



RESEARCH FOUNDATION 2019 OPERATING PLAN

May 8, 2018

Table of Contents

Executive Summary	3
Implementing RF Strategy in FY 2019	4
Funding the FY 2019 Operating Plan	5
Campus Activity	6
Agency Activity	7
Corporate Reserve	8
Investment Income and Undistributed Investment Income	8
Fringe Pool	9
Central Office Budget	10
Sponsored Program Revenue Projections.....	11
Projected Campus Administrative Cost Assessment for FY 2019	12
Glossary	13

Executive Summary

The RF issues an annual Operating Plan that presents our operating roadmap and budget for the fiscal year, in compliance with our 1977 Agreement with SUNY. The following is the RF Operating Plan for Fiscal Year 2019 (FY 2019).

We move into FY 2019 guided by the four themes of Chancellor Kristina M. Johnson's vision for SUNY: Innovation and Entrepreneurship, Individualized Education, Sustainability, and Partnerships.

Our FY 2019 Operating Plan and our strategies for the years ahead mobilize the organization to *reduce the administrative burden* on faculty and *effectively and cost-efficiently* serve our campuses.

Goals

We have set our course with three goals:

- **Provide Superior Service:** We will meet principal investigator needs and exceed sponsor expectations by empowering our people, recognizing and rewarding service, and acting on input.
- **Be Effective:** We will do the right work that adds value to our campuses and principal investigators, measuring RF outcomes and impact.
- **Increase Cost Efficiency:** We will streamline processes and cut costs, ensuring that the RF enterprise is as lean as it can be, without compromising quality.

Plan Highlights

The major focus of this FY 2019 Operating Plan is to reach clarity on the roles and responsibilities of SUNY, RF, and our campuses as they relate to the business and operation of research administration, together with the true cost of this activity across SUNY. We will develop individual campus profiles and risk assessments which will provide valuable guidance, and we will follow four strategies in pursuit of our goals:

- **Empower:** Empower individuals with knowledge, authority, and tools to solve problems at the point of service.
- **Build:** Build on organizational strengths: flexibility, scale, internal controls, core functions, customer service focus, and dedicated, competent people across the enterprise with deep institutional knowledge.
- **Improve:** Remove administrative layers and barriers to principal investigator success through a discipline of measurable continuous improvement.
- **Partner:** Tailor research administration processes to accommodate new and different types of partnerships, especially with industry and private foundations.

Budget

This year's plan achieves a 10% reduction in the Central Office budget from FY 2018. These savings are realized through shared services and holding tight headcount and salaries in the wake of the FY 2018 Voluntary Retirement Program, with a commitment to retain, retrain, and redeploy remaining staff.

Implementing RF Strategy in FY 2019

New Dollars	FY 2018 Rollover	PACS Rollover
\$1.3 million	\$450K	\$470K

Primary Focus →	Develop a living RF operations profile and risk assessment for each campus to clarify roles and responsibilities, and detail expenditures, effective F&A recovery, staffing, and agency and affiliate activity.			
Strategies →	EMPOWER Empower individuals with knowledge, authority, and tools to solve problems at the point of service.	BUILD Build on organizational strengths: flexibility, scale, internal controls, core functions, customer service focus, and dedicated, competent people across the enterprise with deep institutional knowledge.	IMPROVE Remove administrative layers and barriers to Principal Investigator success through a discipline of measurable continuous improvement.	PARTNER Tailor research administration processes to accommodate new and different types of partnerships, especially with industry and private foundations.
Activities →	<ol style="list-style-type: none"> 1. Hold a Research Administrators' Symposium for learning and development, networking, and recognition. 2. Implement automated solutions and streamline policies and procedures to improve efficiency, reduce costs, and promote paperless transactions. 	<ol style="list-style-type: none"> 1. Evolve stakeholder groups to Communities of Practice (CoPs) across the enterprise to promote benchmarking and best practices within and across research administration communities (e.g., SPMC, UCRC, HRO, TTD). 2. Create Communities of Practice for: 1.) startup development and 2.) research-based business development. 3. Implement new Post-Doctoral Associate Fringe Benefit Rate. 	<ol style="list-style-type: none"> 1. Conduct ten process improvement projects employing the "Rapid Cycle Change" method. 2. Pilot pre-award Customer Discovery at five locations. 	<ol style="list-style-type: none"> 1. Pilot an Enterprise Consulting model at University at Buffalo. 2. Conduct a strategic assessment of RF enterprise-wide IP portfolio for bundling, enforcement, and monetization opportunities. 3. Develop new methods of costing and communication for nonfederal sponsors.

