

COUNCIL ON THE ARTS

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	42,700,000	45,656,000	2,956,000	6.9%
Special Revenue-Other	3,233,000	3,332,000	99,000	3.1%
Special Revenue-Federal	1,513,000	1,513,000	0	0.0%
Total for AGENCY SUMMARY:	47,446,000	50,501,000	3,055,000	6.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	47	48	1
All Other Funds:	8	7	(1)
TOTAL:	55	55	0

Agency Mission

(Executive Budget: pp. 21 - 24)

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

This Agency is included in the Education, Labor and Family Assistance Budget Bill (A. 953/S. 453).

Budget Detail

The Executive provides an All Funds appropriation of \$50,501,000. This includes a \$455,000 increase in State Operations appropriation from SFY 2005-06 levels, along with a \$2,600,000 increase in Aid to Localities appropriation from SFY 2005-06 levels. The Agency currently has 55 Full Time Employees. This reflects no change in full-time equivalent positions from SFY 2005-06 levels.

State Operations

Proposed Increases

The Executive proposes a \$455,000 increase in State Operations Funding from SFY 2005-06 levels which includes the following:

- \$311,000 for Personal Service funding to reflect collective bargaining agreements;
- \$45,000 for Nonpersonal Service funding to reflect inflationary costs;
- \$18,000 for the Empire State Performing Arts Center Corporation Program to reflect a 3% increase in cost from SFY 2005-06 levels; and
- \$81,000 for the New York State Theatre Institute Corporation Program to reflect a 4% increase in cost from the SFY 2005-06 levels.

Aid to Localities

The Executive maintains all Aid to Localities programs at SFY 2005-06 levels except as noted.

Proposed Increases

- The Executive proposes a \$2,600,000 increase for State Financial Assistance for the Arts.

CITY UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	865,087,250	929,281,000	64,193,750	7.4%
Special Revenue-Other	145,000,000	235,000,000	90,000,000	62.1%
Capital Projects Fund	347,946,000	35,000,000	(312,946,000)	-89.9%
Total for Agency:	1,358,033,250	1,199,281,000	(158,752,250)	-11.7%
Total Contingency:	1,363,234,000	1,415,873,000	52,639,000	3.9%
Total for AGENCY SUMMARY:	2,721,267,250	2,615,154,000	(106,113,250)	-3.9%

Agency Mission

(Executive Budget: pp. 25-29)

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- a proposal to provide appropriation authority sufficient to accommodate increasing tuition by \$300 from \$4,000 to \$4,300; and
- a \$100 per full-time equivalent (FTE) student increase in CUNY Community College Base Aid, increasing support from \$2,350 per FTE to \$2,450 per FTE.

Budget Detail

The Executive recommends an All Funds appropriation of \$2,615,154,000, which reflects a reduction of \$106,113,250 below SFY 2006-07.

State Operations

The Executive recommends a total Senior College operating budget of \$1,415,873,000, which is an \$86,739,000 increase over SFY 2005-06 levels. Funding for the Search for Education, Elevation, and Knowledge program (SEEK) is maintained at the SFY 2005-06 level of \$14,606,000.

Proposed Increases

The Executive requests an operating budget of \$1,415,873,000 for CUNY Senior Colleges. This includes an \$86,739,000 increase over SFY 2005-06 funding levels comprised of the following:

- a \$27,200,000 increase in General Fund support for the CUNY Senior College Operating budget;
- a \$45,700,000 increase in CUNY's Senior College Revenue Offset to accommodate a tuition increase of \$300, increasing tuition from \$4,000 to \$4,300;
- \$5,000,000 to establish a new Empire Innovation Program to support critical research projects, academic programs and Master Plan Initiatives at CUNY;
- an increase of \$60,000,000 for the City University Stabilization Account, which represents funding reserved for collective bargaining agreement presently being negotiated to be disbursed when settled;
- an increase of \$30,000,000 for the City University Income Reimbursable Account in order to provide additional appropriation authority so that CUNY can spend revenue to be raised from the graduate student tuition increase implemented in the 2005-06 Academic Year; and
- an appropriation of \$13,600,000 for costs associated with extraordinary energy usage at CUNY.

Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$929,281,000 for SFY 2006-07, representing a \$64,193,750 increase from SFY 2005-06 levels. Of this appropriation \$768,513,000 would support the SFY 2006-07 costs for operating CUNY Senior Colleges, and \$158,768,000 for the support of CUNY community colleges. Within this appropriation, funding is maintained for CUNY childcare (\$865,000), College Discovery (\$763,000), and Contract Courses for workforce development (\$1,000,000).

Proposed Increases

The Executive Proposal provides an appropriation of \$158,768,000 for SFY 2006-07, representing a \$1,600,000 net increase over 2005-06 levels which is comprised of the following:

- \$6,300,000 resulting from a \$100 increase in CUNY Community College Base Aid increase offset by a reduction of \$5,200,000 due to lower than projected enrollment; and
- \$4,388,000 for Rental aid for leased space which is a \$500,000 increase over SFY 2005-06 levels.

Capital Projects

The Executive proposes an additional \$35,000,000 in capital projects to supplement CUNY's five-year capital plan. Projects include:

- \$15,000,000 to design and begin construction on a new science facility at City College;
- \$11,231,000 for the stabilization of the Marshak Science Building at City College; and
- \$8,800,000 in matching funds for facility upgrades at Medgar Evers College.

The Executive proposes an increase in CUNY's bond cap of \$325,000,000 to cover CUNY's new capital appropriations for a total bonding authorization of \$5,300,000,000.

Article VII

The Executive recommends Article VII legislation:

- to permit the Governor to appoint a new member to the CUNY Board of Trustees from a list of five faculty members submitted by the Chancellor, increasing the number of Board members from ten to eleven. The term of office for the new appointee shall be five years;
- to establish a new tuition policy at CUNY. Trustees would have the authority to charge differing tuition rates for similar programs offered at different schools, adopt tuition changes before enactment of the State budget and establish an annual tuition inflation index, allowing tuition to increase at an indexed level if a State commitment level has been met;
- to direct CUNY to develop a plan in cooperation with the Commissioner of the Office of General Services to comprehensively inventory all CUNY facilities. Such inventory would include a detailed list of opportunities to raise additional revenue through the relocation and sale of surplus facilities occupying highly valuable real estate space; and

- to establish the Partnership to Accelerate Completion Time (PACT) program for any CUNY campus. Participating students would have to declare a major before their third semester, maintain continuous enrollment in their declared major, maintain good academic standing, meet all coursework requirements, and graduate from their program on time. Participating schools would receive \$250 for each on-time associate degree, and \$500 for each on-time bachelor degree confirmed. Participation in PACT would be voluntary, however, CUNY would have to modify its campus allocation funding methodology to recognize and reward campuses whose students achieve the timely graduation rates incented by this program.

