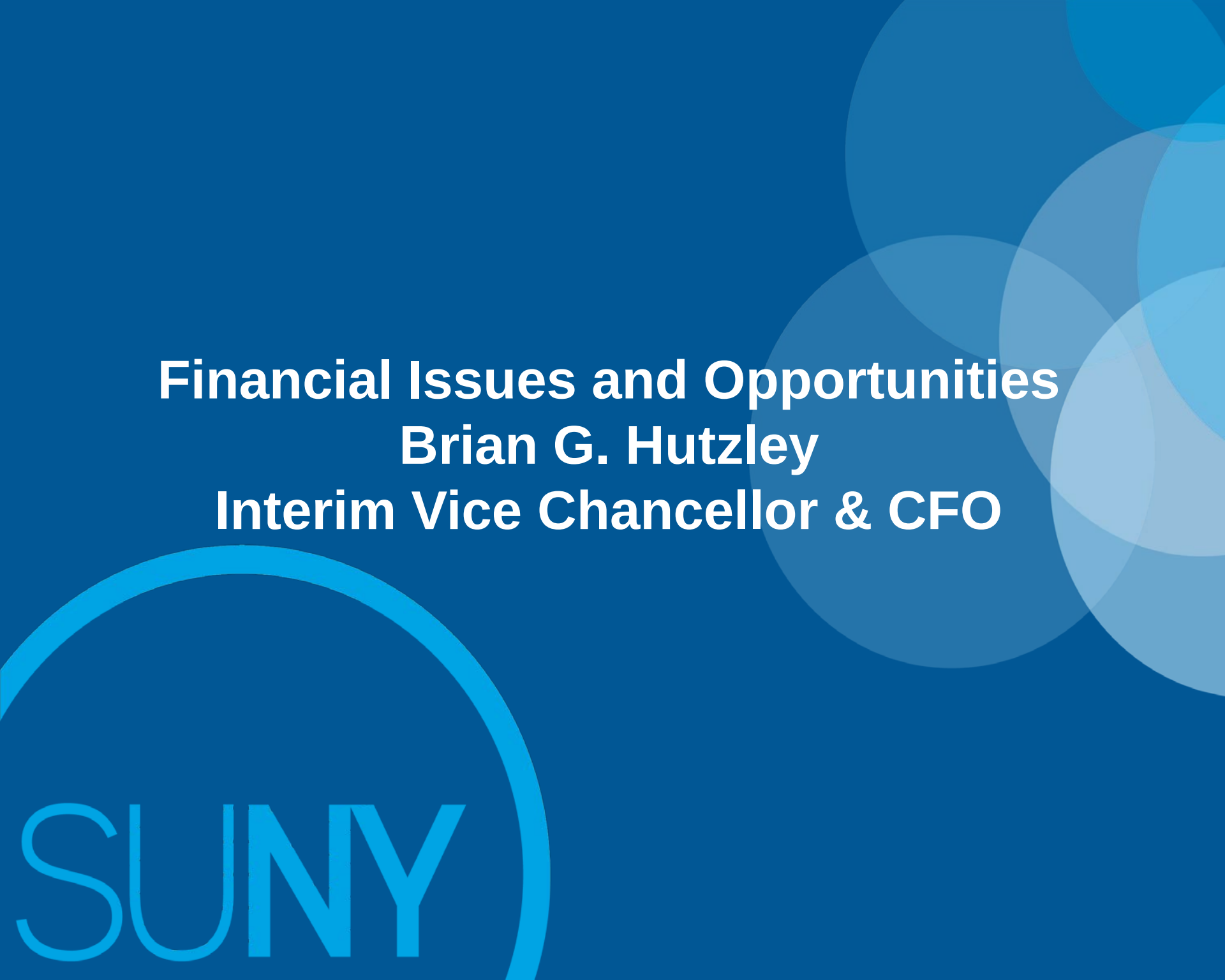




The State University
of New York

University Faculty Senate 159th Plenary

Friday, October 21, 2011
Purchase State College

The background is a solid blue color. In the top right corner, there are several overlapping circles in various shades of blue, creating a pattern. In the bottom left corner, there is a large, light blue arc that partially encloses the word "SUNY".

