



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: Theresa E. Savo *Theresa E. Savo*

COMMITTEE: Full Board

TITLE OF ITEM: State Education Department January 2003 Fiscal Report

DATE OF SUBMISSION: February 3, 2003

PROPOSED HANDLING: Approval

RATIONALE FOR ITEM: Approval of January 2003 Fiscal Report

STRATEGIC GOAL: Goal 5

AUTHORIZATION(S): *[Signature]*

SUMMARY:

The January 2003 Fiscal Report is attached for your review, discussion and action. We have received no USNY grants since the last Fiscal Report.

January begins the final quarter of the 2002-2003 fiscal year. We have revisited our expenditure and revenue projections in preparation for the close of the State fiscal year and found only one minor adjustment is necessary at this time. A Variance Report summarizing this adjustment is attached.

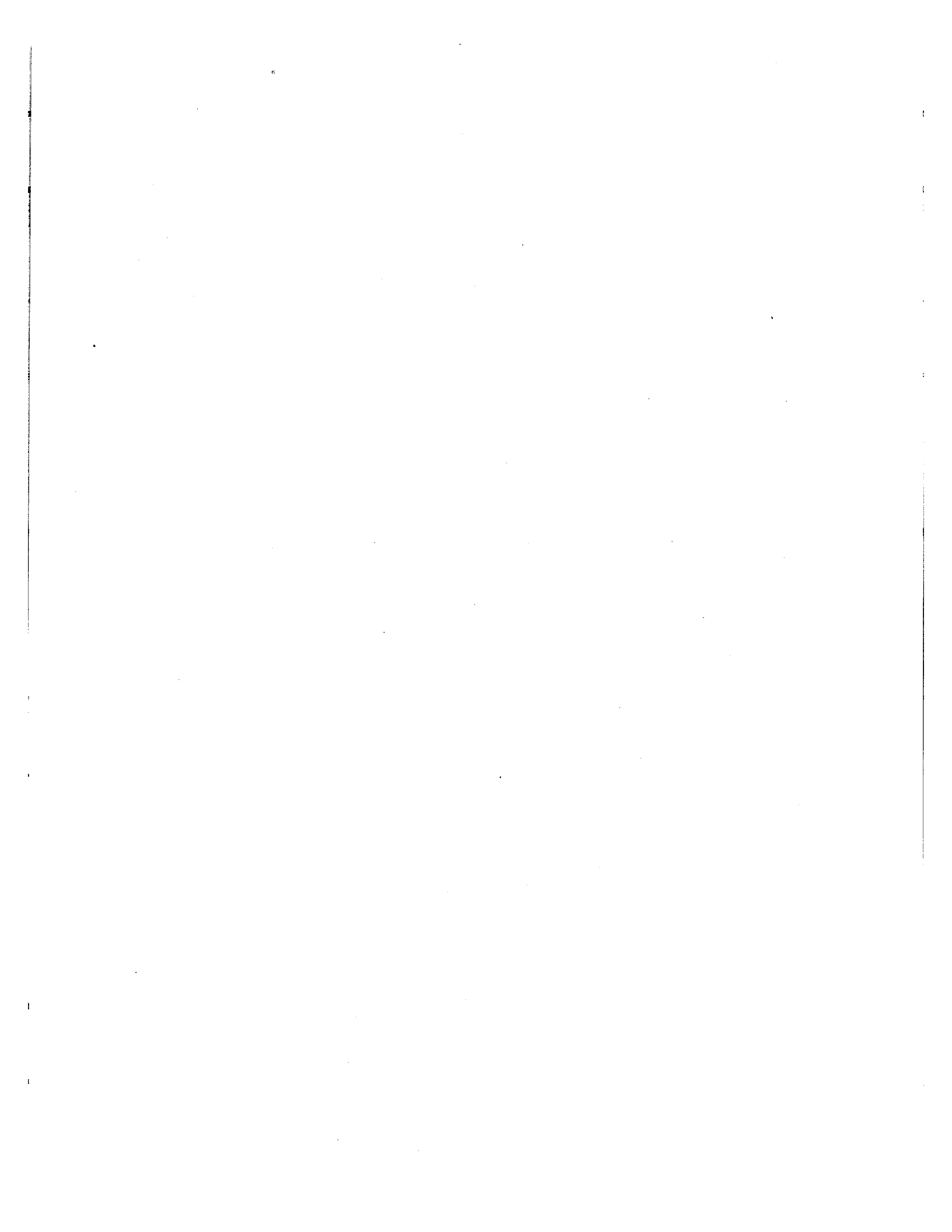
- General Fund - Our general fund accounts are in structural balance.
- Special Revenue - All revenue accounts are in balance (allowing for normal reimbursement delays and the planned use of prior year balances).
- Federal Accounts - Our Federal accounts are in structural balance.

