



THE STATE UNIVERSITY OF NEW YORK

Achieving Efficiency at The State University of New York

by John R. Ryan, Chancellor



THE NEED FOR EFFICIENCY AND PRODUCTIVITY

The State University of New York (SUNY) has a responsibility to provide access while maintaining affordability and improving quality. One lynchpin in the strategy to achieve these aims is to be as efficient and productive as possible. The university receives its direct funding from three major sources: the State of New York, student tuition and fees, and external contributors, including philanthropy and research. Maximizing the efficiency of each stakeholder's investment in SUNY is regarded university-wide as the best method to serve not only our major stakeholders but the entire SUNY

community, while meeting our mission of ensuring access, accountability, and quality in public higher education throughout the state.

Our current focus is on accommodating increased demands on SUNY's existing resources. Our projections show steady growth in New York's pool of college-going high school graduates through at least the end of the decade, which will in turn intensify demand for admission to SUNY's colleges and universities. Already we have seen extraordinary enrollment growth in the community college sector, which because of its open enrollment policy can accommodate growth more swiftly than the four-year sector. Because many community college students seek to transfer to SUNY's

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four-year colleges, the demand on four-year schools and the pressures on our community colleges remain heavy.

In addition, the university is contending with the increased demands of the state's growing knowledge economy, which requires large numbers of highly educated workers. As the state economy transitions to a system based on intellectual innovation rather than physical labor, the demand for educated workers and the level of education required are both rising, necessitating greater production of bachelor's degree holders and reeducation of older workers – both functions performed in large part by the state's public higher education system.

Finally, mandated costs are forecast to increase, particularly in energy and health care. These increases force us to allocate significantly greater portions of our budget to maintaining these services without seeing any increase in benefit to the university or our students. The end result is that there is less money to invest in student success and institutional quality, making efficiency even more critical to successfully providing access while maintaining affordability and improving quality.

ACHIEVEMENT OF EFFICIENCY

The State University of New York achieves maximum efficiency through a diverse assortment of initiatives that range from large programs generating millions of dollars in savings to small, everyday actions that keep our commitment to efficiency strong at all levels.

In 2004, SUNY formed a Task Force on Efficiency and Effectiveness, which undertook a major analysis of efficiency throughout System Administration, the State University Construction Fund, and the Research Foundation. The Task Force concluded that SUNY is



an efficient and effective organization, and made 91 recommendations for increasing efficiency across System Administration, the State University Construction Fund, and the SUNY Research Foundation. These recommendations were classified by function, including organization, strategic planning, benchmarking, and best practices; and by area within System Administration, the Construction Fund, and the Research Foundation.

Task Force recommendations include:

- Increasing online applications
- Establishing a database of faculty and staff experts
- Integrating campuses' and system administration's vision and goals
- Incorporating system-wide goals into individual campus Mission Reviews
- Improving assessment of campus capacity and enrollment planning
- Developing a clear, dynamic budget allocation process
- Increasing energy savings and cost-avoidances system-wide
- Enhancing electronic data reporting by campuses

As of Fall 2005, more than 50 percent of the recommendations have been fully executed, and the remaining possible recommendations are in the process of being implemented. All new efforts at efficiency and effectiveness have been incorporated into the university's regular processes and are ongoing.

The full text of the report can be found here: <http://www.suny.edu/SUNYNews/pdf/2004-01-27/TaskForceBrief.pdf>

SUNY BEST PRACTICES DOCUMENT AND SEARCH ENGINE

As part of the Task Force on Efficiency and Effectiveness, campus presidents were asked to provide initiatives they believe they carry out better than any other campus, along with those innovative ideas that have saved or avoided spending resources. These best practices have been cataloged by campus and by category of campus activity, and can be viewed online at: <http://www.suny.edu/bestpractices/>. The best practices report also includes a search engine, allowing users to quickly find practices within their areas of interest.



The best practices reported in that document have resulted in significant savings throughout SUNY and, when shared with other campuses, have the potential to realize even greater savings within the system. To date, 130 initiatives have been reported, with total savings/cost avoidance of over \$7.5 million.

