

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

COUNCIL ON THE ARTS

MISSION

The primary responsibility for oversight and administration of the State's artistic and cultural resources is assigned to three existing entities — the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. The 2003-04 Executive Budget proposes the establishment of the New York Institute for Cultural Education to administer a variety of statewide cultural education programs and important cultural institutions. Working together, these agencies expand access to the performing and fine arts, preserve the State's cultural resources and promote greater public awareness of New York's rich cultural heritage.

ORGANIZATION AND STAFFING

The Council on the Arts is headed by a Chair and a Vice Chair and consists of 20 members nominated for 5-year terms by the Governor with confirmation by the Senate. The Council's staff, headed by an Executive Director, is organized into an Administrative Division and a Program Division, both located in New York City. The Council has expertise in several major artistic disciplines (including dance, theater and music) and provides advisory services and financial assistance to New York's arts community. During 2003-04, the Council on the Arts will have a workforce of 52 for the review, processing and administration of arts grants and loans to nonprofit organizations.

The Empire State Plaza Performing Arts Center Corporation (the "Egg") was established in 1979 as a public benefit corporation to administer a performing arts center in Albany that offers a diverse array of cultural and artistic programming. An 18-member Board of Directors — consisting of the Commissioner of General Services and members appointed by the Governor, leaders of the Legislature, as well as the Mayor and County Executive of Albany — provides policy direction for the Corporation and appoints its Executive Director. The Chair of the Board is selected by the Governor. The Corporation has a full-time staff of eight.

The New York State Theatre Institute (NYSTI) was established in 1974 and reconstituted in 1992 as a public benefit corporation to provide educational theater experiences for children and families across the State. The Governor appoints the Chair of the Board of Directors whose 15 members are selected by the Governor and legislative leaders. The Chief Executive Officer of the Institute is its Producing Artistic Director, who is appointed by the Board. The Institute's staff of 33 is based in Troy, where its office, production and instructional facilities are located.

To promote increased recognition and visibility of the important cultural programs administered by the State Museum, the State Library and the State Archives, a transfer of these functions from the State Education Department (SED) is recommended to establish a new entity — the New York Institute for Cultural Education (NYICE) — which will have as its sole focus the promotion of New York's cultural resources. The 2003-04 Executive Budget proposes to implement this functional transfer by October 1, 2003 and provides for the related transfer of programs, facilities and staff.

A 15-member Board will oversee this new Institute with members nominated for 5-year terms by the Governor, legislative leaders and the Board of Regents. The Chair of the Board will be designated by the Governor from among its members; and the Institute's Chief Executive Officer will be appointed by the Board. The operations of NYICE will be funded primarily by an existing surcharge for the recording, indexing and certifying of documents by county clerks.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Most (97 percent) of the funding for the Council on the Arts is provided by the State's General Fund. Federal grants from the National Endowment for the Arts are projected to

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represent approximately 2 percent of 2003-04 disbursements. One Fiduciary Fund account provides funding for short-term loans to arts organizations for acquisition of expensive musical instruments and for capital improvements. A second Fiduciary Fund, established in 1999-2000, enables the Council to receive and expend funds available through donations and gifts.

Grants to not-for-profit arts organizations represent nearly 88 percent of the projected expenditures of the Council. The remainder is used for the administration of grant programs and the statewide advocacy, promotion and development of artistic and cultural programs. The 2003-04 Executive Budget includes funding of: \$5.1 million for administration of the Council's programs; and \$37.4 million for arts grants which will support general arts grants, decentralization grants and the Empire State Partnership initiative.

Funding of \$567,000 is provided for the Egg and \$1.6 million for NYSTI. Receipts from ticket sales, private donations, and sales and lease of products and facilities will supplement State funds provided to these organizations.

The Executive Budget provides \$12 million from dedicated revenues for NYICE, representing six month funding for the new Institute for the period of October 1, 2003 to March 31, 2004. Separate transitional funding is provided in SED to support these cultural education programs until the date of their transfer to NYICE on October 1, 2003.

PROGRAM HIGHLIGHTS

Council on the Arts. Since April 1995, the Council has distributed approximately 20,000 grants totaling over \$300 million to more than 2,000 cultural organizations. Grant awards to nonprofit arts organizations are approved through a multi-step review process, which ensures fair and equitable treatment of all applicants. Program audits are also conducted to promote accountability by monitoring program quality and contractual compliance.

The Council receives approximately 2,800 requests for funding each year from organizations throughout the State including symphony orchestras, museums, dance companies, theaters and libraries. To recognize program excellence and promote regional diversity, the Council devotes half of its State grant funding to organizations that have recognized standing in the field, and guarantees that each county receives a minimum base grant tied to its population.

Performing Arts Center Corporation (the "Egg"). During the 2001-02 season, the Egg presented 53 events that featured the finest dance, music and theatre companies from New York State and around the world, generating a total audience of 35,380. The facility was in use over 300 days, serving an additional 45,396 individuals attending performances, meetings, arts classes and other events sponsored by a variety of civic, social, corporate and educational organizations. The Egg is also home to the Ellen Sinopoli Dance Company, providing administrative services to the company as well as a location for its programs, classes, rehearsals, collaborative projects and performances.

New York State Theatre Institute. More than 65,000 children, teachers and parents attended NYSTI's six productions in 2001-02 in Troy and 31,000 children attended performances in other locations across the State. The Institute certified 90 high school units and 160 college credits to 65 high school seniors and college students who participated in its internship program. The Institute received an Emmy in 1984, the Silver Award from Worldfest for *A Tale of Cinderella* in 1996, the National American Alliance for Theater and Education award for artistic achievement in 1999, an Audie Award in 2000 for its production of *Sherlock's Secret Life*, and a Benjamin Franklin Award for *The Snow Queen* in 2002.

The New York Institute for Cultural Education. In its new role to oversee the administration of a variety of statewide cultural education programs and important cultural institutions, NYICE will:

- Provide effective leadership for the development of the State's cultural resources in partnership with local governments, nonprofit organizations and the private sector;
- Transform the State Museum into a more vibrant and attractive resource to showcase New York's heritage using state-of-the-art technology; and

- Increase the opportunities for the State Library and the State Archives to emerge as world-class cultural information centers.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	8,412,500	20,454,700	12,042,200	541,400
Aid To Localities	44,385,000	37,785,000	(6,600,000)	415,000
Capital Projects	0	0	0	0
Total	52,797,500	58,239,700	5,442,200	956,400

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

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
General Fund	47	43	(4)
Special Revenue Funds - Federal	9	9	0
Total	56	52	(4)

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	7,473,500	7,277,500	(196,000)
Special Revenue Funds - Federal	539,000	777,200	238,200
Fiduciary Funds	400,000	12,400,000	12,000,000
Total	8,412,500	20,454,700	12,042,200

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
General Fund	5,296,000	5,100,000	(196,000)
Special Revenue Funds - Federal	539,000	777,200	238,200
Fiduciary Funds	400,000	400,000	0
Empire State Performing Arts Center Corporation			
General Fund	567,000	567,000	0
New York State Theatre Institute			
General Fund	1,610,500	1,610,500	0
New York Institute for Cultural Education			
Fiduciary Funds	0	12,000,000	12,000,000
Total	8,412,500	20,454,700	12,042,200

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,315,000	(14,000)	3,189,000	(5,000)
Total	<u>3,315,000</u>	<u>(14,000)</u>	<u>3,189,000</u>	<u>(5,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	122,000	(5,000)	4,000	(4,000)
Total	<u>122,000</u>	<u>(5,000)</u>	<u>4,000</u>	<u>(4,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,785,000	(182,000)	111,400	(10,000)
Empire State Performing Arts Center Corporation	567,000	0	0	0
New York State Theatre Institute	1,610,500	0	0	0
Total	<u>3,962,500</u>	<u>(182,000)</u>	<u>111,400</u>	<u>(10,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	189,200	(62,000)	1,403,000	(100,000)
Empire State Performing Arts Center Corporation	0	0	0	0
New York State Theatre Institute	0	0	0	0
Total	<u>189,200</u>	<u>(62,000)</u>	<u>1,403,000</u>	<u>(100,000)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	81,400	(10,000)	0	0
Empire State Performing Arts Center Corporation	0	0	567,000	0
New York State Theatre Institute	0	0	1,610,500	0
Total	<u>81,400</u>	<u>(10,000)</u>	<u>2,177,500</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,177,200	238,200	510,900	157,200
New York Institute for Cultural Education	12,000,000	12,000,000	0	0
Total	<u>13,177,200</u>	<u>12,238,200</u>	<u>510,900</u>	<u>157,200</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	266,300	81,000	400,000	0
New York Institute for Cultural Education	0	0	12,000,000	12,000,000
Total	<u>266,300</u>	<u>81,000</u>	<u>12,400,000</u>	<u>12,000,000</u>

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	44,000,000	37,400,000	(6,600,000)
Special Revenue Funds - Federal	185,000	185,000	0
Fiduciary Funds	200,000	200,000	0
Total	<u>44,385,000</u>	<u>37,785,000</u>	<u>(6,600,000)</u>

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
General Fund	44,000,000	37,400,000	(6,600,000)
Special Revenue Funds - Federal	185,000	185,000	0
Fiduciary Funds	200,000	200,000	0
Total	<u>44,385,000</u>	<u>37,785,000</u>	<u>(6,600,000)</u>

CITY UNIVERSITY OF NEW YORK

MISSION

The City University of New York (CUNY) is the third-largest public university system in the nation. The City University had its origin in the Free Academy established in 1847 under the auspices of the New York City Board of Education. The University's mission is to provide affordable higher education with a focus on the urban community of New York City.

ORGANIZATION AND STAFFING

The City University of New York has 11 senior colleges, a Graduate School and University Center, a Law School, and 6 community colleges. The University is governed by a 17-member Board of Trustees comprised of: 10 members appointed by the Governor, 5 members appointed by the Mayor, and 2 ex-officio members — the chairs of the Student Senate and the Faculty Senate.

The chief executive officer of the University is the Chancellor, who is appointed by the Board of Trustees. Individual college presidents are also appointed by the Board of Trustees. University operations are subjected to fewer State government controls than are imposed on other State agencies, reflecting executive and legislative interest in providing enhanced administrative and managerial flexibility to the City University.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 1982, New York State assumed full financial responsibility for CUNY's senior college operations from New York City. In conjunction with the City of New York, the State also supports CUNY's community colleges.

SENIOR COLLEGES

CUNY senior colleges have two major funding sources: State support and tuition revenue. Additional support is secured from New York City and from various fees. New York City provides support for the costs of associate degree programs at CUNY's senior colleges and a share of the central administration costs attributable to the community colleges. New York City also pre-finances CUNY's senior college operating costs, and the State subsequently reimburses the City for CUNY's net operating expenses.

For 2003-04, \$581.4 million in taxpayer support is provided for CUNY's senior colleges, a reduction of \$81.7 million. A total of \$616.9 million in tuition revenue and other support is provided for CUNY, reflecting an increase of \$121.4 million in additional appropriation authority for increased tuition revenue.

The Executive Budget recognizes the powers of the Board of Trustees to manage resources in a manner that is sensitive to University priorities. The Trustees have the authority to manage resources through actions such as:

- elimination or consolidation of low demand programs and courses;
- increased productivity through technologies such as distance learning, multimedia curricula, and on-line, university-wide administrative systems; and
- reassessment of current activities and programs that may not be central to the core mission of the University.

The 2003-04 Executive Budget also recognizes the authority of the Board of Trustees to establish the tuition levels that are charged at CUNY campuses. Legislation accompanying this Budget will eliminate various existing restrictions on the ability of the Board of Trustees to establish tuition charges. Upon enactment of this legislation, the Trustees will be authorized to establish differential tuition rates among CUNY campuses. The Trustees will also have the ability to adopt a tuition policy that permits annual incremental adjustments to tuition and maintains an appropriate balance between taxpayer support and student support. Currently,

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tuition and required fees at CUNY are significantly lower than those charged by peer institutions in other Northeast states. Tuition has not been increased since 1995-96, while the higher education price index has increased 30 percent during that time. This legislation will also enable the Trustees to adopt a tuition increase prior to enactment of the State budget.

Supplemental student financial aid provided through the Search for Education, Elevation and Knowledge (SEEK) program is recommended for elimination for 2003-04, but funding is continued for academic support services that include tutoring, counseling and mentoring.

COMMUNITY COLLEGES

CUNY community colleges have three basic funding sources: State support, local support from New York City and tuition revenue. Recommended State funding for community colleges of \$108.0 million reflects a net decrease of \$23.8 million from 2002-03 attributable to: an adjustment for actual enrollment (\$7.3 million); a \$345 reduction in operating aid from the current per student rate of \$2,300 to \$1,955 (\$14.4 million); and elimination of rental aid for leased space (\$0.6 million), workforce training support (\$1.0 million) and supplemental student financial aid provided through the College Discovery program (\$0.4 million). Funding for childcare is continued at the 2002-03 level of nearly \$0.9 million.

CAPITAL PROJECTS

The State finances all CUNY capital project costs for senior colleges, other than Medgar Evers College, and shares the capital costs for community colleges and Medgar Evers with the City of New York.

The 2003-04 Budget's capital recommendations include a new \$1.2 billion Multi-Year Capital Investment Program for CUNY, which provides for facility and infrastructure improvements at City University senior and community colleges consistent with the University's needs and priorities. Funded projects encompass critical health and safety, preservation and handicapped access projects, as well as the completion of ongoing projects at John Jay College and the construction of a new academic building for Medgar Evers College. In addition, authorization is provided for CUNY to begin planning efforts for the development of Governors Island. CUNY's bond cap will be increased by \$800 million, for a total bonding authorization of \$4.2 billion, to cover CUNY's planned bond sales for the multi-year period of the new Capital Investment Program and to reflect disbursement-based bonding.

CUNY's capital program for 2003-04 provides \$250.7 million to support the first year of the new Multi-Year Capital Investment Program.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. More than 208,000 full-time and part-time students — 141,000 at the senior colleges and 67,000 at the community colleges — were enrolled in degree programs for the fall 2002 semester. In addition, the University served more than 208,000 individuals through adult and continuing education courses.

Among academic offerings and programs, the following programs are of note:

- The Language Immersion Program is designed to strengthen the language skills of first year students prior to their entry into collegiate coursework. This intensive, full-time program has successfully taken a holistic approach to language development. The program operates at eight sites and, in its brief history, has helped more than 12,000 students to prepare for full collegiate matriculation;

- The College Preparatory Initiative is a system-wide collaboration between the City University and the New York City public schools to improve the academic preparation of high school students. The cooperative effort has enabled CUNY to strengthen its academic prerequisites for admission to the University;
- The New York City Alliance for Minority Participation is a consortium of 16 CUNY campuses that have joined with the National Science Foundation in a cooperative venture to increase the number of under-represented students successfully completing science, mathematics, engineering and technology baccalaureate programs; and
- Approximately 80 research institutes and centers are located throughout the University. Notable examples include the Structural Biology Center — a consortium of public and private research institutions located on the City College campus, the Levich Institute for Physico-Chemical Hydrodynamics at City College and the Institute for Biomolecular Structure and Function at Hunter College. University-wide research activities have been enhanced by the Applied Science Coordinating Institute.

In recent years, the CUNY Board of Trustees has advanced a series of significant actions to improve academic program quality and strengthen the planning and management functions of the University. These actions include establishing more rigorous admissions criteria and implementing a new remedial education policy. The Board of Trustees continues to encourage campuses to set higher standards, reduce time-to-program completion, and reallocate resources through program consolidation.

Under the City University’s remedial education policy, students obtain such instruction at community colleges, through summer session and inter-session skills immersion programs at senior colleges, and through the Prelude to Success Program — a year-round skills immersion program at the senior colleges. Pursuant to the schedule established for the phase-in of this policy, seven colleges (Baruch, Brooklyn, Hunter, John Jay, NYC Technical, Queens, and the College of Staten Island) implemented the policy for the 2000-01 academic year. The four remaining senior colleges (City, Lehman, Medgar Evers and York) did so in 2001-02.

The City University will continue implementing its Master Plan, which was approved by the Board of Regents in 2000. The plan’s objectives include: establishing a more rigorous and selective University system; improving CUNY’s teacher education programs; expanding collaborative and outreach programs with the New York City Board of Education; and facilitating economic development. In December 2002, the Board of Regents approved the continuance of a 1999 amendment to the Master Plan authorizing more rigorous standards for admission to CUNY baccalaureate programs, in conjunction with continued monitoring and reporting on student access and success. In addition to the programs originally outlined in the Master Plan, CUNY is planning to undertake a number of initiatives designed to foster CUNY’s participation in the economic rebuilding of New York City in the wake of the World Trade Center attacks.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	1,245,988,000	1,198,381,000	(47,607,000)	0
Aid To Localities	873,520,690	715,054,000	(158,466,690)	0
Capital Projects	0	1,056,500,000	1,056,500,000	530,060,000
Total	2,119,508,690	2,969,935,000	850,426,310	530,060,000

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Other	88,700,000	80,000,000	(8,700,000)
Fiduciary Funds	1,157,288,000	1,118,381,000	(38,907,000)
Total	1,245,988,000	1,198,381,000	(47,607,000)

Adjustments:

Prior Year Deficiency			
City University of New York			
Agency Trust Funds	20,000,000		
Appropriated 2002-03	1,265,988,000		

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	873,520,690	715,054,000	(158,466,690)
Total	873,520,690	715,054,000	(158,466,690)

Adjustments:

Prior Year Deficiency			
City University of New York			
General Fund	15,000,000		
Appropriated 2002-03	888,520,690		

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

Program	Available 2002-03	Recommended 2003-04	Change
Community College Programs			
General Fund	130,855,000	108,026,000	(22,829,000)
Institutional Support Services			
General Fund	728,465,690	604,028,000	(124,437,690)
Senior College Pension Payments			
General Fund	14,200,000	3,000,000	(11,200,000)
Total	873,520,690	715,054,000	(158,466,690)

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

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Senior Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	20,000,000	20,000,000	37,442,000
Capital Projects Fund - Advances	0	981,500,000	981,500,000	4,037,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	2,699,000
New Facilities				
Capital Projects Fund - Advances	0	0	0	352,300,000
City University of New York Capital Projects Fund				
City University of New York Capital Projects Fund	0	0	0	1,971,000
Subtotal	<u>0</u>	<u>1,001,500,000</u>	<u>1,001,500,000</u>	<u>398,449,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	5,000,000	5,000,000	13,797,000
Capital Projects Fund - Advances	0	50,000,000	50,000,000	116,609,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	1,046,000
New Facilities				
Capital Projects Fund	0	0	0	159,000
Subtotal	<u>0</u>	<u>55,000,000</u>	<u>55,000,000</u>	<u>131,611,000</u>
Total	<u>0</u>	<u>1,056,500,000</u>	<u>1,056,500,000</u>	<u>530,060,000</u>

STATE EDUCATION DEPARTMENT

MISSION

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department's primary mission is to oversee public elementary and secondary education programs throughout New York and promote educational excellence, equity and cost-effectiveness.

