



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
SUBJECT: State Education Department February 2011 Fiscal Report
DATE: March 3, 2011
AUTHORIZATION(S):

Executive Summary

Issues for Approval

The February Fiscal Report is presented for your review, discussion and acceptance. As stated in the October and November Fiscal Reports, the Department was assigned a General and Special Revenue Fund reduction of \$4.9 million, which it is achieving through workforce reductions, the withholding of the April 1, 2010 M/C general salary increase and fund sweeps.

Also attached is a plan adjustment report which shows a:

- \$100,000 decrease in Education Assessment account spending from a delay in paying for GED Compass until the 2011-12 State Fiscal Year, and
- \$542,497 decrease in GED special revenue account spending from a lower than projected number of test takers due to a six week suspension of the test site contracts in 2010 and the delay by ACE in implementing the new GED exam.

The \$542,497 of savings and the 2011-12 Regents Budget Priority for GED of \$700,000 are needed to fund GED in the 2011-12 State Fiscal Year due to the loss of one-time Education Assessment Account funding of \$1.0 million and the \$240,000 or 10 percent cut to GED.

Reason(s) for Consideration

Update on Department State Operations expenditure and revenue projections.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The February report reflects actual expenditures through February 28, 2011 and projected expenditures through the lapse period ending June 30, 2011.

Background Information

- All Funds – Extensive spending controls continue.
- General Fund – Our General Fund accounts are in structural balance with the exception of the Tenured Teacher Hearing account. Based on current trends, the year-end cumulative deficit could be significantly higher than the current projection of \$5.3 million. The actual year-end deficit will be reported in the March Fiscal Report.
- Special Revenue – Our revenue accounts are in structural balance, allowing for normal reimbursement delays and the planned use of prior year balances, with the following exceptions:
 - The CE account is not in structural balance due to insufficient revenues to cover its expenses and the expenses of the other agencies and programs it supports including the Summer Schools for the Arts program.
 - The Summer Schools for the Arts account is not in structural balance because tuition revenue and the transfer of \$500,000 from the CE account are not sufficient to cover the entire cost of the program. The General Fund appropriation will pay the remaining cost of \$135,000.
 - After expending prior year funds, the Archives Partnership Trust (APT) will use sufficient revenue from the APT endowment, pursuant to Chapter 399 of the Laws of 1998, to maintain structural balance.
- Federal Accounts – This report reflects current year activity for two year grant awards.

Our Budget Coordination staff and I will continue to closely monitor each of these accounts and the Assessment account and work with program office fiscal staff and the Deputies to achieve structural balance. This effort includes implementing cost reductions, especially in the Assessment account which has the largest structural imbalance in 2011-12, to the extent possible.

The 2011-12 Regents Budget Priorities include General Fund support to resolve the structural imbalances in the Tenured Teacher Hearing, Summer Schools for the Arts, GED and Assessment accounts and revenue enhancements to resolve the structural imbalance in the CE Account. The 2011-12 Executive Budget does not provide any funding or revenue enhancements for the Regents Budget Priorities. However, we are advocating for these proposals in Legislature.

Recommendation

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

Timetable for Implementation

N/A

**STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF FEBRUARY 28, 2011**

For State Fiscal Year 2010-11

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/10	2010-2011 Projected Revenue	Cumulative Projected Revenue 2010-2011	Actual Expenditures Through 2/28/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2010-2011 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/11	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	23,541,735 (a)	23,541,735	22,202,064	1,339,671	23,541,735 (a)	0	0	0
Nonpersonal Service	0	15,607,265	15,607,265	7,760,518	13,144,301	20,904,819	(5,297,554) (b)	(5,297,554)	(5,297,554)
Other Retirement Systems	0	1,631,000	1,631,000	1,491,924	139,076	1,631,000	0	0	0
Subtotal	0	40,780,000	40,780,000	31,454,506	14,623,048	46,077,554	(5,297,554) (b)	(5,297,554)	(5,297,554)
SPECIAL REVENUE									
All Accounts	13,372,155	169,178,410	182,550,565	127,868,755	45,907,252	173,776,007 (a)	(4,597,597) (c)	(40,589)	8,774,558
FEDERAL FUNDS									
October-September Programs									
Personal Service	N/A	N/A	50,886,432	9,180,191	41,506,241	50,886,432	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	19,159,746	891,649	18,268,097	19,159,746	N/A	N/A	N/A
Mandated Costs	N/A	N/A	40,882,750	70,807	40,811,943	40,882,750	N/A	N/A	N/A
Subtotal	N/A	N/A	110,728,928	10,142,647	100,586,281	110,728,928	N/A	N/A	N/A
July-June Programs									
Personal Service	N/A	N/A	31,353,424	17,017,168	14,336,256	31,353,424	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	58,176,083	4,557,394	53,618,689	58,176,083	N/A	N/A	N/A
Mandated Costs	N/A	N/A	22,742,675	2,579,268	20,163,407	22,742,675	N/A	N/A	N/A
Subtotal	N/A	N/A	112,272,182	24,153,830	88,118,352	112,272,182	N/A	N/A	N/A
GRAND TOTALS									
	N/A	N/A	446,331,675	193,619,737	249,234,934	442,854,671	N/A	N/A	N/A

