

Annual Operating Budget Report

2023/2024

This University at Buffalo (UB) Annual Operating Budget Report is a comprehensive presentation of the university's 2023/2024 budget and investment priorities.

 University at Buffalo
Division of Finance
and Administration



Table of Contents

STRATEGIC OVERVIEW	3
1. EXECUTIVE SUMMARY	3
2. UB VISION AND STRATEGIC GOALS.....	3
3. UB AS NEW YORK STATE FLAGSHIP INSTITUTION	4
OPERATING BUDGET	5
1. PROJECTED UNIVERSITY OPERATING BUDGET	5
2. STATE IMPACT ON OPERATING BUDGET	6
3. ADDITIONAL STATE IMPACT INFORMATION.....	7
ISSUES AND ACTIONS	9
1. ISSUES AND CHALLENGES AFFECTING UB BUDGETS.....	9
2. ACTIONS TO ADDRESS FISCAL CHALLENGES	13
BUDGET PLANNING	15
1. ANNUAL RESOURCE PLANNING PROCESS (ARPP)	15
2. FINANCIAL CAPACITY	18
3. INVESTMENT REQUESTS & FUNDING	19
BUDGET MODEL	23
1. BASE BUDGET.....	23
2. ENROLLMENT AND TUITION REVENUE.....	24
3. TUITION REVENUE SHORTFALL ADJUSTMENT (TRSA).....	26
4. FEES	27
5. CAMPUS DINING AND CAMPUS LIVING RATES	28
6. FACULTY & STAFF	29
7. INDIRECT COST RECOVERY (ICR) – 12%	29
8. ROYALTY AND PATENT INCOME	30
UNIT BUDGET	31
1. DECANAL UNITS	31
2. ACADEMIC SUPPORT	31
3. FUNDING SOURCES	33
FINANCIAL SECTION	37

Strategic Overview

1. Executive Summary

The objective of the UB Annual Operating Budget Report is to provide the University at Buffalo (UB) community with a comprehensive summary of the university's financial plans for the current fiscal year.

For 2023/24, UB continues to hold a strong financial position. We have significant cash reserves due to forward-looking financial stewardship, long-range planning, and the strength of UB's enrollment. Additionally, after more than a decade of declining or flat tax support, New York State has for the second year in a row committed additional funding to campuses across the SUNY system including to UB.

2. UB Vision and Strategic Goals

Building on the existing strong foundation of academic excellence, knowledge and understanding, UB's vision is to rank in the nation's top 25 public research universities, thereby expanding the scope of our reach and strengthening our world-wide impact. We will achieve this by accomplishing the following strategic goals:

- **Achieve** greater societal impact locally and globally by enhancing faculty productivity, research funding and recognition; encouraging innovation and interdisciplinary collaboration; and enhancing research environments and faculty support structures.
- **Provide** our students with transformative, innovative, and research-grounded educational experiences while elevating students' academic profile, improving retention and graduation rates, enhancing academic and career support structures, enhancing educational environments, and expanding UB's leadership in international education.
- **Promote** a university-wide culture of equity and inclusion by integrating inclusive excellence into all aspects of our university, further enhancing faculty and student diversity, and implementing best practices in recruitment and retention.
- **Deepen** our engagement in the regional community by continuing to build partnerships in the local community, improving regional health care outcomes, and making Buffalo a destination for health sciences research, education and care.

Top 25: More Than a Number

On October 16, 2020, President Tripathi outlined the university's commitment to becoming one of the top 25 public research universities in the U.S. in the next decade.

Building on UB's strong foundation of academic excellence, knowledge and understanding, the University at Buffalo will advance into the nation's top 25 public research universities, thereby expanding the scope of our reach and strengthening UB's world-wide impact.

Through the Annual Resource Planning Process (ARPP), we set out to align the following characteristics of a top 25 public research university with our strategic goals:

- ✓ Academic programs recognized among the best in the nation.
- ✓ Faculty that compete at the highest levels for research funds and fellowships and are recognized for their excellence.
- ✓ A faculty, staff and student body that is increasingly diverse.
- ✓ Strong academic and student support at the undergraduate and graduate levels.
- ✓ A campus environment that is welcoming, inclusive and meets the needs of a modern campus.
- ✓ The cultivation and promotion of faculty impact, institutional success, and alumni/friend engagement.
- ✓ Resources marshalled through philanthropy, research funding, enrollment, and state aid.

Learn about [UB's top 25 goals](#)

3. UB as New York State Flagship Institution

On January 5, 2022, Governor Kathy Hochul announced the formal designation of the University at Buffalo and Stony Brook University as New York State's flagship universities. The official recognition of these premier centers of higher education as

joint flagships of the State University of New York (SUNY) system reflects the preeminent role that the University at Buffalo (UB) and Stony Brook University (SBU) play statewide, nationally and internationally as models of research and academic excellence. This designation acknowledges the excellence and reputations of our universities, and it will further enhance our ability to continue to recruit the world's most accomplished faculty and attract outstanding students — regardless of their income or socioeconomic background — and attract even more highly competitive federal research funding.

Across the country, flagship universities are those that provide vital leadership in advancing their home state's public higher education mission. These universities, most of which, like UB and SBU, are invited members of the Association of American Universities (AAU), are the preeminent centers for research and graduate education in their respective states. They also provide a comprehensive array of professional schools and degree programs and are proven economic catalysts. Flagships attract the world's best and brightest faculty and students and are nationally and internationally recognized for the quality and impact of their research and academic innovation and rigor.

UB's see this formal designation as further advancing our Top 25 goal.

Operating Budget

1. Projected University Operating Budget

- **All-funds 2023/2024 budget**

Projected at \$926 million.

- **Tuition revenue**

Projected at \$379 million or 41% of the overall budget. Tuition revenue represents the largest portion of the university's operating budget.

- **Direct state tax support**

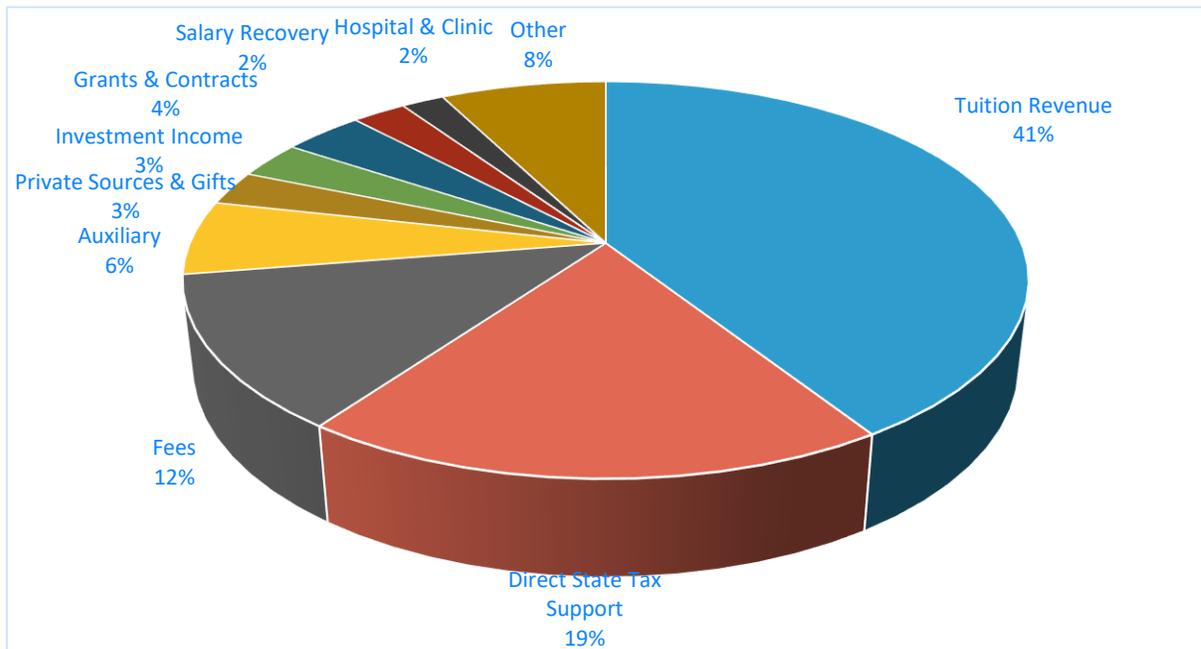
Projected at more than \$176 million or 19% of the overall budget. Direct state tax support represents the second largest portion of the university's operating budget and includes a \$26.3 million increase over the prior year.

