

Faculty Senate Budget Priorities

An Overview of University at Buffalo Resource Planning – Part 2

Monday, December 7th, 2015

Annual Resource Planning Process

- **University Goals for the Annual Resource Planning Process:**
 - **Build a Strong, Productive, and Diverse Faculty**
 - **Recruit, Educate, and Graduate Talented, Diverse, Successful Students (Curricular Distinction)**
 - **Maintain State-of-the-Art Infrastructures**
 - **Impact the Challenges of Our Time (Communities of Excellence)**
 - **Build a Leading Global Presence**
 - **Engage in Partnerships That Enrich UB & Our Publics**

A NEW FINANCIAL PLANNING FRAMEWORK

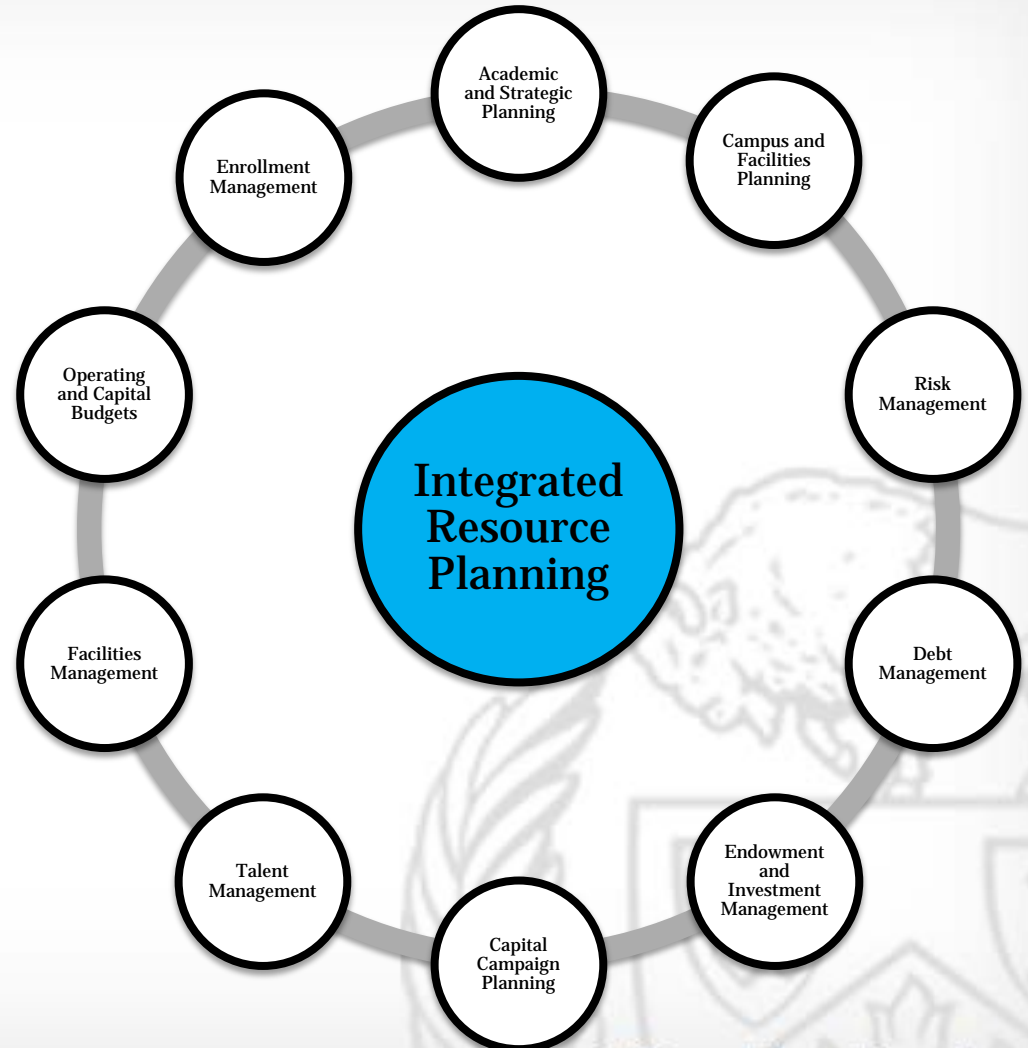
Engage strategic and financial planning models that ensure a financially sustainable and resilient university for the future

BUDGET MODEL: GUIDING PRINCIPLES

- **Strategic**
- **Predictability**
- **Flexibility**
- **Integration**
- **Stewardship**

