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

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

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### 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 15,907,265 15,907,265 7,769,518 13,144,301 20,904,819 (5,297,554) (b) (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 14,823,048 46,077,554 (5,297,554) (b) (5,297,554)

### SPECIAL REVENUE
- All Accounts Subtotal 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 50,686,432 9,180,191 41,506,241 50,686,432 N/A N/A N/A
- Nonpersonal Service N/A N/A 19,153,746 891,649 18,268,097 19,153,746 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 31,363,424 17,015,169 14,338,255 31,363,424 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 22,742,875 2,579,268 20,163,407 22,742,875 N/A N/A N/A

Subtotal N/A N/A 112,272,182 24,535,830 88,116,352 112,272,182 N/A N/A N/A

### GRAND TOTALS
- N/A N/A 446,331,575 193,519,737 249,234,934 442,854,671 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

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<td>Revenue</td>
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<td>to Program</td>
<td>Actual and</td>
<td>vs.</td>
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| **SPECIAL REVENUE** | | | | | | | | |
| Workers’ Compensation | 143,677 | 100,000 | 243,677 | 7,683 | 62,317 | 70,000 | 30,000 | 30,000 | 173,677 |
| Social Security | 0 | 340,000 | 340,000 | 303,203 | 36,797 | 340,000 | 0 | 0 | 0 |
| Proprietary - Supervision | 2,209,683 | 3,000,000 | 5,209,683 | 2,222,106 | 1,702,091 | 3,924,197 | 524,197 | 524,197 | 75,803 | 2,185,486 |
| Proprietary - Tuition Reimbursement | 2,007,361 | 375,000 | 2,382,361 | 70,016 | 179,984 | 250,000 | 125,000 | 125,000 | 2,132,361 |
| High School Equivalency (GED) | 839,553 | 225,000 | 1,064,553 | 112,503 | 0 | 112,503 | 112,497 | 112,497 | 952,050 |
| Education Assessment | 0 | 1,000,000 | 1,000,000 | 449,998 | 450,002 | 900,000 | 100,000 | 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 $16,000 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

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<td>Total Expenditures</td>
<td>2010-2011 Projected Revenue vs. Structural Balance</td>
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<td>2010-2011 Projected Revenue 2010-2011 2/28/11 Period End</td>
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<td>45,452,322 (b)</td>
<td>49,799,248</td>
<td>31,692,928</td>
<td>13,393,820</td>
<td>45,086,748</td>
<td>365,574</td>
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(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

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<td>Actual</td>
<td>Expenditures</td>
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<td>Total</td>
<td>2010-2011</td>
<td>Projected</td>
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<td>through</td>
<td>to Program</td>
<td>Actual and</td>
<td>Expenditures</td>
<td>Balance</td>
<td>at Program</td>
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## Federal Funds

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## Special Revenue

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<td>51,390</td>
<td>34,345</td>
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(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 reoccurring 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 reoccurring sweep from the prior year is anticipated.
## OFFICE OF P-12

### FINANCIAL STATUS AS OF FEBRUARY 28, 2011

For State Fiscal Year 2010-11

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<td>Actual Expenditures to Program</td>
<td>Projected Expenditures</td>
<td>Actual and Projected Revenue vs. Balance</td>
<td>2010-2011</td>
<td>Projected Structural Balance</td>
<td>Cumulative Projected Balance at Program</td>
</tr>
<tr>
<td>(Project)</td>
<td>(Revenue)</td>
<td>(Through Period End)</td>
<td>(to Program)</td>
<td>(Actual and Projected Expenditures)</td>
<td>(Revenue vs. Balance)</td>
<td>(Project)</td>
<td>(at 3/31/11)</td>
<td>(Period End)</td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>-------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>0</td>
<td>12,545,635 (a)</td>
<td>12,545,635</td>
<td>12,059,549</td>
<td>486,086</td>
<td>12,545,635 (a)</td>
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<tr>
<td>Nonpersonal Service</td>
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<td>7,065,365</td>
<td>7,005,365</td>
<td>3,297,288</td>
<td>3,708,077</td>
<td>7,005,365</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>0</td>
<td>19,611,000</td>
<td>19,551,000</td>
<td>15,356,837</td>
<td>4,194,163</td>
<td>19,551,000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| **FEDERAL FUNDS** | | | | | | | | |
| October-September Programs | | | | | | | | |
| Personal Service | N/A | N/A | 2,349,064 | 605,851 | 1,743,443 | 2,349,094 | N/A | N/A | N/A |
| Nonpersonal Service | N/A | N/A | 4,018,506 | 64,289 | 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 | 7,995,350 | 739,615 | 7,255,765 | 7,995,380 | N/A | N/A | N/A |

