

## Fiscal Year 2013 Operating Plan April 3, 2012

### Purpose

The Research Foundation for The State University of New York (“RF”), in its strategic planning methodology calls for an annual operating plan to outline specific action steps the RF will take to implement the Strategic Plan (“The Operating Plan”). Action steps are specific, concrete, measurable statements of what will be done to achieve a goal. The Operating Plan also describes the uses of board-allocated RF funds and the sources of those funds for the fiscal year. Note that the RF’s strategic planning methodology calls for a formal strategic planning process every three to five years; the RF is entering year four of implementing the plan that was launched in August 2009.

In Fiscal Year (“FY”) 2013, the RF will renew its commitment to providing effective and efficient support and services for the State University of New York – its campuses, their faculty, staff, students and communities. We will do so by, among other things: improving the tools used by campus customers, strengthening compliance in cooperation with SUNY System Administration, supporting SUNY programs to increase research funding, and advancing the deployment of SUNY knowledge into the economy.

### Growth through Innovation and Collaboration: A Strategic Plan for the RF

#### Strategic Goal 1:

Provide outstanding sponsored program administration services and stewardship to the SUNY community (faculty, students and staff) and sponsors, respectively.



- Improve tools to assist campus customers
- Strengthen compliance in cooperation with SUNY System Administration
- Implement shared service models
- Increase diversity and inclusion

#### Strategic Goal 2:

Assist campuses in increasing sponsored program funding.



- Support SUNY programs to increase research

#### Strategic Goal 3:

Increase technology transfer and commercialization in support of SUNY’s efforts to revitalize New York’s economy.



- Increase access to SUNY’s assets

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## FY2013 Action Steps

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**Goal 1:** Provide outstanding sponsored program administration services and stewardship to the SUNY community (faculty, students and staff) and sponsors, respectively.

### Improve Tools to Assist Campus Customers

- **Streamlined effort reporting system** – Complete implementation of new system.  
Outcome: Electronic effort reporting that simplifies administration for faculty researchers and scholars, and ensures compliance through accuracy and education.
- **Reporting “dashboards”** – Complete pilot and roll-out solution to all faculty researchers and scholars.  
Outcome: A reporting solution that provides faculty researchers, scholars and administrators with easier access to award balances and other information for management of sponsored grants and contracts.

### Strengthen Compliance in Cooperation with SUNY System Administration

- **SUNY’s new Compliance Committee** – Support and participate, providing focused guidance on research and sponsored program compliance.  
Outcome: Improved research and sponsored program compliance across the SUNY research community.
- **Conflicts of interest and export controls** – Review and update policies, procedures, guidelines, forms and systems.  
Outcome: Increased compliance with regulatory framework; improved system for awareness and management.
- **FOIL guidelines** – Develop and implement guidelines that comply with New York’s Freedom of Information Law.  
Outcome: Guidelines that strike the appropriate balance between transparency and protecting the proprietary information of SUNY faculty and industry partners.
- **Federal and State administrative requirements** – Coordinate advocacy for changes to federal and state administrative requirements.  
Outcome: Reduced burden, resulting in streamlined administration for faculty researchers and scholars.

### Implement Shared Service Models

- **Research technology services** – In partnership with Infrastructure Center of Competency in Information Technology (nCCIT)
  - Start up partnership
  - Upgrade hardware
  - Integrate solutions that provide services to faculty researchers and scholars (including an upgrade of the Oracle Applications)Outcome: Responsive IT service that supports research innovation and growth.
- **Shared administrative services pilots** – Pilot shared service solution at certain campuses in areas of accounts payable and purchasing.  
Outcome: Increased efficiency, ability to free up resources to do value-added work.

- **Identify new opportunities** – Catalog RF shared services activities to further implement shared service models in connection with SUNY shared service initiatives.  
Outcome: Wider adoption of shared services vision; potential cost savings.

#### Increase Diversity and Inclusion

- **Veterans and MWBE vendors** – Develop an action plan to increase the number of veterans in the RF workforce and a plan to increase the number of minority and women-owned business enterprises the RF utilizes.  
Outcome: Collaborative support of SUNY diversity and inclusion initiatives.
- **Diversity and inclusion awareness training** – Offer and promote training to all RF employees through the RF's Learning Center.  
Outcome: Enhanced productivity, personal and professional opportunities, unleashed potential and innovation.

**Goal 2:** Assist campuses in increasing sponsored program funding.

#### Support SUNY Programs to Increase Research

- **SUNY Research Council** – Support Council with specific plans and action steps to identify research disciplines and collaborative opportunities.  
Outcome: Increased competitive SUNY research proposals to federal and other funding agencies.
- **SUNY/RF Research Collaboration Fund** – Administer the Fund in collaboration with the SUNY R&D Catalyst Projects Advisory Committee and issue awards for collaborative projects that develop SUNY research talent and inter-SUNY program connections.  
Outcome: Increased competitive SUNY research proposals to federal and other funding agencies.
- **Campus plans** – Inventory plans for growing research and sponsored programs across the enterprise.  
Outcome: New opportunities for RF to provide programs, solutions, or other support for increasing research and sponsored programs.

**Goal 3:** Increase technology transfer and commercialization in support of SUNY's efforts to revitalize New York's economy.

#### Increase Access to SUNY's Assets

- **SUNY Patents and Inventions Policy Board** – Support the board in its mission to reduce barriers to successful university-industry partnerships and minimize ambiguity surrounding SUNY's patents and inventions policy.  
Outcome: Reduced obstacles that impede collaborative relationships with industry partners.
- **Technology Accelerator Fund (TAF)** – Administer a second year of TAF and develop a long-term funding strategy.  
Outcome: Continued TAF successful partnerships.
- **Entrepreneur in Residence (EIR) pilot program** – Launch regional program to develop long-term funding strategy for the program.  
Outcome: Valuable real-world knowledge and expertise infused into SUNY's entrepreneurial environment, helping the next generation of startup leaders and companies.

- **Assistance for potential partners** – Identify and pilot methods to assist potential partners in navigating SUNY assets to solve business problems, (a “concierge” service).  
Outcome: Increased industry-sponsored research and use of and reliance on SUNY assets to solve business problems and generate job growth.
- **Business/Industry Web pages** – Work with System Administration and campuses to develop a branded web presence for Business/Industry Relations that cross SUNY, RF and campus websites.  
Outcome: Industry-friendly websites that provide easier access to SUNY’s assets.
- **Shared facilities/equipment** – Pilot solution that inventories major facilities/equipment available for use by outside parties.  
Outcome: Increased industry use of SUNY assets and possible new revenue source.
- **SUNY incubators, Centers of Excellence and Centers of Advanced Technology** – Facilitate collaborations.  
Outcome: Shared best practices, identification of potential shared services, simplified terminology, and improved industry relations.
- **Additional programs to facilitate commercialization** – Seek funding for pilot, and develop long-term funding strategies for: Pre-Seed Fund, SUNY Patent Pool, SUNY Facilities Access pool, and SUNY Regional Technology Business Service Centers.  
Outcomes: Help start-ups:
  - secure the management team and complete the critical early milestones
  - designate scarce early dollars to research and development efforts to meet milestones without sacrificing patent coverage
  - gain access to SUNY facilities, equipment and intellectual capital
  - leverage the regional infrastructure in place to assist startups and small businesses.