Full descriptions, budgets, and status for Operating Plan work is available on the website at: www.rfsuny.org/projects

Funding the FY 2019 Operating Plan

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

	2017 Actual	2018 Plan	2018 Estimate	2019 Plan
<i>Campus Activity</i>	(in millions)			
Grants and Contracts Direct Costs	805.0	692.4	723.2	750.6
Grants and Contracts Indirect Costs	134.9	133.2	137.1	138.5
Investment Income (gross)	15.2	10.0	8.9	11.8
Other Campus Activity (net)	34.6	22.2	26.6	19.5
<i>Total Campus Activity</i>	989.7	857.8	895.8	920.4
<i>Agency Activity</i>				
Agency Services Direct Costs	195.9	200.5	184.8	177.6
Agency Services Indirect Costs	7.6	7.4	7.8	7.4
<i>Total Agency Activity</i>	203.5	207.9	192.6	185.0
Total All Activity	1193.2	1065.7	1088.4	1105.4

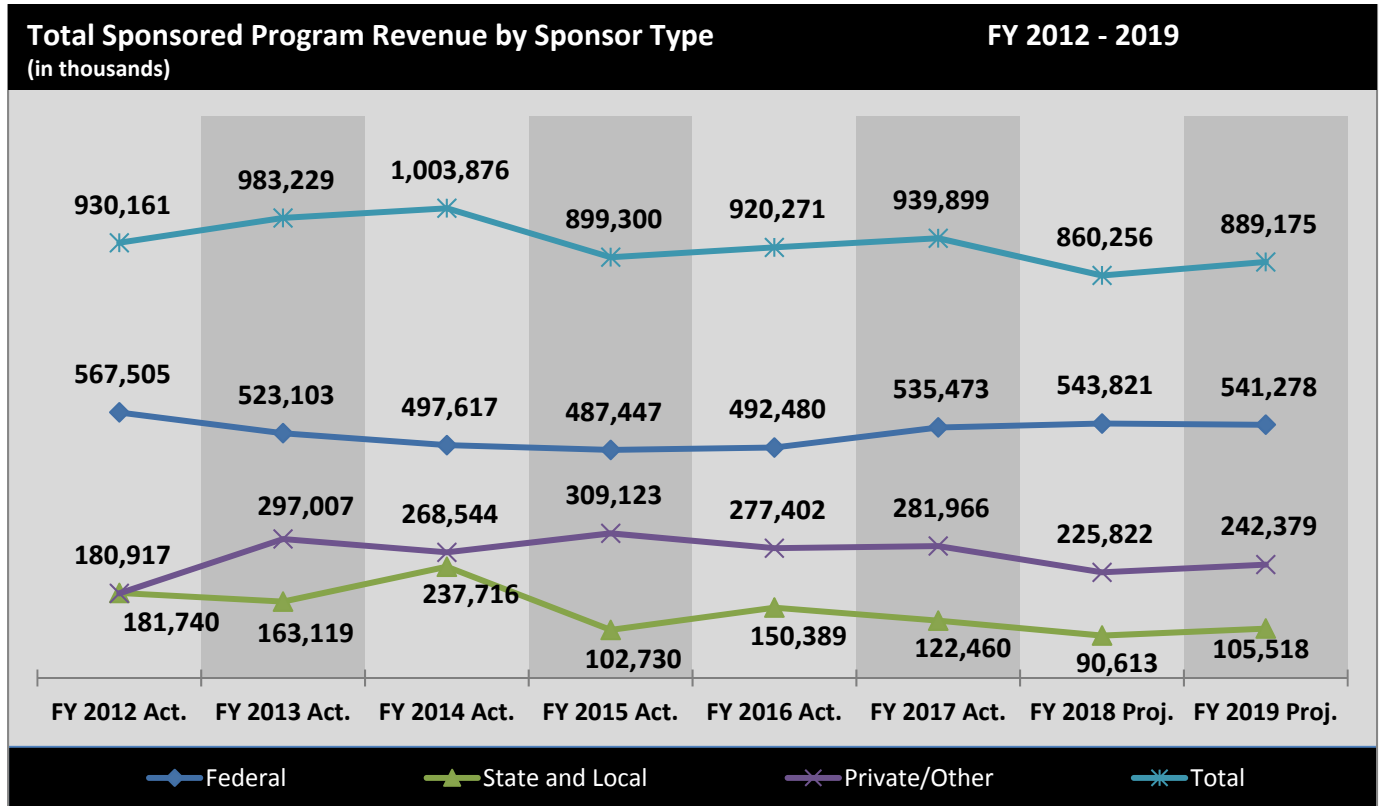
The following table presents the corporate chargebacks to the campuses to fund the Operating Plan.