EDUCATION DEPARTMENT

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	14,984,074,600	16,183,865,200	1,199,790,600	8.0%
Special Revenue-Other	5,774,544,200	6,228,109,400	453,565,200	7.9%
Special Revenue-Federal	3,932,451,300	4,025,555,500	93,104,200	2.4%
Misc. Capital Projects	0	20,000,000	20,000,000	-
Capital Projects Fund	4,000,000	13,200,000	9,200,000	230.0%
Capital Projects Fund - Bondable	15,000,000	0	(15,000,000)	-100.0%
Internal Service Fund	22,947,000	24,244,000	1,297,000	5.7%
Total for Agency:	24,733,017,100	26,494,974,100	1,761,957,000	7.1%
Total Contingency:	6,205,000	5,172,000	(1,033,000)	-16.6%
Total for AGENCY SUMMARY:	24,739,222,100	26,500,146,100	1,760,924,000	7.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	376	373	(3)
All Other Funds:	2,738	2,704	(34)
TOTAL:	3,114	3,077	(37)

Agency Mission

(Executive Budget: pp. 31 - 47)

The mission of the State Education Department is to raise the knowledge, skill, and opportunity of all the people in New York.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- a \$634,000,000 year to year increase in school aid;
- a proposed increase of \$375,000,000 in Sound Basic Education (SBE) Aid to be placed in a reserve fund and distributed pursuant to a plan approved by the Division of Budget (DOB);
- changes in funding to Private Excess Cost Aid that would result in a present law decrease of \$108,800,000;
- limitations on BOCES Aid that would result in a present law decrease of \$59,900,000;
- Building Aid changes that would result in a present law decrease of \$78,000,000;
- an increase in the Charter School cap from 100 to 250 schools, along with language that would allow not-for-profit agencies to grant charters;
- provisions that would allow Charter Schools to access Building Aid;
- a \$40,000,000 program to improve the storage and display of the collections of the New York State Museum, Library and Archives; and
- several programs to increase funding for math and science education.

Budget Detail

For the 2006-07 School Year (SY), the Governor provides an increase of \$258,800,000 in General Support for Public Schools (GSPS) over 2005-06 levels. This represents a 1.62 percent increase over the prior year. The Governor also proposes an additional \$375,000,000 in Sound Basic Education Aid (SBE) to be funded by Video Lottery Terminal (VLT) revenues for a total increase of \$633,930,000. The Governor appropriates \$26,494,974,100 on an All Funds basis to the Education Department in SFY 2006-07. The Executive proposes a reduction of 37 full-time equivalent (FTE) funded positions through a transfer to the Office of Mental Retardation and Developmental Disabilities for a total of 3077 FTEs.

State Operations

Proposed Increases

- The Executive proposes funding agreed upon salary increases of \$1,100,000 and fringe benefit increases of \$900,000; and
- The Executive would increase funding to the General Equivalency Diploma (GED) program by \$180,000 in order to avoid fee increases.

Proposed Decreases

- The Executive proposes shifting the cost of tenured teacher hearings to local school districts resulting in a General Fund savings of \$3,300,000; and
- The Executive proposes shifting the 37 positions at the Batavia Intermediate Care Facility (ICF) from the State Education Department to the Office of Mental Retardation and Developmental Disability (OMRDD). Operations of the ICF were turned over to OMRDD on May 23, 2005 following an audit.

Aid to Localities

FORMULA BASED AIDS

- The Executive would continue Flex Aid, and would maintain funding at \$8,500,000,000. He once gain consolidates Limited English Proficiency Aid, Educationally Related Support Services Aid, Summer School Aid, Minor Maintenance, Extraordinary Needs Aid, and Comprehensive Operating Aid.
- LADDER programs were primarily maintained at 2005-06 levels. Both Universal Pre-Kindergarten and Class Size Reduction would be maintained at \$204,000,000 and \$140,000,000, respectively. Extended Day / School Violence Prevention is maintained at \$30,200,000. Full Day Kindergarten would be reduced by \$1,630,000 to \$2,190,000. Funding for the Minor Maintenance program at \$50,000,000 would continue to be folded into Flex Aid. Finally, Targeted Pre-Kindergarten would also be maintained at \$50,200,000.

Proposed Increases

- Sound Basic Education Aid would be increased by \$375,000,000. The increased funding would be placed in a reserve to be allocated pursuant to a plan approved by the DOB.
- Transportation Aid is continued at present law levels providing an increase of \$89,980,000 bringing total aid to \$1,299,550,000.
- The Executive would increase Tax Limitation Aid by \$47,660,000 for a total of \$182,720,000.
- The Executive proposes Building Aid changes, including the deferral of payments for school construction projects without a contract signed as of the date upon which the electronic data file was created for the Executive Budget. The Executive proposal provides an additional \$76,560,000 in building aid, which is a reduction of \$78,000,000 from present law levels. In addition, the Executive proposes a modified calculation of the building aid cost allowance.

- Funding for Public Excess Cost Aid would be at the present law level of \$528,400,000; an increase of \$131,290,000.
- Aid for instructional materials including textbooks, software, library materials and hardware are maintained at present law levels, with an aggregate increase of \$1,180,000 over 2005-06.
- Special Services Aid is continued at the present law level of \$142,630,000, an increase of \$1,130,000.
- The Executive proposes a \$44,140,000 program of Fiscal Stabilization Grants, an increase of \$40,200,000 over last year.

Proposed Decreases

- The Executive proposes a change to special education funding for severely disabled students attending programs in private school settings as provided through Private Excess Cost Aid. The Executive's proposal would cut present law funding of this program by \$108,800,000 primarily by modifying a reimbursement ratio from 85 percent to 49 percent. Total proposed funding is \$120,070,000.
- The Executive proposes to fund BOCES Aid at the lesser of the amount received by each school district in the prior year or the amount generated by the current formula. This limitation would cut present law funding for BOCES Aid by \$59,900,000. Total proposed funding is \$536,250,000.
- Growth Aid will be funded at present law levels. For 2006-07 Growth Aid will total \$7,730,000, a decrease of \$8,870,000 below last year's levels.
- Reorganization Operating Aid and Reorganization Building Aid would be funded at present law levels of \$12,910,000 and \$14,518,000, respectively.

GRANT PROGRAMS AND OTHER AID CATEGORIES

- The Executive proposes funding Magnet Schools at \$137,600,000.
- Aid for Small City School Districts and Bilingual Education grants are continued at \$81,880,000 and \$11,200,000, respectively.
- The Executive proposes \$6,000,000 for Academic Achievement Grants for the Roosevelt School District.
- Categorical Reading, Improving Pupil Performance, Fort Drum, Urban-Suburban Transfer, Homeless Pupils, Education of OMH/OMR Pupils, Special School Districts, Tuition Adjustment, CVEEB, Native American Building, Learning Technology Grants, Incarcerated Youth and Bus Driver Safety would also be funded at 2005-06 levels.

Proposed Increases

- The Executive proposes an expenditure-based increase in Native American Education by \$2,250,000 for a total of \$30,000,000.
- The Executive proposes creating the following new categorical grant programs:
 - Funding in the amount of \$5,770,000 would be provided for student health services in the Big Four City school districts.
 - A \$5,000,000 Engineers of the Future program that would provide funding to support at middle and high schools pre-engineering programs.
 - The Math / Science Summer Institutes which would provide \$2,500,000 in funding for summer math and science programs at community colleges for middle school students, and \$2,500,000 to support programs for math and science teachers.

Proposed Decreases

- The Executive proposes funding the Employment Preparation Education program (EPE) at \$90,000,000, a decrease of \$6,000,000 from last year.

TEACHER PROGRAMS

- Teacher Support Aid is maintained at \$67,480,000.

Proposed Increases

- The Executive proposes funding the Teachers of Tomorrow program at \$25,000,000, an increase of \$5,000,000 over 2005-06 levels. This funding would be focused on recruitment and retention of math and science teachers.

