



UNIVERSITY AT BUFFALO

A Window of Opportunity

**Faculty Senate
Executive Committee**

October 24, 2012



UB in 2012

A Window of Opportunity

- **NYSUNY 2020 - \$100M in new tuition revenue and state fund held harmless through 15/16**
- **The Buffalo \$1B Initiative**
- **A favorable SUNY state funding model**
- **A foundation of university strength preserved despite reductions**
- **UB can create an exciting plan of action in a changing world**

THE PLAN OF ACTION

- **Addresses internal and external challenges**
- **Gives strategic direction and tactical discipline**
- **Aligns resources to desired impact**
- **Moves beyond strength-building to local and national problem-solving**
- **Defines roles for all**

OPPORTUNITY AND CHALLENGE

The best response to both – answer the question:
What makes UB distinctive?

- Different ways of teaching
- Different ways of doing research
- Different ways of collaborating
- Different ways of engaging



- Attract better students
- Attract more funding
- Attract new sponsors
- Economic impact
- Engage the community in new ways



A New UB Brand

KEY BRIEFINGS I

The Opportunity

UB NYSUNY 2020 Objectives

- **Grow Ladder Faculty by 250**
- **Grow Research Expenditures by \$60M (40%)**
- **Increase UG Degree Attainment**
 - *4 Year graduation rate from 42 → 55%*
 - *6 Year graduation rate from 63 → 75%*
- **Move Medical School downtown**
- **Strengthen regional economic impact**

UB NYSUNY 2020

The Tools

- **The Tuition Program – 11/12 – 15/16**
 - *UG resident tuition increases - **\$300/year***
 - *Non-resident UG tuition increases – **10%/year***
 - *Grad/professional programs – **8%/year (on average)***
 - *\$100M Total Revenue*
- **Academic Excellence and Success Fee - \$75/year (all students)**
- **Medical School Relocation**
 - ***\$35M Challenge Grant***
 - ***\$215M Tax exempt bond financing***
 - ***\$50M Capital funds reappropriation***
 - *School pays debt service and **\$75M in cash/gifts***

BUFFALO INVESTMENT DEVELOPMENT PLAN “BILLION DOLLARS FOR BUFFALO (B4B)”

- **Governor Cuomo announced the B4B in 2012**
- **Fund key transformations building the regional economy**
 - *Private-sector jobs - #1 priority*
 - *5-1 match will be required*
 - *Sustainability plan releases funds*
 - *Public-private partnerships*
- **\$75 million capital allocation through March 31, 2013**



BILLION DOLLARS FOR BUFFALO (B4B)

Potential Strategies

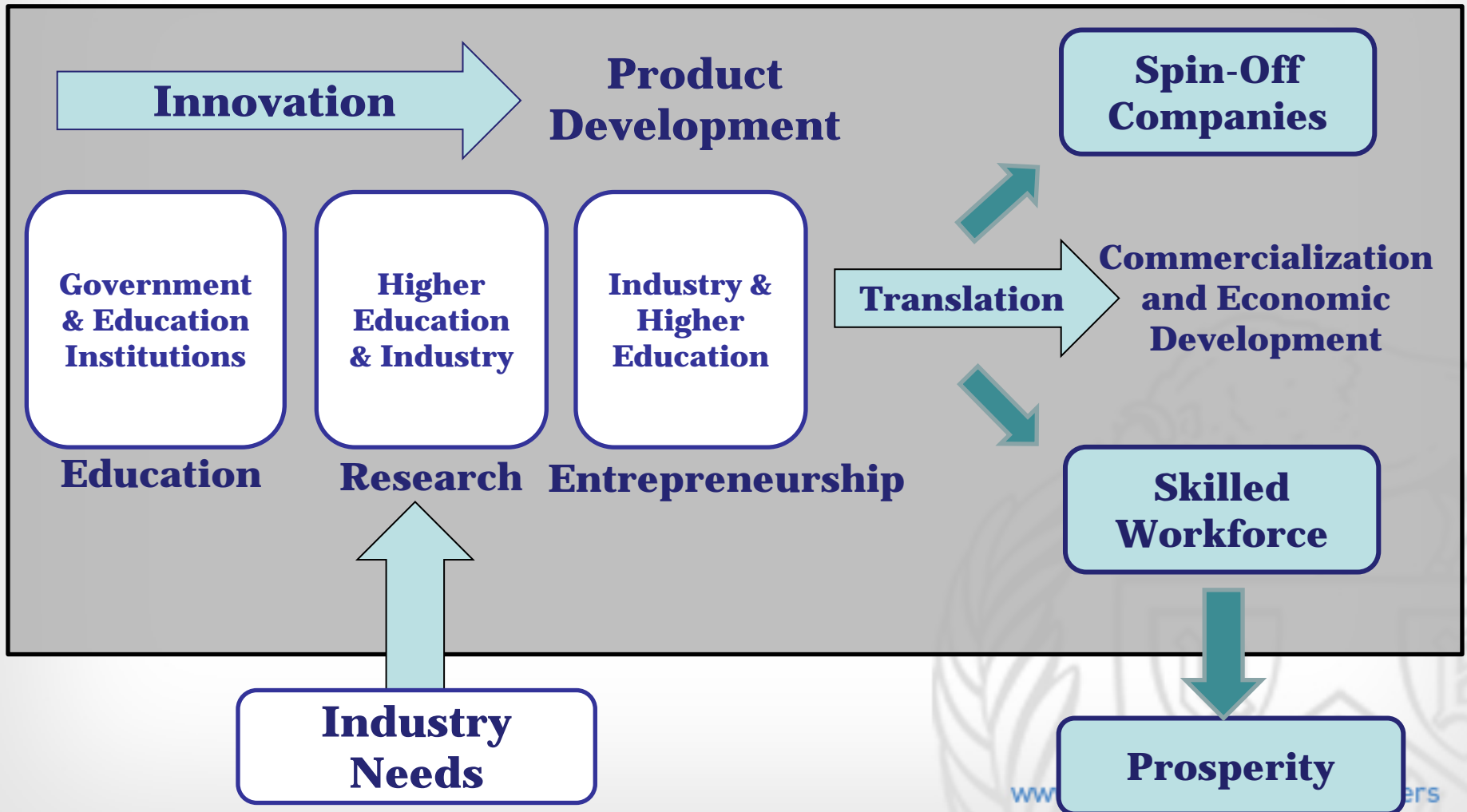
- **UB potential initiatives:**
 - *Healthcare*
 - Personalized Medicine
 - *Advanced Manufacturing*
 - Materials Sciences

- **UB is expected to play a role in other key enablers:**
 - *Workforce development*
 - *Innovation and entrepreneurship*
 - *Infrastructure*



BILLION DOLLARS FOR BUFFALO (B4B)

Develop an Entrepreneurship Ecosystem!



BILLION DOLLARS FOR BUFFALO (B4B)

Summary

- **Impact on UB's core research mission?**
- **Applied/clinical research in tenure/promotion process decision?**
- **IP ownership?**
- **Tech transfer?**
- **Metrics for success?**
- **Sharing of facilities?**

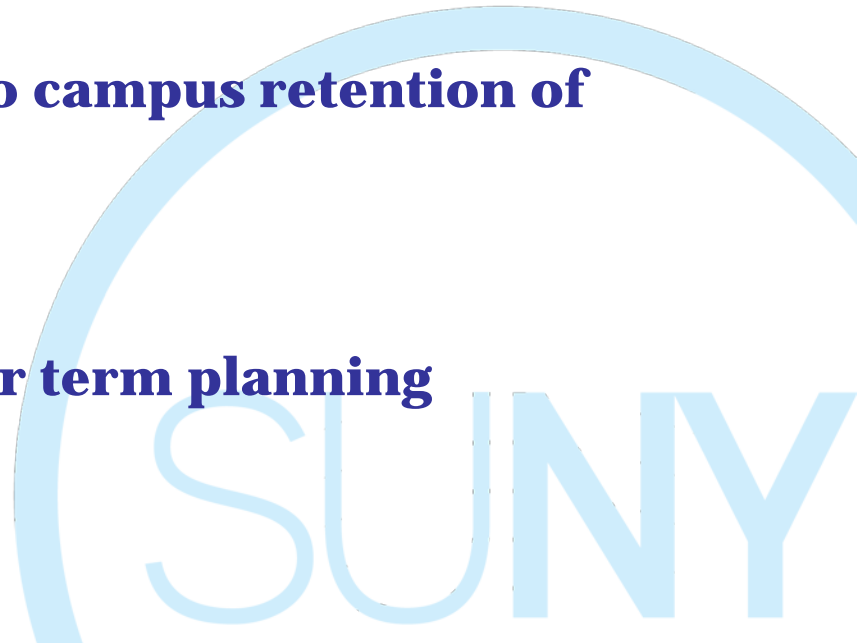




Resource Allocation Model

PRINCIPLES

- **Optimize the System's limited resources**
- **Responsive to strategic goals**
- **Acknowledge campus differences**
- **Sensitive to each campus (and to campus retention of tuition)**
- **Rational and data driven**
- **Predictable and useful for longer term planning**





ENROLLMENT: \$691M

- **Cost by enrollment level and discipline based on national study**
- **Different cost factors (Carnegie classifications)**
 - *Research*
 - *Doctoral*
 - *Comprehensive*
 - *Technology (Baccalaureate)*
- **Separate funding pools (distributions) by enrollment level**
 - *Undergraduate (UG)*
 - *Beginning Graduate (G1)*
 - *Advanced Graduate (G2)*
 - *First Professional (1st Pro)*
- **Strategic enrollment planning committee (SUNY)**
- **3 Year average – plan/actual (2 years)**



RESEARCH: \$70M

GOALS

- **Increase funding brought into the state that will support SUNY's role as the key driver for economic revitalization through research**
 - *All Indirect Recovery (70%)*
 - *SUNY Research Excellence Fund (10%)*
 - *Direct Allocation for CNSE (\$6.5M)*
 - *Per capita?*
- **Provide research support across all academic disciplines**
 - *Advanced Doctoral FTE (20%)*



GEOGRAPHIC: \$15M

- **Recognition of location pay:**
 - *Contractual obligation*
 - *Accurate, defensible, measurable*
 - *Major subcomponent of the Geographic Differential*
 - *Distribution consistent with current funding*
- **Other methods are very difficult to maintain, explain and verify; included arbitrary assumptions**

SUNY



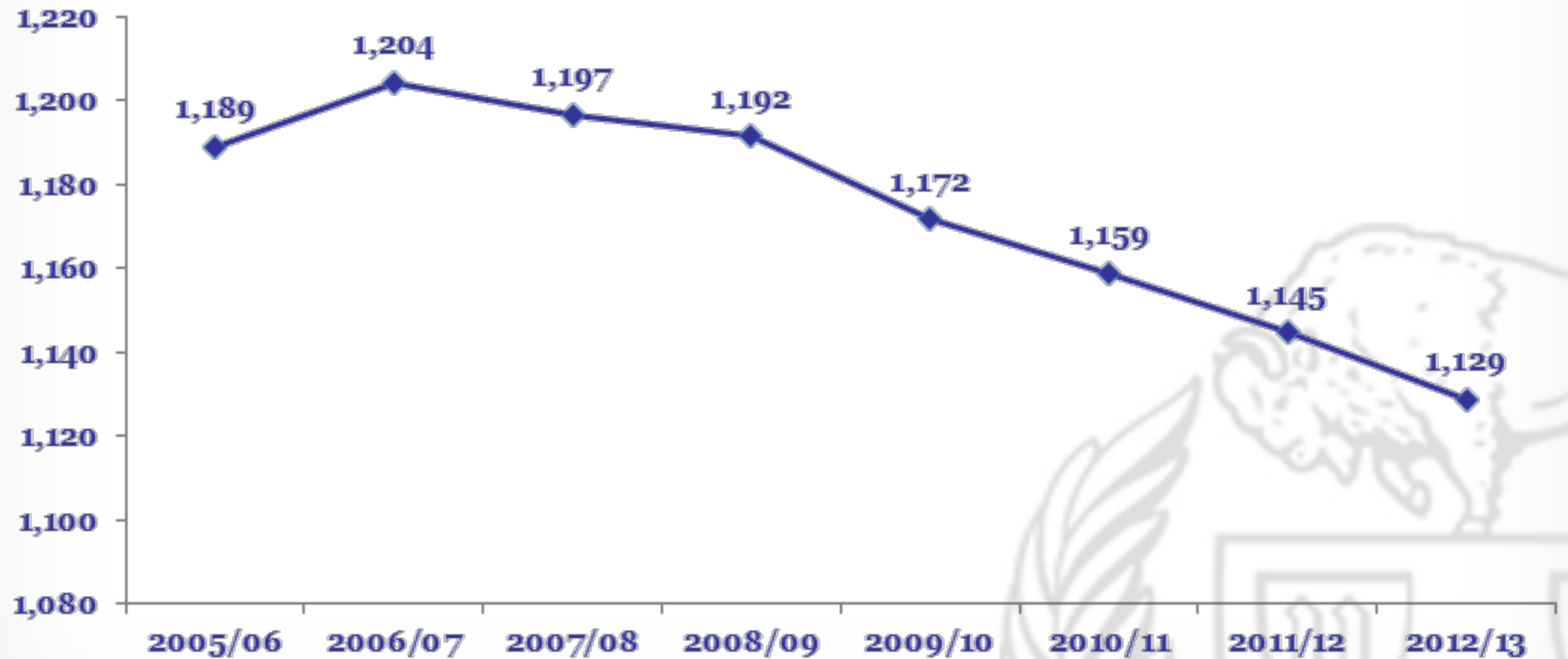
ACADEMIC MISSION ADJUSTMENTS: \$11M

- **Model includes:**
 - *ESF (40% of State Support, 25% of Financial Plan)*
 - *Maritime (20% of State Support, 7% of Financial Plan)*
- **Working with the campuses, the use of detailed cost of instruction data, Peer and National Cost Study will be used to justify final adjustments**
- **Long-term plans to reduce adjustments will be developed**

SUNY RESOURCE ALLOCATION

- **National peer university based method**
- **Transparent**
- **Incentivizes sound enrollment planning**
- **Incentivizes federal, full indirect cost bearing research**
- **UB adds multiple millions if we meet enrollment plan**

LADDER FACULTY FTE Including GFT 2005/06 – 2012/13



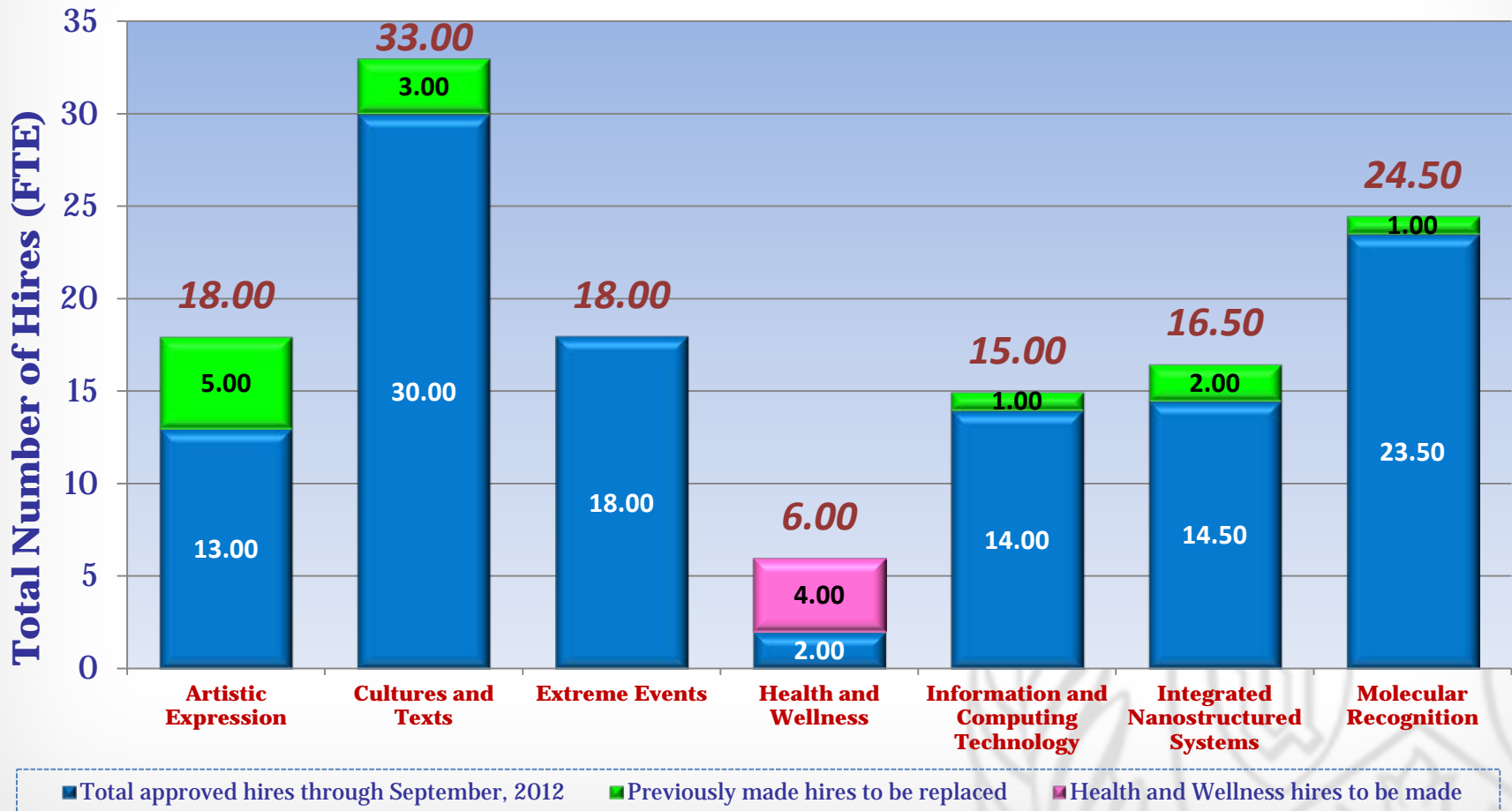
Note: 2012/13 figures are as of 9/26/12; all other years are as of November 1.

