



New Economic Framework:
CAPRA Update for Chairs/Directors

Stony Brook University
October 28, 2024



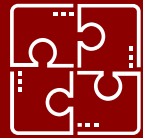
New Economic Framework Project Background

Based on collective concerns with our existing budget model, we have endeavored to explore a new budget model to incentivize activities aligned with our collective strategic goals.



Definitions

- **Budget:** The amount of funds available for a unit to spend
- **Budget Model:** The approach, inclusive of allocation methodologies, policies, and supporting management structures, that determines the budget of each unit



The Challenge

- Stony Brook's model has inadvertently **created incentives that do not support innovative activities** or campus cooperation
- This has caused a degradation in campus moral and **undermined those with an entrepreneurial spirit**



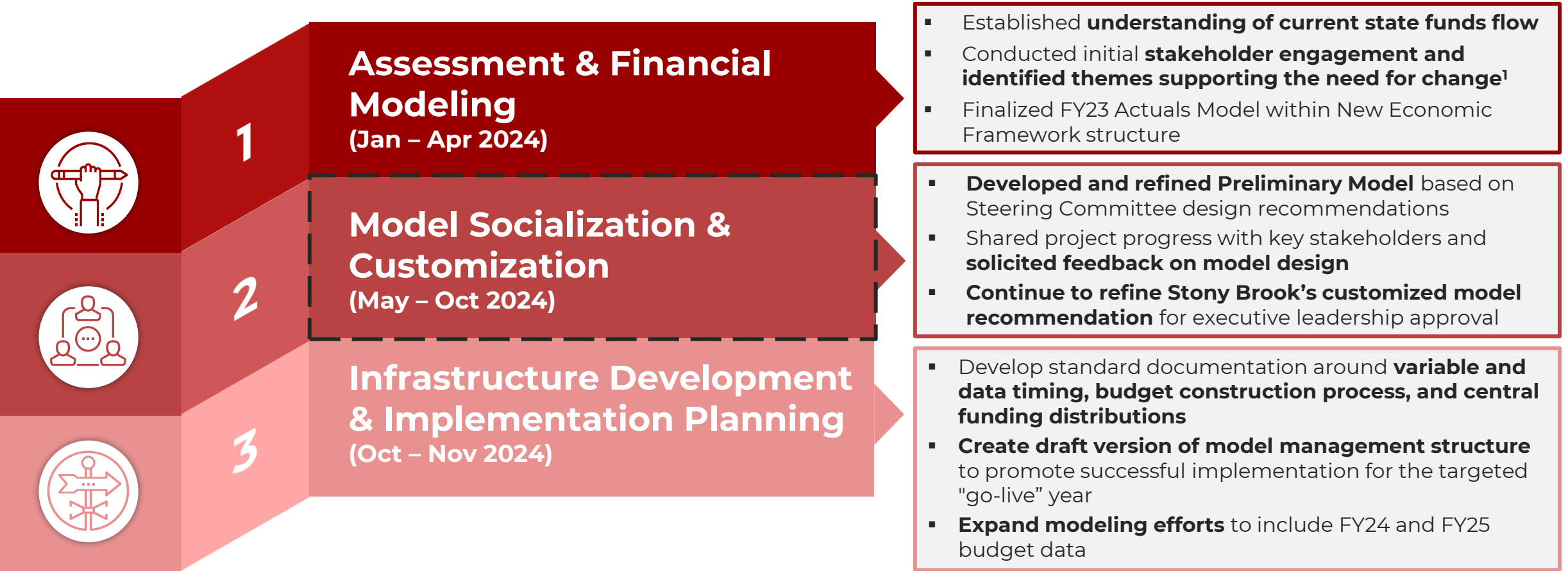
The Goal

- **Identify, design, and implement a new budget model** that aligns Stony Brook's strategic plan, institutional priorities, and its budget
- This **new budget framework** should:
 1. Put agency and authority in units
 2. Increase financial transparency and promote multi-year planning
 3. Limit perverse incentives and mercenary-like approaches
 4. Encourage and facilitate collaboration



Project Structure

Leadership in partnership with a steering committee comprised of faculty, staff, senate reps, and administrators (including deans) is identifying, designing, and implementing a new budget model that aligns Stony Brook’s strategic plan, institutional priorities, and available resources.





Guiding Principles

The Steering Committee developed and approved these guiding principles to anchor and guide model design conversations.

The institution's approach to resource allocation should encompass the below attributes:

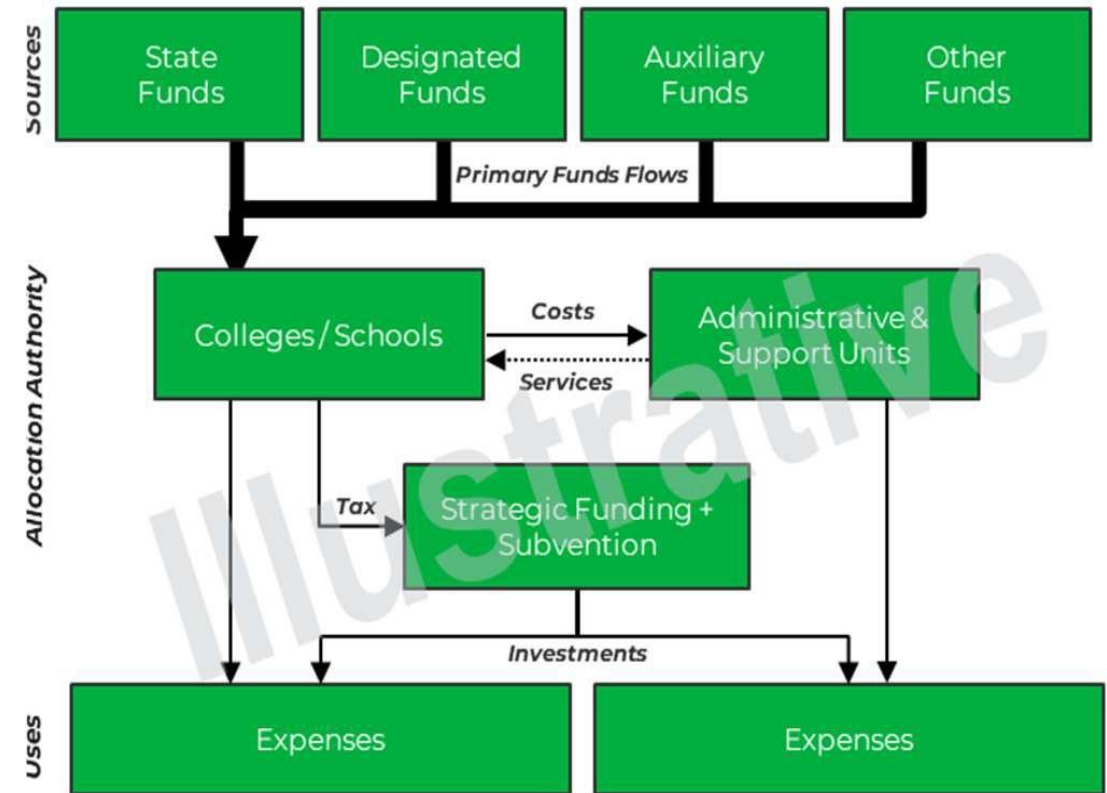
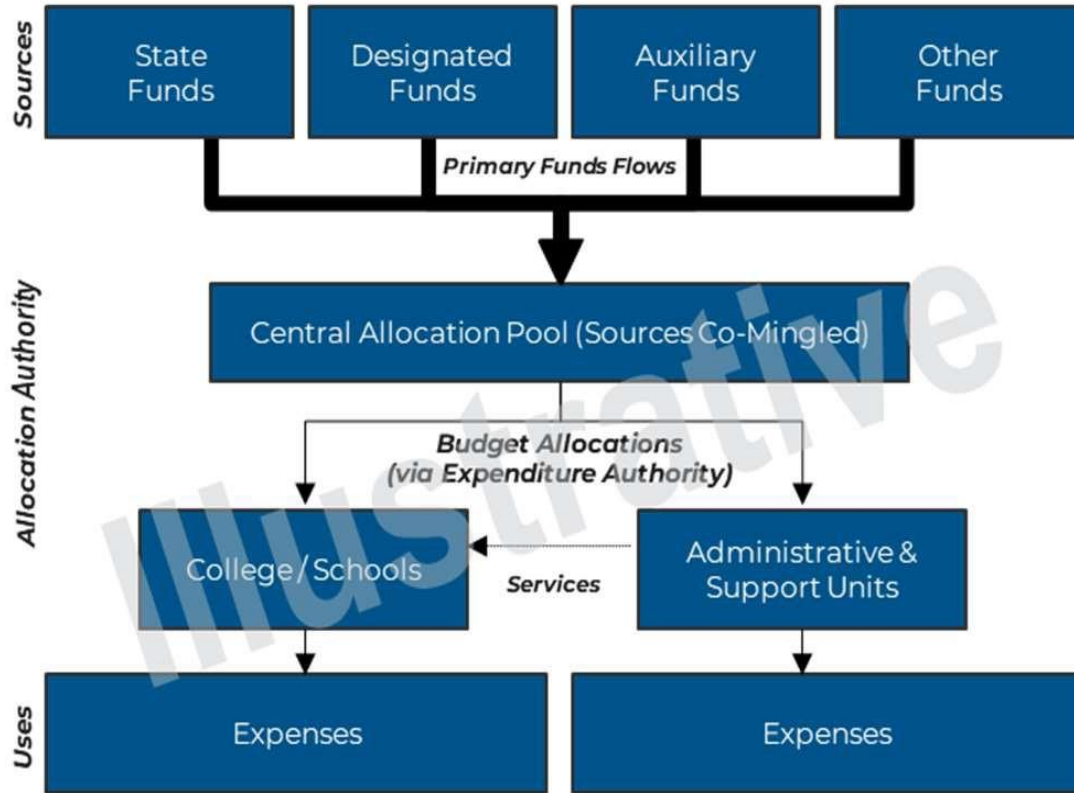
- **Strategic and Integrated:** Support integrated planning focused on alignment with strategic objectives, core mission, and values of the institution and avoid promoting decisions based on parochial perspectives.
- **Transparent and Understandable:** Deploy a transparent budget methodology and process that is easy to understand and clearly communicated.
- **Incentivize Responsible Leadership:** Empower individual unit leaders to make decisions aligned to mission critical operations to incentivize entrepreneurship and provide adequate funding to be in line with the strategic priorities of the University and in support of their unit. Accountability is expected and based on unit performance.
- **Supports Engagement:** Foster stakeholder engagement through two-way discussions between entities and promote collective accountability through a shared understanding of external markets and internal economies.
- **Incentive Focused:** Maximize incentives to create new opportunities and maintain mission critical operations throughout the entire institution.
- **Consistent and Data-Driven:** Use a fair and consistent methodology and analysis of trusted and measurable data.
- **Inclusive of All Funds:** Include all sources of funding, including tuition, state appropriations, restricted and unrestricted income, direct and indirect funding, earned revenue, expendable gifts, and endowment spending allotment.



