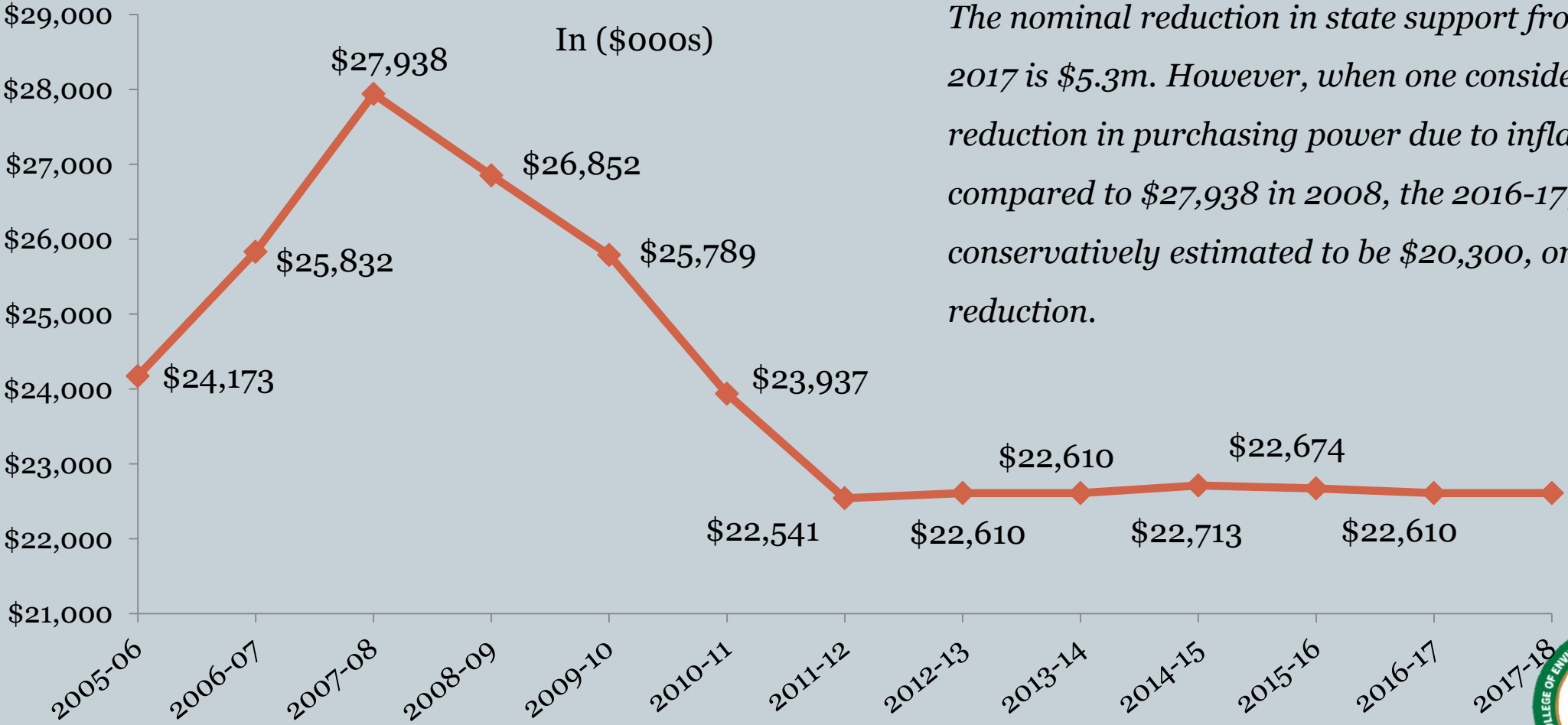




Academic Governance Meeting
State Operating Budget Update

MAY 10, 2018

Financial Challenge in Context: State Aid Allocation

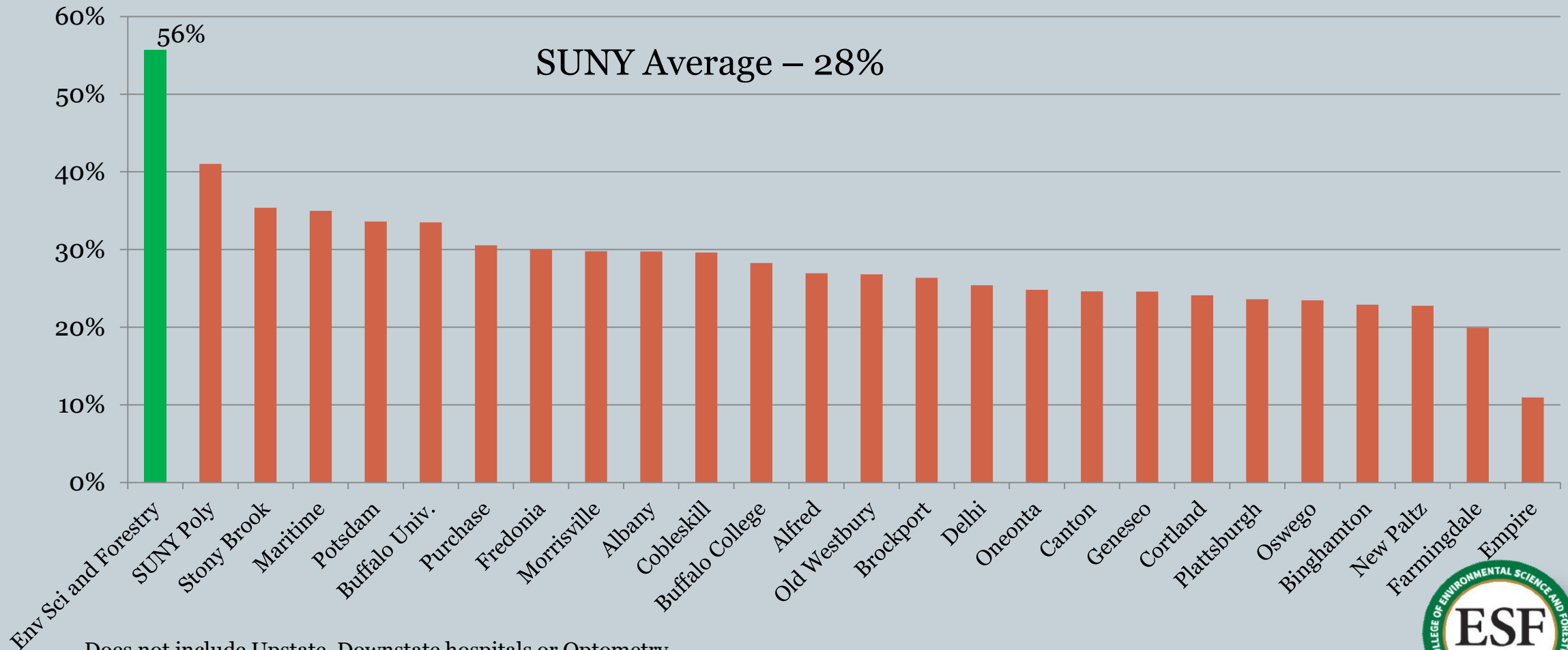


The nominal reduction in state support from 2008 to 2017 is \$5.3m. However, when one considers the reduction in purchasing power due to inflation, when compared to \$27,938 in 2008, the 2016-17 figure is conservatively estimated to be \$20,300, or a \$7.6m reduction.



