

LAUNCHING UB'S ANNUAL RESOURCE PLANNING PROCESS 2018-19

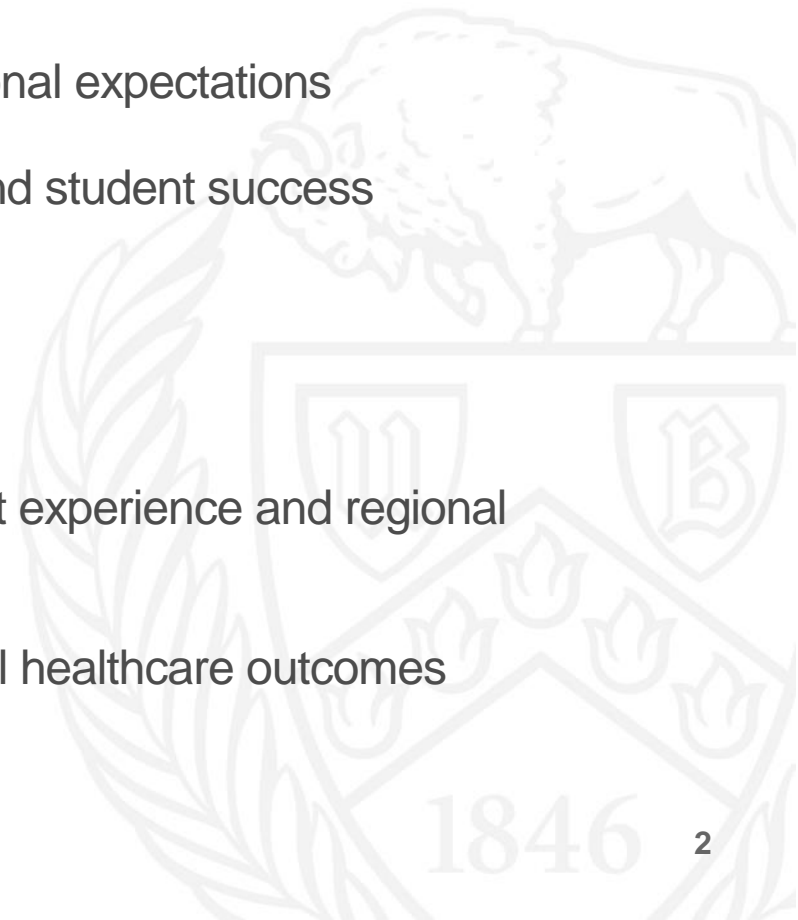
Faculty Senate Executive Committee
February 7, 2018

 **University at Buffalo** The State University of New York



University Strategic Goals

- Build faculty strength, productivity and impact
- Recruit great students and fulfill their educational expectations
- Provide support structures ensuring faculty and student success
- Create a diverse campus community
- Become an increasingly global university
- Engage our local community to enrich student experience and regional well-being
- Strengthen partnerships for improved regional healthcare outcomes



Budget Model: Guiding Principles

STRATEGIC

- We align incentives with our mission and with strategic behaviors.

PREDICTABILITY

- We build models that provide reliable foundations for planning.

FLEXIBILITY

- We build planning models that anticipate and are responsive to changes in the economic environment; we incorporate appropriate risk management strategies.

INTEGRATION

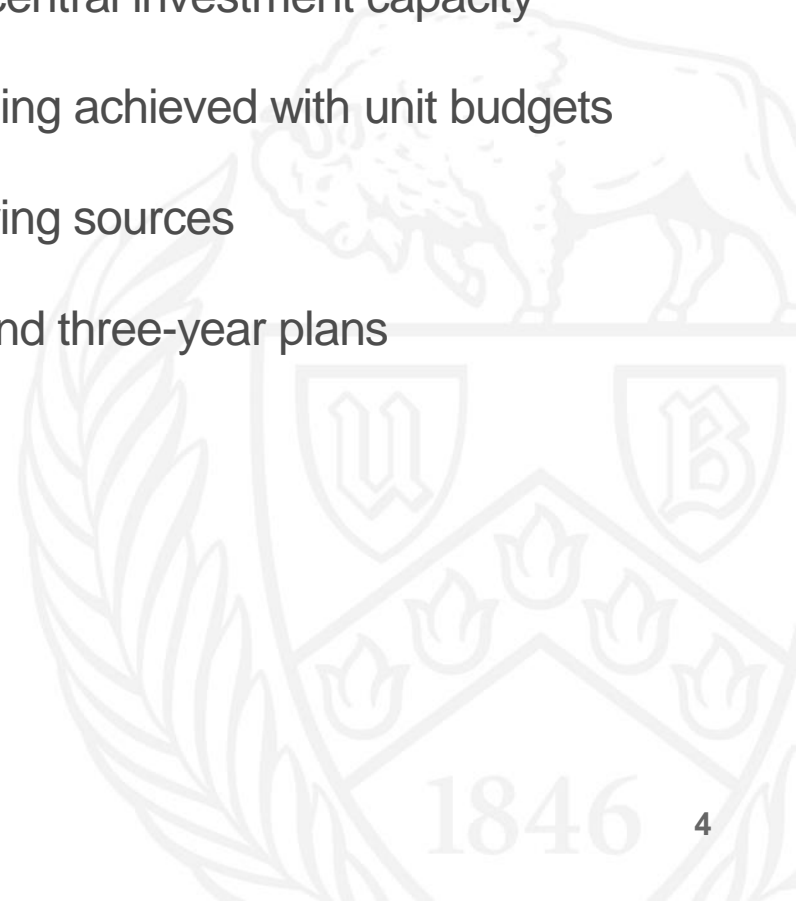
- We consider the university as a whole and make intentional connections between varying types of organizational needs and priorities.

STEWARDSHIP

- We exercise prudence in managing our resources, diversify revenues to promote resilience, maintain appropriate reserves, and reward efficiency and effectiveness.

Lessons Learned from 2017-18 ARPP

- There is considerable competition for limited central investment capacity
- Exciting initiatives and changes are largely being achieved with unit budgets
- Recurring uses need to be aligned with recurring sources
- Continue developing focused presentations and three-year plans
- Continue ensuring ARPP due dates are met