Best Practices Model: Integrated Resource Planning

- Comprehensive asset/liability management
- Integrative - single institutional point of view
- Long-term in nature
- Analyzes returns on investments
- Proactive
- Dynamic and scenario-based
- Transparent



ANNUAL RESOURCE PLANNING PROCESS

- **The Annual Multi-year Financial Planning Process evaluates all sources and uses to determine the University's financial capacity. This is critical to understanding what is needed to sustain a financially stable future for the university as well as what potential funding may be available for future investment.**
- **The Annual Resource Planning Process provides the opportunity to review all resources and evaluate potential new investments with an institutional perspective.**
- **All Central Funds are budgeted and therefore once they are allocated they are no longer available for investment.**

BUDGET PLANNING CALENDAR

August

- Prior Year carry forwards loaded
- Initial 5-Year Financial Plan and planning assumptions completed
- Budget Model solidified for following fiscal year

September -
December

- Annual plan reviews and budget requests presented
- Enrollment, tuition and fee plans solidified
- Hiring plans solidified
- Capital plans solidified

January -
June

- 5-Year Financial Plan updated
- Budget hearings
- Resource allocation decisions finalized and communicated to units
- Units prepare and submit final budgets

July

- Prior fiscal year closed
- New fiscal year budgets loaded in financial system

Overview of Annual Resource Planning Process

- **What's in the Three Year Plan?**
 - **Strategic Priorities**
 - **Risk Contingencies**
 - **Headcount & Credit Hours**
 - **Tuition Revenue & Revenue Share**
 - **Advanced Training**
 - **Research**
 - **Capital Space**
 - **Fees & Broad Based Fees**
 - **Endowment Unfunds**
 - **Faculty & Hiring Plans (including Ladder Faculty Turnover)**
 - **State Staff**
 - **Investments Review & Proposals**
 - **Spending Plans**

WHAT IS THE CURRENT BUDGET MODEL?

