

University Faculty Senate

Budget Handbook Spring 2004

Operations Committee

Members of the Operations Committee 2002- 2003

Co-Chairs

Paul Brodsky (*Optometry*)

B. Runi Mukherji (*Old Westbury*)

Bridget Anakwe (*Plattsburgh*)

Maureen Dolan (*Old Westbury*)

Daniel Kinney (*Stony Brook*)

Mary Stuck (*Oswego*)

Ted Turner (*Albany*)

Karen Volkman (*Plattsburgh*)

David DeMarco (*System Liaison*)

Table of Contents

INTRODUCTION4

AN HISTORICAL PERSPECTIVE ON THE OPERATING BUDGET5

THE SECTORS OF THE SUNY SYSTEM.....6

 STATE-OPERATED COLLEGES (29)6

 STATUTORY COLLEGES (5).....6

 COMMUNITY COLLEGES6

BUDGET TERMINOLOGY7

SECTOR SPECIFIC BUDGET CRITERIA9

 STATE OPERATED CAMPUSES.....9

 STATUTORY COLLEGES9

 COMMUNITY COLLEGES10

ALL FUNDS BUDGETING11

AN HISTORICAL PERSPECTIVE ON THE OPERATING BUDGET12

THE BUDGET ALLOCATION PROCESS (BAP)13

 BAP OBJECTIVES13

 BAP METHODOLOGY13

Campus Retention of Tuition13

Enrollment.....13

Research and Public Service.....14

Mission Adjustments.....14

Performance.....14

THE 12-CELL ENROLLMENT MATRIX.....15

SUMMARY OF BEST PRACTICES IN SUNY.....17

A FAIR AND EFFECTIVE CAMPUS BUDGET PROCESS: BEST PRACTICES17

A FAIR AND EFFECTIVE CAMPUS BUDGET PROCESS: BEST PRACTICES18

Introduction

This Budget Handbook describes the structure and the budgeting procedures of the State University of New York (SUNY), the largest and most diverse system of higher education in the nation. It is hoped that this will help clarify these procedures and aid in a clearer understanding of the budgeting mechanisms, as well as providing an informed perspective on University and campus budgets.

SUNY consists of 64 campuses including research universities, land grant colleges, health science centers, comprehensive colleges, specialized colleges, technical colleges and community colleges that offer programs as varied as ceramics engineering, philosophy, fashion design, optometry, maritime studies, law and medical education.

Funding for the State University and many of America's public colleges and universities represents a significant portion of the state and, in the case of community colleges, local budgets. Because of this, the campus budgets are especially vulnerable when these governments experience economic difficulties and are forced to reduce or reallocate their expenditures. Competition for federal, state, local and private funds has become an unavoidable requirement for all institutions of higher education. In many cases, the ability to gain financial support and maintain that support is dependent on measures of quality, cost containment and productivity. Academic accountability in higher education is not new to faculty and staff; however, it is imperative that all campus constituencies be aware of the importance of fiscal accountability as well and the impact it can have on the financial well being of an institution,

College administrations across the country have been asked to take a hard look at educational expenditures and to seek strategies for improved efficiency. Sophisticated methods for measuring efficiency have been implemented and as a result, many colleges have found ways to improve performance at the same or lower cost. However, not all aspects of the educational process can be evaluated accurately on the basis of economics alone. As a public institution, SUNY must continually seek to develop budget policies and administrative procedures that recognize the need for responsiveness to public goals, while maintaining sensitivity to the essential mission of providing high quality academic programs and access for New York's citizens at a reasonable cost to the student and the taxpayer.

Often college constituents may be uncertain as to their role and responsibility in the development and in the execution of the campus budget. In some cases, they are discouraged from participating, overlooking an important source of expertise and an excellent opportunity to gain informed support when difficult decisions are necessary. Choosing to stay on the sidelines as the budget decisions are made discounts a major factor in the process of academic planning: the financing of the academic programs. As unfortunate as non-participation is, uninformed participation can be more disruptive than helpful. As decisions are being made that could impact programs and careers, the professional staff, as well as other constituencies, should be informed participants in the process.

This present revision of the Budget Handbook is based on *Faculty Participation in the Campus and SUNY Budget Process*, an earlier UFS report. It is hoped that this Budget Handbook will provide both the mechanism and the incentive to work towards a more informed perspective on University and campus budgets. If this can be accomplished, the result will strengthen the governance process at the campus level and, in doing so, strengthen the University.

This document describes the budget model for SUNY, the criteria for the budget in the different sectors of the system, lays out the basic timeline for budgetary decisions in the SUNY system, and describes the terminology for the various components and aspects of the budgetary process. Many of the terms used in the financial processes of the University are those used for other agencies in the

State of New York, and some are unique to the SUNY budget process. We have included a section summarizing the Best Budget practices across the State-operated system. This section is a summary of a larger report, *Survey of the Campus Budget Process October 2002* (Maureen Dolan, Operations Committee of the University Faculty Senate). The complete report (available from on the University Faculty Senate office) was the result of a survey of Campus Governance leaders and Campus Financial officers throughout the SUNY system, identifies and describes the characteristics which distinguish the most successful budgeting processes on different campuses.

