



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: Donald Juron *Donald E Juron*
SUBJECT: State Education Department December 2013 Fiscal Report
DATE: January 6, 2014

AUTHORIZATION(S):

J. B. J. Jr.

Issues for Approval

The December Fiscal Report is presented for your review, discussion and acceptance. Also attached is a plan adjustment report to reflect increased revenue for the Cultural Education Account above previously projected levels.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The December Fiscal Report reflects actual expenditures through December 31, 2013 and projected expenditures through the lapse period ending June 30, 2014.

Background Information

- All Funds – Extensive spending controls continue.
- General Fund – Overall spending plans reflect the amounts appropriated in the 2013-2014 enacted budget. General Fund accounts are in structural balance with the exception of the Tenured Teacher Hearings (TTH) account. The 2013-14 budget includes a \$6 million appropriation for TTH claims, an increase of \$2.2 million from the prior year. With these

additional funds, the deficit at the end of 2013-14 is projected to be \$2.03 million.

- 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 \$3.7 million.
- Federal – This report reflects current year plans for two year grant awards.

Recommendation

I recommend that the Board of Regents accept the December 2013 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF DECEMBER 31, 2013
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End	
GENERAL FUND										
Personal Service	0	25,671,801	25,671,801	17,532,021	8,139,780	25,671,801	0	0	0	
Nonpersonal Service	0	22,040,199	22,040,199	7,740,203	16,329,996	24,070,199	(2,030,000) (a)	(2,030,000) (a)	(2,030,000) (a)	
Subtotal	0	47,712,000	47,712,000	25,272,224	24,469,776	49,742,000	(2,030,000) (a)	(2,030,000) (a)	(2,030,000) (a)	
SPECIAL REVENUE										
All Accounts	Subtotal	27,292,250	159,109,205	186,401,455	109,520,429	48,274,270	157,794,699	1,314,506 (b)	8,732,652	28,606,756
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	51,597,920	276,162	51,321,758	51,597,920	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,664,101	290,803	40,373,298	40,664,101	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	20,399,056	1,884	20,397,172	20,399,056	N/A	N/A	N/A	
Subtotal	N/A	N/A	112,661,077	568,848	112,092,229	112,661,077	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,784,279	10,448,327	25,335,952	35,784,279	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	29,152,398	2,472,537	26,679,861	29,152,398	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	179,858,230	29,136,260	150,721,970	179,858,230	N/A	N/A	N/A	
Subtotal	N/A	N/A	244,794,907	42,057,123	202,737,784	244,794,907	N/A	N/A	N/A	
GRAND TOTALS										
	N/A	N/A	591,569,439	177,418,624	387,574,059	564,992,683	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 DECEMBER 31, 2013
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	667,000	667,000	596,004	70,996	667,000	0	0	0
Nonpersonal Service	0	3,539,000	3,539,000	769,969	2,769,031	3,539,000	0	0	0
Subtotal	0	4,206,000	4,206,000	1,365,973	2,840,027	4,206,000	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
Fringe/Indirect Costs	N/A	N/A	36,506,056	0	36,506,056	36,506,056	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	13,997,777	0	13,997,777	13,997,777	N/A	N/A	N/A
Subtotal	N/A	N/A	96,388,769	0	96,388,769	96,388,769	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,706,700	216,088	1,490,612	1,706,700	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,255,278	0	1,255,278	1,255,278	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	626,260	0	626,260	626,260	N/A	N/A	N/A
Subtotal	N/A	N/A	3,588,238	216,088	3,372,150	3,588,238	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	146,779	100,000 (b)	246,779	13,715	86,285	100,000	0	0	146,779
Social Security	0 (a)	175,640	175,640	3,229,852	(3,054,212)	175,640	0	0	0
Proprietary - Supervision	3,307,787	3,816,088 (c)	7,123,875	2,481,172	1,846,644	4,327,816	(511,728) (e)	238,272	2,796,059 (g)
Proprietary - Tuition Reimbursement	2,708,783	330,000 (d)	3,038,783	89,375	610,625	700,000	(370,000) (e)	130,000	2,338,783 (h)
High School Equivalency (GED)	778,359	225,000	1,003,359	519,439	403,931	923,370	(698,370) (f)	(698,370) (f)	79,989

(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 DECEMBER 31, 2013
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
<i>SPECIAL REVENUE</i>									
Office of the Professions	12,390,393	44,508,836 (a)	56,899,229	30,403,042	12,332,951	42,735,993	1,772,843	3,996,891	14,163,236
E-Licensing Project	8,400,000	0	8,400,000	0	2,400,000	2,400,000	(2,400,000)	0	6,000,000

(a) A sweep of \$2,777,000 is anticipated against this account pursuant to the enacted State budget.