Proposed Decreases

- The Executive proposes funding Teacher Resource and Computer Centers at \$10,330,000, a cut of \$20,670,000.
- The Teacher-Mentor Intern program would be funded at \$2,000,000, a decrease of \$4,000,000 from 2005-06.

OTHER ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

- The Executive proposes \$750,000 for the Health Education Program. This is the same level of funding as last year.

- The Executive continues Adult Basic Education funding at \$2,000,000.
- Apprenticeship Training, Consortium for Worker Education (CWE) and Workplace Literacy are all continued at their 2005-06 levels of \$1,830,000, \$11,500,000 and \$1,376,100, respectively.
- The Executive maintains Non-Public School aid at \$87,500,000 and Academic Intervention Services for Non-Public Schools at \$1,000,000.
- Adult Literacy Education, Charter Schools, Migrant Workers, Primary Mental Health Project (PMHP), School Lunch / Breakfast, Statewide School Safety Centers, Summer Food Program, SURR Schools and Transferring Success would also be funded at 2005-06 levels.
- The Executive proposes transferring \$500,000 for the SUNY Center for Autism from the General Fund to Federal IDEA funding.

Proposed Increases

- The Executive proposes the creation of the following programs:
 - Academic Achievement Awards which would recognize 50 schools for educational performance and efficiency funded at \$500,000.
 - A panel of experts to provide recommendations to strengthen administration of the Regents' testing program would be created and funded at \$500,000. This program is funded in a Miscellaneous appropriation.

Proposed Decreases

- The Executive proposes funding Prior Year Claims at \$25,900,000, a decrease of \$2,100,000 below last year's levels.

VESID

- The Executive maintains the following VESID programs at 2005-06 levels:
 - Case Services at \$54,600,000;
 - Supported Employment at \$15,402,000;
 - Independent Living Centers at \$10,730,600;
 - Salary enhancements for teachers who teach in private schools for students with disabilities at \$2,000,000;
 - Early Childhood Direction Centers \$656,000; and
 - College Readers Aid at \$300,000.

CULTURAL EDUCATION

- The Executive continues the following Cultural Education programs at 2005-06 levels:
 - Library Aid at \$88,900,000;
 - Educational Television and Radio at \$13,830,000;
 - New York Public Library at \$1,700,000; and
 - New York Public Library's Science, Industry and Business Library at \$850,000.

Proposed Increases

- The Executive proposes \$20,000,000 to enhance the public display of the collections of the State Museum, Library and Archive funded from the Cultural Education Account;

HIGHER EDUCATION AND THE PROFESSIONS

The Office of Higher Education and the Professions received an all funds appropriation of \$162,011,000. Funding levels are maintained at 2005-06 levels for the Liberty Partnerships Program (\$10,925,000), Bundy Aid (\$42,038,000), Higher Education Opportunity Program (\$22,000,000), and Postsecondary Aid to Native Americans (\$635,000).

Proposed Increases

- The Executive proposes \$19,000,000 appropriation to the Science and Technology Entry Program (STEP) and the Collegiate Science and Technology Entry Program (CSTEP). This reflects \$9,500,000 or a 100 percent increase above the SFY 2005-06 funding level.

Capital Projects

The Executive proposes:

- \$20,000,000 for construction of a new storage facility for the collections of the State Museum, Library and Archive funded from the Cultural Education Account;
- \$7,500,00 for dormitory renovations for the School for the Deaf in Rome;
- \$3,300,000 for maintenance and renovations to the State Education Building; and
- \$2,400,000 for minor rehabilitation projects.

Article VII

The Executive recommends Article VII legislation that would:

- provide additional Flex Aid in 2007-08 to school districts that show significant improvement on statewide achievement tests;
- provide additional Flex Aid in 2007-08 to school districts that adopt a school spending cap;
- increase the charter school cap from 100 to 250;
- grant not-for-profits the authority to grant charters;
- allow charter school conversions authorized by the Chancellor of New York City schools to not count against the charter school cap;
- make charter schools eligible for Building Aid;
- authorize charter schools to access financing and construction management services from the Dormitory Authority;
- exempt school districts from the Wicks Law;
- create the State Clearinghouse for Efficient Construction Practices and Designs within the Dormitory authority. This Clearinghouse would assist with project planning, quality review and assurance and construction consultation and review;
- create value engineering requirements as a prerequisite for receiving Building Aid;
- use a modified calculation of the building aid cost allowance to calculate a district's Building Aid;
- modify New York City's procurement process;
- make New York City Building Aid payable 18 months after SED is notified that a general construction contract has been signed;
- clarifies the approved expenses for Building Condition Surveys;
- change Building Aid reimbursement for BOCES though the application of assumed amortization for prospective BOCES building projects;
- require BOCES to demonstrate savings for services compared to existing State contract prices;
- eliminate reimbursement to BOCES for the administrative costs on cooperative purchases;

- no longer reimburse BOCES for educational services that exceed the costs of comparable services provided by individual school districts;
- The Executive once again proposes a program of Reforming the School Voting Process (RSVP). This program would limit schools budgets to a single vote eliminating the revote option; require all votes on bond resolutions to be on a single day; extend school district election voting hours; restrict the role of school employees or officials as poll workers; and involve county boards of election in school elections and budget votes;
- require new property tax report card language;
- require school districts and BOCES to adopt employee codes of ethics which would need to be approved by the State Education Department;
- increase certification requirements and institute continuing education requirements for school business officials;
- create the New York State Cultural Education Trust to oversee investment in the State Museum, Library and Archives;
- expand partnerships between school districts and State agencies in the area of energy costs;
- establish a Taskforce between the Health and Education Departments in order to provide better coordination between Early Intervention and Preschool Special Education;
- provide reimbursement only for Preschool Special Education evaluations performed by school districts;
- implement a statute of limitations on claim submission for summer programs for disabled students;
- create an oversight structure for residential programs at the State School for the Blind at Batavia by the Office of Mental Retardation and Developmental Disabilities;
- institute Diplomas of Distinction for students who meet certain criteria;
- expand the Teachers of Tomorrow program to include recruitment incentives and tuition reimbursement to increase the pool of math and science teachers;
- create the Academic Achievement Award grant program;
- target Academic Improvement grants for the Roosevelt School District for instructional expenses;
- provide statutory authorization for the Joint School Construction Board of Syracuse (JSCB);

- transfer fiscal responsibility for Tenured Teacher Hearings from the State to school districts;
- establish a special equalization rate for the Tuckahoe Union Free school district;
- continue the provisions for a lottery accrual due to a change made by the Governmental Accounting Standards Board (GASB) regarding Teacher Retirement System (TRS) pension contributions; and
- create a tax credit for primary and secondary tuition and other instructional expenses for qualified residents residing in certain eligible school districts.

Deficiency Request

The Executive provides a deficiency appropriation \$800,000 for Tenured Teacher Hearings. In addition, there is a proposed prospective \$130,000,000 transfer from the General Fund to the VLT education account to be held in reserve for payment of the 2006-07 Sound Basic Education Aid program.