In addition to listing each campus by name, the document also lists the person responsible for the innovative idea, along with a contact phone number to make it easier to share the details of the initiatives. It will be updated quarterly and is available to the general public.

Best Practices Highlights

- The University at Buffalo saved \$30,000 via web-based parking registration.
- The College of Optometry saved \$25,000 by producing an online course catalog.
- SUNY Delhi saved \$411,000 per year by converting from electric to steam heat.
- SUNY Brockport saved \$150,000 by partnering with the State Department of Transportation (DOT) on road paving through a DOT training program.
- SUNY Potsdam reduced solid waste disposal cost by partnering with 2 other colleges and saved \$25,000.
- Stony Brook University outsourced elevator maintenance, saving \$150,000.
- Empire State College saved \$137,500 by centralizing academic support and providing services online.

ENERGY EFFICIENCY

SUNY's energy conservation program began in 1972, when the Oil Embargo inspired increased energy efficiency worldwide. Since then, SUNY has reduced its energy use by 36 percent and saved more than \$1 billion in cost avoidance measures through FY 04-05. The methods used to reduce energy use and achieve these savings have ranged from shutting off lights and heating, ventilation, and air conditioning (HVAC) systems when not needed to using energy savings to pay for over \$100 million in upgrades to more efficient lighting and HVAC systems.

SUNY currently is working with the New York Power Authority (NYPA) and the New York State Energy Research and Development Authority (NYSERDA) on its second \$100 million of energy conservation projects.

In 2002, SUNY formed an energy-buying group that allows campuses to buy their electricity directly from the wholesale market operated by the New York Independent System Operator (NYISO). This buying method will save the 29 member campuses more than \$1.4 million this year, with an additional \$600,000 in savings at the University at Buffalo, which purchases its electricity independently and was one of the first direct customers of the NYISO. This year the energy buying group will extend membership to state operated campuses and community colleges in the Central Hudson and Rochester Gas and Electric territories.

The success of the energy buying group led to a partnership between SUNY and the State Office of General Services (OGS) that enables OGS to be a direct customer of the NYISO. In its first year, OGS is on schedule to save \$1 million.

Ninety percent of SUNY campuses are using system-awarded natural gas contracts. These contracts allow campuses to lock in future gas prices while providing competitive delivery costs. Last year many campuses used the ability to lock in forward prices to avoid the high gas prices in January and February. The university uses an outside consultant to bid gas needs and audit the bills from the selected gas marketers, a practice that saves about \$250,000 a year.

SUNY energy managers are now working on securing longterm electric prices from renewable sources that will lead to a cleaner environment and less price instability. They are also piloting innovative programs to increase energy efficiency on their campuses.

Dutchess Community College (DCC), for example, was the nation's first community college to be named an Environmental Protection Agency Energy Star Partner of the Year for its outstanding contribution to reducing greenhouse gas emissions.

DCC's energy conservation efforts include replacing a 500-ton electric chiller with two new 300-ton gas-engine powered chillers. In addition to reducing electricity consumption, the new natural gas engine-driven chillers provide "free" hot water from recovered exhaust heat. Environmental systems and controls were also updated and computerized across campus.

The program is guaranteed to save DCC \$1.2 million in energy costs over a 15-year period, as well as provide \$308,000 minimum in rebates from New York State Energy Research and Development Authority (NYSERDA).

Finally, SUNY has appointed an Energy Task Force co-chaired by Morrisville President Raymond W. Cross and Environmental Science and Forestry President Cornelius B. Murphy to review our energy programs and recommend a comprehensive energy policy for the entire SUNY system.

PROCUREMENT

The New York State Procurement Card Program offers campuses the flexibility to streamline local procedures and controls for procuring goods and services. Using the procurement card significantly reduces the time between requesting, ordering, and receiving goods and services.