## Funding the Operating Plan

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<b>RF Activity (in millions)</b>		
	2012	2013
	Estimated	Projected
Grants and contracts to faculty researchers and scholars	\$ 788.5	\$ 826.2
Shared services for campus related organizations	178.7	183.1
<b>Total RF Activity</b>	<b>\$ 967.2</b>	<b>\$ 1,009.3</b>

<b>Uses of Allocable Funds (in millions)</b>		
	2012	2013
	Estimated	Projected
Action steps to implement strategic plan	\$ 1.4	\$ 5.1
System-wide collaboration support	1.5	2.5
Campus operations and research support	139.3	137.1
Central office operations	24.7	24.5
SUNY strategic plan support	2.6	2.6
Royalties paid to inventors (40% of total)	3.5	3.7
Corporate reserve	2.5	2.6
Investment reserve	6.1	10.7
<b>Total Uses of Allocable Funds</b>	<b>\$ 181.6</b>	<b>\$ 188.8</b>

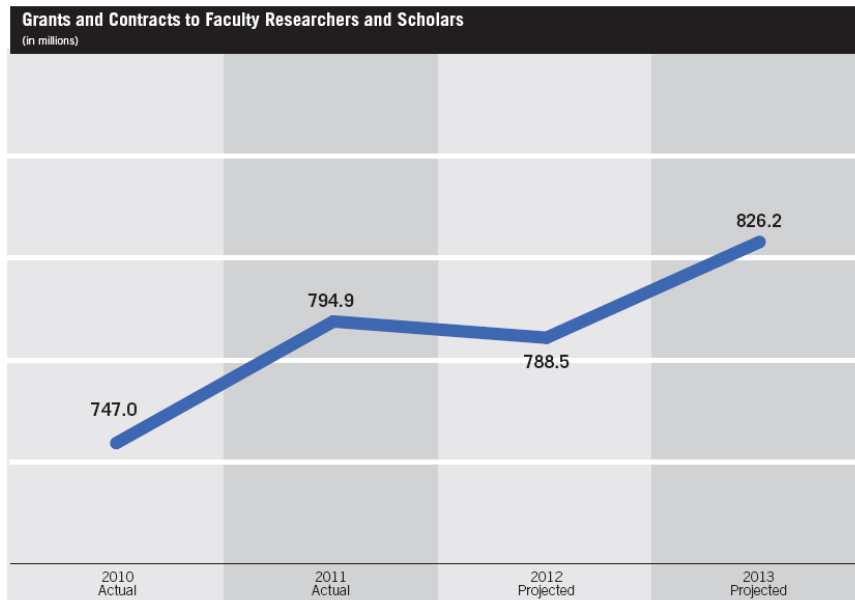
<b>Sources of Allocable Funds (in millions)</b>		
	2012	2013
	Estimated	Projected
Cost recoveries for grants and contracts to faculty researchers/scholars	\$ 141.0	\$ 138.2
Cost recoveries for shared services to campus-related organizations	6.3	6.6
Investment income	8.5	12.6
Distribution from corporate reserves	-	5.2
Royalties from licensees	8.7	9.3
Fees paid by business/industry to use campus service centers	4.6	4.5
Equity distribution from Brookhaven Science Associates	1.8	1.8
Other	10.7	10.6
<b>Total Sources of Allocable Funds</b>	<b>\$ 181.6</b>	<b>\$ 188.8</b>

## RF Activity

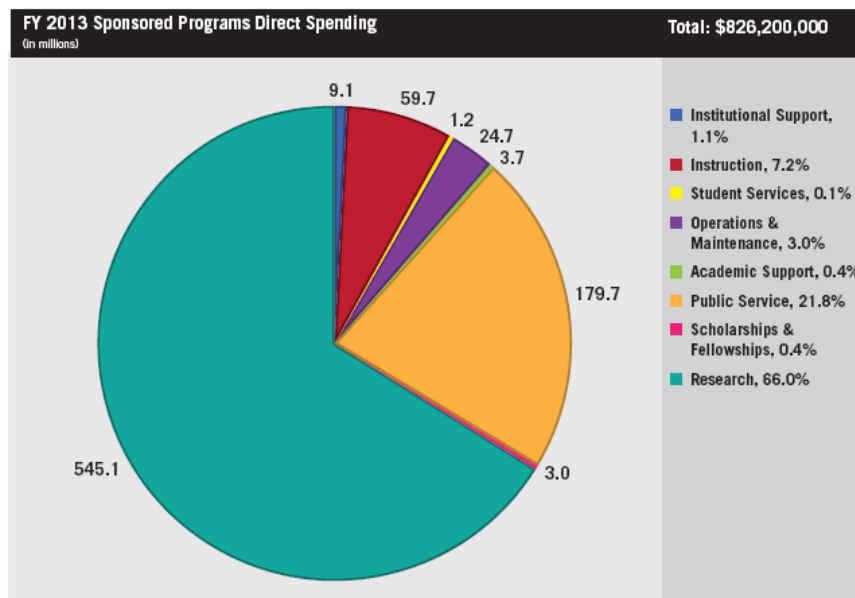
The funds received by the RF are generated by campus activity – primarily grants and contracts to faculty researchers and scholars – these include grants and contracts to individuals, collaborative programs, multidisciplinary centers and institutes.

### Grants and contracts to faculty researchers and scholars

Grants and contracts to faculty researchers and scholars provide direct dollars for things that can be identified specifically with a particular sponsored project. In FY2013, the direct dollars within grants and contracts to faculty researchers and scholars are projected to increase from \$788.5 million to \$826.2 million.

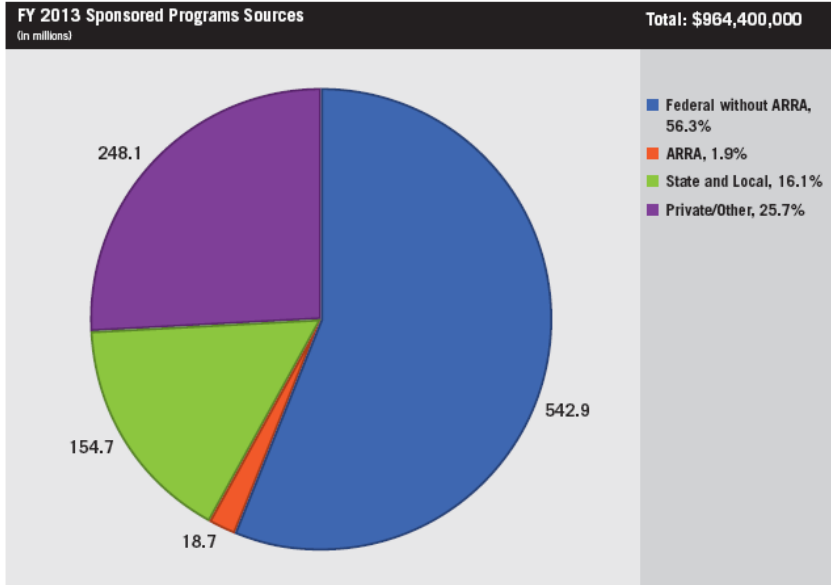


The categories in which grant and contract funds are expected to be spent in FY2013 are depicted in the pie chart below.