Our Budget Coordination staff and I will continue to closely monitor each of these accounts and work with program office fiscal staff and the Deputies to insure structural balance. Please contact me if you have any questions regarding this report.

I recommend that the Board of Regents take the following action:

VOTED, that the Board of Regents approve the January 2003 State Education Department Fiscal Report.

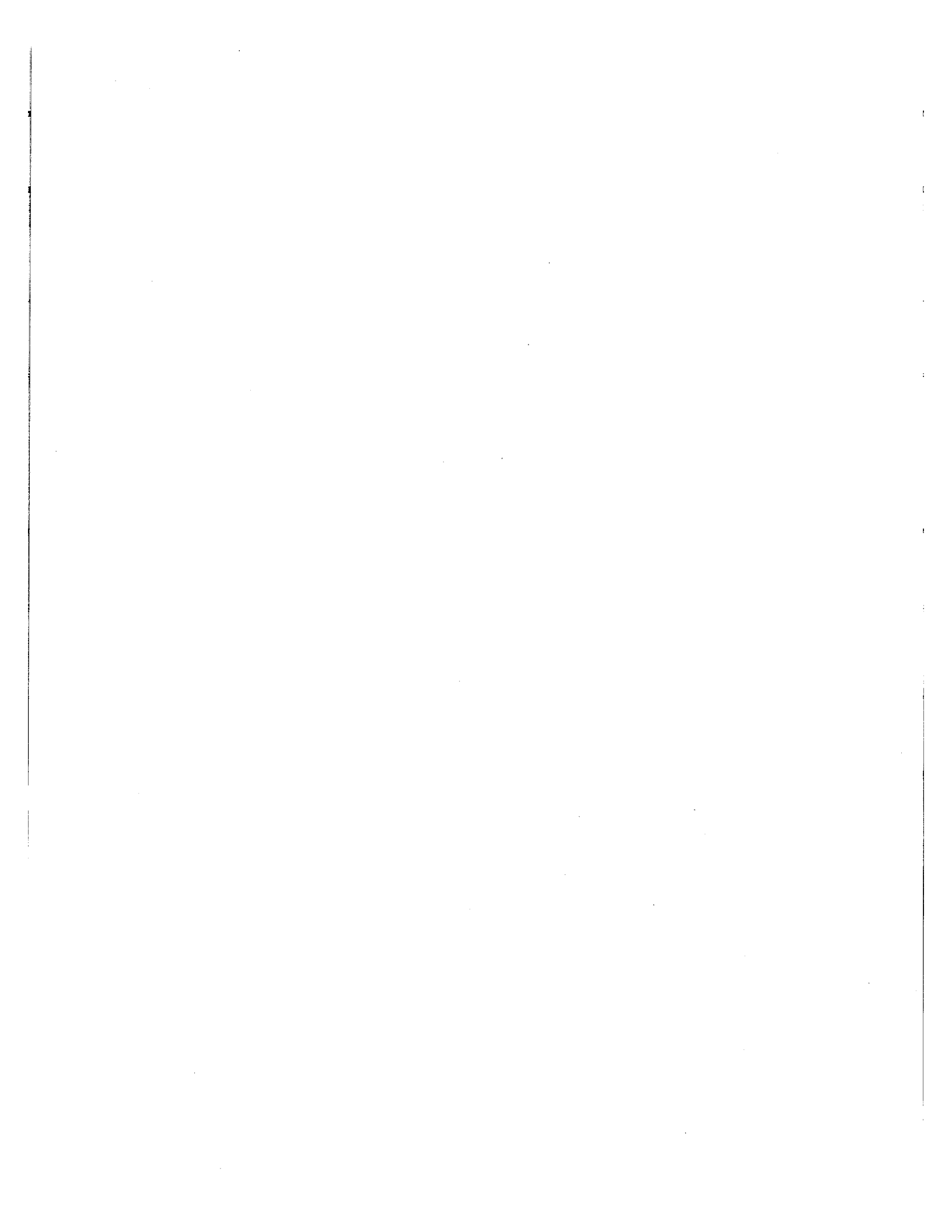
Attachments



January Variance Report

	December Report (1)	January Report (2)	Variance (3) = (2-1)	Explanation
Special Revenue				
High School Equivalency (GED) Expenditure	\$170,000	\$200,000	\$30,000	Increase reflects higher cost of using temporary agency staff.
Revenue vs Expenditures	\$0	-\$30,000	-\$30,000	One-time use of prior year balances to cover higher cost of using temporary agency staff.

