



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: Valerie Grey *Valerie Grey*
SUBJECT: State Education Department November 2011 Fiscal Report
DATE: December 6, 2011
AUTHORIZATION(S):

Executive Summary

Issues for Approval

The November Fiscal Report is presented for your review, discussion and acceptance. There is no a plan adjustment report this month.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The November Fiscal Report reflects actual expenditures through November 30, 2011 and projected expenditures through the lapse period ending June 30, 2012.

Account Update

The following accounts continue to have funding shortfalls:

- Tenured Teacher Hearing account - the program is now projected to have a cumulative deficit of \$9.0 million to \$9.5 million on March 31, 2012.

- Assessment account - \$8.0 million deficit being resolved through a number of actions including eliminating and postponing exams and various cost containment actions.
- Cultural Education Account – progress has been made; however, the account continues to carry a large accumulated deficit due to declining revenue.

Our Budget Coordination staff and I will continue to closely monitor the Department's accounts and ensure that required spending reductions are achieved.

Recommendation

I recommend that the Board of Regents accept the November 2011 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

**STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF November 30, 2011**

For State Fiscal Year 2011-12

	(1) Available Funds on 4/1/11	(2) 2011-2012 Projected Revenue	(3) Cumulative Projected Revenue 2011-2012	(4) Actual Expenditures Through 11/30/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2011-2012 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/12	(9) Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	22,735,606	22,735,606	12,390,037	10,345,569	22,735,606	0	0	0
Nonpersonal Service	0	21,805,394	21,805,394	4,332,957	26,472,437	30,805,394	(9,000,000) (a)	(9,000,000)	(9,000,000)
Other Retirement Systems	0	1,468,000	1,468,000	1,283,073	184,927	1,468,000	0	0	0
Subtotal	0	46,009,000	46,009,000	18,006,067	37,002,933	55,009,000	(9,000,000) (a)	(9,000,000)	(9,000,000)
SPECIAL REVENUE									
All Accounts	8,591,221	163,208,937	171,800,158	89,726,107	71,835,704	161,561,811	1,647,126 (b)	8,761,725	10,238,347
FEDERAL FUNDS									
October-September Programs									
Personal Service	N/A	N/A	50,686,432	153,015	50,533,417	50,686,432	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	19,159,746	92	19,159,654	19,159,746	N/A	N/A	N/A
Mandated Costs	N/A	N/A	40,882,750	44,793	40,837,957	40,882,750	N/A	N/A	N/A
Subtotal	N/A	N/A	110,728,928	197,900	110,531,028	110,728,928	N/A	N/A	N/A
July-June Programs									
Personal Service	N/A	N/A	36,436,807	6,902,871	29,533,936	36,436,807	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	102,600,971	329,787	102,271,184	102,600,971	N/A	N/A	N/A
Mandated Costs	N/A	N/A	24,034,717	1,525,409	22,509,308	24,034,717	N/A	N/A	N/A
Subtotal	N/A	N/A	163,072,495	8,758,067	154,314,428	163,072,495	N/A	N/A	N/A
GRAND TOTALS									
	N/A	N/A	491,610,581	116,688,141	373,684,093	490,372,234	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 NOVEMBER 30, 2011
For State Fiscal Year 2011-12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 11/30/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2011-2012 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/12	Cumulative Projected Balance at Program Period End
	0	886,700	507,036	379,664	886,700	0	0	0
Personal Service	0	1,973,300	164,882	1,808,418	1,973,300	0	0	0
Nonpersonal Service	0	2,860,000	671,918	2,188,082	2,860,000	0	0	0
Subtotal								
N/A	N/A	45,000,000	0	45,000,000	45,000,000	N/A	N/A	N/A
N/A	N/A	14,000,000	0	14,000,000	14,000,000	N/A	N/A	N/A
N/A	N/A	37,100,000	0	37,100,000	37,100,000	N/A	N/A	N/A
N/A	N/A	96,100,000	0	96,100,000	96,100,000	N/A	N/A	N/A
Subtotal								
N/A	N/A	1,444,742	316,325	1,128,417	1,444,742	N/A	N/A	N/A
N/A	N/A	1,830,259	0	1,830,259	1,830,259	N/A	N/A	N/A
N/A	N/A	1,162,124	0	1,162,124	1,162,124	N/A	N/A	N/A
N/A	N/A	4,437,125	316,325	4,120,800	4,437,125	N/A	N/A	N/A
Subtotal								
121,074	105,000 (f)	226,074	83,075	21,925	105,000	0	0	121,074
0 (a)	535,599	535,599	191,798	343,801	535,599	0	0	0
2,264,330	3,000,000 (g)	5,264,330	1,737,721	1,833,155	3,570,876	(570,876) (c)	139,124	1,693,454 (d)
2,393,647	300,000 (h)	2,693,647	90,253	409,747	500,000	(200,000) (c)	300,000	2,193,647 (e)
958,981	225,000	1,183,981	0	655,000	655,000	(430,000) (c)	0	528,981