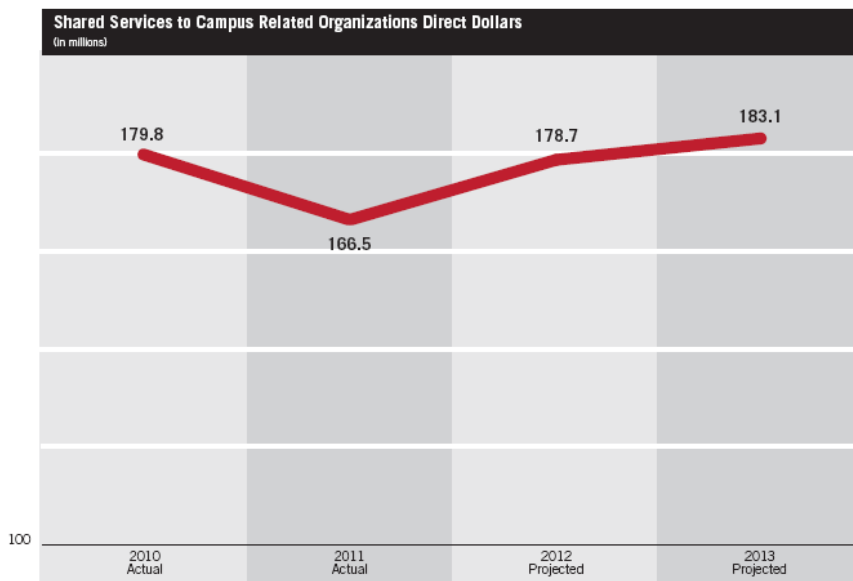
Cost recoveries for grants and contracts to faculty researchers/scholars are sometimes called indirect costs, overhead or “facilities and administrative” costs. Cost recoveries come in the form of reimbursements by sponsors for things that cannot be directly and uniquely assigned to any particular project. In FY2013, cost recoveries are expected to be \$138.2 million.

Total grants and contracts funding (direct plus cost recoveries) is projected to be \$964.4 million (\$826.2 direct and \$138.2 in cost recoveries). The majority of the funds (58.2%) will be from federal sponsors, as depicted in the chart below.



### Shared services for campus related organizations

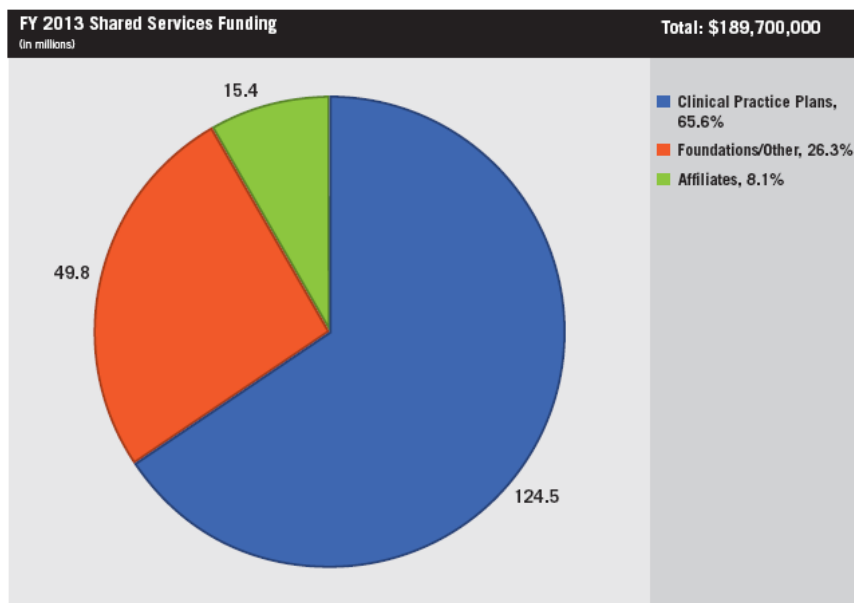
Campus-related organizations using RF human resources, payroll and purchasing/payables administration services (for example, clinical practice plans and campus-based foundations), will see an increase in activity from \$178.7 million to \$183.1 million.



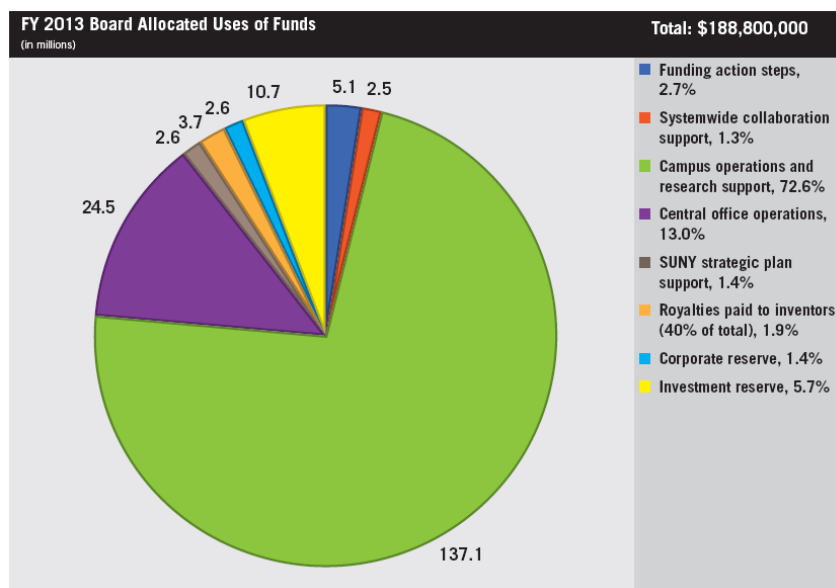
The RF recovers costs associated with providing shared services for campus-related organizations through charging fees. In FY2013, cost recovery for shared services to campus related organizations is expected to be \$6.6 million.



Total funding (direct plus recovery through fees) is projected to be \$189.7 million in FY2013 (\$183.1 direct and \$6.6 recovery through fees). The primary users of these services are clinical practice plans, as depicted in the chart below.



