



## **PERIODIC REVIEW REPORT**

**PRESENTED BY: STONY BROOK UNIVERSITY**

**JUNE 1, 2009**

**Shirley Strum Kenny, President**

**Last Decennial Evaluation Team's Visit: March 28-31, 2004**

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY.....4

2. SUMMARY OF INSTITUTION’S RESPONSE TO RECOMMENDATIONS FROM THE PREVIOUS TEAM REPORT AND INSTITUTIONAL SELF-STUDY.....9

Theme 1: The Transition to Stony Brook University.....9

Theme 2: The Foundational Experience.....16

Theme 3: Education and Scholarly Activities.....20

Theme 4: Stony Brook University as a Community.....26

Theme 5: Beyond Stony Brook University.....34

3. NARRATIVE IDENTIFYING MAJOR CHALLENGES AND/OR OPPORTUNITIES.....37

Stony Brook University Presidential Transition.....37

State University of New York’s Budget Crisis and its Impact on Stony Brook University in 2008-2009 and 2009-2010.....38

Stony Brook University’s Five-Year Plan.....39

Develop Stony Brook as a Multi-Campus Institution.....40

Expand, Strengthen, and Diversify the Faculty.....42

Build Research with a Special Focus on Interdisciplinary, Translational, and Applied Research and the Study of Contemporary Issues.....43

Increase the Student Body to 27,000 Excellent Students.....47

Provide Leadership for Regional Challenges and Opportunities as Greater Long Island’s Research University.....49

Advance Health Care Programs and Services as an Integral Part of Stony Brook.....51

Raise the Arts to National Prominence.....53

Strengthen Graduate Education.....54

Implement an Undergraduate Curriculum for the 21<sup>st</sup> Century and Promote Student Success.....55

Create an Increasingly Vibrant and Inclusive Campus Community.....57

Support Sustainability through a Green-Campus Initiative.....57

Extend International Curricula and Connections.....59

4. ENROLLMENT AND FINANCE TRENDS AND PROJECTIONS.....61

5. ORGANIZED AND SUSTAINED PROCESSES TO ASSESS INSTITUTIONAL EFFECTIVENESS AND STUDENT LEARNING.....63

6. LINKED INSTITUTIONAL PLANNING AND BUDGETING PROCESSES.....65

|   |     |
|---|-----|
| APPENDIX 1: STONY BROOK UNIVERSITY ADMISSIONS FIVE-YEAR<br>COMPARATIVE REPORT.....                            | 67  |
| APPENDIX 2: MEMBERS OF 2009 MIDDLE STATES PERIODIC REVIEW<br>COMMITTEE.....                                   | 71  |
| APPENDIX 3: STONY BROOK UNIVERSITY INSTITUTIONAL<br>RECOMMENDATIONS FROM 2004 SELF-STUDY.....                 | 72  |
| APPENDIX 4: FIRST YEAR MATTERS ASSESSMENT SUMMARY AND<br>RECOMMENDATIONS.....                                 | 74  |
| APPENDIX 5: STUDENT-FACULTY-STAFF RETREAT ASSESSMENT<br>SURVEY.....   | 78  |
| APPENDIX 6: SURVEY OF STONY BROOK UNIVERSITY 2007<br>GRADUATES.....   | 79  |
| APPENDIX 7: STONY BROOK UNIVERSITY’S FIVE-YEAR PLAN<br>(2008-2013).....                                       | 96  |
| APPENDIX 8: 2005-2006 STATE UNIVERSITY OF NEW YORK AUDITED<br>FINANCIAL STATEMENT AND MANAGEMENT LETTER.....  | 116 |
| APPENDIX 9: 2006-2007 STATE UNIVERSITY OF NEW YORK AUDITED<br>FINANCIAL STATEMENT AND MANAGEMENT LETTER.....  | 152 |
| APPENDIX 10: 2007-2008 STATE UNIVERSITY OF NEW YORK AUDITED<br>FINANCIAL STATEMENT AND MANAGEMENT LETTER..... | 188 |
| APPENDIX 11: 2005-2006 STONY BROOK UNIVERSITY FINANCIAL<br>INFORMATION SUBMITTED TO IPEDS.....                | 224 |
| APPENDIX 12: 2006-2007 STONY BROOK UNIVERSITY FINANCIAL<br>INFORMATION SUBMITTED TO IPEDS.....                | 232 |
| APPENDIX 13: 2007-2008 STONY BROOK UNIVERSITY FINANCIAL<br>INFORMATION SUBMITTED TO IPEDS.....                | 257 |
| APPENDIX 14: FALL 2003 – FALL 2008 STONY BROOK UNIVERSITY<br>ACTUAL ENROLLMENT DATA.....                      | 269 |
| APPENDIX 15: STONY BROOK UNIVERSITY’S PROJECTED<br>ENROLLMENT PLAN (FALL 2009 – FALL 2011).....               | 271 |

## 1. EXECUTIVE SUMMARY

*a. A brief introductory overview of the institution, including references to mission, enrollment, educational offerings, structures, and resources that will provide appropriate institutional context for the reader of the PRR*

Stony Brook University is located on the North Shore of Long Island, New York, 60 miles east of New York City. Stony Brook was established in 1957 as part of the State University of New York (SUNY) system as a college for the preparation of secondary school teachers of mathematics and science. The University now encompasses 198 buildings on 1,454 acres, with a 2008-2009 operating budget of \$1.8 billion. In the 50 years since its founding, Stony Brook has grown rapidly in both size and reputation and is now recognized as one of the nation's finest public research universities. With the collaborative, interdisciplinary atmosphere of the departments, outstanding faculty, and a dedication to providing students with a variety of opportunities for research, Stony Brook University offers students a well-rounded education that fully enables them to excel in whatever career path they choose.

The London *Times Higher Education Supplement* ranked Stony Brook 127<sup>th</sup> among the top 200 world universities in 2008, placing it in the top one percent of colleges and universities worldwide. Stony Brook has been ranked in the top 100 National Universities by *U.S. News & World Report* and included on their list of notable programs for undergraduate research/creative projects. Stony Brook is a member of the prestigious Association of American Universities, the invitation-only organization of the best research universities in North America. With one of the lowest tuitions in the country, Stony Brook has been listed as one of just 40 public and private universities in the country named a "Best Buy" by Fiske Guide to Colleges. The quality of a Stony Brook education is reflected in our student post-graduation outcomes; nearly 94 percent of our 2007 graduates are either employed or continuing their education, and Stony Brook is ranked 18th among public universities with the highest paid graduates by PayScale.com (<http://www.payscale.com/best-colleges/top-state-universities.asp>).

In keeping with a tradition of improving upon excellence, Stony Brook has a five-part mission: to provide comprehensive undergraduate, graduate, and professional education of the highest quality; to carry out research and intellectual endeavors of the highest international standards that advance theoretical knowledge and are of immediate and long range practical significance; to provide leadership for economic growth, technology, and culture for neighboring communities and the wider geographic region; to provide state-of-the-art innovative health care, while serving as a resource to a regional health care network and to the traditionally underserved; and to fulfill these objectives while celebrating diversity and positioning the university in the global community.

Our institutional mission is carried out through our schools and colleges, which create a stimulating atmosphere across a diverse set of disciplines and provide many opportunities for exciting and rigorous interdisciplinary scholarship. Stony Brook offers students a choice from among 61 undergraduate majors and 68 minors, 102 master's programs, 40 doctoral programs, and 32 graduate certificate programs. The 2009-2011 Undergraduate Bulletin may be found online at <http://ws.cc.stonybrook.edu/ugrdbulletin/current/> and the 2008-2010 Graduate Bulletin

may be found online at [http://www.grad.sunysb.edu/about/grad\\_bulletin.shtml](http://www.grad.sunysb.edu/about/grad_bulletin.shtml). Additionally, the Staller Center for the Arts has a full program of theatrical, musical, and artistic events that augment our formal educational opportunities. Our NCAA Division I athletic status and our varied recreational programs infuse the campus with energy and enthusiasm, as well as a lively spirit of competition.

The schools and colleges that comprise Stony Brook University are the following. The **College of Arts and Science** offers degree programs in fine arts and humanities, in biological and physical sciences, in mathematics, and in social and behavioral sciences. The **College of Business** provides comprehensive education and research for the business, public, and nonprofit sectors; the schools' full-fledged MBA is an exciting addition to its offerings, which include an Executive MBA program and an MS degree in Management and Policy. The **College of Engineering and Applied Sciences** offers four accredited major programs in engineering that give students latitude to plan a course of study within traditional engineering disciplines or in new interdisciplinary fields. The **Graduate School** offers advanced degree programs in many fields leading to the master's and doctoral degrees. Stony Brook's advanced graduate programs are internationally recognized and consistently receive high ratings from external evaluation agencies and scholarly studies.

The **Health Sciences Center (HSC)** and Stony Brook University Medical Center, located on East Campus, are the region's leading resource for education and training in health care as well as medical research and patient care. The HSC comprises the **Schools of Dental Medicine, Nursing, Health Technology and Management, and Social Welfare**. The University Medical Center also includes the **School of Medicine** and the **Long Island State Veterans Home**.

Stony Brook University's **School of Journalism** is the first and only undergraduate school of journalism in New York State's public university system. Its mission is to train the next generation of TV correspondents, producers and anchors, newspaper reporters and editors, online news managers, designers, and magazine writers. The **School of Marine and Atmospheric Sciences (SoMAS)** is the State University of New York's designated center for marine and atmospheric research, education, and public service. Part of SoMAS, the Marine Sciences Research Center is considered to be one of the leading coastal oceanography institutions in the world. In 2008, Stony Brook established the Institute for Ocean Conservation Science within SoMAS to add a strong focus on marine conservation issues. Stony Brook is also exceptionally proud that four of our distinguished atmospheric scientists served on the United Nations Intergovernmental Panel on Climate Change, the group that shared the 2007 Nobel Peace Prize with Former Vice President Al Gore.

The **School of Professional Development** provides part-time graduate education opportunities for working adults. Its diverse offerings include programs for teacher training, human resource management, and the Master of Arts in Liberal Studies, which is the University's most popular graduate degree program. SPD is also the largest provider of professional education certification for school administrators in New York State. **Stony Brook Southampton** was added as a new campus location in 2007, and will be discussed later in this executive summary. To promote student engagement and success, every first-year student enrolls in one of our six thematic **Undergraduate Colleges**, regardless of which major to which they were admitted. Each college

is designed as a small community within the larger university, led by a dedicated team of faculty members and professionals who get to know students personally.

In the last five years, from the 2004/2005 academic year to the 2008/2009 academic year, freshman applications increased from 17,341 to 26,840, and the number of admitted students increased from 8,669 to 10,053; this has created a much more competitive admittance rate from 50 to 38 percent over this period. During this time, the average full-time admitted freshman SAT score increased from 1209 to 1252, and the mean high-school grade point average increased from 90.7 to 91.7 (see Appendix 1, pp. 67-70).

Stony Brook prides itself for being able to provide a cutting-edge world-class education to student at an exceptionally affordable price. Academic year 2008-2009 tuition was \$4,970 for New York State residents and \$12,870 for out-of-state students. Additionally, the majority of Stony Brook students receive some form of financial aid. Approximately 77 percent of freshmen live on campus, and the university recently made major improvements to its physical environment, most notably in the residence halls and outdoor campus appearance.

Stony Brook's student body is highly diverse, with students coming from most states in the nation and from many countries around the world. Stony Brook is committed to ensuring educational opportunity at the undergraduate, graduate, and professional levels to students from groups that historically have not been equally represented in higher education. The fall 2008 ethnic distribution for the undergraduate student population was: 34 percent White; seven percent African American; 22 percent Asian American; eight percent Latino/a; seven percent international; and 21 percent unknown/other. The fall 2008 ethnic distribution for the graduate student population was: 52 percent White; five percent African American; seven percent Asian American; five percent Latino/a; 19 percent international; and 12 percent unknown/other.

Stony Brook's faculty also ranks among the best in the country. Ninety-eight percent of our full-time instructional faculty hold doctoral degrees or terminal degrees in their field, and our faculty can claim responsibility for approximately 1,400 inventions and 400 issued patents. According to the Carnegie Classification, Stony Brook University is rated RU/VH: Research Universities/Very High research activity. Research expenditures at Stony Brook were \$184 million in 2007, the most federal dollars of any institution in SUNY. More than 2,500 sponsored projects are under way at any given time in the form of organized research, training programs, public service activities, and educational support; some 900 graduate students annually are supported by these projects. Our faculty serve as mentors to high school students selected as Intel Science Talent Search semifinalists each year; in 2009, Stony Brook was the second-largest incubator of Intel talent in the country and mentored more than 10 percent of the 300 semifinalists nationwide.

The University's first seven-year capital campaign was launched in 2002 with a goal of \$300 million; by 2008 it had surpassed this goal. In 2008, the Simons Foundation donated \$60 million, the largest single gift ever given to the State University of New York, for the construction of the Simons Center for Geometry and Physics on the main campus. New buildings for the Life Sciences, Humanities, and Engineering are completed, and a new Campus Recreation Center is to be constructed on the main campus. Stony Brook University Medical Center has completed Phase I of a \$300 million Major Modernization Project, consisting of a new wing housing the

Women and Infants Center, an expanded Emergency Department, and a Surgical Suite. Since 2005, new Heart, Cancer, and Pain Management Centers have also opened. Construction at the Research and Development Park, a 246-acre property adjacent to the main campus has begun. A 15,000 square foot building for the Center for Excellence in Wireless and Internet Technology has been completed and the 40,000 square foot building for the Advanced Energy Research and Technology Center is nearing completion.

***b. Summary information on the institution's approach to the preparation of the PRR***

The Office of the Provost at Stony Brook University is charged with preparing the MSCHE Periodic Review Report. W. Brent Lindquist, Deputy Provost, selected members from across the university to serve on the Middle States Periodic Review Committee. The first meeting of this committee convened on June 5, 2007, with a total of five committee meetings held. The initial meeting was held to plan Stony Brook University's approach to the preparation of the Periodic Review Report, with the Deputy Provost giving an overview of the MSCHE requirements, process and related documentation. During the subsequent four meetings, the topics to be covered in the PRR were chosen. The MSCHE did not provide any recommendations to Stony Brook University in the previous team report. The committee, therefore, decided to address the 31 recommendations that preparers of the 2004 institutional self-study set forth. Committee members felt that this approach would be in keeping with our culture of constructive assessment as a tool for continuous improvement by allowing us to be reflective in assessing our progress on these self-recommendations. The committee determined writing responsibilities for over 50 university constituents in diversified faculty and administrative positions across campus in order to elicit a comprehensive outlook on our progress in these areas. Writing submissions were combined into a draft report that underwent rounds of review by committee members, with a final review of the Periodic Review Report completed by Eric W. Kaler, Provost and Senior Vice President for Academic Affairs. (For a list of the members of the 2009 Middle States Periodic Review Committee, please see Appendix 2, p. 71).

***c. Summary of major institutional changes and developments since decennial accreditation, to the extent changes are relevant to any accreditation standards***

On October 4, 2006, the ownership of the Southampton campus was transferred from Long Island University to the State University of New York. The Stony Brook Southampton (SBS) facility has been in operation under a leasing agreement since the fall of 2005. In accordance with the Middle States Commission on Higher Education Policies, Guidelines, Procedures, and Best Practices, Stony Brook University requested a substantive change in our Statement of Accreditation to have Stony Brook Southampton, our campus in the town of Southampton, NY, listed as an Additional Location. Stony Brook Southampton was officially approved as an Additional Location by the New York State Department of Education in November 2006.

In fall 2007, Stony Brook Southampton, located on Long Island's east end, opened its doors, with a mission of increasing environmental awareness and sustainability. The Southampton location is a new kind of school—a small, intimate college associated with a major research university. Campus life and learning are interconnected and characterized by common purposes. The curriculum is organized not into departments but around issues related to environmental sustainability, public policy, and natural resource management. Classes are shaped around an

interdisciplinary core, and students have many opportunities to explore how political, economic, and social issues relate to the environment.

Stony Brook University received a letter from MSCHE in June of 2008 stating that “At its session on June 26, 2008, the Middle States Commission on Higher Education acted: To note that the site visit to Stony Brook Southampton, New York, was postponed until fall 2008 due to extenuating circumstances unrelated to the university.” On Friday, April 17, 2009, Dr. Ruth E. Lugo, representing the MSCHE, visited the Southampton campus of Stony Brook University to observe and evaluate this Alternate Location. She was given a document that describes in detail the advancement of the Southampton location since 2006 in all areas, including: new and proposed majors; the MFA writing program; current and planned faculty and staff; admissions, enrollment, student demographics, advising, counseling, health care and other aspects of student life; dormitories, classrooms, the current and new library, Student Center, and other facilities; and administration. Dr. Lugo toured our facilities and met with the Dean and other administrators, faculty members, and students.

***d. An abstract of the highlights of the PRR in narrative form***

As members of Stony Brook University, we acknowledge that the primary purpose of this community is education, including academic achievement, social development, and personal growth. We also recognize the importance of understanding and appreciating our differences and similarities. In keeping with these goals, the University is proud to report that we have made significant progress toward accomplishing the 31 recommendations that we set forth for our institution in our 2004 decennial Middle States accreditation (Please see section two of this Periodic Review Report for a detailed discussion of these recommendations).

This Periodic Review Report also addresses the University’s progress toward achieving the goals outlined in its current Five-Year Plan (2008-2013): develop Stony Brook as a multi-campus institution; expand, strengthen, and diversify the faculty; build research with a special focus on interdisciplinary, translational, and applied research and the study of contemporary issues; increase the student body to 27,000 excellent students; provide leadership for regional challenges and opportunities as greater Long Island’s research university; advance health care programs and services as an integral part of Stony Brook; raise the arts to national prominence; strengthen graduate education; implement an undergraduate curriculum for the 21st Century and promote student success; create an increasingly vibrant and inclusive campus community; support sustainability through a green-campus initiative; and extend international curricula and connections.

This Report also details Stony Brook University’s commitment to: institutional assessment, the assessment of student learning, and the further development of curricula and campus initiatives that will serve the academic, research and creative needs of our students and faculty. The University also expends significant effort in coupling its enrollment management, financial and strategic planning processes. Stony Brook University will soon welcome its fifth President to the University. On July 1, 2009, Dr. Samuel Stanley will assume the University Presidency, and the campus looks forward to his innovative and thoughtful leadership through these challenging and uncertain economic times.



## **2. SUMMARY OF THE INSTITUTION'S RESPONSE TO RECOMMENDATIONS FROM THE PREVIOUS TEAM REPORT AND INSTITUTIONAL SELF-STUDY.**

- In the team report submitted to Stony Brook University after the decennial self-study report and campus visit on March 28-31, 2004, MSCHE did not find a need for any recommendations or requirements.
- In the Stony Brook University 2004 decennial self-study, we made 31 recommendations centered around the following five themes: the transition to Stony Brook University; the foundational experience; education and scholarly activities; Stony Brook University as a community; and life beyond Stony Brook University (these recommendations in their entirety can be found in Appendix 3, pp. 72-73). In this section, we report on our progress toward each recommendation.

### **THEME 1: THE TRANSITION TO STONY BROOK UNIVERSITY**

#### ***a. Continue to enhance scholarship and financial aid opportunities for new students at both the undergraduate and graduate levels***

Scholarship and financial aid for undergraduates has continually increased along with the quality of the incoming class. Scholarships to new undergraduates have more than doubled from \$2.2 million for the fall 2004 incoming class to \$5.5 million for the fall 2008 entering class. We have increased our scholarship-eligible, enrolled student pool to over 20 percent of the incoming class up from 15.8 percent in the last self-study. Additionally, the Office of Admissions and the Office of Financial Aid developed procedures to ensure eligible students were awarded both the Academic Competitiveness Grant (ACG) and Science and Mathematics Access to Retain Talent (SMART) grants, external funding available beginning fall 2006, which awarded over \$1.4 million to 1,079 students in 2007-2008. Additionally, graduate support increased in spring 2007 with stipends increasing by, on average, approximately \$2,000/per student.

#### ***b. Improve the availability of courses for incoming students***

The University has taken several steps to improve course availability, including:

- Instituted an on-line academic planning form for freshmen to complete prior to their arrival on campus to register for classes. This form is used to help plan for appropriate course offerings to meet demand for key classes.
- Developed a cooperative working relationship between the College of Arts & Science Dean's Office and the Academic Advising Center; both groups work together to add additional courses, sections, and seats as needed. The University is now much better able to predict student demand based upon careful data analysis. However; with changing career trends, modifications to class offerings occur on occasion. In the past year, there have been few, if any, examples of new students who were not able to gain access to courses required to complete general education or major requirements.
- Added many courses to the summer and winter semesters and more carefully planned overall seat availability during the academic year to maximize student options.

- Began outreach to international transfer students earlier in summer 2009—mid-June versus late August—to provide them with a much earlier advising and registration date.

An important ingredient for continued curriculum development and the delivery of instruction on all of Stony Brook campuses is the planning and scheduling of course offerings that optimize effective use of instructional assets, transfer articulation and degree audit. Over the last few years, a Rational Planning Model has been used to systematically improve the availability of courses for incoming students. An important component of this model is the planned deployment of a new “Smart Scheduling” system designed to: modernize and improve scheduling by balancing faculty workload, student demand, resources and curricular requirements; give access to robust and transparent curriculum management, modeling and advanced planning; and streamline and integrate degree audits and transfer articulation. Following its full implementation, the “Smart Scheduling” system will decidedly enhance curriculum development, student satisfaction and retention, the quality of instruction and graduation rates.

*c. Raise further the external reputation of the institution*

We are increasing Stony Brook University's national and international exposure by expanding our target markets to include the Boston, Hartford, Baltimore, Washington D.C, and Philadelphia areas, increasing ad placements in high profile publications such as the New York Times, the Chronicle of Higher Education, Newsweek, and US News and World Report, and increasing international exposure through campaigns in China and India. We have also redesigned our print publications and web site to enhance branding and dissemination of institutional messages and achievements, including faculty profiles and other stories highlighting University accomplishments. The on-line News Release web site has also been enhanced to publicize institutional achievements. All major publications are mailed to our peer institutions, local and state government, and community organizations. On a local level, we have begun weekly ad placements in community newspapers and begun product placement in retail outlets across Long Island.

The university continues to direct resources to raise its national image and public awareness of what Stony Brook has to offer. Specifically, we have engaged in a national student search in fall 2007 to over 100,000 students nationwide informing them about the feature-benefit-cost equation at Stony Brook, cultivated guidance counselors in national markets by hosting them on-campus and in their home towns, and increased our out-of-state recruitment visibility by attending additional National College Fairs. Furthermore, the Office of Undergraduate Admissions expanded their national email campaign to high schools, guidance counselors, students and parents in which they inform these parties about the resources and benefits Stony Brook University has to offer. Over one million of these messages are deployed each academic year.

Additional university image outreach is being coordinated through the Office of Marketing and Communications through national media placements in Newsweek, Time, Sports Illustrated, and the New York Times.

***d. Improve the geographic diversity of the undergraduate student body***

Geographic diversity remains a stated priority for Stony Brook University. The University's Office of Admissions formed an out-of-state recruitment team staffed by four full-time recruiters supported by a separate recruitment budget. The recruiters executed a national high school and counselor recruitment plan in markets such as California, Texas, Florida, New England and the Mid-Atlantic states. This was further supported by a national student search of 100,000 PSAT, SAT and ACT test-takers informing them of academic, research and extracurricular opportunities available at Stony Brook. We continue to cultivate alumni chapters nationwide to assist our new student recruitment teams nationally and internationally. Finally, we have increased our recruitment presence and visibility abroad, most notably in Asia, and continue to see an up-tick in the number of applications and enrollments internationally.

This has resulted in an increase by 92 percent in out-of-state students—from 306 new out-of-state undergraduates in fall 2004 to 587 new out-of-state undergraduates in fall 2008. Budget permitting, current plans call for developing permanent national area representatives in key strategic markets, including Asia.

***e. Improve registration and advising for new undergraduate students***

Over the past five years, the registration and advising process for new students has improved significantly. New and comprehensive advising and registration publications were created and mailed to incoming students in advance of orientation, providing valuable information about majors, course offerings, and transfer credits in a more proactive manner. New students also now complete writing and math assessments prior to orientation to allow more opportunities for advising and community-building activities at orientation.

At the Orientation Days, incoming freshmen meet with small groups of orientation leaders and Undergraduate College advisors to develop, plan, and register for an appropriate first semester schedule. The professional advisor-to-student ratio among freshmen has also been reduced significantly, now averaging about 1:260, allowing for more personalized interactions at the summer orientations.

Beginning in January 2008, the advising and registration components of transfer orientation also experienced significant improvements. Previously, advising was organized by student discipline, with fairly large groups of transfer students meeting in rooms with professional advisors, faculty, and student orientation leaders. The advising ratio was too large to provide an individual advising system. Based upon student feedback seeking a one-on-one advising session, the orientation and advising staffs obtained additional resources and restructured the day. Today, all new transfer students (approximately 700 in spring, and 1,400 in the summer) meet one-on-one with a seasoned professional or faculty advisor for one hour during their orientation day. Following this advising session, new transfers work one-on-one with a student orientation leader to complete the SOLAR registration process. Based upon on-line assessments of this revised orientation process implemented this past January, staff and students have responded positively to this change.

Furthermore, the Provost recently appointed a Task Force to look at various factors that influence the academic success of our students. Specifically, the work of this group has been divided into four major categories: academic standing; the use of technology; early intervention for at-risk students; and the organizational structure of academic advising at Stony Brook.

*f. Initiate systematic assessment of orientations for graduate and international students*

**Graduate Student Orientation Programming: 2004 – 2008**

The Graduate School hosts a one-day orientation program in the fall and spring semesters for new Stony Brook graduate students. The primary goal of the Graduate School Orientation is to supply new students with information critical to “get up and running” at Stony Brook. Separate, department-level orientations are also conducted within each graduate program. These departmental orientations cover specific departmental protocols (e.g., course requirements, offices and facilities available to graduate students, etc.) while the Graduate School Orientation focuses on campus-wide policies and procedures. Many Graduate School Orientation presentation topics have remained consistent over the last five years. Along with the presentations, students are provided with an information folder that summarizes presentations and provides contact information for various University offices. The Graduate School Orientation program is intended to both provide a broad overview of important topics and to introduce key staff from various student services offices.

Based on systematic and student-centered assessment over the past five years, we highlight the following changes and enhancements to Graduate Orientation programming at Stony Brook University:

- In 2006, in response to a significant increase in the annual enrollment of new graduate students, we redesigned Graduate Orientation programming to address the Masters group separately from the doctoral group.

The chart below summarizes annual (fall) Graduate School enrollments over the past five years.

| Students | Fall 2004 | Fall 2005 | Fall 2006 | Fall 2007 | Fall 2008 |
|----------|-----------|-----------|-----------|-----------|-----------|
| Doctoral | 430       | 435       | 425       | 405       | 420       |
| Masters  | 320       | 445       | 540       | 575       | 585       |
| Total    | 750       | 880       | 965       | 980       | 1,005     |

This distinction between Masters and doctoral programming (rather than by college or discipline) would allow better focused presentations since there are several key distinctions between these two groups:

- Generally, doctoral students receive financial support (e.g., stipends and tuition scholarships) and it is important to address procedures and eligibility criteria associated with these awards;
- Health insurance options are tied to stipend support, which differs significantly between the two groups; and

- Masters students tend to use on-campus housing more often than doctoral students and, therefore, have more questions and concerns regarding housing.
- In 2004, a presentation on academic integrity and research ethics was added to the agenda to provide graduate students with a philosophy of graduate (versus undergraduate) education and to ensure that graduate students serving as Teaching Assistants were aware of the campus policies and procedures in this area. Although students in the science disciplines involved with NIH funding are required to receive additional training on the Responsible Conduct of Research (RCR), the Graduate School believes it appropriate for all graduate students to hear a statement on these topics.
- In 2004, the Graduate School assumed responsibility for orientation and initial training of Teaching Assistants after the Center for Excellence in Learning and Teaching (CELT) Office was restructured. As a result, the programming content of the Orientation for Teaching Assistants was significantly reexamined and redesigned. The previous CELT program was a multi-day program including significant role playing and small group discussions. The Graduate School has made adjustments to this programming twice since 2004.

The first change occurred in 2004 when the program was restructured from three days to one day. Program content was redirected to provide a “foundation” for the first teaching experience rather than full training. Course content was restructured to specifically address three topics:

- The Classroom Situation (what to expect, problem-solving, available resources, etc.);
- The Stony Brook Library (resources for instructors and their students); and
- Stony Brook Computing Services (resources for instructors and their students).

In 2006, leveraging on the decision to divide new graduate students into two cohorts (Masters and doctoral), the Teaching Assistant Training program was further restructured to:

- Reduce the number of days of orientation attendance by having New Doctoral Student Orientation and New Teaching Assistant Training occur on the same day;
- Provide Teaching Assistant Training in smaller groups according to discipline; and
- Have each student group led by a team of faculty and advanced graduate students familiar with the teaching experiences and responsibilities of that specific discipline.

Other resources, including the Center for Teaching, Learning and Technology and department-specific faculty and staff, are available to provide additional support to Teaching Assistants when they are teaching.

- Initiation of Systematic Assessment of Graduate Orientation Events:

In 2004, short paper surveys were administered to all students attending the Teaching Assistant Training sessions. This feedback was reviewed and factored into changes

implemented in 2006. A revised paper survey has been used since 2006. The Graduate Orientation program ends with a social reception, at which senior staff are in attendance to interact with new students with the goal of obtaining feedback and reaction to the day's events.

### **International Student Orientation Programming: 2004-2008**

Prior to the beginning of each fall semester, we offer two separate three-day orientation programs for Graduate and Undergraduate international students. Each orientation program begins with an airport pick-up service; University buses staffed by volunteer students and student coordinators meet flights at JFK International Airport and bring the students back to campus. As the first point of contact, our student volunteers are specially selected and trained to welcome the new students and help them get settled into their campus residences. The support of peers who know their way around campus helps new students make a smooth transition while alleviating fears inherent to coming to a new country for the first time.

One of the main purposes of our International Student Orientation program is to welcome students and to introduce them to the broad range of resources available to them throughout their stay in the United States and at Stony Brook University. International students are afforded sufficient time to overcome jet lag and to begin new friendships while our professional staff emphasize important U.S. immigration rules and essential information for acclimating to the U.S. and our system of education.

Based on systematic and student-centered assessment, over the past five years, we have enhanced and modified our programming to include more information about regulatory changes, issues relating to rights in the U.S. in the face of changes in immigration and customs enforcement, and the introduction of the Student and Exchange Visitor Information System (SEVIS). With enhanced enforcement and reporting responsibilities, our programs and methodology for collecting student information on a timely basis has required programmatic changes. The numbers of undergraduate international students have increased, so we have added an additional International Student Adviser to our staff to support the needs of this population.

Federal SEVIS compliance requires that students be trained, and use, the self-reporting feature in PeopleSoft to report information to the Office of International Services soon after their arrival. The International Services staff is then required to transmit international student information to the federal SEVIS system with innumerable updates throughout students' entire duration of status. Few Stony Brook students fall out of immigration status, which is one measure of the effectiveness of these regulatory training sessions.

To balance out the rules and regulations sessions, we have also added content regarding living on Long Island and plan to continue enhancements to this portion of the program. Our Host Family Program continues to provide friendships to international students and opportunities to get to know American families in the local community. Host families and students are introduced during an International Student Welcome Dinner. Our host families offer individualized attention to students missing home and can result in friendships that often last long after the students have completed their course of study and have returned to their country of origin.

We distribute informal surveys during, and at the end of, the orientation program. Our advisers, staff and student volunteers also informally ask students about which information they found to be the most useful or need repeated. Student reviews are mostly positive, with a wide variation in regards to which sessions students found most useful. This is probably reflective of the wide diversity in the backgrounds of our new international students. Overall, we have received very positive feedback regarding the International Student Orientation program and the welcome students received upon their arrival to the U.S. and to the Stony Brook campus.

***g. Strengthen and expand coordination among orientation events***

In efforts to strengthen and expand coordination among orientation events, significant restructuring activities have occurred in the Office of Orientation and Family Programs since 2006. Specifically, the University has invested more resources in this area and added two full-time positions for an Assistant Directors of Student Development and an Assistant Director of Logistics. This allows us to have one individual dedicated to the development of the new student experience, while another can focus on logistics, such as scheduling, mailings and consistency of information. The Office of Orientation and Family Programs has also assumed responsibility for our Opening Weekend events, known as Experience Stony Brook (ESB). While ESB is still a campus-wide collaboration, central ownership of the event allows us to streamline communication and information, as well as costs, payment, and fiscal responsiveness. We have also worked to streamline our publications, making them quicker and easier for students to read, while also reducing their size (which, in turn, reduces both financial and environmental waste). For example, from 2007 to 2008, the transfer mailing was reduced from a 14-page document to a two-page document. The freshmen mailing was also reduced from a 22-page document to an 18-page document.

Furthermore, several technological improvements have been implemented that have streamlined communication and various institutional processes for incoming students. In 2006, the Orientation web site was completely redesigned to include more information that is useful and relevant to the orientation day (e.g., schedules, mailings, etc.). This new web site models both the Admissions and University web templates. We also implemented an email address (NewStudentInfo@notes.cc.sunysb.edu) that is used to send new students monthly updates during the summer about their orientation and upcoming programs. The new web site and the email updates are population-specific (e.g., freshmen, transfers, commuter, resident, or parent/family). Another significant process improvement involves the “auto-scheduling” of new students into an orientation date. Previously, orientation staff had to manually enter over 4,000 new student ID numbers into the PeopleSoft system to assign them a date. Beginning in 2007, new students are automatically assigned a date based on event capacity and their student group. This improves the accuracy and response time of assigning dates. Furthermore, the Office of Orientation and Family Programs recently worked with the Undergraduate Colleges to automate the Advising Planning Form (APF). Previously, students communicated course preference information to advisors via a paper form, which was rarely completed. By putting the APF on-line, students can electronically inform advisors of any Advanced Placement or college courses they have taken (or plan to take), as well as schedule their math placement assessment and learn about their writing placement. The on-line APF streamlines the orientation, advisement and

registration processes for incoming students because it allows them to complete these tasks in one location, as opposed to going to two different web sites as well as mailing in a paper form.

## **THEME 2: THE FOUNDATIONAL EXPERIENCE**

### ***a. Improve first-year courses***

Improvement to first-year courses have been made through the Undergraduate Colleges, where freshmen are now enrolled in two new mandatory one-credit seminars with fewer than twenty students. In the fall, each freshman is enrolled in a SBU 101, a College-specific seminar taught by staff and designed to give new students the skills they need for success while exploring aspects of the Colleges' respective themes. The text book for this seminar was developed almost entirely in-house and is revised annually by a team of Seminar Instructors. The spring seminar, SBU 102, affords freshmen a unique opportunity to get to know senior faculty in small, interactive classroom settings. Almost all of the 125 sections of this seminar are taught by tenured faculty members and each faculty member is free to determine the topic of the seminar. The major purpose of this seminar is to bridge the cultural gap between faculty and undergraduate students. Faculty members teaching the seminar meet regularly to exchange ideas on teaching a course of this type.

### ***b. Simplify the array of courses available to first-year students***

In working to combat the problem of freshmen and lower-division transfers enrolling in inappropriate or upper-division courses, the University has improved its communication with new students about expected coursework. Prior to and at Orientation, freshmen are now provided with a reduced list of approximately 100 suitable courses for the first semester of study, including those at the 100-level, and some at the 200-level. Freshmen also receive sample or typical first-semester schedules along with personalized recommendations to ensure that they have a better understanding of coursework and credit recommendations.

### ***c. Improve the foundational experience***

Over the last five years, Stony Brook has created a foundational experience for incoming first-time full-time undergraduate students that frames their entire first year. Every first-year student is admitted into one of six thematic colleges, each of which is home to approximately 400 first-year students (approximately 12 percent of these students are commuters). Each college is run by a team, consisting of a Residential Quad Director, a tenured Faculty Director, and one or two full-time college advisors. The Undergraduate Colleges provide a small, intimate atmosphere of support and encouragement to students within our University environment.

### ***d. Identify ways for transfer students to make a smoother transition to Stony Brook***

In fall 2007, the Transfer Office, along with the Center for Academic Advisement, reformatted the transfer orientation process to include personal advisement, rather than large group advisement, for over 1200 entering transfer students. Specifically, the Orientation staff developed an award-winning "Family Feud" game show to educate transfers about important



student services. An extra Orientation Day exclusively for transfer students was also added to the University's orientation activities, and includes conference-style workshops focused on student activities/events on campus, pre-professional advising, study abroad, and other campus opportunities.

Since transfers are an eclectic group of students, there are many different needs Stony Brook must address. As noted in Theme 1/Part e, significant improvements have recently been made to improve the initial advising and registration process of new transfers. This includes one-on-one hour-long advising appointments with a professional or faculty advisor, followed by registration with a student orientation leader. In addition to this more personalized approach, advisors now work more proactively to have academic departments evaluate students' previous major/minor coursework prior to transfer students' attendance at orientation. This system greatly facilitates the advising process, helps to reduce transfer students' anxieties and questions about course equivalencies, and has helped to more proactively track the academic progress of new transfer students.

In order to facilitate a smooth academic transition to Stony Brook, the University has also added significant personnel resources to the Academic and Pre-Professional Advising Center. As a result, every lower-division transfer student (and some upper-division transfers) now has the opportunity to enroll in SBU 101: Introduction to Stony Brook. In spring 2008, about 33 percent of new transfer students were enrolled in SBU 101 and, in fall 2008, about 50 percent of new transfer students were enrolled in SBU 101. This small seminar class serves an important function in providing a seamless transition for new transfer students.

***e. Continue to build a culture of constructive assessment as a tool for improvement throughout the university***

Stony Brook has devoted much time and effort to building a culture of constructive assessment as a tool for continuous improvement. Assessment at Stony Brook is done first and foremost to understand and improve student learning. This requires exploring not only questions on how much students have learned, but also questions on how they learned and why certain results occurred. The diagnostic information gathered from such assessments is then used to identify areas and strategies for improvement.

Currently, assessment at Stony Brook involves an ongoing, rather than episodic, process designed to answer genuine questions about student learning, which serve as feedback to drive improvements in teaching and learning. This process involves:

- A review of the SUNY's stipulated learning outcomes;
- The development of learning outcomes that include the SUNY's stated outcomes;
- The development of "instruments" to measure these learning outcomes;
- The gathering of information about what our students are learning, reviewing and reflecting on that information;
- Preparation of a report in compliance with the SUNY's request; and the
- Ultimate use of the results from this assessment to improve learning.

To achieve these objectives, it is currently left to the discretion of each department/program to determine the learning goal(s)/outcome(s) it wishes to assess and the rubric for doing so. The rationale for the stated procedure is that the faculty are the individuals best positioned to assess their students' collective strengths and weaknesses and are, therefore, best able to determine meaningful learning goal(s)/outcome(s) and the standards by which to assess them. Currently, departments/programs work closely with the university Committee on General Education Assessment (CGEA) each semester to conduct this assessment.

Recently, the operational scope of the CGEA has been expanded, and renewed efforts have been directed at enhancing institutional support for faculty engaged in assessment. These include additional support to facilitate departmental- and program-level assessment activities, as well as a strong desire and commitment to develop robust coupling between assessment initiatives and strategic institutional planning.

This year, Stony Brook held its first annual educational assessment conference, appropriately entitled: "Why Assessment Matters and Its Impact on Educational Success." This event is yet another significant expression of our commitment to the continuous improvement of our practices and services that impact upon student learning at Stony Brook. The purpose of this workshop was to allow faculty to: consider what they want students to learn; help them to determine how well students are learning; learn how to provide evidence of teaching effectiveness; and develop methods to enhance learning.

During the 2007-2008 academic year, Stony Brook conducted a self-study of our program for first-year undergraduates, which we called "First Year Matters," under the guidance of the Policy Center on the First Year of College. Close to one hundred faculty, students, and staff members from all over campus participated fully in the self-study as members of a task force comprising nine subcommittees, each of which addressed one foundational dimension of the first-year experience. The results of this initiative were five recommendations, and a unified strategic action plan, that will set a course for first-year undergraduate education at Stony Brook. A summary of this assessment and recommendations developed thereof, which may be found in Appendix 4, pp. 74-77, were widely disseminated to campus constituencies. The results encompass an integrated vision of the entire undergraduate experience at Stony Brook.

