Chapter 3: Institutional Resources

The objective of this chapter is to document and assess for adequacy, efficiency, effectiveness and transparency, the University at Albany’s methods for analyzing resource availability and allocating resources among its constituent parts. One difficulty in achieving this goal is the high turnover of administrators at all levels within the University over the last decade, as described in the introductory chapter of this self-study. As a consequence of high level administrative turnover, there have been many changes in the procedures over time with respect to the allocation of resources within the University, as successive officers placed their stamp or preference upon the methodology used. The following narrative does not attempt to document all of these changes over the past decade, but to focus more on current practice as well as some of the resource-planning initiatives that have been used in the recent past.

This chapter includes, a) a description of University resources, b) prediction of resource availability, and c) a description of the allocation procedures and policies. The description of the allocation procedures are based on the current organization of the University (Appendix 3.2). The resource allocation and decision-making processes will be described for a) the University level (presidential-provost), b) the divisions of Research and Information Technology Services, c) two colleges, Arts and Sciences and Education, as well as the Libraries, who report to the provost, and d) Facilities, Institutional Controls and Audits. Not all units of the University are included due to space limitations. The units included were chosen on the basis of size, and/or importance, as well as the proportion of the University population served. The committee gathered information on the University’s institutional resources by interviewing a variety of administrators at various levels of the University. Due to the history of the University at Albany administration, current procedures are not well documented, hence the ethnographic approach. In addition, Compact Planning documents, the Going Forward Plan, and the University’s organizational chart informed the analysis of this chapter.

Description of University Resources

The distribution of the University at Albany’s state funding over the self-study period is presented below. The combination of state tax support and tuition forms what SUNY refers to as the core instructional budget. General state tax support as a percentage of total revenues under state control has declined over the decade, from 24% of the total budget to 16%. Thus, direct state tax support provides just over half (54%) of the total state appropriated budget.

<table>
<thead>
<tr>
<th>Year</th>
<th>State Tax Support</th>
<th>Tuition</th>
<th>Other State Appropriations</th>
<th>Special Revenue Fund State</th>
<th>Dormitory</th>
<th>Special Revenue Fund State</th>
<th>University at Albany Foundation</th>
<th>University at Albany Auxiliary Services</th>
<th>RF Grants &amp; Contracts Activity</th>
<th>Direct Activity</th>
<th>Indirect Activity</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>$69,465,7</td>
<td>$50,052.7</td>
<td>$9,383.8</td>
<td>$24,971.0</td>
<td>$24,700.0</td>
<td>$43,678.1</td>
<td>$1,361.1</td>
<td>$16,323.0</td>
<td>$45,195.0</td>
<td>$7,118.7</td>
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<td>2001</td>
<td>$71,269.7</td>
<td>$51,367.5</td>
<td>$9,626.5</td>
<td>$24,700.0</td>
<td>$24,700.0</td>
<td>$43,678.1</td>
<td>$1,434.1</td>
<td>$16,621.8</td>
<td>$46,900.0</td>
<td>$7,900.0</td>
<td>$27,497.8</td>
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<td>2002</td>
<td>$69,752.8</td>
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<td>$9,670.2</td>
<td>$25,240.0</td>
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<td>$1,484.3</td>
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<td>$50,500.0</td>
<td>$8,200.0</td>
<td>$28,070.9</td>
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<tr>
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<td>$9,151.9</td>
<td>$25,400.0</td>
<td>$47,194.6</td>
<td>$1,458.4</td>
<td>$16,922.0</td>
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<td>$9,900.0</td>
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<td>$35,859.5</td>
<td>$74,905.5</td>
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<td>$535,005.6</td>
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</tr>
</tbody>
</table>

Source: Office of Financial Management and Budget
The University also receives special state appropriations, titled above “Other State Appropriations,” which are designated for specific purposes, and may include specific legislative appropriations that cannot be re-allocated without an action by the NYS Legislature. Funds generated external to the core instructional budget and regulated as state dollars are administered through Special Revenue fund income accounts, and expenditures from these accounts are typically restricted for the purpose for which the revenue was generated. “Special Revenue” funds encompass the University’s self-supporting monies generated from research activity, dormitory operations as well as revenues which must be spent on student housing and student programming, and income fund reimbursable operations. “University Auxiliary Services” funds encompass dollars generated and used by University Auxiliary Services (UAS), a not-for-profit corporation established to provide quality of life services (e.g., dining services, bookstore, laundry, etc.) to the University at Albany community. Dollars generated through Facilities and Administrative (F&A) rates charged to external grants and contracts administered by the Research Foundation comprise the RF Grant categories in the chart above. Return of indirect costs from research grants accounts for only 3% of total University funds. Of the remaining monies, as noted in Chapter 2, the distribution of the core instructional budget is largely fixed costs in the form of salaries and wages, which comprise 78% of the total state allocation. Other expenditures include graduate student support (8%), utilities (6%), other than personnel services (OTPS) (5%), undergraduate scholarships (1%) and library acquisitions (1%). Clearly, the large proportion of fixed expenditures makes it difficult to develop new initiatives and/or to plan strategically.