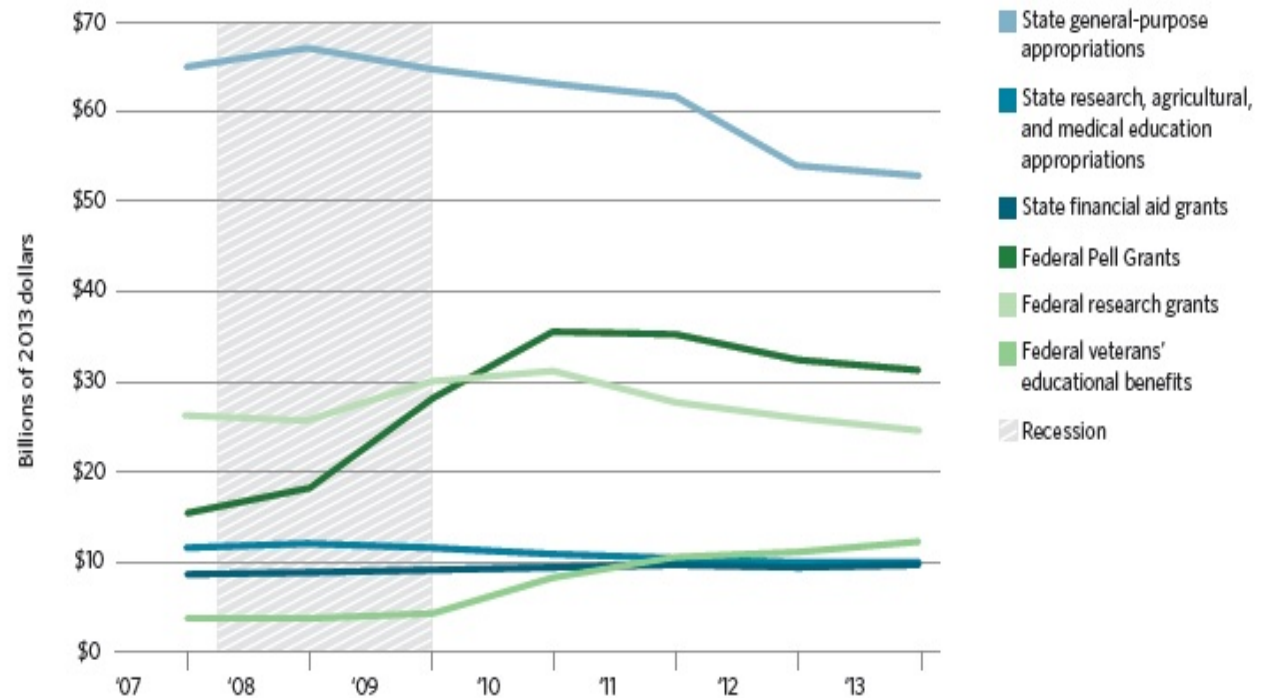
FINANCIAL CAPACITY



Divestment in Higher Ed (2007-13)

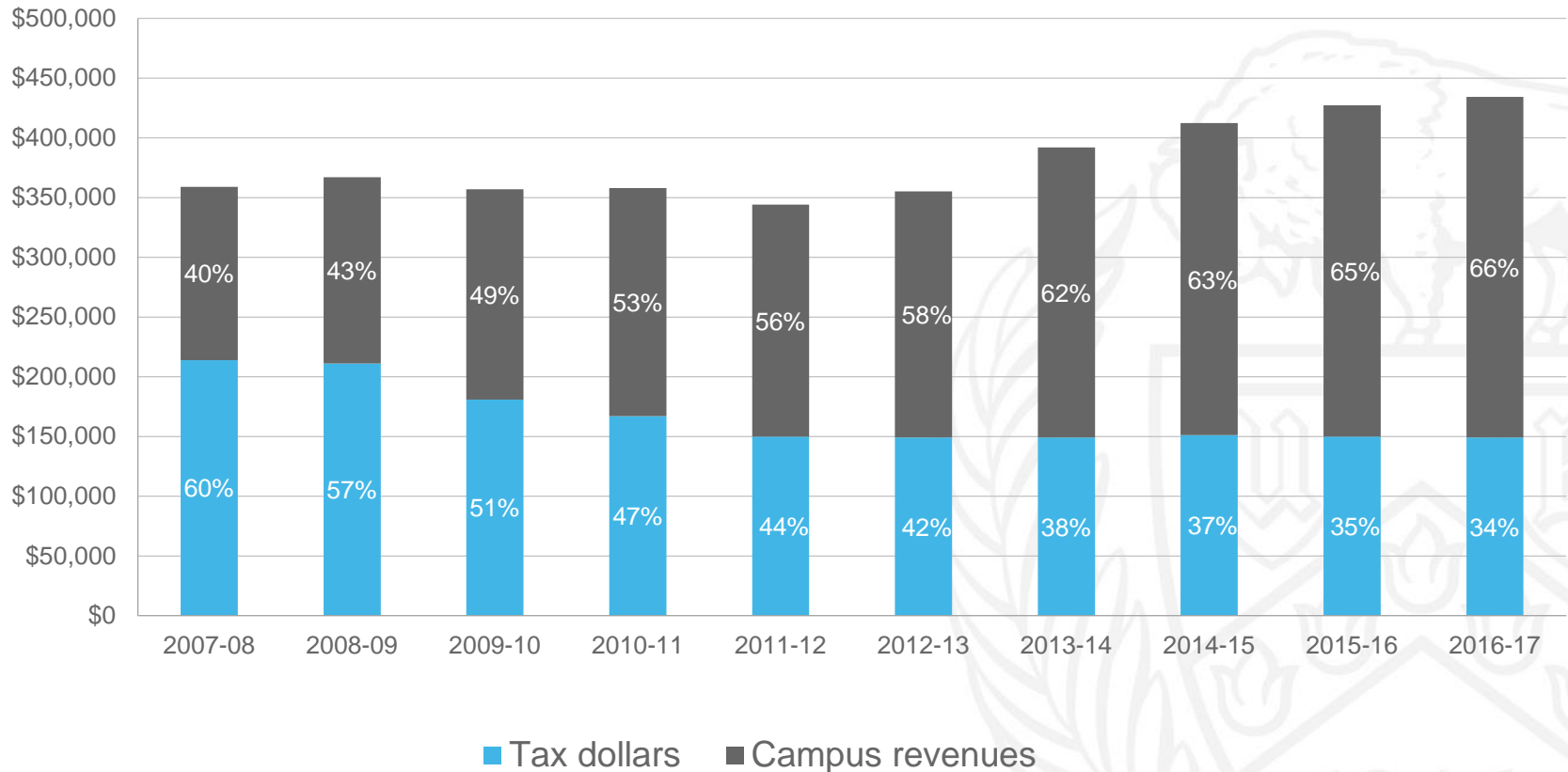
State appropriations for public research universities declined by approximately **21%** from 2008 to 2013.

Trends in major expenditure categories, academic years 2007-13, adjusted for inflation

