



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: Theresa E. Savo *Theresa E. Savo*

COMMITTEE: Full Board

TITLE OF ITEM: State Education Department December 2002 Fiscal Report

DATE OF SUBMISSION: January 6, 2003

PROPOSED HANDLING: Approval

RATIONALE FOR ITEM: Approval of December 2002 Fiscal Report

STRATEGIC GOAL: Goal 5

AUTHORIZATION(S): *[Signature]*

SUMMARY:

The December 2002 Fiscal Report is attached for your review, discussion and action. We have received no USNY grants since the last Fiscal Report.

December ends the third quarter of the 2002-2003 fiscal year. Before next month's report we will revisit our expenditure and revenue projections to make any necessary adjustments as we approach the end of the State fiscal year. We have been mindful of the economic situation in planning for this year and, consequently, we anticipate only minor adjustments, if any, will be necessary.

- General Fund - Our general fund accounts are in structural balance.
- Special Revenue - All revenue accounts are in balance (allowing for normal reimbursement delays and the planned use of prior year balances).
- Federal Accounts - Our Federal accounts are in structural balance.

Our Budget Coordination staff and I will continue to closely monitor each of these accounts and work with program office fiscal staff and the Deputies to insure structural balance. Please contact me if you have any questions regarding this report.

I recommend that the Board of Regents take the following action:

VOTED, that the Board of Regents approve the December 2002 State Education Department Fiscal Report.

Attachment

December Variance Report

	November Report (1)	December Report (2)	Variance (3) = (2-1)	Explanation
Special Revenue				
Summer Institutes				
Revenue	\$575,000	\$550,000	-\$25,000	Summer 2002 program is complete; reduction reflects actual revenue.
Expenditure	\$575,000	\$550,000	-\$25,000	Summer 2002 program is complete; reduction reflects actual expenditures.

Office of Elementary, Middle, Secondary and Continuing Education

DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF DECEMBER 31, 2002

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance a. Program Period End
GENERAL FUND									
Personal Service		27,640,553	27,640,553	20,745,202	6,895,351	27,640,553	0	0	
Nonpersonal Service		18,127,005	18,127,005	11,477,490	6,649,515	18,127,005	0	0	
Other Retirement Systems		1,190,000	1,190,000	259,547	930,453	1,190,000	0	0	
Subtotal (a)		46,957,558	46,957,558	32,482,239	14,475,319	46,957,558	0	0	
SPECIAL REVENUE									
All Accounts	19,123,086	93,260,678	112,383,764	65,883,849	28,639,466	94,523,315	(1,262,637) (b)	2,686,556	17,860,449
Subtotal									
FEDERAL FUNDS									
Personal Service			7,917,043	13,010,864	58,906,179	71,917,043			0
Nonpersonal Service			33,721,741	2,372,966	31,348,785	33,721,741			0
Mandated Costs			43,369,358	51,724	43,317,634	43,369,358			0
Subtotal			149,008,142	15,435,544	133,572,598	149,008,142			0

(a) The 2002-2003 General Fund allocation includes \$136,958 suballocated from the Department of Labor for the Adolescent Vocational Exploration/Progressive Adolescent Vocational Exploration(AVE/PAVE) program.
(b) This imbalance is the result of normal cash flow and the one-time expenditure of prior year funds.