**Predicting Resource Availability**

The University at Albany suffers from many of the same constraints concerning institutional resources as other state-supported universities. In particular, the institution has no control over the level of direct state support, or for that matter, tuition levels. Only the SUNY Board of Trustees is authorized to set tuition; however, New York State legislative action is required in order to spend the tuition dollars the University collects. The level of state tax support SUNY receives is part of the NYS budget process requiring executive branch recommendation and legislative approval. The approved funding levels are then disbursed by the New York State executive branch. There is no specific campus within the State University of New York system which attempts to predict the level of state tax support in advance. This would be a complicated undertaking, given that aspects of politics, as well as economics (such as the recent decline in the economy), is intertwined in determining the level of state support. Research funds are more predictable; however, they are largely dedicated to specific faculty-initiated and staff-initiated projects. Only the return of indirect costs helps support the University’s specific operating costs.

**Allocation Procedures**

**The President and Provost Level**

Resource planning and decision-making at the University at Albany has varied over the last decade due to the turnover in administrations. The 2000 Middle States report described a
“Strategic Planning Process,” which was under development at that time. Six “Strategic Goals” were eventually defined. Planning was largely decentralized and carried out at the departmental and college levels, and then reviewed by the University Resources and Priorities Advisory Committee (URPAC) of the University Senate for congruence with the stated strategic goals. Final recommendations were then made to President Karen Hitchcock.

Compact Planning, begun in 2005 under President Hall, was considerably more complex than prior processes. There was funding designated to support both recurring base commitments for new faculty lines as well as one-time temporary funding for special initiatives. The campus goal was to fund 100 new faculty lines over a five-year period. Since state funding to the University was expected to remain basically flat during this period, the Compact Plans were to be funded by increasing enrollment. Departments and administrative units developed proposals which were then negotiated up-line and eventually bundled into final proposals at college and vice presidential unit levels. School/college and vice presidential proposals were reviewed by the Selective Investment Committee, consisting of mostly senior faculty and staff, which then made recommendations to the president. The committee explicitly considered the earlier strategic goals when reviewing compacts. The resulting compacts were contractual agreements between the units in question and the University. Both costs and deliverables were defined and they incorporated an assessment component. Although President Hall passed away in 2006 before the initial Compact Planning process was fully completed, a second round of awards was made the next year under the rubric of Selective Investment by then Officer-in-Charge Herbst. Over the two years, 30 new faculty positions were funded and nearly $2 million in one-time initiatives were funded. Full-scale assessments of the various compacts were never carried out as the Compact Planning and Selective Investment processes were discontinued after the first two rounds by Officer in Charge Herbst.

In the case of Compact Planning, the actual planning was complex, interactive, relatively transparent, and engaged all levels of the University. It was also extremely time-consuming for all involved. The decision-making process was centralized, assuring efficiencies for the University as a whole. Subsequent distributions of resources at the University level (presidential and provostial) were incremental, based on the previous year’s budget allocation. The office of the provost currently has little flexibility with respect to funding. In the past some cost savings from retirements and resignations returned to the provost for reallocation. Currently, all lines remain within the colleges while lines in the remaining administrative and support units within Academic Affairs are at the discretion of the provost, with more autonomy afforded the University Libraries. Similar to the colleges, the Libraries retain the full base value of the lines, however 25% of the savings from any vacant line in the Libraries reverts to the provost for one-time investment. Previously, the provost retained 100% of vacant line-savings in the Libraries, as it continues to do with other Academic Affairs support units. As discussed in the preceding chapter, these monies can and are moved from unit to unit based on one-time need; however, the permanent value of the vacant lines remains with the unit. In general, temporary and base funds are not moved from unit to unit because they are necessary to maintain the function of the unit. Thus, both the planning and any decision-making process of resource allocation have been decentralized and now reside in the colleges and administrative units. Unfortunately, this means there is little or no incentive for cooperation among the colleges and administrative units, and the potential exists for a general loss of efficiency at the university level. It is recommended that
some means of coordinating planning and resource allocation among the colleges and administrative units be instituted to ensure efficiencies of purpose and use of resources.

Typically, each February, the colleges and administrative units are asked for hiring and resource reallocation plans for the following academic year, and then these plans are discussed with the provost, president, and chief financial officer at a budget meeting in March or April. In the last year (2008-09), state resources have contracted and units have been asked to reduce their budget plans incrementally. Given the current New York State budget, additional reductions will take place in the 2009-10 academic year. In 2009, then Interim President George Phillip formed the Budget Advisory Group (BAG), consisting of faculty and staff, to provide advice concerning how to handle the looming budget cuts. To date, only very general results of these deliberations have been shared with the University community (Appendix 3.4). More recently, Provost Susan Phillips has convened a budget panel of faculty, including some members of the president’s BAG, to advise her concerning the eminent budget shortfall within the division of Academic Affairs. The general deliberations of this latest group were concluded in June 2009 (Appendix 3.5). In an effort to keep the campus community informed on the general budget issue, a Website containing budget issues has been made available to the general faculty and staff. However, the contents to this point contain few specifics, due to the timing and speed of the budget reduction. Subsequently, this process was compressed, and no actions were taken during the summer when campus participation is limited.

Resource planning and decision-making at the university level over the past 10 years has varied as a result of the turnover of administrations. The changing practices of these administrations, variation in enrollment versus research as a means of leveraging resources, and current use of an incremental budgeting process have left the University at Albany in a poor position. Lack of clear goals at the university level and decentralization of planning and decision-making among the colleges with respect to resources is likely to reduce efficiencies and hamper any university-wide initiatives and goals. The Going Forward Plan is a start toward addressing these concerns. However, the University must begin the process of redefining its mission and goals and reinstituting a transparent resource-planning and decision-making process. Immediate efforts to deal with the impending budget crises have included faculty and staff in advisory roles. A specific proposal has not yet been released.

