



# **SUNY RESEARCH FOUNDATION**

## **2023 OPERATING PLAN**

**June 2022**



## **Summary:**

In compliance with the 1977 Agreement between the RF and SUNY, and guided by the RF's mission, vision, values, and Strategic Plan, the RF issues an annual Operating Plan and Budget for the fiscal year.

For Fiscal Year 2021, there were many unknowns facing SUNY and the RF given the COVID-19 pandemic, which meant that RF operations needed to be even more agile in response while facing uncertainties with continuity of its revenue streams. In response, RF Central Office adopted a contingency budget of savings of 10% over the previously anticipated budget. Due to uncertainty of funding at the campuses and the impact of state and federal budget decisions on the campuses, the RF held the contingency budget for the entire year. The RF's Fiscal Year 2022 Operating Plan and Budget are presented here and maintain 80% of the savings implemented in the contingency budget from FY 2021.

As with the previous year, this year's Operating Plan and budget are presented again with the full understanding by leadership that we must continue to anticipate contingencies and change. As our post-pandemic "new normal" emerges, SUNY and the RF will face unprecedented challenges for its respective workforces. For example, several campus Operations Managers have noted their challenges with staff recruitment and retention as workers re-evaluate their priorities for work-life balance, commuting vs. working remotely, and other considerations. In response, the RF Central Office has already implemented several cross-departmental efforts to address these challenges. These include over 70 virtual learning and development programs for the enterprise; practical trainings on the "Future of Work;" Elevation Series Master Class for RF/SUNY managers; campus design teams to review teleworking practices and individual campus sessions on succession planning and leadership development. In addition, many of the projects we have been working on the last several years (for example, PACS, Oracle Upgrade, Cloud Migration, Campus Operations Profiles) have provided us a strong foundation to explore integrated services to decrease compliance risk and address the changes in the SUNY landscape (e.g., personnel retirement and/or attrition, reduced revenues, etc.).

The RF continues to look forward to next year investing in our IT systems and looking for areas to drive automation, efficiency and integration.



## **Fiscal Year 2022 Budget**

The RF Central Office exists to support SUNY faculty, staff, and students at 30 SUNY campus locations as well as programs around the world. Staff at Central Office provide the administrative, legal, financial, regulatory, and technical infrastructure required to manage sponsored programs and technology transfer that otherwise would have to be performed at individual sites, necessitating additional FTEs, equipment, tools, and systems at each location.

RF operations remained agile in response to the COVID-19 global pandemic. Facing uncertainties with continuity of revenue streams, RF Central Office adopted a Contingency budget in Fiscal Year 2021 by identifying savings of 10% when compared to the prior year approved Operating Plan. Although funding at campuses continued to grow, the RF was able to preserve 80% of this savings into Fiscal Year 2022.

The Fiscal Year 2023 budget includes a 7% increase over Fiscal Year 2022, while remaining lower than pre-pandemic levels. This increase is due to investment in people and contractual increases for outside services. The Fiscal Year 2023 budget provides for a 2% cost of living increase as well as up to 3% discretionary increase in salaries for all Central Office employees. This compares to a 2% cost of living and 0% discretionary in Fiscal Year 2022, and no increases in Fiscal Year 2021. The budget also includes a 0.5% increase in the fringe rate to 40% for Fiscal Year 2023. The costs of services for IT systems and insurance have increased and are incorporated into the Fiscal Year 2023 budget as we continue to commit to providing superior, more secure systems and services to our campuses.

Systemwide Initiatives will be relatively unchanged when compared to the prior two years, with costs primarily for repayment of PACS (expected to be completed by Q3 of FY 2025) and completion of the Oracle Upgrade and Cloud Migration projects. The Oracle Upgrade and Cloud Migration project, begun in FY 2020 and completed in FY 2022, was initially funded by the Corporate Reserve and is being replenished over a six-year period. Prior year surpluses in operations as well as investment income will be used to replenish the Corporate Reserve in Fiscal Year 2023, thus reducing the amount to be assessed to campuses while maintaining a six year pay back.

RF Central Office continues to provide additional services to campuses through centralization and integration of sponsored program and technology transfer operations. The costs of providing these services are included in the Fiscal Year 2023 budget and will be assessed to the benefiting campuses.



The following tables provide a reconciliation of the Board Allocated Uses of Funds to the funding of the Central Office budget.