ORGANIZATION AND STAFFING

Oversight of the Department is provided by the Board of Regents, which was originally established by the Legislature in 1784 and subsequently continued in the State Constitution. The Board of Regents is comprised of 16 members — one for each of the State's 12 judicial districts and 4 statewide members — who are elected by a joint session of the Legislature for staggered 5-year terms. The Board elects its chair, who holds the title Chancellor, and appoints the Commissioner of Education as the chief administrative officer of the Department.

SED's central operations are located in the Education Building in Albany. The Department also has regional service facilities at various locations throughout the State.

Recommended staffing levels for 2003-04 are projected to total 1,417 positions at year's end, with 293 positions, or approximately 21 percent, supported by the General Fund. Various dedicated fees, charge-backs and Federal grants will support the remaining staff.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2003-04, total funding for programs and operations of the State Education Department will decrease by \$729 million or 3.3 percent. This year-to-year change is due primarily to a fiscal year decrease of \$606 million in support for public schools from the General Fund and lottery revenues.

The taxpayer supported General Fund provides over 10 percent of SED's operating budget. Federal grants, including programs for individuals with disabilities and disadvantaged pupils, account for 63 percent of the agency's resources. The remaining 27 percent is derived from fees, charge-backs and other miscellaneous receipts.

SCHOOL TAX RELIEF (STAR)

The School Tax Relief (STAR) program was enacted in 1997-98 as a multi-year effort to provide needed property tax relief while promoting educational excellence and accountability.

In 2003-04, STAR funding appropriated for local taxpayer savings will reach \$2.78 billion, an increase of \$80 million. This amount includes funds for continuing the enhanced exemption for eligible senior citizens, the fully phased-in basic STAR exemption for other homeowners, and the New York City Personal Income Tax reduction. School districts and cities with dependent school districts, including New York City, will be fully reimbursed by the State for foregone local revenues. A portion of the State personal income tax will be dedicated to the School Tax Relief Fund from which the State reimbursement payments will be made.

EDUCATIONAL GOVERNANCE

The Executive Budget proposes an overhaul of New York's educational governance system. Under this proposal a majority of the State Board of Regents will be appointed by the Governor — thereby making the State's highest elected official accountable for the performance of New York's educational system.

EDUCATION

Currently, New York and South Carolina are the only two states in the nation where the Legislature appoints a board that is responsible for supervising the state's educational system. As a result of the Governor's educational governance proposal, New York's educational governance structure will be brought into conformance with most other states. Under the proposed restructuring of the Board of Regents:

- The number of Regents will be increased from 16 to 18;
- The term of office will be changed from 5 years to 6 years;
- The Governor will appoint 12 Regents to provide representation from each of the State's judicial districts; and
- Legislative leaders will appoint the 6 remaining Regents, with 2 Regents appointed by the majority in each House, and 1 Regent by the minority in each House.

In addition to these changes in the governance of the State's educational system, local governance reforms that have been recently implemented in New York City will be extended to the State's other major urban centers to provide their mayors a greater voice in their school systems.

SCHOOL AID

The financial consequences of September 11, coupled with the national economic downturn, has undermined the State's ability to sustain its current level of investment in education. While seeking to avoid mid-year cuts in aid, the 2003-04 Executive Budget proposes reduced funding for the school year beginning July 1, 2003. Operating aid will be reduced by \$407 million, or 4 percent. This reduction combined with elimination of reductions of discretionary grants, declines in expense-based or enrollment-based programs and other targeted savings, results in an overall school aid reduction of \$1.24 billion, or 8.5 percent. Even with these reductions, education will continue to represent the single largest State supported program. Including STAR and lottery, it will account for over 37 percent of the State's General Fund in 2003-04 - approximately the same percentage as in 2002-03.

In addition to achieving required savings, the Governor's educational agenda for the coming year includes initiatives that will reform our outdated educational finance system and enable our schools to effectively target tax dollars to the classroom. Major recommendations for 2003-04 include:

- **School Year Support:** For the 2003-04 school year, \$13.4 billion is provided in State support for public schools, a reduction of \$1.24 billion or 8.5 percent;
- **Fiscal Year Support:** For the 2003-04 fiscal year, \$13.75 billion is provided in State support for public schools, a reduction of \$606 million or 4.2 percent, including a reduction of \$8 million in lottery revenues;
- **Consolidated Operating Aid:** For the coming year, the Executive Budget recommendations for State support for school operations reflect the basic principles of Flex Aid. Existing formulas are simplified and the number of formulas is reduced — nine existing aid categories are consolidated into a single funding stream — and school districts will have maximum flexibility in the use of these funds. Although resource constraints do not permit an aid increase this year, operating aid allocations will be sensitive to each district's relative wealth and student needs. The overall reduction in operating aid will be \$407 million, representing an average reduction of 4 percent, with reductions ranging from 2 percent to 8.75 percent for individual districts. In addition, school districts will be protected from reductions of more than 5 percent in their total operating budgets;
- **Discretionary Grant Programs:** In order to minimize the reduction in consolidated operating aid, \$448 million in State support for certain discretionary grant programs has been reduced or eliminated. Specifically, funding for Teacher Support Aid has been reduced and no funds are provided for Universal Pre-Kindergarten, Class Size Reduction, Full-Day Kindergarten and Minor Maintenance aid;
- **Building Aid:** For the 2003-04 school year, total funding of \$1.11 billion is recommended in State support for the construction of school facilities. This represents a decrease of \$144 million. This does not represent an aid loss for school

districts, but instead reflects implementation of recent school construction finance reforms. For 2003-04, additional reforms are recommended to ensure that limited State resources are effectively targeted to address our top priority school facility needs. These reforms include the creation of a priority-based funding program for all school construction projects approved by the State Education Department after February 1, 2003;

- **BOCES Aid:** The 2003-04 Executive Budget recommends reforms that would refocus BOCES on their core mission — to promote cost-efficiency through the regional delivery of educational services. This goal will be accomplished by eliminating BOCES aid for routine administrative services; prospectively consolidating BOCES aid into operating aid to provide districts with maximum flexibility in the use of these funds; and restructuring the role of BOCES superintendents;
- **Teachers of Tomorrow:** The 2003-04 Executive Budget provides funding of \$20 million for the Teachers of Tomorrow Program. The success of Teachers of Tomorrow and other efforts to attract and retain teachers in hard-to-staff schools has alleviated the shortage of qualified teachers. As a result, funding for this program can be reduced from \$25 million in 2002-03 to \$20 million in 2003-04;
- **Other Programs:** The 2003-04 Executive Budget recommends funding based on existing statutory formulas for several programs, including growth aid, textbook aid, reorganization incentive aid, special services aid and instructional materials aids. Additionally, the 2003-04 Executive Budget reflects the elimination of \$25 million for Tax Limitation Aid and reductions of \$20 million and \$3.33 million for Teacher Centers and the Teacher Mentor Intern program;
- **School Evaluation Services:** The 2003-04 Executive Budget includes \$600,000 for a school evaluation services initiative to enhance the accountability and operational efficiency of our public schools. As a result of this new program, local school officials will be able to evaluate the relative cost-effectiveness of their educational and administrative programs by reviewing data that clearly display the “return on resources” among comparable school districts. Similar programs have already begun in Michigan and Pennsylvania and have proven to be a successful means of promoting improved student performance and accountability;
- **Mandate Relief:** Legislation accompanying the Executive Budget would require the Board of Regents to obtain the review and approval of the State Office of Regulatory Reform for new regulations that have significant costs for the State, local governments, or educational institutions. Other mandate relief initiatives include providing schools a Wicks exemption to promote greater efficiency in school construction;
- **Adult Education Programs:** Performance measurements will be adopted for programs providing literacy and job training to adults. In order to receive continued State funding, providers will be required to demonstrate that students being served by their programs make appropriate educational gains;
- **School Safety:** The Governor’s Safe Schools Against Violence in Education Act of 2000 — based upon the recommendations of the Task Force on School Violence, chaired by Lieutenant Governor Mary Donohue — represents the most comprehensive plan in the nation to ensure the safety and well-being of school children. For 2003-04, \$500,000 is continued to support the efforts of the Statewide Center for School Safety in promoting “best practices” and providing technical assistance to schools, and \$500,000 is continued for character education curriculum development activities;
- **School Choice:** For 2003-04, the State will provide \$6 million for the Charter School Stimulus Fund to assist with facility needs and other costs connected to the development and expansion of charter schools. School choice will also be enhanced by the implementation of the Federal No Child Left Behind Act, which requires that students in unsafe or failing schools be provided with the opportunity to transfer to another school within their district; and

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- **Advantage Schools:** The Advantage School program currently operates at 210 sites across the State, providing 26,000 students with structured and supervised educational and social activities that complement the instructional programs offered during regular school hours. The 2003-04 Executive Budget provides \$20.2 million in Federal Temporary Assistance for Needy Families (TANF) funding for the Advantage School program, preserving support in 2003-04 for programs that operated in 2002-03.

SPECIAL EDUCATION

School-Age Special Education

To ensure that New York's special education finance system conforms with the policy goal of including children with disabilities in the regular classroom, the 2003-04 Executive Budget recommends changes to the State aid programs that support special education. Effective in the 2003-04 school year, \$2.1 billion in funding for public special education programs will be consolidated within operating aid. This will serve to:

- Eliminate financial incentives for unnecessary referrals to special education;
- Discontinue the allocation of aid based upon special education placements; and
- Address discrepancies cited in recent reviews by the Office of the State Comptroller of New York's special education programs.

Also, reimbursement formulas for private special education formulas will be conformed to those used for public programs. Specifically, the average State aid ratio used in calculating aid for placements in private special education settings will be reduced from 85 percent to 49 percent — the same as that used for public placements. This change will eliminate the existing incentive to place children in restrictive, high cost private settings.

Additionally, State law regarding the composition of special education committees will be changed so that it conforms to Federal law. Aligning State and Federal law will simplify the requirements, thus making it easier for school districts to comply.

Preschool Special Education

Over the past several years, fundamental reforms have been enacted in the preschool special education program to improve the cost-effective delivery of these services, which are provided to more than 60,000 disabled children.

The existing statutory restriction on the creation or expansion of preschool programs that only serve children with disabilities will be continued, as will provisions that allow the State Education Department to approve new or expanded non-inclusive preschool programs when the need for such programs is demonstrated.

The 2003-04 General Fund recommendation of \$552 million will support the State's 59.5 percent share of preschool special education program costs. Additional Federal Individual with Disabilities Education Act (IDEA) funds will also be applied to support certain administrative costs of this program and to provide supplemental grants to eligible school-age special education providers.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

State funding for various categorical education programs has been reduced by \$81 million for the 2003-04 school year in order to minimize the operating aid reduction required of our schools. For the coming year, categorical funding for the following programs is recommended for elimination: Extended Day/School Violence Prevention, Schools as Community Sites, Schools Under Registration Review, New York City Peer Intervention, AIDS Education, Missing Children Prevention, Transferring Success, Primary Mental Health, Comprehensive School Health, Parenting Education, National Board of Professional Teaching Standards, School Health Demonstration and the Education of Children of Migrant

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Workers. New accountability measures are being proposed for 2003-04 to ensure that funding for programs providing literacy and job training for adults is targeted to providers with a demonstrated record of performance.

ELEMENTARY, MIDDLE AND SECONDARY CATEGORICAL PROGRAMS 2003-04 SCHOOL YEAR

(amounts in thousands of dollars)

Program	2002-03 School Year	2003-04 School Year	Change
Targeted Pre-Kindergarten	\$50,200	\$42,670	(\$7,530)
Extended Day/School Violence Prevention	30,200	0	(30,200)
Legislative Grants	27,894	0	(27,894)
Native American Education	15,650	16,000	350
Consortium for Worker Education	10,000	8,000	(2,000)
Schools as Community Sites	6,000	0	(6,000)
Adult Basic Education	5,000	5,000	0
Adult Literacy Education	3,325	3,325	0
Schools Under Registration Review	2,000	0	(2,000)
Apprenticeship Training	1,830	1,830	0
Workplace Literacy	1,376	1,376	0
New York City Peer Intervention	1,000	0	(1,000)
AIDS Education	990	0	(990)
Missing Children Prevention	900	0	(900)
Transferring Success	630	0	(630)
Primary Mental Health	570	0	(570)
Comprehensive School Health	525	0	(525)
Parenting Education	506	0	(506)
National Board of Professional Teaching Standards	500	0	(500)
School Health Demonstration	150	0	(150)
Education of Children of Migrant Workers	90	0	(90)
Total	\$159,336	\$78,201	(\$81,135)

OTHER RECOMMENDATIONS

The Executive Budget provides \$38.3 million in General Fund support for agency operations reflecting a net reduction of \$8.5 million, including \$9.1 million in savings from recommended management efficiencies and transfers.

The Budget also proposes a restructuring of the State Education Department to sharpen its focus on its core mission — the education of our children. Functions that are not central to education will be transferred from the State Education Department to other State agencies as follows:

- Vocational and Educational Services for Individuals with Disabilities (VESID) will be transferred to the Department of Labor. This will be accompanied by the transfer of the Commission for the Blind and Visually Handicapped from the Office of Children and Family Services to consolidate the State's vocational rehabilitation programs within a single agency providing specialized, state-of-the-art job training and placement services. All programs relating to the education of children with disabilities will continue to be administered by the State Education Department. A total of 804 positions will be transferred from VESID to Department of Labor effective October 1, 2003;
- The Office of the Professions will be transferred to the Department of State and consolidated with its Business and Licensing Services program. A total of 340 positions will be transferred from the Office of the Professions to the Department of State effective October 1, 2003; and
- Cultural Education programs — including the State Museum, State Library and State Archives — will be transferred to create a new entity, the New York Institute for Cultural Education (NYICE). NYICE will be established as a new public benefit corporation and will be headed by a 15-member board appointed by the Governor, legislative leaders and the Board of Regents. A total of 400 positions will be transferred from Cultural Education to NYICE effective October 1, 2003.

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As a result of these transfers and the reduction of 191 positions resulting from the recommended management efficiencies, total staffing of the State Education Department will be reduced from 3,152 to 1,417.

In addition to funding for agency operations, the State Education Department's budget also includes support for various aid programs besides those for public schools. Recommendations relating to these programs include the following:

- \$75.6 million for Library Aid, a decrease of \$13.3 million;
- \$11.7 million for Aid for Public Broadcasting, a decrease of \$2.1 million;
- \$51.1 million for Case Services for vocational rehabilitation clients, reflecting elimination of a \$2 million non-recurring legislative add;
- \$14.8 million for Supported Employment, which reflects an increase of \$5.5 million for extended supported employment services for consumers being transitioned from the Office of Mental Retardation and Developmental Disabilities to VESID;
- \$9.5 million for Independent Living Centers, reflecting elimination of a \$1.2 million non-recurring legislative add;
- \$25.6 million for Unrestricted Aid for Independent Colleges and Universities ("Bundy Aid"), reflecting discontinuation of \$18.7 million in aid for master's and doctoral degrees;
- \$11 million for the Higher Education Opportunity Program, reflecting the elimination of \$11 million in supplemental student financial aid;
- \$5 million for the Liberty Partnerships Program, reflecting a reduction of \$6.5 million with remaining funds representing the State match for Federal GEAR UP grants; and
- Elimination of \$10 million in funding for the Science and Technology Entry Program (STEP) and its collegiate counterpart (CSTEP) and elimination of \$750,000 for the Teacher Opportunity Program.

PROGRAM HIGHLIGHTS

Under the policy direction of the Board of Regents, operational responsibilities of the State Education Department include administration, regulation and review of numerous education programs. The following provides a description of the major program areas administered by the Department.

SCHOOL AID

The 2003-04 Executive Budget will provide \$13.4 billion for the 2003-04 school year. Through the combination of school aid and property tax relief through STAR, New York State now supports over 43 percent of local school districts' spending on education. State support for public schools, including STAR and lottery, now accounts for more than 37 percent of the State's General Fund budget — up from 27 percent when the Governor first took office.

School aid is distributed to school districts through formula-based aids and categorical grants, including:

- **Consolidated Operating Aid:** In this aid program, nine aid categories are consolidated into a single funding stream that represents nearly 73 percent of State aid to local school districts. This program provides support to school districts for their general operating costs;
- **Transportation Aid and Building Aid** provides support to school districts for student transportation and the construction and preservation of school facilities. With a combined total of \$2.1 billion, these two aid categories account for nearly 16 percent of overall school aid; and
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs. Notable program recommendations for 2003-04 include continuation of \$135.8 million in grants for magnet school programs in 19 cities throughout the State and \$81.9 million in aid to small city school districts.

SCHOOL TAX RELIEF (STAR)

STAR will be entering its third year of full implementation in 2003-04, providing New York's taxpayers with tax savings totaling \$2.78 billion in school property tax relief and New York City personal income tax reductions. School districts and cities with dependent school districts, including the City of New York, will be fully reimbursed by the State for their foregone local revenues. The State's reimbursement payments will be made from the School Tax Relief Fund to which a portion of the personal income tax is dedicated.

School Property Tax Relief

- In 2003-04, more than 620,000 senior homeowners will be eligible to receive an enhanced exemption of at least \$50,000 (on a "full value" basis) with a statewide benefit averaging \$980. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age and have annual incomes of \$62,100 or less (combined incomes of the owners and their spouses who reside on the premises). The new income limit reflects the first Cost of Living Adjustment to income eligibility, as enacted in the 2002-03 budget;
- In 2003-04, the school property tax exemption will provide 2.4 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Statewide tax savings for non-senior owner occupied residences will average \$630; and
- The exemptions provided to homeowners (both seniors and non-seniors) living in a county whose median home sale price exceeds the statewide median will be adjusted upward to account for the variation in property values for similar homes in different regions of the State.