Ladder faculty including those faculty holding GFT appointments; FTE for GFT faculty is assumed to be 1.0 regardless of actual FTE listed on personnel systems.

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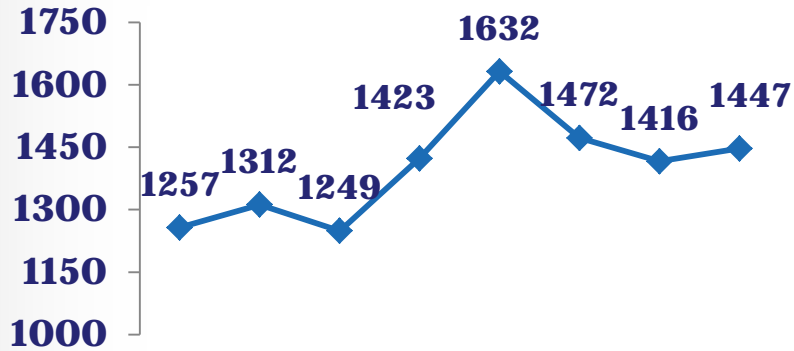
STRATEGIC STRENGTHS

Total Hires by Strategic Strength (FTE) (Unit & Central Combined)

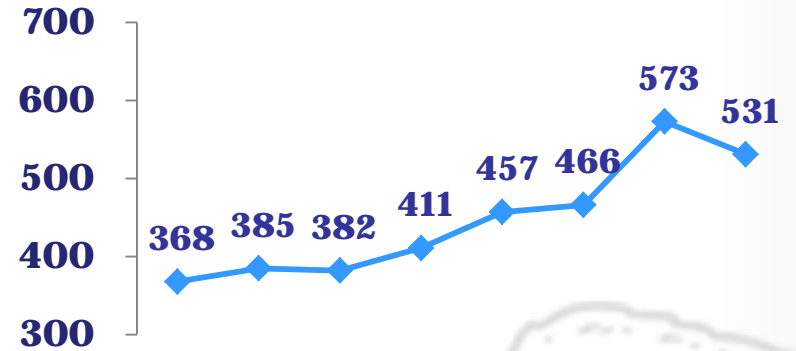


RESEARCH METRICS (2004/05 to 2011/12)

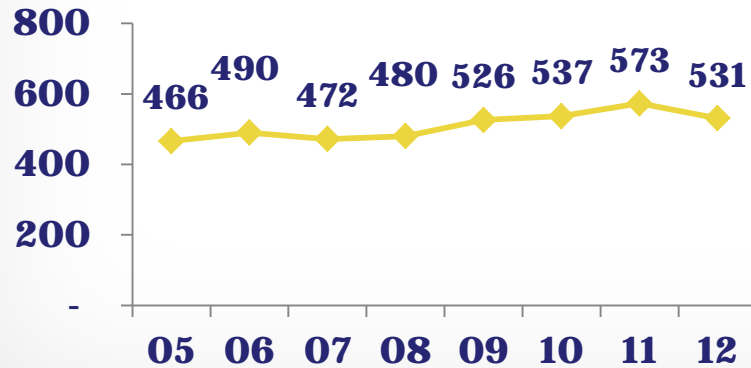
Number of Proposals



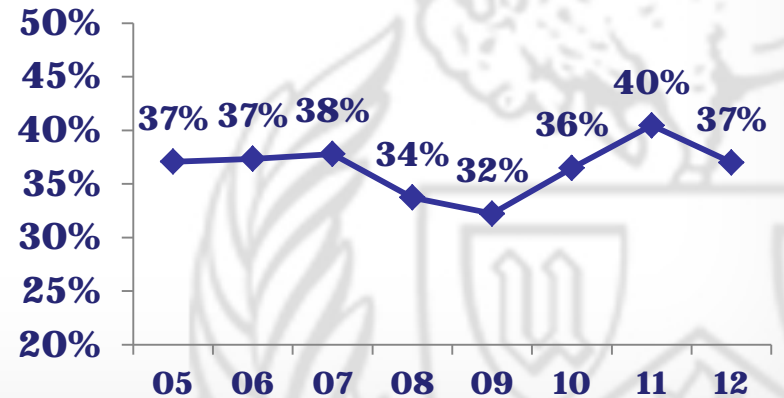
New Awards



Value of Proposals
(\$ in millions)

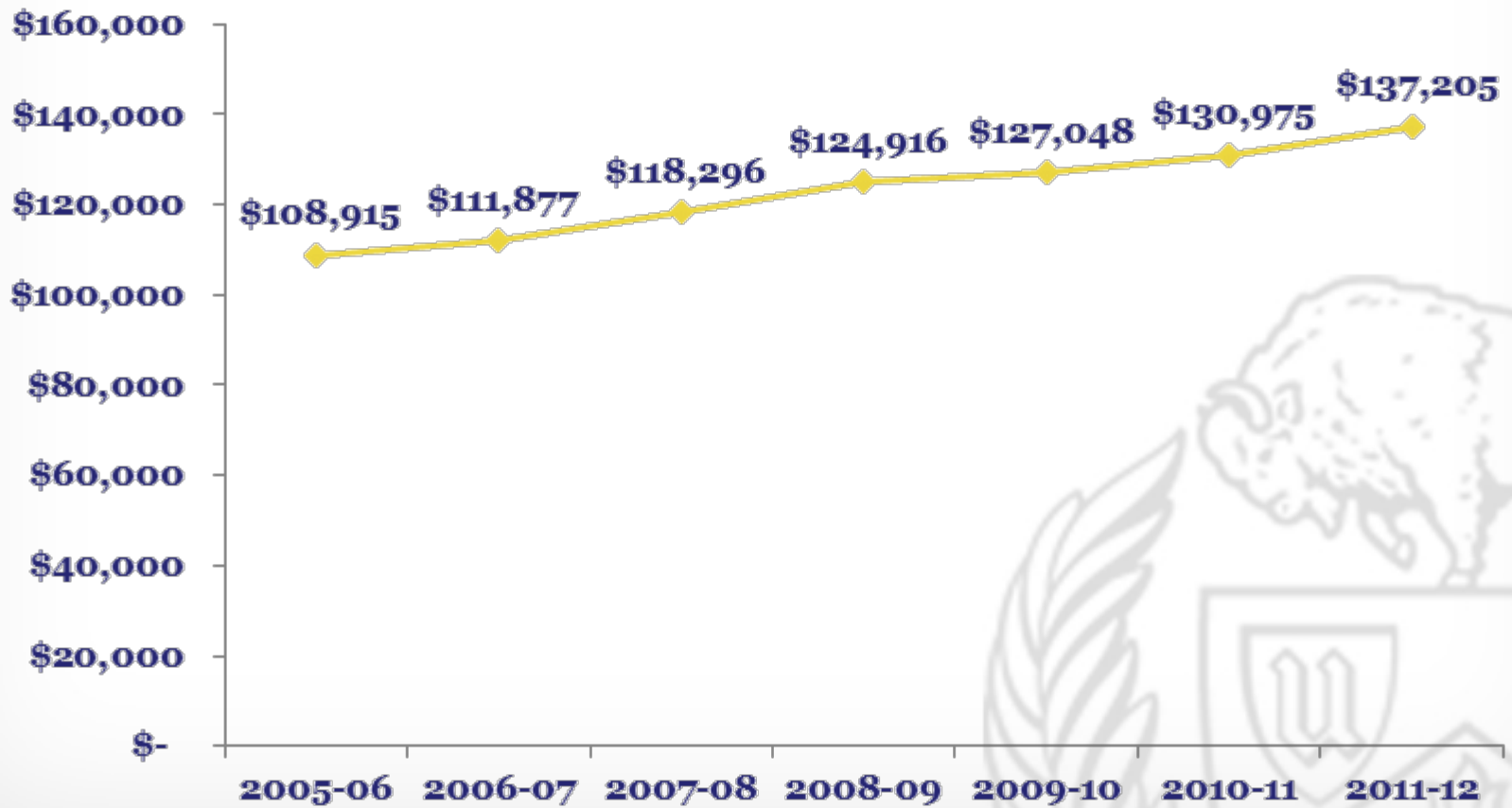


Award Conversion



KEY MEASURES

Grants and Contracts Expenditures per Faculty

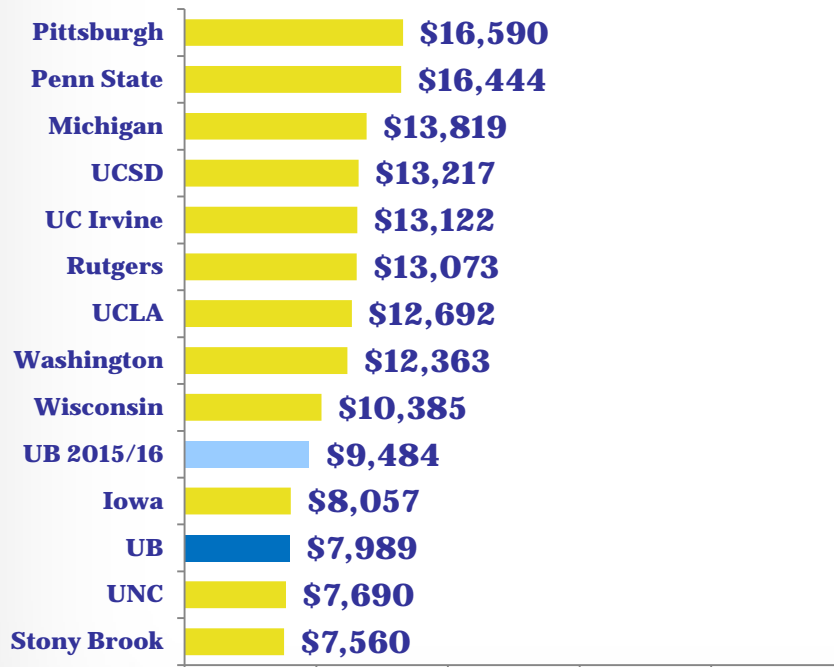


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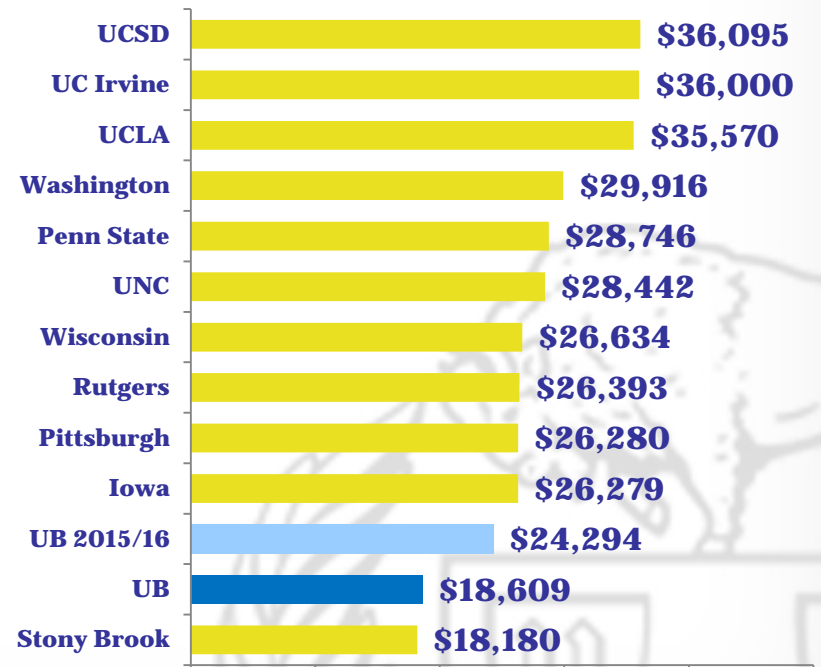