OFFICE OF CHILDREN AND FAMILY SERVICES

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,538,629,000	1,614,313,000	75,684,000	4.9%
Special Revenue-Other	134,801,000	136,012,000	1,211,000	0.9%
Special Revenue-Federal	1,479,597,000	1,479,948,000	351,000	0.02%
Capital Projects Fund	1,325,000	1,825,000	500,000	37.7%
Youth Facilities Improvement Fund	22,602,000	30,685,000	8,083,000	35.8%
Internal Service Fund	100,000	100,000	0	0.0%
Enterprise	500,000	475,000	(25,000)	-5.0%
Total for AGENCY SUMMARY:	3,177,554,000	3,263,358,000	85,804,000	2.7%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	3,166	3,178	12
All Other Funds:	644	644	0
TOTAL:	3,810	3,822	12

Agency Mission

(Executive Budget: pp. 49 - 57)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- a decrease of \$383,000,000 in the State's Child Care Block Grant. This decrease includes a \$4,000,000 reduction in the State's allocation from the federal Child Care Development Fund as well as the elimination of TANF funds from the block grant. Local social services districts will again be able to request additional support for child care from the Flexible Fund for Family Services which the Executive proposes to reauthorize with a \$1,025,000,000 allocation of TANF funds.
- includes a increase of \$5,000,000 in the Foster Care Block Grant to support cost of living adjustments for payments made to foster parents and foster care programs.
- an increase of \$29,000,000 in funding for Child Welfare Services related to increased claims for child protective, preventive, independent living, aftercare and adoption services.
- \$193,500,000 for adoption subsidies supporting a projected caseload of 49,148 children and a cost of living adjustment for adoptive parents.
- development of a new pilot project to reduce recidivism rates through a facility-based program.
- development of a new demonstration program at seven sites throughout the State that will address parental substance abuse problems.
- funding to expand the number of Office of Mental Health Home and Community-based Services Waiver slots for children at risk of out of home placement.
- \$500,000 to support a new mandate requiring the Department of Health to apply for and implement a Medicaid waiver permit children in foster care to obtain health and mental health services that are not currently available.

The Governor also proposes that up to \$2,200,000 of the \$7,700,000 appropriated in the Office of Mental Health Budget for the New York/New York III Supportive Housing Agreement may be suballocated to the Office of Children and Family Services for the development of 100 beds for youth leaving the foster care system.

Budget Detail

The Executive proposes All Funds appropriations totaling \$3,263,358,000 for SFY 2006-07, a net increase of \$85,804,000, or 2.7 percent, over SFY 2005-06. Agency appropriations will support a workforce of 3,822 full-time equivalent (FTE) positions.

State Operations

For SFY 2006-07, the Executive recommends General Fund State Operations appropriations totaling \$233,479,000, a net increase of \$14,832,000, or 6.8 percent above SFY 2005-06.

Proposed Increases

The Executive proposes the following increases:

- \$6,640,000 to support an Office For Technology rate increase;
- \$5,060,000 related to negotiated salary increases;
- \$4,840,000 in non-personal service costs, reflecting inflation and fixed cost increases;
- \$2,000,000 to develop the CONNECTIONS Disaster Recovery functionality, as required by federal law; and
- \$1,340,000 related to an adjustment in the number of filled FTE positions at Tryon Boys and Lou Gossett limited secure facilities.

Proposed Decreases

The Executive proposes the following savings:

- \$3,590,000 in savings from the conversion of temporary staff to permanent FTE employees for routine and ongoing functions of CONNECTIONS and the Child Abuse Hotline;
- \$690,000 as a result of the closure of three community residential homes, in Gloversville, Mount Vernon and Brooklyn, in order to more closely align the number of beds in this category of OCFS-operated facilities with the actual size of the population served; and
- \$70,000 as a result of an initiative to consolidate administrative functions within OCFS and the Office of Temporary and Disability Assistance.

Aid to Localities

The Executive recommends an All Funds appropriation of \$2,794,733,000 in Aid to Localities for SFY 2006-07, a net increase of \$60,852,000 or 2.2 percent above the current fiscal year.

In SFY 2005-06, the Governor proposed the creation of a Flexible Fund for Family Services (FFFS), supported by \$1 billion in TANF funds, allowing counties the ability to direct funding to programs and services including child care assistance. The Governor recommended \$510,066,000 for the State's Child Care Block Grant, a significant decrease, and did not specifically provide for a direct transfer of TANF funds to the State's Child Care Block Grant. Consequently, the total amount that would be transferred from TANF to the Child Care Block Grant would be dependent on county option. In response, the Legislature provided for the transfer of \$379,000,000 in TANF funds to support the Child Care Block Grant, bringing the aggregate total of the block grant to \$889,000,000.

In SFY 2006-07, the Governor recommends \$506,066,000 for the block grant, a \$383,000,000 decrease in the block grant from SFY 2005-06. The Executive's proposal again does not provide for a direct transfer of TANF funds to the block grant, but continues child care as an allowable expense from the Flex Fund.

Although not appropriated in the OCFS budget, the Governor recommends TANF support for specific OCFS-administered programs as follows: a \$7,300,000 increase for expansion of the Advantage schools program bringing the program to \$27,500,000; \$18,600,000, a \$1,000,000 increase, to expand the services of the Home Visiting program; and \$1,450,000 to maintain current level funding for the Adolescent Pregnancy Prevention Program (APPS).

Proposed Increases

The Executive Budget for SFY 2006-07 includes the following increases:

- \$29,900,000 in funding to support 65 percent reimbursement for child welfare services;
- \$9,500,000 in adoption subsidies to support a projected caseload of 49,148 children. Funds will also support a cost of living adjustment for adoptive parents;
- \$8,800,000 for the State share of Committee on Special Education (CSE) reimbursement of costs for CSE placements made by local districts;
- \$5,000,000 to support a new child welfare initiative at seven sites throughout the State, which will address parental substance abuse problems, preventing out-of-home placements and reducing the length of time children spend in foster care.
- \$5,000,000 in the Foster Care Block Grant to support cost of living adjustments for foster parents and foster care programs;
- \$4,700,000 for full annualization of the State share of support for the payment of the Maximum State Aid Rate (MSAR) for foster care;

- \$1,950,000 to expand the number of Office of Mental Health Home and Community-based Services Waiver slots to increase Mental Health services for children at risk of out-of-home placement;
- \$1,400,000 for community-based service alternatives for PINS to prevent PINS placements in detention;
- \$500,000 to support a contract for the development of a Medicaid Waiver to permit children in foster care with multiple health needs to obtain services not currently available; and
- \$500,000 for the expansion of child advocacy centers. This increase brings the recommended appropriation level to \$2,308,000 which continues the legislative enhancement of \$307,800 provided in SFY 2005-06.

Proposed Decreases

The Governor proposes the following decreases:

- \$4,000,000 in the federal share of the Child Care Block Grant, which reflects a reduction in the State's allocations from the federal Child Care and Development Fund grant;
- \$1,000,000 related to a reduction in secure and non-secure detention claims for reimbursement; and
- \$1,000,000 in Youth Development and Delinquency Prevention Program funding which reflects the elimination of the legislative enhancement.

Capital Projects

The Governor recommends an additional \$8,600,000 to maintain and upgrade security systems at State-operated youth facilities. These funds will improve video surveillance, door and lock mechanisms and perimeter fencing.

The Governor proposes the sale of the property that had been designated as the site for the Jackie Robinson Youth Opportunity Center in Brooklyn. The Executive is currently seeking appraisals of the property.

Article VII

The Executive recommends Article VII legislation that would:

- expand the scope and increase the maximum daily fine for child care violations from \$500 to \$1,000, and eliminate provisions requiring OCFS to approve a day care provider's certificate of incorporation before it is granted; and
- require the Department of Health and OCFS to apply for and to implement a Medicaid waiver to permit children in foster care with health and mental health needs to obtain medical services not currently available.

