BUDGET HANDBOOK

PREPARED FOR THE UNIVERSITY FACULTY SENATE

University Faculty Senate Operations Committee
University Budget Office
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An Overview of Budgeting at SUNY

Introduction

The State University of New York (SUNY), founded in 1948, is governed by a Board of Trustees. The system consists of 64 campuses including research universities, land grant colleges, health science centers, comprehensive colleges, specialized colleges, technical colleges and community colleges that offer programs as varied as ceramics engineering, philosophy, fashion design, optometry, maritime studies, law, and medical education. The University also operates three hospitals, a Veterans' Home and numerous research institutes. This budget manual provides information related to the twenty-nine state-operated and five statutory colleges.

Many of the SUNY administrative structures, regulations and requirements are determined by constitutional or statutory language. The differences between the State-operated campuses, the community colleges and the statutory colleges can be found in the laws of the State. Many of the terms used in the financial processes of the University are the same as those used for other agencies in the State of New York.

State-Operated, Statutory, and Community Colleges

Although this document is geared primarily toward the State-Operated and Statutory Colleges, it is important to note the most significant budgetary differences in the funding and governance of State-Operated, Statutory Colleges, and Community Colleges.

The State-Operated campuses include the doctoral institutions – the four university centers (at Albany, Binghamton, Buffalo and Stony Brook) including health science centers at Buffalo and Stony Brook, two free-standing health science centers (at Brooklyn and Syracuse), the College of Environmental Science and Forestry, and Optometry. The remaining State-operated campuses are the thirteen comprehensive colleges (at Brockport, Buffalo, Cortland, Empire State College, Fredonia, Geneseo, New Paltz, Old Westbury, Oneonta, Oswego, Plattsburgh, Potsdam, and Purchase), and the eight technology colleges (at Alfred, Canton, Cobleskill, Delhi, Farmingdale, Maritime, Morrisville and SUNYIT at Utica-Rome). The University also operates three hospitals in conjunction with the health science centers at Stony Brook, Upstate and Downstate.

- The fiscal year is July 1st – June 30th
- The primary sources of funding for the campus *core instructional budgets* are State support and student tuition.
- Campuses and University-wide programs are listed as separate line items in the State budget, however, the University has flexibility (within statutory limits) to distribute funding among campuses and programs according to the priorities of the Board of Trustees.
- Appropriation (spending authority) is required to spend many parts of the campus all-funds budget. If a budget is not enacted by the State by July 1,

emergency legislation must be passed before any campus appropriated spending can occur.

- Tuition rates are set by the Board of Trustees and, by law, are required to be at a uniform level by degree type. Appropriation is required to spend campus generated income including tuition. Without a commensurate increase in appropriation, an increase in tuition revenue (either because of higher tuition rates or additional enrollment) cannot be spent. Tuition cannot be raised until the current year's budget has been enacted. (The State is on an April 1st – March 31st fiscal year.)
- All appropriated fund transactions must be processed through the Office of the State Comptroller (OSC), including allocation, revenue and expenditure transfers; purchasing; contracting; and payroll.
- All purchasing must comply with the State regulations as amended for SUNY. Contracts must be approved by both the Attorney General's Office and OSC.
- The campuses are subject to audits by the State Comptroller.
- Collective bargaining contracts are negotiated by the Governor's Office of Employee Relations (GOER) and require approval by the Legislature.
- Funded enrollment levels are approved by an Enrollment Planning Group led by the Office of the Provost at System Administration. Campuses are allowed to enroll additional students, supported by tuition dollars alone. A Strategic Enrollment Management Workgroup has been formed to discuss the process and to develop a new enrollment planning process.

The Statutory Colleges are State colleges located on the campuses of and run in partnership with Alfred University and Cornell University. The five colleges include the College of Ceramics at Alfred and the Colleges of Agriculture and Life Sciences, Human Ecology, Industrial and Labor Relations, and Veterinary Medicine at Cornell. Many of the same budgetary characteristics listed above apply to the statutory colleges; however there are some significant differences:

- Tuition rates vary from the State-Operated campuses; however, the campuses must consult with the SUNY Board of Trustees regarding tuition changes.
- Other revenue, including tuition, at the statutory colleges does not require legislative appropriation to be expended.
- Cornell and Alfred contract college employees are not on the State's payroll, but are eligible for State employee benefits, and are considered employees of their respective Universities.

__The 30 Community Colleges__ are State colleges located throughout New York State. All but Fashion Institute of Technology (FIT) are 2-year colleges. The community college financial operations are very different from the State-operated and statutory colleges:

- Most colleges are on a September 1st – August 31st fiscal year. FIT is on a July 1st – June 30th fiscal year.
- The operating budget is determined by the campus and is approved by the local Board of Trustees and the sponsor before being approved by the SUNY Board of Trustees.
- The primary sources of funding for the campus operating budget are State support (Base Aid), student tuition, and local support (from the sponsorship area and non-sponsor county payments). Only the Base Aid is appropriated.
- Base Aid for community colleges is included in the local assistance portion of the State budget as a lump sum to be distributed through a formula based on FTE student enrollment.
- Additional State aid, similar to the University-wide programs available to the State-operated campuses, is also appropriated and is budgeted for specific purposes such as child care, high needs programs, and workforce development.
- The campus can spend tuition and local support in the absence of an enacted State budget at the start of the campus fiscal year.
- Tuition rates can vary from campus to campus and are set by each campus and approved by the SUNY Board of Trustees.
- Financial transactions, including purchasing, contracting and payroll are processed by the campus, not by the State Comptroller. In some instances, these functions are performed at the county level.
- Collective bargaining contracts are negotiated by the campus or sponsoring county.

