

STATE EDUCATION DEPARTMENT

MISSION

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

ORGANIZATION

The Board of Regents oversees the State Education Department, which was originally established by the Legislature in 1784 and subsequently continued in the State Constitution. The Board of Regents is comprised of 17 members – one for each of the State's 13 judicial districts and four statewide members – who are elected by a joint session of the Legislature for staggered 5-year terms. The Board elects its chair, who holds the title Chancellor, and appoints the Commissioner of Education as the chief administrative officer of the Department.

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

BUDGET HIGHLIGHTS

The Executive Budget recommends \$32.09 billion in All Funds support (\$18.59 billion General Fund; \$13.50 billion Other Funds). This is a decrease of \$694 million from the 2009-10 budget. This net change primarily reflects a reduction to School Aid and other educational programs, an appropriation decrease of \$159 million for STAR, and a net decrease in Federal funds of \$47 million.

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

SCHOOL AID

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

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

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

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

- **Support for School Construction:** The Executive Budget recommends nearly \$2.5 billion in State support for the construction of school facilities, an increase of \$222 million. In addition to this amount, in 2010-11, the State will provide EXCEL Building Aid totaling \$169 million – reflecting the State’s 2010-11 debt service cost for EXCEL school construction bonds.
- **Boards of Cooperative Educational Services (BOCES):** The Executive Budget recommends \$732 million in BOCES Aid in 2010-11, an increase of over \$33 million from the 2009-10 school year.
- **Special Services Aid:** The Executive Budget recommends total funding of \$200 million, a decrease of \$6.7 million. This is the amount that is calculated under existing statutory provisions. This aid category funds career education programs and computer services for school districts that are not component districts of BOCES.
- **Transportation Aid:** The Executive Budget recommends \$1.6 billion for reimbursement for the costs of transporting students. This represents an increase of \$100 million, or 6.5 percent from 2009-10 funding levels.
- **Private Special Education Aid:** The Executive Budget recommends \$329 million – the amount that is calculated under existing statutory provisions. This represents a \$14.1 million, or 4.5 percent increase from 2009-10 funding levels.
- **High Cost Special Education Aid:** The Executive Budget recommends \$454 million – the amount that is calculated under existing statutory provisions. This represents a \$10.2 million, or a 2.3 percent increase from 2009-10 funding levels.
- **Miscellaneous Operating Support Programs:** The Executive Budget maintains funding at 2009-10 levels for various programs that can be used by school districts for operating support. These programs include: High Tax Aid, Supplemental Public Special Education Aid, New York City Academic Achievement Grant, Academic Enhancement Aid, Supplemental Educational Improvement Plan Grant, and Supplemental Valuation Impact Grants. These actions are consistent with the existing statutory provisions enacted with the 2009-10 State Budget and the approach taken to maintain Foundation Aid and other aids that provide operating support at 2009-10 levels.
- **Charter Schools:** The Executive Budget provides \$21.8 million in Transitional Aid for school districts impacted by a concentration of charter schools, as well as \$4.8 million for technical assistance and start-up grants for charter schools.
- **Roosevelt Union Free School District:** The Executive Budget includes \$6 million to provide an Academic Improvement Grant for the Roosevelt Union Free School District. This is a reduction from the \$12 million provided to Roosevelt in the 2009-10 school year due to the school district’s improved fiscal circumstances as reported by the Office of State Comptroller. The \$6 million reduction in the Academic Improvement Grant reflects the elimination of Federal ARRA State Fiscal Stabilization Fund - Other Government Services Fund support for this program.
- **Teachers of Tomorrow:** The Executive Budget continues this \$25 million program for incentives, such as awards and stipends, to retain and attract teachers into New York State classrooms, particularly in areas where teacher shortages exist.

