Senior Vice Chancellor and Chief Financial Officer Report

January 2020
SUNY University Faculty Senate 184th Plenary

TOPICS

- **SUNY 2018/19 Financial Statement Summary**
- **SUNY 2020/21 Budget Request Summary**
- **Financial Sustainability Initiatives**

SUNY Financial Statements - What's In, What's Out

Included in Reporting Entity:

- Primary Government:
  - State-Operated Campuses
  - SUNY Hospitals
  - Statutory Colleges
  - System Administration
  - Research Foundation
  - Construction Fund
- Discretely Presented:
  - Foundations
  - Auxiliary Services Corporations
  - Housing Corporations

Not Included in Reporting Entity:

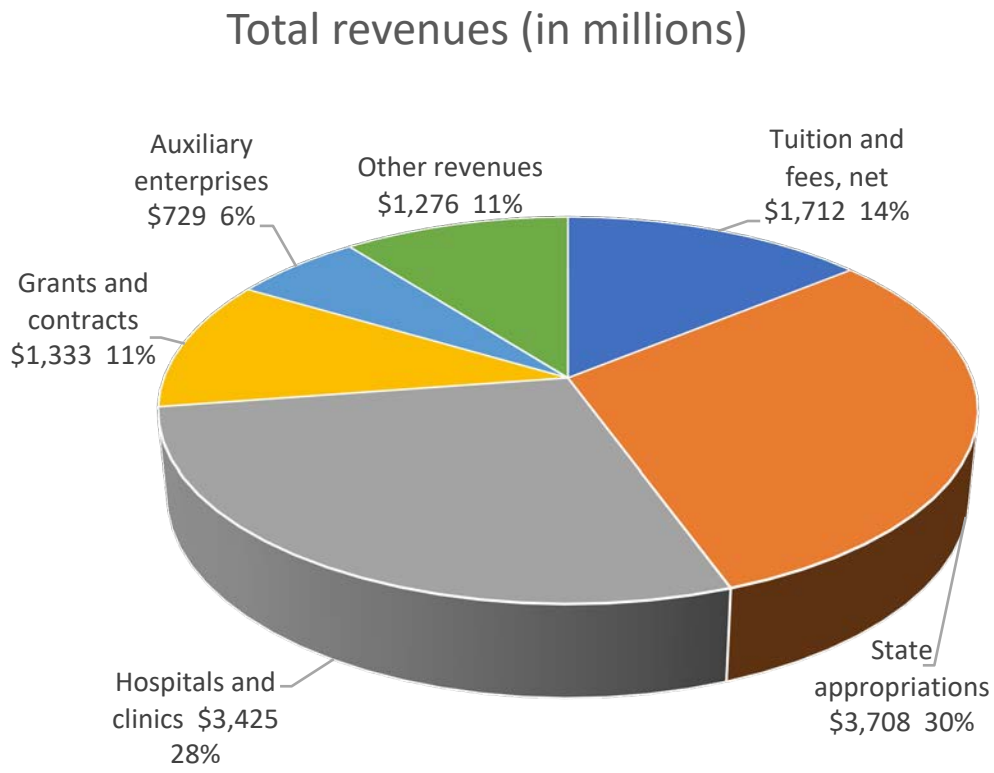
- Community Colleges
- Alumni Associations
- Student Government Associations
- Clinical Practice Plans
- Research Foundation Affiliates