An Historical Perspective on the Core Instructional Budget

For almost 40 years, the State University's budget was defined by the appropriation of relatively detailed categories for each campus. Campuses would submit preliminary budgets to System Administration with program related requests to increase the prior year budget. In the late 1970's the University began using the "40-Cell Matrix" (a faculty/student ratio model based on four instruction levels and ten discipline groups) to support requests for academic program initiatives. Campuses had limited discretion in the use of the funding and approval was required to move allocation from one functional area or object of expense to another.

In 1985, legislation was enacted that provided the University and campuses increased budgetary autonomy ("SUNY Flex"), and the "Benchmark" emerged as the primary method for allocating appropriations for the State-operated campuses. The statutory colleges were funded using an incremental methodology. The Benchmark incorporated the basic structure of the earlier FTE-based, 40-cell matrix, but also distributed funding based on headcount enrollments, sponsored program activity, square footage of campus facilities and the actual cost of utilities. Increases in the budget were requested as lump sum initiatives and campuses no longer submitted individual requests for funding. Campuses received a total level of funding and had full discretion in the use of the revenue within State and University fiscal guidelines.

In determining the final distribution of campus funding, the Benchmark focused on campus funding level compared to a modeled level of funding. Through a process of phased-in redistribution of funding support among the campuses and infusion of new resources, campuses were brought to a level closer to the "total University average support" level. However, because of State fiscal conditions, by 1994-95, the total funding available to the University was only approximately 75% of the Benchmark's normative level of support. Eventually, the Benchmark was perceived to be too complex and less effective in establishing campus allocations, especially in light of changes in administrative regulations and funding patterns; and it became evident a new methodology was needed.

A committee of campus academic and business officers, with Faculty Senate representation, was formed to develop a new method for distributing allocation to the campuses. In spring 1996, the committee drafted a conceptual proposal presented to the Board of Trustees and the Presidents' Planning and Priorities Committee. Based on these meetings, adjustments were made and a draft document was sent to all presidents for comment and discussion at the December 1996 Chancellor's Forum. A revised report, issued in October 1997, was shared with campus presidents and officers, legislative staff, Division of the Budget staff and the Faculty Senate. Based on comments from the various groups the proposal was recommended by the Provost and Vice Chancellor for Finance and was used to distribute campus allocations in the 1998-99 Financial Plan.

The Budget Allocation Process (originally referred to as the Resource Allocation Methodology) was in place through 2003-04. It was re-examined to determine how effectively it related to the Board's emerging priorities for shaping the University's progress. This allocation framework had become increasingly affected by several factors related to adjustments in State support that accompanied the 2003-04 tuition increases, including:

- The reallocation in 2003-04 of $50 million of State tax dollars outside of the BAP formula
- The level of State support was nearly $200 million (20 percent) less than the funding requirements otherwise generated by applying the existing BAP formula

The new budget allocation framework ("BAP II") continued to promote performance and quality. The new framework no longer created an obligation to fund the increment of enrollment and research growth across the University. Rather than generating an estimate of need that must be adjusted to correspond with available funding, the new framework allocated a given level of resources.

BAP II continued the evolution of greater simplicity and flexibility of successive SUNY allocation methodologies, reflecting the movement toward greater campus autonomy in the internal distribution of resources. As campuses exercise more authority in academic and fiscal matters, they also assume greater responsibility for the cost variations which result from local decisions.

The difficult fiscal circumstances which began with the enactment of the 2008-09 budget and the desire to reflect the priorities of SUNY's Strategic Plan, the Power of SUNY, have prompted a review of BAPII and overall University allocation methodologies.

State Operated and Statutory Colleges – All Funds Budgeting

The All Funds Budget for the total University (including community colleges) is approximately $11B. The All Funds Budget describes all the resources available to the campus regardless of source of funding. The appropriated and non-appropriated areas of expenditure are described in more detail below.

<u>Appropriated Funds</u>

General Fund

- Core Instructional Budget: funded from a combination of State tax dollar support, campus generated revenue (tuition, certain fees, certain overhead charges and interest earnings) and University-wide income from overhead charges, interest earnings and certain other sources.

- Fringe Benefits: funded from State tax dollar support. Prior to 2004-05, funding for most fringe benefits paid on behalf of University employees was not appropriated in the University's budget. The funding for fringe benefits for programs either unique to SUNY or found at only a few agencies was provided in the SUNY budget. However, to more accurately reflect the full cost borne by the State, the estimated full cost of the fringe benefits is included in SUNY's budget. These funds are immediately sub-allocated to the entities responsible for the actual payment of the benefits.

Special Revenue Funds

- Dormitory Income Fund Reimbursable (DIFR): funded from room rental fees and charges
- Hospital Income Fund Reimbursable-Operational (HIFR): funded from patient care revenue and State support for their public status and service
- Hospital Income Fund Reimbursable-IFR (HIFR-IFR): allows for organizational and accounting independence for academic medical center health care related activities.
- General Income Fund Reimbursable (General IFR): funded from revenues generated for services provided by the campus, such as student fees, conferences, concerts, training, facilities rentals, and certain cost recoveries from sponsored grants and activity.
- State University Tuition Reimbursable Account (SUTRA): funded from tuition revenue collected from summer session, contract courses, overseas academic programs and tuition revenue beyond that budgeted for in the core instructional budget
- Stabilization Fund: allows the carry-over of unexpended State general fund revenue
- Banking Services Fund: supports campus expenses for certain banking services and expenses.

Special Revenue Funds - Federal

- The State University of New York Student Loan Service Center (SLSC) was established for the purpose of consolidating the fiscal accountability and administrative responsibility for servicing and collecting the Federal campus-based student loan programs for the State operated campuses. The campus-based loan programs operate on a revolving basis.
- The student loan programs that are administered by the SLSC are the Federal Perkins, Nursing, Health Professions, Loans for Disadvantaged Students, and Primary Care programs.

Fiduciary Funds

- Student Aid: funded from federal sources, such as college work study and Pell grants. In addition, a revolving loan fund (supported by loan repayment from students) is available to assist students in financial need.