| July-June Programs | | | | | | | | |
| 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 | 21,588,008 | 2,506,366 | 19,081,440 | 21,588,008 | N/A | N/A | N/A |
| **Subtotal** | N/A | N/A | 100,954,861 | 28,278,642 | 80,676,219 | 100,954,861 | N/A | N/A | N/A |

| **SPECIAL REVENUE** | | | | | | | | |
| Summer School for the Arts | 355,422 | 1,116,035 (c) | 1,471,457 | 537,961 | 1,608,496 | 1,606,457 | (490,422) (c) | (350,781) (d) | (135,000) (e) |
| Education Assessment | 0 | 2,500,000 (f) | 2,500,000 | 374,064 | 2,212,936 | 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 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**

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9) Cumulative Balance at Program Period End</th>
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<tr>
<td><strong>Available Funds on 4/1/10</strong></td>
<td>2010-11</td>
<td>Projected</td>
<td>Revenue</td>
<td>2010-11</td>
<td>2/28/11</td>
<td>Projected to Program</td>
<td>Actual and Expenditures</td>
<td>Projected vs. Expenditures</td>
<td>Projected Balance at Program Period End</td>
</tr>
<tr>
<td>Personal Service</td>
<td>0</td>
<td>407,000</td>
<td>0</td>
<td>407,000</td>
<td>0</td>
<td>407,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nonpersonal Service</td>
<td>0</td>
<td>160,000</td>
<td>0</td>
<td>160,000</td>
<td>5,136</td>
<td>154,864</td>
<td>160,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>0</td>
<td>567,000</td>
<td>0</td>
<td>567,000</td>
<td>412,136</td>
<td>154,864</td>
<td>567,000</td>
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### GENERAL FUND

#### October-September Programs

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<tr>
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<th>N/A</th>
<th>N/A</th>
<th>3,337,338</th>
<th>114,052</th>
<th>3,223,286</th>
<th>3,337,338</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
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<tbody>
<tr>
<td>Personal Service</td>
<td>N/A</td>
<td>N/A</td>
<td>1,141,240</td>
<td>15,978</td>
<td>1,125,262</td>
<td>1,141,240</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Nonpersonal Service</td>
<td>N/A</td>
<td>N/A</td>
<td>2,154,970</td>
<td>1,102</td>
<td>2,153,868</td>
<td>2,154,970</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>6,633,548</td>
<td>131,132</td>
<td>6,502,416</td>
<td>6,633,548</td>
<td>N/A</td>
<td>N/A</td>
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### FEDERAL FUNDS

#### Special Revenue Account

<table>
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<tr>
<th></th>
<th>(8,117,218)</th>
<th>28,750,000</th>
<th>20,632,782</th>
<th>27,187,916</th>
<th>3,690,866</th>
<th>30,878,782</th>
<th>(a)</th>
<th>(2,128,782)</th>
<th>(2,128,782)</th>
<th>(10,246,000)</th>
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</thead>
<tbody>
<tr>
<td><strong>Total - Cultural Education Account</strong></td>
<td>(8,117,218)</td>
<td>28,750,000</td>
<td>20,632,782</td>
<td>28,975,355</td>
<td>4,993,427</td>
<td>33,968,782</td>
<td>(5,218,782)</td>
<td>(5,218,782)</td>
<td>(13,336,000)</td>
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<tr>
<td>Local Government Records Management Improvement Fund</td>
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<td>4,152,296</td>
<td>4,152,296</td>
<td>3,327,557</td>
<td>782,739</td>
<td>4,110,296</td>
<td>42,000</td>
<td>42,000</td>
<td>42,000</td>
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<tr>
<td>Records Management Program</td>
<td>936,996</td>
<td>1,716,759</td>
<td>2,653,155</td>
<td>1,063,352</td>
<td>440,332</td>
<td>1,502,684</td>
<td>214,075</td>
<td>214,075</td>
<td>1,150,471</td>
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<tr>
<td>Cultural Resource Survey Account</td>
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<td>10,115,654</td>
<td>10,115,654</td>
<td>4,464,550</td>
<td>5,651,104</td>
<td>10,115,654</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
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<tr>
<td>Education Museum Account</td>
<td>100,173</td>
<td>3,322,000</td>
<td>3,422,173</td>
<td>812,241</td>
<td>2,509,769</td>
<td>3,322,000</td>
<td>0</td>
<td>0</td>
<td>100,173</td>
<td></td>
</tr>
<tr>
<td>Education Archives Account</td>
<td>217,710</td>
<td>15,000</td>
<td>232,710</td>
<td>45,630</td>
<td>25,743</td>
<td>71,373</td>
<td>(56,373)</td>
<td>(f)</td>
<td>15,000</td>
<td>161,337</td>
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<tr>
<td>Education Library Account</td>
<td>139,782</td>
<td>65,000</td>
<td>204,782</td>
<td>67,481</td>
<td>(2,481)</td>
<td>65,000</td>
<td>0</td>
<td>0</td>
<td>139,782</td>
<td></td>
</tr>
<tr>
<td>Grants and Bequests</td>
<td>763,184</td>
<td>496,609</td>
<td>1,259,793</td>
<td>343,033</td>
<td>162,941</td>
<td>505,974</td>
<td>(9,365)</td>
<td>496,609</td>
<td>753,819</td>
<td></td>
</tr>
<tr>
<td>Archives Partnership Trust</td>
<td>143,893</td>
<td>690,000</td>
<td>(g)</td>
<td>833,893</td>
<td>438,325</td>
<td>164,812</td>
<td>603,137</td>
<td>86,863</td>
<td>230,756</td>
<td></td>
</tr>
</tbody>
</table>