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,523,235,000	1,367,060,000	(156,175,000)	-10.3%
Special Revenue-Other	183,118,000	184,052,000	934,000	0.5%
Special Revenue-Federal	3,511,428,000	3,563,037,000	51,609,000	1.5%
Capital Projects Fund	30,000,000	30,000,000	0	0.0%
Internal Service Fund	1,200,000	1,200,000	0	0.0%
Fiduciary	20,000,000	20,000,000	0	0.0%
Total for AGENCY SUMMARY:	5,268,981,000	5,165,349,000	(103,632,000)	-2.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	463	460	(3)
All Other Funds:	2,069	2,069	0
TOTAL:	2,532	2,529	(3)

Agency Mission

(Executive Budget: pp. 59 - 66)

The Office of Temporary and Disability Assistance (OTDA) is responsible for the operation of public assistance programs including Family Assistance, Safety Net Assistance, Supplemental Security Income, the Federal Food Stamp Program, the Home Energy Assistance Program, child support services, refugee assistance programs, and homeless shelter and service programs. The Office is also responsible for administering the federal Temporary Assistance to Needy Families (TANF) block grant which provides funding for public assistance benefits as well as for programs and services designed to assist needy families as they transition to self-sufficiency.

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

Programmatic Highlights

- The Executive proposes that \$1.025 billion in federal TANF funding be allocated to local social services districts in the Flexible Fund for Family Services (FFFS) block grant program which permits those districts to use their portion of the block grant to provide support for any federally allowable TANF purpose.

- Federal TANF funding is specifically appropriated for the following:
 - \$27,500,000 for the Advantage After School Program;
 - \$18,600,000 for the Home Visiting Program;
 - \$12,000,000 for Food Pantries;
 - \$10,000,000 for the Pregnancy Prevention Program;
 - \$7,320,000 for the Adolescent Pregnancy Prevention Program (APPS);
 - \$4,900,000 for Women, Infants, and Children (WIC);
 - \$3,800,000 for Alternatives to Incarceration; and
 - \$3,325,000 for School Based Health Centers.

- The Executive's proposal does not fund the following programs which were supported by TANF funds in SFY 2005-06:
 - Child Care;
 - Child Care Demos;
 - Child Care SUNY/CUNY;
 - Child Care for Migrant Workers;
 - Transportation;
 - Domestic Violence Screening;
 - Summer Youth Employment;
 - BRIDGE;
 - YEETP;
 - Displaced Homemakers;
 - Wage Subsidy Program;
 - Preventive Services Initiative;
 - Technology Training;
 - Language Immersion/ESL;
 - Adult and Family Literacy;
 - VESID – Case Services;
 - Homeless Assistance (SHIP);
 - ACCESS – Welfare to Careers;
 - Emergency Homeless;
 - DAP;
 - Supportive Housing for Families;
 - Basic Education;
 - Caretaker Relative;
 - Build NY; and
 - NYS AFL/CIO.

Budget Detail

For SFY 2006-07, the Executive recommends an All Funds appropriation totaling \$5,165,349,000, which represents a decrease of \$103,632,000, or 2.0 percent from SFY 2005-06. Agency appropriations would support a workforce of 2,529 full-time equivalent (FTE) positions. This is a decrease of three FTEs from SFY 2005-06 staffing levels resulting from an initiative to consolidate administrative functions with the Office of Children and Family Services (OCFS).

State Operations

Proposed Increases

- The Executive proposes a \$14,719,000 increase in General Fund spending for the System Support and Information Services program, which would support Office for Technology (OFT) rate increases for network and data center operations;
- The Executive proposes a \$10,000,000 increase in federal spending on the Disability Determinations program, which includes the following:
 - \$3,000,000 increase in personal service costs;
 - \$2,000,000 increase in non-personal service costs; and
 - \$5,000,000 increase in fringe benefits.
- The Executive proposes a \$9,500,000 increase in Special Revenue expenses used to reimburse allowable administrative expenses under the Departmental Administrative Reimbursement program. The increase includes the following:
 - \$9,000,000 increase in OFT rates;
 - \$400,000 increase in contractual salary; and
 - \$100,000 increase in lease costs.

Proposed Decreases

- Due to a \$9,500,000 increase in federal funds supporting administrative reimbursement, the Executive proposes to decrease General Fund support for the Departmental Administrative Reimbursement program by an equivalent \$9,500,000.

Aid to Localities

Proposed Increases

- The Executive proposes an increase of \$21,766,000 in General Fund support for the Temporary and Disability Assistance Administration program. Approximately \$13,000,000 would support increasing the Local Administrative Fund from \$309,000,000 to \$322,000,000. The remainder would be used to pay past administrative costs incurred by local districts on pre-approved eligible purposes above the cap on yearly cash reimbursement.

- The Executive proposes an increase of \$40,470,000 in federal appropriations within the Food Stamp Administration Program to support an anticipated increase in Food Stamp Employment and Training program participation.
- The Executive also proposes a net increase of \$5 million in federal appropriations within the Child Support Enforcement program, which is a result of the following adjustments:
 - \$16,000,000 increase in local district administration expenses; and
 - \$11,000,000 decrease in spending on the Child Support Management System (CSMS) redesign.

Proposed Decreases

- The Executive proposes a \$181,710,000 decrease in General Fund appropriations within the Temporary and Disability Assistance Program due to a reduced estimate of upcoming public assistance expenditures.
- The Executive proposes to eliminate the \$10,000,000 Special Revenue Local Administrative Waiver Liability Account established within the Temporary and Disability Assistance Program in SFY 2005-06 to pay past administrative costs incurred by local districts above the yearly cash cap.

Capital Projects

The Executive recommends Capital appropriations of \$25,000,000 for the Homeless Housing and Assistance Program and \$5,000,000 for the continued development of AIDS housing. Both appropriation amounts are unchanged from SFY 2005-06 spending levels.

Article VII

The Executive recommends Article VII legislation that would:

- authorize "Full Family Sanctions," which would allow the public assistance grant to be withheld from an entire family if the head of household does not comply with work requirements;
- tie the amount of earned income disregarded when determining benefit eligibility to the length of time a family has been on public assistance;
- reduce the Personal Needs Allowance (PNA) for Safety Net Assistance (SNA) recipients living in certain congregate care facilities;
- require local districts to consider the presence of adults and children in receipt of Supplemental Security Income (SSI) when determining public assistance eligibility and benefit levels;

- establish a “Strengthening Families through Stronger Fathers” initiative, which would include a State-level Earned Income Tax Credit (EITC) targeted to low-income non-custodial parents; and
- impose fiscal penalties on local districts that fail to meet minimum work participation rates.

Deficiency Request

The Executive requests a deficiency appropriation of \$50,000,000 for SFY 2005-06 to support operation of the Home Energy Assistance Program (HEAP) through April 14th, 2006.

NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	882,946,000	800,503,000	(82,443,000)	-9.3%
Special Revenue-Other	173,237,000	129,455,000	(43,782,000)	-25.3%
Special Revenue-Federal	12,000,000	12,000,000	0	0.0%
Total for AGENCY SUMMARY:	1,068,183,000	941,958,000	(126,225,000)	-11.8%

Agency Mission

(Executive Budget: pp. 67 - 71)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- Reductions in TAP resulting from changes in the definition of full-time study, elimination of pre-financing of TAP awards, imposition of academic good standing thresholds, as well as other changes.
- Funding for various scholarships administered by Higher Education Services Corporation. This represents a \$2,300,000 reduction because the Regents Health Care Opportunity Scholarships and the Regents Professional Opportunity Scholarships were not authorized.

