



TO: The Honorable the Members of the Board of Regents
FROM: Donald Juron *Donald E Juron*
SUBJECT: State Education Department March 2014 Fiscal Report

DATE: April 21, 2014

AUTHORIZATION(S):

J. B. J. Jr.

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

The 2014-15 Enacted 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.

Recommendation

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

Timetable for Implementation

N/A

**STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF MARCH 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 3/31/14	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	25,827,976	25,827,976	25,000,629	827,347	25,827,976	0	0	0	
Nonpersonal Service	0	21,884,024	21,884,024	17,197,063	4,634,099	22,764,024	(880,000) (a)	(880,000) (a)	(880,000) (a)	
Subtotal	0	47,712,000	47,712,000	42,197,692	5,461,447	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	144,680,250	13,114,449	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	9,077,916	42,520,004	51,597,920	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,664,101	757,312	39,906,789	40,664,101	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	20,399,056	6,386	20,392,670	20,399,056	N/A	N/A	N/A	
Subtotal	N/A	N/A	112,661,077	9,841,614	102,819,463	112,661,077	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,784,279	18,409,887	17,374,392	35,784,279	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	29,152,398	9,104,939	20,047,459	29,152,398	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	179,858,230	37,010,603	142,847,627	179,858,230	N/A	N/A	N/A	
Subtotal	N/A	N/A	244,794,907	64,525,428	180,269,479	244,794,907	N/A	N/A	N/A	
GRAND TOTALS	N/A	N/A	591,569,439	261,244,985	301,664,837	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 MARCH 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 3/31/14	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	823,175	823,175	820,921	2,254	823,175	0	0	0
Nonpersonal Service	0	3,382,825	3,382,825	1,282,791	2,100,034	3,382,825	0	0	0
Subtotal	0	4,206,000	4,206,000	2,103,713	2,102,287	4,206,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	45,884,936	7,559,185	38,325,751	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	4,502	13,993,275	13,997,777	N/A	N/A	N/A
Subtotal	N/A	N/A	96,388,769	7,568,414	88,820,355	96,388,769	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,706,700	378,851	1,327,849	1,706,700	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,255,278	139,374	1,115,904	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	518,225	3,070,013	3,588,238	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	146,779	100,000 (b)	246,779	25,016	74,984	100,000	0	0	146,779
Social Security	0 (a)	175,640	175,640	139,809	35,831	175,640	0	0	0
Proprietary - Supervision	3,307,787	3,816,088 (c)	7,123,875	4,021,567	306,249	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	593,378	329,992	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 MARCH 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 3/31/14	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	42,735,993	0	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 MARCH 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 3/31/14	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	2,226,801	0	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	4,292,749	2,359,577	6,652,326	(880,000)	(880,000) (a)	(880,000)
Subtotal	0	8,161,000	8,161,000	6,535,278	2,505,722	9,041,000	(880,000)	(880,000)	(880,000)
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	895,960	288,217	607,743	895,960	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	290,523	33,356	257,167	290,523	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	268,018	4,716	263,302	268,018	N/A	N/A	N/A
Subtotal	N/A	N/A	1,454,501	326,288	1,128,213	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	7,094,955	0	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 MARCH 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 3/31/14	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	15,376,910	624,090	16,001,000	0	0	0
Nonpersonal Service	0	10,010,000	10,010,000	9,077,139	0	10,010,000	0	0	0
Subtotal	0	26,011,000	26,011,000	24,454,049	624,090	26,011,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,962,984	754,221	2,208,763	2,962,984	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,258,895	752,585	1,506,310	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	1,508,690	9,214,468	10,723,158	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	28,124,790	16,612,430	11,512,360	28,124,790	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	27,606,597	8,932,209	18,674,388	27,606,597	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	178,616,452	36,945,329	141,671,123	178,616,452	N/A	N/A	N/A
Subtotal	N/A	N/A	234,347,839	62,489,968	171,857,871	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	9,560,997	459,003	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,445,727	9,445,727	7,393,734	2,051,993	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 MARCH 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 3/31/14	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	384,262	3,738	388,000	0	0	0
Nonpersonal Service	0	305,000	305,000	305,000	0	305,000	0	0	0
Subtotal	0	693,000	693,000	689,262	3,738	693,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,750,000	764,510	1,985,490	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	764,510	4,784,640	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	27,369,436	1,630,564	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	3,462,476	0	3,462,476	0	0	0
Records Management Program	790,961	2,883,156	3,674,117	2,005,983	177,305	2,183,288	699,868	699,868	1,490,829
Cultural Resource Survey Account	0 (c)	6,270,432	6,270,432	4,212,456	2,057,976	6,270,432	0	0	0
Education Museum Account	7,116	2,234,975	2,242,091	486,266	1,352,262	1,838,528	396,447	396,447	403,563
Education Archives Account	90,821	17,000	107,821	54,851	2,049	56,900	(39,900) (d)	17,000	50,921
Education Library Account	81,054	65,000	146,054	42,487	89,513	132,000	(67,000) (d)	65,000	14,054
Grants and Bequests	242,208	8,000	250,208	109,584	14,762	124,346	(116,346) (d)	8,000	125,862
Archives Partnership Trust	116,130 (e)	559,538	675,668	387,023	159,304	546,327	13,211	13,211	129,341
Summer School for the Arts	35,736	856,337	892,073	602,879	218,226	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 MARCH 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 3/31/14	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	6,191,734	197,266	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	2,223,656	28,344	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	8,415,390	225,610	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	1,020,635	17,500,000	18,520,635	17,481,315	0	17,481,315	18,685	18,685	1,039,320
Automation and Printing (IT)	2,760,121	17,000,000	19,760,121	16,774,841	1,109,288	17,884,129	(884,129) (a)	23,371	1,875,992 (b)
Subtotal	3,780,756	34,500,000	38,280,756	34,256,156	1,109,288	35,365,444	(865,444)	42,056	2,915,312
State Operations Total:	3,780,756	43,141,000	46,921,756	42,671,546	1,334,898	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	1,130,389	3,926,440	5,056,829	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	347,500	60,558	286,942	347,500	N/A	N/A	N/A
Subtotal	N/A	N/A	5,404,329	1,190,947	4,213,382	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)