



TO: The Honorable the Members of the Board of Regents
FROM: Valerie Grey *Valerie Grey*
SUBJECT: State Education Department April 2011 Fiscal Report
DATE: May 12, 2011

AUTHORIZATION(S):

[Signature]
Executive Summary

Issues for Approval

The April Fiscal Report is presented for your review, discussion and acceptance. It is the first report for the 2011-12 State fiscal year and reflects 2011-12 spending plans for the General Fund and special revenue funds and 2010-11 spending plans for federal funds, which have grant awards that run from July to June or October to September. All spending plans are developed by the program offices in conjunction with the Bureau of Budget Coordination.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

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

Background Information

- All Funds – Extensive spending controls continue.
- General Fund – Our General Fund accounts are in structural balance with the exception of the Assessment and Tenured Teacher Hearing accounts. The Department received in the Enacted Budget \$7.0 million of the \$15.0 million of General Fund support it requested for Regents exams. Options for closing the \$8.0 million deficit in Assessments will be presented at the full Board meeting in May.

Additional funding for Tenured Teacher Hearings was not included in the Enacted Budget. The program is now projected to have a cumulative deficit of \$9.0 million to \$9.5 million is projected for March 31, 2012. This projected cumulative deficit consists of the actual cumulative deficit on March 31, 2011 of \$6.5 million and an estimate of \$2.5 million to \$3.0 million for the additional deficit that will accumulate during the 2011-12 State Fiscal Year. If the Department's Tenured Teacher Hearing reform legislation is enacted, it will better control Tenured Teacher Hearing costs and decrease the amount of time it takes to resolve cases.

The Department received the \$700,000 of General Fund support it requested for the GED program and therefore it is in structural balance for the current State Fiscal year. However, the GED program is projected to have a significant deficit next year.

- Special Revenue – Our revenue accounts are in structural balance, allowing for normal reimbursement delays and the planned use of prior year balances, except that, 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 ensure that required spending reductions are achieved.

Recommendation

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

Timetable for Implementation

N/A

**STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF APRIL 30, 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 4/30/11	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	22,735,606	22,735,606	1,370,267	21,365,339	22,735,606	0	0	0
Nonpersonal Service	0	21,805,394	21,805,394	0	38,805,394	38,805,394	(17,000,000) (a)	(17,000,000)	(17,000,000)
Other Retirement Systems	0	1,468,000	1,468,000	0	1,468,000	1,468,000	0	0	0
Subtotal	0	46,009,000	46,009,000	1,370,267	61,638,733	63,009,000	(17,000,000) (a)	(17,000,000)	(17,000,000)
Subtotal	8,591,221	161,683,937	170,275,158	7,126,375	152,910,436	160,036,811	1,647,126 (b)	8,761,725	10,238,347
SPECIAL REVENUE									
All Accounts	N/A	N/A	50,686,432	17,513,816	33,172,616	50,686,432	N/A	N/A	N/A
Personal Service	N/A	N/A	19,159,746	2,229,213	16,930,533	19,159,746	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	40,882,750	258,042	40,624,708	40,882,750	N/A	N/A	N/A
Mandated Costs	N/A	N/A	110,728,928	20,001,070	90,727,858	110,728,928	N/A	N/A	N/A
Subtotal	N/A	N/A	31,353,424	20,739,129	10,614,295	31,353,424	N/A	N/A	N/A
Personal Service	N/A	N/A	58,176,083	8,429,146	49,746,937	58,176,083	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	22,742,675	7,619,831	15,122,844	22,742,675	N/A	N/A	N/A
Mandated Costs	N/A	N/A	112,272,182	36,788,106	75,484,076	112,272,182	N/A	N/A	N/A
Subtotal	N/A	N/A	439,285,268	65,285,819	380,761,102	446,046,921	N/A	N/A	N/A
GRAND TOTALS									

(a) This structural imbalance is the result of continued underfunding for the Tenured Teacher Hearing program and a shortfall in Assessment.

