

COUNCIL ON THE ARTS

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	49,156,000	53,566,000	4,410,000	9.0%
Special Revenue-Other	4,332,000	3,993,000	(339,000)	-7.8%
Special Revenue-Federal	1,513,000	1,513,000	0	0.0%
Total for AGENCY SUMMARY:	55,001,000	59,072,000	4,071,000	7.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	55	55	0
TOTAL:	55	55	0

Agency Mission

(Executive Budget: pp. 25-29)

The New York State Council on the Arts (NYSCA) is responsible for overseeing and administering the cultural and artistic resources of the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. NYSCA is also responsible for administering grants to local non-for-profit arts organizations.

Budget Detail

The State Fiscal Year (SFY) 2007-08 Executive Budget provides an All Funds appropriation of \$59,072,000. This includes a \$922,000 decrease in State Operations appropriation from SFY 2006-07 levels, and a \$4,993,000 increase in Aid to Localities appropriation from

SFY 2006-07 levels. The Agency currently has 55 full time equivalents. This reflects no change from SFY-2006-07 levels.

State Operations

Proposed Increases

- The Executive proposes a \$471,000 increase to reflect a \$410,000 or 7.5% increase in administrative personal/nonpersonal costs; \$16,000 or 2.6% increase in personal nonpersonal costs in the Empire State Performing Arts Center Corporation; \$45,000 or 2.1% increase in personal/nonpersonal costs in the New York State Theatre Institute Corporation. Increases are due to temporary employees becoming permanent and employees moving from federal to state payroll.

Proposed Decreases

- The Executive proposes a decrease of \$1,393,000 reflecting the shift of \$993,000 from State operations to Aid to Localities in order to allow for greater authority to spend more through local assistance grants. In addition, the Executive eliminates a \$400,000 appropriation to reflect the elimination of the Combined Gifts, Grants and Bequest Fund.

Aid to Localities

Proposed Increases

The Executive proposes the following increases in the SFY 2007-08 Budget:

- \$4,000,000 for State Financial Assistance for the Arts from the SFY 2006-07 level of \$43,500,000 to \$47,500,000 for SFY 2007-08; and
- \$993,000 to reflect a shift of funds from the Federal/State Operations fund to Federal/Aid to Localities in order to allow for greater authority to spend more funding through local assistance grants.

Article VII

The Executive recommends Article VII legislation that would amend Section 40.05 of the Arts and Cultural Affairs Law to allow the Chancellor to designate a member from the Board of Regents to sit on the New York State Cultural Education Trust board.

CITY UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,090,037,419	1,127,507,800	37,470,381	3.4%
Special Revenue-Other	208,500,000	145,000,000	(63,500,000)	-30.5%
Capital Projects Fund	337,080,000	225,000,000	(112,080,000)	-33.3%
Capital Projects Fund - Bondable	0	40,800,000	40,800,000	--
Fiduciary	1,548,683,600	1,620,518,900	71,835,300	4.6%
Total for AGENCY SUMMARY:	3,184,301,019	3,158,826,700	(25,474,319)	-0.8%

Agency Mission

(Executive Budget: pp. 33-37)

The City University of New York (CUNY) is the third largest public university system in the nation. There are 19 campuses, including nine senior campuses, seven community colleges, one technical college, a graduate school and an affiliated medical school. CUNY's mission is to provide affordable higher education with a focus on the urban community of New York City.

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following proposals:

- \$71,835,300 increase in State Support for CUNY senior colleges to \$999,126,900;
- maintenance of tuition at CUNY senior colleges at \$4,000, with no increase planned for 2007-08;
- a \$100 per full-time equivalent (FTE) student increase in CUNY Community College Base Aid, increasing support from \$2,525 per FTE to \$2,625 per FTE; and
- establishing, through Executive Order, of a Commission on Public Higher Education that would work to develop recommendations for improving of CUNY.

Budget Detail

The Executive recommends an All Funds appropriation of \$3,158,826,700, a reduction of \$25,474,319 or .8% from the SFY 2006-07 level.

State Operations

The Executive recommends a total Senior College Academic Year operating budget of \$1,620,518,900, a \$98,335,300 increase over adjusted SFY 2006-07 levels. State Support totals \$999,126,900, an increase of \$71,835,300 over SFY 2006-07 levels.

Proposed Increases

The Executive requests \$999,126,900 in State Support for CUNY Senior Colleges that includes a \$71,835,000 increase over SFY 2006-07 funding levels comprised of the following:

- \$40,268,000 for fringe benefit costs at Senior Colleges;
- \$26,500,000 transferred from the City University Tuition Reimbursable Account into the Tuition Offset account which represents SFY 2006-07 graduate tuition revenue generated by Trustee actions in SFY 2005-06;
- \$11,438,000 in personnel and non-personnel service inflationary increases;
- \$11,103,000 for collective bargaining increases for SFY 2007-08;
- \$5,027,000 for inflationary costs on pre-existing leases and increased energy usage; and
- \$4,000,000 for the Empire Innovation Program to support critical research projects, academic programs, and Master Plan Initiatives at CUNY.

Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$1,127,507,800 for SFY 2007-08, representing a \$37,470,381 increase over SFY 2006-07 levels. Of this appropriation \$937,354,000 would support the SFY 2007-08 costs for operating CUNY Senior Colleges, and \$168,153,800 would support CUNY community colleges. Within this appropriation, funding is maintained for CUNY childcare (\$865,000), College Discovery (\$839,300), and Contract Courses for workforce development (\$2,000,000).

Proposed Increases

The Executive Proposal would provide CUNY community colleges \$168,153,800 for SFY 2007-08, representing a \$4,776,831 net increase over SFY 2006-07 levels comprised of the following:

- \$4,625,831 resulting from a \$100 increase in CUNY Community College Base Aid; and
- \$4,539,000 for Rental aid for leased space which is a \$151,000 increase over SFY 2006-07 levels.

Capital Projects

The Executive proposes a capital projects appropriation of \$265,800,000, a reduction of \$71,280,000 from SFY 2006-07 levels due to the non-recurrence of capital projects. The Executive proposes to commence a new 5-year CUNY capital plan in SFY 2008-09. The SFY 2007-08 Executive proposal includes appropriations for the following capital projects:

- \$55,300,000 for the Science Facility at City College;
- \$30,000,000 for the Central Plant at City College;
- \$30,000,000 for the Marshak Building at City College;
- \$30,000,000 for Preservation of Facilities projects;
- \$20,000,000 for Health and Safety Critical Maintenance projects;
- \$20,000,000 for Fitterman Hall at the Borough of Manhattan Community College;
- \$15,000,000 for capital improvement costs at Senior Colleges;
- \$14,500,000 for the Advanced Science Research Center at City College;
- \$11,100,000 for the Central Utilities Plant Expansion at Lehman College;
- \$5,000,000 for structural repairs at the Pearl Street Building at New York City College of Technology;
- \$14,500,000 for the Voorhees Building Façade at New York City College of Technology;
- \$11,000,000 for Academic Building I at Medgar Evers College;
- \$2,400,000 for Health and Safety Needs;
- \$1,500,000 for preservation of facilities needs at community colleges; and
- \$900,000 for Mechanical System Upgrades at Bronx Community College.