**VOCATIONAL AND EDUCATIONAL SERVICES FOR INDIVIDUALS WITH DISABILITIES
FINANCIAL STATUS AS OF DECEMBER 31, 2002**

(1) Available Funds on 4/1/02	(2) 2002-03 Projected Revenue	SFY 02-03			(6) Total Expenditures Actual and Projected	(7) 2002-03 Projected Revenue vs Expenditures	(8) Projected Structural Balance at 3/31/03	(9) Cumulative Projected Balance at Program Period End
		(3) Cumulative Projected Revenue 2002-03	(4) Actual Expenditures Through 12/31/02	(5) Projected Expenditures to Program Period End				
	734,873	734,873	649,165	83,708	734,873	0	0	
	33,837	33,837	11,232	22,605	33,837	0	0	
Subtotal	768,710	768,710	660,397	108,313	768,710	0	0	
GENERAL FUND								
Personal Service								
Nonpersonal Service								
FEDERAL FUNDS								
<i>October-September Programs</i>								
Personal Service		36,040,000	8,314,885	29,725,115	38,040,000		0	
Nonpersonal Service		9,250,000	495,761	8,754,239	9,250,000		0	
Mandated Costs		21,786,800	0	21,786,800	21,786,800		0	
Subtotal		67,076,800	8,810,646	60,266,154	69,076,800		0	
<i>July-June Programs</i>								
Personal Service		£273,691	2,675,959	5,597,732	8,273,691		0	
Nonpersonal Service		11,622,094	131,154	11,490,940	11,622,094		0	
Mandated Costs		5,587,652	0	9,587,652	9,587,652		0	
Subtotal		25,483,437	2,807,113	26,676,324	29,483,437		0	
SPECIAL REVENUE								
Workers' Compensation	1212,006	1,338,306	661,300	126,300	787,600	(661,300) (a)	0	550,706
Slats School for the Blind at Eatavia	0	7,196,000	4,471,770	2,724,230	7,196,000	0	0	0
Slats School for the Deaf at Fome	0	7,508,000	4,400,175	3,107,825	7,508,000	0	0	0
Batavia Intermediate Care Facility	0	2,822,000	1,314,380	1,507,620	2,822,000	0	0	0

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

**OFFICE OF THE PROFESSIONS
FINANCIAL STATUS AS OF DECEMBER 31, 2002**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service		0	0	0	0	0	0	0	
Nonpersonal Service		0	0	0	0	0	0	0	
Subtotal		0	0	0	0	0	0	0	
FEDERAL FUNDS									
July-June Programs									
Personal Service			1,117,948	293,821	824,127	1,117,948			0
Nonpersonal Service			205,500	281	205,219	205,500			0
Mandated Costs			0	0	0	0			0
Subtotal			1,323,448	294,102	1,029,346	1,323,448			0

SPECIAL REVENUE	10812,739	33,877,655	4,690,394	22,304,319	12,764,673	35,068,992	(1,191,337)	382,663	9,621,402
Office of the Professions (a)									(d)

- (a) Includes the foreign and out-of-state medical school evaluation program.
- (b) Includes revenue of \$2.30 million to be transferred to the Department of Health.
- (c) This imbalance is the result of normal cash flow and the use of prior year funds to meet current year obligations including \$1,574,000 in one-time expenditures.
- (d) A fund balance of \$3.0 million is reserved for cash flow purposes. The remaining fund balance will be drawn down for technology purchases over the next two years.
- (e) Revenue based on a three year average.

**OFFICE OF HIGHER EDUCATION
FINANCIAL STATUS AS OF DECEMBER 31, 2002**

SFY 02-03

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 20/2-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
	3,305,418 (a)	3,305,418	2,524,677	780,741	3,305,418	0	0	
Personal Service	617,533	617,533	346,178	271,355	617,533	0	0	
Nonpersonal Service- Regular								
Nonpersonal Service- Tenured Teacher Hearings	1,154,000	1,154,000	1,051,848	102,152	1,154,000	0	0	
Subtotal	5,076,951 (b)	5,076,951	3,922,704	1,154,247	5,076,951	0	0	
FEIERAL FUNDS								
<i>October-September Programs</i>								
Personal Service		0	0	0	0	0	0	0
Nonpersonal Service		0	0	0	0	0	0	0
Mandated Costs		0	0	0	0	0	0	0
Subtotal		0	0	0	0	0	0	0
<i>July-June Programs</i>								
Personal Service		1,026,047	204,580	821,467	1,026,047	0	0	0
Nonpersonal Service		203,212	1,194	202,018	203,212	0	0	0
Mandated Costs		317,267	0	317,267	317,267	0	0	0
Subtotal		1,546,526	205,774	1,340,752	1,546,526	0	0	0
SPECIAL REVENUE								
Proprietary- Supervision (c)	378,545	2,180,545	1,276,185	405,815	1,683,000	119,000	115,000	497,545
Proprietary- Bad Debt (d)	(838,172)	0	0	0	0	0	0	(638,172)
Proprietary- Tuition Reimbursement	1,549,497	1,759,497	72,477	97,523	170,000	40,000	0	1,589,497
Office of Teacher Certification	3,953,459	9,066,983	4,044,773	1,063,751	5,113,524	0	0	3,953,459

