



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:** Donald Juron *Donald E Juron*  
**SUBJECT:** State Education Department February 2013 Fiscal Report  
**DATE:** March 4, 2013  
**AUTHORIZATION(S):** *John B. Juron*

Issues for Approval

The February Fiscal Report is presented for your review, discussion and acceptance. Also attached is a plan adjustment report to reflect increased revenue for the Cultural Education Account above previously projected levels.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The February Fiscal Report reflects actual expenditures through February 28, 2013 and projected expenditures through the lapse period ending June 30, 2013.

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 \$2,800,000, due primarily to an increase in revenue this year.
- Federal – This report reflects current year plans for two year grant awards.

#### Recommendation

I recommend that the Board of Regents accept the February 2013 State Education Department Fiscal Report as presented.

#### Timetable for Implementation

N/A

**SED PLAN ADJUSTMENT REPORT**  
**February 28, 2013**

	<u>Initial Projection</u>	<u>Revised Projection</u>	<u>Difference</u>	<u>Explanation</u>
<b>SPECIAL REVENUE</b>				
<b><u>Office of Cultural Education</u></b>				
Cultural Education Account - 2012- 2013 Projected Revenue	\$27,700,000	\$29,800,000	\$2,100,000	Adjustment to reflect increased revenue in the Cultural Education Account.

**STATE EDUCATION DEPARTMENT GRAND TOTALS**  
**FINANCIAL STATUS AS OF February 28, 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 2/28/13	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	
<b>GENERAL FUND</b>										
Personal Service	0	25,102,204	25,102,204	18,489,015	6,613,189	25,102,204	0	0	0	
Nonpersonal Service	0	17,537,796	17,537,796	6,307,458	11,230,338	17,537,796	0 (a)	0	0	
Subtotal	0	42,640,000	42,640,000	24,796,473	17,843,527	42,640,000	0 (a)	0	0	
<b>SPECIAL REVENUE</b>										
All Accounts	Subtotal	13,449,327	158,821,619	172,270,946	106,317,305	48,430,374	154,747,679	4,073,940	12,190,232	17,523,267
<b>FEDERAL FUNDS</b>										
<i>October-September Programs</i>										
Personal Service	N/A	N/A	52,185,258	919,543	51,265,715	52,185,258	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	40,919,921	0	40,919,921	40,919,921	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	20,640,296	113,335	20,526,961	20,640,296	N/A	N/A	N/A	
Subtotal	N/A	N/A	113,745,475	1,032,878	112,712,597	113,745,475	N/A	N/A	N/A	
<i>July-June Programs</i>										
Personal Service	N/A	N/A	35,165,277	12,195,971	22,969,306	35,165,277	N/A	N/A	N/A	
Fringe/Indirect Costs	N/A	N/A	27,153,280	1,833,764	25,319,516	27,153,280	N/A	N/A	N/A	
Nonpersonal Service	N/A	N/A	130,149,600	8,147,808	122,001,792	130,149,600	N/A	N/A	N/A	
Subtotal	N/A	N/A	192,468,157	22,177,543	170,290,614	192,468,157	N/A	N/A	N/A	
<b>GRAND TOTALS</b>										
	N/A	N/A	521,124,578	154,324,198	349,277,113	503,601,311	N/A	N/A	N/A	

(a) A cumulative deficit of \$9 million is projected by the end of the year as a result of continued underfunding of prior year claims for the Tenured Teacher Hearing program.

