



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

TO: The Honorable the Members of the Board of Regents
FROM: Donald Juron *Donald E Juron*
SUBJECT: State Education Department December 2012 Fiscal Report
DATE: January 3, 2013
AUTHORIZATION(S): *John B. Juron*

Issues for Approval

The December Fiscal Report is presented for your review, discussion and acceptance.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The December Fiscal Report reflects actual expenditures through December 31, 2012 and projected expenditures through the lapse period ending June 30, 2013.

Background Information

- The Division of Budget (DoB) has released the Mid-Year Update to the Financial Plan for the current fiscal year. The report estimates that the General Fund will remain balanced in the current year, but budget gaps for future years are projected at \$982 million next year, \$3.59 billion in FY 2015, and \$4.37 billion in FY 2016. The report notes that all of these estimates were based on data before the impacts of Hurricane Sandy were known. DoB expects to update the State's multi-year financial

projections with the impact of Hurricane Sandy when the Executive Budget is released.

- All Funds – Extensive spending controls continue.
- General Fund – Overall spending plans reflect a 2.5 percent reduction from the 2011-2012 levels as included in the 2012-2013 enacted budget. General Fund accounts are in structural balance with the exception of the Tenured Teacher Hearings (TTH) account, although fiscal and programmatic reforms were included in the enacted state budget, there continues to be a deficit of an estimated \$9 million in unpaid bills due to chronic underfunding of this program. Based on the new TTH legislation, claims received for cases commencing after April 1, 2012 will be paid first from this appropriation. Any funds remaining after new case claims are paid will be used for prior year claims.
- Special Revenue – Our revenue accounts are all in structural balance on a current year basis and the accumulated negative balance in the Cultural Education Account is being reduced by approximately \$700,000.
- Federal – This report reflects current year plans for two year grant awards.

Recommendation

I recommend that the Board of Regents accept the December 2012 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF December 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End	
GENERAL FUND										
Personal Service	0	25,102,204	25,102,204	16,385,866	8,716,338	25,102,204	0	0	0	
Nonpersonal Service	0	17,537,796	17,537,796	3,609,181	13,928,615	17,537,796	0 (a)	0	0	
Subtotal	0	42,640,000	42,640,000	19,995,047	22,644,953	42,640,000	0 (a)	0	0	
SPECIAL REVENUE										
All Accounts	Subtotal	13,449,327	156,721,619	170,170,946	72,529,722	82,217,957	154,747,679	1,973,940	10,090,232	15,423,267
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	52,185,258	544,972	51,640,286	52,185,258	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,919,921	0	40,919,921	40,919,921	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	20,640,296	4,160	20,636,136	20,640,296	N/A	N/A	N/A	
Subtotal	N/A	N/A	113,745,475	549,132	113,196,343	113,745,475	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,165,277	7,641,190	27,524,087	35,165,277	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	27,153,280	0	27,153,280	27,153,280	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	130,149,600	1,991	130,147,609	130,149,600	N/A	N/A	N/A	
Subtotal	N/A	N/A	192,468,157	7,643,181	184,824,976	192,468,157	N/A	N/A	N/A	
GRAND TOTALS										
	N/A	N/A	519,024,578	100,717,082	402,884,229	503,601,311	N/A	N/A	N/A	

(a) A cumulative deficit of \$9 million is projected by the end of the year as a result of continued underfunding of prior year claims for the Tenured Teacher Hearing program.

ADULT CAREER AND CONTINUING EDUCATION SERVICES
FINANCIAL STATUS AS OF December 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	667,000	667,000	523,639	143,361	667,000	0	0	0
Nonpersonal Service	0	2,039,000	2,039,000	740,316	1,298,684	2,039,000	0	0	0
Subtotal	0	2,706,000	2,706,000	1,263,955	1,442,045	2,706,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	45,884,936	0	45,884,936	45,884,936	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	36,506,056	0	36,506,056	36,506,056	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	13,997,777	3,941	13,993,836	13,997,777	N/A	N/A	N/A
Subtotal	N/A	N/A	96,388,769	3,941	96,384,828	96,388,769	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,360,500	315,639	1,044,861	1,360,500	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	939,562	0	939,562	939,562	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,761,425	3	1,761,422	1,761,425	N/A	N/A	N/A
Subtotal	N/A	N/A	4,061,487	315,642	3,745,845	4,061,487	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	108,516	100,000 (b)	208,516	14,634	85,366	100,000	0	0	108,516
Social Security	0 (a)	519,272	519,272	146,146	373,126	519,272	0	0	0
Proprietary - Supervision	2,728,842	3,228,625 (c)	5,957,467	1,658,709	2,331,435	3,990,144	(761,519) (e)	0	1,967,323 (g)
Proprietary - Tuition Reimbursement	2,636,421	705,000 (d)	3,341,421	0	500,000	500,000	205,000	705,000	2,841,421 (h)
High School Equivalency (GED)	972,113	215,000	1,187,113	190,202	723,737	913,939	(698,939) (e)	(591,286) (f)	273,174

