



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 *Val Grey*
SUBJECT: State Education Department October 2011 Fiscal Report
DATE: November 7, 2011
AUTHORIZATION(S):

Executive Summary

Issues for Approval

The October Fiscal Report is presented for your review, discussion and acceptance. There is no plan adjustment report this month.

Reason(s) for Consideration

Update.

Proposed Handling

Review, discussion and acceptance.

Procedural History

The October Fiscal Report reflects actual expenditures through October 31, 2011 and projected expenditures through the lapse period ending June 30, 2012.

General Update

On November 3, 2011, PEF employees ratified the revised collective bargaining contract which includes layoff protections. Therefore, the layoff notices that were sent to 3,496 PEF employees statewide, including 13 at SED, have been rescinded. The revised contract was reduced from five years to four years and exchanges a cash bonus for the repayment of previously unpaid furlough days.

Account Update

The following accounts continue to have funding shortfalls:

- Tenured Teacher Hearing account - the program is now 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 – progress has been made; however, the account continues to carry a large accumulated deficit due to declining revenue.

Our Budget Coordination staff and I will continue to closely monitor the Department's accounts and ensure that required spending reductions are achieved.

Recommendation

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

Timetable for Implementation

N/A

**STATE EDUCATION DEPARTMENT GRAND TOTALS
FINANCIAL STATUS AS OF October 31, 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 10/31/11	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	10,615,191	12,120,415	22,735,606	0	0	0
Nonpersonal Service	0	21,805,394	21,805,394	3,600,520	27,204,874	30,805,394	(9,000,000) (a)	(9,000,000)	(9,000,000)
Other Retirement Systems	0	1,468,000	1,468,000	1,113,125	354,875	1,468,000	0	0	0
Subtotal	0	46,009,000	46,009,000	15,328,836	39,680,164	55,009,000	(9,000,000) (a)	(9,000,000)	(9,000,000)
Subtotal	8,591,221	163,208,937	171,800,158	75,703,517	85,858,294	161,561,811	1,647,126 (b)	8,761,725	10,238,347
SPECIAL REVENUE									
All Accounts									
FEDERAL FUNDS									
October-September Programs									
Personal Service	N/A	N/A	50,686,432	0	50,686,432	50,686,432	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	19,159,746	0	19,159,746	19,159,746	N/A	N/A	N/A
Mandated Costs	N/A	N/A	40,882,750	0	40,882,750	40,882,750	N/A	N/A	N/A
Subtotal	N/A	N/A	110,728,928	0	110,728,928	110,728,928	N/A	N/A	N/A
July-June Programs									
Personal Service	N/A	N/A	36,436,807	5,066,524	31,370,283	36,436,807	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	102,600,971	3,964	102,597,007	102,600,971	N/A	N/A	N/A
Mandated Costs	N/A	N/A	24,034,717	0	24,034,717	24,034,717	N/A	N/A	N/A
Subtotal	N/A	N/A	163,072,495	5,070,488	158,002,007	163,072,495	N/A	N/A	N/A
GRAND TOTALS									
	N/A	N/A	491,610,581	96,102,841	394,269,393	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 October 31, 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 10/31/11	(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	458,460	428,240	886,700	0	0	0
Nonpersonal Service	0	1,973,300	1,973,300	30,867	1,942,433	1,973,300	0	0	0
Subtotal	0	2,860,000	2,860,000	489,327	2,370,673	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
Nonpersonal Service	N/A	N/A	14,000,000	0	14,000,000	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	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	316,325	1,128,417	1,444,742	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	1,830,259	0	1,830,259	1,830,259	N/A	N/A	N/A
Mandated Costs	N/A	N/A	1,162,124	0	1,162,124	1,162,124	N/A	N/A	N/A
Subtotal	N/A	N/A	4,437,125	316,325	4,120,800	4,437,125	N/A	N/A	N/A
SPECIAL REVENUE									
Workers' Compensation	121,074	105,000 (f)	226,074	82,794	22,206	105,000	0	0	121,074
Social Security	0 (a)	535,599	535,599	157,315	378,284	535,599	0	0	0
Proprietary - Supervision	2,264,330	3,000,000 (g)	5,264,330	1,463,370	2,107,506	3,570,876	(570,876) (c)	139,124	1,693,454 (d)
Proprietary - Tuition Reimbursement	2,393,647	300,000 (h)	2,693,647	46,365	453,635	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 \$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 October 31, 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 10/31/11	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 (a)	54,458,825	21,615,960	22,413,663	44,029,623	3,234,897	6,045,897	10,429,202 (b)

SPECIAL REVENUE
Office of the Professions

(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.