- **Fee revenue**

Projected at \$116 million or 12% of the overall budget. Fee revenue includes the Comprehensive Fee, Academic Excellence Fee, Course Fees, and other service fees.

- **Auxiliary revenues**

Projected at \$56 million or 6% of the overall budget. Auxiliary revenues come primarily from student housing. It also includes athletics, parking, and other rent revenues. This money is collected and spent within collecting units and cannot be used for other purposes.



2. State Impact on Operating Budget

Highlights from New York State’s 2023/2024 budget:

- **Additional State-operated Campus and Statutory College Operating Monies of \$163 million ongoing**

From these funds, UB will receive \$26.3 million annually.

- **Direct State Tax Endowment Match**

University Centers including UB are eligible to receive a 50% match (up to \$500 million) on up to \$1 billion dollars of privately raised endowment funds.

- **\$75 million Transformational Innovation Fund**

From these funds, UB will receive \$385 thousand in one-time funds.

- **Differential Non-Resident Tuition for State-operated Campuses**

Provides the Board of Trustees of SUNY additional flexibility in setting differential non-resident undergraduate and graduate tuition rates for state-operated institutions for a three-year period beginning 2023/24.

Highlights from New York State’s 2022/2023 budget that will continue to impact UB in 2023/24 and beyond:

- **Elimination of the TAP Gap beginning 2022/2023.**

This saves UB almost \$10 million annually.

- **Annual reset of the Excelsior Scholarship tuition rate to align with the current undergraduate in-state rate beginning in 2022/23.**

This saves UB over \$1 million annually.

- **\$53 million in support for new full-time faculty across SUNY**

From these funds, the state commitment to UB is \$12.1 million. UB has received partial delivery and expects the remaining balance to be delivered in 2023/24.

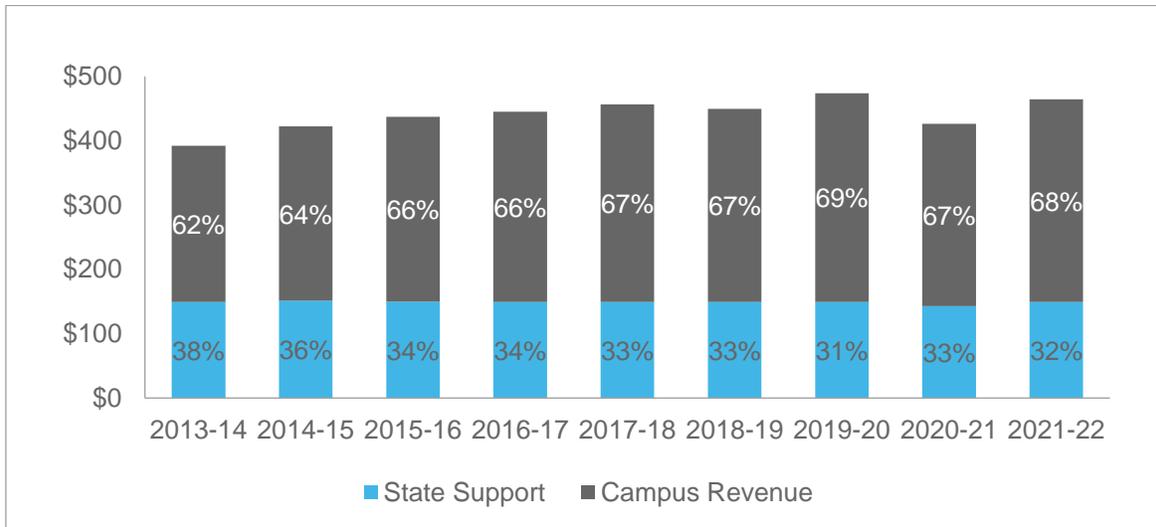
These investments by NYS into higher education are welcome. As UB’s enrollment has grown to exceed 30,000 students, we have remained steadfastly committed to keeping a UB education accessible to students. However, as enrollments grew so did the cost of supporting these students. Even with these new investments, UB bears the responsibility to cover the increasing cost of supporting a large student body.

While UB has taken a number of critical steps to help defray the impact of rising costs, the university will continue to advocate for additional state support and for tuition and fee rates that allow UB to maintain resources on par with peer institutions.

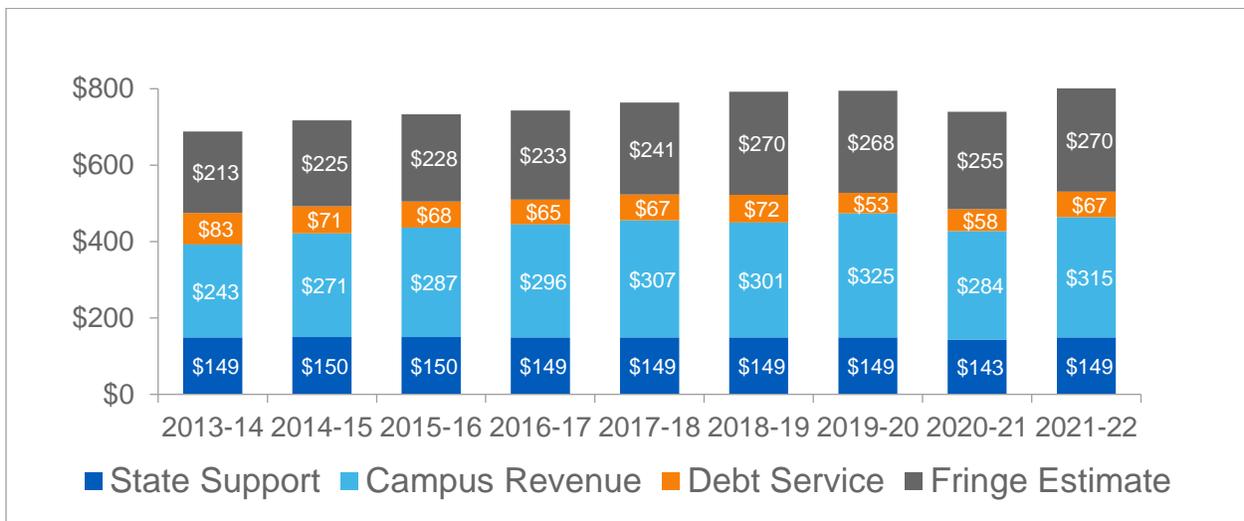
3. Additional State Impact Information

Over time, UB has become more reliant on tuition revenue as the primary source of funding. The chart below (\$ in millions) highlights this fact. As new state funds are committed to UB, we are optimistic that the ratio of state funds to tuition revenue will increase.

Note: the decrease in 2020/21 revenues is pandemic related, specifically, the state reduced funding by 5% and tuition revenue decreased significantly due to the decline in international enrollment.



In addition to providing direct state tax support, New York State also covers debt service and fringe benefit cost for UB. The chart below (in millions) shows annual state support trends and sources to UB.



Issues and Actions

1. Issues and Challenges Affecting UB Budgets

While UB remains strong financially, the university continues to face several challenges. Among them are unfunded mandates, critical maintenance needs, limited availability of resources, and the evolving role public universities are asked to play in the community and in the lives of its students and faculty who make our work possible.