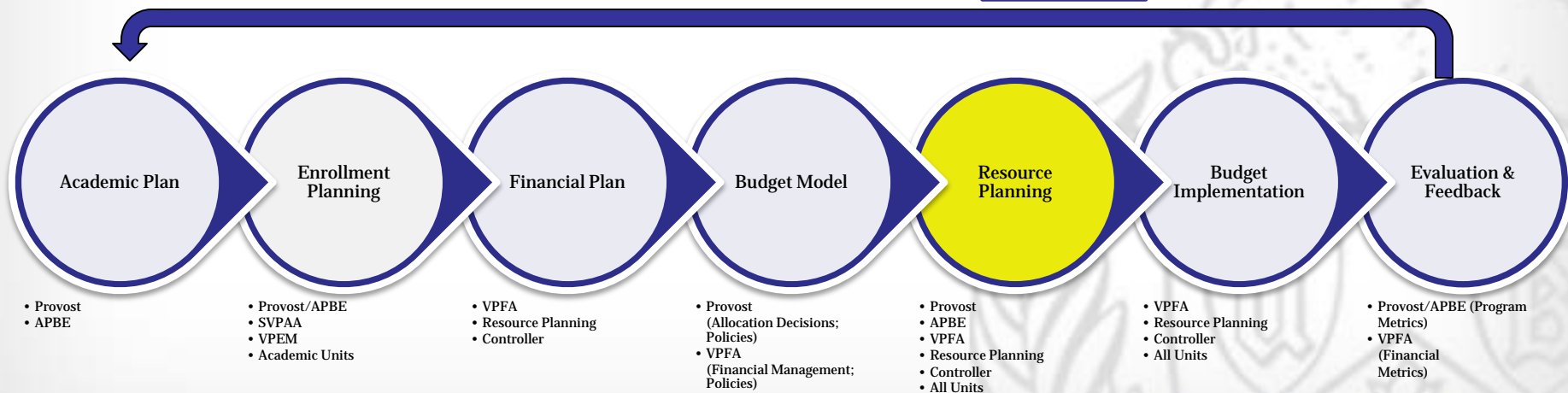
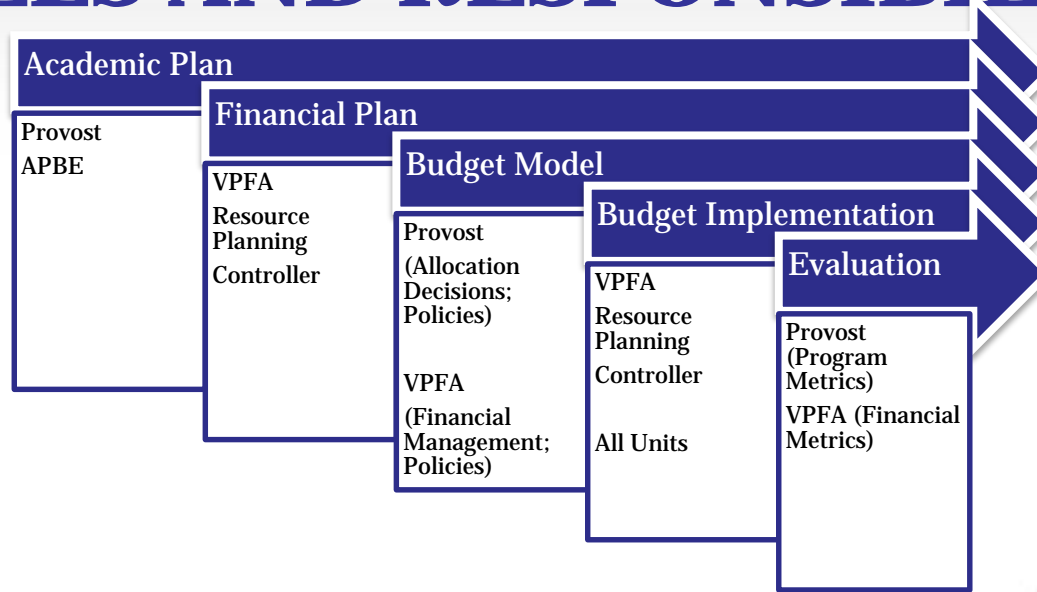
- **Base Budget:** The unit base budget is comprised of revenue from base enrollment and shares from tuition increases. The base budget is delivered to the unit in recurring state operating funds at the beginning of the fiscal year on July 1.
 - **Base Enrollment**
 - In order to continue to receive the same base budget each year, the unit will maintain its base enrollment levels.
 - If the unit does not meet its base enrollment in a given year, the unit will return 100% of the shortfall, including any tuition increase revenue received, to the university the following year in non-recurring state operating funds.
 - If a unit exceeds its enrollment in a given year, the unit will receive 25% of the revenue generated by the overage in the following year in non-recurring state operating funds.
 - If the unit does not meet its base enrollment again the following year, and the lower enrollment level is anticipated to continue, the unit's base budget will be permanently reduced by 100% of the tuition revenue shortfall. The unit's base enrollment will be adjusted to the new lower level.
 - **Tuition Increase Revenue Share**
 - In a year in which there is a tuition increase, the unit will receive 25% of the revenue generated on the base enrollment as a result of the tuition increase. The remaining 75% is retained by the university to be used for strategic investments.

RESOURCE PLANNING ROLES AND RESPONSIBILITIES

- **President** – Provides leadership and vision for university, reviews and approves recommendations from annual resource planning process.
- **Provost** – Provide the academic vision and the guidelines, assumptions, policies, data elements, metrics and desired outcomes for the annual resource planning process and three year plans.
- **VPFA** – Develop University multi-year financial plan, based on all university sources and uses, so as to ensure a financially sustainable and resilient university for the future; provide oversight and direction regarding all university financial matters and financial related policies.
 - **Resource Planning** – coordinate annual resource planning process, including creation of reports, support materials, and review of university budget model; provide guidance and support related to resource planning and strategy development for both academic and academic support units; provide oversight and tracking of the university internal financial plan revenue and commitments; collaborate with the Controller to ensure compliance with state, federal and general accepted accounting principle requirements as well as in deriving, analyzing and evaluating budget to actual reporting.
 - **Controller** – coordinate University multi-year financial plan annual update; ensure compliance with state, federal and general accepted accounting principle requirements; provide financial related source data within SIRI Resource Planning dashboard in support of the annual resource planning process. Collaborate with Resource Planning in deriving, analyzing and evaluating budget to actual reporting.
- **Academic and Academic Support Units** – Deans, Vice President and Vice Provosts provide leadership to their units during the process. CFOs provide strategic planning, analysis and guidance as well as acting as the main points of contact and are coordinators for completion of the three year plan workbook.



