



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 August 2012 Fiscal Report
DATE: September 6, 2012
AUTHORIZATION(S): *J. B. J. G.*

Issues for Approval

The August Fiscal Report is presented for your review, discussion and acceptance. Due to Statewide Financial System (SFS) initial implementation issues, this is the first report for the 2012-2013 State fiscal year. This report reflects current year spending plans for the General Fund, Special Revenue, and July-June Federal funds. The Federal October-September funds reflect 2011-2012 spending plans. All spending plans are developed by the program offices in conjunction with the Bureau of Budget Coordination.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

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

Background Information

- All Funds – Extensive spending controls continue.

- General Fund – Overall spending plans reflect a 2.5 percent reduction from the 2011-2012 levels as included in the 2012-2013 enacted budget. General Fund accounts are in structural balance with the exception of the Tenured Teacher Hearings (TTH) account, although fiscal and programmatic reforms were included in the enacted state budget, there continues to be a deficit of an estimated \$9 million in unpaid bills due to chronic underfunding of this program. Based on the new TTH legislation, claims received for cases commencing after April 1, 2012 will be paid first from this appropriation. Any funds remaining after new case claims are paid will be used for prior year claims.
- 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 \$700,000.
- Federal – This report reflects current year plans for two year grant awards.

I am pleased to report that for 2011-12, SED exceeded our Minority and Women Business Enterprise (MWBE) goal. SED's goal was 20%, actual utilization was 21%.

Recommendation

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

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End	
GENERAL FUND										
Personal Service	0	25,102,204	25,102,204	7,795,312	17,306,892	25,102,204	0	0	0	
Nonpersonal Service	0	17,537,796	17,537,796	1,585,243	24,952,553	26,537,796	(9,000,000) (a)	(9,000,000)	(9,000,000)	
Subtotal	0	42,640,000	42,640,000	9,380,556	42,259,444	51,640,000	(9,000,000) (a)	(9,000,000)	(9,000,000)	
SPECIAL REVENUE										
All Accounts	Subtotal	13,449,327	156,544,994	169,994,321	44,971,783	109,491,464	154,463,247	2,081,747	7,946,520	15,531,074
FEDERAL FUNDS										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	50,686,432	5,493,998	45,192,434	50,686,432	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,882,750	2,958,009	37,924,741	40,882,750	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	19,159,746	3,235,609	15,924,137	19,159,746	N/A	N/A	N/A	
Subtotal	N/A	N/A	110,728,928	11,687,616	99,041,312	110,728,928	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,165,277	0	35,165,277	35,165,277	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	27,153,280	0	27,153,280	27,153,280	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	130,149,600	0	130,149,600	130,149,600	N/A	N/A	N/A	
Subtotal	N/A	N/A	192,468,157	0	192,468,157	192,468,157	N/A	N/A	N/A	
GRAND TOTALS	N/A	N/A	515,831,406	66,039,954	443,260,378	509,300,332	N/A	N/A	N/A	

(a) This structural imbalance is the result of continued underfunding for the Tenured Teacher Hearing program.

ADULT CAREER AND CONTINUING EDUCATION SERVICES
FINANCIAL STATUS AS OF August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	667,000	667,000	333,611	333,389	667,000	0	0	0
Nonpersonal Service	0	2,039,000	2,039,000	442,392	1,596,608	2,039,000	0	0	0
Subtotal	0	2,706,000	2,706,000	776,003	1,929,997	2,706,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</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	1,862,230	12,137,770	14,000,000	N/A	N/A	N/A
Subtotal	N/A	N/A	96,100,000	6,056,215	90,043,785	96,100,000	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,360,500	0	1,360,500	1,360,500	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	939,562	0	939,562	939,562	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,761,425	0	1,761,425	1,761,425	N/A	N/A	N/A
Subtotal	N/A	N/A	4,061,487	0	4,061,487	4,061,487	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	108,516	100,000 (b)	208,516	1,148	98,852	100,000	0	0	108,516
Social Security	0 (a)	519,272	519,272	75,066	444,206	519,272	0	0	0
Proprietary - Supervision	2,728,842	3,052,000 (c)	5,780,842	865,071	2,840,641	3,705,712	(653,712) (e)	56,288	2,075,130 (g)
Proprietary - Tuition Reimbursement	2,636,421	705,000 (d)	3,341,421	0	500,000	500,000	205,000	705,000	2,841,421 (h)
High School Equivalency (GED)	972,113	215,000	1,187,113	102,706	811,233	913,939	(698,939) (e)	(591,286) (f)	273,174

(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 August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
<i>SPECIAL REVENUE</i>									
Office of the Professions	3,276,350	47,264,520 (a)	50,540,870	11,425,008	30,360,913	41,785,921	5,478,599	6,089,599	8,754,949
E-Licensing Project	8,469,457 (b)	0	8,469,457	0	2,200,000	2,200,000	(2,200,000)	(2,200,000)	6,269,457

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

(b) Represents the five-year cost of the E-Licensing project.

