Campus Budget Update
February 2009

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

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

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

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

- Provost formed Financial Management Advisory Group
  - Austin Booth – University Libraries
  - Carol Brewer – School of Nursing
  - John Carly – School of Medicine and Biomedical Sciences
  - Peter Croll – Undergraduate Student Association
  - Bob Hastings – Department of Linguistics, Faculty Senate
  - Daniel Kashe – Graduate Student Association
  - Jane Kwiatkowski – 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 Natale – Office of the President and Human Resources
  - Joe Redo – Environmental Health and Safety
  - Debra Schiffle – 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)
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)

Impact to the campus

<table>
<thead>
<tr>
<th>Additions to UB budget</th>
<th>$3.7 million</th>
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<tbody>
<tr>
<td>Tuition revenue (20%)</td>
<td>$3.1 million</td>
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<tr>
<td>OTPS inflation</td>
<td>$0.6 million</td>
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<table>
<thead>
<tr>
<th>Reductions to UB budget</th>
<th>$15.3 million</th>
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<tbody>
<tr>
<td>RF tithe</td>
<td>$2.3 million</td>
</tr>
<tr>
<td>IFR reserves</td>
<td>$7.0 million</td>
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<tr>
<td>U-wide programs</td>
<td>$8.0 million</td>
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Net Reduction to UB  $11.6 million!

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)

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