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
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

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KEY BRIEFINGS I
The Opportunity
UB NYSUNY 2020
Objectives

• Grow Ladder Faculty by 250
• Grow Research Expenditures by $60M (40%)
• Increase UG Degree Attainment
  o 4 Year graduation rate from 42 → 55%
  o 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
  o UG resident tuition increases - $300/year
  o Non-resident UG tuition increases – 10%/year
  o Grad/professional programs – 8%/year (on average)
  o $100M Total Revenue

• Academic Excellence and Success Fee - $75/year (all students)

• Medical School Relocation
  o $35M Challenge Grant
  o $215M Tax exempt bond financing
  o $50M Capital funds reappropriation
  o 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
  o Private-sector jobs - #1 priority
  o 5-1 match will be required
  o Sustainability plan releases funds
  o 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!

Innovation
Government & Education Institutions
Education

Product Development
Higher Education & Industry
Research

Industry & Higher Education
Entrepreneurship

Spin-Off Companies
Commercialization and Economic Development

Translation

Skilled Workforce

Prosperity

Industry Needs

Product Development

Entrepreneurship

Industry & Higher Education

Higher Education & Industry

Government & Education Institutions

Education

Innovation

Industry Needs
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?
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
  o All Indirect Recovery (70%)
  o SUNY Research Excellence Fund (10%)
  o Direct Allocation for CNSE ($6.5M)
  o Per capita?

• Provide research support across all academic disciplines
  o Advanced Doctoral FTE (20%)
GEOGRAPHIC: $15M

• Recognition of location pay:
  o Contractual obligation
  o Accurate, defensible, measurable
  o Major subcomponent of the Geographic Differential
  o Distribution consistent with current funding

• Other methods are very difficult to maintain, explain and verify; included arbitrary assumptions
ACADEMIC MISSION ADJUSTMENTS: $11M

• Model includes:
  
  o ESF (40% of State Support, 25% of Financial Plan)
  
  o 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

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.

Source: Human Resources
STRATEGIC STRENGTHS
Total Hires by Strategic Strength (FTE)
(Unit & Central Combined)

- Artistic Expression: 5.00
- Cultures and Texts: 30.00
- Extreme Events: 18.00
- Health and Wellness: 6.00
- Information and Computing Technology: 15.00
- Integrated Nanostructured Systems: 16.50
- Molecular Recognition: 24.50
- Total Number of Hires (FTE) by Strategic Strength:
  - Total approved hires through September, 2012
  - Previously made hires to be replaced
  - Health and Wellness hires to be made
RESEARCH METRICS
(2004/05 to 2011/12)

Number of Proposals

Value of Proposals
($ in millions)

New Awards

Award Conversion

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KEY MEASURES

Grants and Contracts Expenditures per Faculty

Source: Office of Research
UNDERGRADUATE TUITION & FEES

**Resident**

- Pittsburgh: $16,590
- Penn State: $16,444
- Michigan: $13,819
- UCSD: $13,217
- UC Irvine: $13,122
- Rutgers: $13,073
- UCLA: $12,692
- Washington: $12,363
- Wisconsin: $10,385
- UB 2015/16: $9,484
- Iowa: $8,057
- UB: $7,989
- UNC: $7,690
- Stony Brook: $7,560

**Nonresident**

- UCSD: $36,095
- UC Irvine: $36,000
- UCLA: $35,570
- Washington: $29,916
- Penn State: $28,746
- UNC: $28,442
- Wisconsin: $26,634
- Rutgers: $26,393
- Pittsburgh: $26,280
- Iowa: $26,279
- UB 2015/16: $24,294
- UB: $18,609
- Stony Brook: $18,180

Source: AAUDE Tuition and Fees, 2012-13
AVERAGE FRESHMAN NET PRICE
AAU Publics

Source: Estimates based on IPEDS Financial Aid, 2010-11
AVERAGE FRESHMAN NET PRICE
UB and NY Privates

Source: Estimates based on IPEDS Financial Aid, 2010-11
AVERAGE FRESHMAN NET PRICE
at SUNY institutions

Source: Estimates based on IPEDS Financial Aid, 2010-11
FRESHMAN ENTRY COHORT QUALITY AND ACCEPTANCE RATE

**Median SAT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Median SAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>F04</td>
<td>1150</td>
</tr>
<tr>
<td>F05</td>
<td>1145</td>
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<tr>
<td>F06</td>
<td>1140</td>
</tr>
<tr>
<td>F07</td>
<td>1145</td>
</tr>
<tr>
<td>F08</td>
<td>1150</td>
</tr>
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<td>F09</td>
<td>1165</td>
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<tr>
<td>F10</td>
<td>1160</td>
</tr>
<tr>
<td>F11</td>
<td>1155</td>
</tr>
<tr>
<td>F12</td>
<td>1155</td>
</tr>
</tbody>
</table>

**Acceptance Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Acceptance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>F04</td>
<td>56%</td>
</tr>
<tr>
<td>F05</td>
<td>56%</td>
</tr>
<tr>
<td>F06</td>
<td>55%</td>
</tr>
<tr>
<td>F07</td>
<td>51%</td>
</tr>
<tr>
<td>F08</td>
<td>52%</td>
</tr>
<tr>
<td>F09</td>
<td>52%</td>
</tr>
<tr>
<td>F10</td>
<td>51%</td>
</tr>
<tr>
<td>F11</td>
<td>53%</td>
</tr>
<tr>
<td>F12</td>
<td>57%</td>
</tr>
</tbody>
</table>

