



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 September 2012 Fiscal Report
DATE: October 5, 2012
AUTHORIZATION(S): *J. B. S. G.*

Issues for Approval

The September Fiscal Report is presented for your review, discussion and acceptance. Also attached is a plan adjustment report to reflect increased revenue and expenditures for the Bureau of Proprietary School Supervision Account as a result of the passage of the Regents legislation to enhance oversight and consumer protection.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

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

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, 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 September 2012 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF September 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 9/30/12	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	9,181,951	15,920,253	25,102,204	0	0	0	
Nonpersonal Service	0	17,537,796	17,537,796	1,827,629	15,710,167	17,537,796	0 (a)	0	0	
Subtotal	0	42,640,000	42,640,000	11,009,581	31,630,419	42,640,000	0 (a)	0	0	
SPECIAL REVENUE										
All Accounts	Subtotal	13,449,327	156,721,619	170,170,946	51,662,842	103,084,837	154,747,679	1,973,940	7,838,713	15,423,267
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	50,686,432	6,364,769	44,321,663	50,686,432	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,882,750	3,133,861	37,748,889	40,882,750	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	19,159,746	3,983,101	15,176,645	19,159,746	N/A	N/A	N/A	
Subtotal	N/A	N/A	110,728,928	13,481,731	97,247,197	110,728,928	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,165,277	0	35,165,277	35,165,277	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	27,153,280	0	27,153,280	27,153,280	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	130,149,600	0	130,149,600	130,149,600	N/A	N/A	N/A	
Subtotal	N/A	N/A	192,468,157	0	192,468,157	192,468,157	N/A	N/A	N/A	
GRAND TOTALS	N/A	N/A	516,008,031	76,154,153	424,430,611	500,584,764	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 September 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 9/30/12	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	667,000	667,000	381,809	285,191	667,000	0	0	0
Nonpersonal Service	0	2,039,000	2,039,000	444,841	1,594,159	2,039,000	0	0	0
Subtotal	0	2,706,000	2,706,000	826,650	1,879,350	2,706,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	45,000,000	2,024,467	42,975,533	45,000,000	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	37,100,000	2,648,310	34,451,690	37,100,000	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	14,000,000	2,278,175	11,721,825	14,000,000	N/A	N/A	N/A
Subtotal	N/A	N/A	96,100,000	6,950,953	89,149,047	96,100,000	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,360,500	0	1,360,500	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	0	1,761,425	1,761,425	N/A	N/A	N/A
Subtotal	N/A	N/A	4,061,487	0	4,061,487	4,061,487	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	108,516	100,000 (b)	208,516	14,634	85,366	100,000	0	0	108,516
Social Security	0 (a)	519,272	519,272	84,855	434,417	519,272	0	0	0
Proprietary - Supervision	2,728,842	3,228,625 (c)	5,957,467	1,052,623	2,937,521	3,990,144	(761,519) (e)	(51,519)	1,967,323 (g)
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)
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

(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 September 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 9/30/12	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
<i>SPECIAL REVENUE</i>									
Office of the Professions	3,276,350	47,264,520 (a)	50,540,870	12,952,544	28,833,377	41,785,921	5,478,599	6,089,599	8,754,949
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