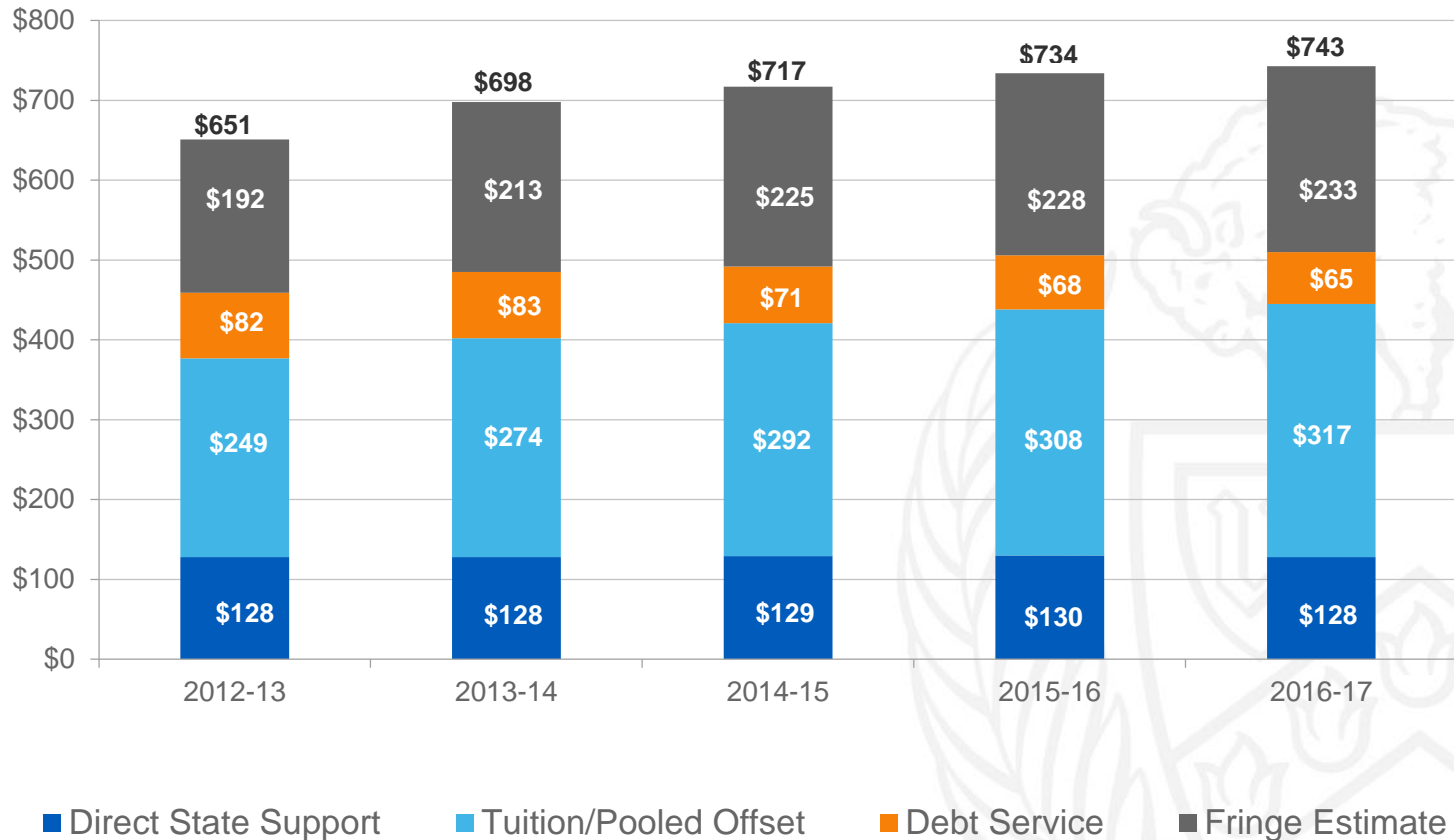


Source: *The Pew Charitable Trusts*

UB Tuition vs. State Tax Support 2007-17



State Support Trends and Sources 2012-17 (\$ in M)



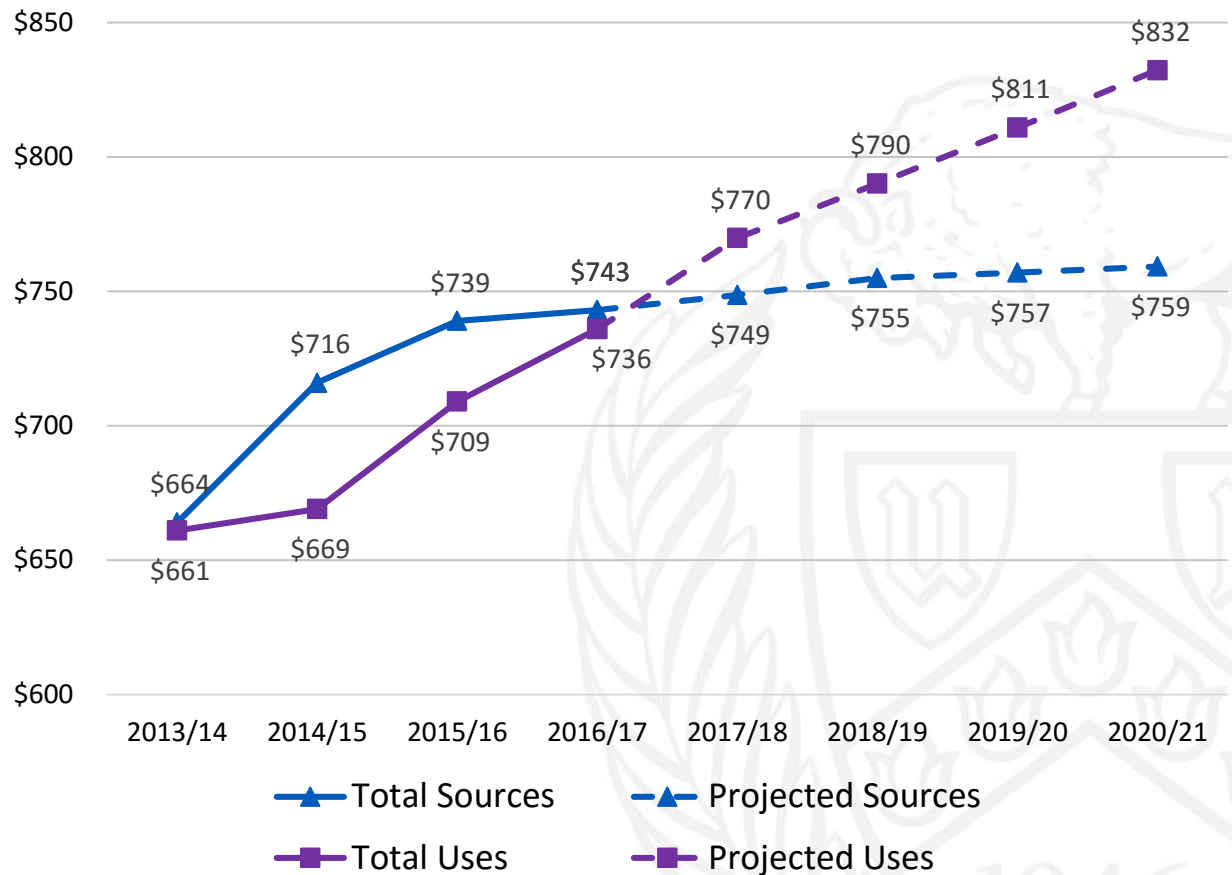
Based on information provided by SUNY Budget Office