In addition to saving time, the procurement card program greatly reduces the volume of accounts payable transactions and the associated administrative costs by eliminating supplier invoices and consolidating multiple supplier payments into one monthly voucher payment to the procurement card vendor. Currently, the procurement card vendor is paid monthly through an automated clearing house (ACH) via electronic check from the Office of the State Comptroller (OSC). This process also contributes to the overall efficiency and cost effectiveness of the program.

In 2004, New York State transitioned to a new procurement card vendor, Citibank. Due to the greater acceptability of the Visa card, it is anticipated that the change from American Express to Citibank will greatly increase the number of cardholder transactions and dollar amounts for the next several years. Most important, future increases in transaction volume will significantly increase the administrative cost savings for the University.

According to a recent study by the National Association of State Comptrollers (NASC), savings related to procurement card use ranges from \$24 to \$75 per transaction. A similar study conducted by a commercial procurement card vendor estimates it costs \$67.20 to process a voucher compared to \$10.53 with a procurement card – a savings of over \$56 per transaction. Using the lowest reported savings estimate, \$24 per transaction, SUNY saved approximately \$2.3 million in the 2004/05 fiscal year.

ACADEMIC EFFICIENCY & EFFECTIVENESS

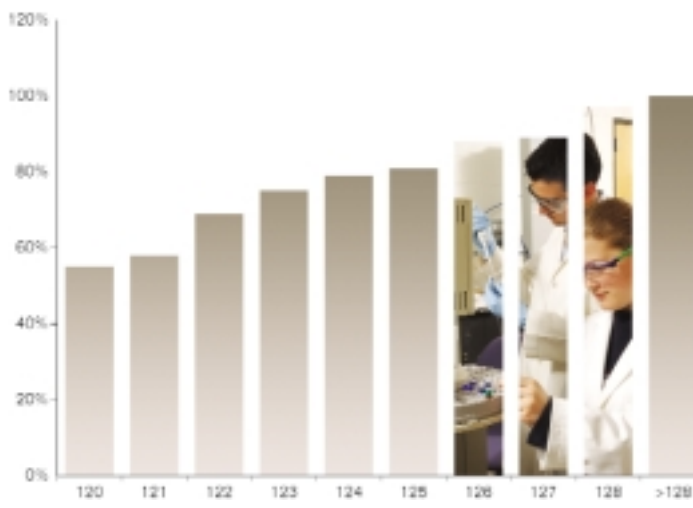
Academic efficiency at SUNY is most evident in three areas: enrollment, retention rates, and graduation rates. These statistics show that SUNY is serving more students, even as funding remains flat, and that academic programs are increasingly efficient and effective, as evidenced by the fact that more and more students are staying at SUNY campuses (rather than transferring outside the system) and graduating in a timely fashion. Enrollment and retention and graduation rates have been steadily climbing since the mid-90s, reflecting efforts across the university to provide students access to all the resources necessary for timely graduation, from remediation to career planning services.

Between 1999 and 2004, total enrollment at SUNY grew 11 percent, much of that at SUNY's community colleges. In fact, community college enrollment grew 30 percent between 1999 and 2004. While the university cannot sustain unfunded growth indefinitely, its ability to accommodate these additional students speaks to the system's effectiveness at maintaining access to public higher education and efficiency in student services and academic programs.

Instructional Efficiency – Degree Requirements

One of the principal functions in which a university must be efficient is educating its students. One way academic programs can be inefficient is to require too many hours, hours that are unnecessary for education and that just add to a student's time on campus. In SUNY, 97 percent of our students are in programs that require a standard credit load of approximately

Cumulative Distribution of Credit Hours Required for a Baccalaureate Degree, Weighted by Degrees Granted



120-128 credits. The remaining 3 percent are enrolled in intense technical programs that fill specific workforce needs, making them worth the added academic investment to both students and the State of New York.