It is hoped that this update and the earlier report on Best Budget practices will inform and support the efforts of the faculty to become active participants in the budgetary processes on their home campuses.

An Historical Perspective on the Operating Budget

For almost 40 years, the State University's budget was defined by the appropriation of relatively detailed categories within each campus. Campuses would submit preliminary budgets to System Administration with requests to increase the prior year budget. In the late 1970's the **University began using the "40-Cell Matrix,"** (a faculty/student ratio model based on four instruction levels and ten discipline groups) to support requests for academic program initiatives. Campuses had limited discretion in the use of the funding and approval was required to move allocation from one functional area to another.

In 1985, legislation was passed that provided the University and Campuses increased budgetary autonomy, and the "Benchmark" emerged as the primary method for allocating appropriations for the State-operated campuses (not the statutory colleges). The Benchmark incorporated the basic structure of the earlier FTE-based, 40cell matrix, but also included funding in relation to headcount enrollments, sponsored program activity, square footage of campus facilities and the actual cost of utilities. Increases in the budget were requested as lump sum initiatives and campuses no longer submitted individual requests for funding, Campuses received a total level of funding and had full discretion in the use of the revenue within State and University fiscal guidelines.

In determining the final distribution of campus funding, the Benchmark focused on overall campus condition compared to a modeled level of funding. Through a process of phased-in redistribution of funding support among the campuses and infusion of new resources, campuses were brought to levels closer to a total University average support condition. However, because of State fiscal conditions, by 1994-95, the total funding available to the University was only approximately 75% of the Benchmark

The sectors of the SUNY System

State-Operated Colleges (29)

University Centers (4)

Albany*
Binghamton*
Buffalo*
Stony Brook*

Health Science Centers (3)

Downstate (Brooklyn)*
Optometry*
Upstate (Syracuse)*

Colleges of Technology (9)

Alfred
Canton
Cobleskill
Delhi
Environmental Science and Forestry*
Farmingdale
Maritime
Morrisville
Utica-Rome

University Colleges (13)

Brockport
Buffalo
Cortland
Fredonia
Empire State College
Geneseo
New Paltz
Old Westbury
Oneonta
Oswego
Plattsburg
Potsdam
Purchase

Statutory Colleges (5)

College of Ceramics*, Alfred
College of Agriculture and Life Sciences*, Cornell
College of Human Ecology*, Cornell
College of Industrial and Labor Relations*, Cornell
College of Veterinary Medicine*, Cornell

Community Colleges

Adirondack
Broome
Cayuga County
Clinton
Columbia-Greene
Dutchess
Erie (South)
Fashion Institute of
Technology
Finger Lakes
• Research/Doctoral

Fulton-Montgomery
Genesee
Herkimer County
Jamestown
Jefferson
Mohawk Valley
Nassau
Niagara
North Country
Onondaga

Orange County
Rockland
Schenectady
Suffolk County
Sullivan
Tompkins-Cortland
Ulster County
Westchester

Budget Terminology

The following terms are used in describing SUNY funding procedures.

- ◆ **All Funds Budget** - the total campus spending plan including: the core instructional budget, residence halls, sponsored program activity, self-supported programs, auxiliary service corporations, foundations and any other spending related to the campus such as, temporary sources of support (legislative member items, University-wide programs).
- ◆ **Allocation** - the distribution of appropriated funds to campuses and departments for expenditure control.
- ◆ **Appropriation** - the authority to spend revenue up to the amount indicated and for the purpose stated.
- ◆ **Capital Projects** - funded by direct State tax dollars or by bonding. Direct appropriation of bonding authority is listed in the Capital Projects portion of the State budget.
- ◆ **Core Instructional Budget** - the portion of a campus all funds budget that is supported by revenue distributed in the Budget Allocation Process (BAP) - this does not apply to community colleges. The Core instructional budget is funded from a combination of State tax dollar support, campus generated revenue (tuition, fees, overhead charges and interest earnings) and University-wide income from overhead charges, interest earnings and reserves, when available and necessary. This is appropriated within the General Fund portion of the State budget.
- ◆ **County Cooperative Extension** - administered by Cornell, this program is funded by State tax dollars. This is appropriated in the General Fund/Aid to Localities portion of the State Budget.
- ◆ **Debt Service** - interest paid on outstanding loans,
- ◆ **Dormitory Income Fund Reimbursable (DIFR)** - funded from room rental fees and charges. This is appropriated in the Special Revenue Funds portion of the State Budget
- ◆ **Fiscal Year** - The State's fiscal year begins April 1. The SUNY fiscal year for State-Operated and Statutory Colleges begins July 1, for Community Colleges the fiscal year generally begins in the Fall.
- ◆ **Function** - budgetary areas defined by the University to describe types of activities, such as, instruction & departmental research, libraries, student services, administration, clinics, etc.
- ◆ **Fund** - used by the State to distinguish the major categories of appropriation, such as, general fund, special revenue funds, capital funds, fiduciary funds.

