



MEMORANDUM

November 5, 2015

TO: Members of the Board of Trustees

FROM: Nancy L. Zimpher, Chancellor

SUBJECT: 2016/17 Operating Budget Request

Action Requested

The proposed resolution approves the State University of New York's 2016/17 Operating Budget Request.

Resolution

I recommend that the Board of Trustees adopt the following resolution:

Whereas the State University provides the people of New York State with educational services of the highest quality, with the broadest possible access, fulfilling its statutory mission; and

Whereas the State University community understands the continued efforts of the State of New York to maintain its recent financial stability; and

Whereas the State University fully supports the Governor's vision to make government work better and smarter, and to operate more efficiently; and

Whereas the Governor recognizes that postsecondary education institutions are essential components of the State's economic engine, serving as centers of innovation and research; teaching the business leaders of tomorrow; anchoring our communities; and creating jobs, and has, accordingly, ensured that the 10 Regional Economic Development Councils include members affiliated with

postsecondary education institutions located within each of their regions; and

Whereas the NY-SUNY 2020 Challenge Grant Program Act of 2011, which has enabled the State-operated campuses to plan their operations with predictable tuition and without the concern of large year-to-year reductions in direct State tax support, is scheduled to expire on June 30, 2016, along with additional legislative items such as the expanded procurement flexibility; and

Whereas the State University has implemented a wide-ranging series of efficiency actions in this time, including strategic sourcing, information technology transformation, administrative alliances, and campus alliance networks to generate administrative savings that have been, and will continue to be, reinvested in instruction and student services; and

Whereas the State University's budget request reflects careful consideration of the necessary direct State tax support and revenue spending authority (appropriation) levels needed to continue to provide high-quality services; and

Whereas the State University of New York's 2016/17 Operating Budget Request also reflects careful consideration of the necessary direct State tax support investment needed to create more evidence based, high impact programs, that could scale-up across the SUNY system, and improve the access, completion, and success of New York students; and

Whereas the State University of New York's 2016/17 Operating Budget Request also reflects the direct State tax support required to strengthen SUNY's position as a catalyst for the State of New York in creating research opportunities, innovation, enhanced partnerships with industry, technology transfer, and competitiveness of professional and graduate education programs; and

Whereas the State University of New York's 2016/17 Operating Budget Request reflects the resources required to build upon the recommendations of the System-wide Diversity Task Force, including aiding in the appointment of a Chief Diversity Officer (CDO) at every campus and

supporting the findings of areas of focus as defined by the System-wide Diversity Task Force; and

Whereas, in recognition of the width, breadth, and complexity of the State University system, the State University is forwarding requests for additional support for State University related activities in the areas of Human Services, Economic Development, and Primary/Secondary Education; and

Whereas the 30 community colleges operating under the program of the State University of New York ensure open access to high quality postsecondary education, and contribute significantly to the development of an educated citizenry and skilled workforce; and

Whereas the three SUNY teaching hospitals provide world class medical care to their regions, produce leading edge research in health care, and play a critical role in their regional economies; now, therefore, be it

Resolved that the State University requests that the provisions of 2011's NY-SUNY 2020 Challenge Grant and Program Act and the 2011 procurement flexibility legislation be extended with the adjustments set forth within this request; and, be it further

Resolved that the State University will continue its efforts to turn administrative savings into reinvestment in education and student support; and, be it further

Resolved that in order to meet the ongoing costs of current operations, preserve gains in academic quality and research, create diversity opportunities, achieve enhanced excellence, and serve the State of New York to the greatest degree possible, the State University requests that the level of direct State tax support provided for its State-operated campuses, University-wide programs, and System Administration be increased by approximately \$102,000,000 on a year-to-year basis, including increasing the SUNY Investment and Performance Fund by \$32,000,000, bringing the total dollar value to \$50,000,000, and expanding eligibility to all SUNY institutions; and, be it further