The Executive proposes an increase in CUNY's bond cap of \$226,000,000 to cover CUNY's new capital appropriations for a total bonding authorization of \$5,800,000,000.

Deficiency Request

The Executive requests a deficiency appropriation of \$23,460,000 to cover mandated collective bargaining costs, on-going costs of the CUNY tuition reimbursement program, and higher than anticipated energy costs from the SFY 2005-06. An additional deficiency appropriation of \$8,100,000 is necessary to cover additional collective bargaining costs and on-going costs of the CUNY tuition reimbursement program.

EDUCATION DEPARTMENT

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	16,620,019,700	17,500,114,600	880,094,900	5.3%
Special Revenue-Other	7,110,109,400	8,015,155,400	905,046,000	12.7%
Special Revenue-Federal	4,025,555,500	4,086,715,100	61,159,600	1.5%
Capital Projects Fund	47,200,000	78,900,000	31,700,000	67.2%
Internal Service Fund	24,244,000	27,181,000	2,937,000	12.1%
Total for Agency:	27,827,128,600	29,708,066,100	1,880,937,500	6.8%
Total Contingency:	5,172,000	4,137,000	(1,035,000)	-20.0%
Total for AGENCY SUMMARY:	27,832,300,600	29,712,203,100	1,879,902,500	6.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	376	453	77
All Other Funds:	2,701	2,721	20
TOTAL:	3,077	3,174	97

Agency Mission

(Executive Budget: pp. 39-52)

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department oversees public elementary and secondary education programs throughout New York and promotes educational excellence, equity and cost-effectiveness. The mission of the State Education Department is to raise the knowledge, skill level and opportunity of all the people in New York.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following proposals:

- an overall four year increase of \$7,000,000,000 in School Aid funding, which would bring total funding from \$17,700,000,000 in 2006-07 to \$24,700,000,000 in School Year (SY) 2010-11. Of this increase, \$4,800,000,000 would be in Foundation Aid with the remaining increase occurring in other aids;
- a total increase of \$1,412,920,000 in General Support for Public Schools (GSPS) for SY 2007-08 of which \$981,590,000 is an increase in Foundation Aid;
- Foundation Aid to provide a total of \$13,529,470,000 in support to local school districts in SY 2007-08, growing to \$17,300,000,000 by SY 2010-11;
- an expansion of Universal Prekindergarten (UPK) to full universality over four years, increasing funding by \$98,830,000 in SY 2007-08 and \$349,000,000 by SY 2010-11, for a fully funded program of \$645,000,000;
- an increase in the charter school cap from 100 to 250 schools, with the Board of Regents, SUNY, and the Chancellor of the City of New York each authorized to approve 50 new charter schools;
- new Charter School Transitional Aid of \$15,240,000 that would go to five school districts that have been and would be impacted by a concentration of charter schools;
- new accountability measures including requiring districts that receive significant increases in Foundation Aid to enter into Contracts for Excellence which would outline plans to spend new State funding on measures proven to improve student performance; and
- a State Operations funding increase of \$20,000,000 for SED to implement new accountability initiatives, including monitoring and assessing school district progress toward meeting achievement standards and intervening when schools fail to improve.

Budget Detail

For the SY 2007-08, the Executive provides an increase of \$1,412,920,000 in GSPS over SFY 2006-07 levels, for total funding of \$19,157,880,000, a 7.96 percent increase over the prior year. The Executive appropriates \$29,708,066,100 on an All Funds basis to the Education Department in SFY 2007-08. The Executive proposes an increase of 97 full-time equivalent (FTE) funded positions.

State Operations

Proposed Increases

- The Executive proposes \$20,000,000 for SED to implement new accountability initiatives. The Department would monitor and assess school district progress toward meeting achievement standards, and intervene when schools fail to improve.

Aid to Localities

FORMULA BASED AIDS

Proposed Increases

With request to Foundation Aid:

- The executive proposes \$1,412,920,000 in School Aid for SY 2007-08, of which \$981,590,000 is an increase in Foundation Aid.
- Foundation Aid would provide \$13,529,470,000 to support local school districts in 2007-08. The Foundation Aid Formula would hold districts harmless to a consolidated base, and every district would receive a minimum three percent increase over base level.
- The formula is based on the average cost of educating students in successful schools and is adjusted for regional cost differences, poverty levels, and pupils with limited English proficiency. It uses enrollment rather than attendance. In addition, the formula would be weighted for special education needs and would provide for an expected, but not mandated local contribution.
- The Foundation Aid Formula would consolidate Flex Aid, Public Excess Cost Aid (not including High Cost Aid), Sound Basic Education Aid, Supplemental Extraordinary Needs Aid, Limited English Proficiency, Class Size Reduction, Growth Aid, Enrollment Adjustment, Operating Reorganization Incentive, Tax Limitation Aid, High Tax Aid, Teacher Support Aid, Magnet School Aid, Categorical Reading, Improving Pupil Performance, Aid to Small City School Districts and Fort Drum.

The Executive also proposes:

- to consolidate Universal Prekindergarten, Supplemental Universal Prekindergarten, and Targeted Prekindergarten into a single Universal Prekindergarten program which would be funded at \$394,450,000 in SY 2007-08, an increase of \$98,830,000 over SY 2006-07. Funding would be increased by \$349,000,000 over

four years for a total of \$645,000,000, making the program fully universal by SY 2010-11. Funding would be distributed through a foundation-type formula, and grants would range from \$250 per child to \$5,750 per child;

- separating High Cost Excess Cost Aid from Public Excess Cost Aid and maintaining this formula at its present law level of \$375,990,000, an increase of \$35,845,000 over SY 2006-07;
- continuing Private Excess Cost Aid at its present law level of \$231,467,000, a \$17,276,000 increase over SY 2006-07;
- continuing BOCES Aid at its present law level of \$622,630,000, a \$37,550,000 increase over SY 2006-07;
- continuing Transportation Aid at its present law level of \$1,417,510,000, which is an \$81,140,000 increase over SY 2006-07;
- changing Building Aid by the deferring of payments for school construction projects without a contract signed as of November 15, 2006, and provides funding of \$1,670,050,000. This proposal represents an increase of \$23,804,000 over SY 2006-07 and a reduction of \$99,220,000 from present law levels;
- paying \$112,000,000 for the debt service of the EXCEL program, of which \$94,000,000 is attributed to New York City;
- increasing the per pupil allotment for Library Materials Aid from \$6.00 per pupil to \$6.25 per pupil for a total of \$19,800,000, an increase of \$650,000 over SY 2006-07;
- maintaining computer Hardware and Computer Software at present law levels, with an aggregate increase of \$580,000 over SY 2006-07;
- increasing the per pupil allotment for Textbook Aid from \$57.30 per pupil to \$58.25 per pupil, which is an increase of \$1,490,000 over SY 2006-07;
- funding a Supplemental Educational Improvement Plan in the amount of \$8,500,000 that would be provided to the Yonkers City School District; and
- creating Charter School Transition Aid of \$15,240,000 which would go to five school districts that have been impacted by a concentration of charter schools: Buffalo - \$11,292,000; Albany - \$2,526,000; Schenectady - \$780,000; Roosevelt - \$380,000; and Lackawanna - \$263,000.