Budget Detail

The Executive recommends an all funds appropriation of \$941,958,000 to support the operations and programs of HESC. This supports an agency workforce of 700 positions in SFY 2006-07.

State Operations

The Executive recommends a total State Operations appropriation of \$110,455,000 for the Corporation, which is an increase of \$2,148,000 above SFY 2005-06 levels. All State Operations are funded through federal funds and costs recovered by the Corporation in administering student loan programs.

Proposed Increases

- The proposed increase of \$2,148,000 in agency State Operations is due to increases in Collective Bargaining and inflation in non personal service costs.

Aid to Localities

The 2006-07 Executive Proposal maintains SFY 2005-06 funding levels for the Aid to Part-time Study Program at \$14,630,000, the Nursing Faculty Scholarship Program at \$2,000,000, and the Licensed Social Worker Loan Forgiveness Program at \$1,000,000.

The Executive proposes a new tuition reimbursement program providing scholarships on a competitive basis to reimburse out of pocket graduate and undergraduate tuition expenses for students who agree to teach math and science in New York State public schools. No appropriation exists in the SFY 2006-07 Executive Proposal due to the fact that the initial awards will not be granted until the 2006-07 Academic Year, therefore reimbursement will not begin until SFY 2007-08.

Proposed Increases

- The Executive provides a new dry appropriation of \$6,405,000 to reimburse schools that would be required to pre-finance the TAP awards of students attending without a high school/postsecondary degree who have yet to successfully complete 24 credit hours.

Proposed Decreases

The Executive recommends a \$770,000,000 appropriation for TAP, funded through \$20,000,000 of HESC Special Revenue funds, and \$750,000,000 in General Fund support. This recommendation reflects \$189,900,000 in proposed reductions to the TAP Program for the 2006-07 Academic Year. The Governor proposes the following reductions:

- \$70,000,000 from redefining full-time study as 15 credit hours per semester resulting in the pro-rated reduction of TAP awards for students taking 12 credits per semester;

- \$57,000,000 as a result of increasing qualifications for the accelerated study TAP awards. Students would be required to have successfully completed 30 credit hours in the preceding two semesters in order to be eligible to receive an enhanced TAP award for accelerated study;
- \$42,000,000 from elimination of the pre-financing of TAP awards to schools for students attending without a high school/postsecondary degree. Once the student successfully completes 24 credit hours, schools would receive their deferred TAP award;
- \$13,500,000 as a result of increased academic good standing thresholds required to remain eligible for receiving a TAP award;
- \$4,300,000 from enhanced TAP eligibility restrictions for students in default of federal student loans made by guarantors other than HESC;
- \$3,000,000 from requiring students to be in full-time attendance on the date that their college or university certifies them as being eligible to receive a TAP award;
- \$2,300,000 resulting from expiration of the Regents Healthcare Opportunity Scholarship and the Regents Professional Opportunity Scholarship; and
- \$300,000 representing the difference in retroactive awards funded in 2005-06 and future awards to be made by the continuation of the American Airlines 587 Memorial Scholarship.

Article VII

The Executive recommends Article VII legislation that would:

- alter the TAP program through statutory changes in the Education Law by:
- redefining full-time study as 15 credit hours per semester resulting in the reduction of awards for students taking 12 credit hours per semester;
- increasing the qualifications for the accelerated study TAP awards. Students would be required to successfully complete 30 credit hours in the preceding two semesters in order to be eligible to receive an enhanced TAP award for accelerated study;
- eliminating the pre-financing of TAP awards to schools for students attending without a high school/postsecondary degree. Once the student successfully completes 24 credit hours, schools would receive their deferred TAP award;
- increasing academic good standing thresholds to remain eligible for TAP awards;

- enhancing TAP eligibility restrictions for students in default on federal student loans made by guarantors other than HESC; and
- requiring students to be in full-time attendance on the date that their college or university certifies them as being eligible to receive a TAP award.
- Establish the New York State Math and Science Teaching Incentive program. Awards will be made to 500 participating students on a competitive basis, will only reimburse tuition expenses, and would be the lesser of student's tuition cost or the cost of tuition charged by a SUNY school. Participating students would be required to teach math or science at a New York State public school, be on the career track to certification, and sign a contract to teach for no less than five years.

DIVISION OF HUMAN RIGHTS

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	14,110,000	14,492,000	382,000	2.7%
Special Revenue-Other	140,000	65,000	(75,000)	-53.6%
Special Revenue-Federal	4,704,000	4,704,000	0	0.0%
Total for AGENCY SUMMARY:	18,954,000	19,261,000	307,000	1.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	166	166	0
All Other Funds:	37	37	0
TOTAL:	203	203	0

Agency Mission

(Executive Budget: pp. 73 - 75)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes a new Outreach Unit, which would expand public awareness of the Human Rights Law, and a recently developed Mediation Unit to expedite the settlement of cases at the earliest stage.

Budget Detail

The Executive proposes a total All Funds appropriation for the Division of \$19,261,000, a net increase of \$307,000, or 1.6 percent, in SFY 2006-07, to support a workforce of 203 employees and two per diem administrative law judges.

State Operations

The Executive recommends a General Fund State Operations appropriation of \$14,492,000, an increase of \$382,000, or 2.7 percent, above the current fiscal year.

Proposed Increases

- The Executive proposes a General Fund increase of \$382,000 related to negotiated salary agreements.

Proposed Decreases

The Executive recommends the following decreases in the SFY 2006-07 Budget:

- the elimination, at the request of the Division, of two Special Revenue-Other accounts that are unused, the Human Rights Dispute Resolution Account and the Human Rights Account, for a total savings of \$40,000; and
- a \$35,000 reduction in appropriation authority, at the Division's request, for the Human Rights Case Tracking Account.

DEPARTMENT OF LABOR

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	13,579,000	1,720,000	(11,859,000)	-87.3%
Special Revenue-Other	128,846,000	102,881,000	(25,965,000)	-20.2%
Special Revenue-Federal	792,301,000	765,750,000	(26,551,000)	-3.4%
Enterprise	3,800,000,000	3,800,000,000	0	0.0%
Total for AGENCY SUMMARY:	4,734,726,000	4,670,351,000	(64,375,000)	-1.4%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	34	16	(18)
All Other Funds:	3,919	3,930	11
TOTAL:	3,953	3,946	(7)

Agency Mission

(Executive Budget: pp. 77 - 81)

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

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following proposals:

- New interest assessment payments required of employers would cease in SFY 2006-07.
- The Radiological Health Unit would be transferred from DOL to the Department of Health.

Budget Detail

The Executive recommends an All Funds appropriation of \$4,670,351,000, a decrease of \$64,375,000 from SFY 2005-06. The Executive proposes a net decrease of 11 positions from SFY 2005-06 levels, yielding a departmental workforce of 3,946 full time equivalents (FTEs).

State Operations

The Governor proposes State Operations appropriations totaling \$4,370,680,000, a decrease of \$48,717,000 from SFY 2005-06.

Proposed Increases

- The Executive recommends an increase of \$858,000 for the Public Work Enforcement Bureau related to Chapter 407 of the Laws of 2005 which increased the assessment on public works contracts. These funds are used to support enforcement staff that monitor public work projects throughout the State as well as other initiatives. However, the Governor's proposal does not provide funding for any new positions in SFY 2006-07.