A central part of Stony Brook University's mission is to enhance programs that support us as a top-tier research institution where students and faculty have the resources to learn and to create new knowledge. This can only be achieved through a strong commitment to educational assessment, with obvious benefits for both students and faculty. Assessment helps us create a shared academic culture dedicated to understanding and improving learning. At Stony Brook University, our assessment efforts have resulted in: increased discussion across constituencies; the dissemination of expert knowledge; the creation of a climate for collaboration; a greater appreciation of different perspectives; and opportunities for different cultures within the University to understand each other.

***f. Encourage students to make academic and career goals a priority***

Since the Middle States Review in 2004, support for students making academic and career choices has greatly increased. In order to assist students in declaring a major and making good

academic progress, particularly sophomores, new initiatives were instituted by the Academic and Pre-Professional Advising Center. For example, the “Major Event” occurs each fall and provides opportunities for students to speak with faculty from all academic departments at one time, in one central location. The “Major Mixer” occurs each spring and provides opportunities for students to speak with upper-class peers about their majors. Each event draws several hundred students annually.

A “Career Decision Clinic” is also offered at peak decision times by the Career Center. This is a drop-in service for students to receive on-the-spot consultation about their major options and related careers. In 2007, the “Clinic” was expanded to address the differences in freshman/sophomore major selection and junior/senior career exploration. Evaluations of these programs indicate that, as a result of these initiatives, students feel more confident in their ability to set goals.

In addition, there are more people on campus – professors and advisors – talking to students about the importance of internships and other forms of experiential learning (e.g., research, study abroad, community service and leadership, service learning projects) as part of the career decision and preparation process. The opportunity to “learn by doing” and to then reflect upon how the experience relates to, supports, confirms or negates a student’s career goals is becoming a more common conversation. Academic departments are supporting this concept through strong encouragement of their students to engage in experiential learning; the College of Engineering and Applied Sciences, the School of Journalism, and the College of Business are going further by making it a requirement.

***g. Provide mentoring opportunities for every student***

An important part of mentoring is the ability for Stony Brook students to receive good advice from professional advisors and faculty alike. Toward that end, the University has continued to develop the Undergraduate College program with an emphasis on student mentoring. As discussed in Theme 2/Part a, such mentoring occurs in SBU 101 and SBU 102—the two mandatory small seminar-style classes for freshmen. As discussed in Theme 2/Part d, transfer students also receive mentoring in the SBU 101 class as well as through connections with assigned academic advisors and contact with major advisors.

Among the broader undergraduate population, mentoring opportunities are plentiful on the Stony Brook campus. There are many committed faculty and staff involved in mentoring students via advising, student clubs and organizations, service on University committees, involvement in Undergraduate Research and Creative Activities (URECA), leading study abroad excursions, and participation in New Student Orientation, just to name a few.

The Undergraduate Colleges also provide an opportunity for emerging leaders to become peer mentors through the Undergraduate College Fellows program. Fellows will enroll in the Undergraduate College Fellows Seminar in the spring semester of their freshman year and the Undergraduate College Practicum in the fall semester of their sophomore year. This two-semester sequence provides an opportunity for students to become peer mentors within their undergraduate college in their sophomore year.

### **THEME 3: EDUCATION AND SCHOLARLY ACTIVITIES**

#### ***a. Improve communication between teachers and learners***

Stony Brook has taken significant steps toward further enhancing communication between teachers and learners. Teaching, Learning and Technology (TLT) is a newly created structure within Stony Brook University designed to provide support for all aspects of the educational process. A major part of TLT's mission is to improve student learning at Stony Brook by providing students and faculty with access to appropriate technology, and the training and help needed to use it effectively. This is accomplished by providing students and faculty with email, software such as the Blackboard course management system, and web training and resources to better improve communication. The University has also made a significant investment in increasing the number of Student Instructional Network Computing (SINC) sites, computer labs, and technology-enabled classrooms available to our students and faculty. TLT also provides faculty with numerous annual workshops on teaching, classroom technologies and educational assessment, and is demonstrating itself as an effective conduit for communication between the two populations.

#### ***b. Provide incentives to departments to improve TA training and performance***

As mentioned in Theme 1/Part f, Teaching, Learning and Technology (TLT) is a new structure that has been established to support Teaching Assistant development. A top priority for TLT is to develop and deliver a teaching certificate for the Teaching Assistant training program. To further encourage participation in this training program, a proposal has been presented to the University administration to provide higher stipends to Teaching Assistants who have completed the certificate during the semesters in which they teach.

#### ***c. Evaluate curricular offerings regularly to ensure that they meet the needs and interests of our students.***

While we understand the sense under which this recommendation was made during Stony Brook's self-study for its 2004 Middle States Accreditation review, in retrospect, we feel that this recommendation was phrased too broadly. We take this opportunity to both place the recommendation in context, and report on progress.

Stony Brook's undergraduate curriculum, as is typical of those at U.S. higher education institutions, consists of major requirements, general education requirements (which, at Stony Brook, are referred to as Diversified Education Curriculum or "DEC" requirements), freshman seminars, and general electives (whose choice is left to the student). For a Bachelors degree, typically varying between 120 to 140 credits, DEC requirements (nominally 39 to 45 credits - although there may be some double-counting with courses in the major) and major requirements (40 to 90 credits – depending on major) account for the vast majority of the degree credits.

Major requirements are the responsibility of the faculty in the department offering the program. Continued assessment of the curriculum in the major is the primary responsibility of said faculty, with direct administrative responsibility for this residing with the Chair of the Department. As

Stony Brook is an active research University, the great majority of the faculty are active practitioners in their respective profession and are viewed, by Stony Brook, as the best-qualified assessors of the curriculum offerings within the major. In the College of Arts and Science, which comprises roughly 60 percent of the academic programs on campus, the Undergraduate Program Directors meet monthly during the academic year to exchange academic information and policy among departments. Furthermore, in the spring 2009 semester, the Program Directors devoted their monthly meeting to departmental curricular changes.

Recognizing that this “internal” model must have checks-and-balances, the Provost’s Office, working with the appropriate College Dean (as well as with the Graduate School and Deans of all other units), performs an academic review of each department on a rotating basis of seven years. These reviews, using external reviewers, consist of a site visit—a two day review of the department—and a written report from the external committee which is then reviewed by the department. The department submits comments on the external review, and the external review and the commentary are then discussed in a formal session with the Provost, Dean and Department Chair.

As indication of the extent to which faculty are currently involved in the assessment of their majors, we provide the following examples:

- The Department of Chemistry, which handles over 9,000 enrollments a year, is extremely active in technology-based active learning development. This involves the content, method and environment of delivery.
- The Undergraduate Biology program, which handles over 11,000 enrollments a year, has revamped its introductory offerings (courses offered during the first three semesters).
- Comparative Literature and Cultural Studies has revamped their undergraduate major.
- In the last three years, the University has vastly increased the number of combined Bachelors/Masters programs it offers to provide students with a five-year alternative.
- The number of program revisions and new programs submitted to the State Education Department (39 in the last two years) indicate a strong University commitment to the assessment/development of the major curricula for our students.

The Diversified Education Curriculum (DEC) was established by the faculty body as a whole, and is legislated by the University Senate. The recommendation formulated in our 2004 Middle States self-study refers largely to the DEC. The existing DEC was established in 1993 as a result of a two-year review of the previous general education curriculum. As indicated in our 2004 Middle States self-study, Stony Brook feels it is time for a review of the DEC, and an updated implementation of a revised general education curriculum. The development of a new general education curriculum has been delayed during the interim between the 2004 self-study and present by a focus on the freshman experience—the development of Stony Brook’s new Undergraduate Colleges and involvement in a national consortium analysis of the freshman experience (“First Year Matters”). With the “First Year Matters” assessment completed, Provost Eric W. Kaler has initiated a University committee of faculty to suggest a “general education curriculum appropriate for the 21st century.”

***d. Improve recognition and rewards for faculty, staff members, and graduate students who have demonstrated excellence in directing undergraduate research and creative academic projects***

Stony Brook continues to enhance our annual Undergraduate Research, Education and Creative Activities (URECA) celebration. The purpose of this event is to celebrate the research and creative activities of students working with Stony Brook University faculty mentors in all disciplines, and at all levels. It is also an event at which we acknowledge the faculty and all the people involved in the research groups, including graduate students and post docs, who mentor our students and help them to develop as researchers and scientists. Since 2005, the URECA program has been listed by the US News & World Report as an academic program that leads to student success.

This event is a testament to how much research collaboration between our students and faculty has grown. In 1997, the URECA annual symposium featured 14 student presentations. That year, the university was one of 10 nationwide to receive the RAIRE grant from the National Science Foundation in Recognition of Achievement in Integrating Research and Education. This was the beginning of the URECA celebration tradition at Stony Brook, which continues to grow annually. In 2001, there were about 70 posters displayed. This year, there were 223 posters, involving over 300 students. Featuring oral and poster sessions, art exhibits, and musical performances, this event is a legacy of the RAIRE grant that has continued to be institutionally-supported and valued.

***e. Increase the number of students who undertake independent research and creative activities***

Stony Brook University is a trailblazer in integrating research and undergraduate education. In 1987, Stony Brook was one of the first research universities nationwide to establish an Office for Undergraduate Research and Creative Activities (URECA) for the specific purpose of promoting undergraduate research and creative activity, and offers many programs that support undergraduate research efforts. These include the Battelle Summer Research Program, the Beckman Scholars Program, Research Experiences for Undergraduates (REU) Site Programs, Howard Hughes Medical Institute (HHMI) Undergraduate Research Programs, and the URECA Summer Research and Small Grant/Travel Grant Programs.

Stony Brook undergraduates are introduced to the world of research through introductory research-oriented courses, encouraged to participate in independent supervised research projects, and offered useful support services on writing abstracts, giving presentations, and finding research mentors. As evidenced from the information presented in Theme 3/Part d, the number of students who undertake independent research and creative activities at Stony Brook University continues to significantly increase.

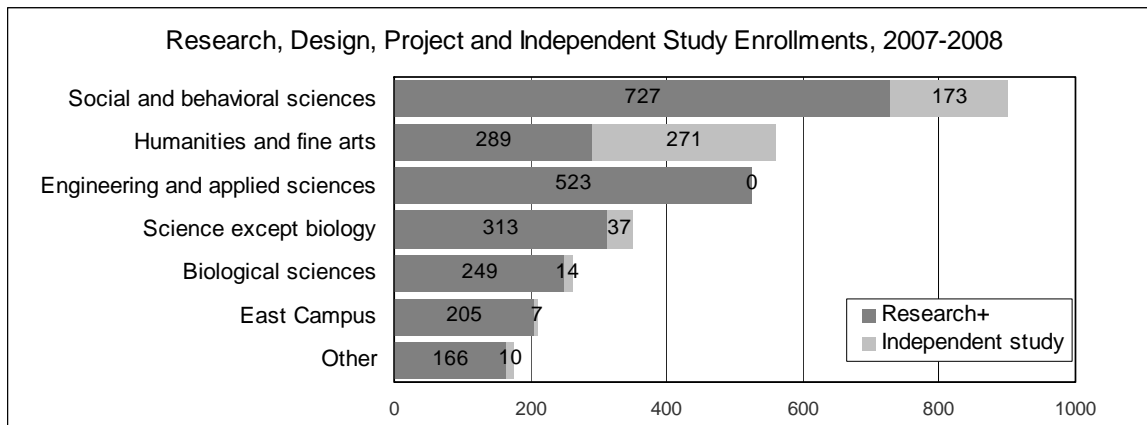
This can also be evidenced by the following data which documents the significant increase in Stony Brook students enrolled in Undergraduate Research and Independent Study Courses. This analysis summarizes undergraduate enrollment in research and independent study courses in academic years 2002-2003 through 2007-2008, including the summer and winter terms.

In academic year 2007-2008, enrollment in Undergraduate Research and Independent Study courses totaled about 3,000, an increase of almost 500 or 19 percent since 2002-2003, while total undergraduate enrollment increased by only nine percent in that period (from 14,224 in fall 2002 to 15,523 in fall 2007).

### Academic Year Course Enrollments by Category

|  | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | Change |
|--|---------|---------|---------|---------|---------|---------|--------|
| Research courses   | 1,649   | 1,351   | 1,406   | 1,512   | 1,707   | 1,799   | 150    |
| Engineering design courses                               | 233     | 252     | 322     | 391     | 371     | 334     | 101    |
| Project courses  | 243     | 289     | 287     | 274     | 262     | 339     | 96     |
| Readings courses, independent study, and honors seminars | 382     | 533     | 451     | 455     | 469     | 512     | 130    |
| Total  | 2,507   | 2,425   | 2,466   | 2,632   | 2,809   | 2,984   | 477    |

As evidenced by the following data, almost half (43 percent) of the growth in research and independent study enrollment was in the Social and Behavioral Sciences, which accounted for 30 percent of the total enrollment in 2007-2008. In the College of Engineering and Applied Sciences, an increase of 100 enrollments in our Engineering departments was offset by decreases of 66 enrollments in the Computer Science and 30 enrollments in the Applied Math departments. In 2007-2008, about half (53 percent) of all readings/independent study courses were in the Humanities and Fine Arts.



### Total Research, Design, Project and Independent Study Enrollments

|                                  | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | Change |
|----------------------------------|---------|---------|---------|---------|---------|---------|--------|
| Social and Behavioral Sciences   | 694     | 642     | 690     | 686     | 831     | 900     | 206    |
| Humanities and Fine Arts         | 542     | 556     | 481     | 517     | 509     | 560     | 18     |
| Engineering and Applied Sciences | 519     | 449     | 486     | 591     | 575     | 523     | 4      |
| Science except Biology           | 317     | 351     | 297     | 272     | 305     | 350     | 33     |
| Biological Sciences              | 217     | 164     | 199     | 232     | 237     | 263     | 46     |
| East Campus                      | 128     | 135     | 144     | 155     | 197     | 212     | 84     |
| Other                            | 90      | 128     | 169     | 179     | 155     | 176     | 86     |
| Total                            | 2,507   | 2,425   | 2,466   | 2,632   | 2,809   | 2,984   | 477    |

### Research, Design, and Project Enrollments

| Excluding readings               | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | Change |
|----------------------------------|---------|---------|---------|---------|---------|---------|--------|
| Social and Behavioral Sciences   | 506     | 463     | 520     | 545     | 678     | 727     | 221    |
| Engineering and Applied Sciences | 519     | 449     | 486     | 591     | 575     | 523     | 4      |
| Other Sciences                   | 271     | 244     | 268     | 240     | 289     | 313     | 42     |
| Humanities and Fine Arts         | 413     | 329     | 262     | 299     | 250     | 289     | -124   |
| Biological Sciences              | 205     | 151     | 177     | 206     | 229     | 249     | 44     |
| East Campus                      | 122     | 128     | 143     | 151     | 192     | 205     | 83     |
| Other                            | 89      | 128     | 159     | 145     | 127     | 166     | 77     |
| Total                            | 2,125   | 1,892   | 2,015   | 2,177   | 2,340   | 2,472   | 347    |

#### *f. Support further expansion of the electronic library*

The library continues to subscribe to a large array of electronic resources. These include 300 databases, many of them having links from index items to the full text; 50,000 electronic journals; and approximately 15,000 electronic books. These resources are sufficient to satisfy most undergraduate needs and most of the research needs of science and technology faculty. The library's most expensive package of electronic journals, Elsevier's ScienceDirect with 2,000 journal titles, is being used at a rate of 300,000 articles downloaded per year at a cost of about \$3/article. Unfortunately, we have not been able to acquire humanities and social science corpora comparable to the resources available in the sciences and technology areas.

#### *g. Improve library access*

The library's electronic resources, and commuter lounge, are available 24 hours a day, seven days a week. The various main library and branch reading rooms are open 80-110 hours per week when classes are in session, and the Central Reading Room is open an additional ten hours during exam periods.



We have made tremendous progress in providing access to electronic information, services and resources. In the past two years, the entire library was enabled with wireless technology allowing unfettered access to the internet. The library is currently embarking on a long-term project to make access to information entirely electronic. The Stony Brook library also provides electronic inter-library loan services for our users; access to these resources is available for Stony Brook users 24 hours a day, seven days a week from any location, on- or off-campus.

***h. Assess, update, and expand instructional facilities regularly***

The University has made significant advances, both on continual and one-time bases, on this recommendation. Three years ago, the University initiated the Center for Teaching, Learning and Technology (TLT). The Center is charged specifically with assessing and updating instructional facilities and with expanding the use of technology in teaching. TLT is currently operating under a three-year strategic plan (2007-2010) of assessment, update and expansion of existing instructional facilities on campus.

Working with Facilities Services, the Office of the Provost has committed to renovating an existing multi-use building (Old Chemistry) and converting it into an instructional-only facility. When completed in 2012, it will provide three additional lecture halls (creating an additional 750 seats), as well as add 1200 “regular” classroom seats. Electronic teaching technology will be standard in all classrooms, and this facility will also offer a computer-based testing center.

Additionally, Teaching, Learning and Technology recently completed a survey of all instructors on the West Campus, a major portion of which was focused on instructional facilities. This data will determine furniture, layout and technology configuration within University classrooms for the foreseeable future. Over the past two years, the number of classrooms with a core set of instructional technologies (digital projector, DVD/VCR, internet connectivity, computer connectivity, etc.) has increased from 27 percent to nearly 50 percent. This growth will continue for the next few years until at least 75 percent of the classrooms have the basic set-up installed. Wireless internet access is being installed in parallel with the instructional technology in the classrooms. Student response systems (clickers) have been installed in many classrooms and installation of automated recording systems began in the summer of 2008. The number of Registrar-scheduled classrooms has increased over the last few years with the conversion of former office space into new classrooms and the addition of former departmentally-owned rooms to the general classroom pool.

A greater proportion of student computer labs are being reserved for hands-on classes each year, which is increasing the demand for these types of classrooms. The addition of more technology-focused programs, such as Journalism, will increase this demand even further. Additional computer classrooms will have to be added to meet this demand. The University is in the final stages of approving a Learning Space Management policy which clarifies roles and responsibilities for instructional facilities and should have a significant impact on their quality and operational efficiency.

## **THEME 4: STONY BROOK UNIVERSITY AS A COMMUNITY**

### ***a. Provide regular timely information on community activities***

In order to provide regular, timely information on community activities at Stony Brook University, we utilize all campus publicity vehicles to disseminate information on upcoming events. These include the Happenings newsletter, Lifelines newsletter, Statesman (student newspaper), the Solar System (university electronic communication system), Stony Brook University Television, Student Activities Center Television, WUSB Radio, Blackboard, and campus announcements. We also announce events through posters, flyers, poster enlargements, banners, and signage on campus transportation. We now have e-distribution lists which can be targeted to specific groups, and our web site's home page has been re-designed in 2008-2009 to provide increased space for campus and community events. Our web site has also adopted new on-line calendaring to better publicize activities. Additionally, we update Long Island media with calendar events open to the external community and, when appropriate, publicize events through paid advertising.

### ***b. Encourage student community service***

Stony Brook has established a variety of coordinated means of promoting students' involvement in community service, civic engagement, and service learning. These include:

- **The Undergraduate College of Leadership and Service** is one of our six thematic Undergraduate Colleges. This College, home to 500 students in addition to incoming freshmen, focuses on engaging students in community service and student leadership development. Students enroll in freshman seminars in the fall and spring, participate in “service week” activities, compete in team projects connected with community service initiatives, and attend talks and trips to learn about community service. Furthermore, many of the 22 freshman seminars taught by faculty in the spring semester focus on community service. For instance, Professor Charles Robbins’ seminar on “Creating Social Change” gives students the opportunity to redefine service as well as to explore avenues for potential leadership. In Professor Scott Smolka’s seminar, “Community Service for Organ-Donation Awareness,” students learn the facts and issues surrounding organ and tissue donation in the United States; and help establish, plan, and carry out various projects aimed at increasing organ and tissue donation awareness within the University and the surrounding community. Additionally, Professor Manny London’s seminar on “OXFAM and Fair Trade” focuses on ways to address world hunger. In this course, students learn about advocacy, social entrepreneurship, and civic engagement as they work on a class project to increase awareness of world hunger and ways to redress poverty locally and around the world.
- **The Community Service Living Learning Center**, the upper-division component of the Undergraduate College for Leadership and Service, offers courses and a minor in community service. The minor in Community Service Learning combines coursework with experience in public service. Building on foundation courses in theory and methods of community research, students design a curriculum tailored to their interests. Through mini-projects and research internships, students work with community partners to assess

needs, develop programs of community-based action and evaluate the effectiveness of such programs. The Center also has an on-going community service club open to all undergraduate students. Students in the Community Service Living Learning Center have been involved in the following initiatives:

- Middle school relationship violence prevention programs;
  - Community Center feasibility studies;
  - Programs aimed at helping the hungry and the homeless;
  - Hurricane disaster relief drives;
  - Long Island United Way's "Success by Six" early childhood development initiative;
  - Campus service newsletter;
  - Service Learning curriculum development;
  - Grant proposal writing; and
  - Service conferences and workshops.
- The **Volunteers for Community Service Office** in the Career Center connects students to volunteer opportunities and internships, runs the AmeriCorps program, and coordinates events with the Office of Student Affairs and the Community Service Living Learning Center. More than 400 students participate in volunteer efforts each year coordinated by this office.
  - The **Stony Brook VISTA Program**, new to Stony Brook in fall 2007, works with many departments to increase community service and service learning opportunities so that the University may better serve the surrounding communities of Long Island and New York City. This program is open to students of all majors.
  - The Corporation for National and Community Service approved Stony Brook's **AmeriCorps Education Award Program** for another three-year cycle starting in fall 2007. Through this program, \$50,000 is available for 50 students in the form of tuition vouchers upon completion of 300 service hours/year. In addition to receiving academic financial support, AmeriCorps members learn new skills, acquire leadership experiences, and gain a sense of satisfaction from positively impacting the lives of others. Participants address community needs in the following areas: education, public safety, human services, volunteer generation, and the environment. Members serve by performing tasks such as tutoring and mentoring youth of all ages, conducting literacy campaigns, working on environmental projects, leading community health campaigns, and responding to natural disasters by providing emergency relief for victims. To date, AmeriCorps members have contributed over 50,000 hours to bettering their community, and will continue to do so each year the program is renewed.
  - The **Division of Student Life** at Stony Brook University supports student clubs and organizations, many of which are engaged in community service. For example, for the last three years, a student group has raised funds for 40 students to have an "alternate spring break" experience which involves traveling to New Orleans and working there for Habitat for Humanity. The Division of Student Life advocates for students while

fostering campus involvement, civic engagement, and student success. The departments within the Division of Student Life offer quality services and programs that provide social, cultural, recreational, academic, and leadership development. As stated on the web site, the division promotes the following:

- Advocacy - we support the needs and concerns of our students by providing a caring and just campus community;
  - Empowerment - we purposefully engage students and encourage them to think differently in order to promote positive change;
  - Collaboration - we partner with University departments and student organizations to form intentional relationships which create community and enhance engagement, outreach and student involvement;
  - Inclusiveness - we value and incorporate diverse perspectives and demonstrate our commitment to inclusiveness through our behaviors and actions;
  - Integrity - we employ honesty and ethical decision-making practices;
  - Wellness - we encourage and support an environment which promotes healthy lifestyle choices;
  - Fun - we provide an intimate social environment for students to develop relationships and community through co-curricular activities; and
  - The Senior Leadership and Service Award.
- The University holds an annual **Community Service Award Ceremony** to recognize students' outstanding contributions to the community. The Senior Leadership and Service Awards are given to graduating seniors who have made an outstanding contribution to campus life by making a difference in the lives of other Stony Brook Community members. Additionally, as of fall 2007, Stony Brook University is certified to bestow the President's Volunteer Service Award to any and all students, faculty, and staff deserving of recognition for volunteer work.
  - The Stony Brook University **Habitat for Humanity** initiative engages students in fundraising and involves students, faculty, and staff in building an entire house. Now in its fifth year, this SBU initiative has led to the successful development of one house each year.
  - Many academic schools and departments involve undergraduate and graduate students in community service. For example, our Health Sciences schools deliver health care to economically disadvantaged areas around the world. Our Madagascar Ankizy (Children's Fund), started by anthropologist David Krause, supports education and health care in the region and provides service learning opportunities for Stony Brook students in the process.
  - Fall 2008 marks Stony Brook University's eighth year as a member of the **New York State Campus Compact**, an association of college and university presidents and their campuses committed to promoting active citizenship as an aim of higher education. In 2008, Stony Brook received the association's **Spirit of Service Award**. The New York State Campus Compact provides statewide leadership in advocating for, supporting, and

increasing student involvement in academic and co-curricular based public service, in order to: strengthen the capacity of member institutions to serve society; enhance student learning; and develop in individual students the knowledge, values, skills, and habits of civic responsibility and democratic participation.

- Representatives from student and academic affairs offices, and the Undergraduate Colleges, established a **Virtual Community Service Center** located online at <http://ws.cc.stonybrook.edu/sb/communityservice/>. This site describes volunteer opportunities and announces award competitions with special sections for students, faculty, and staff. The section for students includes information on: grant/fellowship opportunities; community service projects for students and student groups; volunteer opportunities; mentorship opportunities; and annual campaigns and charitable endeavors. The section for faculty includes a resource guide for faculty interested in incorporating service learning into their curricula. To quote the web site, the Center's goals are to:
  - promote and publicize volunteer opportunities and community service projects;
  - highlight individuals and groups who engage in service activities;
  - support faculty who want to incorporate service learning activities in the classroom;
  - cultivate the spirit of service among the greater Stony Brook community;

***c. Improve the integration of graduate and upper-level undergraduate students into the wider community***

Stony Brook University offers a myriad of student activities, clubs and organizations aimed at integrating our upper-level undergraduate and graduate students into the wider Stony Brook community. Below is an abridged listing of such activities and organizations.

- **PROGRAMS AIMED AT UPPER-LEVEL UNDERGRADUATE STUDENTS:**
  - **Student clubs & Organizations (250-300 registered clubs/organizations each year)**
    - Pre-Professional** (Pre-Med Society, Pre-Nursing Society, Psi Chi)
    - Multicultural** (LGBTQA, Muslim Student Association, Hillel, South Asian Student Alliance)
    - Student Governance** (USG, Residence Hall Association, Commuter Student Association)
    - Sport Clubs** (Club Lacrosse, Rugby, Ice Hockey, Archery, Ballroom Dance)
    - Student Media** (Statesman, WUSB, SB Press, SB Independent, SBUTV)
    - Social** (Animated Perspectives, CADENCE Step Team, Handball Club, ICON)
    - Fraternity/Sororities** (Over 34 Organizations)
    - Honors Societies** (Golden Key, Sigma Beta, National Society of Collegiate Scholars, Psi Chi)
    - Service & Philanthropy** (Amnesty International, Up 'Til Dawn, ASBO)

*\* A full listing of student clubs and organizations is available at:  
[http://studentaffairs.stonybrook.edu/sac/docs/club\\_directory06-07.pdf](http://studentaffairs.stonybrook.edu/sac/docs/club_directory06-07.pdf)*

➤ **Campus Recreation Trips & Intramurals**

Stony Brook offers a full range of intramural sports during the fall, spring and summer sessions. Students are also involved in coordinating fitness classes and Wellness Center programming. Trips include ski trips, white water rafting, hiking tours, etc.

➤ **Student Affairs Internships**

Student internships are available throughout the Student Affairs area. These learning experiences provide academic credit for work within various areas of higher education: Career Center; Student Life; Student Activities; Student Media; Campus Recreation; Commuter Student Services; and EarthStock.

*\*Samples of internship opportunities are available at  
[http://studentaffairs.stonybrook.edu/studentlife/internship\\_opportunities.pdf](http://studentaffairs.stonybrook.edu/studentlife/internship_opportunities.pdf)*

➤ **Undergraduate Research and Creative Activities (URECA)**

As discussed in Theme 3/Part d, URECA is Stony Brook's annual celebration to acknowledge the research and creative activities of students working with Stony Brook University faculty mentors in all disciplines.

➤ **Student African American Brotherhood (SAAB)**

SAAB is a dynamic organization created specifically to assist its participants in excelling academically, socially, culturally, professionally, and in the community. With over 150 chapters at colleges and high schools throughout the United States, SAAB is the only comprehensive national effort to increase the enrollment, retention and graduation of males of color in education.

➤ **Peer Education Programs**

**CHILL:** This program is sponsored by the Center for Prevention and Outreach Health Education Office and the University Counseling Center and covers mental health topics such as depression, anxiety, stress management, etc.

**CHOICE:** The students in this program educate other students on general health topics such as safer sex, nutrition, cancer awareness, etc.

**Academic Peer Advisors:** Academic Peer Advisors earn six upper-division credits and gain experience in higher education by providing advice to fellow students, serving as Teaching Assistants for SBU 101, and working with professional staff on various projects and events.

**Career Peer Advisors:** Career Peer Advisors advise fellow students on career-

related questions and concerns.

**AIDS Peer Education:** AIDS Peer Education addresses issues of HIV transmission and risk reduction, and supports the process of behavior change.

**SAFE:** The goal of this program is to educate students about the topic of sexual assault so that they can educate others.

**Diversity Peer Education:** DPE is a three-credit course that covers a variety of diversity topics and trains students to teach other students about diversity on our campus.

**Swallow This:** This program is a three-credit course run by the Center for Prevention and Outreach/Health Education Office and the Department of Theatre Arts. Students dramatically portray real-life alcohol and other drug-related experiences as a way of educating their peers on the consequences of substance misuse, abuse and dependence.

▪ **PROGRAMS AIMED AT GRADUATE STUDENTS**

- **Graduate Student Organization**
- **Graduate Students Serve as Active Members of the University Senate**
- **Graduate Student Assistantships and Fellowships**
- **Graduate Student Success Services:**

**Residential Tutoring Centers:** tutoring centers based in residence halls

**Residential Contracts for Success:** all first-year students meet with their Residence Hall Directors to discuss academic goals.

**Academic Achievement Recognition (Residential and Commuter):** banquets/receptions recognizing outstanding student academic performance

**Student African American Brotherhood:** described on p. 29 of this report

**Graduate Major Event:** academic fair designed to bring students and faculty members together to assist students with selecting their major

**At-Risk Student Meetings:** students in academic risk meet with advisors and attend workshops in order to raise their academic status

*d. Institute ongoing assessment of the sense of community*

The sense of community at Stony Brook is created through many means, all of which have temporal components that reflect the evolving local culture. It is, therefore, necessary to have mechanisms in place to assess issues important to, and changes in, our Stony Brook community.

▪ **Campus Climate Survey**

In the 2004-2005 year, a Campus Climate Survey was administered to all 12,500 Stony Brook employees, at the time, and yielded a 23 percent campus-wide response rate.

Designed to measure employees' perceptions of campus climate and their feedback on quality of life issues, the survey contained 16 demographic items including gender, age, disability, race/ethnicity, sexual orientation, religion, marital status, and education.

Survey results indicated that while most Stony Brook employees felt respected, fairly-

treated, safe, free from harassment, and positive about their Stony Brook experience, and that given the choice would choose to work at Stony Brook again, a significant percent reported negative experiences as an employee of the university. As a result, a Campus Climate Task Force was convened and they produced a three-year action plan, published in February 2008, outlining 13 goals, 52 recommended strategies, and standards by which to assess success. Vice Presidential Divisional Action Teams have been established to create an ongoing mechanism for effective implementation and accountability. As part of this process, it is anticipated that the Campus Climate Survey will be re-administered in order to measure and compare the change in employees' overall perception of community and the effectiveness of the implementation of the 2008 recommendations.

▪ **The Student Faculty Staff (SFS) Retreat**

The Student-Faculty-Staff (SFS) Retreat is one of Stony Brook University's longest running traditions, begun in 1985. The annual event provides a forum for students, faculty and staff to come together, raise consciousness and work toward moving forward on a particular issue or theme important to the university community. Participants share ideas, reflect on their experiences, and develop policy reforms and recommendations that pertain to that year's theme. Each year, the Retreat accommodates anywhere from 60-70 people, with the significant majority of participants being students. Past themes have included: *Local Exchange for Global Change*, *SB Pride & Traditions*, *Learning in Community*, *the Student Experience at Stony Brook*, just to name a few. Outcomes of previous retreats include: the creation of Campus Lifetime, Alternative Spring Break to New Orleans, the Student vs. Faculty Staff Challenge, enhancements to the transfer student experience; the development of the Virtual Center for Community Service and Service Learning; development of a university calendar of events; development of the Office of Athletic Bands, Stony Brook Fight Song, and Victory Song; development of the "Red Hot" and "Go Red Fridays" Campaign; development of Student Achievement Award Ceremonies; as well as other important contributions to the university. (Please see Appendix 5, p. 78 for a SFS Retreat assessment survey).

***e. Promote community pride***

The department, initiatives and programs coordinated by the Assistant Dean of Students support the Dean of Student's mission by providing coordination, planning, and support for co-curricular programs which help cultivate and develop: a strong campus community and individual growth; a sense of institutional pride, identity and tradition; and opportunities for civic engagement. The department's mission is also to support the development of student leaders and recognizing the accomplishment of members of our community.

The Office of Athletic Bands was established in August 2006. In its brief history, the staff and students have done much to help unify and galvanize campus community by infusing spirit and pride. The group has quickly grown from 17 to 110 marching members. In each of the last two years, the group has given over 60 performances throughout the academic year at various major athletic and campus events. The Office of Athletic Bands recently received its first major gift of \$25,000 toward student scholarships for band members and was named the official band of the New York Arena Football Dragons. The Office of Athletic Bands has helped establish major



campus traditions including the composing of the Stony Brook University Fight Song and Victory Song. This Office has helped to create a solid foundation of institutional pride from which other areas of campus spirit and pride have flowed.

Stony Brook organizes and coordinates a vast array of events and initiatives which work to promote community pride, celebrate our diversity and galvanize the campus, including:

- **Student Life Awards:** celebrates the contributions and achievements of student leaders, clubs and advisors
- **Senior Class Gift:** Council of seniors that work to leave a physical or philanthropic gift as their parting legacy
- **Earthstock:** annual celebration of Earth Day held for educational purposes and serves as a community-building outreach campaign
- **Homecoming:** connects and celebrates current students and alumni and builds institutional pride
- **Spirit Week:** week-long celebration of Stony Brook through various media and forums
- **Parent & Family Day:** builds sense of community and relationships with students, parents and families
- **Strawberry Fest:** Stony Brook celebration of spring semester
- **Festival of Lights:** celebration of the diverse religious affiliations of our students
- **Multicultural Show:** celebration and showcasing of campus diversity
- **Black History Month:** educational and pride-promoting event for the purpose of celebrating campus diversity
- **Roth Regatta:** unique and most popular Stony Brook tradition that brings the campus community together to race cardboard boats
- **Undergraduate Research and Creative Activities Exhibition:** annual celebration of students, faculty and staff who pursue/support undergraduate research and creative activities
- **Undergraduate Recognition Awards:** annual celebration of outstanding student leadership and service
- **Rivalry Week:** pep rallies, band performances and campus events aimed at building pride in competitions versus athletic rivals (e.g., Hofstra University)

Significant strides have been made in promoting campus pride and school spirit during the last few years. The move to Division I Athletics, the opening of the Kenneth P. Lavallo Stadium and the creation of an Office of Athletic Bands are among the most noteworthy accomplishments that have enriched our University community.

In addition to the accomplishments of our athletic teams and bands, the University has also done much to foster school pride. At summer orientation sessions, students are taught the University's Victory Song and are told about campus events and traditions, which are also highlighted on our web site. Major campus events, most of which are annual traditions, have galvanized the campus community. As previously mentioned, Homecoming, Roth Regatta, Strawberry Fest, the Festival of Lights, the Multicultural Show and Earthstock are among the many campus activities that create a more vibrant and inclusive campus. A student fan club, The Red Zone, has also been established to infuse spirit at athletic events and other activities.

To showcase and recognize student achievement, several displays have been installed on the campus. The Wall of Leadership and the Wall of Academic Achievement in the Student Activities Center highlight our current and former Student Government leaders and our Chancellor Award for Student Excellence recipients. Artwork in the Dean of Student's suite features the work of students who participated in the Undergraduate Research and Student Activities celebration and the Dean of Students Student Art Competition program. The University's Community Statement is visibly displayed in the lounge space on the first floor of the Student Activities Center, recently renamed the Traditions Lounge, which hosts major campus events. Efforts to unify the campus community have also included the determination that "Red" is our official Stony Brook University color and it is now prominently featured in a variety of different forms throughout the campus. This, and a recently developed campaign to promote the wearing of red apparel on Fridays, allows us to showcase and promote school pride.

## **THEME 5: BEYOND STONY BROOK UNIVERSITY**

### ***a. Increase opportunities for individual advising***

One of the most noteworthy improvements in this area is the dramatic increase in staff over the past five years responsible for providing full-time or part-time academic advising to our students. Prior to 2002, only students in small sub-groups (e.g., the Honors College, Equal Opportunity Program, etc.) were assigned an academic advisor. Today, all incoming freshmen are assigned an Undergraduate College advisor, and new transfers and sophomores are assigned to an academic advisor. This is the result of the hiring of an additional 15 advisors – nine dedicated to freshmen in the Undergraduate College program and six dedicated to new transfers and sophomores in the Academic and Pre-Professional Advising Center. Collectively, this has created very reasonable student-to-advisor ratios and, in turn, allowed Stony Brook to develop much more meaningful individual advising relationships with students.

### ***b. Promote internships and other pre-professional work experience***

It is a commonly held belief that graduating seniors who have completed a career-related internship or experiential education activity (e.g., research, clinical or teaching practicum, study abroad program, community service or service learning activities) have a competitive advantage in the job market. More emphasis is being placed on such experiential activities at universities across the nation, and several institutions have adjusted general education requirements to include experiential learning (e.g., UNC Chapel Hill, Elon University, Northeastern University, Purdue University – Calumet, University of New Haven). In 2008-2009, enrollment in credit-bearing internships at Stony Brook University totaled 1,015, a 14 percent increase over 2007-2008 and 77 percent more than in 2003-2004. In addition, in 2008-2009, an estimated 300 students completed non-credit internships, about double that of the previous year. At Stony Brook, the School of Journalism requires all students to complete an internship (JRN 288), and the College of Business requires an internship for MBA students. While internships are not required for students within the College of Engineering and Applied Sciences, many do secure paid internships the summer before their senior year.

The Career Center is the central contact point for students to pursue internships, community service and service learning opportunities. Several hundred positions are posted each year, and many internship providers visit campus to recruit through job and internship fairs, on-campus recruitment, and special programs like Internship Week, Employer Prime Time, and Mock Interview Day.

However; Stony Brook does face challenges in this area. First, there is no way to accurately document internships not done for academic credit, and there exists no consistency in internship reporting across campus. The Career Center is working closely with the Office of the Registrar to create a standard reporting requirement, however, buy-in from academic departments will be necessary for implementation. For tracking purposes, we are also investigating the possibility of awarding zero-credit transcript notation for students who are not requesting academic credit for their experiences. In addition to issues pertaining to documentation and tracking, there is also a shortage of faculty sponsors because faculty who agree to supervise internships receive no additional compensation or course relief. Financial considerations exist as well—students who cannot afford to take an unpaid internship may forgo the opportunity for career-related experience in favor of a part-time or full-time summer job that adds little value to their academic or career portfolio. Lastly, there are staffing challenges. In addition to a lack of faculty sponsors, the Career Center is not adequately staffed to address the needs of all undergraduate and graduate internship candidates. The Career Center staff to student ratio is greater than 1:1000. The 2008-2013 Stony Brook University Five-Year Plan addresses this shortage by projecting the need for a minimum of six new hires to support internships.

The School of Medicine and the four Health Sciences schools incorporate internship experiences into their regular undergraduate and graduate curriculum. The schools contract with clinical affiliates throughout New York State (the Schools of Health Technology and Management and Nursing also contract with national and international affiliates) to send all students for hands-on experiences, either in the form of rotations, clinical clerkships, cap-stone experiences, or community-based internships. For many students, one of their internship affiliates ends up offering them their first employment opportunity following graduation.

While much has been done to promote internships and other forms of pre-professional experience, there is much to be done. Internships and experiential education are of such pivotal importance to the learning experience, that Stony Brook will seriously consider amending the general education requirements to include an experiential learning requirement.

