



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
SUBJECT: State Education Department March 2013 Fiscal Report

DATE: April 8, 2013

AUTHORIZATION(S):

Issues for Approval

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

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

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

Background Information

- 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, effective for State Fiscal Year 2012-13, claims received for cases commencing after April 1, 2012 will be paid first from the 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 \$2,800,000.
- Federal – This report reflects current year plans for two year grant awards.

The 2013-14 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 including January Regents (\$8.5 million).
- An additional \$1.5 million for the High School Equivalency program.
- An additional \$1.9 million for Tenured Teacher Hearings along with the removal of language giving priority to payments for hearings commencing after April 1, 2012.
- An additional \$172,000 for the Conservation and Preservation of Library Materials and the Talking Book and Braille Library.
- Continuation of all other State Operations and Special Revenue Account support at last year's levels.
- Continuation of the Department's approved FTE total at 2,765. (Note: The actual number of FTEs currently is 2,620)

Recommendation

I recommend that the Board of Regents accept the March 2013 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF March 31, 2013
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 3/31/13	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	24,018,077	1,084,127	25,102,204	0	0	0	
Nonpersonal Service	0	17,537,796	17,537,796	12,774,854	4,762,942	17,537,796	0 (a)	0	0	
Subtotal	0	42,640,000	42,640,000	36,792,931	5,847,069	42,640,000	0 (a)	0	0	
SPECIAL REVENUE										
All Accounts	Subtotal	13,449,327	158,821,619	172,270,946	127,088,051	27,659,628	154,747,679	4,073,940	12,190,232	17,523,267
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	52,185,258	1,840,467	50,344,791	52,185,258	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,919,921	417,017	40,502,904	40,919,921	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	20,640,296	431,809	20,208,487	20,640,296	N/A	N/A	N/A	
Subtotal	N/A	N/A	113,745,475	2,689,293	111,056,182	113,745,475	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,165,277	13,114,336	22,050,941	35,165,277	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	27,153,280	5,834,325	21,318,955	27,153,280	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	130,149,600	11,625,427	118,524,173	130,149,600	N/A	N/A	N/A	
Subtotal	N/A	N/A	192,468,157	30,574,088	161,894,069	192,468,157	N/A	N/A	N/A	
GRAND TOTALS										
	N/A	N/A	521,124,578	197,144,363	306,456,948	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 March 31, 2013
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 3/31/13	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	642,247	24,753	667,000	0	0	0
Nonpersonal Service	0	2,039,000	2,039,000	1,939,154	99,846	2,039,000	0	0	0
Subtotal	0	2,706,000	2,706,000	2,581,401	124,599	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	31,553	13,966,224	13,997,777	N/A	N/A	N/A
Subtotal	N/A	N/A	96,388,769	31,553	96,357,216	96,388,769	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,360,500	644,032	716,468	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	137	1,761,288	1,761,425	N/A	N/A	N/A
Subtotal	N/A	N/A	4,061,487	644,169	3,417,318	4,061,487	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	108,516	100,000 (b)	208,516	16,585	83,415	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	2,483,619	1,506,525	3,990,144	(761,519) (e)	0	1,967,323 (g)
Proprietary - Tuition Reimbursement	2,636,421	705,000 (d)	3,341,421	33,714	466,286	500,000	205,000	705,000	2,841,421 (h)
High School Equivalency (GED)	972,113	215,000	1,187,113	407,804	506,135	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 March 31, 2013
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 3/31/13	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	36,168,554	5,617,367	41,785,921	5,478,599	6,089,599	8,754,949
E-Licensing Project	8,469,457 (b)	0	8,469,457	2,171,214	28,786	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 March 31, 2013
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 3/31/13	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	2,341,382	15,822	2,357,204	0	0	0
Nonpersonal Service	0	301,964	301,964	301,964	(0)	301,964	0	0	0
Tenured Teacher Hearings NPS (a)	0	3,601,832	3,601,832	1,434,186	2,167,646	3,601,832	0	0 (b)	0
Subtotal	0	6,261,000	6,261,000	4,077,532	2,183,468	6,261,000	0	0	0
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	919,993	525,298	394,695	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	525,298	929,203	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	6,431,778	566,112	6,997,890	(197,890) (e)	4,110	2,850,228
Regents Accreditation of Teacher Education	83,891	31,000 (d)	114,891	50,000	35,830	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 March 31, 2013
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 3/31/13	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	14,405,063	895,937	15,301,000	0	0	0
Nonpersonal Service	0	9,210,000	9,210,000	6,959,357	2,250,643	9,210,000	0	0	0
Subtotal	0	24,511,000	24,511,000	21,364,420	3,146,581	24,511,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,962,984	1,171,739	1,791,245	2,962,984	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,258,895	416,441	1,842,454	2,258,895	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	5,501,279	400,256	5,101,023	5,501,279	N/A	N/A	N/A
Subtotal	N/A	N/A	10,723,158	1,988,436	8,734,722	10,723,158	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	27,827,955	9,895,424	17,932,531	27,827,955	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	25,943,215	5,834,325	20,108,890	25,943,215	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	127,776,670	11,356,566	116,420,104	127,776,670	N/A	N/A	N/A
Subtotal	N/A	N/A	181,547,840	27,086,316	154,461,524	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	7,775,672	2,243,877	10,019,549	0	0	0
State School for the Deaf at Rome	0 (b)	9,640,670	9,640,670	6,067,100	3,573,570	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 March 31, 2013**

