. Special Revenue-Federal appropriations increase by \$25,000 to reflect an expected increase in Federal grants from the Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD) to support anticipated caseload increases.

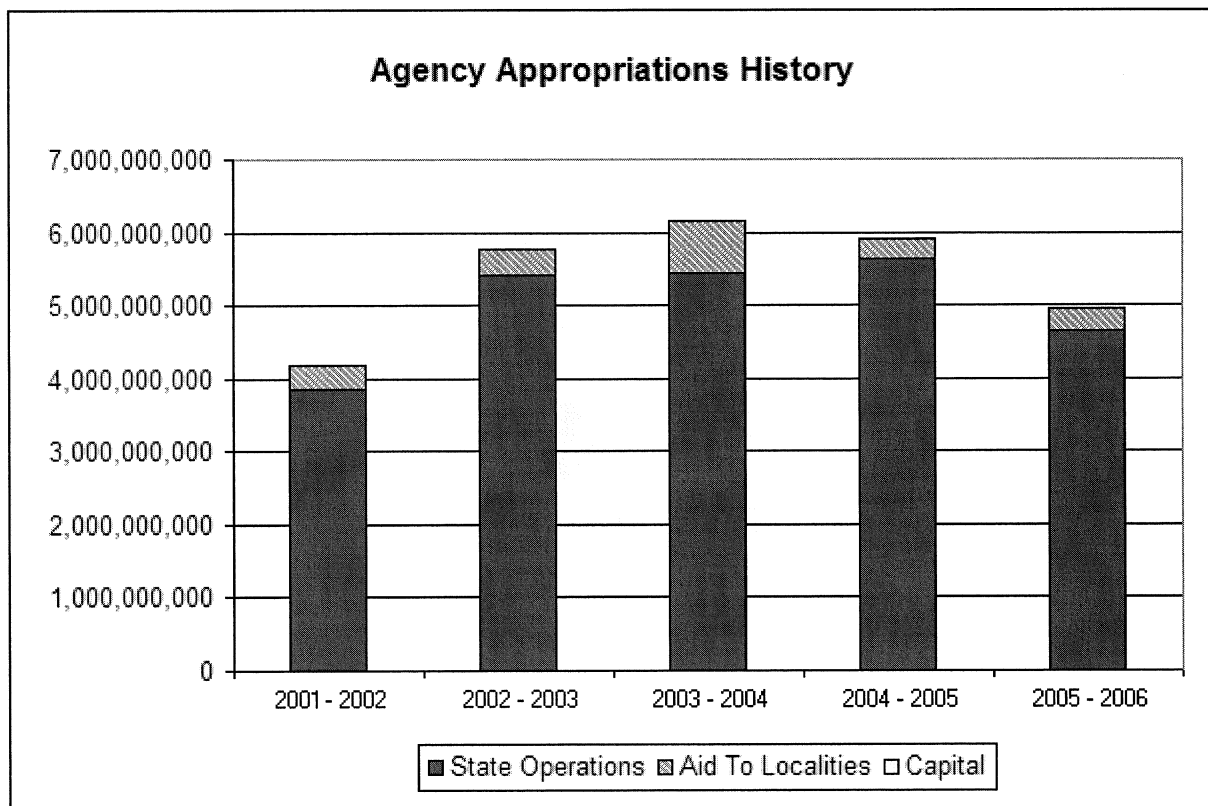
As of November 2004, the Division's records indicate that the backlog of discrimination complaints that once stood at 16,880 in January 1995 has been reduced to 5,695 open cases.