Contractual Obligations

Personnel (approximately \$70 million impact)

Unfunded negotiated salary increases continue to be the university's most pressing long-term financial concern. A long-term strategy will need to be reached to address this issue.

- The United University Professions (UUP) and the State agreed on a new that will go into effective retroactively to July 1, 2022. The previous contract expired June 30, 2022.
- One-time costs over the life of the contract are expected to be \$20 million.
- In 2025/26, the final year of the contract, additional recurring costs will be \$50 million. The university continues to address this recurring obligation and we find efficiencies to offset these costs, however, the current model is unsustainable long term if the university is expected to meet its mission.

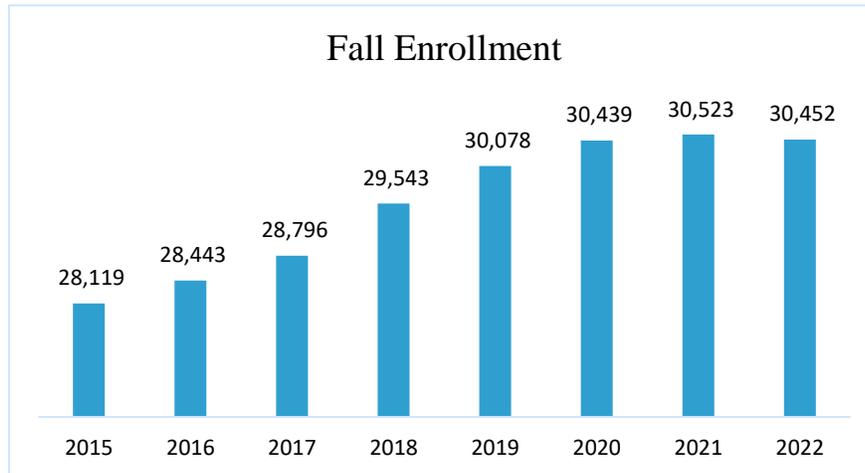
Tuition Revenue and Enrollment

Tuition Revenue

State budget approval allowing the SUNY board to consider applying differential non-resident tuition rates was a critical first step toward aligning UB's rates with those of our peers. UB's tuition and fee rates remain low compared to peer public research institutions. While this means a great value for UB students and families, it makes it challenging for the university to fulfill its mission.

Enrollment

The chart below shows UB's strong enrollment growth. As enrollment grows, this puts pressure on UB's overtaxed infrastructure and increases costs for academic support services such as student academic advising, university libraries and student services.



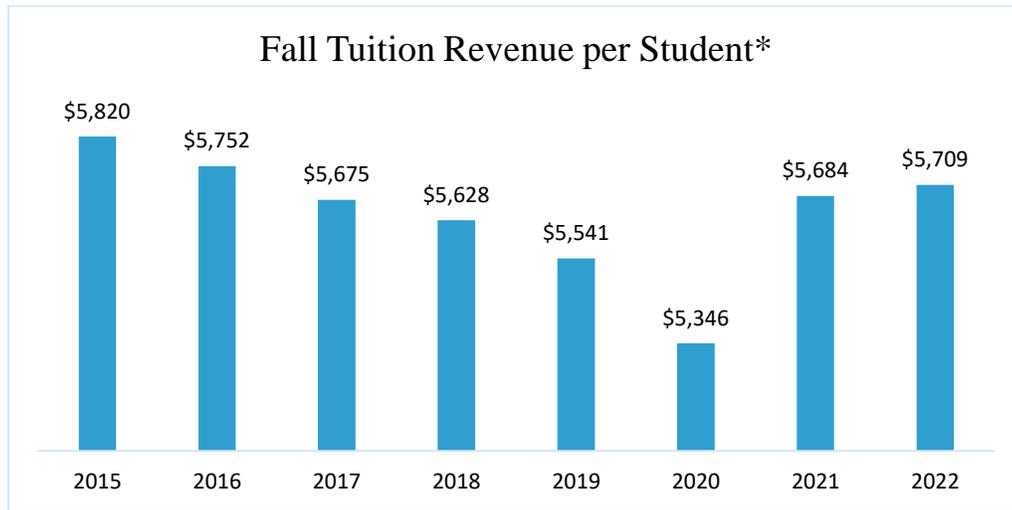
Through our Integrated Resource Planning process, UB makes a concerted effort to use data to identify trends and forecast enrollment. Our current forecast for fall 2023 is:

- Flat undergraduate enrollment over fall 2022. These two years are a decline over peak enrollment years. Two of the drivers are a reduction in transfer students and in continuing students. Improving undergraduate retention is a current focus across campus.
- Growth in graduate enrollment largely driven by UB School of Engineering and Applied Sciences and School of Management.
- Flat professional program enrollment.

The graph below (normalized at 2022/23 rates for all years to remove the impact of tuition rate increases) illustrates how average tuition revenue for all students declined for several years as the resident undergraduate population (which pays the lowest tuition rate) grew in relation to all other enrollment groups.

Following fall 2020, which was highly impacted by the pandemic, the fall 2021 revenue demonstrates the impact of a rebound in graduate enrollment (primarily international students who were most impacted by COVID). We expect to see tuition

per student to continue to recover as graduate programs grow in relation to undergraduate enrollment.



* Tuition revenue is expressed in 2022/23 dollars.

PhD Student Stipends and Program Enhancements

In 2019, as part of the PhD Excellence Initiative, UB established a floor for stipends paid to fully-time funded PhD student TA/RA/GA appointments. In fall 2021, the university began covering fees charged to these students, and as part of our regular review of this initiative, the decision was made to increase the stipend floor effective fall 2023. Additionally, academic deans were asked to review their programs and create plans that:

- Ensure PhD student obligations are balanced between scholarship and teaching.
- Provide funding for all full-time funded PhD students for the duration of their PhD programs, and
- Attract exceptional students to our programs.

Capital

Academic Space Needs

We were pleased with the increase in the capital allotment in this past year's budget; however the amount of capital funding does not meet the needs of an aging campus.

UB's deferred maintenance needs have grown exponentially and have risen above \$605 million. Recent investments have led to a sizeable increase in faculty, the need for additional office and research space is also stressing our infrastructure. Continued enrollment growth will be highly dependent upon our ability to expand our physical capacity to accommodate additional students and faculty.

Recent one-time investments have helped as Crosby Hall is nearing completion and will begin to be occupied this year and UB previously received \$40.5 million in funding from the State University Construction Fund to renovate Foster Hall. Additional capital funds have now been provided for Clark and Parker Halls on South campus. This funding will help relieve space constraints on the North Campus and will help us realize our vision of devoting South Campus to community-facing professional programs.

Additional State investment in capital from the 2023/24 budget:

\$200 million in Capital Funding for SUNY Flagship Institutions

These funds are designated for new and renovated research buildings, laboratories, and state-of-the art instrumentation at Stony Brook University and the University at Buffalo.

Additional State investment in capital from the 2022/23 budget:

\$68 million in Funding for a New Engineering Building at UB

UB will fundraise the remaining \$34 million toward the projected total cost of \$102 million.

Holistic Capital Planning

Expectations surrounding UB's ability to address capital issues in a comprehensive manner also remain an area of concern.

Though the university is pursuing efficiency measures to defray these costs, without consistent and adequate funding that is in alignment with our deferred maintenance needs; academic quality, faculty recruitment and retention, and the student experience will be negatively impacted.

