The State University of New York requests that the State continues 2013-14 State tax funding levels, augmented by incremental funding as outlined in this document.

### Year-to-Year Operating Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>State Support</th>
<th>Authority to Spend Revenue</th>
<th>Total Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs to Continue</td>
<td>$161.5M</td>
<td>$(156.7)M</td>
<td>$4.9M</td>
</tr>
<tr>
<td>Strategic Initiatives</td>
<td>18.8M</td>
<td>-</td>
<td>18.8M</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$180.3M</td>
<td>$(156.7)M</td>
<td>$23.7M</td>
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### Costs to Continue

<table>
<thead>
<tr>
<th></th>
<th>State Support</th>
<th>Authority to Spend Revenue</th>
<th>Total Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-operated Campuses</td>
<td>$98.0M</td>
<td>$110.0M</td>
<td>$208.0M</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>27.9M</td>
<td>- M</td>
<td>27.9M</td>
</tr>
<tr>
<td>Statutory Campuses</td>
<td>5.6M</td>
<td>- M</td>
<td>5.6M</td>
</tr>
<tr>
<td>Hospitals</td>
<td>30.0M</td>
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<td>(236.7)M</td>
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<tr>
<td>Grand Total</td>
<td>$161.5M</td>
<td>$(156.7)M</td>
<td>$4.9M</td>
</tr>
</tbody>
</table>

1. **State-operated Campuses**
   - **$98.0 million** including:
     - **$82.2 million** for contractual salary increases including those costs related to the United University Professional (UUP) contract not funded in 2013-14;
     - **$15.8 million** for State funding to cover fringe benefit related costs for the Teacher Retirement System (TRS) and TIAA-CREF; and
   - **$110.0 million in authority to spend revenue.** This proposal reflects continued support for year four of the five-year rational tuition plan enabled by NY-SUNY 2020 and for the biennial appropriation for the University Stabilization fund. The University is requesting sufficient appropriation to accommodate revenue associated with increased tuition rates and to support the University Stabilization fund.

2. **Community Colleges**
   - **$27.9 million** including:
     - **$34.9 million** related to an increase of $250/FTE for community college State funded Base Operating Aid.
     - This proposal is part of a continued funding plan agreed to by both the State University and CUNY to increase the State funding provided to Community Colleges.
<table>
<thead>
<tr>
<th>Year</th>
<th>Base Operating Aid / FTE</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12 Actual</td>
<td>$2,122</td>
<td>-</td>
</tr>
<tr>
<td>2012-13 Actual</td>
<td>$2,272</td>
<td>$150/FTE</td>
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<tr>
<td>2013-14 Actual</td>
<td>$2,422</td>
<td>$150/FTE</td>
</tr>
<tr>
<td>2014-15 Requested</td>
<td>$2,672</td>
<td>$250/FTE</td>
</tr>
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</table>

- **$7.8 million** reflecting the first year value of New York State funding existing legislation to support the chargeback costs related to students from neighboring counties pursuing a degree at the Fashion Institute of Technology (FIT) ($10.4 million when adjusted for the Academic Year). In order to coordinate with SUNY’s phase in methodology plan for new chargeback rates, SUNY requests that this funding be made available only for students pursuing a bachelor or masters degree. Currently, these costs are assigned to the student’s county of residency.
- These costs are partially offset by a reduction in needed Base Aid funding per FTE (**$14.9 million**). As noted above, State funding for the Community Colleges is on an FTE basis, and current projections of enrollment are approximately 2,670 lower than the number used to generate projected funding requirements established in the State’s financial plan.

3. **Statutory Campuses**
   - Cornell
     - **$5.4 million** including:
       - **$2.9 million** reflecting an annualization of prior-year salary program increases, as well as longevity and step increases for bargaining units with approved contracts. This request does not reflect funding needs for units with no ratified contract.
       - **$1.7 million** to support the adjusted cost of facility operations and maintenance for existing and new facilities on the campus.
       - **$0.5 million** to support the continued costs of the Endowed side of Cornell University offering first and second year courses to Statutory Campus students.
       - **$0.2 million** reflecting the full cost of funding the Cornell Cooperative Extension program as per the County Law 224 funding formula.
   - Alfred Ceramics:
     - **$0.3 million** for basic inflationary costs related to operations.