# DEPARTMENT OF LABOR

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
--	--------------------------------------	---------------------------------	--------	-------------------

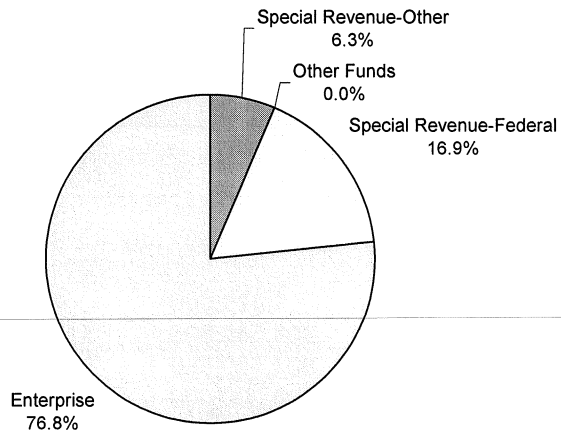
## AGENCY SUMMARY

General Fund	3,429,000	1,417,000	(2,012,000)	-58.7%
Special Revenue-Other	303,548,600	313,068,000	9,519,400	3.1%
Special Revenue-Federal	804,589,500	836,531,500	31,942,000	4.0%
Enterprise	4,800,000,000	3,800,000,000	(1,000,000,000)	-20.8%
<b>Total for AGENCY SUMMARY:</b>	<b>5,911,567,100</b>	<b>4,951,016,500</b>	<b>(960,550,600)</b>	<b>-16.2%</b>

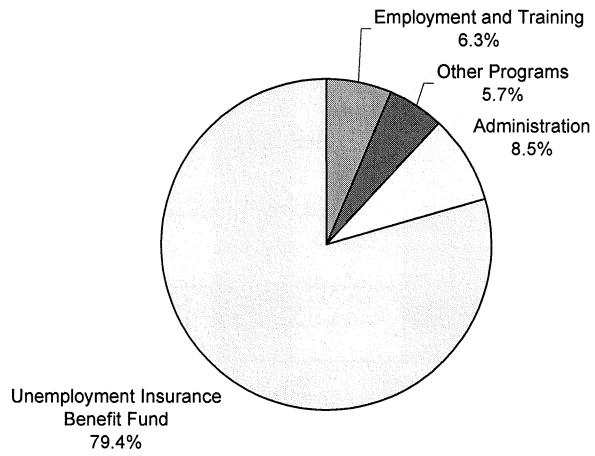


- \* 2001-02 through 2003-04 reflect enacted appropriations.
- \* 2004-05 reflects the Executive adjusted appropriations.
- \* 2005-06 reflects Executive recommended appropriations.

**Agency's Revenue Sources  
(By Funds)**



**Agency's Appropriations  
(By Programs)**



---

**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

---

<b>Fund</b>	<b>Current 2004-05</b>	<b>Requested 2005-06</b>	<b>Change</b>
General Fund:	34	18	(16)
All Other Funds:	4,104	6,218	2,114
<b>TOTAL:</b>	<b>4,138</b>	<b>6,236</b>	<b>2,098</b>

---

**BUDGET HIGHLIGHTS**  
(Executive Budget: pp. 59 - 65)

The Department of Labor (DOL) is the lead agency on workforce development and workplace issues. It is charged with administering State and federal employment and training programs. The agency is also responsible for the administration of the Unemployment Insurance Benefit Fund as well as the enforcement of regulations that ensure the safety of workers in the workplace. There are six major programs in the Department: Employment and Training, Employment Relations Board, Labor Standards, Occupational Safety and Health, Unemployment Insurance Benefits, and Administration. The Department's central office is located in Albany and Employment Service offices are operational throughout the State.

The Department is included in the Education, Labor, and Family Assistance appropriation bill.

The Executive requests All Funds appropriations totaling \$4,951,016,000 in State Fiscal Year (SFY) 2005-06. This represents a decrease of \$960,550,600 or approximately 16.2 percent from the SFY 2004-05 level.

State Operations

The Executive recommends an All Funds State Operations appropriation of \$4,646,559,500, which reflects a decrease of \$992,739,600 or 17.6 percent from the SFY 2004-05 funding level.