	2022 Plan	2023 Plan
	(in millions)	
<b><i>Funding of Central Office Budget</i></b>		
Campus Funds for CO Operation	\$ 23.1	\$ 25.1
Campus Funds for Initiatives & External Borrowing	1.1	1.0
Campus Funds for Campus Services	1.0	1.6
<b>Total Campus Funding</b>	<b>\$ 25.2</b>	<b>\$ 27.7</b>
<b><i>Central Office Budget Expenses</i></b>		
Salaries and Fringe Net of Reimbursements	\$ 16.5	\$ 17.7
Campus Initiatives and External Borrowing	1.1	1.0
IT Including Outsource and Pass Thru	3.4	4.0
Facilities	0.7	0.7
Insurance/Fees	1.1	1.2
Other Costs	1.4	1.5
<b>Total Central Office Operations &amp; Initiatives</b>	<b>\$ 24.2</b>	<b>\$ 26.1</b>
<b><i>Campus Services</i></b>		
Salaries and Fringe	1.0	1.6
<b>Total Central Office Budget Expenses</b>	<b>\$ 25.2</b>	<b>\$ 27.7</b>
<b>Surplus / (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>



## Funding the Fiscal Year 2023 Budget

The following table presents campus research, agency and other revenue for each of the periods presented. Projected amounts are primarily based on campus estimates.

	2022 Plan		2023 Plan	
	(in millions)			
<b>Direct Funding</b>				
Grants and Contracts Direct Costs	\$	877.4	\$	900.4
Agency Services Direct Costs		157.0		175.4
<b>Total Direct Funding</b>	<b>\$</b>	<b>1,034.4</b>	<b>\$</b>	<b>1,075.8</b>
<b>Board Allocated Funding</b>				
Grants and Contracts Indirect Costs	\$	152.3	\$	169.2
Investment Income (gross)		30.6		37.6
Fees Paid by Third Parties for Service Centers		3.8		1.9
Agency Services Indirect Costs		6.3		6.7
Royalties from Licenses (gross)		3.2		2.6
Other Campus Activity		9.9		4.7
<b>Total Board Allocated Funding</b>	<b>\$</b>	<b>206.1</b>	<b>\$</b>	<b>222.7</b>
<b>Total Sources of Funds</b>	<b>\$</b>	<b>1,240.5</b>	<b>\$</b>	<b>1,298.5</b>
<b>Board Allocated Uses</b>				
Campus Operations and Research Support	\$	175.0	\$	188.8
Central Office Operations		24.1		26.7
SUNY Strategic Plan Support		3.0		3.0
Royalties paid to Inventors (approx. 40% of total)		1.3		1.0
Campus Initiatives and External Borrowing		1.1		1.0
Investment Advisory Fees		1.6		2.1
<b>Total Board Allocated Uses of Funds</b>	<b>\$</b>	<b>206.1</b>	<b>\$</b>	<b>222.7</b>



## Fiscal Year 2023 Proposed Projects

### Priority Level 1: Compliance / Infrastructure

Project Name	Description	Supports Goal(s)
Informatica Upgrade from 10.1 to 10.4.0/10.5	Informatica, our data integration tool, will be upgraded to ensure seamless ongoing product vendor support. This release provides new features, the latest connectivity support, security enhancements, cloud support, and performance enhancements while improving the user experience.	Maximize Effectiveness Increase Cost Efficiency

### Priority Level 2: Strategic

Project Name	Description	Supports Goal(s)
Explore Alternatives to Employee Compensation Compliance (ECC) for Effort Reporting	This project intends to explore the feasibility of an alternate system to ECC for effort reporting. Though the RF pays annual fees to Huron to support ECC, Huron's support has been poor at best, the system is a bit quirky for users, and we continue to identify system "bugs" with some regularity which consume limited SPS and ITS resources to resolve and serve to frustrate our campus users. The data needed for effort reporting is already available in the report center. This project will explore other tools/options to replace ECC to accommodate our RF's Effort Reporting Policy obligations.	Provide Superior Service Maximize Effectiveness Increase Cost Efficiency