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- **Categorical Teacher-Related Programs:** The Executive Budget recommends eliminating funding for the Teacher Centers program. The \$2 million Teacher-Mentor Intern program is continued at 2009-10 levels, fully supported with funds from the Federal ARRA State Fiscal Stabilization Fund - Other Government Services Fund.
- **Bilingual Education/English Language Learners:** The Executive Budget maintains \$12.5 million in funding for Bilingual Education grants. These funds support programs which include technical assistance centers, two-way Bilingual classrooms, intensive Bilingual teacher training and leadership programs.
- **Other Programs:** The Executive Budget recommends funding based on existing statutory formulas for several programs including: Textbook Aid, Library Materials Aid, Computer Software Aid, Computer Hardware Aid, Full Day Kindergarten Conversion Aid and Reorganization Operating Aid. In addition, all other categorical programs including Urban-Suburban Transfer, Education of Homeless Pupils, Incarcerated Youth, Education of Office of Mental Health (OMH)/Office of Mental Retardation and Developmental Disabilities (OMRDD) Pupils, and Native American Building Aid are maintained at 2009-10 funding levels.
- **Continuation of Special Federal Recovery Act Funding:** The Executive Budget includes a continuation of increased Federal resources for school districts through the American Recovery and Reinvestment Act of 2009. The 2010-11 Executive Budget provides \$454 million in additional Federal ARRA Title I funds to local education agencies (LEAs) for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. The Budget also provides \$398 million in Federal ARRA Individuals with Disabilities Education Act (IDEA) funds to schools to help ensure that children with disabilities have access to a free appropriate public education. The amounts are in addition to ongoing Federal support for these two programs.
- **Federal Race-to-the-Top:** The Executive Budget includes a \$750 million appropriation in anticipation of a successful application for competitive funds through the Federal Race-to-the-Top program.
- **Smart Scholars Early College High School Program:** The Executive Budget includes an appropriation of \$6 million, that will be expended over several years, to match a privately funded grant. The combined funding level of \$12 million will be used to create early college high schools that will give students the opportunity to earn college credits by the time they complete their high school education.
- **Reimbursement for the Metropolitan Commuter Transportation Mobility Tax:** The Executive Budget includes an appropriation of \$60 million for full reimbursement of school district expenses for the mobility tax.

MANDATE REFORM / STREAMLINING GOVERNMENT

The 2010-11 Executive Budget proposes measures to reduce school district costs, ease the paperwork workload, and remove selected mandates. By encouraging structural reforms and reducing operational costs, this proposal promotes efficiency and flexibility for school districts. School districts will be able to adjust to the changing economic climate and evolving educational needs of their communities, providing needed savings.

Elements of the proposal include:

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

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program would be required to maintain funding on existing Contract for Excellence programs less the percentage reduction of the Gap Elimination Adjustment.

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

STATE OPERATIONS

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

SPECIAL EDUCATION

School-Age Special Education

School districts receive funding for special education services to school-age children through the Foundation Aid formula. In addition, Public High Cost Special Education Aid and Private Special Education Aid supplement Foundation Aid for students with severe needs. The Executive Budget recommends continuing existing statutory provisions for these two aid categories with total funding of \$783 million for the 2010-11 school year, an increase of \$24 million or 3 percent.

Preschool Special Education

Approximately 500 providers (school districts, BOCES, and private entities) operate preschool special education programs that provide educational and therapeutic services to approximately 80,000 children aged 3 to 5 during any given school year. The General

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

Summer School Special Education

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

State-Supported Private Schools for the Blind and Deaf

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

EDUCATION-RELATED PROGRAMS

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

Major actions include:

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

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

Program	2009-10 School Year	2010-11 School Year	Change
Academic Intervention Services for Nonpublic Schools	922	922	0
Adult Basic Education	1,843	1,843	0
Adult Literacy Education	4,293	4,293	0
Charter School Start-Up and Technical Assistance	4,837	4,837	0
County Vocational Education and Extension Boards	932	932	0
Education of Children of Migrant Workers	89	89	0
Extended Day/School Safety Program	24,343	24,343	0
Fiscal Stabilization Grants	30,022	30,022	0
Health Education Program	691	691	0
National Board for Professional Teaching Standards	490	490	0
Nonpublic School Aid	110,605	109,105	(1,500)
Primary Mental Health	894	894	0
Prior Year Claims	15,046	15,046	0
School Lunch and Breakfast Program	31,700	32,300	600
Statewide Center for School Safety	466	466	0
Student Mentoring and Tutoring Initiative	490	490	0
Summer Food Program	3,049	3,049	0
SUNY Center for Autism and Related Disabilities	490	490	0
Schools Under Registration Review (SURR) Grants	1,750	0	(1,750)
Targeted Prekindergarten	1,303	1,303	0
Smart Scholars Program	0	6,000	6,000
One-Time Legislative Grants	33,700	0	(33,700)
Total EMSC education-related programs	267,954	237,604	(30,350)

OTHER RECOMMENDATIONS

In addition to funding for agency operations, the Department's budget includes support for various aid programs in the areas of higher education, cultural education and vocational rehabilitation.

Major budget actions include:

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

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

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

- Supported Employment (\$15.2 million);
- Independent Living Centers (\$12.4 million);
- Higher Education Opportunity Program (\$20.8 million);
- Liberty Partnerships (\$10.8 million);
- Science and Technology Entry Program (\$9.8 million);
- Collegiate Science and Technology Entry Program (\$7.4 million); and
- High Needs Nursing (\$0.9 million).

SCHOOL TAX RELIEF (STAR)

The School Tax Relief (STAR) program was enacted in 1997 to provide needed tax relief for homeowners across the State. The Executive Budget provides \$3.2 billion for the STAR program comprised of the Enhanced STAR exemption for eligible senior citizens, the Basic STAR exemption for other homeowners, and the New York City Personal Income tax rate reduction and refundable tax credit.