Capital Projects funded by direct State tax dollars or by bonding

Local Assistance

- County Cooperative Extension, administered by Cornell and funded by State tax dollars
- Community College funding, including base aid, rental aid, and other special items. Community college funding is provided as a lump sum and distributed on an FTE basis (for base aid) or by other specific criteria.

Appropriated in other sections of the State budget

- Student financial aid (including Tuition Assistance Program/TAP)
- Various programs funded by other State agencies, including economic development and agricultural programs
- Legislative (member) items (note that no new items were funded for 2011-12)
- Debt service payments

Funding appropriated in other agency budgets may be found in appropriation bill copy (available through the Division of the Budget website.)

Non-appropriated University funds

Sponsored Programs: research, public service and training activities funded from a variety of external sources and administered by entities including the SUNY Research Foundation, the UB Foundation, Alfred University, and Cornell University

Local Campus Foundations: funded by endowments, gifts and annual giving

Auxiliary Service Corporations: organizations that provide campus services, such as food service, bookstores, etc., funded by payment for services and purchases.

Cornell and Alfred Tuition Funds: tuition earned by the campus, which pays for services provided by the host campus and other instructional expenditures.

The Budget Process

The State Budget Process

State Fiscal Year: April 1st – March 31st

Agency Preparation and Budget Request – required by the New York State Constitution, and initiated by the Budget Director's "Call Letter", each state agency estimates spending needs for the upcoming fiscal year and submits budget requests to the Division of the Budget (DOB), pursuant to the instructions provided in the call letter.

Budget Development – DOB develops budget recommendations for the Governor's review and creates the Executive Budget for the Governor's submission. DOB also drafts the appropriation bills and Article VII legislation.

The Executive Budget is typically submitted in January, on or before the 2nd Tuesday after the Legislature first meets in January, or in years following the election of a new Governor, not later than February 1. The Governor may choose to submit the budget earlier.

21 day amendments – the Legislature may not act on the Executive Budget until after this amendment period ends. The amendments typically reflect only technical changes or corrections to the Executive Budget.

Legislative Action – The Legislature negotiates changes to the Executive Budget and approves the Enacted Budget. The Senate Finance and Assembly Ways and Means committees are responsible for coordinating the Legislature's review, involving public hearings and testimony, and Joint Conference Committee meetings as needed.

The Legislature may make only 3 specific types of changes to the Governor's proposed appropriation bills.

- Strike (delete) an appropriation
- Reduce the amount of an appropriation
- Add new separate items that increase the amount of or add an appropriation

Once the Senate and the Assembly have agreed on the changes to the Executive Budget and have voted their approval, it officially becomes the Enacted Budget. The Governor has the right to veto any funds added by the Legislature. Gubernatorial vetoes may be overridden by the Legislature with a two-thirds majority in each house.

Implementation – DOB controls the release of state appropriation to the University as part of implementation management of the Enacted Budget. The appropriations in the Enacted Budget are "authorizations to spend", or "not to exceed" levels.

DOB develops a Financial Plan which details expected spending and revenue, and is used to monitor actual cash flow against these estimates. This plan is updated quarterly.

No funds can be spent until DOB makes available some or all of an appropriation on a Certificate of Allocation, or "Cert".

The SUNY Budget Process

Academic Fiscal Year: July 1st – June 30th

Each campus has a unique process for developing its budget, involving key campus stakeholders and constituencies. The process described here relates to the system level expectations and information needs.

The campus “core instructional budget” is a combination of campus revenues (primarily tuition but also including interest and some miscellaneous items) and general fund State support. The revenue portion of the core budget is often referred to as the “offset” because those revenues are *offset* against the total University core instructional budget to determine the State tax support amount. All other appropriated funds are supported by campus generated revenue sources (residence hall operations, hospital patient income, broad-based fees, etc.) Separate guidelines are available related to the residence hall program and hospitals.

The campus tuition revenue projections are based on funded enrollment. Funded enrollment levels are approved by an Enrollment Planning Group led by the Office of the Provost at System Administration. The established level of funded enrollment is based on available funding. It is critical that the campus budget office coordinate with the campus enrollment management office during all phases of the budget development process to ensure consistency in the enrollment projections.

Campuses are permitted to enroll additional students for whom no state tax support is provided and who are supported by tuition dollars alone. This “over-enrollment”, beyond the funded enrollment, is expended through the SUTRA fund. Revenue projections are reviewed and approved by University Budget Office prior to adoption of the Financial Plan. The 2011-12 Enacted Budget includes sufficient allocation in the core instructional budget to support some overflow enrollment; campuses will be allowed to include a portion of this revenue in their Financial Plan target as a temporary adjustment (referred to as “Supplemental SUTRA”). Revenue collected beyond the established target will be transferred to SUTRA.

The campus share of state allocation is based on an allocation distribution methodology, with the total amounts by campus and program approved by the SUNY Board of Trustees.

The campus submitted budget includes account level detail, by sub-object, for all appropriated funds. This budget is called “Form 1”, and is submitted through an on-line process. The campus budget should meet the Budget Execution Guidelines as outlined in this manual.

The campus also submits “Schedule 0”, which is a high level summary of the core instructional budget. This summary demonstrates the campus ability to fund the number of positions desired while maintaining an adequate level of other-than-personal-service funding. The 1985 “SUNY Flex” legislation provided the University the ability to create positions within its fiscal means; fringe benefits for employees supported through the core instructional budget are paid by the State and campuses are required to fund the fringe benefits costs for employees paid in other funds.

Appropriation is the total spending authority; allocation is the release of that spending authority. To control spending, the Division of the Budget may choose to release allocation for any of the appropriated funds over the course of the fiscal year, rather than releasing all of it at the beginning of the year. It is understood that the Office of the State Comptroller requires that contracts be fully encumbered before payments may begin; these encumbrance requirements are taken into account during the negotiation with DOB regarding the initial allocation release. Campuses are generally asked to provide encumbrance information for the upcoming fiscal year in April or May. After the Form 1 has been submitted, the Budget Office may request assistance from campuses to determine how to distribute the unallocated funding, prior to posting the Financial Plan certificate. SUNY sub-object 6500 is used to track the unallocated amounts.