Financial Capacity

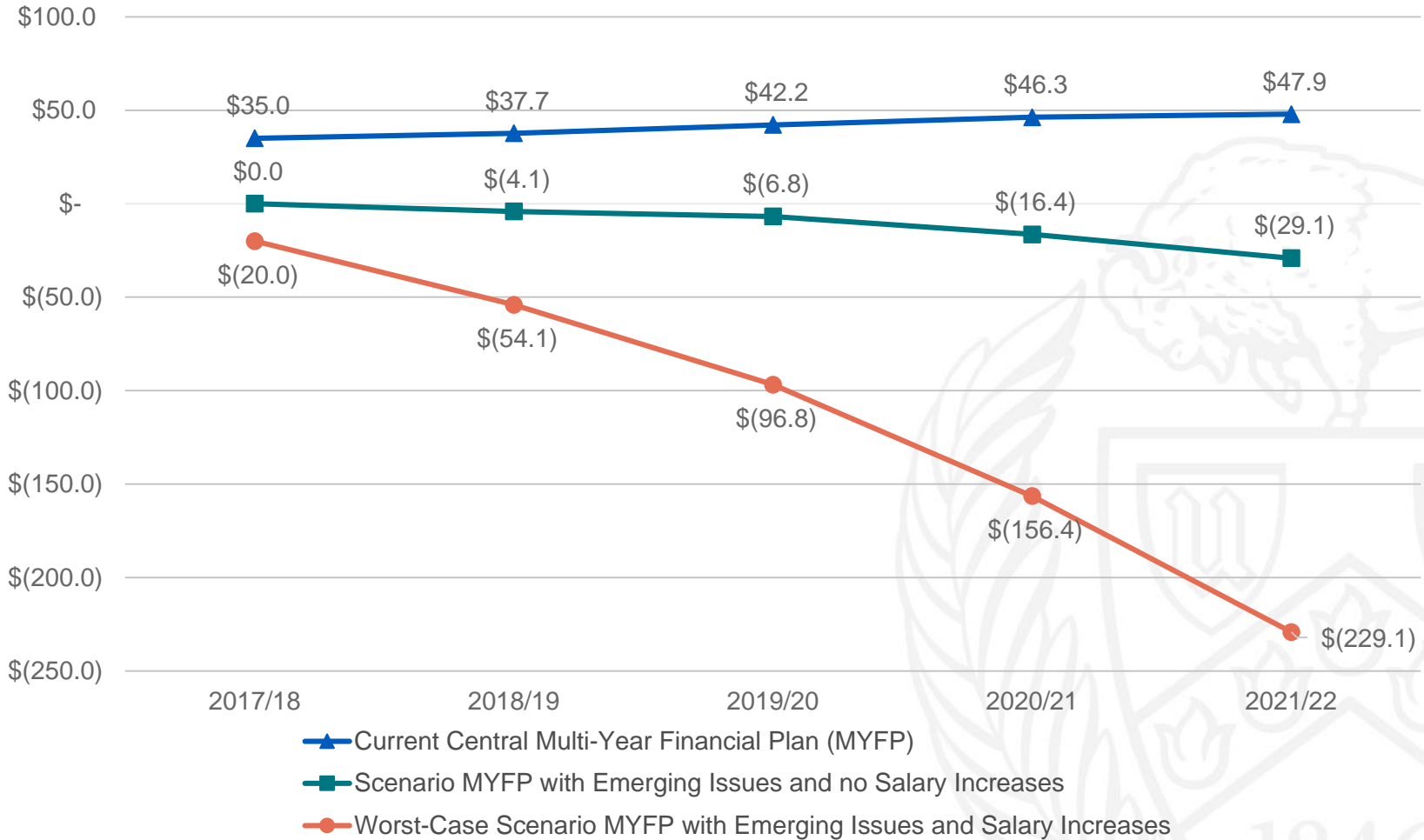
Operating Sources and Uses 2013-21 (\$ in M)

With the exception of small enrollment growth, sources are flat.

Operating expenses, especially salaries due to projected negotiated salary increases, continue to rise.

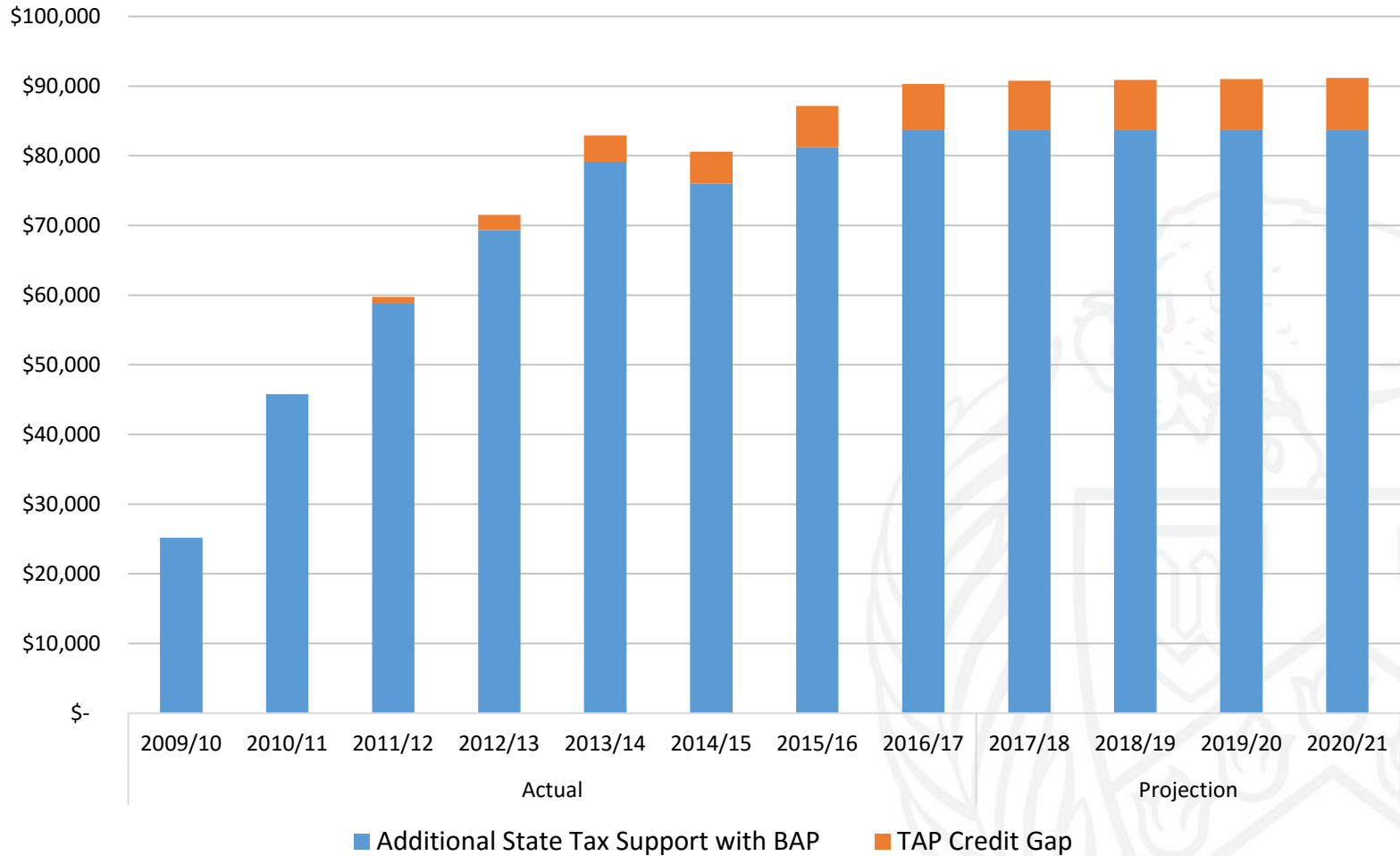


Multi-Year Financial Plan 2017-22: Central (\$ in M)