***c. Improve alumni record keeping and communication – especially post-graduation destination data***

Historically, Stony Brook did not do a very good job of keeping track of, or in touch with, our alumni. Under the leadership of the current Vice President for Advancement, Lance King, record-keeping and communication with alumni have significantly improved.

Many campus constituents have felt that more information about Stony Brook graduates is needed. In spring of 2008, we asked our Center for Survey Research to assist us with tracking our 2007 Stony Brook graduates. The result was a large-scale pilot project, paid for by a group of departments—the Career Center, Advancement Office, Admissions Office, Office of the Vice

President for Student Affairs, and the Deans of the College of Engineering and Applied Sciences, the School of Health and Technology Management, the College of Arts and Science and the College of Business. This pilot project involved the redesigning of the destination survey, a three-stage deployment of the web-based survey, and final telephone follow-up. The Center achieved an overall response rate of 33 percent on this survey (Please see Appendix 6, pp. 79-95, for the results of this survey of Stony Brook 2007 graduates).

As a result of this pilot project, we have a much better understanding of where our graduates are, and what they are doing, within six months of graduation, as well as up-to-date contact information for them. Each contributor to this pilot project did so with the understanding that it would be a one-time ask for financial support. Therefore, a major concern will be how to fund this initiative going forward.

#### *d. Leverage existing models of success*

Stony Brook's West Campus schools are leveraging existing models of success by implementing some of the strategies for maintaining relationships with Stony Brook alumni employed by our Health Sciences Center on East Campus. All five schools on East Campus have active alumni associations. The HSC schools keep careful records of their graduates' destinations, have successful fundraising efforts, and hold annual alumni events in order to reconnect and foster relationships with their alumni. These events include annual class reunions, the School of Health Technology and Management holds a Distinguished Alumni and Award Lecture Series and the School of Dental Medicine hosts alumni as regular keynote speakers at their annual convocation.

The University is also working to increase the array of professional degree programs available to our students in order to take significant steps in fulfilling the University's mission to build strength in offering academic programs that are practitioner-oriented and train/retrain New York residents to enter/reenter the job market with tangible knowledge and skills in emerging and rapidly-developing fields. The most significant enrollment increase in professional programs was in the Journalism B.A., which grew from 137 majors in fall 2007 to 232 majors in fall 2008. A new M.S. in Computer Engineering and an undergraduate teacher-preparation program in General Science were recently approved. Additionally, several professional program proposals were submitted this year for review by the State University of New York and State Education Department, including the M.A. in Higher Education Administration, the M.S. in Nursing Education, the M.S. in Prosthetics and Orthotics, the M.S. in Population Health and Clinical Outcomes Research, and a number of options combining the M.B.A. with other degree programs. In June 2009, the School of Health Technology and Management will initiate a full-time certification course for emergency medical technicians which will complement the existing, more advanced paramedic program. The New York City Health and Hospitals Corporation have also funded a Psychiatry Physician's Assistant Program that will begin in September 2009.

Three five-year degree options that integrate East and West Campus programs have also been established: the BS/MPH with Pharmacology, BA/MPH with Earth and Space Sciences, and BA/MPH with Women's Studies. In the School of Health Technology and Management, three degree programs—Physical Therapy, Occupational Therapy and the Physician Assistant programs— were upgraded to Master of Science or Doctorate programs. These programs are also

being partially offered at Stony Brook Manhattan and serve experienced, licensed professionals in these disciplines, allowing them to upgrade their degrees through evening programs while continuing in their current jobs. The School of Medicine also offers a Continuing Education Program with about 80 annual activities, offered over approximately 1150 hours, involving about 13,500 participants.

### **3. NARRATIVE IDENTIFYING MAJOR CHALLENGES AND OPPORTUNITIES**

In its first 50 years, Stony Brook University grew from a fledgling teachers college to one of America's great research universities including membership in the AAU. In the next five years, Stony Brook will emerge as a multi-campus institution, and will take the lead in education and scholarship for the 21st century with an interdisciplinary approach, an international focus, and increased prominence in the arts. Stony Brook will continue to grow and build a campus community that promotes student success, both on campus and after graduation. Eco-literacy and environmentally sound practices will contribute to a sustainable future. The University will also continue to develop its role as greater Long Island's research university, serving the region with state-of-the-art health care, supporting a robust regional economy, and contributing to a vital regional community. An ambitious fundraising effort will augment state and other funding sources to support these priorities.

In this section, we will discuss two important factors that will have a significant impact on the University: the 2009 Stony Brook University Presidential transition; and the State University of New York budget crisis and its impact on Stony Brook University in 2008-2009 and 2009-2010 (The University has not received New York State or SUNY budget projections beyond the 2009-2010 year. As a result, we are unable to project what the SUNY budget and, therefore, what the Stony Brook University budget will be after this point in time). We will then provide an overview of the accomplishments, challenges and opportunities as they relate to each of the 12 principal goals that Stony Brook University has put forth in its current Five-Year Plan (2008-2013).

#### **2009 STONY BROOK UNIVERSITY PRESIDENTIAL TRANSITION**

On June 30, 2009, Dr. Shirley Strum Kenny, the first woman to serve as President of Stony Brook University, is stepping down as President. Since becoming the fourth President of Stony Brook University in 1994, Dr. Kenny has worked to strengthen the core academic and research operations of the University, fostered close links with business and industry, and established new working relationships with the Long Island community. This change in the University's presidency is related to Standard 4: Leadership and Governance.

On July 1, 2009, Dr. Samuel L. Stanley will be appointed Stony Brook University's fifth President. Dr. Stanley currently serves as the Vice Chancellor for Research at Washington University in St. Louis. He received his B.A. (1976) from the University of Chicago and his M.D. (1980) from Harvard Medical School. After completing his internship and residency at Massachusetts General Hospital, he did post doctoral work in immunology at Washington University. Thereafter, he was appointed to the faculty in the Division of Infectious Diseases of

Washington University Medical School, one of the nation's most highly ranked Schools of Medicine. He has an outstanding reputation as a distinguished medical researcher and has published extensively. Under his leadership and guidance, Washington University's research funding has grown tremendously to a level of sponsored research of some \$584 million. While Dr. Stanley has extraordinarily impressive credentials in the medical research arena, we are equally impressed with his understanding of and commitment to all the elements which make a major university great. Dr. Stanley embraces the totality of the academic enterprise and will work to promote interdisciplinary collaborations at Stony Brook. Dr. Stanley will lead Stony Brook's efforts to build upon the foundation of critical relationships with Brookhaven National Laboratory and Cold Spring Harbor Laboratory.

Dr. Stanley is articulate, thoughtful, deliberative, and strategic in his approach to academic issues of import. Also, he embraces a leadership and management style which empowers people to do their jobs. Most critically, he has effective communications skills which emphasize listening and collaboration. As with any presidential transition, this high-level change brings its opportunities and challenges as the university and its constituents will have to potentially adapt to a different leadership culture, governance structures, priorities, policies and procedures. This is also an exciting time for Stony Brook and we look forward to Dr. Stanley's tenure, and are confident that his presidency will bring many new and forward-thinking opportunities to our institution.

### **STATE UNIVERSITY OF NEW YORK'S BUDGET CRISIS AND ITS IMPACT ON STONY BROOK UNIVERSITY IN 2008-2009 AND 2009-2010**

As the nation, the state of New York, and the State University of New York attempt to manage their way through the most challenging fiscal climate since the Great Depression, the resulting impact on Stony Brook's budget has been considerable. This issue is related to Standard 2: Planning, Resource Allocation, and Institutional Renewal because it will impact upon our strategic, capital and staffing plans. This matter is also related to Standard 3: Institutional Resources because it pertains to the University's budget situation for the 2008-2009 and 2009-2010 years.

The state fiscal year began April 1, 2008 with a legislatively approved budget for all of SUNY that would be considered "status quo." There was virtually no new money to grow programs on campus, but there were no cuts either. Governor Paterson, having very recently taken the reins following Elliot Spitzer's resignation, soon discovered that revenue projections used in the state's budget development process had been too optimistic. Problems on Wall Street were already having an effect on projected income to the State. The Governor responded with a mid-year cut (although SUNY's fiscal year beginning July 1st had not yet begun) that assessed SUNY a \$50 million cut. Stony Brook's share of that cut was \$7.3 million—a reduction which was reflected in the campus' initial State financial plan numbers. In July 2008, as fiscal conditions continued to deteriorate, a second round of cuts were made. The SUNY budget was reduced by another \$96.3 million. Since SUNY had some one-time funds to offset a portion of this loss, \$71 million was distributed to campuses, which resulted in an additional \$9.2 million cut from Stony Brook's budget in fiscal 2008-09. This will increase to \$12.5 million for the year to begin July 1, 2009 when the entire \$96.3 million is assessed.

President Kenny responded in August 2008 with a centrally imposed hiring freeze kept in place until we understood what our share of the \$96.3 million reduction would be. Unfortunately, that period of uncertainty continued until early December 2008. Shortly thereafter, following a thorough consultative analysis of campus operating budgets, specific cuts were distributed to the Office of the Provost, Offices of the University Vice Presidents and other senior managers to address the first two rounds of cuts described above.

On December 16, 2008, Governor Paterson issued his Executive Budget for 2009-2010. That document also included a Budget Reduction Plan (BRP) to address yet another fiscal 2008-09 deficit. The Governor's plan, recently approved by the State Legislature, included endorsement of a large tuition rate increase for SUNY. The new rates are estimated to generate \$9.3 million for Stony Brook in the current fiscal year and \$19.5 million in 2009-2010. Unfortunately, the BRP also includes the removal of 90 percent of the \$9.3 million tuition revenue this year (in effect, a third budget cut) and 80 percent of the \$19.5 million in tuition revenue in 2009-2010. As a result, when compared to the multiple cuts sustained this year, relief to Stony Brook is relatively small.

The Executive Budget for 2009-2010 also contains more bad news for Stony Brook. There are two state tax dollar reductions proposed with language that strongly suggests we should use other campus cash balances—positive Income Fund Reimbursable accounts and Research Indirect Cost balances—to fill the gap. The cuts are estimated at \$6 million and \$2.7 million respectively. There are also proposed mandatory reductions to a number of University-wide program accounts that supplement Stony Brook's base budget, totaling another \$3.6 million in cuts to Stony Brook's operating funds. Additionally, the recent tuition increases may present another financial challenge to the campus as it strives to maintain the same level of support for its graduate students who receive tuition waivers estimated at more than \$4 million annually.

### **STONY BROOK UNIVERSITY'S FIVE-YEAR PLAN (2008-2013)**

This section provides an overview of accomplishments, challenges and opportunities as they relate to each of the 12 principal goals that Stony Brook University has put forth for itself in its current Five-Year Plan (2008-2013). (Please see Appendix 7, pp. 96-115, for Stony Brook University's Five-Year Plan Document).

#### **STONY BROOK HAS 12 PRINCIPAL GOALS FOR THE NEXT FIVE YEARS:**

1. Develop Stony Brook as a multi-campus institution.
2. Expand, strengthen, and diversify the faculty.
3. Build research with a special focus on interdisciplinary, translational, and applied research and the study of contemporary issues.
4. Increase the student body to 27,000 excellent students.
5. Provide leadership for regional challenges and opportunities as greater Long Island's research university.
6. Advance health care programs and services as an integral part of Stony Brook.
7. Raise the arts to national prominence.
8. Strengthen graduate education.

9. Implement an undergraduate curriculum for the 21st Century and promote student success.
10. Create an increasingly vibrant and inclusive campus community.
11. Support sustainability through a green-campus initiative.
12. Extend international curricula and connections.

## **1. DEVELOP STONY BROOK AS A MULTI-CAMPUS INSTITUTION.**

With the acquisition of Stony Brook Southampton, creation of the Research and Development Park, and development of additional space in Manhattan, Stony Brook has begun to reshape itself as a multi-campus institution. The new locations will be developed synergistically, leveraging the opportunities unique to each while complementing and supporting the main campus. This goal is related to Standard 1: Mission and Goals, because it is aligned with our mission to provide comprehensive undergraduate, graduate, and professional education of the highest quality in these additional locations in order to provide leadership for economic growth, technology, and culture for neighboring communities and the wider geographic region. It is also related to Standard 2: Planning, Resource Allocation, and Institutional Renewal, because it discusses capital goals and plans for the University and its operational units in addition to information technology plans. Furthermore, it is related to standard 13: Related Educational Activities, because it pertains to data and plans for branch campuses and additional locations.

### **a. Stony Brook Southampton:**

The Southampton location, about 50 miles from the Stony Brook campus, has the potential to become a unique small liberal arts-like college focused on sustainability. With its 82 acres and waterfront location in the Hamptons, the Southampton location is poised to become a destination for students interested in various aspects related to sustainability, including environmental issues, ecology, marine science, business, economics, and cultural dimensions. Stony Brook Southampton (SBS) is in an incremental mode of creating and developing services and resources which foster collaboration, leadership, and awareness, as well as reinforces the goals of the University's Five-Year Plan. Developing a critical mass of students, through aggressive admissions practices, and creating its own institutional culture are the key foci for the development of a successful location at Southampton. This is being accomplished through:

- supporting the SBS mission of building a sustainable future;
- aggressive recruitment and admissions efforts;
- rehabilitation and construction of facilities;
- development and strengthening of services; and
- development of targeted programming.

Enrollment at Southampton is expected to reach 2,000 students in the next five years. In its second full year, enrollment at Stony Brook Southampton increased from 196 students in fall 2007 to 325 students in fall 2008. Mary Pearl, an internationally renowned and respected conservationist, became the first Dean and Administrative Vice President of Stony Brook Southampton in March 2009, coming to Stony Brook after serving as the President of the



Wildlife Trust since 1994. A variety of short-term capital improvement projects were completed while development of a facilities master plan continues.

With regard to residential facilities, Stony Brook Southampton has 288 available beds in six buildings with the estimation that 60 percent of enrolled students will live on campus. As our enrollment projections increase, there are plans to rehabilitate another two buildings, yielding an additional 96 beds by fall 2010, with the design of 300 beds and new construction of 150 beds to be available by fall 2012. The major challenge being faced in development of residence facilities is the ability to build a sewage treatment plant (currently at saturation with the current buildings) in a manner consistent with the mission and sustainable focus of the SBS location. Additionally, a new library building is scheduled to open in fall 2009.

In addition to the residence hall construction and improvements, our capital plan calls for a continual review and renovation of campus space to support the growth of the SBS community, programs and services, including:

- student health and counseling resources – to provide accessible space for health, mental health, and prevention services to students;
- gymnasium resources – to provide improved space for wellness and healthy lifestyle programs and recreation;
- Student Center renovation – social and educational programming space; and
- Atlantic Hall renovation – for academic advising and classrooms.

A major challenge is that, in order to continue with these plans, the release of the \$7.9 million of capital funds currently held in the delayed budget process to expand the SBS Student Center is needed. Furthermore, while much progress has been made with the approval of three new majors (Sustainability Studies, BA; Environmental Design, Policy, and Planning, BA; and Ecosystems and Human Impact, BA), along with the implementation of existing undergraduate degrees in Business and Marine Science, major challenges remain. Some of the key challenges are: to secure appropriate levels of capital funding to renovate and build infrastructure; to time the development of the infrastructure (residence halls, academic buildings, support buildings) with the build-up of the student population; to secure approvals for additional majors in Coastal Environmental Science and other fields related to sustainability; and to develop a name recognition for the college.

**b. The Research and Development Park:**

Stony Brook University's Research and Development Park—246 acres adjacent to the Stony Brook campus—will ultimately house ten new buildings, providing space for faculty, students, and companies to work together developing products and adding businesses to the Long Island economy. The first two buildings will be the New York State Center of Excellence in Wireless and Information Technology and the Advanced Energy Research and Technology Center.

The Center for Excellence in Wireless and Internet Technology (CEWIT) opened in October 2008, providing 100,000 square feet for researchers and start-up companies. The design and construction of the building incorporated sustainable design and construction practices.

Construction began on the Advanced Energy Research and Technology Center (AERTC), which is scheduled for completion in spring 2010. AERTC will be the first building in New York State to meet the highest standard for energy efficiency—a Platinum rating in the national Leadership in Energy and Environmental Design (LEED) system. In addition to these new facilities, an existing building was renovated to house University administrative departments and free up on-campus space for other uses. AERTC hosted a conference with almost 1,000 attendees in fall 2008 and is undertaking major research and development programs in alternative energy with the industry partners it attracted from the conference and other outreach efforts. CEWIT’s annual conference, with attendance of about 400, informed participants about recent research results and other factors that will affect business at large in the next 15-36 months.

**c. Stony Brook Manhattan:**

Stony Brook’s Manhattan campus, which opened in January 2002, located at 401 Park Avenue South, brings Stony Brook courses and selected degree programs to New York City residents, and resources such as city-related courses and internships to Stony Brook students. In September 2008, Stony Brook Manhattan expanded by acquiring the third floor of 387 Park Avenue South, adjacent to the original location at 401 Park Avenue South. The new facility adds 210 classroom seats in six classrooms as well as a computer lab and office space. The 387 Park Avenue South location provides space for gatherings of up to 150 people, while the original site continues to host smaller events and classes. This expansion further supports the development of programs in which the city offers particularly rich opportunities—the arts, humanities, health professions, business, and journalism. Moreover, online education will further extend access to Stony Brook courses and programs.

In addition to providing credit courses with enrollments totaling almost 2,000 in 2008-09, Stony Brook Manhattan hosted events such as: a two-day conference on “Cognitive Disability: A Challenge to Moral Philosophy” with 135 participants; a one-day intensive wine education class; graduate student academic conferences in a variety of academic departments; and several two-day Extraordinary Caregiver Recognition Programs organized by the School of Social Welfare.

**d. Branch campus in Korea:**

Stony Brook was invited by the Republic of Korea to open a branch campus in the Songdo region of the City of Incheon, and planning has begun for a campus of approximately 1,500 students to open in fall 2011 with programs in engineering, business and technology. Songdo is part of the Incheon Free Economic Zone (IFEZ), which will include an international academic and research district containing high-tech satellite campuses of leading Korean universities and a Global University Campus of international branch campuses. In December 2008, Stony Brook became the first U.S. University to sign a Fund Support Agreement with the IFEZ, committing the Korean government to providing planning funds.

**2. EXPAND, STRENGTHEN, AND DIVERSIFY THE FACULTY.**

A university is as great as its faculty, and Stony Brook will foster its other five-year initiatives with faculty development. Targeted recruitment, including cluster hiring, will support

interdisciplinary initiatives and other research and teaching priorities. Recruiting and retaining scholars and teachers of distinction will increase research, enrich intellectual life on the campus, promote curriculum development, support more student research and creative projects, and facilitate the development of close relationships between students and faculty members. Increasing the number of women and members of ethnic minority groups on the faculty is an institutional priority. To support the recruitment of excellent, newly minted faculty, Stony Brook will continue to seek ways to offer affordable housing to new hires. This goal is both related to Standard 2: Planning, Resource Allocation, and Institutional Renewal and Standard 3: Institutional Resources, in that it addresses faculty staffing plans.

**a. New faculty and cluster hires:**

Stony Brook's total faculty increased by 51 faculty members between November 2007 and November 2008. In 2008-2009, our full-time faculty increased by 60 faculty members, due primarily to a net increase in the number of full-time lecturers and clinical faculty. A six-person cluster hire in computational science was completed with the addition of one more faculty member to the New York Center for Computation Science (NYCCS). The Center, still in the process of recruiting a Director, is a joint venture with Brookhaven National Laboratory, which will house its 100 teraflop supercomputer. Additionally, a second cluster was hired in the Consortium for Interdisciplinary Environmental Research (CIDER), to which three additional faculty were added in 2008-2009.

New faculty received a more comprehensive welcome to Stony Brook in 2008-2009 due to the implementation of recommendations from a 2007-2008 New Faculty Orientation Task Force. A faculty orientation process, separate from the general staff orientation, was offered for the first time in 2008-2009. A new-faculty web site, located at <https://web.stonybrook.edu/newfaculty/>, was also established to provide information and generate a sense of community. Furthermore, a series of workshops were created for new faculty, who were encouraged to attend.

**b. Endowed professorships:**

Four endowed professorships were established in 2008-2009, including the Frey Family Foundation Endowed Chair in Quantitative Finance and three new endowed faculty positions (a chair and two professorships) associated with the Louis and Beatrice Laufer Center for Computational Biology and Genomics.

**3. BUILD RESEARCH WITH A SPECIAL FOCUS ON INTERDISCIPLINARY, TRANSLATIONAL, AND APPLIED RESEARCH AND THE STUDY OF CONTEMPORARY ISSUES.**

This goal is related to Standard 1: Mission and Goals, because it is directly tied to the University's mission to carry out research and intellectual endeavors of the highest international standards that advance theoretical knowledge and are of immediate and long range practical significance.

The continued development of the research that makes Stony Brook one of the world's leading universities will focus on interdisciplinary programs and on research that promotes technological development and meets social needs. The University's close relationships with Brookhaven National Laboratory and Cold Spring Harbor Laboratory will be important resources.

The extraordinary advance of disciplinary science, technology, and scholarship has created opportunities for research and educational programs that transcend traditional disciplinary boundaries. Increasingly, the most important scientific, pragmatic, and scholarly problems can be addressed only by combining the insight and expertise of several disciplines. Stony Brook will foster interdisciplinary development by creating several University-wide centers and promoting additional collaboration. Research funding will increase as these initiatives position Stony Brook to compete for interdisciplinary team-based grants.

Stony Brook's large-scale interdisciplinary centers will address institutional priorities and opportunities. The initiatives in computational science and integrative environmental research begun in 2006 are examples. Additional centers will be formed during the next five years. Other interdisciplinary activities will emerge from faculty creativity stimulated by opportunities for interaction and administrative arrangements that promote interdisciplinary work.

Stony Brook will extend current strengths in basic research and further develop applied research programs that contribute to the solution of technological, environmental, medical, and social problems. A major new program in computational neuroscience will capitalize on computation-based understanding of neural circuits in the normal and damaged brain. This approach will facilitate development of innovative treatments for neurological disorders, including the use of brain stimulation and neural stem cells. The first facilities planned for the Research and Development Park embody major opportunities for research in the next wave of the Information Revolution—wireless technology—and in alternative energy.

In the humanities, arts, and social sciences, the multicultural global society and economy of the 21st century provide unprecedented opportunities for interdisciplinary research and scholarship. Their faculty will also play a key role in interdisciplinary projects in the applied sciences that include analysis of the social and cultural implications of new technologies.

In 2008-2009: several new centers were created or developed; collaboration with Brookhaven National Laboratory was strengthened; and the Vice President for Research continued to support the early identification and development of multidisciplinary research groups to mobilize campus resources for the increasingly diverse nature of research funding opportunities. Areas of emphasis, some of which are reflected in the new centers described below, include medical humanities and bioethics, engineering of excitable cells, clinical and translational research, environmental toxicology, Alzheimer's disease, stem cells, and climate change/global warming.

**a. Simons Center for Geometry and Physics:**

The first permanent faculty and post docs in this Center were hired, and a Director was recruited to begin work in September 2009. Two distinguished physicists visited, and several workshops were convened. Construction of the building to house the Center began in April 2009.

**b. Laufer Center for Computational Biology and Genome Sciences:**

This Center will occupy 7,500 net square feet in the Chemistry Building to provide a visible, physical center for computational biology faculty and activities that are currently dispersed through a number of departments. A weekly seminar series was initiated in fall 2008, prominent researchers were brought to campus to consult on the Center's development, and recruitment began for a Director.

**c. Institute for Ocean Conservation Science:**

This Center was established in the School of Marine and Atmospheric Sciences with \$4 million in support from the Pew Charitable Trusts, the Lenfest Ocean Program, and other public and private sources. The Institute's research will contribute to solving some of the most complex oceanographic issues facing Long Island, New York State, the nation, and the world, including: fisheries sustainability; conservation of threatened and endangered ocean wildlife; and ecosystem-based ocean management.

**d. Center for Medical Humanities, Compassionate Care, and Bioethics:**

This Center was created in 2008-09, and a Director was hired. The Center is an interdisciplinary campus-wide focal point for research, education, and practice in the medical humanities and social and behavioral sciences.

**e. Confucius Institute:**

The Ministry of Education of the People's Republic of China funded Stony Brook to operate a Confucius Institute. There are currently 171 such institutes worldwide. The Confucius Institute at Stony Brook University is the first to be formed in a New York State institution of higher education. Worldwide, Confucius Institutes promote Chinese language and culture. The Institute at Stony Brook will house a library of Chinese monographs. Its opening on April 13, 2009 was attended by State Councilor Madame Liu Yan-Dong and the Minister of Education of the People's Republic of China, Zhou Ji, as well as other Chinese and U.S. dignitaries.

**f. Center for Bioengineering:**

This new 26,000 gross square foot building adjacent to the Life Sciences Building will be completed in June 2009 to provide consolidated and expanded facilities for the Department of Biomedical Engineering, the Center for Advanced Technology in Medical Biotechnology, and the Center for Advanced Technology in Sensor Systems. Half the construction cost was funded by a competitive award of \$13.3 million from the New York Science, Technology and Innovation Foundation (NYSTAR) for a STAR Center for Biomolecular Diagnostics and Therapeutics. This goal of this Center is to facilitate collaboration among life scientists, physical scientists, and engineers whose disciplines have become essential for seeing, identifying and manipulating biological phenomena to support the advancement of biomedicine.

**g. Center for Biofuels Research and Development:**

Research and development programs in alternative energy were strengthened by the award of an National Science Foundation Industry University Center for Cooperative Research grant for this Center. Both industry giants and smaller/younger companies will participate in its projects.

**h. Interventional Neurosciences Program:**

In its second year, this program increased Stony Brook's capacity in translational research by applying basic science to clinical care through the evaluation of novel strategies for the treatment of strokes. Two research professors were hired; 2,000 net square feet of laboratory space was renovated; clinical and research angiography equipment was purchased; and clinical and research studies of new devices for treating cerebrovascular diseases were initiated.

**i. Joint Photon Sciences Institute:**

This Institute at Brookhaven National Laboratory and Stony Brook University is an interdisciplinary research center that will develop programs to utilize the unprecedented brightness of the National Synchrotron Light Source-II at Brookhaven. The Institute will provide a research focal point for faculty at Stony Brook and elsewhere, facilitate research funding, and develop undergraduate and graduate education programs which will be integrated into the Stony Brook curriculum.

**j. ScanLab:**

This facility, funded by the National Science Foundation, was created to house a state-of-the-art 3 Tesla Magnetic Resonance Imaging scanner—Stony Brook's first MRI facility devoted solely to research imaging. The facility will be used extensively for imaging studies related to social, cognitive, and affective neuroscience involving faculty from Psychology and Biomedical Engineering, Medicine and other health sciences schools, Brookhaven National Laboratory and off-campus users.

**k. Collaboration with Brookhaven National Laboratory:**

With the designation of Provost Eric W. Kaler as Vice President for Brookhaven Affairs, the Office of Brookhaven National Laboratory Affairs has reinvigorated Stony Brook's relationship with Brookhaven National Laboratory (BNL) and worked to align the long-term goals of both institutions. The new position of Associate Vice President for Brookhaven Affairs was created, and Professor Michael Marx (from the Department of Physics and Astronomy), with almost forty years of association with Brookhaven National Lab, was hired. In its short history, this new team has accomplished the following: strengthened the University's relations with BNL, and with its partners Battelle Memorial Institute (BMI) and Brookhaven Science Associates (BSA); created a strategic plan for joint scientific efforts between Stony Brook and BNL; initiated efforts towards competing again for the BNL Maintenance and Operations contract through BSA; and raised Stony Brook's visibility at BNL and in the region.

**I. Stony Brook Collaborative Research Alliance (Cold Spring Harbor Laboratory/Brookhaven National Laboratory/Stony Brook University):**

In the 21st century, the biological sciences and related technologies hold the promise to revolutionize human health care and create new pathways to energy independence. New York State has an unprecedented opportunity to enable the work of a research team of unique breadth and depth in the areas of life science and biomedical research by the creation of the Stony Brook Research Alliance. This collaborative alliance between Stony Brook University, Cold Spring Harbor Laboratory, and Brookhaven National Laboratory will bring together state, private and federal institutions in a way that is unmatched elsewhere—only New York State can boast such a constellation of world-class research institutions located in close proximity to each other with an established track record of successful synergistic collaborations. The goal of the Alliance is to create a collaborative mechanism for sharing scientific resources and research projects at the three institutions, thereby linking their intellectual and infrastructure resources to create a “critical mass” of life science and biomedical research that will be a magnet for attracting world-class researchers, biomedical-related businesses and investment possibilities to New York State.

A \$250,000 planning grant was received from the State of New York and the legal groundwork is being laid for the Alliance. With a proposed initial investment of \$30 million per annum from New York State, the Alliance will promote research and education in the life sciences, initially in the fields of cancer, neuroscience, and quantitative biology (a field that includes mathematics and computer science). In the future, the same research tools can be applied to plant and other sciences to enable the improvement of processes to create renewable energy and other renewable resources. Simultaneously, and in light of the draft findings and recommendations of the New York State Commission on Higher Education, the Alliance would further boost Stony Brook’s and SUNY’s research enterprise. The Alliance will enhance the recruitment and retention of top-flight faculty at the three institutions, thereby strengthening their research and job training capacities.

In order to implement this arrangement, two agreements will be put in place. The first will provide that Cold Spring Harbor Laboratory become a semi-autonomous affiliate of Stony Brook University. The second will establish a Steering Committee, comprising the leadership of the three institutions, to coordinate and oversee the newly created joint research collaboration.

**4. INCREASE THE STUDENT BODY TO 27,000 EXCELLENT STUDENTS.**

The Five-Year Plan articulates that Stony Brook will continue to grow, increasing enrollment from 24,000 students in fall 2008 to 27,000—9,500 graduate students and 17,500 undergraduates, 2,000 of whom will be at Southampton. In March 2009, Stony Brook University revised its enrollment plan to grow the student body to 24,600 total students, including 860 at our Southampton location, by 2013. The University will continue to provide New York State residents with affordable access to education of the highest quality, while increasing the numbers of out-of-state and international students to give all students the benefits of a geographically diverse student body provided by the great public universities that are Stony Brook’s peers. Additionally, an incentive revenue program was established to support the development of new and expanded academic programs in 2009-2010 by returning to the academic unit a portion

of the new tuition revenue generated. Increased enrollment in Master's and other professional programs is expected to result from this initiative. This goal is related to Standard 8: Student Admissions and Retention and Standard 3: Institutional Resources, because it addresses facilities growth, and challenges, as it pertains to enrollment growth.

Our enrollment plan, with particular emphases on out-of-state recruitment and raising admissions standards, while maintaining our commitment to access and a diverse student body, acknowledges that developing an even more diverse student body will impact the needs for different services. Stony Brook's Office of Admissions has changed both process and strategy with regard to undergraduate admissions. The process is now almost completely electronic, supported through implementation of an imaging system in fall 2008, from application to new student enrollment processes. The use of imaging and increased data availability allowed the Office of Admissions to create a more strategic admissions decision-making process focused on using data to maintain our position as an accessible, public state institution while promoting student success. Our continued commitment to enhancing service delivery to our students has prompted us to begin participation in the federal direct loan program, effective summer 2009. As a strategic response to the current economic conditions, coupled with the instability of our current lender base, Stony Brook's participation in this program will ensure continued availability and stable disbursement processing of funds for our students.

With the enrollment growth that we have experienced over the past few years pushing us to the edges of our current facility capacity, we are addressing: residence hall capacity and enhancements; graduate, professional, and undergraduate housing; and increasing student life spaces. To address this need, additional residence halls are scheduled to open in 2008, 2009, 2010, and 2011. In addition, this growth will require additional faculty and Student Affairs staff and expanded campus services and facilities, including state-of-the-art classrooms.

Serving our current-size student body and enhancing the undergraduate student experience will require the further development of campus programs and facilities, including residential facilities. Our residence halls, which have just finished the second round of full renovation since their construction, and student service buildings, are also limited in their capacity to meet the demands of an already increased enrollment and a student body with different needs from former generations. Despite current economic challenges, we have made incremental improvement on our facilities. Stony Brook University has received the additional \$18 million allocation needed for the construction of the new Campus Recreation Center (CRC), with a ground-breaking scheduled for July, 2009. This state-of-the-art facility will be the core of student life activity with an anticipated opening of September 2011. We are also nearing the end of a review process with two external consultants who will provide the University with study outcomes that will be the basis for decision-making about housing for undergraduate, graduate, and professional students.

In addition to the 678 beds of undergraduate, upper-division apartments which opened in fall 2004, apartments adding 173 new beds for upper-division undergraduates opened in fall 2008. Following a Housing Master Plan Feasibility Study conducted by Sasaki Associates for Campus Residences, plans are in place, and funding is being secured, to expand residential capacity on the Stony Brook campus through the construction of: a 600-bed building in Kelly/Roosevelt



Quad to open in spring 2010; 400 beds in Roth and Tabler Quads in fall 2011; and 400 beds in Mendelsohn and H Quads in fall 2013.

## **5. PROVIDE LEADERSHIP FOR REGIONAL CHALLENGES AND OPPORTUNITIES AS GREATER LONG ISLAND'S RESEARCH UNIVERSITY.**

This goal is related to Standard 1: Mission and Goals, because it is tied to the University's mission to provide leadership for economic growth, technology, and culture for neighboring communities and the wider geographic region. Stony Brook is greater Long Island's public research university and the SUNY's downstate university center, serving a region—including Brooklyn and Queens—that has a population larger than 38 states (19 without Brooklyn and Queens). The University will continue to develop this role—as an education center, economic engine, health-care leader, and community resource—for services ranging from public education, health care, performing arts and athletic events. The Southampton campus will expand these services on Long Island's East End.

The Research and Development Park will increase Stony Brook's contribution to the regional economy by developing cutting-edge research and development programs, while strengthening Stony Brook's incubation and entrepreneurship programs on campus and at the Calverton Incubator, which will accelerate technology commercialization and enterprise growth. The University will also address the needs of Long Island and the Tri-State region in areas such as environmental studies and sustainable development, health care for an aging population, secondary education, suburban studies, urban and suburban security, and immigration studies. A more coordinated approach to community interaction will increase the value of existing activities and facilitate development of new ones.

### **a. Economic development:**

The opening of the first building in Stony Brook's Research and Development Park—the Center for Excellence in Wireless and Internet Technology (CEWIT)—and groundbreaking on the second—the Advanced Energy Research and Technology Center (AERTC)—mark the beginning of a new phase in Stony Brook's contribution to the Long Island economy. In 2008, the commercialization of technologies developed in the two Centers resulted in: the acquisition of more than \$5 million in capital investment; the creation or retention of a projected total of 34 additional jobs by partner firms and seven additional CEWIT jobs on-site; and the out-licensing of two technologies invented by CEWIT-affiliated researchers. CEWIT's Software Systems Division Director provided technical expertise to the Long Island Angel Network by screening fifteen wireless, software and information-technology companies for financial viability. Eight presented at the Network's 2008 meeting. One has obtained investment, another anticipates closing an investment very soon, and a third is currently in negotiating with prospective investors.

### **b. Incubator programs:**

Stony Brook continues to provide assistance to incubator tenants and other local companies. Both CEWIT and AERTC offer incubation space for start-up and small companies to accelerate

their growth through close contact with leading research programs. The second year of the Innovation Boot Camp Pre-seed Workshop gave seven technologists (faculty members and post docs) from economic development programs—CEWIT, AERTC and the Center for Biotechnology—a “total immersion” opportunity to test their technology business ideas. A CEWIT technology showcased in the 2007-08 Workshop was licensed to a new local company started by a local entrepreneur. The Center for Biotechnology’s “Bio-Strategies” program formalized the multi-disciplinary technology and business assistance the Center coordinates for young ventures seeking to grow.

**c. Workforce development:**

Federal stimulus funding eligibility was obtained for the Center for Corporate Education and Training to prepare dislocated professionals for certification in Project Management and Business Analysis. The Center will also offer LEED Accreditation in the practical application of the U.S. Green Building Council’s Leadership in Energy and Environmental Design building rating system for New Construction (LEED-NC).

**d. K-12 school programs:**

Stony Brook's Professional Education Program has strong ongoing partnerships with most Long Island school districts, and with the region’s teacher centers and Board of Cooperative Educational Extension (BOCES) Centers. Stony Brook faculty provide mentoring and professional development, collaborate with district teachers on special projects, and offer programs for students such as a Math Camp in the Brentwood District and the Science Olympiad. Stony Brook’s participation in the SUNY Urban Teacher Education Center (SUTEC) provides excellent student-teaching opportunities in New York City and facilitates the recruitment of Stony Brook students by City schools.

The Center for Science and Mathematics Education (CESAME) aims to increase the quality, quantity and diversity of the nation’s science and mathematics talent pool. For example, in 2008-2009, the Center opened a Physics Teaching Laboratory for use by Long Island high school physics and Advanced Placement chemistry classes, and a Chemistry Teaching Laboratory for use by high school chemistry classes. These laboratories are modeled on the highly successful Biotechnology Teaching Laboratory which hosts over 5,000 students a year.

Child and Family Studies and CESAME collaborated with the Middle Country Library to bring science literacy to underserved families and early childhood programs to help at-risk children enter kindergarten ready to learn. CESAME sponsored the Protein Modeling Challenge for high school students and, jointly with the Mathematics department, hosted the Suffolk County Elementary Math Competition. In summer 2009, the Center will offer over 20 programs for students and teachers including the 15th consecutive Biotechnology Summer Camp and, with the College of Engineering and Applied Sciences and the Department of Mathematics, new camps in mathematics and engineering.

**e. Research on regional issues:**

Working with local utilities and other industry partners, AERTC initiated a major “Smart Grid” research and development project to address the cost of energy on Long Island by improving efficiency and enhancing reliability. As discussed in the Executive Summary of this Periodic Review Report, the new Institute for Ocean Conservation Science will conduct research on oceanographic issues of importance to Long Island, including fisheries sustainability, conservation of threatened and endangered ocean wildlife, and ecosystem-based ocean management.

The Graduate Program in Public Health (GPPH) collaborates with the Suffolk County Department of Health Services to answer questions of regional importance. For example, in 2008-2009, two MPH students and two GPPH faculty members investigated the unexpectedly high mortality rate from cardiovascular disease in Suffolk County. GPPH students and faculty have also conducted research for community organizations on: risk factors related to emergency room use for burns; preparedness of schools to respond to children with asthma; and middle school children's knowledge and attitudes toward preventing cancer.

**6. ADVANCE HEALTH CARE PROGRAMS AND SERVICES AS AN INTEGRAL PART OF STONY BROOK.**

This goal is related to Standard 1: Mission and Goals, because it is tied to the University’s mission to provide state-of-the-art innovative health care, while serving as a resource to a regional health care network and to the traditionally underserved. The integration of the health sciences into the Stony Brook campus is one of Stony Brook’s defining features and an extraordinary resource for biomedical research, which will be further developed in the next five years. Stony Brook University Medical Center will continue to develop its central role in the regional health-care delivery system. The disciplinary and interdisciplinary programs of the five health professional schools will continue to meet the region’s ongoing and emerging health-care education, research, and service needs.

Research programs will expand through further collaboration among clinicians, basic scientists, social scientists, and humanists. Developing translational research, which advances clinical applications of basic science discoveries, is a priority. A second priority is outcomes research, bringing together faculty with expertise in clinical care, statistics, and the social sciences to investigate the efficacy of clinical services. Engaging social scientists and humanists in the study of health care will revitalize Stony Brook’s early commitment to their inclusion.

**a. Expanded health education programs:**

Enrollment in the Health Sciences schools increased by 100 students in fall 2008, including 25 more medical students and the first 33 students in the new Doctor of Nursing Practice program. Furthermore, the Doctor of Physical Therapy program is adding 30 additional students in 2009.

**b. Hospital services:**

Phase I of the Major Modernization Project of Stony Brook University Medical Center (SBUMC) opened in September 2008 with 154,000 square feet of new construction and 48,000 square feet of renovation to accommodate new technology and increasing patient volume while enhancing the experience of patients and visitors. The project includes a new wing housing the Woman and Infants Center, an expanded Emergency Department, and a state-of-the-art Surgical Suite. In addition, bed capacity was increased from 522 to 546 beds, and the Center was granted temporary approval to open an additional 25 beds, bringing total capacity to 571 beds. Electronic Physician Order Entry was implemented, permitting immediate communication of orders that are electronically screened to reduce the risk of medical complications such as drug interactions and encouraging standardized medication administration. A strategic plan for improving patient satisfaction was created, and a Patient and Family-Centered Care Program was launched to begin implementing that plan.

