



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 February 2012 Fiscal Report

DATE: March 9, 2012

AUTHORIZATION(S): *J. B. J. G.*

Issues for Approval

The February 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 February Fiscal Report reflects actual expenditures through February 29, 2012 and projected expenditures through the lapse period ending June 30, 2012.

Account Update

The following accounts continue to have funding issues:

- Tenured Teacher Hearing account - the program is 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 – the account is now in structural balance on a current year basis; however, the account continues to carry a large accumulated deficit from past years.

2012-13 Budget Process

On March 1, the joint revenue consensus report was released where all parties reached a general consensus on the strength of the economic recovery and revenue growth path within a narrow range for the two-year revenue total. The forecast variances ranged from \$133 million below, to \$315 million above, the Executive Budget. This range represents 0.3 percent of the Executive Budget two-year revenue total of \$143.2 billion. These minor differences resulted from the translation of economic factors to receipts produced by each of the party's revenue models.

According to the schedule, the Assembly and Senate are expected to act on their one-house budgets on March 12 and Joint Senate/Assembly budget conference committees will commence on March 13. The schedule provides for deadlines that lead to an early adoption of a state budget (on or around March 19-22).

Recommendation

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

Timetable for Implementation

N/A

STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF February 29, 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 2/29/12	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	19,769,135	6,142,771	25,911,906	0	0	0
Nonpersonal Service	0	18,629,094	18,629,094	9,874,185	17,754,909	27,629,094	(9,000,000) (a)	(9,000,000)	(9,000,000)
Other Retirement Systems	0	1,468,000	1,468,000	1,460,624	7,376	1,468,000	0	0	0
Subtotal	0	46,009,000	46,009,000	31,103,943	23,905,057	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	126,152,866	35,408,945	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	1,500,969	49,185,463	50,686,432	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	40,882,750	272,069	40,610,681	40,882,750	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	19,159,746	19,137	19,140,609	19,159,746	N/A	N/A	N/A
Subtotal	N/A	N/A	110,728,928	1,792,175	108,936,753	110,728,928	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	36,436,807	23,095,242	13,341,565	36,436,807	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	24,034,717	1,525,409	22,509,308	24,034,717	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	102,600,971	1,493,366	101,107,605	102,600,971	N/A	N/A	N/A
Subtotal	N/A	N/A	163,072,495	26,114,017	136,958,478	163,072,495	N/A	N/A	N/A
GRAND TOTALS	N/A	N/A	491,610,581	185,163,001	305,209,233	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 February 29, 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 2/29/12	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	684,000	0	684,000	0	0	0
Nonpersonal Service	0	2,176,000	2,176,000	1,448,204	727,796	2,176,000	0	0	0
Subtotal	0	2,860,000	2,860,000	2,132,204	727,796	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
Fringe/Indirect Costs	N/A	N/A	37,100,000	0	37,100,000	37,100,000	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
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	599,366	845,376	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	79,929	1,750,330	1,830,259	N/A	N/A	N/A
Subtotal	N/A	N/A	4,437,125	679,295	3,757,830	4,437,125	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	121,074	105,000 (f)	226,074	98,255	6,745	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	2,276,544	1,294,332	3,570,876	(570,876) (c)	139,124	1,693,454 (d)
Proprietary - Tuition Reimbursement	2,393,647	300,000 (h)	2,693,647	224,562	275,438	500,000	(200,000) (c)	300,000	2,193,647 (e)
High School Equivalency (GED)	958,981	225,000	1,183,981	62,967	592,033	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 February 29, 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 2/29/12	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
SPECIAL REVENUE Office of the Professions	7,194,305	47,264,520 (a)	54,458,825	36,034,174	7,995,449	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 February 29, 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 2/29/12	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	2,388,980	315,926	2,704,906	0	0	0
Nonpersonal Service	0	280,994	280,994	147,732	133,262	280,994	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	2,955,284	9,697,817	12,653,100	(9,000,000)	(9,000,000) (a)	(9,000,000)
Subtotal	0	6,639,000	6,639,000	5,491,995	10,147,005	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	0	930,300	930,300	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	248,293	0	248,293	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	0	1,444,918	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	5,746,515	904,570	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 February 29, 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 2/29/12	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	10,083,587	5,488,413	15,572,000	0	0	0
Nonpersonal Service	0	9,926,000	9,926,000	3,151,019	6,774,981	9,926,000	0	0	0
Subtotal	0	25,498,000	25,498,000	13,234,606	12,263,394	25,498,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	525,036	1,824,058	2,349,094	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	1,627,780	266,673	1,361,107	1,627,780	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	13,951	4,004,555	4,018,506	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	805,660	7,189,720	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	29,463,534	20,618,684	8,844,850	29,463,534	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	22,624,300	1,525,409	21,098,891	22,624,300	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	100,171,887	1,408,422	98,763,465	100,171,887	N/A	N/A	N/A
Subtotal	N/A	N/A	152,259,721	23,552,515	128,707,206	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	6,697,534	3,322,466	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	9,600,120	5,380,719	4,219,401	9,600,120	0	0	0
Fiduciary (January Assessments)	0	1,500,000	1,500,000	1,201,202	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 February 29, 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 2/29/12	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	352,715	45,285	398,000	0	0	0
Nonpersonal Service	0	144,000	144,000	64,243	79,757	144,000	0	0	0
Subtotal	0	542,000	542,000	416,958	125,042	542,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	975,933	2,361,405	3,337,338	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,154,970	5,396	2,149,574	2,154,970	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,141,240	5,186	1,136,054	1,141,240	N/A	N/A	N/A
Subtotal	N/A	N/A	6,633,548	986,515	5,647,033	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	22,406,001	5,153,827	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	3,515,525	189,455	3,704,980	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	1,619,671	7,689	1,627,360	72,640	72,640	1,727,418
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	4,059,979	5,822,216	9,882,195	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	1,275,789	1,698,121	2,973,910	126,090	126,090	129,781
Education Archives Account	183,459	15,000	198,459	33,604	42,036	75,640	(60,640) (d)	15,000	122,819
Education Library Account	127,434	65,000	192,434	60,889	45,611	106,500	(41,500) (d)	65,000	85,934
Grants and Bequests	483,265	173,523	656,788	331,174	311,903	643,077	(469,554) (d)	36,420	13,711
Archives Partnership Trust	128,526 (e)	690,000	818,526	508,329	181,671	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 February 29, 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 2/29/12	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	6,259,853	293,147	6,553,000	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	2,107,703	341,297	2,449,000	0	0	0
Subtotal	0	9,002,000	9,002,000	8,367,556	634,444	9,002,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	436,107	18,750,000	19,186,107	18,165,248	548,485	18,713,733	36,267	36,267	472,374
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	16,775,055	686,845	17,461,900	(961,900) (a)	38,100	3,144,352 (b)
Subtotal	4,542,359	35,250,000	39,792,359	34,940,303	1,235,330	36,175,633	(925,633)	74,367	3,616,726
State Operations Total:	4,542,359	44,252,000	48,794,359	43,307,859	1,869,774	45,177,633	(925,633)	74,367	3,616,726
OTHER RETIREMENT SYSTEMS									
	0	1,468,000	1,468,000	1,460,624	7,376	1,468,000	0	0	0
FEDERAL FUNDS									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	4,598,231	1,877,192	2,721,039	4,598,231	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	332,500	5,015	327,485	332,500	N/A	N/A	N/A
Subtotal	N/A	N/A	4,930,731	1,882,207	3,048,524	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)