Financial Issues and Opportunities

Brian G. Hutzley
Interim Vice Chancellor & CFO

SUNY



Impact of Cuts

\$ in Millions

Reductions To Date

	State Operated	Statutory	Community Colleges	Hospitals	Total
2008-09	(\$201.8)	(\$13.0)	(\$0.8)	(\$140.4)	(\$356.0)
2009-10	(193.2)	(17.3)	(12.1)	(127.8)	(350.4)
2010-11	(174.0)	(19.2)	(43.1)	(202.9)	(439.2)
2011-12	(131.4)	(18.6)	(20.3)	(119.1)	(289.4)
Total	(\$700.4)	(\$68.1)	(\$76.3)	(\$590.2)	(\$1,435.0)



Impact of Cuts

- 596 Faculty Positions Held Vacant or Eliminated since 2008-09
- 1,341 Other Positions Held Vacant or Eliminated
- 1,258 Adjunct Faculty Hired
- 1,435 Course Sections Eliminated
- \$85M Permanent Reductions in Non-Personnel Related Spending

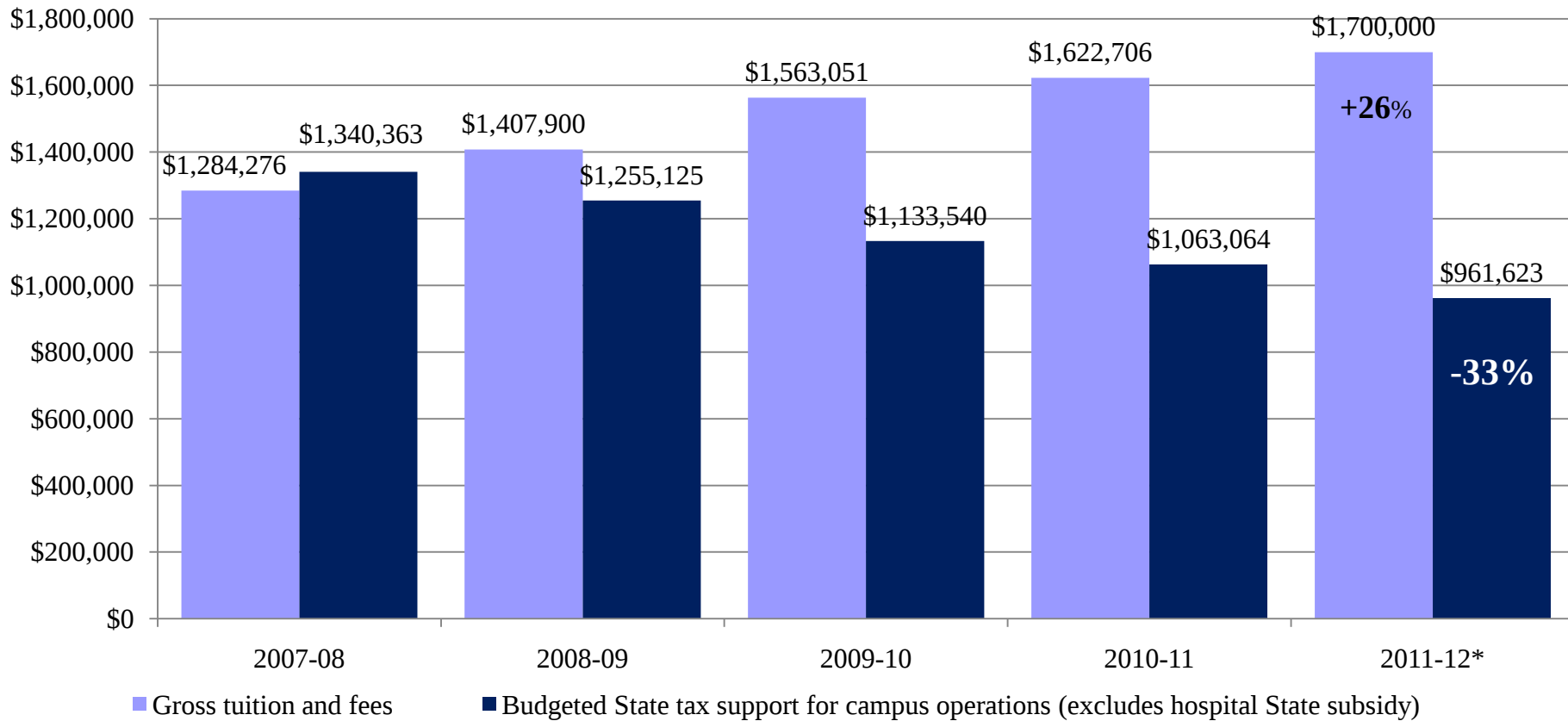
**8% of
enrollment is
not state-tax
supported**



Gross Tuition and Fees and Budgeted State Tax Support for Campus Operations (in thousands)

174K Students

187K Students



*Gross tuition and fees are estimated/projected for 2011-12



Budget Impact

To add some perspective:

- An employee hired 10 years ago still in service to the college would have received a 48% increase in contractually negotiated salary.
- Energy has increased 300%
- Increases in supplies/operating expenses are over 35%

**THIS IS THE EQUIVALENT OF HAVING STATE SUPPORT
BEING CUT IN HALF !**

Tuition has increased 50% and fees have increased 100% placing much of the increase in operating costs squarely on the shoulders of the students.



