



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 2012 Fiscal Report
DATE: December 1, 2012

AUTHORIZATION(S):

J. B. J. G.

Issues for Approval

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

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The November Fiscal Report reflects actual expenditures through November 30, 2012 and projected expenditures through the lapse period ending June 30, 2013.

Background Information

- The Division of Budget (DoB) has released the Mid-Year Update to the Financial Plan for the current fiscal year. The report estimates that the General Fund will remain balanced in the current year, but budget gaps for future years are projected at \$982 million next year, \$3.59 billion in FY 2015, and \$4.37 billion in FY 2016. The report notes that all of these estimates were based on data before the impacts of Hurricane Sandy were known. DoB expects to update the State's multi-year financial

projections with the impact of Hurricane Sandy in January when the Executive Budget is released.

- 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, claims received for cases commencing after April 1, 2012 will be paid first from this 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 \$700,000.
- Federal – This report reflects current year plans for two year grant awards.

Recommendation

I recommend that the Board of Regents accept the November 2012 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF November 30, 2012
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 11/30/12	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	13,537,931	11,564,273	25,102,204	0	0	0		
Nonpersonal Service	0	17,537,796	17,537,796	2,934,782	14,603,014	17,537,796	0 (a)	0	0		
Subtotal	0	42,640,000	42,640,000	16,472,713	26,167,287	42,640,000	0 (a)	0	0		
SPECIAL REVENUE											
All Accounts	Subtotal	13,449,327	156,721,619	170,170,946	65,164,141	89,583,538	154,747,679	1,973,940	7,838,713	15,423,267	(5,864,773)
FEDERAL FUNDS											
<i>October-September Programs</i>											
Personal Service	N/A	N/A	52,185,258	285,103	51,900,155	52,185,258	N/A	N/A	N/A	0	
Fringe/Indirect Costs	N/A	N/A	40,919,921	0	40,919,921	40,919,921	N/A	N/A	N/A	0	
Nonpersonal Service	N/A	N/A	20,640,296	1,799	20,638,497	20,640,296	N/A	N/A	N/A	0	
Subtotal	N/A	N/A	113,745,475	286,902	113,458,573	113,745,475	N/A	N/A	N/A	0	
<i>July-June Programs</i>											
Personal Service	N/A	N/A	35,165,277	2,885,463	32,279,814	35,165,277	N/A	N/A	N/A	0	
Fringe/Indirect Costs	N/A	N/A	27,153,280	0	27,153,280	27,153,280	N/A	N/A	N/A	0	
Nonpersonal Service	N/A	N/A	130,149,600	1,988	130,147,612	130,149,600	N/A	N/A	N/A	0	
Subtotal	N/A	N/A	192,468,157	2,887,450	189,580,707	192,468,157	N/A	N/A	N/A	0	
GRAND TOTALS	N/A	N/A	519,024,578	84,811,206	418,790,105	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 November 30, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 11/30/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	667,000	667,000	523,639	143,361	667,000	0	0	0	0
Nonpersonal Service	0	2,039,000	2,039,000	682,148	1,356,852	2,039,000	0	0	0	0
Subtotal	0	2,706,000	2,706,000	1,205,787	1,500,213	2,706,000	0	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	0
Fringe/Indirect Costs	N/A	N/A	36,506,056	0	36,506,056	36,506,056	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	13,997,777	1,799	13,995,978	13,997,777	N/A	N/A	N/A	0
Subtotal	N/A	N/A	96,388,769	1,799	96,386,970	96,388,769	N/A	N/A	N/A	0
<i>July-June Programs</i>										
Personal Service	N/A	N/A	1,360,500	157,472	1,203,028	1,360,500	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	939,562	0	939,562	939,562	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	1,761,425	0	1,761,425	1,761,425	N/A	N/A	N/A	0
Subtotal	N/A	N/A	4,061,487	157,472	3,904,015	4,061,487	N/A	N/A	N/A	0
SPECIAL REVENUE										
Workers' Compensation	108,516	100,000 (b)	208,516	14,634	85,366	100,000	0	0	108,516	0
Social Security	0 (a)	519,272	519,272	107,794	411,478	519,272	0	0	0	0
Proprietary - Supervision	2,728,842	3,228,625 (c)	5,957,467	1,494,426	2,495,718	3,990,144	(761,519) (e)	(51,519)	1,967,323 (g)	(710,000)
Proprietary - Tuition Reimbursement	2,636,421	705,000 (d)	3,341,421	0	500,000	500,000	205,000	705,000	2,841,421 (h)	(500,000)
High School Equivalency (GED)	972,113	215,000	1,187,113	102,706	811,233	913,939	(698,939) (e)	(591,286) (f)	273,174	(107,653)

(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 November 30, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 11/30/12	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	One Time Adjustment
<i>SPECIAL REVENUE</i>										
Office of the Professions	3,276,350	47,264,520 (a)	50,540,870	17,415,792	24,370,129	41,785,921	5,478,599	6,089,599	8,754,949	(611,000)
E-Licensing Project	8,469,457 (b)	0	8,469,457	0	2,200,000	2,200,000	(2,200,000)	(2,200,000)	6,269,457	0