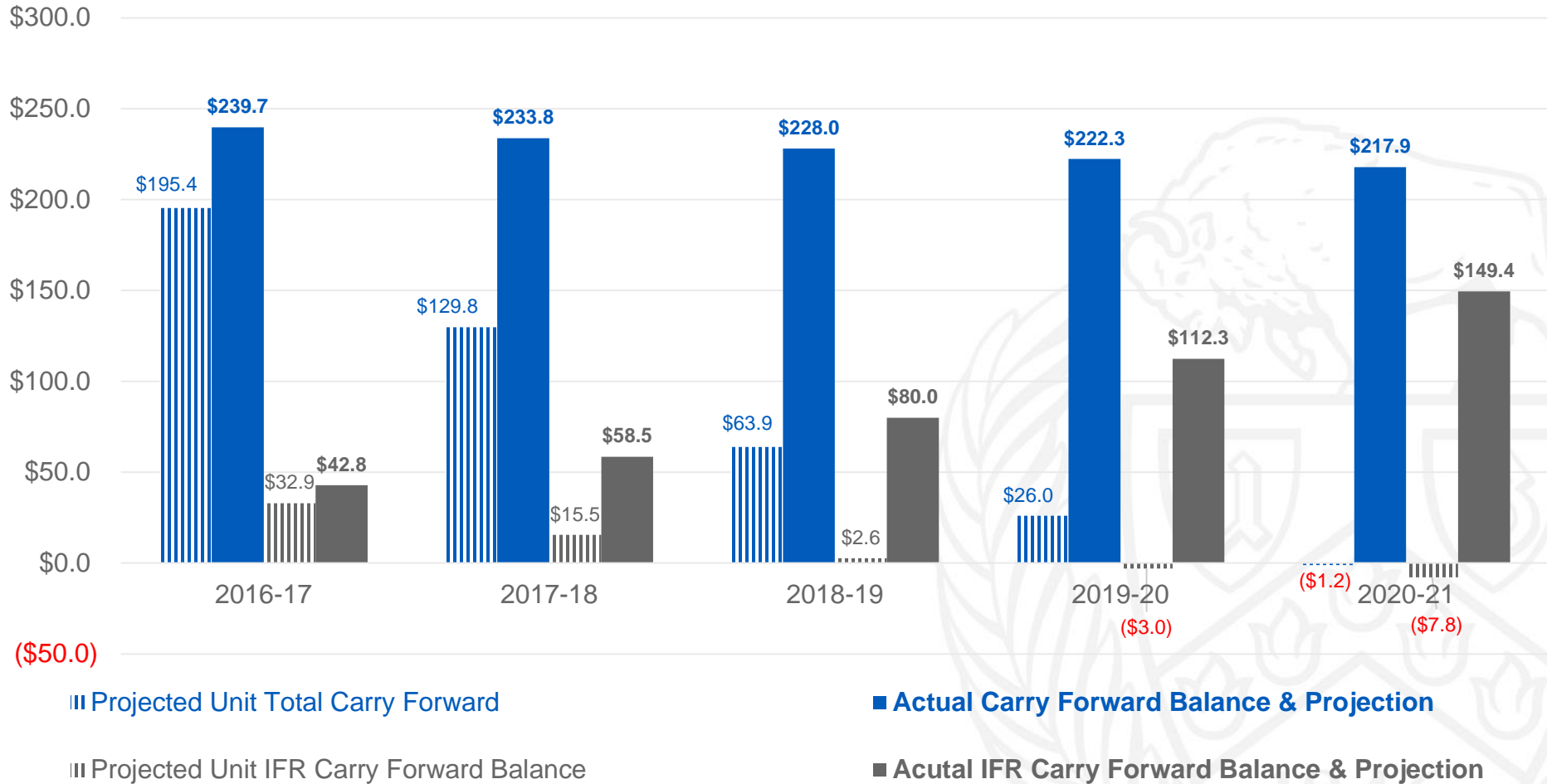
Note: Central budget account balances do not include \$40 million in reserve funding

Revenue Lost (\$ in K)



Note: Excelsior Tuition Freeze impact estimated at \$285k - \$443k in 2017/18 – 2020/21
 State currently plans to cover Excelsior Scholarship cost projected at \$5M - \$8M in 2017/18 – 2020/21.
 State currently plans to cover Excelsior Tuition Credit cost projected at \$260k - \$465k in 2017/18 – 2020/21.

2017-18 ARPP Three Year Plans Actual & Projected Unit Carry Forward 2016-21 Total and IFR (\$ in M)



Summary of Financial Capacity

- Like most public research universities, we continue to experience declining/flat state support
- We are increasingly depending upon tuition revenue and subject to risks associated with that revenue source
- Most of our resources are in existing base budgets – thinking about how we deploy these resources is increasingly important
- In the next two years, a focus on bringing recurring revenues and expenditures in alignment is vital to a sustainable financial future and continued capacity to embrace new opportunities
 - This is a more immediate requirement for some units than others

2018-19 ANNUAL RESOURCE PLANNING STRATEGY



2018-19 Planning Guidance

REVENUE

- No tuition rate increases anticipated
- No increases in state support
- No increases in capital
- Changing mix of students affects per student tuition revenue
- Growth in philanthropic giving and spending
- Growth in research expenditures
- Small central investments available in disciplinary excellence

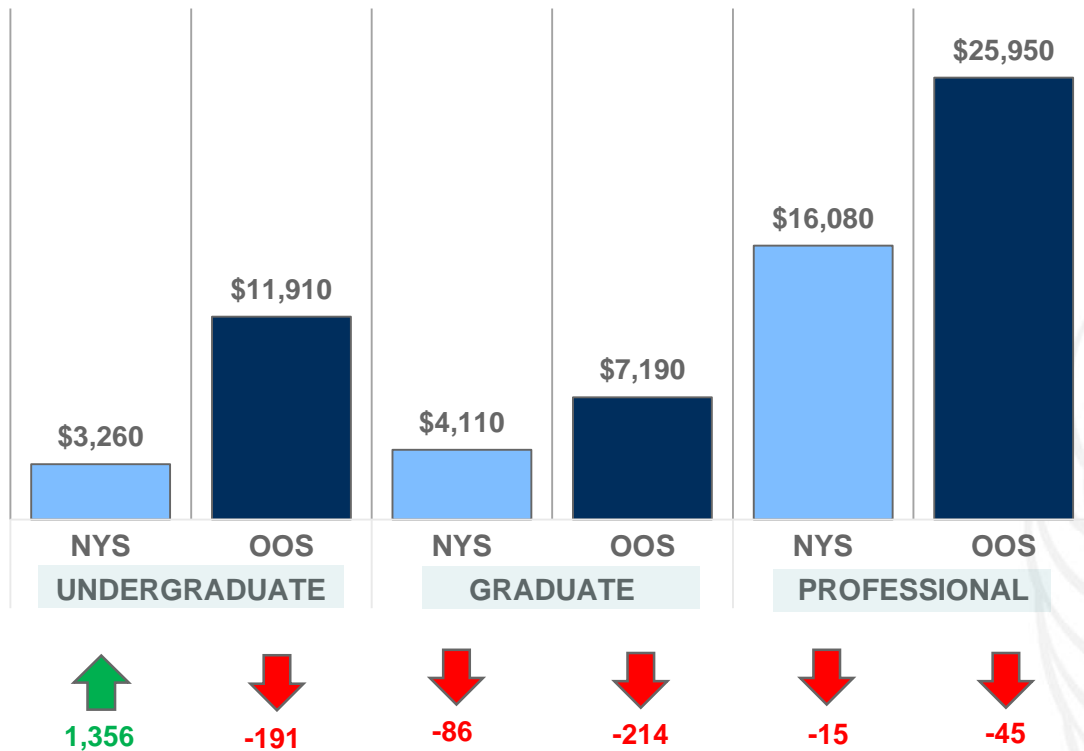
COSTS

- Units should assume negotiated salary increases will be unit-funded
- Units should continue to look for opportunities for operational excellence