Represents adopted updates from President McCormick



How Funds Flow: Incremental vs Incentive-based Models





Undergraduate Tuition Revenue Allocation

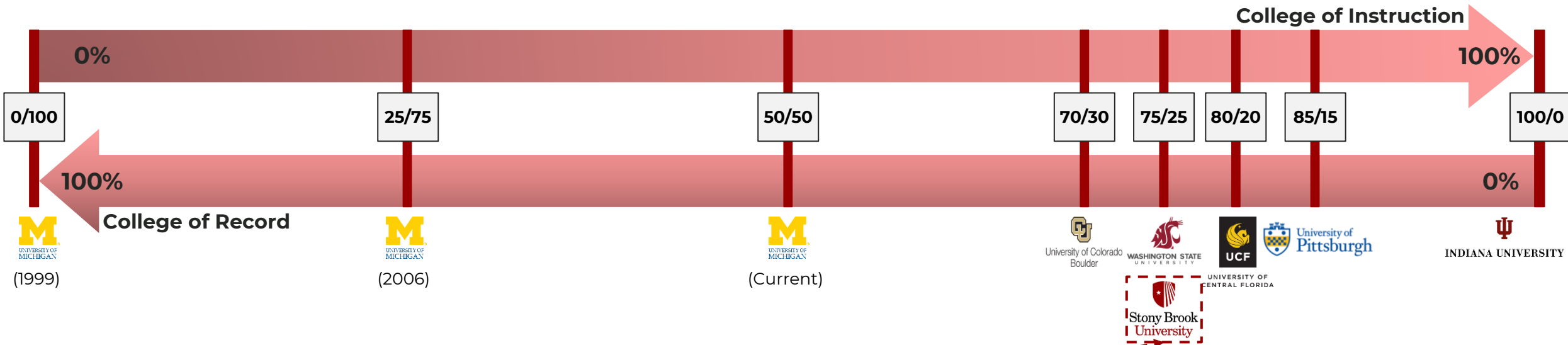
The Steering Committee recommended an undergraduate tuition distribution methodology that aligns with industry standard practices for institutions that utilize an incentive-based approach.

Tuition Allocated to College of Record

- + Promotes recruitment
- Does not support direct costs of instruction
- Can lead to “holding company” mentality

Tuition Allocated to College of Instruction

- + Supports direct costs of instruction
- Can lead to course competition and redundancy
- Misaligned incentives for academic advising



Steering Committee compared last 3 years' functional expenditures of instruction/academic support to inform recommendation



Tuition Revenue Distribution Example

The tables below provide an illustrative example of how tuition revenue is allocated to units based on their proportional share of student credit hours as recommended by the Steering Committee.

Total Allocable Undergraduate Tuition:		\$100,000,000				
Credit Hour Type	Allocation Split	Allocable Tuition Pool Dollars	Total Credit Hours	“College A” Credit Hours	“College A” Percent of Credit Hours	“College A” Tuition Allocation (“A” x “B”)
SCH Course College of Instruction - Undergraduate	75%	\$75,000,000	200,000	90,000	45%	\$33,750,000
SCH Student College of Record – Undergraduate	25%	\$25,000,000	200,000	40,000	20%	\$5,000,000
Undergraduate Total	100%	\$100,000,000				\$38,750,000

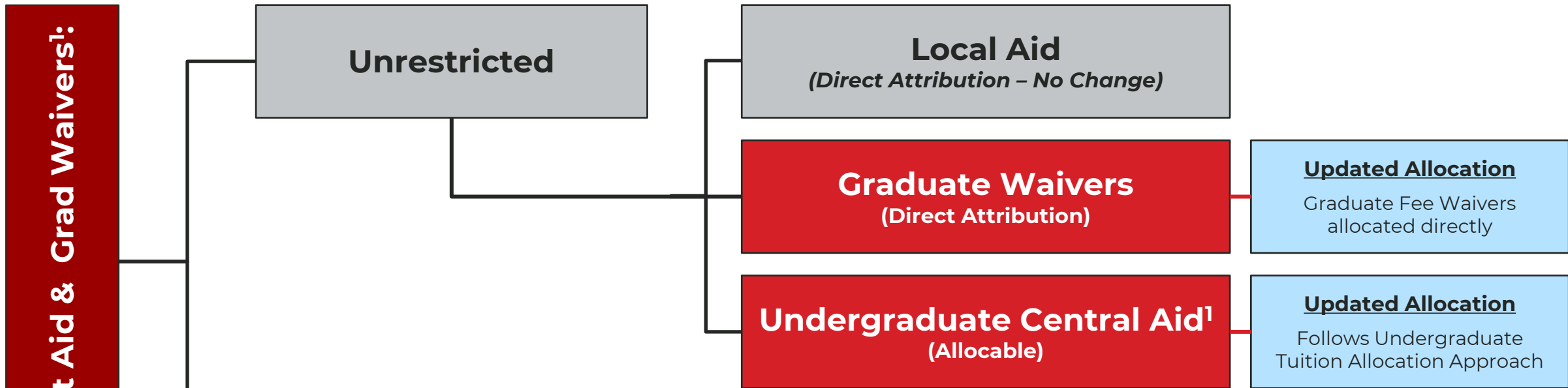
Total Graduate Tuition		\$70,000,000				
Less: Directly Assigned Tuition¹		(\$20,000,000)				
Total Allocable Graduate Tuition:		\$50,000,000				
Credit Hour Type	Allocation Split	Allocable Tuition Pool Dollars	Total Credit Hours	“College A” Credit Hours	“College A” Percent of Credit Hours	“College A” Tuition Allocation (“A” x “B”)
SCH Course College of Instruction – Graduate	90%	\$45,000,000	120,000	30,000	25%	\$11,250,000
SCH Student College of Record – Graduate	10%	\$5,000,000	120,000	40,000	33%	\$1,666,667
Graduate Total	100%	\$50,000,000				\$12,916,667