SBUMC has received recognition for providing excellent care. For the twelve months ending in March 2008, it ranked third best out of 96 academic medical centers nationwide for lowest overall cardiac mortality. The Center also received quality awards from the Institute for Healthcare Improvement and the Nassau-Suffolk Hospital Council, and a four-star rating for quality and accountability from the University Health System Consortium (Stony Brook ranked 17<sup>th</sup> out of 102 academic medical centers nationwide). In addition, 29 Stony Brook doctors were featured in *New York* magazine's annual "Best Doctors in New York" issue.

**c. Regional leadership in hospital services:**

In November 2008, New York State approved a comprehensive alliance between Stony Brook University Medical Center and Southampton Hospital to bring new and strengthened clinical services to the South Fork of Suffolk County (Peconic Bay Medical Center and Eastern Long Island Hospital had already affiliated with Stony Brook). The affiliation completes the implementation of the recommendation of the Commission on Health Care Facilities in the 21st Century for coordinated clinical services. The agreement provides for a one-call hotline for transfer patients, integrated record systems, joint continuing medical education activities, and administrative arrangements that will management efficiency and service excellence.

**d. Other regional healthcare needs:**

On October 20, 2009 the Graduate Program in Public Health's Center for Public Health and Health Policy Research, the Suffolk County Minority Health Action Coalition, the Suffolk County Department of Health Services, and community members/leaders, convened the first Suffolk County Minority Health Summit. The event brought together regional leaders to develop a comprehensive strategic plan for improving access to healthcare in medically underserved communities throughout the county.

Additionally, the School of Dental Medicine received a \$3.2 million grant from the New York State Department of Health's Health Care Efficiency and Affordability Law for New Yorkers Grant Program (HEAL NY) to increase access to primary oral health care services for

underserved populations on Long Island. The grant will support the expansion of the Dental Care Center, to which patient visits increased 41 percent in the last six years, and purchase of a van that will serve as a Mobile Oral Health Services Clinic.

**e. Translational research:**

The Office of Clinical Trials (OCT) supports the development of close relationships between clinicians and basic-science researchers and facilitates access to clinical trials for Stony Brook patients and their providers. In 2008, OCT reviewed over 80 new studies for 30 investigators and negotiated over 30 study budgets with sponsors. In spring 2009, 107 industry-sponsored trials are ongoing.

**7. RAISE THE ARTS TO NATIONAL PROMINENCE.**

This goal relates to Standard 1: Mission and Goals, because it is tied to the University's mission to promote cultural activities in our neighboring communities and the wider geographic region. Stony Brook's location halfway between New York City and the artistic communities of Long Island's East End provides an exceptional opportunity for programs in the visual, literary, and performing arts. Stony Brook Southampton further expands these possibilities. In the next five years, these resources will be used to support the expansion of performance/exhibition programs and art education and scholarship. Organizational strategies will be developed to ensure the success of artistic endeavors in the research university context.

**a. Staller Center programs:**

In 2007-2008, the Staller Center offered the first complete eleven-performance season of its "Live from the Met in HD" opera series, following the inaugural 2007-2008 season in which Stony Brook became the first U.S. arts center to program this highly acclaimed new series. Over 7,000 students, faculty, staff, and community members have attended this program since its inception. As the Center celebrated its 20<sup>th</sup> anniversary, world-class artists including Patti Lupone, Mandy Patinkin, Branford Marsalis, Garrison Keillor and Savion Glover were among the year's performers. The Stony Brook Film Festival was ranked one of the Top 20 Film Festivals in the country by *Moviemaker* magazine; four films were picked up for theatrical distribution after premiering at Stony Brook.

**b. Wang Center programs and exhibits:**

The Charles B. Wang Center continues to host a variety of Asian music, dance and film programs, and art exhibits. Spring 2009 programs included a Chinese New Year Festival, a Japanese Cherry Blossom Festival, classical Indian dance, Filipino and Iranian films, a Sri Lankan-American comic, and the Children's Orchestra Society Springtime Musical. The art of Chinese cuisine was the focus of a Chinese cookbook exhibit entitled "A Wok Through Chinese Culinary History," taken from among the collection of Dr. Jackie Newman. The grand opening of this exhibit in the Wang lobby featured Chinese music, dance, and an opportunity for attendees to create their own spring rolls.

**c. Southampton arts programs:**

The Avram Theater reopened in July 2008 following a one million dollar restoration and hosted a variety of programs including “Pianofest” and season two of the Sustainable Treasures concert series featuring opera, jazz, and cabaret. In March/April 2009, the First Annual Green Film Series paired environmental films with a speaker to discuss the topic of each film. The Avram Gallery opened with an exhibit of “Mc Mullan’s Theater Posters,” and later displayed “The Art of Richard Mayhew.” An exhibit of Milton Glaser’s work, including some items never before exhibited, runs from May to September 2009.

The Southampton Writers Conference expanded to include a Playwriting Conference and a Screen Writing Conference that involved public film screenings followed by panel discussions. A new Young American Writers Project offered interdisciplinary writing programs to middle and high school students. Additionally, “Writers Speak” welcomed the public to an ongoing series of free talks by local authors.

**8. STRENGTHEN GRADUATE EDUCATION.**

This goal is related to Standard 1: Mission and Goals, because it is tied to the University’s mission to provide comprehensive graduate education of the highest quality. It is also related to Standard 9: Student Support Services, because it addresses Teaching Assistant training and graduate student housing.

Stony Brook will further develop its excellent doctoral programs by promoting interdisciplinary graduate education and expanding initiatives that prepare students for success in a variety of careers. The expansion of interdisciplinary educational opportunities will complement the increase in interdisciplinary research and prepare students for 21st century careers. These opportunities take various forms, from undertaking an interdisciplinary project under the guidance of faculty in multiple departments, working in an interdisciplinary center, or obtaining a Ph.D. in an interdisciplinary program.

The further development of graduate and research programs in the humanities and social sciences is a priority. Addressing the social, political, economic, and environmental issues of the 21st century requires people trained in languages and transnational perspectives on philosophy, history, culture, and social structure.

Stony Brook will also focus on preparing doctoral students for professional success by providing training and certification in areas such as teaching, mentoring, leadership, and communications. Recognizing the varied careers graduates pursue, these programs will prepare students for success outside the academy as well as within it. Master’s and certificate programs will continue to provide excellent professional education in a variety of fields.

To recruit additional graduate students and maintain high-quality programs, Stony Brook will provide graduate stipends at the cost-adjusted median level for peer schools and address the shortage of graduate housing. The number of teaching assistantships will be increased to support undergraduate enrollment growth and expand opportunities for small class meetings. These investments are contingent upon appropriate New York State support.

**a. Teaching Assistant Training:**

As discussed in Theme 1/Part f and Theme 3/Part b, Stony Brook University has significantly restructured the training program for graduate Teaching Assistants. The new Teaching Assistant workshop series provides general information on teaching strategies/what to expect in the classroom, and also provides information that is department-specific. Teaching Assistants who complete the training will also receive a certificate of completion which may, in the future, be tied to higher stipend support.

**b. Housing:**

The Task Force on Graduate and Professional Student Housing, working with the results of research conducted by the Center for Survey Research, identified the population of medical and dental students, as well as medical residents, as the primary target for construction of additional graduate housing because they are more likely to be able to afford the resulting rental costs. Based on this outcome, the consulting firm Brailsford & Dunlavey was asked to develop a business plan for such a project. As discussed in Goal Four, Sasaki Associates worked simultaneously on a master plan for locations for undergraduate and graduate housing on campus, and in collaboration with Brailsford & Dunlavey, identified three potential locations for 400 beds of graduate apartment housing.

**9. IMPLEMENT AN UNDERGRADUATE CURRICULUM FOR THE 21ST CENTURY AND PROMOTE STUDENT SUCCESS.**

This goal is related to Standard 1: Mission and Goals, because it is tied to the University mission to provide comprehensive undergraduate education of the highest quality. It is also related to Standard 11: Educational Offerings, because it addresses the undergraduate curriculum, and Standard 9: Student Support Services, because it discusses internships and career preparation.

Changes in the world, the evolution of scholarship, the importance of interdisciplinary perspectives, and the pedagogical opportunities provided by instructional technology all promote the reconceptualization of undergraduate curricula to prepare students for living and working in the 21st century. Stony Brook will create new curricula that respond to this environment.

Curricular development will focus on general education, and extend to: the revamping of existing undergraduate majors; the creation of new majors that incorporate interdisciplinary perspectives; and the offering of an extensive array of combined Baccalaureate/Master's degree options. The new general education requirements will be better articulated and easier for students to schedule, and will provide a more integrated learning experience and more interdisciplinary perspectives.

Undergraduate research, internships, and international opportunities/perspectives will be infused into the curriculum. The further development of undergraduate research and creative activities will include increased opportunities for undergraduates to conduct research locally using the region's natural, social, and archival resources. Capstone courses will be developed to bring students' educational experiences to conclusion with a major project that utilizes the research and communication skills they have learned.

Innovative pedagogy and appropriate facilities and services will support new curricula and strengthen existing programs. Identifying learning outcomes and assessing their achievement will be an important part of the development process.

To increase retention and graduation rates, Stony Brook will implement a comprehensive “admission through graduation” approach to advising, safety nets, and early warning systems for all undergraduate students. Promoting student success will include initiatives such as: the continuous improvement of campus life, advising and support services; expanded opportunities for students to locate themselves in small communities, including the Undergraduate Colleges; ensuring student access to high-demand courses; and implementing pedagogical and curricular changes to improve undergraduate instruction. Stony Brook will continue to strengthen both the first-year experience and the academic and advising needs of transfer, upper-division, and international students.

**a. Curriculum:**

As discussed in Theme 3/Part c, Provost Eric W. Kaler has formed a University committee to re-examine the undergraduate curriculum with the goal of creating a modern and dynamic learning experience for Stony Brook students.

**b. Pedagogy and assessment:**

A Faculty Center was formed in 2008-2009 to assist instructors interested in improving their teaching. A director, learning architect, and assessment specialist were hired for the new Center, and redesigned space will open in June 2009. A comprehensive set of over 50 workshops was delivered in spring 2009, covering pedagogy, academic technology, and assessment. A web site was also constructed to facilitate instructors’ access to useful resources.

**c. Internships:**

In 2008-2009, enrollment in credit-bearing internships totaled 1,015, a 14 percent increase over 2007-2008 and 77 percent more than in 2003-2004. In addition, an estimated 300 students completed non-credit internships, a 100 percent increase from the previous year. As discussed in Theme 5/Part b, the Career Center has begun to develop an improved tracking system to consistently document internships and other forms of experiential learning, such as service learning projects, that do not carry academic credit.

**d. Career preparation:**

In addition to the information provided in Theme 2/Part f, the addition of a new staff member in the Career Center has enabled them to expand career preparation programming for a population previously not often seen in the Center—students in the Arts and Humanities. General career advising was expanded through the addition of career education to all SBU 101: Introduction to Stony Brook courses in fall 2008, and the Career Center recruits corporate volunteers to provide industry-specific career coaching.



## **10. CREATE AN INCREASINGLY VIBRANT AND INCLUSIVE CAMPUS COMMUNITY.**

This goal is related to Standard 1: Mission and Goals, because it is tied to our University mission to celebrate diversity, which we demonstrate continuously through the myriad of community-building organizations, activities, and events—intended for both the general University community and targeted programs to acknowledge the many different groups present—on our campus. It is also related to Standard 9: Student Support Services because it addresses the many organizations, activities and events that help to engage our students as part of our campus community. Please see Theme Four (pp.26-34) of this Periodic Review Report for a comprehensive description of the ways in which Stony Brook University is creating an increasingly vibrant and inclusive campus community.

Stony Brook will continue efforts to enhance campus life and the integration of students, faculty, and staff into an inclusive and caring campus community, as well as efforts to ensure their safety. Programs are in place that will accelerate the socialization of new students during student recruitment, summer orientation and registration, the opening of school, and the early weeks of the semester, to teach newcomers about campus traditions, rituals, and ways of doing things. Communication among all members of the Stony Brook campus will be enhanced through the use of information technology and other means. We have plans to develop a campus hotel, which will provide convenient and welcoming accommodations for campus events and visitors, as well as for families of our hospital patients.

## **11. SUPPORT SUSTAINABILITY THROUGH A GREEN-CAMPUS INITIATIVE.**

This goal is related to Standard 1: Mission and Goals, because it involves an intellectual endeavor that is of immediate and long range practical significance. Stony Brook will build an eco-literate community that contributes to a sustainable future. Building on existing programs and the collaborative efforts of students, faculty, and staff, the University will continue to improve campus resource use and find new ways to limit its ecological impact while educating all members of the campus community about sustainable practices. These initiatives will help Long Island meet the environmental challenges of the 21st century and prepare students for them.

Energy-saving initiatives will include: increasing awareness of energy and resource conservation with the creation of an energy management web site to communicate campus efforts in this area; evaluating the use of renewable energy at all Stony Brook campuses; initiating energy conservation measures through collaboration with students and faculty; establishing policies on temperature standards; eliminating the use of electric heaters where practical; and implementing a green computing policy.

The use of sustainable practices in maintenance and construction activities will include: expanding the use of green cleaning products; designing and constructing new buildings or rehabilitating existing ones using LEED criteria; evaluating the use of high-efficiency plumbing fixtures; expanding the current construction debris recycling program; and evaluating the implementation of effective storm- and grey-water management systems.

Recycling initiatives will include: expanding paper and container recycling in the residence halls; evaluating the feasibility of bringing recycling and composting practices to many food service locations; implementing a “yard sale” program to recycle discarded furnishings; and installing additional recycled recyclers to increase participation. Additionally, meter upgrades permit electrical consumption in 30 buildings to be viewed on the Stony Brook site.

Eco-literacy and environmentally sound practices will be promoted by the creation of an environmental stewardship web site to communicate and promote sustainability efforts, and a Energy Conservation Task Force made up of students, faculty and staff. This Task Force will work on communication, policy development, encouraging building/department energy reduction competitions, and lowering equipment energy use.

**a. Decreased reliance on fossil fuels:**

Installation of upgraded systems and equipment continues to increase energy efficiency. 2008-2009 projects included: the replacement of high-temperature hot water lines throughout the campus; new air handlers in the Health Sciences Center; and new mechanical controls in Heavy Engineering and the Wang Center. Solar energy began meeting campus energy needs with the installation of a 10 kv system on the roof of Building 17 in the Research and Development Park. To fulfill an obligation of the American College and University’s President’s Climate Commitment, a campus greenhouse gas inventory was completed and reported on the Association for the Advancement of Sustainability in Higher Education (AASHE) web site.

**b. Sustainable practice in construction and maintenance:**

A program was initiated to recycle ceiling tiles removed during construction, and the possibility of recycling carpet is under investigation. When Southampton’s Avram Theatre was renovated, all parts of the used theater seating were recycled. Operation of the greenhouse at Southampton became more environmentally sound with the installation of a storm-water collection system to provide the water for the plants. In addition, the material generated by a newly installed composter in Roth Cafeteria will be used in the greenhouse and organic garden at Southampton.

**c. Recycling:**

To support Stony Brook University’s recycling efforts, additional three-compartment recycled recycler containers were installed in high-traffic areas—eight in the Health Sciences Center and one in Building 17 in the Research and Development Park. Five additional containers will be added each year. Additionally, delivery of a new rear-packer truck is scheduled for August 2009 to support the more efficient collection of recyclable items.

In winter 2009, Stony Brook participated in the “Recycle Mania” competition with 509 other campuses to promote waste reduction. Furthermore, internal recycling competitions among residential buildings also encourage recycling. The Move-Out program also recycles a significant portion of the material students leave behind. During 2008-2009, most take-out containers and disposable utensils used in West Campus food services were switched to compostable or biodegradable items, and the cafeterias have begun to recycle their large #10 cans.

**d. Promote environmentally sound practices:**

The Energy Conservation Task Force launched a “Sustainability Stony Brook” newsletter in February 2009 to update the campus community on campus sustainability projects and encourage environmentally sound behaviors.

**12. EXTEND INTERNATIONAL CURRICULA AND CONNECTIONS.**

This goal is related to Standard 1: Mission and Goals, because it is tied to the University’s mission to position itself in the global community and Standard 11: Educational Offerings because it addresses academic, research and experiential learning—crucial aspects of Stony Brook University’s curriculum.

To participate fully in the global economy and society, Stony Brook will strengthen international programs through: faculty recruitment; increased international research collaboration; international partnerships with universities, agencies, and businesses; enhanced study abroad programs; and curriculum development. Additionally, more international students will be recruited to Stony Brook. More Stony Brook students will also study abroad, take part in exchange programs, and complete international internships. The Office of International Academic Programs will assume a more prominent role in promoting international educational experiences and incorporating international perspectives in teaching and research. The recruitment and support of faculty with expertise in contemporary international issues will further bolster these initiatives.

Undergraduate curriculum development will include both programs that prepare students for careers in international work environments and, in the general education curriculum, will include courses that prepare students to live in a global community and work in a global economy. Stony Brook’s proximity to the United Nations can provide special opportunities to develop these programs.

Stony Brook will focus resources on international research and development programs in Africa, building on current programs in Kenya, Madagascar, and Tanzania. Africa’s natural and paleontological resources provide exceptional research opportunities, and Stony Brook’s current service initiatives—in health care, education, environmental protection, and economic development—offer a model for further expansion.

**a. Study abroad and exchange programs:**

New study abroad programs were established in China in cooperation with the Schools of Journalism and Business, and additional student exchange agreements were signed with universities in Asia, Australia and Europe. In addition, an undergraduate study/research site was established in Florence and sites in Kenya and Madagascar are in development. In the 2008-2009 academic year, 272 Stony Brook students participated in study and research abroad programs.

**b. International research collaboration:**

Joint research projects with Tongji University in Shanghai and the University of Venice in Italy are in development.

**c. Research and service in Africa:**

Development of the Turkana Basin Institute continues. The research field station at Ileret was completed and hosted a major international conference bringing together, for the first time, the head of every active research project in the Turkana Basin. The second field station, on the west side of the lake, will be fully operational in the summer of 2009, with accommodations for 30 students in study-abroad and other field-research programs. Next year, the Institute will host a major international workshop in conjunction with the 50th anniversary of the discovery of the first East African australopithecine.

In spring 2008, a team representing all five health sciences schools visited the Turkana Basin region to assess healthcare needs, as well as opportunities for Stony Brook to address those needs and develop education and research programs in international health. Planning has begun for the following: a program that will include public health and education; construction of a hospital and student accommodations; and the use of internet technology to support diagnosis, treatment, and record keeping. The Stony Brook team will extend its work to the nearby town of Meru, which is home to more than 700 orphans and 200 street children. Meru is representative of rural towns in Africa and can serve as a model for implementing and evaluating educational and health care programs.

Stony Brook University also continues to have a strong presence in Madagascar. In Ranomafana National Park (RNP), the Centre ValBio Research Station completed another successful year with over a hundred researchers studying the rainforest and its wildlife. For example, the National Science Foundation awarded a three-year grant to Stony Brook anthropologists Patricia Wright and Jukka Jernvall to study lemur senescence in the wild. In September 2008, a team from Conservation International and the Smithsonian Institution made a site visit to establish long-term biodiversity monitoring programs. Additionally, the Gordon and Betty Moore Foundation approved funding RNP as a Tropical Ecosystem Assessment and Monitoring (TEAM) site with a five-year renewable grant beginning in January 2009. Furthermore, National Science Foundation facilities funding was obtained to continue construction of laboratory and dormitory facilities; a four-story building should be operational by 2010. The Stony Brook fall 2008 semester in Madagascar hosted 26 students from the U.S. and Madagascar, including five students who presented research results at Stony Brook's Undergraduate Research and Creative Activities exhibition in April 2009.

Despite political turmoil in the capital in early 2009, the Centre ValBio Research Station remained fully operational, with staff including 70 trained people from the local region. The mobile health and hygiene team expanded to serve 15 villages around the Ranomafana, up from nine, and the Conservation Clubs for Young Naturalists expanded from ten to 15. The conservation education program continued in nine village schools, and 8,000 trees were distributed to schoolchildren's families for reforestation. The Village Elders Association, with

traditional healers and kings from 57 villages, continued to market herb plants to the botanicals company Homeopharma in Antananarivo. Additionally, high-speed internet facilities were set up in Ranomafana village for researchers, local businesses, and local residents.

#### **4. ENROLLMENT AND FINANCE TRENDS AND PROJECTIONS.**

- 1. The institutional financial plan for the period covered by the institution's strategic plan, but not less than the current and two future years (Plans might vary depending on the institution and might include such things as budgets, pro forma projections, and strategic plans tied to the budget.)*

The following is a description of Stony Brook University's 2008-2009 State Purpose Financial Plan. Due to the University's reliance on the New York State Budget, which then determines the State University of New York's Budget, Stony Brook University does not have a financial plan beyond the 2008-2009 academic year, as planning is done on an annual basis. (For the Stony Brook University Five-Year [Strategic] Plan, please see Appendix 7, pp. 96-115).

The figures displayed in the schedule below represent the campus' initial approved State Purpose Financial Plan for fiscal year 2008-2009. The top section of the schedule displays how the State funding is distributed by object of expense as well as the total number of State-funded full-time equivalent (FTE) employees for this year. The schedule shows that, at the beginning of the year, the campus was planning on spending \$234.2 million on salaries of continuing employees and had budgeted for \$156.2 thousand in salary savings associated with those lines. In addition, Stony Brook was planning on spending \$12.1 million for salaries and costs associated with temporary employees (e.g., temporary workers, graduate and teaching assistants, etc.), \$39.3 million for utilities, and \$13.6 million for all other non-personnel costs. The total approved "State Purpose" budget at the beginning of fiscal year 2008-2009 was \$299.2 million.

The bottom section of the schedule shows how the total "Personal Service Regular" figure was calculated. A snapshot of a recent payroll was taken which showed that the total value of the base salaries at that time was \$221.7 million for 2,943.15 FTE employees. A "Fiscal Year Adjustment" of \$243.9 thousand was added to reflect, among other things, the number of pay days in the fiscal year and the timing of the payrolls. The campus budgeted to fill 90.34 FTE's worth of vacant lines at a combined salary figure of \$5.4 million. In addition, \$1.4 million was budgeted for salary changes of filled lines (e.g., raises) with \$5.5 million budgeted to pay for various "Salary Differentials" (e.g., overtime, holiday pay, shift differentials, etc.). The total of all of these items is \$234.2 million which is the figure shown at the top of the schedule budgeted for "Personal Service Regular."

This "State Purpose Financial Plan" figure of \$299.2 million only represents a portion of the campus' total all-funds operating budget which, for fiscal year 2008-2009, totaled \$1.8 billion.

| <b>Stony Brook University's Initial Approved State Purpose Financial Plan for FY 08/09</b> |                    |                 |
|--|--------------------|-----------------|
|  |                    |                 |
| <b>Summary by Expense object and FTE</b>   |                    |                 |
|  |                    |                 |
| <b><u>Object of Expense</u></b>  | <b>Allocation</b>  | <b>FTE</b>      |
| Personal Service Regular   | 234,211,300        | 3,033.49        |
| Savings  | (156,200)          |                 |
| Temporary Service  | 12,127,200         |                 |
| Utilities  | 39,346,100         |                 |
| OTPS (Excluding Utilities)   | 13,629,400         |                 |
| <b>Targeted Funding (Financial Plan Base)</b>  | <b>299,157,800</b> | <b>3,033.49</b> |
|  |                    |                 |
| Build-up to Personal Service Regular Allocation Figures:                                   |                    |                 |
| Filled Payroll Snapshot  | 221,691,300        | 2,943.15        |
| Fiscal Year Adjustment   | 243,900            |                 |
| Funding for Vacant Lines   | 5,447,500          | 90.34           |
| Planned Salary Changes for Filled Lines  | 1,352,800          |                 |
| Funding for Salary Differentials (Incl. Chair Stipends)                                    | 5,475,800          |                 |
| Total - Personal Services Regular  | 234,211,300        | 3,033.49        |

**2. *The audited financial statements and management letters or their equivalents covering the three previous years***

Since Stony Brook University is a member institution of the State University of New York, the University does not have individual audited financial statements and management letters. Instead, the State University of New York publishes aggregate SUNY audited financial statements and management letters each year. (For audited financial statements and management letters for the 2005-2006, 2006-2007, and 2007-2008 fiscal years, please see Appendices 8 [pp. 116-151], 9 [pp. 152-187] and 10 [pp. 188-223], respectively).

**3. *The financial information submitted to IPEDS for the three previous years***

For the financial information submitted to IPEDS in the 2005-2006, 2006-2007, and 2007-2008 fiscal years, please see Appendices 11 [pp. 224-231], 12 [pp. 232-256] and 13 [pp. 257-268], respectively).

**4. *Actual enrollment for the current year and the three previous years***

Please see Appendix 14, pp. 269-270, for data pertaining to Stony Brook University's actual enrollment data for fall 2003 through fall 2008.

**5. *Projected enrollment for the period covered by the institution's financial plan***

As mentioned in Section 4/Part 1 of this Periodic Review Report, Stony Brook University's financial plan only extends through fiscal year 2008-2009. However; Stony Brook has a projected enrollment plan for the period fall 2009 through fall 2011 (Please see Appendix 15, pp. 271-272).

**5. ORGANIZED AND SUSTAINED PROCESSES TO ASSESS INSTITUTIONAL EFFECTIVENESS AND STUDENT LEARNING**

The information presented in this section is in addition to the information already provided in Theme 2/Part e of this Periodic Review Report, which discusses Stony Brook University's efforts to "continue to build a culture of constructive assessment as a tool for continuous improvement" and the First Year Matters Initiative (Please see Appendix 4, pp. 74-77, for the First Year Matters Assessment Summary and Recommendations).

Assessment is of pivotal importance to Stony Brook University to ensure that the University has effective mechanisms for communication, and the sharing of ideas and strategies, necessary for the University to further build on our reputation as a top-tier research institution where students and faculty have the resources to learn and to create new knowledge. The University encourages our multiple constituencies to work together in the co-creation of knowledge, and to grapple with diverse perspectives and people in creating high-quality, innovative strategies, policies and procedures to move our institution forward.

Stony Brook utilizes many assessment tools, enabling us to meet Standard 7: Institutional Assessment. In addition to the Middle States Self-Studies and Periodic Review Reports, starting in 2009, the University will hold an annual assessment conference. Additionally, the Office of the Provost conducts departmental reviews every seven years, which consist of: preparation of a self-study by the department or program; a site visit by a panel of external reviewers and submission of their report; and an institutional response to the visit and review. Furthermore, the Committee on General Education Assessment (CGEA), now the Learning Assessment and Enhancement Committee (LAEC), is charged with connecting departmental educational assessments, conducted according to SUNY's stipulated learning outcomes, to strategic planning with an eye toward enhancing teaching and learning. The LAEC: provides enhanced administrative support for continuous quality improvement in programs and courses; provides

assistance to faculty on the value of assessment and its best practices; and facilitates departmental- and program-level efforts to conduct effective assessment activities.

In addition to Middle States accreditation, the following are examples of specialized organizations that accredit, thereby requiring school-wide and/or programmatic assessments of, our Schools and/or programs:

- Accreditation Association for Ambulatory Health Care, Inc. (AAAHC)
- Accrediting Board for Engineering and Technology (ABET)
- American College of Nurse-Midwives (ACNM), Division of Accreditation
- American Dental Association (ADA), Commission on Dental Accreditation
- American Occupational Therapy Association (AOTA), Accreditation Council for Occupational Therapy Education
- American Physical Therapy Association (APTA), Commission on Accreditation
- American Psychological Association (APA), Committee on Accreditation
- Commission on Accreditation of Allied Health Education Programs (CAAHEP)
- Commission on Accreditation of Dietetics Education (CADE) – initial accreditation pending
- Commission on Collegiate Nursing Education (CCNE)
- Council on Social Work Education (CSWE)
- International Association of Counseling Services (IACS)
- Liaison Committee on Medical Education (LCME) of the American Medical Association (AMA) and Association of American Medical Colleges (AAMC)
- National Accrediting Agency for the Clinical Laboratory Sciences (NAACLS)
- National Council for the Accreditation of Teacher Education (NCATE)

As we continue to grow and enhance an organizational culture of assessment, each of our enhancements has relied on our ability to make data-driven decisions. This is especially important and useful in these times when we need to make thoughtful decisions in difficult economic times while still maintaining a lead position in fostering student success. In regard to Standard 14: Assessment of Student Learning, assessment at Stony Brook is primarily done to foster and improve student learning. Our assessment processes are designed to answer genuine questions about student learning which serve as feedback to drive improvements in teaching and learning.

In addition to the First Year Matters initiative mentioned earlier in this section, Stony Brook assesses the student experience every three years by conducting a Student Opinion Survey that is administered on all SUNY campuses and participates in the National Survey of Student Engagement. The University has just completed the Student Opinion Survey this year. When the results are released this summer, we will be able to compare the experiences of Southampton students with those on the Stony Brook campus, and the Stony Brook campus with other SUNY campuses. Since the Survey includes questions on a wide variety of questions pertaining to academic and student life, campus facilities and services, it serves as a useful assessment of student learning and services, which helps to drive strategies for improvement.



The University has also established an Academic Success Task Force that is studying, and assessing barriers to, student learning. This Task Force is charged with developing strategies to improve upon institutional processes and student support services. One of the recommendations to result from this assessment is the need to establish a student learning/tutoring center.

## **6. LINKED INSTITUTIONAL PLANNING AND BUDGETING PROCESSES.**

In this section, the University will address Standard 2: Planning, Resource Allocation, and Institutional Renewal. Stony Brook University's Five-Year Plan (2008-2013) is the third President Kenny has established for the University. The planning process involved in the creation of the Plan was similar to those that preceded it, but the current Plan sets a different kind of campus agenda. The first two plans identified and guided the resolution of campus problems. The current Plan, completed in Stony Brook's 50th anniversary year, sets an ambitious program for the next phase of the University's development. It encompasses twelve goals and the action items that will structure their achievement. (Please see Section 3: Major Challenges and Opportunities of this Periodic Review Report for a thorough discussion of the current Five-Year Plan, and Appendix 7, pp. 96-115, for the Five-Year Plan document).

Work on the Five-Year Plan for 2008-2013 began with six task forces that prepared recommendations on: programmatic directions; academic organizational structure; graduate education; student experience; multi-campus development; and image, spirit and pride. Approximately 130 faculty, students, staff, alumni, and other members of the university community, worked together to develop reports identifying issues and proposing respective actions. Their reports motivated extensive discussion of campus priorities and directions among the President's Cabinet and other members of the faculty and administration. The results of those deliberations were synthesized into a draft Plan that was widely distributed for campus review. The campus community then submitted an extensive variety of comments on the draft by email, by mail, and in two public hearings. Many of these comments were incorporated into the final Plan. To ensure that Stony Brook's agenda is well known on campus and with other constituencies, copies of the Five-Year Plan were sent to 18,000 University constituents when it was published in February 2008.

During implementation of the Five-Year Plan, the President of Stony Brook University will issue a report to the campus community each spring tracking progress toward completion of its action items. Annual progress reports on the preceding five-year plans have been a valuable means of ensuring their goals were achieved and that progress was publicized to the campus community and beyond.

The current Five-Year Plan lays out 12 strategic initiatives to guide progress through the next five years. A campus budget process needed to be constructed to reflect these initiatives. In order to do so effectively, we needed to:

- Recognize the 12 initiatives as the primary, although not exclusive, drivers of resource distribution decisions;

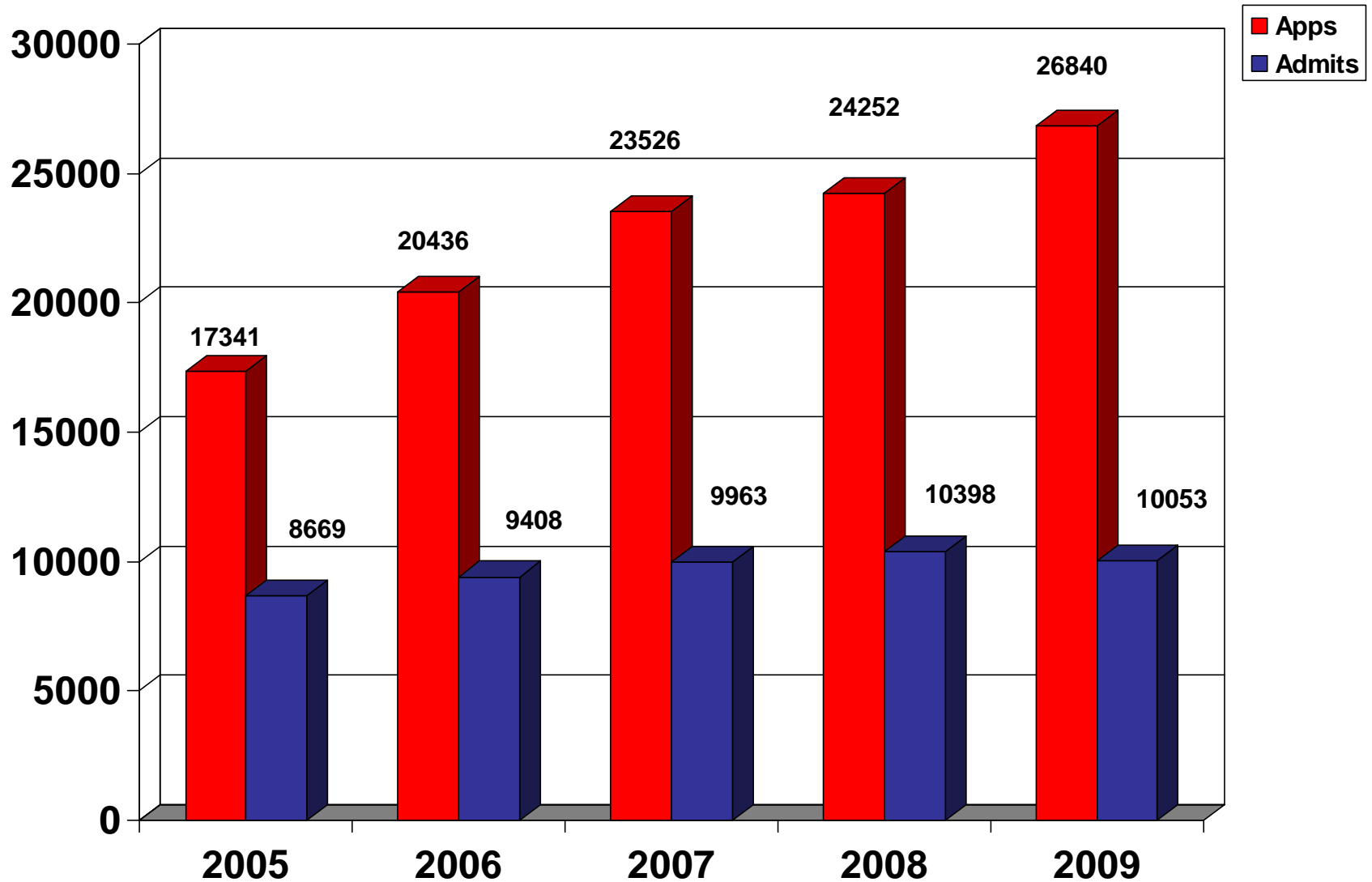
- Assign key managers with the responsibility for developing more specific plans to accomplish the tasks at hand and to communicate with other managers in areas where actions will cross organizational lines;
- Advance a multi-year budget plan to accomplish goals;
- Assure appropriate resources are available to achieve success; and
- Prepare annual accomplishments reports.

The 2008-2009 budget process was designed to accommodate the steps described above. Cabinet meetings were dedicated to discussion of each of the 12 initiatives, by individual senior managers (one or more) who took responsibility for advancing the plan to a level of detail where costs were better understood and considered. This was accomplished through the identification of specific tasks that included budget requests outlined for the next five years. Ultimately, budget decisions are made in the following context:

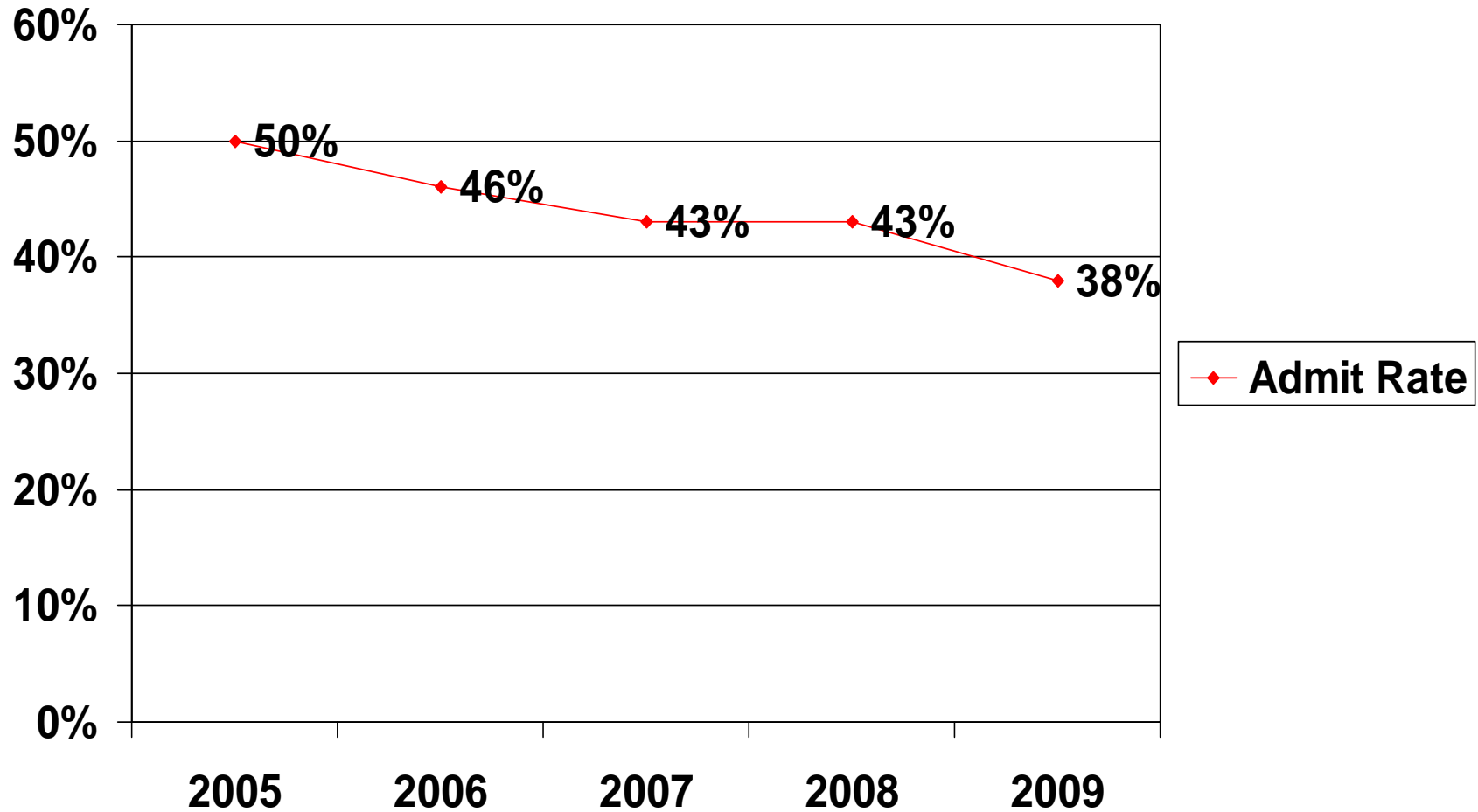
- Year One – firm allocations;
- Year Two – allocation commitments subject to change only under the most severe budgetary constraints or the development of unforeseen circumstances that change the Plan. The 2009-2010 budget process will start with confirmation of Year Two allocations and concentrated attention on Years Three and Four;
- Years Three, Four and Five - approved plans with reasonable expectation of support, but subject to modification as conditions change.

