



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 January 2014 Fiscal Report
DATE: February 3, 2014

AUTHORIZATION(S): *J. B. Juron*

Issues for Approval

The January Fiscal Report is presented for your review, discussion and acceptance. Also attached is a plan adjustment report for the Tenured Teacher Hearing program.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The January Fiscal Report reflects actual expenditures through January 31, 2014 and projected expenditures through the lapse period ending June 30, 2014.

Background Information

- All Funds – Extensive spending controls continue.
- General Fund – Overall spending plans reflect the amounts appropriated in the 2013-2014 enacted budget. General Fund accounts are in structural balance with the exception of the Tenured Teacher Hearings (TTH) account. The 2013-14 budget includes a \$6 million appropriation for TTH claims, an increase of \$2.2 million from the prior year. With these

additional funds, the deficit at the end of 2013-14 is projected to be \$880,000.

- 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 \$3.7 million.
- Federal – This report reflects current year plans for two year grant awards.

The 2014-15 Executive Budget includes the following for SED operations:

- Continued funding to support the baseline Regents exams programs for all Regents exams offered in the current school year (\$8.5 million).
- Continued funding of \$4.2 million for the High School Equivalency program.
- Continuation of all other State Operations and Special Revenue Account support at last year's levels.
- Executive Budget FTE level is 2,721. The Department is currently below this level and is actively working with program offices to fill up to this level.

Recommendation

I recommend that the Board of Regents accept the January 2014 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF JANUARY 31, 2014
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End	
GENERAL FUND										
Personal Service	0	25,671,801	25,671,801	20,120,679	5,551,122	25,671,801	0	0	0	
Nonpersonal Service	0	22,040,199	22,040,199	9,093,047	13,827,152	22,920,199	(880,000) (a)	(880,000) (a)	(880,000) (a)	
Subtotal	0	47,712,000	47,712,000	29,213,726	19,378,274	48,592,000	(880,000) (a)	(880,000) (a)	(880,000) (a)	
SPECIAL REVENUE										
All Accounts	Subtotal	27,292,250	159,109,205	186,401,455	118,796,633	38,998,066	157,794,699	1,314,506 (b)	8,732,652	28,606,756
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	51,597,920	2,405,839	49,192,081	51,597,920	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,664,101	343,858	40,320,243	40,664,101	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	20,399,056	1,884	20,397,172	20,399,056	N/A	N/A	N/A	
Subtotal	N/A	N/A	112,661,077	2,751,580	109,909,497	112,661,077	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,784,279	13,538,010	22,246,269	35,784,279	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	29,152,398	4,786,086	24,366,312	29,152,398	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	179,858,230	30,265,447	149,592,783	179,858,230	N/A	N/A	N/A	
Subtotal	N/A	N/A	244,794,907	48,589,544	196,205,363	244,794,907	N/A	N/A	N/A	
GRAND TOTALS										
	N/A	N/A	591,569,439	199,351,483	364,491,200	563,842,683	N/A	N/A	N/A	

(a) This structural imbalance is the result of continued underfunding for the Tenured Teacher Hearing program.

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

**ADULT CAREER AND CONTINUING EDUCATION SERVICES
FINANCIAL STATUS AS OF JANUARY 31, 2014**

For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	667,000	667,000	667,000	0	667,000	0	0	0
Nonpersonal Service	0	3,539,000	3,539,000	970,423	2,568,577	3,539,000	0	0	0
Subtotal	0	4,206,000	4,206,000	1,637,423	2,568,577	4,206,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	45,884,936	1,515,222	44,369,714	45,884,936	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	36,506,056	4,727	36,501,329	36,506,056	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	13,997,777	0	13,997,777	13,997,777	N/A	N/A	N/A
Subtotal	N/A	N/A	96,388,769	1,519,949	94,868,820	96,388,769	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,706,700	270,409	1,436,291	1,706,700	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,255,278	0	1,255,278	1,255,278	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	626,260	0	626,260	626,260	N/A	N/A	N/A
Subtotal	N/A	N/A	3,588,238	270,409	3,317,829	3,588,238	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	146,779	100,000 (b)	246,779	23,878	76,122	100,000	0	0	146,779
Social Security	0 (a)	175,640	175,640	78,657	96,983	175,640	0	0	0
Proprietary - Supervision	3,307,787	3,816,088 (c)	7,123,875	3,208,184	1,119,632	4,327,816	(511,728) (e)	238,272	2,796,059 (g)
Proprietary - Tuition Reimbursement	2,708,783	330,000 (d)	3,038,783	89,375	610,625	700,000	(370,000) (e)	130,000	2,338,783 (h)
High School Equivalency (GED)	778,359	225,000	1,003,359	537,032	386,338	923,370	(698,370) (f)	(698,370) (f)	79,989

(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 JANUARY 31, 2014

For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
SPECIAL REVENUE									
Office of the Professions	12,390,393	44,508,836 (a)	56,899,229	34,420,379	8,315,614	42,735,993	1,772,843	3,996,891	14,163,236
E-Licensing Project	8,400,000	0	8,400,000	0	2,400,000	2,400,000	(2,400,000)	0	6,000,000