4. **SUNY Hospitals**
   - **$30.0 million** reflecting a return to the approximate State support levels provided for the three SUNY hospitals in the 2012-13 Enacted Budget.
   - In addition, SUNY requests suitable levels of appropriation for expected 2014-15 operating levels following appropriate adjustment of service and seeks further discussion in the areas of:
     - Increased flexibility in procurement, and contracts for SUNY Hospitals;
     - Hospital support being provided through the medical schools rather than as a direct transfer to the hospitals; and
     - Alternative financing structures for each of the three hospitals to address capital improvements.
5. **State-operated Campuses**

   - **$6.0 million** for the Expanded Student Access and Completion Program
     - In support of Chancellor Zimpher’s strategic plan to ensure that SUNY is on the cutting edge of higher education, the Board of Trustees passed a resolution in spring 2013 in support of the Open SUNY initiative, one aspect of the larger Strategic Enrollment Growth Program. Since this time SUNY has been working tirelessly to prepare a platform and infrastructure that will bring all online courses offered at each of SUNY’s 64 campuses onto a shared and comprehensive online environment, making them accessible to all SUNY students and faculty. This State funding will help to make this plan a reality, and drive the largest online learning environment in the world, providing unprecedented access to faculty expertise and course availability to increase timely degree completion and success in both school and after graduation.

   - **$4.0 million** for the SUNY Academic Research and Innovation Program
     - SUNY’s research and innovation efforts are among the most important drivers for New York’s economy in the 21st Century. Based on this and on the current availability of top-flight researchers nationally, SUNY requests support for the creation of the Academic Research and Innovation program.
       - $3.0M of the fund will be used to directly recruit top talent to SUNY and New York through a prestigious competitive “Governor’s Professorship” program explicitly tied to the existing SUNY Network of Excellence (NoE) efforts. These dollars will be used, together with cost-sharing resources from relevant SUNY campuses, to support start-up costs for top academic researchers with existing research portfolios and the clear potential to play leading and catalytic roles in the SUNY NoE program, while creating a substantial return on investment over time through the generation of external funding. These researchers would be recruited from out of state.

       - $1.0M will be used to complement and energize existing components of Governor Cuomo’s Innovation agenda for New York by creating competitively-selected SUNY campus-based innovation labs and centers for commercialization activities and by expanding the NoE program to include innovative arts and humanities programs with the potential for significant economic development and commercialization. These funds will be allocated based on anticipated significant return on investment in terms of increased research funding, exciting hands-on opportunities for student learning, and the creation of intellectual property and public-private partnerships that will stimulate economic growth, especially in upstate New York.
5. $2.0 million in new University-wide program funding to support execution of the Governor’s vision for SUNY as well as the Chancellor’s strategic plan
   - This funding, combined with legislative flexibility within the University-wide program funding portion of SUNY’s budget, will allow SUNY to react quickly and nimbly to the dynamic needs of New York State. Additional and expanded reporting requirements will ensure that this important funding is meeting the needs of the individual programs in addition to these new responsibilities.

6. Community Colleges
   - $3.0 million to expand the Job Linkage Incentive Program
     - This essential performance based funding program for the Community Colleges was part of the 2013-14 Enacted Budget and is expected to drive an increased and efficient bond between the educational offerings of the 30 SUNY colleges and the market needs of businesses within these communities.

7. Statutory Colleges
   - Cornell:
     - $1.0 million in support of the Harvest New York Initiative, which will support meeting the goals outlined by Governor Cuomo in the Farm Brewery Bill. This program, an outreach of the Cornell Cooperative Extension program, will focus on increasing marketing outlets, food processing quality and safety, production efficiency, and job creation in New York’s agriculture and food sector.
     - $1.0 million to support the development of regional agriculture teams. This funding is expected to capitalize on the unprecedented growth opportunities within the agriculture and food sector and will play a key role in sustaining and growing this economic base.
     - $0.7 million for the Barley Initiative, which will develop the infrastructure needed to support the production of high quality malting barley for New York State, supporting the needs of malt houses, farm breweries, and distilleries.
     - $0.5 million to provide seed grants to all SUNY, Cornell, and other researchers who wish to engage in developmental imaging work in Ithaca utilizing the College of Human Ecology’s Cornell Magnetic Resonance Imaging Facility.
     - $0.4 million in support of the Bargaining for Better Schools initiative, that will build upon the work of the School of Industrial and Labor Relations Institute on Conflict Resolution to provide multiple forums on the relationships between employment practices and school improvements.
     - $0.3 million in additional funding to support the full implementation of class expansion at the College of Veterinary Medicine. This funding would supplement the current $0.5M that Cornell receives for this purpose.
2014-15
CAPITAL BUDGET REQUEST