Proposed Decreases

The Executive recommends the following decreases in the SFY 2006-07 Budget:

- a proposed shift of the Radiological Health Unit from DOL to the Department of Health, which would result in a decrease of 7 FTEs and \$98,000 in savings in SFY 2006-07; and
- a decrease of \$25,335,000 in appropriation authority for the Unemployment Insurance Program Administration based on a lower anticipated Federal grant amount of \$395,009,000 during SFY 2006-07.

Aid to Localities

The Executive proposes an All Funds appropriation of \$299,671,000 which includes funding for the Hazard Abatement Board of \$430,000, the same level of funding provided in SFY 2005-06.

The Governor fails to include funding for other items initiated by the Legislature that were included in the SFY 2005-06 budget.

Proposed Decreases

- The Executive proposes a decrease of \$5,216,000 in appropriation authority for the Workforce Investment Act (WIA) programs based on a lower anticipated federal grant amount.

Article VII

The Executive recommends Article VII legislation that would:

- increase the license renewal fee for Asbestos Handling from \$300 to \$500, resulting in an anticipated \$185,000 in additional fee revenue; and
- transfer DOL's Radiological Health Unit to the Department of Health.

OFFICE OF REAL PROPERTY SERVICES

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	21,197,000	20,800,000	(397,000)	-1.9%
Special Revenue-Other	44,750,700	42,609,000	(2,141,700)	-4.8%
Total for AGENCY SUMMARY:	65,947,700	63,409,000	(2,538,700)	-3.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	401	401	0
TOTAL:	401	401	0

Agency Mission

(Executive Budget: pp. 83 - 87)

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- a proposed School Tax Relief (STAR) Plus benefit, which would provide a \$400 payment to property owners residing within school districts that keep year-to-year budget growth under four percent or 120 percent of inflation, whichever is less. This recommended benefit

would not be available in New York City. The Executive recommends that this rebate be implemented jointly by ORPS, the Department of Taxation and Finance, the Department of Education, local school districts and local assessors; and

- a 13.6 percent increase in the enhanced STAR exemption, raising the general exemption amount from \$50,000 to \$56,800.

Budget Detail

State Operations

Proposed Decreases

- The Executive proposes a Special Revenue appropriation for Policy and Organizational Support Services of \$42,609,000, a decrease of \$2,141,700 or approximately five percent from SFY 2005-06. The decrease in appropriation authority is intended to be more reflective of actual operating costs.

Aid to Localities

Proposed Decreases

- The Executive proposes a General Fund appropriation of \$20,800,000 for Aid to Localities, a decrease of \$397,000, or 1.9 percent, from SFY 2005-06, which is intended to more accurately reflect actual costs.

Article VII

The Executive recommends Article VII legislation that would:

- provide a \$400 rebate to homeowners who reside in school districts outside the City of New York, that keep year-to-year budget growth under four percent or 120 percent of inflation, whichever is less; and
- increase the current enhanced STAR exemption for seniors from \$50,000 to \$56,800 and tie the enhanced exemption in future years to the Consumer Price Index.

Deficiency Request

The SFY 2005-06 Deficiency Bill includes \$97,000,000 to cover costs of the New York City Personal Income Tax STAR benefit. This deficiency request would increase the total cost of the New York City Personal Income Tax STAR benefit from \$595,000,000 to \$692,000,000 for SFY 2005-06.

STATE UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	2,311,042,250	2,367,911,000	56,868,750	2.5%
Special Revenue-Other	3,648,106,600	4,035,856,000	387,749,400	10.6%
Special Revenue-Federal	200,500,000	200,500,000	0	0.0%
Capital Projects Fund - Advances State University Residence Hall Rehabilitation Fund	731,175,000	48,300,000	(682,875,000)	-93.4%
Capital Projects Fund - Authority Bonds	0	350,000,000	350,000,000	-
Internal Service Fund	53,270,000	41,700,000	(11,570,000)	-21.7%
	12,000,000	12,000,000	0	0.0%
Total for AGENCY SUMMARY:	6,956,093,850	7,056,267,000	100,173,150	1.4%

Agency Mission

(Executive Budget: pp. 89 - 96)

The State University is the largest public university system in the nation. It consists of 64 campuses including four university centers, thirteen university colleges, two independent health centers, four specialized colleges of technology, five statutory colleges, six colleges of technology and thirty community colleges.

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

Programmatic Highlights

The State Fiscal Year (SFY) 2006-07 Executive Budget includes the following:

- adjusts appropriation authority in anticipation of a potential increase in SUNY tuition by \$500 from \$4,350 to \$4,850;
- provides the SUNY Board of Trustees with additional authority in relation to establishing tuition policy at SUNY State-Operated Campuses;

- proposes a \$100 per full-time equivalent (FTE) student increase in SUNY Community College Base Aid , increasing support from \$2,350 per FTE to \$2,450 per FTE; and
- provides an additional \$90,000,000 in capital projects to supplement SUNY's five-year capital plan.

Budget Detail

For SFY 2006-07, the Executive recommends a total State-Operated College operating budget of \$2.15 billion. The Executive recommends no net change to SFY 2005-06 staffing levels.

State Operations

The recommended State-Operated College operating budget of \$2.15 billion reflects an \$84,611,000 increase over adjusted SFY 2005-06 levels. This includes a \$3,589,000 net increase in General fund Operating support for the SUNY State-Operated College budget and a \$30,757,000 increase in General Fund support for SUNY Employee Fringe Benefits.

Within the appropriation bill, the Executive presents appropriations for SUNY State-operated colleges as All Funds figures, which combine State supported funds with tuition revenue, as opposed to reporting tuition separately as had been done in SFY 2005-06.

Proposed Increases

The Executive proposes the following State Operations appropriation increases:

- \$81,022,000 for the General Revenue Offset Account to reflect a potential \$500 increase of SUNY tuition from \$4,350 to \$4,850;
- \$60,000,000 for the land grant costs separately delineated from the operating budget of Cornell University;
- \$6,000,000 for the Empire Innovation program. Funding for this initiative is targeted at SUNY Centers of Excellence and will be used to attract 200 new research faculty to increase research dollars for the State University system. Funding is expected to grow over 3 years to \$40,000,000;
- \$1,000,000 for support programs that are determined to have demonstrated an economic development or public health impact. An additional \$2,000,000 is to be provided from a reallocation of funds from lower priority academic programs;

- \$750,000 in a new appropriation for the creation of a Sportsman Institute at SUNY Cortland. This institute intends to increase sportsmanship among athletes by offering unique coaching or physical education training programs;
- \$646,000 for the Educational Opportunity Program;
- \$275,000 for the Just for Kids program at SUNY Albany. This program collects and analyzes education data for K-12 students;
- \$1.78 billion for the Hospital Reimbursable Account, an increase of \$170,800,000 over SFY 2005-06 levels. This reflects additional collective bargaining costs and increased revenues generated by their strategic and operating initiatives;
- \$260,000,000 for to the Dormitory Income Reimbursable Account reflecting a \$10,000,000 increase over SFY 2005-06 levels due to inflation;
- \$125,000,000 for to the State University Tuition Reimbursable Account reflecting a \$25,000,000 increase over SFY 2005-06 levels. This increase would support additional tuition revenues generated by targeted enrollment increases at SUNY State-operated campuses;
- \$80,000,000 in a new appropriation for the SUNY Stabilization Account to continue current practice of providing this appropriation on a two-year basis; and
- \$45,000,000 in a contingent appropriation for costs associated with extraordinary energy usage at SUNY.

