



State University of New York
State University Plaza
Albany, New York 12246

March 25, 1997

Office of the Board of Trustees

MEMORANDUM

To: The Board of Trustees

From: Erland E. Kailbourne, Chair, Finance Committee
Judith L. Duken, Chair, Student Life Committee

Subject: Revision of Guidelines for
Residence Hall Operations

On behalf of the Finance and Student Life Committees, we recommend that the Board of Trustees adopt the following resolution:

Whereas this Board in its November 1995 report, Rethinking SUNY, has given support to measures which will increase efficiency by permitting campuses of the State University of New York to directly manage more of their financial and program activities; and

Whereas a committee of representatives from the State-operated campuses and System Administration was charged in the summer of 1996 with reviewing and recommending changes to the current Guidelines on residence hall operations, consistent with the goals of Rethinking SUNY; and

Whereas that committee has proposed a new financial and programmatic framework to enhance financial management, accountability and quality of services for the residence halls which framework has been endorsed by the State University Business Officers Association, the Chief Student Affairs Administrators and the presidents of the State-operated campuses; now, therefore, be it

Resolved that this Board endorses the newly revised Guidelines for Residence Halls Operations dated March 1997 (copy on file in the Office of the Secretary of the University) which shall replace the Dormitory Income Fund Reimbursable Guidelines initially issued on April 10, 1986, and revised periodically thereafter, effective with the 1997-98 fiscal year; and, be it further

Resolved that the Chancellor or designee is authorized to take all necessary and appropriate actions to implement the revised Guidelines including provisions for such transitional arrangements and assistance as may be necessary to assist specific campuses in moving from the former guidelines without undue disruption or financial hardship to current residential students; and, be it further

Resolved that this Board hereby amends Resolution 85-255, adopted November 19, 1985, to authorize the chief administrative officer of each State-operated campus of State University of New York to fix a schedule of rentals payable for occupancy at housing facilities leased or owned by the University, effective with the Fall 1997 Semester, and to file a copy of such schedule with the Chancellor or designee; and, be it further

Resolved that, except as inconsistent herewith, Resolution 85-255, adopted November 19, 1985, shall continue in force and effect.

Background

This resolution was initially reviewed by the Student Life Committee at its meeting on February 21, 1997. The Finance Committee considered this resolution at a March 19, 1997 meeting.

The State University of New York provides substantial residential opportunities for undergraduate students at 26 State-operated campuses and limited residential opportunities for graduate students, mainly at the university centers. Residence hall programs are intended to provide a full living and learning experience.

Since 1986-87, the University has operated its residence halls on a self-sufficient basis (under an Income Fund Reimbursable structure). The program operates within University guidelines requiring balanced operating budgets, utilizing cross-campus subsidies and contingency measures incorporated into each campus' financial plan. This self-sufficiency plan has operated with minimal change over the past nine years.

In response to Rethinking SUNY, which emphasized the need to increase efficiency by empowering campuses to directly manage more of their financial and program affairs, a committee (list of members attached), with representation from a cross-section of the State University community was established in the summer of 1996 to review the residence halls program. The committee's charge was to review current policies and procedures and propose a new financial and programmatic framework to enhance campus financial management, accountability and the quality of service provided to residential students.

The committee has recommended a new set of guidelines, endorsed by campus officers, that includes the following changes in the residence halls program:

- Pooled debt service assessments will be discontinued and replaced with payments by each campus of actual debt service costs.
- All cross-campus subsidies will be eliminated.
- Campuses will have full authority to establish room rates.

- Campuses will retain college fee revenue as a credit against their actual dormitory debt service obligation.
- Assignment of operating costs between academic and residential services will be a campus responsibility and should reflect actual expenditures.
- A \$12 million revolving loan program will be introduced using existing University-wide contingency reserves.
- The repair reserve and equipment replacement funding requirements will be determined by campuses.

While the new guidelines go into effect generally for the fiscal year 1997-98, some transitional steps have been put into place to lessen the economic impact of the new guidelines on campuses requiring financial assistance. Prior campus agreements with the System Administration regarding debt service subsidies will be honored (i.e., Institute of Technology at Utica/Rome and the Health Science Center at Brooklyn). These subsidies will come from a fund at the State University. Loans from this same fund will be provided in other situations where a campus can bring itself into self-sufficiency within a three year period applying the new guidelines but requires temporary financial assistance in combination with other mechanisms to do so without undue burden on current residential students.