(a) Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
(b) This structural imbalance is the result of continued underfunding for the Tenured Teacher Hearing program.
(c) 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 FEBRUARY 28, 2011**

For State Fiscal Year 2010-11

	(1) Available Funds on 4/1/10	(2) 2010-2011 Projected Revenue	(3) Cumulative Projected Revenue 2010-2011	(4) Actual Expenditures Through 2/28/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2010-2011 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/11	(9) Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	850,000	850,000	759,365	90,635	850,000	0	0	0
Nonpersonal Service	0	1,550,000	1,550,000	851,838	698,162	1,550,000	0	0	0
Subtotal	0	2,400,000	2,400,000	1,611,203	788,797	2,400,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs (b)</i>									
Personal Service	N/A	N/A	45,000,000	8,460,488	36,539,512	45,000,000	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	14,000,000	811,412	13,188,588	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	9,271,900	86,828,100	96,100,000	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,233,193	709,876	523,317	1,233,193	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	2,493,812	203,384	2,290,428	2,493,812	N/A	N/A	N/A
Mandated Costs	N/A	N/A	755,823	0	755,823	755,823	N/A	N/A	N/A
Subtotal	N/A	N/A	4,482,828	913,260	3,569,568	4,482,828	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	143,677	100,000 (g)	243,677	7,683	62,317	70,000	30,000	173,677	
Social Security	0 (a)	340,000	340,000	303,203	36,797	340,000	0	0	
Proprietary - Supervision	2,209,683	3,000,000 (h)	5,209,683	2,222,106	1,702,091	3,924,197	(924,197) (c)	75,803	1,285,486 (d)
Proprietary - Tuition Reimbursement	2,007,361	375,000 (i)	2,382,361	70,016	179,984	250,000	125,000	125,000	2,132,361 (e)
High School Equivalency (GED)	839,563	225,000 (j)	1,064,563	112,503	0	112,503	112,497	952,050 (f)	
Education Assessment	0	1,000,000 (l)	1,000,000	449,998	450,002	900,000	100,000 (k)	100,000	100,000

(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 \$22 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) The balance at the end of the program period and requested funding of \$700,000 will be used in 2011-12 and 2012-13 to compensate for the loss of one-time 2010-11 Education Assessment Account funding of \$1.0 million for the GED program.

(g) A sweep of \$18,000 is anticipated against this account in order to meet the \$4.9 million reduction. Additionally, a recurring sweep from the prior year is anticipated.

(h) A sweep of \$150,000 is anticipated against this account in order to meet the \$4.9 million reduction. Additionally, a recurring sweep from the prior year is anticipated.

(i) A recurring sweep from the prior year is anticipated.

(j) Funds transferred from the Office of Professions Account.

(k) The \$100,000, which is for the statewide implementation of GED Compass, will be spent in the 2011-12 SFY rather than the 2010-11 SFY.

PROFESSIONS
FINANCIAL STATUS AS OF FEBRUARY 28, 2011
For State Fiscal Year 2010-11

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Available Funds on 4/1/10	2010-2011 Projected Revenue	Cumulative Projected Revenue 2010-2011	Actual Expenditures Through 2/28/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2010-2011 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/11	Cumulative Projected Balance at Program Period End
4,346,926	45,452,322	(b) 49,799,248	31,692,928	13,393,820	45,086,748	365,574	2,805,574	4,712,500

SPECIAL REVENUE
Office of the Professions (a)

(a) Includes the foreign and out-of-state medical school evaluation program.
(b) Reflects transfer of \$3.5 million to the Education Assessment Account. A sweep of \$250,000 is anticipated against this account in order to meet the \$4.9 million reduction. Additionally, a recurring sweep from the prior year is anticipated.