Once the campus allocations have been posted to the accounting system, campus attention turns to managing segregations. The Budget Reform Act of 2007 placed additional management of expenditures by category (segregation); however, the 2011-12 Enacted Budget appropriation does not include the specific detailed segregations. Each segregation (or object of expense) must remain positive.

SUNY Budget Development Time Table
Fiscal Year: July 1st – June 30th

Budget Request

Late June – Early July
- "Campus Needs Analysis" request sent to campuses

Late August – Early September
- Campus Needs Analysis due
- Finalize PS and OTPS needs

Early – Mid September
- Estimated Enrollment Growth (based on campus plans, estimated Fall enrollment, and new enrollment distributions by discipline and level)
- Other campus program changes and special initiatives

Mid September – Early November
- Discussions by senior System Administration officials regarding structure of request, special initiatives, etc.

November
- Board of Trustees Finance & Administration Committee meets to discuss request
- Full Board of Trustees approves Budget Request for submission to Governor

Executive Budget

Mid January
- Executive Budget is released
- Report on impact due within 45 days after release of Executive Budget

Enacted Budget

April 1
- Beginning of State fiscal year; State budget due date

Mid April (or once the budget is enacted)
- Funded Enrollment plans finalized
- Final enrollment distributions calculated
- Campuses submit special revenue fund target requests
- Senior System Administration officials make final decisions regarding funding distributions and special initiatives

May

- Campus revenue plans finalized, based on funded enrollment levels
- Financial Plan finalized
- Board of Trustees Finance & Administration Committee meets to discuss Financial Plan
- The full Board of Trustees adopts Financial Plan

June

- Campus begin submissions of detailed budgets

July-August

- Allocation plan for University-Wide programs distributed to the campuses.

Summary of Best Practices in SUNY

A participatory budget process strongly coincides with key goals and values described in SUNY's current strategic planning exercise. Itself a collaborative effort of system and campus constituencies, the university's plan expresses a commitment to excellence and accountability, embracing "great expectations and a commitment to change". Core values of the university include: an atmosphere of mutual respect, responsibility and collegiality; a belief that students/learners are the primary reason for our existence; and a belief that faculty and staff colleagues are fundamental to our success.

According to survey responses of Campus Governance Leaders and Chief Financial Officers, substantial variations exist in campus budget processes. After detailed review and analysis, a model for best practices in SUNY has been derived. Yet serious challenges exist on a number of campuses, while on others the process is in flux. This section highlights the common attributes of a fair and effective budget process, as compiled from the successful processes that are observed across the university. For those cases where both faculty and administration agree or strongly agree that the budget process on their campus is working (i.e., it is perceived as fair and effective by both CFOs and CGLs), this report has distilled the distinct elements that comprise the process.

Across SUNY, best practices in campus budgeting processes share the following attributes. (This is not intended to be an exhaustive or exclusive list, but is comprised of information distilled in the development and evaluation of this survey.) Whether creating a campus budget committee or refining an existing one, the integration of these 12 elements into the budgeting process can help achieve and maintain institutional health and constituency well-being.

A Fair and Effective Campus Budget Process: Best Practices

1. The campus has a Budget Committee

Of the state-operated campuses represented in the survey response, two-thirds of the campuses have a budget committee. Respondents were 5 times as likely to rate their campus budget process as fair and effective when a budget committee exists.

2. The Budget Committee includes broad representation of campus constituencies

Committee composition strongly correlates with the perceived effectiveness of the campus budget process. Processes rated as both fair and effective are far more likely to involve a budget committee on which faculty predominate, and on which professional staff are also represented. Within a fair and effective process, such budget committees typically range in size from 10-20, with average total membership of 15 and a typical distribution such as seven faculty, five management confidential staff, two professional staff and one student. Administrative membership (MC) typically does not duplicate but overlaps with the President's Cabinet. Respondents are 26.5% more likely to view the campus budget process as fair and effective when the budget committee is chaired by a faculty member.

3. The Committee meets frequently, with an annual calendar of scheduled meetings

Frequency of meetings strongly correlates with perceived fairness and effectiveness of the campus budget process. The majority of effective budget committees meet at least once per month. No budget committee that meets only quarterly (or semi-annually) is viewed by faculty as effective.

4. The Committee follows agreed-upon procedures, and engages in regular assessment of its activities and overall effectiveness

An effective budget committee has a formal and consistent process for developing meeting agendas and annual agendas, an accepted procedure for making decisions and recommendations, and an established process for regular assessment of its activities and overall effectiveness. As part of a fair and effective process, the committee makes its recommendations through consensus or formal vote. Committee members understand and accept their responsibilities, e.g., as regards attendance, committee work, collegiality and confidentiality. Only those campus budget committees with a formal process for achieving outcomes and decisions are seen as fair and effective by both faculty and administration.

5. The Committee keeps a formal record of its meetings and activities, and communicates with faculty governance and the campus community

An effective budget committee produces minutes that are formally approved by its membership. The committee makes its minutes available and provides regular reports to faculty governance, and also solicits input from the campus community. Only those campus budget committees that make minutes available to faculty governance, and solicit input from the campus community, are seen as fair and effective by both faculty and administration.

6. The Administration provides the Committee with budgetary data in sufficient detail

The perceived effectiveness of the campus budget process strongly correlates with the level of detail in data provided, and the ease of access to such data. Respondents are 5 times as likely to rate their campus budget process as fair and effective when requested budgetary data is "relatively simple" to access. For campuses with a successful process, budget data that is needed or requested by the committee or its work groups is provided in a timely manner, without undue exercise of discretion by the President or

CFO.