Proposed Decreases

The Executive proposes the following:

- modifying the calculation for conversion to a Full Day Kindergarten program to conform to the use of a Foundation Aid Formula, resulting in funding of \$1,660,000, a decrease from the present level of \$480,000;
- consolidating Class Size Reduction Aid and Small Cities Aid into the Foundation Aid Formula base. In SY 2006-07 these programs were funded at \$140,000,000 and \$81,880,000, respectively;
- continuing Special Services Aid at the present law level of \$137,000,000, which is a decrease of \$5,570,000 from SY 2006-07; and
- continuing reorganization Building Aid at its present law level of \$14,719,000, which is a decrease of \$640,000 from SY 2006-07.

GRANT PROGRAMS AND OTHER AID CATEGORIES

The Executive proposes:

- modifying the calculation of the Voluntary Urban-Suburban Transfer Program to conform to the use of the Foundation Aid Formula so that this program remains funded at its SY 2006-07 level of \$1,130,000; and
- maintaining funding for Math and Science Initiatives, School Health Services, Roosevelt, Employment Preparation Education (EPE), Homeless Pupils, Incarcerated Youth, Bilingual Education, Special School Districts, BOCES Aid for Special Act Districts, Learning Technology Grants, and Bus Driver Safety at SY 2006-07 levels.

Proposed Increases

The Executive proposes:

- \$4,000,000 for a Rochester Community Schools Pilot program, a new program;
- \$2,000,000 in Full-Day Kindergarten planning grants, a new program;
- funding Fiscal Stabilization Grants at \$45,090,000, an increase of \$950,000 over SY 2006-07;
- funding the Education of OMH / OMR Pupils at its present law level of \$54,600,000, an increase of \$2,600,000 over SY 2006-07; and

- funding Native American Education at its present law level of \$34,200,000, an increase of \$3,900,000 over SY 2006-07.

Proposed Decreases

The Executive proposes:

- funding Native American Building at its present law level of \$2,500,000, which is \$7,500,000 less than SY 2006-07; and
- consolidating Magnet Schools, Categorical Reading, Improving Pupil Performance, and Fort Drum into the Foundation Aid base. In SY 2006-07, these programs were funded at \$170,030,000, \$63,950,000, \$66,350,000, and \$3,490,000, respectively.

TEACHER PROGRAMS

The Executive proposes:

- maintaining Teacher Resource and Computer Training Centers at \$37,000,000, which is a continuation of SY 2006-07 funding levels; and
- funding Teachers of Tomorrow and the Teacher Mentor Internship Program would be funded at last year's levels of \$25,000,000 and \$6,000,000, respectively.

Proposed Increases

- The Executive proposes funding the National Board for Professional Teaching Standards Certification at \$500,000.

Proposed Decreases

- The Executive proposes consolidating Teacher Support Aid into the Foundation Aid base. In SY 2006-07, this program was funded at \$67,480,000.

OTHER ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

The Executive proposes:

- Funding \$750,000 for the Health Education Program, which is the same level of funding as SY 2006-07;
- maintaining Adult Basic Education funding at \$2,000,000 and Adult Literacy Education at \$5,324,700;

- continuing Apprenticeship Training, Consortium for Worker Education (CWE), and Workplace Literacy at their SY 2006-07 levels of \$1,830,000, \$11,500,000, and \$1,376,100, respectively;
- maintaining Non-Public School aid at \$87,500,000 and Academic Intervention Services for Non-Public Schools at \$1,000,000;
- continuing Extended Day/School Violence Prevention at \$30,200,000; and
- funding Migrant Workers, Transferring Success, School Lunch/Breakfast, Statewide School Safety Centers, Citizenship and Character Education, SURR Schools, Primary Mental Health Project, Summer Food Program, Charter School Start Up Grants, Math and Science High Schools, Missing Children, Prior Year Claims, and the SUNY Center for Autism would also be funded at SY 2006-07 levels.

Proposed Decreases

The Executive proposes discontinuing:

- funding for Tuition Adjustment Aid, or Shared Services Savings Incentive Aid, which were funded in SY 2006-07 at \$1,175,000 and \$200,000, respectively; and
- funding for the New York State Historical Association, the Rural Education Advisory Council, or the College of St. Rose Lab Renovation, which were funded in SY 2006-07 at \$180,000, \$100,000, and \$500,000, respectively.

VESID

The Executive proposes maintaining the following programs at SY 2006-07 levels:

- Case Services at \$54,600,000;
- Supported Employment at \$15,402,000;
- Independent Living Centers at \$11,730,600;
- Salary enhancements for teachers who teach in private schools for students with disabilities at \$2,000,000;
- Early Childhood Directions Centers at \$656,000; and
- College Readers Aid at \$300,000.

CULTURAL EDUCATION

The Executive proposes continuing Library Aid at \$97,200,000.

Proposed Increases

The Executive proposes:

- funding Educational Television and Radio at \$18,830,000, an increase of \$2,000,000 over SY 2006-07; and
- Capital funding of \$14,000,000 for library construction and renovation.

HIGHER EDUCATION AND THE PROFESSIONS

The Executive proposes that the Office of Higher Education and the Professions receive an All Funds appropriation of \$167,775,000. Funding levels are maintained at 2006-07 levels for the Liberty Partnerships Program (\$12,018,000), Higher Education Opportunity Program (\$24,200,000), Postsecondary Aid to Native Americans (\$635,000), Science and Technology Entry Program and the Collegiate Science and Technology Entry Program (\$19,000,000), and the Teacher Opportunity Corps Programs (\$713,000).

Proposed Decreases

- The Executive proposes decreasing unrestricted aid to Independent Colleges (Bundy Aid) by \$4,200,000 from its SY 2006-07 level to \$42,038,000.

Capital Projects

The Executive proposes:

- \$60,000,000 for construction of a new storage facility for the collections of the State Museum, Library, and Archives;
- \$14,000,000 for library construction and renovation; and
- \$4,900,000 for various minor rehabilitation projects.