By these resolutions, the Board of Trustees endorses the new guidelines and assigns full authority for establishing room rentals to campus presidents.

Guidelines for Residence Halls Operations

Background

The State University of New York provides substantial residential opportunities for undergraduate students at 26 State-operated campuses and limited residential opportunities for graduate students, primarily at the university centers. Residence hall programs are intended to provide a full living and learning experience.

In 1985-86, the Executive Budget recommended that the State University's residence halls be operated on a self-sufficient basis and proposed a \$6.6 million subsidy to allow the University to balance its 1985-86 residence hall budget with no rate increase. The Legislature approved this recommendation. The University managed its residence halls under an Income Fund Reimbursable structure, within a defined self-sufficiency model, since 1986-87.

The program operated within University guidelines requiring expenditures and revenue to balance, utilizing cross-campus subsidies and contingency measures incorporated in each campus' financial plan. This self-sufficiency plan continued with minimal change over the next ten years.

As of 1996-97, the University had approximately 67,700 beds of designed capacity with an appropriation level for operations at \$165 million that was fully funded by residence hall revenue. Of the available beds, 86 percent were either rented by students, occupied by resident assistants who receive a waiver of rental charges, or used for non-residential purposes.

In response to *Rethinking SUNY* which emphasized the need to increase efficiency by empowering campuses to manage directly more of their financial and program affairs, a committee with representation from a cross-section of the State University community was established in the summer of 1996 to review the residence halls program. The committee's charge was to review the existing policies and procedures and propose a new financial and programmatic framework to enhance campus financial management, accountability and the quality of service provided to residential students.

The committee moved swiftly and completed a new set of policy guidelines which were endorsed by both the campus business officers and student affairs officers. Subsequently, a subcommittee was formed to review the fiscal impact of the proposed policy guidelines on campuses and to establish a transition plan. The committee reached agreement on a plan with the following elements:

- ✓ All campuses would pay actual rather than pooled debt service costs
- ✓ All cross campus subsidies would be eliminated
- ✓ Campuses would set room rates without system-wide limitations
- ✓ College fee revenue would be credited to each campus' debt service costs
- ✓ Assignment of operating costs and reserve requirements would be a campus responsibility

The transition committee proposed that:

- ✓ New guidelines should be effective July 1, 1997
- ✓ There should be a three-year transition for campuses needing assistance through a loan program
- ✓ Each campus had responsibility to bring itself to self-sufficiency

This proposed plan was shared with the Presidents of the State Operated campuses and received their endorsement.

General Operating Guidelines

1. State-operated campuses with dormitory facilities will conduct residence life educational programs in a safe and well-maintained environment and operate residence halls in an efficient and effective manner.
2. Campuses are responsible for developing a residence hall budget and determining all room rental rates. Campuses are required to submit the budget and rental rate schedule to System Administration for information purposes only. The budget will be developed using generally accepted accounting principles applied consistently throughout the system. The procedure for determining room rental rates must include a process that provides for consultation with students residing in residence halls. The time and method of rental payments shall be consistent with requirements established by law, agreements or University policy as described in Administrative Policies Item #051.
3. Campuses that charge different rates for similar types of accommodations (e.g., a standard double room) will identify actions (such as financial aid packages and room assignment policies) that ensure residence halls are not differentiated by the income level of their residents. Such actions will be listed in their rental rate schedules.
4. All residence halls income must be used only for residence halls capital and operating costs and resident life expenses.
5. Board of Trustees' policies governing room and common area damage deposits must be enforced.

6. Any changes in the campus occupancy policy must be consistent with the Board of Trustees' policy which reads as follows:

Every student in full-time attendance at a State-operated unit of the University, other than married students or students residing with either parent(s) or guardian(s), shall be required either to live in a dormitory maintained and operated by such unit or to have permission under such provisions as may be made therefore by the Chief Administrative Officer of such unit to live off-campus. The Chief Administrative Officer of a campus may consider the financial condition of the residence life program among other educational objectives in establishing rules and regulations on campus residency.

7. As soon as practical after the close of each fiscal year, the Chancellor will prepare a report for the Board of Trustees describing the financial and physical condition of the residence halls, room rental rates, and an overview of significant programmatic activities.