GENERAL FUND

Personal Service
 Nonpersonal Service

FEDERAL FUNDS

October-September Programs (b)

Personal Service
 Nonpersonal Service
 Mandated Costs

July-June Programs

Personal Service
 Nonpersonal Service
 Mandated Costs

SPECIAL REVENUE

Workers' Compensation
 Social Security
 Proprietary - Supervision
 Proprietary - Tuition Reimbursement
 High School Equivalency (GED)

- (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) The Vocational Rehabilitation Program has received an additional \$20 million in reallocation funds that will assist the program in maintaining operations and filling critical vacancies.
- (c) This imbalance is the result of normal cash flow and the use of prior year funds to meet current year one-time obligations.
- (d) Some funds are earmarked for future technology enhancements.
- (e) Funds are earmarked to provide financial protection for students who attend licensed proprietary schools in the event of a school closing.
- (f) A sweep of \$32,000 is anticipated against this account pursuant to the enacted State budget.
- (g) A sweep of \$297,000 is anticipated against this account pursuant to the enacted State budget.
- (h) A sweep of \$23,000 is anticipated against this account pursuant to the enacted State budget.

PROFESSIONS
FINANCIAL STATUS AS OF November 30, 2011
For State Fiscal Year 2011-12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 11/30/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2011-2012 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/12	Cumulative Projected Balance at Program Period End
7,194,305	47,264,520 (a)	54,458,825	24,034,268	19,995,355	44,029,623	3,234,897	6,045,897	10,429,202 (b)

SPECIAL REVENUE
Office of the Professions

(a) A sweep of \$2,777,000 is anticipated against this account pursuant to the enacted State budget.
(b) A portion of this funding is earmarked for major multi-year IT projects such as E-Licensing and will require significant resources in the out years. The vendor has been selected for the E-licensing contract and projected costs are higher than planned.

HIGHER EDUCATION
FINANCIAL STATUS AS OF November 30, 2011
For State Fiscal Year 2011-12

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 11/30/11	Projected Expenditures to Program End	Total Expenditures Actual and Projected	2011-2012 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/12	Cumulative Projected Balance at Program End
GENERAL FUND									
Personal Service	0	2,704,906	2,704,906	1,686,045	1,018,861	2,704,906	0	0	0
Nonpersonal Service	0	280,994	280,994	89,335	191,659	280,994	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	1,396,572	11,256,528	12,653,100	(9,000,000)	(9,000,000)	(9,000,000)
Subtotal	0	6,639,000	6,639,000	3,171,963	12,467,047	15,639,000	(9,000,000)	(9,000,000)	(9,000,000)
FEDERAL FUNDS									
July-June Programs									
Personal Service	N/A	N/A	930,300	136,416	793,884	930,300	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	266,325	0	266,325	266,325	N/A	N/A	N/A
Mandated Costs	N/A	N/A	248,293	0	248,293	248,293	N/A	N/A	N/A
Subtotal	N/A	N/A	1,444,918	136,416	1,308,502	1,444,918	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	2,708,997	6,600,000 (b)	9,308,997	4,038,866	2,612,219	6,651,085	(51,085) (d)	15	2,657,912
Regents Accreditation of Teacher Education	68,282	31,000 (c)	99,282	497	49,503	50,000	(19,000) (d)	0	49,282

