



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
SUBJECT: State Education Department January 2012 Fiscal Report
DATE: February 3, 2012
AUTHORIZATION(S):

Issues for Approval

The January 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 January Fiscal Report reflects actual expenditures through January 31, 2012 and projected expenditures through the lapse period ending June 30, 2012.

Account Update

The following accounts continue to have funding issues:

- Tenured Teacher Hearing account - the program is 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 – the account is now in structural balance on a current year basis; however, the account continues to carry a large accumulated deficit from past years.

Update on Executive Proposed 2012-13 State Budget

The 2012-2013 Executive Budget recommendations include a number of Board of Regents legislative and budget priorities:

- Funding to support the baseline Regents exams and Assessments program at a level that will allow for continuation of all Regents exams offered in the current school year including January 2013 Regents. The Executive Budget provides resources of \$8.5 million by including an appropriation of \$7.0 million in addition to use of one-time ARRA resources of \$1.5 million.
- Continuation of additional funding of \$700,000 added by the Legislature last year for our GED program in order to maintain accessibility to GED tests.
- Tenured Teacher Hearing (TTH) reform similar to the legislation advanced by the Board of Regents. Our legislative proposal included sharing costs between the State, districts, and collective bargaining units to better align incentives, control costs and ensure timeliness. The Executive Budget proposal proposes the costs of hearings be split equally between the districts and the collective bargaining units. Traditional General Fund support of \$3.8 million would be used to pay down the accumulated deficit. The Executive proposal will be discussed in greater detail in the Higher Education Committee.

While the current fiscal environment continues to be challenging the outlook for our agency operations has improved compared to prior years.

- The agency's General Fund state operations support is cut by 2.5 percent (versus double digit cuts in prior years).
- No decreases to state operations special revenue appropriations.

Recommendation

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

Timetable for Implementation

N/A

OPERATIONS AND MANAGEMENT SERVICES
FINANCIAL STATUS AS OF January 31, 2012
For State Fiscal Year 2011-12

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 1/31/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	6,553,000	6,553,000	4,544,328	2,008,672	6,553,000	0	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	1,386,254	1,062,746	2,449,000	0	0	0	0
Subtotal	0	9,002,000	9,002,000	5,930,582	3,071,418	9,002,000	0	0	0	0
SPECIAL REVENUE										
Cost Recovery Account	436,107	18,750,000	19,186,107	16,613,761	2,099,972	18,713,733	36,267	36,267	472,374	0
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	12,818,858	4,643,042	17,461,900	(961,900) (a)	38,100	3,144,352 (b)	(1,000,000)
Subtotal	4,542,359	35,250,000	39,792,359	29,432,619	6,743,014	36,175,633	(925,633)	74,367	3,616,726	(1,000,000)
State Operations Total:	4,542,359	44,252,000	48,794,359	35,363,201	9,814,432	45,177,633	(925,633)	74,367	3,616,726	0
OTHER RETIREMENT SYSTEMS										
	0	1,468,000	1,468,000	1,445,918	22,082	1,468,000	0	0	0	0
FEDERAL FUNDS										
<i>July-June Programs</i>										
Personal Service	N/A	N/A	4,598,231	1,560,082	3,038,149	4,598,231	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	332,500	4,520	327,980	332,500	N/A	N/A	N/A	0
Subtotal	N/A	N/A	4,930,731	1,564,602	3,366,129	4,930,731	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)

OFFICE OF P-12
FINANCIAL STATUS AS OF January 31, 2012
For State Fiscal Year 2011-12

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 1/31/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	15,572,000	15,572,000	7,831,449	7,740,551	15,572,000	0	0	0	0
Nonpersonal Service	0	9,926,000	9,926,000	1,737,451	8,188,549	9,926,000	0	0	0	0
Subtotal	0	25,498,000	25,498,000	9,568,900	15,929,100	25,498,000	0	0	0	0
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	2,349,094	264,258	2,084,836	2,349,094	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	1,627,780	266,673	1,361,107	1,627,780	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	4,018,506	1,692	4,016,814	4,018,506	N/A	N/A	N/A	0
Subtotal	N/A	N/A	7,995,380	532,623	7,462,757	7,995,380	N/A	N/A	N/A	0
<i>July-June Programs (a)</i>										
Personal Service	N/A	N/A	29,463,534	9,246,888	20,216,646	29,463,534	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	22,624,300	1,525,409	21,098,891	22,624,300	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	100,171,887	741,663	99,430,224	100,171,887	N/A	N/A	N/A	0
Subtotal	N/A	N/A	152,259,721	11,513,960	140,745,761	152,259,721	N/A	N/A	N/A	0
SPECIAL REVENUE										
State School for the Blind at Batavia	0 (b)	10,020,000	10,020,000	6,250,358	3,769,642	10,020,000	0	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	9,600,120	5,029,813	4,570,307	9,600,120	0	0	0	0
Fiduciary (January Assessments)	0	1,500,000	1,500,000	0	1,500,000	1,500,000	0	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)