1. Differential Tuition and SUTRA contract courses



Student Aid Allocation

Financial Aid is treated as a contra-revenue, resulting in a net-tuition view. The allocation of aid contra-revenue depends on the funding source and which unit makes aid distribution decisions.



■ Represents update compared to SBU's current practices

Benefits of Student Aid Allocation Following Tuition Allocation Methodology:

- **Undergraduate (75% College of Instruction, 25% College of Record):** Maintains simplicity in concepts, building on Stony Brook's guiding budget principles while also directly aligning aid dollars to undergraduate tuition allocation
- **Graduate Waivers (Direct Assignment):** Establishes most accurate allocation by tying aid directly back to individual students and their home college of record where graduate/professional aid decisions are often made

1. Recruitment scholarships.



State Appropriations Revenue Allocation

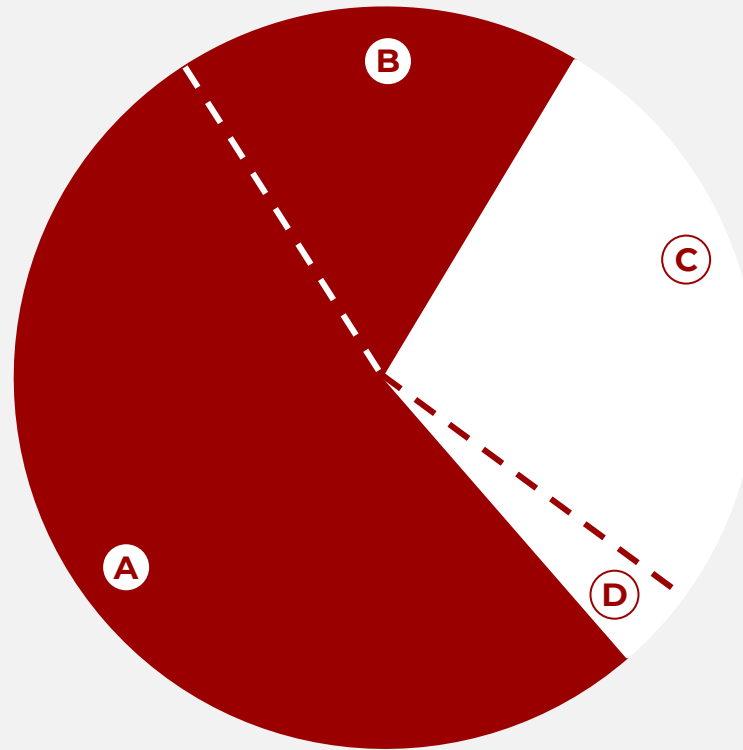
The Steering Committee recommended using state appropriations to bolster or create additional incentives that align with Stony Brook’s strategic priorities.

Distribution of State Appropriations¹



Academic Delivery – 70%

Allocation Metric	75% College of Instruction Student Credit Hours (A)
	25% Degrees Granted (B)
Rationale	Aligns with Stony Brooks Transforming Learning and Teaching priority



Research Activity – 30%²

Allocation Metric	90% Research Expenditures (C)
	10% Cumulative task-level effort on sponsored projects across all active grants/contracts (D)
Rationale	Provides financial investment to address the difference between the negotiated and effective IDC recovery rates; rewards faculty participation beyond the principal investigator on sponsored projects.

1. Applies to general state appropriations. State funding designated for 1A Special Appropriations, Union Retro Payments, and the NYS Faculty Fund are removed from the allocable pool and are directly distributed to the appropriate unit.
2. Calculations that helped the Steering Committee arrive at this initial percentage are included in the appendix.



Important Features of New Model

- Special tuition return cases no longer special
- IDC funds flow directly to the unit
- Direct allocation of funds to units means many things central paid for are now covered by the Schools/Colleges (S/C)
 - The Grad School would likely no longer allocate TAs and distribute TORG - Grad Dean could have more strategic role
 - Units cover their space costs
- Provost Centers/Institutes (C/Is) receive their funds from Cost Pool Allocations (based on existing funding) while S/C-level C/Is receive their funding from S/C allocations
- Model operates at S/C level, each S/C must then evolve its approach for flow to departments/units
- For the initial years of the model, subvention is set to hold S/C harmless and provide time/opportunity for S/C to respond to factors impacting their budget