(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 November 30, 2012
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 11/30/12	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	1,618,493	738,711	2,357,204	0	0	0	0
Nonpersonal Service	0	301,964	301,964	237,742	64,222	301,964	0	0	0	0
Tenured Teacher Hearings NPS (a)	0	3,601,832	3,601,832	466,003	3,135,829	3,601,832	0	0 (b)	0	0
Subtotal	0	6,261,000	6,261,000	2,322,239	3,938,761	6,261,000	0	0	0	0
FEDERAL FUNDS										
<i>July-June Programs</i>										
Personal Service	N/A	N/A	919,993	0	919,993	919,993	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	270,503	0	270,503	270,503	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	264,005	0	264,005	264,005	N/A	N/A	N/A	0
Subtotal	N/A	N/A	1,454,501	0	1,454,501	1,454,501	N/A	N/A	N/A	0
SPECIAL REVENUE										
Office of Teacher Certification	3,048,118	6,800,000 (c)	9,848,118	2,860,893	4,136,997	6,997,890	(197,890) (e)	4,110	2,850,228	(202,000)
Regents Accreditation of Teacher Education	83,891	31,000 (d)	114,891	0	85,830	85,830	(54,830) (e)	31,000	29,061	(85,830)

(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 November 30, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 11/30/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	15,301,000	15,301,000	6,870,631	8,430,369	15,301,000	0	0	0	0
Nonpersonal Service	0	9,210,000	9,210,000	936,061	8,273,939	9,210,000	0	0	0	0
Subtotal	0	24,511,000	24,511,000	7,806,692	16,704,308	24,511,000	0	0	0	0
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	2,962,984	285,103	2,677,881	2,962,984	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	2,258,895	0	2,258,895	2,258,895	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	5,501,279	0	5,501,279	5,501,279	N/A	N/A	N/A	0
Subtotal	N/A	N/A	10,723,158	285,103	10,438,055	10,723,158	N/A	N/A	N/A	0
<i>July-June Programs (a)</i>										
Personal Service	N/A	N/A	27,827,955	2,727,991	25,099,964	27,827,955	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	25,943,215	0	25,943,215	25,943,215	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	127,776,670	1,988	127,774,682	127,776,670	N/A	N/A	N/A	0
Subtotal	N/A	N/A	181,547,840	2,729,978	178,817,862	181,547,840	N/A	N/A	N/A	0
SPECIAL REVENUE										
State School for the Blind at Batavia	0 (b)	10,019,549	10,019,549	4,507,608	5,511,941	10,019,549	0	0	0	0
State School for the Deaf at Rome	0 (b)	9,640,670	9,640,670	3,476,509	6,164,161	9,640,670	0	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 November 30, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 11/30/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	388,000	388,000	188,739	199,261	388,000	0	0	0	0
Nonpersonal Service	0	133,000	133,000	47,106	85,894	133,000	0	0	0	0
Subtotal	0	521,000	521,000	235,845	285,155	521,000	0	0	0	0
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	3,337,338	0	3,337,338	3,337,338	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	2,154,970	0	2,154,970	2,154,970	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	1,141,240	0	1,141,240	1,141,240	N/A	N/A	N/A	0
Subtotal	N/A	N/A	6,633,548	0	6,633,548	6,633,548	N/A	N/A	N/A	0
SPECIAL REVENUE										
Cultural Education Account										
Office of Cultural Education-Operations	(11,918,633)	27,700,000	15,781,367	11,426,212	15,542,667	26,968,879	731,121	731,121	(11,187,512)	0
Local Government Records										
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	1,426,696	1,938,772	3,365,468	339,512	339,512	339,512	0
Records Management Program	1,086,237	1,700,000	2,786,237	956,425	1,002,178	1,958,603	(258,603) (d)	24,551	827,634	(283,154)
Cultural Resource Survey Account	0 (c)	7,553,475	7,553,475	1,946,186	5,607,289	7,553,475	0	0	0	0
Education Museum Account	255,117	2,200,000	2,455,117	1,312,150	1,001,835	2,313,985	(113,985) (d)	2,200,000	141,132	(2,313,985)
Education Archives Account	139,623	12,000	151,623	32,663	57,337	90,000	(78,000) (d)	12,000	61,623	(90,000)
Education Library Account	123,546	60,000	183,546	43,769	76,231	120,000	(60,000) (d)	60,000	63,546	(120,000)
Grants and Bequests	251,951	0	251,951	24,820	216,331	241,151	(241,151) (d)	0	10,800	(241,151)
Archives Partnership Trust	120,825 (e)	559,538	680,363	210,281	348,787	559,068	470	470	121,295	0
Summer School for the Arts	22,861	657,990	680,851	538,933	119,057	657,990	0	0	22,861	0

(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, 2012**

For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 11/30/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	6,389,000	6,389,000	4,336,429	2,052,571	6,389,000	0	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	565,721	1,686,279	2,252,000	0	0	0	0
Subtotal	0	8,641,000	8,641,000	4,902,150	3,738,850	8,641,000	0	0	0	0
SPECIAL REVENUE										
Cost Recovery Account	67,491	17,250,000	17,317,491	8,739,316	8,535,409	17,274,725	(24,725) (a)	25,275	42,766	(50,000)
Automation and Printing (IT)	1,976,601	16,800,000	18,776,601	8,526,326	8,364,794	16,891,120	(91,120) (a)	458,880	1,885,481 (b)	(550,000)
Subtotal	2,044,092	34,050,000	36,094,092	17,265,642	16,900,203	34,165,845	(115,845)	484,155	1,928,247	(600,000)
State Operations Total:	2,044,092	42,691,000	44,735,092	22,167,792	20,639,053	42,806,845	(115,845)	484,155	1,928,247	0
FEDERAL FUNDS										
<i>July-June Programs</i>										
Personal Service	N/A	N/A	5,056,829	0	5,056,829	5,056,829	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	347,500	0	347,500	347,500	N/A	N/A	N/A	0
Subtotal	N/A	N/A	5,404,329	0	5,404,329	5,404,329	N/A	N/A	N/A	0

(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)