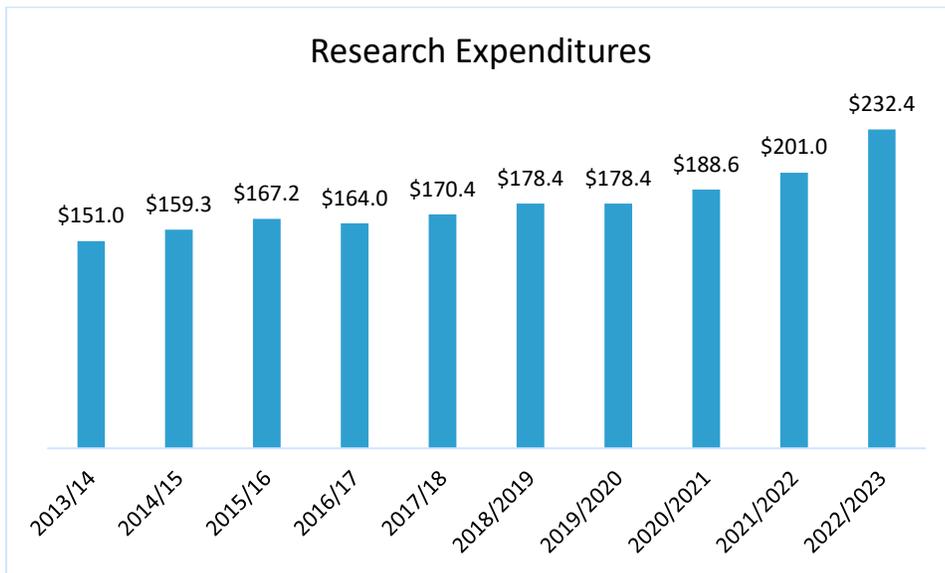
While the university continues to support efforts to diversify and grow our student body while also providing a safe and inclusive campus, these efforts come at a cost.

We consider these costs to be a sound investment in our future and the future of our students, however, resources allocated to these initiatives require shifting resources away from other areas of investment.

Research Support Costs

As we continue to grow our research enterprise and support scholarly excellence, like most universities, UB bears a greater share of the associated costs. However, we consider these costs to be an investment in the university’s future, and we continue to invest our resources in support of research. In the 2023/24 ARPP, UB committed additional funds for research support, equipment, and infrastructure of \$13.2 million recurring and \$8.2 million one-time. These investments further our commitment to the goal of UB becoming a 25 public research university.

Related to our investments in research, the graph below represents UB’s research expenditures in millions.



2. Actions to Address Fiscal Challenges

To address and prepare for fiscal challenges, we evaluate operations to identify efficiencies, maximize our current resources, review and adjust our financial projections, and advocate for addition support from the State. Our Annual Resource

Planning Process (ARPP) continuously evolves to ensure resources are allocated in a manner that most aligns with university priorities.

Below is an overview of some of the steps we have taken to maintain our fiscal strength and prepare for inevitable change, challenge, and opportunity.

- In 2021/22, we revised the academic-year budget model and, in 2022/23, we updated the summer and winter budget models. These models provide additional funding to academic units that grow their revenue above target. Conversely, for units with declining revenue, we are able to quickly adjust revenue to those units and chart a path for future success. The models are outlined later in this document.
- Workforce planning is now a critical piece of the ARPP as we continue to prepare for unfunded negotiated salary increases and other personnel challenges.
- We convened a Space Utilization Study, adopted new space policies and standards, and made progress in aligning our space allocation with current needs.
- We created a data analytics function that provides both central administration and units with department and program-level data. This data is used to forecast enrollment, tuition, and for resource planning.
- We implemented multi-year utilities planning to achieve energy savings.
- We support the continued implementation of the Enrollment and Resource Planning Calendar.
- We developed a multi-phased approach to achieve our Capital Master Plan aspirations.

Technology & Business Process Solutions

UB has embraced a number of technological and business process solutions to reduce costs and better manage our resources, as part of our university-wide Operational Excellence initiative.

Learn more about [UB's Operational Excellence initiative](#)

- The implementation of the **ShopBlue e-procurement system** has enabled UB to streamline its purchasing process, enhance spending visibility and control and fully utilize the contracts negotiated by the purchasing department.

- The implementation of new **learning management systems like EDGE, travel solutions like Concur Travel and Expense system, and Time and Attendance system** are reducing costs, simplifying processes, creating a culture of continuous improvement, and maximizing human resources.

We are working on the implementation of **UPlan, a new budgeting, planning and forecasting system** that will improve accuracy and efficiency and will support scenario planning. In 2021, the initial module for commitment management was implemented centrally and to all units across campus. This module improves tracking, management and delivery of multiyear commitments made to units, departments and faculty.

- We are streamlining our **capital rehab project process** to be more efficient.

State-controlled dependencies

The university continues to advocate for state support and tuition and fee rates that, together, keep UB's resources on par with peer institutions.

Capital funding will remain a priority during this year's budget. Capital funding advocacy must include funds for critical maintenance and strategic priority projects including major building renovations and new buildings.

UB is experiencing an increase in demand for STEM programs. STEM programs require modern laboratories and facilities. Access to campus space for both classroom and laboratories is strained.

Budget Planning

1. Annual Resource Planning Process (ARPP)

The Annual Resource Planning Process (ARPP) provides a framework for the university to review our financial capacity, align our current resources to support our priorities, and assess potential areas for new investment.

During our Annual Resource Planning Process (ARPP), we make collaborative and thoughtful decisions about the degree to which a program helps us achieve our strategic goals. We consider how it serves our students' changing needs. How it supports our neighboring communities. How it supports our faculty's

groundbreaking research. And how far it can get us toward our next goal: being recognized among the top 25 public research universities in the U.S.

Each funding request herein is critically reviewed and, combined with our ongoing programs to find efficiencies and other cost-savings, will allow UB to continue to make valuable contributions locally, nationally, and globally.

Guiding Principles

UB utilizes the ARPP to plan for its financial needs. Guided by five principles, our planning process takes a holistic approach to identifying university needs and allocating available funds to support both individual unit needs and the strategic priorities of the university as a whole.

- 1) **Strategic** - The plan aligns incentives with our mission and strategic behaviors.
- 2) **Predictable** - The plan builds models that provide a reliable foundation for planning.
- 3) **Flexibility** - The plan builds models that anticipate and are responsive to changes in the economic environment as well as incorporating appropriate risk management strategies.
- 4) **Integration** - The plan considers the university as a whole and makes intentional connections between organizational needs and priorities.
- 5) **Stewardship** - The plan exercises prudence in managing university resources, diversifies revenue streams to promote resilience, maintains appropriate reserves and rewards efficiency and effectiveness.

Tightly woven into our ARPP are UB's four strategic goals that will help us achieve our vision of advancing into the nation's top 25 public research universities.

Collaborative Approach

During the ARPP, UB's Provost and the Division of Finance and Administration collaborate closely with units to plan for future years. The process encompasses the review of many different factors including enrollment, tuition revenue, staffing, research expenditures and proposals, endowments, unit spending plans, capital/space, risks and contingencies, and investment proposals. The budget planning process looks at funding priorities through these lenses:

- Comprehensive asset/liability management
- Integrated, single-institutional point of view
- Long-term in nature
- Analyze returns on investments!
- Proactive
- Dynamic and scenario-based
- Transparency

Also, during the ARPP, the Division of Finance and Administration's Resource Planning team collaborates with UB's Division of Student Life to set student fees for specific services and ensure that the university is accommodating their needs. The outcomes of the ARPP are submitted to SUNY for approval before implementation.

Planning Phases

The ARPP consists of three phases:

- 1) **Phase 1** (September – Mid-January): Three-Year Plan information collection
 - Key Outcome: Communicate guidance to VP/Deans and unit business officers based on the university's financial position to assist units in providing their input and needs through the Three-Year Plan workbook.
- 2) **Phase 2** (Mid-January-March): Analysis, Discussion & Decision-Making
 - Key Outcome: VP/Deans present the unit's position to senior leadership to gain a shared understanding of needs and to inform resource planning decisions.
- 3) **Phase 3** (April-August): Closure of Annual Resource Planning Process
 - Key Outcome: Communicate unit expectations and outcomes to VP/Deans to finalize Three-Year Plans and implement resource planning decisions.