OPPORTUNITIES TO GROW REVENUE



Enrollment Mix Change Per Tuition Group (2013-17)

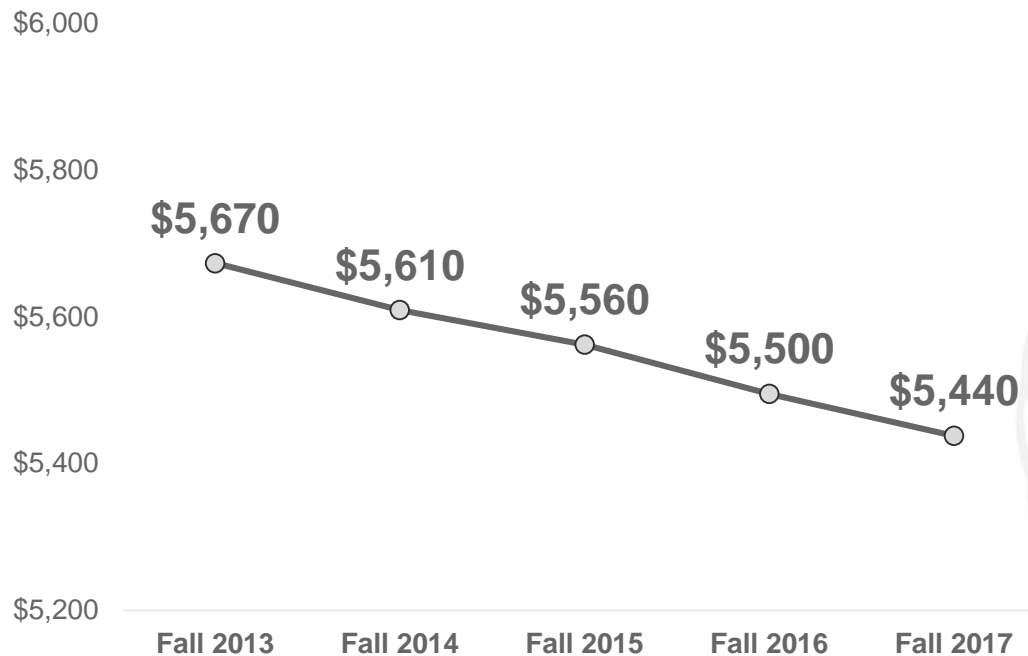


Fall Headcount Change

- UB has grown NYS/UG, which is the lowest tuition group
- It takes 3 NYS/UG to generate the revenue from 1 of average of others groups

Enrollment Mix Change - Impact

Overall Fall Tuition Revenue Per Student

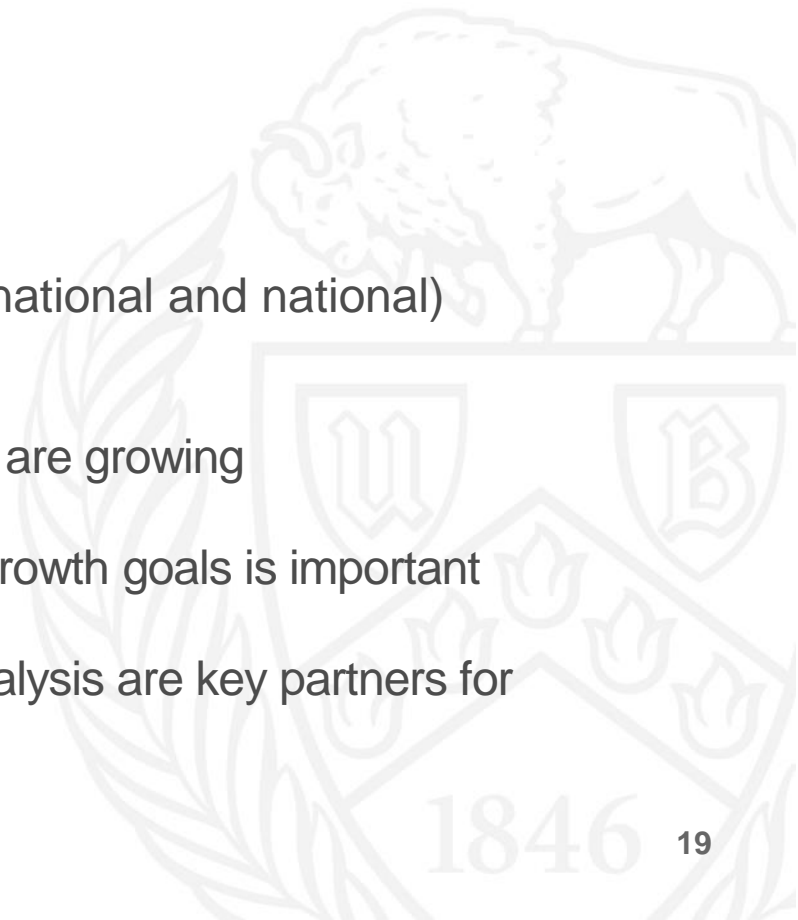


IMPACT

- Shift in mix has led to declining tuition revenue per student
- Roughly **0.5%** shift in enrollment residency mix is **\$2 million** in tuition revenue

Enrollment

- We have enrollment growth goals for
 - Undergraduate
 - Graduate
 - Professional
 - In-state and out-of-state (including international and national) students
- Tuition revenue is impacted by which groups are growing
- Meeting our enrollment mix and enrollment growth goals is important
- Enrollment Management and Institutional Analysis are key partners for helping units meet enrollment and mix goals