Transition Guidelines

1. The transition period for campuses needing financial assistance will be three years. Prior campus agreements with the University regarding debt service subsidies will be honored for the College of Technology at Utica/Rome and the Health Science Center at Brooklyn.
2. During the transition period, each campus has the responsibility to bring itself to self-sufficiency. This could involve increasing revenue, lowering costs, using fund balances, and receiving interest-free loans, or some combination of these mechanisms. The loans will be funded from the revolving loan contingency fund.
3. Campuses needing to take advantage of the loan program must develop a plan for becoming self-sufficient by the end of the three-year period. Campus plans will be submitted to a committee of campus and System Administration representatives for review and determination.

Guidelines for the Maintenance of Facilities

1. Campuses will determine budget allocations for furniture and equipment replacement and minor equipment repairs. All furniture and equipment purchased must meet Dormitory Authority standards.
2. An accurate inventory of equipment will be maintained consistent with University standards.
3. The System Administration Office of Capital Facilities, the Office of Student Affairs

and Special Programs, and the Dormitory Authority will make regular inspections of the residence halls to maintain an accurate description of the physical condition of installed equipment and buildings, and issue periodic reports to the Chancellor.

4. Campuses are responsible for allocating funds for major repair and rehabilitation at a level adequate to maintain the long-term integrity of the residence halls.
5. Campuses are responsible for developing procedures to assure reasonable quality standards in residence halls and compliance with the Residence Halls Living Condition Standards (Memorandum to Presidents Vol. 90 No 1 - Attached).

Accounting/Budgeting Policies and Procedures

1. Campus residence halls operations are measured on a modified accrual basis as taken from the University Controller's Residence Hall Operations accrual statistical report on June 30 each year.
2. Campuses are responsible for the collection of revenue, including the management of receivables. Expenditure plans must take into consideration realistic estimates of campus cash collection performance. Campuses are responsible for balancing expenditures with revenue projections.
3. Subsequent to the approval of the initial financial plan allocation, campuses with confirmed increases in occupancy or other sources of cash revenue may request additional allocation at the time of the revised financial plan process (contingent upon sufficient allocation available within the DIFR fund). Campuses with allocations in excess of projected revenue will be asked to reduce allocations to a level consistent with revised revenue projections, thereby, making available allocation for those campuses in need of additional allocation.
4. All Accounting Reports and online modules will be available to campuses.
5. The assignment of all operating costs is a campus responsibility and should reflect actual expenditures in support of the residence halls.
6. Each campus will pay actual debt service cost.
7. College fee revenue will be retained by campuses as a credit against their actual dormitory debt service obligation.
8. Charges for telecommunications services must be levied in accordance with the Dormitory Telecommunications Policy.
9. All general IFR accounts relating to the residence halls are to be managed in

accordance with the IFR policies and procedures.

10. Self-sufficiency was implemented and will continue to operate with the condition that employees in the residence halls continue to be State employees.
11. Board of Trustees Resolution 85-255 requires the campus to submit a schedule of rentals which includes a plan for the time and method of payment. Overall Dormitory Income Fund cash flow requirements require that the campus plan comply with the time and method of payment portions of Administrative Procedures Manual Item #051.

Policies for Adjusting Bed Equivalent Capacity

Adjusting the bed equivalent capacity of the residence halls is a campus decision. Bed equivalent capacity is the original designed number of beds assigned to a space.

1. If space is converted to office use, the bed equivalent capacity is used to indicate the displacement of beds.
2. The rated bed equivalent capacity of a residence hall is reduced in the conversion of triples to doubles and doubles to singles only where required by actual design limitations of the facility.
3. The rated bed equivalent capacity of an area is reduced if the area is inherently unsuitable for occupancy due to space, safety or other major considerations.
4. Beds are classified in the inactive status under the following conditions.
 - a. Demonstrated infeasibility of near term occupancy due to low enrollment, excess capacity, and/or local market conditions, and
 - b. The space is configured in major blocks (wings or buildings) whose closure will result in substantial savings in operating costs for custodial services, maintenance, utilities, or other costs.
 - c. Space temporarily inactive due to major construction/rehabilitation activity.
5. The charge for use of residential hall space for non-residence hall utilization is determined by the campus.