UNDERGRADUATE TUITION & FEES

Resident



Nonresident

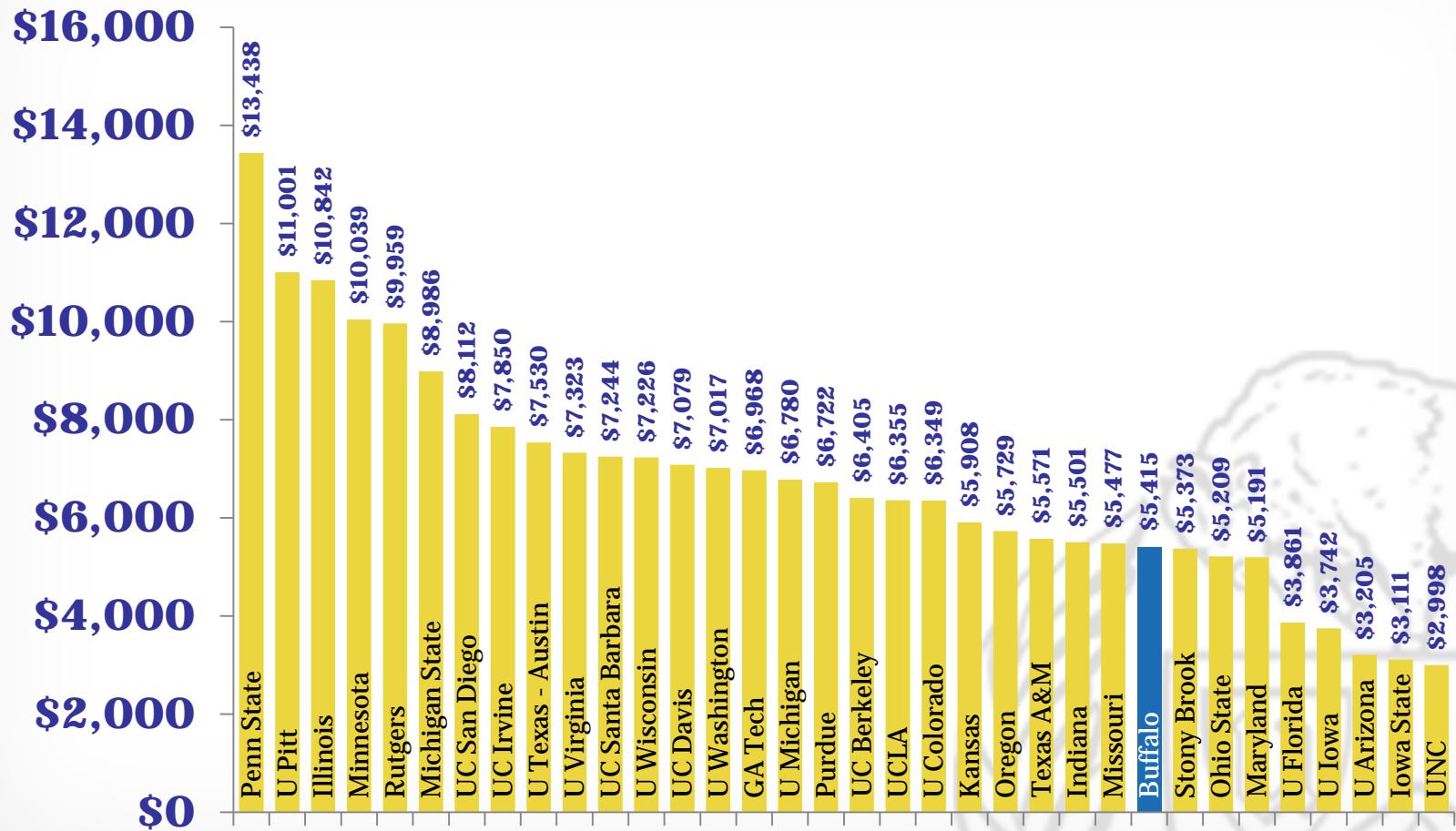


Source: AAUDE Tuition and Fees, 2012-13

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AVERAGE FRESHMAN NET PRICE

AAU Publics

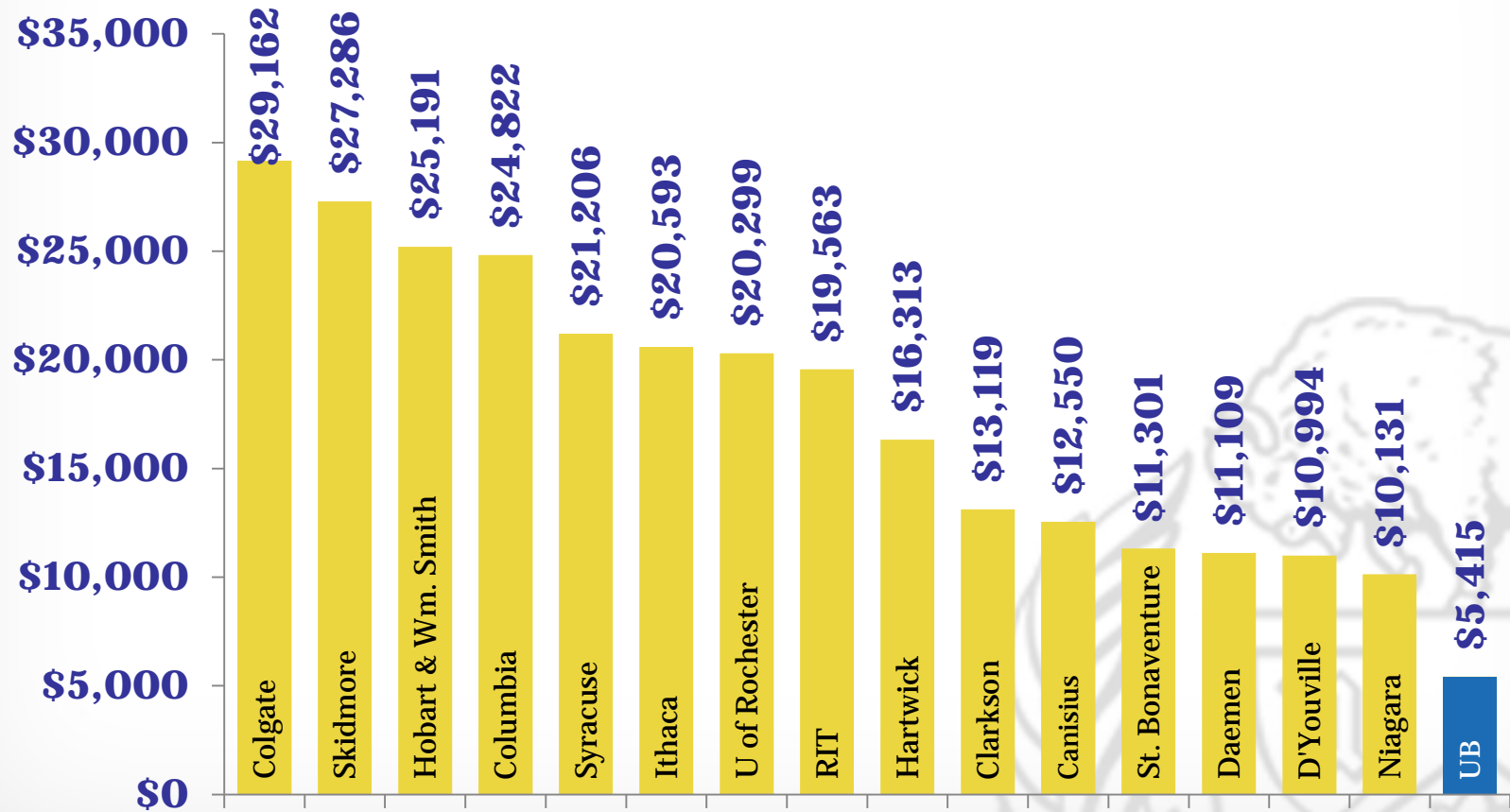


Source: Estimates based on IPEDS Financial Aid, 2010-11

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AVERAGE FRESHMAN NET PRICE

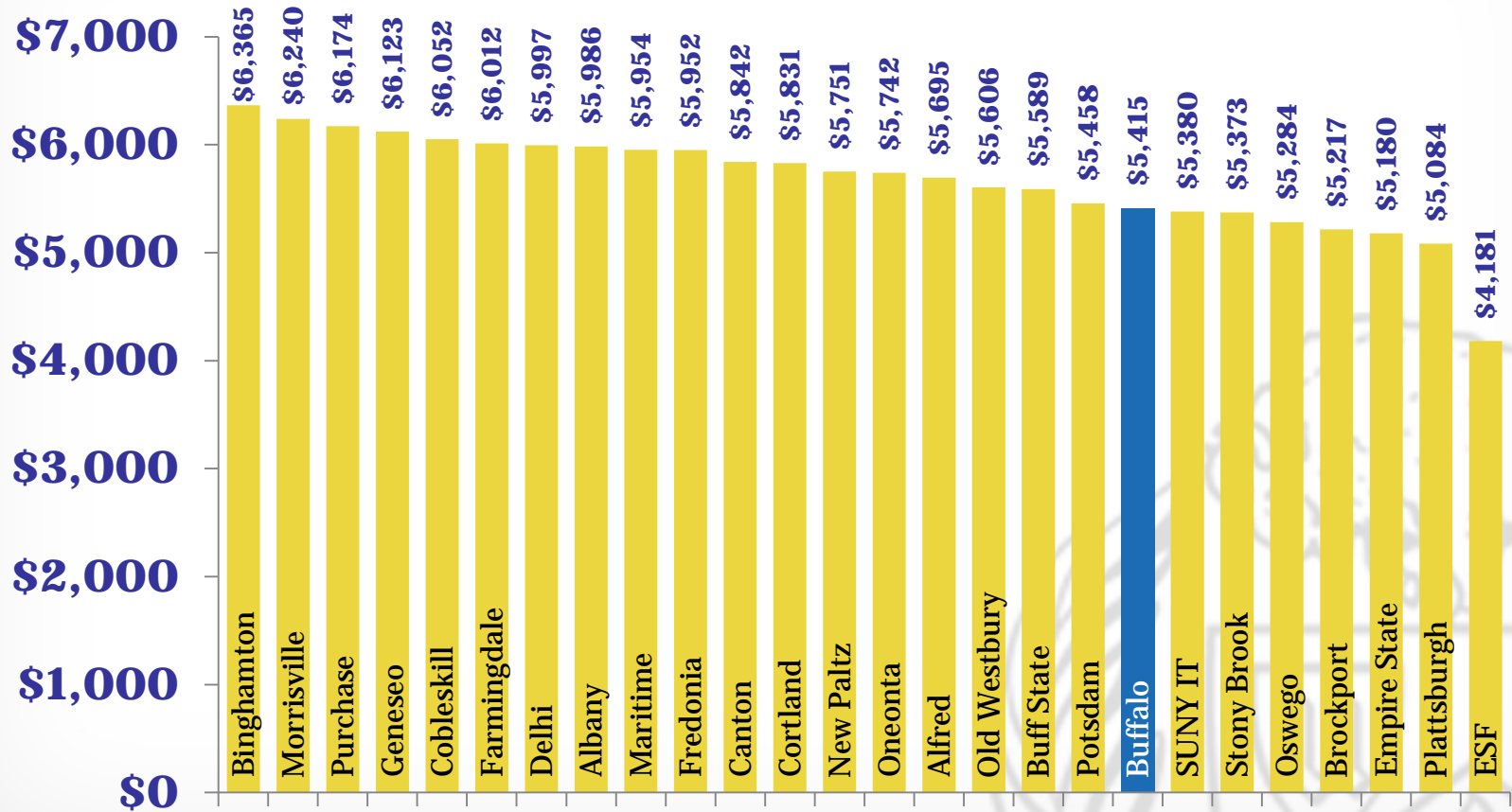
UB and NY Privates



Source: Estimates based on IPEDS Financial Aid, 2010-11

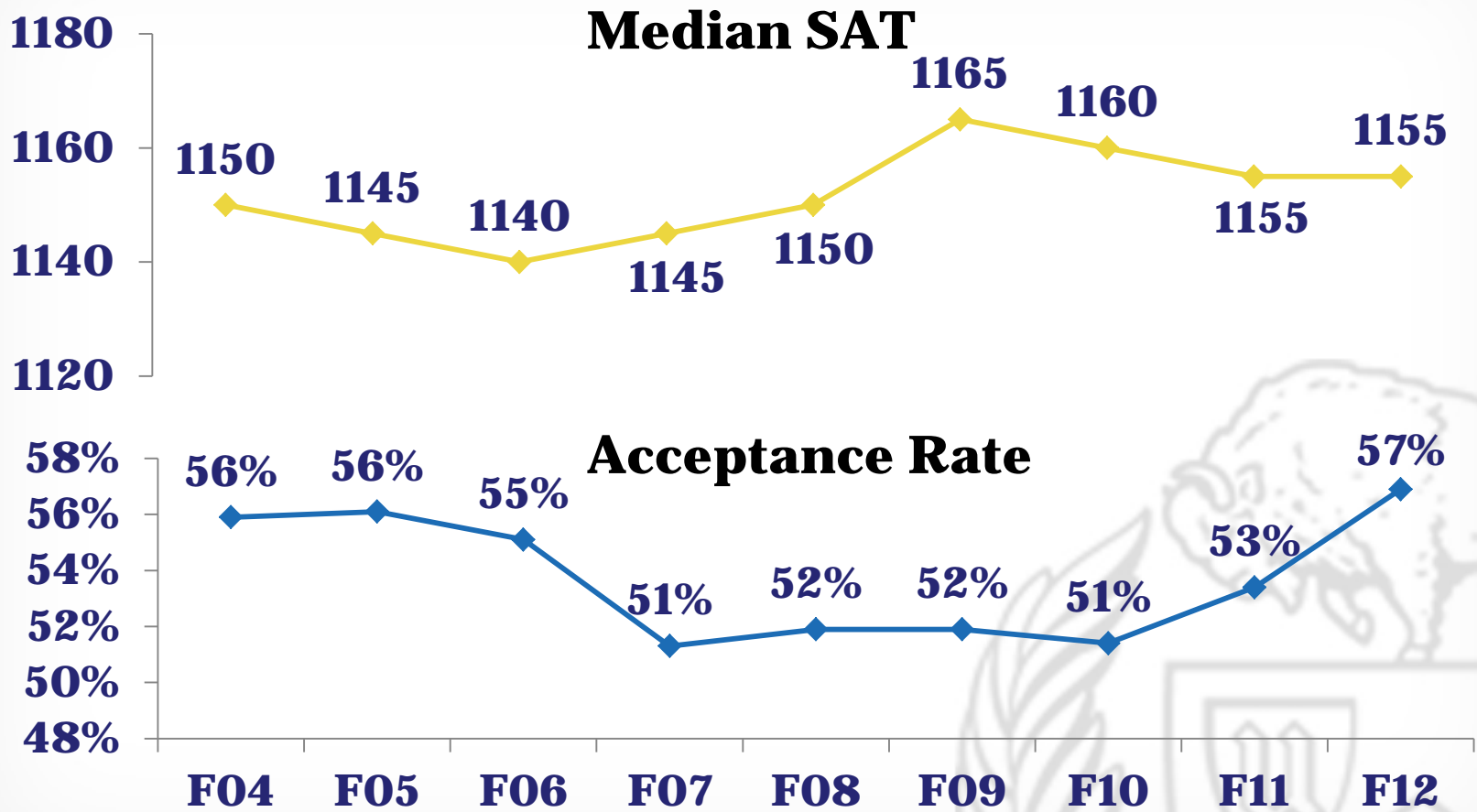
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AVERAGE FRESHMAN NET PRICE at SUNY institutions



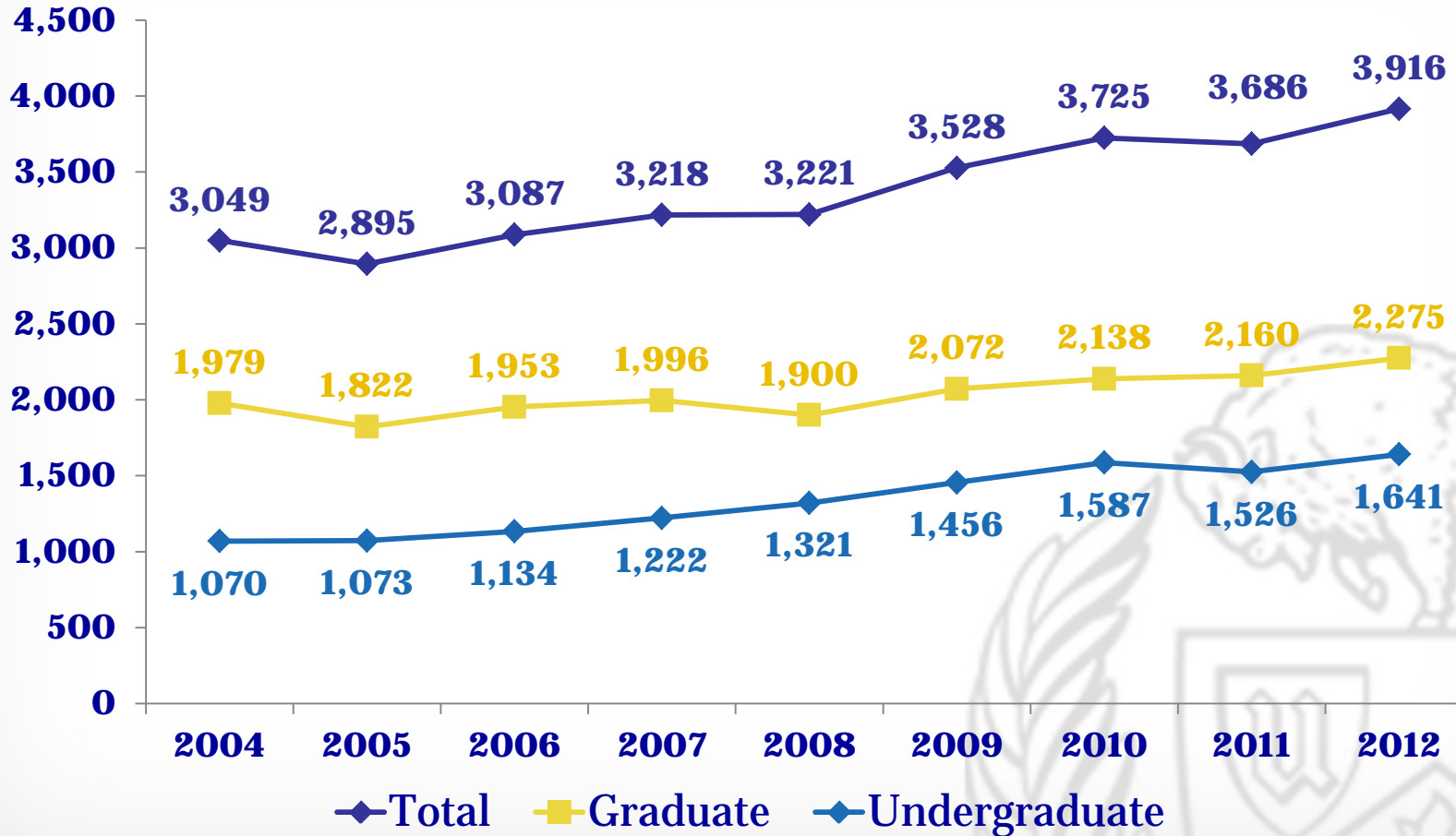
Source: Estimates based on IPEDS Financial Aid, 2010-11

FRESHMAN ENTRY COHORT QUALITY AND ACCEPTANCE RATE





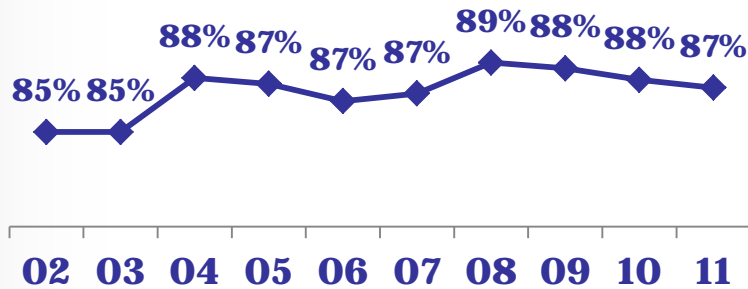
INTERNATIONAL ENROLLMENT (Regular Enrollment, F1 Visas Only)