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NY State Challenge

Fiscal challenges still remain

1. Enacted budget did much to align the State's revenues and expenditures, but state-wide budget gaps remain:
 - 2012-13: \$2.4B
 - 2013-14: \$2.8B
 - 2014-15: \$4.6B
2. 2% local property tax cap – anticipated large impact on community colleges
3. Impact of healthcare reform on hospitals



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SUNY In Action

- 2011-12
 - Rational Tuition – Differential
 - Academic Excellence Fee
 - Tuition Credit (25%)
 - Maintenance of Effort = NO CUTS/NO INCREASES
 - U-Wides Recharge - Reinvest
 - NYSUNY2020
- Shared Services
 - System-Wide Services
 - Campus Alliance Network
 - IT Transformation
 - Strategic Sourcing



Key Components

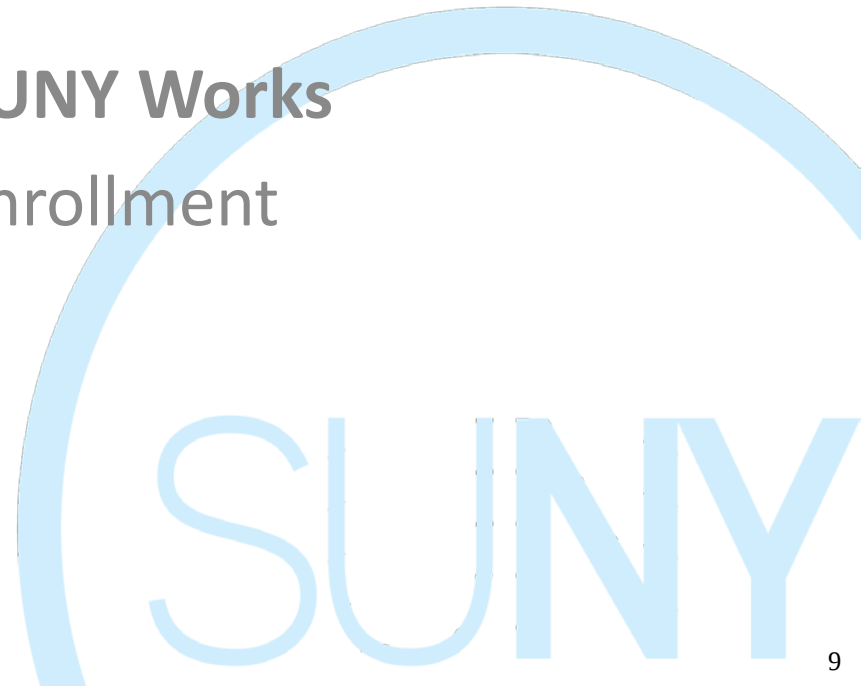
Maintenance of Effort

- State Operated and Statutory Colleges
- Community Colleges
- Hospitals

Economic Revitalization – NYSUNY Works

- High Needs – Strategic Enrollment
- Strategic Plan

Mandate Relief



Shared Services



SUNY will reinvest resources from administrative savings to instruction and student services





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Multi-Dimensional Approach to Shared Services