The Executive eliminates funding for the State Employment Relations Board and transfers its functions to the State Labor Relations Board. The merger will abolish nine of the State Employment Relations Board positions. Of these, four are vacant positions and five are held by Board members whose terms expired at the end of calendar year 2004. The expected savings to DOL total \$840,000.

The Executive proposes transferring the Workers' Compensation Board to the Department of Labor, effective April 1, 2005. No savings are assumed from the transfer and there are no FTE changes.

The Executive recommends an appropriation of \$44,230,500 to support the transfer of the Vocational and Educational Services for Individuals with Disabilities (VESID) Program from the State Education Department (SED) to DOL. The program provides job training, counseling and placement services for disabled persons. The transfer will be effective on October 1, 2005, and involves 750 FTEs.

The Executive proposes a \$1 billion reduction in the Unemployment Insurance (UI) Trust Fund due to the conclusion of the federal Temporary Extended Unemployment Compensation (TEUC) program, which provided an additional 13 weeks of benefits to laid-off workers who exhausted their regular benefits. The UI Trust Fund continues to run a deficit, and the State anticipates more borrowing to meet benefit payments. The Executive's budget includes an interest assessment appropriation of \$65,000,000 to cover the cost of borrowing for SFY 2005-06.

The Executive also allocates \$10,000,000 in Workforce Investment Act (WIA) discretionary funds to establish a competitive grant program to train incumbent workers in Upstate New York as part of the Strategic Program for Upstate Resurgence (SPUR).

#### Aid to Localities

The Executive recommends SFY 2005-06 appropriations of \$304,457,000, an increase of \$32,189,000 or 11.8 percent. This is due to increased appropriation authority for WIA based on Federal availability for Program Year 2005.

#### Article VII

The Executive recommends Article VII legislation that would transfer the SED's Vocational Rehabilitation portion of the VESID program to DOL; transfer the Workers' Compensation Board to DOL; and eliminate the State Unemployment Insurance Advisory Council, Asbestos Advisory Board, Public Work Advisory Board, Minimum Wage Standards for Farm Workers Advisory Council, Laser Operating Examination Board, and Hazard Abatement Board.

The Executive also proposes Article VII legislation that transfers the Welfare-to-Work unit from DOL to the Office of Temporary and Disability Assistance (OTDA).

The Executive also recommends legislation that would increase the license renewal fee for Asbestos Handling from \$300 to \$500.

The Executive proposes legislation creating new programs to increase worker protection including a Worker Protection License Certificate Permit Processing and Collections Unit, and a Compliance Assistance and Training and Education Program.

