College of Environmental Science and Forestry
State Operating Budget
2016-17 Results
2017-18 and Beyond

ACADEMIC GOVERNANCE MEETING
NOVEMBER 14, 2017
The initial forecast projected an operating budget deficit of $2.4 million. By the fiscal year end the deficit was reduced to $316 thousand.

The year end reserve balance was $5.7 million or 13.3% of College’s $43.1 million annual operating expense.
2016-17 Results: How did we get there?
($000s)

- **Tuition** $437.8 Increase in the percentage of out of state students

- **Broad Based Fees** $469.0 BBF revenue funds approximately 60% of costs to provide services.

- **Trailhead Café** $55.3 An amended revenue sharing contract with SUNY Morrisville, the operator of the café.
2016-17 Results: How did we get there?
($000s)

Labor ↓ $392.0
- Unfilled vacancies as well as a delay in establishing new positions.
- Achieved despite $970.1 in collective bargaining related salary and wage increases.
2016-17 Results: How did we get there? ($000s)

Syracuse Univ. Student Services Contract ↓ $122.3

- In January 2016 SU informed ESF beginning in fall 2016 it would no longer provide health and counseling services to ESF students.

- ESF entered into a contract with Crouse Medical Practice to provide student medical services and established an on-campus Counseling office.

- The transition resulted in a $122.3 savings.
Energy ↓$793.5

- The combination of lower than anticipated steam and electric costs. The Combined Heat and Power plant (CHP) became fully operational.

- The CHP produces approximately 60% of the College’s steam and 20% of its electric load replacing more costly purchases from Syracuse University and National Grid.

- ESF hired an energy manager whose focus is on identifying and overseeing the implementation of energy savings practices and technology.
Central Problem: An ongoing structural deficit.

Chief Cause (the “60/40” problem)
- An over reliance on state aid at a time of significant state aid reductions (20% or $5.3m).
- Compounded by the relatively high per student cost of STEM focused programs.
The nominal reduction in state support from 2008 to 2016 is $5.3m. However, when one considers the reduction in purchasing power due to inflation, when compared to $27,938 in 2008, the 2016-17 figure is conservatively estimated to be $20,300, or a $7.6m reduction.
2017-18 and Beyond: Fiscally Sustainable State Aid as a % of Total Revenue

SUNY Average – 28%

Does not include Upstate, Downstate hospitals or Optometry
Underlying data source: SUNY Budget Office, 2016-17 Financial Plan
2017-18 and Beyond: Fiscally Sustainable Cost per Student

SUNY Average – $12,023

Does not include Upstate, Downstate hospitals or Optometry
Underlying data source: SUNY Budget Office, 2016-17 Financial Plan
ESF is challenged by the fact that the majority of their revenue comes from state support (56%) while tuition accounts for the balance (44%).

We cannot determine the level of state support, but we can determine the level of enrollment.

As a starting point, develop a multi-year projection of the incremental revenue and costs associated with various increases in student enrollment.
Financial Modeling: a Starting Point

- *Key Assumptions that Drive Revenue*
  - UG and Grad enrollment
  - Base State aid
  - State U-Wide funding
  - Tuition and fees
  - Online courses
  - Fundraising
Financial Modeling: a Starting Point

- **Key Assumptions that Drive Costs**
  - Full and part time faculty and staff to accommodate enrollment increases
  - Market based increases to faculty salaries
  - Increases in graduate student stipends
  - Syracuse University contract
  - Crouse Medical Practice contract
  - Student housing
  - Classroom space
  - UG Financial Aid
  - Visibility initiatives
One Scenario: Increase UG Enrollment by 200 per year (in $000s)

Year End Reserve Balance

- 2017-18: $2,530
- 2018-19: $1,310
- 2019-20: $1,856
- 2020-21: $3,406
- 2021-22: $7,168
- 2022-23: $10,617

Annual Surplus (Deficit)

- 2017-18: ($3,714)
- 2018-19: ($1,720)
- 2019-20: $46
- 2020-21: $1,050
- 2021-22: $3,263
- 2022-23: $2,949

Any significant increase in enrollment will move the lines in a similar positive direction.
The comparable value of ESF’s UG tuition is \(~$37,000\) which is the annual tuition rate ESF would need to charge if ESF did not receive financial support from NYS.

ESF’s UG resident tuition rate of $6,670 represents an 82% discount and its UG non resident rate of $16,320 represents a 56% discount.