**Source:** Institutional Analysis; Acceptance Rate from Undergraduate Admissions
INTERNATIONAL ENROLLMENT
(Regular Enrollment, F1 Visas Only)
DEGREE ATTAINMENT
Undergraduate

1st to 2nd Year Retention

1st to 4th Year Retention

4-Year Graduation Rate

6-Year Graduation Rate

Source: Institutional Analysis
FINANCIAL CONTEXT
State Tax Funds Plus UB Tuition Revenue
$ in millions

Source: Financial Services
FACULTY AND STAFF TURNOVER
State PSR Only

<table>
<thead>
<tr>
<th>Year</th>
<th>FTE</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-07</td>
<td>370</td>
<td>$20.1M</td>
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<tr>
<td>07-08</td>
<td>353</td>
<td>$20.3M</td>
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<tr>
<td>08-09</td>
<td>300</td>
<td>$18.4M</td>
</tr>
<tr>
<td>09-10</td>
<td>303</td>
<td>$18.3M</td>
</tr>
<tr>
<td>10-11</td>
<td>463</td>
<td>$30.5M</td>
</tr>
<tr>
<td>11-12</td>
<td>277</td>
<td>$20.6M</td>
</tr>
</tbody>
</table>

Source: Human Resources
FINANCIAL CONTEXT
Endowment Market Value
2003/04 – 2011/12
$ in millions

Source: University at Buffalo Foundation
FINANCIAL CONTEXT

Fundraising
2004/05 – 2011/12
$ in millions

Source: Development & Alumni Relations
COMPOSITE FINANCIAL INDEX
CFI Scale

1  5  10

UB

4.7

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

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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
  o 31% - 2000
  o 23.5% - 2012
  o 17% - 2025

• Complacency and inaction
  o Top 0.01 families – 37% of growth since 2009
  o Shrinking core industries
  o Globalization/technology – fewer jobs
  o Hollowing of middle class
  o K-12 – no pathway to social mobility
  o Student indebtedness
  o 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

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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
  o Collective bargaining agreements
  o 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

Three-Year Plan Projections

NYSUNY 2020 Expectation

GAP

Current Hiring Trend

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

Source: Human Resources
FACULTY SALARY COMPARISON

Source: IPEDS Faculty Salaries, Fall 2011
STARTUP PACKAGES FOR SELECTED DISCIPLINES


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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

Source: NSF Higher Education R&D Survey & 2012 Global R&D Funding Forecast (Battelle)
# SUNY PROJECTIONS

## Sponsored Program Revenue

<table>
<thead>
<tr>
<th></th>
<th>Actual 2011</th>
<th>Projections 2013</th>
<th>Projections 2015</th>
<th>Projections 2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$412</td>
<td>$415</td>
<td>$396</td>
<td>$406</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>Federal Flow Through</td>
<td>163</td>
<td>147</td>
<td>150</td>
<td>155</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>State</td>
<td>187</td>
<td>155</td>
<td>107</td>
<td>109</td>
<td>(41.7%)</td>
</tr>
<tr>
<td>Private/Other</td>
<td>179</td>
<td>248</td>
<td>291</td>
<td>307</td>
<td>71.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$941</strong></td>
<td><strong>$964</strong></td>
<td><strong>$944</strong></td>
<td><strong>$976</strong></td>
<td><strong>3.8%</strong></td>
</tr>
</tbody>
</table>

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NYSUNY 2020
Research Goals and Campus Plans

Three-Year Plan projections are extended beyond the end of the plans at the average rate of growth between 2012/13 and 2014/15.
• 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.
High school graduates projected to decline ~7% through 2020
PROJECTED CHANGES IN HS GRADUATES FROM OTHER KEY STATES

- PA: -6.0%
- NJ: 0.3%
- CA: -0.5%
- OH: -3.1%
- FL: -6.1%
- MI: -10.1%
- MA: -3.9%
- MD: -1.0%
- CT: -5.3%
- IL: 0.5%
Applications to UB projected to decline ~6% by 2020
82% of students transferring from SUNY/CUNY or a NYS private institution also resided in NYS
SUNY COMMUNITY COLLEGE
Freshman Enrollments

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.
GRADUATE ENROLLMENT

Source: Official Enrollment, includes full- and part-time regular enrollment.
# ONE-YEAR PERCENTAGE CHANGE IN NEW GRADUATE ENROLLMENTS

## 2011

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

*Source: Council of Graduate Schools.*
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.
REVENUE PER STUDENT UNDER NEW SUNY BUDGET MODEL
Tuition, Fees & State Support

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

- Student Services
- Enrollment Management
- Business Services, Information Systems & Reporting
- Communications/Marketing and Branding
- Physical (Building/IT Services)
- Athletics
- Fundraising
- Research Grant Development & Program Management
- Library Environments & Acquisitions
A NEWCOMER’S OBSERVATIONS
UB in 2012
A NEWCOMER’S OBSERVATIONS
A Window of Competitive Opportunity

STRENGTHS

• New leadership team
• Good financial health
  o Low tuition
  o Low debt
  o Low student indebtedness
  o State hold harmless
  o SUNY model favorable
  o 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
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?
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?

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