

# Campus Budget Update

# 2020

February 2009

## Summer 2008 headlines

- Downturn in NY and US economies significantly reduces NY tax revenues
- Projections indicate statewide shortfalls in excess of \$6 billion in 2008, and \$20+ billion over next three years
- Governor orders all state agencies to reduce budgets by 7% - on top of previously ordered 3.35% cut
- \$96 million estimated reduction for SUNY
- Total cuts to UB could exceed \$20 million in 2008

## Actual budget reductions to UB came in two waves

- 3.35%, or \$6 million, in May 2008
- 7%, or \$14.5 million, in August 2008

## The Campus response

- The initial \$6 million cut was applied evenly across all units of the campus
  - Units developed specific plans for managing the reduction
  - Cuts achieved largely through reductions in OTPS with some slowdown in non-essential hiring
- The 7%, \$14.5 million reduction, however, required a more strategic and comprehensive response
  - Seek broad based opinions and ideas
  - Make principled based decisions
  - Minimize impact to teaching and research

- Provost formed Financial Management Advisory Group
  - Austin Booth - *University Libraries*
  - Carol Brewer - *School of Nursing*
  - John Carty - *School of Medicine and Biomedical Sciences*
  - Peter Grollitsch - *Undergraduate Student Association*
  - Bob Hoeing - *Department of Linguistics, Faculty Senate*
  - Daniel Kehoe - *Graduate Student Association*
  - Janiece Kiedrowski - *Arts and Sciences Libraries, Professional Staff Senate*
  - Christanne Miller - *Department of English, College of Arts and Sciences*
  - Sharon Mitchell - *Student Health and Wellness, Division of Student Affairs*
  - Scott Nostaja - *Office of the President and Human Resources*
  - Joe Rabb - *Environmental, Health and Safety*
  - Debbie Schifferle - *University Communications*
  - John Thomas - *School of Management*
  - Scott Weber - *Department of Civil Engineering*
- Convened Deans and VP's for strategic ideas
- Solicited opinions / suggestions from campus at large via web and other means (1,700 responses)

## Several principles emerged from inputs received

- Make selective and strategic decisions
- Enhance the quality of the UB educational experience
- Enhance UB's scholarly and creative capacities
- Create efficiencies through organizational restructuring
- Expand and diversify revenue streams

### Cost reduction and revenue enhancement strategies

- Moratorium on all hires (limited exceptions) and on all expenditures in excess of \$5,000
- Seek cost reductions through restructurings and reorganizations
  - Currently exploring IT and Development
- Pursue various unit specific cost reduction plans
- Increase efficiency in FSA and Housing to enhance revenues (projected \$3 million)
- Expand summer session opportunities to increase revenues
- Use central funds to absorb half the cuts *and* differentiate cuts across campus units (less to academic units)

### 2009 – Governor proposes new cuts to UB and SUNY

- Proposes to increase tuition by \$600 but directs 80% of the new revenue into State's general fund
- Proposes a tax on all funds generated by the campus for research
- Proposes a permanent tax on campus held IFR reserves
- Proposes to offset 80% of professional program tuition income
- Proposes to raise graduate tuition by 21% but retains 80% of income and reduces tuition scholarship funds by 15%
- Proposes reductions in various university-wide programs (e.g., MCEER, RIA)

### Impact to the campus

Additions to UB budget	\$3.7 million
<i>Tuition revenue (20%)</i>	\$3.1 million
<i>OTPS inflation</i>	\$0.6 million
Reductions to UB budget	<b>\$15.3 million</b>
<i>RF tithe</i>	<b>\$2.3 million</b>
<i>IFR reserves</i>	<b>\$7.0 million</b>
<i>U-wide programs</i>	<b>\$6.0 million</b>
<i>Net Reduction to UB</i>	<b><i>\$11.6 million!</i></b>

### Campus actions

- Aggressively pursue passage of UB 2020 legislation
- Reconvene the Financial Management Advisory Group
- Accelerate restructuring and reorganization efforts
- Consider and develop new approaches for further cost reduction scenarios