	2017 Actual	2018 Plan	2018 Estimate	2019 Plan
<i>Corporate Chargebacks</i>	(in millions)			
Central Office Cost Allocation	24.2	24.5	21.2	22.2
SUNY Strategic Plan Assessment	2.5	2.5	2.5	2.5
Agency Services Cost Allocation	3.1	3.2	3.0	2.8
Campus Initiatives	1.3	1.4	1.4	1.3
<i>Total Campus Cost Allocation</i>	31.1	31.6	28.1	28.8
Investment Advisory & Treasury Operations (funded by investment income)	0.7	0.7	0.7	0.5
Corporate Reserve (funded by investment income)	0.0	0.0	0.0	0.0
<i>Total Corporate Chargebacks</i>	31.8	32.3	28.8	29.3

Campus Activity

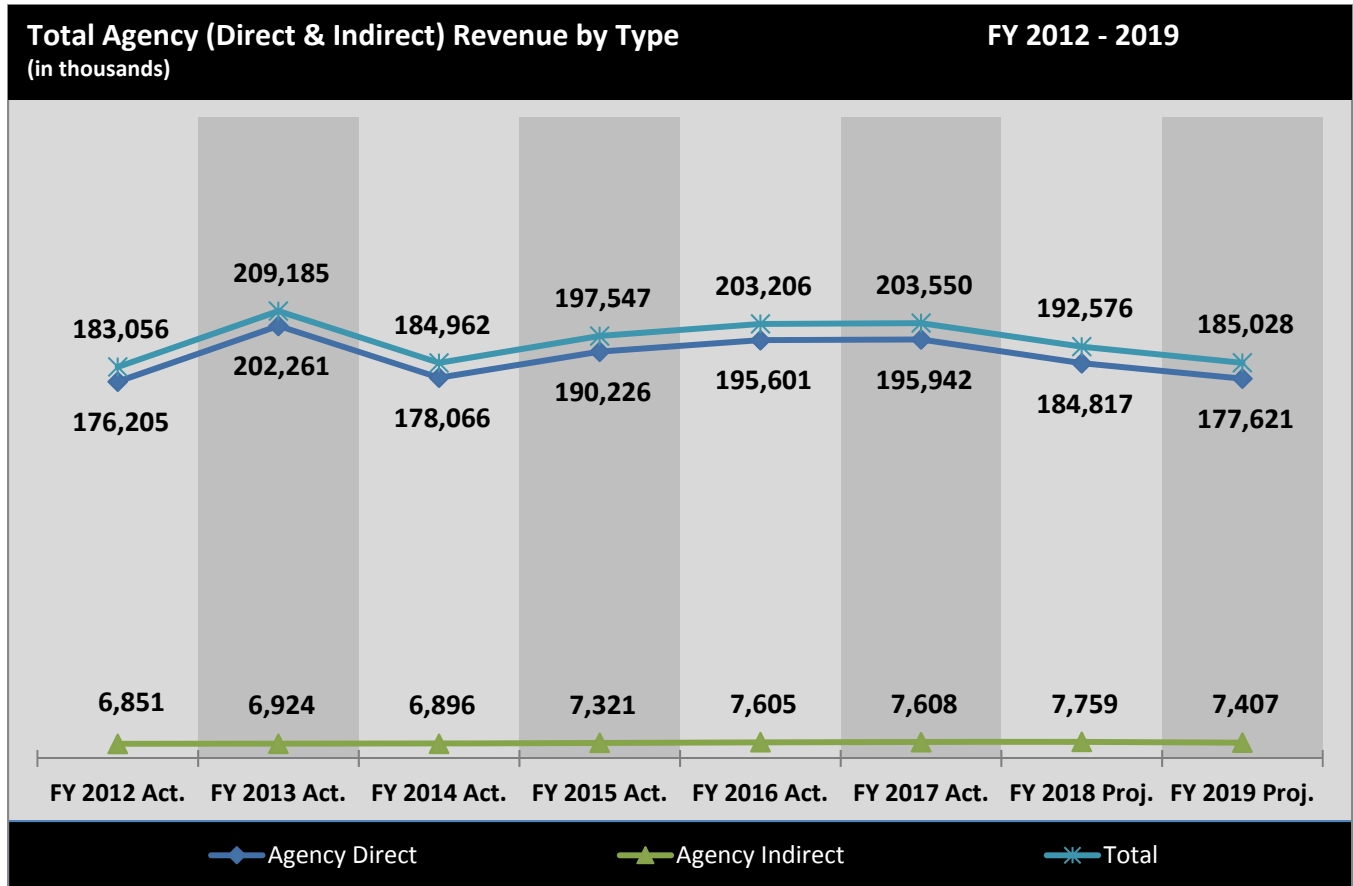
Campus activity consists of grants and contracts direct and indirect costs, investment income, and income from other campus activity such as royalty income, equity distributions, and fees paid by third party service centers. Campuses project grants and contracts direct and indirect costs by sponsor type. See below for sponsored program revenue by sponsor type. See page 11 for sponsored program revenue by campus.