Financial Challenge in Context: State Aid as a % of Total Revenue

3

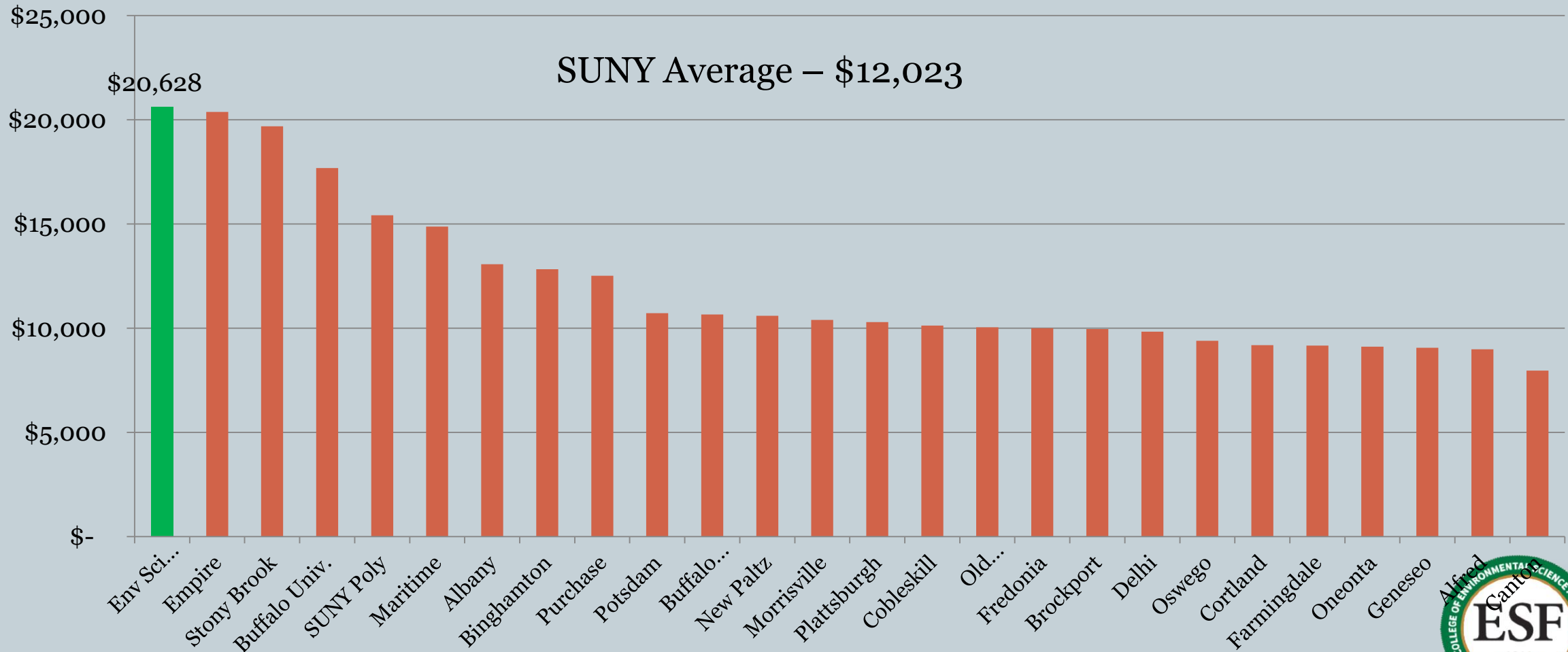


Does not include Upstate, Downstate hospitals or Optometry
Underlying data source: SUNY Budget Office, 2016-17 Financial Plan



Financial Challenge in Context: Cost per Student

4



Does not include Upstate, Downstate hospitals or Optometry
Underlying data source: SUNY Budget Office, 2016-17 Financial Plan



2017 – 18 State Operating Budget

(in \$000s)

5

Revenue	Budget 7/1/17	YE Forecast 6/30/18	% of Total	Projected Variance
State Allocation	\$22,609.8	\$22,609.8	53.0%	\$0.0
Tuition	17,594.0	18,041.2	42.2%	447.2
College Fee & Interest	86.0	172.4	0.4%	86.4
SUNY TAP Credits	(590.1)	(604.1)	(1.4%)	(14.0)
Grad Waivers Funded by SUNY	930.3	930.3	2.2%	0.0
Grad Waivers Funded by RF	640.0	466.4	1.1%	(173.6)
UG Scholarships ESF CF– Restricted (1)	850.9	850.9	2.0%	0.0
UG Scholarships ESF CF – Unrestricted (1)	527.9	527.9	1.2%	0.0
University Wide Funding	386.6	410.8	1.0%	24.2
All Other Revenue (2)	(178.6)	(636.5)	(1.6%)	(457.9)
<i>Total Revenue</i>	<i>\$42,856.8</i>	<i>\$42,769.1</i>	<i>100%</i>	<i>(\$87.7)</i>

(1) In addition to what is shown above the ESF CF provides on average another \$1.7m (e.g., academic program support)

(2) Negative amounts shown are due to internal transfers from Operating Revenue to IFR



2017 – 18 State Operating Budget

(in \$000s)