Article VII

The Executive recommends Article VII legislation that would:

- require the Commissioner to promulgate regulations prescribing uniform quality standards for certain pre-kindergarten programs; which would provide that school districts adopt curriculum standards to ensure a strong instructional content in their pre-kindergarten and

promote implementation of programs in alternative settings including libraries and community based organizations;

- require the Regents to periodically conduct a review and evaluation of the Regents learning standards according to a schedule established by the Regents. A review of the English Language Arts standards would be completed by the end of the SY 2007-08;
- provide for the Commissioner and the Regents to develop and implement an enhanced State accountability system which would provide for the use of growth measures in the State testing program including a value added assessment model;
- direct the Regents and the Commissioner to establish targets for school improvement based on State assessments, graduation rates, college attendance and completion rates; and establish an individual student progress report;
- require the Commissioner to significantly increase the number of schools required to restructure or reorganize under the Schools Under Registration Review (SURR) process and develop a process for State intervention in such schools;
- require that School Superintendent contracts provide for their dismissal after poor district performance over a period of four years. The standards for deficient performance would be defined by the Commissioner and the Regents who would also provide for assistance by Distinguished Educators. The Commissioner and Regents would establish a Distinguished Educator program;
- provide for the removal of a Board of Education or individual members of the Board after poor district performance after six years;
- develop school leadership and school progress report cards;
- require the Commissioner to evaluate the effectiveness of teacher preparation programs in the State;
- direct the Commissioner to explore the development of an individual student performance tracking system from pre-kindergarten through college, linking students with teachers;
- requires the Regents and Commissioner to consider means of expanding alternative teacher certification programs;
- modify the teacher tenure process including establishing a procedure for the Board of Regents to set rules for the standards and procedures for tenure determination which would include a process for the evaluation of the candidate's effectiveness in contributing to the successful performance of his or her students;

- require certain school districts to submit a Contract for Excellence. The Commissioner would establish allowable uses for funding including increased time-on-task, teacher quality initiatives including incentives for highly qualified teachers to work in low performing schools, middle and high school restructuring, and full day pre-kindergarten and other programs to improve student achievement. Such activities would be submitted in a plan and approved by the Commissioner; plans would be developed in consultation with teachers, parents and administrators in a public process ;
- provide for a maintenance of effort provision certified by an independent accountant as part of the Contract for Excellence;
- modify the payment schedule for Library Capital Construction Aid;
- require the Commissioner to review classification rates of students with disabilities and identify districts with disproportionate rates of identification and placement;
- provide for maintenance of effort (MOE) provision for Buffalo, Rochester, Syracuse and Yonkers;
- continue the provision requiring an education plan for pupils with Limited English Proficiency;
- provide for a plan of services for approved educational costs for students with disabilities;
- require certain low performing or high need school districts to make Full Day Kindergarten programs available to all children in the districts by SY 2010-2011;
- increase the charter school cap from 100 to 250, with the Regents, the Chancellor of the School District of the City of New York and the SUNY Charter School Institute each approving 50 of these additional schools;
- provide transitional aid for charter school payments to certain school districts;
- modify the schedule for the approval and opening of charter schools and provide for notification requirements of charter schools applications and renewals to the local school districts;
- continue a program to recruit math and science teachers in low performing schools within the Teachers of Tomorrow program;
- create a Full Day Kindergarten Transition Planning Grants program;

- provide for the implementation of a Universal Prekindergarten program and modify the process for the adoption of a program; modify existing Universal Prekindergarten aid provisions;
- create the Supplemental Educational Improvement Grant program for the Yonkers City School District;
- create the Excelsior Scholars program for seventh grade math and science summer programs to be conducted at colleges and universities;
- continue the Summer Institute for teachers of math and science;
- provide for the continued disbursement of Library Aid;
- extend the authority of school districts to enter into contracts for school bus leases for one year;
- create a School District Efficiency Review Program to assist school districts in identifying administrative or operational cost savings;
- continue the provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contributions;
- create a Temporary Taskforce on Preschool Special Education to study the relationship between early childhood programs, their system of delivery and review their funding methodology;
- modify the structure of the Boards of Education of certain large city school districts by providing for appointments by the mayors on the school boards; and
- provide for technical implementation of the Foundation Aid formula and necessary conforming changes in calculating any other school aid formulas.

Deficiency Request

The Executive requests a deficiency appropriation of \$63,800,000 for the Federal Medicaid revenue offset due to projected shortfalls in school district claiming for School Supportive Health Services. The Executive also requests \$1,800,000 for private schools for the blind and deaf in order to fund approved inflationary adjustments.

OFFICE OF CHILDREN AND FAMILY SERVICES

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,665,534,500	1,846,177,000	180,642,500	10.8%
Special Revenue-Other	136,012,000	133,112,000	(2,900,000)	-2.1%
Special Revenue-Federal	1,479,948,000	1,482,264,000	2,316,000	0.2%
Capital Projects Fund	1,825,000	1,825,000	0	0.0%
Youth Facilities Improvement Fund	36,635,000	36,635,000	0	0.0%
Internal Service Fund	100,000	100,000	0	0.0%
Enterprise	475,000	475,000	0	0.0%
Total for AGENCY SUMMARY:	3,320,529,500	3,500,588,000	180,058,500	5.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	3,226	3,427	201
All Other Funds:	644	632	(12)
TOTAL:	3,870	4,059	189

Agency Mission

(Executive Budget: pp. 53-61)

The Office of Children and Family Services (OCFS) is responsible for coordinating a system of support to help families to achieve and to maintain self-sufficiency and to provide for the well-being of their children. The Office administers a broad range of child welfare programs, child care programs, adult protective programs and delinquency prevention programs, as well as residential and non-residential services for New York State's juvenile justice system. The Office also supervises services to the blind and visually handicapped.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- combined Federal, State and local funding of \$533,000,000 for the Child Care Block Grant, which includes an increase of \$4,100,000 in General Fund support from the current fiscal year. Local districts may request additional support for child care from the Flexible Fund for Family Services;
- legislation to make permanent the current child welfare financing methodology which consists of the Foster Care Block Grant, 65 percent reimbursement for Preventive Services and the Child Welfare Quality Enhancement Fund;
- two hundred additional staff for OCFS-operated residential facilities for youth in the juvenile justice system;
- legislation to create a new, independent Office for the Blind (OFB) to replace the Commission for the Blind and Visually Handicapped (CVBH); and
- continued support for program initiatives in the Legislature's Child Protective and Abuse Prevention package that were implemented in SFY 2006-07, including, but not limited to: caseload reduction, preventive services, caseworker education and training, enhanced services within child advocacy centers, a "zero tolerance" public information campaign, mandated reporter training, and the expansion of child fatality review teams.

Budget Detail

The Executive proposes All Funds appropriations totaling \$3,500,588,000, a net increase of \$180,058,500, or 5.4 percent over SFY 2006-07. Agency appropriations will support a workforce of 4,059 full-time equivalent (FTE) positions.

State Operations

For SFY 2007-08, the Executive recommends General Fund State Operations appropriations totaling \$258,127,000, a net increase of \$24,195,000 or 10.34 percent above the SFY 2006-07 appropriation.

Proposed Increases

The Executive proposes the following increases:

- \$15,230,000 in CONNECTIONS funding to offset the depletion of federal reserves to date, as a result of General Fund spending that outpaced federal reimbursement;

- \$7,580,000 to support the increase in personal service costs associated with collective bargaining agreements, as well as other fixed cost increases related to inflation;
- \$5,090,000 to support an Office for Technology rate increase;
- \$3,946,000 to support 182 additional direct care workers and 18 mental health staff in OCFS operated youth facilities; and
- \$1,300,000 to support 24 FTEs needed to implement a Medicaid Waiver that will permit children in foster care with multiple health needs to obtain services not currently available.