The Division of Finance and Administration loads new fiscal year budgets into the financial system for July 1 implementation.

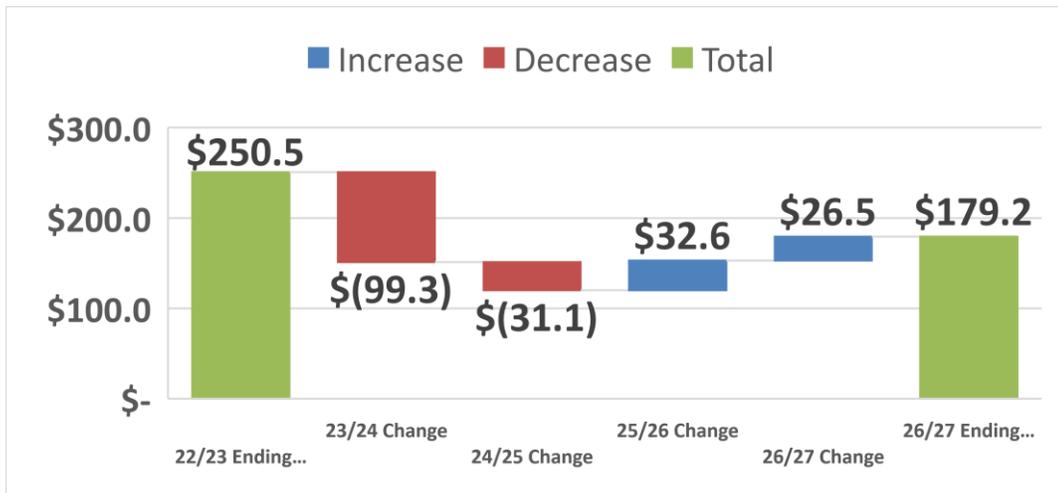
2. Financial Capacity

UB's financial health is a result of thoughtful planning and committed financial stewardship. It is this foundation that allows us to maintain a long-term strategic plan and to manage through periods of volatility. For 2023/24, some important factors influenced our beginning fund balances:

- Our five-year rolling financial planning process anticipates and considers major economic opportunities and challenges.
- Our multi-year planning effort for addressing unfunded negotiated salary increases means that decanal and divisional units have plans to absorb these costs in the short term.
- We continue to maintain contingency reserves which helps create confidence that we can maintain our strategic focus and meet our long-term goals.

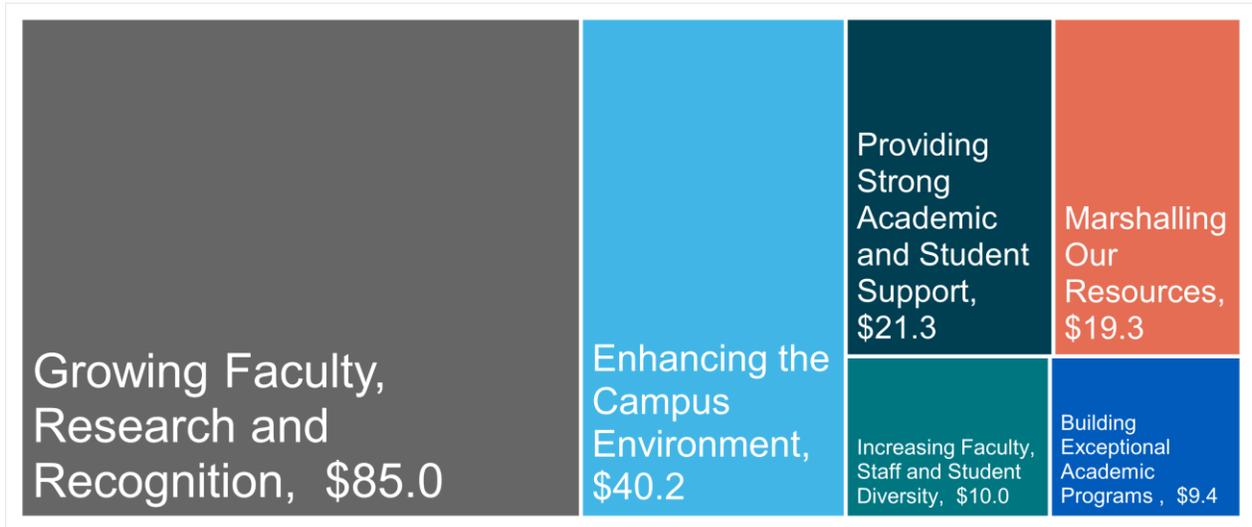
The graph below represents projected centrally managed Internal Financial Plan (IFP) balances in millions over the next five years. Beginning IFP balances are strategic reserves set aside to fund investments committed through the ARPP. The graph excludes the university's \$40 million emergency reserve intended to manage unforeseen events and can only be used if the President, Provost, and Vice President for Finance & Administration agree it is necessary.

The overall decline reflects commitments to invest made during the 2023/2024 ARPP. These commitments are outlined in the next section.



3. Investment Requests & Funding

For the 2023/2024 ARPP, commitments were made to invest \$185.2 million over three years. The below graph shows the breakout by funding priority. Recurring amounts were added for each year to arrive at a three-year total and funding swaps net to \$0.



The following is a list of all investments made during the 2023/2024 ARPP by priority.

Investment Priorities

Growing Faculty Research & Recognition

Title	Unit	Recurring Funding	One-Time Funding
Faculty Retention - Marker	Campus Financial Plan	\$ 2,000,000	\$ -
Faculty Salary Compensation	Campus Financial Plan	\$ 3,000,000	\$ -
AI Community Symposium	Central University	\$ -	\$ 300,000
Laboratory Renovation Fund	Central University	\$ 10,000,000	\$ -
CBLI MRI installation	Central University	\$ -	\$ 28,000
Augment IT Security Staff for Research Compliance	Chief Information Officer	\$ 85,000	\$ -
NYS Faculty Start-up	College of Arts and Sciences	\$ -	\$ 12,470,000
Expanding CAS Research Infrastructure	College of Arts and Sciences	\$ 123,000	\$ 600,000
Center on Aging	Health Sciences	\$ -	\$ 4,000,000
Animal Facilities Equipment	Research and Economic Development	\$ -	\$ 2,000,000
Research Support	Research and Economic Development	\$ 3,000,000	\$ -
IIT Collaboration	Research and Economic Development	\$ -	\$ 1,300,000
SAP Research Enhancement	School of Architecture and Planning	\$ 54,000	\$ -
ICR Building Disciplinary Excellence SEAS Startup	School of Engineering and Applied Sciences	\$ -	\$ 7,590,000
Building Research Infrastructure	School of Pharmacy and Pharmaceutical Sciences	\$ -	\$ 1,561,200
Startup for NYS Faculty Hires	School of Public Health and Health Professions	\$ -	\$ 400,000

Enhancing the Campus Environment

Title	Unit	Recurring Funding	One-Time Funding
Climate Action Fund	Central University	\$ -	\$ 4,500,000
Entrance Signage	Central University	\$ -	\$ 204,000
Wayfinding	Central University	\$ -	\$ 1,477,000
Zero Waste	Central University	\$ 50,000	\$ 7,225,000
CTRC Swipe Card reader materials and supplies	Central University	\$ -	\$ 427,000
University Club Operations	Central University	\$ 201,000	\$ -
Instructional Facilities Operations	Central University	\$ -	\$ 23,088,752
UB Stadium Videoboard/Sound System Replacement	Division of Athletics	\$ -	\$ 2,500,000