ROLES AND RESPONSIBILITIES



Overview of Annual Resource Planning Process

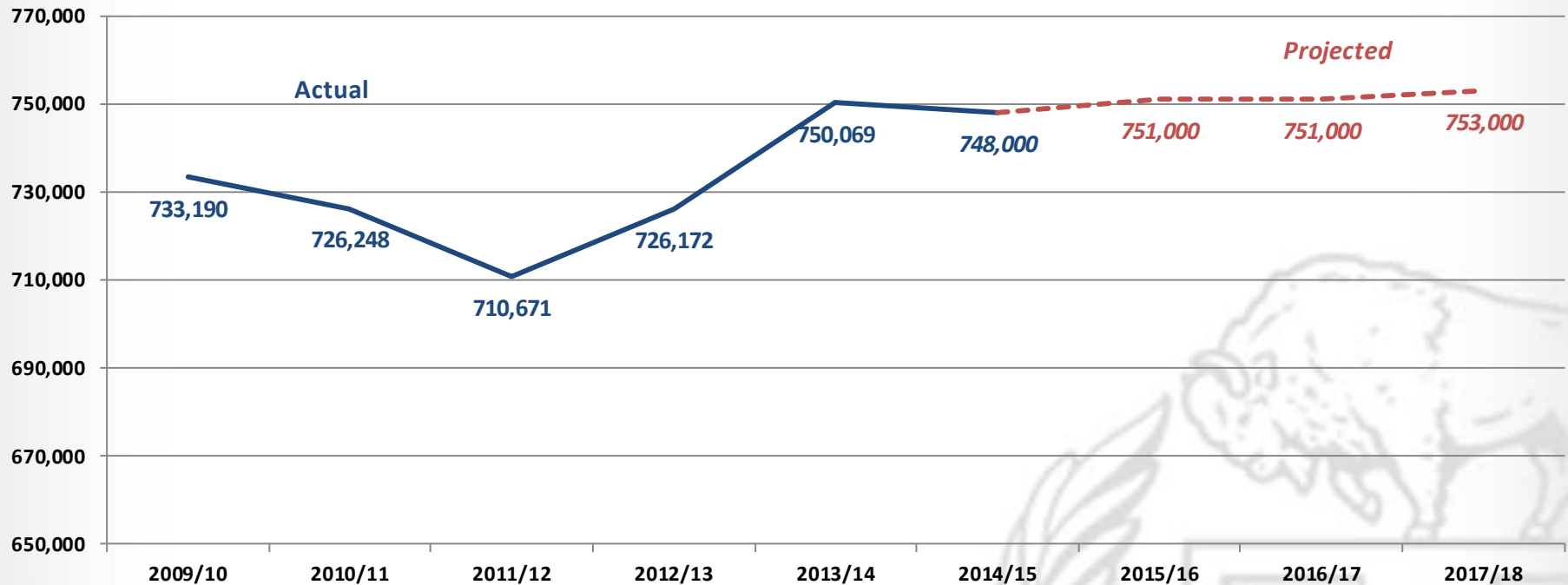
- **Key Metrics**
 - **Enrollment & Tuition**
 - **Faculty & Staff**
 - **Research**
 - **Graduation Rates**



ENROLLMENT

Credit Hours

2009/10 - 2017/18



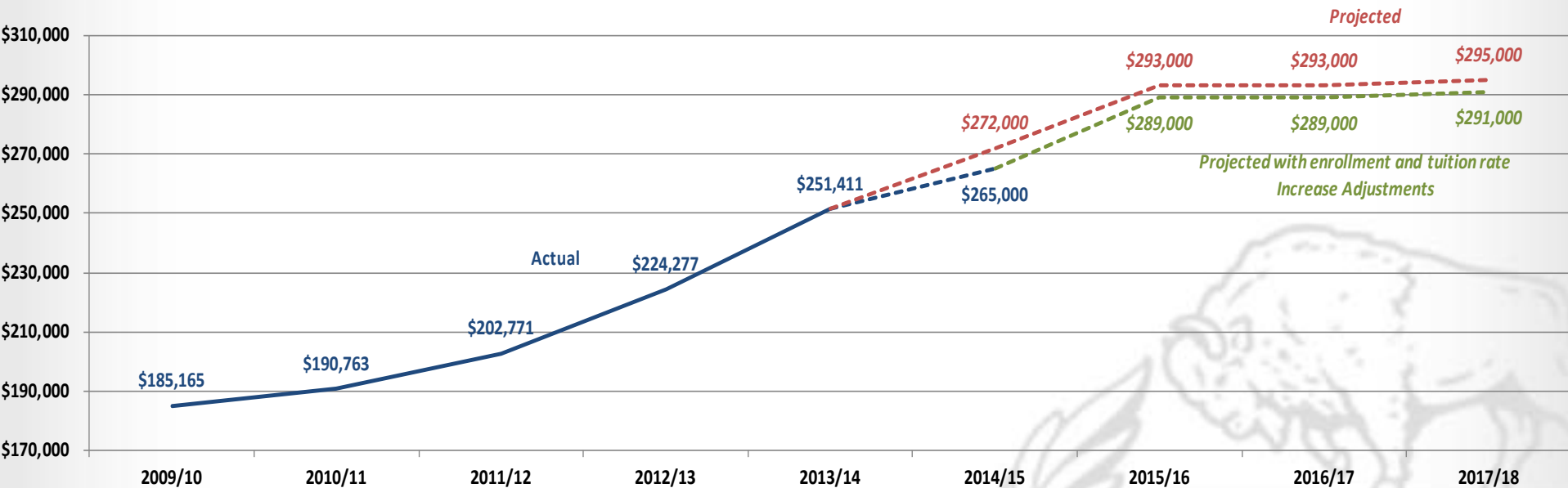
NOTES:

- ~ Regular, state-funded enrollment only
- ~ Actual 2009/10 and 2010/11 from legacy student system; actual 2011/12 through Fall 2014/15 from hUB, Spring 2015 projected.
- ~ New Baseline amounts per the latest 2014 Unit Profile.

TUITION

2009/10-2017/18

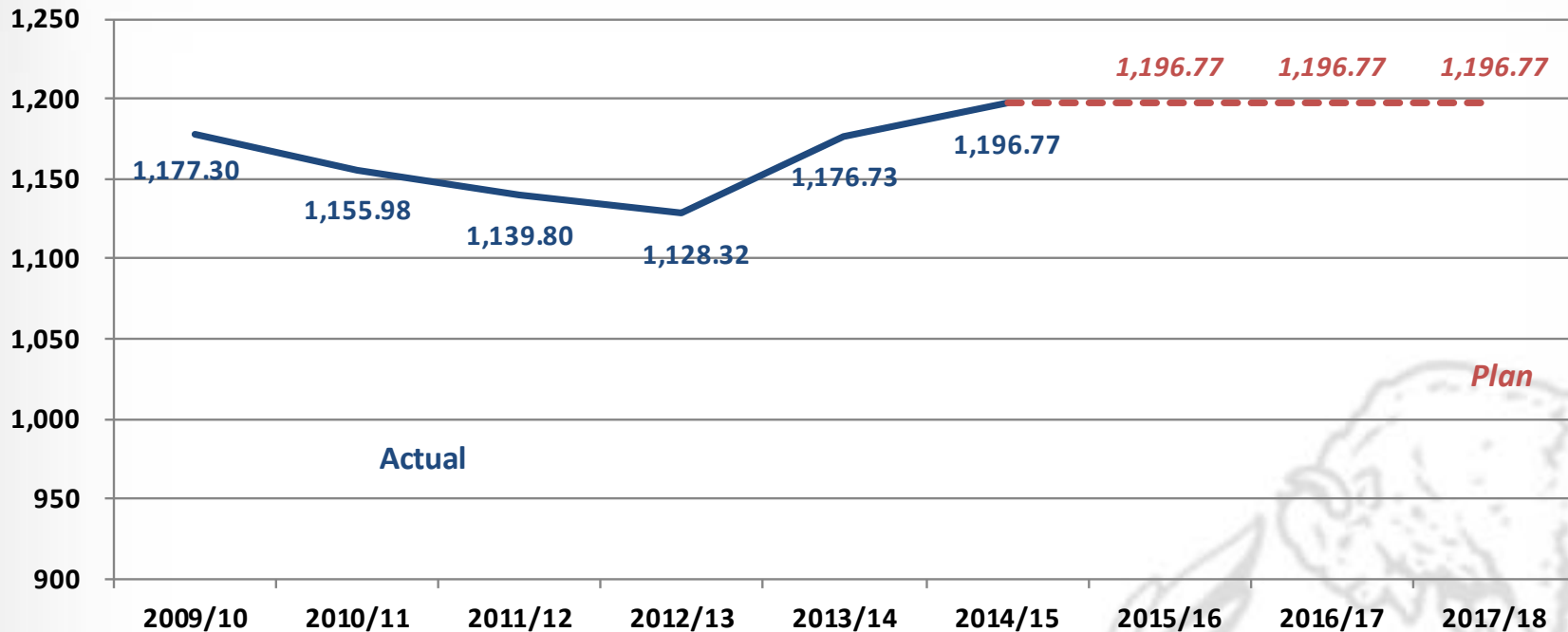
\$ in 000s



NOTES:

~ Revenue amounts are adjusted by 2% to account for uncollectables

LADDER FACULTY FTE



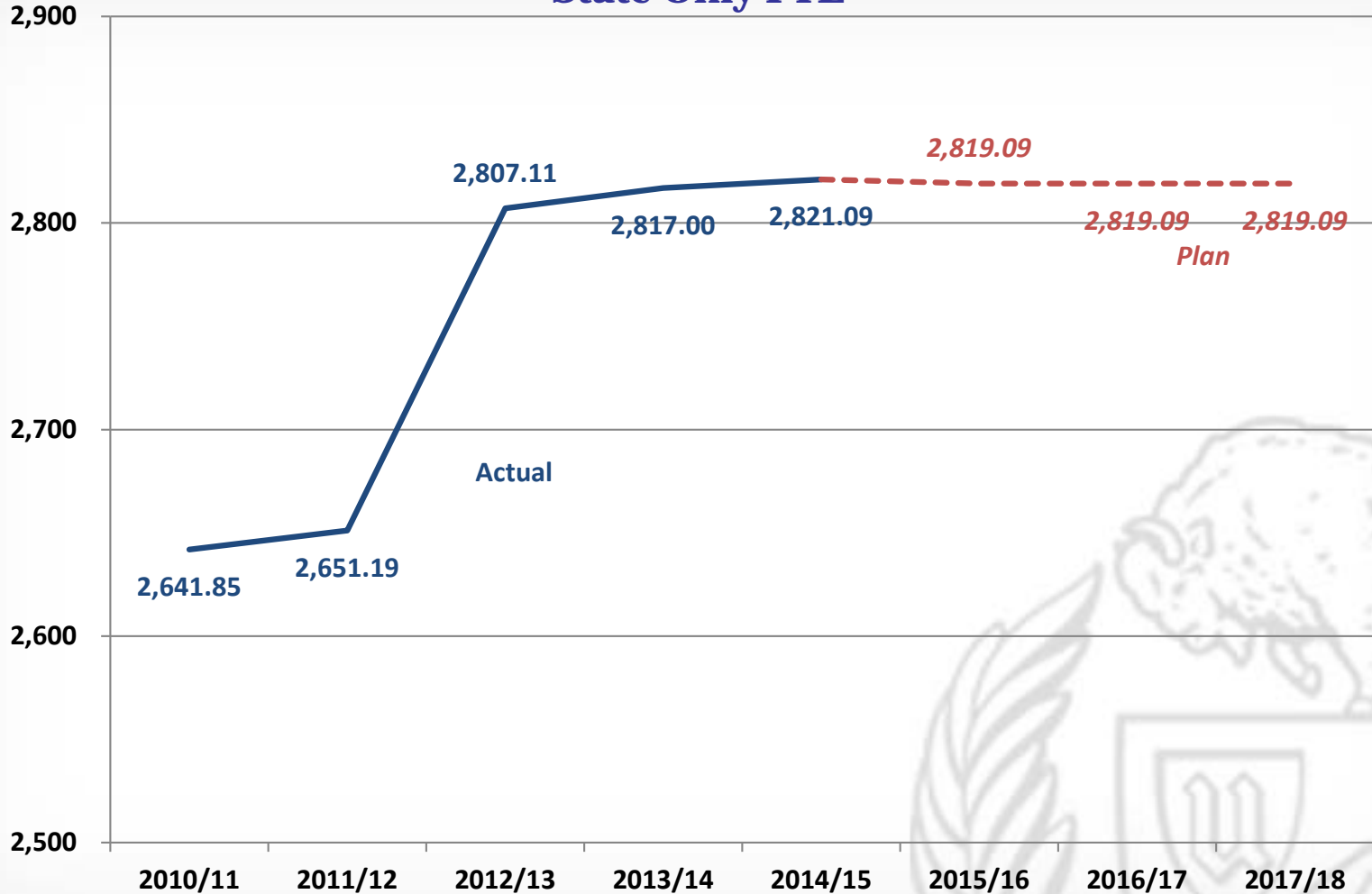
¹ Commitments made for these programs post-dated the 2012 Three-Year Plans and are assumed to be in addition to those filed plans. These ladder faculty hires may occur prior to 2015/16; this is a representation of the sum effect to the university ladder faculty hiring through the end of the E Fund approved plans.