(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 APRIL 30, 2011
 For State Fiscal Year 2011-12

	(1) Available Funds on 4/1/11	(2) 2011-2012 Projected Revenue	(3) Cumulative Projected Revenue 2011-2012	(4) Actual Expenditures Through 4/30/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2011-2012 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/12	(9) Cumulative Projected Balance at Program Period End
GENERAL FUND									
Personal Service	0	886,700	886,700	68,324	818,376	886,700	0	0	0
Nonpersonal Service	0	1,973,300	1,973,300	0	1,973,300	1,973,300	0	0	0
Subtotal	0	2,860,000	2,860,000	68,324	2,791,676	2,860,000	0	0	0
FEDERAL FUNDS									
<i>October-September Programs (b)</i>									
Personal Service	N/A	N/A	45,000,000	15,704,720	29,295,280	45,000,000	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	14,000,000	1,990,888	12,009,112	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	17,695,608	78,404,392	96,100,000	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	1,233,193	916,427	316,766	1,233,193	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	2,493,812	226,540	2,267,272	2,493,812	N/A	N/A	N/A
Mandated Costs	N/A	N/A	755,823	755,823	0	755,823	N/A	N/A	N/A
Subtotal	N/A	N/A	4,482,828	1,898,790	2,584,038	4,482,828	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	121,074	80,000 (f)	201,074	2,224	77,776	80,000	0	0	121,074
Social Security	0 (a)	535,599	535,599	0	535,599	535,599	0	0	0
Proprietary - Supervision	2,264,330	3,000,000 (g)	5,264,330	159,975	3,410,901	3,570,876	(570,876) (c)	139,124	1,693,454 (d)
Proprietary - Tuition Reimbursement	2,393,647	300,000 (h)	2,693,647	1,360	498,640	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 \$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) A sweep of \$32,000 is anticipated against this account.
 (g) A sweep of \$297,000 is anticipated against this account.
 (h) A sweep of \$23,000 is anticipated against this account.

PROFESSIONS
FINANCIAL STATUS AS OF APRIL 30, 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 4/30/11	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
7,194,305	47,264,520	54,458,825	1,902,959	42,126,664	44,029,623	3,234,897	6,045,897	10,429,202

SPECIAL REVENUE
Office of the Professions

(a) A sweep of \$2,777,000 is anticipated against this account.

HIGHER EDUCATION
FINANCIAL STATUS AS OF APRIL 30, 2011
 For State Fiscal Year 2011-12

(1) Available Funds on 4/1/11	(2) 2011-2012 Projected Revenue	(3) Cumulative Projected Revenue 2011-2012	(4) Actual Expenditures Through 4/30/11	(5) Projected Expenditures to Program Period End	(6) Total Expenditures Actual and Projected	(7) 2011-2012 Projected Revenue vs. Expenditures	(8) Projected Structural Balance at 3/31/12	(9) Cumulative Projected Balance at Program Period End
0	2,704,906	2,704,906	195,942	2,508,964	2,704,906	0	0	0
0	280,994	280,994	0	280,994	280,994	0	0	0
0	3,653,100	3,653,100	0	12,653,100	12,653,100	(9,000,000)	(9,000,000)	(9,000,000)
0	6,639,000	6,639,000	195,942	15,443,058	15,639,000	(9,000,000)	(9,000,000)	(9,000,000)
Subtotal								
N/A	N/A	1,147,304	725,829	421,475	1,147,304	N/A	N/A	N/A
N/A	N/A	358,414	3,840	354,574	358,414	N/A	N/A	N/A
N/A	N/A	398,044	72,900	325,144	398,044	N/A	N/A	N/A
N/A	N/A	1,903,762	802,569	1,101,193	1,903,762	N/A	N/A	N/A
Subtotal								

FEDERAL FUNDS

July-June Programs
 Personal Service
 Nonpersonal Service
 Mandated Costs

SPECIAL REVENUE

Office of Teacher Certification
 Regents Accreditation of Teacher Education

2,708,997	6,600,000 (b)	9,308,997	228,855	6,422,230	6,651,085	(51,085)	15	2,657,912
68,282	31,000 (c)	99,282	88	49,912	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.

(c) A sweep of \$21,000 is anticipated against this account.