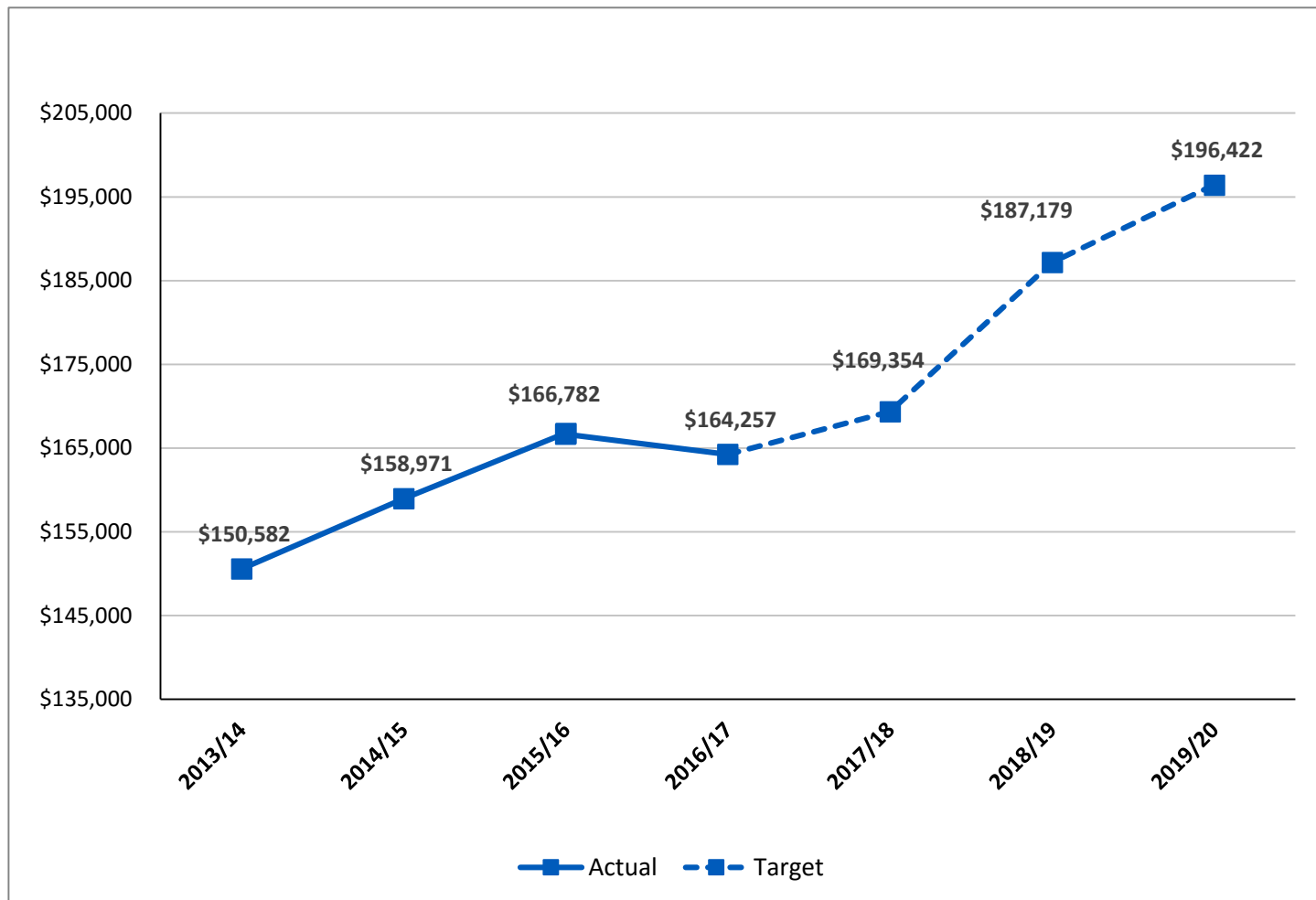


Advocacy

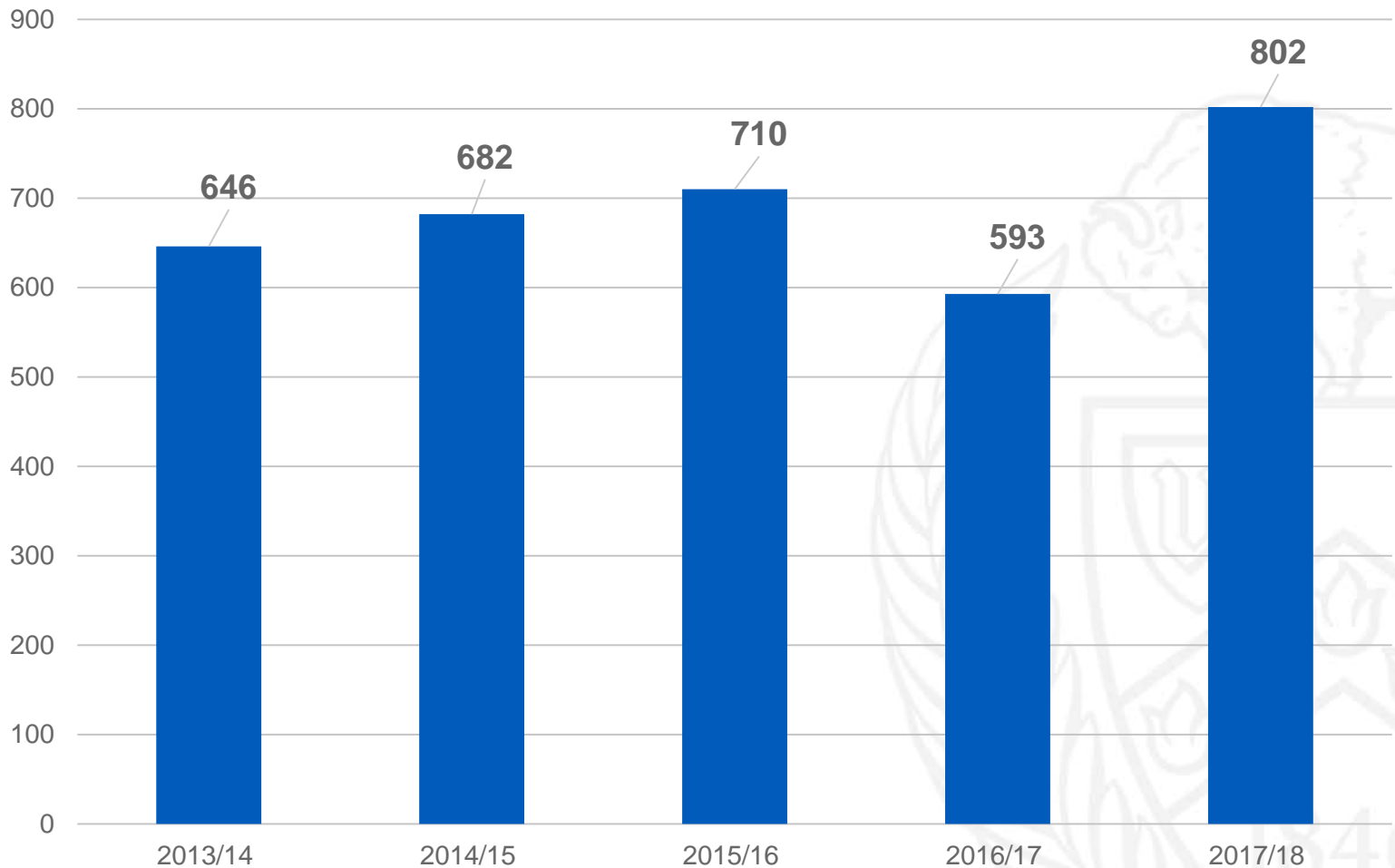
- Predictable Tuition Legislation
- Funding for negotiated salary increases
- Procurement flexibility
- Capital/critical maintenance funding increases
- Private industry/philanthropy match program to support faculty hires and research
- Change Excelsior “frozen tuition rate” from four-year block to cohort-based model



Research Expenditures and Targets 2013–20 (\$ in K)



Proposal Submissions: YTD Comparison 7/1-11/30



Philanthropy

- Plays a leveraging role—extends the impact of other resources
- Vital for UB and units to achieve aspirational objectives
- Securing additional philanthropic resources is a top university priority
- Working to enhance outcomes through campaign, campus-wide collaborations, and new divisional leadership

CAMPAIGN

- Comprehensive—includes all academic and some administrative units
- Tripartite framework: enhancing student experience; expanding and strengthening research and scholarship; and addressing complex societal problems through innovative, cross-disciplinary approaches
- In quiet phase; public launch next spring
- Currently focused on solicitation of gifts of **\$1M+** (leadership gifts)
- Ambitious working goal established; currently at **65%** of goal
- Anticipate campaign effort concluding by December 2020