It is recommended that some means of coordinating planning and resource allocation among the colleges and administrative units be instituted to increase efficiencies and reinforce University-wide initiatives and goals. UAlbany’s incremental budgeting processes should be revisited with an eye toward better aligning the University with its strategic goals. Now that stable leadership has emerged with the appointment of President Philip in June 2009, the process of redefining the University’s mission and goals, and reinstituting a transparent resource-planning and decision-making process, should be high priorities.

Research Resources

The interim vice president for Research currently reports to the president through the provost. The Office for Research mission can be appreciated in the vice presidential goals for 2008-09:
• Increase total number of research applications in all units
• Increase federal research awards in all units, especially in the life sciences
• Increase funding for research infrastructure
• Consider approval for new research centers and institutes
• Continue opportunities for mentored student research
• Improve science facility business management
• Produce an annual research report
• Enhance delivery of research ethics and conflict of interest training
• Plan for the animal research program
• Continue COEUS implementation and possibly expanding modules
• Provide technology development support for faculty inventions

**Office for Research Budget**

The aforementioned goals are achieved by an Office for Research Budget. The operating budget for the office comes primarily from two sources: state funds (44%) and indirect cost-recovery (56%). Nearly 20% of the total budget available to the research office is used to support and incentivize the research activity on campus. Included in this 20% are the ICR funds returned to the departments as well as funds used to support the Faculty Research Awards program.

The vice president for Research meets with each head of the units under the charge of that office to determine the needs for the coming year; any requests for new staffing or other items are submitted to the vice president for review. Decisions are made based upon past unit performance, which is assessed as described below. The Council on Research, a governance body of the University that reports to the University Senate, serves as an advisory body to the vice president, who informs and consults the Council on budget allocations and priorities.

The Office for Research uses several criteria to determine the effectiveness of the allocations in previous years. The vice president meets with the directors of centers and deans to review the three-year performance in terms of funds expended versus grants applications made and grants awarded. Particular emphasis is placed on federal grants, as these bring in a higher amount of Indirect Cost Recovery (ICR) dollars that generate additional funds for incentive/development. The performance of each research center and institute is evaluated periodically by the Council on Research. Its report goes to the vice president for Research. The performance of the University in obtaining research funding is compared to that of peer institutions in order to evaluate overall success.

In addition, the vice president for Research has set specific priorities for preserving and developing the strengths in particular areas. Historically strong research areas of the University, atmospheric sciences, public policy and social sciences, will continue to receive support. A goal is to facilitate cross-translational research between nanoscale sciences and engineering and the life sciences, both of which have been traditionally supported by the University. Emerging areas of research excellence include cancer research and RNA science and technology.
Research Support for the University

The University’s traditional strengths and its location relative to the seat of state government have encouraged a large research portfolio portion that includes NYS programs. These do not provide the higher ICR that is realized with federal research grants. Federal-sponsored grants made directly to the campus can in theory provide over 50 cents in indirect costs for each dollar of direct costs, although the actual ICR realized may be less than the negotiated rate. Federal grants that are part of legislative appropriations or non-federal grants, including state appropriations grants, provide much less (i.e., less than 20%). The amount of ICR which is retained by the campus is reduced by an assessment made by the Research Foundation. The Research Foundation taxes the University ICR at the same rate regardless of the sponsor-allowable indirect cost rate.

The Research Foundation assesses at a rate of 3% of the prior three-year weighted average (20%, 30%, 50%) of the total direct and indirect activity at the campus. This assessment then reduces the projected current year ICR which is available to the University to support sponsored program activity. Thus, the effective ICR obtained through University negotiations with sponsoring agencies is less after application of this tax and varies with the proportion of different sponsored grants. Also, since the total grant award is used as the basis, the sponsored awards with lower indirect-cost returns affect in a negative way the cost-recovery necessary to administer the infrastructure for all awards, and also contribute to a greater assessment of those grants which do receive appropriate cost-recovery.

As inferred above, it should be noted that the unique research portfolio of the campus leans heavily toward public policy and social sciences and, while this provides an invaluable service to federal, state and local governments, these grant activities traditionally provide for less indirect cost-recovery than the sciences. For example, the average overall ICR rate in the social sciences, based on over $114 million in direct expenditures over the past four fiscal years, has been 22%, while the physical and life sciences returned a rate of 27% from a base of just over $47 million during this time period. External awards in education returned ICR at the 22% rate from four-year direct expenditures of $26 million; while generated from a considerably smaller funding base, computer and information sciences and mathematics and statistics generated ICR rates of 13% and 19%, respectively. Training grants, largely funded by New York State through the University’s Professional Development Program (PDP), totaled just over $98 million in direct expenditures over the past four years and had an average ICR rate of 16%. The methodology used by the Research Foundation to determine the ICR assessment does not acknowledge disciplinary differences nor the ICR rates that grant sponsors pay, and consequently a larger percentage of the University’s indirect cost-recovery is assessed by the Research Foundation — in effect penalizing UAlbany for providing these partnerships with the State that are funded by both state and federal flow-through funds. Efforts should be made in the strategic planning process to seek a solution from SUNY and the Research Foundation to this problem so that this worthy research activity, which engages communities both near and far to UAlbany, is not deemphasized due to insufficient resources.