## Uses of Allocable Funds



### Calculating the allocations

- Campuses are allocated the funds that they recover or earn (less the assessments described here).
- An assessment formula determines the amount of funding available for central office operations, system-wide collaboration support and funding the action steps: 2.7% of revenues (all campuses) plus 1% of revenues (centralized campuses for sponsored program support). The “revenues” base is less equipment and comprises the weighted average of total revenue for the past three years: 50% prior year, 30% two years prior, 20% three years prior. In extraordinary circumstances, the RF may need to request funds from the corporate reserve to cover costs associated with action steps or system-wide collaboration support.
  - In FY2013, the projected assessment is \$27.8 million. Of this amount, \$24.5 million will be allocated to central office operations (88% of the assessment) and \$3.3 million (12% of the assessment) will be allocated to funding action steps and system-wide collaboration support. After the end of the fiscal year, the assessment will be recalculated based on actual revenues.
- The allocation to SUNY Strategic Plan support is derived by a formula (.3% of last three years weighted average revenues).

### Funding action steps to implement Strategic Plan

The RF will allocate \$5.1 million to the action steps described beginning on page 1.

Action Step	2013 Funding (in thousands)
<b>Goal 1</b>	
Streamlined effort reporting system	\$ 450
Reporting “dashboards”	105
Research technology services	4,000
<b>Goal 2</b>	
SUNY/RF Research Collaboration Fund	350
<b>Goal 3</b>	
Technology Accelerator Fund (TAF)	250
<b>Total</b>	<b>\$5,155</b>

Appendix A provides further detail on the full funding picture for the Collaboration Fund and TAF.

### System-wide collaboration support

The RF will allocate \$2.5 million to programs that support collaboration inside and outside of SUNY. Examples are:

- Corporate Memberships/Sponsorships/Events: System-wide memberships in associations, such as, the Association of University Technology Managers and RF sponsorship of events at which multiple campuses are represented, such as, the International BIO convention.
- Federal Relations: Cost of an outside firm to represent SUNY interests in Washington, D.C., and cost of the space for SUNY’s Washington office.

The full list of programs is in Appendix B.

### Campus operations and research support

According to RF board policies, funds allocated to campuses for expenditure include indirect costs reimbursed to the campus, investment income earned on unspent campus funds, (if applicable), equity distributions from Brookhaven Science Associates, (specifically to Stony Brook University), the 60% share of royalties earned by an inventor’s campus, plus “other” allocable to the particular campus. Campus allocations are expected to decrease from \$139.3 million in 2012 to 137.1 million in FY2013. The reduction is due to reduced indirect cost recoveries. There continues to be no allocation of investment income in FY2013 as the RF rebuilds the investment reserve (see “Investment Reserve” on page 10).

### Central office operations

Central office operations provide a centralized infrastructure in support of the SUNY research enterprise across the state and around the world. The allocation to central office operations will decrease from \$24.7 in 2012 to \$24.5 in FY2013.

The RF is entering a partnership with nCCIT for research technology services. The outcome of this partnership will be redeployment of resources from maintenance and operations to innovation and growth. The first three years of the partnership will include:

- start up costs for the partnership
- upgraded hardware
- integrated solutions that provide services to faculty researchers and scholars (including an upgrade of the Oracle Applications).

The costs over three years are depicted in the following table:

Year	2013	2014	2015	Total
<b>Cost in thousands</b>	\$4,000	\$1,000	\$1,000	\$6,000

### **SUNY Strategic Plan support**

The allocation to SUNY Strategic Plan support will remain flat at \$2.6 million in FY2013. SUNY anticipates spending the allocation as follows:

<b>Uses of Funds</b>	<b>FY2013 Projected (in thousands)</b>
SUNY Branding	\$200
System-wide memberships/sponsorships	120
SUNY Press support	300
SUNY/RF Research Collaboration Fund	350
Strategic Plan Support/Other	1,677
<b>Total</b>	<b>\$2,647</b>

### **Royalties paid to inventors (40% of total)**

The SUNY Patent Policy dictates that 40% of royalties be paid to the inventor of intellectual property. In FY2013, this is anticipated to increase slightly from \$3.5 million to \$3.7 million.

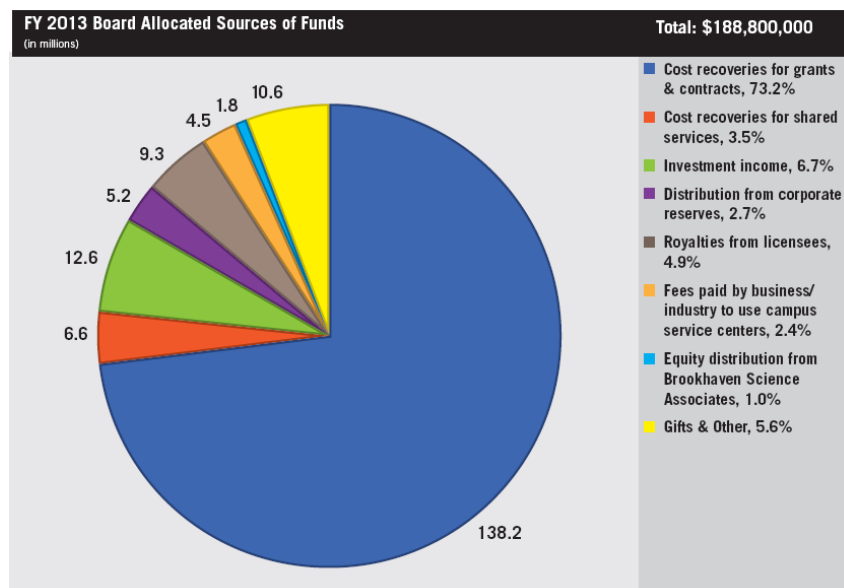
### **Corporate reserve**

In FY2013, the corporate reserve will be allocated \$2.6 million by funding from investment income. The RF's board of directors agreed on a goal to maintain the reserve at 10% of indirect cost recoveries. In FY2013, the reserve will represent 4% of indirect cost recoveries. See page 13 for a table that depicts the beginning balance, allocations to, distributions from, and ending balance for the corporate reserve for 2012 – 2015.

### **Investment reserve**

In FY2013, investment income will fund \$10.7 million to investment reserves. The reserve was established to help ensure campuses receive a known, predictable and constant distribution of investment income. The RF is rebuilding the reserve due to losses that resulted from down markets. It is anticipated that the investment reserve will be restored in 2014 and allocations to campuses will resume.

## Sources of Allocable Funds



### Cost recoveries for grants and contracts to faculty researchers / scholars

In FY2013, cost recoveries for grants and contracts (indirect dollars) are projected to decrease from \$141 million to \$138.2 million. Even though direct dollars are increasing, the decrease in indirect dollars is due to large equipment purchases where no indirect cost recoveries are generated.