New York City Tax Reduction

Under the STAR program, in 2003-04, New York City's more than 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Total local taxpayer savings will be \$540 million. The personal income tax credit and changes in the tax rates were fully implemented in 2001-02 and have reduced the New York City personal income tax by nearly 10 percent.

Property Taxpayer's Bill of Rights

Enacted in 1997, the Property Taxpayer's Bill of Rights ensures the full disclosure of information to property taxpayers in a more readable and comprehensive format than was previously available. This enables taxpayers to better understand their property taxes and their rights under the law.

Local Voter Empowerment

The STAR program includes a series of school budget voting reforms that give local voters a greater role in education spending decisions and in controlling property tax growth. Reforms enacted in recent years include:

- **Property Tax Report Card:** Schools are now required to report proposed property tax increases, spending growth and estimated enrollment changes to the State Education Department prior to the statewide school budget voting day. A property tax report card is then compiled and released to the public before school budget votes are held.
- **Special Informational Mailings:** School districts are now required to mail notices to voters prior to budget votes, disclosing:

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- How proposed school spending increases compare with increases in consumer prices;
- How a proposed budget would compare to the contingency budget that would be authorized by statute if the voters were to defeat the proposed budget on two successive votes; and
- How STAR savings were affected by school tax increases for a typical homeowner in the current year and the estimated effects of proposed tax changes on estimated STAR savings under the budget proposed for the coming year.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special education services for 404,000 students aged 4 to 21. These services range from speech therapy to placement in full-time residential schools for those school-age children with the most severely disabling conditions. The network of service providers includes school districts, Boards of Cooperative Educational Services (BOCES), private not-for-profit schools and State-operated facilities.

School districts and BOCES serve approximately 390,000 school-age children in classroom settings. An additional 14,400 students who require particularly intensive programs are served by nearly 140 private schools, 14 Special Act School Districts and 11 State-supported schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The New York State School for the Blind in Batavia serves approximately 75 blind and multiply-disabled students, including 15 developmentally disabled students served in an Intermediate Care Facility operated by the school. The New York State School for the Deaf in Rome serves approximately 85 deaf and multiply-disabled students.

ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS

The State Education Department also administers various programs that address specialized student needs or reimburse school districts for education-related services. Major programs include:

- **School Lunch and Breakfast Program:** State funds of \$31.7 million supplement Federal support for the provision of free and reduced-price meals to low-income students. Approximately 1.4 million lunches and 390,000 breakfasts are served daily under this program;
- **Summer Food Program:** In addition, \$3.3 million in State funds supplement Federal support for the provision of free meals for low-income students participating in summer recreation programs. There are more than 300 sponsors of summer programs serving almost 260,000 students; and
- **Nonpublic School Aid:** The State reimburses 1,400 nonpublic schools for the costs of administering State mandated tests and other data collection efforts.

HIGHER EDUCATION

The Office of Higher Education is responsible for ensuring the quality and availability of post-secondary education programs in the State. The Office assists the Regents in making higher education policies and plans, administers aid programs for colleges, universities and students, and reviews and registers academic programs of degree-granting institutions. This office also oversees the regulation of proprietary schools that offer a range of vocational education programs, as well as teacher certification and discipline and background checks of prospective school personnel.

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Program	School Aid School Year Payments (millions)			
	Estimated 2002-03	Recommended 2003-04	Change Amount	Change Percent
I. Computerized Aids:				
Comprehensive Operating Aid	\$6,874.86	\$0.00	\$0.00	0.00
Extraordinary Needs Aid	725.42	0.00	0.00	0.00
Operating Standards Aid	221.38	0.00	0.00	0.00
Gifted & Talented	14.16	0.00	0.00	0.00
ERSSA	73.67	0.00	0.00	0.00
Limited English Proficiency	70.87	0.00	0.00	0.00
Summer School	43.52	0.00	0.00	0.00
Academic Support Aid	24.92	0.00	0.00	0.00
Excess Cost - Public	2,117.99	0.00	0.00	0.00
Consolidated Operating Aid	<u>\$10,166.79</u>	<u>\$9,760.04</u>	<u>(\$406.75)</u>	<u>(4.00)</u>
Textbooks (Incl. Lottery)	190.23	189.85	(0.38)	(0.20)
Computer Software	45.48	46.03	0.55	1.21
Computer Hardware	27.50	28.09	0.59	2.15
Library Materials	19.22	19.34	0.12	0.62
Reorganization Incentive (Operating)	19.49	17.47	(2.02)	(10.36)
Transportation (Including Summer)	997.40	991.25	(6.15)	(0.62)
Excess Cost - Private	161.48	90.80	(70.68)	(43.77)
BOCES	496.89	387.57	(109.32)	(22.00)
Special Services (Career Ed./Computer Admin.)	126.92	122.11	(4.81)	(3.79)
Tax Limitation Aid	25.00	0.00	(25.00)	(100.00)
Subtotal Computerized Aid Excluding Bldg. and Growth Aids and Discretionary Grants	<u>12,276.40</u>	<u>11,652.55</u>	<u>(623.85)</u>	<u>(5.08)</u>
Building/Reorganization Building	1,256.57 (a)	1,112.50	(144.07)	(11.47)
Growth Aid	30.65	15.79	(14.86)	(48.48)
Pre-Kindergarten	200.91	0.00	(200.91)	(100.00)
Class Size Reduction	134.56	0.00	(134.56)	(100.00)
Minor Maintenance	49.97	0.00	(49.97)	(100.00)
Full-Day Kindergarten	17.40	0.00	(17.40)	(100.00)
Teacher Support Aid	67.48	22.49	(44.99)	(66.67)
Computerized Aid Total	<u>\$14,033.94</u>	<u>\$12,803.34</u>	<u>(\$1,230.60)</u>	<u>(8.77)</u>
II. Grant Programs and Other Aid Categories:				
Teachers of Tomorrow	25.00	20.00	(5.00)	(20.00)
Teacher Centers	30.00	10.00	(20.00)	(66.67)
Teacher-Mentor Intern	5.00	1.67	(3.33)	(66.60)
Roosevelt	0.00	2.00	2.00	NA
Categorical Reading	63.95	63.95	0.00	0.00
Improving Pupil Performance	66.35	66.35	0.00	0.00
Magnet Schools	135.80	135.80	0.00	0.00
Aid to Small City School Districts	81.88	81.88	0.00	0.00
Fort Drum	2.63	2.63	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.18	76.70	(19.48)	(20.25)
Homeless Pupils	4.00	4.00	0.00	0.00
Incarcerated Youth	13.00	13.00	0.00	0.00
Bilingual	11.20	11.20	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	22.00	22.00	0.00	0.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(18.00)	(18.00)	0.00	0.00
Tuition Adjustment	1.18	1.18	0.00	0.00
CVEEB	0.92	0.92	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.51	(0.17)	(25.00)
Learning Technology Grants	3.29	3.29	0.00	0.00
Shared Services Incentive	0.20	0.20	0.00	0.00
Native American Building	2.00	2.00	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Prior Year Claims/Fiscal Stabilization Grants	57.00	90.00	33.00	57.89
Subtotal	<u>608.24</u>	<u>595.26</u>	<u>(12.98)</u>	<u>(2.13)</u>
SCHOOL YEAR TOTAL	<u>\$14,642.18</u>	<u>\$13,398.60</u>	<u>(\$1,243.58)</u>	<u>(8.49)</u>

(a) Includes \$96.67 million for Capital Outlay Transition grants.

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ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	379,812,200	372,668,300	(7,143,900)	297,982,000
Aid To Localities	21,412,127,899	20,836,308,400	(575,819,499)	3,672,194,300
Capital Projects	149,765,000	3,750,000	(146,015,000)	85,033,000
Total	21,941,705,099	21,212,726,700	(728,978,399)	4,055,209,300

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

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Office of Management Services Program			
General Fund	160	160	0
Special Revenue Funds - Other	198	178	(20)
Internal Service Funds	120	110	(10)
Elementary, Middle and Secondary Education			
General Fund	220	220	0
Special Revenue Funds - Federal	298	288	(10)
School for the Blind			
Special Revenue Funds - Other	104	104	0
Batavia ICF/DD			
Special Revenue Funds - Other	37	37	0
School for the Deaf			
Special Revenue Funds - Other	103	103	0
Higher Education and the Professions, Office of			
General Fund	40	40	0
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	433	93	(340)
Cultural Education			
General Fund	17	0	(17)
Special Revenue Funds - Federal	69	0	(69)
Special Revenue Funds - Other	288	0	(288)
Internal Service Funds	23	0	(23)
Fiduciary Funds	3	0	(3)
Vocational and Educational Services for Individuals with Disabilities			
General Fund	11	3	(8)
Special Revenue Funds - Federal	1,016	199	(817)
Management Efficiencies Program			
General Fund	0	(130)	(130)
Total	3,152	1,417	(1,735)

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	46,820,600	38,327,600	(8,493,000)
Special Revenue Funds - Federal	195,700,000	234,074,200	38,374,200
Special Revenue Funds - Other	115,320,400	79,842,200	(35,478,200)
Internal Service Funds	20,570,800	19,023,900	(1,546,900)
Fiduciary Funds	1,400,400	1,400,400	0
Total	379,812,200	372,668,300	(7,143,900)

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

Program	Available 2002-03	Recommended 2003-04	Change
Office of Management Services Program			
General Fund	17,472,500	17,472,500	0
Special Revenue Funds - Other	18,874,000	15,720,000	(3,154,000)
Internal Service Funds	12,550,000	10,970,000	(1,580,000)
Fiduciary Funds	600,000	600,000	0
Elementary, Middle and Secondary Education			
General Fund	24,628,000	25,228,000	600,000
Special Revenue Funds - Federal	59,910,000	133,456,000	73,546,000
Special Revenue Funds - Other	978,900	978,900	0
School for the Blind			
Special Revenue Funds - Other	7,537,900	7,537,900	0
Fiduciary Funds	40,000	40,000	0
Batavia ICF/DD			
General Fund	126,100	126,100	0
Special Revenue Funds - Other	2,650,000	2,650,000	0
School for the Deaf			
Special Revenue Funds - Other	7,426,000	7,426,000	0
Fiduciary Funds	20,000	20,000	0
Higher Education and the Professions, Office of			
General Fund	3,808,000	3,808,000	0
Special Revenue Funds - Federal	2,684,000	2,723,000	39,000
Special Revenue Funds - Other	45,510,000	27,348,000	(18,162,000)
Cultural Education			
Special Revenue Funds - Federal	7,854,000	8,154,000	300,000
Special Revenue Funds - Other	31,682,300	17,725,400	(13,956,900)
Internal Service Funds	8,020,800	8,053,900	33,100
Fiduciary Funds	740,400	740,400	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	786,000	393,000	(393,000)
Special Revenue Funds - Federal	125,252,000	89,741,200	(35,510,800)
Special Revenue Funds - Other	661,300	456,000	(205,300)
Management Efficiencies Program			
General Fund	0	(8,700,000)	(8,700,000)
Total	<u>379,812,200</u>	<u>372,668,300</u>	<u>(7,143,900)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	9,633,600	0	9,633,600	0
Elementary, Middle and Secondary Education	13,214,900	0	13,214,900	0
Vocational and Educational Services for Individuals with Disabilities	366,600	(366,600)	366,600	(366,600)
Total	<u>23,215,100</u>	<u>(366,600)</u>	<u>23,215,100</u>	<u>(366,600)</u>

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	7,838,900	0	400,000	0
Education	12,013,100	600,000	282,300	0
Batavia ICF/DD	126,100	0	0	0
Higher Education and the Professions, Office of	3,808,000	0	0	0
Vocational and Educational Services for Individuals with Disabilities	26,400	(26,400)	5,000	(4,200)
Management Efficiencies Program	(8,700,000)	(8,700,000)	0	0
Total	<u>15,112,500</u>	<u>(8,126,400)</u>	<u>687,300</u>	<u>(4,200)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	350,000	0	5,648,900	0
Education	697,500	0	5,258,300	600,000
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions, Office of	0	0	0	0
Vocational and Educational Services for Individuals with Disabilities	8,500	(5,000)	8,300	(13,000)
Management Efficiencies Program	0	0	0	0
Total	<u>1,056,000</u>	<u>(5,000)</u>	<u>10,915,500</u>	<u>587,000</u>

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	250,000	0	1,190,000	0
Education	0	0	0	0
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions, Office of	0	0	0	0
Vocational and Educational Services for Individuals with Disabilities	4,600	(4,200)	0	0
Management Efficiencies Program	0	0	0	0
Total	<u>254,600</u>	<u>(4,200)</u>	<u>1,190,000</u>	<u>0</u>

Program	Maintenance Undistributed	
	Amount	Change
Office of Management Services Program Elementary, Middle and Secondary	0	0
Education	5,775,000	0
Batavia ICF/DD	126,100	0
Higher Education and the Professions, Office of	3,808,000	0
Vocational and Educational Services for Individuals with Disabilities	0	0
Management Efficiencies Program	(8,700,000)	(8,700,000)
Total	<u>1,009,100</u>	<u>(8,700,000)</u>

EDUCATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	27,290,000	(4,734,000)	12,704,000	(1,118,000)
Elementary, Middle and Secondary Education	134,434,900	73,546,000	63,439,000	31,058,000
School for the Blind	7,577,900	0	5,190,000	0
Batavia ICF/DD	2,650,000	0	1,682,000	0
School for the Deaf	7,446,000	0	4,874,000	0
Higher Education and the Professions, Office of	30,071,000	(18,123,000)	4,640,000	0
Cultural Education	34,673,700	(13,623,800)	8,080,700	198,000
Vocational and Educational Services for Individuals with Disabilities	90,197,200	(35,716,100)	36,521,100	(19,074,200)
Total	334,340,700	1,349,100	137,130,800	11,063,800

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	13,986,000	(616,000)	600,000	(3,000,000)
Elementary, Middle and Secondary Education	70,017,000	42,488,000	978,900	0
School for the Blind	2,387,900	0	0	0
Batavia ICF/DD	968,000	0	0	0
School for the Deaf	2,572,000	0	0	0
Higher Education and the Professions, Office of	4,831,000	167,000	20,600,000	(18,290,000)
Cultural Education	12,467,200	178,200	14,125,800	(14,000,000)
Vocational and Educational Services for Individuals with Disabilities	53,220,100	(16,436,600)	456,000	(205,300)
Total	160,449,200	25,780,600	36,760,700	(35,495,300)

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

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	13,744,076,899	12,980,889,400	(763,187,499)
Special Revenue Funds - Federal	3,094,795,000	3,210,127,000	115,332,000
Special Revenue Funds - Other	4,573,256,000	4,645,292,000	72,036,000
Total	21,412,127,899	20,836,308,400	(575,819,499)

Adjustments:	
Prior Year Deficiency	
Education Department, State	
General Fund	(30,200,000)
Special Revenue Funds - Other	36,200,000
Appropriated 2002-03	<u>21,418,127,899</u>

EDUCATION

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

Program	Available 2002-03	Recommended 2003-04	Change
School Tax Relief			
Special Revenue Funds - Other	2,700,000,000	2,780,000,000	80,000,000
Elementary, Middle and Secondary Education			
General Fund	13,447,250,800	12,772,488,800	(674,762,000)
Special Revenue Funds - Federal	2,519,151,000	2,568,162,000	49,011,000
Special Revenue Funds - Other	1,863,106,000	1,855,142,000	(7,964,000)
Higher Education and the Professions, Office of			
General Fund	89,235,000	42,185,000	(47,050,000)
Cultural Education			
General Fund	105,900,000	89,845,000	(16,055,000)
Special Revenue Funds - Federal	4,660,000	4,660,000	0
Special Revenue Funds - Other	10,150,000	10,150,000	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	74,070,600	76,370,600	2,300,000
Special Revenue Funds - Federal	570,984,000	637,305,000	66,321,000
Community Projects			
General Fund	27,620,499	0	(27,620,499)
Total	<u>21,412,127,899</u>	<u>20,836,308,400</u>	<u>(575,819,499)</u>

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

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Education Building				
Capital Projects Fund	1,695,000	0	(1,695,000)	2,336,000
Capital Projects Fund - Advances	0	0	0	500,000
School for the Blind				
Capital Projects Fund	1,700,000	0	(1,700,000)	2,400,000
Capital Projects Fund - Advances	0	0	0	1,510,000
School for the Deaf				
Capital Projects Fund	175,000	250,000	75,000	181,000
Capital Projects Fund - Advances	0	0	0	320,000
Schools For Native American Reservations				
Capital Projects Fund	0	1,500,000	1,500,000	0
Cultural Education Center				
Capital Projects Fund	5,295,000	0	(5,295,000)	5,430,000
Capital Projects Fund - Advances	0	0	0	11,400,000
Administration				
Capital Projects Fund	900,000	2,000,000	1,100,000	3,656,000
Rebuild Schools to Uphold Education Program				
Capital Projects Fund - Authority Bonds	0	0	0	57,000,000
Capital Outlay Transition Grants				
Capital Projects Fund - Advances	140,000,000	0	(140,000,000)	0
Washington Avenue Armory				
Capital Projects Fund - Advances	0	0	0	300,000
Total	<u>149,765,000</u>	<u>3,750,000</u>	<u>(146,015,000)</u>	<u>85,033,000</u>

OFFICE OF CHILDREN AND FAMILY SERVICES

MISSION

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

ORGANIZATION AND STAFFING

The Office of Children and Family Services is headquartered in Rensselaer with regional offices throughout the State. These offices provide operational support and policy direction to local social services districts and youth bureaus. The Office is also responsible for the operation of 40 residential and 8 day placement facilities statewide serving nearly 2,000 youth. The workforce for fiscal year 2003-04 is estimated at 3,703 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Office of Children and Family Services receives 39 percent of its \$3.7 billion budget from State tax dollars and 61 percent from Federal and other funds. The State Operations budget of \$412 million supports the operation of juvenile justice facilities as well as OCFS oversight of child welfare, child care, adult protection and other related programs. The 2003-04 Executive Budget reduces State Operations General Fund support for OCFS by \$41.7 million through a series of cost savings measures that range from maximization of Federal funding to a restructuring of the Agency's juvenile justice programs.