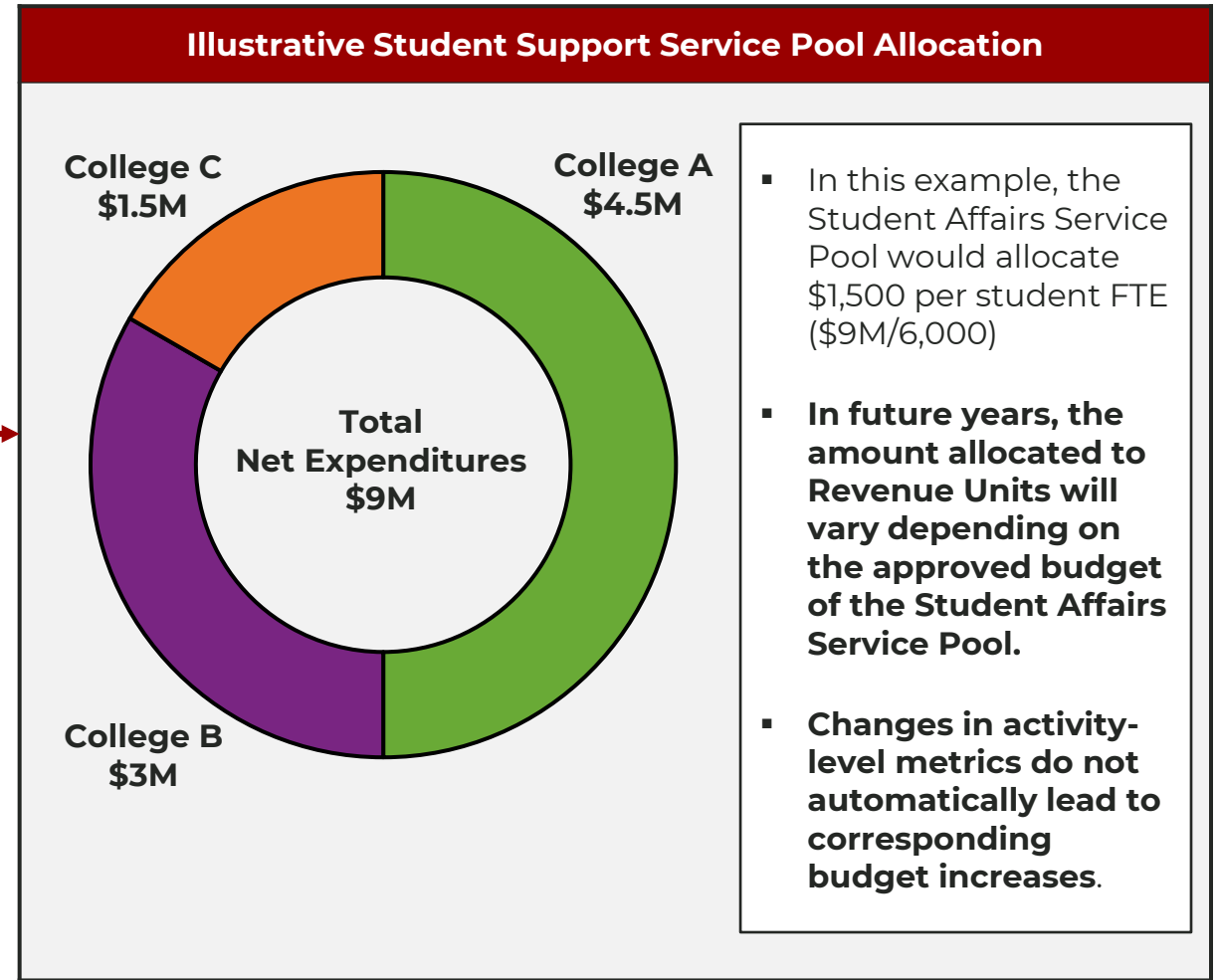


Service Pool Allocations Reminder

Net expenditures from the various Service Pools are allocated to Revenue Units using recommended activity-level metrics.

Illustrative Student Affairs Service Pool Net Expenditures Calculation	
Direct & Allocated Revenues	\$2M
Less: Direct Expenditures	\$11M
Net Expenditures Allocated to Revenue Units	\$9M

Illustrative Student Affairs Service Pool Activity Driver		
College	FTE	FTE %
College A	3,000	50%
College B	2,000	33%
College C	1,000	17%
Total Student FTE	6,000	100%





Service Pool Details (1/2)

The Steering Committee recommended the formation of seven distinct Service Pools comprised of Stony Brook’s administrative and athletics departments for the purposes of allocating costs to Revenue Units.

Service Pool ¹	Sample Components		Activity Driver
Academic	<ul style="list-style-type: none"> ▪ Academic Administration (Provost) ▪ Brookhaven Affairs ▪ CELT ▪ Enrollment & Retention ▪ Graduate School ▪ International Academic Programs 	<ul style="list-style-type: none"> ▪ Library ▪ Biomedical Library² ▪ HSC Student Services ▪ Southampton Academic Affairs ▪ Staller Center ▪ Undergraduate Affairs 	<ul style="list-style-type: none"> ▪ 50% Student FTE ▪ 50% Faculty FTE³
Athletics	<ul style="list-style-type: none"> ▪ Athletics Administration ▪ Athletics Endowments & Scholarships 	<ul style="list-style-type: none"> ▪ Camps and Clinics ▪ Team Sports 	<ul style="list-style-type: none"> ▪ Allocated Undergraduate Tuition
Centers & Institutes	<ul style="list-style-type: none"> ▪ Behavioral Political Economy ▪ C.N. Yang Institute for Theoretical Physics ▪ Center for Biotechnology ▪ Alda Center for Communicating Science ▪ Consortium for Inter-Disciplinary Environmental Research (CIDER) ▪ Institute for Advanced for Computational Science ▪ Institute of Energy: Sustainability, Environment, and Equity ▪ Institute for Chemical Biology 	<ul style="list-style-type: none"> ▪ Institute for Mathematical Sciences ▪ Institute for STEM Education (I-STEM) ▪ Institute for the Conservation of Tropical Environments ▪ Joint Photon Sciences Institute ▪ Laufer Center for Physical and Quantitative Biology ▪ SCAN Center ▪ Simons Center for Geometry and Physics ▪ Turkana Basin Institute 	<ul style="list-style-type: none"> ▪ 50% Research Expenditures ▪ 50% Faculty Participation

1. Service unit expenses will be netted against service unit revenues which results in the **distribution of net expenditures** allocations to Revenue Units
2. Biomedical Library resides within the School of Medicine in SBU’s chart of accounts
3. Clinical non-instructional faculty are excluded from metric



Service Pool Details (2/2)

The Steering Committee recommended the formation of seven distinct Service Pools comprised of Stony Brook’s administrative and athletics departments for the purposes of allocating costs to Revenue Units.

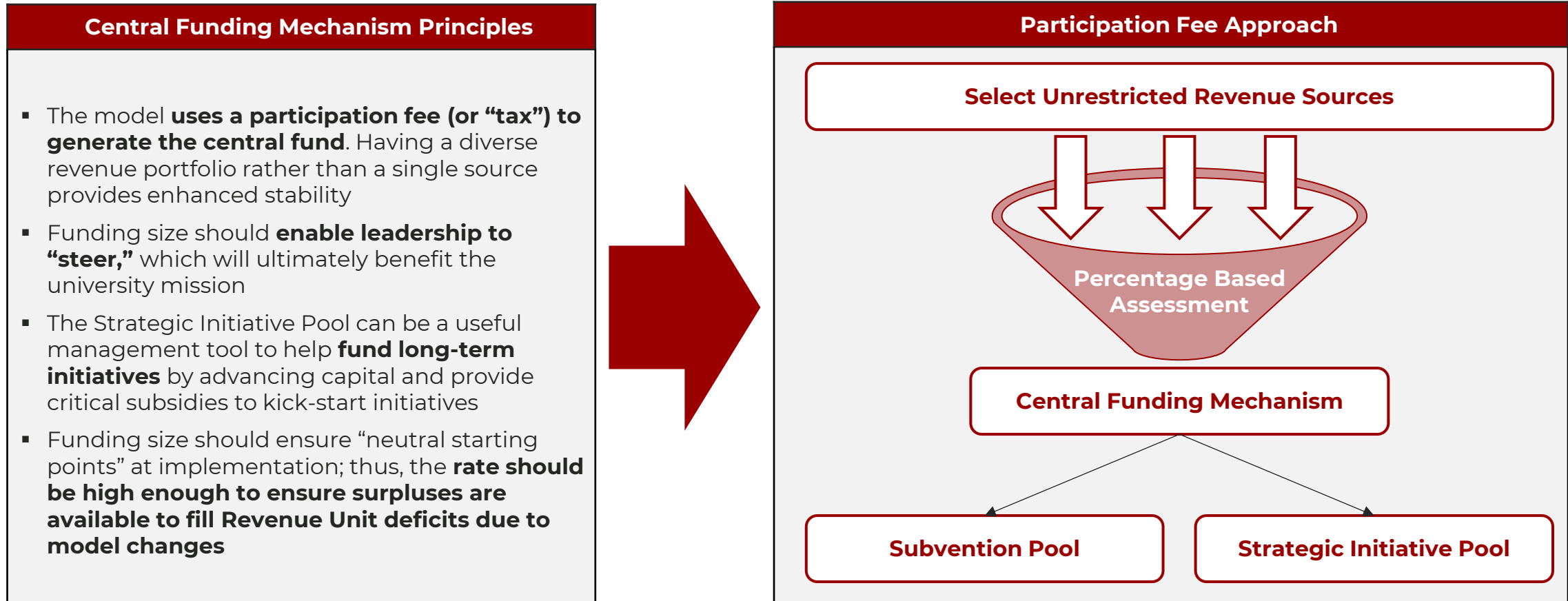
Service Pool ¹	Sample Components		Activity Driver
Facilities	<ul style="list-style-type: none"> ▪ HSC Facilities ▪ Utilities 	<ul style="list-style-type: none"> ▪ VP for Facilities and Services 	<ul style="list-style-type: none"> ▪ Net Assignable Square Footage
General Administration	<ul style="list-style-type: none"> ▪ Advancement ▪ Communications ▪ Emergency Management ▪ Environmental Health & Safety² ▪ Executive Office ▪ FP&A ▪ Government and Community Relations 	<ul style="list-style-type: none"> ▪ Human Resources ▪ HSC Administration³ ▪ IT ▪ Office of Administration ▪ University Police ▪ VP Finance 	<ul style="list-style-type: none"> ▪ Direct Expenditures
Research Administration	<ul style="list-style-type: none"> ▪ Economic Development ▪ Office of Grants Management ▪ Office of Research Compliance ▪ Office of Sponsored Programs 	<ul style="list-style-type: none"> ▪ Office of Technology Licensing ▪ Research Administration ▪ Research Development and Assessment 	<ul style="list-style-type: none"> ▪ Research Expenditures
Student Affairs	<ul style="list-style-type: none"> ▪ Career Center ▪ Commuter Student Services ▪ Dean of Students ▪ Office of Student Affairs 	<ul style="list-style-type: none"> ▪ Student Health and Wellness⁴ ▪ Student Union ▪ VP for Student Affairs 	<ul style="list-style-type: none"> ▪ Student FTE based on College of Record