Resolved that the State University, in its desire to ensure that its institutions are sufficiently financially supported and

incentivized to engage in activities that will generate outside revenue, requests that the State provide \$76,500,000 in direct State tax support for matching funds for philanthropy and federal research and grant activity; funds to offset the cost of institution funded scholarships and fellowships across the SUNY system; increased support and expanded reach for the Empire Innovation Program / Master Innovators Program; support for a system-wide diversity program; and support for SUNY's ongoing mission; and, be it further

Resolved that in order to support the ongoing costs and mission of the five statutory and contract colleges of the State University (including the activities of the New York State College of Ceramics at Alfred University and those related to the operations and land grant mission of Cornell University), the State University requests that the level of direct State tax support for these institutions be increased by approximately \$3,900,000; and, be it further

Resolved that in order to meet the needs of the Cornell Cooperative Extension by fully funding both the statutory formula and requested initiatives, the State University requests that the level of direct State tax support be increased by approximately \$1,100,000; and, be it further

Resolved that in order to ensure necessary funds are available to support the ongoing costs of current operations, while not placing disproportionate financial pressures on local governments or students, the State University requests that the level of direct State tax support for its community colleges be increased by approximately \$33,300,000, with a goal of increasing the percent share of State support by increasing base operating aid per full-time equivalent (FTE) student by \$250 per FTE, as well as providing legislation to enhance operational savings and improve sponsors' financial contributions; and, be it further

Resolved that to ensure SUNY teaching hospitals continue to provide world class medical care to their regions and continue their leading edge research in health care and important role in regional economies, the State University requests direct State tax support be held equal to the 2015/16 value while providing relief from planned reimbursement to the State for debt service payments; and, be it further

Resolved that the State provide for matching funding to incentivize clinical trial research activities at the teaching hospitals at SUNY Downstate Medical Center, Stony Brook University, and Upstate Medical University, as well as to the University at Buffalo and the SUNY College of Optometry; and, be it further

Resolved that necessary funds continue to be made available to support general State charges expenses currently appropriated within the State's overall general State charges budget and paid by the State; and, be it further

Resolved that the appropriation level for the State University's tuition revenue offset fund be increased to reflect planned enrollment levels, and an additional contingent appropriation be provided to support the final actions of the Board of Trustees on a long-range tuition rate plan for the State-operated campuses of the State University; and, be it further

Resolved that appropriations for the State University's special revenue funds be set at the appropriate levels to cover collective bargaining, general inflation, and changes in activity; and, be it further

Resolved that the proposed operating budget request for State-operated and statutory colleges and the community colleges (copy on file in the Office of the Secretary), as described in this resolution and the attached background materials, be, and hereby is, approved for the 2016/17 University fiscal year beginning on July 1, 2016, and the Chancellor, or designee, be, and hereby is, authorized to transmit such budget request to the Director of the Budget, to be allocated as shown on the following page:

State University of New York (SUNY)			
<i>2016/17 Requested Direct State Tax Support and Revenue Authority Values Versus 2015/16 Enacted State Budget</i>			
Area	2015/16 Enacted Budget	2016/17 SUNY Requested Budget	2016/17 Requested Budget Versus 2015/16 Enacted Budget
<u>Direct State Tax Support:</u>			
State-operated Campuses, System Administration Tax Dollar Support	\$ 712,667,400	\$ 770,767,400 *	\$ 58,100,000
Community Colleges	498,678,500	523,487,062 **	24,808,562
University-wide Programs	144,242,560	156,277,600 *	12,035,040
Statutory Colleges	129,319,800	133,241,800	3,922,000
Hospital Support	87,864,000	92,864,000	5,000,000
System-wide Initiatives	-	76,500,000	76,500,000
Investment and Performance Fund	18,000,000	50,000,000	32,000,000
Linked Activities - Human Services: EOC / ATTAIN	-	7,400,000	7,400,000
Cornell Cooperative Extension	4,520,000	5,590,000	1,070,000
Linked Activities - K-12: Charter Schools Institute	-	2,000,000	2,000,000
Linked Activities - Economic Development: SBDC	-	1,000,000	1,000,000
Linked Activities - Labor Relations: VDC Administration	-	500,000	500,000
Subtotal Direct State Tax Support for Main Academic Mission	\$ 1,595,292,260	\$ 1,819,627,862	\$ 224,335,602
<u>Special Revenue Funds – Other:</u>			
Tuition Revenue Offset Appropriation	\$ 1,823,158,800	\$ 1,844,976,916	\$ 21,818,116
General Income Fund Reimbursable	837,800,000	837,800,000	-
Residence Hall Operations	343,400,000	343,400,000	-
State University Tuition Reimbursable Account	151,900,000	151,900,000	-
Stabilization (Year One of Two)	15,000,000	25,000,000	10,000,000
Total Special Revenue Funds - Other	\$ 3,171,258,800	\$ 3,203,076,916	\$ 31,818,116
<u>Special Revenue Funds - Hospitals and other Healthcare Related Activities:</u>			
Hospital Operations	2,560,100,000	\$ 2,748,300,000	\$ 188,200,000
Hospital IFR	100,000,000	100,000,000	-
Long Island Veterans' Home	46,622,000	49,223,000	2,601,000
Special Revenue Funds – Hospitals	\$ 2,706,722,000	\$ 2,897,523,000	\$ 190,801,000
<u>Special Revenue – Federal:</u>			
Pell Grants	\$ 375,000,000	\$ 375,000,000	\$ -
Teach Grants	20,000,000	20,000,000	-
College Work Study	13,000,000	13,000,000	-
Supplemental Educational Opportunity Grants	7,000,000	7,000,000	-
Scholarship for Disadvantaged Students	500,000	500,000	-
Iraq and Afghanistan Service Grant	100,000	100,000	-
Special Revenue – Federal	\$ 415,600,000	\$ 415,600,000	\$ -
<u>Fiduciary, Internal Service Funds, Contingency:</u>			
Fiduciary: Long Island Hospital Operations	\$ -	\$ 177,800,000	\$ 177,800,000
Contingency: Long-Range Tuition Rate Plan Account	-	98,835,330	98,835,330
Contingency: Additional Hospital Operations	-	75,000,000	75,000,000
Fiduciary Funds - Student Loans	34,000,000	34,000,000	-
Internal Service Funds - Banking Services	20,600,000	23,000,000	2,400,000
Total Special Revenue, Fiduciary, Internal Services	\$ 54,600,000	\$ 408,635,330	\$ 354,035,330
<u>Linked Activities:</u>			
Human Services: EOC / ATTAIN	-	\$ 7,400,000 ***	N/A
K-12: Charter Schools Institute	-	2,000,000 ***	N/A
Economic Development: SBDC	-	1,000,000 ***	N/A
Labor Relations: VDC Administration	-	500,000 ***	N/A
Direct State Support: Linked Activities	\$ -	\$ 10,900,000	N/A
Total 2016/17 Requested Budget	\$ 7,943,473,060	\$ 8,755,363,108	\$ 811,890,048

* This is less that funding requested in the "Linked Activities" area

** Year-to-year change includes impact of annualization of \$100/FTE increase and normalization of enrollment levels

*** Reflects only requested funding in addition to funding made available outside of SUNY's budget in 2015/16 and could be funded from other program areas

; and, be it further

Resolved that the State University requests all re-appropriations necessary for the following purposes be included in the 2016/17 Executive Budget: General Income Fund Reimbursable; Special Revenue Funds Federal (various student assistance programs); and Aid to Localities (legislative and other line item initiatives); and, be it further

Resolved that the State University's capital plans for Educational Facilities, Community Colleges, Residence Halls, and Hospitals, presented separately, be fully funded in order to support the ongoing operations of the State University System.

Background

See presentation titled "2016/17 State University of New York Operating and Capital Budget Request."