- ◆ **Fringe Benefits** - retirements and health benefits,
- ◆ **General Income Fund Reimbursable (General IFR)** - funded from revenues generated for services provided by the campus, such as, conferences, concerts, training, etc. This is appropriated in the Special Revenue Funds portion of the State budget.
- ◆ **Hospital Income Fund Reimbursable (HIFR)** - funded from patient-care revenue and State support for their public status and service. This is appropriated in the Special Revenue Funds portion of the State Budget
- ◆ **Income Fund Reimbursable (IFR)** - a fund category that is supported either fully or primarily by campus or hospital generated income.
- ◆ **Legislative Items** - budget items explicitly funded by legislative action,
- ◆ **Local Assistance Budget** - a section of the State budget that allocates funds to local governments or agencies. The community college funding and Cornell cooperative extension are listed in this section of the State budget.
- ◆ **Object** – the categorization by type of expense, such as, personal service (salaries), equipment, utilities, library acquisitions, etc.
- ◆ **Restricted Current Fund – Endowment** - funded from the proceeds of the SUNY System-wide Endowment held and managed at the University at Buffalo. This is appropriated in the Fiduciary Fund section of the State budget.
- ◆ **SUNY Tuition Reimbursable Account (SUTRA)** - funded from tuition revenue collected from summer session, contract courses overseas academic programs and excess tuition revenue from the core instructional budget. This is appropriated in the Special Revenue Funds portion of the State budget.
- ◆ **Student Aid** - funded from federal sources, such as, college work study and Pell grants. This is appropriated in the Special Revenue Funds - Federal portion of the State budget. In addition, a revolving loan fund (supported by loan repayment from students) is available to assist students in financial need. This is appropriated in the Fiduciary Fund section of the State budget.

Sector specific budget criteria

State Operated Campuses

- The Core Instructional Budget is distributed based on the BAP (see Section 6 below).
- The primary sources of funding for the campus core instructional budgets are State support and student tuition.
- Campuses and University-wide programs are listed separately in the State Budget.
- Appropriation is required to spend a large portion of the campus All Funds Budget. In the absence of an enacted budget State by July 1, emergency legislation must be passed before any campus appropriated spending can occur.
- Tuition rates are set by the Board of Trustees and, by law, are required to be at a uniform level by degree type. Appropriation is required to spend campus generated income including tuition. Without appropriation an increase in tuition revenue cannot be spent.
- All appropriated fund transactions must be processed through the Office of the State Comptroller (OSC) including purchasing, contracting and payroll.
- The campuses are subject to audits by the State Comptroller.
- All purchasing must comply with the State regulations as amended for SUNY.
- Collective bargaining contracts are negotiated by the Office of Employee Relations (OER) and require approval by the legislature.
- Planned enrollment levels are approved by the SUNY Provost.

Statutory Colleges

- Tuition can vary from the State-operated colleges; however, the rates must be approved by the SUNY Board of Trustees.
- The statutory colleges retain a portion of the tuition at the campus in a "college fund" that is not appropriated in the State budget.
- Some bargaining units are different from the State units and contracts are negotiated by the campus.
- Cornell employees are not on the State's payroll.

Community Colleges

- The operating budget is determined by the campus and is approved by the local Board of Trustees and the sponsor before being approved by the SUNY Board of Trustees.
- The primary sources of funding for the campus operating budget are State support, student tuition and local support (from the sponsorship area and non-sponsor county payments). Only the State Aid is appropriated.
- State Aid for community colleges is included in the local assistance portion of the State budget as a lump sum to be distributed based on FTE student.
- Additional State aid, similar to the University-wide programs available to the State-operated campuses, is budgeted for specific purposes.
- The campus can spend tuition and local support, in the absence of an enacted State budget at the start of the campus fiscal year.
- Tuition rates can vary from campus to campus and are set by campus and approved by the SUNY Board of Trustees.
- Financial transactions, including purchasing, contracting and payroll are processed by the campus - not by the State Comptroller.
- The campuses are subject to audits by the State Comptroller.
- All purchasing must comply with the State regulations as amended for SUNY.
- Collective bargaining contracts are negotiated by the campus.