Budget development is an All-Funds process including state funds and other centrally- managed resources such as Research Indirect Cost Return, Dormitory Income Fund Reimbursable, General Income Fund Reimbursable allocation and any other resources. Requests for Hospital Income Fund and Dormitory Income Fund allocation must also be submitted directly to either University Hospital Finance or Campus Residences for inclusion in their internal budget processes. Matters demanding funding consideration that are not part of the initiatives of the Five-Year Plan, such as new unforeseen opportunities and dramatic cost escalations (well above higher education price index), will also warrant contemplation in the budget process each year. When all data was collected, additional Cabinet meetings were held for final review of each of the goals, tasks, and action items. Furthermore, formal consideration is given regarding the status of SUNY and state-wide issues, and the campus's interpretation of economic and political factors, that could impact Stony Brook's budget.

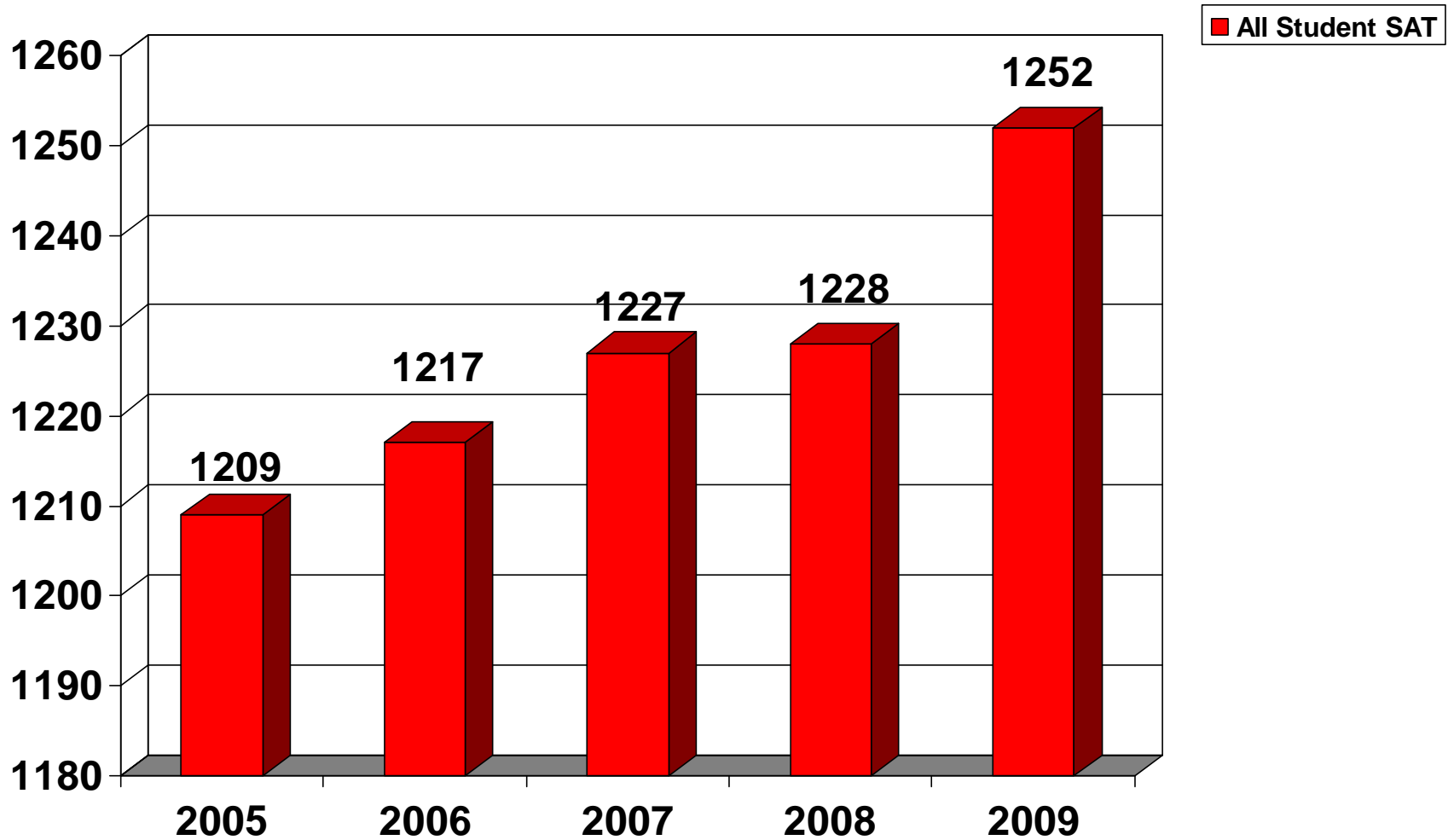
# Freshmen Apps up 10%, Admits down 3%



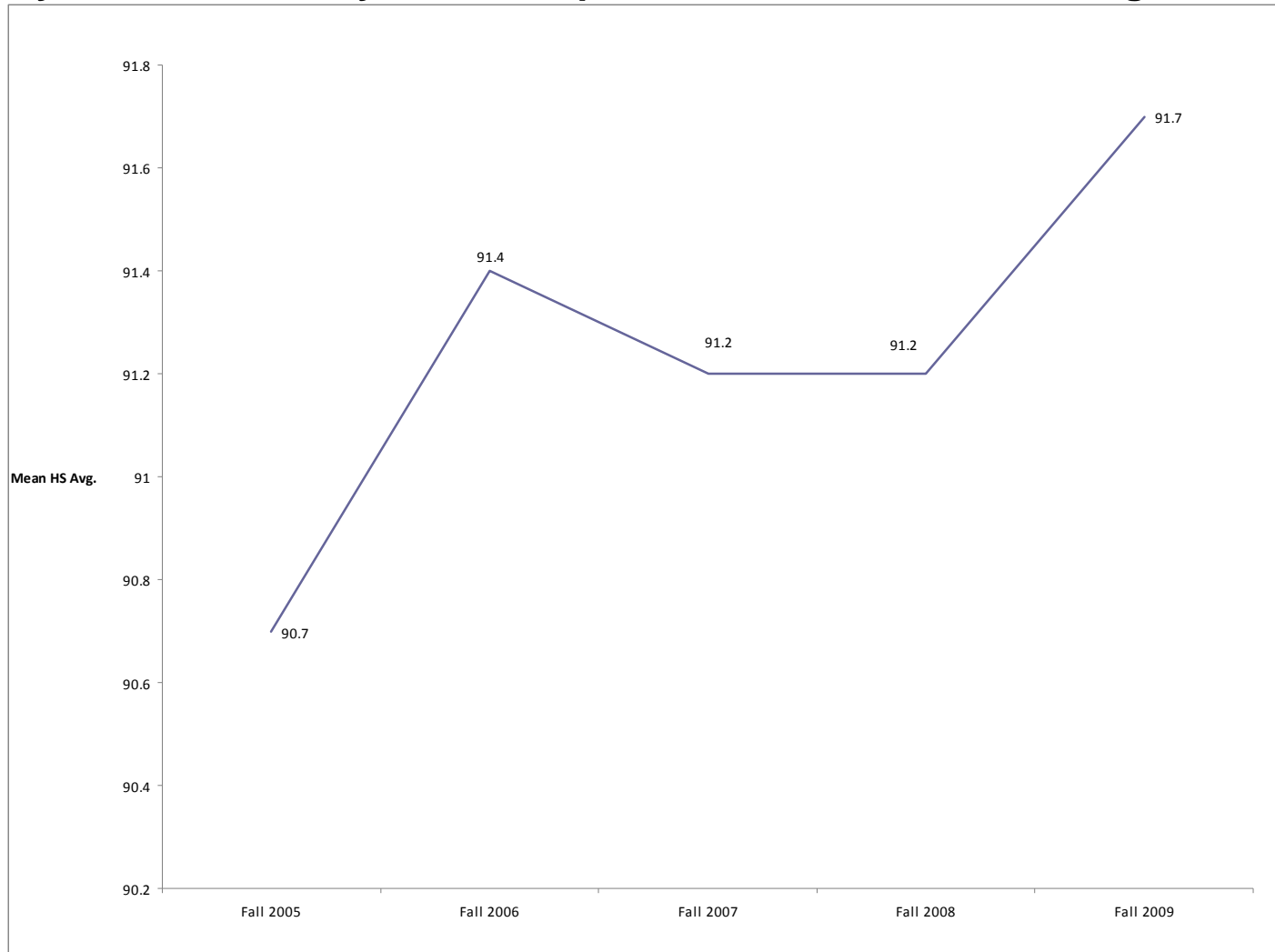
# Admit Rate going down...



# Admitted Freshmen SAT increasing...



# Stony Brook University West Campus Year-to-Date Mean HS Avg. as of March 2009



### **Members of 2009 Middle States Periodic Review Committee**

Invaluable administrative support for the preparation of the 2009 Periodic Review Report was provided by Ann Ozelis of the Office of the Provost. Members of the Middle States Periodic Review Committee are as follows:

Brent Lindquist, Deputy Provost: Committee Co-Chair

Roy Lacey, Professor of Chemistry: Committee Co-Chair

Mark Aronoff, Vice Provost for Undergraduate Education

Peter Baigent, Associate Provost for Enrollment and Retention Management/Vice President for Student Affairs

Graham Glynn, Assistant Provost and Executive Director of Teaching, Learning and Technology

Imin Kao, Associate Dean with College of Engineering and Applied Sciences

Dorit Kaufman, Director of the Professional Education Program

Craig Lehmann, Executive Dean of the School of Health, Technology and Management

Daniel Melucci, Associate Vice President for Planning and Analysis

Manuel London, Associate Dean of the College of Business

Marsha Pollard, Assistant Provost for Academic Administration

Jerrold Stein, Dean of Students

Emily Thomas, Director of Planning and Institutional Research

**STONY BROOK UNIVERSITY  
INSTITUTIONAL RECOMMENDATIONS FROM 2004 SELF-STUDY**

**RECOMMENDATIONS FOR THEME 1: THE TRANSITION TO STONY BROOK UNIVERSITY**

- 1. Continue to enhance scholarship and financial aid opportunities for new students at both the undergraduate and graduate levels.**
- 2. Improve the availability of courses for incoming students.**
- 3. Raise further the external reputation of the institution.**
- 4. Improve the geographic diversity of the undergraduate student body.**
- 5. Improve registration and advising for new undergraduate students.**
- 6. Initiate systematic assessment of orientations for graduate and international students.**
- 7. Strengthen and expand coordination among orientation events.**

**RECOMMENDATIONS FOR THEME 2: THE FOUNDATIONAL EXPERIENCE**

- 8. Improve first-year courses.**
- 9. Simplify the array of courses available to first-year students.**
- 10. Improve the foundational experience.**
- 11. Identify ways for transfer students to make a smoother transition to Stony Brook.**
- 12. Continue to build e a culture of constructive assessment as a tool for improvement throughout the university.**
- 13. Encourage students to make academic and career goals a priority.**
- 14. Provide mentoring opportunities for every student.**

**RECOMMENDATIONS FOR THEME 3: EDUCATION AND SCHOLARLY ACTIVITIES**

- 15. Improve communication between teachers and learners.**
- 16. Provide incentives to departments to improve TA training and performance.**
- 17. Evaluate curricular offerings regularly to ensure that they meet the needs and interests of our students.**
- 18. Improve recognition and rewards for faculty, staff members, and graduate students who have demonstrated excellence in directing undergraduate research and creative academic projects.**
- 19. Increase the number of students who undertake independent research and creative activities.**



- 20. Support further expansion of the electronic library.**
- 21. Improve library access.**
- 22. Assess, update, and expand instructional facilities regularly.**

**RECOMMENDATIONS FOR THEME 4: STONY BROOK UNIVERSITY AS A COMMUNITY**

- 23. Provide regular timely information on community activities.**
- 24. Encourage student community service.**
- 25. Improve the integration of graduate and upper-level undergraduate students into the wider community.**
- 26. Institute ongoing assessment of the sense of community.**
- 27. Promote community pride.**

**RECOMMENDATIONS FOR THEME 5: LIFE BEYOND STONY BROOK UNIVERSITY**

- 28. Increase opportunities for individual advising.**
- 29. Promote internships and other pre-professional work experience.**
- 30. Improve alumni record keeping and communication – especially post-graduation destination data.**
- 31. Leverage existing models of success.**

## **First Year Matters**

### **A Strategic Action Plan for Improving the First Year at Stony Brook University**

During the 2007-2008 academic year, Stony Brook University conducted a self-study of our program for first-year undergraduates, *First Year Matters (FYM)*, under the guidance of the Policy Center on the First Year of College. Close to one hundred faculty, students, and staff members from all over campus participated fully in the self-study as members of a task force comprising nine subcommittees, each of which addressed one foundational dimension of the first-year experience. Additionally, the task force administered three surveys, one of faculty, with many of them teaching first-year students, and two of students, one in each of the Fall and Spring semesters.

The full results of *FYM* will be available here. These results comprise a large inventory of current practices, results of the surveys, and the reports and recommendations of each of the nine subcommittees. But the main purpose of engaging in the *FYM* process was not to produce a report; rather it was to produce a unified strategic action plan that would lead to and guide continuous improvement in the experience of future first-year students at Stony Brook University. This document contains such a plan.

The plan that we present was arrived at in a very deliberate process. The Foundations of Excellence process is rooted in an intellectual framework that incorporates nine aspirational principles of excellence. This framework grew out of a quarter century of work on the first year of college by John Gardiner and his colleagues. The dimensional principles are as follows:

**Philosophy Dimension** Foundations Institutions approach the first year in ways that are intentional and based on a philosophy/rationale of the first year that informs relevant institutional policies and practices.

**Organization Dimension** Foundations Institutions create organizational structures and policies that provide a comprehensive, integrated, and coordinated approach to the first year.

**Learning Dimension** Foundations Institutions deliver intentional curricular and co-curricular learning experiences that engage students in order to develop knowledge, skills, attitudes, and behaviors consistent with the desired outcomes of higher education and the institution's philosophy and mission.

**Faculty Dimension** Foundations Institutions make the first college year a high priority for the faculty.

**Transitions Dimension** Foundations Institutions facilitate appropriate student transitions through policies and practices that are intentional and aligned with institutional mission.

**All Students Dimension** Foundations Institutions serve all first-year students according to their varied needs.

**Diversity Dimension** Foundations Institutions ensure that all first-year students experience diverse ideas, worldviews, and cultures as a means of enhancing their learning and preparing them to become members of pluralistic communities.

**Roles and Purposes Dimension** Foundations Institutions promote student understanding of the various roles and purposes of higher education, both for the individual and society.

**Improvement Dimension** Foundations Institutions conduct assessment and maintain associations with other institutions and relevant professional organizations in order to achieve ongoing first-year improvement.

Each dimensional subcommittee of the *FYM* task force prepared a report and a set of recommendations based on a comprehensive review and formal assessment of current practices, student experiences and faculty/staff feedback, all of which were discussed among the entire task force and presented for feedback to our liaison to the Policy Center, John Gardner, its Executive Director and the leading figure in the study of the first year of college over the last quarter century and more. These reports and recommendations are available in full on the *FYM* website.

The *FYM* Executive Committee distilled the recommendations into the action plan that we present here. If we found that, based on others feedback, we need more space to fit additional items in the intro, this portion might be able to be listed somewhere else on the report, not necessarily in paragraph form (i.e., under the title, a sidebar, etc...). Our recommendations are grouped into five categories. These categories were not fixed in advance, but rather arose naturally out of the deliberation process. Nor are the categories meant to be monolithic and discrete, but integrated with one another. We recognize that the first-year experience does not take place in a vacuum, and so we have not confined the scope of our recommendations to the first year. Additionally, because our goal was not a report on the state of the first year but rather a plan for moving forward, we have omitted from this report many of the good things that are already being done to improve the first-year and the entire undergraduate experience. If we are permitted to indulge in a bit of jargon, we may say that we have not engaged in performance evaluation, but in assessment, and not assessment of the individual student, staff member, or faculty member, but rather formative assessment of the entire institution for continuous improvement. The purpose of our recommendations is thus to set a course for first-year undergraduate education at Stony Brook, within an integrated vision of the entire undergraduate experience.

## **Recommendations**

**I. Intentionality and Planning** SBU has a strong first-year program but that program is not clearly documented. We should codify our current practice and plan for the future, taking advantage of our diversity and integrating the student experience both inside and outside the classroom.

1. Document the current first-year program in detail, including undergraduate colleges, orientation, registration, high-enrollment courses, and funding.
2. Establish a standing university-wide committee on the first-year experience.
3. Develop a statement and goal document that formally articulates SBU's first-year philosophy.
4. Improve internal marketing & communication about the first year.

## **II. The Student Experience**

1. Better integrate information and materials for first-year students before and after admission and across departments.
2. Emphasize the Roles & Purposes of higher education for first-year students.
3. Strengthen support and intervention for first-year students in academic jeopardy.
4. Better connect first-year students to each other and to upper classes through college fellows and other means.

**III. Faculty & Staff** The successes of our first-year program are not well enough known throughout the campus community. Faculty and staff must be informed, prepared, and fully engaged in our first-year efforts.

1. Enhance the reward system for faculty and staff involved in the first year.
2. Create a system for identifying and preparing instructors for first-year college courses and improve Training & Development for them.
3. Strengthen connections between faculty and advising professionals.
4. Engage Chairs and UGPD's in first year efforts.
5. Connect all faculty and professional staff to first year and colleges.

**IV. Institutionalization & Sustainability** Some aspects of the SBU first-year experience are well developed, but we need to address the needs of first-year students broadly across all areas of campus responsibility.

1. Establish a FY curriculum committee with a holistic, integrated view of learning inside and outside the classroom and taking account of the relation to subsequent years.
2. Examine placement into gateway courses (writing, math and information skills, and literacy) from an institutional perspective.
3. Pay special attention to courses with high enrollments and those in which first-year students do not succeed.

4. Examine course availability and make better use of innovative scheduling mechanisms in the first year.
5. Connect existing campus diversity programs and traditions with first-year academic experiences.
6. Use the undergraduate colleges to optimize academic success and better integrate student groups not advised by UGCs while still maintaining identity of these groups.

**V. Assessment and Continuous Improvement** SBU collects a great deal of data on the first year. That information must be more widely distributed and used for continuous improvement.

1. Provide greater analysis of available data and close the feedback loop.
2. Create a readily available living Resource Library.
3. Share data proactively with departments that have a large stake in the first year.
4. Provide the financial resources to identify and address first-year needs annually.

Participant Information:

|   |          |           |        |        |
|---|----------|-----------|--------|--------|
| 1. Class Year:                                | Freshman | Sophomore | Junior | Senior |
| 2. Is this your first time at the SFS Retreat | Yes      | No        |        |        |
| 3. Do you live on campus?                     | Yes      | No        |        |        |
| 4. What is your major/minor?                  | _____    |           |        |        |

General

(1 = disagree; 2= somewhat disagree; 3 = somewhat agree; 4 = agree)

|  |   |   |   |   |
|--|---|---|---|---|
| 5. I feel a part of the Stony Brook Community                                    | 1 | 2 | 3 | 4 |
| 6. I feel connected to Stony Brook faculty/staff                                 | 1 | 2 | 3 | 4 |
| 7. I feel professors at Stony Brook are approachable                             | 1 | 2 | 3 | 4 |
| 8. I feel staff at Stony Brook are approachable?                                 | 1 | 2 | 3 | 4 |
| 9. I interact with faculty or staff as a routine part of my academic experience? | 1 | 2 | 3 | 4 |

Faculty Staff Interaction Type:

( 1= never; 4 = very often)

- 10. Talked with an instructor about a course you are taking
- 11. Discussed your academic program or course selection with a faculty member
- 12. Discussed ideas for a term paper or course project with a faculty member
- 13. Discussed your career plans and ambitions with a faculty or staff member
- 14. Worked harder as a result of feedback of an instructor
- 15. Socialized with Faculty or staff outside of class (had a snack, cup of coffee, etc...)
- 16. Participated with other students in a discussion with others with one or more faculty members outside of class
- 17 .Asked your instructor for comments & criticisms about your academic performance
- 18. Worked harder than you thought you could to meet an instructor’s expectations & standards
- 19. Worked with a faculty member on a research project
- 20. Asked a instructor or staff member for advise & help to improve your writing
- 21. Met with a faculty member or staff advising to discuss the activities of a group or organization
- 22. Talked with a faculty member, counselor, or other staff member about personal concerns

Look around the room; of the student’s in attendance at this SFS Retreat:

- a) please list the names of faculty/staff you know by name?
- b) please list the names of faculty/staff you feel “connected” to?



**SURVEY OF STONY BROOK  
2007 GRADUATES**

**SPRING 2008**

**Stony Brook University  
Center for Survey Research**

## **SURVEY OF RECENT GRADUATES – SPRING 2008**

### **INTRODUCTION**

Stony Brook's December 2006, May 2007 and August 2007 graduates have been successful in beginning their post-graduation careers and education. For those who sought employment, most are working in their chosen field or in a related area. In addition, many of the 2007 graduates are continuing their education. They report feeling prepared for their careers based on their Stony Brook experiences. They are employed in major growth areas of the economy, and have leveraged their experiences and the career resources at Stony Brook.

### **EXECUTIVE SUMMARY**

#### ***POST-GRADUATE EDUCATION***

- **Stony Brook's 2007 graduates are continuing their education.** Over one-third (34%) of Bachelor's degree graduates are currently in school. Of those, half (51%) are pursuing Master's degrees and 29% are in either a PhD, MD or JD program. Not surprisingly, a smaller percentage of advanced degree graduates are currently in school.

#### ***EMPLOYMENT***

- **Almost all 2007 Stony Brook graduates are in the work force or in school:** over 80% of those with a graduate degree and just under 60% of those with undergraduate degrees are currently employed and not studying. An additional 16% of undergraduate degree recipients are both employed and in school.
- **The employment and educational status of recent undergraduates varies by the school or college from which they graduated at Stony Brook.** Over three-quarters of Bachelor's degree recipients from the College of Engineering and Applied Sciences (CEAS) and Business are employed and out of school. In contrast, roughly 50% of undergraduates who graduate from the College of Arts and Sciences (CAS), and the School of Health Technology and Management (SHTM) are currently working and not in school, whereas 40% are pursuing further education.
- **Education and Healthcare sectors are the largest employers of 2007 graduates.** Over 40% of students who graduate with a Master's or Doctoral degree are employed in some facet of education, and roughly a quarter of all Master's and a third of all Doctoral graduates are employed in health care professions. Undergraduate degree recipients are spread somewhat more evenly across business, health care, and education with roughly 20% to 25% in each sector.
- **Post graduation, most Stony Brook 2007 graduates feel they are on a career path related to their long-term goals.** Of graduates who are currently employed, 53 percent report that they are in a field linked to their long-term career goals, and 36 percent say they are in a position that is a stepping stone into the field of their long-term career goals. For Bachelor's degree recipients this varies between Colleges, with roughly two-thirds of



Nursing graduates but only one-third of CAS graduates reporting that they are currently working in the field of their career goal.

- **Salary figures make clear that advanced degrees pay off for Stony Brook graduates.** Just over 20% of the recent Bachelor's degree recipients working full time make \$30,000 or less per year, and another 46% make between \$30,000 and \$50,000. In contrast, three-quarters of those with a Doctoral degree make more than \$50,000 per year, and almost half make more than \$70,000. These salary figures mask considerable variation by area of specialty. Among those who earned undergraduate degrees, two-thirds of engineering graduates and 100% of nursing graduates earn \$50,000 or more per year, compared with 13% of CAS graduates.

### ***STONY BROOK'S CAREER PREPARATION RESOURCES***

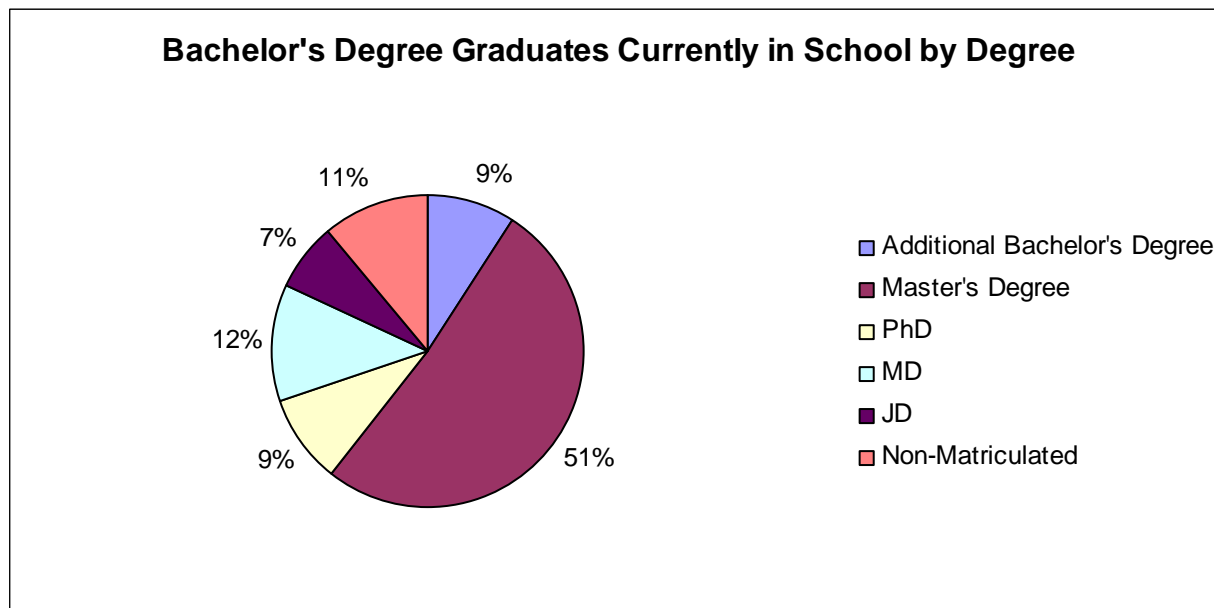
- **2007 Graduates report being prepared for their careers by their Stony Brook experience.** Stony Brook's 2007 graduates generally felt prepared for their post-graduation endeavors by their experience at the University. However, recipients of Master's (56%) and Doctoral degrees (64%) were far more likely to think that their experiences at Stony Brook prepared them a great deal than those receiving their undergraduate degree (40%).
- **Internships, research assignments and career-related part-time jobs were important preparation for career development and employment.** 2007 graduates gained work experience at Stony Brook in the form of internships, clinical rotations and research assignments. Almost three quarters (74%) of the graduates reported participating in at least one of these internship experiences.
- **Over one-third of graduates utilized the resources of the Stony Brook Career Center in their search.** Overall, graduates used multiple resources in searching for jobs, and over a third (36%) utilized the resources of the Stony Brook Career Center, including the Zebrant site, on-campus job fairs and on-campus recruitment opportunities. Bachelor's degree recipients were the most likely to use the Career Center resources, with 49% reporting they had used at least one of these services.

### ***INTEREST IN THE ALUMNI ASSOCIATION***

- **2007 Graduates expressed interest in maintaining a connection with Stony Brook.** Currently, just 13% of the 2007 graduates report that they are members of the Alumni Association, yet interest is high (43%) in learning more about membership.

## POST-GRADUATE EDUCATION

Over one-third (34%) of the 2007 Bachelor's degree graduates are currently furthering their education. Of those currently in school, over half (51%) are pursuing Master's degrees, 12% are enrolled in MD programs, 9% are in PhD programs, and 7% are enrolled in law school. Those students who are not pursuing graduate degrees either returned for a second Bachelor's degree (9%), or are taking courses as non-matriculated students (11%).



Of those Bachelor's degree graduates who are continuing their education, 29% are enrolled at Stony Brook, and 20% are enrolled at other universities and colleges on Long Island. 21% are attending schools in New York City, either private (14%) or CUNY (7%).

### *Where are Bachelor's Degree Graduates continuing their education?*

|  |            |
|--|------------|
| <b>Stony Brook University</b>                    | <b>29%</b> |
| <b>Other Long Island Universities</b>            | <b>20%</b> |
| <b>City of New York Colleges (CUNY)</b>          | <b>7%</b>  |
| <b>Private Universities in NYC</b>               | <b>14%</b> |
| <b>Other SUNY Universities and Colleges</b>      | <b>3%</b>  |
| <b>Upstate Universities (non-SUNY)</b>           | <b>4%</b>  |
| <b>Out of State Universities &amp; Colleges</b>  | <b>17%</b> |
| <b>International Universities &amp; Colleges</b> | <b>3%</b>  |
| <b>Other</b>                                     | <b>2%</b>  |

Of those continuing their education at Stony Brook, over half (58%) are enrolled in Health Sciences programs, followed by 14% in the Natural Sciences and 14% in continuing Liberal Studies.

After Stony Brook, Columbia University, Hunter College, and several Long Island institutions attracted the largest numbers of Stony Brook's 2007 graduates. 2007 graduates are currently studying in many of the major public and private institutions throughout the country.

*Selected Top Graduate School Destinations for Bachelor's Degree Graduates*

| <i>School</i>                           | <i># of Students</i> |
|---|----------------------|
| <b>Stony Brook University</b>           | 84                   |
| <b>Columbia University</b>              | 11                   |
| <b>CUNY Hunter College</b>              | 10                   |
| <b>New York Institute of Technology</b> | 10                   |
| <b>Dowling College</b>                  | 10                   |
| <b>Long Island University</b>           | 10                   |
| <b>SUNY Downstate</b>                   | 6                    |
| <b>Hofstra University</b>               | 6                    |
| <b>New York University</b>              | 4                    |
| <b>Pace University</b>                  | 4                    |
| <b>Yale University</b>                  | 3                    |
| <b>Brooklyn College</b>                 | 3                    |
| <b>Fordham University</b>               | 2                    |
| <b>Rensselaer Polytechnic</b>           | 2                    |
| <b>University of Rochester</b>          | 2                    |
| <b>Cornell University</b>               | 2                    |
| <b>Harvard University</b>               | 1                    |

Health Sciences graduate programs attracted the greatest percentage (40%) of Bachelor's degree graduates. This includes medical schools, nursing programs, social work, physical therapy, veterinary medicine, and physician assistant programs. This is followed by the Natural Sciences (16%), and Education and Library Science programs (13%). Half of the students who enrolled in the Health Sciences graduate programs completed their undergraduate degree through the College of Arts and Sciences. Not surprisingly, the other half came largely from the Health Sciences undergraduate programs.

*Field of Study of Bachelor's Degree Graduates Currently in School*

|                                   |     |
|-----------------------------------|-----|
| <b>Health Sciences</b>            | 40% |
| <b>Natural Sciences</b>           | 16% |
| <b>Education, Library Science</b> | 13% |
| <b>Law</b>                        | 8%  |
| <b>Social Sciences</b>            | 6%  |
| <b>Business</b>                   | 5%  |
| <b>Arts and Humanities</b>        | 3%  |
| <b>Continuing Liberal Studies</b> | 6%  |
| <b>Other</b>                      | 4%  |

## EMPLOYMENT

### *Post-Graduation Employment*

Almost all recent Stony Brook graduates are in the work force or in school: over 80% of those with a graduate degree and just under 60% of undergraduates are currently employed and not studying. Among recent undergraduates, 34% are in school part time or full time. Of those, 16% are undertaking some additional education and are also employed, and 18% are continuing to pursue their studies and are not otherwise employed.

#### PERCENT OF UNDERGRADUATE, MASTER'S & DOCTORAL GRADUATES WHO ARE IN SCHOOL, WORKING, OR BOTH

| <i>DEGREE</i>   | <i>WORK &amp; NOT IN SCHOOL</i> | <i>WORK &amp; IN SCHOOL</i> | <i>NO WORK, IN SCHOOL</i> | <i>OTHER*</i> |
|-----------------|---------------------------------|-----------------------------|---------------------------|---------------|
| <b>BA/BS/BE</b> | <b>58%</b>                      | <b>16%</b>                  | <b>18%</b>                | <b>8%</b>     |
| <b>Master's</b> | <b>80%</b>                      | <b>9%</b>                   | <b>7%</b>                 | <b>5%</b>     |
| <b>PhD/DPT</b>  | <b>85%</b>                      | <b>8%</b>                   | <b>0%</b>                 | <b>6%</b>     |
| <b>MD</b>       | <b>79%</b>                      | <b>3%</b>                   | <b>0%</b>                 | <b>18%</b>    |

*\*Note: "Other" includes post-graduate internships & fellowships, military, starting family, and not employed*

The employment and educational status of recent undergraduates varies by the school or college from which they graduated at Stony Brook. Over three-quarters of undergraduates from the College of Engineering and Applied Sciences (CEAS) and Business are employed and out of school. In contrast, roughly 50% of undergraduates who graduate from the College of Arts and Sciences (CAS), and the School of Health Technology and Management (SHTM) are currently working and not in school, whereas 40% are pursuing further education.

#### PERCENT OF UNDERGRADUATES WHO ARE IN SCHOOL, WORKING OR BOTH BY COLLEGE/SCHOOL OF DEGREE

| <b>**COLLEGE/SCHOOL</b> | <i>WORK &amp; NOT IN SCHOOL</i> | <i>WORK &amp; IN SCHOOL</i> | <i>NO WORK, IN SCHOOL</i> | <i>OTHER*</i> |
|-------------------------|---------------------------------|-----------------------------|---------------------------|---------------|
| <b>CAS (503)</b>        | <b>52%</b>                      | <b>18%</b>                  | <b>22%</b>                | <b>9%</b>     |
| <b>CEAS (107)</b>       | <b>76%</b>                      | <b>5%</b>                   | <b>11%</b>                | <b>8%</b>     |
| <b>SHTM (130)</b>       | <b>51%</b>                      | <b>22%</b>                  | <b>19%</b>                | <b>8%</b>     |
| <b>BUSINESS (61)</b>    | <b>80%</b>                      | <b>5%</b>                   | <b>7%</b>                 | <b>8%</b>     |
| <b>NURSING (43)</b>     | <b>65%</b>                      | <b>28%</b>                  | <b>2%</b>                 | <b>5%</b>     |

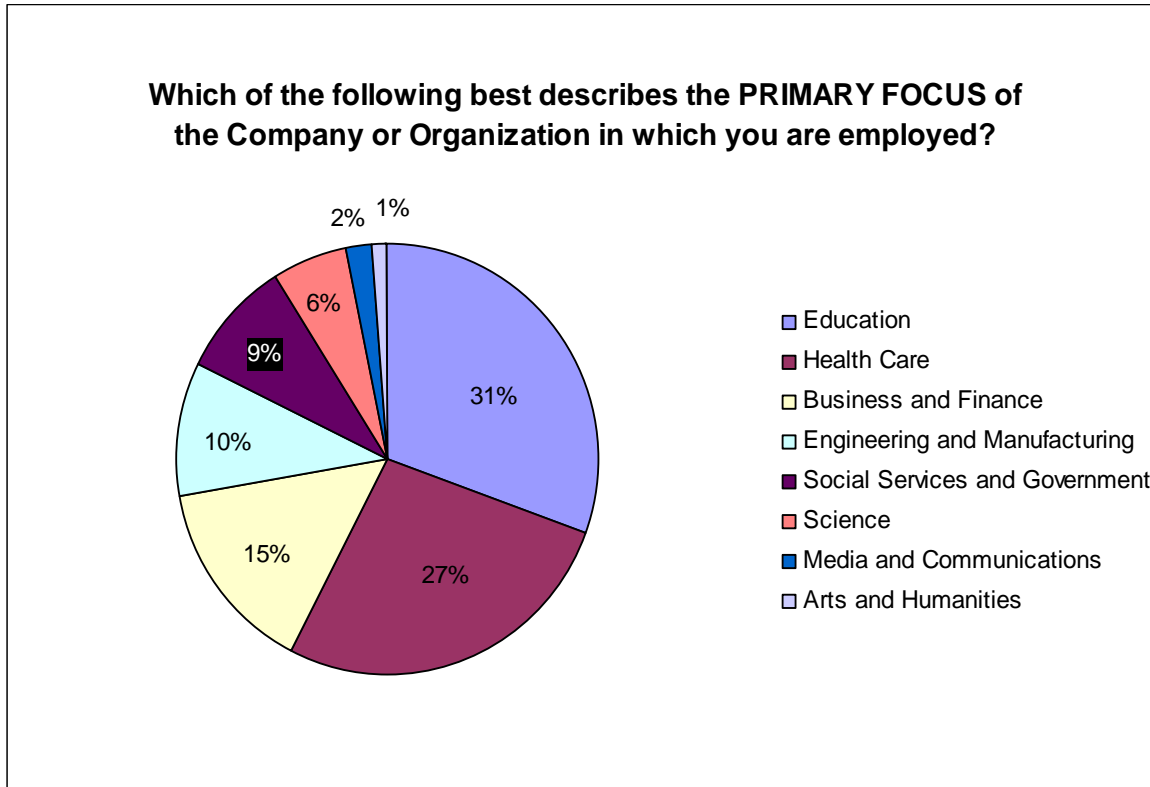
*\*Note: "Other" includes post graduate internships & fellowships, military, starting family, and not employed*

*\*\*Note: SOMAS and SSW are not included in this table due to small numbers of graduates.*

### *Fields of Employment*

Healthcare and education comprise the largest employment categories for the recent graduates, with 31% employed in companies or organizations whose primary focus is Education and 27% employed

in Health Care. 15% of graduates are employed in Business and Finance, 10% in Engineering and Manufacturing, and 9% in Social Services and Government.



Over 40% of students who graduate with a Master’s or Doctoral degree work in education, and roughly a quarter of all Master’s and a third of all Doctoral degree graduates are employed in the health care industry. Bachelor’s degree graduates are spread somewhat more evenly across business, health care, and education with roughly 20 to 25% in each area.

**PERCENT OF UNDERGRADUATE, MASTER’S & PhD GRADUATES IN DIFFERENT SECTORS OF EMPLOYMENT**

|  | <i>BA</i>   | <i>MASTER’S</i> | <i>PhD, MD</i> |
|--|-------------|-----------------|----------------|
| <b>HEALTH CARE (384)</b>                       | <b>25%</b>  | <b>26%</b>      | <b>34%</b>     |
| <b>EDUCATION (448)</b>                         | <b>19%</b>  | <b>45%</b>      | <b>41%</b>     |
| <b>ENGINEERING (141)</b>                       | <b>11%</b>  | <b>11%</b>      | <b>4%</b>      |
| <b>SOCIAL SERV, GOVT (128)</b>                 | <b>11%</b>  | <b>11%</b>      | <b>3%</b>      |
| <b>BUSINESS, FINANCE (212)</b>                 | <b>25%</b>  | <b>6%</b>       | <b>5%</b>      |
| <b>SCIENCE (83)</b>                            | <b>6%</b>   | <b>2%</b>       | <b>12%</b>     |
| <b>OTHER (HUMANITIES, COMMUNICATIONS) (33)</b> | <b>3%</b>   | <b>1%</b>       | <b>1%</b>      |
|  | <b>100%</b> | <b>100%</b>     | <b>100%</b>    |

When examined further, it is clear that professional and technical schools and colleges place their graduates largely in a related field of employment although there are some interesting exceptions. Thus, a near majority of engineering graduates are employed in an engineering-related field, but an

added 20% work in education and just under 20% in business. Over 60% of business graduates enter business, but the rest are scattered across a diverse array of employment sectors. SHTM, Nursing, and the School of Professional Development (SPD) are most likely to place their graduates in directly related employment. In contrast, students who graduate from CAS are spread across education, business, sciences, health and government sectors.