Direct and Indirect Activity by Sponsor Type



Agency Activity

With systems already in place to support sponsored programs, the RF generates funds by providing agency services to campus-related organizations. Agency services include human resources, payroll, and purchasing services provided to clinical practice plans, outpatient facilities, affiliated health care facilities, and campus-based foundations. Examples of campus related organizations are Stony Brook’s Clinical Practice Management Plan (CPMP) and the Binghamton University Foundation. Campuses project agency services direct and indirect activity by source of funds.



Corporate Reserve

The following table shows the activity related to the corporate reserve:

Corporate Reserve (in thousands)	2018 Estimated	2019 Projected
Opening balance	\$9,454	\$9,454
Allocable from undistributed investment income ending balance	0	0
Ending balance	\$9,454	\$9,454

Investment Income and Undistributed Investment Income

The following tables show the projected activity related to investment income and the undistributed investment income balance:

Investment Income (in thousands)	2018 Estimated	2019 Projected
Investment income	\$8,868	\$11,796
Treasury/investment expenses	(488)	(522)
Net investment income	8,380	11,274
Funding to corporate reserve	0	0
Funding to campus initiatives	0	0
To undistributed investment income	\$8,380	\$11,274

Undistributed Investment Income (in thousands)	2018 Estimated	2019 Projected
Opening balance	\$18,931	\$35,643
Interest charge to campuses	8,332	5,753
Funding from investment income	8,380	11,274
Ending balance	\$35,643	\$52,670

Fringe Pool

The RF recovers the funds needed for the cost of employee fringe benefit programs, which include health insurance, retirement, Social Security, and other costs, by applying fringe benefit rates to accounts that fund employee salaries and wages. Included within the other costs charged to the fringe benefit pool are \$1.4 million incurred by the RF Central Office to administer and provide additional fringe benefits. These rates are negotiated each year with the U.S. Department of Health and Human Services.

Fiscal Year	Regular Employees	Graduate Students	Undergraduate Students	Summer Employees	Post-Doctoral Employees
2018	40.00	14.00	5.00	14.00	**
2019	40.00	16.00	5.00	14.00	**
2020*	42.00	18.00	5.00	14.00	25.00
2021*	43.00	18.50	5.00	14.50	25.00
2022*	43.50	19.00	5.00	15.50	25.00

* The 2020 rate is a provisional rate and the 2021 and 2022 rates are projections for budgeting purposes only.

** New rate beginning in 2020.

Central Office Budget

What is Central Office?

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.

Funding Central Office

The following tables provide a reconciliation of the Corporate Chargebacks per the Operating Plan to the funding of the Central Office budget. The surplus is to address contingencies, partially fund the transition to a new assessment model, or be returned to the campuses.