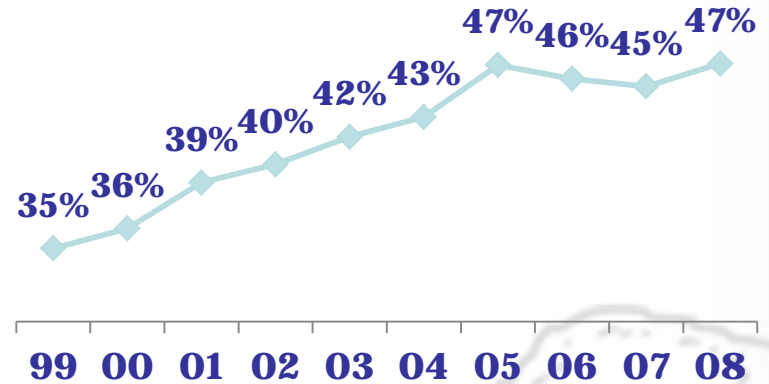
DEGREE ATTAINMENT

Undergraduate

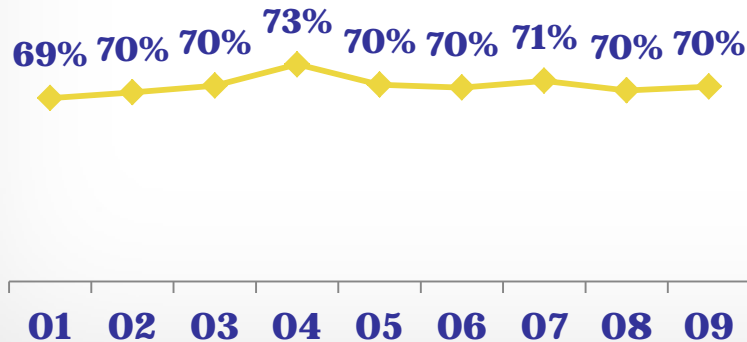
1st to 2nd Year Retention



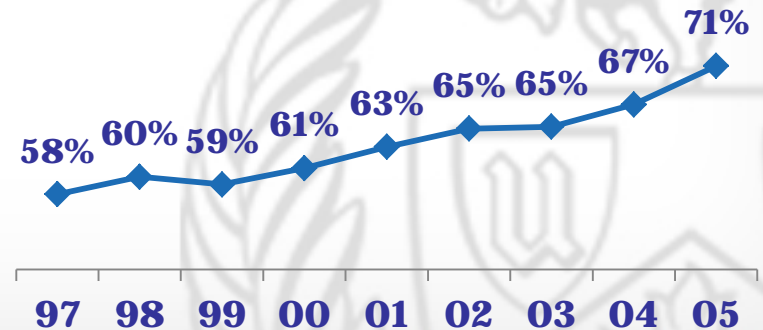
4-Year Graduation Rate



1st to 4th Year Retention



6-Year Graduation Rate

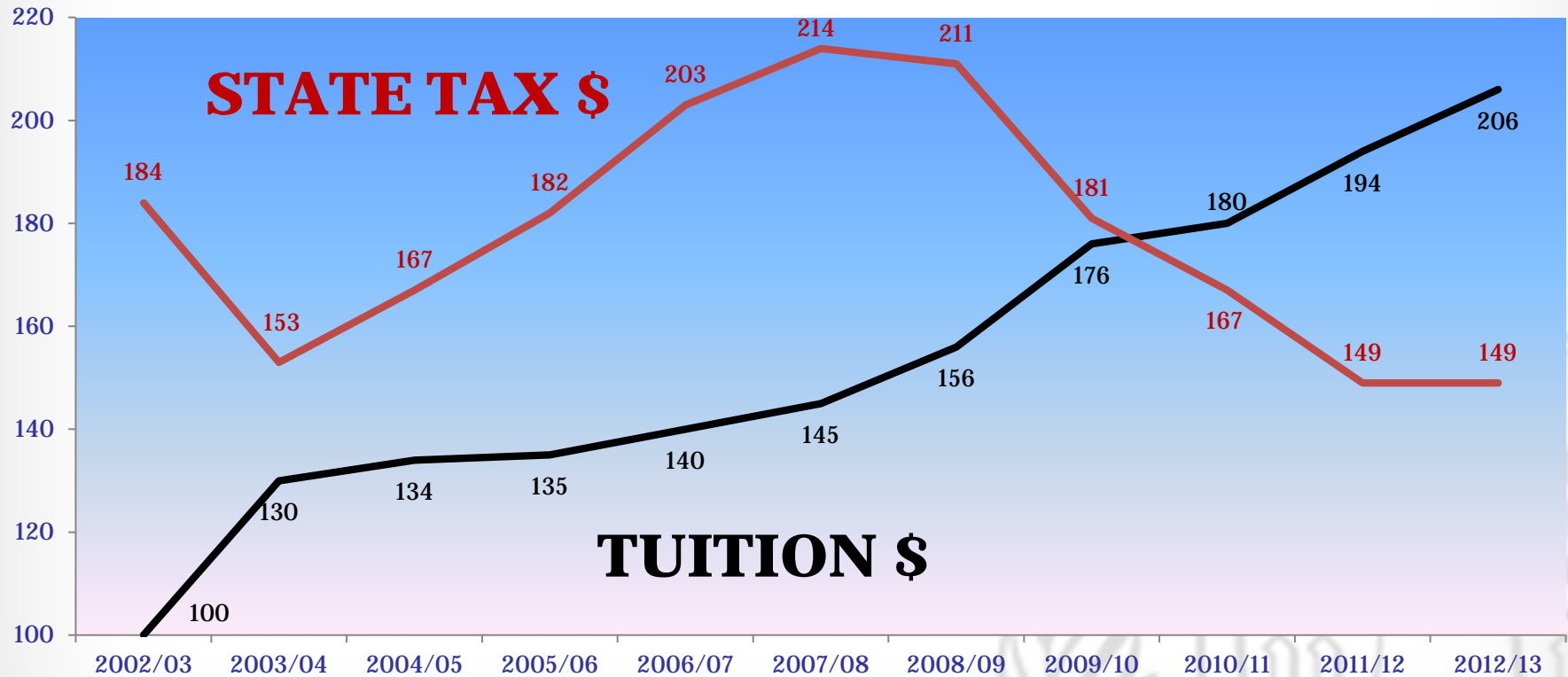


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FINANCIAL CONTEXT

State Tax Funds Plus UB Tuition Revenue

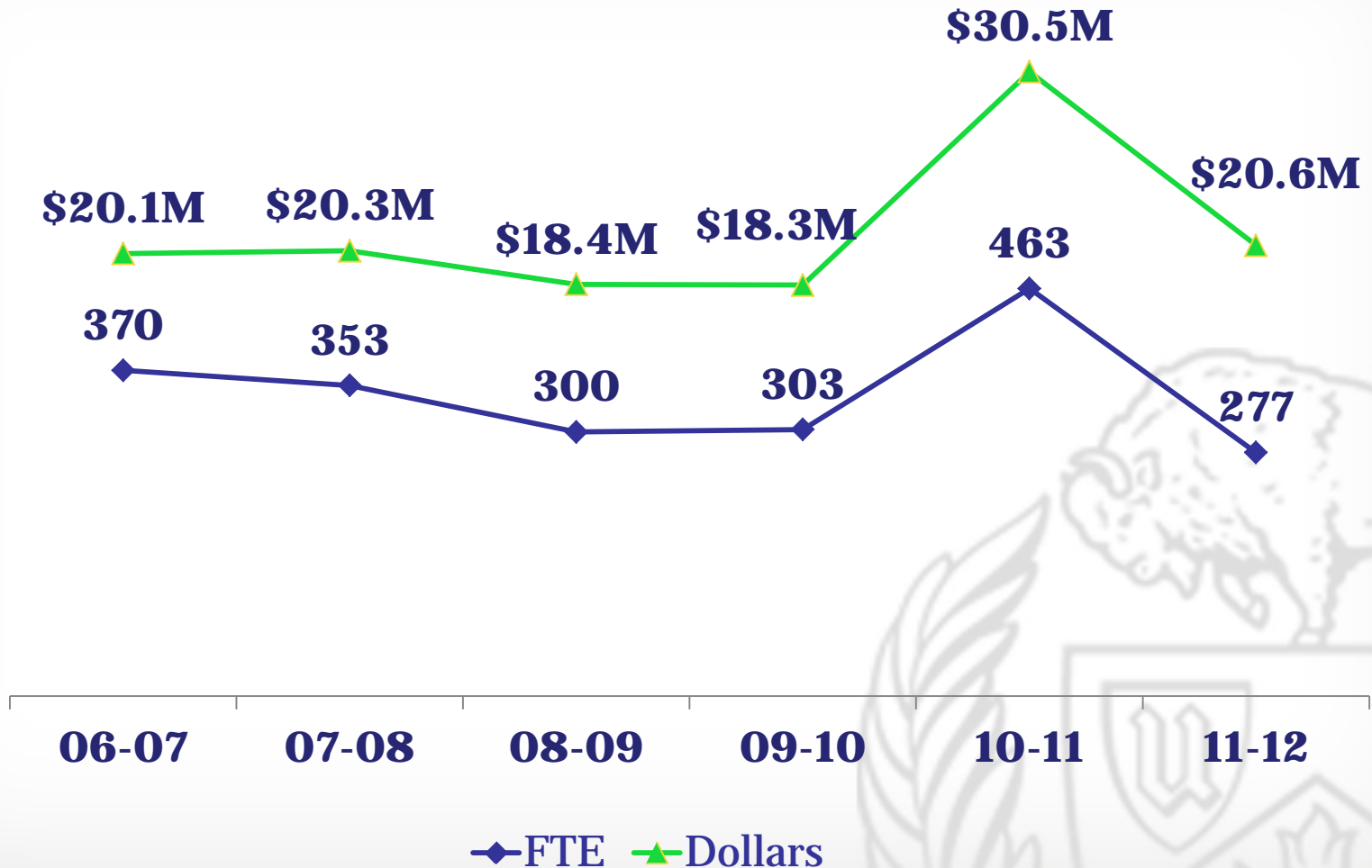
\$ in millions





FACULTY AND STAFF TURNOVER

State PSR Only



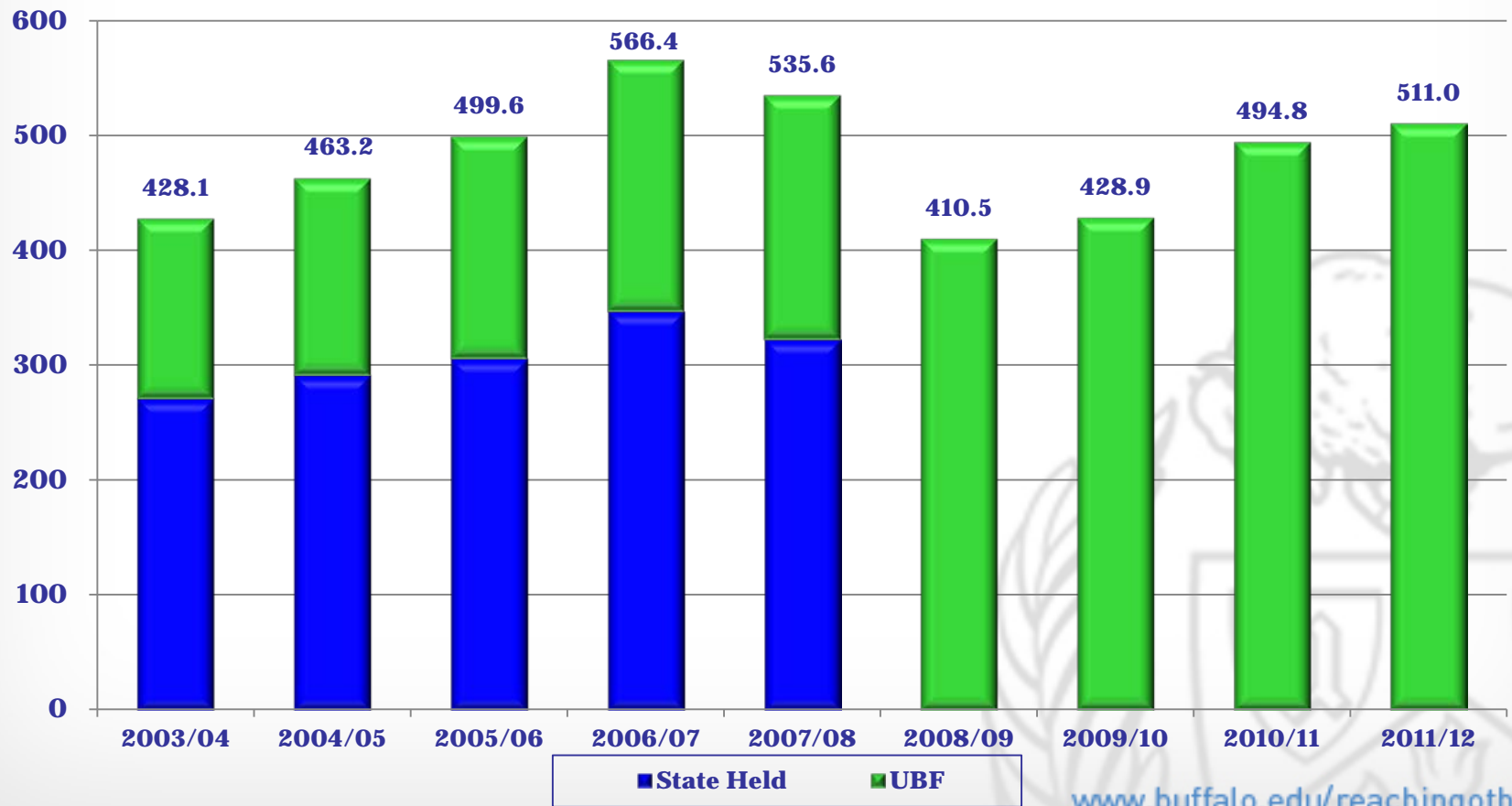
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FINANCIAL CONTEXT

Endowment Market Value

2003/04 – 2011/12

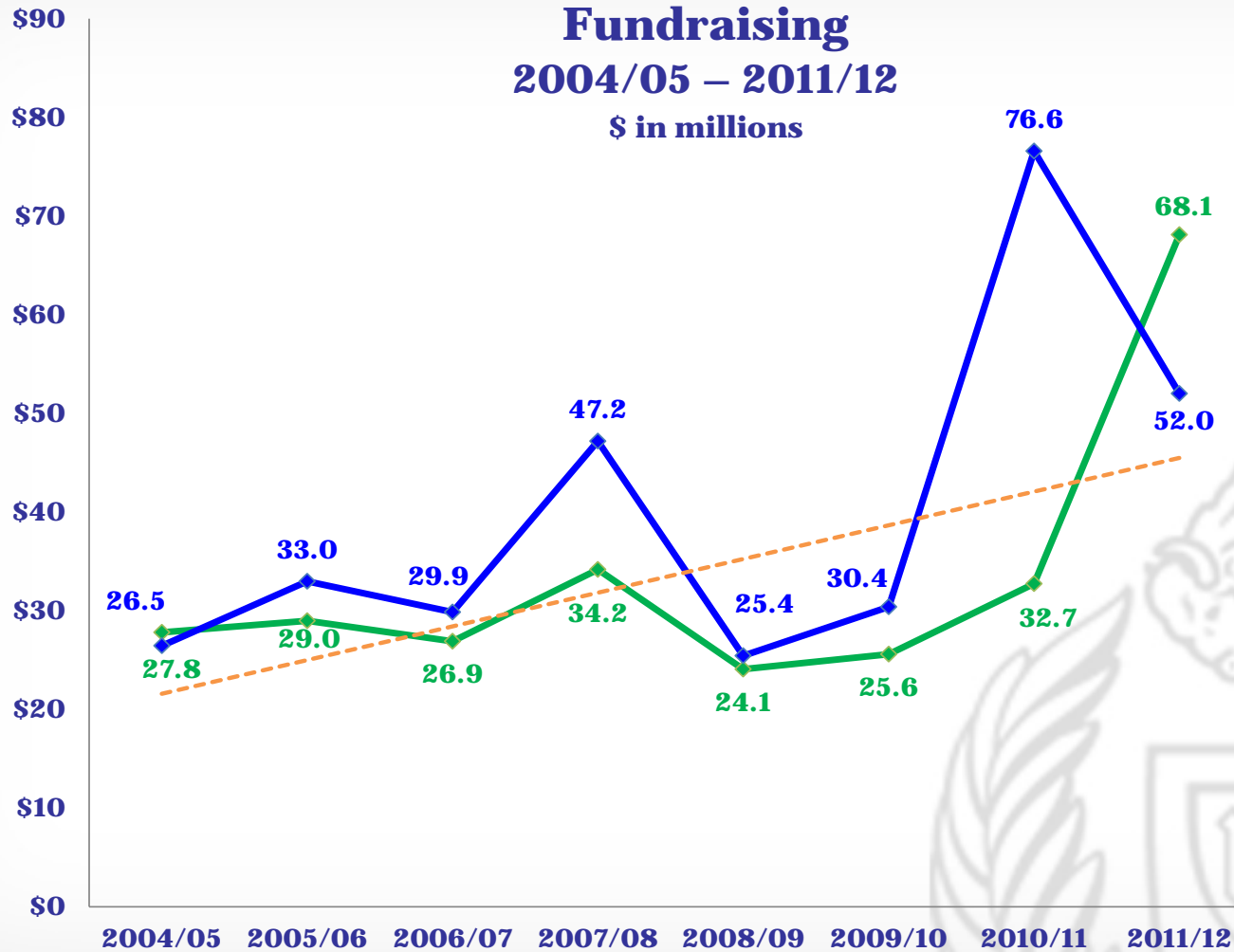
\$ in millions



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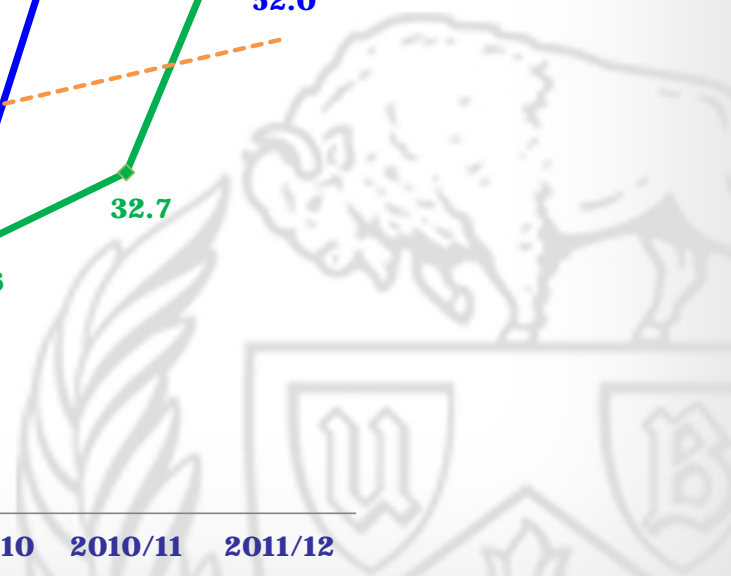
FINANCIAL CONTEXT

