



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 February 2003 Fiscal Report

DATE OF SUBMISSION: March 4, 2003

PROPOSED HANDLING: Approval

RATIONALE FOR ITEM: Approval of February 2003 Fiscal Report

STRATEGIC GOAL: Goal 5

AUTHORIZATION(S): *[Signature]*

SUMMARY:

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

We are now in the final month of the State 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 February 2003 State Education Department Fiscal Report.

Attachments

February Variance Report

January Report (1)	February Report (2)	Variance (3) = (2-1)	Explanation
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Office of Higher Education

Special Revenue

Office of Teacher Certification

Revenue	5,113,524	5,747,198	633,674	Projected revenue adjustment based on revenues received year to date.
Expenditure	5,113,524	5,747,198	633,674	Projected expenditure adjustment based on year-to-date expenditures and obligations.

**DEPARTMENT GRAND TOTALS
FINANCIAL STATUS OF FEBRUARY 28, 2003**

	SFY 02-03							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Available Funds on 4/1/03	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 2/28/03	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	27,640,533	27,640,553	24,739,879	2,900,674	27,640,553	0	0	0
Nonpersonal Service	18,127,015	18,127,005	15,512,512	2,614,493	18,127,005	0	0	0
Other Retirement: Systems	1,190,010	1,190,000	394,821	795,179	1,190,000	0	0	0
Subtotal (a)	46,957,558	46,957,558	40,647,212	6,310,346	46,957,558	0	0	0
SPECIAL REVENUE								
All Accounts	93,894,352	113,017,438	83,250,259	11,935,730	95,186,989	(1,292,637) (b)	2,686,556	17,830,449
Subtotal	19,123,086	113,017,438	83,250,259	11,935,730	95,186,989	(1,292,637) (b)	2,686,556	17,830,449
FEDERAL FUNDS								
Personal Service		71,917,043	23,697,047	48,219,996	71,917,043			0
Nonpersonal Service		33,721,741	7,769,435	25,952,306	33,721,741			0
Mandated Costs		43,369,358	4,772,728	38,595,630	43,369,358			0
Subtotal		149,008,142	36,239,211	112,768,931	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(AVEPAVE) program.
(b) This imbalance is the result of normal cash flow and the one-time expenditure of prior year funds.

VOCATIONAL AND EDUCATIONAL SERVICES FOR INDIVIDUALS WITH DISABILITIES
 FINANCIAL STATUS AS OF FEBRUARY 28, 2003

(1)	SFY 02-03			(5)	(6)	(7)	(8)	(9)
	(2)	(3)	(4)					
Available Funds on 4/1/03	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 2/28/03	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
	734,873	734,873	734,873	0	734,873	0	0	0
	33,837	33,837	20,855	12,982	33,837	0	0	0
Subtotal	768,710	768,710	755,728	12,982	768,710	0	0	0
GENERAL FUND								
Personal Service (a)								
Nonpersonal Service								
FEDERAL FUNDS								
<i>October-September Programs</i>								
Personal Service		33,040,000	14,054,642	23,985,358	38,040,000			0
Nonpersonal Service		9,250,000	2,274,472	6,975,528	9,250,000			0
Mandated Costs		21,786,800	3,194,264	18,592,536	21,786,800			0
Subtotal		69,076,800	19,523,378	49,583,422	69,076,800			0
<i>July-June Programs</i>								
Personal Service		8,273,691	2,772,049	5,501,642	8,273,691			0
Nonpersonal Service		11,622,094	674,837	10,947,257	11,622,094			0
Mandated Costs		9,587,652	1,451,861	8,135,791	9,587,652			0
Subtotal		29,483,437	4,898,747	24,581,690	29,483,437			0
SPECIAL REVENUE								
Workers' Compensation	1,212,006	1,338,306	661,300	125,300	787,600	(661,300) (b)	0	560,706
State School for the Blind at Batavia	0	7,196,000	5,756,705	1,439,295	7,196,000	0	0	0
State School for the Deaf at Rome	0	7,508,000	5,542,574	1,965,426	7,508,000	0	0	0
Batavia Intermediate Care Facility	0	2,822,000	1,587,559	1,234,441	2,822,000	0	0	0

(a) Assumes the transfer of expenditures totaling \$38,397 to Federal funds.