7. The Committee reviews annual budget requests of all Divisions and functional areas

Respondents are 8.5 times as likely to rate their campus budget process as both fair and effective when the committee reviews budget data broken by functional area (e.g., general administration, academic instruction, student services, maintenance and operations, etc.). It is assumed that all committee members have acquired or been provided with basic information on the state and SUNY budget - including terminology, timelines and contingencies - as well as an overview of the institution's projected annual costs, revenues and funding sources.

8. The Committee has access to historical data and expenditure data

Respondents are 7.5 times as likely to rate their campus budget process as both fair and effective when detailed expenditure as well as allocation data is provided. Of all the respondents rating their campus budget process as fair and effective, all but one indicates that the budget committee has access both to historical and expenditure data.

9. The Committee engages in all-funds budgeting

Respondents are 5 times as likely to rate their campus budget process as fair and effective when the Committee reviews and makes recommendations on multiple funding sources (e.g., State Fund, DIFR, IFRs, Auxiliary Services, University Wide Programs). Policy and decision making for all the funding sources available to the institution ideally do not reside within one individual; campus constituencies should be provided input through the budget committee as well as through appropriate fund custodianship (e.g., custodianship of DIFR through Student Affairs and Residential Life, or custodianship of Research Foundation funds through Academic Affairs and/or Project Directors).

10. The Committee makes recommendations on funding priorities

Respondents are 4 times as likely to rate their campus budget process as both fair and effective when the committee examines and makes recommendations on funding priorities. To the extent possible, the committee also makes recommendations on the allocation of discretionary resources (such as OTPS).

11. The Committee establishes linkages between budgeting and planning

Respondents are 3.5 times as likely to rate their campus budget process as fair and effective when the campus budget committee also engages in two or more types of planning (such as long-range planning, strategic planning, facilities and capital planning, etc. An effective budget committee establishes a formal interface with other campus groups engaged in planning.

12. The Committee seeks an optimal allocation of resources, so as to advance the institution’s goals and mission

Overall effectiveness of the budgeting process is correlated to the perceived equity and effectiveness in resource allocation (where effective is defined within the survey as “serving to facilitate achievement of institutional goals”). To the extent possible, the committee seeks to optimize the allocation of resources to areas that add value to the institution (e.g., academic programs and research) and to streamline the allocation of resources to overhead (e.g., general administration). To assist in these efforts, the committee regularly conducts or commissions benchmarking analyses and assessment of resource allocation effectiveness. Of all survey respondents, 89% of CFOs but only 24% of CGLs consider the allocation of resources between administrative and academic areas of the budget to be effective. But for those rating their campus budget process as both fair and effective, 94% of CFOs and 57% of CGLs consider the allocation of resources between administrative and academic areas to be effective.

Acronyms

Code	Name
AAFTE	Annual Average Full Time Equivalent (Student)
ABB	Accounting, Budget, Bursars
AER	Academic Equipment Replacement
ASC	Auxiliary Service Corp
BAP	Budget Allocation Process
BDG1	SUNY Planning and Budgeting System (Legacy system)
BI	Business Intelligence (Oracle)
CASA	Course and Section Analysis
CIP	Classification of Instructional Programs
CSEA	Civil Service Employee Association
CUNY	City University of New York
DASNY	Dormitory Authority of the State of New York
DIFR	Dormitory Income Fund Reimbursable
DRP	Deficiency Reduction Plan
DOB	Division of the Budget
EOC	Educational Opportunity Centers
EOP	Educational Opportunity Program
FBAL	Daily Fund Balance Inquiry (Legacy system)
FMS	Financial Management Strategy
FTE	Full Time Equivalent (faculty/staff)
GA/TA	Graduate Assistant / Teaching Assistant
GOER	Governor’s Office of Employee Relations
GRI	Graduate Research Initiative
HEGIS	Higher Education General Information Survey
HEPI	Higher Education Price Index (commonfund.org)
HIPAA	Health Insurance Portability and Accountability Act
HRMS	Human Resource Management System
HSC	Heath Science Center

IFR	Income Fund Reimbursable
IPEDS	Integrated Postsecondary Education Data System
IPF	Installment Purchase Financing
IR	Institution Research
ITEC	Information Technology Exchange Center
LISVH	Long Island State Veterans Home
M/C	SUNY Management/Confidential
M/C Class	Management/Confidential Classified
M/WBE	Minority and Women-owned Business Enterprise
MOU	Memorandum of Understanding
NYSCOPBA	NYS Correctional Officers & Police Benevolent Assoc
OAG	Office of the Attorney General
OCFS	Office of Children and Family Services
OGS	Office of General Services
OSC	Office of the State Comptroller
OTPS	Other Than Personal Service
PEF	Public Employees Federation
PS	Personal Service
PSR	Personal Service - Regular
PST	Personal Service - Temporary
RCF	Restricted Current Fund
RF	Research Foundation
SABD	Budgetary Distribution System Departmental Allocations (Form 1) (Legacy system)
SCAP	Student Computing Access Program
SDF	Student Data file
SED	State Education Department
SICAS	Student Information and Campus Administrative System
SMRT	SUNY Management Resource Tool
STEM	Science, Technology, Engineering and Mathematics

STIP	Short-Term Investment Pool
SUBOA	State University Business Officers Association
SUCF	State University Construction Fund
SUNY M/C	Management/Confidential
SUSTA	State University Student Tuition Assistance
SUTRA	State University Tuition Reimbursable Account
TANF	Temporary Aid to Needy Families
TAP	Tuition Assistance Program
TS	Temporary Service
UBIT	Unrelated Business Income Tax
UCO	University Controller's Office
URAS	Uniform Revenue Accounting System
UUP	United University Professions

Glossary

ACCOUNTING, BUDGET, BURSARS (ABB): The campus budget, accounting and bursars' professional group.