Proposed Decreases

The Executive proposes the following decreases:

- \$4,000,000 in savings from the conversion of former CONNECTIONS contract staff to State employee status;
- \$3,360,000 from a 5 percent reduction in non-personal service costs; and,
- \$1,339,000 in savings from the proposed closure of a 25-bed non-secure facility in Cattaraugus County (Great Valley), two residential homes in Mount Vernon and Brooklyn, and one vacant home in Gloversville. The savings would be effective on October 1, 2007, and would require passage of Article VII legislation.

Aid to Localities

The Executive recommends an All Funds appropriation of \$2,956,955,000 in Aid to Localities for SFY 2007-08, a net increase of \$159,547,500 or 5.7 percent above the appropriations for the current fiscal year.

For SFY 2007-08, the Executive proposes an appropriation of \$533,000,000 in combined State, Local, and Federal funding for the Child Care Block Grant. Within this amount, General Fund support to local social services districts is increased by \$4,100,000, for a total of \$140,166,000. Local social services districts will be able to request additional support for child care from the Flexible Fund for Family Services (FFFS) which the Executive proposes to reauthorize with a \$1,008,000,000 allocation of funds from the Temporary Assistance to Needy Families (TANF) Block Grant.

The Executive proposes Article VII legislation to make permanent the current child welfare financing methodology which consists of the foster care block grant, 65 percent reimbursement for preventive services, and the child welfare quality enhancement fund. In return, local districts will

be required to invest in performance-based preventive services, with the goal of decreasing the number of foster care placements and reducing the length of stay in foster care.

In SFY 2006-2007, \$13,382,000 was provided for various children and family initiatives. The Executive proposes to reprogram \$7,610,000 of that amount to statewide programs in OCFS as follows: \$1,250,000 to preventive services, \$500,000 to child advocacy centers, \$700,000 to advantage schools, \$200,000 to home visiting, \$250,000 to the kinship program, \$610,000 to migrant child care, and \$4,100,000 reprogrammed to General Fund child care subsidies.

Proposed Increases

The Executive proposes the following increases:

- \$83,900,000 to support the projected increase in claims from local governments for 65 percent reimbursement for services to prevent child abuse and neglect;
- \$36,300,000 to support the second year of a cost of living adjustment (COLA) to foster care providers and foster parents;
- \$16,100,000 for adoption subsidies to support projected caseload growth, as well as the second year of the COLA, enacted in SFY 2006-07 ;
- \$5,100,000 for an increase in secure/non-secure detention claims for reimbursement from local social services districts;
- \$4,800,000 to annualize the Preventive Services COLA enacted in SFY 2006-07;
- \$3,000,000 to support reimbursement of local social services districts for costs associated with Committee on Special Education placements;
- \$3,600,000 for the operation of community-based service alternatives to reduce placements in OCFS operated youth facilities;
- \$2,880,000 to phase in the first 260 slots of the requested 3,303 slots in the Medicaid Waiver to permit children in foster care with multiple health needs to obtain services not currently available;
- \$2,260,000 to operate 100 youth beds that are scheduled to open in 2007 as part of the New York/New York III Supportive Housing Agreement, for youth leaving the foster care system;
- \$1,490,000 to annualize 150 slots for the Home and Community Based Services Waiver, bringing the total number to 395 slots; and

- \$1,400,000 for the operation of community-based service alternatives to reduce non-secure detention placements.

Proposed Decreases

- The Executive proposes a decrease of \$4,650,000 related to the elimination of one-time funding proposals enacted in the current fiscal year: the 211 Information and Referral System, the Jewish Board for Family and Children Services, a Study on Sexually Exploited Youth (completed), and a Study on Caseload Standards (completed).

Article VII

The Executive recommends Article VII legislation that would:

- make permanent the current child welfare financing methodology which consists of the foster care block grant, 65 percent reimbursement for preventive services, and the child welfare quality enhancement fund;
- provide for performance measures in TANF funded programs and flexibility in the allocation of the FFFS;
- mandate performance or outcome based provisions in child welfare preventive services;
- authorize the closing of three OCFS community residential homes and the Great Valley non-secure facility in Cattaraugus County, effective October 1, 2007;
- establish a new OFB to replace the CBVH; and
- convert the OCFS Care and Maintenance account from an internal agency account into Special Revenue-Other account to improve transparency.

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,397,655,000	1,494,985,000	97,330,000	7.0%
Special Revenue-Other	184,052,000	185,579,000	1,527,000	0.8%
Special Revenue-Federal	3,462,134,000	3,495,230,000	33,096,000	1.0%
Housing Program Fund	30,000,000	30,000,000	0	0.0%
Internal Service Fund	1,200,000	1,200,000	0	0.0%
Fiduciary	20,000,000	20,000,000	0	0.0%
Total for AGENCY SUMMARY:	5,095,041,000	5,226,994,000	131,953,000	2.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	648	648	0
All Other Funds:	1,800	1,800	0
TOTAL:	2,448	2,448	0

Agency Mission

(Executive Budget: pp. 63-71)

The Office of Temporary and Disability Assistance (OTDA) is responsible for the operation of public assistance programs including Family Assistance (FA), Safety Net Assistance (SNA), Supplemental Security Income (SSI), the Federal Food Stamp (FFS) Program, the Home Energy Assistance Program (HEAP), child support services, refugee assistance programs, and homeless shelter and service programs. The Office is also responsible for administering the federal Temporary Assistance to Needy Families (TANF) block grant which provides funding for public

assistance benefits as well as for programs and services designed to assist needy families as they transition to self-sufficiency.

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

Programmatic Highlights

The Executive proposes in State Fiscal Year (SFY) 2007-08 the following:

- \$1.008 billion in federal TANF funding be allocated to local social services districts in the Flexible Fund for Family Services (FFFS) block grant program which permits those districts to use their portion of the block grant to provide support for any federally allowable TANF purpose;
- prior year legislative additions funded with TANF dollars with exception of the following:
 - ACCESS
 - ATTAIN/Technology Training
 - AFL/CIO
 - Build NY
 - Child Care Demos
 - Utica Food Bank (eligible to compete for funding under the Hunger Prevention and Nutrition Assistance Program); and
- TANF funding of \$35 million is appropriated for the Summer Youth Employment Program and \$3 million for non-residential services to victims of domestic violence.

Budget Detail

For SFY 2007-08, the Executive recommends an All Funds appropriation totaling \$5,226,994,000, which represents an increase of \$131,953,000 or 2.62 percent from SFY 2006-07 funding levels. The number of full-time equivalent (FTE) positions of 2,448 is projected to remain constant.

State Operations

Proposed Increases

- The Governor proposes an \$8,337,000 increase in General Fund appropriations for the Legal Affairs program to account for new federal regulations regarding matching of new hires against national employment lists.

Proposed Decreases

- The Governor proposes an \$8,000,000 decrease in federal spending on the Disability Determinations program, which includes a \$6,000,000 decrease in personal service costs and a \$5,000,000 decrease in fringe benefits offset by a \$3,000,000 increase in non-personal service costs.