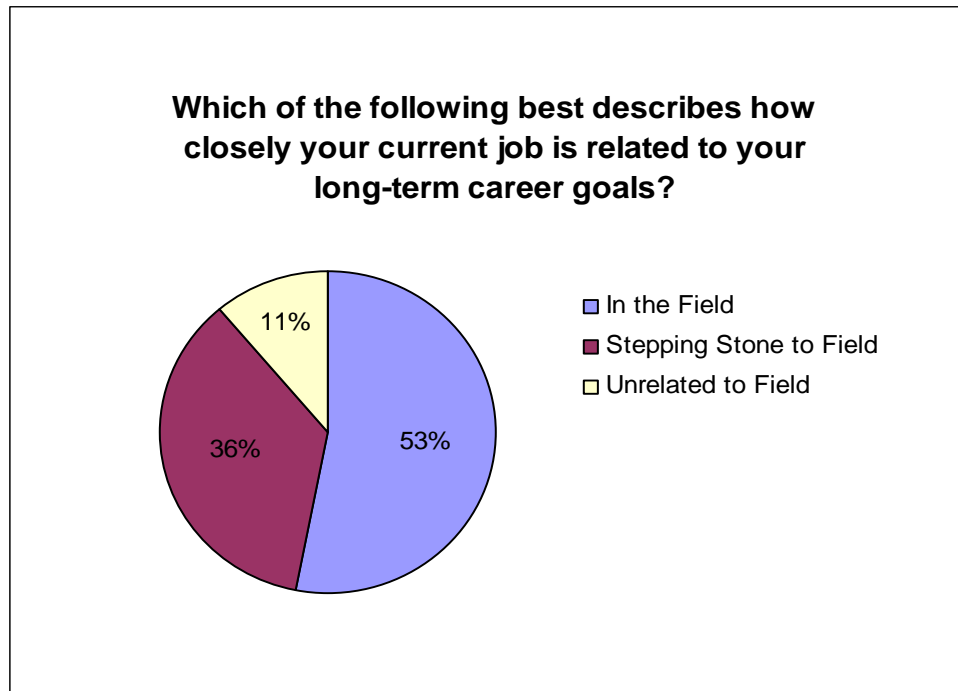
**PERCENT OF GRADUATES IN DIFFERENT SECTORS OF EMPLOYMENT BY COLLEGE/SCHOOL (ALL DEGREES)**

|                          | <i>HEALTH</i> | <i>EDUCATION</i> | <i>ENGIN-<br/>EERING</i> | <i>SERVICES<br/>&amp; GOVT</i> | <i>BUSINESS,<br/>FINANCE</i> | <i>SCIENCE</i> |             |
|--------------------------|---------------|------------------|--------------------------|--------------------------------|------------------------------|----------------|-------------|
| <b>CEAS (206)</b>        | 6%            | 19%              | 47%                      | 2%                             | 19%                          | 7%             | <b>100%</b> |
| <b>CAS (548)</b>         | 12%           | 39%              | 4%                       | 11%                            | 20%                          | 10%            | <b>100%</b> |
| <b>BUSINESS<br/>(63)</b> | 6%            | 6%               | 6%                       | 8%                             | 62%                          | 2%             | <b>100%</b> |
| <b>SHTM (188)</b>        | 75%           | 4%               | 4%                       | 8%                             | 6%                           | 3%             | <b>100%</b> |
| <b>NURSING<br/>(105)</b> | 93%           | 4%               | ---                      | 3%                             | ---                          | ---            | <b>100%</b> |
| <b>SPD (176)</b>         | 3%            | 91%              | 2%                       | 2%                             | 1%                           | 1%             | <b>100%</b> |

*Note: MPH, SOM, SOMAS and SSW are not included in this table due to small numbers of graduates.*

***Long-term Career Goals***

Of the 2007 graduates who are currently employed, 53 percent report that they are in a field linked to their long-term career goals, and 36 percent say they are in a position that is a stepping stone into the field of their long-term career goals. 11 percent are in a field unrelated to their long term goals.



Not surprisingly, those graduating with advanced degrees (Master's/Doctorate) are more likely to report being in their long term career (67%) than those with undergraduate degrees (38%).

**LINK BETWEEN CURRENT JOB\* AND LONG-TERM CAREER GOALS  
BY DEGREE TYPE**

|                   | <i>In Same Field</i> | <i>Stepping Stone</i> | <i>Unrelated</i> |             |
|-------------------|----------------------|-----------------------|------------------|-------------|
| <b>BA/BS/BE</b>   | <b>38%</b>           | <b>43%</b>            | <b>19%</b>       | <b>100%</b> |
| <b>Master's</b>   | <b>65%</b>           | <b>30%</b>            | <b>5%</b>        | <b>100%</b> |
| <b>PhD/MD/DPT</b> | <b>71%</b>           | <b>26%</b>            | <b>3%</b>        | <b>100%</b> |

*\*Note: Current job includes FT, PT, unpaid and military work.*

Almost two-thirds of Bachelor's degree recipients in Nursing and 53% in CEAS list their current work as linked to their long-term career goals. In contrast, roughly a third of those who graduate from CAS, SHTM, and Business are working in a job linked to their career goals.

**LINK BETWEEN CURRENT JOB\* AND LONG-TERM CAREER GOALS  
AMONG UNDERGRADUATES BY COLLEGE/SCHOOL**

|                      | <i>In Same Field</i> | <i>Stepping Stone</i> | <i>Unrelated</i> |             |
|----------------------|----------------------|-----------------------|------------------|-------------|
| <b>CEAS (89)</b>     | <b>53%</b>           | <b>42%</b>            | <b>5%</b>        | <b>100%</b> |
| <b>CAS (377)</b>     | <b>34%</b>           | <b>41%</b>            | <b>26%</b>       | <b>100%</b> |
| <b>SHTM (103)</b>    | <b>29%</b>           | <b>52%</b>            | <b>19%</b>       | <b>100%</b> |
| <b>BUSINESS (52)</b> | <b>37%</b>           | <b>54%</b>            | <b>10%</b>       | <b>100%</b> |
| <b>NURSING (41)</b>  | <b>66%</b>           | <b>34%</b>            | <b>---</b>       | <b>100%</b> |

*\*Note: Current job includes FT, PT, unpaid and military work.*

Salary figures make clear that advanced degrees pay off for Stony Brook graduates. Just over 20% of Bachelor's degree recipients working full time make \$30,000 or less per year, and another 46% make between \$30,000 and \$50,000. In contrast, three-quarters of those with a Doctoral degree make more than \$50,000 per year, and almost half make more than \$70,000.

**SALARY OF GRADUATES WORKING FULL-TIME (N=1,174) BY DEGREE TYPE**

|                   | <i>&lt; \$30K</i> | <i>\$30K-\$49K</i> | <i>\$50K-\$69K</i> | <i>&gt;\$70k</i> |             |
|-------------------|-------------------|--------------------|--------------------|------------------|-------------|
| <b>BA/BS/BE</b>   | <b>22%</b>        | <b>46%</b>         | <b>26%</b>         | <b>7%</b>        | <b>100%</b> |
| <b>Master's</b>   | <b>3%</b>         | <b>26%</b>         | <b>41%</b>         | <b>30%</b>       | <b>100%</b> |
| <b>PhD/MD/DPT</b> | <b>4%</b>         | <b>20%</b>         | <b>29%</b>         | <b>47%</b>       | <b>100%</b> |

Salary figures mask considerable variation by area of specialty. Among Bachelor's degree recipients, two-thirds of engineering graduates and 100% of nursing graduates earn \$50,000 or more per year. Median salaries for the engineering graduates were between \$50,000 and \$55,000. For graduates of the School of Nursing, the median salaries were between \$65,000 and \$70,000. Students who earn a Bachelor's degree from CAS or SHTM earn the least with just over a quarter earning less than \$30,000 per year. Median salaries for CAS graduates were between \$30,000 and \$35,000 and between \$35,000 and \$40,000 for SHTM graduates with Bachelor's degrees.

**SALARY OF UNDERGRADUATES WORKING FULL-TIME (N=522)  
BY COLLEGE/SCHOOL**

|                      | < \$30K    | \$30K-\$49K | \$50K-\$69K | >\$70K     |             |
|----------------------|------------|-------------|-------------|------------|-------------|
| <b>CEAS (81)</b>     | <b>5%</b>  | <b>26%</b>  | <b>64%</b>  | <b>5%</b>  | <b>100%</b> |
| <b>CAS (257)</b>     | <b>32%</b> | <b>56%</b>  | <b>9%</b>   | <b>4%</b>  | <b>100%</b> |
| <b>BUSINESS (43)</b> | <b>2%</b>  | <b>54%</b>  | <b>35%</b>  | <b>9%</b>  | <b>100%</b> |
| <b>SHTM (69)</b>     | <b>26%</b> | <b>46%</b>  | <b>23%</b>  | <b>4%</b>  | <b>100%</b> |
| <b>NURSING (33)</b>  | <b>---</b> | <b>---</b>  | <b>67%</b>  | <b>33%</b> | <b>100%</b> |

Salaries among 2007 Master’s degree recipients are also variable. 83% of Nursing graduates and 45% of those with a Master’s degree from SHTM earn more than \$70,000 per year. Median salaries for Nursing graduates with Master’s degrees were between \$80,000 and \$85,000. For SHTM graduates with Master’s degrees, the median salaries were between \$65,000 and \$70,000.

In general, students who graduate with a Master’s degree earn considerably more than those with just a Bachelor’s. Consider those with a degree from CAS. 87% of Bachelor’s degree recipients earn less than \$50,000 compared to only 30% of those with a Master’s degree. Median salaries for CAS graduates with Master’s degrees were between \$45,000 and \$50,000, and increased to between \$55,000 and \$60,000 for those who received their PhD. 73% of Bachelor’s degree recipients from SHTM earn under \$50,000 (median salary \$35,000 to \$40,000) compared to 16% of those with a Master’s degree (median salary \$65,000 to \$70,000).

**SALARY OF MASTER’S GRADUATES WORKING FULL-TIME (N=397)  
BY COLLEGE/SCHOOL**

|                     | < \$30K    | \$30K-\$49K | \$50K-\$69K | >\$70K     |             |
|---------------------|------------|-------------|-------------|------------|-------------|
| <b>CEAS (66)</b>    | <b>6%</b>  | <b>12%</b>  | <b>26%</b>  | <b>56%</b> | <b>100%</b> |
| <b>CAS (56)</b>     | <b>5%</b>  | <b>25%</b>  | <b>61%</b>  | <b>9%</b>  | <b>100%</b> |
| <b>SHTM (31)</b>    | <b>---</b> | <b>16%</b>  | <b>39%</b>  | <b>45%</b> | <b>100%</b> |
| <b>NURSING (42)</b> | <b>---</b> | <b>---</b>  | <b>17%</b>  | <b>83%</b> | <b>100%</b> |
| <b>SPD (95)</b>     | <b>2%</b>  | <b>19%</b>  | <b>70%</b>  | <b>10%</b> | <b>100%</b> |

The vast majority of the 2007 graduates continue to live and work in the New York metropolitan area after graduation. Over half are employed on Long Island, and almost a quarter (24%) work in New York City. 81% of the Bachelor’s degree graduates currently work in the New York metropolitan area (LI and NYC). Not surprisingly, more of the 2007 doctoral degrees graduates have left the area and are currently working out of state (28%) or out of the country (6%).

**LOCATION OF GRADUATES’ FULL-TIME EMPLOYMENT (N-1174) BY DEGREE**

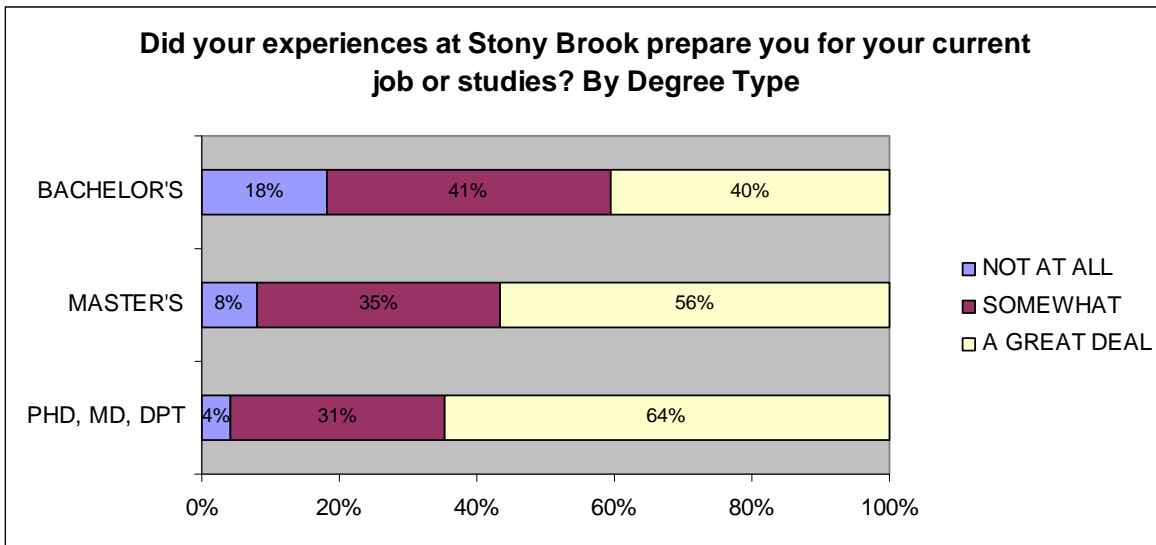
|                           | <i>BA/BS/BE</i> | <i>MA/MS</i> | <i>PhD, DPT</i> | <i>MD</i>   |
|---------------------------|-----------------|--------------|-----------------|-------------|
| <b>Long Island</b>        | <b>49%</b>      | <b>57%</b>   | <b>48%</b>      | <b>38%</b>  |
| <b>NYC</b>                | <b>32%</b>      | <b>18%</b>   | <b>15%</b>      | <b>41%</b>  |
| <b>Other NYS location</b> | <b>5%</b>       | <b>5%</b>    | <b>3%</b>       | <b>3%</b>   |
| <b>Other State in US</b>  | <b>13%</b>      | <b>18%</b>   | <b>28%</b>      | <b>19%</b>  |
| <b>International</b>      | <b>1%</b>       | <b>3%</b>    | <b>6%</b>       | <b>---</b>  |
|                           | <b>100%</b>     | <b>100%</b>  | <b>100%</b>     | <b>100%</b> |



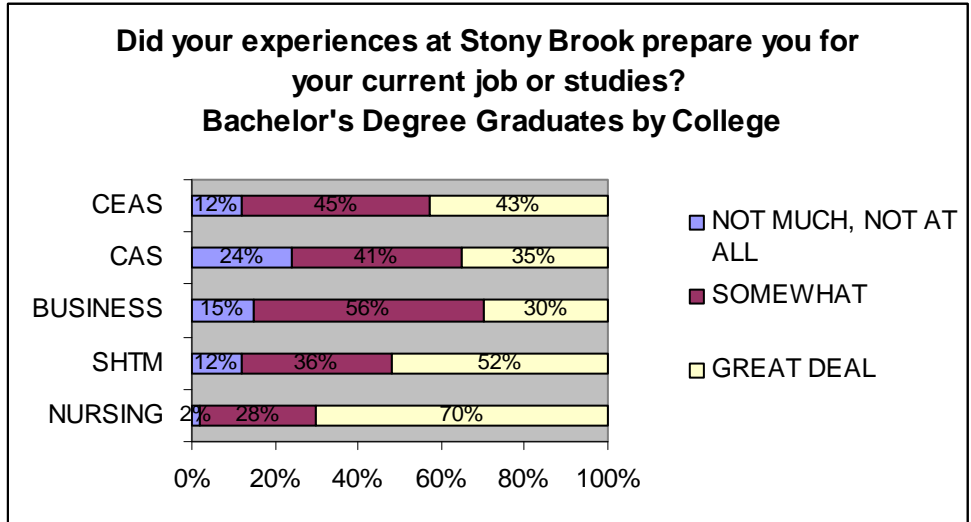
## STONY BROOK’S CAREER PREPARATION RESOURCES

### *Preparation for Current Job or Studies*

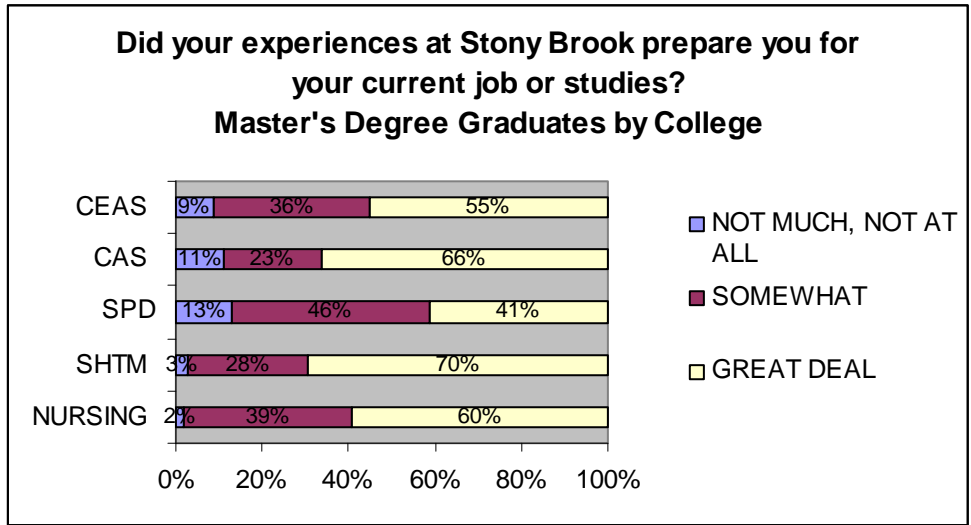
Stony Brook’s 2007 graduates generally felt prepared for their post-graduation endeavors by their experience at the University. However, recipients of Master’s (56%) and Doctoral degrees (64%) were far more likely to think that their experiences at Stony Brook prepared them a great deal than those receiving their undergraduate degree (40%).



Health Sciences Bachelor’s degree graduates were the most likely to feel that their experiences at Stony Brook prepared them for their current endeavors. 70% of Nursing and 52% of Health Technology graduates, compared with 30% of Business graduates, and 30% who graduated from CAS said they had been prepared a great deal by their experiences. Only 2% of the Nursing graduates thought they had been prepared not much or not at all, compared with almost a quarter of College of Arts and Sciences Bachelor’s degree graduates.



There was more consistency in the responses of Master's Degree graduates, where the majority felt that they had been prepared a great deal by their experiences at Stony Brook. 67% of graduates of the College of Arts and Sciences thought they had been prepared a great deal, more in line with the Health Technology (70%), Nursing (60%), and Engineering (55%) graduates.



***Pre-Professional Experiences***

The 2007 graduates gained professional experience while enrolled at Stony Brook through various forms of internships, clinical rotations and related research assignments. In some programs these experiences were required for graduation or licensing; for others they were optional.

The majority of the graduates reported participating in some form of Stony Brook internship experience. Among those receiving undergraduate degrees, 63% took advantage of an internship opportunity in preparation for their career. That figure increases to 80% for Master’s degree recipients and 92% for doctoral degree recipients.

Over a third of Bachelor’s degree graduates completed internship experiences (37%), related research assignments (34%) or career related part-time jobs (35%). These figures increase for graduates of Master’s and doctoral programs.

**PERCENTAGE OF GRADUATES IN EACH DEGREE PROGRAM WHO HAD DIFFERENT KINDS OF INTERNSHIP AND WORK EXPERIENCES**

|                                 | <i>BA/BS/BE</i> | <i>MASTERS</i> | <i>PhD/DPT</i> | <i>MD</i>  |
|---------------------------------|-----------------|----------------|----------------|------------|
| <b>INTERNSHIP</b>               | <b>37%</b>      | <b>38%</b>     | <b>40%</b>     | <b>20%</b> |
| <b>PRACTICUM</b>                | <b>11%</b>      | <b>20%</b>     | <b>21%</b>     | <b>10%</b> |
| <b>CLINICAL ROTATION</b>        | <b>9%</b>       | <b>19%</b>     | <b>19%</b>     | <b>87%</b> |
| <b>RESEARCH ASSIGNMENT</b>      | <b>34%</b>      | <b>44%</b>     | <b>67%</b>     | <b>63%</b> |
| <b>CAREER-RELATED PT JOB</b>    | <b>35%</b>      | <b>32%</b>     | <b>25%</b>     | <b>17%</b> |
| <b>CAREER-RELATED VOLUNTEER</b> | <b>21%</b>      | <b>13%</b>     | <b>13%</b>     | <b>37%</b> |
| <b>TEACHING EXPERIENCE</b>      | <b>20%</b>      | <b>31%</b>     | <b>53%</b>     | <b>37%</b> |

The types of internship and related work experiences of Bachelor’s degree graduates differed based on the college from which they received their degree. Graduates of the Colleges of Engineering and Applied Sciences (CEAS) and Business were more likely to have completed an internship than those of the other colleges. School of Nursing graduates were more likely to have completed a clinical rotation (80%), practicum (55%), or related research assignment (59%) than those from other colleges.

**PERCENTAGE OF BACHELOR’S DEGREE GRADUATES IN EACH COLLEGE/SCHOOL WHO HAD DIFFERENT KINDS OF INTERNSHIP AND WORK EXPERIENCES**

|                                 | <i>CEAS</i> | <i>CAS</i> | <i>BUSINESS</i> | <i>SHTM</i> | <i>NURSING</i> |
|---------------------------------|-------------|------------|-----------------|-------------|----------------|
| <b>INTERNSHIP</b>               | <b>52%</b>  | <b>32%</b> | <b>53%</b>      | <b>36%</b>  | <b>21%</b>     |
| <b>PRACTICUM</b>                | <b>2%</b>   | <b>7%</b>  | <b>2%</b>       | <b>20%</b>  | <b>55%</b>     |
| <b>CLINICAL ROTATION</b>        | <b>1%</b>   | <b>2%</b>  | <b>2%</b>       | <b>25%</b>  | <b>80%</b>     |
| <b>RESEARCH ASSIGNMENT</b>      | <b>31%</b>  | <b>37%</b> | <b>15%</b>      | <b>22%</b>  | <b>59%</b>     |
| <b>CAREER-RELATED PT JOB</b>    | <b>30%</b>  | <b>37%</b> | <b>35%</b>      | <b>36%</b>  | <b>33%</b>     |
| <b>CAREER-RELATED VOLUNTEER</b> | <b>9%</b>   | <b>23%</b> | <b>9%</b>       | <b>28%</b>  | <b>28%</b>     |
| <b>TEACHING EXPERIENCE</b>      | <b>22%</b>  | <b>22%</b> | <b>15%</b>      | <b>10%</b>  | <b>33%</b>     |

The vast majority of Master’s degree graduates in Nursing (89%) and Health Technology Management (75%) participated in clinical rotations through their programs. More than half of CEAS graduate degree recipients completed an internship (52%) or Research Assignment (55%).

**PERCENTAGE OF MASTER’S DEGREE GRADUATES IN EACH COLLEGE/SCHOOL WHO HAD DIFFERENT KINDS OF INTERNSHIP AND WORK EXPERIENCES**

|                                 | <i>CEAS</i> | <i>CAS</i> | <i>SHTM</i> | <i>NURSING</i> | <i>SPD</i> |
|---------------------------------|-------------|------------|-------------|----------------|------------|
| <b>INTERNSHIP</b>               | 52%         | 28%        | 22%         | 29%            | 10%        |
| <b>PRACTICUM</b>                | 7%          | 16%        | 64%         | 37%            | 13%        |
| <b>CLINICAL ROTATION</b>        | 4%          | 0%         | 75%         | 89%            | 2%         |
| <b>RESEARCH ASSIGNMENT</b>      | 55%         | 48%        | 69%         | 39%            | 32%        |
| <b>CAREER-RELATED PT JOB</b>    | 25%         | 34%        | 32%         | 48%            | 25%        |
| <b>CAREER-RELATED VOLUNTEER</b> | 8%          | 16%        | 24%         | 4%             | 10%        |
| <b>TEACHING EXPERIENCE</b>      | 34%         | 56%        | 6%          | 10%            | 38%        |

In addition to practical training, these internships and clinical experiences also result in job offers. Over a third of Nursing Bachelor’s degree graduates (36%) and 28% from the College of Business report that they were offered positions through their internship. At the Master’s degree level Health Technology Management (38%) and Nursing (37%) saw the greatest number of job offers come from the student internships and clinical experiences.

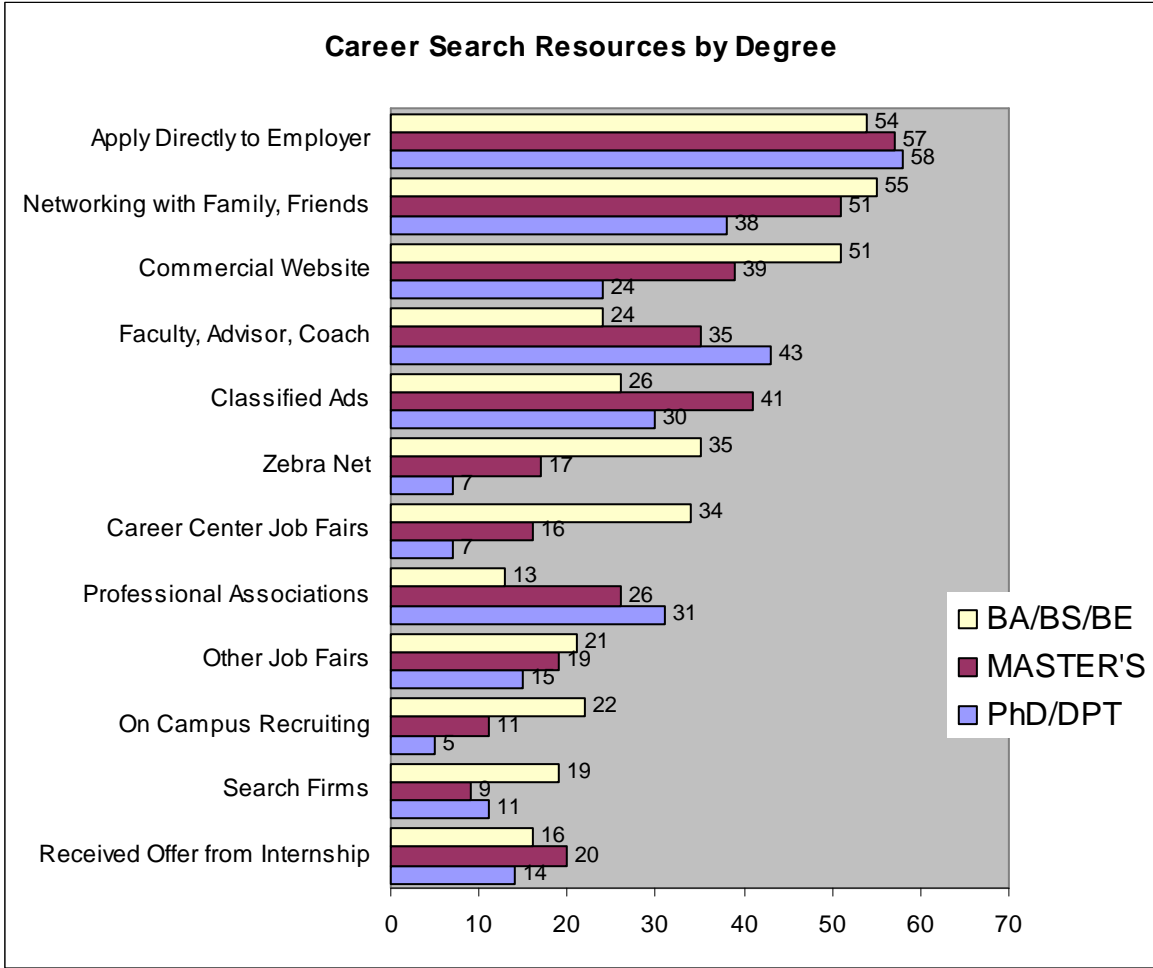
**PERCENTAGE OF GRADUATES WHO RECEIVED A JOB OFFER FROM AN INTERNSHIP OR CLINICAL EXPERIENCE BY COLLEGE/SCHOOL AND DEGREE LEVEL**

|                 | <i>BA/BS/BE</i> | <i>MASTERS</i> | <i>PHD, MD</i> |
|-----------------|-----------------|----------------|----------------|
| <b>CEAS</b>     | 23%             | 17%            | 13%            |
| <b>CAS</b>      | 9%              | 13%            | 4%             |
| <b>BUSINESS</b> | 28%             | ---            | ---            |
| <b>SHTM</b>     | 19%             | 38%            | 30%            |
| <b>NURSING</b>  | 36%             | 37%            | ---            |
| <b>SPD</b>      | ---             | 6%             | 12%            |

***Resources of the Stony Brook Career Center***

Over one third of the graduates utilized the resources of the Stony Brook Career Center in their search for employment. Overall, graduates used multiple resources in searching for jobs (*see figure below*), and over a third (36%) utilized at least one of the resources of the Stony Brook Career Center, including the Zebranet (Career Center) website, on-campus job fairs and on-campus recruitment opportunities. Bachelor’s degree recipients were the most likely to use the Career Center resources, with 49% reporting they had used at least one of these services. Over a third of Undergraduate degree graduates utilized the Zebra Net website (35%) or Career Center Job Fairs (34%).

Over half of Bachelor’s and Master’s degree 2007 graduates reported networking through family and friends. Recipients of doctoral degrees were more likely to network through faculty and advisors (43%) than undergraduate degree recipients (24%), and also relied more heavily on professional associations (31%) than undergraduates (13%) in their job search.



**INTEREST IN THE ALUMNI ASSOCIATION**

*2007 Graduates expressed interest in maintaining a connection with Stony Brook.*

Currently, just 13% of 2007 graduates report that they belong to the Alumni Association. This does not vary significantly by degree earned, with 11% of undergraduate, 15% of Master’s and 15% of the doctoral graduates currently enrolled in the Association. There were, however, significant differences between the Colleges, with only 9% of CAS and CEAS Bachelor’s degree graduates currently reporting membership, compared with 30% of those from the Nursing program.

**BELONG TO ALUMNI ASSOCIATION  
BY DEGREE & COLLEGE/SCHOOL.**

| <i>COLLEGE</i>  | <i>BA/BS/BE</i> | <i>MASTERS</i> | <i>PHD/DPT</i> | <i>MD</i>  |
|-----------------|-----------------|----------------|----------------|------------|
| <b>CEAS</b>     | <b>9%</b>       | <b>18%</b>     | <b>15%</b>     | -          |
| <b>CAS</b>      | <b>9%</b>       | <b>16%</b>     | <b>12%</b>     | -          |
| <b>BUSINESS</b> | <b>10%</b>      | <b>17%</b>     | -              | -          |
| <b>SHTM</b>     | <b>8%</b>       | <b>17%</b>     | <b>15%</b>     | -          |
| <b>NURSING</b>  | <b>30%</b>      | <b>21%</b>     | <b>27%</b>     | -          |
| <b>SPD</b>      | -               | <b>6%</b>      | <b>7%</b>      | -          |
| <b>SOM</b>      | -               | -              | -              | <b>29%</b> |

The good news is that when asked whether they would like more information about membership in the Alumni Association, 43% of the 2007 graduates expressed interest. Bachelor's degree recipients were the most likely to express interest in learning about membership in the Association. Almost half of these graduates (47%) expressed interest in the Alumni Association, compared with 38% of those graduates earning Master's Degree and 39% of those earning Doctorates. Over 1000 graduates provided updated mailing information and/or e-mail addresses to facilitate further contact with the University.

**INTERESTED IN LEARNING MORE ABOUT THE ALUMNI ASSOCIATION  
BY DEGREE & COLLEGE/SCHOOL.**

| <i>COLLEGE</i>  | <i>BA/BS/BE</i> | <i>MASTERS</i> | <i>PHD/DPT</i> | <i>MD</i>  |
|-----------------|-----------------|----------------|----------------|------------|
| <b>CEAS</b>     | <b>44%</b>      | <b>53%</b>     | <b>63%</b>     | -          |
| <b>CAS</b>      | <b>48%</b>      | <b>31%</b>     | <b>47%</b>     | -          |
| <b>BUSINESS</b> | <b>51%</b>      | ----           | ---            | -          |
| <b>SHTM</b>     | <b>56%</b>      | <b>28%</b>     | <b>37%</b>     | -          |
| <b>NURSING</b>  | <b>27%</b>      | <b>30%</b>     | ---            | -          |
| <b>SPD</b>      | ---             | <b>31%</b>     | <b>29%</b>     | -          |
| <b>SOM</b>      | --              | --             | --             | <b>17%</b> |

**METHODOLOGY**

This survey of recent Stony Brook graduates was conducted by the Stony Brook University Center for Survey Research as part of a project spearheaded by the Career Center with support from the College of Engineering & Applied Science, College of Arts & Sciences, Health Sciences Center, College of Business, Advancement and the Office of the Vice President for Student Affairs. Included in the sample were all Stony Brook students who graduated in December 2006, May 2007 and August 2007, for a total of 5088 alumni. Graduates from West Campus and HSC, receiving either undergraduate or graduate degrees, were included in the sample. Records were obtained from three sources, the Registrar, Raiser’s Edge and the Career Center databases, and all available contact information was utilized in order to reach as many of the graduates as possible.

The study was conducted first via an internet survey with invitations sent to all graduates in the sample. In cases where more than one e-mail address was available, invitations were sent to the respondent at each address. 1,349 graduates completed the web survey between November 2007 and February 2008, for a response rate of 27%. In addition, between January 23 and February 10, 2008 a follow-up telephone survey was conducted with web survey non-respondents, and 330 telephone interviews were completed, for a total of 1679 completed interviews, and an overall response rate of 33%.

The sample closely reflected the makeup of the total population of the 2007 graduates as seen in the following table.

|                      | GENDER |        | SBU DEGREE |     |    |     | RACE/ETHNICITY |       |       |          | N/A |
|----------------------|--------|--------|------------|-----|----|-----|----------------|-------|-------|----------|-----|
|                      | MALE   | FEMALE | BA         | MA  | MD | PHD | WHITE          | ASIAN | BLACK | HISPANIC |     |
| <b>SURVEY SAMPLE</b> | 42%    | 58%    | 55%        | 28% | 3% | 14% | 48%            | 19%   | 8%    | 8%       | 17% |
| <b>ALL GRADS</b>     | 45%    | 55%    | 52%        | 30% | 2% | 15% | 47%            | 23%   | 8%    | 7%       | 16% |

# Five Year Plan

*2008-2013*





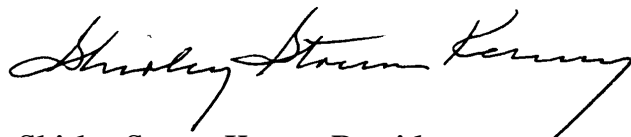
**TO THE CAMPUS COMMUNITY:**

The Five Year Plan for 2008-2013 sets an ambitious campus agenda that will guide Stony Brook's growth and development in the next five years. The first two Plans were designed to "fix what needed fixing"; this Plan, completed in our 50th anniversary year, is a blueprint for the future, which encompasses our goals and aspirations from this time forward.

Many people contributed to this Plan. The work began with six task forces that prepared recommendations on Programmatic Directions; Academic Organizational Structure; Graduate Education; Student Experience; Multicampus Development; and Image, Spirit, and Pride. Their reports motivated extensive discussions of campus priorities and directions. Those discussions were synthesized in a draft Plan widely distributed for campus review. Many valuable comments on the draft were submitted in writing and in two public hearings, and this final Plan reflects those insights.

Completing the projects identified in the Five Year Plan will also require the efforts of many people, and I look forward to working on them with you. Principal responsibility for each project has been assigned to one or more administrators, and projects that need significant funding will be addressed in the campus budget process. Annual progress reports will track our success in meeting the goals in a timely fashion.

With the Plan as guide, the next five years should be the most productive and creative era yet at Stony Brook. I look forward to working with you to realize the goals we have committed to achieve.



**Shirley Strum Kenny, President**

**I**n its first 50 years, Stony Brook University grew from a fledgling teachers college to one of America's great research universities. In the next five years, Stony Brook will emerge as a multicampus institution and take the lead in education and scholarship for the 21st century with an interdisciplinary approach, an international focus, and increased prominence in the arts. Stony Brook will continue to grow and build a campus community that promotes student success, both on campus and after graduation. Eco-literacy and environmentally sound practices will contribute to a sustainable future. The University will also continue to develop its role as greater Long Island's research university, serving the region with state-of-the-art health care, supporting a robust regional economy, and contributing to a vital regional community. An ambitious fundraising effort will augment state and other funding sources to support these priorities.



**STONY BROOK HAS  
12 PRINCIPAL GOALS FOR  
THE NEXT FIVE YEARS:**

1. Develop Stony Brook as a multicampus institution.
2. Expand, strengthen, and diversify the faculty.
3. Build research with a special focus on interdisciplinary, translational, and applied research and the study of contemporary issues.
4. Increase the student body to 27,000 excellent students.
5. Provide leadership for regional challenges and opportunities as greater Long Island's research university.
6. Advance health-care programs and services as an integral part of Stony Brook.
7. Raise the arts to national prominence.
8. Strengthen graduate education.
9. Implement an undergraduate curriculum for the 21st century and promote student success.
10. Create an increasingly vibrant and inclusive campus community.
11. Support sustainability through a green-campus initiative.
12. Extend international curricula and connections.



## 1. DEVELOP STONY BROOK AS A MULTICAMPUS INSTITUTION.

With the acquisition of Stony Brook Southampton, creation of the Research and Development Park, and development of additional space in Manhattan, Stony Brook has begun to reshape itself as a multicampus institution. The new locations will be developed synergistically, leveraging the opportunities unique to each while complementing and supporting the main campus.

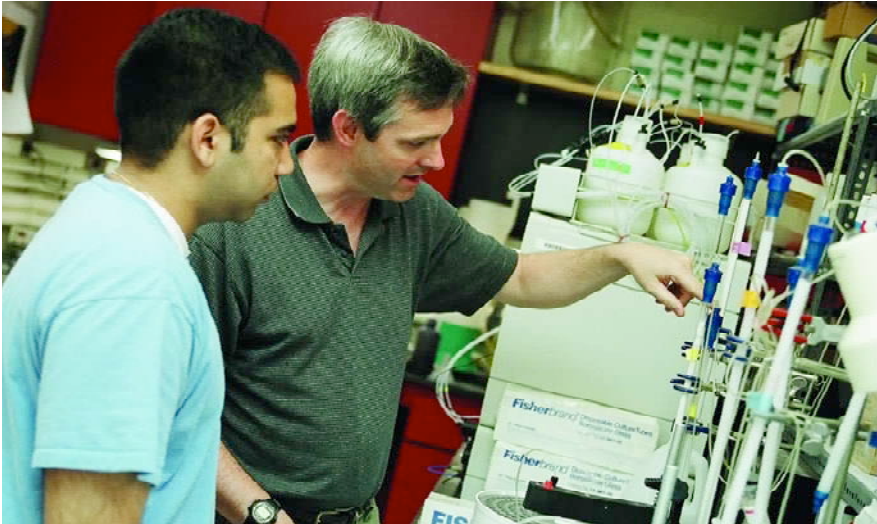
The largest single project is developing the 82-acre Southampton campus as a world-class center for undergraduate education, emphasizing environmental and sustainability studies including related political, economic, social, and philosophical issues. Stony Brook Southampton will provide an intimate, small-college experience within a research university. The campus will also offer professional education to the East End community and academic and cultural programs in the creative arts.

The Research and Development Park—246 acres adjacent to the Stony Brook campus—will ultimately house ten new buildings, providing space for faculty, students, and companies to work together developing products and adding businesses to the Long Island economy. The first two buildings will be the New York State Center of Excellence in Wireless and Information Technology and the Advanced Energy Research and Technology Center.

Stony Brook's Manhattan campus, on Park Avenue South between 27th and 28th streets, brings Stony Brook courses and selected degree programs to New York City residents, and resources such as city-related courses and internships to Stony Brook students. An expansion scheduled for completion in spring 2008 will support the further development of programs in which the city offers particularly rich opportunities, in the arts, humanities, health professions, business, and journalism. Online education will further extend access to Stony Brook courses and programs.

### ACTIONS:

1. Stony Brook will continue to develop the Stony Brook main campus as a leading research university.
2. Stony Brook will develop the Southampton campus as a world-class center for undergraduate education in sustainability.
3. Stony Brook will establish programs in the arts on the Southampton campus and professional programs that serve the East End community.
4. Stony Brook will continue to develop the Manhattan campus as a specialized education and outreach center.
5. Stony Brook will develop the Research and Development Park to foster industry partnerships based on cutting-edge research, while strengthening incubator programs to promote product development and commercialization.
6. Stony Brook will explore opportunities to increase online education.