(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 AS OF FEBRUARY 28, 2003

	(1) Available Funds on 4/1/03	(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 2/28/03					
GENERAL FUND									
Personal Service	0	0	0	0	0	0	0	0	0
Nonpersonal Service	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0
FEDERAL FUNDS									
July-June Programs									
Personal Service			1,117,948	453,304	664,644	1,117,948			0
Nonpersonal Service			205,500	45,708	159,792	205,500			0
Mandated Costs			0	0	0	0			0
Subtotal			1,323,448	499,012	824,436	1,323,448			0
SPECIAL REVENUE									
Office of the Professions (a)	10,812,739	33,877,655	44,690,394	30,108,237	4,980,755	35,068,992	(1,191,337)	382,663	9,621,402

(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 OF FEBRUARY 28, 2003**

(1) Available Funds on 4/1/03	(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 2/02-03	(4) Actual Expenditures Through 2/28/03	(5) Projected Expenditures to Program Period End				
GENERAL FUND								
Personal Service	3,305,418 (a)	3,305,418	3,032,964	272,454	3,305,418	0	0	0
Nonpersonal Service- Regular	617,533	617,533	463,466	154,067	617,533	0	0	0
Nonpersonal Service- Tenured Teacher								
Hearings	1,154,000	1,154,000	1,095,848	58,152	1,154,000	0	0	0
Subtotal	5,076,951 (b)	5,076,951	4,592,278	484,673	5,076,951	0	0	0
FEDERAL FUNDS								
<i>October-September Programs</i>								
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
<i>July-June Programs</i>								
Personal Service		1,026,047	444,062	581,985	1,026,047	0	0	0
Nonpersonal Service		203,212	3,825	199,387	203,212	0	0	0
Mandated Costs		317,267	35,299	281,968	317,267	0	0	0
Subtotal		1,546,526	483,186	1,063,340	1,546,526	0	0	0
SPECIAL REVENUE								
Proprietary- Supervision (c)	378,545	1,802,000	1,553,944	129,056	1,683,000	119,000	119,000	497,545
Proprietary- Bad Debt (d)	(838,172)	0	0	0	0	0	0	(838,172)
Proprietary- Tuition Reimbursement	1,549,497	210,000	113,034	56,966	170,000	40,000	0	1,589,497
Office of Teacher Certification	3,953,459	5,747,193	5,485,678	261,520	5,747,198	0	0	3,953,459

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

(b) Includes the OHE General Fund allocation of \$1,939,994 and suballocation of \$136,958 from the Department of Labor for the Adolescent Vocational Exploration/Progressive Adolescent Vocational Exploration (AVE/PANE) 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.

**ELEMENTARY, MIDDLE, SECONDARY, AND CONTINUING EDUCATION
FINANCIAL STATUS AS OF FEBRUARY 28, 2003**

(1) Available Funds or 4/1/03	← SFY 02-03		→ SFY 02-03		(7) 2002.03 Projected Revenue vs Expenditures	(8) Projected Structural Balance at 3/31/03	(9) Cumulative Projected Balance at Program Period End
	(2) 2002.03 Projected Revenue	(3) Cumulative Projected Revenue 2/02-03	(4) Actual Expenditures Through 2/28/03	(5) Projected Expenditures to Program Period End			
	11,525,480	11,525,480	11,525,480	0	0	0	0
	8,813,132	8,813,132	8,533,810	279,322	0	0	0
Subtotal	20,338,612	20,338,612	20,059,290	279,322	0	0	0
		2,552,086	134,774	2,47,312	2,552,086	0	0
		1,685,094	274,677	1,410,417	1,685,094	0	0
		2,003,930	1,014	2,002,916	2,003,930	0	0
Subtotal		6,241,110	410,465	5,830,645	6,241,110		0
		14,209,366	4,198,851	10,010,515	14,209,366	0	0
		9,474,509	4,347,830	5,126,679	9,474,509	0	0
		8,280,964	24,709	8,256,255	8,280,964	0	0
Subtotal		31,964,839	8,571,390	23,393,449	31,964,839		0

GENERAL FUND

Personal Service (a)
Nonpersonal Service

FEDERAL FUNDS

October-September Programs
Personal Service
Nonpersonal Service
Mandated Costs

July-June Programs

Personal Service
Nonpersonal Service
Mandated Costs

SPECIAL REVENUE

Summer Institutes (b)
High School Equivalency (GED) (c)

- (a) Assumes time and effort reconciliation expenditure transfer of \$1,707,070 to Federal funds.
- (b) Assumes the transfer of expenditures totaling \$108,640 to State funds.
- (c) This \$30,000 negative balance is the result of the one-time expenditure of prior year funds. Assumes the transfer of expenditures totaling \$62,638 to Workforce Investment Act (WIA) funds when the funds are allocated shortly.