Fundraising 2004/05 – 2011/12 \$ in millions



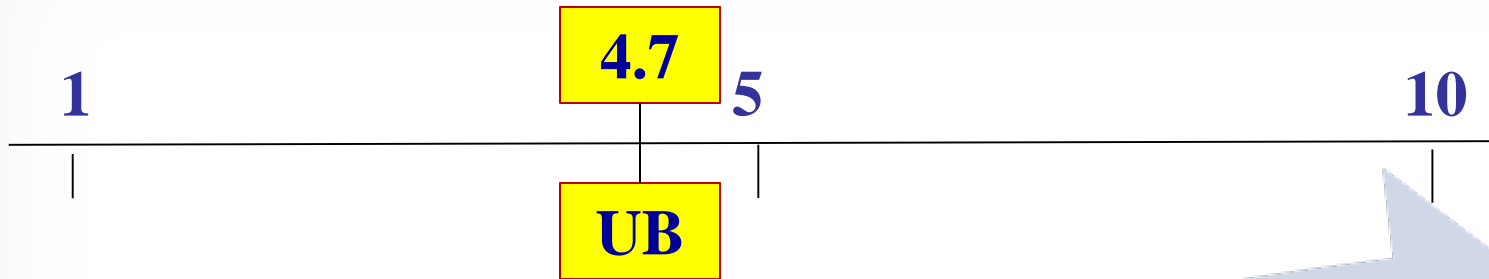
◆ Collections
 ◆ Commitments
 - - - Linear (Collections)

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COMPOSITE FINANCIAL INDEX

CFI Scale



Assess ability to survive - need to reengineer the institution

Direct resources to allow transformation to happen and focus on the future of institution

Allow new initiatives to take place, deploy additional resources to achieve highest goals

KEY BRIEFINGS II

The Challenges

CHALLENGES

- **Time to Start Thinking: America in the Age of Descent**
- **The Impact of the Internet**
- **NYS Top Level Policy Directions**
- **NY SUNY2020 Expectations**
- **Faculty Hiring Trends**
- **Research Growth Trends**
- **Other NY/SUNY**
- **Meeting Enrollment Goals**
- **Infrastructure Needs**



Time to Start Thinking: America in the Age of Descent

An Interview with Edward Luce

AMERICA IN DECLINE

- **Economic Decline – US % of global economy**
 - *31% - 2000*
 - *23.5% - 2012*
 - *17% - 2025*
- **Complacency and inaction**
 - *Top 0.01 families – 37% of growth since 2009*
 - *Shrinking core industries*
 - *Globalization/technology – fewer jobs*
 - *Hollowing of middle class*
 - *K-12 – no pathway to social mobility*
 - *Student indebtedness*
 - *Casinos – metaphor for intellectual bankruptcy*

REMEDIES AND LESSONS

- **Build economic competitiveness**
- **Fix K-12**
- **Maintain universal access to 12-16+ by managing educational costs**
- **Improve educational outcomes – reassert role and value of public higher education**

Time To Start Thinking: America in the Age of Descent Questions for UB

- **How to contribute to a national competitiveness agenda?**
- **How to help the K-12 problem?**
- **How to balance access and rising tuition?**
- **How to become more productive and cost-effective?**

PEW RESEARCH CENTER

Summary

- **New teaching methods**
- **Less uniformity in degree content**
- **Bricks replaced by clicks**
- **Collaborative education and peer to peer learning**
- **Competency credentialing and certification**
- **Degree customization will not be widespread, or will it?**

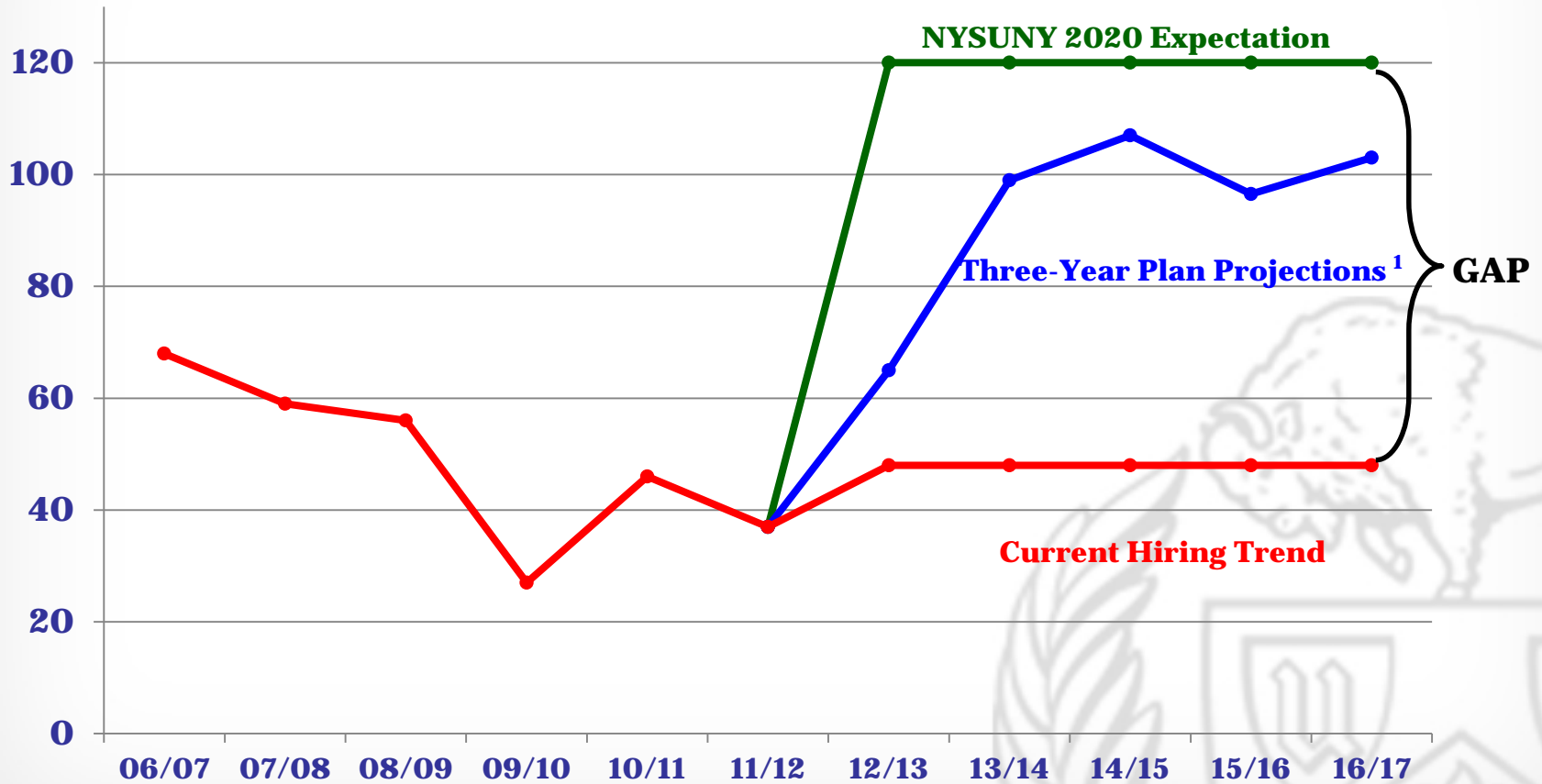
NEW YORK STATE

Top Level Policy Directions Impacting UB

- **Eliminate “marbleized” cost escalators**
 - *Collective bargaining agreements*
 - *Reduce debt financing – SUNY 25% of NYS capital budget (08-13)*
- **Economic development - REDC and the Buffalo \$1B**
- **NYSUNY 2020 expectations – impact on a political calendar**
- **Campus autonomy not on radar**

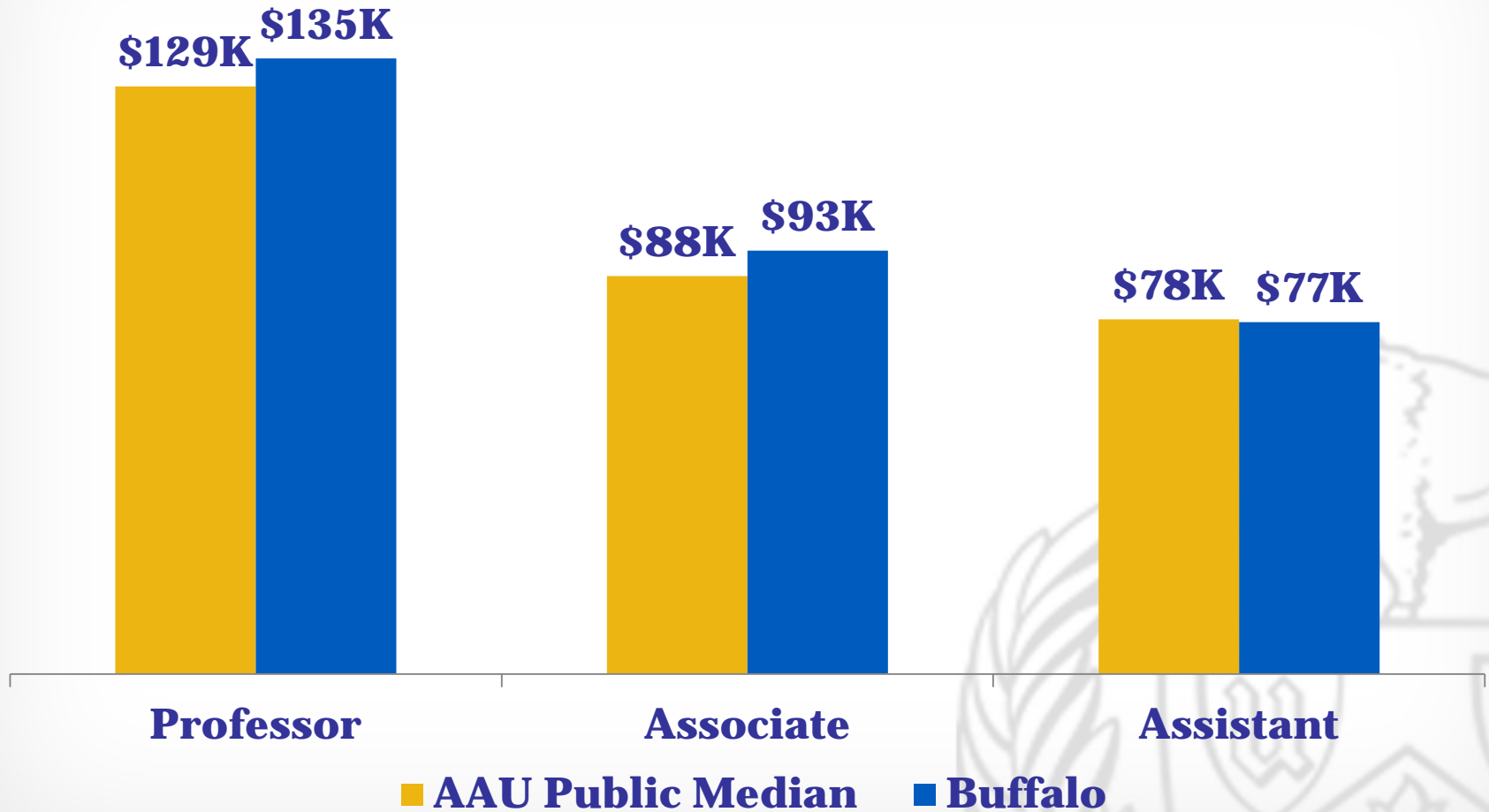
Faculty Hiring Trends

2006/07– 2016/17



¹ Three-Year Plan projections include hiring required to maintain current faculty levels.

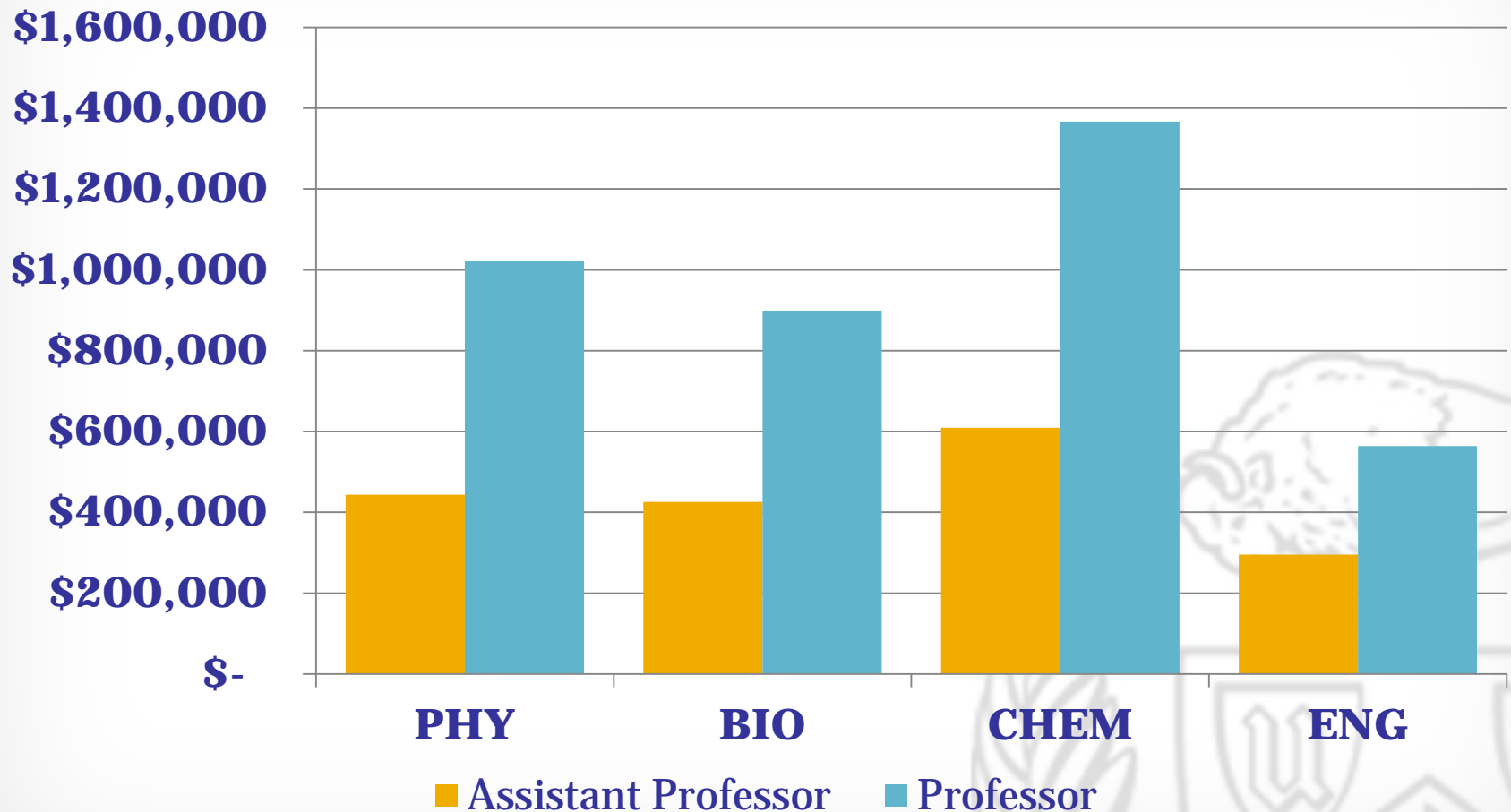
FACULTY SALARY COMPARISON



Source: IPEDS Faculty Salaries, Fall 2011

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STARTUP PACKAGES FOR SELECTED DISCIPLINES



Source: Ehrenberg, R. G., Rizzo, M. J., & Condie, S. S. (2003). *Start-up costs in American research universities* (CHERI Working Paper #33).
Adjusted to 2011 dollars using HEPI.