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

**HIGHER EDUCATION
FINANCIAL STATUS AS OF JANUARY 31, 2014**

For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	2,226,801	2,226,801	2,204,400	22,401	2,226,801	0	0	0
Nonpersonal Service	0	161,873	161,873	15,728	146,145	161,873	0	0	0
Tenured Teacher Hearings NPS	0	5,772,326	5,772,326	3,794,989	2,857,337	6,652,326	(880,000)	(880,000) (a)	(880,000)
Subtotal	0	8,161,000	8,161,000	6,015,117	3,025,883	9,041,000	(880,000)	(880,000)	(880,000)
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	895,960	201,430	694,530	895,960	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	290,523	0	290,523	290,523	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	268,018	2,835	265,183	268,018	N/A	N/A	N/A
Subtotal	N/A	N/A	1,454,501	204,265	1,250,236	1,454,501	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	2,871,192	6,900,000 (b)	9,771,192	6,140,093	954,862	7,094,955	(194,955) (d)	58,045	2,676,237
Regents Accreditation of Teacher Education	41,382	31,000 (c)	72,382	35,830	34,522	70,352	(39,352) (d)	31,000	2,030

(a) This structural imbalance is the result of continued underfunding for the Tenured Teacher Hearing program which is beyond the Department's control.

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

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

(d) 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 JANUARY 31, 2014
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	16,001,000	16,001,000	11,538,476	4,462,524	16,001,000	0	0	0
Nonpersonal Service	0	10,010,000	10,010,000	2,289,496	7,720,504	10,010,000	0	0	0
Subtotal	0	26,011,000	26,011,000	13,827,972	12,183,028	26,011,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,962,984	428,138	2,534,846	2,962,984	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,258,895	339,131	1,919,764	2,258,895	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	5,501,279	1,884	5,499,395	5,501,279	N/A	N/A	N/A
Subtotal	N/A	N/A	10,723,158	769,152	9,954,006	10,723,158	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	28,124,790	12,572,725	15,552,065	28,124,790	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	27,606,597	4,786,086	22,820,511	27,606,597	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	178,616,452	30,262,612	148,353,840	178,616,452	N/A	N/A	N/A
Subtotal	N/A	N/A	234,347,839	47,621,424	186,726,415	234,347,839	N/A	N/A	N/A
SPECIAL REVENUE									
State School for the Blind at Batavia	0 (b)	10,020,000	10,020,000	8,067,146	1,952,854	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,445,727	9,445,727	6,082,444	3,363,283	9,445,727	0	0	0

(a) Includes Race to the Top funding.

(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 JANUARY 31, 2014
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	388,000	388,000	262,881	125,119	388,000	0	0	0
Nonpersonal Service	0	305,000	305,000	40,998	264,002	305,000	0	0	0
Subtotal	0	693,000	693,000	303,879	389,121	693,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,750,000	462,479	2,287,521	2,750,000	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,899,150	0	1,899,150	1,899,150	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	900,000	0	900,000	900,000	N/A	N/A	N/A
Subtotal	N/A	N/A	5,549,150	462,479	5,086,671	5,549,150	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(8,497,206)	32,700,000	24,202,794	21,569,131	7,430,869	29,000,000	3,700,000	3,700,000	(4,797,206)
Local Government Records									
Management Improvement Fund	0 (a)	3,462,476 (b)	3,462,476	3,297,731	164,745	3,462,476	0	0	0
Records Management Program	790,961	2,883,156	3,674,117	1,885,744	297,544	2,183,288	699,868	699,868	1,490,829
Cultural Resource Survey Account	0 (c)	6,270,432	6,270,432	3,603,794	2,666,638	6,270,432	0	0	0
Education Museum Account	7,116	2,234,975	2,242,091	407,114	1,431,414	1,838,528	396,447	396,447	403,563
Education Archives Account	90,821	17,000	107,821	30,435	26,465	56,900	(39,900) (d)	17,000	50,921
Education Library Account	81,054	65,000	146,054	34,259	97,741	132,000	(67,000) (d)	65,000	14,054
Grants and Bequests	242,208	8,000	250,208	99,154	25,192	124,346	(116,346) (d)	8,000	125,862
Archives Partnership Trust	116,130 (e)	559,538	675,668	307,696	238,631	546,327	13,211	13,211	129,341
Summer School for the Arts	35,736	856,337	892,073	602,660	218,445	821,105	35,232	35,232	70,968

(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 \$782,000 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 JANUARY 31, 2014**

For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 1/31/14	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	6,389,000	6,389,000	5,447,922	941,078	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	1,981,413	270,587	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	7,429,335	1,211,665	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	1,020,635	17,500,000	18,520,635	14,942,802	2,538,513	17,481,315	18,685	18,685	1,039,320
Automation and Printing (IT)	2,760,121	17,000,000	19,760,121	13,333,094	4,551,035	17,884,129	(884,129) (a)	23,371	1,875,992 (b)
Subtotal	3,780,756	34,500,000	38,280,756	28,275,896	7,089,548	35,365,444	(865,444)	42,056	2,915,312
State Operations Total:	3,780,756	43,141,000	46,921,756	35,705,231	8,301,213	44,006,444	(865,444)	42,056	2,915,312
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	5,056,829	493,446	4,563,383	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	493,446	4,910,883	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)

SED PLAN ADJUSTMENT REPORT
January 31, 2014

	<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
GENERAL FUND				
<u>Office of Higher Education</u>				
Office of Higher Education General Fund - Total Expenditures Actual and Projected	\$7,802,326	\$6,652,326	(\$1,150,000)	The Total Projected Expenditures for Tenured Teacher Hearing (TTH) NPS were reduced because current year spending was less than previous projected. Therefore, the additional funds will be available to pay for the prior year deficit.