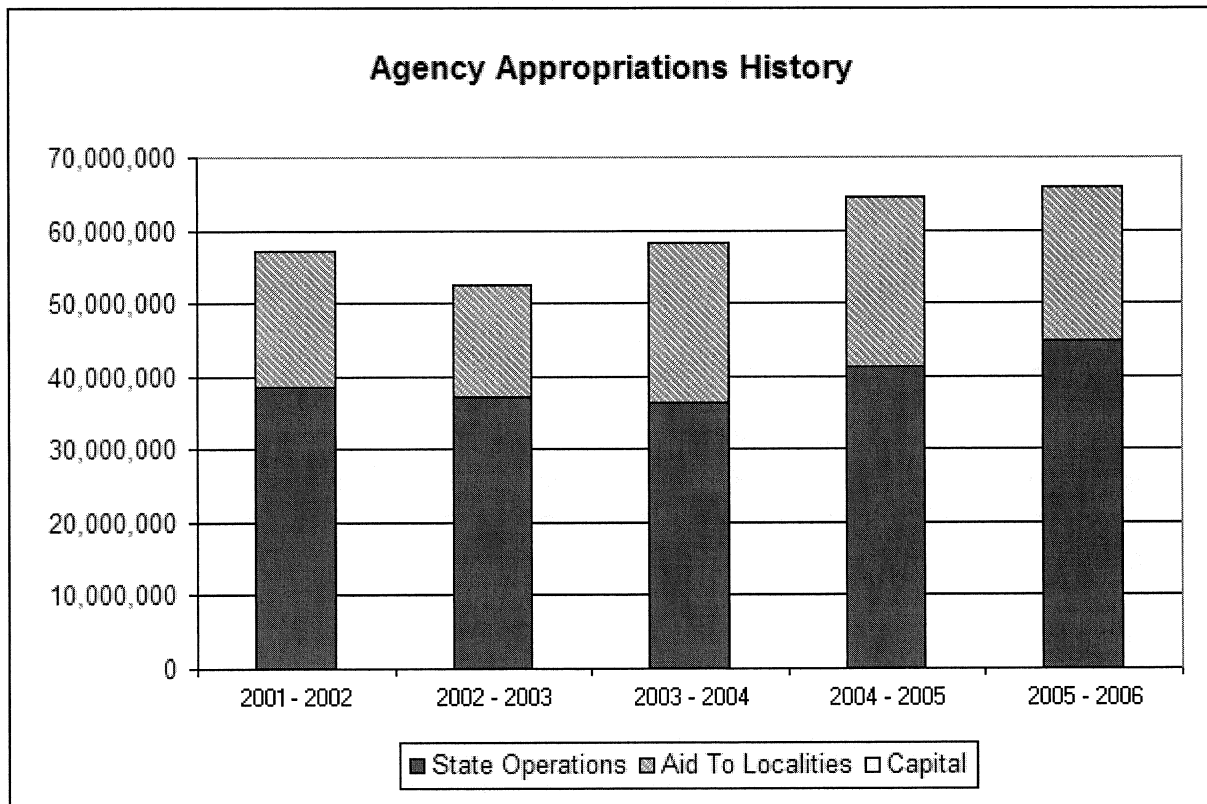


# OFFICE OF REAL PROPERTY SERVICES

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
--	--------------------------------------	---------------------------------	--------	-------------------

## AGENCY SUMMARY

General Fund	25,716,000	21,197,000	(4,519,000)	-17.6%
Special Revenue-Other	38,695,200	44,750,700	6,055,500	15.6%
<b>Total for AGENCY SUMMARY:</b>	<b>64,411,200</b>	<b>65,947,700</b>	<b>1,536,500</b>	<b>2.4%</b>



- \* 2001-02 through 2003-04 reflect enacted appropriations.
- \* 2004-05 reflects the Executive adjusted appropriations.
- \* 2005-06 reflects Executive recommended appropriations.

---

**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

---

<b>Fund</b>	<b>Current 2004-05</b>	<b>Requested 2005-06</b>	<b>Change</b>
All Other Funds:	401	401	0
<b>TOTAL:</b>	<b>401</b>	<b>401</b>	<b>0</b>

---

**BUDGET HIGHLIGHTS**  
(Executive Budget: pp. 67 - 71)

The Office of Real Property Services (ORPS) is responsible for supervising of local real property tax administration in New York State. This office is included in the Education, Labor and Family Assistance appropriation bill.

Appropriations for ORPS total \$65,947,700, an increase of \$1,536,500 or 2.4 percent from State Fiscal Year (SFY) 2004-05 levels. The fee increase for recording real property transfers approved by the legislature during SFY 2004-05 provided sufficient funds to ORPS to become independent from General Fund support for the agency's operations.

The Executive anticipates no change in the total number of Full Time Equivalent (FTE) positions although reassignments within the agency are expected. The Executive proposes the transfer of 295 FTE positions from the Regional Operations program to the Policy and Organizational Support Services program.

State Operations

The Executive recommends a net increase of \$3,383,500 in funding for State Operations for SFY 2005-06. The General Fund appropriation for the Policy and Organizational Support Services program is decreased to \$0, \$2,672,000 less than the SFY 2004-05 amount. The Special Revenue Fund-Other appropriation is \$44,750,700, an increase of \$6,055,500 from SFY 2004-05 reflecting mainly the shift from General Fund funding and collective bargaining salary increases.