While non-state grant activity, particularly federal grants, need to be expanded, as the ICR rates are critical to supporting the research infrastructure and pursuing research goals, UAlbany has an
important role in providing teaching, outreach and training for the professional workforce and greater community. A dialogue must be continued with SUNY and the Research Foundation so that this value-added role of the University to New York and the world will not be overshadowed by what appears to be disproportionately high overhead charges relative to the complexity of the various ICR rates.

**Information Technologies**

The IT landscape on the campus has undergone many changes since 2000. In late 2001, based upon a peer review recommendation, the position of chief information officer (CIO), with a direct reporting line to the president, was created, and the major technology units, reporting to different vice presidential areas, were reassigned to the CIO. In 2002, the CIO reorganized these units to form the Information Technology Services (ITS) unit. In addition to the central ITS unit, there is a web of distributed technology support individuals in the schools and colleges, known as technology coordinators (TCs). The TCs report to their Deans, provide desktop support, as well as support for departmental labs and classrooms and, in some instances, server-based services. Resources for technical projects and staffing may come from central IT or the schools and colleges. The TCs and staff from central IT meet monthly, both to share information and coordinate projects of common interest.

The ITS Mission Statement and seven core planning principles were derived in 2002 out of an open process that included, in addition to IT, representatives of stakeholder groups. In 2003 a set of eight strategic goals were adopted. The result of the 2005 Compact Planning initiative was a set of five major areas of concentration for IT. A new round of strategic planning has just begun for ITS. Initially internal, at the environmental scanning stage, the process will in turn engage stakeholders and advisory groups. IT governance takes input from advisory groups that include the IT Policy Review Board, Student Advisory Board, Faculty Advisory Board, the Information Security Council, and various standing committees and project groups, such as the Library and Information Systems Council of the University Senate, Integrated Administrative System Steering Committee, Classroom Committee, Data Center Advisory Committee, Technology Coordinators Forum and Information Commons Taskforce. Input from administrative divisions on campus comes from VP-CIO meetings.

Fiscal considerations are recognized during, but do not drive, the planning process. Annually, an operating plan is developed, which takes into account budget realities. Project progress and priorities are assessed at quarterly reviews. Priority-setting takes into consideration mandates and risk mitigation, plus the need to maintain current services, make improvements and even retire services. While the IT services portfolio grows every year, the ITS budget has not. With the University using the perpetual budget allocation model, despite base-budget cuts, units are expected to keep services going with historical levels of funding.

Efficiency and cost benefit are themes underlying the deployment of infrastructure and services. Fiscal conditions necessitate a constant awareness of affordability of services. The ITS base budget for other than personnel service (OTPS) has been declining since 2001. A large portion of OTPS monies are designated within ITS for licenses, contractual arrangements and maintenance.
Open source applications are often deployed. There is a base budget for the cyclic (five-year) replacement of server hardware, but none for other infrastructure or classrooms.

Therefore, many IT initiatives are supported by one-time funding. Emergencies, one-time expenses and project start-up costs have been handled with a small contingency fund; this fund was given up in the latest round of budget cuts, thereby eliminating future flexibility.

Capital projects, or ITS one-time funding, provide for initial outfitting of classroom technology. To have all registrar-scheduled classrooms outfitted with installed technology is a goal of the campus Classroom Committee. Currently the University is at 58% installed technology in those rooms, and if capital funding remains in place, planning will proceed to make significant progress towards the goal over the next five years; this will include opening Husted Hall on the Downtown Campus in early 2010, thereby providing fully-fitted technology in every one of the classrooms in this dedicated instructional building. This is a very slow process relative to faculty demand and compared to peer institutions. Schools and colleges outfit classrooms that are managed by individual departments. Across campus, there is no base-cyclic replacement funding for classroom technology; replacements are paid for from one-time money and are done on a “most critical” basis, which makes planning difficult. It is important to note that the University’s current capital plan includes approximately $30 million to relocate and modernize the primary data center. The relocation will allow UAlbany to meet modern computing needs, housed in a facility that can efficiently handle the space, cooling and power demands.

Staffing levels in ITS peaked in 2004 with the addition of three positions and the formation of a Research IT unit to address an unmet need of campus researchers. Recent budget reductions have been met in part by eliminating staff positions. ITS’s approach to budget reductions is always to minimize the impact on direct services to students, faculty and staff. For example, staff positions were reduced in the Data Center through staff retirements and attrition, but the impact was lessened by the use of technology, (e.g., remote alarms) and new emergency-response coordination with Central Plant’s 24-hour office. However, if problems occur when systems are unattended, there exists a risk that the duration of service interruptions would be greater.

The CIO controls any vacancies that occur in the subunits of ITS and regularly moves empty lines between departments, based on programmatic priority and resource needs. Changes in ITS staff composition have involved redeployment of vacant positions, resulting in the creation of an information security office (ISO) position, a Faculty Technology Resources group (FTR) and the hiring of dedicated help desk staff. The work of the ISO has helped ensure that no major security breaches have occurred at the University. The FTR group has a mission to support faculty instructional needs. A continued growth in the usage of the Blackboard Learning System (BLS) has been seen with nearly 800 courses using it for the spring 2009 semester. The ITS HelpDesk regularly handles an average of 2,000 contacts every month. With the recent deployment of service desk software, the HelpDesk has become a one-stop service center for all technology-related services. Anticipated benefits include improved customer service, more efficient internal management, and better metrics for planning.