2018/19 Financial Position

2018/19 Highlights

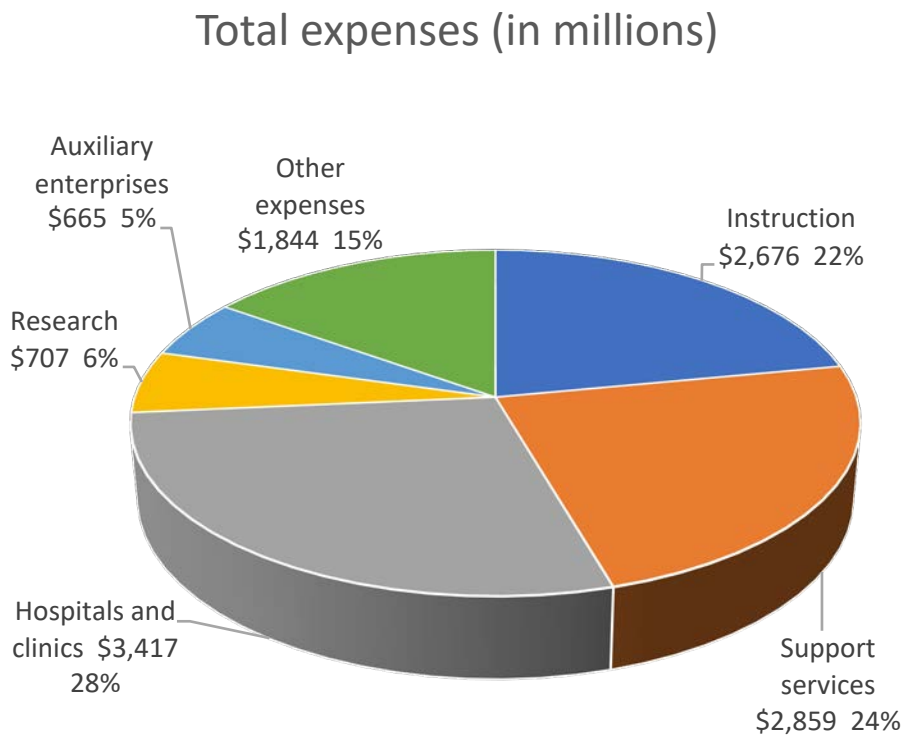
- Strong unrestricted cash position of $2.6 billion (up $200 million)
- Working capital of $1.95 billion (current assets of $4.93 billion and current liabilities of $2.98 billion)
- Large long-term liabilities for post-retirement benefits other than pensions (OPEB) of $12.8 billion
- Net position was negative $10.8 billion, however, prior to the OPEB adjustment net position was a positive $3.8 billion