HIGHER EDUCATION
FINANCIAL STATUS AS OF FEBRUARY 28, 2011
For State Fiscal Year 2010-11

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/1/10	2010-2011 Projected Revenue	Cumulative Projected Revenue 2010-2011	Actual Expenditures Through 2/28/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2010-2011 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/11	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	3,016,100 (a)	3,016,100	2,833,363	182,737	3,016,100 (a)	0	0	0
Nonpersonal Service	0	517,800	517,800	422,769	95,031	517,800	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	2,202,511	6,748,143	8,950,654	(5,297,554)	(5,297,554)	(5,297,554)
Subtotal	0	7,187,000	7,187,000	5,458,643	7,025,911	12,484,554	(5,297,554)	(5,297,554)	(5,297,554)
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,147,304	525,274	622,030	1,147,304	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	358,414	3,072	355,342	358,414	N/A	N/A	N/A
Mandated Costs	N/A	N/A	398,044	72,900	325,144	398,044	N/A	N/A	N/A
Subtotal	N/A	N/A	1,903,762	601,246	1,302,516	1,903,762	N/A	N/A	N/A
SPECIAL REVENUE									
Office of Teacher Certification	2,845,903	6,500,000 (c)	9,345,903	5,269,637	985,678	6,255,315	244,685	244,685	3,090,588
Regents Accreditation of Teacher Education	70,017	85,735 (d)	155,752	3,896	47,494	51,390	34,345	34,345	104,362

(a) Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
(b) This structural imbalance is the result of continued underfunding for the Tenured Teacher Hearing program which is beyond the Department's control.
(c) A sweep of \$648,000 is anticipated against this account in order to meet the \$4.9 million reduction. Additionally, a recurring sweep from the prior year is anticipated.
(d) A sweep of \$14,000 is anticipated against this account in order to meet the \$4.9 million reduction. Additionally, a recurring sweep from the prior year is anticipated.

OFFICE OF P-12
FINANCIAL STATUS AS OF FEBRUARY 28, 2011
For State Fiscal Year 2010-11

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Available Funds on 4/17/10	2010-2011 Projected Revenue	Cumulative Projected Revenue 2010-2011	Actual Expenditures Through 2/28/11	Projected Expenditures to Program Period End	Total Expenditures Actual and Projected	2010-2011 Projected Revenue vs. Expenditures	Projected Structural Balance at 3/31/11	Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	12,545,635 (a)	12,545,635	12,059,549	486,086	12,545,635 (a)	0	0	0
Nonpersonal Service	0	7,005,365	7,005,365	3,297,288	3,708,077	7,005,365	0	0	0
Subtotal	0	19,551,000	19,551,000	15,356,837	4,194,163	19,551,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	605,651	1,743,443	2,349,094	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	64,259	3,954,247	4,018,506	N/A	N/A	N/A
Mandated Costs	N/A	N/A	1,627,780	69,705	1,558,075	1,627,780	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	739,615	7,255,765	7,995,380	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	24,374,696	13,493,727	10,880,969	24,374,696	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	54,991,357	4,278,547	50,712,810	54,991,357	N/A	N/A	N/A
Mandated Costs	N/A	N/A	21,588,808	2,506,368	19,082,440	21,588,808	N/A	N/A	N/A
Subtotal	N/A	N/A	100,954,861	20,278,642	80,676,219	100,954,861	N/A	N/A	N/A
SPECIAL REVENUE									
Summer School for the Arts	355,422	1,116,035 (b)	1,471,457	537,961	1,068,496	1,606,457	(490,422) (c)	(350,761) (d)	(135,000) (e)
Education Assessment	0	2,500,000 (f)	2,500,000	374,064	2,125,936	2,500,000	0	0	0
State School for the Blind at Batavia	0 (g)	10,020,000	10,020,000	6,994,821	3,025,179	10,020,000	0	0	0
State School for the Deaf at Rome	0 (g)	9,641,000	9,641,000	6,123,872	3,517,128	9,641,000	0	0	0

(a) Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
(b) Includes a \$500,000 transfer from the Cultural Education Account.
(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) The structural imbalance is the result of the use of carryover funds to meet current year operating costs for the program.
(e) General Funds will be redirected to cover this shortfall.
(f) Funds transferred from the Office of Professions Account.
(g) 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 FEBRUARY 28, 2011
For State Fiscal Year 2010-11