Aid To Localities

The Executive proposes an appropriation of \$21,194,000 for SFY 2005-06, representing a decrease of \$1,847,000 over SFY 2004-05.

The Executive's recommendation includes the following changes: a \$1,500,000 decrease for local STAR administration to reflect reduced workload; a \$1,700,000 increase for financial assistance for assessment improvement to meet projected reassessment programs; and \$3,000,000 for reimbursements to local governments for their revenue losses under the Rail Infrastructure Act of 2002.

# STATE UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	2,138,615,000	2,167,246,000	28,631,000	1.3%
Special Revenue-Other	3,523,442,900	3,731,184,000	207,741,100	5.9%
Special Revenue-Federal	200,550,000	200,500,000	(50,000)	-0.02%
Capital Projects Fund - Bondable	1,784,293,000	234,400,000	(1,549,893,000)	-86.9%
Internal Service Fund	11,000,000	12,000,000	1,000,000	9.1%
<b>Total for AGENCY SUMMARY:</b>	<b>7,657,900,900</b>	<b>6,345,330,000</b>	<b>(1,312,570,900)</b>	<b>-17.1%</b>

## **BUDGET HIGHLIGHTS**

(Executive Budget: pp. 73 - 80)

The State University of New York (SUNY) was created in 1948. It consists of sixty-four campuses including four university centers, thirteen university colleges, two independent health centers, four specialized colleges of technology, five statutory colleges, six colleges of technology and thirty community colleges.

The State University of New York is included within the Education, Labor and Family Assistance appropriation bill.

### State Operations

The Executive recommends funding campus operations at SUNY state operated campuses at \$2,025,181,000 for State Fiscal Year (SFY) 2005-06. This represents a \$4,226,000 net increase in funding levels for State Operated campuses from SFY 2004-05 levels. This net increase is comprised of a \$84,899,000 or 8.40 percent reduction in General Fund support for SUNY campus operations offset by a \$97,573,000 or 4.82 percent increase in university generated revenues.

The Executive proposes Special Revenue Fund-Other appropriations totaling \$3,731,184,000, an increase of \$265,873,000 above SFY 2004-05 levels. This increase is comprised of the following:

- a \$97,573,000 increase to the General Revenue Offset Account. Of this amount, \$84,300,000 appears to be predicated upon action by the SUNY Board of Trustees to raise tuition by \$500 from \$4,350 to \$4,850; \$9,400,000 is due to interest earnings, \$20,800,000 is due to higher fringe benefit cost recoveries, and a decrease of \$16,900,000 due to the

discontinuation of the transfer of funds from Higher Education Services Corporation (HESC) revenues to support SUNY financial aid operations;

- a \$193,850,000 increase for SUNY hospitals resulting from a \$36,800,000 increase to the State Subsidy provided to Hospitals for operating as a public agency. The remaining increase is due to personal, non personal, and fringe benefit increases assisting their expansion of operations to become more self-sufficient;
- a \$29,600,000 increase in the SUNY General Income Reimbursable Account which is attributable to inflation; and
- a \$4,200,000 increase in the Dormitory Income Fund Reimbursable Account which is attributable to inflation.

The Executive recommends \$8,100,000 to support the Educational Opportunity Program reflecting a \$7,480,000 or 48 percent reduction from the 2004-05 Academic Year funding levels.

The Executive proposal increases support for childcare centers for students attending State-Operated campuses from \$1,498,000 to \$1,507,000, a \$9,000 increase from the 2004-05 funding levels.

The Executive recommends \$14,717,000 to support SUNY central administrative programs, reflecting an increase due to collective bargaining of \$907,000 above the 2004-05 Academic Year.

The Executive would provide \$1,500,000 to SUNY State Operated Colleges establishing a new Partnership to Accelerate Completion Time (PACT) Program.

