

SUBOA

FEBRUARY 13-14, 2013

February 13, 2013 meeting called to order by Paul Tucci at 12:08 p.m.

Paul Tucci standing in for Bill Shaut

Introductions and welcome to new members. Laura Hubbard, new VP at U. Buffalo.

President's Report – none

Secretary's Report - none

Treasurer's Report – (Judy Nolan) Roughly \$30,000 in account. Receivables are not an issue.

SUBOA Liaisons Review (Paul Tucci)

We need to review and update SUBOA Liaisons to the following groups:

- CIO
- ABB
- Auxiliary Service
- HR
- Financial Aid
- Purchasing
- Physical Plant
- Public Safety
- Residence Halls

ABB Update – (Michelle Halstead)

- The group is focusing on training
- DASNY Legislation and implementation/OGS is a major concern specifically cash flow.
- SFS issues linger and are causing increased workload and inaccurate accounting
- New MWBE approval process is bureaucratic and counterproductive.
- Project Sunlight requires additional clarification and central coordination.
- Shared Services continues to be an area of frustration. Lack of detailed information coming from Sys Admin.
- Travel card changing to the Net Card; must be in 7/1/13.
 1. Every person must have a travel card
 2. Coaches will use a non-employee card for trips
 3. Occasional traveler is an issue
- Open SUNY implementation will require a great deal of coordination at the campus level.

SUNY Office for Capital Facilities Update: (Karren Bee-Donohoe)

- Campus Lets (see handout)

- Internal Audit will be reviewing campus lets this year.

Fire Inspections: (see handout)

- Fire inspection violations need to be avoided or addressed quickly to avoid fines.

Governor's Executive Order #88:

- Improve Building Energy Efficiency
- Jobs, reduction in green house gases
- Exec. Order 111 is repealed
- Energy Master Planning Process which will provide ideas of how energy can be saved
- Intended to address the oldest, most energy inefficient first
- First report due Jan. 14; all buildings over 20,000 sq ft.
- Requires that all buildings > 100,000 sq ft need to have sub-meters for electric, natural gas etc.
- Governor is developing overall directions and interperations and comprehensive maintenance plans to bring this about; also policies to avoid tweaking systems that makes them inefficient.
- BuildSmartNY: Gov website to show we have been doing this
- Credits for onsite generation and energy star etc.

Hurricanes:

- **Working on; getting into final stages. Will be signing off on most of the projects.**
- Insurance is the main fight with FEMA; Will be doing some additional expenditure transfers
- Sandy: Project worksheets are moving faster

Analyzing Buildings for Energy Efficiency:

- IBM had approached Univ. UB was doing RFP; added clause to include other campuses if they desire. UB looking at submittals to make selection.
- Identifies problems and notifies maintenance staff that there is a problem before it becomes a cold call
- Cost?
- May be able to apply for money to support doing this

DIFR:

- David Ferrari introduced as Res Hall representative
- Prepayment of June and December debt payment; are breaking down by campus. Not prepaying DASNY fee and insurance. \$106 million estimate.
- Campus will decide application of payments.
- Tax and Finance Account-by campus
 1. Campus revenue will fill the buckets; old programs have to be done first, then the new program funds
 2. Are discussing the size of the debt service reserve fund
 3. When all buckets are full the rest goes to 344 fund

4. Will not receive funds into 344 until 100% of the YEARS debt service is paid; total takes about 3 months, some campuses faster some slower
5. The entire SUNY buckets have to be filled before any funds flow.
6. System Adm. will commit funds to cover the amounts that slow down the funds flowing to campuses
7. This movement allowed us to continue our Res Hall program. We got appropriation to do the buildings. Did not get the benefit we had hoped in the State construction program.
8. Need to show central plan
9. \$944 million cap on new bonds; based on the plans each campus submitted plus some. \$500 of which is for rehab.
10. DASNY worked with DOB to adopt this; key was getting the 100% payment early.
11. SUBOA requested and Karen agreed to provide Proformas to illustrate impacts on cash flow.

Construction Fund Update (Bob Haelen)

Executive Budget: (see handout)

- Presented 2013 Legislative Budget Request
 - Wants to get through the legislative process before stopping or slowing any projects
 - Governor wants the legislatures to come to him about the importance of capital money.
- Deferred maintenance plans will be distributed soon
- Staffing funded by CF should be reevaluated

Spending: Bob Fraser

- \$1.6 billion in motion at this time
- Last year told to speed up spending
- Gyrodyne at SB; Decision was to use SUNY capital; \$135 m paid last July. SB paid 30 million out of operating
- DOB wanted us to keep cash in check until June to help with cash flow; did cash management for Fund dollars and then tried to do same with campus lets; many different types of projects.
- Also was dealing with SFS issues; could not process journal vouchers to get some items done; FEMA payments in there also.
- Are using in house data to track commitments and expenditures; project by project. Project out balance spend down over life of projects. Are thousands of campus let transactions; cannot project campus let behavior.
- Met DOB in Dec; Dan Sheppard; Wanted the Fund to meld this year and next year disbursements to absorb the Gyrodyne payment.
- Because they had spent the bond proceeds early as were asked; are now tight with cash; only have issued 5 projects in last quarter.
- Fund pays back the Genreal Fund for their fronting bond payments on a monthly basis.

- Need to get an accurate model on campus Let spending plans. They total about \$160 million. Will be tracking the plan to expenditures and will be enforcing the campus let policy tighter
- DOB is sitting on requests for campus coding
- The NY Works group was impressed with the FMP process and results.
- Gave DOB the top 20 Fund and campus let projects
- Will work with campuses to realign the most critical projects
- Fund will work to identify when existing projects will be spent out; confirm plans. Flush out any amount that looks like tied up but funds are there.