Revenues
Total revenues: $12.18 billion



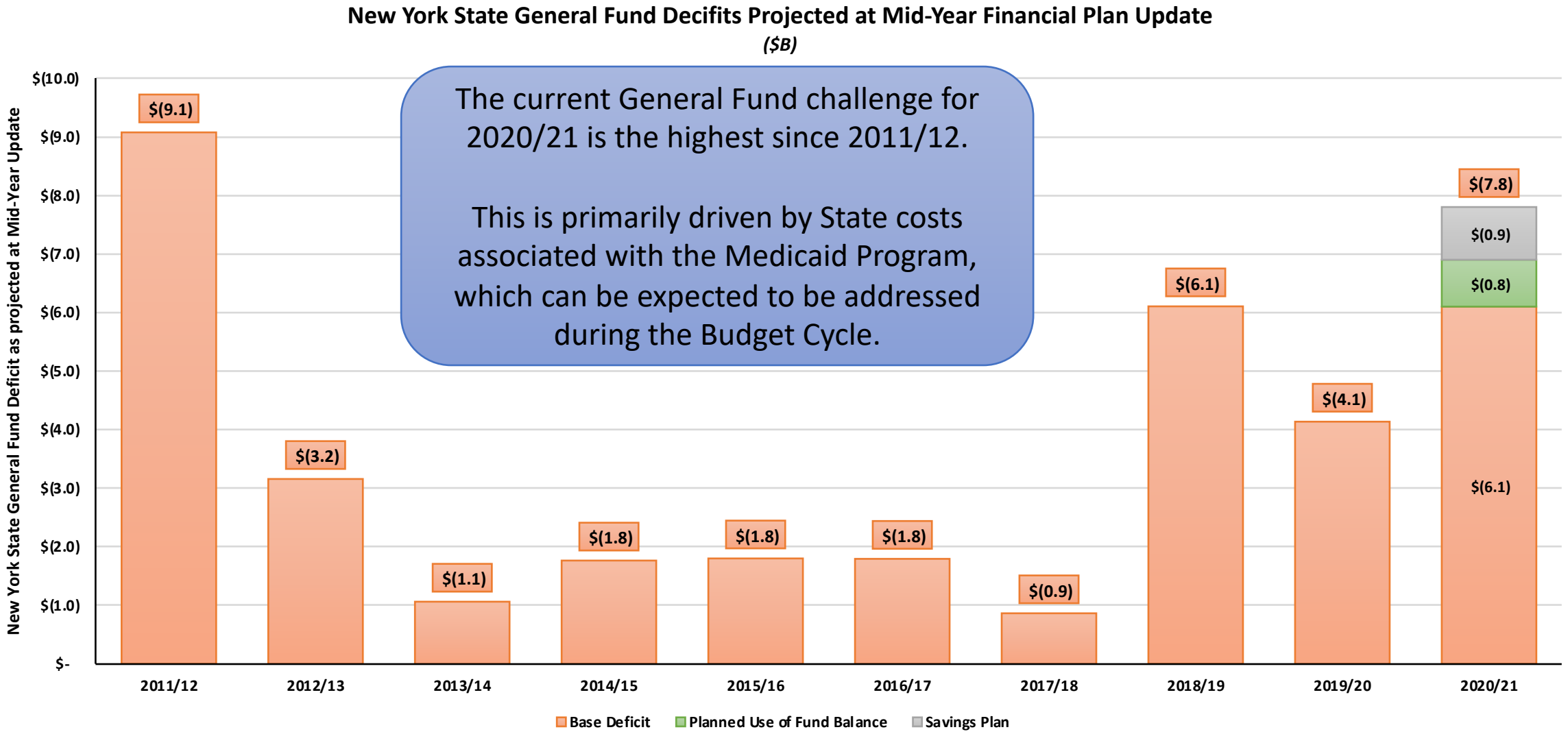
Compared to prior year (in millions)				
	2019	2018	Change	%
Tuition and fees, net	$ 1,712	$ 1,663	$ 49	2.9%
State appropriations	3,708	3,564	144	4.0%
Hospitals and clinics	3,425	3,255	170	5.2%
Grants and contracts	1,333	1,287	46	3.6%
Auxiliary enterprises	729	715	14	2.0%
Other revenues	1,276	1,286	(10)	-0.8%
Total revenues	$ 12,183	$ 11,770	$ 413	3.5%

Expenses by Functional Classification
Total expenses: $12.17 billion



Compared to prior year (in millions)				
	2019	2018	Change	%
Instruction	$ 2,676	$ 2,599	$ 77	3.0%
Support services	2,859	2,822	37	1.3%
Hospitals and clinics	3,417	3,166	251	7.9%
Research	707	686	21	3.1%
Auxiliary enterprises	665	639	26	4.1%
Other expenses	1,844	1,933	(89)	-4.6%
Total expenses	$ 12,168	$ 11,845	$ 323	2.7%

State Context SUNY Budget Request
Challenges Facing New York State in 2020/21



SUNY Budget Request Summary 2020/21

Continuation of Enacted 2019-2020 Budget

- Critical Maintenance (CM) - $550MM for five years, $100MM hospitals
- Community College Floor 100% of the most recent year's funding or $100 increase per FTE
- Match Community College sponsor for capital construction
- Support for appropriated programs such as PIF, EOP, EOC, ATTAIN, the SBDC
- Support for the second portion of the retroactive salary costs

New Requests

- Increase CM by $100MM annually for aging infrastructure
- New Capital of $200MM with $100MM match from SUNY
- Increase of $50MM in new capital for hospitals and support for hospital debt service $39MM
- Increase in base support to cover TAP gap for students and high need, workforce curriculum and instructional innovation