	(1) Available Funds on 4/1/10	(2) 2010-2011 Projected Revenue	(3) Cumulative Projected Revenue 2010-2011	(4) Actual Expenditures Through 2/28/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2010-2011 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/11	(9) Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	407,000 (a)	407,000	407,000	0	407,000 (a)	0	0	0
Nonpersonal Service	0	160,000	160,000	5,136	154,864	160,000	0	0	0
Subtotal	0	567,000	567,000	412,136	154,864	567,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	114,052	3,223,286	3,337,338	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,141,240	15,978	1,125,262	1,141,240	N/A	N/A	N/A
Mandated Costs	N/A	N/A	2,154,970	1,102	2,153,868	2,154,970	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	131,132	6,502,416	6,633,548	N/A	N/A	N/A
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(8,117,218)	28,750,000	20,632,782	27,187,916	3,690,866	30,878,782 (a)	(2,128,782)	(10,246,000)	(10,246,000)
Transfers and Other Agency Support (b)	0	0	0	1,787,439	1,302,561	3,090,000	(3,090,000)	(3,090,000)	(3,090,000)
Total - Cultural Education Account	(8,117,218)	28,750,000	20,632,782	28,975,355	4,993,427	33,968,782	(5,218,782) (c)	(13,336,000)	(13,336,000)
Local Government Records									
Management Improvement Fund	0 (d)	4,152,296 (i)	4,152,296	3,327,557	762,739	4,110,296 (a)	42,000	42,000	42,000
Records Management Program	936,396	1,716,759	2,653,155	1,062,352	440,332	1,502,684	214,075	1,150,471	1,150,471
Cultural Resource Survey Account	0 (e)	10,115,654	10,115,654	4,464,550	5,651,104	10,115,654	0	0	0
Education Museum Account	100,173	3,322,000	3,422,173	812,241	2,509,759	3,322,000	0	100,173	100,173
Education Archives Account	217,710	15,000	232,710	45,630	25,743	71,373	(56,373) (f)	161,337	161,337
Education Library Account	139,782	65,000	204,782	67,481	(2,481)	65,000	0	139,782	139,782
Grants and Bequests	763,184	496,609	1,259,793	343,033	162,941	505,974	(9,365)	496,609	753,819
Archives Partnership Trust	143,893 (g)	690,000 (h)	833,893	438,325	164,812	603,137	86,863	86,863	230,756

(a) Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.

(b) Reflects \$500,000 for the Summer School for the Arts Program and \$2,590,000 for the Empire State Performing Arts Center program and the New York State Theater Institute program.

(c) This structural imbalance is the result of decreased revenue in the Cultural Education Account due to the economic downturn.

(d) 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.

(e) 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).

(f) This imbalance is the result of the use of prior year funds to meet current year one-time obligations and decreased revenue in the Cultural Education Account due to the economic downturn.

(g) Excludes endowment funds.

(h) The Archives Partnership Trust may use sufficient revenue from the APT endowment if there is insufficient current year revenue to support planned programs, pursuant to Chapter 399 of the laws of 1998 to maintain structural balance.

(i) A sweep of \$191,000 is anticipated against this account in order to meet the \$4.9 million reduction. Additionally, a recurring sweep from the prior year is anticipated.