Assessment and evaluation of services are accomplished in several ways. Customer satisfaction is addressed through customer-initiated feedback via email, the Web, and at customer service
points, and through solicited customer-feedback short surveys or face-to-face conversation, advisory groups, or town hall meetings. There is a public Write-to-the-CIO mailbox. Meetings with divisions, VPs and departmental representatives provide continual feedback. The SUNY Student Opinion Survey solicits student satisfaction about broad-based technology issues. ITS internally assesses services through HelpDesk metrics and service utilization statistics, as well as cost/benefit/affordability reviews and comparisons with external alternatives and peers. The Educause Core Data Service and the Campus Computing Project, as well as the National Survey of Student Engagement (NSSE) and the Educause Center for Applied Research (ECAR) student survey, provide valuable insights and comparison data points regarding industry trends.

The Student Advisory Board is one of the most influential groups in evaluating service offerings for students and determining service improvements. Members are invited to submit agenda items for meetings, and ITS follows up on questions/comments. These reinforce ITS’s commitment to transparency, service improvement and the creation of a positive IT experience for students. At their recommendation the following services have been implemented: s-drive for file space; the Information Commons (IC), including the addition of MACs; remote access to IC software from any location via a Web browser; and printing from wireless and student email aliases. The Student Advisory Board was also instrumental in previewing functionality developed in the student MyUAlbany portal. It has provided feedback on the campus Website, cable TV and library services as well. ITS has heard student comments about how they wish all courses would use BLS and has diligently worked to make BLS and associated tools a valuable instructional resource.

There have been three external assessments of IT services over the self-study period. One, conducted in 1999-2000, presented the recommendation that the campus hire a CIO. SunGard did a second survey in 2006. A recent study was commissioned by the CIO and VP for Finance and Business to assess the state of the main Data Center located in CS-5. This study confirmed that the existing center had many problems and could not meet future University needs; it made the case for a new Data Center and served as the basis to secure capital funding for a data center project that is proceeding.

The Committee was impressed with the ability of ITS to maintain core infrastructure services and respond to increased campus needs for technology solutions despite the decline in its base budget. However, the elimination of the contingency fund and the corresponding reduction in flexibility is a cause for concern. It will reduce the ability of ITS to explore and prototype emerging technology solutions and implement new services.

It is recommended that support for continued investment in classroom technology and the development of cyclic replacement for classrooms be developed. A review should be undertaken of the efficiency and possible duplication of services under the current central IT and TC-distributed support model.

While IT clearly uses informal means of gathering input from stakeholders regarding services and support, ITS should develop more formal means of assessment, such as the development of benchmarks to measure against and the use of more formal and regular means of assessment.
The College of Arts and Sciences (CAS) and Resource Issues

Different schools and colleges have different budget processes. This and the next section focus on the College of Arts and Sciences (CAS), due to its size, and the School of Education, which is one of several professional schools within the University. The schools, colleges, and the University Libraries report to the provost. CAS has an “all funds” budget of about $40 million, approximately 93% of which is “fixed” costs provided by New York State for salaries and operating expenses. Historically, there is almost no change in the amount of these monies that CAS receives each year. Yearly, each dean reviews the budget and allocation plan for their unit with the provost. In CAS, these monies are distributed across 23 departments, three support units and several CAS-based centers, based upon incremental budget allocations. Any salary savings or unexpended funds (due to sabbaticals, retirements, etc) are redistributed to departments that have additional instructional needs (as partial lines), or used to support faculty travel and/or computer replacement. Open faculty lines remain in CAS and are redistributed among departments and units by the dean, usually within a year of becoming open. An overall assessment of program needs is ongoing between the dean and department and unit chairs.

CAS’s “discretionary funds” consist of donations (e.g., from the University at Albany Foundation) and returns from indirect costs from grant activity (ICR). The decision process for distributing CAS discretionary funds is limited due to the small amount of available monies. Some “discretionary funds” are dedicated support for endowed scholarships or lecture series and are not in fact discretionary. “Unrestricted” UAF funds donated to the dean’s office are reallocated based upon requests made by the individual departments or planned needs for the upcoming year. Reallocations are also based upon an assessment of last year’s expenditures (e.g., refreshments for College events and meetings). Use of departmental unrestricted funds (donations to departments) is determined by each individual department; the process used to make these decisions is oftentimes informed by departmental by-laws.

Research Foundation funds, in the format of indirect cost return (ICR), are used to support and encourage additional research projects and grant writing activities. CAS’s Faculty Development Committee of the Faculty Council reviews small grants and makes recommendations to the dean concerning funding. In any typical year, $30,000-35,000 in ICR funds are available to the dean. Departments also receive their own ICR allocations based on grant activity. Similar to UAF discretionary funds, departments determine the use of these departmental allocations.

