

December 3, 2017

To: Cabinet

Copy: Budget Managers
Carol Vosatka, Director Business Affairs
FASP Committee

From: Wendy Gilman, VP Business and Finance



Re: 2018-19 Budget Call Letter

Submission deadline Friday, February 2, 2018

2018-19 Budget Request

We are continuing the process begun last year and are consolidating requests for funding for 2018-19 into a single document. Although we are in a period of constrained resources, it is still important for departments to thoughtfully contemplate their needs and present them for consideration. This process provides an overall portrayal of the campus needs and allows the administration to more persuasively advocate for additional funding; it also gives units the chance to develop requests that are ready for implementation should new resources become available. This sharing of requests provides for opportunities for collaboration among and between departments, and may spur ideas for revenue generation and/or cost savings.

Please identify all funding needs for 2018-19. The Fiscal Affairs and Strategic Planning Governance Committee (FASP) will assist in identifying the appropriate funding source, and will forward the requests as necessary. Of course, emergencies or unexpected opportunities arise, and we will do our best to accommodate those needs over the course of the fiscal year as resources permit.

To close our current expected structural deficit for 2018-19 – approximately \$1.8M – revenue needs to increase 12%, or 276 students based on the current mix of in-state and out-of-state students. This could be achieved through a combination of increased retention, more out-of-state students, overall enrollment growth, or a tuition increase. Retention is the most important part of the equation; for example, a 1 percentage point increase in fall-to-spring retention (approximately 25 students) will increase revenue by more than \$80,000.

The structural deficit is currently resolved through the use of reserves; this redirects funding from investments in strategic initiatives or enhancements to programs, and if continued, will diminish the fiscal health of the campus as the campus will have no

way to replenish the reserves. Also, pursuant to SUNY policy, we must ensure that the campus has at least 10% of annual spending set-aside in a reserve.

Guidelines

Departments are asked to seriously consider their funding needs, and to put forth a request mindful of the campus' fiscal situation. The request should include permanent funding needs to maintain current operations, one-time investments to enhance or expand programs or services, or for furniture and equipment replacement needs. **Please include a short (no more than 2 pages) narrative** along with your budget request. The narrative should define your priorities, highlight health or safety issues, describe how your request is aligned with Cobleskill's mission and priorities described in newly adopted Strategic Plan (<http://www.cobleskill.edu/strategicplanning/>), and indicate how prior assessment results have been incorporated into your fiscal planning and needs.

In addition, please include in the narrative the answers to the following questions:

- What additional ways can the campus generate revenue?
- What sort of saving ideas do you have?

Requests should be categorized as follows:

A. Permanent Funding Needs

- Maintain current operations (day-to-day funding needs)
- Support program expansion or increased/enhanced services (tied to the Strategic Plan or assessment results)

B. One-time Funding Needs (Replacement or Strategic Investment)

Examples:

- Equipment and furniture replacement
- Technology needs
- Investment in program expansion
- Initiatives in support of the Strategic Plan or related to assessment results

Identify these needs as:

1. CRITICAL and MUST be replaced right now (impacting student, worker, and/or animal health and safety)
2. ESSENTIAL (needing replacement within 1-3 years)
3. ENHANCEMENT resulting in GROWTH
4. ENROLLMENT justified & DIRECTLY IMPACT STUDENTS

Please also note:

- **All requests should be ranked and put in priority order**

- *Strategic priorities* should align with the newly adopted Strategic Plan
- *Furniture* should be separately identified, and those requests for academic areas should be categorized as either student-related or faculty-related. The academic requests will be compiled and shared with the Deans for review and discussion.
- *Technology* requests should include other computers, printers, and software needs. A faculty computer replacement plan is being developed in conjunction with the Deans and ITS.
- All *Equipment* requests should include the anticipated life-cycle and annual maintenance costs.
- *Academic Equipment* requests will be reviewed by the Deans for funding through the Academic Equipment Replacement program.
- *Temporary Service/Extra Service* requests should be based on prior spending and anticipated needs for the upcoming year.
- **Requests that include collaboration between multiple areas, generate cost savings and/or generate additional revenue, especially through increased retention, will be given a higher priority.**

IFRs

This request also includes IFR (self-supporting, revenue generating) accounts. These accounts are a valuable resource to the College since they fund student services and educationally-related activities that are not specifically funded by our core operating budget. IFRs are intended to be self-sustaining which, at a minimum, means they must generate enough revenue to cover all costs.

The IFR budget form is intended to summarize each IFR's operating activity for the upcoming fiscal year and address any long-term spending objectives. Ideally, the worksheet should show a positive cash balance when completed. If not, please explain why the balance is negative and what plan you have to return the account to a positive cash status. If your IFR is currently in a significant cash deficit situation, you will be contacted by the Business Affairs Office.

Revenue Generation

We will continue to look for cost savings and have discussions with the community regarding where other efficiencies might be found. However, it is clear we cannot balance the budget on expense reductions alone; departments are strongly encouraged to suggest ideas for revenue enhancement. Additional revenue generation is critical to the fiscal health of the campus. All suggestions should be included in the department's budget narrative.

Process

Forms and additional instructions are available at the following website:

<http://www.cobleskill.edu/about/administrative-offices/business-affairs/budget-requests.asp>

Budget requests should be forwarded by the individual departments to the respective Dean or Director for review. The Deans and Directors will then forward all budget documents to the appropriate cabinet member for final sign-off. Once approved, the request should be forwarded, **no later than Friday, February 2, 2018**, to the Business Office, where they will be checked for completeness and compiled into a single report. This report will be shared with the FASP committee to prepare for budget discussions.

FASP and I will meet with units to discuss their requests in more detail. These discussions will be held on the dates/times below. Each Cabinet member will be contacted to schedule its presentation. Suggested questions will be provided in advance; each unit should be prepared to discuss their request and highlight their most pressing priorities. Presentations will be held at 12:30 on February 13 and 27, March 13, and April 3, 2018, at a location to be determined.

The FASP Committee will forward their recommendations, including which source of funds might be most appropriate for each item, to the President's Cabinet, where final budget decisions will be made. The amount of funding available will be highly dependent on the enrollment picture for fall 2018. Once the final budget has been approved, each budget holder will receive a report summarizing the approved budgeted amounts.

Note that once a department has an approved budget, upon authorization of the respective Dean or Vice President, the department may choose to spend funds in a different manner than shown in the budget. For example, the department may have additional travel needs and will spend less on supplies. ***The total spending cannot exceed the approved amount.*** Please contact the Business Office if you wish to make budget adjustments.

A budget workshop will be held on Thursday, December 7 at 12:30 in Bouck Theater to discuss the call letter in more detail and to answer any questions.

Please feel free to contact me or Carol Vosatka with any questions, comments, or suggestions. I appreciate your assistance as we work together to ensure the best use of the College's resources.