HIGHER EDUCATION
FINANCIAL STATUS AS OF January 31, 2012
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 1/31/12	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	2,704,906	2,704,906	2,157,620	547,286	2,704,906	0	0	0	0
Nonpersonal Service	0	280,994	280,994	132,165	148,829	280,994	0	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	1,543,114	11,109,986	12,653,100	(9,000,000)	(9,000,000) (a)	(9,000,000)	0
Subtotal	0	6,639,000	6,639,000	3,832,899	11,806,101	15,639,000	(9,000,000)	(9,000,000)	(9,000,000)	0
FEDERAL FUNDS										
<i>July-June Programs</i>										
Personal Service	N/A	N/A	930,300	0	930,300	930,300	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	248,293	0	248,293	248,293	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	266,325	0	266,325	266,325	N/A	N/A	N/A	0
Subtotal	N/A	N/A	1,444,918	0	1,444,918	1,444,918	N/A	N/A	N/A	0
SPECIAL REVENUE										
Office of Teacher Certification	2,708,997	6,600,000 (b)	9,308,997	4,792,800	1,858,285	6,651,085	(51,085) (d)	15	2,657,912	(51,100)
Regents Accreditation of Teacher Education	68,282	31,000 (c)	99,282	497	49,503	50,000	(19,000) (d)	0	49,282	(19,000)

(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

CULTURAL EDUCATION
FINANCIAL STATUS AS OF January 31, 2012
For State Fiscal Year 2011-12

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 1/31/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	398,000	398,000	327,005	70,995	398,000	0	0	0	0
Nonpersonal Service	0	144,000	144,000	65,914	78,086	144,000	0	0	0	0
Subtotal	0	542,000	542,000	392,919	149,081	542,000	0	0	0	0
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	3,337,338	679,238	2,658,100	3,337,338	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	2,154,970	5,396	2,149,574	2,154,970	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	1,141,240	10,807	1,130,433	1,141,240	N/A	N/A	N/A	0
Subtotal	N/A	N/A	6,633,548	695,441	5,938,107	6,633,548	N/A	N/A	N/A	0
SPECIAL REVENUE										
Cultural Education Account										
Office of Cultural Education-Operations	(14,452,981)	28,750,000	14,297,019	19,906,786	7,653,042	27,559,828	1,190,172	1,190,172	(13,262,809)	0
Local Government Records										
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	2,995,032	709,948	3,704,980	0	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	1,368,616	258,744	1,627,360	72,640	72,640	1,727,418	0
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	3,538,644	6,343,551	9,882,195	0	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	963,885	2,010,025	2,973,910	126,090	126,090	129,781	0
Education Archives Account	183,459	15,000	198,459	26,719	48,921	75,640	(60,640) (d)	15,000	122,819	(75,640)
Education Library Account	127,434	65,000	192,434	59,454	47,046	106,500	(41,500) (d)	65,000	85,934	(106,500)
Grants and Bequests	483,265	173,523	656,788	260,929	382,148	643,077	(469,554) (d)	36,420	13,711	(505,974)
Archives Partnership Trust	128,526 (e)	690,000	818,526	430,119	259,881	690,000	0	0	128,526	0
Summer School for the Arts	211,074	697,000	908,074	688,037	217,348	905,385	(208,385) (d)	697,000	2,689	(905,385)

(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.