Instructional Efficiency – Graduation Rates

SUNY’s six-year graduation rate of 58 percent is 13 percentage points above the national average graduation rate of 45 percent for publicly funded universities and is also above the rate for national private universities. This trend continues through four- and five-year graduation rates, with SUNY matching or exceeding graduation rates for both public and private universities. These graduation rates do not include transfer students, or students who attend less than full time. If we include the students who transfer to other SUNY campuses and graduate, the overall rate jumps from 58 percent to 64 percent over six years. If we consider the number of students who persist beyond six years and probably will graduate, the rate jumps to 69 percent.

The data shows that there are 260 campuses in the U.S. similar to our comprehensive colleges. SUNY Geneseo ranks first in our country for four-year graduation, and nine other SUNY comprehensive colleges rank in the top 50 (top 20 percent). No other public university system in the nation has so many of its colleges in the top 20 percent, and several states that are recognized for their high-quality comprehensive colleges have no campuses in the top fifty, including California, Texas, Michigan, Georgia, Wisconsin, and Ohio, to name a few.



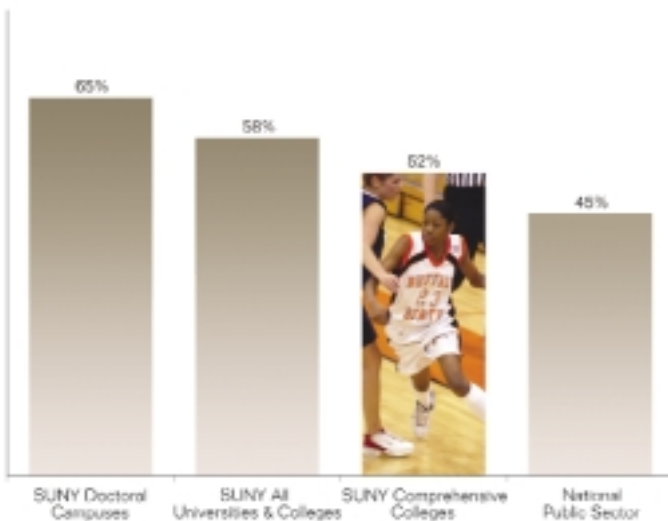
For our doctoral campuses, there are 163 similar public research universities. All five of our campuses in this category are in the top 50 (Binghamton University, University at Albany, Environmental Science and Forestry, Stony Brook University, and the University at Buffalo). Binghamton University is ranked third in the nation, behind only the University of Virginia and the College of William and Mary, and ahead of such world renowned campuses as the University of Michigan at Ann Arbor, the University of North Carolina at Chapel Hill, and the University of Illinois at Urbana-Champaign. The University at Albany ranked 10th nationally, ahead of all of the campuses of the University of California, including UCLA, Berkeley, Davis, and San Diego.

We encourage mission differentiation among our campuses and try to avoid unnecessarily duplicating programs, which leads a significant number of students to *transfer between SUNY campuses* when they change their major or academic focus. For every two first-time, full-time students, SUNY enrolls one transfer student: 42 percent of our graduates have transferred at least once in their college career, and each year, 8.5 percent of our students are new transfers, 63 percent of them from within the SUNY system. When intra-SUNY transfers are factored into the system-wide graduation rate it jumps to 64 percent over six years. When all transfer students, including those from private colleges, community colleges, and other public systems are included SUNY’s six-year graduation rate is 69 percent. Finally, if we include those who transfer out of the SUNY system we see that an impressive 78 percent of our students graduate from college within six years.

Instructional Efficiency – Degree Production Efficiency

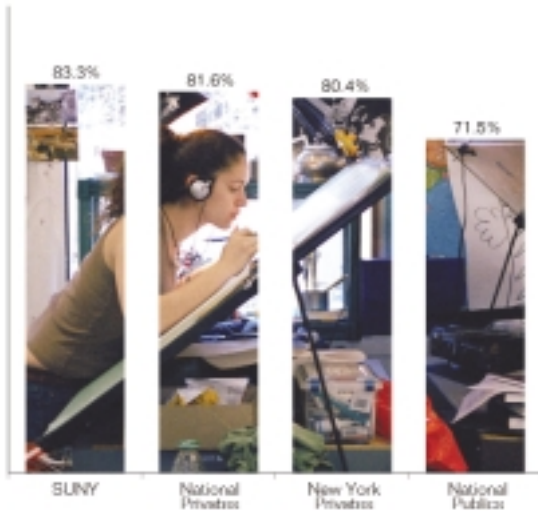
Another method of assessing an institution’s efficiency in producing graduates is by looking at the number of degrees granted as a function of the number of students enrolled, namely its Degree Production Efficiency. SUNY’s efficiency index is 83.3 percent, compared to