Aid to Localities

Proposed Increases

The Executive for SFY 2007-08 proposes the following increases:

- \$112,525,000 increase in General Fund appropriations for the State reimbursement of social services district expenditures within the Temporary and Disability Assistance Program to offset a decrease in federal funding for the Earned Income Tax Credit (EITC); and
- \$29,000,000 in Special Revenue Funds-Federal appropriations within the Food Stamp Administration Program for the reimbursement of local administrative expenses for the food stamp program to allow more localities to serve safety net families.

Proposed Decreases

The Executive proposes for SFY 2007-08 the following decreases:

- \$17,000,000 in Special Revenue Funds-Federal appropriations within the Child Support Enforcement Program for the reimbursement of local administrative expenses for child support due to a reduction in the federal grant; and
- \$10,000,000 in Special Revenue Funds-Federal appropriations within the Transitional Supports and Policy Program for services and expenses of refugee programs due to a reduction in the federal grant.

Capital Projects

The Executive recommends Capital appropriations of \$25,000,000 for the Homeless Housing and Assistance Program and \$5,000,000 for the continued development of AIDS housing. Both appropriation amounts are unchanged from SFY 2006-07 spending levels.

Article VII

The Executive recommends Article VII legislation that would:

- provide for performance measurements in TANF funded programs and establish an allocation methodology for the FFFS block grant.

NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	924,303,000	907,817,000	(16,486,000)	-1.8%
Special Revenue-Other	129,455,000	120,217,000	(9,238,000)	-7.1%
Special Revenue-Federal	12,000,000	12,000,000	0	0.0%
Total for AGENCY SUMMARY:	1,065,758,000	1,040,034,000	(25,724,000)	-2.4%

Agency Mission

(Executive Budget: pp. 73-77)

The Higher Education Services Corporation (HESC) was established in 1974 and administers the State's Tuition Assistance Program (TAP), the Federal Family Education Loan Program, and other State and federal aid programs.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- Funding for the Tuition Assistance Program in the amount of \$857,219,000, which represents a net decrease of \$18,686,000 from a SFY 2006-07 adjusted funding level of \$875,905,000; and
- \$35,968,000 for various scholarships administered by HESC, which represents a \$2,200,000 increase due to costs assumed from new awards made to the New York State Math and Science Teaching Initiative Scholarship authorized in SFY 2006-07.

Budget Detail

The Executive recommends an All Funds appropriation of \$1,040,034,000 to support the operations and programs of HESC. These operations maintain an agency workforce of 700 positions in SFY 2007-08.

State Operations

The Executive recommends a total State Operations appropriation of \$121,217,000 for HESC, which is an increase of \$10,762,000 above SFY 2006-07 levels. All State Operations are funded through federal funds and costs recovered by the Corporation in administering student loan programs.

Proposed Increases

The Executive proposes an increase of \$10,762,000 in agency State Operations. This increase is due to \$5,000,000 in maintenance undistributed costs attributable to rental costs and potential moving expenses, \$3,500,000 for the agency debt management collection system, \$1,700,000 for fringe benefit and indirect cost increases, and \$581,000 for collective bargaining increases.

Aid to Localities

The SFY 2007-08 Executive Proposal maintains SFY 2006-07 funding levels for the Aid to Part-time Study Program at \$14,630,000, the Nursing Faculty Scholarship Program at \$4,000,000, and the Licensed Social Worker Loan Forgiveness Program at \$1,000,000.

Proposed Increases

The Executive proposes \$30,968,000 for the 15 scholarship programs administered by HESC serving 25,000 students. This funding level represents an increase of \$2,200,000 over SFY 2006-07 levels, reflecting the funding of awards for the Math and Science Teaching Initiative Scholarships Program enacted in that year.

Proposed Decreases

The Executive proposes an \$857,219,000 appropriation for the TAP program, reflecting a net decrease of \$18,686,000 from the SFY 2006-07 level. The recommendation includes additional General Fund support of \$10,000,000 for new Part-Time TAP awards enacted in SFY 2006-07 and \$20,000,000 to offset the non-recurrence of corporate funds that are no longer available to be used in support of the TAP program. Also reflected is an \$18,686,000 decrease due to lower TAP enrollment levels and a \$30,000,000 reduction reflecting the Executive proposal to restructure certain TAP eligibility requirements.

Article VII

The Executive recommends Article VII legislation to alter the TAP program through the following statutory changes to the Education Law:

- The Executive proposal would limit TAP awards to students attending institutions that have been approved for federal student financial aid programs authorized by Title VI of the Higher Education Act of 1965. Students attending institutions ineligible under this provision would remain eligible until 2009 if they were enrolled before SFY 2006-07, and students enrolled from SFY 2006-07 to SFY 2009-10 remain eligible until SFY 2014-15 if they attend an ineligible institution;
- The Executive proposal would require students without a degree from a recognized high school to pass an independently administered Ability to Benefit Test if first receiving an award in SFY 2006-07. Starting in SFY 2007-08, the Executive proposes abolishing the use of Ability to Benefit Tests to determine eligibility for receiving a TAP award. Eligibility would thereafter be determined by the TAP grantee's receipt of a United States based high school degree or its recognized equivalent, or by other academic standards determined by the Commissioner of Education; and
- The Executive proposal includes statutory changes that would alter academic good-standing thresholds that students must meet to remain eligible for a TAP award by making permanent the academic good standing thresholds that are previously incorporated into the HESC appropriation bill and extending the thresholds to include institutions operating on a trimester basis.

DIVISION OF HUMAN RIGHTS

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	14,492,000	14,476,000	(16,000)	-0.1%
Special Revenue-Other	65,000	50,000	(15,000)	-23.1%
Special Revenue-Federal	4,704,000	4,904,000	200,000	4.3%
Total for AGENCY SUMMARY:	19,261,000	19,430,000	169,000	0.9%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	166	166	0
All Other Funds:	37	40	3
TOTAL:	203	206	3

Agency Mission

(Executive Budget: pp. 79 -81)

The primary mission of the Division of Human Rights (Division) is to enforce the New York State Human Rights Law and to protect human rights. The Division administers the Human Rights Law, which affords protection from discrimination based on race, sex, age, military status, disability, sexual orientation, or membership in other specified classes in the law. The agency operates from its main office in New York City, as well as nine regional offices and two satellite offices.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes funding to enhance the enforcement of the Human Rights Law with respect to equal housing.

Budget Detail

The Executive proposes a total All Funds appropriation for the Division of \$19,430,000, a net increase of \$169,000.

State Operations

The Executive recommends a General Fund State Operations appropriation of \$14,476,000, a net decrease of \$16,000 from the current fiscal year funding level.

Proposed Increases

- The Executive proposes a General Fund increase of \$71,000 related to negotiated salary agreements, as well as other fixed costs related to inflation.

Proposed Decreases

- The Executive proposes a General Fund decrease of \$87,000 which reflects a 2.5 percent reduction in nonpersonal services.

