



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 March 2012 Fiscal Report

DATE: April 9, 2012

AUTHORIZATION(S):

J. B. J. G.

Issues for Approval

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

Account Update

The Tenured Teacher Hearing account - the program had an estimated cumulative deficit of \$9.0 million on March 31, 2012.

Update on the 2012-13 Enacted State Budget

The 2012-13 Enacted Budget recommendations include a number of Board of Regents budget and legislative priorities:

- Funding of \$8.5 million to support baseline Regents exams which consists of all Regents exams offered in the current school year including January Regents exams.
- Continuation of additional funding of \$700,000 added by the Legislature last year for our GED program in order to maintain accessibility to the GED test.
- Tenured teacher hearing cost containment measures and process improvements designed to help control costs and streamline the hearing process.

Additional funding for ELA 9/10 Regents exams and testing integrity was not included 2012-13 Enacted Budget.

Recommendation

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

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF March 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 3/31/12	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	25,911,906	25,911,906	24,649,780	1,262,126	25,911,906	0	0	0
Nonpersonal Service	0	18,629,094	18,629,094	14,991,468	12,637,626	27,629,094	(9,000,000) (a)	(9,000,000)	(9,000,000)
Other Retirement Systems	0	1,468,000	1,468,000	1,468,000	0	1,468,000	0	0	0
Subtotal	0	46,009,000	46,009,000	41,109,248	13,899,752	55,009,000	(9,000,000) (a)	(9,000,000)	(9,000,000)
SPECIAL REVENUE									
All Accounts	8,591,221	163,208,937	171,800,158	136,702,824	24,858,987	161,561,811	1,647,126 (b)	8,761,725	10,238,347
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	50,686,432	3,450,178	47,236,254	50,686,432	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	40,882,750	3,235,308	37,647,442	40,882,750	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	19,159,746	434,267	18,725,479	19,159,746	N/A	N/A	N/A
Subtotal	N/A	N/A	110,728,928	7,119,753	103,609,175	110,728,928	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	36,436,807	24,051,630	12,385,177	36,436,807	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	24,034,717	2,562,218	21,472,499	24,034,717	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	102,600,971	3,664,236	98,936,735	102,600,971	N/A	N/A	N/A
Subtotal	N/A	N/A	163,072,495	30,278,084	132,794,411	163,072,495	N/A	N/A	N/A
GRAND TOTALS	N/A	N/A	491,610,581	215,209,909	275,162,325	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.

ADULT CAREER AND CONTINUING EDUCATION SERVICES
FINANCIAL STATUS AS OF March 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 3/31/12	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	684,000	684,000	588,439	95,561	684,000	0	0	0
Nonpersonal Service	0	2,176,000	2,176,000	1,779,442	396,558	2,176,000	0	0	0
Subtotal	0	2,860,000	2,860,000	2,367,881	492,119	2,860,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs (b)</i>									
Personal Service	N/A	N/A	45,000,000	1,545,675	43,454,325	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	270,072	13,729,928	14,000,000	N/A	N/A	N/A
Subtotal	N/A	N/A	96,100,000	4,464,057	91,635,943	96,100,000	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,444,742	703,876	740,866	1,444,742	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,162,124	0	1,162,124	1,162,124	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,830,259	92,583	1,737,676	1,830,259	N/A	N/A	N/A
Subtotal	N/A	N/A	4,437,125	796,459	3,640,666	4,437,125	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	121,074	105,000 (f)	226,074	83,319	21,681	105,000	0	0	121,074
Social Security	0 (a)	535,599	535,599	150,401	385,198	535,599	0	0	0
Proprietary - Supervision	2,264,330	3,000,000 (g)	5,264,330	2,629,935	940,941	3,570,876	(570,876) (c)	139,124	1,693,454 (d)
Proprietary - Tuition Reimbursement	2,393,647	300,000 (h)	2,693,647	224,676	275,324	500,000	(200,000) (c)	300,000	2,193,647 (e)
High School Equivalency (GED)	958,981	225,000	1,183,981	198,000	457,000	655,000	(430,000) (c)	0	528,981

(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.

PROFESSIONS
FINANCIAL STATUS AS OF March 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 3/31/12	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
<i>SPECIAL REVENUE</i> Office of the Professions	7,194,305	47,264,520 (a)	54,458,825	38,706,997	5,322,626	44,029,623	3,234,897	6,045,897	10,429,202 (b)

(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.