Office of Elementary, Middle, Secondary and Continuing Education



**DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF JANUARY 31, 2003**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 1/31/03	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service		27,640,553	27,640,553	22,313,025	5,327,528	27,640,553	0	0	
Nonpersonal Service		18,127,005	18,127,005	11,894,970	6,232,035	8,127,005	0	0	
Other Retirement Systems		1,190,000	1,190,000	294,308	855,692	1,190,000	0	0	
Subtotal (a)		46,957,558	46,957,558	34,502,302	12,455,256	46,957,558	0	0	
SPECIAL REVENUE									
All Accounts	19,123,086	93,260,673	112,383,764	72,583,019	21,970,296	94,553,315	(1,292,637) (b)	2,686,556	17,830,449
Subtotal									
FEDERAL FUNDS									
Personal Service			71,917,043	16,801,318	55,115,725	71,917,043			0
Nonpersonal Service			33,721,741	4,841,416	28,880,325	33,721,741			0
Mandated Costs			43,369,358	1,175,749	42,193,609	43,369,358			0
Subtotal			143,008,142	22,818,483	126,189,659	149,008,142			0

(a) The 2002-2003 General Fund allocation includes \$136,958 suballocated from the Department of Labor for the Adolescent Vocational Exploration/Progressive Adolescent Vocational Exploration(AVE/PAVE) program.
 (b) This imbalance is the result of normal cash flow and the one-time expenditures of prior year funds.

VOCATIONAL AND EDUCATIONAL SERVICES FOR INDIVIDUALS WITH DISABILITIES
 FINANCIAL STATUS AS OF JANUARY 31, 2003

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 1/31/03	Projected Expenditures to Program Period End	Total Actual and Projected Expenditures	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service (a)		734,873	734,873	836,587	(101,714)	734,873	0	0	
Nonpersonal Service		33,837	33,837	20,855	12,982	33,837	0	0	
Subtotal		768,710	768,710	857,442	(88,732)	768,710	0	0	
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service			38,040,000	11,182,409	26,857,591	38,040,000	0	0	0
Nonpersonal Service			9,250,000	1,080,841	8,169,159	9,250,000	0	0	0
Mandated Costs			21,786,800	519,705	21,267,095	21,786,800	0	0	0
Subtotal			69,076,800	12,782,955	56,293,845	69,076,800	0	0	0
<i>July-June Programs</i>									
Personal Service			8,273,691	2,097,005	6,176,686	8,273,691	0	0	0
Nonpersonal Service			11,622,094	515,632	11,106,462	11,622,094	0	0	0
Mandated Costs			9,587,652	590,354	8,997,298	9,587,652	0	0	0
Subtotal			29,483,437	3,202,991	26,280,446	29,483,437	0	0	0
SPECIAL REVENUE									
Workers' Compensation	1,212,006	126,300	1,338,306	661,300	126,300	787,600	(661,300) (b)	0	550,706
State School for the Blind at Batavia	0	7,196,000	7,196,000	5,343,155	1,852,845	7,196,000	0	0	0
State School for the Deaf at Rome	0	7,508,000	7,508,000	5,144,685	2,363,315	7,508,000	0	0	0
Batavia Intermediate Care Facility	0	2,822,000	2,822,000	1,486,139	1,335,861	2,822,000	0	0	0

(a) This General Fund negative balance is the result of delayed Federal allocations due to the lack of Federal budget agreement. This negative will be removed as soon as Federal funding is received.

(b) This imbalance is the result of normal cash flow and the use of prior year funds to meet current year one-time obligations.

**OFFICE OF THE PROFESSIONS
FINANCIAL STATUS OF JANUARY 31, 2003**

	(1) Available Funds on 4/1/02	(2) 2002-03 Projected Revenue	SFY 02-03		(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2002-03 Projected Revenue vs Expenditures	(8) Projected Structural Balance at 3/31/03	(9) Cumulative Projected Balance at Program Period End
			(3) Cumulative Projected Revenue 2002-03	(4) Actual Expenditures Through 1/31/03					
GENERAL FUND									
Personal Service		0	0	0	0	0	0	0	
Nonpersonal Service		0	0	0	0	0	0	0	
FEDERAL FUNDS									
July-June Programs									
Personal Service			389,907	748,041	1,117,948				0
Nonpersonal Service			22,987	182,513	205,500				0
Mandated Costs			0	0	0				0
Subtotal			392,894	930,554	1,323,448				0
SPECIAL REVENUE									
Office of the Professions (a)	10,812,739	33,877,655	24,977,164	10,091,828	55,068,992	(1,191,337)	382,663	9,621,402	(d)