SUNY Graduation Rates Surpass Peer Institutions



Source: Integrated Postsecondary Education Data System (IPEDS)

Degree Production Efficiency, 2002-2003



Source: Integrated Postsecondary Education Data System (IPEDS)

national averages of 81.6 percent for private schools and 71.5 percent for public schools.

This measure is more comprehensive than a simple graduation rate, which focuses on only one type of cohort – first-time, full-time students. The Degree Production Efficiency measure relates the number of baccalaureate degrees granted to total undergraduate enrollment over a period of years and reflects how effective SUNY is in moving the students it instructs to graduation, assuming a four-year graduation model. It includes all cohorts we serve and reflects how effective SUNY is in advising, scheduling, instructing, and securing financing for students.

Faculty Productivity – Teaching

SUNY has been steadily improving faculty productivity at all campuses. As of 2004-05, the FTE (full-time equivalent) student to tenure/tenure-track faculty ratio is 24.1, an 8 percent gain over the past 15 years. In short, our full-time faculty are teaching more students than ever before, contributing to increased academic efficiency across the university.

Faculty Productivity – Research

Data from national sources suggests SUNY faculty are in the front ranks of higher education in terms of research, publications, and citations.

The table and graph below show that SUNY’s full-time faculty members exceed the national averages for published academic articles at all four-year campuses, and far exceed the averages for doctoral and health science centers.

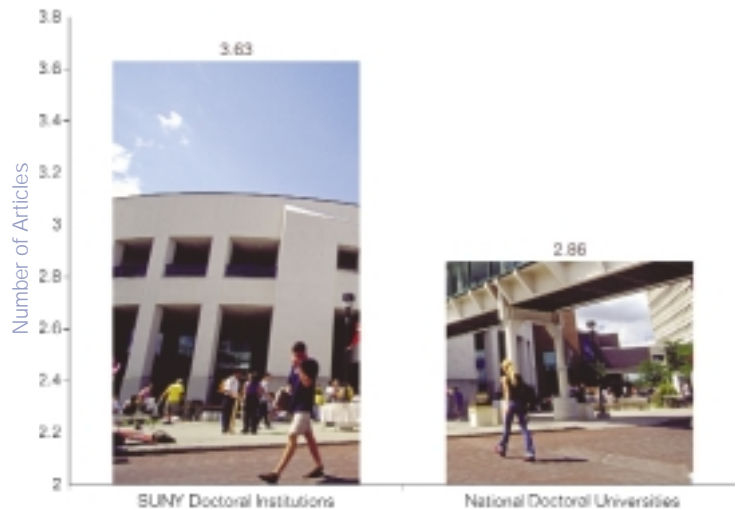
Compared with public colleges and universities in the same Carnegie classification, nine state-operated campuses are in the top quartile in total faculty publications per full-time faculty member. For our doctoral campuses, that puts them in the company of institutions such as the University of Wisconsin at Madison, University of Texas at Austin, University of Illinois at Urbana-Champaign, and University of Michigan.

Published Articles Per Full-Time Faculty Member, 1998-2001

	SUNY	All National
Doctoral Sector	3.63	2.86
Health Science Centers	3.12	2.47
Comprehensive Centers	0.44	0.41

Source: Institute for Scientific Information (ISI), Years 1998-2001

Published Articles Per Full-Time Faculty Member, 1998-2001



Source: Institute for Scientific Information (ISI), Years 1998-2001



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