(a) This is a reimbursable account. Carry-in balances are not reported for reimbursable accounts since these balances will ultimately be zero (allowing for processing time).

(b) A sweep of \$32,000 is anticipated against this account pursuant to the enacted State budget.

(c) A sweep of \$297,000 is anticipated against this account pursuant to the enacted State budget.

(d) A sweep of \$23,000 is anticipated against this account pursuant to the enacted State budget.

(e) This imbalance is the result of normal cash flow and the use of prior year funds to meet current year one-time obligations.

(f) This imbalance is the result of normal cash flow and the use of prior year funds to meet current year obligations.

(g) Some funds are earmarked for future technology enhancements.

(h) Funds are earmarked to provide financial protection for students who attend licensed proprietary schools in the event of a school closing.

PROFESSIONS
FINANCIAL STATUS AS OF December 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
<i>SPECIAL REVENUE</i>									
Office of the Professions	3,276,350	47,264,520 (a)	50,540,870	20,012,170	21,773,751	41,785,921	5,478,599	6,089,599	8,754,949
E-Licensing Project	8,469,457 (b)	0	8,469,457	0	2,200,000	2,200,000	(2,200,000)	0	6,269,457

(a) A sweep of \$2,777,000 is anticipated against this account pursuant to the enacted State budget.

(b) Represents the five-year cost of the E-Licensing project.

HIGHER EDUCATION
FINANCIAL STATUS AS OF December 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	2,357,204	2,357,204	1,888,457	468,747	2,357,204	0	0	0
Nonpersonal Service	0	301,964	301,964	264,724	37,240	301,964	0	0	0
Tenured Teacher Hearings NPS (a)	0	3,601,832	3,601,832	532,792	3,069,040	3,601,832	0	0	0
Subtotal	0	6,261,000	6,261,000	2,685,974	3,575,026	6,261,000	0	0	0
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	919,993	0	919,993	919,993	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	270,503	0	270,503	270,503	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	264,005	0	264,005	264,005	N/A	N/A	N/A
Subtotal	N/A	N/A	1,454,501	0	1,454,501	1,454,501	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	3,048,118	6,800,000 (c)	9,848,118	3,325,357	3,672,533	6,997,890	(197,890) (e)	4,110	2,850,228
Regents Accreditation of Teacher Education	83,891	31,000 (d)	114,891	0	85,830	85,830	(54,830) (e)	31,000	29,061

(a) Based on 3020-a law changes, new claims for cases begun after 4/1/12 will be the first claims paid from this appropriation.

(b) A cumulative deficit of \$9 million is projected by the end of the year as a result of continued underfunding of prior year claims for the Tenured Teacher Hearing program.

(c) A sweep of \$861,000 is anticipated against this account pursuant to the enacted State budget.

(d) A sweep of \$21,000 is anticipated against this account pursuant to the enacted State budget.

(e) This imbalance is the result of the use of prior year funds to meet current year one-time obligations.

OFFICE OF P-12
FINANCIAL STATUS AS OF December 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	15,301,000	15,301,000	8,933,244	6,367,756	15,301,000	0	0	0
Nonpersonal Service	0	9,210,000	9,210,000	996,625	8,213,375	9,210,000	0	0	0
Subtotal	0	24,511,000	24,511,000	9,929,869	14,581,131	24,511,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,962,984	544,972	2,418,012	2,962,984	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,258,895	0	2,258,895	2,258,895	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	5,501,279	219	5,501,060	5,501,279	N/A	N/A	N/A
Subtotal	N/A	N/A	10,723,158	545,191	10,177,967	10,723,158	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	27,827,955	7,325,551	20,502,404	27,827,955	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	25,943,215	0	25,943,215	25,943,215	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	127,776,670	1,988	127,774,682	127,776,670	N/A	N/A	N/A
Subtotal	N/A	N/A	181,547,840	7,327,539	174,220,301	181,547,840	N/A	N/A	N/A
SPECIAL REVENUE									
State School for the Blind at Batavia	0 (b)	10,019,549	10,019,549	4,919,951	5,099,598	10,019,549	0	0	0
State School for the Deaf at Rome	0 (b)	9,640,670	9,640,670	3,851,520	5,789,150	9,640,670	0	0	0