As part of an overall effort to streamline and strengthen State agency services in 2003-04, the OCFS State Operations budget also reflects several organizational mergers. First, the Council on Children and Families will be merged into OCFS, establishing the Office's lead role in coordinating State and local services for children and families. In addition, the Commission for the Blind and Visually Handicapped will be moved from OCFS to the Department of Labor (DOL) along with the State Education Department's VESID program. This restructuring will establish a single entity to provide vocational rehabilitation services to the disabled while leveraging DOL's broad expertise in the operation of employment and training programs. Finally, the budget proposes elimination of the Foster Care Commission on the Quality of Care since the Commission's role duplicates the existing oversight and monitoring responsibilities of OCFS.

The Local Assistance budget of \$3.26 billion provides payments to local governments and not-for-profit providers for programs such as foster care, adoption, child protective services, delinquency prevention and child care.

Capital projects appropriations of \$20 million support the maintenance of the State-operated juvenile justice facilities in order to provide a safe living environment, appropriate education, recreation and vocational program space; and an appropriate level of security for youth while they are in residential care.

CHILDREN AND FAMILY SERVICES

The Executive Budget provides more than \$1.6 billion in State and Federal funding to support the comprehensive child welfare financing reform enacted in 2002-03. This reform is intended to encourage local governments to invest in preventive services necessary to reduce out-of-home placement of children. Specific elements of this recently implemented initiative include:

- **Open-ended Funding for Child Welfare Services:** The centerpiece of the child welfare financing system is the provision of 65 percent State reimbursement for community-based preventive services that avert the placement of children in foster

CHILDREN AND FAMILY SERVICES

care or juvenile justice facilities. State funding at a 65 percent level is also available for child protective services, aftercare services, independent living activities, and local administration costs related to adoptions. The Budget includes an increase of \$20.5 million in 2003-04, from \$324.4 million to \$344.9 million, to support this child welfare funding source.

- **Investments in Child Welfare Quality Enhancement:** OCFS will again distribute \$2 million in Temporary Assistance for Needy Families (TANF) funding to counties and not-for-profit groups in 2003-04 to promote the development of innovative child welfare service delivery models. During 2003-04, special emphasis in the use of these funds will be placed on enhancing the quality of medical care for foster children.
- **A Flexible Foster Care Block Grant:** The Executive Budget continues funding for a \$364.5 million Foster Care Block Grant that provides counties with a clear incentive to reduce the number of children in foster care. Under the Block Grant, savings resulting from reduced use of foster care can be reinvested in locally-designed child welfare initiatives that strengthen preventive services or better serve high-needs children. An additional \$9 million in General Fund support, an increase of \$6 million, is available outside the Foster Care Block Grant to fund the full annual cost of a 3 percent COLA for direct care workers in foster care agencies that took effect December 1, 2002.

Within the TANF Block Grant, \$286 million is set aside for children and their families facing emergency situations. The Executive Budget also provides \$7 million, a \$2.4 million increase, in TANF funding to support the full cost of locally-developed services necessary to prevent placement of persons-in need of supervision (PINS) in costly institutional settings such as non-secure detention. In addition, the 2003-04 recommendation maintains the transfer of Federal TANF funds to the Federal Title XX Social Services Block Grant at \$244 million to support locally provided services to children and families.

The Budget includes \$167 million for the State's share of subsidies provided to families who adopt children with special needs. These funds will support approximately 46,000 children in adoptive homes.

An increase of \$5.4 million, from \$43 million to \$48.4 million, is provided to support the maintenance costs (e.g. food, shelter) of disabled children placed by school district committees on special education (CSEs) in private residential education programs during the regular school year. Under legislation submitted with the Budget, school districts would become financially responsible for 20 percent of the maintenance costs associated with their CSE placement decisions.

The Executive Budget eliminates \$1.6 million in General Fund support for the Home Visiting program while preserving \$16 million in TANF funding for this program. OCFS will offset the \$1.6 million General Fund reduction in 2003-04 through the use of special revenue funds.

CHILD CARE

The Executive Budget increases funding for the State Child Care Block Grant by \$17 million to \$929 million. Using a combination of Federal, State, local and available prior year funding, the Block Grant supports child care subsidies for public assistance and low-income families. Subsidized child care is guaranteed for public assistance recipients with children up to age 13, when such care is required for the parent/guardian to engage in work activities. Families transitioning from welfare to work are guaranteed subsidized child care for up to 12 months after leaving Family Assistance. The State also provides subsidized child care to families at risk of becoming dependent on Family Assistance. Each social services district receives a single grant that enables it to tailor its expenditures to meet local needs and to comply with mandated work participation requirements for Family Assistance.

As provided by the Governor's Child Care Quality Act, the Executive Budget includes \$18.5 million to fingerprint all regulated child care providers and to expand oversight and monitoring activities. In addition, \$2.5 million is set aside to support child care programs meeting the special needs of migrant workers' children.

CHILDREN AND FAMILY SERVICES

The Executive Budget also continues Advantage After-School programs funded in 2002-03. This program offers educational and recreational after-school activities for elementary, middle and high school students and funds community-based organizations demonstrating the ability to work collaboratively with schools, child care providers and other community providers for after-school programming. Total funding for Advantage Schools will be \$20.2 million in 2003-04 and will be fully supported through Federal TANF funds.

YOUTH FACILITIES

The Youth Facilities Program includes the Office's 40 residential facilities and 8 day placement centers serving youth placed by the Family Courts or directed by the Criminal Courts. Through a broad array of programs, the Office provides rehabilitative services that include counseling, education and training designed to promote positive youth development and foster a youth's return to the community as a law-abiding and productive citizen.

The 2003-04 Executive Budget initiates a multi-year reform of the OCFS juvenile justice program that will reduce overall State spending through a targeted expansion of community-based services and a reduction in the number of State-operated youth facility beds. OCFS will invest \$3.3 million in a new community-based intensive supervision program designed for non-violent youths to reduce the rate of recidivism among participants through the use of local non-profit agencies to provide services ranging from family-based counseling to specialized after-school programs. Combined with a declining facility population, the proposed community-based intensive supervision initiative will allow OCFS to reduce its facility capacity by approximately 250 beds in 2003-04. Juvenile justice reforms also include the transfer of certain juvenile offenders from OCFS secure facilities to the Department of Correctional Services. These youth have committed the most serious violent crimes, are 20 years old, and would otherwise be transferred to the Department of Correctional Services on their 21st birthday.

SYSTEMS

The Executive Budget includes approximately \$60 million in State and Federal funding to operate and continue development of CONNECTIONS, the State's child welfare information system. While General Fund support for CONNECTIONS is reduced by \$15 million during 2003-04, this reduction is fully offset with additional Federal funding. Once completed, CONNECTIONS will provide for the electronic transmission of reports of child abuse or neglect from the State's Child Abuse Hotline to local governments to enhance case management and afford children and families greater protections.

PROGRAM HIGHLIGHTS

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

The Office also provides funding to counties and municipalities, and community-based not-for-profit agencies for the provision of youth development and delinquency prevention programs. State fiscal difficulties necessitate a reduction in the Youth Development Delinquency Prevention program and the Special Delinquency Prevention Program. Even with the required reductions, these programs would still provide more than \$37 million in annual delinquency prevention program funding.

CHILDREN AND FAMILY SERVICES

The State Child Abuse Hotline receives approximately 330,000 calls each year reporting alleged child maltreatment or abuse through a toll-free 800 telephone number. As a result, the State initiates investigations of these allegations, which are conducted by county protective services staff and/or local law enforcement agencies. The Register maintains a master database of those found culpable of child abuse so that employers, such as day care centers, can screen out potential employees with a history of familial child abuse.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. Many of these programs serve the public assistance population and play an important role as the State and its localities implement welfare reform. Programs include oversight of locally administered adult protective services and programs providing services to victims of domestic violence, including emergency shelters and community-based crisis intervention.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	471,251,600	412,089,000	(59,162,600)	267,550,000
Aid To Localities	3,016,767,422	3,264,447,000	247,679,578	2,640,831,800
Capital Projects	14,410,000	20,030,000	5,620,000	67,693,000
Total	3,502,429,022	3,696,566,000	194,136,978	2,976,074,800

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

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Central Administration			
General Fund	376	357	(19)
Special Revenue Funds - Federal	0	6	6
Special Revenue Funds - Other	78	79	1
Child Care			
General Fund	34	0	(34)
Special Revenue Funds - Federal	201	235	34
Commission for the Blind and Visually Handicapped			
General Fund	14	0	(14)
Special Revenue Funds - Federal	161	0	(161)
Fiduciary Funds	3	0	(3)
Employment and Disability Assistance Account			
Special Revenue Funds - Federal	11	11	0
Family and Children Services			
General Fund	429	416	(13)
Special Revenue Funds - Federal	73	73	0
National and Community Service, Office of Special Revenue Funds - Federal	9	9	0
Systems Support			
General Fund	146	142	(4)
Training and Development			
Special Revenue Funds - Other	47	52	5
Youth Facilities			
General Fund	2,698	2,323	(375)
Total	4,280	3,703	(577)

CHILDREN AND FAMILY SERVICES

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	252,926,600	211,188,500	(41,738,100)
Special Revenue Funds - Federal	89,744,000	62,558,000	(27,186,000)
Special Revenue Funds - Other	124,456,000	135,029,000	10,573,000
Enterprise Funds	500,000	500,000	0
Internal Service Funds	100,000	100,000	0
Fiduciary Funds	3,525,000	2,713,500	(811,500)
Total	<u>471,251,600</u>	<u>412,089,000</u>	<u>(59,162,600)</u>

Adjustments:

Prior Year Deficiency			
Children and Family Services Office of			
General Fund	5,999,700		
Transfer(s) From			
Children and Families, Council on			
General Fund	(1,007,000)		
Special Revenue Funds - Federal	(1,600,000)		
Special Revenue Funds - Other	(225,000)		
Expendable Trust Funds	(300,000)		
Appropriated 2002-03	<u>474,119,300</u>		

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

Program	Available 2002-03	Recommended 2003-04	Change
Central Administration			
General Fund	35,293,400	32,841,400	(2,452,000)
Special Revenue Funds - Federal	1,600,000	1,986,000	386,000
Special Revenue Funds - Other	16,225,000	16,075,000	(150,000)
Internal Service Funds	100,000	100,000	0
Fiduciary Funds	2,125,000	2,012,500	(112,500)
Child Care			
General Fund	2,805,900	0	(2,805,900)
Special Revenue Funds - Federal	14,800,000	0	(14,800,000)
Commission for the Blind and Visually Handicapped			
General Fund	8,455,000	4,228,000	(4,227,000)
Special Revenue Funds - Federal	25,544,000	12,772,000	(12,772,000)
Special Revenue Funds - Other	500,000	250,000	(250,000)
Fiduciary Funds	1,400,000	701,000	(699,000)
Departmental Administrative Reimbursement			
General Fund	(32,843,000)	(42,643,000)	(9,800,000)
Special Revenue Funds - Other	39,343,000	49,143,000	9,800,000
Family and Children Services			
General Fund	30,453,300	30,003,100	(450,200)
Special Revenue Funds - Federal	17,800,000	17,800,000	0
Special Revenue Funds - Other	1,046,000	1,046,000	0
Systems Support			
General Fund	48,252,000	32,151,000	(16,101,000)
Special Revenue Funds - Federal	30,000,000	30,000,000	0
Special Revenue Funds - Other	10,000,000	15,000,000	5,000,000
Training and Development			
General Fund	9,420,000	7,514,000	(1,906,000)
Special Revenue Funds - Other	57,342,000	53,515,000	(3,827,000)
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	151,090,000	147,094,000	(3,996,000)
Enterprise Funds	300,000	300,000	0
Total	<u>471,251,600</u>	<u>412,089,000</u>	<u>(59,162,600)</u>

CHILDREN AND FAMILY SERVICES

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	20,711,000	(1,634,900)	19,342,000	(1,633,900)
Child Care	0	(1,854,300)	0	(1,854,300)
Family and Children Services	21,197,000	(74,200)	20,270,100	(74,200)
Systems Support	5,725,000	(1,876,000)	5,604,000	(1,887,000)
Youth Facilities	119,558,000	(4,381,000)	108,308,000	(3,963,000)
Total	<u>167,191,000</u>	<u>(9,820,400)</u>	<u>153,524,100</u>	<u>(9,412,400)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	1,130,000	104,000	239,000	(105,000)
Child Care	0	0	0	0
Family and Children Services	6,000	0	920,900	0
Systems Support	0	0	121,000	11,000
Youth Facilities	5,559,000	(204,000)	5,691,000	(214,000)
Total	<u>6,695,000</u>	<u>(100,000)</u>	<u>6,971,900</u>	<u>(308,000)</u>

CHILDREN AND FAMILY SERVICES

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Administration	12,130,400	(817,100)	208,000	(18,200)
Child Care	0	(951,600)	0	(74,300)
Commission for the Blind and Visually Handicapped	4,228,000	(4,227,000)	0	0
Family and Children Services	8,806,100	(376,000)	589,000	0
Systems Support	26,426,000	(14,225,000)	225,000	(122,000)
Training and Development	7,514,000	(1,906,000)	0	0
Youth Facilities	27,536,000	385,000	10,589,000	(486,000)
Total	86,640,500	(22,117,700)	11,611,000	(700,500)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Administration	534,000	(400,000)	9,115,900	(58,600)
Child Care	0	(185,400)	0	(662,100)
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	360,000	(27,000)	7,828,100	(9,000)
Systems Support	50,000	(54,000)	10,526,000	866,000
Training and Development	0	0	0	0
Youth Facilities	912,000	(39,000)	13,380,000	(522,000)
Total	1,856,000	(705,400)	40,850,000	(385,700)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Central Administration	385,200	(308,800)	5,800	0
Child Care	0	(29,800)	0	0
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	29,000	0	0	0
Systems Support	225,000	85,000	0	0
Training and Development	0	0	0	0
Youth Facilities	1,168,000	(55,000)	0	0
Total	1,807,200	(308,600)	5,800	0

Program	Maintenance Undistributed	
	Amount	Change
Central Administration	1,881,500	(31,500)
Child Care	0	0
Commission for the Blind and Visually Handicapped	4,228,000	(4,227,000)
Family and Children Services	0	(340,000)
Systems Support	15,400,000	(15,000,000)
Training and Development	7,514,000	(1,906,000)
Youth Facilities	1,487,000	1,487,000
Total	30,510,500	(20,017,500)

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	20,173,500	123,500	0	0
Child Care	0	(14,800,000)	0	0
Commission for the Blind and Visually Handicapped	13,723,000	(13,721,000)	0	0
Family and Children Services	18,846,000	0	0	0
Systems Support	45,000,000	5,000,000	0	0
Training and Development	53,715,000	(3,827,000)	1,662,000	0
Youth Facilities	300,000	0	0	0
Total	151,757,500	(27,224,500)	1,662,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	1,812,500	(112,500)	18,361,000	236,000
Child Care	0	0	0	(14,800,000)
Commission for the Blind and Visually Handicapped	0	0	13,723,000	(13,721,000)
Family and Children Services	5,000,000	0	13,846,000	0
Systems Support	0	0	45,000,000	5,000,000
Training and Development	3,224,000	773,000	48,829,000	(4,600,000)
Youth Facilities	300,000	0	0	0
Total	10,336,500	660,500	139,759,000	(27,885,000)

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	1,191,479,422	1,226,359,000	34,879,578
Special Revenue Funds - Federal	1,804,508,000	2,022,308,000	217,800,000
Special Revenue Funds - Other	17,250,000	12,250,000	(5,000,000)
Fiduciary Funds	3,530,000	3,530,000	0
Total	3,016,767,422	3,264,447,000	247,679,578

Adjustments:	
Prior Year Deficiency	
Children and Family Services Office of	
General Fund	93,440,000
Appropriated 2002-03	<u>3,110,207,422</u>

CHILDREN AND FAMILY SERVICES

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

Program	Available 2002-03	Recommended 2003-04	Change
Child Care			
General Fund	96,066,000	96,066,000	0
Special Revenue Funds - Federal	660,400,000	768,000,000	107,600,000
Special Revenue Funds - Other	250,000	250,000	0
Family and Children Services			
General Fund	1,069,654,600	1,125,293,000	55,638,400
Special Revenue Funds - Federal	1,115,670,000	1,225,870,000	110,200,000
Special Revenue Funds - Other	17,000,000	12,000,000	(5,000,000)
Fiduciary Funds	3,530,000	3,530,000	0
Training and Development			
General Fund	5,000,000	5,000,000	0
Special Revenue Funds - Federal	28,438,000	28,438,000	0
Community Projects			
General Fund	20,758,822	0	(20,758,822)
Total	<u>3,016,767,422</u>	<u>3,264,447,000</u>	<u>247,679,578</u>

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

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Design and Construction Supervision				
Youth Facilities Improvement Fund	3,000,000	4,000,000	1,000,000	4,000,000
Child Care Facilities Development Program				
Capital Projects Fund - Authority Bonds	0	0	0	8,724,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	1,935,000	2,930,000	995,000	6,779,000
Youth Facilities Improvement Fund	9,475,000	11,000,000	1,525,000	22,406,000
Executive Direction and Administrative Services				
Capital Projects Fund	0	0	0	498,000
Misc. Capital Projects	0	0	0	7,000,000
Program Improvement or Program Change				
Youth Facilities Improvement Fund	0	2,100,000	2,100,000	11,686,000
Youth Center				
Capital Projects Fund	0	0	0	6,600,000
Total	<u>14,410,000</u>	<u>20,030,000</u>	<u>5,620,000</u>	<u>67,693,000</u>

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

MISSION

The Office of Temporary and Disability Assistance (OTDA), working in close collaboration with the Department of Labor and Office of Children and Family Services, helps needy adults and families achieve economic self-sufficiency through work, job training and child support enforcement. The Office also provides economic assistance to aged and disabled persons who are unable to work, transitional support to welfare recipients while they are working toward self-sufficiency and supportive services to low income households to help them avoid welfare dependency.