**OFFICE OF CULTURAL EDUCATION
FINANCIAL STATUS AS OF FEBRUARY 28, 2003**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/03	2002-03 Projected Revenue	Cumulative Projected Revenue 2002-03	Actual Expenditures Through 2/28/03	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		0	0	0	0	0	0	0	
Nonpersonal Service		0	0	0	0	0	0	0	
Subtotal		0	0	0	0	0	0	0	
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service			3,345,462	744,406	2,601,056	3,345,462			0
Nonpersonal Service			1,153,832	121,406	1,032,426	1,153,832			0
Mandated Costs			1,370,943	61,650	1,309,293	1,370,943			0
Subtotal			5,870,237	927,462	4,942,775	5,870,237			0
<i>July-June Programs</i>									
Personal Service			48,225	31,279	16,946	48,225			0
Nonpersonal Service			0	0	0	0			0
Mandated Costs			21,802	3,931	17,871	21,802			0
Subtotal			70,027	35,210	34,817	70,027			0
<i>April-March Programs</i>									
Personal Service			0	0	0	0			0
Nonpersonal Service			0	0	0	0			0
Mandated Costs			0	0	0	0			0
Subtotal			0	0	0	0			0
SPECIAL REVENUE									
Cultural Education Account	0	23,212,000	23,212,000	20,970,331	4,238,969	25,229,300	(2,017,300) (c)	0	(2,017,300)
Local Government Records	0	3,139,930	3,139,930	2,824,427	315,503	3,139,930	0	0	0
Records Management-Program	722,603	1,191,000	1,913,603	918,643	272,357	1,191,000	0	0	722,603
Records Management-Bad Debt	(1,910,686) (a)	0	(1,910,686)	0	0	0	0	0	(1,910,686)
Cultural Resource Survey	0	3,500,000	3,500,000	2,041,186	1,458,814	3,500,000	0	0	0
Education Museum Account	211,936	489,968	711,904	483,875	127,125	611,000	(111,032) (d)	0	100,904
Education Archives Account	159,160	115,000	274,160	90,930	59,070	150,000	(35,000) (c)	0	124,160
Education Library Account	433,125	85,000	518,125	34,069	50,931	85,000	0	0	433,125
Grants and Bequests	303,606	15,147	318,746	13,000	13,000	13,000	2,140	2,140	305,746
Archives Partnership Trust	465,031 (b)	539,161	1,004,192	469,929	69,232	539,161	0	0	465,031

(a) This balance represents a pre-existing structural deficit resulting from the failure of other State agencies to pay fees prior to '96-97 (\$350,111) 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 eliminated 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 FEBRUARY 28, 2003**

SFY 02-03

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds or 4/1/03	2002-03 Projected Revenue	Cumulative Projected Revenue 2/02-03	Actual Expenditures Through 2/28/03	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	2,074,782	9,446,561	2,628,221	12,074,782	0	0	0
Nonpersonal Service		7,508,503	7,508,503	5,398,534	2,109,969	7,508,503	0	0	0
Subtotal		19,583,285	9,583,285	14,845,095	4,738,190	19,583,285	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	302,909 (a)	13,000,000	13,302,909	14,450,516	(1,585,140)	12,865,375	134,625	1,742,486	437,534
Automation and Printing		11,800,000	12,703,106	10,377,653	982,080	11,359,733	440,267	440,267	1,343,373
Subtotal		24,800,000	26,006,015	24,828,169	(603,061)	24,225,108	574,892	2,182,753	1,780,907
State Operations Total:	1,206,015	44,383,285	45,589,300	39,673,264	4,135,129	43,808,393	574,892	2,182,753	1,780,907
OTHER RETIREMENT SYSTEMS									
FEDERAL FUNDS									
October - September		1,190,000	1,190,000	394,821	785,179	1,190,000	0	0	0
Personal Service			33,500	11,857	21,643	33,500	0	0	0
Nonpersonal Service			0	0	0	0	0	0	0
Mandated Costs			0	0	0	0	0	0	0
Subtotal			33,500	11,857	21,643	33,500	0	0	0
July-June Programs									
Personal Service		3,270,718	3,270,718	851,824	2,418,894	3,270,718	0	0	0
Nonpersonal Service		127,500	127,500	26,680	100,820	127,500	0	0	0
Mandated Costs		0	0	0	0	0	0	0	0
Subtotal		3,398,218	3,398,218	878,503	2,519,715	3,398,218	0	0	0

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