PROFESSIONS
FINANCIAL STATUS AS OF January 31, 2012
For State Fiscal Year 2011-12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 1/31/12	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	One Time Adjustment	
<i>SPECIAL REVENUE</i> Office of the Professions	7,194,305	47,264,520 (a)	54,458,825	31,948,808	12,080,815	44,029,623	3,234,897	6,045,897	10,429,202 (b)	(2,811,000)

(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

ADULT CAREER AND CONTINUING EDUCATION SERVICES
FINANCIAL STATUS AS OF January 31, 2012
For State Fiscal Year 2011-12

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Available Funds on 4/1/11	2011-2012 Projected Revenue	Cumulative Projected Revenue 2011-2012	Actual Expenditures Through 1/31/12	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	One Time Adjustment
GENERAL FUND										
Personal Service	0	886,700	886,700	742,834	143,866	886,700	0	0	0	0
Nonpersonal Service	0	1,973,300	1,973,300	479,127	1,494,173	1,973,300	0	0	0	0
Subtotal	0	2,860,000	2,860,000	1,221,961	1,638,039	2,860,000	0	0	0	0
FEDERAL FUNDS										
<i>October-September Programs (b)</i>										
Personal Service	N/A	N/A	45,000,000	0	45,000,000	45,000,000	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	37,100,000	0	37,100,000	37,100,000	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	14,000,000	0	14,000,000	14,000,000	N/A	N/A	N/A	0
Subtotal	N/A	N/A	96,100,000	0	96,100,000	96,100,000	N/A	N/A	N/A	0
<i>July-June Programs</i>										
Personal Service	N/A	N/A	1,444,742	457,965	986,777	1,444,742	N/A	N/A	N/A	0
Fringe/Indirect Costs	N/A	N/A	1,162,124	0	1,162,124	1,162,124	N/A	N/A	N/A	0
Nonpersonal Service	N/A	N/A	1,830,259	4,673	1,825,586	1,830,259	N/A	N/A	N/A	0
Subtotal	N/A	N/A	4,437,125	462,638	3,974,487	4,437,125	N/A	N/A	N/A	0
SPECIAL REVENUE										
Workers' Compensation	121,074	105,000 (f)	226,074	98,255	6,745	105,000	0	0	121,074	0
Social Security	0 (a)	535,599	535,599	191,798	343,801	535,599	0	0	0	0
Proprietary - Supervision	2,264,330	3,000,000 (g)	5,264,330	2,116,221	1,454,655	3,570,876	(570,876) (c)	139,124	1,693,454 (d)	(710,000)
Proprietary - Tuition Reimbursement	2,393,647	300,000 (h)	2,693,647	223,187	276,813	500,000	(200,000) (c)	300,000	2,193,647 (e)	(500,000)
High School Equivalency (GED)	958,981	225,000	1,183,981	0	655,000	655,000	(430,000) (c)	0	528,981	(430,000)

(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.

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF January 31, 2012
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 1/31/12	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	26,114,606	26,114,606	15,603,236	10,511,370	26,114,606	0	0	0		
Nonpersonal Service	0	18,426,394	18,426,394	5,344,025	22,082,369	27,426,394	(9,000,000) (a)	(9,000,000)	(9,000,000)		
Other Retirement Systems	0	1,468,000	1,468,000	1,445,918	22,082	1,468,000	0	0	0		
Subtotal	0	46,009,000	46,009,000	22,393,179	32,615,821	55,009,000	(9,000,000) (a)	(9,000,000)	(9,000,000)		
SPECIAL REVENUE											
All Accounts	Subtotal	8,591,221	163,208,937	171,800,158	110,322,577	51,239,234	161,561,811	1,647,126 (b)	8,761,725	10,238,347	(7,114,599)
FEDERAL FUNDS											
<i>October-September Programs</i>											
Personal Service	N/A	N/A	50,686,432	943,496	49,742,936	50,686,432	N/A	N/A	N/A	0	
Fringe/Indirect Costs	N/A	N/A	40,882,750	272,069	40,610,681	40,882,750	N/A	N/A	N/A	0	
Nonpersonal Service	N/A	N/A	19,159,746	12,499	19,147,247	19,159,746	N/A	N/A	N/A	0	
Subtotal	N/A	N/A	110,728,928	1,228,064	109,500,864	110,728,928	N/A	N/A	N/A	0	
<i>July-June Programs</i>											
Personal Service	N/A	N/A	36,436,807	11,264,935	25,171,872	36,436,807	N/A	N/A	N/A	0	
Fringe/Indirect Costs	N/A	N/A	24,034,717	1,525,409	22,509,308	24,034,717	N/A	N/A	N/A	0	
Nonpersonal Service	N/A	N/A	102,600,971	750,856	101,850,115	102,600,971	N/A	N/A	N/A	0	
Subtotal	N/A	N/A	163,072,495	13,541,200	149,531,295	163,072,495	N/A	N/A	N/A	0	
GRAND TOTALS											
	N/A	N/A	491,610,581	147,485,019	342,887,215	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