(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 September 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 9/30/12	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	1,081,559	1,275,645	2,357,204	0	0	0
Nonpersonal Service	0	301,964	301,964	121,233	180,731	301,964	0	0	0
Tenured Teacher Hearings NPS (a)	0	3,601,832	3,601,832	307,687	3,294,145	3,601,832	0	0 (b)	0
Subtotal	0	6,261,000	6,261,000	1,510,480	4,750,520	6,261,000	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
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	0	1,454,501	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	2,159,679	4,838,211	6,997,890	(197,890) (e)	4,110	2,850,228
Regents Accreditation of Teacher Education	83,891	31,000 (d)	114,891	0	85,830	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 September 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 9/30/12	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	15,301,000	15,301,000	5,485,222	9,815,778	15,301,000	0	0	0
Nonpersonal Service	0	9,210,000	9,210,000	814,505	8,395,495	9,210,000	0	0	0
Subtotal	0	24,511,000	24,511,000	6,299,727	18,211,273	24,511,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	1,901,454	447,640	2,349,094	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,627,780	299,172	1,328,608	1,627,780	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	1,651,751	2,366,755	4,018,506	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	3,852,376	4,143,004	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	27,827,955	0	27,827,955	27,827,955	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	25,943,215	0	25,943,215	25,943,215	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	127,776,670	0	127,776,670	127,776,670	N/A	N/A	N/A
Subtotal	N/A	N/A	181,547,840	0	181,547,840	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	2,678,833	7,340,716	10,019,549	0	0	0
State School for the Deaf at Rome	0 (b)	9,640,670	9,640,670	2,086,186	7,554,484	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 September 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 9/30/12	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	388,000	388,000	150,238	237,762	388,000	0	0	0
Nonpersonal Service	0	133,000	133,000	4,495	128,505	133,000	0	0	0
Subtotal	0	521,000	521,000	154,733	366,267	521,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	2,438,848	898,490	3,337,338	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,154,970	186,379	1,968,591	2,154,970	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,141,240	53,175	1,088,065	1,141,240	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	2,678,402	3,955,146	6,633,548	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(11,918,633)	27,700,000	15,781,367	8,800,221	18,168,658	26,968,879	731,121	731,121	(11,187,512)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	3,435,692	(70,224)	3,365,468	339,512	339,512	339,512
Records Management Program	1,086,237	1,700,000	2,786,237	743,844	1,214,759	1,958,603	(258,603) (d)	24,551	827,634
Cultural Resource Survey Account	0 (c)	7,553,475	7,553,475	1,424,237	6,129,238	7,553,475	0	0	0
Education Museum Account	255,117	2,200,000	2,455,117	909,050	1,404,935	2,313,985	(113,985) (d)	2,200,000	141,132
Education Archives Account	139,623	12,000	151,623	16,954	73,046	90,000	(78,000) (d)	12,000	61,623
Education Library Account	123,546	60,000	183,546	3,951	116,049	120,000	(60,000) (d)	60,000	63,546
Grants and Bequests	251,951	0	251,951	7,549	233,602	241,151	(241,151) (d)	0	10,800
Archives Partnership Trust	120,825 (e)	559,538	680,363	169,047	390,021	559,068	470	470	121,295
Summer School for the Arts	22,861	657,990	680,851	61,320	596,670	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 September 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 9/30/12	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	6,389,000	6,389,000	2,083,123	4,305,877	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	134,868	2,117,132	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	2,217,991	6,423,009	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	67,491	17,250,000	17,317,491	8,219,235	9,055,490	17,274,725	(24,725) (a)	25,275	42,766
Automation and Printing (IT)	1,976,601	16,800,000	18,776,601	6,739,681	10,151,439	16,891,120	(91,120) (a)	458,880	1,885,481 (b)
Subtotal	2,044,092	34,050,000	36,094,092	14,958,916	19,206,929	34,165,845	(115,845)	484,155	1,928,247
State Operations Total:	2,044,092	42,691,000	44,735,092	17,176,907	25,629,938	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	0	5,056,829	5,056,829	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	347,500	0	347,500	347,500	N/A	N/A	N/A
Subtotal	N/A	N/A	5,404,329	0	5,404,329	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)

SED PLAN ADJUSTMENT REPORT
September 30, 2012

	<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
SPECIAL REVENUE				
<u>Office of Adult Career and Continuing Education Services</u>				
Bureau of Proprietary School Supervision - 2012-2013 Projected Revenue	\$3,052,000	\$3,228,625	\$176,625	Revenue was increased to represent new fees collected as a result of the passage of the BPSS legislation.
Bureau of Proprietary School Supervision - Total Expenditures Actual and Projected	\$3,705,712	\$3,990,144	\$284,432	Expenditures were increased to reflect additional staff needed as a result of the passage of the BPSS legislation. Funds will be used to enhance services provided by the office.
		Total Changes	\$461,057	