The Executive would provide a new \$2,000,000 appropriation for the College of Nanoscale Science and Engineering at SUNY Albany.

The Executive proposes a \$64,000,000 transfer from the State University Income fund, to the State University General Income Fund Reimbursable Account, to the General Fund. This transfer reflects the Executive Proposal to reimburse the General Fund with bond proceeds for \$43,000,000 in hard dollar equipment purchases included within SUNY's Operating Budget. The Executive recommends achieving additional General Fund savings through the reimbursement of the General Fund with bond proceeds for \$21,000,000 in SUNY hard dollar capital expenditures occurring in SFY 2005-06.

#### SUNY Health Science Centers

The Executive proposal continues the appropriation structure first enacted in SFY 2001-02 for the SUNY Health Science Centers (HSC's). In addition, the HSC's continue to be responsible for the funding of fringe benefits and debt service.

In an effort to recognize the HSC's costs of operating as a State agency, the Executive provides the HSC's with a direct State subsidy to support operations. In SFY 2005-06, the Executive increased this

subsidy by \$36,800,000 from \$92,600,000 to \$129,400,000. This increases funding from SFY 2004-05 levels and is based on continuing a previously used methodology for determining the costs of the HSC's to operate as a State agency.

Finally, the Executive would provide for the transfer of \$6,500,000 from the Dormitory Authority to the State University Income Offset Account for the fourth payment in the State's multi-year plan to retire the accumulated short-term investment pool (STIP) loan to the hospitals.

#### Aid To Localities

The Executive provides \$368,331,000 in aid to community colleges reflecting an increase of \$1,601,000 or 0.44 percent from SFY 2004-05 levels. Operating assistance for SUNY community colleges is appropriated at \$362,586,000, which is a \$697,000 increase from SFY 2004-05 levels due to enrollment increases. Base Aid support for SUNY community colleges continues at SFY 2004-05 levels, \$2,235 per full-time equivalent student. Rental Aid and Contract Courses for Community Colleges remain at SFY 2004-05 levels, \$2,776,000 and \$1,000,000 respectively. The Executive proposal would provide \$1,900,000 to SUNY Community Colleges establishing a new Partnership to Accelerate Completion Time (PACT) Program.

The Executive provides \$3,670,000 in support of the Cornell Cooperative Extension, maintaining the level of funding from SFY 2004-05 levels.

The Executive recommends maintaining support for childcare centers for students attending SUNY community colleges at \$1,065,000, consistent with the levels provided in the 2004-05 Academic Year.

## Capital Projects

The Executive Proposal includes new appropriations of \$234,400,000 for capital projects at SUNY campuses. These new appropriations are in addition to the multi-year capital investment program for SUNY appropriated in SFY 2004-05. Within the newly appropriated funds, the Executive recommends:

- \$75,000,000 appropriation for construction of a ASML High Tech Center at SUNY Albany;
- \$5,000,000 appropriation for a new power substation at SUNY Albany's Center for Environmental Sciences and Technology Management;
- \$27,000,000 appropriation for construction of a Pharmacy School at Buffalo University;
- \$9,000,000 appropriation for the renovation of the Martha Van Rensselaer building at Cornell University;
- \$1,000,000 appropriation for the construction of an Agricultural Experimental Station at Cornell University;
- \$2,000,000 appropriation for construction at Empire State College;
- \$14,000,000 appropriation for the replacement of a heating system at Fredonia;
- \$400,000 appropriation for improvements at the Long Island Veterans' Home;
- \$18,000,000 appropriation in matching funds for the Monroe Community College Renaissance Square;
- \$15,000,000 appropriation in matching funds for the Orange County Community College Newburgh Campus project; and
- \$50,000,000 appropriation in University-wide critical health and safety projects.

The Executive will raise SUNY's bond cap for educational facilities by \$235,000,000 for a total bonding authorization of \$5,395,000,000 to cover SUNY's planned bond sales for the multi-year period of the Capital Investment Program.