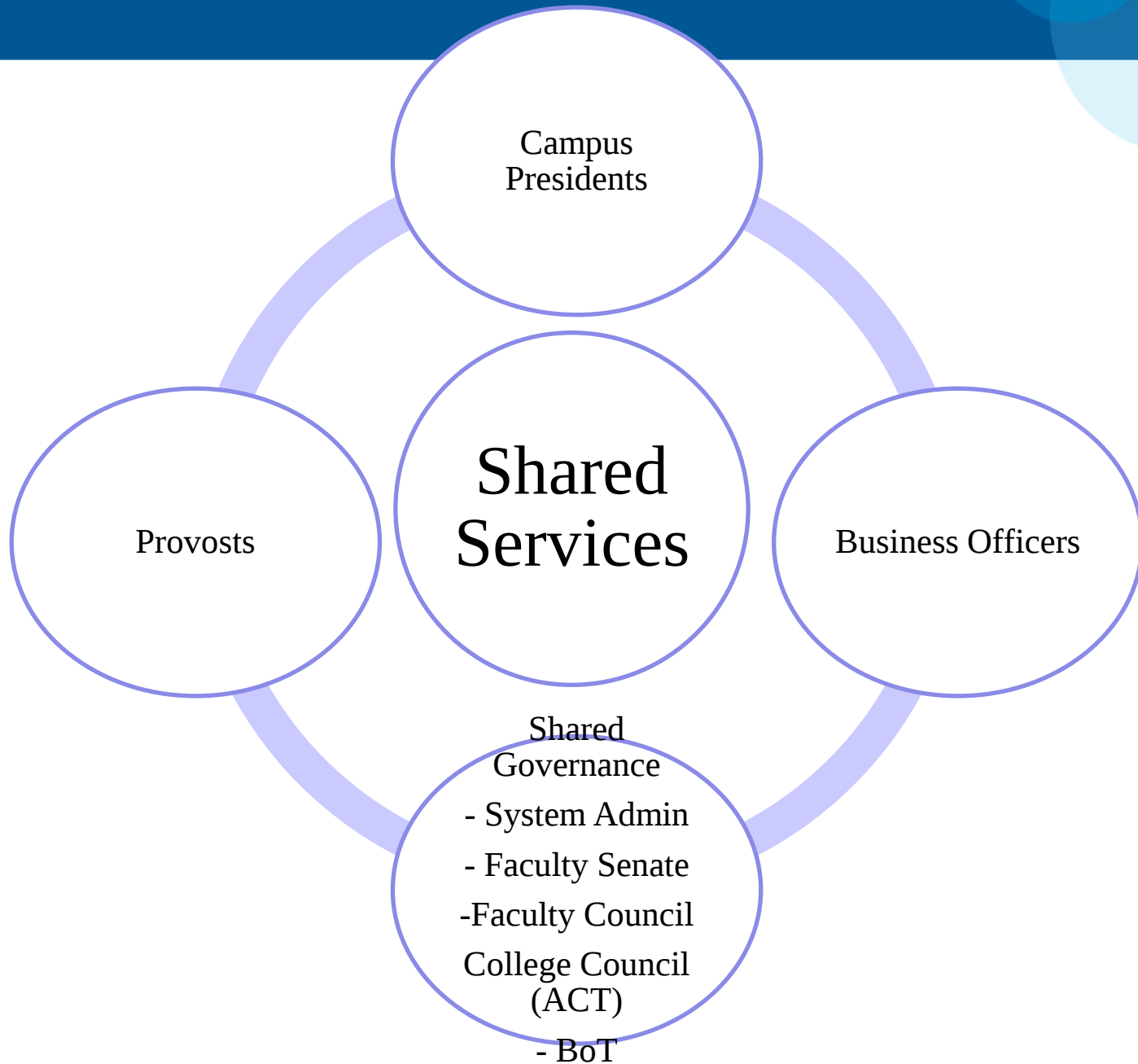
- SUNY-wide
- Regional
- Sector
- Functional
- Specialized Mission/Programmatic





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Shared