(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 APRIL 30, 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 4/30/11	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	12,193,000	12,193,000	733,376	11,459,624	12,193,000	0	0	0
Nonpersonal Service	0	13,305,000	13,305,000	0	21,305,000	21,305,000	(8,000,000)	(8,000,000)	(8,000,000)
Subtotal	0	25,498,000	25,498,000	733,376	32,764,624	33,498,000	(8,000,000)	(8,000,000)	(8,000,000)
FEDERAL FUNDS									
<i>October-September Programs</i>									
Personal Service	N/A	N/A	2,349,094	1,073,198	1,275,896	2,349,094	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	4,018,506	194,565	3,823,941	4,018,506	N/A	N/A	N/A
Mandated Costs	N/A	N/A	1,627,780	256,940	1,370,840	1,627,780	N/A	N/A	N/A
Subtotal	N/A	N/A	7,995,380	1,524,702	6,470,678	7,995,380	N/A	N/A	N/A
<i>July-June Programs</i>									
Personal Service	N/A	N/A	24,374,696	16,193,902	8,180,794	24,374,696	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	54,991,357	8,097,551	46,893,806	54,991,357	N/A	N/A	N/A
Mandated Costs	N/A	N/A	21,588,808	6,791,108	14,797,700	21,588,808	N/A	N/A	N/A
Subtotal	N/A	N/A	100,954,861	31,082,561	69,872,300	100,954,861	N/A	N/A	N/A
SPECIAL REVENUE									
State School for the Blind at Batavia	0 (b)	10,020,000	10,020,000	292,725	9,727,275	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	9,600,120	252,857	9,347,263	9,600,120	0	0	0

(a) This deficit is due to a shortfall in Assessment.

(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 APRIL 30, 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 4/30/11	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	34,856	363,144	398,000	0	0	0
Nonpersonal Service	0	144,000	144,000	0	144,000	144,000	0	0	0
Subtotal	0	542,000	542,000	34,856	507,144	542,000	0	0	0
FEDERAL FUNDS									
October-September Programs									
Personal Service	N/A	N/A	3,337,338	735,898	2,601,440	3,337,338	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,141,240	43,760	1,097,480	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	780,760	5,852,788	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	1,309,317	26,250,511	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	187,761	3,517,219	3,704,980	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	174,707	1,452,653	1,627,360	72,640	72,640	1,727,418
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	94,669	9,787,526	9,882,195	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	60,009	2,913,901	2,973,910	126,090	126,090	129,781
Education Archives Account	183,459	15,000	198,459	501	75,139	75,640	(60,640) (d)	15,000	122,819
Education Library Account	127,434	65,000	192,434	482	106,018	106,500	(41,500) (d)	65,000	85,934
Grants and Bequests	483,265	173,523	656,788	106,744	536,333	643,077	(469,554) (d)	36,420	13,711
Archives Partnership Trust	128,526 (e)	690,000	818,526	27,817	662,183	690,000	0	0	128,526
Summer School for the Arts	211,074	697,000	908,074	0	905,385	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.
(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 APRIL 30, 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 4/30/11	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	337,769	6,215,231	6,553,000	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	0	2,449,000	2,449,000	0	0	0
Subtotal	0	9,002,000	9,002,000	337,769	8,664,231	9,002,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	436,107	18,750,000	19,186,107	1,556,489	17,157,244	18,713,733	36,267	36,267	472,374
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	766,836	16,695,064	17,461,900	(961,900) (a)	38,100	3,144,352 (b)
Subtotal	4,542,359	35,250,000	39,792,359	2,323,325	33,852,308	36,175,633	(925,633)	74,367	3,616,726
State Operations Total:	4,542,359	44,252,000	48,794,359	2,661,094	42,516,539	45,177,633	(925,633)	74,367	3,616,726
OTHER RETIREMENT SYSTEMS									
	0	1,468,000	1,468,000	0	1,468,000	1,468,000	0	0	0
FEDERAL FUNDS <i>July-June Programs</i>									
Personal Service	N/A	N/A	4,598,231	2,902,971	1,695,260	4,598,231	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	332,500	101,215	231,285	332,500	N/A	N/A	N/A
Subtotal	N/A	N/A	4,930,731	3,004,186	1,926,545	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.