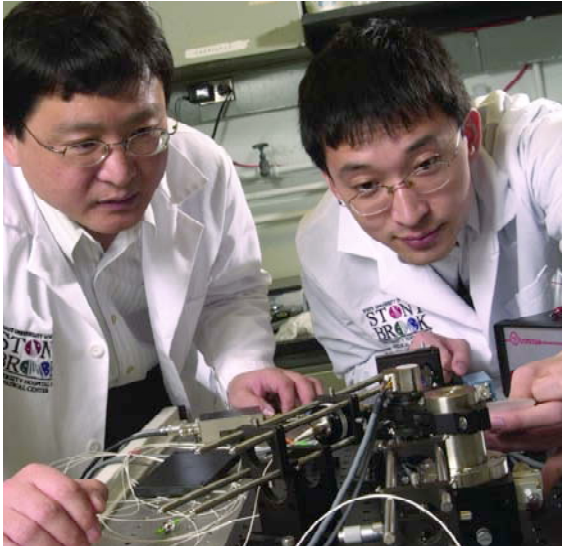
## **2. EXPAND, STRENGTHEN, AND DIVERSIFY THE FACULTY.**

A university is as great as its faculty, and Stony Brook will foster its other five-year initiatives with faculty development. Targeted recruitment, including cluster hiring, will support interdisciplinary initiatives and other research and teaching priorities. Recruiting and retaining scholars and teachers of distinction will increase research, enrich intellectual life on the campus, promote curriculum development, support more student research and creative projects, and facilitate the development of close relationships between students and faculty members. Increasing the number of women and members of ethnic minority groups on the faculty is an institutional priority. To support the recruitment of excellent, newly minted faculty, Stony Brook will continue to seek ways to offer affordable housing, partnering with local organizations.

### **ACTIONS:**

1. Stony Brook will hire additional faculty, including cluster hires, to build research and educational programs with special attention to supporting interdisciplinary initiatives and increasing diversity from underrepresented groups.
2. Stony Brook will establish 25 named professorships and chairs to attract exceptional faculty.
3. Stony Brook will explore opportunities to offer affordable faculty housing.

*Recruiting and retaining scholars and teachers of distinction will increase research, enrich intellectual life on the campus, promote curriculum development, support more student research and creative projects, and facilitate the development of close relationships between students and faculty members.*



### **3. BUILD RESEARCH WITH A SPECIAL FOCUS ON INTERDISCIPLINARY, TRANSLATIONAL, AND APPLIED RESEARCH AND THE STUDY OF CONTEMPORARY ISSUES.**

*Stony Brook will foster interdisciplinary development by creating several University-wide centers and promoting additional collaboration.*

The continued development of the research that makes Stony Brook one of the world's leading universities will focus on interdisciplinary programs and on research that promotes technological development and meets social needs. The University's close relationships with Brookhaven National Laboratory and Cold Spring Harbor Laboratory will be important resources.

The extraordinary advance of disciplinary science, technology, and scholarship has created opportunities for research and educational programs that transcend traditional disciplinary boundaries. Increasingly, the most important scientific, pragmatic, and scholarly problems can be addressed only by combining the insight and expertise of several disciplines. Stony Brook will foster interdisciplinary development by creating several University-wide centers and promoting additional collaboration. Research funding will increase as these initiatives position Stony Brook to compete for interdisciplinary team-based grants.

Stony Brook's large-scale interdisciplinary centers will address institutional priorities and opportunities. The initiatives in computational science and integrative environmental research begun in 2006 are examples. Additional centers will be formed during the next five years. Other interdisciplinary activities will emerge from faculty creativity stimulated by opportunities for interaction and administrative arrangements that promote interdisciplinary work.

Stony Brook will extend current strengths in basic research and further develop applied research programs that contribute to the solution of technological, environmental, medical, and social problems. A major new program in computational neuroscience will capitalize on the potential of stem cells and

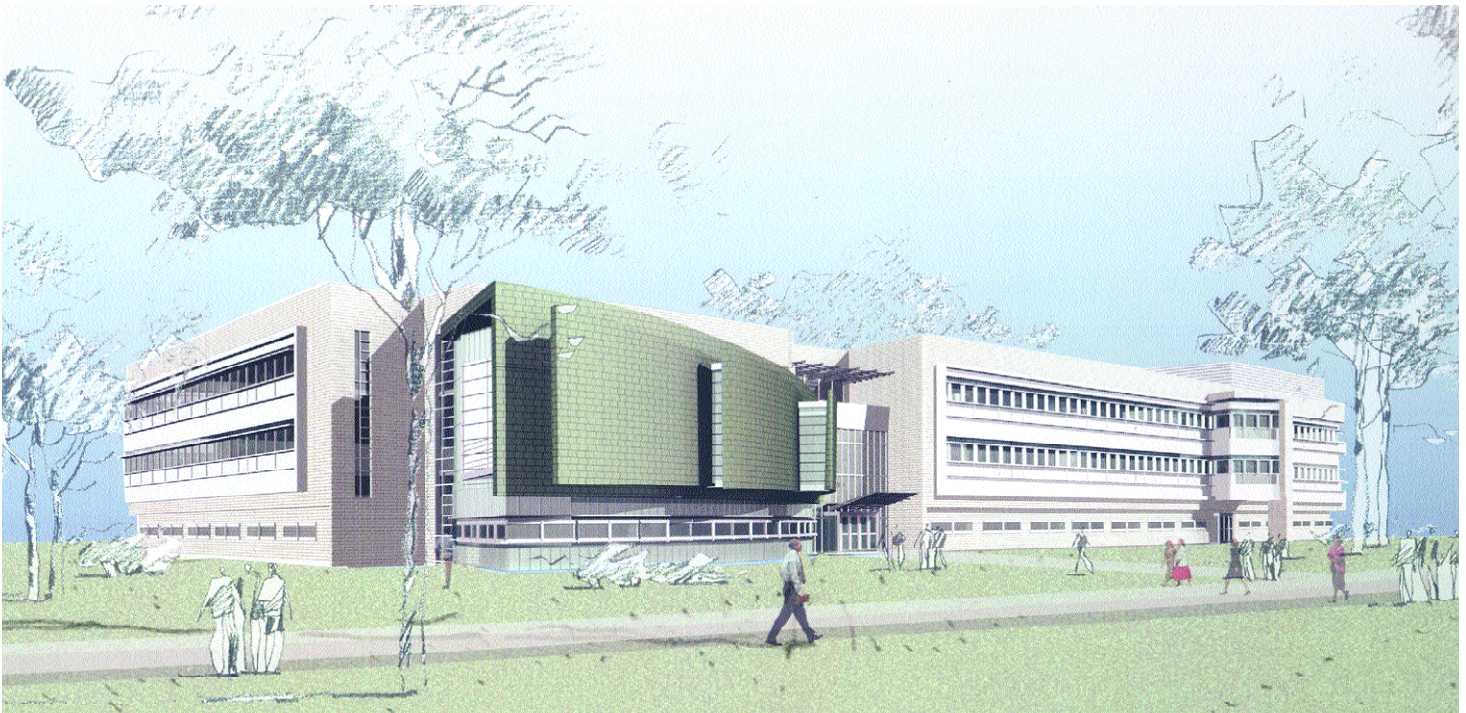
computation-based understanding of brain and nervous system disorders. The first facilities planned for the Research and Development Park embody major opportunities for research in the next wave of the Information Revolution—wireless technology—and in alternative energy.

In the humanities, arts, and social sciences, the multicultural global society and economy of the 21st century provide unprecedented opportunities for interdisciplinary research and scholarship. Their faculty will also play a key role in interdisciplinary projects in the applied sciences that include analysis of the social and cultural implications of new technologies.

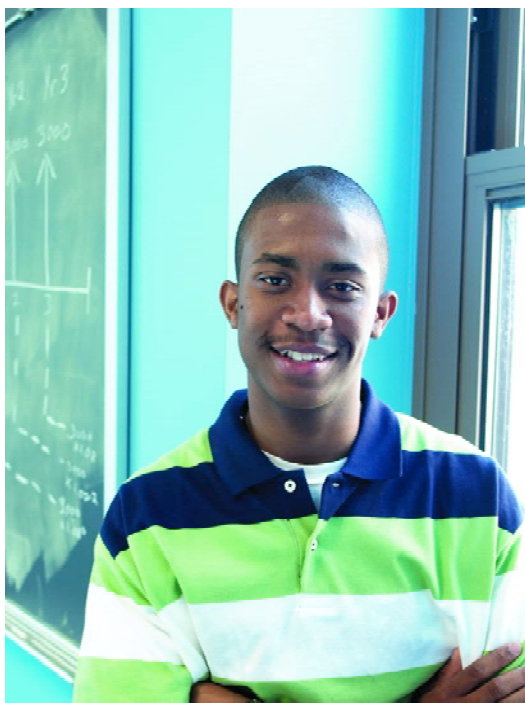
**ACTIONS:**

1. Stony Brook will increase research expenditures by 8 percent a year.
2. Stony Brook will create several large, long-lived interdisciplinary centers in areas that address questions of the highest intellectual and social importance.
3. Stony Brook will expand interdisciplinary research and scholarship projects and programs by creating opportunities and administrative structures that encourage and support collaboration among faculty from different disciplines.
4. Stony Brook will further develop applied research in engineering, environmental/sustainability sciences, translational medicine, and nanomedicine to the high standards set by existing campus research programs.
5. Stony Brook will engage scientists, engineers, social scientists, and humanists in interdisciplinary centers and activities.

*A major new program in computational neuroscience will capitalize on the potential of stem cells and computation-based understanding of brain and nervous system disorders.*



*Rendering of the Center of Excellence in Wireless and Information Technology*



#### **4. INCREASE THE STUDENT BODY TO 27,000 EXCELLENT STUDENTS.**

Stony Brook will continue to grow, increasing enrollment from 23,350 students in 2007 to 27,000—9,500 graduate students and 17,500 undergraduates, 2,000 of whom will be at Southampton. The University will provide New York State residents affordable access to education of the highest quality, while increasing the numbers of out-of-state and international students to give all students the benefits of a geographically diverse student body provided by the great public universities that are Stony Brook's peers.

Doctoral enrollment will increase, and Stony Brook will expand master's-level education to provide a select array of offerings that meet student demand and workforce needs. These will include five-year baccalaureate/master's programs. Mechanisms such as incentive-based budgeting will encourage development and expansion of high-priority programs.

This growth will require additional faculty and student affairs staff and expanded campus services and facilities, including state-of-the-art classrooms. Additional residence halls are scheduled to open in 2008, 2009, 2010, and 2011.

#### **ACTIONS:**

1. Stony Brook will enroll 27,000 students: 25,000 on the Stony Brook campus and 2,000 at Southampton.
2. Stony Brook will increase the enrollment of high-achieving students to become a "most selective" institution in SUNY's categorization while maintaining diversity.
3. Stony Brook will increase the percentage of out-of-state and international undergraduates to 30 percent of the incoming freshman class.
4. Stony Brook will expand doctoral enrollment by creating new programs and increasing the size of existing programs with growth capacity.
5. Stony Brook will expand professional, master's, and certificate programs that respond to student demand and meet workforce needs, including the new journalism and MBA programs.
6. Stony Brook will support enrollment growth, increasing residential capacity by 1,200 to 1,500 beds, and by adding the classrooms, laboratories, parking, and other facilities and services required to accommodate more students.

## 5. PROVIDE LEADERSHIP FOR REGIONAL CHALLENGES AND OPPORTUNITIES AS GREATER LONG ISLAND'S RESEARCH UNIVERSITY.

Stony Brook is greater Long Island's public research university and the State University's downstate university center, serving a region—including Brooklyn and Queens—that has a population larger than 38 states (19 without Brooklyn and Queens). The University will continue to develop that role—as an education center, economic engine, health-care leader, and community resource—for services ranging from public education in health care to the performing arts and athletic events. The Southampton campus will expand these services on Long Island's East End.

The Research and Development Park will increase Stony Brook's contribution to the regional economy by developing cutting-edge research and development programs, while strengthening Stony Brook's incubation and entrepreneurship programs on campus and at the Calverton Incubator, which will accelerate technology commercialization and enterprise growth. The University will also address the needs of Long Island and the Tri-State region in areas such as environmental studies and sustainable development, health care for an aging population, secondary education, suburban studies, urban and suburban security, and immigration studies. A more coordinated approach to community interaction will increase the value of existing activities and facilitate development of new ones.

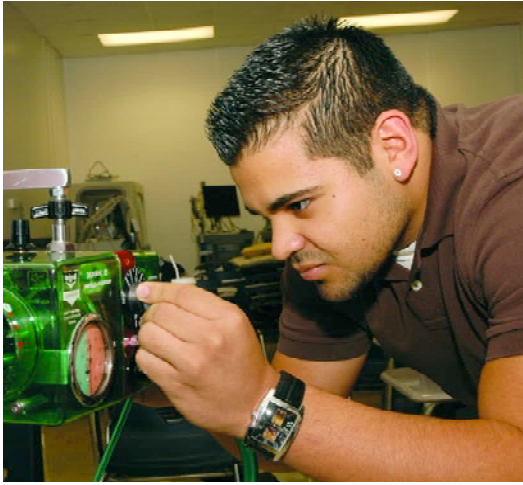
### ACTIONS:

1. Stony Brook will develop the Research and Development Park to expand its role as a regional economic engine while developing and promoting research programs that address regional issues of global significance.
2. Stony Brook will strengthen programmatic support for incubator companies and other entrepreneurs.
3. Stony Brook will serve the East End community at the Southampton campus through, for example, both undergraduate degree programs and professional graduate programs.
4. Stony Brook will expand its role in meeting regional talent needs by preparing new professionals to enter the workforce with excellent job skills, maintaining and updating the skills of experienced workers, and encouraging students to undertake entrepreneurial activities on Long Island.
5. Stony Brook will expand programs with K-12 school districts.
6. Stony Brook will conduct research that addresses the needs of the downstate region and disseminate the results to the community.
7. Stony Brook will continue to develop its regional leadership role in service, cultural, and athletics programs.



*The Research and Development Park will increase Stony Brook's contributions to the regional economy by developing cutting-edge research and development programs.*





## 6. ADVANCE HEALTH-CARE PROGRAMS AND SERVICES AS AN INTEGRAL PART OF STONY BROOK.

The integration of the health sciences into the Stony Brook campus is one of Stony Brook's defining features and an extraordinary resource for biomedical research, which will be further developed in the next five years. Stony Brook University Medical Center will continue to develop its central role in the regional health-care delivery system. The disciplinary and interdisciplinary programs of the five health professional schools will continue to meet the region's ongoing and emerging health-care education, research, and service needs.

Research programs will expand through further collaboration among clinicians, basic scientists, social scientists, and humanists. Developing translational research, which advances clinical applications of basic science discoveries, is a priority. A second is outcomes research, bringing together faculty with expertise in clinical care, statistics, and the social sciences to investigate the efficacy of clinical services. Engaging social scientists and humanists in the study of health care will revitalize Stony Brook's early commitment to their inclusion.

### ACTIONS:

1. Stony Brook will expand educational, research, and campus-life programs that integrate the East, West, and South campuses.
2. Stony Brook will build translational and health-care outcomes research programs, drawing on the expertise of faculty from many different fields.
3. Stony Brook will increase enrollment in health-profession education by at least 450 students in programs that meet regional, state, and national needs.
4. Stony Brook will continue to develop its regional leadership role as Suffolk County's source of tertiary and quaternary medical services, including strengthened affiliations with East End hospitals.
5. Stony Brook will continue to develop its leadership role in addressing other regional health-care needs and public health issues.

*Stony Brook University Medical Center will continue to develop its central role in the regional health-care delivery system.*

## 7. RAISE THE ARTS TO NATIONAL PROMINENCE.

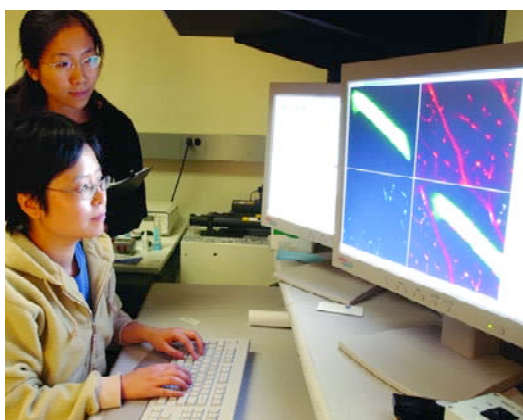
Stony Brook's location halfway between New York City and the artistic communities of Long Island's East End provides an exceptional opportunity for programs in the visual, literary, and performing arts. Stony Brook Southampton expands the possibilities. In the next five years these resources will be used to support the expansion of performance/exhibition programs and art education and scholarship. Organizational strategies will be developed to ensure the success of artistic endeavors in the research university context.

### ACTIONS:

1. Stony Brook will develop excellence and visibility in the arts, including engaging active artists in performance/exhibition and educational programs.
2. Stony Brook Southampton will develop arts programs.
3. Stony Brook will present world-class performing arts at the Staller Center on the Stony Brook campus and the Avram Theater at Southampton.
4. Stony Brook will develop the Charles B. Wang Center as a place for the arts.
5. Stony Brook will offer art students a broad array of internships in leading museums, galleries, and performance venues on Long Island, and in Manhattan through Stony Brook Manhattan.

*Stony Brook's location halfway between New York City and the artistic communities of Long Island's East End provides an exceptional opportunity for programs in the visual, literary, and performing arts.*





*Stony Brook will further develop its excellent doctoral programs by promoting interdisciplinary graduate education and expanding initiatives that prepare students for success in a variety of careers.*

## **8. STRENGTHEN GRADUATE EDUCATION.**

Stony Brook will further develop its excellent doctoral programs by promoting interdisciplinary graduate education and expanding initiatives that prepare students for success in a variety of careers. The expansion of interdisciplinary educational opportunities will complement the increase in interdisciplinary research and prepare students for 21st century careers. These opportunities take various forms, ranging from undertaking an interdisciplinary project under the guidance of faculty in multiple departments, to working in an interdisciplinary center, to obtaining a Ph.D. in an interdisciplinary program.

The further development of graduate and research programs in the humanities and social sciences is a priority. Addressing the social, political, economic, and environmental issues of the 21st century requires people trained in languages and transnational perspectives on philosophy, history, culture, and social structure.

Stony Brook will also focus on preparing doctoral students for professional success by providing training and certification in areas such as teaching, mentoring, leadership, and communication skills. Recognizing the varied careers graduates pursue, these programs will prepare students for success outside the academy as well as within it. Master's and certificate programs will continue to provide excellent professional education in a variety of fields.

To recruit additional graduate students and maintain high-quality programs, Stony Brook will provide graduate stipends at the cost-adjusted median level for peer schools and address the shortage of graduate housing. The number of teaching assistantships will be increased to support undergraduate enrollment growth and expand opportunities for small class meetings.

### **ACTIONS:**

1. Stony Brook will increase the enrollment of exceptionally talented doctoral students.
2. Stony Brook will smooth students' progression through doctoral programs to increase completion rates and reduce time to degree.
3. Stony Brook will further develop its graduate programs in the humanities and social sciences.
4. Stony Brook will continue to develop interdisciplinary graduate programs to complement interdisciplinary research and prepare students for professional work in the 21st century.
5. Stony Brook will emphasize writing and speaking skills in graduate courses.
6. Stony Brook will prepare graduate students for professional success in a variety of careers by developing their teaching, mentoring, leadership, and communication skills, as well as their research skills.
7. Stony Brook will enable doctoral students to complement their scholarly work with professional certification in areas such as teaching, journalism/communication, business, or science administration.

8. Stony Brook will create a Graduate Career Center to serve the unique and complex career needs of graduate students, providing professional development opportunities, skills training, and access to employment outside the academy.
9. Stony Brook will increase graduate student support with the goal of increasing TA/GA stipends to at least the cost-adjusted median level of public AAU universities.
10. Stony Brook will develop and begin implementing a plan to provide additional affordable, appropriately configured graduate housing.

## **9. IMPLEMENT AN UNDERGRADUATE CURRICULUM FOR THE 21ST CENTURY AND PROMOTE STUDENT SUCCESS.**

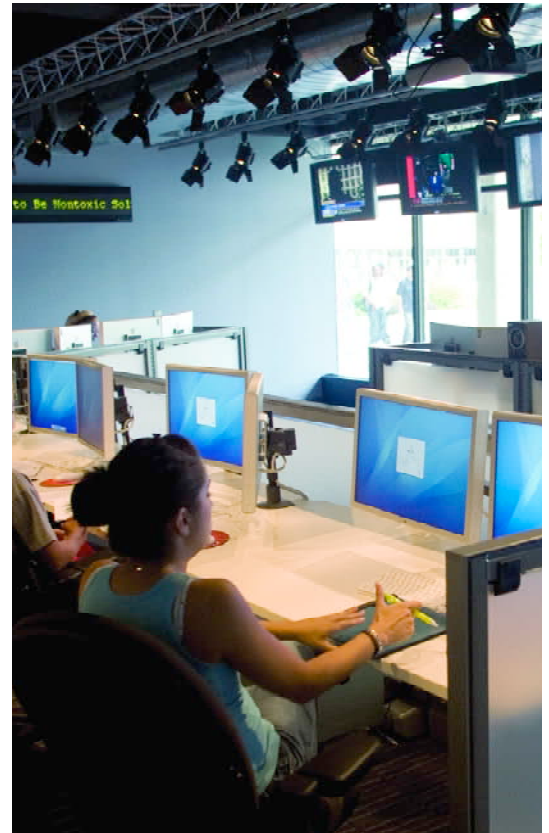
Changes in the world, the evolution of scholarship, the importance of interdisciplinary perspectives, and the pedagogical opportunities provided by instructional technology all motivate the reconceptualization of undergraduate curricula to prepare students for living and working in the 21st century. Stony Brook will create new curricula that respond to this environment.

Curricular development will focus on general education but extend to revamping existing undergraduate majors, creating new ones that incorporate interdisciplinary perspectives, and offering an extensive array of combined baccalaureate/master's degree options. The new general education requirements will be better articulated and easier for students to schedule while providing a more integrated learning experience and more interdisciplinary perspectives.

Undergraduate research, internships, and international opportunities and perspectives will be infused into the curriculum. The further development of undergraduate research and creative activities will include increased opportunities for undergraduates to conduct research locally using the region's natural, social, and archival resources. Capstone courses will be developed to bring students' educational experiences to conclusion with a major project that utilizes the research and communication skills they have learned.

Innovative pedagogy and appropriate facilities and services will support new curricula and strengthen existing programs. Identifying learning outcomes and assessing their achievement will be an important part of the development process.

To increase retention and graduation rates, Stony Brook will implement a comprehensive "admission through graduation" approach to advising, safety nets, and early warning systems for all undergraduate students. Promoting student success will include initiatives ranging from the continuous improvement of campus life and advising and support services, to expanded opportunities for students to locate themselves in small communities including the Undergraduate Colleges, to ensuring student access to high-demand courses, and implementing pedagogical and curricular changes to improve undergraduate instruction. Stony Brook will continue to strengthen both the first-year experience and the academic and advising needs of transfer, upper-division, and international students.



*Undergraduate research, internships, and international opportunities and perspectives will be infused into the curriculum.*



*Stony Brook will continue to strengthen both the first-year experience and the academic and advising needs of transfer, upper-division, and international students.*

#### **ACTIONS:**

1. Stony Brook will create a contemporary general education curriculum for undergraduate students that emphasizes interdisciplinary and discipline-linking perspectives and includes international perspectives.
2. Stony Brook will teach core competencies such as writing, oral communication, analysis, logical thinking, and numeracy in tandem with disciplinary subject matter.
3. Stony Brook will offer an introductory course to all new transfer students tailored to their needs.
4. Stony Brook will establish an array of undergraduate majors that incorporates the best contemporary scholarship and prepares students for life and work in the 21st century.
5. Stony Brook will expand interdisciplinary undergraduate education by making it easy for students to customize interdisciplinary programs.
6. Stony Brook will enhance the undergraduate curriculum with expanded opportunities for undergraduate research, scholarship, and creative activities within majors and in interdisciplinary programs, including research focused on Long Island.
7. Stony Brook will develop capstone courses as progress toward the goal of having all students finish their undergraduate education with a major project.
8. Stony Brook will offer 1,000 internships a year by 2013 as progress toward the goal of offering an internship to every undergraduate.
9. Stony Brook will more fully use its status as a comprehensive graduate education and research university to provide combined baccalaureate/master's degree opportunities.
10. Stony Brook will promote excellent teaching and innovative pedagogy supported by assessment.
11. Stony Brook will expand opportunities for students to benefit from proximity to New York City through internships, instructional programs, and cultural and recreational opportunities.
12. Stony Brook will establish a comprehensive "admission to graduation" approach to promoting student success tailored to meet the needs of students who enter as freshmen and transfers, including expanded advising and mentoring.
13. Stony Brook will increase the freshman first-year retention rate to 90 percent and the six-year graduation rate to 65 percent, while also increasing the retention and graduation of transfer students.
14. Stony Brook will prepare undergraduate students for professional success through expanded career preparation services, connections with alumni, and increased training options in communication skills, presentation skills, and leadership.
15. Stony Brook will create a student employment service to expand on-campus employment opportunities.



## **10. CREATE AN INCREASINGLY VIBRANT AND INCLUSIVE CAMPUS COMMUNITY.**

Expanding the student body and enhancing the student experience will require the further development of campus programs and facilities, including residential facilities, classrooms, and laboratories. Key to this effort will be addressing the absence of a college town by creating a campus center with shops and services that serve the campus community and provide a focal point for social life. The center will be designed to meet students' practical needs and leisure choices, and benefit the entire University community. The Recreation Center in design in 2008 will complement these facilities as a center of campus life.

The second focus for developing campus life will be further development of intercollegiate athletics to promote school spirit, provide exciting weekend and evening activities for students, and improve community relations. Stony Brook will elevate football to a fully funded NCAA Division I (FCS) scholarship program and build winning teams, while maintaining an absolute commitment to student-athletes' academic success.

A third focus will be further embracing as members of the extended campus community Stony Brook's growing alumni population, 129,000 members strong in 2007. Key to this effort will be creating an Alumni Center to maintain alumni

*Stony Brook will elevate football to a fully funded NCAA Division I (FCS) scholarship program and build winning teams, while maintaining an absolute commitment to student-athletes' academic success.*



*Stony Brook will continue efforts to enhance campus life and the integration of students, faculty, and staff into an inclusive and caring campus community, and ensure their safety.*

contacts; coordinate alumni activities on and off campus; and provide a location for current students, faculty, and staff to meet with alumni.

In addition to these primary initiatives, Stony Brook will continue efforts to enhance campus life and the integration of students, faculty, and staff into an inclusive and caring campus community, and ensure their safety. Programs will accelerate the socialization of new students during student recruitment, summer orientation and registration, the opening of school, and the early weeks of the semester to teach newcomers about campus traditions, rituals, and ways of doing things. Communication among all members of the campus will be enhanced through the use of information technology and other means. A campus hotel will provide convenient and welcoming accommodations for campus events and visitors.

#### **ACTIONS:**

1. Stony Brook will create a campus center to fill the role of a college town in campus life.
2. Stony Brook will build a Recreation Center.
3. Stony Brook will continue to build a successful intercollegiate athletics program by promoting the athletic and academic success of student-athletes.
4. Stony Brook will expand activities that engage students in the intellectual, recreational, and social life of the campus community.
5. Stony Brook will continue to improve the services and infrastructure that create a safe and caring campus.
6. Stony Brook will become a model campus for providing an inclusive multicultural environment to all students, faculty, and staff.
7. Stony Brook will increase efforts to instill pride in students, faculty, staff, and alumni as members of the Stony Brook community.
8. Stony Brook will create an Alumni Center and expand alumni activities.
9. Stony Brook will enhance campus communication through new venues, including a Web portal, electronic message boards, employee town hall meetings, and divisional action teams.
10. Stony Brook will continue to beautify the campus, improve its facilities, and reduce its impact on the natural environment.
11. Stony Brook will work with developers to add an on-campus hotel to accommodate research conferences and other activities, campus guests, and students' and patients' families.

## 11. SUPPORT SUSTAINABILITY THROUGH A GREEN-CAMPUS INITIATIVE.

Stony Brook will build an eco-literate community that contributes to a sustainable future. Building on existing programs and the collaborative efforts of students, faculty, and staff, the University will continue to improve campus resource use and find new ways to limit its ecological impact while educating all members of the campus community about sustainable practices. These initiatives will help Long Island meet the environmental challenges of the 21st century and prepare students for them.

Energy-saving initiatives will include increasing awareness of energy and resource conservation with the creation of an energy management Web site to communicate campus efforts in this area, evaluating the use of renewable energy at all Stony Brook campuses, initiating energy conservation measures through collaboration with students and faculty, establishing policies on temperature standards, eliminating the use of electric heaters where practical, and implementing a green computing policy.

The use of sustainable practices in maintenance and construction activities will include expanding the use of green cleaning products, designing and constructing new buildings or rehabilitating existing ones using LEED criteria, evaluating the use of high-efficiency plumbing fixtures, expanding the current construction debris recycling program, and evaluating the implementation of effective storm- and grey-water management systems.

Recycling initiatives will include expanding paper and container recycling in the residence halls, evaluating the feasibility of bringing recycling and composting practices to many food service locations, implementing a “yard sale” program to recycle discarded furnishings, and installing additional recycled recyclers to increase participation.

Eco-literacy and environmentally sound practices will be promoted by the creation of an environmental stewardship Web site to communicate and promote sustainability efforts, and a sustainability task force made up of staff, students, and faculty.

### ACTIONS:

1. Stony Brook will decrease its reliance on fossil fuels by implementing energy-saving technologies and pursuing the purchase of alternative energy sources.
2. Stony Brook will increase the use of sustainable practices in maintenance and construction activities.
3. Stony Brook will increase recycling.
4. Stony Brook will promote the purchase of supplies and products that support environmental sustainability, such as recycled materials and Energy Star products.
5. Stony Brook will expand and develop programs that increase eco-literacy and environmentally sound practices among all members of the campus community.
6. Stony Brook will expand internship and service-learning opportunities for students interested in the sustainable development of the campus.



*Building on existing programs and the collaborative efforts of students, faculty, and staff, the University will continue to improve campus resource use and find new ways to limit its ecological impact.*





*Stony Brook is building on research programs in such countries as Madagascar (top) and the Turkana Basin region in Kenya.*

*More Stony Brook students will study abroad, take part in exchange programs, and complete international internships.*

## **12. EXTEND INTERNATIONAL CURRICULA AND CONNECTIONS.**

To participate fully in the global economy and society, Stony Brook will strengthen international programs through faculty recruitment; increased international research collaboration; international partnerships with universities, agencies, and businesses; enhanced study abroad programs; and curriculum development. More international students will be recruited to Stony Brook. More Stony Brook students will study abroad, take part in exchange programs, and complete international internships. The International Academic Programs Office will assume a more prominent role in promoting international educational experiences and incorporating international perspectives in teaching and research. The recruitment and support of faculty with expertise in contemporary international issues will bolster these initiatives.

Undergraduate curriculum development will include both programs that prepare students for careers in international work environments and, in the general education curriculum, courses that prepare students to live in a global community and work in a global economy. Stony Brook’s proximity to the United Nations can provide special opportunities to develop these programs.

Stony Brook will focus international research and development programs in Africa building on current programs in Kenya, Madagascar, and Tanzania. Africa’s natural and paleontological resources provide exceptional research opportunities, and Stony Brook’s current service initiatives—in health care, education, environmental protection, and economic development—offer a model for further expansion.

### **ACTIONS:**

1. Stony Brook will continue to develop an international focus in the humanities and social sciences.
2. Stony Brook will include a “global perspectives” requirement in the new general education curriculum, encompassing religion, technology, migration, and related topics.
3. Stony Brook will increase the number and size of study abroad programs.
4. Stony Brook will complement increased study abroad and exchange programs with permanent Stony Brook overseas-semester sites for large numbers of students in locations including China, India, Italy, Kenya, Korea, Madagascar, and Spain.
5. Stony Brook will build further relationships with universities in other countries to increase exchange programs, cooperative research, internships, and service projects.
6. Stony Brook will expand research and service activities in Africa.



**FOR MORE INFORMATION**

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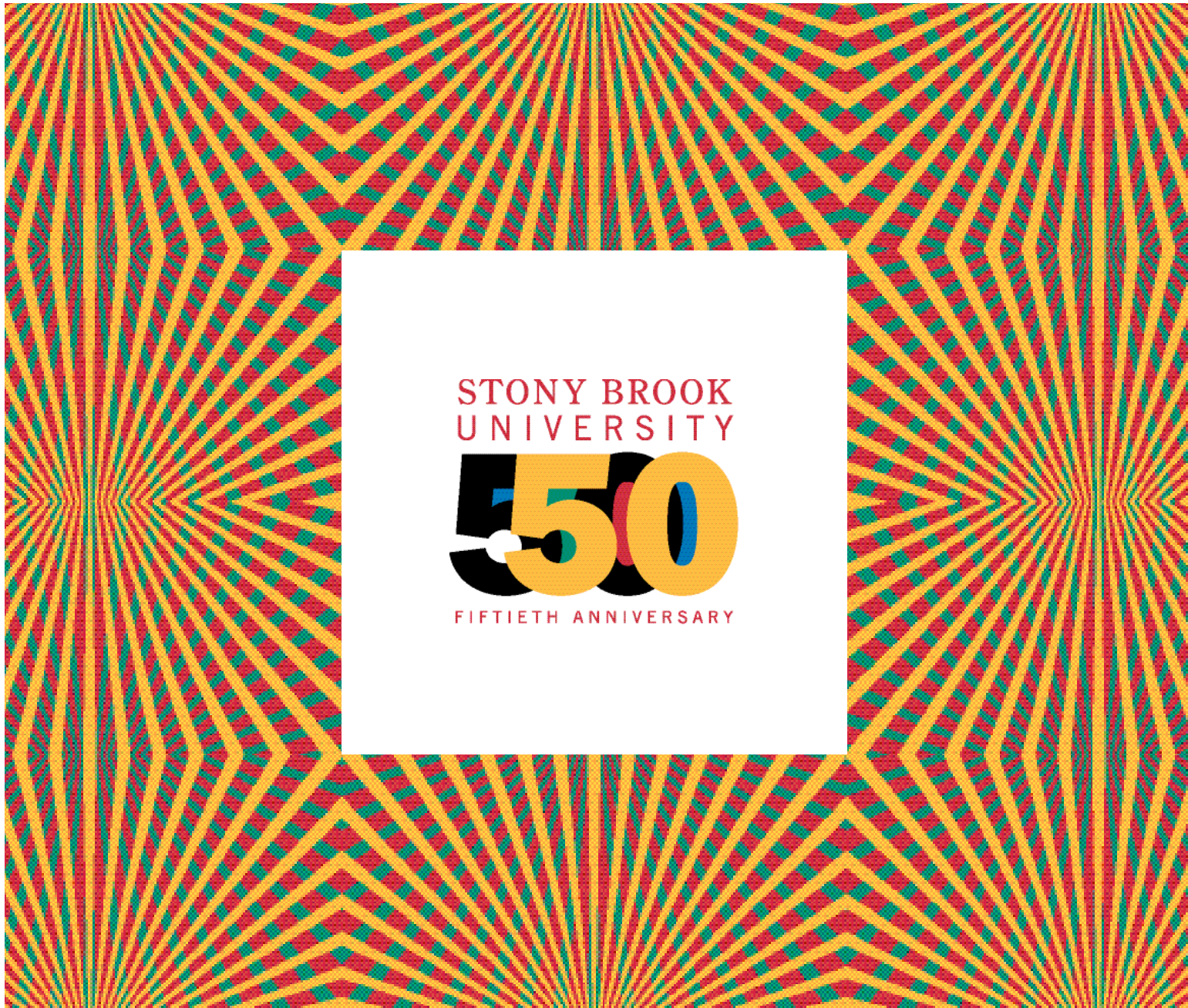
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# 2006 ANNUAL FINANCIAL REPORT



THE STATE UNIVERSITY *of* NEW YORK

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## Message from the Chancellor

I am pleased to present this year's Annual Financial Report of the State University of New York. The report provides an overview of the State University's finances and operating results for the year ended June 30, 2006. The State University continues to be in sound financial condition, and we continue to make progress on enhancing quality, affordability and accessibility throughout the State University. Enrollment, student retention, sponsored research and philanthropy are all at record levels.

Total student enrollment has grown every year since 1997 and has been on a record-setting pace since the fall 2003. Enrollment, including community colleges, has increased by more than 15 percent since fall 1996, from 368,459 to a level projected to reach 424,000 this fall. Enrollment has increased by more than 55,600 students since 1996, a population larger than the size of the University at Buffalo.

In addition, system-wide retention rates, which are indicators of overall graduation rates, are steadily increasing. Retention of first-year, full-time students, who entered the State University System in the fall 2004 to pursue a baccalaureate degree tied the highest rate (fall 1990) in the history of the State University, at 82 percent. The State University rates continue to outpace the rates at most public colleges nationally, and are as high as or approaching the rates at many of the best private colleges and universities in the United States. Reflecting the State University's commitment to improved student performance across all cultural backgrounds, recent data shows that the State University's minority student graduation rates exceed the national rates for minority students attending public institutions.

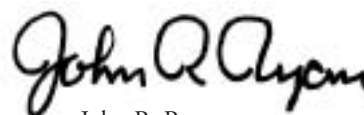
The 2005-06 State Budget was the best that the State University has received from the Governor and Legislature in decades. The overwhelming majority of the State University's financial plan has enabled the State University to meet its salary obligations, and heat, light, and to maintain the 90 million square feet of facilities. In addition, the State University was able to hold the line on tuition and add approximately 380 full-time faculty across its 29 state-operated campuses. Full-time faculty provides the outstanding teaching, service, and research that inspires our students, trains our workers, and strengthens our economy.

In fiscal years 2006 and 2005, the State University received new multi-year capital funding authorizations intended to cover the five-year period through fiscal year 2008-09. Cumulatively, the multi-year capital plan now totals \$2.7 billion for State-operated campus educational facilities and \$419 million for the State University hospitals. Under these programs, a majority of the funding supports critical maintenance needs to renovate and modernize existing State University educational and hospital facilities as well as selected program initiatives.

Sponsored programs and research funding decreased slightly in the 2006 fiscal year to \$871 million. Research continues to be a major component of the State University's activity, with faculty constantly breaking new ground in science, technology, and commercial development. In the 2006 fiscal year, The Research Foundation of State University of New York recorded 284 invention disclosures, 196 patent applications, 33 issued patents, 45 licenses executed, and more than \$10.7 million from royalties. These achievements were the products of more than 7,300 research projects that supported 17,000 employees statewide.

Private support is critical to maintaining excellence at the State University. It allows our campuses to invest in academic quality and support innovative research on a level comparable to private institutions. In March 2004, we launched an ambitious fundraising campaign, *The State University of New York \$3 Billion Challenge*. To date, the Challenge has raised nearly \$1.5 billion in philanthropic donations and giving remains strong.

The State University of New York is an excellent investment for students who seek a higher education and for taxpayers as well. We take very seriously our responsibility to be good stewards of public dollars and will continue to strive to be as efficient as possible in managing our resources.



John R. Ryan  
Chancellor

## Management's Discussion and Analysis

Management's discussion and analysis (MD&A) provides a broad overview of the State University of New York's (State University) financial condition as of June 30, 2006 and 2005, the results of its operations for the years then ended, and significant changes from the previous years. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the State University which directly follows the MD&A.

For financial reporting purposes, the State University's reporting entity consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), and central services, but excluding community colleges. The financial statements also include the financial activity of The Research Foundation of the State University of New York (Research Foundation), which administers the sponsored program activity of the State University, the State University Construction Fund, (Construction Fund), which administers the capital program of the State University, the auxiliary services corporations and foundations located on its campuses.

The foundations meet the criteria under the Governmental Accounting Standards Board (GASB) accounting and financial reporting requirements for inclusion in the State University reporting entity. For financial statement presentation purposes, the combined totals of the foundations are not included in the reported amounts of the State University, but are discretely presented on separate pages in the State University's financial statements, in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB) for not-for-profit organizations.

The focus of the MD&A is on the State University financial information contained in the balance sheet, the statement of revenues, expenses, and changes in net assets, and the statement of cash flows, which exclude the foundations. Foundation financial statement information is presented separately on pages 16 and 17 of the State University's financial statements.