NOTES:

- ~ Actual Faculty levels as of November 1 of the indicated years
- ~ Actual 2009/10 through 2011/12 from SIRI HR; actual 2012/13 and 2014/15 from employee census file.
- ~ Plan/Survey levels represent unit submitted modifications to previously expressed plan numbers per the 2014 TYPS Unit Profile
- ~ GFT positions are counted as 1.00 FTE each

STAFF (Classified and Professional)

State Only FTE

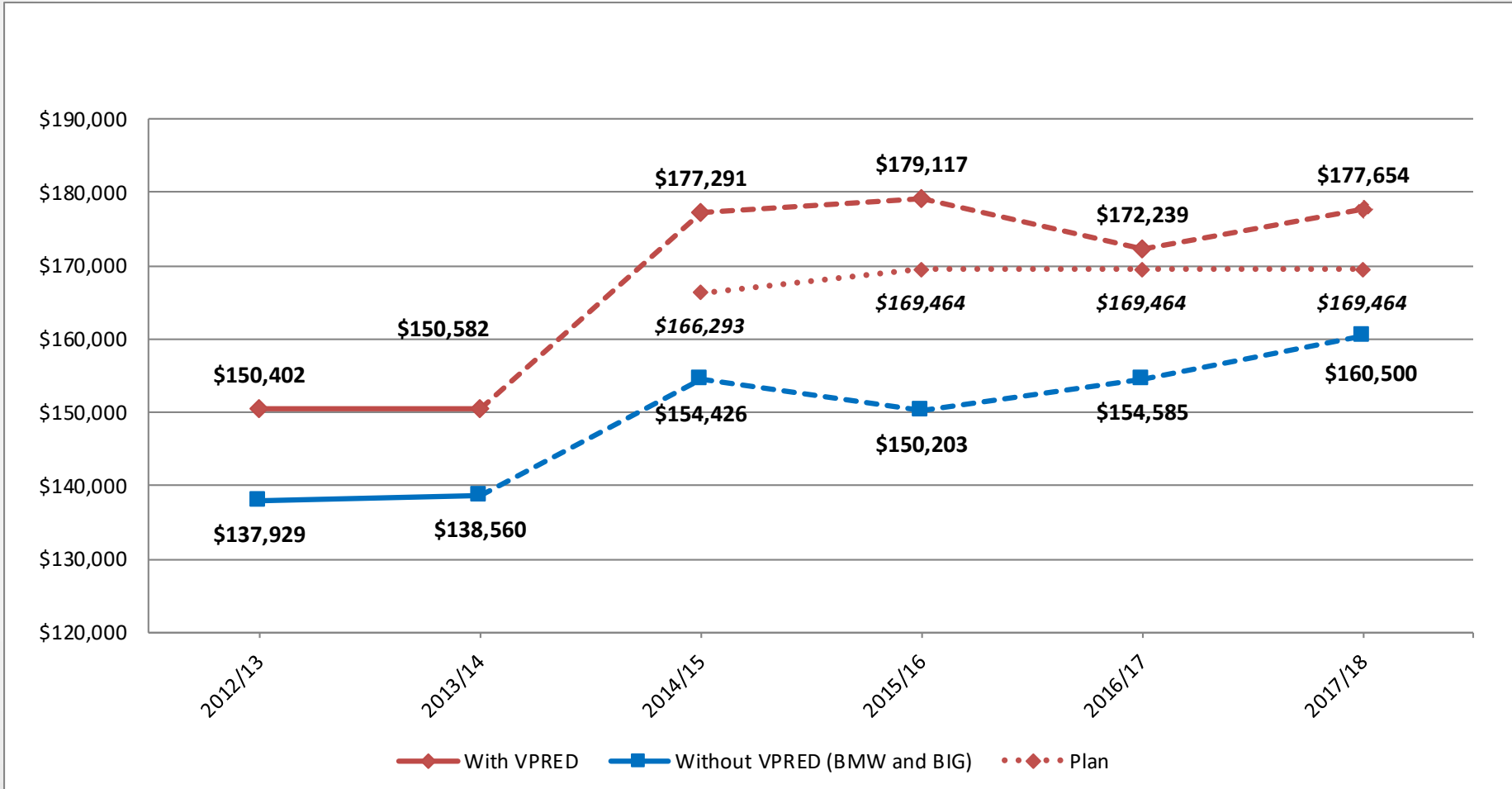


NOTES: ¹ 2015/16 Plan amount does not include the total number of hires per the approved year 2 E-Fund initiatives.