## Article VII

The Executive proposal includes Article VII provisions that would establish the PACT Program. Each SUNY State Operated college and community college would establish a program to ensure that those courses needed by students to graduate in a timely manner would be available. Colleges would receive \$50 per student for all participating students and would receive \$250 per associate's degree conferred within two years of a student's first enrollment on a full-time basis and \$500 per bachelor's degree conferred within four years of a student's first enrollment on a full-time basis. Colleges would be required to pay additional tuition and fee costs for additional semesters required for students to graduate if course availability is denied.

The Executive proposal includes Article VII language that would change the tuition policy at SUNY. Specifically, the following provisions are included within the Executive proposal:

- The SUNY Board of Trustees would be permitted to establish differing tuition rates by school or academic program. An additional ability to establish differing tuition rates for medical students who agree to practice medicine within the state would also be provided;
- tuition rates for resident students attending SUNY institutions be increased annually and incrementally based upon the Higher Education Price Index (HEPI) or an economic price index determined by the Chancellor. In addition, the Executive recommends that incremental tuition rate increases for resident students attending SUNY doctoral campuses may exceed any growth in the index used for such calculations, provided that the tuition rate for resident students attending SUNY doctoral campuses does not exceed one and a half times that of resident students attending other SUNY State operated campuses;
- an exemption from any limitation to tuition rate increases in the event that the State of New York does not provide funding sufficient to support mandated collective bargaining costs, energy costs or any other costs beyond the control of SUNY; and
- a guaranteed fixed tuition rate applied to the duration of a student's undergraduate program for students first enrolling in SUNY institutions during the 2005-06 Academic Year.

The Executive proposes legislation that would authorize the SUNY Board of Trustees to transfer the operations of the SUNY Health Science Centers to one or more private not-for-profit corporations and directs the SUNY Board of Trustees to develop a plan for such a transfer to be submitted to the Governor and the Legislature on or before April 1, 2005. This process would require the SUNY Board to do the following:

- establish or contract with one or more not-for-profit corporations pursuant to a plan approved by the Commissioner of Health, for the transfer of the three SUNY hospitals at Brooklyn, Stony Brook and Syracuse;
- develop a plan for the transfer of the operations of the SUNY Health Science Centers to private not-for-profit corporations and to consider the following in developing such plan: continuity of employment of hospital staff, access to capital, revenue maximization, alternative governance structures, the teaching and research missions of the hospitals and an implementation process; and
- submit a plan to the Governor and the Legislature on or before April 1, 2005.



## STATE UNIVERSITY CONSTRUCTION FUND

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Special Revenue-Other	12,707,000	14,533,000	1,826,000	14.4%
<b>Total for AGENCY SUMMARY:</b>	<b>12,707,000</b>	<b>14,533,000</b>	<b>1,826,000</b>	<b>14.4%</b>

### **BUDGET HIGHLIGHTS**

(Executive Budget: pp. 81 - 82 )

The State University Construction Fund is a public benefit corporation established in 1962 to serve as the construction agent for academic buildings, dormitories and other facilities at State-operated institutions and statutory colleges under the jurisdiction of the State University of New York. The State University Construction Fund is included in the Education, Labor and Family Assistance appropriation bill.

#### State Operations

The Executive proposal provides a Special Revenue Fund-Other appropriation of \$14,533,000 to support the operations of the SUNY Construction Fund. This reflects an increase of \$1,826,000 which is made up of a \$893,000 increase in Personal Service costs due to collective bargaining, and a \$933,000 increase in Non-personal Service costs due to inflationary increases.

