

# ESF State Operating Budget Spending Constraint Plan



Presentation to Academic Governance  
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State University of New York  
College of Environmental Science and Forestry

# ESF State Operating Budget Spending Constraint Plan

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SUNY Directives and Goals

Expanded Powers of the State Budget Director

ESF Spending Constraints Plan

- Hiring and Personnel
- Non-Labor Spending

Questions

# SUNY Directives and Goals

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In an effort to conserve cash to meet payroll and other contractual obligations, SUNY has directed each institution to make every effort to reduce the upcoming 12 months of spending. This is in anticipation of potential reductions in direct state tax support by the NYS Division of the Budget (DOB) as well as projected enrollment levels.

DOB will be closely monitoring activity.

Spending constraints will be based on prior year comparable actual cash spending levels.

SUNY has asked each campus to provide 3 reduction scenarios: “low, base and best”.

# SUNY Directives and Goals

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Spending reduction goal amounts are based on the amount of direct state tax support received by each institution (**\$19.4m** for ESF).

Low Case: **25 percent reduction** in direct state tax support as adjusted for enrollment levels. *Assuming no change in enrollment, this means an overall reduction of \$4.86m for ESF.*

Base Case: **10 percent reduction** in direct state tax support as adjusted for enrollment levels. *Assuming no change in enrollment, this means an overall reduction of \$1.94m for ESF.*

Best Case: **2020/21 Enacted Budget Values** as adjusted for enrollment levels. *Assuming no change in enrollment, this means no reduction for ESF.*

# SUNY Directives and Goals

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## Point of reference

The most recent state support reduction following the 2009 recession resulted in a \$5.3m or 20% reduction in state support.

# State Budget Director Authority

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The 2020 - 21 State Budget includes expanded powers for the State Budget Director.

If at any point during the fiscal year on a cash basis, a “General Fund Imbalance” has occurred, the State Budget Director has the authority to adjust and/or reduce any operational funding to maintain a balanced budget for 2020/21.

The General Fund will be considered imbalanced if:

- Actual State Operating Funds Tax Receipts are less than 99 percent of Estimated State Operating Funds Tax Receipts, or
- Actual State Operating Funds Disbursements are more than 101 percent of Estimated State Operating Funds disbursements, or
- Both

# State Budget Director Authority

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Exemptions include:

- Public assistance payments to aged, blind, and disabled persons related to supplemental social security.
- Reductions that would violate federal law.
- Debt service payments.
- Payments required due to court orders or judgements.

# ESF Spending Constraints Plan: Hiring and Personnel

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## **Hiring and Personnel Decisions**

All hiring decisions will be made after review by the President and Executive Leadership or a subset thereof designated by the President. This includes all new or backfilled state positions.

In all cases other than for health and safety, approved positions should be limited to temporary, visiting or adjuncts.

# ESF Spending Constraints Plan: Hiring and Personnel

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## **Staff: Health and Safety**

Considered for approval only as needed to ensure the continued health and safety of the campus community.

## **Faculty: Instruction and Research**

Considered for approval only in areas which have proven to be in high-needs, high enrollment and research growth areas as demonstrated by enrollment applications and research awards.

## **Staff: Student Facing Experience**

Considered for approved only for positons that can be shown to meaningfully aid in student retention, recruitment, or service.

# ESF Spending Constraints Plan: Hiring and Personnel

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## **Staff: Managerial / Operational**

All hiring for all positions will be frozen.

In the event a position is thought to be mission critical by its sponsor, the President may choose to consider it for approval.

## **Faculty and Staff: Revenue Generating**

Considered for approval only if revenue generation is known (e.g., a grant is already identified and in hand or is a fundraiser that comes with an established portfolio).

Does not include hiring based on the hope of revenue generation.

# ESF Spending Constraints Plan: Hiring and Personnel

## **Employee Separations**

From now until May 10<sup>th</sup> institutions should not carry out layoff, retrenchment, furloughing, or other activities that would prematurely end the employment status of a SUNY State-operated Campus or Community College employee.

This does not extend to employees who have an employment status that is seasonal, or employees who operate under a fee-for-service / contractual status, or employees who have contracts that are up for renewal.

## **Savings Generated**

All savings from faculty and staff non-hires-that are not restricted should be held centrally and utilized to fund operational reserves and to redirect available resources to areas that need funding.

# ESF Spending Constraints Plan: Non Labor Spending

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## **All general purchases of material, supplies and food.**

All purchases less than \$1,000 will require justification and will be considered for approval by the Business Office based on 4 criteria.

All purchases of \$1,000 or more will require justification and will be considered for approval by the President and Executive Leadership or a subset thereof designated by the President and based on 4 criteria.

# ESF Spending Constraints Plan: Non Labor Spending

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## **All general purchases of material, supplies and food – 4 Criteria.**

- To meet essential operating and educational requirements\* through the end of the current fiscal year, 6/30/20.
- To prepare for essential operating and educational requirements for the next fiscal year, which will begin 7/1/20, where a significant ordering lead time is required.

*\*Examples of essential operating and educational requirements include contractual obligations, compliance requirements and other critical goods or services to meet operational or educational requirements, where the failure to procure or pay would result in a critical disruption to campus operations or directly disrupt instruction.*

# ESF Spending Constraints Plan: Non Labor Spending

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## **All general purchases of material, supplies and food – 4 Criteria.**

- To meet federal, state or local mandates relative to the ongoing COVID-19 crisis or to protect the campus community from COVID-19 threats.
- Reimbursements for the use of personal funds will be rejected unless prior approval, consistent with the guidelines in this document, are included with the submittal

# ESF Spending Constraints Plan: Non Labor Spending

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## **Large-Scale Purchases (software, equipment, vehicles, etc.)**

All purchases will be made after review by the President and Executive Leadership or a subset thereof designated by the President and approval provided only for items that meet one or more of the following criteria.

- Essential for health and safety
- Essential for campus mission
- Has a demonstrated future benefit

## **Travel**

All travel related purchases will require justification and will be considered for approval by the President and Executive Leadership or a subset thereof designated by the President.

# ESF Spending Constraints Plan: Non Labor Spending

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## **State Procurement cards (P-Cards)**

P-Card purchasing authorization will be reduced to \$1.00. All P-Card purchases must be approved in advance through the Business Office and meet the essential operating and educational requirements defined above. Once approved the P-Card limit of the requester will be reinstated for that purchase only.

## **Operating funds used to support capital projects**

Unless the capital project relates directly to health and safety, revenue generating activities that will see a quick (one-year or less) return on investment, or are considered essential for the future academic mission of the college, these activities should be placed on hold and cash held in reserve for potential operational challenges.

# ESF Spending Constraints Plan: Non Labor Spending

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## **Shared support**

Individual college departments and offices will work together to share materials and supplies whenever possible.

# Questions