The Executive recommends Special Revenue Fund-Federal appropriations totaling \$4,904,000, an increase of \$200,000, or 4.25 percent above the current fiscal year to support an increase in equal housing enforcement through the addition of three new full-time positions.

DEPARTMENT OF LABOR

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	13,461,000	1,720,000	(11,741,000)	-87.2%
Special Revenue-Other	99,316,000	78,239,000	(21,077,000)	-21.2%
Special Revenue-Federal	765,750,000	764,580,000	(1,170,000)	-0.2%
Enterprise	3,800,000,000	3,250,000,000	(550,000,000)	-14.5%
Total for AGENCY SUMMARY:	4,678,527,000	4,094,539,000	(583,988,000)	-12.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	16	16	0
All Other Funds:	3,779	3,789	10
TOTAL:	3,795	3,805	10

Agency Mission

(Executive Budget: pp. 83-88)

The Department of Labor (DOL) is the lead agency for workforce development and workplace issues. The Department is charged with administering State and federal employment and training programs. It is also responsible for the administration of the Unemployment Insurance Benefit Fund which is utilized to finance payments to out of work employees, as well as the enforcement of regulations that ensure the safety of workers in the workplace. There are six major programs in DOL: Employment and Training, Employment Relations Board, Labor Standards, Occupational Safety and Health, Unemployment Insurance Benefits, and Administration.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- ten additional positions to enforce the minimum wage law, which increased to \$7.15 an hour on January 1, 2007; and
- approximately \$27 million from various special revenue sources to fund the continuation of the Unemployment Insurance Systems Modernization project.

Budget Detail

The Executive recommends a SFY 2007-08 All Funds appropriation of \$4,094,539,000, a decrease of \$583,988,000 or 12.5 percent from SFY 2006-07. The Executive proposes an increase of 10 positions over SFY 2006-07 levels, yielding a departmental workforce of 3,805 full-time equivalents (FTEs).

State Operations

The Executive proposes State Operations appropriations totaling \$3,855,490,000, a decrease of \$515,190,000 from SFY 2006-07.

Proposed Increases

The Executive recommends the following increases in the SFY 2007-08 budget:

- \$59,452,000 in additional appropriation authority from the federally funded Unemployment Insurance Administration Fund. The extra authority is necessary in anticipation of the possibility of an extra distribution of funds pursuant to the Federal Reed Act.
- Ten additional FTEs for bi-lingual staff to enforce the increased minimum wage, adding approximately \$940,000 in salary and fringe costs.

Proposed Decreases

The Executive recommends the following decreases in the SFY 2007-08 budget:

- A decrease of \$550,000,000 in Unemployment Insurance appropriations related to fewer anticipated claims during the coming fiscal year.
- A non-recurrence of \$30,000,000 in appropriation authority for the Unemployment Insurance Interest Assessment. The State has repaid Federal borrowing and the Unemployment Trust Fund has returned to solvency eliminating the need for interest

payments. The Executive proposes to transfer the remaining funds in the Interest Assessment account to the General Fund.

Aid to Localities

The Executive proposes Aid to Localities appropriations totaling \$239,049,000, a decrease of \$72,363,000 from SFY 2006-07 funding levels.

Proposed Decreases

- The Executive recommends an appropriation of \$238,619,000 for the Workforce Investment Act (WIA), a decrease of \$60,622,000 in appropriation authority based on a lower anticipated federal grant amount.
- The Executive proposal includes a decrease of \$11,741,000 related to funding for items initiated by the Legislature.

OFFICE OF REAL PROPERTY SERVICES

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	20,800,000	20,800,000	0	0.0%
Special Revenue-Other	42,609,000	44,808,000	2,199,000	5.2%
Total for AGENCY SUMMARY:	63,409,000	65,608,000	2,199,000	3.5%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
All Other Funds:	401	401	0
TOTAL:	401	401	0

Agency Mission

(Executive Budget: pp. 89-93)

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

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget includes the following:

- A proposed middle and low income School Tax Relief (STAR) benefit that would increase basic STAR exemptions according to income, increase the enhanced STAR exemption, and increase the New York City Personal Income Tax Credit; and
- repeal of the STAR property tax rebate.

Budget Detail

State Operations

Proposed Increases

- The Executive proposes a Special Revenue appropriation for Policy and Organizational Support Services of \$44,808,000, an increase of \$2,199,000 or 5.2 percent over the SFY 2006-07 level. The increase is intended to reflect actual operating costs.

Aid to Localities

The Executive proposes a General Fund appropriation of \$20,800,000 for Aid to Localities, the same amount appropriated last year.

Proposed Increases

- Within the General Fund appropriation, the Executive proposes an increase of \$1,250,000 for payments to local governments pursuant to the rail infrastructure investment act.

Proposed Decreases

- Within the General Fund appropriation, the Executive proposes a decrease of \$1,250,000 for financial incentives for local government assessment improvement.

Article VII

The Executive recommends Article VII legislation that would create a low and middle income STAR Benefit which would:

- repeal the STAR property tax rebate and increase basic STAR exemptions according to an income-based sliding scale. This benefit would increase the basic STAR exemption by 80 percent in the program's first year for homeowners with incomes of less than \$60,000. The income limit would be \$80,000 in the New York City Metropolitan Area to account for the higher cost of living. For homeowners with incomes in excess of \$60,000 or \$80,000, depending on location, the increase in exemption amounts would decrease as incomes approached \$235,000. Exemption amounts would increase by an additional 10 percent in SFY 2008-09 and SFY 2009-10;
- increase the SFY 2007-08 senior exemption by 30 percent over the SFY 2006-07 exemption amount. In SFY 2008-09, the senior STAR exemption would be 40 percent greater than the

SFY 2006-07 exemption. In future years, the enhanced exemption would increase based on inflation; and

- increase the New York City Personal Income Tax (PIT) Credit. For married filing jointly taxpayers, the credit would increase from \$230 to \$300 in 2007, to \$320 in 2008 and to \$340 thereafter. The credit for single filers would increase at commensurate levels. Taxpayers with incomes greater than \$235,000 would not receive an increase the New York City PIT credit.

STATE UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,590,540,500	2,751,086,700	160,546,200	6.2%
Special Revenue-Other	3,963,087,600	4,049,347,600	86,260,000	2.2%
Special Revenue-Federal	230,500,000	250,500,000	20,000,000	8.7%
State University Residence Hall Rehabilitation Fund	350,000,000	0	(350,000,000)	-100.0%
Capital Projects Fund - Bondable	486,226,000	379,700,000	(106,526,000)	-21.9%
Capital Projects Fund - Authority Bonds	82,636,000	0	(82,636,000)	-100.0%
Internal Service Fund	12,000,000	12,000,000	0	0.0%
Total for AGENCY SUMMARY:	7,714,990,100	7,442,634,300	(272,355,800)	-3.5%

Agency Mission

(Executive Budget: pp. 95-102)

The State University of New York (SUNY) is the largest public university system in the nation. It consists of 64 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 in the Education, Labor, and Family Assistance appropriation bill.