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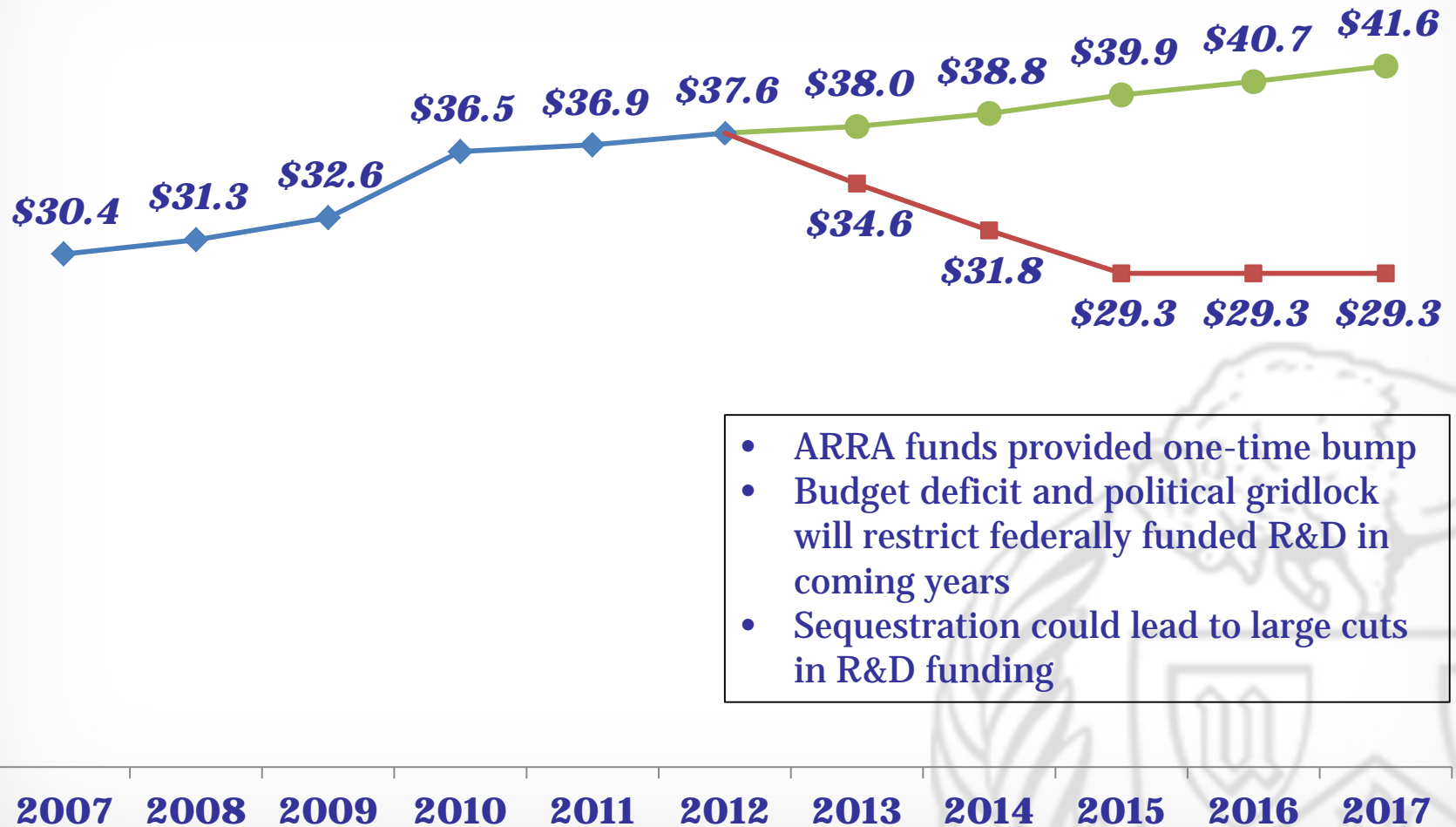
UB NYSUNY 2020

Faculty Hiring Summary

- **Strategic Strength Initiative has preserved strength**
- **Pace of hiring must increase**
- **New strategic paradigm and accelerated hiring process required**
- **Competitiveness in hiring needs further examination**
 - *Faculty salaries are competitive*
 - *Ability to pay start up costs depends on pace*
 - *Must study space use and need*
 - *Capital budget outcome critical*

FEDERAL R&D OUTLOOK

(\$ in billions)



- ARRA funds provided one-time bump
- Budget deficit and political gridlock will restrict federally funded R&D in coming years
- Sequestration could lead to large cuts in R&D funding

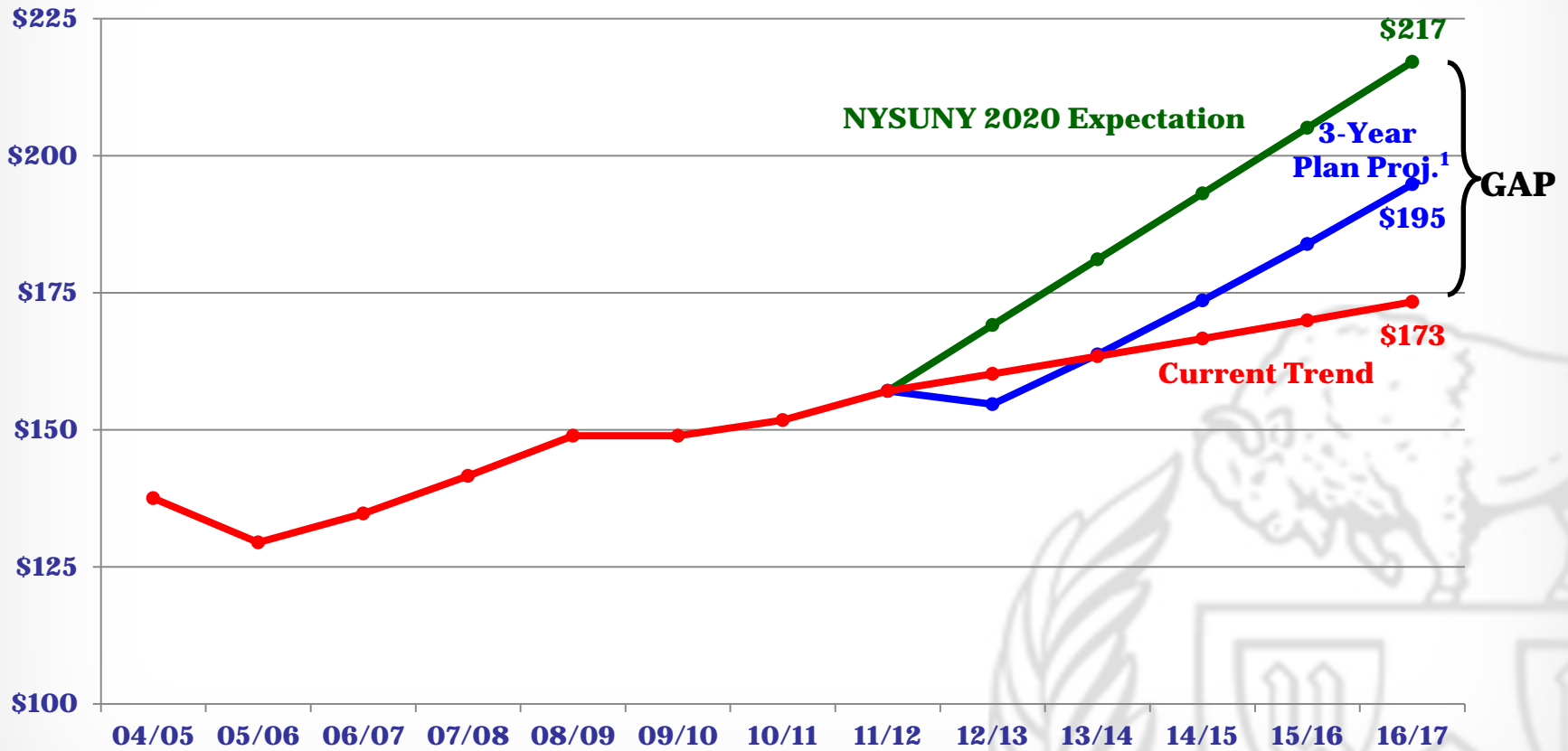
SUNY PROJECTIONS

Sponsored Program Revenue

	Actual	Projections	Projections	Projections	%
	2011	2013	2015	2017	Change
Federal	\$412	\$415	\$396	\$406	(1.4%)
Federal Flow Through	163	147	150	155	(4.9%)
State	187	155	107	109	(41.7%)
Private/Other	179	248	291	307	71.2%
	\$941	\$964	\$944	\$976	3.8%

NYSUNY 2020

Research Goals and Campus Plans



¹ Three-Year Plan projections are extended beyond the end of the plans at the average rate of growth between 2012/13 and 2014/15.

UB NYSUNY 2020

Research Growth Summary

- **Hiring success reduces teaching load**
- **Lag time from hire to funding**
- **Federal funding outlook – increased market share to stay still, much less grow**
- **New paradigm for research development?**

NYSUNY 2020

Other Issues

- **“Will” to increase tuition**
- **Actual vs. planned enrollment – revenue shortfalls**
- **Key infrastructure needs**



NYSUNY 2020, SUNY RESOURCE ALLOCATION and UB Enrollments

**Window of funding opportunity afforded by Governor and
the Chancellor
means that**

Achieving Enrollment Goals is Essential

Planned Tuition/Tax Revenue Growth



Funds for Faculty Hiring



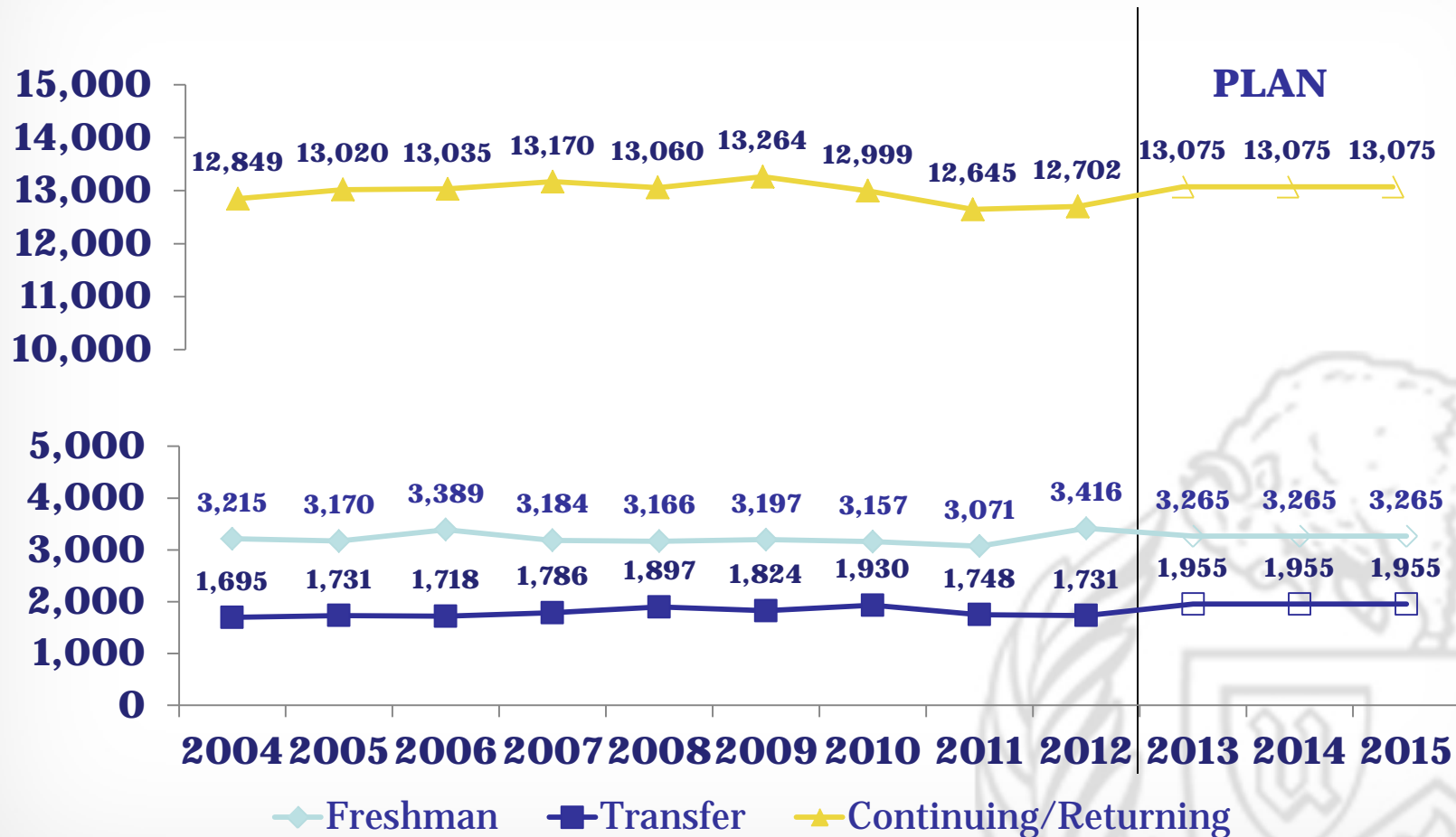
Research Expansion



Economic Impact

If we are not successful, the window will close

UNDERGRADUATE ENROLLMENT

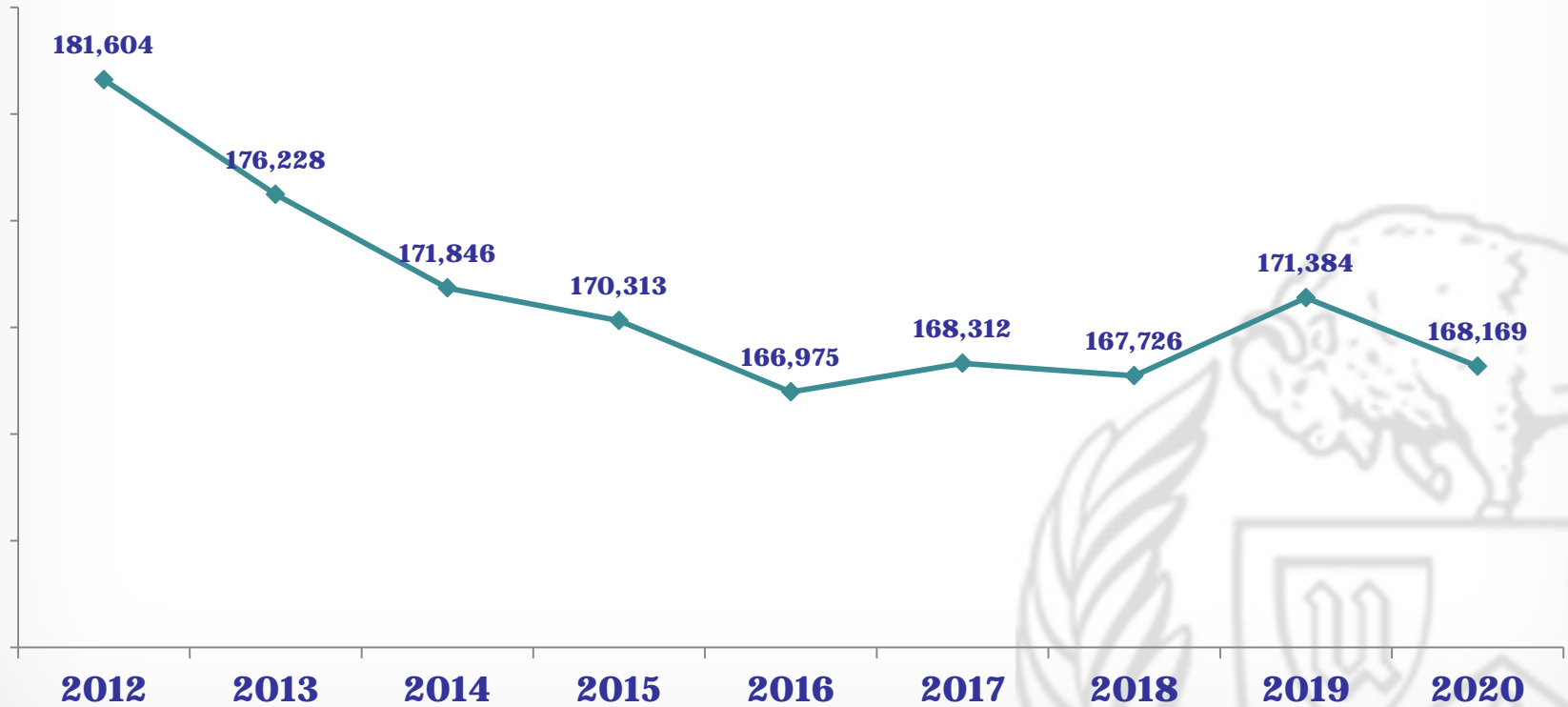


Source: Official Enrollment, includes full- and part-time regular enrollment.

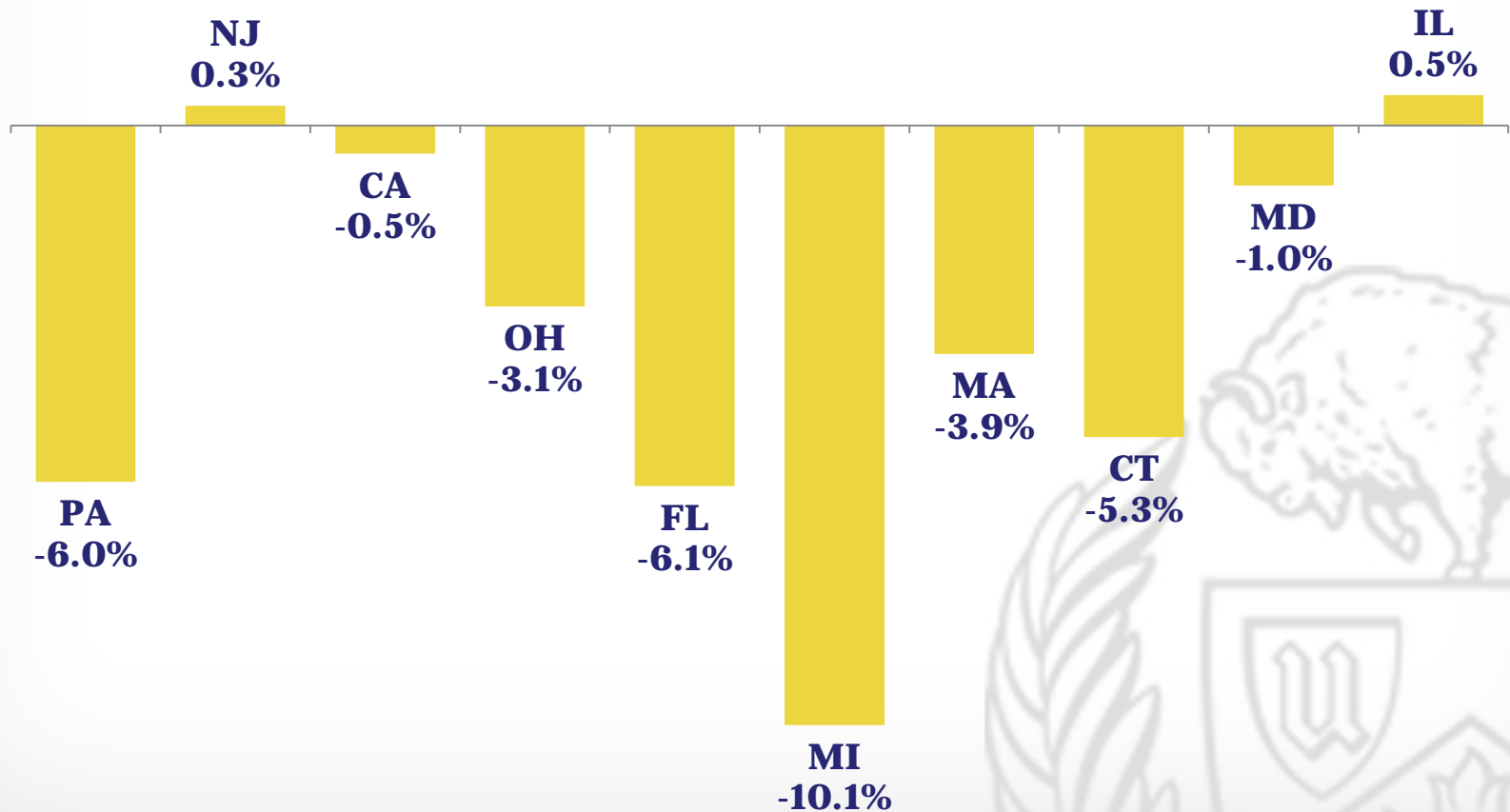
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PROJECTED NYS HIGH SCHOOL GRADUATES