ALL FUNDS BUDGET: The total campus budget including the core operating budget, residence halls, sponsored program activity, self-supported programs, auxiliary service corporations, foundations, and any other spending related to the campus such as temporary sources of support (legislative member items, University-wide programs).

ALLOCATION: The distribution of appropriated funds to campuses and departments for expenditure control.

ANNUAL AVERAGE FULL-TIME EQUIVALENT (AAFTE): Annual Average Full-time Equivalent (AAFTE) workload is a unit of measure usually derived from student credit hours. One AAFTE workload is equivalent to 30 student credit hours in undergraduate courses, or 24 student credit hours in beginning graduate courses. Health first-professional and doctoral student AAFTEs are headcount based. First professionals in the health sciences and full-time advanced graduate students are converted to AAFTE by dividing the total annual headcount by two. Part-time advanced graduate students are converted to AAFTE by multiplying the annual headcount by .75 and then dividing by two.

APPROPRIATION: The authority to spend revenue (State General Fund or campus generated revenue) up to the amount indicated and for the purpose stated.

ARTICLE VII: The portion of the New York State Constitution which governs State finances. Article VII bills include the language/permanent statute changes necessary to support the appropriations bill.

BDG1: SUNY Planning and Budgeting System ("BDG1") is SUNY's mainframe Legacy system where Revenue, Schedule 0, and Temporary Allocations (University-wide programs) are entered by the campus.

CAMPUS NEEDS ANALYSIS: As part of the compilation of the University's annual Budget Request to DOB, each campus is given the opportunity to provide a "Needs Analysis" of their anticipated budgetary need for the upcoming year. This typically includes review of centrally calculated estimates for PS, OTPS, and utility needs, as well as a discussion of other items that would assist the System.

CERTIFICATE ("CERT"): Formal document releasing allocation to campuses. May be a "master cert" from DOB releasing overall allocation, or it may be more specific account or sub-object level allocation moves.

CONSTRUCTION FUND: The SUNY Construction Fund is a Public Benefit Corporation established in 1962. The purposes of the Fund are: "... to provide academic buildings and other facilities for the State-operated institutions and contract and statutory colleges under jurisdiction of the State University, to reduce the time lag between determination of need for such facilities and actual occupancy thereof, to expedite the construction, acquisition, reconstruction and rehabilitation or improvement of such facilities and to assure that the same are ready for the purposes intended when needed and when scheduled under the approved master plan of State University."

CORE BUDGET (CORE OPERATING BUDGET, CORE INSTRUCTIONAL BUDGET): The core budget is a combination of State tax dollar and University generated income support for direct instruction, academic support and institutional support activities. This funding may also be referred to as the campus financial plan; core instructional budget; operating budget, or state purpose budget.

DEPARTMENTAL ALLOCATIONS: The campus formal budget; detailed allocations by account level, sub-object and fund.

DISBURSEMENT PROJECTIONS/DISBURSEMENT CEILING – Targeted spending by each fund; established on the State's fiscal year (April 1st – March 31st).

DIVISION OF THE BUDGET (DOB): The Division of the Budget (DOB) is charged with the responsibility of advising the Governor in matters that affect the financial health of the State. The office assists in formulating the Governor's budget proposal to the Legislature, offers policy recommendations on fiscal issues, and oversees the implementation of the final Enacted Budget. Under the State Constitution, the Governor is also responsible for developing a revenue and expenditure plan for the State, which the Division of the Budget prepares for the Governor's review.

DORMITORY INCOME FUND REIMBURSABLE (DIFR*):* a self-supported fund dedicated to residence hall operations and funded from room rental fees and charges.

ENACTED BUDGET: The Enacted Budget is the spending plan for the State of New York, approved by the Legislature and signed into law by the Governor. It is due by April 1st of each year. The actual spending plan can be revised by DOB administrative actions or Legislative actions during the year.

ENROLLMENT PLANNING GROUP: A committee of System Administration staff, including representatives from the provost's office and the budget office, which reviews and approves campus enrollment plans.

EXECUTIVE BUDGET: The Executive Budget is the Governor's proposed spending plan for the State of New York. This plan is generally released in mid-January.

FINANCIAL PLAN: Operating budget (Core) as approved by the Board of Trustees. This includes the campus specific allocations for State-operated and statutory colleges, and University-wide programs.

FINANCIAL PLAN ACCOUNT: Financial Plan accounts are used for purposes of supplementing the core operating budget with funding for a source other than state tax or revenue (offset). Generally this is used by a campus to provide special revenue fund (primarily general IFR or SUTRA) revenues to fill in a shortfall in available financial plan support.

FINANCIAL PLAN LETTER: Annual memo detailing specific campus allocations and instructions.

FIRST PROFESSIONAL STUDENT: Student who has met the requirements for admission to D.D.S., D.V.M., J.D., M.D., Pharm.D., or O.D. programs and who is this term carrying out a planned sequence of courses leading to one of these degrees. This includes part-time students.

FISCAL YEAR: State-Operated and Statutory Colleges fiscal year begins July 1st and ends June 30th; for all Community Colleges, except the Fashion Institute of Technology, the fiscal year begins in the September 1st and ends August 31st. The Fashion Institute of Technology fiscal year begins July 1st and ends June 30th. New York State's fiscal year is April 1st – March 31st.

FORM 1: the formal budget submission by each campus (see also "Departmental Allocations")

FULL TIME EQUIVALENT (FTE): A "funded filled annual FTE position" is defined as the equivalent of a full-time position filled for a full year.

FUND: used to distinguish the major categories of appropriation, such as general fund, special revenue funds, capital funds, fiduciary funds.

GENERAL INCOME FUND REIMBURSABLE (General IFR)*:* a self-supported fund dedicated to campus operations and funded from revenues generated by campus programs and broad based fees (student activity fee, transportation fee, technology fee, student health fee, etc.)

HEADCOUNT: The number of students; an unduplicated count.