	2018 Plan	2018 Estimate	2019 Plan
Funding of Central Office Budget	(in millions)		
Corporate Chargebacks	32.3	28.8	29.3
SUNY Strategic Plan Assessment	(2.5)	(2.5)	(2.5)
Investment Advisory & Treasury Operations (funded by investment income)	(.7)	(.7)	(.5)
Corporate Reserve	0.0	0.0	0.0
External Borrowing	0.0	0.0	0.0
Total	29.1	25.6	26.3

	2018 Plan	2018 Estimate	2019 Plan
Central Office Budget Expenses	(in millions)		
Salaries (including Fringe and net of reimbursements)	17.1	14.9	14.4
Campus Initiatives and External Borrowing	1.4	0.3	1.3
IT (outsource and pass thru)	6.6	6.3	7.0
Facilities	0.8	0.8	0.8
Insurance/Fees	1.1	1.1	1.2
Other Costs	2.1	1.9	1.6
Total	29.1	25.3	26.3

Surplus / (Deficit)	0.0	0.3	0.0
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Sponsored Program Revenue Projections

Campus Name	Actual						Projections	
	2012	2013	2014	2015	2016	2017	2018	2019
University at Albany	\$ 106,885,405	\$ 87,376,569	\$ 89,065,519	\$ 80,774,763	\$ 89,272,408	\$ 102,993,269	\$ 91,204,104	\$ 96,146,351
SUNY Polytechnic Institute (CNSE)	223,654,839	329,485,565	365,508,174	256,783,744	277,235,420	270,875,435	184,500,000	196,500,000
Binghamton University	40,196,877	34,903,689	31,662,356	35,727,510	36,737,676	39,815,566	45,788,000	49,417,138
University at Buffalo	157,116,809	150,425,733	151,012,729	157,749,767	167,226,517	163,999,848	165,050,000	173,240,000
Stony Brook University	182,737,698	175,639,643	160,122,436	169,066,924	160,520,047	169,248,627	177,167,239	181,450,973
SUNY Downstate Medical Center	62,361,048	61,788,121	60,631,230	49,440,828	48,434,001	47,489,095	49,710,000	49,596,250
Upstate Medical University	36,926,766	34,296,743	33,236,841	29,824,041	30,816,692	33,327,448	34,780,886	36,275,417
SUNY Brockport	6,147,853	4,281,365	4,788,443	4,695,668	5,217,542	5,080,836	5,990,831	6,110,648
Buffalo State College	29,950,915	24,004,193	23,026,462	22,776,578	23,015,470	23,643,089	19,150,577	11,868,104
SUNY Cortland	3,455,923	3,058,875	3,867,115	3,171,049	2,963,936	3,015,737	2,964,000	2,964,000
SUNY Fredonia	2,853,575	2,680,722	2,625,962	2,599,925	2,653,669	2,546,489	1,835,160	1,530,417
SUNY Geneseo	1,639,578	757,644	709,767	1,398,793	1,355,397	1,301,639	1,299,046	1,338,998
Old Westbury	1,546,550	2,302,556	2,265,181	2,711,032	1,791,742	1,466,845	1,591,434	1,615,306
SUNY New Paltz	4,001,070	3,778,594	3,662,523	3,619,884	2,614,831	2,488,124	2,629,427	2,579,969
College at Oneonta	7,022,350	6,471,584	5,787,779	5,423,984	5,751,914	5,683,716	6,844,512	6,685,570
SUNY Oswego	4,924,695	4,938,662	5,804,016	5,481,440	4,902,706	5,381,634	5,622,000	4,866,000
SUNY Plattsburgh	6,204,847	6,069,831	4,576,436	4,250,454	4,469,521	5,644,903	5,881,000	5,781,000
SUNY Potsdam	2,992,555	2,890,505	2,714,976	2,721,782	2,947,974	3,116,404	2,892,433	2,921,358
Purchase College	2,295,973	2,003,646	1,815,692	1,724,193	2,018,983	1,946,797	1,907,589	1,579,239
SUNY Polytechnic Institute (SUNYIT)	2,062,898	2,106,705	1,513,462	1,514,681	1,356,326	825,204	837,400	809,150
Empire State College	868,536	1,196,540	1,513,032	1,602,730	1,195,008	1,078,529	1,500,595	1,801,421
Alfred State College	1,867,996	1,351,516	718,296	487,855	1,306,823	1,307,549	2,523,750	2,495,800
SUNY Canton	2,164,314	1,773,152	1,412,600	1,339,904	1,235,132	1,325,345	1,192,800	1,251,000
SUNY Cobleskill	2,887,522	2,333,167	1,746,017	1,531,788	1,586,782	1,709,391	2,065,140	2,385,511
SUNY Delhi	505,187	250,140	253,642	283,628	317,494	188,735	214,600	195,800
Farmingdale State College	2,989,075	4,331,883	4,588,302	3,720,438	3,773,079	3,939,079	4,052,330	4,052,330
Morrisville State College	1,585,262	1,215,347	1,102,903	1,032,745	866,385	1,028,049	1,330,828	1,330,828
SUNY ESF	15,073,421	14,439,487	14,563,048	15,645,173	15,307,676	16,618,895	14,997,000	14,675,000
Maritime College	247,160	104,023	771,646	886,072	239,839	768,453	187,644	103,357
College of Optometry	3,381,262	3,173,941	3,058,834	3,222,881	3,624,982	3,046,363	3,200,262	3,397,603
Sys. Admin - Provost	13,612,766	13,799,135	19,750,578	28,089,450	19,514,777	18,997,902	21,345,000	24,210,000
Grand Total	\$ 930,160,728	\$ 983,229,277	\$1,003,875,997	\$ 899,299,704	\$ 920,270,746	\$ 939,898,996	\$ 860,255,587	\$ 889,174,538