1. Service unit expenses will be netted against service unit revenues which results in the **distribution of net expenditures** allocations to Revenue Units.
2. Hazardous Waste Disposal and Radiation Safety & Laboratory Safety components are in the Research Admin cost pool.
3. HSC Administration includes HSC Development & Alumni Affairs, HSC Admin, HSC Advancement, HSC Compliance, and HSC VP.
4. Student Health and Wellness encompasses Campus Recreation, Center for Prevention & Outreach, Student Accessibility Services, and University Counseling Center.



Central Funding Mechanism

The Central Funding Mechanism enables Stony Brook to act as one entity with respect to key initiatives by creating pools of resources to address unit-level subsidies and strategic initiatives.





Baseline Model Orientation

The model utilizes actual FY 2023 actual general ledger data for illustrative purposes. Numbers and participation rates are subject to change based on model refinements and the availability of additional data sources.

A. Tuition, Fees, and Aid: Tuition and waivers are allocated balancing credit hours of instruction and of record

B. State Appropriations: Used to target priorities consistent with Stony Brook's strategic plan.

C. Support Unit Costs: Academic units are assessed a proportionate share of indirect costs

D. Central Funding Mechanism: Used to fund a pool for strategic investments and/or top-off primary units

A.

B.

C.

D.

		Stony Brook University		College A		
		FY23 Baseline Model		Unrestricted	Restricted	Total
1	Allocation	Revenues				
2	Formula	Undergraduate On Campus Tuition, Gross		1,029,358	-	1,029,358
3	Formula	Graduate On Campus Tuition, Gross		7,139,783	-	7,139,783
4	Formula	Undergraduate Online Tuition, Gross		13,280	-	13,280
5	Formula	Graduate Online Tuition, Gross		343,658	-	343,658
6	Direct	Contract Tuition (SUTRA)		-	-	-
7	Direct	Differential Tuition		899,216	-	899,216
8	Formula	Less: Student Aid: Central Aid		(1,675,349)	-	(1,675,349)
9	Direct	Less: Student Aid: Local		122,500	(20,338)	102,162
10	Direct	Less: Tuition Waivers		-	-	-
11	Direct	Less: Graduate Tuition Waivers		(20,468)	-	(20,468)
12	Formula	Student Fees: Comprehensive		630,629	-	630,629
13	Direct	Student Fees: Course		-	-	-
14	Direct	Student Fees: Other		-	-	-
15		Total Net Tuition and Fees		8,482,605	(20,338)	8,462,268
16	Formula	State Support		3,870,924	-	3,870,924
17	Direct - 'S. State Approp.' Tab	State Support - Special Appropriations		-	-	-
18	Direct - 'S. State Approp.' Tab	State Support - Union Retro Payment		-	-	-
19	Direct - 'S. State Approp.' Tab	State Support - NY Faculty Fund		321,226	-	321,226
20		Total State Appropriations		4,192,150	-	4,192,150
21	Direct	Government Grants and Contracts		-	2,269,215	2,269,215
22	Formula	Indirect Cost Recovery		426,051	-	426,051
23	Direct	Other Research Income		-	-	-
24	Direct	Private Grants and Contracts		-	72,668	72,668
25		Total Grants and Contracts		426,051	2,341,883	2,767,934
26	Direct	Donations		-	34,692	34,692
27	Direct	Interest and Investment Income		-	7,816	7,816
28	Direct	Other Income		-	-	-
29	Direct	Self Supporting Revenue (IFR)		119,650	2,056,894	2,176,544
30	Direct	Services and Fees Revenue		-	-	-
31		Total Other Operating Revenues		119,650	2,099,402	2,219,052
32		Total Operating Revenues		13,220,457	4,420,947	17,641,404
33		Expenses				
34	Direct	Personnel Expenses		(4,981,588)	(2,803,218)	(7,784,806)
35	Direct	Temporary Personnel		(10,544)	(9,914)	(20,458)
36	Direct	Faculty Benefits		(10,544)	(9,914)	(20,458)
37	Direct	fringe Benefits temporary svc		-	(158,159)	(158,159)
38		Total Salaries & Wages		(4,991,588)	(2,803,218)	(7,784,806)
39	Direct	Administrative Overhead		(146,626)	-	(146,626)
40	Direct	Contractual Services		54,666	(63,068)	(8,402)
41	Direct	General and Administrative		-	(52,666)	(52,666)
42	Direct	Lease and Rental Expense		(140,174)	(109,992)	(250,166)
43	Direct	Other Expense		(33,612)	(817,055)	(850,667)
44	Direct	Repairs and Maintenance		-	-	-
45	Direct	Supplies and Equipment		307,221	(356,802)	(49,581)
46	Direct	Utilities		(11,587)	(17,167)	(28,754)
47		Total Non-Personnel Expenses		29,887	(1,416,751)	(1,386,863)
48		Total Operating Expenses		(4,951,701)	(4,219,969)	(9,171,669)
49		Transfers				
50	Direct	Revenue Transfers		-	56,039	56,039
51	Direct	Inter Fund Transfers		42,663	(500)	42,163
52		Net Transfers		42,663	55,539	98,201
53		Margin (Deficit) Before Support Unit Cost Allocations		8,311,419	256,516	8,567,935
54		Margin (Deficit) Before Support Unit Cost Allocations (%)		62.9%	5.8%	48.6%
55		Allocation Metric				
56	Student FTE - Total Fac. FTE - Adj. Instructional	Academic		(768,628)	-	(768,628)
57	Baseline Model Total UG Tuition Allocation	Athletics		(75,103)	-	(75,103)
58	Research Expenditures - Academic ONLY	Centers & Institutes		(115,729)	-	(115,729)
59	Net Assign. Sq. Ft. - Total	Facilities		(446,056)	-	(446,056)
60	Adj. Direct Expenditures - Total	General Administration		(1,039,367)	-	(1,039,367)
61	Research Expenditures - Academic ONLY	Research Administration		(156,015)	-	(156,015)
62	Student FTE - Total	Student Affairs		(247,565)	-	(247,565)
63		Total Cost Pool Expense Allocations		(2,848,462)	-	(2,848,462)
64		Total Margin After Cost Pool Expense Allocations		5,462,957	256,516	5,719,473
65		Subvention & Strategic Funding				
66	Subvention Fund Contribution			(1,581,893)	-	(1,581,893)
67	Strategic Fund Contribution			(257,985)	-	(257,985)
68		Total Contributions		(1,839,878)	-	(1,839,878)
69		Total Margin After Subvention & Strategic Fund Contributions		3,623,078	256,516	3,879,595
70	Subvention Fund Disbursement			-	-	-
71	Strategic Fund Disbursement			-	-	-
72		Total Disbursements		-	-	-
73		Total Margin After Subvention & Strategic Funding		\$ 3,623,078	\$ 256,516	\$ 3,879,595