The process for planning and assigning teaching and instructional resources in CAS has historically used a “collaborative model,” a process reinforced with policies, instructions and teaching templates published in the college’s Department Chair Manual. Basic tenets followed in the distribution and prioritizing of CAS teaching resources include: 1) meeting with the University’s budget office to determine the amount of money in the budget for teaching and instructional resources, 2) meeting with University Enrollment Management personnel to determine the number of incoming students and the estimated number of courses needed and taught by CAS instructors for the year ahead (this includes General Education courses and courses for transfer students needing CAS major and minor program support), 3) looking at projected overall CAS-supported course enrollments and adjusting teaching assignments (including GA and TA assignments) according to student need, program objectives, research
support and strength of program. Chairs work closely with their faculties concerning teaching (i.e., program) needs. Full-time CAS faculty members are assigned courses first; then, any remaining unassigned courses are backfilled and assigned to teaching assistants and, if need be, to part-time faculty.

CAS uses several assessment tools to determine if teaching resources are assigned and implemented effectively, included but not limited to: detailed enrollment trend analysis that examines historical enrollments by class, faculty member, and department; program reviews; national benchmarks (for guidance and comparison); graduation rates; time to degree; student satisfaction surveys; and teaching evaluations.

Adequacy of current teaching resources is marginal. If there is a significant enrollment spike of incoming freshmen and transfer students for the upcoming year, there are no teaching-resource contingency funds available in the college. For the coming year, CAS has been allocated additional one-time funds for instruction to meet the expected instructional need. This additional allocation has occurred over the past several years as well, as enrollments have outpaced allocated resources.

The process for planning and assigning resources related to research in CAS is driven mostly from policies and directives out of the University’s Office for Research, the Research Foundation, and from sponsors/providers of targeted research grants. However, the University and research office also provide a limited amount of funds for research activities within the college and leave the process for distribution of these funds to the dean, Faculty Council, FRAP award committee and/or to the departments, which may provide matching funds. When the Life Sciences Research Building was opened in 2005, an allocation was established to cover the costs of maintenance, phones, service contracts, etc., and an account was established for CAS to manage these expenses.

The assistant dean/chief administrative officer of CAS is responsible for internal monitoring and assessment of funds allocated to all 23 departments. Externally, the University, VP for Research and the Research Foundation budget offices provide guidance on proper fund expenditures; they also monitor and audit all research fund accounts.

**School of Education**

The School of Education has two forms of funding: fixed funding, which consists largely of non-discretionary funding, including endowment income; and grant-funding, which provides a return on indirect costs. The School has a number of endowed scholarships. The remaining discretionary resources are partly assigned to special projects and partly kept in reserve to respond to specific needs as they arise.

Within the School of Education, the process of resource allocation was described by the interim dean of the school as a transparent one, in which there is communication along supervisory lines at all levels. Decision-making is carried out by the dean, upon consultation with the department chairs. Likewise, there is a line of communication between the dean and the University’s provost. The dean meets with department chairs both on an individual basis and as a leadership
team when considering resource allocation, including redistribution of open faculty lines. Resources, such as merit raises and support for special projects and initiatives, including support for conference presentations that would support the mission of the school, are allocated based on assessments of factors such as need, merit, and benefit to the school. After resources have been allocated, follow-up is conducted regarding the impact of the resources provided.

Teaching resources for the School of Education include faculty lines as well as Teaching/Graduate Assistant lines. The School of Education, over the years, has valued the integration of adjunct faculty members to carry out teaching activities; as such, faculty members contribute a unique perspective from within the broader professional community. However, these adjunct faculty positions have had to be cut back, based on limited resources.

In large part, research within the School of Education is self-supporting through local, state, and federal grants. One of the University’s research institutes, the Albany Institute for Research in Education, is housed within the school and, while largely grant-supported, receives some financial support from the Office of the Dean, and from the vice president for Research. Competitive school-based research grants are available, but the amount of funding for such grants varies from year to year based on external dollars that are generated by school faculty. Faculty can also compete for somewhat larger, university-wide grants (FRAPs) from the vice president for Research when their applications are recommended by the school. Schools and colleges also have access to IFR funds generated from faculty buy-outs and other one-time income activities. All of the colleges and schools use such funds.

**Technology and Space Resources**

Recently, the technology within the Education Building, where the School of Education is housed, has been upgraded to include wireless internet access and several “smart classrooms.” The dean of the School has made it a priority to upgrade faculty computers every four years on a rotating basis, but such upgrades have not taken place this fiscal year due to funding limitations. The School of Education employs (directly) a full-time IT person. Additional staff are needed to fully meet the school’s needs.

The School of Education is working diligently to address the impact of a challenging economic environment. Administrators in leadership positions within the school work collaboratively to maximize the benefit of existing resources, and to adapt processes, such as assignment of classroom space, to respond to resource limitations.

In general, the colleges and schools have operated as independent units. Resource planning and decision-making is held by the deans in consultation with the Council of Chairs. In general, this organization has worked well, particularly for the traditional programs. Resource consideration for interdisciplinary programs, programs that cross colleges, or programs that are administered as a part of a larger department, are not ensured, given the current organization.
The Libraries

The University Libraries have four sources of funding: state funds allocated to the Libraries from the provost’s office and which constitute the Libraries’ base allocation; income fund reimbursable accounts, which capture revenue from fees for photocopying, printing, fines for late returns, etc.; endowments and donations that are the result of fundraising efforts; and grants. State funds constitute the largest source of funding.