ORGANIZATION AND STAFFING

The Office has its central office in Albany and three major field offices throughout the State. These offices provide direct operational support, supervision and guidance to the State's 58 local social services districts which are composed of each county and New York City. Social services districts are responsible for directly administering most welfare programs, including those that serve the homeless and refugees.

Office staff also provide legal, audit and computer systems support. Through its Division of Disability Determinations, the Office also evaluates the medical eligibility of disability claimants for Supplemental Security Income and Social Security Disability Insurance. The office is authorized 2,384 positions for 2003-04. Approximately 490 of these positions are paid by State tax dollars from the General Fund with partial Federal reimbursement and 1,457 are funded directly by Federal grants. The remaining 18 percent are supported by various non-governmental grants and revenues.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A total of \$4.8 billion is recommended from all funding sources in 2003-04 to support State Operations and Aid to Localities programs including Family Assistance, Safety Net, Supplemental Security Income (SSI), Food Assistance (FAP), Home Energy Assistance (HEAP), child support enforcement and food stamp administration.

Aid to Localities is funded by \$4.3 billion in Federal funds, General Fund dollars and other revenue, and reflects modest increases in certain programs — Safety Net Assistance and Supplemental Security Income (SSI) for the aged and disabled — related to economic factors.

For State Operations, an appropriation of approximately \$467 million is recommended from all funding sources. These funds will support a workforce of approximately 2,384, including 1,293 federally funded positions in the Division of Disability Determinations.

The recommended \$61 million General Fund appropriation includes: funding for staff and other costs related to the oversight of social services district administration of public assistance and child support enforcement programs; administrative hearings for public assistance, Food Stamp, and Medicaid applicants and recipients; and operation of the major computer systems supporting public assistance programs. Approximately \$525 million in Federal funds and other revenues are recommended for the operation of the Division of Disability Determinations, the Home Energy Assistance program (HEAP) and the Bureau of Refugee and Immigration Affairs.

State funding of \$25.2 million is appropriated for the cost of redesigning the Welfare Management System (WMS), continued development of the Welfare-to-Work Caseload Management System and related systems initiatives including the Human Services Enterprise Network.

TEMPORARY AND DISABILITY ASSISTANCE

Specific priorities for the Office of Temporary and Disability Assistance for 2003-04 are as follows:

- In partnership with local social services districts, the Department of Labor and the Office of Children and Family Services operate programs enacted through the State Welfare Reform Act of 1997 so that recipients can transition to work and self-sufficiency and at-risk households can avoid welfare dependency;
- Build upon the substantial accomplishments of recent years by further strengthening child support enforcement to increase parental financial support for children;
- Improve, redesign and more effectively use technology, information and communication to support program operations; and
- Continue to strengthen program integrity and anti-fraud activities throughout the welfare system.

PROGRAM HIGHLIGHTS

The welfare system in New York State has changed in basic philosophy and approach, bringing to fruition the overall objectives of State welfare reform. These changes include transforming welfare into a system of temporary income support while recipients secure employment and child support payments; promoting individual responsibility; and providing social services districts with the flexibility they need to effectively administer a work-oriented welfare system. The system has evolved from one that focused primarily on determining client eligibility and distributing benefit payments to one that now focuses on assisting individuals achieve independence from publicly supported welfare programs.

OTDA programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households. These activities help families address life events that could otherwise jeopardize continued employment.

This new approach has resulted in a dramatic decline in welfare caseloads. Since 1995, over 1,040,000 recipients have left the welfare rolls, a 63.3 percent decline. In addition to generating significant State and local government savings, this unprecedented caseload decrease has freed funds within the TANF block grant for important programs. Among them are the Earned Income Tax Credit (EITC) and Child and Dependent Care Credit, which return a portion of taxes paid by low income working families, and programs that provide transportation, drug and alcohol services, domestic violence screening and child care services.

FAMILY ASSISTANCE

The Family Assistance program provides employment assessments, support services and time-limited cash assistance to eligible families with children while the parent acquires the necessary work skills to secure and retain employment.

With certain statutorily prescribed exceptions, those who receive benefits must participate in work activities to remain eligible. Federal financial participation in cash benefits for Family Assistance participants is limited to a cumulative period of five years. If the Family Assistance household is unable to transition off of cash assistance during this period, the family typically moves to a program of non-cash benefits through the Safety Net Assistance program (discussed below) while the head of household continues to search for a job.

All Family Assistance participants must undergo an assessment of their employability, skills and training needs and, unless disabled, must participate in assigned work activities. Employed participants are provided a substantial earned income disregard and may retain a high level of savings and other resources to help the transition from welfare. These measures are designed to foster recipient self-sufficiency.

Local social services districts are required to meet Federal work activity participation targets. Reflecting scheduled increases in work participation requirements in Federal law, for FFY 2003, districts must place at least 50 percent of all Family Assistance cases in an

TEMPORARY AND DISABILITY ASSISTANCE

allowable work activity for not less than 30 hours per week. State law requires that this activity be work or work-like activities such as job training, community service or workfare.

The Governor's welfare reform program also fosters individual responsibility to help break the cycle of long-term dependency. All applicants and recipients are required to participate in screening and assessment to determine if the need for welfare results from use of illegal drugs or excessive consumption of alcoholic beverages. If a participant is unable to work because of such circumstances, he or she is referred to an appropriate treatment program and welfare benefits are restricted to non-cash assistance. Teen parents must attend high school or other approved education programs to receive welfare benefits.

Welfare reform also requires each social services district to screen its Family Assistance caseload for domestic violence. Acting through its designated domestic violence liaison, each district informs the individual of voluntary services which may be available. Districts waive application of welfare program rules, including but not limited to child support cooperation and work requirements, if the district determines that these provisions would cause further risk or make it more difficult for the person to escape domestic violence.

Homeless families in the State's transitional and emergency shelter system also are expected to strive for self-sufficiency. These facilities can help homeless families achieve this goal by strengthening their independent living skills and helping them to acquire permanent housing. To this end, the Governor is increasing funding for targeted housing subsidy and homeless support services programs in SFY 2003-04. These initiatives should not only broaden access to permanent housing, through the provision of additional rent subsidies for longer-term homeless families and promote self-sufficiency through various support services, but should curtail unnecessary use of more expensive emergency hotels and homeless shelters.

The Governor's welfare reform program has also strengthened child support enforcement. Improvements include automated updating of child support awards to reflect inflation; improved customer services through website access of account information and interstate reciprocity in child support proceedings; a strengthened role for child support staff in welfare case processing; and administrative authority for social services districts to order genetic tests, subpoena information and collect relevant data from Federal, State and local agencies. These measures have helped to increase total child support collections to their current level of over \$1.35 billion.

The Executive Budget continues to re-invest Federal incentive bonuses in child support initiatives to strengthen performance in "hard-to-collect" cases, update asset information on non-custodial parents, expand private health care coverage for children in support cases, expand the "Celebrating Fatherhood" media campaign and contract for private parent locator services. OTDA also has embarked on new State-local partnerships to group appropriate investigatory, prosecutorial and collection staff in Joint Enforcement Teams (JET) to increase criminal prosecutions for parents who refuse to pay child support. These initiatives will further strengthen the child support enforcement system and improve customer services, thus helping to ensure that parents provide for the income support of their children.

Welfare reform also protects taxpayer investments in the welfare system by providing sanctions for persons who refuse to comply with work requirements and prohibiting welfare payments to fugitive felons, persons who have been convicted of a felony and failed to abide by the terms of their probation or parole, or who have been convicted of fraudulently seeking to obtain benefits in two or more states.

SAFETY NET ASSISTANCE PROGRAM

Article XVII of the State Constitution requires the State and its social services districts to provide for the needy. State welfare reform meets this obligation through the Safety Net Assistance program for persons who are not eligible for Family Assistance or Supplemental Security Income.

Safety Net Assistance participants, primarily single adults and childless couples, can receive cash allowances for a two-year period after which benefits can be provided on a non-cash basis. Other groups that may receive non-cash benefits include families that have

TEMPORARY AND DISABILITY ASSISTANCE

exhausted their five-year limit on Family Assistance, certain non-citizens, households where the adult is unable to work because of substance abuse and households where the adult has refused to participate in drug/alcohol screening or treatment. In addition to providing for essential needs, the Safety Net Assistance program provides employment services such as job search, work training and workfare. Unless prevented from doing so by a physical or mental disability, Safety Net Assistance participants must engage in assigned work activities to receive assistance.

SUPPLEMENTAL SECURITY INCOME

Federal Supplemental Security Income (SSI) provides cash assistance to the aged, visually handicapped and disabled. The State's SSI benefit currently is among the highest nationally. The 2003-04 recommendation of \$610 million funds the State cost of SSI benefits for a projected 625,900 recipients. SSI and Social Security Disability Insurance (SSDI) eligibility for disability claimants is evaluated by OTDA's Division of Disability Determinations (DDD).

NUTRITION ASSISTANCE

The Federal Food Stamp Program provides low-income households with coupons or electronic benefits that can be used as cash at grocery stores to purchase food. New York receives \$1.4 billion per year in Federal food stamp benefits, with an average monthly benefit of \$176 to support needy households and those making the transition from welfare to work.

New York's Nutrition Outreach and Education Program increases public awareness of the benefits of participating in the Federal Food Stamp, Summer Food Service and School Breakfast Programs and assists clients with the food stamp application process. In 2003-04, a \$2 million increase (\$1 million in State funding matched by \$1 million in Federal funding) is recommended to expand enrollment in the federally-funded food Stamp Program for eligible low income families and singles and to expand related nutrition education and outreach.

New York's Food Assistance Program (FAP) purchases food stamps on behalf of immigrants age 60 through 67 who are not eligible for federally funded food stamp benefits. The Food Stamp Reauthorization Act of 2002 restored food stamp eligibility to qualified aliens served by FAP. As a result, FAP operations will cease in 2003-04. The Budget includes \$600,000 in combined State and local funds for program close-out

PROGRAM AND ADMINISTRATIVE COST CONTAINMENT

While welfare reform has been an unprecedented success, a number of cost saving measures are necessary in the wake of the State's fiscal challenges following the September 11, 2001 World Trade Center disaster and the overall national economic decline. To control costs, foster individual self-sufficiency and preserve basic income support for eligible children and adults, 2003-04 welfare budget recommendations would:

- Seek increased Federal resources through the Social Security Disability Insurance program for SSI recipients who are eligible for income support as Social Security beneficiaries;
- Reduce State SSI costs by retaining increased Federal cost-of-living adjustment (COLA) funds to offset the State financed supplement. As previously noted, New York's supplement is among the highest in the nation;
- Reduce State reimbursement of local welfare administration costs to reflect the reduced need for administrative overhead due to the significant caseload declines that have occurred in the public assistance and food stamp programs;
- Enact the existing regulatory schedule of public assistance shelter allowances into statute, thus avoiding potential increases that could result from pending litigation and preventing inappropriate judicial involvement in setting the amount of the welfare grant; and

TEMPORARY AND DISABILITY ASSISTANCE

- Merge the Office of the Welfare Inspector General into OTDA to strengthen anti-fraud efforts by giving the Welfare Inspector General access to OTDA administrative support and computer capabilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	465,181,400	467,352,500	2,171,100	321,852,000
Aid To Localities	3,613,585,000	4,302,335,500	688,750,500	7,840,066,400
Capital Projects	30,000,000	30,000,000	0	141,736,000
Total	<u>4,108,766,400</u>	<u>4,799,688,000</u>	<u>690,921,600</u>	<u>8,303,654,400</u>

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

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
General Fund	160	158	(2)
Special Revenue Funds - Federal	98	98	0
Special Revenue Funds - Other	58	58	0
Child Support Enforcement			
Special Revenue Funds - Other	56	56	0
Disability Determinations			
Special Revenue Funds - Federal	1,330	1,293	(37)
Special Revenue Funds - Other	111	101	(10)
Executive Direction			
General Fund	18	17	(1)
Legal Affairs			
General Fund	156	149	(7)
System Support and Information Services			
General Fund	120	114	(6)
Special Revenue Funds - Federal	16	16	0
Special Revenue Funds - Other	59	59	0
Temporary and Disability Assistance Programs			
General Fund	41	38	(3)
Special Revenue Funds - Federal	21	21	0
Special Revenue Funds - Other	148	148	0
Transitional Supports and Policy, Division of			
General Fund	15	14	(1)
Special Revenue Funds - Federal	29	29	0
Special Revenue Funds - Other	15	15	0
Total	<u>2,451</u>	<u>2,384</u>	<u>(67)</u>

TEMPORARY AND DISABILITY ASSISTANCE

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	69,922,400	61,539,500	(8,382,900)
Special Revenue Funds - Federal	255,242,000	255,342,000	100,000
Special Revenue Funds - Other	139,017,000	149,471,000	10,454,000
Internal Service Funds	1,000,000	1,000,000	0
Total	<u>465,181,400</u>	<u>467,352,500</u>	<u>2,171,100</u>

Adjustments:

Prior Year Deficiency			
Temporary and Disability Assistance,			
Office of			
Special Revenue Funds - Other	1,088,000		
Transfer(s) From			
Welfare Inspector General, Office of			
General Fund	(713,000)		
Special Revenue Funds - Other	(713,000)		
Appropriated 2002-03	<u>464,843,400</u>		

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
General Fund	20,836,000	21,659,000	823,000
Special Revenue Funds - Federal	7,000,000	7,000,000	0
Special Revenue Funds - Other	16,795,000	19,500,000	2,705,000
Internal Service Funds	1,000,000	1,000,000	0
Child Support Enforcement			
Special Revenue Funds - Federal	3,100,000	3,100,000	0
Special Revenue Funds - Other	26,908,000	27,000,000	92,000
Departmental Administrative			
Reimbursement			
General Fund	(70,557,000)	(72,127,000)	(1,570,000)
Special Revenue Funds - Other	74,839,000	75,696,000	857,000
Disability Determinations			
Special Revenue Funds - Federal	160,000,000	160,000,000	0
Special Revenue Funds - Other	8,900,000	8,900,000	0
Executive Direction			
General Fund	1,760,000	1,756,000	(4,000)
Legal Affairs			
General Fund	12,147,000	11,304,700	(842,300)
System Support and Information Services			
General Fund	100,163,000	93,455,000	(6,708,000)
Special Revenue Funds - Federal	75,000,000	75,000,000	0
Special Revenue Funds - Other	6,800,000	13,100,000	6,300,000
Temporary and Disability Assistance			
Programs			
General Fund	4,191,000	4,141,400	(49,600)
Special Revenue Funds - Federal	6,000,000	6,100,000	100,000
Special Revenue Funds - Other	3,500,000	4,000,000	500,000
Transitional Supports and Policy, Division of			
General Fund	1,382,400	1,350,400	(32,000)
Special Revenue Funds - Federal	4,142,000	4,142,000	0
Special Revenue Funds - Other	1,275,000	1,275,000	0
Total	<u>465,181,400</u>	<u>467,352,500</u>	<u>2,171,100</u>

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	8,496,000	(1,867,000)	8,366,700	(1,867,951)
Executive Direction	1,456,000	29,000	1,365,400	28,020
Legal Affairs	8,736,000	(504,000)	8,425,500	(507,304)
System Support and Information Services	8,417,000	367,000	8,076,000	339,600
Temporary and Disability Assistance Programs	3,266,000	68,000	2,773,100	63,300
Transitional Supports and Policy, Division of	1,118,000	5,000	1,101,900	3,900
Total	<u>31,489,000</u>	<u>(1,902,000)</u>	<u>30,108,600</u>	<u>(1,940,435)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	94,800	710	34,500	241
Executive Direction	89,000	946	1,600	34
Legal Affairs	0	0	310,500	3,304
System Support and Information Services	0	0	341,000	27,400
Temporary and Disability Assistance Programs	471,500	4,500	21,400	200
Transitional Supports and Policy, Division of	0	0	16,100	1,100
Total	<u>655,300</u>	<u>6,156</u>	<u>725,100</u>	<u>32,279</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	13,663,000	2,320,000	154,300	(27,000)
Executive Direction	300,000	(33,000)	23,200	1,000
Legal Affairs	2,568,700	(338,300)	140,500	3,000
System Support and Information Services	85,038,000	(7,075,000)	424,100	10,000
Temporary and Disability Assistance Programs	875,400	(117,600)	18,000	0
Transitional Supports and Policy, Division of	232,400	(37,000)	17,400	0
Total	<u>102,677,500</u>	<u>(5,280,900)</u>	<u>777,500</u>	<u>(13,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	188,300	(9,000)	5,400,700	(452,200)
Executive Direction	63,100	12,000	187,000	(47,000)
Legal Affairs	119,100	33,000	2,241,100	(376,300)
System Support and Information Services	158,100	4,000	9,569,800	(791,600)
Temporary and Disability Assistance Programs	158,000	54,000	647,400	(172,600)
Transitional Supports and Policy, Division of	61,500	(20,000)	108,600	(17,600)
Total	<u>748,100</u>	<u>74,000</u>	<u>18,154,600</u>	<u>(1,857,300)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,251,700	29,200	6,668,000	2,779,000
Executive Direction	26,700	1,000	0	0
Legal Affairs	68,000	2,000	0	0
System Support and Information Services	212,000	2,600	74,674,000	(6,300,000)
Temporary and Disability Assistance Programs	52,000	1,000	0	0
Transitional Supports and Policy, Division of	44,900	600	0	0
Total	<u>1,655,300</u>	<u>36,400</u>	<u>81,342,000</u>	<u>(3,521,000)</u>

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	27,000,000	2,705,000	600,000	0
Child Support Enforcement	30,100,000	92,000	0	0
Disability Determinations	168,900,000	0	68,000,000	(4,450,000)
System Support and Information Services	88,100,000	6,300,000	0	0
Temporary and Disability Assistance Programs	10,100,000	600,000	0	0
Transitional Supports and Policy, Division of	5,417,000	0	870,000	0
Total	<u>329,617,000</u>	<u>9,697,000</u>	<u>69,470,000</u>	<u>(4,450,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	250,000	0	26,150,000	2,705,000
Child Support Enforcement	0	0	30,100,000	92,000
Disability Determinations	92,000,000	4,450,000	8,900,000	0
System Support and Information Services	0	0	88,100,000	6,300,000
Temporary and Disability Assistance Programs	0	0	10,100,000	600,000
Transitional Supports and Policy, Division of	405,000	0	4,142,000	0
Total	<u>92,655,000</u>	<u>4,450,000</u>	<u>167,492,000</u>	<u>9,697,000</u>