(a) Includes Race to the Top funding for both P-12 and Higher Ed.

(b) This is a reimbursable account. Carry-in balances are not reported for reimbursable accounts since these balances will ultimately be zero (allowing for processing time).

CULTURAL EDUCATION
FINANCIAL STATUS AS OF December 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	388,000	388,000	217,615	170,385	388,000	0	0	0
Nonpersonal Service	0	133,000	133,000	53,162	79,838	133,000	0	0	0
Subtotal	0	521,000	521,000	270,777	250,223	521,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	0	3,337,338	3,337,338	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,154,970	0	2,154,970	2,154,970	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,141,240	0	1,141,240	1,141,240	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	0	6,633,548	6,633,548	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(11,918,633)	27,700,000	15,781,367	12,431,721	14,537,158	26,968,879	731,121	731,121	(11,187,512)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	1,646,519	1,718,949	3,365,468	339,512	339,512	339,512
Records Management Program	1,086,237	1,700,000	2,786,237	1,083,856	874,747	1,958,603	(258,603) (d)	24,551	827,634
Cultural Resource Survey Account	0 (c)	7,553,475	7,553,475	2,101,431	5,452,044	7,553,475	0	0	0
Education Museum Account	255,117	2,200,000	2,455,117	1,330,394	983,591	2,313,985	(113,985) (d)	2,200,000	141,132
Education Archives Account	139,623	12,000	151,623	37,663	52,337	90,000	(78,000) (d)	12,000	61,623
Education Library Account	123,546	60,000	183,546	76,269	43,731	120,000	(60,000) (d)	60,000	63,546
Grants and Bequests	251,951	0	251,951	36,869	204,282	241,151	(241,151) (d)	0	10,800
Archives Partnership Trust	120,825 (e)	559,538	680,363	240,921	318,147	559,068	470	470	121,295
Summer School for the Arts	22,861	657,990	680,851	539,988	118,002	657,990	0	0	22,861

(a) The Local Government Records Management account carry-in is not reported because the revenue in this account supports both the administrative costs reported here and a larger Aid to Localities grant program, not reflected in this report.

(b) A sweep of \$822,000 is anticipated against this account pursuant to the enacted State budget.

(c) This is a reimbursable account. Carry-in balances are not reported for reimbursable accounts since these balances will ultimately be zero (allowing for processing time).

(d) This imbalance is the result of the use of prior year funds to meet current year one-time obligations.

(e) Excludes endowment funds.

**OPERATIONS AND MANAGEMENT SERVICES
FINANCIAL STATUS AS OF December 31, 2012**

For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	6,389,000	6,389,000	4,822,910	1,566,090	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	1,021,562	1,230,438	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	5,844,472	2,796,528	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	67,491	17,250,000	17,317,491	10,306,315	6,968,410	17,274,725	(24,725) (a)	25,275	42,766
Automation and Printing (IT)	1,976,601	16,800,000	18,776,601	8,579,087	8,312,033	16,891,120	(91,120) (a)	458,880	1,885,481 (b)
Subtotal	2,044,092	34,050,000	36,094,092	18,885,402	15,280,443	34,165,845	(115,845)	484,155	1,928,247
State Operations Total:	2,044,092	42,691,000	44,735,092	24,729,874	18,076,971	42,806,845	(115,845)	484,155	1,928,247
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	5,056,829	0	5,056,829	5,056,829	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	347,500	0	347,500	347,500	N/A	N/A	N/A
Subtotal	N/A	N/A	5,404,329	0	5,404,329	5,404,329	N/A	N/A	N/A

(a) This imbalance is the result of the use of prior year funds to meet current year one-time obligations.

(b) Funds earmarked for future critical IT projects. (State Aid Management System and the Statewide Financial System)