High school graduates projected to decline ~7% through 2020

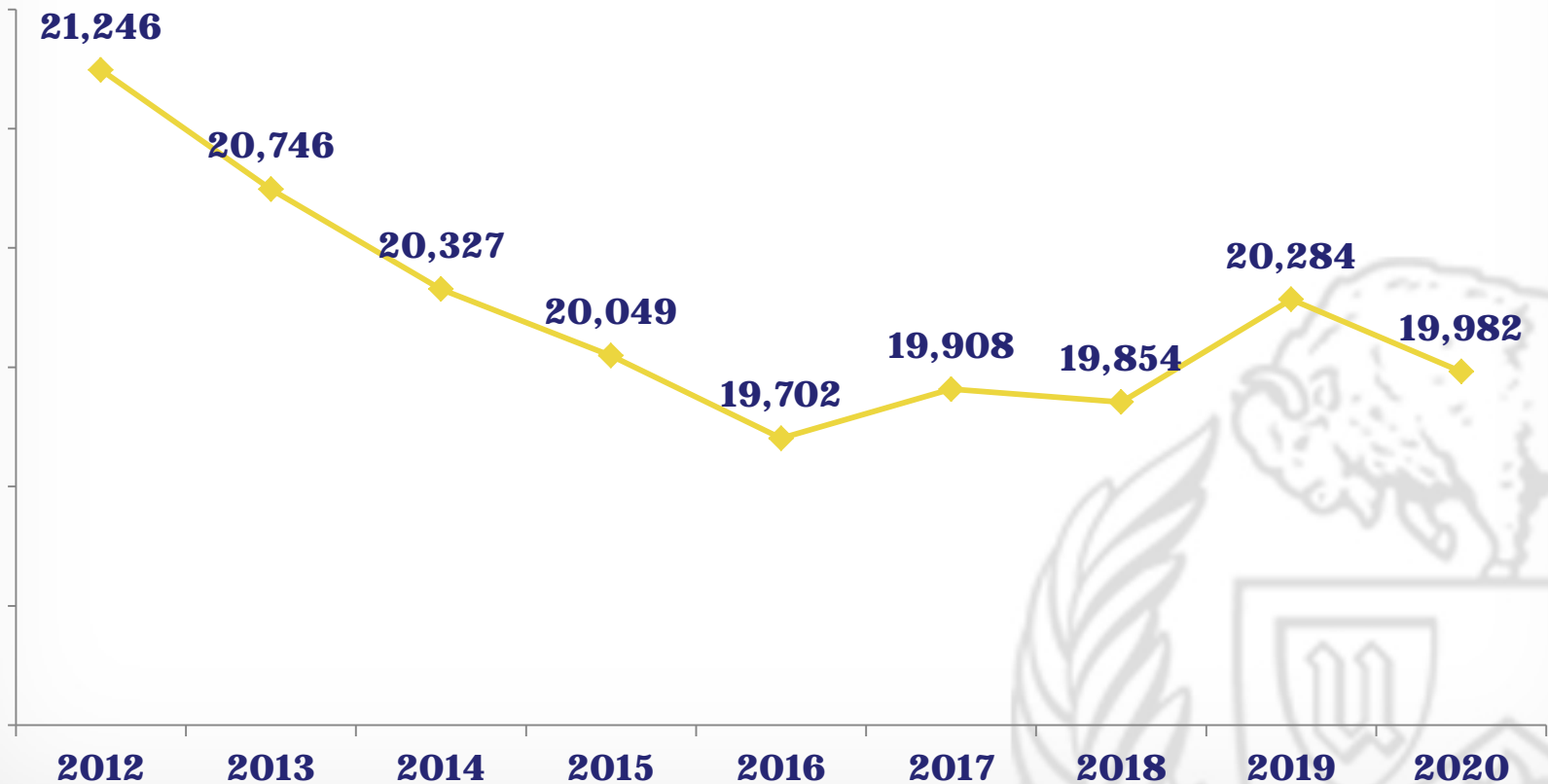


PROJECTED CHANGES IN HS GRADUATES FROM OTHER KEY STATES

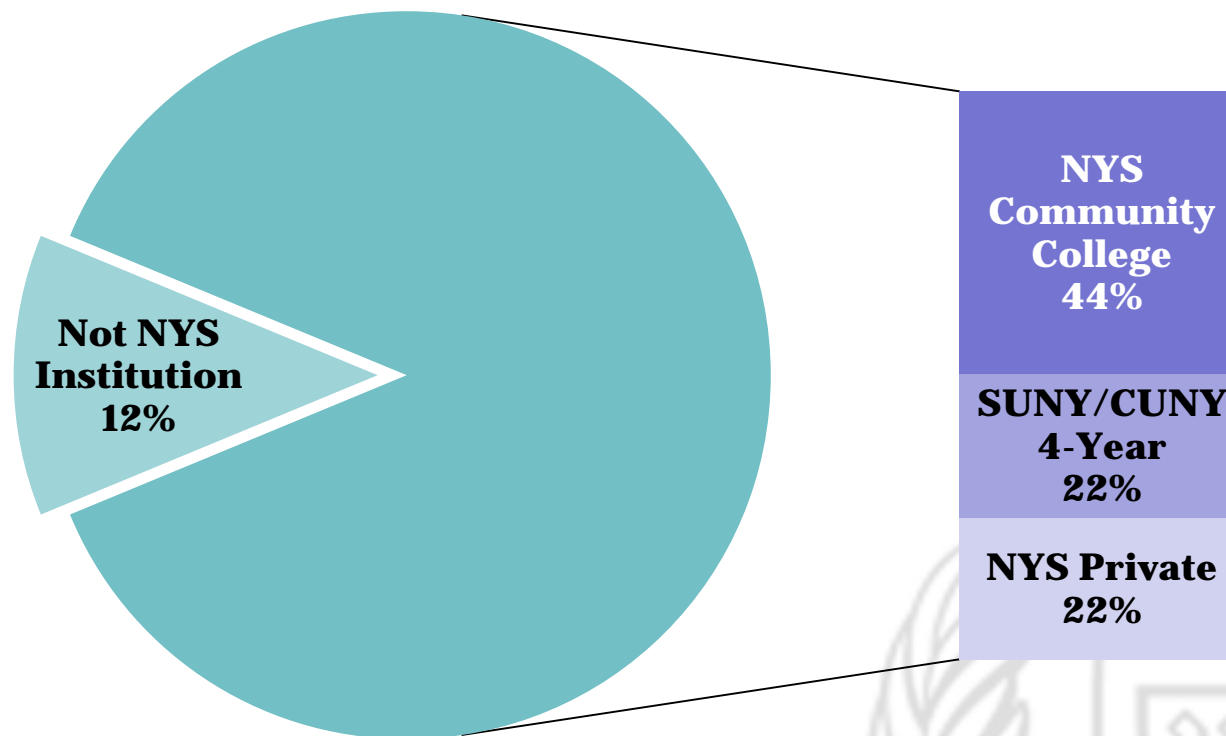


PROJECTED DECLINE IN APPLICATIONS

Applications to UB projected to decline ~6% by 2020



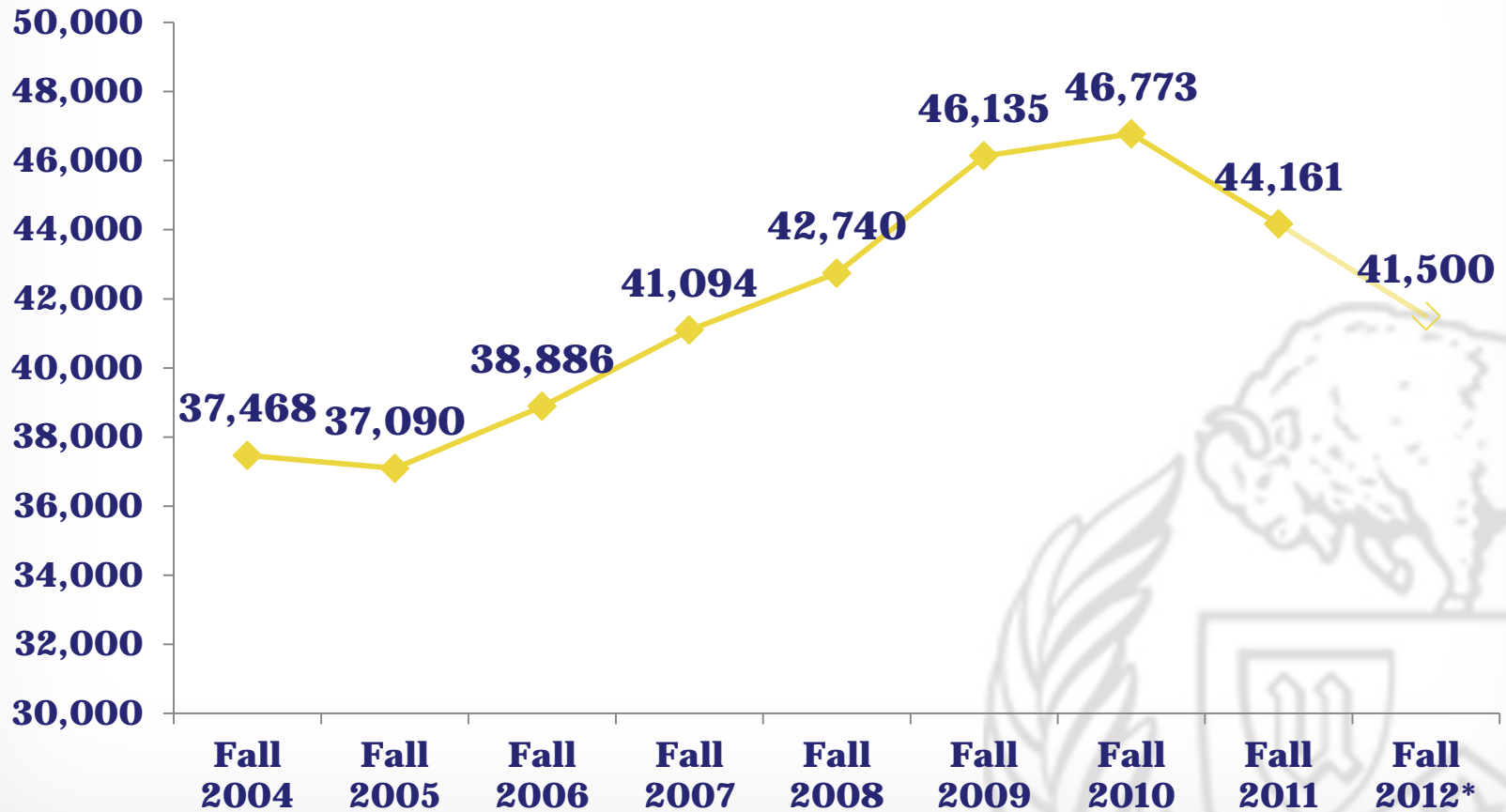
PIPELINE FOR STUDENTS TRANSFERRING FROM ANOTHER NYS INSTITUTION



82% of students transferring from SUNY/CUNY or a NYS private institution also resided in NYS



SUNY COMMUNITY COLLEGE Freshman Enrollments

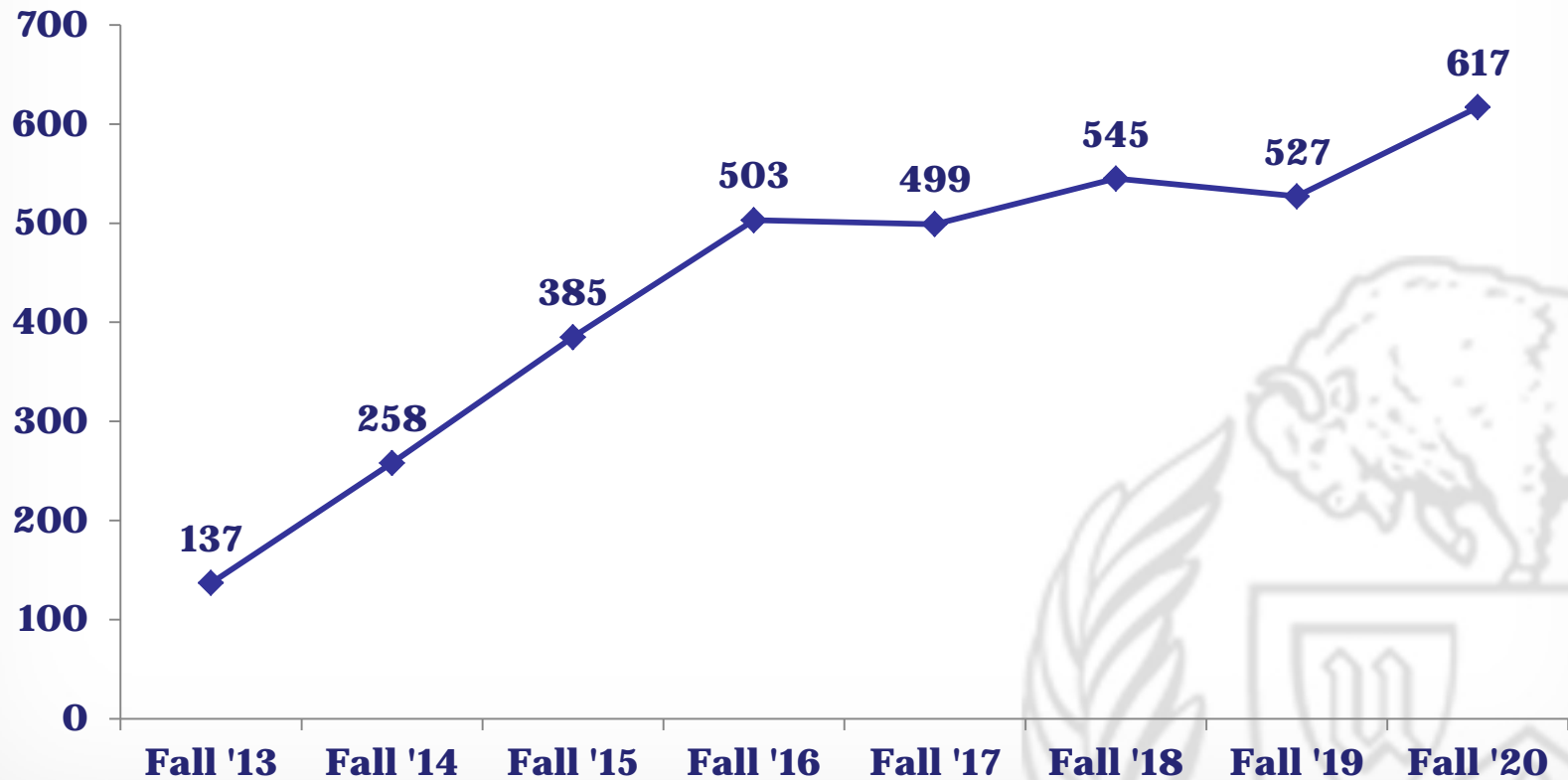


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Source: NYSED ORIS, First-time, Full-time Enrollments

*-preliminary estimate

ENROLLMENT IMPACT OF DEMOGRAPHICS AND SUCCESS IN FINISH IN 4

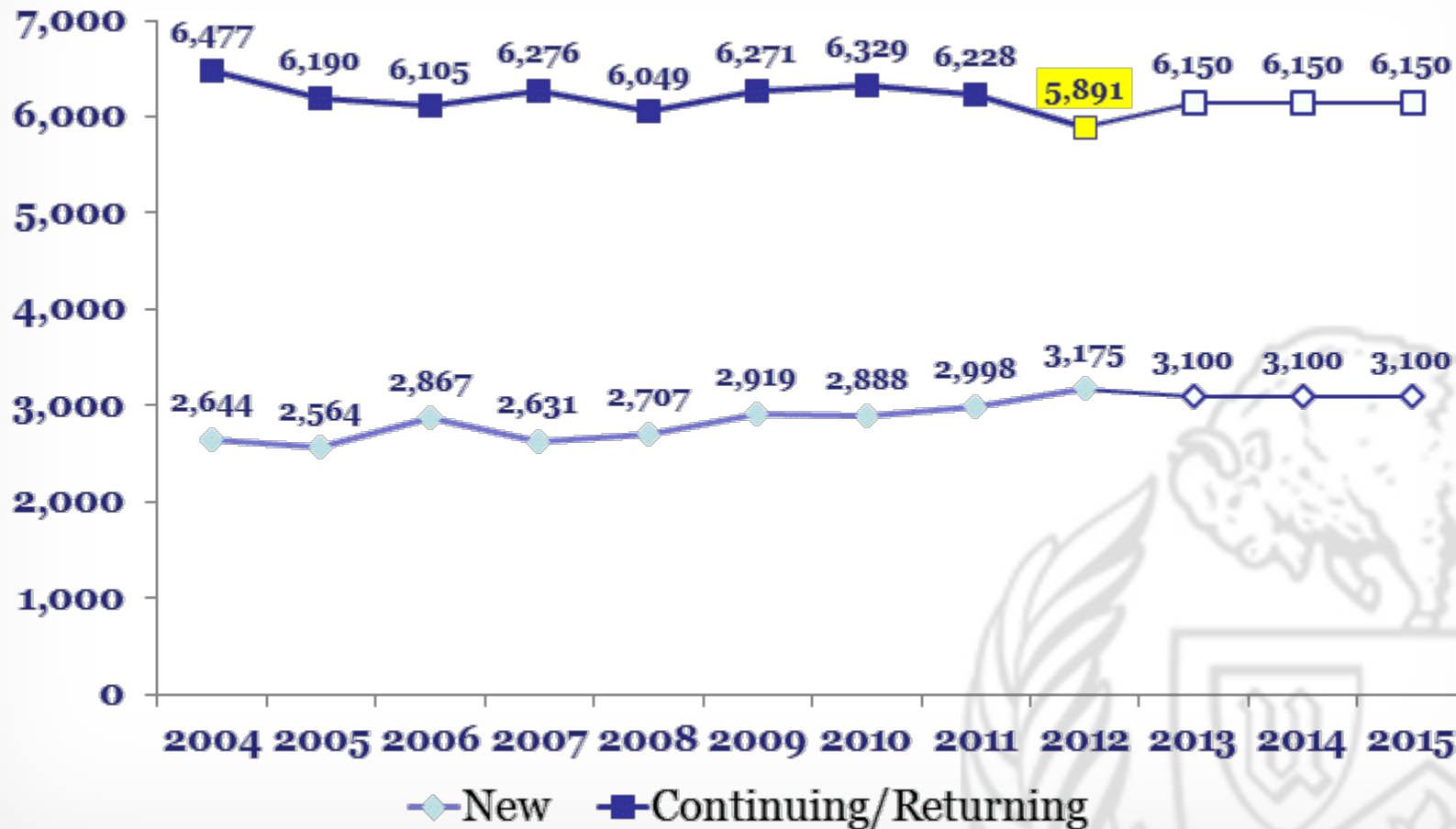


Source: Office of Institutional Analysis projections based on demographic trends and historical transfer student enrollment draw.