(a) Includes \$190,000 for Tenured Teacher Hearings.

(b) Includes the OHE General Fund allocation of \$1,939,994 and suballocation of \$136,368 from the Department of Labor for the Adolescent Vocational Exploration/Progressive Adolescent Vocational Exploration (AVE/PAVE) program.

(c) Account expenditures since the bad debt (see below) was excluded have been limited to the amount of revenue received or less.

(d) This balance represents a pre-existing structural deficit resulting from prior year circumstances beyond SED control. SED has asked the Division of the Budget to forgive this debt.

**ELEMENTARY, MIDDLE, SECONDARY, AND CONTINUING EDUCATION
FINANCIAL STATUS AS OF DECEMBER 31, 2002**

(1)	SFY 02-03			(5)	(6)	(7)	(8)	(9)
	(2)	(3)	(4)					
Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND								
Personal Service	11,525,480	11,525,480	10,442,582	1,082,898	11,525,480	0	0	
Nonpersonal Service	8,813,132	8,813,132	6,436,551	2,376,581	8,813,132	0	0	
Subtotal	20,338,612	20,338,612	16,879,133	3,459,479	20,338,612	0	0	
FEDERAL FUNDS								
October-September Programs								
Personal Service		2,552,086	0	2,552,086	2,552,086	0	0	0
Nonpersonal Service		1,685,094	0	1,685,094	1,685,094	0	0	0
Mandated Costs		2,003,930	0	2,003,930	2,003,930	0	0	0
Subtotal		6,241,110	0	6,241,110	6,241,110	0	0	0
FEDERAL FUNDS								
July-June Programs								
Personal Service		14,209,366	799,635	13,409,731	14,209,366	0	0	0
Nonpersonal Service		9,474,509	1,641,002	7,833,507	9,474,509	0	0	0
Mandated Costs		8,280,964	0	8,280,964	8,280,964	0	0	0
Subtotal		31,964,839	2,440,637	29,524,202	31,964,839	0	0	0
SPECIAL REVENUE								
Summer Institutes	137,765	687,765	178,501	371,499	550,000	0	0	137,765
High School Equivalency (GED)	326,457	496,457	162,177	7,823	170,000	0	0	326,457

**OFFICE OF CULTURAL EDUCATION
FINANCIAL STATUS AS OF DECEMBER 31, 2002**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance a. Program Period End
GENERAL FUND									
Personal Service		0	0	0	0	0	0	0	
Nonpersonal Service		0	0	0	0	0	0	0	
Subtotal		0	0	0	0	0	0	0	
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service			3,345,462	260,297	3,085,165	3,345,462	0		0
Nonpersonal Service			1,153,832	85,968	1,067,864	1,153,832	0		0
Mandated Costs			1,370,943	46,450	1,324,493	1,370,943	0		0
Subtotal			5,870,237	392,715	5,477,522	5,870,237	0		0
<i>July-June Programs</i>									
Personal Service			48,225	22,394	25,831	48,225	0		0
Nonpersonal Service			0	0	0	0	0		0
Mandated Costs			21,802	5,274	16,528	21,802	0		0
Subtotal			70,027	27,668	42,359	70,027	0		0
<i>April-March Programs</i>									
Personal Service			0	0	0	0	0		0
Nonpersonal Service			0	0	0	0	0		0
Mandated Costs			0	0	0	0	0		0
Subtotal			0	0	0	0	0		0