Approximately 45% of the Libraries’ budget is expended for salaries, an equal amount for materials acquisitions, and 10% for temporary services, supplies and equipment, staff training, and professional development. The Libraries have faced serious budgetary challenges in recent years. In addition to campus-wide budget cuts, the Libraries’ budget stressors include:

- Inflation on materials. The cumulative inflationary rate for journals, which comprise about 80% of the Libraries’ materials expenditures, has skyrocketed 65.8% since FY01, while the acquisitions base budget has increased only 3.75%. As a result, the Libraries’ purchasing power of information resources has been seriously eroded.
- Endowment values. Most of the Libraries’ endowments support materials acquisitions, but they are small and do not yet yield much interest. In some cases their use is restricted by subject or format, limiting their ability to meet collecting needs.
- Cutbacks in NY State funding programs. The Libraries depend on annual grants from the New York State Department of Education to support acquisitions and preservation activities. Over the past two years these grants have been reduced, with further reductions expected for FY2011.
- Addition of new programs to the curriculum. New programs are not typically accompanied by funding to purchase library materials to support teaching and research. Consequently, the Libraries’ acquisitions budget must be spread across more subject areas, further limiting the number of information resources that can be purchased to support each.
- Increased need for and cost of training. Changes in the nature of the academic library services and collection have resulted in the ongoing need for staff to acquire new skills. While some training can be conducted locally and online, there is an ongoing need to invest in off-site training for staff.

From FY08 to FY09, the state funds allocated to the Libraries were reduced by approximately 7.6%. The Libraries coping strategies included reducing staffing and cutting acquisitions spending chiefly by cancelling journal and database subscriptions. Remaining shortfalls in the acquisitions budget were offset by a combination of additional one-time funding from the provost’s office and the use of salary savings on vacant library staff positions. The Libraries also reduced spending on equipment by deferring its PC equipment replacement plan and costs for acquiring books and journals by renegotiating with book jobbers and subscription agents. Further economies were realized by reducing staff reimbursement for professional travel and joining with other SUNY libraries to purchase electronic information resources as a consortium.
The Library Policy Group (LPG), consisting of the dean and director of Libraries and the associate library directors, are responsible for allocating all of the non-salary funds the Libraries receive. At the beginning of each fiscal year, LPG may adjust base-budget allocations for supplies, equipment, temporary service, training and other general operating funds to align them with anticipated needs. Further adjustments of these funds may be made throughout the year. However, the acquisitions base budget is used only for the acquisitions of materials. Throughout the year the Libraries may add funding to the acquisitions budget from such sources as salary savings, but state funding earmarked for acquisitions is never used to support other library operations or services.

The allocation and management of the acquisitions budget is the responsibility of the associate director for collections. These funds are allocated by subjects that correspond to the University’s academic departments. Subject allocations reflect historical patterns of spending, costs of materials, and patterns of use. Each academic department has a library faculty member assigned to it as a bibliographer or subject specialist. The bibliographers work with the faculty in their assigned departments to identify the books, journals and other types of information resources needed to support their research and teaching. When new money is available, they identify subjects-allocations requiring adjustment to reflect and support new programs and, when budget shortfalls are anticipated, they work with the departmental faculty to develop strategies to reduce spending.

Decisions to purchase and subscribe to information resources, both print and online, are informed by a variety of data. Qualitative data about information needs come in the form of input received at service desks, communications from faculty directly to their bibliographers about materials they need for teaching and conducting research, and feedback from students in the classes that librarians teach. Prior to renewing subscriptions to e-journal packages and databases and in order to inform budget-reduction strategies, bibliographers consult quantitative data, including use-statistics (for online resources), circulation data (for print resources), and pricing information. Data from LibQUAL+ indicate that faculty and graduate students want access to more journals, but budget issues have prevented the Libraries from expanding the collection. However, in response to preferences for electronic (as opposed to print) journals that were also expressed in LibQUAL+, the Libraries are migrating as many print subscriptions to electronic as possible.

Facilities

The 1998 Facilities Master Plan, as discussed in detail in Chapter 2, is a comprehensive, well-organized and long-term plan that underpins successive smaller plans focusing on major building systems, facilities maintenance, renovations, major and minor repairs, and landscape work. Ad hoc and standing committees, as well as the Advisory Planning, Architecture, and Aesthetics Committee (APAAC), guide projects and planned work. In 2002, the University prepared a facilities assessment report, which involved coordination and interviews with University department heads to assess each building’s need for maintenance and improvements. The report tallied a critical maintenance backlog exceeding $260 million. When the plan was expanded to include other program and upgrade needs, the total grew to approximately $1 billion.
Funding and capacity to endure extensive work are the limiting factors in carrying out University construction plans. New York State appropriations from tax collections and/or bonds sold by the State Construction Fund permit the construction of new academic buildings and renovations and improvements to existing ones. Through SUNY-wide funding earmarked by the State University Construction Fund, UAlbany will receive the second of five installments of $33.8 million dollars for maintenance and repair during the 2009-10 fiscal year. Additional state appropriations include $54 million for a new School of Business building, $30 million for the expansion of the Campus Center, and $5 million for campus revitalization — all as projected in the Campus Facilities Plan.

Enrollment growth and a need for swing space to expedite residence hall renovations have led to a shortage in housing for students. The University studied this shortfall and concluded 500 beds would meet out-year needs. A capital project is in the planning stages to build 500 beds in the southeast corner of the Uptown Campus. The University cannot, however, use the SUNY Construction Fund as a funding source. Room rental charges must fund both the cost of construction and debt service.