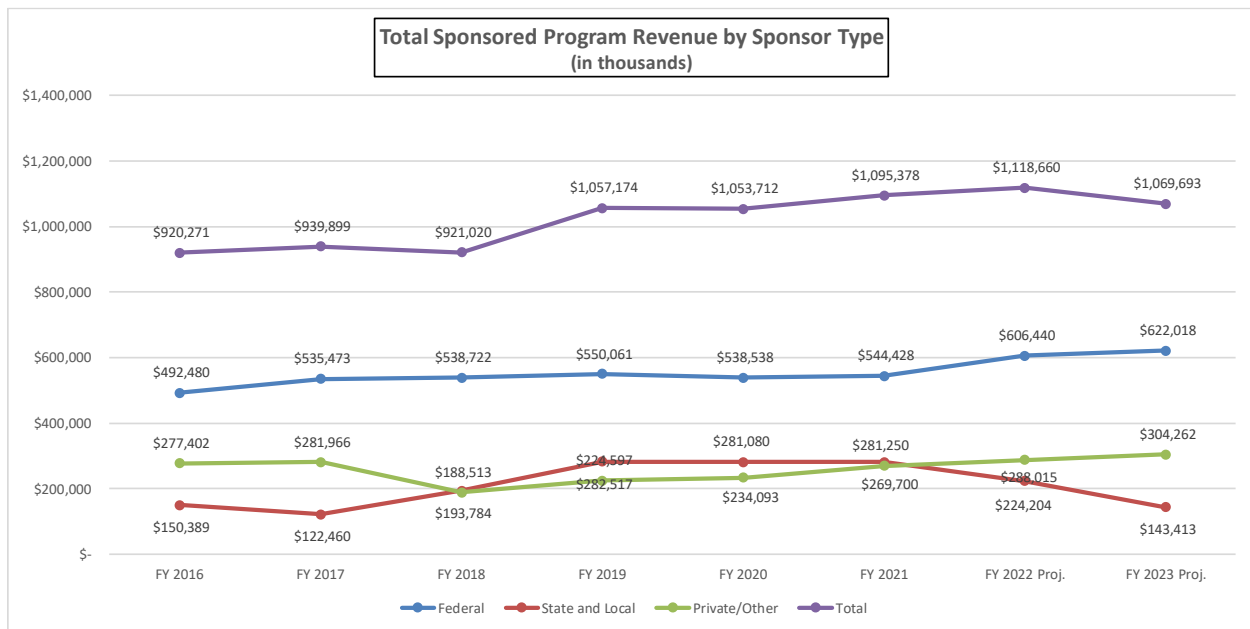
## Fiscal Year 2023 Security Initiatives

The RF will implement several security initiatives in 2023 to strengthen its security posture. Based on an internal risk and gap analysis, these initiatives will span several operational departments, with nearly all RFCO employees participating. The Information Security and IT teams will continue to collaborate, monitor ongoing risks, and modify the projects as needed to address future changes and emerging threats.



## Campus Activity

Campus activity consists of grants and contracts direct and indirect costs, investment income, and income from other campus activity such as royalty income, equity distributions, and fees paid by third parties for service centers. Campuses project grants and contracts direct and indirect costs by sponsor type. See below for sponsored program revenue by sponsor type.