Providing Strong Academic & Student Support

Title	Unit	Recurring Funding	One-Time Funding
PhD Minimum Stipend Increase	Campus Financial Plan	\$ 1,000,000	\$ -
Undergraduate Scholarship Support	Central University	\$ 2,500,000	\$ -
University Assisted Community School Consultants	Graduate School of Education	\$ -	\$ 100,000
Undergraduate Success	Jacobs School of Medicine and Biomedical Sciences	\$ -	\$ 270,000
Building Library Strength in STEM	Provost	\$ 255,000	\$ -
Student Retention	Provost	\$ 220,000	\$ 1,038,000
Decanal Transition - SDM	School of Dental Medicine	\$ 64,000	\$ 1,070,000
UBWell Feasibility, Scope and Implementation Plan	School of Nursing	\$ -	\$ 125,000
Student Success Coaching Initiative (SON)	School of Nursing	\$ 55,000	\$ -
SPPS Student Success	School of Pharmacy and Pharmaceutical Sciences	\$ 55,000	\$ -
International Health Insurance	Student Life	\$ -	\$ 600,000
Domestic Health Insurance	Student Life	\$ -	\$ 200,000
Pharmacy	Student Life	\$ -	\$ 779,000
Center for Community Service and Civic Engagement	Student Life	\$ 150,000	\$ -
Fueling Top 25 Ambitions	University Advancement	\$ -	\$ 3,750,000
Marketing and Advertising Campaign to Recruit International Students	University Communications	\$ -	\$ 500,000

Marshalling our Resources

Title	Unit	Recurring Funding	One-Time Funding
Increase to centrally funded lease budget	Central University	\$ 27,000	\$ -
Increase to centrally supported software budget	Central University	\$ 130,000	\$ -
Permanent funding for Turnitin	Chief Information Officer	\$ 125,000	\$ -
Support for JSMBS Building Financing	Jacobs School of Medicine and Biomedical Sciences	\$ -	\$ 18,450,000

Building Exceptional Academic Programs

Title	Unit	Recurring Funding	One-Time Funding
Bridge Funding for Masters in Pathology	Jacobs School of Medicine and Biomedical Sciences	\$ -	\$ 320,000
Building Performance and Urban Visualization Lab	School of Architecture and Planning	\$ -	\$ 1,000,000
VETSMILE PROJECT	School of Dental Medicine	\$ -	\$ 300,000
Bridge Funding for BS-Engineering Science Online Cor	School of Engineering and Applied Sciences	\$ -	\$ 415,000
Clinical Legal Education Renovation	School of Law	\$ -	\$ 5,000,000
Consumer Behavioral Lab	School of Management	\$ -	\$ 635,000
Growing SPPS Educational Research	School of Pharmacy and Pharmaceutical Sciences	\$ -	\$ 1,400,000
Teaching and Metabolic Kitchen - Nutrition	School of Public Health and Health Professions	\$ -	\$ 350,000

Increasing Faculty, Staff and Student Diversity

Title	Unit	Recurring Funding	One-Time Funding
Faculty Diversity - Marker	Campus Financial Plan	\$ 1,000,000	\$ -
Faculty Diversity	College of Arts and Sciences	\$ -	\$ 5,000,000
Civic Engagement	Research and Economic Development	\$ -	\$ 300,000
Development of Diversity Initiatives	School of Engineering and Applied Sciences	\$ -	\$ 945,000
Pathway to Diversity (Bridge to Faculty)	School of Public Health and Health Professions	\$ -	\$ 700,000

***Funding committed or provided outside the ARPP during 2022/23
(Emerging Needs)***

Title	Unit	One-Time Funding	Notes
Learning Sciences Start-Up	Graduate School of Education, College of Arts and Sciences, School of Architecture	\$ 750,000	Faculty start-up for cross-disciplinary program.
MRI Installation Cost Increase	Jacobs School of Medicine and Biomedical Sciences / Research and Economic Development	\$ 93,782	Increased cost over base investment made in 21/22.
Security Access	Central University	\$ 250,000	Replacement of card access system and security cameras at CTRC.
External Audit of Practice Plans	Central University	\$ 185,000	
NYPA Loan Payoff	Finance and Administration	\$ 1,250,000	Early loan payoff saved approximately \$40K in interest.
Ellicott Welcome Center Cost Increase	Campus Living	\$ 1,500,000	Cost increased to \$20.5M from initial estimate of \$17.4M. \$1.2M funded by Campus Living and \$400 saved through value engineering.
Lab Animals Facilities Master Plan Study	Research and Economic Development	\$ 500,000	Study to analyze the existing seven LAF facilities condition and space utilization.
Funding for New Faculty and Programs	School of Management	\$ 9,600,000	To support new dean's strategic goals.

Budget Model

1. Base Budget

A unit's base budget comprises the following:

- a combination of historical agreements between current and former Provosts and Deans.
- tuition revenue to support base enrollment.
- shares from tuition increases.
- investments to support unit and university special initiatives.

For July 1 budget implementation, the base budget is delivered to the unit in recurring state operating funds at the beginning of the fiscal year.

2. Enrollment and Tuition Revenue

Headcount targets for the next fiscal year are discussed in the fall through meetings with academic units led by the Vice Provost for Enrollment Management (EM), in collaboration with the Director for Resource Planning (RP) and the Associate Vice President and Director of Institutional Research (IR).

Enrollment Growth

Increased headcount can have a widespread effect on the university by increasing demand for campus housing, dining, classroom space, required classes, and more. Units are therefore required to work closely with the provost to implement plans for enrollment growth.

If an academic unit receives additional funding to support enrollment growth, funds are delivered in non-recurring state operating dollars the following year on August 15.

Considerations for Growing Enrollment

- Overall enrollment growth mix; university tuition revenue
- Impact on campus housing, dining, classroom space, College of Arts and Sciences classes, and UB Curriculum offerings
- Status of the university multi-year financial plan; overall financial health of the university

Tuition Revenue Target (academic units only)

The current budget model aligns unit targets with recent enrollment trends, distributes revenue to growing units, and calculates targets for all units in a consistent manner.

- Targets are reset annually based on a weighted three-year rolling average versus target in prior model based on a static single year.
 - 50% weight for the most recent year
 - 30% weight for the next year
 - 20% weight for the third year
- Targets differentiate graduate/professional tuition revenue from undergraduate tuition revenue. This is to offset the impact of Excelsior and

international student enrollment for undergraduates not controlled by the various schools.

- Grad/Professional (G/P) – uses gross tuition revenue as a metric to calculate G/P targets.
- Undergraduate (UG) – uses university-wide UG credit hour average values and UG credit hours to calculate UG targets.
- Tuition revenue shares are standardized at 70% for growth above target.
 - If a unit exceeds its tuition revenue target in a given year, the unit will receive their share the following year in non-recurring state operating funds. Units that do not meet their target in a given year continue to be subject to the Tuition Revenue Shortfall Assessment (TRSA) outlined below.

In order to continue to receive the same base budget each year, each unit need to meet its tuition revenue target. Base budgets will be adjusted at the beginning of the fiscal year in alignment with updated tuition revenue target. The change to base budget will be 70% of the change to the tuition revenue target.

The primary metric that determines the academic base budget is the tuition revenue target; however, total headcount (new and continuing) and total credit hours are important inputs that affect the tuition revenue outcome and therefore need to be managed. For example, a decrease in out-of-state headcount may lead to a decrease in tuition revenue.

If a unit does not meet its tuition revenue target in a given year, the unit will return money to the university the following year in non-recurring state operating funds. The amount returned to the university is determined by the extent the unit fell short of its tuition revenue target.