### Cost recoveries for shared services to campus-related organizations

The recovery of costs associated with providing shared services to campus-related organizations will increase from \$6.3 million to \$6.6 million.

### Investment income

Equity markets are generating strong investment returns. The RF expects investment income to reach \$12.6 million in FY2013.

### Distribution from corporate reserves

The RF will take \$5.2 million from the corporate reserve to fund action steps in FY2013 (see table below) and to support SUNY Press with one-time funding of \$.9 million. System Administration is implementing a plan to bring SUNY Press into a positive cash position over the next several years.

Action Steps	2013 Projected (in thousands)
Technology Accelerator Fund	\$ 250
Research technology services	4,000
SUNY Press support	900
<b>Total</b>	<b>\$ 5,150</b>

**Royalties from licensees**

Traditional IP commercialization generates royalties from companies that have licensed RF-owned intellectual property. Royalties are projected to increase slightly from \$8.7 million in 2012 to \$9.3 million in FY2013. IP activity on campuses is strong, with some campuses anticipating record numbers of new technology disclosures and licenses in FY2013.

**Fees paid by business/industry to use service centers**

The RF recovers costs from businesses and industries using RF-owned facilities, such as an MRI facility or nanotechnology clean room. This activity is projected to remain consistent at \$4.5 million in FY2013.

**Equity distribution from Brookhaven Science Associates**

The RF is a partner in Brookhaven Science Associates LLC (BSA), which runs Brookhaven National Laboratory. The LLC provides equity distributions to the members. It is anticipated that in FY2013, equity distributions will remain flat at \$1.8 million.

**Other**

Campuses retain balances remaining from fixed price sponsored awards and receive other types of non-sponsored revenue. In FY2013, the RF expects this funding to stay consistent at \$10.6 million.

## Key Financial Elements of the Plan

### Salary Plan

Based on current and projected economic, budget and market conditions, and projected sponsored research funding, the RF's salary plan for FY2013 calls for:

Employee Type	Cost of Living	Discretionary Pool
Administrative	0%	2%
Sponsored Program	0%	Based on funds availability within each sponsored program

Campuses determine their implementation of the salary plan and may request a waiver, if circumstances require.

### Corporate Reserve

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

Rollforward (in thousands)	2012 Est.	2013 Proj.	2014 Proj.	2015 Proj.
Opening balance	\$5,059	\$6,877	\$4,327	\$6,369
<b>Allocations to reserve:</b>				
Investment reserve allocation	2,543	2,600	2,760	2,977
Investment income allocation			282	530
<b>Distributions from reserve:</b>				
Technology Accelerator Fund		(250)		
Research technology services		(4,000)	(1,000)	(1,000)
SUNY Press support		(900)		
Outside legal costs	(725)			
Ending balance	\$6,877	\$4,327	\$6,369	\$8,876

### Fringe Pool

A strong employee benefit program is important for recruiting and retaining employees. The RF recovers the funds needed for the cost of employee fringe benefit programs, which include health insurance, retirement, Social Security, and other payments, by applying fringe benefit rates to accounts that fund employee salaries and wages. These rates are negotiated each year with the US Department of Health and Human Services.

In FY2013, the projected unfunded balance in the regular fringe benefit pool is expected to decrease from \$8.3 million to \$5.6 million.

Fiscal Year	Regular Employees	Graduate Students	Undergraduate Students	Summer Employees
2012	41.50	13.00	5.00	17.00
2013	43.00	14.50	5.00	17.00
2014	43.00	16.00	5.00	17.00
2015	43.50	17.50	5.00	17.00
2016	44.50	18.50	5.00	17.00

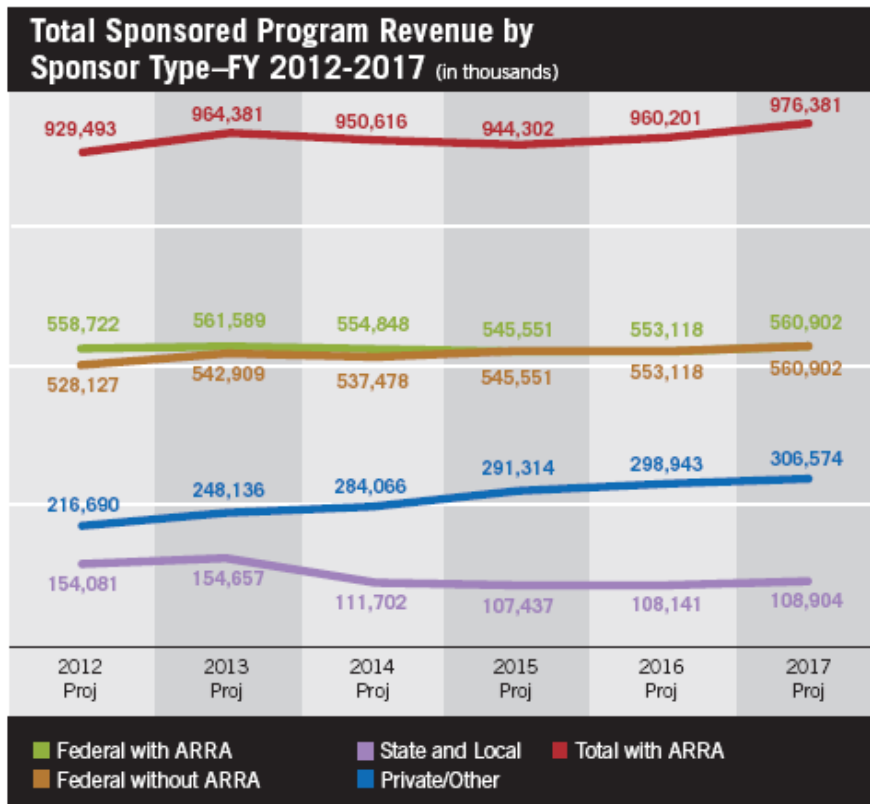
**Analysis of cash position**

Based upon projected revenues and expenditures and assuming no significant change in accounts receivables (A/R) or deferred revenues, we expect cash to remain stable and increase slightly in FY2013. If there are delays in payment from sponsors and a growth in A/R, the RF has access to a \$65 million line of credit to prevent cash deficits.



## Looking Ahead

Campus locations have projected sponsored program revenue through 2017 (see next page for detailed schedule).