SUNY Investment Priorities
Context for the Budget Request 2020/21

- TAP Gap
- Workforce Curriculum – Jobs Now and for the Future
  - Healthcare
  - Information Technology, Artificial Intelligence
  - Renewable Energy
- Rejuvenate curriculum, renovate 3,000 classrooms and 3,000 laboratories
- Instruction Innovation
  - Individualized Learning
    - SUNY Online and Non-Traditional Students
    - Advising and Coaching

2020/21 Direct Operating
($M)

Sector of SUNY	2019/20	Estimate of Need Increase	2020/21
State-operated Campuses*	$708.0	*$25.0*	$733.0
Community Colleges**	478.2	*3.8*	482.0
University-wide Programs	157.7	*0*	157.7
Statutory Colleges	133.2	*0*	133.2
Hospitals and Other Health Related	0	*0*	0
System-wide Activities	22.0	*0*	22.0
Grand Total	**$1,499.2**	**$28.8**	**$1,527.9**
			+1.9 Percent

Notes:
*State-operated Campus needs to be matched by $25.0M in offsets from SUNY and campuses, total of $50 million of support
** Greater of 100 percent of prior year or a $100/FTE student increase

2020/21 Capital
($M)

	Sector of SUNY	2020/21 Request	5-Year Request	Annual Increase from 2019/20
Bonded Capital Supported by Tax Receipts	Base Critical Maintenance	$650.0	$3,250.0	$100.0
	Strategic Needs – Matching Program (State)	200.0	1,000.0	200.0
	Hospitals and Health Related	150.0	750.0	50.0
	Community Colleges (State Share)	60.5	N/A	23.4
	Total Bonded Capital Request	**$1,060.5**	**$5,000.0**	**$373.4**
Capital Supported by Campus / Outside Funds	Strategic Needs – Matching Program (Campus)	100.0	500.0	100.0
	Campuses Funded Capital	100.0	100.0	100.0
	Residence Halls	75.0	300.0	25.0
	Total Campus Supported Capital	**$275.0**	**$900.0**	**$225.0**

Current Fiscal Sustainability Initiatives

- Managed Print
- E-procurement Platform, leverage spending power
- Textbook affordability