<table>
<thead>
<tr>
<th>Program*</th>
<th>2014/15 Request</th>
<th>2014/15 Plan Need</th>
<th>5-Year Request</th>
<th>5-Year Plan Need</th>
<th>Appropriation Type</th>
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<tbody>
<tr>
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<tr>
<td>Residence Halls</td>
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<td>Hard Dollar, Self Pay</td>
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<tr>
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<td>134.0</td>
<td>575.0</td>
<td>575.0</td>
<td>Bonded, 50% State Share</td>
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</table>

SUNY-Wide Capital Initiatives:

<table>
<thead>
<tr>
<th>Initiative</th>
<th>2014/15 Request</th>
<th>2014/15 Plan Need</th>
<th>5-Year Request</th>
<th>5-Year Plan Need</th>
<th>Appropriation Type</th>
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<tbody>
<tr>
<td>Transformational Information</td>
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<td>189.0</td>
<td>189.0</td>
<td>189.0</td>
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<td>Technology Initiative</td>
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<tr>
<td>Research Initiative</td>
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<tr>
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<tr>
<td>Total</td>
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<td>$3,953.0</td>
<td>$6,269.0</td>
<td>$12,466.0</td>
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</tr>
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</table>

* Request includes reappropriations totaling $4.7B in support of all four programs and an appropriation to support campus-funded capital projects of $100M.

1. Educational Facilities
   
   o **$3.75 billion** recognizes the State’s limited capacity to issue new debt under the caps imposed by the Debt Reform Act of 2000, but also provides an annual investment of $750 million to maintain the progress made in reducing SUNY’s critical maintenance backlog since 2007. This amount, while less than the $8.56 billion identified by campuses through their Facility Master Plans, is sufficient to support immediate critical life safety projects under the constraints imposed by the current State Financial Plan, but would also enable SUNY to advance the current Five-Year Master Capital Plan at a more gradual, and affordable pace. The $3.75 billion request also is reflective of the capacity of the campuses, as well as the State University Construction Fund (the Fund), to administer the Educational Facilities Program.

   In 2007, SUNY and the Fund undertook a comprehensive Condition Assessment Survey and Capital Reinvestment Study. A 2011 update of that study indicated that strides had been made with the State’s investment of $2.3 billion to support critical maintenance
projects between 2007 and 2011, reducing the backlog from an estimated $5.1 billion, absent any investment to $3.1 billion. The investment also resulted in a System-wide reduction in the Facility Condition Index (FCI), the cumulative backlog and renewal needs as a percentage of current replacement value.

An investment of $3.75 billion over five years would enable SUNY to continue slowly moving toward the industry standard target of an FCI of 5 percent. Without additional State investment to reduce the backlog and address renewal needs, SUNY’s FCI would grow from 10 percent to 14 percent in the next five years. With the infusion $750 million annually over the next five years, SUNY’s FCI would be reduced to 9 percent.

2. Hospitals

- **$1.21 billion** to support the vital long-term planning and capital funding needs of the three teaching hospitals. The hospitals have not received any new funding since 2008 and it is essential that additional funding is secured to maintain safe and modern facilities that limit exposure to illness, ensure patient safety and meet accreditation requirements. Of the $944 million provided to support the SUNY hospital program, $440 million remains to be spent. However, much of that remaining amount has been committed to funding hospital projects that are in progress. Two hospitals, in particular, Stony Brook and Upstate Medical Center have largely exhausted their available funding. The remaining uncommitted funding for Stony Brook and Upstate is $4.6 million and $7.4 million, respectively. The largest portion of the uncommitted remaining funding, $156 million, is attributable to Downstate Medical Center and reflects the current fiscal difficulties facing that hospital. Nonetheless, Downstate has significant capital investment needs.

State investment is essential to support each hospital’s strategic business plan designed to compete in today’s changing health care delivery system and best serve their communities. This level of funding is essential to hospital capital planning and needs to be established early on in the planning process due to a State regulatory process, known as a Certificate of Need (CON). The CON approval process governs the construction, renovation and major medical equipment acquisitions of health care facilities. Before a CON approval can be granted, a project must be fully funded. Although it is essential that the appropriations are in place to facilitate capital planning, the actual spending from the appropriations will occur at a slower pace, given the significant lead time required to plan and execute hospital capital projects. The $600 million requested for 2014/15 would support critical maintenance projects, as well as a number of renovations and major rehabilitations essential to supporting each hospital’s business plan.