(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 396 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**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Service</td>
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<td>6,723,000 (a)</td>
<td>6,723,000</td>
<td>6,142,787</td>
<td>580,213</td>
<td>6,723,000 (a)</td>
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<td>2,721,000</td>
<td>980,976</td>
<td>1,740,024</td>
<td>2,721,000</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td>9,444,000</td>
<td>9,444,000</td>
<td>7,123,763</td>
<td>2,320,237</td>
<td>9,444,000</td>
<td>0</td>
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<tr>
<td><strong>SPECIAL REVENUE</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cost Recovery Account</td>
<td>950,839</td>
<td>20,000,000</td>
<td>20,950,839</td>
<td>19,187,243</td>
<td>680,408</td>
<td>19,867,651</td>
<td>132,349</td>
</tr>
<tr>
<td>Automation and Printing</td>
<td>5,418,854</td>
<td>19,500,000</td>
<td>24,918,854</td>
<td>14,982,300</td>
<td>3,903,546</td>
<td>18,885,846</td>
<td>614,154</td>
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<td><strong>Subtotal</strong></td>
<td>6,369,693</td>
<td>39,500,000</td>
<td>45,869,693</td>
<td>34,169,543</td>
<td>4,583,954</td>
<td>38,753,497</td>
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<td>State Operations Total:</td>
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<td>55,313,693</td>
<td>41,293,306</td>
<td>6,904,191</td>
<td>48,197,497</td>
<td>746,503</td>
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<tr>
<td><strong>OTHER RETIREMENT SYSTEMS</strong></td>
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</tr>
<tr>
<td></td>
<td>0</td>
<td>1,531,000</td>
<td>1,631,000</td>
<td>1,491,924</td>
<td>139,076</td>
<td>1,631,000</td>
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<tr>
<td><strong>FEDERAL FUNDS</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>July-June Programs</td>
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<tr>
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<td>2,309,940</td>
<td>4,598,231</td>
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<td>N/A</td>
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<td>Nonpersonal Service</td>
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<td>332,500</td>
<td>72,391</td>
<td>260,109</td>
<td>332,500</td>
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<td><strong>Subtotal</strong></td>
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<td>N/A</td>
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<td>2,382,662</td>
<td>4,930,731</td>
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</tr>
</tbody>
</table>