**OPERATIONS AND MANAGEMENT SERVICES
FINANCIAL STATUS AS OF FEBRUARY 28, 2011**
For State Fiscal Year 2010-11

(1) Available Funds on 4/1/10	(2) 2010-2011 Projected Revenue	(3) Cumulative Projected Revenue 2010-2011	(4) Actual Expenditures Through 2/28/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2010-2011 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/11	(9) Cumulative Projected Balance at Program Period End
GENERAL FUND								
Personal Service	0	6,723,000 (a)	6,142,787	580,213	6,723,000 (a)	0	0	0
Nonpersonal Service	0	2,721,000	980,976	1,740,024	2,721,000	0	0	0
Subtotal	0	9,444,000	7,123,763	2,320,237	9,444,000	0	0	0
SPECIAL REVENUE								
Cost Recovery Account	950,839	20,950,839	19,187,243	680,408	19,867,651	132,349	532,349	1,083,188
Automation and Printing	5,418,854	24,918,854	14,982,300	3,903,546	18,885,846	614,154	614,154	6,033,008 (b)
Subtotal	6,369,693	45,869,693	34,169,543	4,583,954	38,753,497	746,503	1,146,503	7,116,196
State Operations Total:	6,369,693	55,313,693	41,293,306	6,904,191	48,197,497	746,503	1,146,503	7,116,196
OTHER RETIREMENT SYSTEMS								
0	1,631,000	1,631,000	1,491,924	139,076	1,631,000	0	0	0
FEDERAL FUNDS								
July-June Programs	N/A	4,598,231	2,288,291	2,309,940	4,598,231	N/A	N/A	N/A
Personal Service	N/A	332,500	72,391	260,109	332,500	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	2,360,682	2,570,049	4,930,731	N/A	N/A	N/A
Subtotal	N/A	4,930,731	2,360,682	2,570,049	4,930,731	N/A	N/A	N/A

(a) Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.

(b) Funds earmarked for future critical IT projects.

SED PLAN ADJUSTMENT REPORT
February

	<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
SPECIAL REVENUE				
<u>Education Assessment Account</u>				
Expenditures	\$3,500,000	\$3,400,000	(\$100,000)	The \$100,000, which is for the statewide implementation of GED Compass, will be spent in the 2011-12 SFY rather than the 2010-11 SFY.
<u>High School Equivalency (GED)</u>				
Expenditures	\$655,000	\$112,503	(\$542,497)	Reflects a decrease in spending from fewer than projected GED test takers. The test site contracts were suspended for six weeks in the summer of 2010 and ACE delayed the implementation date of the new GED exam and, therefore, there was not a spike in GED test takers who wanted to take the current exam rather than the new one.
		Total Changes	(\$642,497)	

SED CUMULATIVE PLAN ADJUSTMENT REPORT

	<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
GENERAL FUND				
<u>Office of Higher Education</u>				
Revenue and Expenditures	\$7,376,000	\$7,187,000	(\$189,000)	Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
<u>Office of P-12 Education</u>				
Expenditures	\$27,553,000	\$20,553,000	(\$7,000,000)	The current year Assessment deficit has been resolved by eliminating several exams and using one-time Education Assessment Account revenue of \$2.5 million to fund some exams.
Revenue and Expenditures	\$20,553,000	\$19,551,000	(\$1,002,000)	Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
<u>Office of Cultural Education</u>				
Revenue and Expenditures	\$602,000	\$567,000	(\$35,000)	Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
<u>Office of Management Services</u>				
Revenue and Expenditures	\$10,002,000	\$9,444,000	(\$558,000)	Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
SPECIAL REVENUE				
<u>Office of the Professions</u>				
Cumulative Revenue	\$53,299,248	\$49,799,248	(\$3,500,000)	Reflects a transfer to the Education Assessment Account
<u>Summer School of the Arts</u>				
Revenue	\$567,535	\$1,067,535	\$500,000	Reflects a transfer from the Cultural Education Account
<u>Education Assessment Account</u>				
Revenue and Expenditures	\$0	\$3,500,000	\$3,500,000	Reflects a transfer from the Professions Account.
Expenditures	\$3,500,000	\$3,400,000	(\$100,000)	The \$100,000, which is for the statewide implementation of GED Compass, will be spent in the 2011-12 SFY rather than the 2010-11 SFY.
<u>Local Government Records Management Improvement Fund</u>				
Expenditures	\$4,152,296	\$4,110,296	(\$42,000)	Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.

SED CUMULATIVE PLAN ADJUSTMENT REPORT

	<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
<u>Cultural Education Account</u>				
Revenue	\$32,728,782	\$28,750,000	(\$3,978,782)	Reflects a revision to the revenue projection for the Cultural Education Account.
Expenditures	\$32,728,782	\$30,878,782	(\$1,850,000)	Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.
Transfer and Other Agency Support	\$2,590,000	\$3,090,000	\$500,000	Reflects a transfer to the Summer School for the Arts Program
<u>High School Equivalency (GED)</u>				
Expenditures	\$655,000	\$112,503	(\$542,497)	Reflects a decrease in spending from fewer than projected GED test takers. The test site contracts were suspended for six weeks in the summer of 2010 and ACE delayed the implementation date of the new GED exam and, therefore, there was not a spike in GED test takers who wanted to take the current exam rather than the new one.
		Total Changes	(\$14,297,279)	