SUNY AT A GLANCE

$50M+ annual direct spend for office print

1Billion pages/year

Too many devices, especially desktop and ink-jet

Too much color and 1-sided

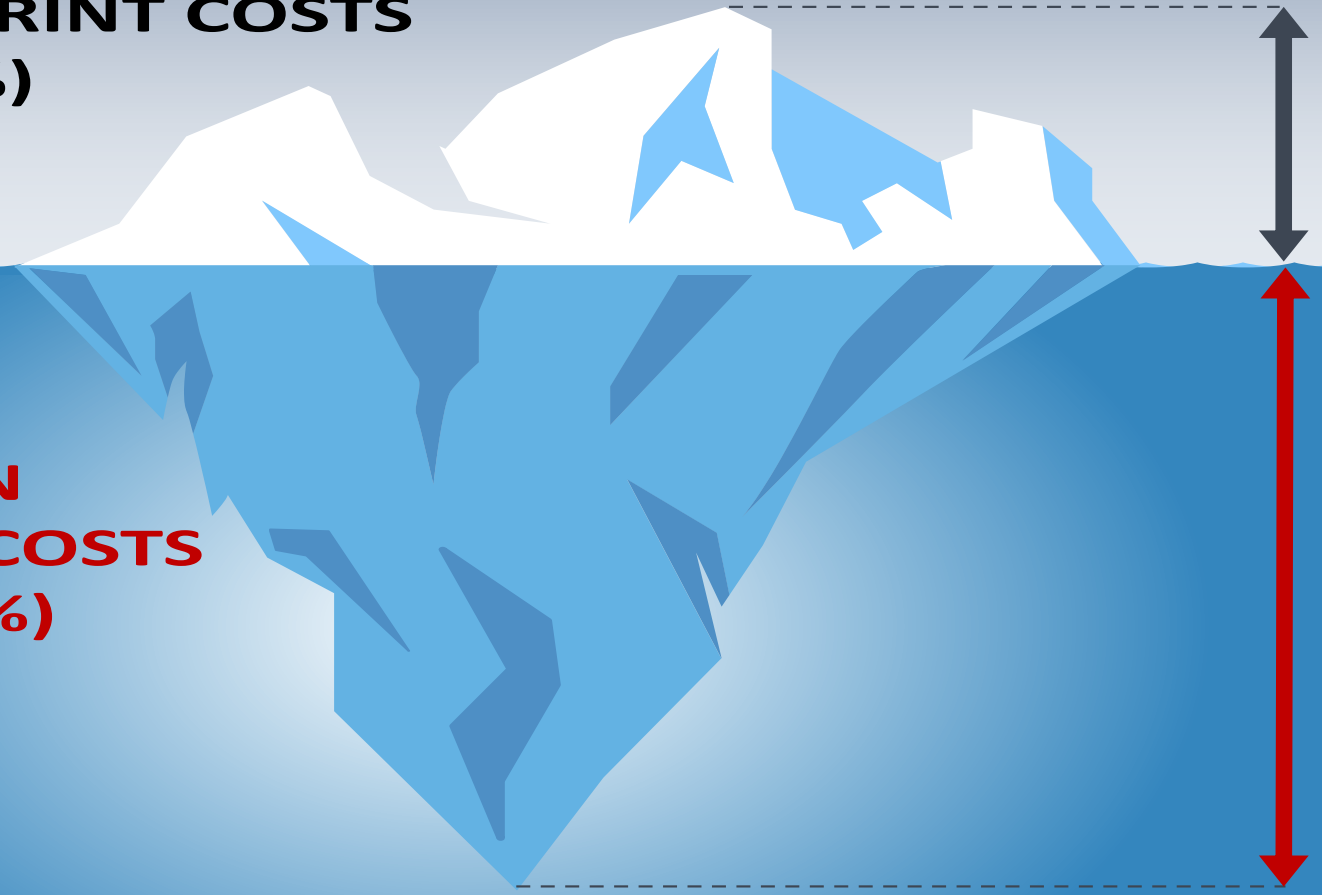
Too many makes/models

Opportunity: Save $10M/year+

TRUE COSTS

The True Cost of Office Printing

HARD PRINT COSTS (10-15%)



HIDDEN PRINT COSTS (85-90%)

Hard / Direct

- Output hardware (devices)
- Maintenance/Service
- Supplies (Toner, Ink, Paper)

Hidden / Invisible

- Storage – of documents, paper, supplies
- Burden on IT Support
- Procurement/purchasing
- Obsolescence and Shredding
- Offsite storage and retrieval
- Environmental Sustainability — Power Consumption and Waste

Sources: InfoTrends - "The True Cost of Business Communications" and IDC - "Beneath the Surface: The True Cost of Enterprise Printing"

WNY eProcurement Project

eProcurement Goals

Savings

-Lower pricing

-Data to support strategic sourcing

-leveraging combined spend

-increase spend on negotiated agreements

Transactional Efficiencies

-automated transaction activities

-reduce manual communications

-reduce paper and reliance on mail

Improved Compliance

-Reduce maverick spend

-Use of approved sourcing and contract language and templates

-Adherence to Procurement Law and policies

WNY eProcurement Project

Participating Campuses (10)

- Cohort 1: University at Buffalo SUNY Geneseo
- Cohort 2: College at Brockport, SUNY System Administration
- Cohort 3: Alfred State, Buffalo State, SUNY Fredonia
- Non-state Participating Campuses: Alfred University, Monroe Community College
- Other: Stony Brook (moving from their instance to the SUNY-wide solution)

Textbook affordability
Goals – reduce cost and first day

- Discussions with Bookstores
  - Need to broaden
- Options:
  - Inclusive access
  - Digital access
  - OER
  - Buy, rent, used
  - ?
- Best practices, scale
  - Books in a Box Onondaga