(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**

<table>
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<tr>
<th></th>
<th>Initial Projection</th>
<th>Revised Projection</th>
<th>Difference</th>
<th>Explanation</th>
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</thead>
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<tr>
<td><strong>SPECIAL REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Education Assessment Account</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>$3,500,000</td>
<td>$3,400,000</td>
<td>($100,000)</td>
<td>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.</td>
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<tr>
<td><strong>High School Equivalency (GED)</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>$655,000</td>
<td>$112,503</td>
<td>($542,497)</td>
<td>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.</td>
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<tr>
<td>Total Changes</td>
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<td></td>
<td>($542,497)</td>
<td></td>
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<td>SED CUMULATIVE PLAN ADJUSTMENT REPORT</td>
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<td>---</td>
</tr>
<tr>
<td>Initial</td>
<td>Revised</td>
<td>Projection</td>
<td>Difference</td>
<td>Explanation</td>
</tr>
<tr>
<td>$7,376,000</td>
<td>$7,187,000</td>
<td>($189,000)</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
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</tr>
<tr>
<td>$27,555,000</td>
<td>$23,555,000</td>
<td>($4,000,000)</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
<td></td>
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<tr>
<td>$19,151,000</td>
<td>$19,151,000</td>
<td>0</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reflects reductions for the Early Retirement incentive.</td>
<td></td>
</tr>
<tr>
<td>$10,000,000</td>
<td>$9,444,000</td>
<td>($556,000)</td>
<td>Reflects a transfer from the Education Assessment Account.</td>
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<tr>
<td>$53,269,248</td>
<td>$53,269,248</td>
<td>0</td>
<td>Reflects a transfer from the Education Assessment Account.</td>
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<td>$3,500,000</td>
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<td>$4,112,286</td>
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<td>Reflects a transfer from the Education Assessment Account.</td>
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**GENERAL FUND**

<table>
<thead>
<tr>
<th>Office of Higher Education</th>
<th>Revenue and Expenditures</th>
<th>Revenue and Expenditures</th>
<th>Revenue and Expenditures</th>
<th>Revenue and Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>$7,376,000</td>
<td>$7,187,000</td>
<td>($189,000)</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$27,555,000</td>
<td>$23,555,000</td>
<td>($4,000,000)</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$19,151,000</td>
<td>$19,151,000</td>
<td>0</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td></td>
<td></td>
<td>Reflects reductions for the Early Retirement incentive.</td>
<td></td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$10,000,000</td>
<td>$9,444,000</td>
<td>($556,000)</td>
<td>Reflects a transfer from the Education Assessment Account.</td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$53,269,248</td>
<td>$53,269,248</td>
<td>0</td>
<td>Reflects a transfer from the Education Assessment Account.</td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$567,535</td>
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<td>0</td>
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<tr>
<td>Revenue and Expenditures</td>
<td>$3,500,000</td>
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<tr>
<td>Revenue and Expenditures</td>
<td>$4,112,286</td>
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</tbody>
</table>

**Office of P-12 Education**

<table>
<thead>
<tr>
<th>Office of Cultural Education</th>
<th>Revenue and Expenditures</th>
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</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>$7,376,000</td>
<td>$7,187,000</td>
<td>($189,000)</td>
<td>Reflects reductions for the Early Retirement incentive.</td>
</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$27,555,000</td>
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<tr>
<td>Revenue and Expenditures</td>
<td>$19,151,000</td>
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<td>Revenue and Expenditures</td>
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<tr>
<td>Revenue and Expenditures</td>
<td>$10,000,000</td>
<td>$9,444,000</td>
<td>($556,000)</td>
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</tr>
<tr>
<td>Revenue and Expenditures</td>
<td>$53,269,248</td>
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**Special Revenue**

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<th>Office of the Professions</th>
<th>Revenue and Expenditures</th>
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**Summer School of the Arts**

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<th>Education Assessment Account</th>
<th>Revenue and Expenditures</th>
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**Local Government Records Management Improvement Fund**

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<td></td>
<td>Initial Projection</td>
<td>Revised Projection</td>
<td>Difference</td>
<td>Explanation</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Cultural Education Account</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$32,728,782</td>
<td>$28,750,000</td>
<td>($3,978,782)</td>
<td>Reflects a revision to the revenue projection for the Cultural Education Account.</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$32,728,782</td>
<td>$30,878,782</td>
<td>($1,850,000)</td>
<td>Reflects reductions for the Early Retirement Incentive, Management/Confidential salary withholding, and workforce reduction.</td>
</tr>
<tr>
<td>Transfer and Other Agency Support</td>
<td>$2,590,000</td>
<td>$3,090,000</td>
<td>$500,000</td>
<td>Reflects a transfer to the Summer School for the Arts Program</td>
</tr>
<tr>
<td>High School Equivalency (GED)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>$655,000</td>
<td>$112,503</td>
<td>($542,497)</td>
<td>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.</td>
</tr>
<tr>
<td>Total Changes</td>
<td></td>
<td></td>
<td>($14,297,279)</td>
<td></td>
</tr>
</tbody>
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