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

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	957,088,000	1,386,933,900	429,845,900
Special Revenue Funds - Federal	2,596,747,000	2,887,026,600	290,279,600
Special Revenue Funds - Other	49,750,000	18,375,000	(31,375,000)
Fiduciary Funds	10,000,000	10,000,000	0
Total	<u>3,613,585,000</u>	<u>4,302,335,500</u>	<u>688,750,500</u>

Adjustments:

Prior Year Deficiency	
Temporary and Disability Assistance,	
Office of	
General Fund	10,000,000
Transfer(s) To	
Labor, Department of	
Special Revenue Funds - Federal	<u>32,753,000</u>
Appropriated 2002-03	<u>3,656,338,000</u>

TEMPORARY AND DISABILITY ASSISTANCE

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
Special Revenue Funds - Other	30,000,000	0	(30,000,000)
Child Support Enforcement			
General Fund	27,700,000	30,774,000	3,074,000
Special Revenue Funds - Federal	100,000,000	100,000,000	0
Special Revenue Funds - Other	150,000	75,000	(75,000)
Employment Services			
General Fund	67,040,000	66,421,900	(618,100)
Food Assistance Program			
General Fund	1,100,000	300,000	(800,000)
Special Revenue Funds - Other	1,100,000	300,000	(800,000)
Food Stamp Administration Program			
General Fund	106,681,000	101,680,000	(5,001,000)
Special Revenue Funds - Federal	246,000,000	294,526,600	48,526,600
Special Revenue Funds - Other	7,500,000	8,000,000	500,000
Temporary and Disability Assistance			
Administration			
General Fund	186,823,000	178,458,000	(8,365,000)
Temporary and Disability Assistance Programs			
General Fund	439,159,000	880,550,000	441,391,000
Special Revenue Funds - Federal	2,197,247,000	2,439,000,000	241,753,000
Special Revenue Funds - Other	1,000,000	0	(1,000,000)
Fiduciary Funds	10,000,000	10,000,000	0
Transitional Supports and Policy, Division of			
General Fund	125,750,000	128,750,000	3,000,000
Special Revenue Funds - Federal	53,500,000	53,500,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Community Projects			
General Fund	2,835,000	0	(2,835,000)
Total	<u>3,613,585,000</u>	<u>4,302,335,500</u>	<u>688,750,500</u>

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

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Supported Housing Program				
Capital Projects Fund	0	0	0	1,500,000
Housing Program Fund	30,000,000	30,000,000	0	140,236,000
Total	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>	<u>141,736,000</u>

HIGHER EDUCATION SERVICES CORPORATION

MISSION

The Higher Education Services Corporation was established in 1974 to provide centralized processing of student financial aid programs. The Corporation administers the State's Tuition Assistance Program, the Federal Family Education Loan Program and other State and federal aid programs.

ORGANIZATION AND STAFFING

The Corporation is governed by a 15-member Board of Trustees, 10 of whom are appointed by the Governor to 6-year terms. The ten gubernatorial appointees include two student representatives, a representative of the general public, a college financial aid administrator, a chief executive officer of a proprietary institution, two presidents of independent institutions, one chief executive officer of a proprietary school and two banking representatives. The remaining five ex-officio members include the Commissioner of Education, the Chancellors of the State University of New York and the City University of New York and student government leaders representing the public university systems.

The Corporation's chief executive officer is the President, who is appointed by the Governor, subject to Senate confirmation. The President's responsibilities include administrative oversight of key program areas including legal counsel, data processing, operations, grants and scholarships, loans and research.

The Agency will have a workforce of 760 employees in 2003-04. Virtually all employees are paid through funds received for the administration of Federal student loans. General administrative operations are located in Albany and Menands, while data processing operations are located in Troy.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends over \$721 million in support of agency operations and programs. Of this amount, approximately \$101 million will be available to support administration of State and Federal student aid programs and \$620 million will be awarded in financial aid to students or colleges to promote access to postsecondary educational opportunities.

Of the \$620 million invested in financial aid and institutional grants, General Fund support accounts for \$614 million. Support for the remaining expenditures is provided from Federal funds.

STATE OPERATIONS

The Corporation will continue to improve its operational efficiency in 2003-04 through increased reliance on technology and streamlined administrative practices. In addition to a renewed emphasis on providing comprehensive services to its clientele, the Corporation continues to develop partnerships with other student loan guaranty agencies and the Federal government to streamline costs, improve services, and increase responsiveness through shared development efforts.

HIGHER EDUCATION SERVICES

FINANCIAL AID PROGRAMS

The 2003-04 recommended appropriation for the Tuition Assistance Program (TAP) is \$567.5 million. This level of funding continues enhancements made to the TAP program in 2000-01, but reflects a restructuring of the program to emphasize degree completion by creating a financial incentive for students to stay in college and graduate.

TAP enhancements enacted in 2000-01 provide the higher TAP maximum award level of \$5,000 to another class of first-time TAP recipients in 2003-04. Restructuring TAP will result in a \$161 million reduction in TAP expenditures for 2003-04, accompanied by an increase of \$11.5 million to support the cost of the new TAP loan program. Major components of the restructured TAP program are as follows:

- TAP awards will be provided in two components — a “base” award equivalent to two-thirds of the current TAP award and a “performance” award equivalent to the remaining one-third of the award;
- Students will be expected to finance the performance award through federally guaranteed loans including Federal subsidized, unsubsidized and parent PLUS loans. Students who have exhausted their Federal loan eligibility will be eligible to receive their performance awards as TAP loans provided by HESC; and
- Upon completion of their degree programs, students will receive a performance award payment from HESC equal to the amount of their deferred TAP awards plus accrued interest (if any) from any Federal or TAP loans they may have used in financing their performance award.

The 2003-04 Executive Budget provides \$21.1 million for various scholarship and fellowship programs, reflecting a reduction of \$2.8 million from 2002-03. A total of \$4 million will support the continued phased implementation of the Volunteer Recruitment Service Scholarships, enacted in 2002-03. The Scholarships for Academic Excellence, the Regents Health Care Opportunity Scholarships and the Regents Professional Opportunity Scholarships will be suspended in 2003-04 with no new awards being granted. However, payments will continue to be provided for existing scholarship recipients.

PROGRAM HIGHLIGHTS

STATE OPERATIONS

The Corporation is continuing to move more of its services to the Internet, enhancing the public’s ability to get information and strengthening services to schools, lenders, students and families. HESC has made it easier for students to secure college loans by allowing them to apply on-line for loans and electronically sign promissory notes. Schools and lenders are now able to conduct all loan transactions on HESC’s Web site. In addition, the Corporation has recently reached an agreement with the Federal Department of Education to allow New York State residents to apply for Federal and State financial aid simultaneously through one on-line application.

In 2003-04, the Corporation will continue to coordinate the State’s participation in the Federal GEAR-UP program. In 1999, the Corporation was awarded a five-year Federal GEAR-UP grant to provide early college preparation and guidance services to low-income individuals.

FEDERAL LOAN GUARANTEE PROGRAM

The largest part of the Corporation’s operational responsibility is the administration of the Federal Family Education Loan program. Under this program, the Corporation guarantees over \$13.3 billion in outstanding loans made by banks to students. When banks are unable to collect student loan repayments, the Corporation intervenes to avert default. If these default aversion efforts are unsuccessful, defaulted loans are purchased from banks and steps are taken to bring such defaulted loans into repayment. The Corporation also provides

HIGHER EDUCATION SERVICES

customer services for lenders, schools and students, which include the distribution of loan information, as well as training and technical assistance related to loan applications and processing.

Federal loan activities administered by the Corporation include:

- \$3.3 billion in new guaranteed loans in 2001-02;
- Processing of student loans for nearly 496,000 individual borrowers; and
- Defaulted loan collections of \$282 million and defaulted loan purchases of \$221 million in 2001-02.

FINANCIAL AID PROGRAMS

The Corporation's responsibilities related to the administration of State financial aid programs include processing student applications, determining award amounts, processing and auditing aid payments to students and colleges, conducting reviews of participating institutions, collecting disallowed amounts identified in audits of participating institutions and providing information services to the public, students and schools for the following programs:

- Tuition Assistance Program: \$567.5 million in aid will be provided to recipients in the public and private sectors. Of this amount, \$225.0 million will be offset using funds from the Federal Temporary Assistance for Needy Families (TANF) program;
- Tuition Assistance Loan Program: \$11.5 million will be made available for those students who have exhausted their Federal loan eligibility and can demonstrate that additional assistance is needed to initially finance their TAP performance award;
- Aid for Part Time Study: \$14.6 million will be available to over 20,000 part-time students in all sectors of higher education; and
- Scholarships and Fellowships: \$21.1 million will be provided for current recipients of various scholarships and fellowships. Scholarships will be suspended for new students in 2003-04 for the Scholarships of Academic Excellence, the Regents Health Care Opportunity Scholarships and the Regents Professional Opportunity Scholarships. Nearly 18,800 current recipients are projected to continue receiving aid under the ten State and Federal scholarship programs administered by HESC.

COLLEGE CHOICE TUITION SAVINGS PROGRAM

Signed into law in 1997, the College Choice Tuition Savings Program represents a State initiative to encourage families throughout New York to save for the college education of their children or grandchildren. Under this program, families can save for their children's attendance at accredited public and private colleges in New York or in other states with accompanying tax benefits on contributions made to, and interest earned on, college savings accounts.

Jointly administered by the Corporation and the Office of the State Comptroller, the program has been well received by the general public. Since its inception in September 1998, over 260,400 accounts have been opened, with contributions exceeding \$1.2 billion. New York's program has already received national recognition as one of the top college savings plans in the nation.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	119,300,000	101,479,000	(17,821,000)	1,000,000
Aid To Localities	779,364,000	619,914,000	(159,450,000)	0
Capital Projects	0	0	0	0
Total	<u>898,664,000</u>	<u>721,393,000</u>	<u>(177,271,000)</u>	<u>1,000,000</u>

HIGHER EDUCATION SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
Special Revenue Funds - Other	353	346	(7)
Guaranteed Loan Programs			
Special Revenue Funds - Other	422	414	(8)
Total	<u>775</u>	<u>760</u>	<u>(15)</u>

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Federal	5,532,000	6,340,000	808,000
Special Revenue Funds - Other	113,768,000	95,139,000	(18,629,000)
Total	<u>119,300,000</u>	<u>101,479,000</u>	<u>(17,821,000)</u>

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
Special Revenue Funds - Other	63,762,000	45,133,000	(18,629,000)
Guaranteed Loan Programs			
Special Revenue Funds - Federal	5,532,000	6,340,000	808,000
Special Revenue Funds - Other	50,006,000	50,006,000	0
Total	<u>119,300,000</u>	<u>101,479,000</u>	<u>(17,821,000)</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	45,133,000	(18,629,000)	14,080,000	(2,719,000)
Guaranteed Loan Programs	56,346,000	808,000	19,206,000	0
Total	<u>101,479,000</u>	<u>(17,821,000)</u>	<u>33,286,000</u>	<u>(2,719,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	30,553,000	(5,910,000)	500,000	(10,000,000)
Guaranteed Loan Programs	30,800,000	0	6,340,000	808,000
Total	<u>61,353,000</u>	<u>(5,910,000)</u>	<u>6,840,000</u>	<u>(9,192,000)</u>

HIGHER EDUCATION SERVICES

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	765,148,000	610,698,000	(154,450,000)
Special Revenue Funds - Federal	5,216,000	5,216,000	0
Special Revenue Funds - Other	9,000,000	4,000,000	(5,000,000)
Total	<u>779,364,000</u>	<u>619,914,000</u>	<u>(159,450,000)</u>

Adjustments:

Recommended Deficiency

Higher Education Services Corporation,
New York State
General Fund

(35,200,000)

Appropriated 2002-03

744,164,000

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

Program	Available 2002-03	Recommended 2003-04	Change
Scholarships and Fellowships			
General Fund	21,918,000	17,068,000	(4,850,000)
Special Revenue Funds - Other	9,000,000	4,000,000	(5,000,000)
State Grant Programs			
General Fund	728,600,000	579,000,000	(149,600,000)
Special Revenue Funds - Federal	5,216,000	5,216,000	0
Tuition Awards for Part-Time Students			
General Fund	14,630,000	14,630,000	0
Total	<u>779,364,000</u>	<u>619,914,000</u>	<u>(159,450,000)</u>

DIVISION OF HUMAN RIGHTS

MISSION

New York holds the proud distinction of being the first state to enact a Human Rights Law, affording every citizen an equal opportunity to enjoy a full and productive life. Discriminating against others because of their race, sex, age, disability or membership in other specified classes is illegal in the State of New York. The recently enacted Sexual Orientation Non-Discrimination Act (SONDA) broadens these protections to further ensure fair and equitable treatment for all New Yorkers based on sexual orientation.

The New York State Division of Human Rights serves as the administrative arm of the law, with a primary mission to enforce and protect human rights. Programs of the Division of Human Rights focus on ensuring equal opportunity in employment, housing, public accommodation, education and credit. To fulfill these responsibilities the Division:

- Investigates and resolves complaints of illegal discrimination;
- Promotes human rights awareness through education; and
- Acts as a resource in the prevention and elimination of discrimination.

ORGANIZATION AND STAFFING

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

The Division will have a workforce of 205 employees during 2003-04: 33 for administration of the Division and 172 to investigate, determine probable cause, and hear individual cases of discrimination. Funding is also provided to support five per diem administrative law judges not reflected in the 205 salaried staff.

BUDGET AND PROGRAM HIGHLIGHTS

In the last seven years, the Division has made solid progress in reducing its caseload of cases; open cases totaled 7,554 as of December 2002, down from 16,880 in January 1995. The agency continues to work vigorously to reduce the caseload and meet reasonable standards for timely case processing. To help further shorten its case processing time, the Division is implementing a new Case Management System expected to be operational in 2003.

The Division will strengthen administrative efficiencies to partially offset inflationary increases to the General Fund in 2003-04.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	18,224,000	18,224,000	0	7,700,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	18,224,000	18,224,000	0	7,700,000

HUMAN RIGHTS

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

Full-Time Equivalent Positions (FTE)

Program	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Administration			
General Fund	172	168	(4)
Special Revenue Funds - Federal	37	37	0
Total	209	205	(4)

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

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	13,334,000	13,334,000	0
Special Revenue Funds - Federal	4,800,000	4,800,000	0
Special Revenue Funds - Other	70,000	70,000	0
Fiduciary Funds	20,000	20,000	0
Total	18,224,000	18,224,000	0

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

Program	Available	Recommended	Change
	2002-03	2003-04	
Administration			
General Fund	13,334,000	13,334,000	0
Special Revenue Funds - Federal	4,800,000	4,800,000	0
Special Revenue Funds - Other	70,000	70,000	0
Fiduciary Funds	20,000	20,000	0
Total	18,224,000	18,224,000	0

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	9,801,000	0	9,574,000	0
Total	9,801,000	0	9,574,000	0

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	222,000	0	5,000	0
Total	222,000	0	5,000	0

HUMAN RIGHTS

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,533,000	0	71,000	(2,000)
Total	3,533,000	0	71,000	(2,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	57,000	(6,000)	3,285,000	12,000
Total	57,000	(6,000)	3,285,000	12,000

Program	Equipment	
	Amount	Change
Administration	120,000	(4,000)
Total	120,000	(4,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,890,000	0	4,890,000	0
Total	4,890,000	0	4,890,000	0

DEPARTMENT OF LABOR

MISSION

The Department of Labor is New York State's primary advocate for job creation and economic growth through workforce development. The Department administers New York's unemployment insurance system, labor exchange system and Welfare-to-Work programs. The Department also oversees State worker protection programs, including enforcement of safety and health regulations in the public sector, State labor laws and Federal statutes related to working conditions, wages and hours and laws related to public work. The Department of Labor serves as the State's principal source for labor market information and offers a variety of services designed to help businesses find workers and people find jobs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner with a central office located in Albany. This office is responsible for three Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 106 locations throughout the State. In addition, through nine worker protection district offices, the Department enforces child labor laws, fosters workplace health and safety and ensures that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department of Labor will have a workforce of 5,103 in SFY 2003-04. Approximately 88 percent of these positions are financed by Federal grants, 10 percent are supported by fees and assessments and the remaining 2 percent are paid by State tax dollars from the General Fund.

General Fund appropriations will provide partial support for Agency administration, employment training and vocational rehabilitation. The increase in State operations appropriations primarily reflects a transfer, discussed below, to the Department of vocational rehabilitation programs presently operated by the Office of Children and Family Services and the State Education Department.

Excluding the \$4.8 billion appropriation for the Unemployment Insurance Benefit Fund, Federal funds support approximately 86 percent of the Department's remaining budget. Specific programs and activities include Workforce Investment Act (WIA) job training services and re-employment services for persons who may be affected adversely by international trade agreements. Under the State Welfare Reform Act of 1997, the Department is responsible for supervising social services district operation of welfare employment programs. The programs are supported by the General Fund, Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars and Federal Food Stamp Employment and Training money.

A Federal TANF appropriation of \$40 million will support programs designed to increase the self-sufficiency of eligible participants, including the Youth Education, Employment and Training Program (YEETP), the Green Teams program, Displaced Homemakers and the Bridge/EDGE Program.

In SFY 2003-04, \$50 million in TANF funding will be made available in the form of a block grant to social services districts and State agencies to support work activities and transitional services through the Department and the Office of Temporary and Disability Assistance (OTDA). This new funding will complement prior-year set-asides for initiatives, such as the New York Works Block Grant, which will remain available for expenditure in the forthcoming fiscal year. The new funding, as well as these existing programs, is structured so that services can be provided to eligible individuals and families with incomes that do not exceed 200 percent of the Federal poverty level, thus providing an important focus on avoiding

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welfare dependency through work. TANF funding is not provided for the 2002 summer youth employment program reflecting the continued phase-out of temporary TANF support as localities implement WIA year-round youth program requirements.