## Sponsored Program Revenue Projections

Location	Actual	Projections						% Change
	2011	2012	2013	2014	2015	2016	2017	
CNSE	\$228,314,475	\$235,708,465	\$279,858,917	\$261,962,382	\$265,154,604	\$272,596,954	\$279,880,519	22.59
Univ. at Buffalo	151,962,038	158,000,000	156,587,000	155,431,000	157,340,000	159,446,000	161,608,000	6.35
Stony Brook Univ.	183,970,738	169,301,910	161,759,847	170,914,667	156,604,981	156,301,488	156,301,488	-15.04
University at Albany	109,096,500	108,762,927	112,905,117	109,685,383	111,879,091	114,116,673	116,399,006	6.69
Downstate Med.	60,585,838	60,634,979	60,366,861	61,574,198	62,805,681	64,061,793	65,343,030	7.85
Upstate Med U	40,931,591	38,766,636	39,228,102	40,011,091	40,787,876	41,600,534	42,434,443	3.67
Binghamton Univ.	38,645,532	38,211,107	38,487,132	39,343,161	40,141,720	41,144,733	42,114,872	8.98
Buffalo State	40,150,190	30,066,683	26,803,559	26,735,169	26,933,478	27,202,814	27,474,841	-31.57
SUNY ESF	13,356,043	15,876,513	15,709,819	15,921,000	16,080,210	16,241,013	16,403,424	22.82
Sys. Admin	16,085,225	12,296,500	12,296,500	12,296,500	12,296,500	12,296,500	12,296,500	-23.55
Oneonta	5,888,543	6,754,814	6,831,383	6,583,338	6,063,218	6,153,243	6,210,152	5.46
SUNY Brockport	4,451,481	6,183,770	6,150,878	5,653,650	5,824,925	6,000,490	6,180,145	38.83
SUNY Plattsburgh	6,057,392	6,392,000	5,490,000	5,280,000	5,280,000	5,280,000	5,280,000	-12.83
Optometry	3,631,454	3,962,842	3,874,682	4,064,303	4,263,350	4,472,293	4,691,625	29.19
SUNY New Paltz	4,111,858	4,012,975	4,042,642	4,083,068	4,164,729	4,206,376	4,248,440	3.32
SUNY Oswego	4,176,424	3,844,000	4,181,237	4,275,404	3,825,094	3,832,040	3,911,063	-6.35
SUNY Fredonia	2,686,824	3,254,198	3,214,822	3,246,970	3,279,439	3,312,233	3,345,356	24.51
SUNY Potsdam	3,240,288	3,240,288	3,240,288	3,240,288	3,272,690	3,305,417	3,338,472	3.03
SUNY Cortland	3,491,912	3,306,309	3,306,309	3,306,309	3,109,308	3,140,402	3,171,807	-9.17
SUNYIT	1,871,896	1,917,000	2,312,200	2,417,400	2,539,450	2,665,093	2,794,507	49.29
Farmingdale State	2,076,988	4,701,000	4,519,850	4,104,850	2,008,408	2,008,408	2,008,408	-3.30
SUNY Canton	1,833,641	1,897,340	1,897,340	1,897,340	1,897,340	1,897,340	1,897,340	3.47
Purchase College	2,726,475	2,438,964	2,485,791	1,810,369	1,822,412	1,840,637	1,859,044	-31.82
Old Westbury	1,163,603	1,334,229	1,554,820	1,599,017	1,660,482	1,726,333	1,748,159	50.24
SUNY Cobleskill	3,574,487	2,455,473	2,044,960	1,460,076	1,474,678	1,489,425	1,504,319	-57.92
Morrisville State	2,653,379	1,408,922	1,343,218	1,396,746	1,410,715	1,424,822	1,439,069	-45.76
SUNY Geneseo	1,419,763	1,338,000	792,500	807,005	831,216	856,152	881,835	-37.89
Empire State	812,193	859,739	876,300	774,682	787,023	794,773	802,600	-1.18
Alfred State	1,159,269	1,839,692	1,480,748	452,515	475,140	498,898	523,842	-54.81
SUNY Delhi	375,657	519,098	571,000	271,000	271,000	271,000	271,000	-27.86
Maritime College	15,003	206,257	167,286	17,358	17,358	17,358	17,358	15.69
<b>Total</b>	<b>\$940,516,702</b>	<b>\$929,492,630</b>	<b>\$964,381,108</b>	<b>\$950,616,239</b>	<b>\$944,302,116</b>	<b>\$960,201,235</b>	<b>\$976,380,664</b>	<b>3.81</b>

## Appendix A: Full Funding Picture for Action Steps

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### Outside Funds

Some of the action steps in FY2013 are programs for which SUNY has committed funding or for which Power of SUNY funding is being requested.

Program	RF Funding 2013	SUNY Funding 2013	Total Funding Committed
Fund and administer the <b>SUNY/RF Research Collaboration Fund</b> .	\$350,000	\$350,000 Committed	\$700,000
Fund and administer the <b>Technology Accelerator Fund (TAF)</b> and develop long-term funding strategy for the program	\$250,000	\$250,000 Requested	\$250,000
Launch regional <b>Entrepreneur in Residence (EIR) pilot program</b> and develop long-term funding strategy for the program		\$250,000 Requested	

The RF and SUNY are partnering to seek funding for, pilot, and develop long-term funding strategies for **additional programs to facilitate commercialization**:

- Pre-Seed Fund
- SUNY Patent Pool
- SUNY Facilities Access pool
- SUNY Regional Technology Business Service Centers

See [SUNY Innovation Program Proposals](#). State sources being explored include SUNY's budget request to DOB, a request to the Governor's Office for state-wide programs, requests to NYS legislators, and Regional Economic Development funding.

## Appendix B: System-wide Collaboration Support

The total allocation for system-wide collaboration support is \$2.4M for the programs described in the following table.

Program	Description	2013 Funding (in thousands)
Corporate Memberships/Sponsorships/ Events	System-wide memberships in associations, such as the Association of University Technology Managers and RF sponsorship of events that market and promote SUNY research and invention (e.g., International BIO Convention, TECHSTORM New York, 2012 Venture Forum; Business Incubators Association of NYS).	\$ 140
Improvement of RF website	Cost of redesigning the RF's public website to make it easier for potential partners to reach SUNY assets and learn more about SUNY research.	105
Federal Relations	Cost of an outside firm to represent SUNY interests in Washington, D.C., and the cost of the space for SUNY's Washington office.	440
TTO Regionalization	Cost of supporting newly established Technology Transfer Offices at Downstate Medical Center and Upstate Medical University.	100
Regional Legal Counsels	Cost of outside counsel to support the regional Technology Transfer Hub locations and to supplement central office support of decentralized locations for Sponsored Programs Administration.	600
Strategic Sourcing and Other	Cost of consultants in a joint effort between SUNY and RF to leverage the buying power of both entities in vendor pricing negotiation and to support service and facility rate development.	150
Licenses for System-wide Tools	Cost of tools used system-wide to identify collaborators (Community of Science) and to manage system-wide intellectual property (Inteum)	217
Functional Improvements to Benefit the Enterprise	People, process and/or technology projects listed below	695
<b>Total</b>		<b>\$2,447</b>

As the RF carries out the functions it performs system-wide in support of Sponsored Programs Administration and Commercialization, it aims to improve the people, processes and/or technology to increase efficiency and effectiveness. The following initiatives will be undertaken in FY2013. The items with a "Cost" line are those that will be funded from the System-wide Collaboration Support allocation; others will be subsumed within the allocation to central office operations.