## Sponsored Program Revenue by Campus

Campus Name	Actual						Projections	
	2016	2017	2018	2019	2020	2021	2022	2023
University at Albany	\$ 89,272,408	\$ 102,993,269	\$ 92,768,757	\$ 99,315,425	\$ 94,722,524	\$ 78,655,044	\$ 81,157,813	\$ 82,767,105
SUNY Polytechnic Institute (CNSE)	277,235,420	12,372,408	12,058,902	7,798,428	9,196,723	10,848,788	12,114,922	14,092,340
SUNY Center for Economic Development		258,503,028	228,616,858	344,069,569	353,053,213	385,592,325	346,166,373	271,677,462
Binghamton University	36,737,676	39,815,566	47,475,298	48,569,718	46,856,468	46,533,629	50,143,470	52,650,644
University at Buffalo	167,226,517	163,999,848	170,417,108	178,416,336	178,355,771	188,593,447	197,440,000	201,388,800
Stony Brook University	160,520,047	169,248,627	180,639,187	191,723,351	194,511,938	205,188,037	238,827,549	260,635,471
SUNY Downstate Medical Center	48,434,001	47,489,095	49,682,917	50,022,587	48,337,043	49,161,766	48,397,971	48,971,812
Upstate Medical University	30,816,692	33,327,448	32,868,096	35,056,817	35,186,759	38,928,226	40,675,332	42,503,809
SUNY Brockport	5,217,542	5,080,836	5,182,313	5,220,995	5,019,216	4,102,979	4,361,270	3,453,841
Buffalo State College	23,015,470	23,643,089	22,654,678	13,552,031	10,305,336	7,893,778	7,974,838	8,277,376
SUNY Cortland	2,963,936	3,015,737	2,914,391	2,719,492	2,202,942	1,768,439	2,880,900	2,880,900
SUNY Fredonia	2,653,669	2,546,489	2,041,925	2,006,030	2,099,614	1,410,745	1,612,500	1,610,000
SUNY Geneseo	1,355,397	1,301,639	1,552,714	1,690,534	1,453,287	1,938,322	2,044,375	1,606,875
Old Westbury	1,791,742	1,466,845	1,754,931	2,058,660	1,858,069	1,952,685	2,086,682	2,223,206
SUNY New Paltz	2,614,831	2,488,124	2,491,789	2,679,799	2,395,932	3,246,842	2,432,758	2,430,264
College at Oneonta	5,751,914	5,683,716	5,963,986	5,694,995	5,242,810	4,527,266	5,692,227	4,668,106
SUNY Oswego	4,902,706	5,381,634	4,754,329	4,785,109	3,546,247	2,902,396	2,653,222	2,706,287
SUNY Plattsburgh	4,469,521	5,644,903	5,985,044	5,826,094	5,337,992	4,585,736	4,925,000	4,925,000
SUNY Potsdam	2,947,974	3,116,404	3,040,888	2,560,008	2,428,951	2,679,308	2,983,800	2,983,800
Purchase College	2,018,983	1,946,797	2,006,686	1,694,405	1,599,927	1,237,349	2,566,000	1,016,000
SUNY Polytechnic Institute (SUNYIT)	1,356,326	825,204	654,252	577,154	533,125	566,768	634,138	678,265
Empire State College	1,195,008	1,078,529	1,545,472	1,383,636	1,791,918	1,710,680	2,262,350	2,262,350
Alfred State College	1,306,823	1,307,549	1,245,416	621,489	783,902	936,988	1,902,000	2,076,000
SUNY Canton	1,235,132	1,325,345	1,154,585	1,210,078	1,242,811	1,500,782	1,730,597	1,730,597
SUNY Cobleskill	1,586,782	1,709,391	1,570,276	3,122,972	2,272,839	3,977,358	2,548,000	2,832,800
SUNY Delhi	317,494	188,735	194,980	196,510	201,249	192,728	422,360	397,056
Farmingdale State College	3,773,079	3,939,079	2,941,694	3,873,689	3,241,625	2,908,058	2,772,407	2,849,049
Morrisville State College	866,385	1,028,049	2,229,792	1,911,338	1,471,961	1,145,772	1,640,366	1,655,320
SUNY ESF	15,307,676	16,618,895	14,389,545	15,581,724	15,822,005	15,681,834	19,204,423	16,273,964
Maritime College	239,839	768,453	301,795	279,437	163,425	10,829	234,593	143,743
College of Optometry	3,624,982	3,046,363	2,857,201	2,727,173	3,063,148	3,059,803	4,101,549	4,934,899
Sys. Admin - VCRED	19,514,777	18,997,902	17,063,726	20,228,755	19,413,214	21,939,787	24,070,000	20,390,000
<b>Grand Total</b>	<b>\$ 920,270,746</b>	<b>\$ 939,898,996</b>	<b>\$ 921,019,531</b>	<b>\$ 1,057,174,337</b>	<b>\$ 1,053,711,982</b>	<b>\$ 1,095,378,492</b>	<b>\$ 1,118,659,785</b>	<b>\$ 1,069,693,141</b>





## **Glossary**

### **Agency Services Direct Costs**

Campus-related organizations using RF human resources, payroll, and purchasing services (for example, clinical practice plans and campus-based foundations).

### **Corporate Reserve**

The RF maintains and periodically funds a corporate reserve to provide additional liquidity to cover cash flow and contingencies.

### **Fees Paid by Third Parties for Service Centers**

The RF recovers costs from businesses and industries using RF-owned facilities, such as an MRI facility or nanotechnology clean room.

### **Grants and Contracts Direct Costs**

Grants and contracts to faculty researchers and scholars provide direct dollars for expenditures that can be identified with a particular sponsored project. Examples include salaries, supplies, equipment, and travel.

### **Grants and Contracts Indirect Costs**

Grants and contracts to faculty researchers and scholars provide indirect costs for overhead, or "facilities and administrative" costs. Cost recoveries come in the form of reimbursements by sponsors for things that cannot be directly and uniquely assigned to any particular project such as utilities and libraries.

### **Investment Income**

Investment income is projected based upon an assumed average investment balance and a targeted long-term investment return.

### **Royalties from Licensees**

Intellectual property commercialization generates royalties from companies that have licensed RF-owned intellectual property.

### **Royalties Paid to Inventors**

The SUNY Patent Policy dictates that 40-45% of royalties be paid to the inventor of intellectual property.

### **SUNY Strategic Plan Support**

SUNY System Administration receives a formula-based allocation that may be used in support of its strategic plan.