HIGHER EDUCATION PRICE INDEX (HEPI): The Higher Education Price Index (HEPI) is an inflation index designed specifically to track the main cost drivers in higher education and is similar in concept to the Consumer Price Index (CPI). More information available at www.commonfund.org.

HOSPITAL INCOME FUND REIMBURSABLE (HIFR)*:* a special revenue fund dedicated to hospital operations and funded by patient-care revenue and State support for their public status and service.

INCOME FUND REIMBURSABLE (IFR): Self-supported special revenue funds supported either fully or primarily by campus or hospital generated income. This category includes General IFR, DIFR, SUTRA, and Hospital IFR.

LEGACY: SUNY's mainframe accounting system.

LOCAL ASSISTANCE BUDGET: a section of the State budget that allocates funds to local governments or agencies. The community college funding and Cornell cooperative extension are funded in this section of the State budget. Beginning in 2010-11, the hospital state support payment is funded through Local Assistance. May also be referred to as "Aid to Localities."

MAJOR OBJECT: A category of expense; for example, Personal Service, or Non-Personal Service.

OFFICE OF THE STATE COMPTROLLER (OSC): The State Comptroller is New York State's chief fiscal officer. The Comptroller is charged with auditing government operations and operating the Statewide Retirement Systems. OSC monitors, reports on, and coaches other public entities, and works to ensure that governments at all levels are discharging their responsibilities in an efficient, effective, and timely manner.

OFFSET FUND: A Special Revenue Fund into which tuition and other campus generated revenues are deposited for spending as part of the Financial Plan. In addition to campus revenues, each campus' share of the pooled offset is part of this fund.

OTHER THAN PERSONAL SERVICE (OTPS): All expenditures that are not personal service (PS) related. This includes Supplies and Materials, Travel, Contractual Services, Utilities and Equipment.

OVERFLOW: The term "overflow" relates to enrollment beyond that which is funded in the allocation process. Overflow may be the result of better than expected yield or retention, or may be the result of a conscious decision by the campus to grow enrollment funded by tuition alone. Overflow revenue is that campus revenue (tuition, interest, etc.) which is generated beyond the target established in the Financial Plan.

PERSONAL SERVICE (PS, PSR, PST): All expenditures related to payroll and wages. A single segregation covers all personal service regular (PSR), personal service temporary (PST), and holiday and overtime expenditures and allocations.

POOLED OFFSET: State tax support is reduced by an amount equal to fringe benefit collections on the special revenue funds; SUNY keeps the collected fringe benefit charges, in lieu of state tax support. This revenue is distributed as if it was state tax support, generally in proportion to the total campus state support, and is part of the "State and Other Support" column in the financial plan documentation. Each year a total for this state tax offset is determined by the DOB as part of the Executive Budget process; in order to avoid a financial plan spending reduction, this amount must be collected in aggregate from the State-Operated Campuses.

PROVISIONAL ACCOUNT: The Provisional account is where the initial allocation is recorded for a fund. Allocation will be in this holding account before it is distributed to the departmental accounts. It is used for "controlling" the allocation in that fund.

RECHARGES: a transaction used to fund certain common services that are negotiated centrally on behalf of the entire university.

RESEARCH FOUNDATION (RF): The RF is a private nonprofit educational corporation that supports the advancement of education, research and discovery at SUNY.

REVENUE TARGET: The portion of the Financial Plan made up of campus retained revenues. These revenues are generated primarily from tuition, certain fees, clinics, interest earnings, assessments for M&O on residence halls, and fringe benefits.

SEGREGATION (SEG): A segregation is the authorization to expend part or all of an appropriation. This authorization goes to the Office of the State Comptroller (OSC) via the Certificate of Approval process. Expenditures and encumbrances may then be controlled to assure the limits are not exceeded. For 2010-11, the University will use the following segregations: 4 (all personal service), 5 (all other-than-personal service), 58 (fringe benefits), 5925 (debt service), and 6 (local assistance/community projects). Should charges exceed the spending authority, the campus is responsible for clearing the negative segregation condition promptly.

SUNY MANAGEMENT RESOURCE TOOL (SMRT): SUNY’s web-based single sign-on, integrated reporting tool, including real-time, HR and Finance activity.

STATE UNIVERSITY BUSINESS OFFICERS ASSOCIATION (SUBOA): The professional association for the state-operated campus Business Officers.

STATE UNIVERSITY TUITION REIMBURSABLE ACCOUNT (SUTRA) – a special revenue fund dedicated to campus operations and funded from tuition revenue collected from summer session, contract courses, overseas academic programs and excess tuition revenue from the core instructional budget.

SHORT-TERM INVESTMENT POOL (STIP) RATE: All New York State cash is invested in the Short Tem Investment Pool, which is intended to maximize investment returns in a safe and secure manner, using the investment expertise of the Common Retirement Fund's investment staff. The STIP rate is the rate of interest earnings on the special revenue funds held by a campus.

SUB-OBJECT: SUNY object of expenditure used to properly classify expenditures and encumbrances. Allocations may be distributed at summarized sub object levels while expenditures and encumbrances must use the proper expenditure object as defined in the SUNY Accounting bulletin A-462S. Sub-Objects roll up to the applicable segregation.

SUTRA OVERFLOW: Revenues collected at a campus in excess of its revenue target are deposited into the SUTRA fund for use as deemed appropriate at that campus.

T-CERTS: A T-Cert (automated certificate) is used to reassign funds between departmental accounts and different segregations using the UA3T system application.

TEMPORARY SERVICE (TS or PST): All expenditures related to payroll and wages for personal service, rendered by employees who occupy positions that are temporary in nature, and payments to non-employees.

UNIVERSITY-WIDE PROGRAM: Temporary allocations for specific programmatic purposes. These programs may be for the benefit of all campuses (for example, the Educational Opportunity Program, or Academic Equipment Replacement), or may be for a specific purpose (for example, Earthquake Center or the Rockefeller Institute.) These programs are appropriated as specific line items in the University's budget.