(a) Includes the foreign and out-of-state medical school evaluation program.
 (b) Includes revenue of \$2.30 million to be transferred to the Department of Health.
 (c) This imbalance is the result of normal cash flow and the use of prior year funds to meet current year obligations including \$1,574,000 in one-time expenditures.
 (d) A fund balance of \$3.0 million is reserved for cash flow purposes. The remaining fund balance will be drawn down for technology purchases over the next two years.
 (e) Revenue based on a three year average.

**OFFICE OF HIGHER EDUCATION
FINANCIAL STATUS AS OF JANUARY 31, 2003**

(1)	(2)	SFY 02-03			(6)	(7)	(8)	(9)
		(3)	(4)	(5)				
Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 1/31/03	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND								
Personal Service	3,305,418 (a)	3,305,418	2,822,180	483,238	3,305,418	0	0	
Nonpersonal Service- Regular	617,533	617,533	420,344	197,189	617,533	0	0	
Nonpersonal Service- Tenured Teacher Hearings	1,154,000	1,154,000	1,085,499	68,501	1,154,000	0	0	
Subtotal	5,076,951 (b)	5,076,951	4,328,023	748,928	5,076,951	0	0	
FEDERAL FUNDS								
October-September Programs								
Personal Service		0	0	0	0	0	0	0
Nonpersonal Service		0	0	0	0	0	0	0
Mandated Costs		0	0	0	0	0	0	0
Subtotal		0	0	0	0	0	0	0
July-June Programs								
Personal Service		1,026,047	218,472	807,575	1,026,047	0	0	0
Nonpersonal Service		203,212	3,637	199,575	203,212	0	0	0
Mandated Costs		317,267	15,309	301,958	317,267	0	0	0
Subtotal		1,546,526	237,418	1,309,108	1,546,526	0	0	0
SPECIAL REVENUE								
Proprietary- Supervision (c)	378,545	2,180,545	1,379,944	303,056	1,683,000	119,000	115,000	497,545
Proprietary- Bad Debt (d)	(838,172)	(838,172)	0	0	0	0	0	(838,172)
Proprietary- Tuition Reimbursement	1,549,497	1,759,497	75,789	94,211	170,000	40,000	0	1,589,497
Office of Teacher Certification	3,953,459	9,066,983	4,565,388	548,136	5,113,524	0	0	3,953,459

(a) Includes \$190,000 for Tenured Teacher Hearings.

(b) Includes the OHE General Fund allocation of \$4,939,994 and suballocation of \$136,958 from the Department of Labor for the Adolescent Vocational Exploration/Progressive Adolescent Vocational Exploration (AVEPAVE) program.

(c) Account expenditures since the bad debt (see below) was excluded have been limited to the amount of revenue received or less.

(d) This balance represents a pre-existing structural deficit resulting from prior year circumstances beyond SED control. SED has asked the Division of the Budget to forgive this debt.

**OFFICE OF CULTURAL EDUCATION
FINANCIAL STATUS AS OF JANUARY 31, 2003**

	(1) Available Funds on 4/1/02	(2) 2002-03 Projected Revenue	SFY 02-03		(6) Total Expenditures Actual and Projected	(7) 2002-03 Projected Revenue vs Expenditures	(8) Projected Structural Balance at 3/31/03	(9) Cumulative Projected Balance at Program Period End
			(3) Cumulative Projected Revenue 2002-03	(4) Actual Expenditures Through 1/31/03				
GENERAL FUND								
Personal Service	0	0	0	0	0	0	0	0
Nonpersonal Service	0	0	0	0	0	0	0	0
FEDERAL FUNDS								
<i>October-September Programs</i>								
Personal Service		3,345,462	614,774	2,730,688	3,345,462	0		0
Nonpersonal Service		1,153,832	92,979	1,060,853	1,153,832	0		0
Mandated Costs		1,370,943	46,450	1,324,493	1,370,943	0		0
Subtotal		5,870,237	754,203	5,116,034	5,870,237			0
<i>July-June Programs</i>								
Personal Service		48,225	25,594	22,631	48,225	0		0
Nonpersonal Service		0	0	0	0	0		0
Mandated Costs		21,802	3,931	17,871	21,802	0		0
Subtotal		70,027	29,525	40,502	70,027			0
<i>April-March Programs</i>								
Personal Service		0	0	0	0	0		0
Nonpersonal Service		0	0	0	0	0		0
Mandated Costs		0	0	0	0	0		0
Subtotal		0	0	0	0			0

