State University of New York

Memorandum to Presidents

Date: April 16, 1997 Vol. 97 No. 2

From: Office of the Vice Chancellor for Finance and Business

Subject: Residence Halls Operations
Revised Policy and Guidelines

To: Presidents, State-operated Campuses

Revised policies and guidelines for residence halls operations, which were developed to increase efficiency by permitting campuses to directly manage more of their financial and program activities, were approved by the State University Board of Trustees at the March 25, 1997 meeting. The following policy statement replaces Harry K. Spindler's Memorandum to Presidents, No. 389 (January 13, 1986), and becomes effective July 1, 1997.

Summary of Major Changes

The following items highlight the major elements of the new guidelines:

- Each campus has responsibility to bring its residence halls to self-sufficiency
- All campuses will pay actual rather than pooled debt service costs
- All cross-campus subsidies are eliminated
- Campuses will set room rates without system-wide limitations
- College fee revenue will be credited to each campus's debt service costs
- Assignment of operating costs and reserve requirements will be a campus responsibility
- There will be a three-year transition for campuses needing assistance through a loan program

Background

Since 1986-87, State University has managed its residence halls under an Income Fund Reimbursable structure, within a defined self-sufficiency model. The program, which operated within University guidelines, required expenditures and revenues to balance and utilized cross-campus subsidies and contingency measures incorporated in each campus's financial plan. This self-sufficiency plan continued with minimal change in the ten years that followed.

Currently, the University has approximately 67,700 beds of designed capacity with an appropriation level for operations at $165 million that was fully funded by residence hall revenue. Of the available beds (or equivalent capacity), 86 percent were either rented by students, occupied by resident assistants who received a waiver of rental charges, or used for non-residential purposes.

In response to *Rethinking SUNY,* which emphasized the need to increase efficiency by empowering campuses to manage directly more of their financial and program affairs, a committee with representation from a cross-section of the State University community was established in the summer of 1996 to review the residence halls program. The committee's charge was to review the existing policies and procedures and propose a new financial and programmatic framework to enhance campus financial management, accountability and the quality of service provided to residential students.

The committee completed a new set of policy guidelines, which was endorsed by both the campus business officers and student affairs officers. Subsequently, a subcommittee was formed to review the fiscal impact of the proposed policy guidelines on campuses and to establish a transition plan. The guidelines and transition plan were shared with the presidents of the State-operated campuses and received their endorsement.

General Operating Guidelines

1. State-operated campuses with residence hall facilities will conduct residence life educational programs in a safe and well-maintained environment and operate residence halls in an efficient and effective manner.

2. Campuses are responsible for developing a residence hall budget and determining all room rental rates. Campuses are required to submit the budget and rental rate schedule to System Administration for information purposes only. The budget will be developed using generally accepted accounting principles applied consistently throughout the system. The procedure for determining room rental rates must include a process that provides for consultation with students residing in residence halls. The time and method of rental payments shall be consistent with requirements established by law, agreements or University policy as described in Administrative Policies Item #051.

3. Campuses that charge different rates for similar types of accommodations (e.g., a standard double room) will identify actions (such as financial aid packages and room assignment policies) that ensure residence halls are not differentiated by the income level of their residents. Such actions will be listed in their rental rate schedules.

4. All residence halls income must be used only for residence halls capital and operating costs and residence life expenses.

5. Board of Trustees' policies governing room and common area damage deposits must be enforced.

6. Campus occupancy policies must be consistent with the Board of Trustees' policy which reads as follows:

   Every student in full-time attendance at a State-operated unit of the University, other than married students or students residing with either parent(s) or guardian(s), shall be required either to live in a dormitory maintained and operated by such unit or to have permission under such provisions as may be made therefore by the Chief Administrative Officer of such unit to live off-campus. The Chief Administrative Officer of a campus may consider the financial condition of the residence life program among other educational objectives in establishing rules and regulations on campus residency.

7. As soon as practical after the close of each fiscal year, the Chancellor will prepare a report for the Board of Trustees describing the financial condition (based on a report referenced in item No. 1 below) and physical condition of the residence halls, room rental rates, and an overview of significant programmatic activities for each campus.