**HIGHER EDUCATION
FINANCIAL STATUS AS OF March 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 3/31/12	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	2,627,702	77,204	2,704,906	0	0	0
Nonpersonal Service	0	280,994	280,994	152,793	128,201	280,994	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	3,564,689	9,088,411	12,653,100	(9,000,000)	(9,000,000) (a)	(9,000,000)
Subtotal	0	6,639,000	6,639,000	6,345,184	9,293,816	15,639,000	(9,000,000)	(9,000,000)	(9,000,000)
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	930,300	484,743	445,557	930,300	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	248,293	3,084	245,209	248,293	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	266,325	0	266,325	266,325	N/A	N/A	N/A
Subtotal	N/A	N/A	1,444,918	487,827	957,091	1,444,918	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	2,708,997	6,600,000 (b)	9,308,997	5,797,455	853,630	6,651,085	(51,085) (d)	15	2,657,912
Regents Accreditation of Teacher Education	68,282	31,000 (c)	99,282	497	49,503	50,000	(19,000) (d)	0	49,282

(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 March 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 3/31/12	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	15,572,000	15,572,000	14,537,898	1,034,102	15,572,000	0	0	0
Nonpersonal Service	0	9,926,000	9,926,000	7,107,252	2,818,748	9,926,000	0	0	0
Subtotal	0	25,498,000	25,498,000	21,645,150	3,852,850	25,498,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	691,946	1,657,148	2,349,094	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,627,780	400,619	1,227,161	1,627,780	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	145,549	3,872,957	4,018,506	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	1,238,114	6,757,266	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	29,463,534	20,733,015	8,730,519	29,463,534	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	22,624,300	2,559,134	20,065,166	22,624,300	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	100,171,887	3,245,666	96,926,221	100,171,887	N/A	N/A	N/A
Subtotal	N/A	N/A	152,259,721	26,537,815	125,721,906	152,259,721	N/A	N/A	N/A
SPECIAL REVENUE									
State School for the Blind at Batavia	0 (b)	10,020,000	10,020,000	7,973,180	2,046,820	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	9,600,120	6,479,485	3,120,635	9,600,120	0	0	0
Fiduciary (January Assessments)	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	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 March 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 3/31/12	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	398,000	398,000	398,000	0	398,000	0	0	0
Nonpersonal Service	0	144,000	144,000	127,500	16,500	144,000	0	0	0
Subtotal	0	542,000	542,000	525,500	16,500	542,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	1,212,557	2,124,781	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	18,646	1,122,594	1,141,240	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	1,417,582	5,215,966	6,633,548	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(14,452,981)	28,750,000	14,297,019	26,270,132	1,289,696	27,559,828	1,190,172	1,190,172	(13,262,809)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	3,682,980	22,000	3,704,980	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	1,609,360	18,000	1,627,360	72,640	72,640	1,727,418
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	4,467,534	5,414,661	9,882,195	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	1,634,064	1,339,846	2,973,910	126,090	126,090	129,781
Education Archives Account	183,459	15,000	198,459	54,073	21,567	75,640	(60,640) (d)	15,000	122,819
Education Library Account	127,434	65,000	192,434	60,702	45,798	106,500	(41,500) (d)	65,000	85,934
Grants and Bequests	483,265	173,523	656,788	335,619	307,458	643,077	(469,554) (d)	36,420	13,711
Archives Partnership Trust	128,526 (e)	690,000	818,526	531,591	158,409	690,000	0	0	128,526
Summer School for the Arts	211,074	697,000	908,074	688,037	217,348	905,385	(208,385) (d)	697,000	2,689

(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 March 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 3/31/12	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	6,553,000	6,553,000	6,497,741	55,259	6,553,000	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	2,259,792	189,208	2,449,000	0	0	0
Subtotal	0	9,002,000	9,002,000	8,757,533	244,467	9,002,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	436,107	18,750,000	19,186,107	17,754,186	959,547	18,713,733	36,267	36,267	472,374
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	17,370,601	91,299	17,461,900	(961,900) (a)	38,100	3,144,352 (b)
Subtotal	4,542,359	35,250,000	39,792,359	35,124,787	1,050,846	36,175,633	(925,633)	74,367	3,616,726
State Operations Total:	4,542,359	44,252,000	48,794,359	43,882,320	1,295,313	45,177,633	(925,633)	74,367	3,616,726
OTHER RETIREMENT SYSTEMS									
	0	1,468,000	1,468,000	1,468,000	0	1,468,000	0	0	0
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	4,598,231	2,129,996	2,468,235	4,598,231	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	332,500	325,987	6,513	332,500	N/A	N/A	N/A
Subtotal	N/A	N/A	4,930,731	2,455,983	2,474,748	4,930,731	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)