HIGHER EDUCATION
FINANCIAL STATUS AS OF August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	2,357,204	2,357,204	903,865	1,453,339	2,357,204	0	0	0
Nonpersonal Service	0	301,964	301,964	91,067	210,897	301,964	0	0	0
Tenured Teacher Hearings NPS (a)	0	3,601,832	3,601,832	200,544	12,401,288	12,601,832	(9,000,000)	(9,000,000) (b)	(9,000,000)
Subtotal	0	6,261,000	6,261,000	1,195,476	14,065,524	15,261,000	(9,000,000)	(9,000,000)	(9,000,000)
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	919,993	0	919,993	919,993	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	270,503	0	270,503	270,503	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	264,005	0	264,005	264,005	N/A	N/A	N/A
Subtotal	N/A	N/A	1,454,501	0	1,454,501	1,454,501	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	3,048,118	6,800,000 (c)	9,848,118	1,768,019	5,229,871	6,997,890	(197,890) (e)	4,110	2,850,228
Regents Accreditation of Teacher Education	83,891	31,000 (d)	114,891	0	85,830	85,830	(54,830) (e)	31,000	29,061

- (a) Based on 3020-a law changes, new claims for cases begun after 4/1/12 will be the first claims paid from this appropriation.
(b) This structural imbalance is the result of continued underfunding of prior year claims for the Tenured Teacher Hearing program.
(c) A sweep of \$861,000 is anticipated against this account pursuant to the enacted State budget.
(d) A sweep of \$21,000 is anticipated against this account pursuant to the enacted State budget.
(e) 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 August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	15,301,000	15,301,000	4,686,191	10,614,809	15,301,000	0	0	0
Nonpersonal Service	0	9,210,000	9,210,000	744,032	8,465,968	9,210,000	0	0	0
Subtotal	0	24,511,000	24,511,000	5,430,223	19,080,777	24,511,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	1,719,787	629,307	2,349,094	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,627,780	123,320	1,504,460	1,627,780	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	1,337,954	2,680,552	4,018,506	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	3,181,061	4,814,319	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	27,827,955	0	27,827,955	27,827,955	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	25,943,215	0	25,943,215	25,943,215	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	127,776,670	0	127,776,670	127,776,670	N/A	N/A	N/A
Subtotal	N/A	N/A	181,547,840	0	181,547,840	181,547,840	N/A	N/A	N/A
SPECIAL REVENUE									
State School for the Blind at Batavia	0 (b)	10,019,549	10,019,549	2,188,692	7,830,857	10,019,549	0	0	0
State School for the Deaf at Rome	0 (b)	9,640,670	9,640,670	1,718,960	7,921,710	9,640,670	0	0	0

(a) Includes Race to the Top funding for both P-12 and Higher Ed.

(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 August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	388,000	388,000	130,456	257,544	388,000	0	0	0
Nonpersonal Service	0	133,000	133,000	2,450	130,550	133,000	0	0	0
Subtotal	0	521,000	521,000	132,906	388,094	521,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	2,228,536	1,108,802	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	35,425	1,105,815	1,141,240	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	2,450,340	4,183,208	6,633,548	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(11,918,633)	27,700,000	15,781,367	7,771,188	19,197,691	26,968,879	731,121	731,121	(11,187,512)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	3,011,130	354,338	3,365,468	339,512	339,512	339,512
Records Management Program	1,086,237	1,700,000	2,786,237	661,954	1,296,649	1,958,603	(258,603) (d)	24,551	827,634
Cultural Resource Survey Account	0 (c)	7,553,475	7,553,475	1,278,174	6,275,301	7,553,475	0	0	0
Education Museum Account	255,117	2,200,000	2,455,117	909,050	1,404,935	2,313,985	(113,985) (d)	2,200,000	141,132
Education Archives Account	139,623	12,000	151,623	778	89,222	90,000	(78,000) (d)	12,000	61,623
Education Library Account	123,546	60,000	183,546	3,951	116,049	120,000	(60,000) (d)	60,000	63,546
Grants and Bequests	251,951	0	251,951	7,521	233,630	241,151	(241,151) (d)	0	10,800
Archives Partnership Trust	120,825 (e)	559,538	680,363	147,970	411,098	559,068	470	470	121,295
Summer School for the Arts	22,861	657,990	680,851	60,571	597,419	657,990	0	0	22,861

(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 August 31, 2012
For State Fiscal Year 2012-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/12	2012-2013 Projected Revenue	Cumulative Projected Revenue 2012-2013	Actual Expenditures Through 8/31/12	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2012-2013 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/13	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	6,389,000	6,389,000	1,741,189	4,647,811	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	104,759	2,147,241	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	1,845,948	6,795,052	8,641,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	67,491	17,250,000	17,317,491	7,199,040	10,075,685	17,274,725	(24,725) (a)	25,275	42,766
Automation and Printing (IT)	1,976,601	16,800,000	18,776,601	5,775,785	11,115,335	16,891,120	(91,120) (a)	458,880	1,885,481 (b)
Subtotal	2,044,092	34,050,000	36,094,092	12,974,825	21,191,020	34,165,845	(115,845)	484,155	1,928,247
State Operations Total:	2,044,092	42,691,000	44,735,092	14,820,773	27,986,072	42,806,845	(115,845)	484,155	1,928,247
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	5,056,829	0	5,056,829	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	0	5,404,329	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)