~ Actual Staff levels as of November 1 of the indicated years

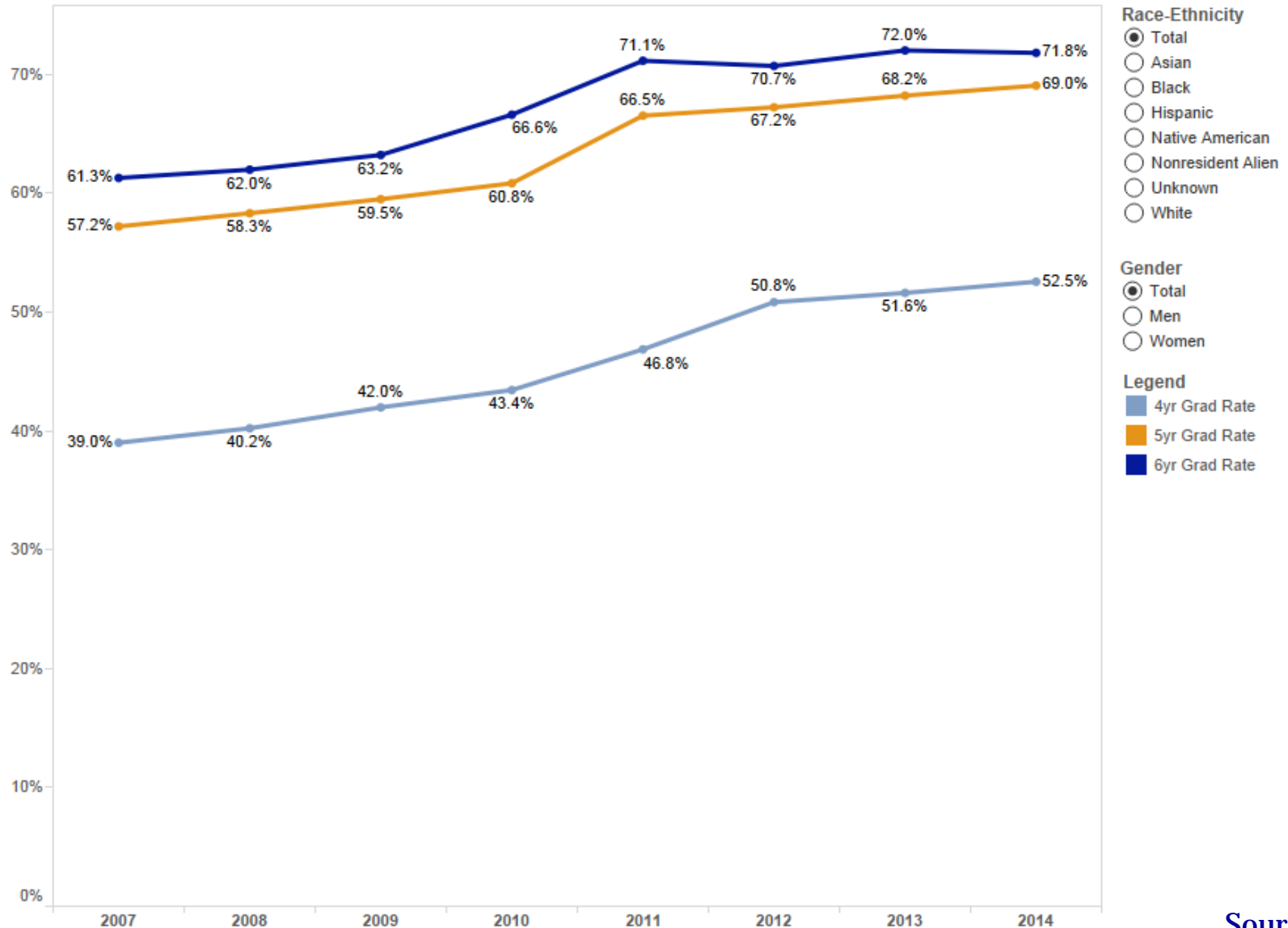
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RESEARCH TOTAL EXPENDITURES 2012/13-2017/18



Actual _____ Unit Projection - - - - - 14/15 TYPs Plan

GRADUATION RATES



Questions/Discussion



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