



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 December 2011 Fiscal Report
DATE: January 3, 2012
AUTHORIZATION(S):

Executive Summary

Issues for Approval

The December 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 December Fiscal Report reflects actual expenditures through December 31, 2011 and projected expenditures through the lapse period ending June 30, 2012.

Account Update

The following accounts continue to have funding shortfalls:

- Tenured Teacher Hearing account - the program is now projected to have a cumulative deficit of \$9.0 million to \$9.5 million on March 31, 2012.

- Assessment account - \$8.0 million deficit being resolved through a number of actions including eliminating and postponing exams and various cost containment actions.
- Cultural Education Account – progress has been made; however, the account continues to carry a large accumulated deficit due to declining revenue.

Our Budget Coordination staff and I will continue to closely monitor the Department's accounts and ensure that required spending reductions are achieved.

Recommendation

I recommend that the Board of Regents accept the December 2011 State Education Department Fiscal Report as presented.

Timetable for Implementation

N/A

**STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF December 31, 2011**

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 12/31/11	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	26,114,606	26,114,606	13,636,427	12,478,179	26,114,606	0	0	0	
Nonpersonal Service	0	18,426,394	18,426,394	4,722,805	22,703,589	27,426,394	(9,000,000) (a)	(9,000,000)	(9,000,000)	
Other Retirement Systems	0	1,468,000	1,468,000	1,319,675	148,325	1,468,000	0	0	0	
Subtotal	0	46,009,000	46,009,000	19,678,907	35,330,093	55,009,000	(9,000,000) (a)	(9,000,000)	(9,000,000)	
SPECIAL REVENUE										
All Accounts	Subtotal	8,591,221	163,208,937	171,800,158	97,361,010	64,200,801	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	226,540	50,459,892	50,686,432	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	19,159,746	589	19,159,157	19,159,746	N/A	N/A	N/A	
Mandated Costs	N/A	N/A	40,882,750	43,548	40,839,202	40,882,750	N/A	N/A	N/A	
Subtotal	N/A	N/A	110,728,928	270,677	110,458,251	110,728,928	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	36,436,807	8,986,444	27,450,363	36,436,807	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	102,600,971	409,014	102,191,957	102,600,971	N/A	N/A	N/A	
Mandated Costs	N/A	N/A	24,034,717	1,525,409	22,509,308	24,034,717	N/A	N/A	N/A	
Subtotal	N/A	N/A	163,072,495	10,920,867	152,151,628	163,072,495	N/A	N/A	N/A	
GRAND TOTALS	N/A	N/A	491,610,581	128,231,460	362,140,774	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 December 31, 2011**