A. Tuition, Fees, and Aid: Tuition and waivers are allocated balancing credit hours of instruction and of record

B. State Appropriations: Used to target priorities consistent with Stony Brook's strategic plan.

A	B	C	D	E	F
		Stony Brook University	College A		
		<i>FY23 Baseline Model</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>
1	<u>Allocation</u>	<u>Revenues</u>			
2	Formula	Undergraduate On Campus Tuition, Gross	1,029,356	-	1,029,356
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19	Direct - '5. State Approp.' Tab	State Support - NY Faculty Fund	321,226	-	321,226
20		Total State Appropriations	4,192,150	-	4,192,150

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C. Support Unit Costs: Academic units are assessed a proportionate share of indirect costs

D. Central Funding Mechanism: Used to fund a pool for strategic investments and/or top-off primary units

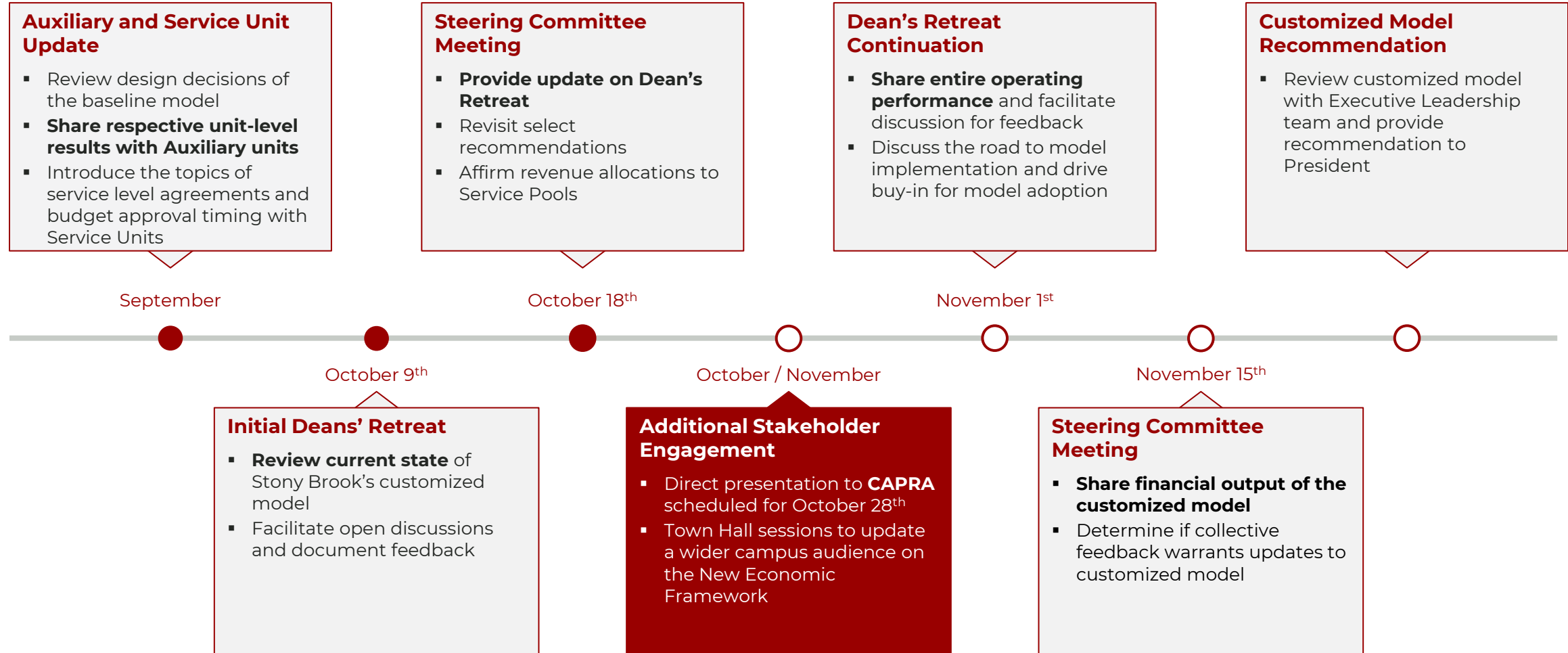
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	<i>Margin (Deficit) Before Support Unit Cost Allocations (%)</i>	<i>62.9%</i>	<i>5.8%</i>	<i>48.6%</i>
Allocation Metric	Cost Pool Allocations			
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Adj. Direct Expenditures - Total	General Administration	(1,039,367)	-	(1,039,367)
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	Total Cost Pool Expense Allocations	(2,848,462)	-	(2,848,462)
	Total Margin After Cost Pool Expense Allocations	5,462,957	256,516	5,719,473
	Subvention & Strategic Funding			
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	Strategic Fund Contribution	(257,985)	-	(257,985)
	Total Contributions	(1,839,878)	-	(1,839,878)
	Total Margin After Subvention & Strategic Fund Contributions	3,623,078	256,516	3,879,595
	Subvention Fund Disbursement	-	-	-
	Strategic Fund Disbursement	-	-	-
	Total Disbursements	-	-	-
	Total Margin After Subvention & Strategic Funding	\$ 3,623,078	\$ 256,516	\$ 3,879,595





Continued Campus Community Engagement

The next campus engagement effort is the continuation of the Deans' Retreat. During that session we will share the full model output and facilitate additional model design conversations.



1. Dates shown below are preliminary and subject to change based on scheduling availability



Questions &
Comments





Model Disclosures

The model printouts and results shared today will continue to be refined and improved upon. As you study the full income statement, it is important to consider a list of disclosures:

- The model is based on **FY23 actuals** and the underlying transactional data has been reconciled to Stony Brook's Actual vs. Budget website.¹
- **Metrics used are static and retrospective (FY23).** University leadership will need to determine how reactive / sensitive the model will be to new and updated data points.
- The current **model and related output will change as additional revisions are made** resulting from broader stakeholder feedback and data refinements.
- The allocation of subvention **assumes the University adopts a “hold harmless” mechanism** the first year of implementation. This is **only achievable if the University can generate a financial surplus at year-end.**
- Bottom-line **positive margins do not reflect actual cash available for use.** University governance and policies will guide the usage of carry-forwards and accrued reserves.
- **Sensitivity should be taken regarding sharing of any materials.** Please consult with one of the Project Sponsors for guidance on appropriate audiences. We advise that a member of the Working Group and/or Huron join discussions where appropriate.

1. Due to the student level data that is needed to apply the tuition allocation methodologies, there is a known \$480K tuition revenue difference, which is 0.15% of total gross tuition.



Project Engagement Governance

Throughout the engagement, individuals within Stony Brook University have partnered with Huron to guide the development of a model that best fits Stony Brook’s goals.

Executive Sponsor	The Executive and Project Sponsors provide on-going institutional-level support and hold decision making authority related to the final design and implementation of the redesigned budget model
Project Sponsors	<ul style="list-style-type: none">• Executive Sponsor: Dr. Richard McCormick, Interim President• Project Sponsors: Carl Lejuez, Provost & EVP for Academic Affairs; Jed Shivers, SVP for Finance & Administration; Dr. William Wertheim, EVP for Stony Brook Medicine
Steering Committee¹	The Steering Committee is tasked with providing initial recommendations for the structure, incentives, and allocation methodologies for a new budget model
Budget Model Liaisons^{1,2}	The Model Liaisons support stakeholder engagement and implementation by building institutional capacity via knowledge transfer
Project Partners¹	Project Partners are tasked with providing institutional data, supporting the creation of initial options for the Steering Committee to consider, and aiding the execution of model design recommendations.
Huron Project Team Support	The Huron Project Team is tasked with providing support for the entirety of the of the budget model redesign effort, facilitating stakeholder conversations, providing perspectives on higher education trends, and building a prototype model



Engagement Sponsors & Steering Committee (1 of 2)

Huron has met regularly with the Project Sponsors and the Steering Committee to develop recommendations on model design elements.