## OFFICE OF WELFARE INSPECTOR GENERAL

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	736,000	730,000	(6,000)	-0.8%
Special Revenue-Other	370,000	400,000	30,000	8.1%
<b>Total for AGENCY SUMMARY:</b>	<b>1,106,000</b>	<b>1,130,000</b>	<b>24,000</b>	<b>2.2%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	10	10	0
<b>TOTAL:</b>	<b>10</b>	<b>10</b>	<b>0</b>

### BUDGET HIGHLIGHTS

(Executive Budget: pp. 83 - 85)

The Office of the Welfare Inspector General was established in 1992 and is responsible for the prevention, investigation, and prosecution of public assistance fraud. The Agency completes hundreds of new investigations each year to uncover and stop fraudulent activity, thereby generating cost savings for the State, federal, and local governments funding these public assistance programs.

The Office of the Welfare Inspector General is included in the Education, Labor, and Family Assistance appropriation bill.

#### State Operations

The Executive recommends an appropriation totaling \$1,130,000, representing an increase of \$24,000 over SFY 2004-05 levels. This \$24,000 increase can be broken down into a \$14,200 increase for equipment costs, an \$8,500 increase in contractual services, a \$900 increase in the

cost of supplies and materials, and a \$400 increase in travel costs. Personal service appropriations remain unchanged at \$755,000.

The Agency is allocated 10 full time equivalent positions for SFY 2005-06, which is consistent with 2004-05 staffing levels.

## MISCELLANEOUS: EDUCATION, LABOR & FAMILY ASSISTANCE

	Adjusted Appropriation 2004-05	Executive Request 2005-06	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	332,000	2,332,000	2,000,000	602.4%
Special Revenue-Other	723,000	734,000	11,000	1.5%
Special Revenue-Federal	30,000,000	30,000,000	0	0.0%
Capital Projects Fund - Authority Bonds	0	250,000,000	250,000,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>31,055,000</b>	<b>283,066,000</b>	<b>252,011,000</b>	<b>811.5%</b>

### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2004-05	Requested 2005-06	Change
General Fund:	0	20	20
<b>TOTAL:</b>	<b>0</b>	<b>20</b>	<b>20</b>

### BUDGET HIGHLIGHTS

(Executive Budget: pp. 395 - 421)

#### State Operations

#### **Office of Educational Accountability and Efficiency**

The Executive Budget proposes to create the Office of Educational Accountability and Efficiency (OEAE) with a \$2,000,000 appropriation for SFY 2005-06 to support it. Twenty Full Time Equivalent (FTE) positions would be funded through this General Fund appropriation. Funding would be supplemented by an appropriation earmarked for auditing school district finances. The OEAE would be headed by an Executive Director appointed by the Governor. The Office would be responsible for tracking and reporting on the performance of public schools, reviewing and approving school improvement plans and evaluating the financial condition of school districts.

The Office OEAE) is included in the Education, Labor and Family Assistance appropriation bill.

## Capital Projects

### **Higher Education Facilities Capital Matching Grants Program**

The Executive proposes an appropriation of \$250,000,000 in SFY 2005-06 for the creation of a new Higher Education Facilities Capital Matching Grants Program. This program would allow eligible projects that meet a requirement of having a 3:1 match of Private and State funds, to receive a capital grant pursuant to a competitive review process. No more than \$150,000,000 in grants would be available on a competitive basis for the following sectors of higher education: independent colleges and universities; the State University of New York; and the City University of New York. Eligible projects would include academic facilities, high technology/economic development projects, wet labs, and urban renewal/historic preservation projects. Funds would be allocated by the newly created Higher Education Capital Investment Review Board, composed of seven appointees of which three voting members would be appointed by the Governor. An additional \$100,000,000 would also be provided to independent colleges and universities and would be allocated by a formula. Of this amount, \$10,000,000 would be allocated evenly across independent colleges and universities, \$45,000,000 would be allocated based on a school's proportion of statewide full-time equivalent enrollment, and \$45,000,000 allocated based on a school's proportion of total statewide TAP expenditure.

### Article VII

The Executive proposal includes Article VII provisions that would make statutory changes to allow for the implementation of a Higher Education Capital Matching Grants Program.