The remainder of this document deals only with the State-operated and Statutory colleges

All Funds Budgeting

The *All Funds Budget* describes all the resources available to a campus, regardless of source of funding. It is important to note the term Fund is used by the State to distinguish the major categories of appropriation, such as, general fund, special revenue funds, capital funds, fiduciary funds. Income Fund Reimbursable (IFR) is a fund category that is supported either fully or primarily by campus generated income. Listed below are the sources of the different components of the *All Funds Budget* and includes following appropriated areas of expenditure :

Appropriated in the State University Budget:

- **Core Instructional Budget**
- **Dormitory Income Fund Reimbursable (DIFR)**
- **Hospital Income Fund Reimbursable (HIFR)**
- **General Income Fund Reimbursable (General IFR)**
- **SUNY Tuition Reimbursable Account (SUTRA)**
- **Student Aid**
- **Restricted Current Fund – Endowment**
- **Capital Projects**
- **County Cooperative Extension**

Appropriated in other sections of the State budget:

- **Legislative Items**
- **Fringe Benefits**
- **Debt Service**

Non-appropriated University funds:

- **Sponsored Programs**
- **Local Campus Foundations**
- **Auxiliary Service Corporations**
- **The Cornell and Alfred Tuition Funds**

An Historical Perspective on the Operating Budget

For almost 40 years, the State University's budget was defined by the appropriation of relatively detailed categories within each campus. Campuses would submit preliminary budgets to System Administration with requests to increase the prior year budget. In the late 1970's the University began using the "40-Cell Matrix," (a faculty/student ratio model based on four instruction levels and ten discipline groups) to support requests for academic program initiatives. Campuses had limited discretion in the use of the funding and approval was required to move allocation from one functional area to another.

In 1985, legislation was passed that provided the University and Campuses increased budgetary autonomy, and the "Benchmark" emerged as the primary method for allocating appropriations for the State-operated campuses (not the statutory colleges). The Benchmark incorporated the basic structure of the earlier FTE-based, 40cell matrix, but also included funding in relation to headcount enrollments, sponsored program activity, square footage of campus facilities and the actual cost of utilities. Increases in the budget were requested as lump sum initiatives and campuses no longer submitted individual requests for funding, Campuses received a total level of funding and had full discretion in the use of the revenue within State and University fiscal guidelines.

In determining the final distribution of campus funding, the Benchmark focused on overall campus condition compared to a modeled level of funding. Through a process of phased-in redistribution of funding support among the campuses and infusion of new resources, campuses were brought to levels closer to a total University average support condition. However, because of State fiscal conditions, by 1994-95, the total funding available to the University was only approximately 75% of the Benchmark normative level. Eventually, the Benchmark was perceived to be too complex and less effective in establishing campus allocations, especially in light of changes in administrative regulations and funding patterns; the need for a new methodology was evident. A committee of campus academic and business officers, and Faculty Senate representation was formed to develop a new method for distributing allocation to the campuses. In Spring 1996, the committee drafted a conceptual proposal, this was presented to the Board of Trustees and the Presidents' Planning and Priorities Committee. Based on these meetings adjustments were made and a draft document was sent to all presidents for comment and discussion at the December, 1996 Chancellor's Forum.

A revised report was issued in October, 1997 which was shared with campus presidents and officers, legislative staff, Division of the Budget staff and the Faculty Senate. Based on comments from the various groups the proposal was recommended by the Provost and Vice Chancellor for Finance and was used to distribute campus allocations in the 1998-99 Financial Plan.

The financial plan was approved by the Board of Trustees in June, 1998. The Budget Allocation Process (BAP) is still in use, although there are ongoing discussions about revisions to this model of allocations, under conditions of fiscal austerity the reductions in allocations across campuses are not equitable.

The Budget Allocation Process (BAP)

The Budget Allocation Process (BAP), a methodology for determining campus budgets, was implemented in June of 1998. A detailed description of the history, rationale and procedures of the BAP can be found at

<http://www.suny.edu/FinanceandBusiness/finance.cfm>

(then choose Budget Allocation Process).

Here we summarize the most important features of the BAP:

BAP objectives

- relate the allocation of State support to campus missions and the results achieved in the pursuit of those missions
- provide incentives to improve the quality of instruction and research, enhance access and promote efficiency
- continue the sharing of financial responsibility between the System and campuses
- distribute State support to all State-operated and statutory colleges in an equitable, open and predictable manner
- permit campuses to retain and manage their resources and assume responsibility for the costs of local decisions

BAP Methodology

The University's operating budget is allocated according to five major components:

Campus Retention of Tuition

- Campuses retain all tuition and fee revenue currently pooled in the operating budget.

Enrollment

- Total funded enrollment is categorized into a 12 cell matrix by student level and discipline group – **see description below**.
- State support is based on the relative cost and percent of State support for each cell.
- Core funding for a complement of basic staff is provided to campuses below 5,500 FTE students (funding is phased out for campuses between 3,000 and 5,500 students).
- A geographic adjustment is provided based on cost of living variances by campus location.
- Graduate support and tuition support is provided.