Accounting/Budgeting Policies and Procedures

1. Campus residence halls statistical operation reports are measured on a modified accrual basis, using the same data contained in the June 30 university-wide financial statements.

2. Campuses are responsible for the collection of revenue, including the management of receivables. Expenditure plans must take into consideration realistic estimates of campus cash collection performance. Campuses are responsible for balancing expenditures with revenue projections.

3. Subsequent to the approval of the initial financial plan allocation, campuses with confirmed increases in occupancy or other sources of cash revenue may request additional allocation at the time of the revised financial plan process (contingent upon sufficient allocation available within the DIFR fund). Campuses with allocations in excess of projected revenue will be asked to reduce allocations to a level consistent with revised revenue projections, thereby, making available allocation for those campuses in need of additional allocation.

4. All Accounting Reports and online modules will be available to campuses.

5. The assignment of all operating costs is a campus responsibility and should reflect actual expenditures in support of the residence halls.

6. Each campus will pay actual debt service costs attributable to that campus.

7. College fee revenue will be retained by campuses as a credit against their actual dormitory debt service obligation.

8. Charges for telecommunications services must be levied in accordance with the Dormitory Telecommunications Policy.

9. All general IFR accounts relating to the residence halls are to be managed in accordance with the IFR policies and procedures.

10. Self-sufficiency is implemented and will continue to operate with the condition that employees in the residence halls continue to be State employees.

11. Board of Trustees Resolution 85-255 requires the campus to submit a schedule of rentals which includes a plan for the time and method of payment. Overall Dormitory Income Fund cash flow requirements require that the campus plan comply with the time and method of payment portions of Administrative Procedures Manual Item #051.

Transition Guidelines

1. The transition period for campuses needing financial assistance will be three years. Prior campus agreements with the University regarding debt service subsidies will be honored for the College of Technology at Utica/Rome and the Health Science Center at Brooklyn.

2. During the transition period, each campus has the responsibility to bring itself to self-sufficiency. This could involve increasing revenue, lowering costs, using fund balances, and receiving interest-free loans, or some combination of these mechanisms. The loans will be funded from the revolving loan contingency fund.

3. Campuses needing to take advantage of the loan program must develop a plan for becoming self-sufficient by the end of the three-year period. Campus plans will be submitted to a committee of campus and System Administration representatives for review and determination.

Guidelines for the Maintenance of Facilities

1. Campuses will determine budget allocations for furniture and equipment replacement and minor equipment repairs. All furniture and equipment purchased must meet Dormitory Authority standards.

2. An accurate inventory of equipment will be maintained consistent with University standards.

3. The System Administration Office of Capital Facilities, the Office of Student Affairs and Special Programs, and the Dormitory Authority will make regular inspections of

the residence halls to maintain an accurate description of the physical condition of installed equipment and buildings, and issue periodic reports to the Chancellor.

4. Campuses are responsible for allocating funds for major repair and rehabilitation at a level adequate to maintain the long-term integrity of the residence halls.

5. Campuses are responsible for developing procedures to ensure reasonable quality standards in residence halls and compliance with the Residence Halls Living Condition Standards (Memorandum to Presidents Vol. 90 No 1).

Policies for Adjusting Bed Equivalent Capacity

Adjusting the bed equivalent capacity of the residence halls is a campus decision. Bed equivalent capacity is the original designed number of beds assigned to a space.

1. If space is converted to office use, the bed equivalent capacity is used to indicate the displacement of beds.

2. The rated bed equivalent capacity of a residence hall is reduced in the conversion of triples to doubles and doubles to singles only where required by actual design limitations of the facility.

3. The rated bed equivalent capacity of an area is reduced if the area is inherently unsuitable for occupancy due to space, safety or other major considerations.

4. Beds are classified in the inactive status under the following conditions.

   a. Demonstrated infeasibility of near term occupancy due to low enrollment, excess capacity, and/or local market conditions, and

   b. The space is configured in major blocks (wings or buildings) whose closure will result in substantial savings in operating costs for custodial services, maintenance, utilities, or other costs.

   c. Space temporarily inactive due to major construction/rehabilitation activity.

5. The charge for use of residence hall space for non-residence hall utilization is determined by the campus.

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Copy: State University Board of Trustees