HIGHER EDUCATION
FINANCIAL STATUS AS OF DECEMBER 31, 2013
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	2,226,801	2,226,801	2,011,465	215,336	2,226,801	0	0	0
Nonpersonal Service	0	161,873	161,873	15,728	146,145	161,873	0	0	0
Tenured Teacher Hearings NPS	0	5,772,326	5,772,326	3,461,620	4,340,706	7,802,326	(2,030,000)	(2,030,000) (a)	(2,030,000)
Subtotal	0	8,161,000	8,161,000	5,488,813	4,702,187	10,191,000	(2,030,000)	(2,030,000)	(2,030,000)
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	895,960	127,884	768,076	895,960	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	290,523	0	290,523	290,523	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	268,018	477	267,541	268,018	N/A	N/A	N/A
Subtotal	N/A	N/A	1,454,501	128,361	1,326,140	1,454,501	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	2,871,192	6,900,000 (b)	9,771,192	5,340,410	1,754,545	7,094,955	(194,955) (d)	58,045	2,676,237
Regents Accreditation of Teacher Education	41,382	31,000 (c)	72,382	35,830	34,522	70,352	(39,352) (d)	31,000	2,030

(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 DECEMBER 31, 2013
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	16,001,000	16,001,000	10,480,103	5,520,897	16,001,000	0	0	0
Nonpersonal Service	0	10,010,000	10,010,000	1,777,292	8,232,708	10,010,000	0	0	0
Subtotal	0	26,011,000	26,011,000	12,257,395	13,753,605	26,011,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,962,984	276,162	2,686,822	2,962,984	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,258,895	290,803	1,968,092	2,258,895	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	5,501,279	1,884	5,499,395	5,501,279	N/A	N/A	N/A
Subtotal	N/A	N/A	10,723,158	568,848	10,154,310	10,723,158	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	28,124,790	9,858,524	18,266,266	28,124,790	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	27,606,597	2,472,537	25,134,060	27,606,597	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	178,616,452	29,135,783	149,480,669	178,616,452	N/A	N/A	N/A
Subtotal	N/A	N/A	234,347,839	41,466,844	192,880,995	234,347,839	N/A	N/A	N/A
SPECIAL REVENUE									
State School for the Blind at Batavia	0 (b)	10,020,000	10,020,000	7,363,884	2,656,116	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,445,727	9,445,727	5,509,248	3,936,479	9,445,727	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 DECEMBER 31, 2013
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	388,000	388,000	237,964	150,036	388,000	0	0	0
Nonpersonal Service	0	305,000	305,000	37,732	267,268	305,000	0	0	0
Subtotal	0	693,000	693,000	275,696	417,304	693,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,750,000	0	2,750,000	2,750,000	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,899,150	0	1,899,150	1,899,150	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	900,000	0	900,000	900,000	N/A	N/A	N/A
Subtotal	N/A	N/A	5,549,150	0	5,549,150	5,549,150	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(8,497,206)	32,700,000	24,202,794	18,483,229	10,516,771	29,000,000	3,700,000	3,700,000	(4,797,206)
Local Government Records									
Management Improvement Fund	0 (a)	3,462,476 (b)	3,462,476	3,000,052	462,424	3,462,476	0	0	0
Records Management Program	790,961	2,883,156	3,674,117	1,703,441	479,847	2,183,288	699,868	699,868	1,490,829
Cultural Resource Survey Account	0 (c)	6,270,432	6,270,432	3,191,502	3,078,930	6,270,432	0	0	0
Education Museum Account	7,116	2,234,975	2,242,091	325,180	1,513,348	1,838,528	396,447	396,447	403,563
Education Archives Account	90,821	17,000	107,821	30,063	26,837	56,900	(39,900) (d)	17,000	50,921
Education Library Account	81,054	65,000	146,054	34,259	97,741	132,000	(67,000) (d)	65,000	14,054
Grants and Bequests	242,208	8,000	250,208	98,626	25,720	124,346	(116,346) (d)	8,000	125,862
Archives Partnership Trust	116,130 (e)	559,538	675,668	270,084	276,243	546,327	13,211	13,211	129,341
Summer School for the Arts	35,736	856,337	892,073	592,008	229,097	821,105	35,232	35,232	70,968

(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 \$782,000 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 DECEMBER 31, 2013**
For State Fiscal Year 2013-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/13	2013-2014 Projected Revenue	Cumulative Projected Revenue 2013-2014	Actual Expenditures Through 12/31/13	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2013-2014 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/14	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	6,389,000	6,389,000	4,206,486	2,182,514	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	1,677,862	574,138	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	5,884,348	2,756,652	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	1,020,635	17,500,000	18,520,635	14,915,687	2,565,628	17,481,315	18,685	18,685	1,039,320
Automation and Printing (IT)	2,760,121	17,000,000	19,760,121	11,890,331	5,993,798	17,884,129	(884,129) (a)	23,371	1,875,992 (b)
Subtotal	3,780,756	34,500,000	38,280,756	26,806,018	8,559,426	35,365,444	(865,444)	42,056	2,915,312
State Operations Total:	3,780,756	43,141,000	46,921,756	32,690,366	11,316,078	44,006,444	(865,444)	42,056	2,915,312
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	5,056,829	245,831	4,810,998	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	245,831	5,158,498	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
December 31, 2013

		<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
SPECIAL REVENUE					
<u>Office of Cultural Education</u>					
Cultural Education Account - 14 Projected Revenue	2013-	\$31,200,000	\$32,700,000	\$1,500,000	Adjustment to reflect increased revenue in the Cultural Education Account.
			Total Changes	\$1,500,000	