### Ensuring the Right People Are in the Right Positions

- Address succession planning at campuses and central office.
- Assess strategic, financial, and legal opportunities and risks related to RF staffing service activity to determine future direction.

- Use consultants strategically to perform organizational development services enterprise-wide to target campus shared services opportunities and to assist with short-term needs at central office.  
Cost: \$135,000
- Complete realignment of business services with the central office of Sponsored Programs Administration, including data reporting function and institutional research.

### **Ensuring People Have Skills to Carry Out Work – “Performance Support”**

- Plan a program to educate sponsored programs staff about people/HR issues throughout the life cycle of grants and contracts.
- Add talent management training for administrators and faculty researchers and scholars.
- Host a national research compliance forum (examples include human subjects or use of animals).
- Host regional National Institutes of Health (NIH) and/or National Science Foundation (NSF) days.
- Improve RF policies and procedures – a variety of improvements are contemplated related to usability, accessibility via public web site, standardization, ensuring RF has appropriate policies/procedures.  
Cost: \$100,000
- Develop expertise and coordinate with the SUNY Construction Fund to support the acquisition and management of construction and renovation programs that enhance SUNY research and research-driven New York state economic development—develop manuals and standard operating procedures.
- Support the work of the Pre-award Focus group to complete a “virtual” PI handbook that is easily updated-consider developing an appropriate electronic tool for this purpose.  
Cost: \$10,000

### **Ensuring RF Has a Strong Control Environment**

- Support development, review, and analysis of annual internal controls testing for the campuses.

### **Ensuring the RF Has a Sustainable Financial Model**

- Develop funding principles to be approved by the Research Council, shared with the RSED Committee, and SUNY’s Finance and Administration Strategy Team (FAST).  
Cost: \$450,000

### **Ensuring We Can Measure Outcomes**

- Ensure RF has systems in place to capture and report metrics used to measure university impact on economic development (based on Association of Public and Land-grant Universities [APLU] proposed metrics).

## Appendix C: The Current Environment

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This Appendix describes the current environment. The items listed here help the RF develop the strategies and action steps needed in the upcoming fiscal year.

- **SUNY's Strategic Plan** – To revitalize New York State's economy and enhance the quality of life, "The Power of SUNY" focuses on entrepreneurship, the education pipeline, health, energy, community involvement and global perspective. The work of the RF in support of SUNY touches upon each of these core ideas.

Source: [The Power of SUNY](#)

- **Chancellor Zimpher's State of the University Address** – SUNY is focused on shifting administrative cost savings to instruction – through its shared services initiative, allocating resources based on performance, and driving toward common IT data systems; productivity, and a new emphasis on "systemness."

Source: [2012 State of the University Address](#)

- **RF/SUNY task force recommendations** – Today, the RF is a markedly different organization as compared to a year ago. The RF is implementing the recommendations of the RF/SUNY relationship task forces, which include strengthening governance and leadership; and helping SUNY grow research, increase IP commercialization, and increase communication, collaboration and transparency. The RF recently enacted changes to governance as a result of the task force recommendations, including:
  - Removing the requirement that the SUNY Chancellor be the Chair of the RF Board from the RF Charter. This does not preclude the Chancellor from being elected as Chair of the Board, but reflects a recognition that removing the mandatory Chair role may enhance the Chancellor's effectiveness as the ultimate executive representative of SUNY, the RF's customer.
  - Inviting SUNY to nominate three representatives to serve as advisory non-voting, non-fiduciary members of the RF Board in addition to SUNY representatives who are voting members of the RF Board.
  - Establishing a Committee on Research-Supported Economic Development. The committee will focus on the roles of SUNY and the RF in research-supported economic development and develop strategies and sustainable funding principles to position SUNY to drive knowledge-based economic growth.
  - Convening an annual, public meeting between the SUNY Board of Trustees and RF Board of Directors and initiate quarterly meetings with the SUNY Chancellor, Provost, RF Chair and RF President to discuss RF performance and SUNY research performance.

Organizationally, resources and functions have been aligned to better support SUNY research and to advocate for our campus and faculty customers. Operationally, we are working more closely than ever with our SUNY colleagues to pursue state funding for programs that will directly support campus innovation, collaboration and regional economic development. We have a new clarity of focus on our mission to serve SUNY and our vision to capitalize on the scope, scale and diversity of SUNY as an engine of New York State's innovation economy.

We are communicating proactively and transparently about our work to audiences and stakeholders across the RF, SUNY, government, business and industry with new communication and outreach tactics. We have developed tools and resources that explain our business and clearly set forth expectations and standards of accountability. Examples include:

- RF eNews
- Key Business Indicators
- Corporate Ethics and Values web resource
- Code of Conduct

The name, The Research Foundation for The State University of New York, and the new company logo (which mirrors in look and feel the brand of our customer, SUNY) more clearly and boldly represents the RF's mission and conveys the strength of the relationship between the RF and SUNY.

The RF is also implementing other recommendations, including hiring a new full-time president and reviewing the position classification structure to assist faculty researchers and scholars recruit and retain talented staff. Additional recommendations were incorporated into the 2012 and this FY2013 Operating Plan for implementation.

Source: [Task Forces Summary Report](#)

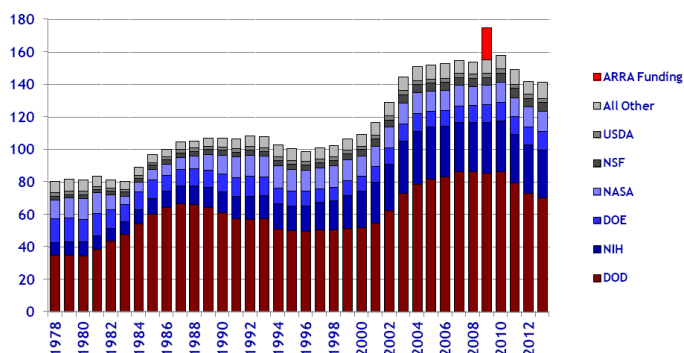
- **Strategic/Operating Plan Cycle** – The RF's Strategic Plan was approved in August 2009. This year, the RF will have a new President and a new CFO, and the RF has undergone significant governance changes in FY2012. In accordance with the RF's strategic planning methodology, spring 2013 will be the time to begin a new strategic planning process.