Federal appropriations also include funding to assist individuals and families that are the victims of disasters.

Fee revenues support approximately nine percent of the Department of Labor's non-Unemployment Insurance benefit related budget, funding worker protection and compensation enforcement activities and job training programs. These accounts are financed by fees for health and safety inspections, revenue from Workers' Compensation Board assessments and interest on overdue Unemployment Insurance taxes owed by employers. The Unemployment Insurance benefit appropriation of \$4.8 billion comprises 82 percent of the Department of Labor's overall budget. These benefits are funded from Unemployment Insurance taxes paid by employers.

In SFY 2003-04, the Employment Relations Board (ERB), funded exclusively with General Fund appropriations, will be merged with the Public Employment Relations Board (PERB). ERB helps to mediate disputes between private sector employers and employees to avoid and settle strikes and PERB performs similar services for public sector employers. This merger will facilitate a more streamlined mediation process for both the public and private sectors and will generate General Fund savings through administrative efficiencies.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with Workforce Investment Act (WIA) requirements, the Department of Labor and local governments have worked together to open 67 local One-Stop Centers across the State that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer services, human resources consultation and support services such as child care and transportation. The Centers benefit employers by providing them with access to worker resumes and information on tax credits, workplace safety issues and apprenticeship services. Department of Labor employment services also help move individuals from welfare to work and help prevent public assistance dependency by focusing on disadvantaged youth, displaced homemakers, and persons who may lose their jobs because of plant closings or relocations.

Through the use of job orders, on-line forms, America's Job Bank and America's Talent Bank available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from Agency services. For example, employers and job seekers can immediately access relevant information without assistance from Department staff.

In addition to the opening of One-Stop Centers across the State, the Department continues to work with other State and local agencies, community colleges and others to ensure that New York's workforce development system provides access to information and services across agency lines regardless of where a person may initially go for assistance — State office, local government office, community service agency or college placement office.

WORKFORCE INVESTMENT ACT (WIA)

Federally funded local assistance appropriation authority includes \$309 million for WIA services. WIA provides job training to youth, adults and dislocated workers. WIA also upgrades the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants access WIA services through a network of local One-Stop Centers for the delivery of employment and training services. WIA also improves customer choice and program effectiveness, as participants can choose training providers based on past performance through the use of individual training accounts.

The State Workforce Investment Board, established in 1999, assists in the development of the State's plan for using WIA funds.

WORKER PROTECTION

Worker Protection functions are carried out by two Department of Labor programs: Occupational Safety and Health and Labor Standards/Public Work.

The Occupational Safety and Health program is responsible for health and safety inspections and granting licenses to qualified persons to operate or handle dangerous equipment or substances. Statistics for recent years show that the Division inspected 26,980 amusement park devices, 828 ski lifts, 6,635 places of public assembly (e.g., bleachers at concerts), and 31,140 commercial boilers. It also reviewed applications for 793 radioactive materials licenses and 54,538 asbestos licenses and certificates.

The Labor Standards program enforces the Labor Law in such areas as minimum and prevailing wage, child labor and garment industry registration. Statistics for recent years indicate the Division inspected 841 businesses for compliance with child labor laws and collected nearly \$14 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 25,750 employees.

UNEMPLOYMENT INSURANCE

The Unemployment Insurance program makes weekly payments to eligible unemployed workers who have lost a job through no fault of their own. These temporary payments, generally available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work. The Department also operates a re-employment services program to further strengthen efforts to move individuals back to work.

As part of Governor Pataki's continuing efforts to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received over the phone to determine if applicants are eligible to receive Unemployment Insurance benefits and handle all other processing issues related to an individual's benefits. The system operates through three Tele-Claims Centers located in Troy, Endicott and New York City, and replaces the less efficient process of requiring DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices. In addition, the Department is currently piloting programs for filing Unemployment Insurance claims and employer registration through the Internet.

A projected deficit in the Unemployment Insurance Trust Fund resulting from the September 11 terrorist attacks and the downturn in the nation economy will require the State to borrow funding from the Federal government in 2003 thereby incurring Federal interest costs. The Budget includes an interest assessment on employer taxes to pay these interest costs.

VOCATIONAL REHABILITATION

In SFY 2003-04, vocational rehabilitation services for disabled persons will be transferred to DOL to raise the overall effectiveness of these programs through increased coordination with existing DOL employment services. Components of the Commission for the Blind and Visually Handicapped (CBVH) Program will be transferred from the Office of Children and Family Services (OCFS) to provide services to help visually handicapped people live independently and achieve self-sufficiency through employment. Through its regional offices and in conjunction with contracted services with private agencies for the blind, CBVH provides vocational rehabilitation services, and business information and referral services to over 7,000 individuals.

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DOL also will administer CBVH's Business Enterprise Program which develops jobs, including vending stand positions, for approximately 710 clients and its Independent Living Centers which provide employment readiness services through work experience and mentoring. Remaining CBVH functions that serve the elderly will be transferred to the State Office for the Aging (SOFA).

The Vocational and Educational Services for Individuals with Disabilities Program (VESID) will be transferred from the Education Department to provide job training, counseling and placement services for disabled persons throughout New York. Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. This program arranges for job placements for more than 14,576 individuals annually from an active caseload of 59,611.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	5,412,661,000	5,502,362,000	89,701,000	1,608,162,000
Aid To Localities	397,083,750	347,920,000	(49,163,750)	1,234,674,200
Capital Projects	0	0	0	0
Total	5,809,744,750	5,850,282,000	40,537,250	2,842,836,200

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

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
General Fund	72	32	(40)
Special Revenue Funds - Federal	3,574	3,524	(50)
Commission for the Blind and Visually Handicapped			
General Fund	0	13	13
Special Revenue Funds - Federal	0	161	161
Fiduciary Funds	0	3	3
Employment Relations Board			
General Fund	16	0	(16)
Employment and Training			
General Fund	43	43	0
Special Revenue Funds - Other	74	74	0
Labor Standards			
Special Revenue Funds - Other	225	210	(15)
Occupational Safety and Health			
Special Revenue Funds - Other	215	239	24
Vocational and Educational Services for Individuals with Disabilities			
General Fund	0	8	8
Special Revenue Funds - Federal	0	796	796
Total	4,219	5,103	884

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	13,863,000	7,345,000	(6,518,000)
Special Revenue Funds - Federal	546,046,000	603,990,000	57,944,000
Special Revenue Funds - Other	52,752,000	89,713,000	36,961,000
Fiduciary Funds	4,800,000,000	4,801,314,000	1,314,000
Total	5,412,661,000	5,502,362,000	89,701,000

Adjustments:

Transfer(s) To	
Public and Private Employment Relations Board	
General Fund	1,720,000
Appropriated 2002-03	<u>5,414,381,000</u>

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
General Fund	5,534,000	2,000,000	(3,534,000)
Special Revenue Funds - Federal	508,086,000	491,865,000	(16,221,000)
Commission for the Blind and Visually Handicapped			
General Fund	0	3,572,000	3,572,000
Special Revenue Funds - Federal	0	12,772,000	12,772,000
Special Revenue Funds - Other	0	250,000	250,000
Fiduciary Funds	0	814,000	814,000
Employment Relations Board			
General Fund	500,000	0	(500,000)
Employment and Training			
General Fund	2,829,000	1,380,000	(1,449,000)
Special Revenue Funds - Federal	860,000	1,010,000	150,000
Special Revenue Funds - Other	11,325,000	11,619,000	294,000
Fiduciary Funds	0	500,000	500,000
Labor Standards			
Special Revenue Funds - Other	16,122,000	16,836,000	714,000
Occupational Safety and Health			
Special Revenue Funds - Other	25,305,000	30,552,000	5,247,000
Unemployment Insurance Benefit Fund			
General Fund	5,000,000	0	(5,000,000)
Special Revenue Funds - Federal	37,100,000	57,500,000	20,400,000
Special Revenue Funds - Other	0	30,000,000	30,000,000
Fiduciary Funds	4,800,000,000	4,800,000,000	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	0	393,000	393,000
Special Revenue Funds - Federal	0	40,843,000	40,843,000
Special Revenue Funds - Other	0	456,000	456,000
Total	5,412,661,000	5,502,362,000	89,701,000

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	1,380,000	(2,657,000)	1,380,000	(2,657,000)
Employment and Training	954,000	0	954,000	0
Vocational and Educational Services for Individuals with Disabilities	366,600	366,600	366,600	366,600
Total	<u>2,700,600</u>	<u>(2,290,400)</u>	<u>2,700,600</u>	<u>(2,290,400)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	620,000	(877,000)	38,000	(80,000)
Commission for the Blind and Visually Handicapped	3,572,000	3,572,000	0	0
Employment Relations Board	0	(500,000)	0	0
Employment and Training	426,000	(1,449,000)	35,000	0
Unemployment Insurance Benefit Fund	0	(5,000,000)	0	0
Vocational and Educational Services for Individuals with Disabilities	26,400	26,400	26,400	26,400
Total	<u>4,644,400</u>	<u>(4,227,600)</u>	<u>99,400</u>	<u>(53,600)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	24,000	(50,000)	324,000	(676,000)
Commission for the Blind and Visually Handicapped	0	0	0	0
Employment Relations Board	0	0	0	0
Employment and Training	26,000	0	17,000	0
Unemployment Insurance Benefit Fund	0	0	0	0
Vocational and Educational Services for Individuals with Disabilities	0	0	0	0
Total	<u>50,000</u>	<u>(50,000)</u>	<u>341,000</u>	<u>(676,000)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	34,000	(71,000)	200,000	0
Commission for the Blind and Visually Handicapped	0	0	3,572,000	3,572,000
Employment Relations Board	0	0	0	(500,000)
Employment and Training	26,000	0	322,000	(1,449,000)
Unemployment Insurance Benefit Fund	0	0	0	(5,000,000)
Vocational and Educational Services for Individuals with Disabilities	0	0	0	0
Total	<u>60,000</u>	<u>(71,000)</u>	<u>4,094,000</u>	<u>(3,377,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	491,865,000	(16,221,000)	0	0
Commission for the Blind and Visually Handicapped	13,836,000	13,836,000	0	0
Employment and Training	13,129,000	944,000	0	0
Labor Standards	16,836,000	714,000	12,173,000	580,000
Occupational Safety and Health	30,552,000	5,247,000	15,434,000	3,285,000
Unemployment Insurance Benefit Fund	4,887,500,000	50,400,000	0	0
Vocational and Educational Services for Individuals with Disabilities	41,299,000	41,299,000	20,744,000	20,744,000
Total	5,495,017,000	96,219,000	48,351,000	24,609,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	491,865,000	(16,221,000)
Commission for the Blind and Visually Handicapped	113,000	113,000	13,723,000	13,723,000
Employment and Training	0	0	13,129,000	944,000
Labor Standards	4,663,000	134,000	0	0
Occupational Safety and Health	14,983,000	1,962,000	135,000	0
Unemployment Insurance Benefit Fund	0	0	4,887,500,000	50,400,000
Vocational and Educational Services for Individuals with Disabilities	20,099,000	20,099,000	456,000	456,000
Total	39,858,000	22,308,000	5,406,808,000	49,302,000

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	10,777,750	0	(10,777,750)
Special Revenue Funds - Federal	386,061,000	347,490,000	(38,571,000)
Special Revenue Funds - Other	245,000	430,000	185,000
Total	397,083,750	347,920,000	(49,163,750)

Adjustments:

Transfer(s) From	
Temporary and Disability Assistance, Office of	
Special Revenue Funds - Federal	(32,753,000)
Appropriated 2002-03	<u>364,330,750</u>

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

Program	Available 2002-03	Recommended 2003-04	Change
Employment and Training			
General Fund	6,341,000	0	(6,341,000)
Special Revenue Funds - Federal	386,061,000	347,490,000	(38,571,000)
Occupational Safety and Health			
Special Revenue Funds - Other	245,000	430,000	185,000
Community Projects			
General Fund	4,436,750	0	(4,436,750)
Total	397,083,750	347,920,000	(49,163,750)

OFFICE OF REAL PROPERTY SERVICES

MISSION

The Office of Real Property Services is charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration in accordance with constitutional provisions for the supervision, review and equalization of local assessments for purposes of taxation.

ORGANIZATION AND STAFFING

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is the responsibility of an Executive Director appointed by the Board. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2003-04 Executive Budget will support a staffing level of 401 positions for the Office of Real Property Services. State tax dollars from the General Fund will support 39 percent of these positions, with the remaining 61 percent supported by various fees.

General Fund appropriations of \$10 million will finance 27 percent of the Office's \$36.4 million operating budget in 2003-04. The remaining agency operations are supported by the following three revenue accounts: the Improvement of Real Property Tax Administration Account; the Industrial and Utility Services Account; and the Local Services Account. These accounts are funded from the State's share of the real property transfer recording fee, chargebacks for assessments made on industrial, utility and railroad property and charges for miscellaneous consulting and computing services.

Budget recommendations for the Office of Real Property Services for 2003-04 include:

- State aid of \$6.3 million for local administration of the School Tax Relief (STAR) program and \$1.7 million for the State's administrative responsibilities;
- State Aid of \$10.5 million for financial incentives for local governments to improve assessment administration through various programs that include annual updates of assessment rolls pursuant to the higher standards enacted in 1999;
- State aid of \$4.7 million to reimburse local governments for their revenue losses relating to the Rail Infrastructure Investment Act of 2002; and
- An increase in the existing fee on the filing of real property transfers from \$25 to \$50 to generate \$9.6 million annually after allowing county clerks to retain \$9 (an increase of \$6) for each transaction. This revenue will be dedicated to provide services to State and local governments and property owners to improve efficiency and fairness in property tax administration.

PROGRAM HIGHLIGHTS

The Office of Real Property Services is involved with all State-level responsibilities relating to the real property tax, which represents the largest revenue source for counties, towns, villages, school districts and other municipalities. Accordingly, the Office has programs to establish equalization rates which are used to estimate the full market value of taxable real

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property in each municipality, to provide policy guidance as well as technical and financial assistance to local assessing units, and to assist other State agencies with information and administrative support in areas that relate to property tax policy or administration.

EQUALIZATION OF MUNICIPAL FULL VALUE

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. However, every assessing unit is required to indicate its assessment ratio — i.e., the ratio of the assessed value to the full value of properties — on the assessment roll and tax bills. Using audit procedures and statistical tests on sample data, the Office of Real Property Services verifies the accuracy of the assessment ratio stated annually by each of the approximately 1,000 assessing units (i.e., cities, towns and the counties of Nassau and Tompkins). If the assessment ratio provided by a local assessor is determined to be accurate, it is established as the State equalization rate for that assessing unit; otherwise, the Office prepares an independent estimate of the local assessment ratio which will be established as the equalization rate.

By adhering to statewide standards, the Office ensures that equalization rates can be used to estimate full values of properties in a consistent manner. Full value estimates are necessary to distribute taxes for counties and school districts when tax levies are based upon assessments by more than one assessing unit. They are also used as indicators of local fiscal capacity for several purposes, including allocation of State aid.

Increased coordination between the Office and local assessing units, as well as improvements in local assessment and reporting practices, has resulted in several notable enhancements in the equalization program. Recent accomplishments include the following:

- In 2002, the assessment ratios supplied by 63 percent of local assessors were adopted without change as State equalization rates and that rate of adoption is expected to increase to more than 70 percent in 2003;
- Preparation of equalization rates has been accelerated so that all school districts across the State can now use current equalization rates for their school tax levies, instead of using modified rates from prior years;
- The number of complaints on preliminary equalization rates by local officials has dropped, resulting in reduced costs for rate complaint hearings and improved State-local relations. The percentage of cities and towns that filed complaints was approximately 7 percent in 2002, as compared to 36 percent a decade ago;
- The Office has integrated nationally accepted standards and techniques, such as computer assisted appraisal studies and residential sales studies within its equalization rate process, thereby reducing its reliance on costly appraisals. The percentage of localities where residential appraisals are needed has been reduced from 100 percent in 1994 to less than 25 percent in 2002; and
- Since 1994-95, the continuing base cost of the Office's equalization program has been reduced from \$17 million to \$14 million.

ASSISTANCE AND SERVICES TO LOCAL GOVERNMENTS

Since many municipal assessing units are very small-scale operations, local property tax administrators are dependent on technical assistance provided by the Office of Real Property Services. Centralized assistance to assessors and taxing jurisdictions includes administrative, legal and other technical services. In helping municipalities, the Office works closely with county offices of real property tax services, many of which have developed programs for coordinating reassessment projects on a countywide basis.

In furthering the State-local partnership in property tax administration, the Office also administers various State aid programs in support of local assessment administration, including:

- Annual aid of up to \$5 per parcel for assessing units that meet State standards that include annual revisions of assessments and comprehensive re-inventory and revaluation at least once every six years;

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- Consolidation aid providing a one-time financial incentive of up to \$7 per parcel to encourage cost-efficiency through the coordination of assessment functions performed by two or more assessing units;
- Assessor training aid to reimburse local assessment officials (including assessors and county directors of property tax services) for their cost of attending State-mandated training courses;
- STAR administration aid to ensure that localities are compensated for their workload associated with the administration of the State's school tax relief program;
- Software support which includes the development, maintenance, training and consulting relating to a state-of-the-art software program to facilitate cost-efficient administration of local property taxes; and
- Advisory appraisals for certain complex properties — such as utilities and large manufacturing plants — which require highly specialized resources that are not available to most local assessors.

These State aid programs have been a catalyst for enhancing the equity and cost-efficiency of local property tax administration throughout the State. According to recent data, nearly two-thirds of the State's assessing units prepare assessment rolls that are reasonably equitable and current. Additionally, since the introduction of consolidation aid in 1994, 95 towns in 23 counties have come together to form 41 coordinated assessment programs.

OTHER SERVICES AND RESPONSIBILITIES

The Office of Real Property Services maintains inventory and valuation data on approximately 4 million acres of State-owned land and conservation easements that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas.

Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	37,093,400	36,424,000	(669,400)	0
Aid To Localities	15,300,000	21,840,000	6,540,000	0
Capital Projects	0	0	0	0
Total	<u>52,393,400</u>	<u>58,264,000</u>	<u>5,870,600</u>	<u>0</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2002-03	2003-04	FTE Change
	Estimated FTEs 03/31/03	Estimated FTEs 03/31/04	
Policy and Organizational Support Services			
General Fund	147	90	(57)
Special Revenue Funds - Other	53	53	0
Regional Operations			
General Fund	103	65	(38)
Special Revenue Funds - Other	105	193	88
Total	<u>408</u>	<u>401</u>	<u>(7)</u>

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

Fund Type	Available	Recommended	Change
	2002-03	2003-04	
General Fund	20,291,000	10,000,000	(10,291,000)
Special Revenue Funds - Other	16,802,400	26,424,000	9,621,600
Total	<u>37,093,400</u>	<u>36,424,000</u>	<u>(669,400)</u>

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

Program	Available	Recommended	Change
	2002-03	2003-04	
Policy and Organizational Support Services			
General Fund	13,614,000	6,412,000	(7,202,000)
Special Revenue Funds - Other	4,788,100	4,877,700	89,600
Regional Operations			
General Fund	6,431,000	3,588,000	(2,843,000)
Special Revenue Funds - Other	12,014,300	21,546,300	9,532,000
School District Income Verification			
General Fund	246,000	0	(246,000)
Total	<u>37,093,400</u>	<u>36,424,000</u>	<u>(669,400)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	3,729,200	(5,633,800)	3,729,200	(5,633,800)
Regional Operations	3,537,800	(2,804,500)	3,537,800	(2,804,500)
School District Income Verification	0	(195,000)	0	(195,000)
Total	<u>7,267,000</u>	<u>(8,633,300)</u>	<u>7,267,000</u>	<u>(8,633,300)</u>

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STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	2,682,800	(1,568,200)	84,900	(168,200)
Regional Operations	50,200	(38,500)	41,660	(28,500)
School District Income Verification	0	(51,000)	0	0
Total	<u>2,733,000</u>	<u>(1,657,700)</u>	<u>126,560</u>	<u>(196,700)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	168,200	(200,000)	434,600	(800,000)
Regional Operations	8,540	(10,000)	0	0
School District Income Verification	0	0	0	0
Total	<u>176,740</u>	<u>(210,000)</u>	<u>434,600</u>	<u>(800,000)</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	295,100	(400,000)	1,700,000	0
Regional Operations	0	0	0	0
School District Income Verification	0	(51,000)	0	0
Total	<u>295,100</u>	<u>(451,000)</u>	<u>1,700,000</u>	<u>0</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	4,877,700	89,600	2,925,300	21,800
Regional Operations	21,546,300	9,532,000	10,500,000	6,026,000
Total	<u>26,424,000</u>	<u>9,621,600</u>	<u>13,425,300</u>	<u>6,047,800</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	1,952,400	67,800	0	0
Regional Operations	11,046,300	4,506,000	0	(1,000,000)
Total	<u>12,998,700</u>	<u>4,573,800</u>	<u>0</u>	<u>(1,000,000)</u>

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	15,300,000	21,840,000	6,540,000
Total	<u>15,300,000</u>	<u>21,840,000</u>	<u>6,540,000</u>

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

Program	Available 2002-03	Recommended 2003-04	Change
Policy and Organizational Support Services	15,300,000	21,840,000	6,540,000
General Fund Total	<u>15,300,000</u>	<u>21,840,000</u>	<u>6,540,000</u>

STATE UNIVERSITY OF NEW YORK

MISSION

Created in 1948, the State University of New York is the largest public university system in the nation with 64 campuses offering a complete range of academic, professional and vocational programs. The State University system is uniquely positioned to provide New Yorkers with post-secondary educational programs of the highest quality and with the broadest possible access.

ORGANIZATION AND STAFFING

The three major components of the State University's mission — teaching, public service and research — are carried out by:

- Eight campuses (including four health science centers) offering academic programs through the doctoral level and serving as research centers;
- Fourteen comprehensive colleges providing undergraduate education in a variety of academic fields;
- Seven colleges of technology focusing on the development of a workforce with the advanced skills required by an increasingly technology-dependent economy;
- Five statutory and contract colleges at Alfred and Cornell universities that offer nationally acclaimed programs in ceramics, veterinary medicine, agriculture and life sciences, industrial and labor relations, and human ecology; and
- Thirty community colleges offering access to a wide array of higher education opportunities that prepare students for transfer to senior colleges or train them for a variety of technical or paraprofessional occupations.

The University is governed by a Board of Trustees consisting of 16 members, with 15 appointed by the Governor to staggered seven-year terms and approved by the Senate, and one ex-officio trustee representing the student assembly of the State University. The Board oversees the operations of the University's State-operated campuses and also exercises general supervisory authority over the community colleges, which are sponsored by local governments and governed by local boards of trustees.

The chief executive officer of the University is the Chancellor who is appointed by, and serves at the pleasure of, the Board of Trustees. Individual college presidents are also appointed by, and serve at the pleasure of, the Board.

The State University's operating budget supports an estimated 36,700 full-time equivalent positions consisting of 22,100 positions that are supported through a combination of State tax dollars and tuition revenues and 14,600 positions supported by other funds. Community college staff are not included in these totals as they are not employees of the State.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

STATE-OPERATED COLLEGES

The 2003-04 Executive Budget recommends over \$4.3 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to over \$1.0 billion in support from the General Fund (\$891.7 million for operations and \$136.8 million for certain fringe benefit costs), the University's budget includes \$3.3 billion in activities funded by other revenues. Revenue-generating entities and programs include: three teaching hospitals at Brooklyn, Stony Brook and Syracuse; the Long Island Veterans' Home administered by the Stony Brook Health Science Center; dormitory operations; food services; and tuition-supported activities, including summer session and overseas academic studies.

For 2003-04, \$1.028 billion in taxpayer support is provided for SUNY's State-operated campuses and programs, a reduction of \$183.5 million. A total of \$3.034 billion in special

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revenue support is provided for SUNY, reflecting an increase of \$267.7 million including \$196.9 million in additional appropriation authority for increased tuition revenue. The Executive Budget recognizes the powers of the Board of Trustees to manage resources in a manner that is sensitive to University priorities. The Trustees have the authority to manage resources through actions such as:

- elimination or consolidation of low demand programs and courses;
- increased productivity through technologies such as distance learning, multimedia curricula, and on-line, university-wide administrative systems; and
- reassessment of current activities and programs that may not be central to the core mission of the University.

The 2003-04 Executive Budget also recognizes the authority of the Board of Trustees to establish the tuition levels that are charged at SUNY campuses. Legislation accompanying this Budget will eliminate various existing restrictions on the ability of the Board of Trustees to establish tuition charges. Upon enactment of this legislation, the Trustees will be authorized to establish differential tuition rates among SUNY campuses. SUNY is unique among large public university systems in being prohibited from charging differential tuition by campus. The Trustees will also have the ability to adopt a tuition policy that permits annual incremental adjustments to tuition and maintains an appropriate balance between taxpayer support and student support. Currently, tuition and required fees at SUNY are significantly lower than those charged by peer institutions in other Northeast states. Tuition has not been increased since 1995-96, while the higher education price index has increased 30 percent during that time. This legislation will also enable the Trustees to adopt a tuition increase prior to enactment of the State budget.

For 2003-04, Federal appropriations totaling \$196.6 million will support the Pell grant program and various other student financial aid programs, while fiduciary fund appropriations totaling \$57.8 million support low-interest loans to needy students and the expenditure of earnings on SUNY endowment funds. Supplemental student financial aid provided through the Educational Opportunity Program is recommended for elimination for 2003-04, but funding is continued for academic support services that include tutoring, counseling and mentoring.

SUNY HOSPITALS

The 2003-04 Budget continues the appropriation structure enacted in 2001-02 for the SUNY hospitals. All hospital spending is now appropriated in one account with the hospitals being responsible for direct payment of their fringe benefit and debt service costs. Under this appropriation structure, the SUNY hospitals will continue to be directly accountable for operating within their available revenues, including a fixed State subsidy amount.

The recommended \$92.6 million State subsidy for the SUNY hospitals recognizes costs attributable to their State agency status and reflects an increase of \$0.5 million. The State will also make a payment of \$10.5 million as its share of a multi-year effort by the SUNY hospitals and the State to address their accumulated deficit. To address the immediate capital needs and priorities of SUNY's hospitals, \$350 million has been included in the Multi-Year Capital Investment Program recommended in this Budget for SUNY. In addition, legislation will be advanced to restructure the SUNY hospitals as private not-for-profit corporations to better position them to compete in today's health care environment.

COMMUNITY COLLEGES

SUNY community colleges have three primary funding sources — State aid, support from local government sponsors and tuition revenue. Recommended State funding for community colleges of \$317.5 million reflects a net decrease of \$26.5 million from 2002-03 attributable to: additional funding for enrollment growth (\$20.6 million); a \$345 reduction in operating aid from the current per student rate of \$2,300 to \$1,955 (\$40.6 million); elimination of rental aid for leased space (\$5.6 million) and workforce training support (\$1.0 million). Funding for childcare is continued at the 2002-03 level of nearly \$1.1 million.

CORNELL COOPERATIVE EXTENSION

County cooperative extension associations — funded by State, county and Federal contributions — provide specialized information and assistance in community development, agricultural technology, 4-H youth development, and consumer and family education. The Executive Budget recommends nearly \$2.9 million in State support for this program.

CAPITAL

The 2003-04 Executive Budget recommends a new \$2.5 billion Multi-Year Capital Investment Program for State University and community college facility and infrastructure improvements. This new program, which builds on the prior multi-year capital program initiated in 1998-99, is primarily targeted toward renovation and reconstruction of existing facilities. The plan also provides SUNY hospitals access to the capital market to initiate revenue-producing projects associated with the hospitals' strategic initiatives; to address accreditation deficiencies; and to meet critical health, safety and preservation needs.

SUNY's bond cap will be increased by \$1.5 billion, for a total bonding authorization of \$4.7 billion, to cover SUNY's planned bond sales for the multi-year period of the new Capital Investment Program and to reflect disbursement-based bonding.

Capital recommendations include: \$1,640 million for academic facilities; \$350 million for hospitals; \$210 million for community colleges and \$335 million for residence halls. The capital plan largely focuses on addressing critical health/safety and preservation needs as well as the phased revitalization of campuses through rehabilitation of existing buildings.

The recommendations also enable the University to maximize revenues by authorizing \$250 million for projects supported by private donations and other sources through the SUNY Capital Projects Fund.

SUNY's capital program for 2003-04 provides approximately \$500 million to support the first year of the Multi-Year Capital Investment Program.

PROGRAM HIGHLIGHTS

The State University of New York is the nation's largest comprehensive public university, offering 5,600 degree programs at the research universities, community colleges, medical schools and colleges of technology that comprise its 64 campuses. The State University enrolls over 40 percent of college-bound students graduating from New York State high schools. More than 402,000 full-time and part-time SUNY students — 203,300 at State-operated campuses and 198,800 in community colleges — are pursuing studies ranging from one-year certificate programs to doctorates.

More than ever before, the University is focusing its attention on the pursuit of educational excellence and academic achievement. SUNY has completed a comprehensive review of the academic missions and goals of each of its 64 institutions, from community colleges to university centers. This effort has established individual goals for campuses in terms of enrollment, student mix, retention and graduation rates, research, and other key indicators of institutional vitality and success.

The State University is also working to raise the profile and volume of the scholarly research conducted by its faculty, and is more aggressively seeking Federal and other external support for research. As a result, funding for SUNY sponsored research reached an all-time high of more than \$700 million in 2002, a growth of 18 percent from 2001. In addition, the State University was recently ranked in the Top 10 of all institutions nationally in the number of patents issued each year and in the Top 15 for royalties earned on inventions by research universities by *IP Worldwide* magazine.

The University's initiatives in the area of technology have placed it at the forefront of higher educational institutions across the nation and recently earned it the Award for Excellence in Institution-Wide Asynchronous Learning Networks (ALN) Programming by the Alfred P. Sloan Foundation for the promotion of anytime/anywhere learning. The Sloan

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Foundation recognized the SUNY Learning Network, citing its primary goal of bringing SUNY's diverse, high-quality instructional programs within the reach of learners everywhere. In the 2001-02 academic year, the SUNY Learning Network enabled more than 40,000 student enrollments in 2,500 online courses. The 55 SUNY campuses participating in the SUNY Learning Network offer complete online degree and certificate programs.

Several SUNY campuses are key partners in the State's five University-based Centers of Excellence, a high technology initiative that will enable New York State to become a worldwide leader in university-based research, business creation and job development, including:

- Albany Center of Excellence in Nanoelectronics, a semiconductor research center at SUNY-Albany known as International SEMATECH, a consortium of the 12 major computer chip manufacturers in the world;
- Buffalo Center of Excellence in Bioinformatics which includes the Life Sciences Complex used for super-computing, pharmaceutical research and workforce development; and
- Long Island Center of Excellence in Wireless Internet and Information Technology which, in tandem with several other high-tech research projects such as the Bioinformatics Research Center at Cold Spring Harbor Laboratory, will create thousands of new high-skilled and high-wage jobs across Long Island.

The State University's 30 locally sponsored community colleges serve as an essential source of skilled employees and play a critical role in the State's efforts to attract and retain businesses seeking an able workforce. Through their policy of open admissions, the community colleges also ensure access to post-secondary education. SUNY has recently established a three-year strategic plan to strengthen the University's 30 community colleges. The goals of the strategic plan are to achieve greater efficiency by coordinating and facilitating system-wide activities, achieving broader recognition and promotion of the SUNY community colleges, developing the role of SUNY community colleges in workforce and economic development, expanding a common framework for joint program development and delivery, and ensuring performance effectiveness and measurable outcomes.

From the curriculum and instruction in its classrooms, research in its laboratories, support from its alumni and its appeal to a growing number of college-bound students, the State University continues to elevate its ranking among the nation's finest public universities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	4,207,045,000	4,326,131,000	119,086,000	26,565,000
Aid To Localities	350,252,762	320,319,000	(29,933,762)	0
Capital Projects	155,000,000	2,561,000,000	2,406,000,000	1,756,217,000
Total	4,712,297,762	7,207,450,000	2,495,152,238	1,782,782,000

STATE UNIVERSITY

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	1,211,999,000	1,028,530,000	(183,469,000)
Special Revenue Funds - Federal	163,165,000	196,550,000	33,385,000
Special Revenue Funds - Other	2,766,581,000	3,034,251,000	267,670,000
Internal Service Funds	7,500,000	9,000,000	1,500,000
Fiduciary Funds	57,800,000	57,800,000	0
Total	<u>4,207,045,000</u>	<u>4,326,131,000</u>	<u>119,086,000</u>
Adjustments:			
Prior Year Deficiency			
State University of New York			
General Fund	4,800,000		
Special Revenue Funds - Federal	10,000,000		
Appropriated 2002-03	<u>4,221,845,000</u>		

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	350,252,762	320,319,000	(29,933,762)
Total	<u>350,252,762</u>	<u>320,319,000</u>	<u>(29,933,762)</u>
Adjustments:			
Prior Year Deficiency			
State University of New York			
General Fund	3,500,000		
Appropriated 2002-03	<u>353,752,762</u>		

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

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	115,000,000	115,000,000	77,886,000
Capital Projects Fund - Advances	0	1,651,000,000	1,651,000,000	908,512,000
State University Capital Projects Fund				
State University Capital Projects Fund	20,000,000	250,000,000	230,000,000	121,870,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	135,000,000	335,000,000	200,000,000	360,467,000
Subtotal	<u>155,000,000</u>	<u>2,351,000,000</u>	<u>2,196,000,000</u>	<u>1,468,735,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	35,000,000	35,000,000	19,583,000
Capital Projects Fund - Advances	0	175,000,000	175,000,000	248,233,000
New Facilities				
Capital Projects Fund - Advances	0	0	0	19,666,000
Subtotal	<u>0</u>	<u>210,000,000</u>	<u>210,000,000</u>	<u>287,482,000</u>
Total	<u>155,000,000</u>	<u>2,561,000,000</u>	<u>2,406,000,000</u>	<u>1,756,217,000</u>

STATE UNIVERSITY CONSTRUCTION FUND

MISSION

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 (SUNY). Consistent with the State University's approved Master Capital Construction Plan, the Fund oversees construction, acquisition, reconstruction and rehabilitation or improvement of such facilities.

ORGANIZATION AND STAFFING

The Fund is administered by a Board of Trustees consisting of three members appointed by the Governor, one of whom must be a State University Trustee. Members other than the State University Trustee are confirmed by the Senate. The Board appoints a General Manager who serves as chief administrative officer of the agency.

The agency's workforce for 2003-04 is maintained at 113 positions. The Fund's positions are supported entirely from proceeds of revenue bonds issued to finance the construction and reconstruction of academic facilities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2003-04 Executive Budget recommendation of \$11 million from proceeds of State University Educational Facilities Revenue bonds will enable the Fund to oversee existing SUNY facility projects and to administer the new \$2.5 billion Multi-Year Capital Investment Program that is being recommended for SUNY in the Executive Budget.

PROGRAM HIGHLIGHTS

The 2003-04 Executive Budget contains a new \$2.5 billion Multi-Year Capital Investment Program to address SUNY's infrastructure and facility needs. As of March 31, 2002, the Fund has completed more than 4,400 academic, dormitory and dining hall capital projects with a replacement value exceeding \$13.6 billion. During the 2001-02 fiscal year, the Fund initiated the design of 47 projects having a total value of \$19 million and began construction of 10 projects having an estimated cost of \$50 million.

In addition to design and construction of SUNY's educational facilities, other key functions of the Fund include:

- Preparation and development of the State University's Master Capital Construction Plan, as well as master plans for individual campuses;
- Preparation of the State University's annual capital budget request and facility program;
- Development and maintenance of online interactive data processing systems on space and property inventories, real property, State building codes and other related plant management functions; and
- Management and administration of University-wide programs including minor rehabilitation, energy conservation and telecommunications.

STATE UNIVERSITY CONSTRUCTION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	10,837,000	11,003,000	166,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	10,837,000	11,003,000	166,000	0

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
Special Revenue Funds - Other	10,837,000	11,003,000	166,000
Total	10,837,000	11,003,000	166,000

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
Special Revenue Funds - Other	10,837,000	11,003,000	166,000
Total	10,837,000	11,003,000	166,000