3. Tuition Revenue Shortfall Adjustment (TRSA)

Band*	TRSA %
>2%	0%
2% to >5%	40%
5% to >10%	60%
10%	80%

*Bands: The purpose of the bands is to recognize that a unit may be unable to anticipate enrollment fluctuations (in which case the risk is shared between the unit and the university), as well as the opportunity for a unit to make short-term adjustments to lessen the impact of unanticipated enrollment shortfalls.

Tuition Rate Increase Revenue (Academic Units only)

In a year in which there is a tuition rate increase, the additional revenue is distributed through the ARPP. The university focuses distribution of these funds to academic units meeting established metrics or other criteria or in response to requests made through an investment proposal. Through the ARPP, these funds can also support special initiatives and academic infrastructure. Academic support units do not receive tuition revenue share, although these units continue to have an opportunity to discuss budget needs as part of the ARPP.

Summer Session Budget Model

The summer budget model mirrors the academic year model. Summer session revenue does not count in fall/spring total and does not generate state operating funds. Summer tuition shares are delivered in SUTRA funds.

The costs of offering summer session courses are expected by SUNY to be funded from tuition revenues earned in those courses or from other institutional revenues. The university must also fund the indirect costs from tuition revenues or other institutional sources. For 2023/24, SUNY assesses a 29.7% flat tax on gross summer session revenue to fund fringe benefit costs incurred by faculty.

Winter Session Budget Model

Units do not have winter tuition revenue targets. Effective winter 2022-23, the revenue share was updated to 70% to unit and 30% to central.

Winter session revenue does not count in fall/spring total and does not generate state operating funds. Winter tuition shares are delivered in SUTRA funds.

The costs of offering winter session courses are expected by SUNY to be funded from tuition revenues earned in those courses or from other institutional revenues. The university must also fund the indirect costs from tuition revenues or other institutional sources. For 2023/24, SUNY assesses a 29.7% flat tax on gross winter session revenue to fund fringe benefit costs incurred by faculty.

4. Fees

General University Service Fee (GUSF) – 13%

GUSF of 13% remains in effect and is charged on external revenue deposited into Income Fund Reimbursable (IFR), University at Buffalo Foundation (UBF), Research Foundation (RF), or Faculty Student Association (Campus Dining and Shops) accounts as outlined in the Disclosure of All Funds Policy.

Learn more about [General University Service Fee \(GUSF\)](#)

University Fees

University Fees represent all non-service center fees on campus. There are three distinct categories based on level of approval required.

- 1) **SUNY Board of Trustee Approved Fees** - University-wide fees paid by students as a condition of attendance. Examples include comprehensive fee, admission deposits, etc.
- 2) **SUNY Chancellor Approved Fees** - Mandatory student fees with set amounts assessed by all campuses due to a student's action or inaction, campus-specific fees for special services or campus-specific user fees. Examples include undergraduate application fees, music instrument rental, library fees and fines, etc.
- 3) **Campus Approved Fees** - Customer fees for services. Examples include non-credit bearing course fees, residence hall charges, etc.

Learn more about [University Fees](#)

Service Center Fees

Service centers provide services that support the internal operations of the university or can provide services to external users. Service center fees recover the cost of operations of the service center.

Learn more about [Service Center Fees](#)

Learn more about [Financial Management of Service Centers Policy](#)

Broad-Based Fees

Broad-based fees are generally charged to all enrolled students to finance discrete activities that benefit the student body, excluding those activities that are part of the core instructional program. During the ARPP, units have the opportunity to share five-year fee requests as well as information on the planned utilization of funds between mandates and strategic investments. The information provided will be considered during the preparation of the university's final request to SUNY for Broad-Based Fee rate increases.

Learn more about [Broad Based Fees](#)

Higher Education Price Index (HEPI)

The current fee policies state that “Annual Broad-Based Fee increases should be no greater than the Higher Education Price Index (HEPI) unless there is a compelling case.” For 2023/2024, assume the maximum annual broad-based fee weighted average HEPI percentage to be 3.6%.

Learn more about [Higher Education Price Index \(HEPI\)](#)

5. Campus Dining and Campus Living Rates

Campus dining rates and campus housing rates are evaluated on an annual basis and may be subject to adjustments. Senior leadership works with the Vice President for Student Life to review these rates amongst a student's total cost of attendance.

Learn more about [campus meal plans](#) and [campus housing costs](#)

6. Faculty & Staff

Negotiated Salary Increases

The university continues to advocate for New York State to fund state salary increases; however, there are currently no plans for state funding. Therefore, units are advised to assume salary increases will be unit-funded and factor these costs into their budgets. Units are advised to use Salary Increase Projections resources, provided to them as part of their resource planning process.

Fringe Benefits Rates

Fringe benefits are part of a regular employee's remuneration package that is not pay (*expressed as a percentage*), which may or may not be charged directly to an account. This includes payroll taxes, health insurance, retirement and other benefits. For State Operating accounts, these benefits are paid directly through the office of the State Controller and are not charged to campus accounts.

Learn more about [Fringe Rates](#)

Salary Recovery – 20%

The Salary Recovery Fee is a flat fee, charged at a rate of 20% on Salary Recovery funds deposited into Income Fund Reimbursable (IFR) accounts. These funds help to preserve research infrastructures, services, and faculty compensation. Salary recovery funds are considered core state support reimbursing the state for faculty member time spent conducting research.

Learn more about the [Salary Recovery Fee](#)

7. Indirect Cost Recovery (ICR) – 12%

Each year, a percentage of indirect costs recovered from sponsored projects is distributed to university entities based upon the affiliation and relative contributions of key personnel to project objectives. At the discretion of the Provost, ICR distribution may occur to other (non-academic) university entities. The current ICR distribution rate is 12%. Delivery of the 12% ICR distribution for the prior year occurs in August.

Learn more about [Indirect \(F&A\) Cost Recovery and Distribution policy](#)

8. Royalty and Patent Income

Central university funding for Royalty and Patent Income is part of the university Internal Financial Plan and is committed based on the recommendation and approval of the Provost, Vice President of Finance and Administration and President as part of the ARPP.

Unit Budget

1. Decanal Units (in millions)

	Sources	% of Total	Commitments	% of Total
College of Arts and Sciences	\$111	22.8%	\$116	25.5%
Graduate School of Education	\$18	3.6%	\$17	3.8%
Jacobs School of Medicine and Biomedical Sciences	\$117	23.9%	\$107	23.6%
School of Architecture and Planning	\$12	2.5%	\$10	2.3%
School of Dental Medicine	\$37	7.6%	\$35	7.8%
School of Engineering and Applied Sciences	\$80	16.3%	\$69	15.2%
School of Law	\$19	3.8%	\$17	3.8%
School of Management	\$37	7.5%	\$27	6.1%
School of Nursing	\$12	2.4%	\$11	2.5%
School of Pharmacy and Pharmaceutical Sciences	\$14	2.9%	\$15	3.4%
School of Public Health and Health Professions	\$22	4.6%	\$19	4.1%
School of Social Work	\$10	2.1%	\$9	2.0%
Grand Total	\$488	100.0%	\$454	100.0%

In the 2022/23 academic year, total revenue sources exceeded uses by \$34 million across all academic units.

2. Academic Support (in millions)

	Sources	% of Total	Commitments	% of Total
Chief Information Officer	\$43	12.2%	\$42	12.4%
Division of Athletics	\$30	8.6%	\$34	10.2%
Finance and Administration	\$68	19.6%	\$74	22.2%
Health Sciences	\$2	0.5%	\$2	0.6%
President	\$6	1.8%	\$6	1.7%
Provost	\$60	17.1%	\$57	17.0%
Research and Economic Development	\$28	8.1%	\$26	7.7%
Student Life	\$91	26.1%	\$72	21.5%
University Advancement	\$16	4.5%	\$17	5.1%
University Communications	\$5	1.5%	\$5	1.5%
Grand Total	\$350	100.0%	\$335	100.0%

In the 2022/23 academic year, total sources exceeded uses by \$15 million across all academic support units.