6

Expenditures	Budget 7/1/17	YE Forecast 6/30/18	% of Total	Projected Variance
Personal Service - Regular	\$27,525.3	\$27,208.3	67.4%	(\$317.0)
Personal Service - Temporary	3,089.8	3,017.3		(72.5)
Grad Tuition Waivers	2,657.1	2,400.0	5.3%	(257.1)
OTPS: Syracuse University Contract	3,411.4	3,422.9	7.6%	11.5
OTPS: Student Health - Crouse Medical Practice	600.0	600.0	1.3%	0.0
OTPS: Portion of SU/Crouse Contracts paid by Student Fees	(1,975.0)	(2,033.9)	(4.5%)	(58.9)
OTPS: Student Counseling	26.3	26.3	0.1%	0.0
OTPS: Department Expenses	4,161.1	3,268.3	7.3%	(892.8)
OTPS: UG Scholarships	3,600.0	3,488.4	7.8%	(111.6)
OTPS: Utilities	1,734.2	1,827.4	4.1%	93.2
OTPS: Assessments by SUNY	273.7	268.4	0.6%	(5.3)
All Other - offsets to revenue net to \$0	1,390.5	1,378.2	3.1%	(12.3)
<i>Total Expenditures</i>	<i>\$46,494.4</i>	<i>\$44,871.6</i>	<i>100%</i>	<i>(\$1,622.8)</i>



2017 – 18 State Operating Budget

(in \$000s)

7

	Budget 7/1/17	YE Forecast 6/30/18
Total Revenue	\$42,856.8	\$42,769.1
Total Expenditures	\$46,494.4	\$44,871.6
Surplus (Deficit)	(\$3,637.6)	(\$2,102.5)

Cash Reserves	Budget 7/1/17	YE Forecast 6/30/18
Beginning Cash Balance	\$5,744.4	\$5,744.4
Projected Operating Surplus / Deficit	(3,637.6)	(2,102.5)
Projected Net Change in IFR	500.0	500.0
Ending Cash Balance	\$2,606.8	\$4,141.9
Cash Balances as % of Operating Expense	5.6%	9.2%



2018 – 19 Enacted State Budget State Operated Campuses (in millions)

	2017-18	2018-19
Operating Funds: Direct State Tax Support	\$708.0	\$708.0
Operating Funds: University Wide Funding	\$156.7	\$159.0
Capital Funds: Critical Maintenance		
Allocated to Each Campus / Restricted to Existing Facilities	\$153.4	\$353.4
Allocated to Each Campus / Not Restricted to Existing Facilities	\$100.0	\$0.0
Pool of Funds for High Priority Projects	\$296.6	\$196.6
Total Critical Maintenance Capital	\$550.0	\$550.0

ESF Critical Maintenance	
2017-18	2018-19
\$4.1	\$5.6

Continued funding for employee benefits and bonded capital debt service costs



2018 -19 Direct State Tax Support SUNY Wide (in millions)

9

<i>Totals may not add due to rounding</i>	2017/18 Received	2018/19 Enacted
State-operated Campuses	\$708.0	\$708.0
Community Colleges	478.6	477.3
Hospitals (1)	78.6	0.0
University-wide Programs	156.7	159.0
System-wide Activities	22.0	22.0
Statutory Campuses	133.8	133.8
Total	\$1,578.4	\$1,500.1

(1) Hospitals anticipate receiving \$92.0M in one-time Federal Funding for the Care Restructuring Enhancement Pilot (CREP) Program



Questions

10

ESF's Overall Financial Management Plan

- ***How has the financial model changed in the last 3-5 years to allow for growth?***

Most recent allocation model (“BAP”) last used in 2009. During 2009 – 2012 state aid reduced ~20% and BAP abandoned.

Proposals for new allocation model (e.g., “RAM” circa 2012). None were implemented.

There is currently no comprehensive allocation model. Instead, state support to the state operated campuses has remained at 2012 levels. This has worked against ESF resulting in the “60/40” problem (i.e., overreliance on state aid)

ESF receives ~3% of the SUNY allocation.



Questions

11

ESF's Overall Financial Management Plan

- ***What do you see for the next 5 years?***

Maintenance of effort – state aid support flat through 2020/21 (ESF \$22.6m)

Continued funding by NYS of ESF employee benefits

What we *cannot* control – level of funding for SUNY, collective bargaining driven increases in labor costs, other unfunded mandates

What we *can* control -- grow tuition revenue through increased enrollment – reverse the “60/40” problem



Questions

12

ESF's Overall Financial Management Plan

- ***What do you see for the next 5 years?***

Enrollment Growth initiative (Spring 2018)

- Proof of concept analysis
- Provost and CFO met with academic departments
- Admissions and Enrollment Management worked with academic departments
- Chairs Council developed and presented departmental capacity and resource needs

Enrollment Growth initiative (2018-19 and beyond)

- TBD by new College leadership



Questions

13

ESF's Overall Financial Management Plan

- ***What do you see for the next 5 years?***

Implementation of Ellucian's Banner Enterprise Resource Planning System will provide operating efficiencies. (e.g., business, accounting, financial aid, student information)

College Foundation : Increase in development staff will facilitate new relationships with corporations, private foundations, and individuals not previously affiliated with ESF.