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance a. Program Period End
SPECIAL REVENUE									
Cultural Education Account	0	23,212,000	23,212,000	15,899,584	10,100,416	25,229,300	(2,017,300) (c)	0	(2,017,300)
Local Government Records	0	3,139,930	3,139,930	2,365,435	774,495	3,139,930	0	0	0
Management Improvement Fund	722,603	1,191,000	1,913,603	824,876	366,124	1,191,000	0	0	722,603
Records Management-Program	(1,910,686) (a)	0	(1,910,686)	0	0	0	0	0	(1,910,686)
Records Management-Bad Debt	0	3,500,000	3,500,000	1,726,671	1,773,329	3,500,000	0	0	0
Cultural Resource Survey	211,936	499,968	711,904	503,781	107,219	611,000	(111,032) (d)	0	100,904
Education Museum Account	159,160	115,000	274,160	128,907	21,093	150,000	(55,000) (d)	0	124,160
Education Archives Account	433,125	85,000	518,125	19,389	65,611	85,000	0	0	433,125
Education Library Account	303,606	15,140	318,746	0	13,000	13,000	2,140	2,140	305,746
Grants and Bequests	465,031 (b)	539,161	1,004,192	394,591	144,570	539,161	0	0	465,031
Archives Partnership Trust									

(a) This balance represents a pre-existing structural deficit resulting from the failure of other State agencies to pay fees prior to 1996-97 (\$350,311) and inadequate fee revenues from 1987 through 1996 (\$1,560,375). SED has asked the Division of the Budget to forgive this debt. SED will continue to try and collect these fees until such time as the debt is forgiven.

(b) Excludes endowment funds.

(c) This planned imbalance is the result of 3/4 year revenue to offset full year expenditures in the initial year of the new revenue account. This imbalance will be corrected in 2003-2004.

(d) This imbalance is the result of normal cash flow and the one-time expenditure of prior year funds.

**OFFICE OF MANAGEMENT SERVICES
FINANCIAL STATUS AS OF DECEMBER 31, 2002**

SFY 02-03

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 12/31/02	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service		12,074,782	12,074,782	7,128,777	4,946,005	12,074,782	0	0	
Nonpersonal Service		7,508,503	7,508,503	3,631,681	3,876,822	7,508,503	0	0	
Subtotal		19,583,285	19,583,285	10,760,458	8,822,827	19,583,285	0	0	
SPECIAL REVENUE									
Cost Recovery Account	302,909 (a)	13,000,000	13,302,909	12,135,766	729,609	12,865,375	134,625	1,742,486	437,534
Automation and Printing	903,106	11,800,000	12,703,106	8,898,376	2,461,357	11,359,733	440,267	440,267	1,343,373
Subtotal	1,206,015	24,800,000	25,006,015	21,034,142	3,190,966	24,225,108	574,892	2,182,753	1,780,907
State Operations Total:	1,206,015	44,383,285	45,589,300	31,794,600	12,013,793	43,808,393	574,892	2,182,753	1,780,907
OTHER RETIREMENT SYSTEMS									
FEDERAL FUNDS									
October-September		1,190,000	1,190,000	259,547	930,453	1,190,000	0	0	0
Personal Service			33,500	7,320	26,180	33,500			0
Nonpersonal Service			0	0	0	0			0
Mandated Costs			0	0	0	0			0
Subtotal			33,500	7,320	26,180	33,500			0
July-June Programs			3,270,718	431,973	2,838,745	3,270,718			0
Personal Service			127,500	17,596	109,904	127,500			0
Nonpersonal Service			0	0	0	0			0
Mandated Costs			3,398,218	449,569	2,943,649	3,398,218			0

(a) This represents the reconciled cash balance in this account including outstanding recoveries and obligations.