

Report of the Budget Advisory Group to the Senate and the Senate Executive Committee

Meeting of April 5, 2011

This meeting was devoted to completing a draft of final recommendations to the President. An earlier draft had been circulated prior to this meeting, and a hopefully final draft will be circulated for final revisions after discussion at this meeting has been incorporated.

Major Issues

After the last BAG meeting, an initial draft set of findings, largely drawn from earlier BAG reports and a report submitted by the University Policy and Planning Council (UPPC) had been compiled and circulated among BAG members, with a request for comment and initial recommendations. The extensive comments provided by BAG members were compiled and collated into issue areas that were in need of further discussion.

Non-state funds

One issue dealt with the availability of significant non-state funds to compensate for losses of state funds (direct state support and tuition). It was noted that income collected from student fees was earmarked for particular purposes and couldn't be spent for anything else, and research and other outside revenue largely supported the university's research infrastructure, the work for which the award was made, and reverted to the school or department which earned them.

Concern was expressed about the need for clarifying information concerning the revenues of the College of Nanoscale Science and Engineering (CNSE). Interim Vice President for Finance and Business Steve Beditz presented a brief report on the budgetary relationship between CNSE and the rest of the university, which can best be described as "arms length". A copy of this report is appended. The rest of the university does not subsidize any activities of CNSE, which pays all its own bills and gets a separate allocation of state funds from SUNY Central.

Long Range Planning

There was also discussion of the need for the university to engage in long term planning. While there was little debate about the need for such an undertaking, BAG members offered a wide variety of ideas and suggestions about how such a process should proceed and the kinds of issues that it might address. Rather than attempt to resolve these procedural and substantive questions, it was determined to pass on the various procedural and substantive ideas to a separate long range planning group.

Athletics

The most sustained discussion centered on the question of intercollegiate athletics and particularly the preservation of the University's Division I status. There is a body of opinion both inside BAG and in the larger community that athletics makes no contribution to the university's educational mission and should be sacrificed if necessary to prevent any reductions in academic programs. There is another body

of opinion which holds that athletics makes a contribution to the university's educational mission and other strategic goals and should be retained on campus at some level, although subject to some degree of cuts beyond those imposed on academic units. There was considerable discussion about the benefits and costs of maintaining D-1 status on campus. A straw poll indicated strong support for maintaining D-1 status, although there was considerable concern that BAG was unable to translate that desired outcome into a precise budget number. Several alternatives for dealing with this difficulty were offered, ranging from leaving the details up to the Athletic Director and the President to convening a separate advisory committee to address the question in more detail. Such a committee might go beyond collecting opinions from stakeholders to a more detailed examination of the overall costs and benefits associated with D-1 athletics.

Summary recommendations

Voting was then conducted on 13 summary recommendations put forth by BAG members. These recommendations did not address particular patterns of reductions across departments or other academic units, but rather addressed the process by which decisions should be made and communicated to the university or particular issues that should be addressed. While all the recommendations received some votes, the most support went to recommendations that stressed the importance of making strategic, rather than across the board budget allocations; using refined and "pilot tested" performance metrics to allocate funds both inside and outside Academic Affairs; and communicating the criteria for budget decisions to the university community when decisions are announced.

Continuing advisory process

There was also some extended discussion about possible next steps in the consultation process. Concern was expressed that BAG's recommendations didn't address issues at enough detail, although it did serve to dispel rumors that there were easy fixes to the university's financial problems. Several suggestions were offered for more targeted groups to address particular issues in depth, ranging from more detailed development of metrics for both academic and non-academic units, and athletics to a more "futures" oriented group. Such targeted groups could get into more depth around particular issues than BAG has had the time to do.

There was also some discussion of alternative ways of configuring the consultation process, which has heretofore been one way, between advisors and advised. Processes could be imagined in which there was more back and forth or reciprocal exchange, in which particular sets of decisions were sent back to advisory groups to examine "fit" with the advice offered. In similar fashion, some groups appear to feel more comfortable providing "big picture" advice, while others were more focused on detailed budget choices.

BAG IV

Description of the Relationship Between the University at Albany and the College of Nanoscale Sciences and Engineering

As discussions in BAG IV have progressed, it would appear helpful to provide an articulation of the governance and budgetary relationships between the College of Nanoscale Sciences and Engineering (CNSE) and the University at Albany, of which it remains an integral academic part. The official correspondence underlying the establishment of CNSE is voluminous and is documented as part of University Senate Resolution No. 0809-03R that unanimously endorsed the budgetary, administrative, and programmatic autonomy of CNSE (see below) while reaffirming a unified academic and university governance structure. This communication is intended to be a less detailed and more concise description to address specific questions that have arisen during the course of the BAG IV conversations.

History

Prior to its creation as a distinct College in 2004, nanoscale sciences operated in the same manner as any other academic department on Campus. On April 20, 2004, the SUNY Board of Trustees established the College as an academic unit within the University at Albany headed by a vice president reporting directly to the president. The resolution also specified that CNSE should establish its own separate faculty governance structure that would work with Campus governance to coordinate UAlbany-wide faculty governance matters.

On November 18, 2008, in response to the success that CNSE had demonstrated over the intervening years, the SUNY BoT acted again, adopting a subsequent resolution promoting the CNSE Vice President to Senior Vice President and Chief Executive Officer reporting directly to the Chancellor and BoT and vested in that position full administrative, academic and fiscal authority over CNSE's mission and internal management and operations. It established a CNSE budgetary process that is completely independent from the campus, wherein the management and oversight of the development, implementation, and administration of the CNSE annual budget, plans and requests; and full authority to develop and submit to SUNY the CNSE annual operations budget request operate separately and independently from UAlbany's annual operations budget request and capital construction plan and budget request.

More specific to BAG IV's concerns, the BoT actions established the budget of CSNE as a separate, stand-alone item that is not subject to oversight by the University at Albany, the University Senate or its councils and committees. That line item includes the annual operating resources allocated to CNSE and its research centers.

In response to these developments, the Campus followed with changes to the manner in which its financial systems were organized. As more and more responsibility for budgetary and management became vested in CSNE, separate routines were established under CSNE's control, along with the responsibility vested in CNSE for meeting its own financial obligations.

Misperceptions

Several common misperceptions with respect to the financial relationship between CSNE and the Campus should be dispelled.

- For example, despite belief to the contrary, CSNE is responsible for its own utility costs. In the beginning, the Campus paid those bills and was then fully reimbursed by CSNE. However, after 2008, CSNE pays its own utility bills.
- When the University sustains cuts to its operating budget as we have over the past several years, CSNE's State operating budget has been reduced by the exact same percentage as the Campus'. There is no cross-subsidy. CSNE does have various other revenue sources including specific line-item appropriations in the State budget. Given its autonomy, these are under CSNE's control and "not on the table" as the Campus deals with absorbing reductions to its State appropriations. But by the same token, the Campus has no exposure should CSNE experience reductions to those other revenue sources.
- The Campus does not clean, or pay for cleaning, of CSNE space.
- The Campus does not pay for CSNE graduate student stipends or tuition.
- Capital improvements are not correlated. The Campus' critical maintenance and strategic investment programs are separate and distinct from CSNE's. Our Facilities Master Plan, now underway, is not examining or considering CSNE spaces.

In sum, CSNE "stands on its own bottom." The Campus cannot spend CSNE funds; likewise, CSNE cannot spend Campus funds.