Annual Meeting (Paul Tucci)

- SUBOA Annual Conference Wednesday May 29th through Friday May 31st
- Location Purchase, NY
- Registration \$300
- Room Rate \$193/night
- Sponsors are needed to generate \$8,000 in revenue
- Sessions ideas should be submitted to Paul

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E-Discovery Policy Presentation (Seth Gilbertson)

- Draft policy (see handout)
- Can supplement with local policies
- Campus must form a response team
 1. Legal office representative
 2. IT person
 3. Other?
- Roles of people not on response team
 1. Custodian: anyone with a computer-least invested/least responsibility
 2. IT personnel-appoint someone who can work with counsel to respond to counsel request
 3. Campus records officer-person who makes sure that the unimportant items are deleted and only important/required information is maintained
 4. VP-Have basic knowledge of the systems etc. the campus uses; campus retention periods. Make sure the effort has enough resources and authority to follow through on actions
 5. Intended that counsel be the contact with campus; counsel to counsel
- System counsel will come to campus and talk about the issue and responsibilities; at any level of the campus administration.

Vice Chancellor Brian Hutzley update

Downstate:

- This is the single greatest financial concern for SUNY!
- Downstate losing \$8 million per month.
- State is not providing adequate funds to support operation (Fringe costs)
- \$14 million draw on State Approp. Also loaned them \$75 million; will be gone in 4 weeks (March)
- Consultants are looking at all aspects of the operation; noted efficiencies, but they will take time to implement and see benefits of decision.
- Only long term solution is that the state replace the funds they have cut-cut \$30 million this year. \$100 Downstate and \$30 million for Upstate to be restored to Gov. budget.
- If the loan cannot be paid back, the only short term solution is that funds will have to come from the campuses.
- Upstate will be ok this year; ERS goes from \$31 to \$42 next year. Next year will have fiscal problems. Labor/Fringe cost is the largest problem they are facing.
- If hospital goes down what is impact; most of the relationships are through arrangements; one option is to arrange a Buffalo option. Networks to get doctor placements. But the system is very fragile and is dependent on politics and for profit operations.
- SUNY's number 1 priority is the hospitals. \$150 million ask is a stop gap; only fills the void.

Budget Model:

- RAM has been put into "pause." Main reason for the Model to be on pause is the hospital issue; SUNY does not want to cut a campus by model and then come back for another cut because of hospitals
- We have the attention of the Governor and Legislature. We are now in a better position to fund the enrollment growth that has taken place and going forward. There is a chance that there may be some additional money to fund the enrollment growth so those campuses that grew in high needs programs could be assisted without hurting the other campuses.
- If additional funds came; don't know if the model would be tweaked or another method would be applied. Requests feedback.
- RAM could be brought in later for 13-14
- High Needs and Empire Innovation are moving forward
- Transition funds conversations are moving forward; could result in adjustments. Could be done through the loan process.
- Also are discussing a 5-year roll out and some caps on the amount of individual year reductions.
- SUNY will provide additional information once the State Budget is finalized.
- The impact to our campuses is unknown at this time, but the lack of additional state support could become an issue for every campus

December 12, 2012 memo from SUBOA to Brian

- SUBOA has concerns in general with communications on where things are and what is happening (priorities, mandates etc);

- Some initiatives do not have a business case or funding
- Brian and SUBOA want BI to be the example of how things can be rolled out; cited biggest difference is that the business plan was developed and known first
- **Brian was asked why MWBE policies went to Purchasing people without consultation with SUBOA.**
 1. Brian did not know about announcements but promised to investigate.
- Concern was expressed about move from decentralized to a centralized mode
- When a group is set up it should be clear if it is advisory or decision making
- Communication to and from campus of what is happening in the various committees needs to be improved. Emails saying that an update has happened so people can go look.
- Should not request participants by “who is interested” the campus or organizations should assign people.
- All sectors should be represented on all committees
- Looking at how SUBOA interacts and is involved is the next step.
- Executive Committee will meet and discuss.
 1. Position Papers
 2. Committee representation
 3. Know if decision made or role
 4. Specific recommendations on communication, prioritization, policy development, governance etc

Pension Reform (Curtis Loyd):

- Passed last March: Tier 6. Defined contribution plan only for certain groups
- SUNY is only State agency that is administering a Defined Contribution Plan; took on role for Tier 3 for state; state agencies and all towns, village, school district etc. Opened up the SUNY plan to the rest of the state.
- Are talking with vendors about how their plan can be applied
- Dave Morrill; Have updated benefits people on the SUNY plan. Will be going around the state to inform the benefit people in towns etc. Developing a day and half training program to train the workers in HR offices so we can advise them on how the program works. Campus people would be the contact point for the towns etc.
- **SUNY has taken on the administration of the defined plan. Exact resources are now being considered.**

Legal Update: Senior Vice Chancellor Bill Howard

- Strum Case: Close to being signed by the judge.
 1. Campuses will need to send out notices to individuals; 90 days to submit claims. Have a large group that appear to be in pool; but are required to send out many more also
 2. System will fund on front end and at end of year will make it up
- Freed Report
 1. Task Groups have been established to address five areas. Word will be coming out for advice or for implementation
 2. Campuses need a **Institutional Conflict of Interest Policy.**

3. Athletics Oversight Steering committee has been established

- Kelly Lester; West Campus addition introduced
- Project Sunlight: (see handout)
 1. Applies to “decision makers” and their “advisors.”
 2. potential transactions > \$25,000
 3. Law is meant to identify those people who attempt to influence a purchase decision
 4. Counsel is writing an compliance plan
 5. Definition of decision makers will greatly impact number of individuals needing to report appearances.
 - a. SUBOA strongly encourages a very narrow definition of decision maker.