Research and Public Service

- Campuses are encouraged to seek outside funding for research and public service by the provision of a 20% State match for both direct and indirect external support.
- Research and public service institutes currently supported in the campus budgets that have a history of State-initiated funding, select programs, and land grant and forestry activities are funded in the new allocation process.

Mission Adjustments

- Program-related mission adjustments are provided to a limited number of campuses with unique and extraordinary resource needs.
- Campus-specific adjustments include statutory mandates or unique costs that constitute a significant portion of the campus budget.
- University-wide activities and System Administration are supported based on statutory requirements or levels set by the Board of Trustees.
- Mission Review funding provided assistance to campuses implementing changes in their missions.

Performance

- The new allocation process incorporates performance incentives within the previous components.
- In addition, a separate performance component will provide “bonuses” for achievement and improvement in campus quality.

The 12-cell enrollment matrix

The BAP recognizes high, medium and low cost factors for four levels of instruction, as indicated in the following *12 cell matrix* with separate factors for health-related professional degree programs. The levels of various disciplines are shown on the next page.

Annual Average FTE Generated Support (Enrollment Matrix)

Level	Weight	State Support
Lower Division-Low Cost	1.0	20%
Lower Division-Medium Cost	1.1	30%
Lower Division-High Cost	1.43	40%
Upper Division-Low Cost	1.23	30%
Upper Division-Medium Cost	1.4	40%
Upper Division-High Cost	1.8	50%
Beginning Graduate-Low Cost	1.4	30%
Beginning Graduate-Medium Cost	1.8	40%
Beginning Graduate-High Cost	2.4	50%
Advanced Graduate-Low Cost	2.06	55%
Advanced Graduate-Medium Cost	3.2	65%
Advanced Graduate-High Cost	4.1	75%
Medical	12.9	75%
Dental	8.0	75%
Pharmacy	5.7	75%
Optometry	6.8	75%
Vet Medicine	6.0	75%

Lower Division (Freshman & Sophomore Levels)

Low

Business, Management, Law
Other
Psychology
Social Sciences

Medium

Biological Sciences and Health Professions
Business, Commerce Technologies
Education Technologies
Fine and Applied Arts
Languages and Letters
Math and Computer Science
Public Service Technologies

High

Agriculture and Natural Science Technologies
Communication, Media, Design Technologies
Data Processing Technologies
Education
Food, Home Economics Technologies
Health Services & Paramedical Technologies
Mech. & Agricultural Engineering Technologies
Physical Science and Engineering
Engineering Technologies

Beginning Graduate

Low

Education
Other

Medium

Biological Sciences and Health Professions
Business, Management, Law
Psychology
Social Sciences

High

Fine and Applied Arts
Languages and Letters
Math and Computer Science
Physical Science and Engineering

Health Related First Professional

Medicine
Dentistry
Pharmacy
Optometry
Veterinary Medicine

Upper Division (Junior & Senior Levels)

Low

Business, Management, Law
Data Processing Technologies
Education
Education Technologies
Food, Home Economics Technologies
Health Services & Paramedical Technologies
Other
Psychology
Public Service Technologies

Medium

Agriculture and Natural Science Technologies
Business, Commerce Technologies
Languages and Letters
Math and Computer Science
Social Sciences

High

Biological Sciences and Health Professions
Communication, Media, Design Technologies
Fine and Applied Arts
Mech. & Agricultural
physical Science and Engineering

Advanced Graduate

Low

Education
Other

Medium

Biological Sciences and Health Professions
Fine and Applied Arts
Languages and Letters
Psychology
Social Sciences

High

Business, Management, Law
Math and Computer Science
Physical Science and Engineering

SUMMARY OF BEST PRACTICES IN SUNY

A participatory budget process strongly coincides with key goals and values described in SUNY's current strategic planning exercise. Itself a collaborative effort of system and campus constituencies, the university's plan expresses a commitment to excellence and accountability, embracing "great expectations and a commitment to change"¹. Core values of the university include: an atmosphere of mutual respect, responsibility and collegiality; a belief that students/learners are the primary reason for our existence; and a belief that faculty and staff colleagues are fundamental to our success.

According to survey responses of Campus Governance Leaders and Chief Financial Officers, substantial variations exist in campus budget processes. After detailed review and analysis, a model for best practices in SUNY has been derived. Yet serious challenges exist on a number of campuses, while on others the process is in flux. This section highlights the common attributes of a fair and effective budget process, as compiled from the successful processes that are observed across the university. For those cases where both faculty and administration agree or strongly agree that the budget process on their campus is working (i.e., it is perceived as fair and effective by both CFOs and CGLs), this report has distilled the distinct elements that comprise the process.