Programmatic Highlights

The State Fiscal Year (SFY) 2007-08 Executive Budget proposes the following:

- \$66,665,700 increase in State Support for operating expenses from an adjusted \$2,313,265,000 in SFY 2006-07 to \$2,379,930,700 in SFY 2007-08;
- maintaining tuition at \$4,350, with no increase planned for SFY 2007-08;
- a \$100 per full-time equivalent (FTE) student increase in SUNY Community College Base Aid , increasing support from \$2,525 per FTE to \$2,625 per FTE; and
- establishing, through Executive Order, a Commission on Public Higher Education that would work to develop recommendations for the improvement of SUNY.

Budget Detail

State Operations

For SFY 2007-08 the Executive proposes a total General Fund operating budget of \$2,310,253,700 for State operated campuses. This represents a \$143,211,700 or 6.6% increase above an adjusted SFY 2006-07 level of \$2,167,042,000.

Proposed Increases

The Executive proposes the following General Fund State Operations appropriation increases:

- \$81,456,000 for fringe benefits at State operated campuses;
- \$32,598,000 for collective bargaining increases at State operated campuses;
- \$20,878,000 to support inflationary and energy cost increases;
- \$6,980,000 reflecting the transfer of funding for agricultural and equine research services for Cornell University from the Department of Agriculture and Markets to SUNY;
- \$6,000,000 to the Empire Innovation Program bringing total funding levels to \$12,000,000. Additional funds allow for the hiring of 33 additional faculty and an increased ability to attract research grants to SUNY campuses;
- \$2,300,000 for Educational Opportunity Centers from \$48,317,000 in SFY 2006-07 to \$50,617,000 in SFY 2007-08; and
- a \$2,910,000 increase to State Operated Campuses based on an enrollment adjustment providing increased tuition revenue.

The Executive proposes the following Special Revenue Fund – Other appropriations:

- a \$10,000,000 increase for the Dormitory Income Reimbursable Account over SFY 2006-07 appropriations;
- \$4,910,000 increase for the General Revenue Offset Account for non-recurring adjustments such as fringe benefit waivers and enrollment adjustments;
- \$29,500,000 increase to the General Income Reimbursable Account for fringe benefit costs;
- \$78,550,000 increase for the Hospital Income Reimbursable Account for personal and nonpersonal service increases, fringe benefits costs, and inflationary costs;

- \$2,900,000 increase for the Long Island Veterans Home Reimbursable Account for fringe benefits and nonpersonal service inflationary costs; and
- \$40,400,000 increase for the Tuition Reimbursable Account, for enrollment growth.

Proposed Decreases

The Executive proposes the following decreases:

- \$5,000,000 from the elimination of funding for the East Campus facility at the State University of New York at Albany included in SFY 2006-07; and
- \$80,000,000 resulting from lack of an appropriation for the SUNY Stabilization Account. This account is appropriated on a two year basis and was appropriated in SFY 2006-07.

Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$440,833,000 for SFY 2007-08, representing a \$17,334,500 increase from SFY 2006-07 levels. Within this appropriation, funding in the amount of \$2,000,000 is maintained for contract courses for workforce development, \$1,065,000 for child care, \$1,800,000 in funding for high priority academic programs, and \$3,670,000 for the County Cooperative Extension Association Grant Program.

Proposed Increases

The Executive Proposal provides funding of \$440,833,000 for SFY 2007-08, representing a net increase of \$17,334,500 over SFY 2006-07 levels.

- \$15,751,500 increase for SUNY community college base aid reflecting a \$12,241,425 increase due to a \$100 per FTE community college base aid increase which raises support from \$2,525 per FTE to \$2,625 per FTE and enrollment growth of \$3,510,075; and
- \$1,583,000 increase for Rental Aid for leased space.

Capital Projects

The Executive proposes a reduction of \$539,162,000 from SFY 2006-07 levels due to the non-reoccurrence of one-time capital projects enacted in SFY 2006-07. In SFY 2007-08, the Executive proposes an additional \$379,700,000 in capital projects to complete the current SUNY 5-year capital plan. The Executive recommends that a new 5-year capital plan begin in SFY 2008-09. In SFY 2007-08 the Executive recommends:

- \$164,800,000 for capital projects that were partially funded in previous years;

- \$114,900,000 for high-priority projects that have been identified by the campuses; and
- \$100,000,000 for various university-wide critical maintenance projects allocated pursuant to a formula that incorporated the academic square footage and the facility needs of the campuses.

Deficiency Request

The Executive requests a deficiency appropriation of \$11,000,000 to support fringe benefit costs associated with the summer session program, hospital contracts and Internal Service activities.

STATE UNIVERSITY CONSTRUCTION FUND

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	16,077,000	17,340,000	1,263,000	7.9%
Total for AGENCY SUMMARY:	16,077,000	17,340,000	1,263,000	7.9%

Agency Mission

(Executive Budget: pp. 103-105)

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.

Budget Detail

The Executive recommends an All Funds appropriation of \$17,340,000. This maintains an agency workforce of 125 full time equivalent positions for SFY 2007-08.

State Operations

Proposed Increases

- The Executive proposes an increase of \$1,263,000 to support the operations of the Construction Fund. This increase is due to collective bargaining and inflationary increases.

OFFICE OF WELFARE INSPECTOR GENERAL

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	394,000	408,000	14,000	3.6%
Special Revenue-Other	840,000	929,000	89,000	10.6%
Total for AGENCY SUMMARY:	1,234,000	1,337,000	103,000	8.3%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2006-07	Requested 2007-08	Change
General Fund:	4	4	0
All Other Funds:	6	6	0
TOTAL:	10	10	0

Agency Mission

(Executive Budget: pp. 107-109)

The Office of the Welfare Inspector General Office is responsible for preventing, investigating, and prosecuting public assistance fraud. The Office responds to allegations that welfare recipients are deliberately receiving benefits for which they are not eligible, as well as investigate instances in which government employees, or Medicaid, day care and other providers or administrators of services are accepting payments fraudulently.

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

Budget Detail

For State Fiscal Year (SFY) 2007-08, the Executive recommends an All Funds appropriation totaling \$1,337,000, which represents an increase of \$103,000, or 8.34 percent, over SFY 2006-07. The Executive also recommends ten full-time equivalent positions for the Office which is consistent with SFY 2006-07 levels.

State Operations

Proposed Increases

- The Executive proposes to increase General Fund spending by a total of \$14,000, and Special Revenue spending by a total of \$89,000, to support negotiated salary, fuel, and rent increases.

MISCELLANEOUS: EDUCATION, LABOR & FAMILY ASSISTANCE

	Adjusted Appropriation 2006-07	Executive Request 2007-08	Change	Percent Change
AGENCY SUMMARY				
General Fund	344,000	357,000	13,000	3.8%
Special Revenue-Other	780,000	795,500	15,500	2.0%
Special Revenue-Federal	30,000,000	30,000,000	0	0.0%
Total for AGENCY SUMMARY:	31,124,000	31,152,500	28,500	0.1%