Executive Sponsor

Dr. Richard McCormick, Interim President

Project Sponsors¹

Carl W. Lejuez, Provost & Executive Vice President for Academic Affairs
Jed Shivers, Senior Vice President for Finance and Administration
Dr. William Wertheim, Executive Vice President for Stony Brook Medicine

Steering Committee¹

Membership	Title	Unit
1	Carl W. Lejuez	Provost and Executive Vice President for Academic Affairs
2	Jed Shivers	Senior Vice President for Finance and Administration
3	Dr. William Wertheim	Executive Vice President for Stony Brook Medicine
4	Cassie Amadio	Assistant Vice President for Accounting and University Controller
5	Lily Blocker	Founding Director of Leadership & Creativity Research Lab; Co-Director of MBA Program
6	Patricia Bruckenthal	Dean of School of Nursing
7	Alex Drees	Dean of College of Arts and Sciences
8	Diane Fischer	Associate Vice President for Academic Budget and Financial Planning
9	Alfredo Fontanini	Professor and Chair, Department of Neurobiology and Behavior
10	Kevin Gardner	Vice President for Research
11	Lyle Gomes	Vice President Finance & Administration
12	Braden J. Hosch	Vice President for Educational and Institutional Effectiveness
13	Peter Igarashi	Dean of School of Medicine

1. Individuals are listed in alphabetical order by last name



Engagement Sponsors & Steering Committee (2 of 2)

Huron has met regularly with the Project Sponsors and the Steering Committee to develop recommendations on model design elements.

Steering Committee (Continued)			
Membership		Title	Unit
14	Elizenda Mondesir	Assistant Vice President for Budget, Financial Planning and Analysis	Budget, Financial Planning & Analysis
15	Heather Montague	Senior Associate Vice President for Budget & Financial Planning	Budget, Financial Planning & Analysis
16	John H. Riley, Jr.	Associate Vice President for Health Sciences; Vice Dean Finance & Administration	SOM Finance & Administration
17	Christian Salisbury	Director for Budget Oversight and Community Colleges at SUNY System Administration	SUNY Office of Finance & Budget
18	Andrew C. Singer	Dean of College of Engineering & Applied Sciences (CEAS)	College of Engineering & Applied Sciences



Additional Project Partners and Contributors¹

Huron has met with a subsets of the project partners on an ad hoc basis for assistance with building model design recommendation, data validation, and additional campus insights.

Membership	Title	Unit	
1	Heather Montague^{2,3}	Senior Associate Vice President for Budget & Financial Planning	Budget, Financial Planning & Analysis
2	Angie Alicea	Financial Planning Manager	Budget, Financial Planning & Analysis
3	Cassie Amadio ²	Assistant Vice President for Accounting and University Controller	Office of the Controller
4	Erik Anderson	Director of Student Financial Services and Revenue Cycle Manager	Office of the Provost
5	Monique Blakely	Senior Programmer Analyst	Office the Vice President for Research
6	Maria Ficken ⁴	Senior Director of Financial Planning and Analysis for Academic Affairs	Academic Affairs
7	Diane Fischer ^{2,4}	Associate Vice President for Academic Budget and Financial Planning	Academic Affairs
8	Alfredo Fontanini ^{2,4,5}	Professor and Chair	Neurobiology and Behavior
9	Lauren Gallagher	Senior Budget Analyst	Budget, Financial Planning & Analysis
10	Donald Gocinski	Principal Reporting Manager	Budget, Financial Planning & Analysis
11	Syed Hasnain	Senior Systems Engineer	Enterprise Data and Analytics
12	Sean Hoffman	Assistant Director for Analytics	Educational & Institutional Effectiveness
13	Melissa Hogarty ⁴	Assistant Vice President for Business	Finance & Administration
14	Braden J. Hosch ^{2,4}	Vice President for Educational & Institutional Effectiveness	Educational & Institutional Effectiveness
15	Vicki James	Budget Operations Manager	Budget, Financial Planning & Analysis
16	John Kent	Director of Real Estate and Property Management	Space Management & Real Estate
17	Sara Lehmann	Assistant Controller	Office of the Controller
18	Elizenda Mondesir ²	Assistant Vice President for Budget, Financial Planning and Analysis	Budget, Financial Planning & Analysis
19	Nick Prewitt	Executive Director of Financial Aid and Scholarship Services	Enrollment Management
20	Cathy Ribando	Director of Financial Operations	Budget, Financial Planning & Analysis
21	John H. Riley, Jr. ^{2,4}	Associate Vice President for Health Sciences; Vice Dean Finance & Administration	SOM Finance & Administration

1. Individuals are listed in alphabetical order by last name. 2. Member of the Steering Committee Engagement Lead



Additional Project Partners and Contributors¹

Huron has met with a subsets of the project partners on an ad hoc basis for assistance with building model design recommendation, data validation, and additional campus insights.

Membership	Title	Unit
22	Sheila Routh Senior Director of Grants Management	Office of the Vice President for Research
23	Karen Shumar Assistant Director of Revenue and Reporting	Office of the Controller
24	Gregory Tarquinio Space Inventory Coordinator	Space Management & Real Estate
25	Mark Ungania Senior Associate Director of Budget and Finance	Office of the Vice President for Research

1. Individuals are listed in alphabetical order by last name. 2. Member of the Steering Committee Engagement Lead

4. Model Liaison
5. Faculty Senate Representative © 2024 Huron Consulting Group Inc. and affiliates.



Model Unit Organization

The model first focuses on differentiating revenue units vs. support units for the purpose of designing funds flows and incentives.

Academic Units	Auxiliary Units	Service Pools
<ul style="list-style-type: none"> ▪ Typically include colleges and schools ▪ Relative ability to influence revenue generation through tuition and other means ▪ Receive all or the majority of allocated revenue sources ▪ Cover direct costs with generated revenue ▪ Allocated service pool overhead assessments via model formulas ▪ Contribute toward a central funding mechanism used by university leadership to award funding for approved subvention and strategic initiatives ▪ Accountable for financial performance, retaining both surpluses and losses 	<ul style="list-style-type: none"> ▪ Typically include operating areas such as housing, parking, dining bookstore, etc. ▪ Generate material “fee for service” revenues ▪ Cover direct costs with generated revenues ▪ Accountable for financial performance ▪ Allocated service pool overhead assessment via model formulas or fee-for-service ▪ Contribute toward a central funding mechanism used by university leadership to award funding for approved subvention and strategic initiatives ▪ Accountable for financial performance, retaining both surpluses and losses 	<ul style="list-style-type: none"> ▪ Typically include administrative units ▪ Limited ability to influence revenue generation ▪ May have limited direct revenue and receive limited amount of allocated revenue (e.g., Tech Fees) ▪ Primary role is to support the institution with needed and agreed upon administrative services ▪ Do not receive an allocation of overhead costs incurred by other Service Units ▪ Accountable for optimal service levels, performance quality, and annually approved net expenditure thresholds



Account Hierarchy

The model is built on utilizing a natural classification for accounts¹ based on Stony Brook’s GL accounts used for reporting. This is intended to provide a managerial level view.

Revenues	
Net Tuition and Fees	<ul style="list-style-type: none"> Gross Tuition Student Aid Fees
State Support	<ul style="list-style-type: none"> General State Support Special Appropriations Union Retro Payment NY Faculty Fund
Grants and Contracts	<ul style="list-style-type: none"> Government Grants and Contracts Indirect Cost Recovery Other Research Income Private Grants and Contracts
Other Operating Revenues	<ul style="list-style-type: none"> Donations Interest and Investment Income Other Revenue Self Supporting Revenue Services and Fees

Expenses	
Salaries & Wages	<ul style="list-style-type: none"> Personal Service Temp Service Fringe Benefits
Non-Personnel Expenses	<ul style="list-style-type: none"> Administrative Overhead Contractual Services General and Administrative Lease and Rental Expense Other Expense Repairs and Maintenance Supplies and Equipment Utilities

Transfers	
Net Transfers	<ul style="list-style-type: none"> Revenue Transfers Interfund Transfers

1. The engagement team acknowledges that viewing activity from a natural classification perspective represents a major update for Stony Brook. To create this natural classification view in the New Economic Framework model, Huron has partnered with Stony Brook to map over 2,900 individual GL accounts into the categories listed above.