HIGHER EDUCATION
FINANCIAL STATUS AS OF October 31, 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 10/31/11	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	2,704,906	2,704,906	1,471,087	1,233,819	2,704,906	0	0	0
Nonpersonal Service	0	280,994	280,994	72,354	208,640	280,994	0	0	0
Tenured Teacher Hearings NPS	0	3,653,100	3,653,100	1,396,572	11,256,528	12,653,100	(9,000,000)	(9,000,000)	(9,000,000)
Subtotal	0	6,639,000	6,639,000	2,940,013	12,698,987	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	109,891	820,409	930,300	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
Mandated Costs	N/A	N/A	248,293	0	248,293	248,293	N/A	N/A	N/A
Subtotal	N/A	N/A	1,444,918	109,891	1,335,027	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	3,011,093	3,639,992	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 October 31, 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 10/31/11	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	5,449,639	6,743,361	12,193,000	0	0	0
Nonpersonal Service	0	13,305,000	840,621	12,464,379	13,305,000	0	0	0
Subtotal	0	25,498,000	6,290,260	19,207,740	25,498,000	0	0	0
FEDERAL FUNDS								
<i>October-September Programs</i>								
Personal Service	N/A	2,349,094	0	2,349,094	2,349,094	N/A	N/A	N/A
Nonpersonal Service	N/A	4,018,506	0	4,018,506	4,018,506	N/A	N/A	N/A
Mandated Costs	N/A	1,627,780	0	1,627,780	1,627,780	N/A	N/A	N/A
Subtotal	N/A	7,995,380	0	7,995,380	7,995,380	N/A	N/A	N/A
<i>July-June Programs (a)</i>								
Personal Service	N/A	29,463,534	4,003,029	25,460,505	29,463,534	N/A	N/A	N/A
Nonpersonal Service	N/A	100,171,887	2,674	100,169,213	100,171,887	N/A	N/A	N/A
Mandated Costs	N/A	22,624,300	0	22,624,300	22,624,300	N/A	N/A	N/A
Subtotal	N/A	152,259,721	4,005,703	148,254,018	152,259,721	N/A	N/A	N/A
SPECIAL REVENUE								
State School for the Blind at Batavia	0 (b)	10,020,000	4,362,519	5,657,481	10,020,000	0	0	0
State School for the Deaf at Rome	0 (b)	9,600,120	3,527,122	6,072,998	9,600,120	0	0	0
Fiduciary (January Assessments)	0	1,500,000	0	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 OCTOBER 31, 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 10/31/11	(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	398,000	398,000	236,786	161,214	398,000	0	0	0
Nonpersonal Service	0	144,000	144,000	58,074	85,926	144,000	0	0	0
Subtotal	0	542,000	542,000	294,860	247,140	542,000	0	0	0
FEDERAL FUNDS									
October-September Programs									
Personal Service	N/A	N/A	3,337,338	0	3,337,338	3,337,338	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
Mandated Costs	N/A	N/A	2,154,970	0	2,154,970	2,154,970	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
SPECIAL REVENUE									
Cultural Education Account									
Office of Cultural Education-Operations	(14,452,981)	28,750,000	14,297,019	13,422,812	14,137,016	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	2,160,441	1,544,539	3,704,980	0	0	0
Records Management Program	1,654,778	1,700,000	3,354,778	998,011	629,349	1,627,360	72,640	72,640	1,727,418
Cultural Resource Survey Account	0 (c)	9,882,195	9,882,195	2,191,179	7,691,016	9,882,195	0	0	0
Education Museum Account	3,691	3,100,000	3,103,691	589,989	2,383,921	2,973,910	126,090	126,090	129,781
Education Archives Account	183,459	15,000	198,459	6,362	69,278	75,640	(60,640) (d)	15,000	122,819
Education Library Account	127,434	65,000	192,434	4,171	102,329	106,500	(41,500) (d)	65,000	85,934
Grants and Bequests	483,265	173,523	656,788	200,574	442,503	643,077	(489,554) (d)	36,420	13,711
Archives Partnership Trust	128,526 (e)	690,000	818,526	302,411	387,589	690,000	0	0	128,526
Summer School for the Arts	211,074	697,000	908,074	386,975	518,410	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 October 31, 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 10/31/11	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	2,999,219	3,553,781	6,553,000	0	0	0
Nonpersonal Service	0	2,449,000	2,449,000	1,202,032	1,246,968	2,449,000	0	0	0
Subtotal	0	9,002,000	9,002,000	4,201,251	4,800,749	9,002,000	0	0	0
SPECIAL REVENUE									
Cost Recovery Account	436,107	18,750,000	19,186,107	12,157,362	6,556,371	18,713,733	36,267	36,267	472,374
Automation and Printing (IT)	4,106,252	16,500,000	20,606,252	9,016,196	8,445,704	17,461,900	(961,900) (a)	38,100	3,144,352 (b)
Subtotal	4,542,359	35,250,000	39,792,359	21,173,558	15,002,075	36,175,633	(925,633)	74,367	3,616,726
State Operations Total:	4,542,359	44,252,000	48,794,359	25,374,809	19,802,824	45,177,633	(925,633)	74,367	3,616,726
OTHER RETIREMENT SYSTEMS	0	1,468,000	1,468,000	1,113,125	354,875	1,468,000	0	0	0
FEDERAL FUNDS									
July-June Programs									
Personal Service	N/A	N/A	4,598,231	637,279	3,960,952	4,598,231	N/A	N/A	N/A
Nonpersonal Service	N/A	N/A	332,500	1,290	331,210	332,500	N/A	N/A	N/A
Subtotal	N/A	N/A	4,930,731	638,569	4,292,162	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)