Services



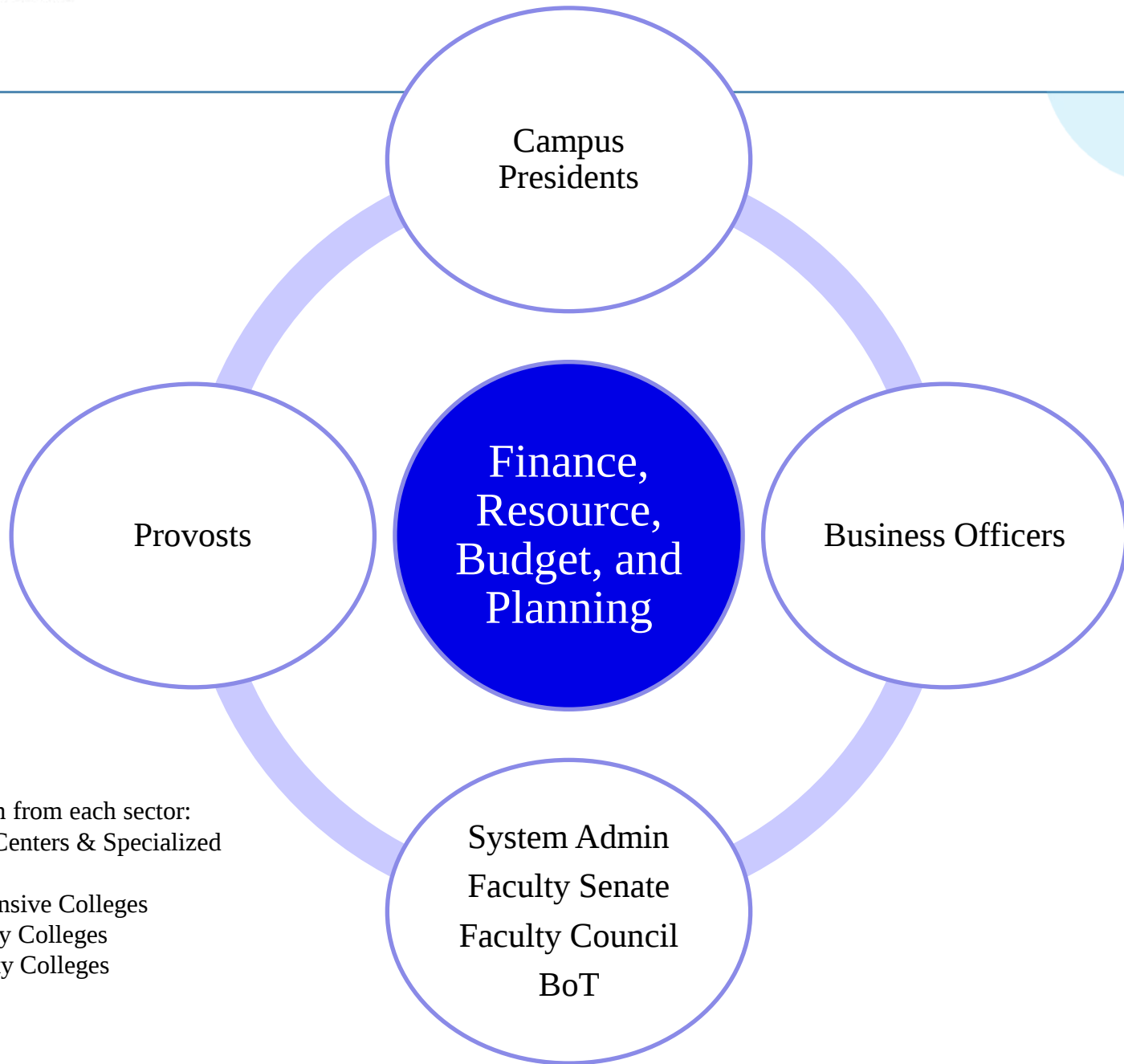
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Finance Oversight & Insight