**Membership
Residence Halls Review Committee**

Mr. James Grant - Co-Chair
Vice President for Administration
SUNY College at New Paltz

Dr. Michael Holland
Director, Residential Services
SUNY College at Cortland

Mr. James Wassenaar - Co-Chair
Vice President, Student Services and
Dean, Students
SUNY College at Oswego

Dr. Edward Kumar
Vice President, Administrative Services
SUNY College at Brockport

Mr. Alfred Attfield
Associate Budget Control Officer
University at Buffalo

Mr. Gary Moore
Assistant University Controller
System Administration

Mr. Charles Barthe
Assistant Director Budget Development
System Administration

Dr. William Murabito
Associate Vice Chancellor for Student
Affairs
System Administration

Dr. Dallas Bauman
Assistant Vice President, Campus
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Mr. Francis M. Nataluk
Director, Physical Plant
SUNY College at Morrisville

Mr. Michael Conlon
Associate Professor/Master College in
the Woods
University at Binghamton

Mr. James Pollard
Director, Physical Plant Support
Services
System Administration

Mr. John Curtice
Director of Financial Aid Services
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Mr. Steven Schaefer
Associate for University Financial
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Mr. L. Michael Dimitri
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NEW GUIDELINES ALLOW CAMPUSES TO OPERATE RESIDENCE HALLS MORE EFFICIENTLY

The State University of New York Board of Trustees today approved guidelines that help the campuses become more efficient over residence hall operations. The new guidelines will be phased in over a three-year period and are intended to increase financial accountability at the campuses.

The guidelines, developed by a committee of campus and System Administration officials, have received broad support from campus business officers, chief student affairs officers and campus presidents. Both System Administration and campus officials see the new guidelines as a positive change that will help save money and increase accountability.

Under the new guidelines:

- ▶ campuses will pay actual rather than pooled debt service costs
- ▶ all cross-campus subsidies will be phased out
- ▶ campuses will set room rates
- ▶ college fee revenue will be credited to each campus's debt service costs, rather than pooled
- ▶ campuses will assume responsibility for operating costs and reserve requirements.

"When fully implemented, this new system of guidelines will improve the quality of service provided to our residential students, and will go a long way towards enhancing campus financial management and accountability in the operation of State University residence halls," said Trustees Vice Chairman Erland E. Kailbourne.

These guidelines will take effect July 1, 1997. There will be a three-year transition period for campuses needing assistance through a loan program. The loan program is designed so that no campus is disadvantaged by the new guidelines. The guidelines also allow the campuses to directly benefit from improving the quality of service to residential students. The impetus for developing these guidelines was *Rethinking SUNY*, the University's major planning document issued a little more than a year ago.

Subsequently, the Residence Halls Review Committee was formed to review the existing policies and procedures and propose a new financial and programmatic framework to enhance campus financial management, accountability and the quality of service to students.

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Committee Co-Chair James Wassenaar, vice president for student services and dean of students at the State University College at Oswego, said the new guidelines are, "the right thing to do." He added, "This approach is more responsive to our students and the needs of our unique programs. It enables campuses to respond to local conditions and markets. These new guidelines will encourage responsible and prudent management to achieve goals and efficiencies that will benefit our students."

His co-chair, James Grant, vice president for administration at New Paltz, said, "The proposal should be a tremendous benefit for all the campuses. It will allow them to be truly self-sufficient and have control over their own destiny as it applies to residence life." Upon sharing the guidelines among campus officials, Mr. Grant said, "Support for the proposal was virtually unanimous."

The University operates approximately 67,700 beds, in 372 residence halls, at 26 State-operated campuses. The Finance Office at System Administration has been responsible for establishing a base rate for space in a standard double-bed room. An average rate was developed by computing the projected overall operating costs of the residence halls. Currently, that rate is \$3,070 for the 1996-97 school year. Campuses are now allowed to set their standard double-bed room rate within a range of 15 percent above or below that base rate.

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The State University of New York is a unified statewide system of 64 campuses, including community colleges, two-year colleges of technology, specialized and statutory colleges, traditional four-year colleges, research university campuses and academic health centers. The nation's largest and most comprehensive system of higher education, the University enrolls nearly 370,000 students and employs over 75,000 faculty, administrators and staff.

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