Across SUNY, best practices in campus budgeting processes share the following attributes. (This is not intended to be an exhaustive or exclusive list, but is comprised of information distilled in the development and evaluation of this survey.) Whether creating a campus budget committee or refining an existing one, the integration of these 12 elements into the budgeting process can help achieve and maintain institutional health and constituency well-being.

A Fair and Effective Campus Budget Process: Best Practices

1. The campus has a Budget Committee.

Of the state-operated campuses represented in the survey response, two-thirds of the campuses have a budget committee. Respondents were 5 times as likely to rate their campus budget process as fair and effective when a budget committee exists.

2. The Budget Committee includes broad representation of campus constituencies.

Committee composition strongly correlates with the perceived effectiveness of the campus budget process. Processes rated as both fair and effective are far more likely to involve a budget committee on which faculty predominate, and on which professional staff are also represented. Within a fair and effective process, such budget committees typically range in size from 10-20, with average total membership of 15 and a typical distribution such as seven faculty, five management confidential staff, two professional staff and one student. Administrative membership (MC) typically does not duplicate but overlaps with the President's Cabinet. Respondents are 26.5% more likely to view the campus budget process as fair and effective when the budget committee is chaired by a faculty member.

3. The Committee meets frequently, with an annual calendar of scheduled meetings.

Frequency of meetings strongly correlates with perceived fairness and effectiveness of the campus budget process. The majority of effective budget committees meet at least once per month. No budget committee that meets only quarterly (or semi-annually) is viewed by faculty as effective.

4. The Committee follows agreed-upon procedures, and engages in regular assessment of its activities and overall effectiveness.

An effective budget committee has a formal and consistent process for developing meeting agendas and annual agendas, an accepted procedure for making decisions and recommendations, and an established process for regular assessment of its activities and overall effectiveness. As part of a fair and effective process, the committee makes its recommendations through consensus or formal vote. Committee members understand and accept their responsibilities, e.g., as regards attendance, committee work, collegiality and confidentiality. Only those campus budget committees with a formal process for achieving outcomes and decisions are seen as fair and effective by both faculty and administration.

5. The Committee keeps a formal record of its meetings and activities, and communicates with faculty governance and the campus community.

An effective budget committee produces Minutes that are formally approved by its membership. The committee makes its Minutes available and provides regular

reports to faculty governance, and also solicits input from the campus community. Only those campus budget committees that make Minutes available to faculty governance, and solicit input from the campus community, are seen as fair and effective by both faculty and administration.

6. The Administration provides the Committee with budgetary data in sufficient detail.

The perceived effectiveness of the campus budget process strongly correlates with the level of detail in data provided, and the ease of access to such data. Respondents are 5 times as likely to rate their campus budget process as fair and effective when requested budgetary data is “relatively simple” to access. For campuses with a successful process, budget data that is needed or requested by the committee or its work groups is provided in a timely manner, without undue exercise of discretion by the President or CFO.

7. The Committee reviews annual budget requests of all Divisions and functional areas.

Respondents are 8.5 times as likely to rate their campus budget process as both fair and effective when the committee reviews budget data broken by functional area (e.g., general administration, academic instruction, student services, maintenance and operations, etc.). It is assumed that all committee members have acquired or been provided with basic information on the state and SUNY budget - including terminology, timelines and contingencies - as well as an overview of the institution’s projected annual costs, revenues and funding sources.

8. The Committee has access to historical data and expenditure data.

Respondents are 7.5 times as likely to rate their campus budget process as both fair and effective when detailed expenditure as well as allocation data is provided. Of all the respondents rating their campus budget process as fair and effective, all but one indicates that the budget committee has access both to historical and expenditure data.

9. The Committee engages in all-funds budgeting.

Respondents are 5 times as likely to rate their campus budget process as fair and effective when the Committee reviews and makes recommendations on multiple funding sources (e.g., State Fund, DIFR, IFRs, Auxiliary Services, University Wide Programs). Policy and decision making for all the funding sources available to the institution ideally do not reside within one individual; campus constituencies should be provided input through the budget committee as well as through appropriate fund custodianship (e.g., custodianship of DIFR through Student Affairs and Residential Life, or custodianship of Research Foundation funds through Academic Affairs and/or Project Directors).

10. The Committee makes recommendations on funding priorities.

Respondents are 4 times as likely to rate their campus budget process as both fair and effective when the committee examines and makes recommendations on funding priorities. To the extent possible, the committee also makes recommendations on the allocation of discretionary resources (such as OTPS).