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Representation from each sector:

- Research Centers & Specialized Doctoral
- Comprehensive Colleges
- Technology Colleges
- Community Colleges



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Infrastructure

Long Term
Planning

Shared Services

Strategic Plan

Accountability

Accountability

Policies

System
Administration
and University-
Wide Programs

Budget Planning
and
Implementation

Resource
Allocation
Methodology

Tuition and Fee
Strategies

Enrollment
Planning

Strategic Sourcing

Technology

Finance, Resource,
Budget, and
Planning
Committee

Resource and
Enrollment
Management

Key Components

- Enrollment Matrix Model
- Research and Graduate Education Model
- Peer Comparator Approach

- Preliminary Issues and Approaches
 - Treatment of tuition and fees
 - Funded vs. actual enrollment
 - Simplicity vs. special adjustments
 - Separate models by sector
 - Treatment of “outliers”

- Formation of Work Group and Assignments:
 - Enrollment Policy Work Group
 - Research and Grad. Ed. Review Committee
 - Geographic Differential Work Group
 - Outlier Campuses Work Group

Clear and transparent
Predictable
Rational and data driven
Consistent with strategic goals
Fair and defensible.



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Finance Spending Charts

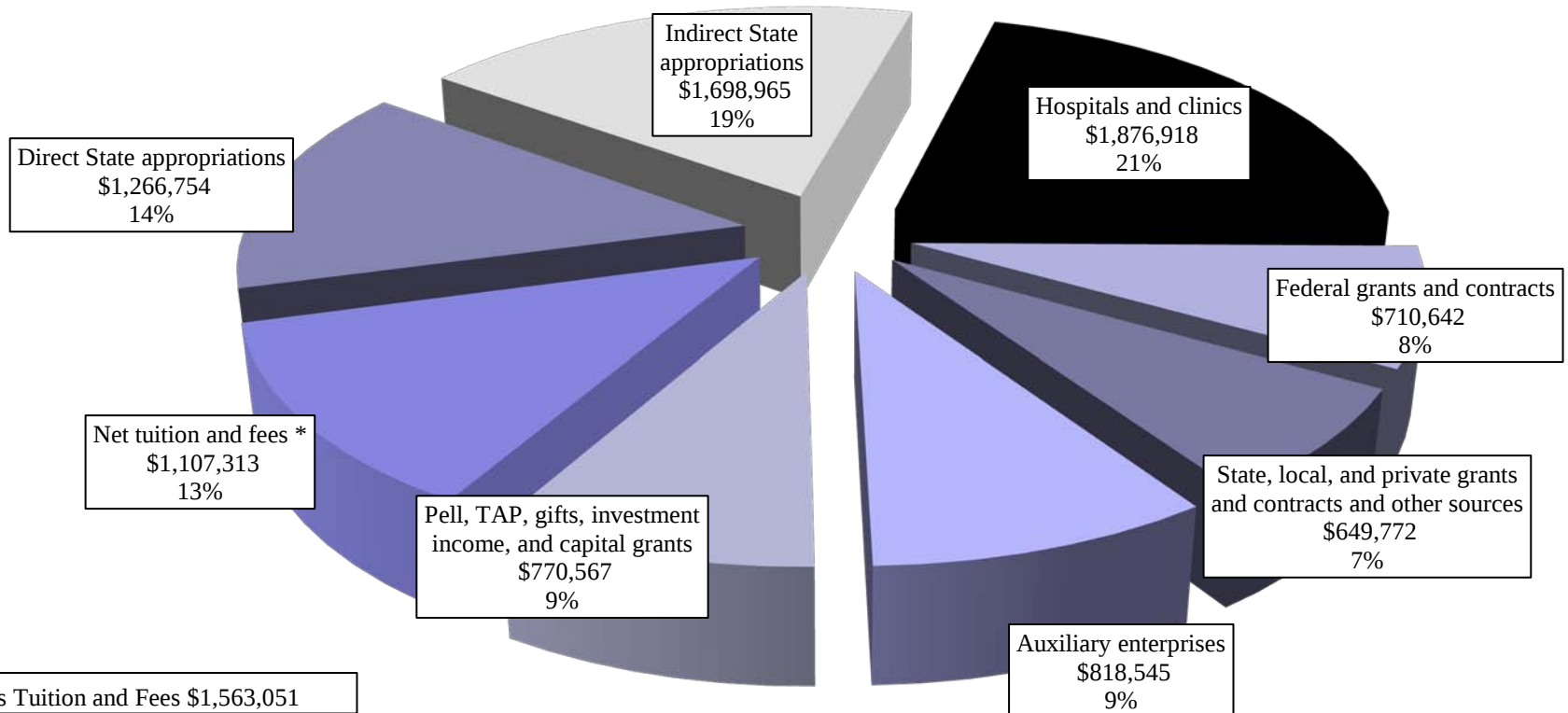




Total 2009-10 Sources

(in thousands)

Total: \$8,899,476



The total 2009-10 sources were derived from the State University's audited financial statements. For financial reporting purposes, the State University of New York consists of all the State-operated campuses, health science centers (including hospitals), statutory colleges and central services. It also includes the Research Foundation of SUNY, the capital program activity administered by the State University Construction Fund, and auxiliary service corporations. The amounts reported above do not include campus-related foundations or community colleges.



DEFINITIONS

For State-Operated Campuses, unless otherwise indicated

SOURCES

- 10 **Net Tuition and Fees (\$1.1 billion)** – Gross receipts for tuition and fees (includes technology fee, course related fees, and other miscellaneous fees) were \$1.56 billion, net of scholarships of \$455.7 million. Tuition assistance (TAP), grants (Pell, etc.) and scholarships are reported as reductions of tuition and fee revenue up to the amount billed.
- 10 **Direct State Appropriations (\$1.3 billion)** – state tax dollar support for campus operations and the hospital state subsidy
- 10 **Indirect State Appropriations (\$1.7 billion)** – state tax dollar support for fringe benefits (\$1 billion), debt service (\$461.7 million), and litigation expenses (\$214.6 million)
- 10 **Hospitals and Clinics (\$1.9 billion)** – patient revenues, including Medicaid Disproportionate Share funding.
- 10 **Federal Grants and Contracts (\$710.6 million)** – sponsored program and research revenue for projects funded by the federal government and administered by the Research Foundation, Cornell and Alfred Ceramics



DEFINITIONS

For State-Operated Campuses, unless otherwise indicated

SOURCES (continued)

- ⑩ **State, Local, and Private Grants and Contracts, and Other Sources (\$649.8 million)**
 - **State and Local** – \$225.9 million, primarily State grants administered by the Research Foundation
 - **Private Grants and Contracts** – \$328.5 million, private sponsored program revenue administered by the Research Foundation, Cornell and Alfred Ceramics. Includes student health service fees.
 - **Other Sources** – \$95.4 million, primarily Cornell educational activities (\$48.7 million) , and inventions, licenses, and other Research Foundation revenue (\$29.8 million)

- ⑩ **Auxiliary Enterprises (\$818.5 million)** – sales and services related primarily to residence halls (\$370 million), food service (\$228 million), and other activities (including vending, transportation, intercollegiate athletics, parking, etc., \$221 million)