Fund Organization

While the budget model takes an all-funds approach, select funds are excluded due to the nature of these funds and the scope of the model.

Unrestricted Funds	
Fund Code	Fund Description
DORM	Dormitory Income Fund
IDCAG	IDC Agency Account Component
IDCRF	IDC Research Foundation
IFR	Income Fund Reimbursable
OPER	Operating – FSA (Bookstore and Dining Only)
ROYAL	Royalty Research Foundation
SRVFC	Service and Facility Research Foundation
STATE	State
SUTRA	State University Tuition Reimbursable
TUIT	Tuition Fund
URSTR	Unrestricted – SBF

Restricted Funds	
Fund Code	Fund Description
1R	SUNY Income Offset
26S	State Education Department
3X	UUP Awards
4R	DORM Special Cost Center
AGNCY	Agency
BSARF	BSA Research Accounts
DIFR	DIFR – IFR
IFR	Income Fund Reimbursable
RESTR	Restricted – SBF
SPONR	Sponsored Research – RF
SUTRA	State University Tuition Reimbursable

The following fund types are not included within the scope of Stony Brook University’s budget model:

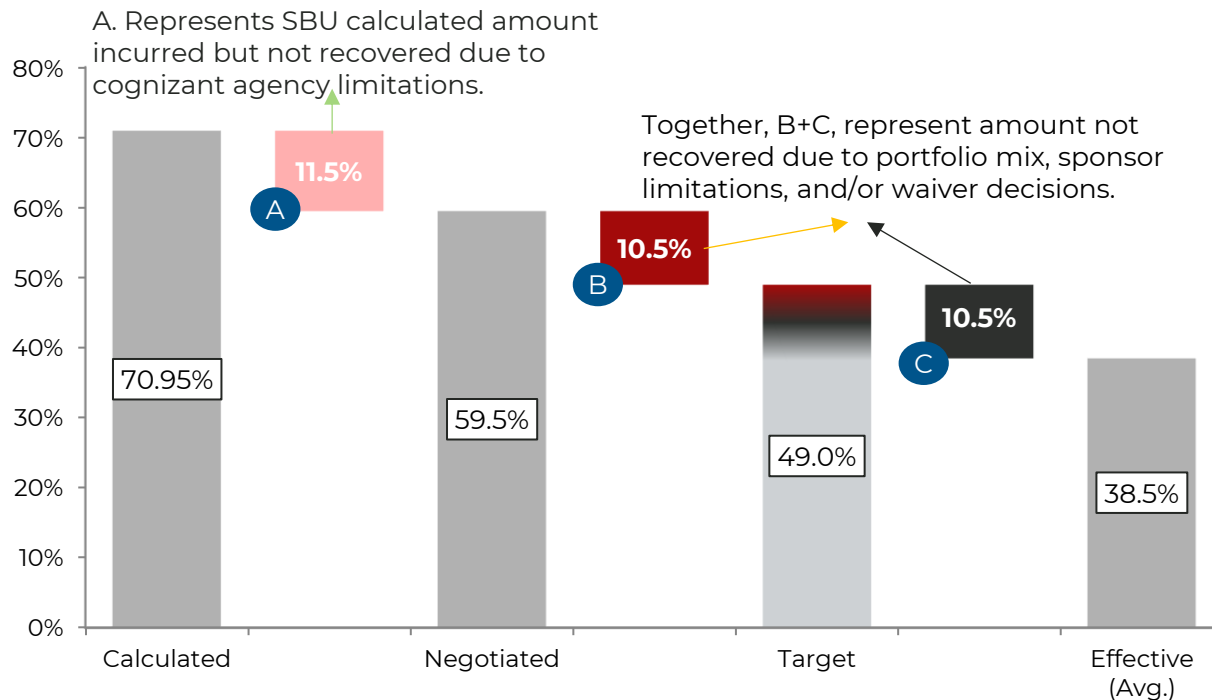
- Agency Financial Aid
- Capital Construction
- Hospital
- Loan
- Long Island Veterans Home
- Plant



Updated Research Subsidy Starting Point

Stony Brook’s FY23 calculated, negotiated and effective recovery rates were used as a starting point to determine a research activities subsidy. This influenced the Committee’s decision to allocate 30% of State Appropriations based on research activities.

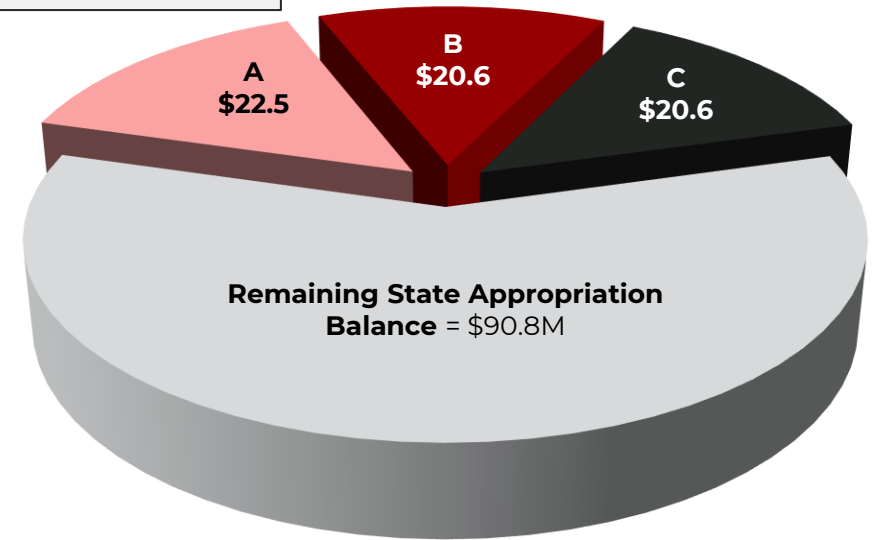
FY23 Indirect Cost Recovery Rates



Rather than subsidizing the entire unfunded gap (A + B + C), a target should be established to promote increasing local effective recovery (C). Currently illustrated: 50% “local” responsibility and 50% formulaic subsidy from state appropriations when comparing the FY22 negotiated and average effective rate.

FY23 State Appropriations (\$154.5M)^{2,3}

A + B = \$43.1M or 28% of Allocable State Support



Subsidy rates (A, B, C percentages) are applied to FY23 direct sponsored program expenditures of \$196.5M to calculate potential subsidy pool carveouts from state appropriations.

1. Excludes funding for Healthcare worker bonus & PBA NYS Union Retro Payments
 2. Reflective of current FY23 general state appropriations based on subsequent reconciling efforts.



Recent Topics from Deans Discussions

Below are the general topic that experienced extensive dialogue during one-on-one meetings with deans and the Deans' Retreat



Graduate Tuition

1. **Professional programs receive 100% of differential** charged
2. Application of the **participation fee on professional/graduate differential tuition**
3. Clarification on tuition distribution for **dual degree students**



Financial Aid

1. Distinction between **Local vs. Central aid**
2. Ensuring that units are **not “penalized” for enrolling PhD students**
3. Difference between **PhD waivers and ToRG**



State Support

1. Recommendation **to allocate 30% of State Support as a Research activity subsidy.**
2. Potential for **weighting certain degrees** more heavily than others within the **Academic Delivery incentive**
3. Recommended **definition of “research expenditures”**



Service Pools

1. Intended **future-state of Centers & Institutes**
2. **Square-footage:** data, quality, maintenance, management
3. Service pool distribution **exclusions or waivers**
4. Defining **expected levels of service** provided by Service Units



Strategic Initiatives

1. Tools to support **multi-year scenario planning**
2. Subvention and strategic initiative funding **approval process**



Key Next Steps to Implementation

Once final recommendations for model design elements have been obtained from the Steering Committee, efforts will shift to creating infrastructure needed to prepare for implementation.