- Academic support units are necessary to the academic and research mission of the university. Some of the revenue is generated directly by these units.

Campus Financial Plan/Central University

	Sources	% of Total	Commitments	% of Total
Campus Financial Plan/Central University	\$67	100.0%	\$47	100.0%
Grand Total	\$67	100.0%	\$47	100.0%

Campus Financial Plan includes funding made available for investment through the ARPP. Central University includes funding for centrally managed areas including but not limited to the Merit Scholarship, University Utilities, and centrally managed Instructional Facilities budgets.

Academic support units include the following areas:

Chief Information Officer. Includes Enterprise Application Services; Information Technology (IT) Customer Services; Network & Communication Services; and other IT support.

Division of Athletics. Includes UB’s 16 Division I sports; various administrative and student athlete support areas; and Recreation and Intramurals.

Finance and Administration. Includes the Office of Finance & Administration; Business Services; Emergency Management; Human Resources; Parking & Transportation Services; Resource Planning; Sustainability; University Police; and University Facilities.

Health Sciences. Includes VP for Health Sciences and office of Interprofessional Education.

President. Includes the office of the President; Equity, Internal Audit, Diversity & Inclusion; Government & Community Relations; and University Events.

Provost. Includes office of the Provost; Academic Planning; Enrollment Management; Faculty Affairs; Inclusive Excellence; Institutional Analysis; International Education; Educational Affairs; Educational Opportunity Center; University Libraries; and University Shared Governance.

Research & Economic Development. Includes Sponsored Research Administration; Communities of Excellence; Research Advancement; Economic

Development; Animal Facilities; Research Compliance; and several centers and institutes.

Student Life. Includes Student Health & Wellness; Counseling Services; Dean of Students; and Campus Living.

University Advancement. Includes advancement teams for all academic units; Alumni Engagement; Philanthropy.

University Communications. Includes University Communications; Trademarks and Licensing; and university branding initiatives.

3. Funding Sources

The tables below note the common sources of funding to campus budgets and how those funds are used. Each unit is required to align their costs to the appropriate sources.

State Funds

Sources of Funds

State Tax	Tuition Revenue	Income Fund Reimbursable (IFR)	State Univ. Tuition Reimbursable (SUTRA)	Dorm Income Fund Reimbursable (DIFR)	Research Foundation (RF)	UB Foundation (UBF)
Appropriated by NYS Govt. Allocated to campus by SUNY	Student tuition payments	Student fee revenue External funds self-supporting programs	Students in Study Abroad, contract courses, etc.	Residence Hall rent revenue	Federal, state, private grants Indirect cost recovery earnings	Donor support On-campus apartment rent Clinic and other self-supporting program revenues

Uses of Funds

	State Tax	Tuition Revenue	IFR	SUTRA	DIFR	RF	UBF
Instructional Salary Expenses	X	X	X	X			
Non-Instructional Salary Expenses / Salary associated with fee revenue	X	X	X	X	X	X	X
Temporary Service Expense	X	X	X	X	X	X	X

Fringe Benefit Expense	NA	NA	63.95% on salary expenses	29.7% assessed on revenue	63.95% on salary expenses	Applicable fringe rate per appointment type	Actual fringe cost
Non-Salary Expense (e.g., contractual services, supplies, travel, prof fees, equipment)	X	X	X	X	X	X	X

State Operating

State Operating accounts are funded from state tax dollars and campus revenues from tuition and certain other sources. Units receive a state operating allocation as part of their base budget. Changes to unit state budget allocations are commonly the result of budget model implementation and strategic investments awarded through the annual resource planning process.

Income Fund Reimbursable (IFR)

IFR accounts are self-supporting accounts that track cash collections and matching expenditures associated with educational and related activities provided to students and other customers. An IFR account differs from a State Operating account in that it is supported by cash receipts. The source of the revenue determines whether the General University Service Fee will be assessed. The primary sources of revenue for IFR accounts include:

- Salary recovery (payment from Research Foundation grants for the salary and fringe benefits of individuals on the state payroll who work on sponsored programs)
- Fees, fines, deposits and rentals (course fees, parking, photocopying, rental of campus facilities, library fines, etc.)
- State grants and awards
- Continuing education programs.

State University Tuition Reimbursable (SUTRA)

State University Tuition Reimbursable Accounts funding is generated from self-supporting overseas programs, contract courses, summer and winter session tuition. Units receive summer session base budget and tuition revenue share via

commitments solidified through the ARPP process. SUTRA accounts operate similar to Income Fund Reimbursable (IFR) accounts.

Dormitory Income Fund Reimbursable (DIFR)

Dormitory Income Fund Reimbursable is a group of accounts that are self-supporting and used to administer residence hall room rental fees and charges. DIFR accounts operate similar to IFR accounts.

Research Foundation (RF)

Research Foundation accounts record research, instruction, training and economic development activities conducted under the direction of university faculty and staff and funded by organizations both external and internal to the university. There are two distinct types of RF accounts: Sponsored accounts and Non-Sponsored accounts.

Sponsored accounts are funded by sponsors external to the university and are used for programs of research, scholarly and creative activities, education and training, and public service.

Non-sponsored accounts are funded by indirect cost dollars. The university receives Indirect Cost funds as reimbursement for overhead costs associated with sponsored research. Indirect Costs, also known as Facilities and Administrative (F&A) costs or overhead costs, are real costs related to sponsored projects that are not easily attributable to individual projects. Examples include maintenance, security, heating, cooling, lighting, space, disposal of hazardous waste, secretarial support, the library, and cost of compliance with government regulations.

UB recovers the total direct costs and indirect (facilities and administrative (F&A)) costs for each sponsored award unless specifically prohibited or limited by the funding agency. Because indirect (F&A) costs cannot be readily assigned to a particular sponsored project or activity, they must be recovered from funding agencies through the application of the federally approved indirect (F&A) cost rates. When allowed by the sponsor, all proposals for external funding must include a budget request for indirect (F&A) costs using the appropriate federal rate.

Royalty Income*: Royalty income is realized from the commercialization of UB intellectual property. When UB intellectual property is licensed and generates royalty for UB, that royalty is shared with those who made the innovation, in accordance with the Royalty Distribution Policy. After paying the inventors' share

of royalty income, the remaining portion is shared across departments and schools of the inventors, as well as with the university. The department, school and university share of Research Foundation non-sponsored funds must be used to support scientific research or education.

**All royalty income designated to a campus allocated account MUST be utilized for the support of scientific research or education per the Bayh-Dole Act which governs intellectual property arising from federal government-funded research. Since the majority (if not all) of UB intellectual property (IP) arises from federal-funded research, all intellectual property is managed by Bayh-Dole Act.*

Learn more about the [Bayh-Dole Act](#)

Patent Income: Patent reimbursement funds support the UB Technology Transfer Office (TT), through the Vice President of Research and Economic Development (VPRED) in the Internal Financial Plan and recouped by the university through patent reimbursements.

UB Foundation (UBF)

Funds managed by UBF support and promote UB activities and programs. UBF accounts are funded primarily from gifts, endowed funds, grants and fee revenues.

Learn more about [UB Foundation funding sources](#)

Financial Section

Each year, UB provides an Overview of Financial Activities that is designed to provide UB's leadership with a comprehensive, high-level summary of financial information campus to assist with decision making.

- 1) **UB Financial Statements.** Annual financial statements for the fiscal year ending June 30. These unaudited financial statements are compiled based on State University of New York (SUNY) campus-level financial reports representing the operations for state and research foundation activities.
 - Audited financial statements for UB are included in the appendix to the Overview of Financial Activities.
- 2) **Supplemental Financial Activity Reporting.** Additional financial information including an overview of core operating activities and other key financial highlights.

View the current version of [UB's Financial Reporting](#)