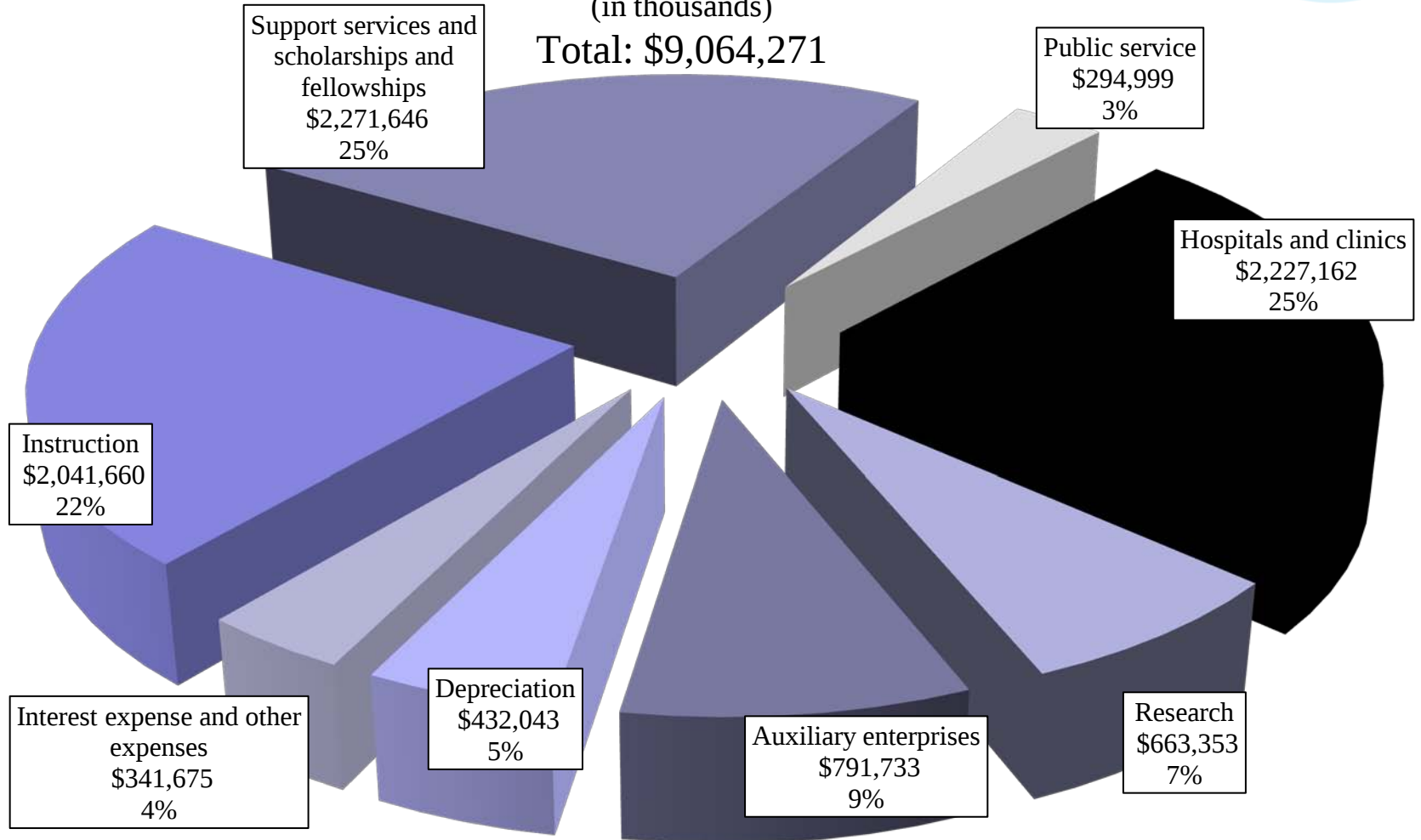
- ⑩ **Pell, TAP, Gifts, Investment Earnings, Capital Grants (\$770.6 million)** – consists primarily of revenues from Federal and State student financial aid programs (Pell \$244 million, TAP \$195 million, other \$126.2 million) as well as gifts (\$97.8 million), investment gains (\$63.6 million), investment income (\$31.2 million), and capital grants (\$76.4 million).



Total 2009-10 Uses

(in thousands)

Total: \$9,064,271



The total 2009-10 uses were derived from the State University's audited financial statements.



DEFINITIONS

For State-Operated Campuses, unless otherwise indicated

USES

- 10 **Instruction (\$2 billion)** – expenses for all activities that are part of an institution’s instructional program

- 10 **Support Services and Scholarships and Fellowships (\$2.3 billion) – includes expenses for:**
 - **Academic Support (\$440.2 million)** – support services for the institution’s primary instructional mission (e.g., libraries, educational media services, academic support information technology, course and curriculum development, etc.)
 - **Student Services (\$258.4 million)** – offices 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 (e.g., student services administration, counseling and career guidance, financial aid administration, student admissions, etc.)
 - **Institutional Support (\$809.1 million)** – central, executive-level activities concerned with management and long-range planning for the entire institution (e.g., executive management, fiscal operations, general administration, public relations, etc.)
 - **Operations and Maintenance of Plant (\$586.8 million)** – expenses for the administration of the institution’s physical plant, including utilities
 - **Scholarships and Fellowships (\$172.2 million)** – represents student financial aid and restricted and unrestricted resources received in excess of institutional charges to students.