(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 November 30, 2011
For State Fiscal Year 2011-12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 11/30/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2011-2012 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/12	Cumulative Projected Balance at Program Period End
GENERAL FUND								
Personal Service	0	12,193,000	6,204,910	5,988,090	12,193,000	0	0	0
Nonpersonal Service	0	13,305,000	1,318,208	11,986,792	13,305,000	0	0	0
Subtotal	0	25,498,000	7,523,118	17,974,882	25,498,000	0	0	0
FEDERAL FUNDS								
<i>October-September Programs</i>								
Personal Service	N/A	2,349,094	144,626	2,204,468	2,349,094	N/A	N/A	N/A
Nonpersonal Service	N/A	4,018,506	92	4,018,414	4,018,506	N/A	N/A	N/A
Mandated Costs	N/A	1,627,780	39,476	1,588,304	1,627,780	N/A	N/A	N/A
Subtotal	N/A	7,995,380	184,194	7,811,186	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>								
Personal Service	N/A	29,463,534	5,521,349	23,942,185	29,463,534	N/A	N/A	N/A
Nonpersonal Service	N/A	100,171,887	328,199	99,843,688	100,171,887	N/A	N/A	N/A
Mandated Costs	N/A	22,624,300	1,525,409	21,098,891	22,624,300	N/A	N/A	N/A
Subtotal	N/A	152,259,721	7,374,957	144,884,764	152,259,721	N/A	N/A	N/A
SPECIAL REVENUE								
State School for the Blind at Batavia	0 (b)	10,020,000	5,378,619	4,641,381	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	4,253,037	5,347,083	9,600,120	0	0	0
Fiduciary (January Assessments)	0	1,500,000	0	1,500,000	1,500,000	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 November 30, 2011
For State Fiscal Year 2011-12

	(1) Available Funds on 4/1/11	(2) 2011-2012 Projected Revenue	(3) Cumulative Projected Revenue 2011-2012	(4) Actual Expenditures Through 11/30/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2011-2012 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/12	(9) Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	398,000	398,000	262,730	135,270	398,000	0	0	0
Nonpersonal Service	0	144,000	144,000	61,416	82,584	144,000	0	0	0
Subtotal	0	542,000	542,000	324,146	217,854	542,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	8,389	3,328,949	3,337,338	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
Mandated Costs	N/A	N/A	2,154,970	5,317	2,149,653	2,154,970	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	13,706	6,619,842	6,633,548	N/A	N/A	N/A

SPECIAL REVENUE

Cultural Education Account									
Office of Cultural Education-Operations	(14,452,981)	28,750,000	14,297,019	16,817,660	10,742,148	27,559,828	1,190,172	1,190,172	(13,262,809)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	2,606,087	1,098,893	3,704,980	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	1,162,133	465,227	1,627,360	72,640	72,640	1,727,418
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	2,815,811	7,066,384	9,882,195	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	697,001	2,276,909	2,973,910	126,090	126,090	129,781
Education Archives Account	183,459	15,000	198,459	12,312	63,328	75,640	(60,640) (d)	15,000	122,819
Education Library Account	127,434	65,000	192,434	5,456	101,044	106,500	(41,500) (d)	65,000	85,934
Grants and Bequests	483,265	173,523	656,788	253,579	389,498	643,077	(469,554) (d)	36,420	13,711
Archives Partnership Trust	128,526 (e)	690,000	818,526	364,170	325,830	690,000	0	0	128,526
Summer School for the Arts	211,074	697,000	908,074	686,812	218,573	905,385	(208,385) (d)	697,000	2,689

(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 November 30, 2011**

For State Fiscal Year 2011-12

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 11/30/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2011-2012 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/12	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	6,553,000	6,553,000	3,729,316	2,823,684	6,553,000	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	1,302,543	1,146,457	2,449,000	0	0	0
Subtotal	0	9,002,000	9,002,000	5,031,859	3,970,141	9,002,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	436,107	18,750,000	19,186,107	13,521,814	5,191,919	18,713,733	36,267	36,267	472,374
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	10,975,119	6,486,781	17,461,900	(961,900) (a)	38,100	3,144,352 (b)
Subtotal	4,542,359	35,250,000	39,792,359	24,496,933	11,678,700	36,175,633	(925,633)	74,367	3,616,726
State Operations Total:	4,542,359	44,252,000	48,794,359	29,528,792	15,648,841	45,177,633	(925,633)	74,367	3,616,726
OTHER RETIREMENT SYSTEMS									
FEDERAL FUNDS	0	1,468,000	1,468,000	1,283,073	184,927	1,468,000	0	0	0
July-June Programs									
Personal Service	N/A	N/A	4,598,231	928,781	3,669,450	4,598,231	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	332,500	1,588	330,912	332,500	N/A	N/A	N/A
Subtotal	N/A	N/A	4,930,731	930,369	4,000,362	4,930,731	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)