Year	July	October	January	April
Prior to Year One				<ul style="list-style-type: none"> <li>- Develop three to five year Strategic Plan</li> <li>- Develop annual operating plan</li> </ul>
Years One through Four	Monitor annual operating plan	Monitor annual operating plan	Monitor annual operating plan	<ul style="list-style-type: none"> <li>- Monitor annual operating plan</li> <li>- Monitor Strategic Plan, adjust if necessary</li> <li>- Develop annual operating plan</li> </ul>
Year Five	Monitor annual operating plan	Monitor annual operating plan	Monitor annual operating plan	<ul style="list-style-type: none"> <li>- Develop new three to five year Strategic Plan</li> <li>- Develop annual operating plan</li> </ul>

Source: [RF Strategic Planning Methodology](#)

- **New Officers** – The RF hired a new General Counsel in November 2011. A national search is underway for a full-time President who will also serve as SUNY's Vice Chancellor for Research. The President will chair the newly convened SUNY Research Council. In addition, the RF is also searching for a new Chief Financial Officer. The CFO will be responsible for the shared service model for IT.
- **Federal research funding** – Outlook for 2013 is consistent with a slight decline.

**Trends in R&D by Agency**  
in billions of constant FY 2012 dollars



Source: AAAS Report: Research & Development series.  
FY 2012 and FY 2013 figures are latest estimates.  
1976-1994 figures are NSF data on obligations in the Federal Funds survey.  
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Source: [American Association for the Advancement of Science](#)

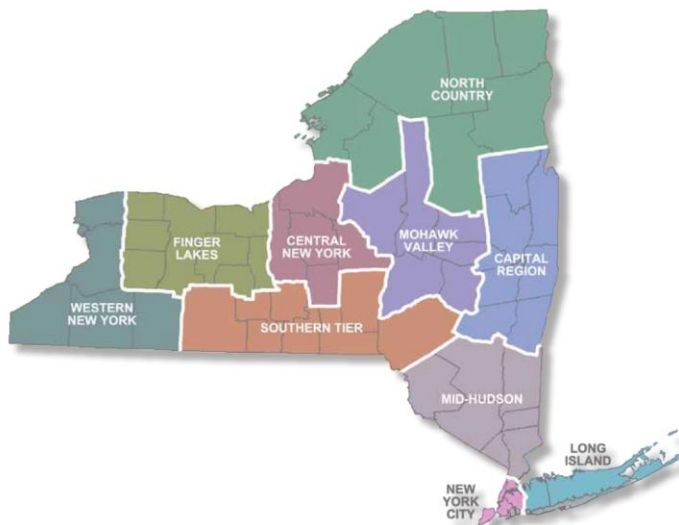
- **NYS funding** – The FY2013 state budget, which begins on April 1, 2012, is slated to reduce the state's projected deficit for the fiscal year beginning April 1 to about \$2 billion. The governor's proposal closes that \$2 billion deficit in part by finding \$1.14 billion in savings from consolidating purchasing and human resources across state agencies.

Source: [Governor's Executive Budget](#)

- **FOIL Compliance** – Current proposed legislation (A. 7789-E and S. 5797-A) sponsored by Senator LaValle and Assembly member Glick, Chairs of the Committees on Higher Education, would make the RF, campus foundations, and other campus related entities subject to FOIL.
- **SUNY budget** – The 2012-13 Executive Budget recommends All Funds appropriations of \$7.9 billion for the State University of New York, an increase of \$308 million or 4% from the adjusted 2011-12 levels. Of this amount, self-supported funds appropriations for SUNY hospitals, residence halls and other campus activities represent \$4.3 billion, an increase of \$89 million or 2.1% from the current year levels. General Fund support for SUNY in 2012-13 is essentially flat, as reflected in the Executive recommendation in the following major categories:
  - A slight increase in General Fund support for the State-operated campuses.
  - Recommended appropriations for the statutory colleges at Cornell University (including Cornell Land Grant) and Alfred University are the same as current levels.
  - Per FTE funding for Community Colleges is maintained at the current level of \$2,122 per full-time equivalent student.
  - State operating support for the three University Hospitals is maintained at the 2011-12 level.

Source: E-mail to campus presidents from Brian G. Hutzley, SUNY Vice Chancellor and CFO

- **NYS regional economic development efforts** – Governor Andrew Cuomo has created Regional Economic Development Councils to coordinate the State's efforts to revive its economy. Each council has a co-chair from higher education – reflecting the Governor's intention that universities will play a vital role in fostering innovation and economic development. The Councils are presented on the map below:



Source: [Regional Economic Development Councils](#)



- **Private funding** – Historically, the bulk of academic R&D funding from nonfederal sources has been provided by universities themselves from endowments and other sources. However, industry's funding for academic R&D has been growing in recent years. Total industry spending for research (both internal, and through universities and other institutions) is now nearly three times overall federal R&D spending.

Sources: [National Science Foundation](#) and [Science Progress](#)

- **Spending on patent fees** – When compared with institutions of similar composition and research expenditures, most SUNY campuses spend a fraction of the patent fees of their non-SUNY peers. For example, during fiscal year 2010 the University at Buffalo spent \$4,721 on legal fees per new technology disclosure. This is nearly \$11,000 less than its median peer institution. The difference is attributable to the University at Buffalo filing fewer patent applications in fewer territories.

Source: [The Research Foundation of SUNY](#)

- **Venture funding** – Research expenditures at New York academic institutions are approaching \$5 billion, placing New York second only to California. Yet California attracts nearly three-quarters of New York City's venture investments, while New York companies receive less than 10%.

Source: [Excell Partners](#)

- **RF revenue outlook** – Campuses are projecting revenues for sponsored programs (95% of RF revenue) to increase by 3.8% over the next five years. The College of Nanoscale Science and Engineering (CNSE), University at Albany, Binghamton University, University at Buffalo, Downstate Medical and Upstate Medical, among others, are all projecting increases.

Source: RF Finance Office. See the "Looking Ahead" section on page 15.

- **F&A recovery insufficient to fund strategic initiatives** – The RF must seek new sources of funding beyond F&A recoveries to fund initiatives that will increase research and commercialization.
- **RF's "seasoned" sponsored programs administrators nearing retirement age** – Many of the RF offices on campuses are led by sponsored programs administrators who have been working for many years at SUNY but are now nearing retirement age. Without proper proactive succession planning, valuable knowledge will be lost.

Source: Sponsored Programs Focus Group meeting 2/29/12

- **Federal regulations** – The Office of Management and Budget is seeking feedback on various ideas for changing compliance audits of federal funds including cost principals and administrative requirements.

Source: [Office of Management and Budget](#)

- **NIH Financial Conflict of Interest** – NIH issued a final rule that establishes new requirements for identifying, reporting, and monitoring financial conflicts of interest (FCOIs) in research. In order to continue receiving Public Health Services funding, campuses must be in compliance with the final rule by August 24, 2012. Department of Health and Human Services (DHHS) is the RF's largest federal sponsor, accounting for more than half of the RF's overall federal activity (\$236,552,027 in expenditures for FY 2011).

Source: [National Institutes of Health](#)

- **Federal Data Sharing Requirements** – NIH and NSF have a policy on sharing and making available to the public the results and accomplishments of the activities that they fund.

Sources: [National Science Foundation](#), [National Institutes of Health](#)