DEFINITIONS

For State-Operated Campuses, unless otherwise indicated

USES, continued

- ⑩ **Public Service (\$295 million)** – expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution (community service, cooperative extension services, etc.)
- ⑩ **Hospitals and Clinics (\$2.2 billion)** – all expenses associated with the patient care operations of the hospitals, including hospital debt service and fringe benefit costs
- ⑩ **Research (\$663.4 million)** – includes all expenses for activities specifically organized to produce research
- ⑩ **Auxiliary Enterprises (\$791.7 million)** – exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to the cost of the goods or services (e.g., residence halls, food service, campus store, etc.)
- ⑩ **Depreciation (\$432 million)** – on the University's capital assets calculated in accordance with the University's capitalization and depreciation policy
- ⑩ **Interest Expense and Other Expenses (\$341.7 million)** – comprised mainly of interest expense on capital related debt (\$299.8 million).

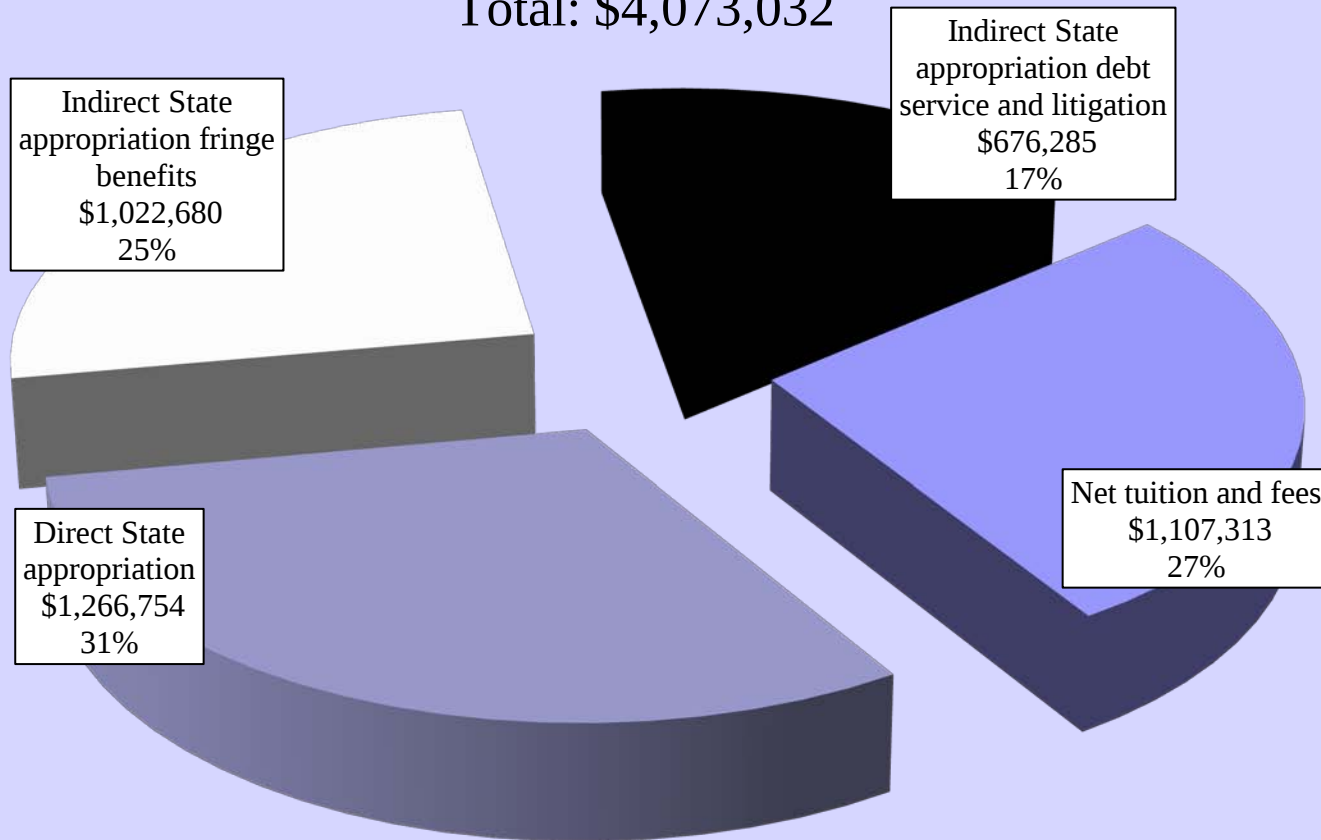


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2009-10 Net Tuition and Fees and State Appropriations

(in thousands)

Total: \$4,073,032



The 2009-10 net tuition and fees and State appropriations amounts were derived from the State University's audited financial statements. The direct State appropriation includes the hospital State subsidy.

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