**ADULT CAREER AND CONTINUING EDUCATION SERVICES**  
**FINANCIAL STATUS AS OF February 28, 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 2/28/13	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
<b>GENERAL FUND</b>									
Personal Service	0	667,000	667,000	603,941	63,059	667,000	0	0	0
Nonpersonal Service	0	2,039,000	2,039,000	916,936	1,122,064	2,039,000	0	0	0
Subtotal	0	2,706,000	2,706,000	1,520,877	1,185,123	2,706,000	0	0	0
<b>FEDERAL FUNDS</b>									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	45,884,936	0	45,884,936	45,884,936	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	36,506,056	0	36,506,056	36,506,056	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	13,997,777	14,268	13,983,509	13,997,777	N/A	N/A	N/A
Subtotal	N/A	N/A	96,388,769	14,268	96,374,501	96,388,769	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,360,500	535,603	824,897	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	98	1,761,327	1,761,425	N/A	N/A	N/A
Subtotal	N/A	N/A	4,061,487	535,701	3,525,786	4,061,487	N/A	N/A	N/A
<b>SPECIAL REVENUE</b>									
Workers' Compensation	108,516	100,000 (b)	208,516	14,634	85,366	100,000	0	0	108,516
Social Security	0 (a)	519,272	519,272	146,146	373,126	519,272	0	0	0
Proprietary - Supervision	2,728,842	3,228,625 (c)	5,957,467	2,129,217	1,860,927	3,990,144	(761,519) (e)	0	1,967,323 (g)
Proprietary - Tuition Reimbursement	2,636,421	705,000 (d)	3,341,421	33,714	466,286	500,000	205,000	705,000	2,841,421 (h)
High School Equivalency (GED)	972,113	215,000	1,187,113	191,184	722,755	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 February 28, 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 2/28/13	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
<b><i>SPECIAL REVENUE</i></b>									
Office of the Professions	3,276,350	47,264,520 (a)	50,540,870	30,995,490	10,790,431	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)	0	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 February 28, 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 2/28/13	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
<b>GENERAL FUND</b>									
Personal Service	0	2,357,204	2,357,204	2,220,292	136,912	2,357,204	0	0	0
Nonpersonal Service	0	301,964	301,964	276,645	25,319	301,964	0	0	0
Tenured Teacher Hearings NPS (a)	0	3,601,832	3,601,832	861,851	2,739,981	3,601,832	0	0	0
Subtotal	0	6,261,000	6,261,000	3,358,788	2,902,212	6,261,000	0	0	0
<b>FEDERAL FUNDS</b>									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	919,993	193,678	726,315	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	193,678	1,260,823	1,454,501	N/A	N/A	N/A
<b>SPECIAL REVENUE</b>									
Office of Teacher Certification	3,048,118	6,800,000 (c)	9,848,118	4,941,495	2,056,395	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) A cumulative deficit of \$9 million is projected by the end of the year as a 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 February 28, 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 2/28/13	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
<b>GENERAL FUND</b>									
Personal Service	0	15,301,000	15,301,000	10,209,888	5,091,112	15,301,000	0	0	0
Nonpersonal Service	0	9,210,000	9,210,000	2,798,829	6,411,171	9,210,000	0	0	0
Subtotal	0	24,511,000	24,511,000	13,008,717	11,502,283	24,511,000	0	0	0
<b>FEDERAL FUNDS</b>									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,962,984	919,543	2,043,441	2,962,984	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,258,895	0	2,258,895	2,258,895	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	5,501,279	99,067	5,402,212	5,501,279	N/A	N/A	N/A
Subtotal	N/A	N/A	10,723,158	1,018,609	9,704,549	10,723,158	N/A	N/A	N/A
<i>July-June Programs (a)</i>									
Personal Service	N/A	N/A	27,827,955	9,895,424	17,932,531	27,827,955	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	25,943,215	1,833,764	24,109,451	25,943,215	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	127,776,670	8,147,463	119,629,207	127,776,670	N/A	N/A	N/A
Subtotal	N/A	N/A	181,547,840	19,876,650	161,671,190	181,547,840	N/A	N/A	N/A
<b>SPECIAL REVENUE</b>									
State School for the Blind at Batavia	0 (b)	10,019,549	10,019,549	6,507,542	3,512,007	10,019,549	0	0	0
State School for the Deaf at Rome	0 (b)	9,640,670	9,640,670	5,070,839	4,569,831	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 February 28, 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 2/28/13	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
<b>GENERAL FUND</b>									
Personal Service	0	388,000	388,000	256,116	131,884	388,000	0	0	0
Nonpersonal Service	0	133,000	133,000	62,920	70,080	133,000	0	0	0
Subtotal	0	521,000	521,000	319,036	201,964	521,000	0	0	0
<b>FEDERAL FUNDS</b>									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	3,337,338	0	3,337,338	3,337,338	N/A	N/A	N/A
Fringe/Indirect Costs	N/A	N/A	2,154,970	0	2,154,970	2,154,970	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
Subtotal	N/A	N/A	6,633,548	0	6,633,548	6,633,548	N/A	N/A	N/A
<b>SPECIAL REVENUE</b>									
Cultural Education Account									
Office of Cultural Education-Operations	(11,918,633)	29,800,000	17,881,367	18,230,323	8,738,556	26,968,879	2,831,121	2,831,121	(9,087,512)
Local Government Records									
Management Improvement Fund	0 (a)	3,704,980 (b)	3,704,980	2,390,481	974,987	3,365,468	339,512	339,512	339,512
Records Management Program	1,086,237	1,700,000	2,786,237	1,411,504	547,099	1,958,603	(258,603) (d)	24,551	827,634
Cultural Resource Survey Account	0 (c)	7,553,475	7,553,475	3,197,940	4,355,535	7,553,475	0	0	0
Education Museum Account	255,117	2,200,000	2,455,117	1,550,071	763,914	2,313,985	(113,985) (d)	2,200,000	141,132
Education Archives Account	139,623	12,000	151,623	56,709	33,291	90,000	(78,000) (d)	12,000	61,623
Education Library Account	123,546	60,000	183,546	82,019	37,981	120,000	(60,000) (d)	60,000	63,546
Grants and Bequests	251,951	0	251,951	37,860	203,291	241,151	(241,151) (d)	0	10,800
Archives Partnership Trust	120,825 (e)	559,538	680,363	359,593	199,475	559,068	470	470	121,295
Summer School for the Arts	22,861	657,990	680,851	568,938	89,052	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 February 28, 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 2/28/13	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
<b>GENERAL FUND</b>									
Personal Service	0	6,389,000	6,389,000	5,198,778	1,190,222	6,389,000	0	0	0
Nonpersonal Service	0	2,252,000	2,252,000	1,390,276	861,724	2,252,000	0	0	0
Subtotal	0	8,641,000	8,641,000	6,589,054	2,051,946	8,641,000	0	0	0
<b>SPECIAL REVENUE</b>									
Cost Recovery Account	67,491	17,250,000	17,317,491	15,606,567	1,668,158	17,274,725	(24,725) (a)	25,275	42,766
Automation and Printing (IT)	1,976,601	16,800,000	18,776,601	12,795,039	4,096,081	16,891,120	(91,120) (a)	458,880	1,885,481 (b)
Subtotal	2,044,092	34,050,000	36,094,092	28,401,606	5,764,239	34,165,845	(115,845)	484,155	1,928,247
State Operations Total:	2,044,092	42,691,000	44,735,092	34,990,660	7,816,185	42,806,845	(115,845)	484,155	1,928,247
<b>FEDERAL FUNDS</b>									
<i>July-June Programs</i>									
Personal Service	N/A	N/A	5,056,829	1,571,266	3,485,563	5,056,829	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	347,500	248	347,252	347,500	N/A	N/A	N/A
Subtotal	N/A	N/A	5,404,329	1,571,514	3,832,815	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)