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GRADUATE ENROLLMENT



Source: Official Enrollment, includes full- and part-time regular enrollment.

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ONE-YEAR PERCENTAGE CHANGE IN NEW GRADUATE ENROLLMENTS 2011

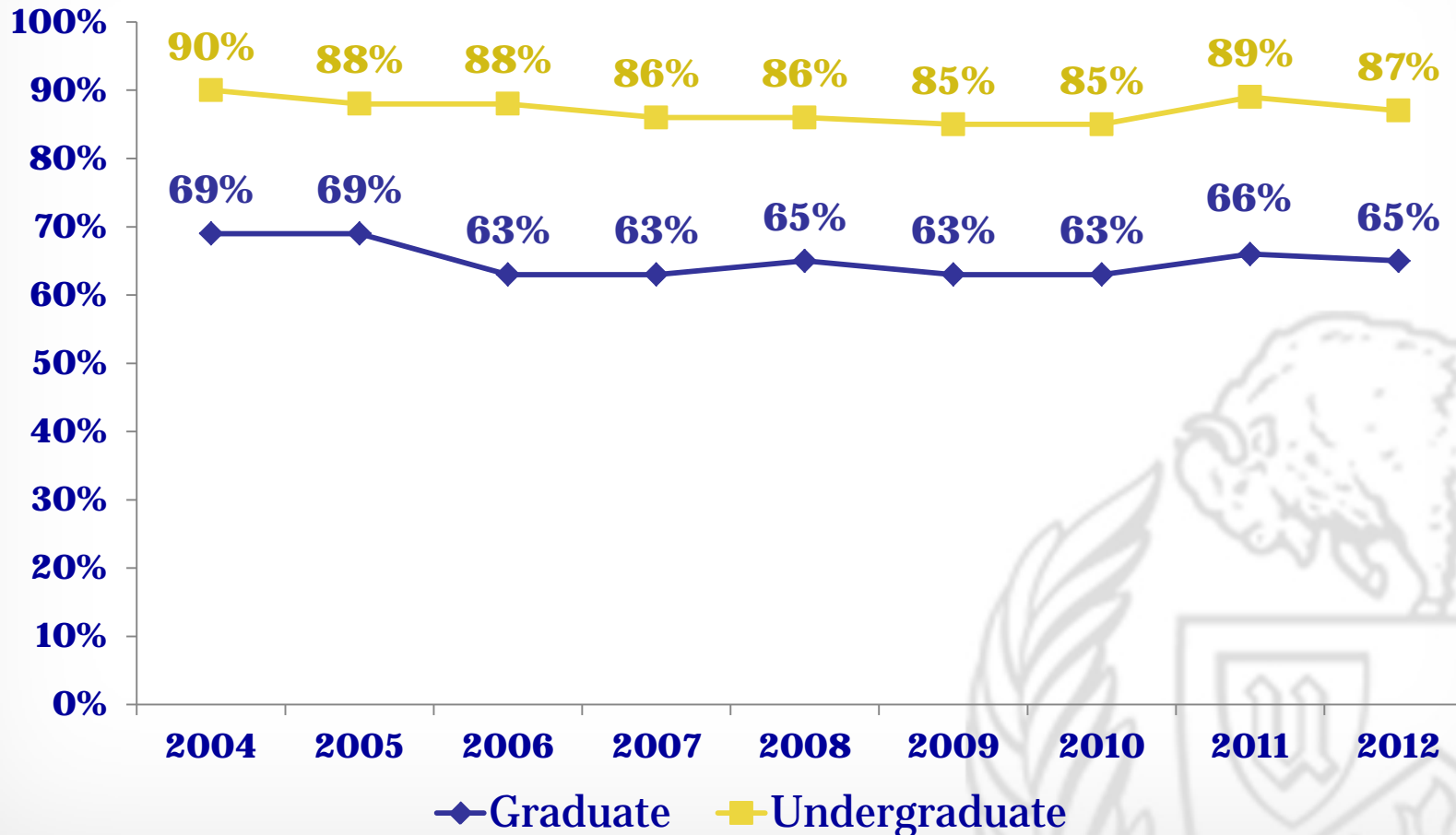
FIELDS	MASTER'S AND CERTIFICATE	DOCTORAL
Arts & Humanities	-5.5%	-3.6%
Biological Sciences & Agriculture	0.7%	-1.9%
Business	2.7%	-2.9%
Education	-9.3%	-4.0%
Engineering	0.4%	1.4%
Health Sciences	4.0%	17.5%
Math and Computer Science	0.6%	5.6%
Physical & Earth Sciences	0.6%	0.4%
Public Administration	-0.1%	13.5%
Social & Behavioral Sciences	0.3%	-2.4%

Source: Council of Graduate Schools.

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IS OUT-OF-STATE ENROLLMENT INCREASE POSSIBLE?

New Students: % of In-State



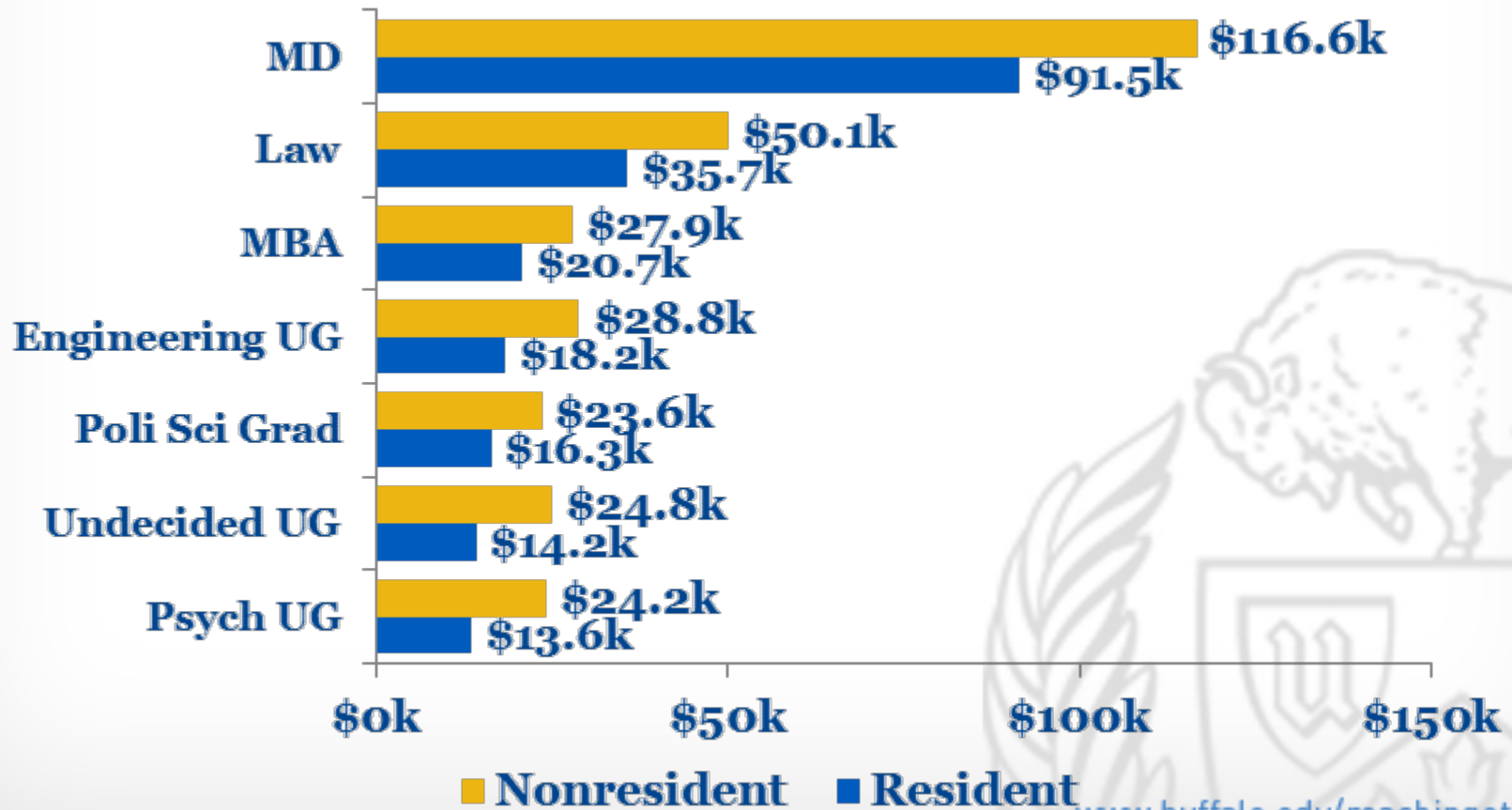
Source: Official Enrollment, includes full- and part-time regular enrollment, undergraduate combines freshman and transfers.

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REVENUE PER STUDENT UNDER NEW SUNY BUDGET MODEL

Tuition, Fees & State Support



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Source: Estimates based on enrollment patterns of students in majors, Fall 2011.

ENROLLMENT

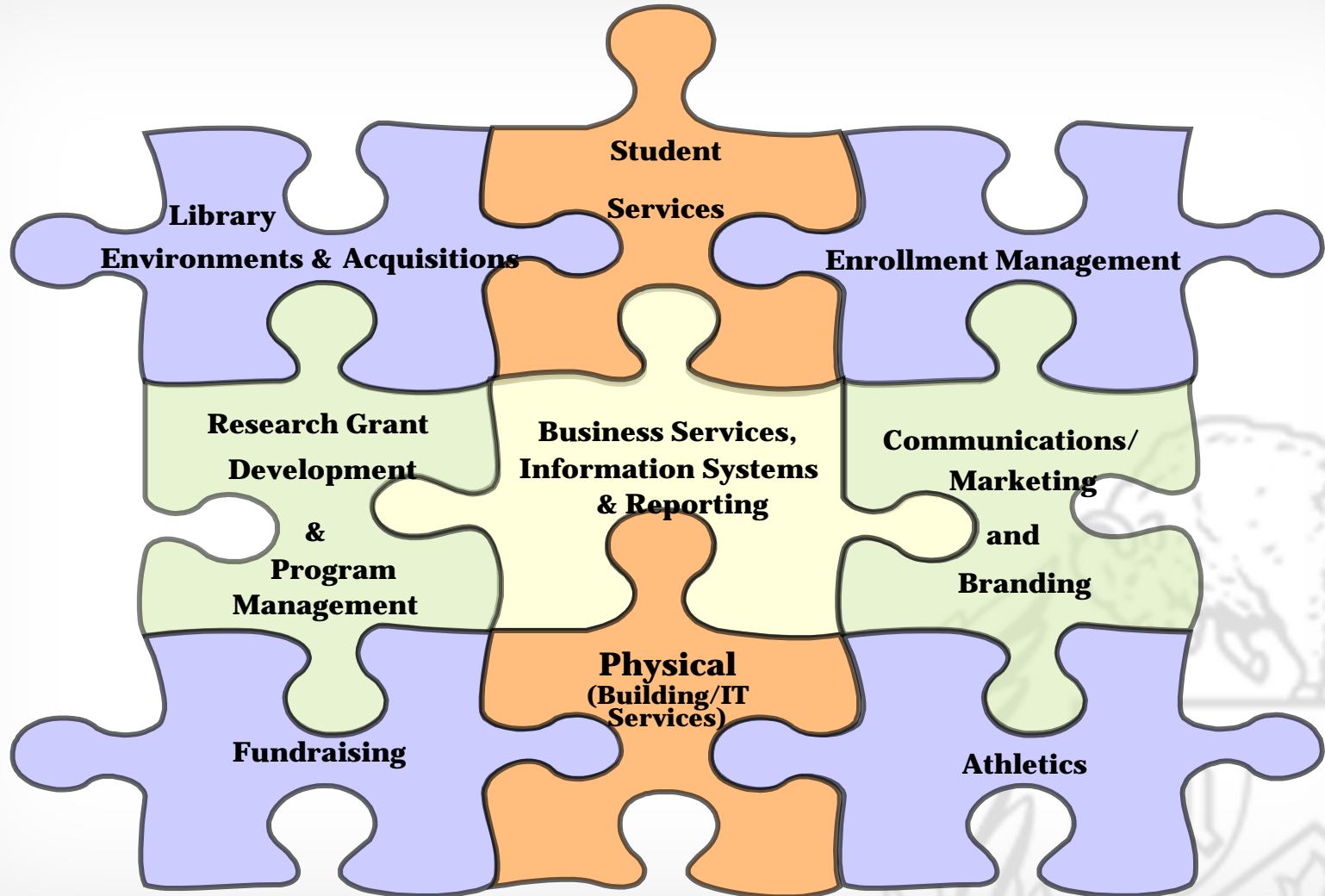
Top-Level Issues

- **Enrollment management capacity**
- **Enrollment plan development**
- **Affordability plans**
- **Maintaining enrollment and budget linkage**
- **Investment in student experience**
- **Impact of the internet – UB’s posture regarding online education**

BUILDING COMMUNITY RELATIONSHIPS

- **South Campus and University Heights**
- **K-12 and the Buffalo Public Schools**
- **The Medical School Relocation – Stakeholder Engagement**
- **McCarley Gardens Acquisition**
- **UB/Town of Amherst Relationship**
- **Student Housing Development – on-campus v. off-campus**

INFRASTRUCTURE INVESTMENTS NEED



A NEWCOMER'S OBSERVATIONS



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UB in 2012

A NEWCOMER'S OBSERVATIONS A Window of Competitive Opportunity

STRENGTHS

- **New leadership team**
- **Good financial health**
 - *Low tuition*
 - *Low debt*
 - *Low student indebtedness*
 - *State hold harmless*
 - *SUNY model favorable*
 - *Strong cash position*
- **Ability to plan, hire, invest**
- **NYSUNY 2020 and the Medical School initiative**
- **The Buffalo \$1B**
- **Window of comparative national advantage**

UB in 2012

A NEWCOMER'S OBSERVATIONS A Window of Competitive Opportunity

CONCERNS

- **3 Year plans can be more aggressive**
- **Hiring plans not clearly directed to institutional priorities**
- **Inadequate cross-university coordination (e.g.; enrollment planning, research center development)**
- **NYSUNY 2020 expectations**
- **Must study costs/efficiency/productivity**
- **Weakness in key infrastructures**
- **Constraints on public/private partnerships**
- **NYS posture on capital investment**



UB in 2012

A NEWCOMER'S OBSERVATIONS A Window of Competitive Opportunity

OPPORTUNITY

- **Create a focused hiring strategy**
- **Accelerate faculty hiring process**
- **Create effective cross-university decision and implementation structures**
- **Diversify sources research sponsorship**
- **Optimize available resources**
- **Think together as 1 institution**
- **Answer the question and follow through: what makes UB distinctive?**



OPPORTUNITY AND CHALLENGE

The best response to both – answer the question:

What makes UB distinctive?

- Different ways of teaching
- Different ways of doing research
- Different ways of collaborating
- Different ways of engaging



- Attract better students
- Attract more funding
- Attract new sponsors
- Economic impact
- Engage the community in new ways



A New UB Brand

What about organizing around key themes?