Projected Campus Administrative Cost Assessment for FY 2019
 Sponsored Program Revenues, Distributed Investment Income, Royalty, LLC, Gift and Others
 Assessment base = weighted average revenue FY2016 - 20%; FY2017 - 30% and FY2018 - 50%

Budget Based Assessment Model

Campus	Weighted Ave. FY16-18 Sponsored Program, Invest Inc Dist, Royalty LLC & Gift Income	All Campuses 2.33%	Total Centralized Campuses 1.0%	Agency Services Cost Allocation	System-Wide Initiatives 0.30%	Total Campus Administrative Cost Assessment	Treasury Services	Campus Initiatives	PACS Operational Costs	Payroll Services	Centralized TTO Services	ePayables Rebate Revenue	FY 2019 Projected Budget Based Assessment
University Centers and Doctoral													
Degree Granting Institutions	\$ 752,971,984	\$ 17,544,247	\$ 185,802	\$ 2,610,615	\$ 2,258,916	\$ 22,599,580	\$ 730,340	\$ 1,201,309	\$ 686,100	\$ 1,549	\$ 36,476	\$ (154,402)	\$ 25,100,951
University at Albany	91,182,344	2,124,549	-	-	273,547	2,398,096	88,442	141,213	100,484	-	-	(23,897)	2,704,338
SUNY POLY - CNSE	176,261,202	4,106,886	-	202,346	528,784	4,838,015	170,963	136,656	194,242	-	-	(72,578)	5,267,299
Binghamton University	42,085,397	980,590	-	21,789	126,256	1,128,635	40,820	93,957	46,379	-	-	(20,627)	1,289,164
University at Buffalo	164,257,096	3,827,190	-	32,928	492,771	4,352,889	159,320	295,231	169,248	-	-	(7,995)	4,968,693
Stony Brook University	177,248,661	4,129,894	-	1,417,688	531,746	6,079,327	171,921	272,017	63,411	-	-	(10,309)	6,576,366
SUNY Downstate Medical Center	49,387,144	1,150,720	-	19,862	148,161	1,318,744	47,903	106,725	54,425	-	-	(2,523)	1,525,274
Upstate Medical University	33,969,978	791,500	-	903,039	101,910	1,796,449	32,949	102,428	37,435	-	-	(10,431)	1,958,831
SUNY ESF	15,304,321	356,591	153,043	12,965	45,913	568,511	14,844	46,252	16,866	-	3,106	(4,503)	645,077
College of Optometry	3,275,840	76,327	32,758	-	9,828	118,913	3,177	6,829	3,610	1,549	33,370	(1,539)	165,910
University Colleges	61,520,307	1,433,423	398,948	102,490	184,561	2,119,423	59,671	130,991	67,796	4,355	160,633	(28,311)	2,514,558
SUNY Brockport	5,575,949	129,920	55,759	-	16,728	202,407	5,408	14,178	6,145	-	14,765	(2,856)	240,047
Buffalo State College	21,625,497	503,874	-	1,382	64,876	570,132	20,975	41,173	23,832	-	19,050	(13,141)	662,022
SUNY Cortland	2,991,960	69,713	29,920	93,491	8,976	202,099	2,902	6,131	3,297	-	6,522	(2,065)	218,886
SUNY Fredonia	2,201,354	51,292	22,014	-	6,604	79,909	2,135	5,360	2,426	-	9,144	(1,790)	97,184