11. The Committee establishes linkages between budgeting and planning.

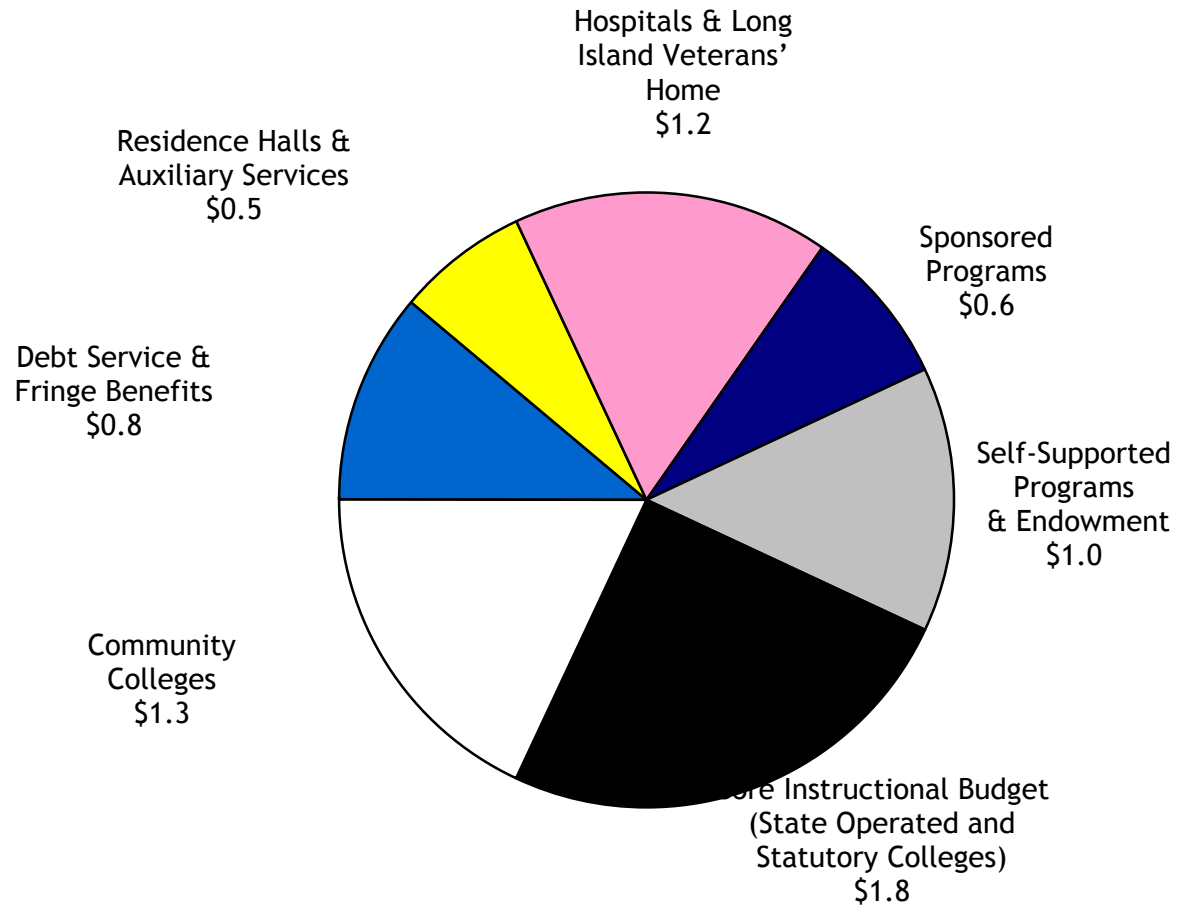
Respondents are 3.5 times as likely to rate their campus budget process as fair and effective when the campus budget committee also engages in two or more types of planning (such as long-range planning, strategic planning, facilities and capital planning, etc. An effective budget committee establishes a formal interface with other campus groups engaged in planning.