Major budget actions include:

- **“Floor” Provision:** The Executive Budget changes the “floor” adjustment that limits possible annual reductions in STAR exemption amounts from 11 percent to 18 percent. This is expected to produce savings of \$40 million for 2010-11.
- **Eliminate STAR exemption benefit for the homes with value of \$1.5 million and above:** Under current law, every home that is used as a primary residence, regardless of how much it is worth, is eligible to receive a STAR exemption benefit. This proposal would eliminate the exemption benefit for the homes with equalized value of \$1.5 million and above. This would reduce spending by \$30 million in 2010-11.
- **Restructure New York City Personal Income Tax STAR:** The Executive Budget would cap the tax rate reduction benefit for taxpayers with incomes above \$250,000. Under current law, the rate reduction applies to all taxpayers, regardless of income. This proposal would limit the rate reduction benefit to the first \$250,000 of income. This would reduce spending by \$143 million in 2010-11.

PROGRAM HIGHLIGHTS

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

SCHOOL AID

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

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

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- **Foundation Aid** provides sufficient State and local resources to give all children the opportunity to meet New York’s learning standards. The formula is based on the cost of a successful education adjusted by regional cost variations and pupil needs.
- **Transportation Aid and Building Aid** provides support to school districts for student transportation and the construction/preservation of school facilities. These two aid categories, including EXCEL Building Aid, will total \$4.3 billion and account for nearly 21 percent of overall School Aid.
- **Universal Pre-Kindergarten** provides grants to school districts ranging from \$2,700 to \$5,800 per child reflective of varying district wealth and educational needs. For the 2010-11 school year, funding will be available for approximately 107,700 students to attend Universal Pre-Kindergarten programs throughout the State.
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special education services for students aged 5 to 21. These services range from speech therapy to placement in full-time residential schools for school-age children with the most severe disabling conditions. Statewide, approximately 405,000 school-age children with special needs receive special education services. Students who require particularly intensive programs are served by nearly 150 private schools, including 13 Special Act School Districts and 11 State-supported private schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The Batavia School for the Blind serves 53 blind and multiply-disabled students. The Rome School for the Deaf serves 60 deaf and multiply-disabled school-age students.

EDUCATION-RELATED PROGRAMS

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

Major programs include:

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

CULTURAL EDUCATION

Cultural Education programs administered by the State Education Department include support for public broadcasting stations and aid to public libraries and library systems. The State Library, the State Museum and the State Archives are located in the Cultural Education Center in Albany and are also administered by Department staff.

The State Library is the largest of its kind in the nation, providing reference information and other coordinated library services to State agencies, businesses and the public. The State Library also charters all libraries in the State and distributes State and Federal aid to local libraries.

The State Museum is the largest state-operated museum in the nation and contains exhibits on New York's cultural and natural history. The Museum is also a major research center and the home of the Geological Survey, Biological Survey, Anthropological Survey and the Historical Survey. Each of these surveys is involved with developing and maintaining the collections and exhibits of the State Museum. The State Museum also administers the Cultural Resource Survey, which oversees the handling and preservation of artifacts found at construction sites.

The State Archives is responsible for the maintenance and preservation of important State and local government records. In addition to its operations in the Cultural Education Center, the State Archives also operates the State Records Center at the Harriman State Office Campus in Albany. The operations of the State Museum, State Library and State Archives are largely supported by a surcharge on certain documents filed in county clerk offices.

HIGHER EDUCATION AND REGULATION OF THE PROFESSIONS

The Office of Higher Education and the Professions is responsible for ensuring the quality and availability of postsecondary education programs and regulating professionals to protect the public by ensuring the quality and integrity of services provided to consumers in the State. This Office:

- Assists the Regents in making higher education policies and plans, administers aid programs for colleges, universities and students and reviews and registers academic programs of degree-granting institutions. This Office also oversees the regulation of proprietary schools that offer a range of vocational education programs, as well as teacher certification and discipline and background checks of prospective school personnel.
- Licenses and provides oversight for members of the 48 professions regulated pursuant to Title VIII of the Education Law, including: Nursing, Optometry, Dentistry, Pharmacy, Veterinary Medicine, Social Work, Architecture, Engineering and Public Accountancy. The Office is also responsible for enforcing standards of practice, codes of conduct and professional discipline for the licensees, except members of the medical professions (Physicians, Physician Assistants and Special Assistants) whose professional conduct is within the purview of the Department of Health. Professional licensure, oversight and enforcement functions are self-supporting through the collection of fines and fees.