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 12/31/11	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	886,700	886,700	556,020	330,680	886,700	0	0	0
Nonpersonal Service	0	1,973,300	1,973,300	303,319	1,669,981	1,973,300	0	0	0
Subtotal	0	2,860,000	2,860,000	859,339	2,000,661	2,860,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs (b)</i>									
Personal Service	N/A	N/A	45,000,000	0	45,000,000	45,000,000	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	14,000,000	0	14,000,000	14,000,000	N/A	N/A	N/A
Mandated Costs	N/A	N/A	37,100,000	0	37,100,000	37,100,000	N/A	N/A	N/A
Subtotal	N/A	N/A	96,100,000	0	96,100,000	96,100,000	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,444,742	316,325	1,128,417	1,444,742	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,830,259	0	1,830,259	1,830,259	N/A	N/A	N/A
Mandated Costs	N/A	N/A	1,162,124	0	1,162,124	1,162,124	N/A	N/A	N/A
Subtotal	N/A	N/A	4,437,125	316,325	4,120,800	4,437,125	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	121,074	105,000 (f)	226,074	83,087	21,913	105,000	0	0	121,074
Social Security	0 (a)	535,599	535,599	191,798	343,801	535,599	0	0	0
Proprietary - Supervision	2,264,330	3,000,000 (g)	5,264,330	1,886,802	1,684,074	3,570,876	(570,876) (c)	139,124	1,693,454 (d)
Proprietary - Tuition Reimbursement	2,393,647	300,000 (h)	2,693,647	157,213	342,787	500,000	(200,000) (c)	300,000	2,193,647 (e)
High School Equivalency (GED)	958,981	225,000	1,183,981	0	655,000	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 December 31, 2011
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 12/31/11	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	
SPECIAL REVENUE Office of the Professions	7,194,305	47,264,520 (a)	54,458,825	26,132,987	17,896,636	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 December 31, 2011
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 12/31/11	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	1,878,891	826,015	2,704,906	0	0	0
Nonpersonal Service	0	280,994	280,994	127,479	153,515	280,994	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	1,471,044	11,182,056	12,653,100	(9,000,000)	(9,000,000) (a)	(9,000,000)
Subtotal	0	6,639,000	6,639,000	3,477,414	12,161,586	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	440,954	489,346	930,300	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
Mandated Costs	N/A	N/A	248,293	0	248,293	248,293	N/A	N/A	N/A
Subtotal	N/A	N/A	1,444,918	440,954	1,003,964	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	4,297,051	2,354,034	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 December 31, 2011
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 12/31/11	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	6,839,632	8,732,368	15,572,000	0	0	0
Nonpersonal Service	0	9,926,000	9,926,000	1,404,043	8,521,957	9,926,000	0	0	0
Subtotal	0	25,498,000	25,498,000	8,243,675	17,254,325	25,498,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	218,151	2,130,943	2,349,094	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	589	4,017,917	4,018,506	N/A	N/A	N/A
Mandated Costs	N/A	N/A	1,627,780	38,231	1,589,549	1,627,780	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	256,971	7,738,409	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	29,463,534	7,046,715	22,416,819	29,463,534	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	100,171,887	404,549	99,767,338	100,171,887	N/A	N/A	N/A
Mandated Costs	N/A	N/A	22,624,300	1,525,409	21,098,891	22,624,300	N/A	N/A	N/A
Subtotal	N/A	N/A	152,259,721	8,976,673	143,283,048	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	5,828,065	4,191,935	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	9,600,120	4,635,837	4,964,283	9,600,120	0	0	0
Fiduciary (January Assessments)	0	1,500,000	1,500,000	0	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 December 31, 2011
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 12/31/11	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	288,440	109,560	398,000	0	0	0
Nonpersonal Service	0	144,000	144,000	64,279	79,721	144,000	0	0	0
Subtotal	0	542,000	542,000	352,719	189,281	542,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	8,389	3,328,949	3,337,338	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,141,240	0	1,141,240	1,141,240	N/A	N/A	N/A
Mandated Costs	N/A	N/A	2,154,970	5,317	2,149,653	2,154,970	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	13,706	6,619,842	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	18,195,845	9,363,983	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	2,789,627	915,353	3,704,980	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	1,287,446	339,914	1,627,360	72,640	72,640	1,727,418
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	3,111,543	6,770,652	9,882,195	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	862,330	2,111,580	2,973,910	126,090	126,090	129,781
Education Archives Account	183,459	15,000	198,459	12,371	63,269	75,640	(60,640) (d)	15,000	122,819
Education Library Account	127,434	65,000	192,434	5,456	101,044	106,500	(41,500) (d)	65,000	85,934
Grants and Bequests	483,265	173,523	656,788	257,989	385,088	643,077	(469,554) (d)	36,420	13,711
Archives Partnership Trust	128,526 (e)	690,000	818,526	395,243	294,757	690,000	0	0	128,526
Summer School for the Arts	211,074	697,000	908,074	806,031	99,354	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 December 31, 2011**

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 12/31/11	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	4,073,444	2,479,556	6,553,000	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	1,352,641	1,096,359	2,449,000	0	0	0
Subtotal	0	9,002,000	9,002,000	5,426,085	3,575,915	9,002,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	436,107	18,750,000	19,186,107	14,722,403	3,991,330	18,713,733	36,267	36,267	472,374
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	11,701,389	5,760,511	17,461,900	(961,900) (a)	38,100	3,144,352 (b)
Subtotal	4,542,359	35,250,000	39,792,359	26,423,792	9,751,841	36,175,633	(925,633)	74,367	3,616,726
State Operations Total:	4,542,359	44,252,000	48,794,359	31,849,877	13,327,756	45,177,633	(925,633)	74,367	3,616,726
OTHER RETIREMENT SYSTEMS									
	0	1,468,000	1,468,000	1,319,675	148,325	1,468,000	0	0	0
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	4,598,231	1,182,450	3,415,781	4,598,231	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	332,500	4,465	328,035	332,500	N/A	N/A	N/A
Subtotal	N/A	N/A	4,930,731	1,186,915	3,743,816	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)