To better align capital funding with the health care planning process, ensure continuous access to the capital markets and remove hospital debt from the State debt cap calculation, it is recommended that an alternative financing structure be explored. Restructuring the hospital capital program similar to the recent changes made in the Residence Hall program, would enable better long-term planning so that the three SUNY
hospitals could advance their strategic business plans and remain viable in a competitive marketplace. Additionally, this funding modification would remove the debt issued on behalf of the SUNY hospitals from the State debt cap calculations. Such a restructuring would be phased in gradually, beginning with the hospital(s) in the best financial position to access the capital markets directly.

3. Residence Halls
   - **$250 million** in hard dollar, or pay-as-you-go, funding will support small maintenance and repair projects. The Residence Hall program was restructured in 2013/14 to eliminate the need for future capital bonded appropriations, with future debt issuances eliminated from the State debt cap calculations. Although the restructuring of the program provided significant relief to the State under the constraints imposed by the debt caps, the benefit did not accrue to SUNY’s remaining bond-financed capital programs. While the bond financed portion of this self-supporting program, financed by student room rents, will no longer be subject to the annual State budget process, the five-year bond limit of $944 million established for the program is sufficient to meet the $744 million projects identified by the campuses that will support the modernization and maintenance of the existing housing stock, as well as the addition of new beds as needed. In 2014/15, additional bonds of $175 million are expected to be issued to finance new and existing capital projects.

4. Community Colleges
   - **$575 million** for the State share (50 percent) for projects identified planned by the community colleges. The remaining share (50 percent) must be matched by local sponsors. The five-year plan amount will support long-term plans that address critical maintenance and health and safety needs as well as renovations that incorporate critical maintenance components and several new facilities. The 2014/15 request of $91 million reflects only those projects that have secured local sponsor resolutions supporting the projects, which is consistent with the State process used to determine which community college projects to fund during the annual State budget cycle. Projects initially planned by the Colleges for 2014/15 that have not received local sponsor support to-date by December 15 will be shifted to subsequent years, which could further reduce the planned need of $134 million in 2014/15.

5. SUNY-Wide Capital Initiatives
   - **$189 million** Transformational Informational Technology Initiative will support an integrated infrastructure to broaden student access to SUNY’s academic offerings, improve completion rates, ensure student success beyond college and provide New York State with an educated workforce prepared for the 21st century. This infrastructure investment is also needed to support SUNY efforts to modify policies and procedures to increase efficiencies and leverage backroom operations. Additional State investment in this area will provide for the technical infrastructure necessary to greatly expand access
to academic offerings, enhance student learning opportunities and services, and establish data analytic systems to pro-actively measure performance.

- **$93 million** for an Open SUNY Student Access, Completion and Success Platform that will support a SUNY Recruitment and Application Processing System, SUNY-wide student identity tracking and management, seamless student information system, degree planning system, course equivalency system, academic data integration system, data warehousing and decision support system, Open SUNY Student Access Platform, student internship and experiential learning management system, student ePortfolio system, next generation SUNY classrooms, open digital library and content system.

- **$10 million** to establish a SUNY e-Procurement Platform which will include an e-Procurement system, transaction processing center, and strategic sourcing. Such an investment could generate annual savings of $100M.

- **$33 million** for Shared Data Centers and Telecom to support shared regional data centers, network operation center, and security operation center, reducing number of data centers from hundreds to six. In addition, a SUNY-wide cloud-based unified communication system would be created, reducing telecom costs by 25 percent.

- **$4 million** to support a SUNY Self-Service Platform to facilitate self-service functions for HR, financial, and other operational transactions, thereby reducing administrative expenses.

- **$22 million** to develop a SUNY Collaboration Platform, including a SUNY-wide Intranet SUNY Blue, portal for networks for excellence, and telepresence video conference network. Such an investment will also reduce communication and travel costs and enable widespread collaboration for research and innovation.

- **$27 million** to establish a SUNY Knowledge Center to be housed at University of Albany and shared by 64 campuses. This Center includes high performance computing facilities and smart data transport and storage optimized to support large scale data analysis and decision support, and would be shared by SUNY-wide communities of researchers for algorithm design and data visualization, stimulating and supporting SUNY’s research growth of over $500 million in the next 10 years.

  - **$200 million** to provide seed funding for a new competitive program to select projects that will enable SUNY to advance its goal of doubling the amount of sponsored research System-wide over the next five years. Additionally, this amount could advance a number of projects identified by the campuses as necessary to support and leverage additional sponsored-research.

  - **$100 million** (50% State-funded / 50% “dry”) to support energy efficiency projects and enable campuses to significantly reduce their energy usage over the five-year period. A “dry” appropriation puts in place an authorization to spend funds although no designated funds are identified in the State’s Financial Plan to support such spending. The “dry” portion of this program could be supported by grants or loans from other entities such as the New York Power Authority.