Aid to Localities

The Executive proposes a total Aid to Localities appropriation of \$406,701,000 for SFY 2006-07, representing a \$22,500,000 increase from SFY 2005-06 levels. Within this appropriation, funding in the amount of \$1,000,000 is maintained for contract courses for workforce development, \$1,065,000 for child care, and \$3,670,000 for the County Cooperative Extension Association Grant Program.

Proposed Increases

The Executive Proposal provides a SUNY Community College appropriation of \$398,535,000 for SFY 2006-07, representing a \$21,882,750 increase over SFY 2005-06 levels. This increase is comprised of the following:

- \$12,400,000 resulting from a \$100 per FTE increase from \$2,350 to \$2,450 per FTE in SUNY Community College Base Aid;

- \$4,800,000 due to enrollment growth; and
- \$4,700,000 for the annualization of the \$115 per full-time equivalent student base aid increase provided in SFY 2005-06.

In addition, the Executive provides \$7,166,000 in Rental Aid to community colleges which is a \$600,000 increase over SFY 2005-06 levels.

Capital Projects

The Executive proposes an additional \$90,000,000 in Capital projects to supplement SUNY's five-year capital plan. Projects include:

- \$22,300,000 to construct the new Academic village at Old Westbury;
- \$6,000,000 to supplement ongoing construction at the Center for Distance Learning at Empire State College;
- \$20,000,000 in critical maintenance and high priority projects university wide; and
- \$41,700,000 to provide for the State share of various community college projects.

The Executive appropriates \$350,000,000 for Dormitory construction and renovation across SUNY. This would be funded solely from fees collected from campus dormitory charges.

The Executive also alters language regarding the Richardson Hall Complex at Buffalo College funded in SFY 2004-05. The Executive proposes that \$7,000,000 of the \$100,000,000 appropriation be allocated to the Urban Development Corporation for the Darwin D. Martin House Complex.

Article VII

The Executive recommends Article VII legislation that would:

- permit the Governor to appoint a new member to the SUNY Board of Trustees from a list of five faculty members submitted by the Chancellor, increasing the number of Board members from sixteen to seventeen. The term of office for the new appointee be five years;
- direct SUNY to develop a plan in cooperation with the commissioner of the Office of General Services to comprehensively inventory all SUNY facilities. Such inventory would include a detailed list of opportunities to raise additional revenue through the relocation and sale of surplus facilities occupying highly valuable real estate space; and

- establish the Partnership to Accelerate Completion Time (PACT) program for any SUNY campus. Participating students would have to declare a major before their third semester, maintain continuous enrollment in their declared major, maintain good academic standing, meet all coursework requirements, and graduate from their program on-time. Participating schools would receive \$250 for each on-time associate degree, and \$500 for each on-time bachelor degree confirmed. Participation in PACT would be voluntary. However, SUNY would have to modify its campus allocation funding methodology to recognize and reward campuses whose students achieve the timely graduation rates incented by this program.

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

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

Also, the Executive proposes legislation that would authorize the SUNY Board of Trustees to transfer the operations of the SUNY Health Science Centers to one or more private not-for-profit corporations and direct the SUNY Board of Trustees to develop a plan for such a transfer to be submitted to the Governor and the Legislature on or before October 1, 2006. This process would require the SUNY Board to do the following:

- establish or contract with one or more not-for-profit corporations, pursuant to a plan approved by the Commissioner of Health, for the transfer of the three SUNY hospitals at Brooklyn, Stony Brook and Syracuse;
- develop a plan for the transfer of the operations of the SUNY Health Science Centers to private not-for-profit corporations and to consider the following in developing such plan: continuity of employment of hospital staff, access to capital, revenue maximization,

alternative governance structures, the teaching and research missions of the hospitals and an implementation process; and

- submit a plan to the Governor and the Legislature on or before October 1, 2006.

Deficiency Request

The Executive recommends a deficiency appropriation of \$29,100,000 to support unanticipated energy usage costs at SUNY State-operated campuses during SFY 2005-06.

STATE UNIVERSITY CONSTRUCTION FUND

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	14,533,000	16,077,000	1,544,000	10.6%
Total for AGENCY SUMMARY:	14,533,000	16,077,000	1,544,000	10.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
All Other Funds:	125	125	0
TOTAL:	125	125	0

Agency Mission

(Executive Budget: pp. 97 - 98)

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

The State University Construction Fund is included in the Education, Labor and Family Assistance appropriation bill.

Budget Detail

The Executive recommends an All Funds appropriation of \$16,077,000. This supports an agency workforce of 125 full-time equivalent (FTE) positions in SFY 2006-07.

State Operations

Proposed Increases

- The Executive proposes an increase of \$1,544,000 to support the operations of the Construction Fund. This increase is due to collective bargaining increases, inflation, salary increases, and additional costs of travel.

OFFICE OF WELFARE INSPECTOR GENERAL

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	730,000	794,000	64,000	8.8%
Special Revenue-Other	400,000	440,000	40,000	10.0%
Total for AGENCY SUMMARY:	1,130,000	1,234,000	104,000	9.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2005-06	Requested 2006-07	Change
General Fund:	10	10	0
TOTAL:	10	10	0

Agency Mission

(Executive Budget: pp. 99 - 101)

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

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

Budget Detail

For State Fiscal Year (SFY) 2006-07, the Executive recommends an All Funds appropriation totaling \$1,234,000, which represents an increase of \$104,000, or 9.2 percent, over SFY 2005-06. The Executive also recommends 10 full-time equivalent (FTE) positions for the Office which is consistent with SFY 2005-06 levels.

State Operations

Proposed Increases

- The Executive proposes to increase General Fund spending by a total of \$64,000, and Special Revenue spending by a total of \$40,000, to support negotiated salary, fuel, and rent increases.

MISCELLANEOUS: EDUCATION, LABOR & FAMILY ASSISTANCE

	Adjusted Appropriation 2005-06	Executive Request 2006-07	Change	Percent Change
AGENCY SUMMARY				
General Fund	332,000	844,000	512,000	154.2%
Special Revenue-Other	734,000	780,000	46,000	6.3%
Special Revenue-Federal	30,000,000	30,000,000	0	0.0%
Capital Projects Fund - Authority Bonds	150,000,000	0	(150,000,000)	-100.0%
Total for Agency:	181,066,000	31,624,000	(149,442,000)	-82.5%
Total Contingency:	0	58,600,000	58,600,000	--
Total for AGENCY SUMMARY:	181,066,000	90,224,000	(90,842,000)	-50.2%

Budget Detail

(Executive Budget: pp. 461 - 486)

State Operations

Extraordinary Energy Costs

The Executive proposal provides a contingency appropriation of \$58,600,000 to support costs associated with extraordinary energy usage at the State University of New York and the City University of New York campuses.

Article VII

Higher Education Facilities Capital Matching Grants Program

The Executive proposes Article VII language that would amend permanent law in relation to the Higher Education Capital Matching Grants Program. The proposed changes would remove the Attorney General's responsibility to review the execution of contracts entered into by colleges. The Executive also proposes removing the requirement that colleges voluntarily comply with Article 9 of the State Finance Law.