	(1) Available Funds on 4/1/02	(2) 2002-03 Projected Revenue	(3) Cumulative Projected Revenue 2002-03	(4) Actual Expenditures Through 1/31/03	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2002-03 Projected Revenue vs Expenditures	(8) Projected Structural Balance at 3/31/03	(9) Cumulative Projected Balance at Program Period End
Cultural Education Account	0	23,212,000	23,212,000	17,760,746	8,239,254	25,229,300	(2,017,300) (c)	0	(2,017,300)
Local Government Records	0	3,139,930	3,139,930	2,508,087	631,843	3,139,930	0	0	0
Management Improvement Fund	722,603	1,191,000	1,913,603	810,456	380,544	1,191,000	0	0	722,603
Records Management- Program	(1,910,686) (a)	0	(1,910,686)	0	0	0	0	0	(1,910,686)
Records Management-Bad Debt	0	3,500,000	3,500,000	1,869,551	1,630,449	3,500,000	0	0	0
Cultural Resource Survey	211,936	499,968	711,904	576,112	34,888	611,000	(111,032) (d)	0	100,904
Education Museum Account	159,160	115,000	274,160	101,588	48,412	150,000	(35,000) (d)	0	124,160
Education Archives Account	433,125	85,000	518,125	23,620	61,380	85,000	0	0	433,125
Education Library Account	303,606	15,140	318,746	0	13,000	13,000	2,140	2,140	305,746
Grants and Bequests	465,031 (b)	539,161	1,004,192	432,949	106,212	539,161	0	0	465,031
Archives Partnership Trust									

(a) This balance represents a pre-existing structural deficit resulting from the failure of other State agencies to pay fees prior to 1996-97 (\$350,311) and inadequate fee revenues from 1987 through 1996 (\$1,560,375). SED has asked the Division of the Budget to forgive this debt. SED will continue to try and collect these fees until such time as the debt is forgiven.

(b) Excludes endowment funds.

(c) This planned imbalance is the result of 3/4 year revenue to offset full year expenditures in the initial year of the new revenue account. This imbalance will be corrected in 2003-2004.

(d) This imbalance is the result of normal cash flow and the one-time expenditure of prior year funds.

**OFFICE OF MANAGEMENT SERVICES
FINANCIAL STATUS OF JANUARY 31, 2003**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/02	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 1/31/03	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2002-03 Projected Revenue vs Expenditures	Projected Structural Balance at 3/31/03	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service		12,074,782	12,074,782	7,128,777	4,945,005	12,074,782	0	0	
Nonpersonal Service		7,508,503	7,508,503	3,631,681	3,875,822	7,508,503	0	0	
Subtotal		19,583,285	19,583,285	10,760,458	8,822,827	19,583,285	0	0	
SPECIAL REVENUE									
Cost Recovery Account	302,909 (a)	13,000,000	13,302,909	12,741,123	121,252	12,865,375	134,625	1,742,486	437,534
Automation and Printing	903,106	11,800,000	12,703,106	9,345,905	2,013,828	11,359,733	440,267	440,267	1,343,373
Subtotal	1,206,015	24,800,000	26,006,015	22,087,028	2,138,081	24,225,108	574,892	2,182,753	1,780,907
State Operations Total:	1,206,015	44,383,285	45,589,300	32,847,486	10,960,908	43,808,393	574,892	2,182,753	1,780,907
OTHER RETIREMENT SYSTEMS		1,190,000	1,190,000	294,308	895,692	1,190,000	0	0	0
FEDERAL FUNDS									
October - September									
Personal Service			33,500	9,888	23,612	33,500	0		0
Nonpersonal Service			0	0	0	0	0		0
Mandated Costs			0	0	0	0	0		0
Subtotal			33,500	9,888	23,612	33,500	0		0
July-June Programs									
Personal Service			3,270,718	638,938	2,631,780	3,270,718	0		0
Nonpersonal Service			127,500	24,200	103,300	127,500	0		0
Mandated Costs			0	0	0	0	0		0
Subtotal			3,398,218	663,138	2,735,080	3,398,218	0		0

(a) This represents the reconciled cash balance in this account including outstanding recoveries and obligations.