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VOCATIONAL REHABILITATION

The Vocational and Educational Services for Individuals with Disabilities (VESID) program provides job training, counseling and placement services for disabled persons throughout New York. Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. IN 2008-09, this program arranged job placements for nearly 12,200 individuals from an active caseload of 68,000.

SCHOOL TAX RELIEF (STAR)

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

School Property Tax Relief

- In 2010-11, approximately 642,000 senior homeowners will be eligible to receive an enhanced exemption. The statewide average STAR enhanced benefit for seniors is estimated at \$1,205. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age. (If property is owned by husband and wife or by siblings, then one of them must be at least 65 years old. Eligibility was expanded in 2000 to surviving spouses who are at least 62 years of age, and certain nursing home residents). In addition to the age requirement, annual income cannot exceed \$74,700 to receive benefits in 2010.
- In 2010-11, the school property tax exemption will provide nearly 2.9 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Statewide tax savings relating to this basic STAR exemption will average \$641.
- The exemptions provided to all homeowners living in counties where median home sale prices exceed the statewide median are adjusted upward from the minimums stated above to account for regional variations in property values.
- Legislation accompanying the Executive Budget would lower the "floor" adjustment that limits year over year reductions in STAR exemption amounts from 11 percent to 18 percent and eliminate STAR exemption benefit for the homes with value of \$1.5 million and above.

New York City Tax Reduction

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

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School Aid School Year Payments (Millions)

Program	Estimated 2009-10	Recommended 2010-11	Change Amount	Change Percent
I. Formula-Based Aids:				
Foundation Aid	\$14,892.22	\$14,892.22	\$0.00	0.00
Special Education - High Cost	443.92	454.12	10.20	2.30
Special Education - Private	314.91	328.97	14.06	4.46
Reorganization Operating Aid	2.86	2.86	0.00	0.00
Textbooks (Incl. Lottery)	182.50	181.38	(1.12)	(0.61)
Computer Hardware	37.85	37.43	(0.42)	(1.11)
Computer Software	45.46	45.79	0.33	0.73
Library Materials	19.40	19.29	(0.11)	(0.57)
BOCES	698.87	731.91	33.04	4.73
Special Services	206.41	199.70	(6.71)	(3.25)
Transportation (Including Summer)	1,546.94	1,646.66	99.72	6.45
High Tax	204.77	204.77	0.00	0.00
Universal Prekindergarten	399.72	399.72	0.00	0.00
Academic Achievement Grant	1.20	1.20	0.00	0.00
Supplemental Educational Improvement Grant	17.50	17.50	0.00	0.00
Charter School Transitional Aid	18.67	21.84	3.17	16.98
Full-Day Kindergarten	7.34	0.00	(7.34)	(100.00)
Academic Enhancement Aid	8.32	8.32	0.00	0.00
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00
Gap Elimination Adjustment	0.00	(1,412.15)	(1,412.15)	NA
Formula-Based Aids	\$19,053.10	\$17,785.82	(\$1,267.28)	(6.65)
Building Aid/Reorganization Building	2,263.89	2,485.73	221.84	9.80
Total Formula-Based Aids	\$21,316.99	\$20,271.55	(\$1,045.44)	(4.90)
II. Grant Programs and Additional Aid Categories:				
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	35.00 (a)	0.00	(35.00)	(100.00)
Teacher-Mentor Intern	2.00 (a)	2.00 (a)	0.00	0.00
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	12.00 (b)	6.00	(6.00)	(50.00)
Urban-Suburban Transfer	2.73	2.73	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	9.23	9.23	0.00	0.00
Incarcerated Youth	17.50	17.50	0.00	0.00
Bilingual	12.50	12.50	0.00	0.00
Education of OMH/OMR Pupils	69.00	69.00	0.00	0.00
Special Act School Districts	2.70	2.70	0.00	0.00
Chargebacks	(47.00)	(47.00)	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Native American Building	2.50	2.50	0.00	0.00
Native American Education	35.00	35.00	0.00	0.00
Supplemental Valuation Impact Grants	3.80	3.80	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
	296.17	255.17	(41.00)	(13.84)
SCHOOL YEAR TOTAL	\$21,613.15	\$20,526.71	\$1,086.44	(5.03)
EXCEL Building Aid - New York City	127.02	127.03	0.01	0.01
EXCEL Debt Service - Rest of State	27.02	41.92	14.90	55.14
	154.04	168.95	14.91	9.68
SCHOOL YEAR TOTAL w/EXCEL	\$21,767.19	\$20,695.66	(\$1,071.53)	(4.92)

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

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

EDUCATION

ALL FUNDS APPROPRIATIONS (dollars)

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

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

Full-Time Equivalent Positions (FTE)

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

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

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

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

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

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

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

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

EDUCATION

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

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

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

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

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

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

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

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

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

Adjustments:

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

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

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

EDUCATION

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

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