In addition to the availability of funds, facilities priorities are dictated and prioritized by the urgency of health and safety matters, the capacity to complete the project, and the need to maintain occupancy and operations during construction. Detailed scheduling and phasing minimize the disruptive effects of construction. Emergencies requiring immediate attention and repair on the aging Uptown and Downtown campuses precede planned work. Once emergencies are handled, planned work resumes. While aging is a constant, flexibility of plant staff and the Master Plan is underscored by the fact that projects are completed with an effort to minimize disruption and under limited funding.

Overall, the University at Albany’s facilities are maintained with professionalism, organization and efficiency.

With regard to capital and facilities investments, the 1998 Master Plan report was a planning blueprint for a long list of projects funded and constructed over the course of this self-study period. They include many notable and important campus buildings that demonstrate sustained accomplishments over the self-study period: the Life Sciences Research Building; the Boor Sculpture Studio; University Hall; University Police building; gut renovation to what is now the Arts and Sciences Building; gut renovation to Husted Hall on the Downtown Campus; completion of the lighting master plan; improved signage across campus; a new graphics and signage manual to guide future signage development; a new campus-wide fire alarm system; and myriad other upgrades in campus building systems and infrastructure. At the direction of SUNY and the State University Construction Fund, the University at this writing is about to initiate another multi-year facilities master plan process in early 2010. As with the 1998 Master Plan, this effort will also be informed and led by the campus’s mission and goals.

Audits

The chief auditor reports directly to the President of the University. Within SUNY, only the four university centers and three medical colleges have an auditor as a member of the campus administration.
There are three major program-specific audits that occur at UAlbany on a regular basis: the Research Foundation audit, governed by the federal Department of Health and Human Services (which, as the cognizant federal agency for the Research Foundation, examines the use of externally funded grants and contracts); the OMB Circular related to financial aid funding to the University; and SUNY central administration audits, which generally occur about every four years, but can actually be more or less frequent.

There are additional audits required for smaller units within the University. The Office of the State Comptroller can come in any time it wishes to conduct an audit; these are random and unpredictable, an example being a recent audit of all SUNY campuses regarding space-leasing with private landlords. SUNY, the Research Foundation and the UAlbany Foundation each have annual independent financial audits; SUNY collects and consolidates all campus-entity-audited financial statements into the comprehensive SUNY financial statements; SUNY auditors verify approximately every five years that these audits are carried out, and that there is a signed contract stipulating the relationship with system administration. NCAA mandates that all Division I schools complete an annual financial audit, which is governed by NCAA rules; UAlbany’s athletic department hires an independent auditor to complete this audit, with findings going directly to the NCAA. In addition, occasional unusual circumstances require independent audits, e.g., outside funding agencies that will not accept OMB audit findings or that wish to focus specifically on a single project.

In general, the entity requiring the audit specifies the protocol for responding to audit findings. The University’s Audit office receives the findings and forwards them to the designated University administrator responsible for the area. This administrative office is responsible for developing and implementing the corrective action plan. This plan is written up and a copy is filed with the University’s audit office. Subsequent audits always examine the areas where there were previous findings to make sure remedies were put in place. The University’s audit office does not review corrective action plans and is not involved in implementation.

On the whole, managers take audits and findings very seriously and are conscientious about taking appropriate action. Overall audit teams report that UAlbany does a good job setting up generally accepted accounting procedures and is responsive to audit findings.

**Chapter Summary**

The adequacy, efficiency, effectiveness and transparency of the processes the University at Albany used to assess resource availability and the allocation of resources over the self-study period have sufficed during a period of leadership turnover and unstable state funding. The self-study process has been invaluable for shedding light on how the University has grappled with its numerous financial challenges over the past nine years, and for highlighting areas for attention going forward. The following recommendations are intended to strengthen the University’s approach to resource-planning and allocation.
APPENDICES

Appendix 3.1 Recommendations

Recommendations regarding Resource Planning:

- Some means of coordinating planning and resource allocation among the colleges and administrative units should be instituted to increase efficiencies and reinforce University wide initiatives and goals.

- The University’s incremental budgeting processes should be revisited with an eye toward better aligning the University with its strategic goals.

- Now that stable leadership has emerged with the appointment of a permanent president in June, 2009, the process of redefining the University’s mission and goals, and reinstating a transparent resource-planning and decision-making process, should be high priorities.

Recommendations regarding Research funding:

- Non-state grant activity, particularly federal grants, should be expanded, as the ICR rates are critical to supporting the research infrastructure and pursuing research goals.

- The role of the SUNY Research Foundation, and what appear to be disproportionately high overhead charges relative to the ICR, should be reviewed and renegotiated, if possible.

Recommendations regarding IT services:

- Support for continued investment in classroom technology and the development of cyclic replacement for classrooms should be developed.

- A review should be undertaken of the efficiency and possible duplication of services under the current central IT and TC-distributed support model.

- While IT clearly uses informal means of gathering input from stakeholders regarding services and support, ITS should develop more formal means of assessment, such as the development of benchmarks to measure against and the use of more formal and regular means of assessment.

- There should be continuing and additional attention to the IT needs of the administrative systems used to produce financial reports and create budget models.
Appendix 3.2: Current Organization of UAlbany