12. The Committee seeks an optimal allocation of resources, so as to advance the institution's goals and mission.

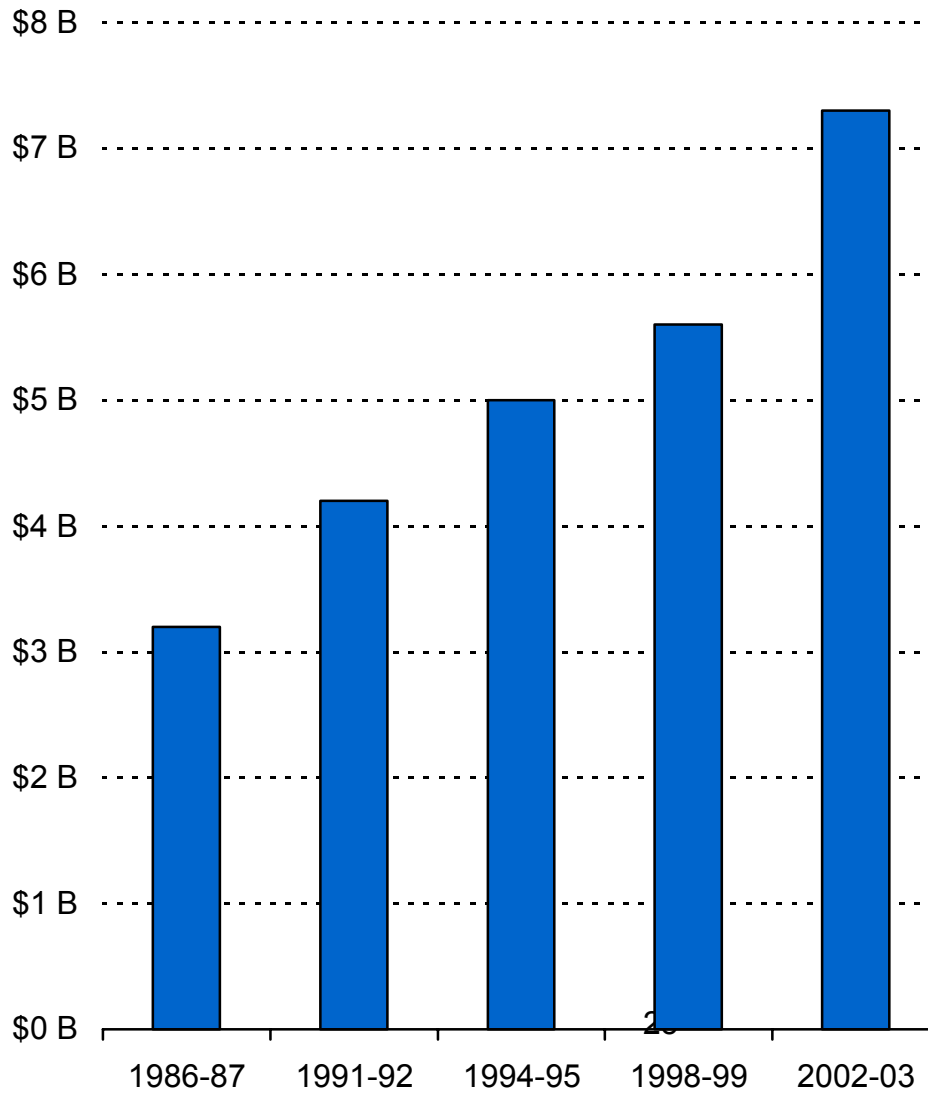
Overall effectiveness of the budgeting process is correlated to the perceived equity and effectiveness in resource allocation (where effective is defined within the survey as "serving to facilitate achievement of institutional goals"). To the extent possible, the committee seeks to optimize the allocation of resources to areas that add value to the institution (e.g., academic programs and research) and to streamline the allocation of resources to overhead (e.g., general administration). To assist in these efforts, the committee regularly conducts or commissions benchmarking analyses and assessment of resource allocation effectiveness. Of all survey respondents, 89% of CFOs but only 24% of CGLs consider the allocation of resources between administrative and academic areas of the budget to be effective. But for those rating their campus budget process as both fair and effective, 94% of CFOs and 57% of CGLs consider the allocation of resources between administrative and academic areas to be effective.

**2002-03 All Funds Estimate for SUNY
State Operated, Statutory, and Community
Colleges**

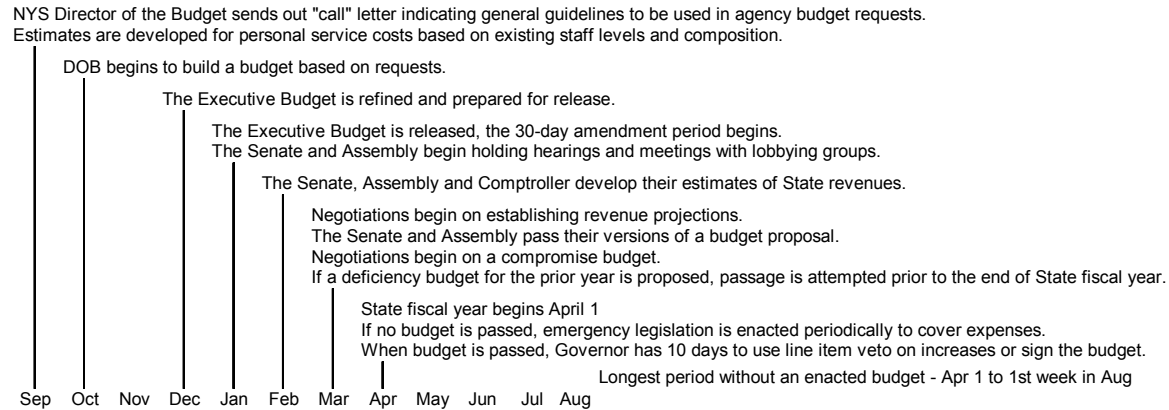
**2002-03 All Funds
Estimate
\$7.2 billion**



All Funds Trend



State Budget Timeline



SUNY Timeline