OPPORTUNITIES FOR OPERATIONAL EXCELLENCE



Operational Excellence

CURRENT INITIATIVES (IMPLEMENTATION)

- **Strategic Procurement** (Spring 2018)
- **eTravel** (Spring 2018 campus wide)
- **UB Jobs Redesign** (Spring 2017)
- **Rehab Projects Redesign** (Winter 2017)
- **UB EDGE** (May 2016)
- **U Plan** (Fall 2018)

FUTURE OPPORTUNITIES (LAUNCH)

- **Space Utilization** (Winter 2017)
- **Service Models** (Winter 2017)
- **Employee Recruitment** (Winter 2017)
- **Marketing & Communications** (Fall 2018)



Operational Excellence: Faculty/Staff Efficiency

- Think critically about what positions are necessary and whether employees and resources can be used more effectively to achieve mission and goals
- Identify opportunities to absorb, reassign responsibilities, implement technology, improve processes, or use central or shared services rather than hire new

TOOLS AND EXAMPLES

- **Human Resources** – efforts underway to strategically plan staff levels and relationship to budget allocations
- **Graduate School** - Working with its Executive Committee and academic units in ongoing review of membership in Graduate Faculty, assessing faculty productivity and quality
- **JSMBS time allocation and effectiveness endeavor** – defining rubrics that distribute effort across key teaching, training, scholarly, and support functions to optimize workloads and enhance operations
- **CAS** – reviewed PhD programs to improve quality, competitiveness and financial strength by adjusting cohort sizes, reviewing stipend levels, and enhancing program quality; now undertaking faculty workload analysis

Operational Excellence: Explore Creative Approaches to Reduce Costs and/or Increase Revenue

- Innovative degree programs – credentialing, dual degrees, interdisciplinary programs, online courses
- Evaluate class sizes
- Collaborate with other units, SUNY institutions, or external partners
- Rethink operations at unit level
- *What follows are specific examples of creative ideas (more available in appendix)*

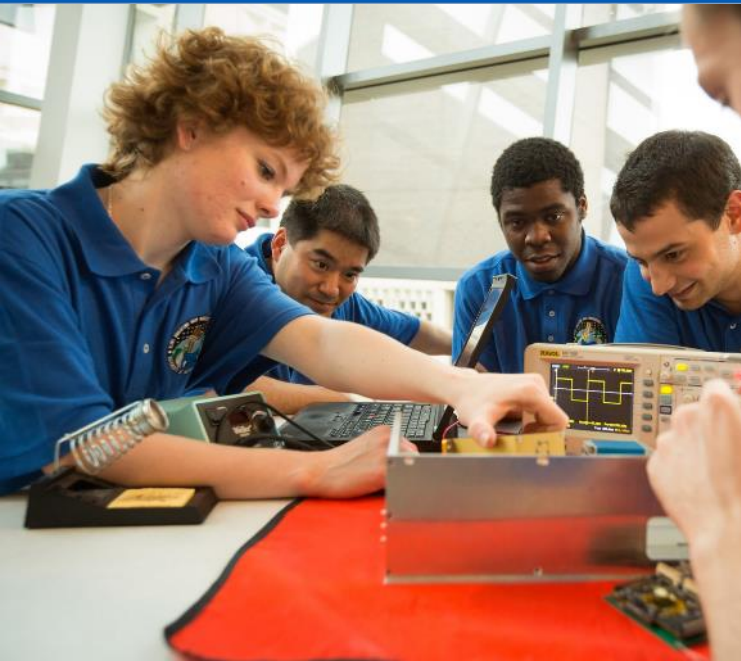
College of Arts and Sciences Dual Degree Programs (*in development*)

- Provide liberal arts undergraduates with shorter, more direct paths to professional degrees
- BA/JD and BA/teaching certificates currently in development

OUTCOMES

- Increase undergraduate enrollment in liberal arts majors by providing concrete career opportunities
- Improve pipeline to professional degree programs
- Ensure students entering professional degrees are well-prepared for graduate work in field
- Provide new opportunities for shared coursework and collaborations
- Numerous schools already benefiting from established dual degree programs





Department of Engineering Education *(in development)*

- Provide a departmental structure for existing and new faculty (largely NTT) who teach many lower-division courses
- Develop new graduate degree and credential programs
- Model for other schools and college

OUTCOMES

- National leadership in field
- Prepare graduates for workforce needs, primarily in 2 and 4-year colleges
- Decreased reliance on part-time faculty and TAs
- Undergraduate instruction delivered by teaching professionals
- Enhanced undergraduate retention, completion rates, and learning outcomes



Expansion of Offsite Dental Clinical Rotations

- Build new partnerships with regional facilities
- Dental students placed with practitioners who meet SDM standards at those facilities

OUTCOMES

- Excellent experiential learning opportunities
- Students exposed to more diverse patient population
- Reduced clinical faculty and space needed in Squire Hall
- Increased impact on community

Broader, More Efficient Libraries Through SUNY Collaborations

- University Libraries is collaborating with SUNY institutions to develop coordinated and shared collections, operations platform, and services

OUTCOMES

- Larger, more diverse collections and broader access to materials
- Reduced duplication of holdings across SUNY
- Increased access resources for faculty and students
- More efficient storage frees library space for innovative repurposing
- More efficient library operations and services



PLANNING GUIDANCE



Key Elements of Three Year Plan and Presentation

- Budget meeting will be focused on issues most significant to your unit as well as key questions on university priorities
 - Topics to include in your presentation will be based on our feedback and your input
- Demonstrate optimal use of current resources
 - Provide current assumptions
 - Factor in opportunities for revenue growth and/or operational excellence
 - Describe impact on operations (i.e., trade-offs and opportunity costs)
- Consider other areas of need not related to direct investment (e.g., online education support)
- Budget communications toolbox available to all units

Priorities

- Increasing revenue and/or reducing costs while maintaining academic excellence
 - Realizing enrollment growth and enrollment mix goals
 - Implementing operational efficiencies
 - Exploring creative approaches
- Advancing strategic goals and mission
 - Enhancing disciplinary excellence
 - Achieving greater impact from research and engagement efforts
 - Enabling interdisciplinary collaborations
 - Increasing student success and satisfaction
 - Sharing responsibility for inclusive excellence across the university

Key Questions for Three Year Plan and Presentation

ENROLLMENT

What programmatic changes could you introduce to meet enrollment and mix goals?

How do we manage enrollment growth and what are the implications for campus services and facilities?

BUILDING DISCIPLINARY EXCELLENCE

What are our best emerging opportunities and how can we enable them?

How will private sector partnerships and philanthropy enable these opportunities?

How will your faculty hiring plans increase impact over time?

STUDENT SUCCESS

What are your specific plans to increase retention and graduation rates?

How can we improve PhD completion rates and time to degree?

INCLUSIVE EXCELLENCE

What are your strategies to strengthen inclusive excellence?

What are your strategies to increase faculty, staff and student diversity?

Overarching Question: What efficiencies and creative approaches can we implement so that we can most effectively use our resources to address our priorities?

UB Budget Communications Toolbox

- Ensures consistency of message, information and financial story to share across the university
- Places current financial environment in national, state and UB contexts
- Follow up meetings with UBOs and Senior Communicators to develop unit-specific message