SUNY Geneseo	1,272,920	29,659	12,729	-	3,819	46,207	1,235	4,440	1,403	1,306	13,557	(630)	67,517
SUNY New Paltz	2,591,901	60,391	25,919	-	7,776	94,086	2,514	9,531	2,856	-	11,373	(1,663)	118,698
Old Westbury	1,591,483	37,082	15,915	761	4,774	58,531	1,544	6,205	1,754	2,309	32,655	(111)	102,886
College at Oneonta	6,292,762	146,621	62,928	3,042	18,878	231,470	6,104	9,981	6,935	-	6,952	(2,611)	258,830
SUNY Oswego	5,430,644	126,534	54,306	-	16,292	197,132	5,267	8,774	5,985	-	24,467	(508)	241,118
SUNY Plattsburgh	5,715,464	133,170	57,155	-	17,146	207,471	5,544	9,345	6,299	-	13,412	(126)	241,945
SUNY Potsdam	2,976,798	69,359	29,768	743	8,930	108,801	2,887	9,531	3,280	-	2,592	(550)	126,542
Purchase College	1,940,766	45,220	19,408	-	5,822	70,450	1,882	3,794	2,139	-	3,668	(1,605)	80,327
Empire State College	1,312,808	30,588	13,128	3,072	3,938	50,727	1,273	2,549	1,447	740	2,476	(656)	58,555
Technology Colleges	11,286,088	262,966	105,952	38,648	33,858	441,424	10,947	24,060	12,437	8,504	43,746	(5,375)	535,743
Alfred State College	1,803,841	42,029	18,038	-	5,412	65,479	1,750	2,939	1,988	1,029	6,719	(1)	79,902
SUNY Canton	1,239,064	28,870	12,391	-	3,717	44,978	1,202	3,509	1,365	2,335	4,571	(789)	57,172
SUNY Cobleskill	1,863,928	43,430	18,639	-	5,592	67,661	1,808	4,591	2,054	-	18,000	(1,815)	92,297
SUNY Delhi	222,857	5,193	2,229	-	669	8,090	216	746	246	-	2,000	(77)	11,221
Farmingdale State College	3,872,719	90,234	38,727	29,502	11,618	170,082	3,756	7,153	4,268	4,655	7,334	(1,594)	195,654
Morrisville State College	1,118,619	26,064	11,186	-	3,356	40,606	1,085	2,576	1,233	-	2,074	(948)	46,626
SUNY POLY - SUNYIT	690,879	16,097	-	9,146	2,073	27,316	670	1,155	761	-	-	-	29,903
Maritime College	474,180	11,048	4,742	-	1,423	17,213	460	1,392	523	485	3,048	(152)	22,969
SUNY System Administration	21,120,252	492,102	-	10,224	63,361	565,686	20,485	24,490	23,275	-	4,594	(9,251)	629,279
Sys. Admin - Provost	21,120,252	492,102	-	10,224	63,361	565,686	20,485	24,490	23,275	-	4,594	(9,251)	629,279
Grand Total	\$ 846,898,630	\$ 19,732,738	\$ 690,702	\$ 2,761,977	\$ 2,540,696	\$ 25,726,113	\$ 821,443	\$ 1,380,850	\$ 789,608	\$ 14,408	\$ 245,448	\$ (197,338)	\$ 28,780,532

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 Chargebacks

In fulfilling its responsibilities, the RF charges the campuses for the services it provides through either an assessment formula, allocation of costs, or direct offset to investment income.

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 Assessment

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