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 3/31/13	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	275,366	112,634	388,000	0	0	0
Nonpersonal Service	0	133,000	133,000	104,298	28,702	133,000	0	0	0
Subtotal	0	521,000	521,000	379,664	141,336	521,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	668,728	2,668,610	3,337,338	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,154,970	576	2,154,394	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	669,304	5,964,244	6,633,548	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(11,918,633)	29,800,000	17,881,367	25,099,428	1,869,451	26,968,879	2,831,121	2,831,121	(9,087,512)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	2,403,411	962,057	3,365,468	339,512	339,512	339,512
Records Management Program	1,086,237	1,700,000	2,786,237	1,411,504	547,099	1,958,603	(258,603) (d)	24,551	827,634
Cultural Resource Survey Account	0 (c)	7,553,475	7,553,475	3,739,856	3,813,619	7,553,475	0	0	0
Education Museum Account	255,117	2,200,000	2,455,117	1,663,629	650,356	2,313,985	(113,985) (d)	2,200,000	141,132
Education Archives Account	139,623	12,000	151,623	62,101	27,899	90,000	(78,000) (d)	12,000	61,623
Education Library Account	123,546	60,000	183,546	98,841	21,159	120,000	(60,000) (d)	60,000	63,546
Grants and Bequests	251,951	0	251,951	82,840	158,311	241,151	(241,151) (d)	0	10,800
Archives Partnership Trust	120,825 (e)	559,538	680,363	464,903	94,165	559,068	470	470	121,295
Summer School for the Arts	22,861	657,990	680,851	568,938	89,052	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 March 31, 2013**

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 3/31/13	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	6,354,019	34,981	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	2,035,895	216,105	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	8,389,914	251,086	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	67,491	17,250,000	17,317,491	14,552,477	2,722,248	17,274,725	(24,725) (a)	25,275	42,766
Automation and Printing (IT)	1,976,601	16,800,000	18,776,601	15,187,937	1,703,183	16,891,120	(91,120) (a)	458,880	1,885,481 (b)
Subtotal	2,044,092	34,050,000	36,094,092	29,740,414	4,425,431	34,165,845	(115,845)	484,155	1,928,247
State Operations Total:	2,044,092	42,691,000	44,735,092	38,130,328	4,676,517	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	2,049,581	3,007,248	5,056,829	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	347,500	268,724	78,776	347,500	N/A	N/A	N/A
Subtotal	N/A	N/A	5,404,329	2,318,305	3,086,024	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)