Research Foundation: Seeking higher indirect cost rates and an increased number of proposals



Questions

Salary Working Group

- Promotional Salary Increases and Chairperson Stipends**

Current Title	New Promotional Title	Increase Amount	
		Current (1)	New (2)
Assistant Librarian	Senior Assistant Librarian	\$1,250	\$2,500
Senior Assistant Lib	Associate Librarian	\$1,750	\$3,500
Associate Librarian	Librarian	\$4,500	\$9,000
Instructor	Assistant Professor	\$3,000	\$6,000
Assistant Professor	Associate Professor	\$3,000	\$6,000
Associate Professor	Professor	\$4,500	\$9,000
Research Associate	Senior Research Associate	\$4,500	\$9,000
	Current	New (3)	
Chairperson Stipend	\$6,000	\$10,000	
(1) Per Bruce Bongarten memo to President Murphy dated 4/10/13.			
(2) To begin with the current round of promotions.			
(3) Will become effective 9/1/2018.			



Questions

15

Salary Working Group

- ***Graduate stipends***
 - BOT approved additional \$300,000 for 2018-19. Funding beyond 2018-19 under consideration.
 - Starting in September 2018, \$300,000 to be applied across the board to all grad assistants on state funding
 - Increase of ~\$2,500 or on average ~20% per student

 - Chemistry grad assistants not included given the current level of Chemistry stipends.
 - What has been called chemistry “toppers” are funded from state resources. There is no separate “topper” account within the College Foundation.
 - Even without an increase Chemistry stipends in 2018-19 will on average remain higher than others.

- ***Campus wide Salary review***
 - To be considered by SWG



Questions

16

Enrollment

- ***How the increase in students this fall add to our bottom line?***
 - Incremental revenue: assume 130 UG students at current tuition rates, before financial aid.

	Tuition Rate	UG student	Tuition Revenue
UG in state	\$6,670	104	\$693,680
UG out state	\$16,320	26	\$424,320
Total		130	\$1,118,000

- 2018-19 incremental cost projected to be ~50% - 60% of revenue
- ***Will faculty be compensated for any increased workload?***
 - If so, done on a case by case basis
 - Currently 9 new faculty positions planned for 2018-19, along with 13 backfills



Questions

17

SUNY Administration review of ESF's financials

- What is the timeline and will the results be shared with the entire campus?
 - Timeline to be determined by SUNY Administration
 - Will be shared with the campus

Campus Budget Committee

- When will it be formed and what would that process look like?
 - In conjunction with the SUNY kick off the 2018-19 state operating budget process
 - Initial year focus on educating committee as to the process, revenue and cost components “Form 1” and fixed vs discretionary costs

Detailed accounting and benefit/cost analysis of the remote properties

- Consolidated financial statements
- TBD based on available resources



Questions

18

Roles of those involved in the financial management of the College

- Chief Financial Officer and VP for Administration
 - Chief administrative operations officer of the college, responsibilities for management and oversight for the college's business and financial affairs, human resources, information technology, university police, legal counsel and environmental health and safety. Also acts as the Freedom of Information Law officer and serves as Secretary to the College's Board of Trustees.
- Business Affairs Office
 - Budgeting, accounting, bursar, purchasing, accounts payable, internal control, payroll, travel and the college cashier. Also responsible for the Campus Copy Center.
- Provost's Office
 - Assistant VP for Academic Finance – In conjunction with the Business Office, responsible for the managing resource allocation within academic departments. Also serves as the college's RF Operations Manager.



Questions

19

Roles of those involved in the financial management of the College

- Associate Provost for Enrollment
 - Financial Aid Office
 - Admissions Office

Why were some faculty searches delayed or cancelled?

- Primarily a matter of budget concerns
 - \$2.1m operating deficit projected for 2017-18
 - Will need to fund some or all of 3 UUP retro salary increases
 - Future of the enrollment growth initiative uncertain
- As 2018-19 progresses and we have a better sense of our fiscal condition, some or perhaps all of the positions can be reinstated