NACUBO Expenditure Definitions

The following definitions for expenditure functions are detailed below to assist campuses in completing their chart of account requests.

EXPENDITURE FUNCTIONS

INSTRUCTION (00)

Expenditures for all activities that are part of an institution's instruction program. This includes credit and noncredit courses; academic, vocational and technical instruction; remedial and tutorial instruction; regular, special, and extension sessions. Excluded are expenditures for academic administration when the primary assignment is administration (academic dean). Expenditures for department chairpersons and administrators for whom instruction is an important role are included. Include expenditures for noncredit offerings that are part of adult education or continuing education, as well as adult basic education courses. This category also includes expenses for formally organized and / or separately budgeted instructional information technology. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this category and the remainder to institutional support.

RESEARCH (02)

Expenditures for all activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. This category also includes expenses for formally organized and / or separately budgeted research information technology. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this category and the remainder to institutional support.

PUBLIC SERVICE (03)

Expenditures for activities providing non-instructional services beneficial to individuals and groups external to the institution. Included in this category are community service activities for conferences, institutes, general advisory services and reference bureaus, consultation, and testing services. Also include cooperative extension efforts between the institution and outside agencies. Expenditures for operation and maintenance of broadcasting services operated outside the context of the institution's instruction, research, and academic support programs are also included in this category as well as expenses for formally organized and / or separately budgeted public service information technology. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this category and the remainder to institutional support.

ACADEMIC SUPPORT (01, 04)

Expenditures for support services for the institutions primary missions of instruction, research, and public service. The following two subcategories will be used:

Libraries (04)

Expenditures for organized activities that directly support the operation of a catalogued or otherwise classified collection.

Other (01)

Expenditures for services that directly assist the academic functions of the institution such as demonstration schools, audio-visual services, computing support, and academic administration. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this category and the remainder to institutional support. Include Academic dean's expenditures, such as deans of research, deans of graduate schools, and college deans but **not** expenditures for department chairpersons. Expenditures associated with the chief academic officer of the institution are classified as institutional support. Also include expenditures for formally organized academic advising.

Include expenditures for activities that provide the faculty with opportunities for personal and professional growth and development as well as expenditures for activities that evaluate and reward professional performance of the faculty. These include sabbaticals, faculty awards, organized faculty development programs.

STUDENT SERVICES (05)

Expenditures incurred for offices of admissions and the registrar, and activities with the primary purpose of contributing to students' emotional and physical well being and intellectual, cultural, and social development outside the context of the formal instruction program.

This includes student activities, and services provided for particular types of students such as minority students, veterans, and handicapped students. <u>Exclude</u> from the category activities of the chief administrative officer for student affairs as this is classified as institutional support. Expenditures for cultural events, student newspapers, and student organizations should be included.

Include expenditures for formally organized placement, career guidance, and personal counseling services for students. This includes vocational testing and counseling services and activities of the placement office. Also include expenditures for activities that provide financial aid services and assistance to students. Expenditures for activities related to the identification of prospective students, the promotion of attendance at the institution, and the processing of applications for admissions. Also include expenditures for activities to maintain, handle, and update records for currently enrolled students as well as for students previously enrolled (registrar).

This category includes expenses for formally organized and/or separately budgeted student services information technology resources. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this category and the remainder to institutional support.

INSTITUTIONAL SUPPORT (07, 08)

This function is broken down into two subcategories as follows:

General Administration (07)

Includes expenditures for all central executive-level activities concerned with management and long-range planning for the entire institution. This includes the president, chief academic officer, chief business officer, and chief student affairs officer and chief development officer. Also include the governing board, planning and programming and legal operations.

Include expenditures for operations related fiscal control and investments, the accounting office, bursar's office, and internal and external audits. Include expenditures related to general administrative operations and services, including expenditures for personnel administration.

General Institutional Support (08)

Expenditures related to space management, administrative data processing, purchase and maintenance of supplies and materials, campus-wide communication services, general stores, and printing shops. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to academic support and the remainder to this category.

Also include expenditures for activities to maintain relations with the community, alumni, or other constituents and to conduct activities related to institution-wide development and fund raising.

OPERATION AND MAINTENANCE OF PLANT (06)

Expenditures of current operating funds for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; space and capital leasing; and facility planning and management. This category also includes expenses for formally organized and / or separately budgeted maintenance information technology. If an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this category and the remainder to institutional support.

SCHOLARSHIPS AND FELLOWSHIPS (15)

Expenditures in the form of grants to students resulting from the selection by the institution or from an entitlement program. This includes grants-in-aid, trainee stipends, prizes, and awards. Tuition and fee remissions to students should be included here. If the tuition and fee remission was granted because of faculty or staff status or family relationship of students to faculty or staff, then the expenditure should be recorded as an employee benefit in the appropriated functional expenditure category.

AUXILIARY ENTERPRISES (09, 10, 11, 12)

Auxiliary enterprises furnish goods or services to students, faculty, and staff for a fee. These enterprises are managed as a self-supporting activity. Examples include the following: residence halls, food services, intercollegiate athletics, college stores, faculty clubs, faculty and staff parking, transportation services, faculty housing, and student health services.

This category includes expenses for auxiliary enterprise activities primarily intended to furnish goods and services that are related to the higher education mission. Customers for these goods and services generally are not students, faculty, or staff. Entities of this type are formed to meet the geographic and public service needs of a region and generally relate to an institution's mission of teaching, research, or public service. Examples of such an entity would be a drug testing center or a university press department.

This category also includes activities that were established primarily to provide goods and services to other internal units on a fee for service basis. The goods and services are provided at an institutional level. This characteristic excludes enterprises that only serve units within the same department. For example, a telecommunications department that services the entire institution would be considered other self-supporting.