### Financial Highlights

At June 30, 2006 and 2005, total assets reported by the State University were \$9.45 billion and \$8.66 billion and total liabilities were \$7.73 billion and \$7.2 billion, respectively. Net assets, which total \$1.72 billion and \$1.46 billion at June 30, 2006 and 2005, experienced an increase of \$255 million in 2006 and an increase of \$29.4 million in 2005. The net assets at June 30, 2006, 2005, and 2004 are summarized in the following categories (in thousands):

|  | <u>2006</u>         | <u>2005</u>      | <u>2004</u>      |
|--|---------------------|------------------|------------------|
| Net Assets:  |                     |                  |                  |
| Invested in capital assets,<br>net of related debt | \$ 312,538          | 207,234          | 185,807          |
| Restricted - nonexpendable                         | 229,583             | 206,488          | 181,913          |
| Restricted - expendable                            | 769,568             | 647,669          | 560,814          |
| Unrestricted                                       | <u>405,173</u>      | <u>400,907</u>   | <u>504,357</u>   |
| Total net assets                                   | <u>\$ 1,716,862</u> | <u>1,462,298</u> | <u>1,432,891</u> |

The change in net assets during 2006 and 2005 was driven by operating and other supporting revenues over expenses and losses. Revenues, expenses, and the change in net assets for the 2006, 2005, and 2004 fiscal years are summarized as follows (in thousands):

|                        | <u>2006</u>       | <u>2005</u>      | <u>2004</u>      |
|------------------------|-------------------|------------------|------------------|
| Operating revenues     | \$ 4,381,490      | 4,146,877        | 4,138,126        |
| Nonoperating revenues  | 2,782,245         | 2,281,707        | 2,277,368        |
| Other revenues         | 93,985            | 130,603          | 104,478          |
| Total revenues         | <u>7,257,720</u>  | <u>6,559,187</u> | <u>6,519,972</u> |
| Operating expenses     | 6,734,484         | 6,249,985        | 5,959,903        |
| Nonoperating expenses  | <u>268,672</u>    | <u>279,795</u>   | <u>281,161</u>   |
| Total expenses         | <u>7,003,156</u>  | <u>6,529,780</u> | <u>6,241,064</u> |
| Increase in net assets | <u>\$ 254,564</u> | <u>29,407</u>    | <u>278,908</u>   |

Total revenues reported in 2006, 2005, and 2004 were \$7.26 billion, \$6.56 billion, and \$6.52 billion, respectively. Total revenue in 2006 and 2005 grew \$699 million and \$39 million, respectively, compared to the previous year. Revenue growth in 2006 compared to 2005 was driven by increases in state appropriation revenue of \$383 million, hospital and clinic revenue of \$142 million, investment income and net realized and unrealized gains of \$49 million, sales and service activities of auxiliary

## Management's Discussion and Analysis

enterprises of \$49 million, other nonoperating revenues of \$31 million, private gifts of \$36 million, grants and contracts of \$27 million, and net tuition and fees of \$19 million. These increases were offset by decreases in capital appropriations of \$22 million, capital gifts and grants of \$8 million, and additions to permanent endowments of \$7 million.

Total expenses for 2006, 2005, and 2004 were \$7.0 billion, \$6.53 billion, and \$6.24 billion, respectively. State University expense growth in 2006 and 2005 was \$473 million and \$289 million, respectively. Expense growth in 2006 compared to 2005 was primarily the result of increases in support services of \$166 million, instruction activity of \$125 million, hospital and clinic activity of \$89 million, auxiliary enterprises of \$42 million, depreciation and amortization expense of \$24 million, research of \$24 million, and public service of \$14 million. These increases were offset by a decrease in other nonoperating expenses of \$11 million.

### Overview of the Financial Statements

The financial statements of the State University have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. The financial statement presentation consists of a balance sheet, statement of revenues, expenses, and changes in net assets, statement of cash flows, and accompanying notes for the June 30, 2006 fiscal year, with comparative totals for the fiscal year ended June 30, 2005. These statements provide information on the financial position of the State University and the financial activity and results of its operations during the years presented. A description of these statements follows:

The *Balance Sheet* presents information on all of the State University's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the State University is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Assets* presents information showing the change in the State University's net assets during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in

this statement include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from students and others for services rendered, or the payment accrued for compensated absences).

The *Statement of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, investing, capital, and noncapital financing activities.

### Balance Sheet

The balance sheet presents the financial position of the State University at the end of its fiscal year. During the 2006 and 2005 fiscal years, the State University's total assets increased over the prior years by \$794 million and \$8 million, while total liabilities increased \$539 million in 2006 and decreased \$22 million in 2005. The following table reflects the financial position at June 30, 2006, 2005, and 2004 (in thousands):

|                         | 2006                | 2005             | 2004             |
|-------------------------|---------------------|------------------|------------------|
| Current assets          | \$ 2,253,725        | 2,146,039        | 2,142,559        |
| Capital assets, net     | 4,832,248           | 4,464,604        | 4,132,780        |
| Other noncurrent assets | <u>2,365,089</u>    | <u>2,046,812</u> | <u>2,374,610</u> |
| Total assets            | <u>9,451,062</u>    | <u>8,657,455</u> | <u>8,649,949</u> |
| Current liabilities     | 1,516,129           | 1,424,980        | 1,441,113        |
| Noncurrent liabilities  | <u>6,218,071</u>    | <u>5,770,177</u> | <u>5,775,945</u> |
| Total liabilities       | <u>7,734,200</u>    | <u>7,195,157</u> | <u>7,217,058</u> |
| Net assets              | <u>\$ 1,716,862</u> | <u>1,462,298</u> | <u>1,432,891</u> |

### Current Assets

Current assets at June 30, 2006 increased \$108 million and current liabilities increased \$93 million compared to the previous year. In general, current assets are those assets that are available to satisfy current liabilities (i.e., those that will be paid within one year).

Current assets at June 30, 2006 and 2005 consist primarily of cash and cash equivalents of \$853 million and \$772 million, short-term investments of \$225 million and \$213 million, and receivables (accounts, interest, appropriations, and grants) of \$1.13 billion and \$1.12 billion, respectively. During



## Management's Discussion and Analysis

2006, cash and cash equivalents increased \$82 million and short-term investments increased \$12 million.

### Current Liabilities

Current liabilities at June 30, 2006 and 2005 consist principally of accounts payable and accrued expenses of \$515 million and \$438 million, interest on debt of \$255 million and \$267 million, deferred revenue of \$213 million and \$198 million, and the current portion of long-term liabilities of \$442 million and \$431 million, respectively. The increase in current liabilities at June 30, 2006 was driven principally by an increase in accounts payable and accrued expenses of \$77 million and an increase in deferred revenue of \$14 million.

### Capital Assets, net

In the 2006 and 2005 fiscal years, the State University received new multi-year capital funding authorizations intended to cover the five-year period through fiscal year 2008-09. Cumulatively, the multi-year capital plan now totals \$2.7 billion for State-operated campus educational facilities and \$419 million for the State University hospitals. Under this program, a majority of the funding is designed to support critical maintenance projects to repair, renovate, or rehabilitate existing State University facilities.

During the 2006 and 2005 fiscal years, capital assets (net of depreciation) increased \$368 million and \$332 million, respectively, compared to the previous year. The majority of the increase occurred at the State University campuses due to new building construction, renovations, and rehabilitation totaling \$504 million and \$416 million for the 2006 and 2005 fiscal years, respectively. Equipment additions during 2006 and 2005 of \$172 million and \$217 million, respectively, also contributed to the increase.

Significant projects completed and capitalized during the 2006 fiscal year included new student residential facilities at the College of Technology at Farmingdale and the College at Cortland, the renovation of a residential facility at the College at Plattsburgh, and the renovation and modernization of a humanities educational facility and Heart Center at the University at Stony Brook.

A summary of capital assets, by major classification, and related accumulated depreciation for the 2006, 2005, and 2004 fiscal years is as follows (in thousands):

|                                       | <b>2006</b>         | <b>2005</b>      | <b>2004</b>      |
|---------------------------------------|---------------------|------------------|------------------|
| Land                                  | \$ 262,774          | 249,435          | 223,881          |
| Infrastructure and land improvements  | 483,155             | 467,607          | 447,683          |
| Buildings                             | 5,572,529           | 5,271,212        | 4,834,908        |
| Equipment, library books, and artwork | 1,998,206           | 1,867,266        | 1,728,078        |
| Construction in progress              | <u>712,773</u>      | <u>586,293</u>   | <u>700,957</u>   |
| Total capital assets                  | <u>9,029,437</u>    | <u>8,441,813</u> | <u>7,935,507</u> |
| Less accumulated depreciation:        |                     |                  |                  |
| Infrastructure and land improvements  | 313,381             | 301,695          | 289,295          |
| Buildings                             | 2,551,025           | 2,447,466        | 2,340,003        |
| Equipment and library books           | <u>1,332,783</u>    | <u>1,228,048</u> | <u>1,173,429</u> |
| Total accumulated depreciation        | <u>4,197,189</u>    | <u>3,977,209</u> | <u>3,802,727</u> |
| Capital assets, net                   | <u>\$ 4,832,248</u> | <u>4,464,604</u> | <u>4,132,780</u> |

### Other Noncurrent Assets

Other noncurrent assets exclusive of capital assets were \$2.37 billion and \$2.05 billion at June 30, 2006 and 2005, respectively. Noncurrent assets at June 30, 2006 and 2005 include long-term investments of \$1.15 billion and \$998 million, deposits with trustees of \$843 million and \$681 million, restricted cash of \$57 million and \$73 million, and the noncurrent portion of receivables and deferred financing costs of \$311 million and \$295 million, respectively.

Long-term investments at June 30, 2006 and 2005 of \$1.15 billion and \$998 million represent endowment and similar funds held in separate and distinct investment pools of the State University campuses of \$360 million and \$338 million, and the Cornell statutory colleges of \$564 million and \$471 million, respectively, and separately invested funds of \$28 million for both years. Long-term investments of the Research Foundation totaled \$163 million and \$132 million, which includes \$56 million and \$47 million in investments designated for its post-retirement benefit plan at June 30, 2006 and 2005, respectively. Other long-term investments include investments of the statutory College of Ceramics at

## Management's Discussion and Analysis

Alfred University of \$21 million and \$13 million, and the auxiliary services corporations of \$17 million and \$16 million at June 30, 2006 and 2005, respectively.

During 2006, long-term investments increased by a total of \$155 million, or 16 percent, due primarily to net realized and unrealized investment gains of \$109 million and investment income of \$79 million. Investment gains and reinvested investment income, donations, and other additions were offset by amounts used to meet spending needs.

During fiscal year 2006, deposits with trustees increased \$162 million, which generally represent funds available from the issuance of bonds by the Dormitory Authority of the State of New York (DASNY) used to finance capital projects and maintain debt service reserves for the State University's facilities.

Restricted cash and cash equivalents at June 30, 2006 decreased \$16 million compared to 2005. During the normal course of operations, the State University has entered into various capital financing arrangements. The unspent cash on those arrangements at June 30, 2006 and 2005 were \$45 million and \$60 million, respectively.

The noncurrent portion of receivables reported at June 30, 2006 and 2005 consisted of accounts, notes, and loan receivables of \$103 million and \$107 million, appropriation receivables of \$116 million and \$121 million, and contribution receivables of \$28 million and \$5 million, respectively.

### Noncurrent Liabilities

Noncurrent liabilities at June 30, 2006 and 2005 of \$6.22 billion and \$5.77 billion, respectively, are largely comprised of debt on State University facilities, other long-term liabilities accrued for compensated absences and post-retirement benefits, and litigation, as well as an outstanding loan from the State's short-term investment pool (STIP). The State University capital funding levels and bonding authority are subject to operating and capital appropriations of the State. Funding for capital construction and rehabilitation of educational and residence hall facilities of the State University is provided principally through the issuance of bonds by DASNY. The debt service for the educational facilities is paid by, or provided through a direct

appropriation of, the State. The debt service on residence hall bonds is funded primarily from room rents. A summary of the long-term liabilities at June 30, 2006, 2005, and 2004 is as follows (in thousands):

|  | <u>2006</u>         | <u>2005</u>      | <u>2004</u>      |
|--|---------------------|------------------|------------------|
| Educational facilities                               | \$ 4,302,253        | 3,989,173        | 4,133,882        |
| Residence hall facilities                            | 664,770             | 612,805          | 570,425          |
| Compensated absences and post-retirement obligations | 629,566             | 543,491          | 487,539          |
| Loan - State STIP pool                               | 131,608             | 132,056          | 148,437          |
| Other obligations                                    | <u>319,284</u>      | <u>321,760</u>   | <u>272,233</u>   |
| Total long-term liabilities                          | <u>\$ 6,047,481</u> | <u>5,599,285</u> | <u>5,612,516</u> |

During fiscal year 2006, Personal Income Tax Revenue Bonds (PIT) were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of \$480 million.

The State University entered into agreements with DASNY during fiscal year 2006 to issue residence hall facility obligations totaling \$182 million; \$5.9 million for remarketing bonds; \$72.1 million for the purpose of financing capital construction and major rehabilitation for residential facilities; and \$104 million in order to refinance \$101.3 million of the State University's existing obligations. The State University reduced its future aggregate debt service payments by \$3.4 million through lower interest costs, resulting in an economic gain of \$3.1 million.

During fiscal year 2006, Moody's upgraded the credit ratings for PIT (from A1 to Aa3), educational (from A2 to A1) and residence hall (from A1 to Aa3) bonds compared to the previous year. Standard & Poor's also upgraded the credit ratings for PIT bonds (from AA to AAA). In 2005, the State University's credit ratings for residence hall bonds were unchanged from 2004. In 2005, Moody's upgraded the credit ratings for PIT bonds (from A2 to A1) and educational bonds (from A3 to A2). Also in 2005, the credit rating for educational bonds was downgraded by Fitch IBCA (from AA- to A+) compared to the previous year. The credit ratings at June 30, 2006 are as follows:

## Management's Discussion and Analysis

|                   | PIT<br>Bonds | Educational<br>Facilities | Residence<br>Halls |
|-------------------|--------------|---------------------------|--------------------|
| Moody's           |              |                           |                    |
| Investors Service | Aa3          | A1                        | Aa3                |
| Standard & Poor's | AAA          | AA-                       | AA-                |
| Fitch IBCA        | AA-          | A+                        | A+                 |

Principal payments on educational and residence hall facilities obligations made during 2006 totaled \$161.7 million and \$21 million, in 2005 totaled \$153.7 million and \$19.3 million, and in 2004 totaled \$125.5 million and \$20.5 million, respectively.

During fiscal years 2006 and 2005, the long-term portion of compensated absence liabilities (vacation and sick leave) and post-retirement benefit obligations increased \$86 million and \$56 million, respectively. The increase for fiscal years 2006 and 2005 was driven by an increase of \$51 million and \$31 million, respectively, due to accrued sick leave that is available and estimated to be converted into post-retirement health benefits for eligible employees who retire from the State University, and an increase of \$25 million and \$17 million, respectively, in the post-retirement benefit obligation of the Research Foundation.

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by its three hospitals. As a result, the State University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing, including accrued interest, at June 30, 2006 and 2005 was \$148.2 million and \$148.6 million, respectively. During fiscal years 2006 and 2005, the total amount paid on these loans was \$6.5 million and \$17.9 million, respectively.

Refundable government loan funds at June 30, 2006 and 2005 totaled \$138.9 million and \$137.2 million, respectively. These revolving loan funds are principally those of the federal Perkins and Nursing Loan Programs established with an initial and continued federal capital contribution. Repayments of principal and interest and new contributions are deposited into a revolving loan fund for continual disbursement to students.

### Statement of Revenues, Expenses, and Changes in Net Assets

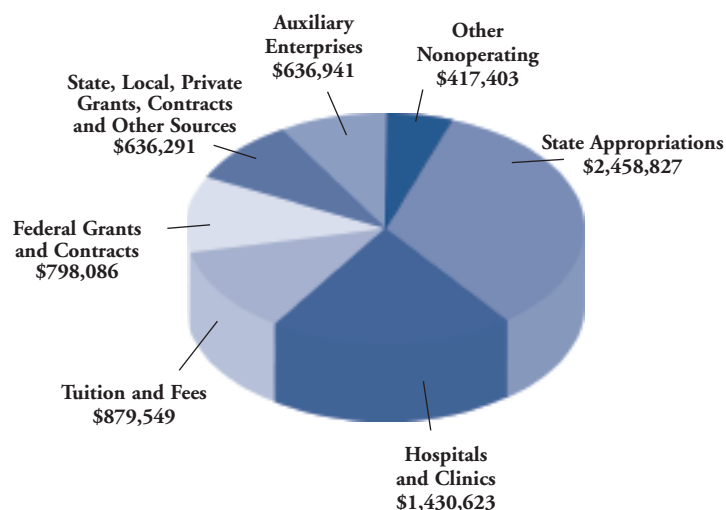
The statement of revenues, expenses, and changes in net assets presents the State University's results of operations. Total operating revenues of the State University for 2006, 2005, and 2004 were \$4.38 billion, \$4.15 billion, and \$4.14 billion, respectively. Nonoperating and other revenues, which includes State appropriations, totaled \$2.88 billion, \$2.41 billion, and \$2.38 billion for fiscal years 2006, 2005, and 2004, respectively. Total expenses for 2006, 2005, and 2004 were \$7.0 billion, \$6.53 billion, and \$6.24 billion, respectively.

#### Revenue Overview

##### Revenues (in thousands):

|   | 2006                | 2005             | 2004             |
|---|---------------------|------------------|------------------|
| Tuition and fees, net   | \$ 879,549          | 860,803          | 819,256          |
| Hospitals and clinics   | 1,430,623           | 1,288,686        | 1,373,510        |
| Federal grants and contracts                                  | 798,086             | 794,131          | 805,448          |
| State, local, private grants and contracts, and other sources | 636,291             | 615,025          | 606,954          |
| Auxiliary enterprises   | 636,941             | 588,232          | 532,958          |
| Operating revenues  | <u>4,381,490</u>    | <u>4,146,877</u> | <u>4,138,126</u> |
| State appropriations  | 2,458,827           | 2,075,575        | 2,061,188        |
| Other nonoperating  | <u>417,403</u>      | <u>336,735</u>   | <u>320,658</u>   |
| Nonoperating and other revenues                               | <u>2,876,230</u>    | <u>2,412,310</u> | <u>2,381,846</u> |
| Total revenues  | <u>\$ 7,257,720</u> | <u>6,559,187</u> | <u>6,519,972</u> |

#### 2006 Revenues (in thousands)



## *Management's Discussion and Analysis*

### *Tuition and Fees, Net*

Tuition and fee revenue for the 2006, 2005, and 2004 fiscal years, net of scholarship allowances, were \$880 million, \$861 million and \$819 million, an increase of \$19 million and \$42 million, in 2006 and 2005 respectively, compared to the previous years. The increase in 2006 was driven by an increase in enrollment and slight increase in fee revenue. The growth in 2005 was largely due to an increase in tuition rates for out-of-state students and other professional degrees.

Annual average full-time equivalent students, including undergraduate and graduate, were approximately 176,800, 174,800, and 173,500 for the fiscal years ended June 30, 2006, 2005, and 2004, respectively.

### *Hospitals and Clinics*

The State University has three hospitals (each with academic medical centers) under its jurisdiction - the State University hospitals at Brooklyn, Stony Brook, and Syracuse.

Hospital and clinic revenue for the 2006, 2005, and 2004 fiscal years were \$1.43 billion, \$1.29 billion and \$1.37 billion, respectively. During the 2006 fiscal year, hospital and clinic revenues increased \$142 million compared to the previous year principally due to an increase in outpatient and inpatient revenue along with an increase in Medicaid Disproportionate Share (DSH) Program revenue from the prior year. A supplement to the patient service revenue stream of the hospitals comes from the Medicaid DSH Program. The DSH Program is designed to help support hospitals that serve large numbers of Medicaid and uninsured patients. In the current year, the State University recorded revenue of \$205 million under the DSH Program, compared to \$188 million in 2005 and \$379 million in 2004, respectively.

### *Sponsored Research, Grant and Contract Revenue*

During fiscal year 2006, the volume of sponsored program activity exhibited a decline. Total revenue from federal, state, local, private and capital grants and contracts administered by the Research Foundation was \$717 million, \$743 million, and \$728 million, for the fiscal years ended June 30, 2006, 2005, and 2004, respectively. Facilities and

administrative recoveries earned on grants and contracts administered by the Research Foundation were \$123 million, \$126 million, and \$123 million for the fiscal periods ending June 30, 2006, 2005, and 2004, respectively.

The volume of research and other sponsored programs reported for 2006 and 2005 by the statutory colleges at Cornell University was \$149.7 million and \$151.6 million, respectively, and Alfred University was \$4.1 million and \$3.8 million, respectively.

Revenue from projects sponsored by the federal government and administered by the Research Foundation totaled \$349 million and \$365 million during 2006 and 2005, respectively. Of these federally-sponsored projects, 56 percent of the funding was received from the Public Health Service in both years. Other major federal sponsors include the National Science Foundation, and the Departments of Education, Defense and Energy, and the Agency for International Development.

Revenue from nonfederal sponsors (including federal flow-through funds) administered by the Research Foundation totaled \$368 million, \$378 million and \$367 million for the 2006, 2005, and 2004 fiscal years, respectively. In fiscal years 2006 and 2005, the largest nonfederal support of sponsored research programs was received from the Empire State Development Corporation.

Amounts received under the State's Tuition Assistance Program in 2006 increased \$4 million over the previous fiscal year. Federal grants under the Pell and other federal student aid programs decreased \$7 million from the previous year.

### *Auxiliary Enterprises*

The State University's auxiliary enterprise activity is comprised of sales and services for residence halls, food services, campus store operations, intercollegiate athletics, student health services, parking, and other activities. The residence halls are owned, operated and managed by the State University and its campuses.

Generally, food services, campus store operations and other services are operated and managed by separately incorporated not-for-profit organizations, commonly referred to as auxiliary services corporations.

## Management's Discussion and Analysis

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Any excess funds generated by residence halls operating activities are separately maintained for improvements and maintenance of the residence halls.

Occupancy at the residence halls has risen steadily to 68,632 for the fall of 2005, an increase of over 8,200 students since the fall of 2001 and an increase of nearly 1,000 students compared to the previous year. The overall utilization rate for the fall of 2005 was reported at 96.7 percent.

Auxiliary enterprise sales and services revenue totaled \$637 million, \$588 million, and \$533 million in the 2006, 2005, and 2004 fiscal years, respectively. Of these amounts, residence halls operating revenue totaled \$280 million, \$255 million, and \$232 million for 2006, 2005, and 2004, respectively. Increases in revenue were largely due to increases in occupancy levels and modest increases in room rates.

Food service operations generated \$179 million, \$165 million, and \$147 million in revenue for fiscal years 2006, 2005, and 2004, respectively. In addition to residence halls and food service activities, other auxiliary revenues totaled \$178 million, \$168 million, and \$154 million for fiscal years 2006, 2005, and 2004, respectively.

### State Appropriations

The State University's single largest source of revenues are State appropriations, which for financial reporting purposes is classified as nonoperating revenues. State appropriations totaled \$2.46 billion, \$2.08 billion, and \$2.06 billion and represented approximately 34 percent of total revenues for fiscal year 2006 and 32 percent for fiscal years 2005 and 2004. State support (both direct support for operations and indirect support for debt service and fringe benefits) for State University campus operations, statutory colleges, and hospitals and clinics increased \$383 million in 2006 and \$14 million in 2005. In 2006, State support for operating expenses increased \$327 million, while indirect State support for debt service, fringe

benefits, and litigation accruals increased \$56 million compared to 2005.

### Nonoperating and Other Revenue

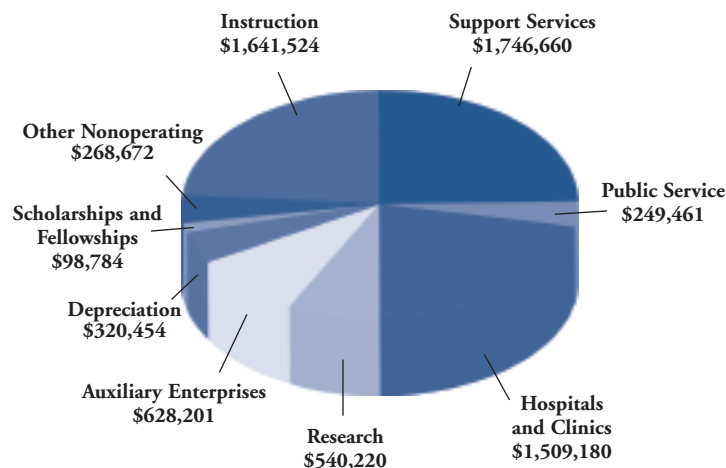
Nonoperating and other revenue excluding State appropriations were \$417 million and \$337 million for the 2006 and 2005 fiscal years, respectively. This increase was primarily due to an increase of \$49 million in investment income and gains, \$36 million in gifts, and \$25 million in other nonoperating revenues offset by a decline in capital appropriations of \$22 million and capital gifts and grants of \$8 million.

### Expense Overview

#### Expenses (in thousands):

|                               | <u>2006</u>         | <u>2005</u>      | <u>2004</u>      |
|-------------------------------|---------------------|------------------|------------------|
| Instruction                   | \$ 1,641,524        | 1,516,929        | 1,422,449        |
| Research                      | 540,220             | 516,129          | 523,821          |
| Public service                | 249,461             | 234,232          | 237,383          |
| Support services              | 1,746,660           | 1,580,244        | 1,540,298        |
| Scholarships and fellowships  | 98,784              | 99,775           | 99,446           |
| Hospitals and clinics         | 1,509,180           | 1,420,504        | 1,321,968        |
| Auxiliary enterprises         | 628,201             | 586,169          | 545,992          |
| Depreciation and amortization | 320,454             | 296,003          | 268,546          |
| Other nonoperating            | 268,672             | 279,795          | 281,161          |
| Total expenses                | <u>\$ 7,003,156</u> | <u>6,529,780</u> | <u>6,241,064</u> |

2006 Expenses (in thousands)



## *Management's Discussion and Analysis*

The increase in instruction expense during 2006 and 2005 of \$125 million and \$94 million, respectively, is attributable to growth in personal service and related fringe benefit expenses. The fringe benefit rate applied to personal service costs increased from 41.99 percent in 2005 to 45.24 percent in 2006.

Research expenses increased \$24 million during 2006 and decreased \$8 million from 2004 to 2005. The growth in 2006 was predominantly from increased sponsored research expenditure activity at the Research Foundation and Cornell statutory colleges.

Support services, which includes expenses for academic support, student services, institutional support, and operation and maintenance of plant, increased \$166 million and \$40 million during 2006 and 2005, respectively. Institutional support increased \$59 million and \$36 million and academic support \$27 million and \$13 million in the 2006 and 2005 fiscal years, respectively, driven by an increase in personal service and fringe benefit costs. Operation and maintenance of plant costs increased \$74 million during 2006 and decreased \$5 million in 2005. The increase in 2006 was attributable to an increase in utility and construction costs.

In the State University's financial statements, scholarships used to satisfy student tuition and fees (residence hall, food service, etc.) are reported as an allowance (offset) to the respective revenue classification up to the amount of the student charges. The amount reported as expense represents amounts provided to the student in excess of State University charges.

Total scholarships and fellowships, including federal and state grant programs were \$506 million and \$495 million for the fiscal years ended June 30, 2006 and 2005, respectively. Of this amount, \$407 million and \$395 million were classified as scholarship allowances and \$99 million and \$100 million was reported as scholarship expense for fiscal years 2006 and 2005, respectively. Major scholarships and grants received include the State Tuition Assistance Program of \$179.0 million and \$175.2 million, and \$136.5 million and \$143.2 million from the federal Pell Program during fiscal years 2006 and 2005, respectively.

Expenses at the State University's hospitals and clinics increased \$89 million and \$99 million during

2006 and 2005, respectively, largely due to an increase in core operating and personal service costs. Also contributing to the growth in expenses in 2006 and 2005 was an increase in fringe benefit costs of \$23 million and \$35 million, respectively.

During fiscal years 2006 and 2005, auxiliary enterprise expenses increased \$42 million and \$40 million, respectively. For the 2006 and 2005 fiscal years, residence halls expenses increased \$16 million and \$12 million and food service expenses increased \$13 million and \$18 million, respectively, primarily due to an increase in occupancy and rates. Other auxiliary enterprise expenses for the years ended June 30, 2006 and 2005, increased \$13 million and \$10 million, respectively.

Depreciation and amortization expense recognized in fiscal years 2006 and 2005 totaled \$320 million and \$296 million, respectively. Other nonoperating expenses were \$269 million and \$280 million for the years ended June 30, 2006 and 2005, respectively.

### **Economic Factors That Will Affect the Future**

The State University is one of the largest public universities in the nation, with headcount enrollment of nearly 205,800 in the fall 2005, on twenty-nine State-operated campuses and five contract/statutory colleges. The State University's student population is directly influenced by State demographics as the majority of students attending the State University are New York residents. The enrollment outlook remains strong for the State University based on its continued ability to attract quality students for its academic programs coupled with a larger expected number of high school graduates in New York State over the next few years. Full-time equivalent enrollment, excluding community colleges, for the fiscal year ended June 30, 2006, is approximately 176,800, an increase compared to June 30, 2005 of approximately 174,800.

New York State appropriations remain the largest single source of revenues. State appropriation revenues are expected to increase in fiscal year 2006-07 to support the rising costs of personnel services, utilities, health care, and other fringe benefits. The State University's continued operational viability is substantially dependent upon this level of ongoing State support. For the most recent fiscal year, State

## *Management's Discussion and Analysis*

appropriations represented 34 percent of the total revenues of the State University. Continued emphasis will be placed on University-wide efforts to control operating costs and enhance other revenue streams, including philanthropy, sponsored programs, and auxiliary revenues.

Debt service on educational facilities is paid by the State in an amount sufficient to cover annual debt service requirements. In fiscal years 2006 and 2005, the State University received new multi-year capital funding authorizations intended to cover the five-year period through fiscal year 2008-09. Cumulatively, the multi-year capital plan now totals \$2.7 billion for State-operated campus educational facilities and \$419 million for State University hospitals. Taken together, the sizeable new multi-

year funding authorizations provide the State University with both the basic resources needed to make steady progress in addressing core critical maintenance needs of its existing infrastructure, and the means to make additional capital investments in a wide range of areas, including research and technology development.

The State University hospitals, each with academic medical centers, at Brooklyn, Stony Brook and Syracuse serve large numbers of Medicaid and uninsured patients and, as a result, their dependency on the Medicaid DSH Program revenue stream is critical to their continued viability. Their financial and operational capabilities will also continue to be challenged by industry deregulation and managed care.

# Independent Auditors' Report



KPMG LLP  
515 Broadway  
Albany, NY 12207

The Board of Trustees  
State University of New York

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of The State University of New York ("the University") as of and for the year ended June 30, 2006, which collectively comprise the University's financial statements. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Research Foundation of State University of New York, the State University Construction Fund, nor certain auxiliary service corporations, which statements reflect assets constituting 7% and revenues constituting 19% of the related totals of the University. Additionally, we did not audit the financial statements of certain entities presented as discretely presented component units, which statements reflect assets constituting 47% and revenues constituting 47% of the related aggregate discretely presented component unit totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for The Research Foundation of State University of New York, the State University Construction Fund, certain auxiliary service corporations, and certain entities presented as aggregate discretely presented component units, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As discussed in Note 1, the University is included in the primary government reporting entity of the State of New York as an enterprise fund. The accompanying financial statements represent only the financial statements of the University and do not purport to, and do not, present fairly the financial statements of the State of New York in conformity with U.S. generally accepted accounting principles.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University as of June 30, 2006, and the related changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis (MD&A) on pages 2 through 10 is not a required part of the financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

October 20, 2006

A stylized signature of 'KPMG LLP' in a dark blue, handwritten-style font.

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.



## Balance Sheet

June 30, 2006 (with comparative totals at June 30, 2005)

In thousands

|   | <u>2006</u>                | <u>2005</u>             |
|---|----------------------------|-------------------------|
| <b><u>Assets</u></b>                            |                            |                         |
| Current Assets:                                 |                            |                         |
| Cash and cash equivalents                       | \$ 853,377                 | 771,622                 |
| Short-term investments                          | 225,121                    | 212,778                 |
| Accounts, notes, and loans receivable, net      | 558,630                    | 503,066                 |
| Interest receivable                             | 5,622                      | 3,901                   |
| Appropriations receivable                       | 424,529                    | 433,205                 |
| Grants receivable                               | 139,377                    | 179,081                 |
| Inventories                                     | 35,051                     | 31,449                  |
| Other assets                                    | 12,018                     | 10,937                  |
| Total current assets                            | <u>2,253,725</u>           | <u>2,146,039</u>        |
| Noncurrent Assets:                              |                            |                         |
| Restricted cash and cash equivalents            | 57,012                     | 73,213                  |
| Deposits with trustees                          | 842,895                    | 680,505                 |
| Accounts, notes, and loans receivable, net      | 102,783                    | 106,604                 |
| Contributions receivable                        | 27,681                     | 4,987                   |
| Appropriations receivable                       | 116,155                    | 120,554                 |
| Deferred financing costs                        | 64,772                     | 62,503                  |
| Long-term investments                           | 1,153,791                  | 998,446                 |
| Capital assets, net                             | 4,832,248                  | 4,464,604               |
| Total noncurrent assets                         | <u>7,197,337</u>           | <u>6,511,416</u>        |
| <b>Total assets</b>                             | <b><u>\$ 9,451,062</u></b> | <b><u>8,657,455</u></b> |
| <b><u>Liabilities and Net Assets</u></b>        |                            |                         |
| Current Liabilities:                            |                            |                         |
| Accounts payable and accrued liabilities        | 515,393                    | 438,302                 |
| Interest payable                                | 255,009                    | 266,948                 |
| Student deposits                                | 12,105                     | 12,324                  |
| Deposits held in custody for others             | 29,921                     | 26,409                  |
| Deferred revenue                                | 212,525                    | 198,042                 |
| Long-term liabilities - current portion         | 441,890                    | 430,627                 |
| Other liabilities                               | 49,286                     | 52,328                  |
| Total current liabilities                       | <u>1,516,129</u>           | <u>1,424,980</u>        |
| Noncurrent Liabilities:                         |                            |                         |
| Long-term liabilities                           | 6,047,481                  | 5,599,285               |
| Refundable government loan funds                | 138,922                    | 137,169                 |
| Other noncurrent liabilities                    | 31,668                     | 33,723                  |
| Total noncurrent liabilities                    | <u>6,218,071</u>           | <u>5,770,177</u>        |
| <b>Total liabilities</b>                        | <b><u>7,734,200</u></b>    | <b><u>7,195,157</u></b> |
| Net Assets:                                     |                            |                         |
| Invested in capital assets, net of related debt | 312,538                    | 207,234                 |
| Restricted - nonexpendable:                     |                            |                         |
| Instruction and departmental research           | 89,608                     | 79,668                  |
| Scholarships and fellowships                    | 68,079                     | 60,298                  |
| General operations and other                    | 71,896                     | 66,522                  |
| Restricted - expendable:                        |                            |                         |
| Instruction and departmental research           | 371,433                    | 329,972                 |
| Scholarships and fellowships                    | 85,883                     | 72,840                  |
| Capital projects                                | 78,077                     | 41,453                  |
| Loans   | 21,988                     | 21,470                  |
| General operations and other                    | 212,187                    | 181,934                 |
| Unrestricted                                    | 405,173                    | 400,907                 |
| <b>Total net assets</b>                         | <b><u>1,716,862</u></b>    | <b><u>1,462,298</u></b> |
| <b>Total liabilities and net assets</b>         | <b><u>\$ 9,451,062</u></b> | <b><u>8,657,455</u></b> |

*See accompanying notes to financial statements.*

# Statement of Revenues, Expenses, and Changes in Net Assets

For the Year Ended June 30, 2006 (with comparative totals for the year ended June 30, 2005)

In thousands

|  | <b>2006</b>                | <b>2005</b>               |
|--|----------------------------|---------------------------|
| <b>Operating revenues:</b>                           |                            |                           |
| Tuition and fees                                     | \$ 1,200,791               | 1,174,057                 |
| Less scholarship allowances                          | <u>(321,242)</u>           | <u>(313,254)</u>          |
| Net tuition and fees                                 | 879,549                    | 860,803                   |
| Federal grants and contracts                         | 798,086                    | 794,131                   |
| State grants and contracts                           | 287,295                    | 300,139                   |
| Local grants and contracts                           | 17,205                     | 16,942                    |
| Private grants and contracts                         | 239,006                    | 203,235                   |
| Sales and services:                                  |                            |                           |
| University hospitals and clinics                     | 1,430,623                  | 1,288,686                 |
| Educational activities                               | 45,804                     | 44,627                    |
| Sales and services of auxiliary enterprises:         |                            |                           |
| Residence halls, net                                 | 279,720                    | 254,667                   |
| Food service, net                                    | 179,097                    | 165,148                   |
| Other, net   | 178,124                    | 168,417                   |
| Other sources  | <u>46,981</u>              | <u>50,082</u>             |
| <b>Total operating revenues</b>                      | <b><u>4,381,490</u></b>    | <b><u>4,146,877</u></b>   |
| <b>Operating expenses:</b>                           |                            |                           |
| Instruction  | 1,641,524                  | 1,516,929                 |
| Research   | 540,220                    | 516,129                   |
| Public service                                       | 249,461                    | 234,232                   |
| Academic support                                     | 342,261                    | 314,910                   |
| Student services                                     | 206,171                    | 197,305                   |
| Institutional support                                | 676,725                    | 617,739                   |
| Operation and maintenance of plant                   | 517,131                    | 443,526                   |
| Scholarships and fellowships                         | 98,784                     | 99,775                    |
| Hospitals and clinics                                | 1,509,180                  | 1,420,504                 |
| Auxiliary enterprises:                               |                            |                           |
| Residence halls                                      | 245,531                    | 229,378                   |
| Food service   | 178,900                    | 166,258                   |
| Other  | 203,770                    | 190,533                   |
| Depreciation and amortization expense                | 320,454                    | 296,003                   |
| Other operating expenses                             | <u>4,372</u>               | <u>6,764</u>              |
| <b>Total operating expenses</b>                      | <b><u>6,734,484</u></b>    | <b><u>6,249,985</u></b>   |
| <b>Operating loss</b>                                | <b><u>(2,352,994)</u></b>  | <b><u>(2,103,108)</u></b> |
| <b>Nonoperating revenues (expenses):</b>             |                            |                           |
| State appropriations:                                |                            |                           |
| University operations                                | 2,306,074                  | 1,915,621                 |
| Hospitals and clinics                                | 152,753                    | 159,954                   |
| Federal appropriations                               | 16,755                     | 16,300                    |
| Investment income, net of investment fees            | 78,569                     | 55,011                    |
| Net realized and unrealized gains                    | 108,841                    | 83,487                    |
| Gifts  | 86,985                     | 51,334                    |
| Interest expense on capital related debt             | (262,373)                  | (257,547)                 |
| Loss on disposal of plant assets                     | (6,299)                    | (15,079)                  |
| Other nonoperating revenues (expenses), net          | <u>32,268</u>              | <u>(7,169)</u>            |
| <b>Net nonoperating revenues</b>                     | <b><u>2,513,573</u></b>    | <b><u>2,001,912</u></b>   |
| <b>Income (loss) before other revenues and gains</b> | <b>160,579</b>             | <b>(101,196)</b>          |
| Capital appropriations                               | 9,417                      | 31,353                    |
| Capital gifts and grants                             | 72,820                     | 80,488                    |
| Additions to permanent endowments                    | <u>11,748</u>              | <u>18,762</u>             |
| <b>Increase in net assets</b>                        | <b>254,564</b>             | <b>29,407</b>             |
| <b>Net assets at the beginning of year</b>           | <b>1,462,298</b>           | <b>1,432,891</b>          |
| <b>Net assets at the end of year</b>                 | <b><u>\$ 1,716,862</u></b> | <b><u>1,462,298</u></b>   |

See accompanying notes to financial statements.

## Statement of Cash Flows

For the Year Ended June 30, 2006 (with comparative totals for the year ended June 30, 2005)  
In thousands

|  | <u>2006</u>              | <u>2005</u>             |
|--|--------------------------|-------------------------|
| <b>Cash flows from operating activities:</b>                     |                          |                         |
| Tuition and fees   | \$ 898,940               | 866,247                 |
| Grants and contracts:  |                          |                         |
| Federal  | 803,562                  | 812,829                 |
| State and local  | 342,473                  | 321,014                 |
| Private  | 235,243                  | 254,205                 |
| Hospital and clinics   | 1,317,168                | 1,305,475               |
| Personal service payments  | (2,999,291)              | (2,909,869)             |
| Other than personal service payments                             | (1,908,717)              | (1,792,759)             |
| Payments for fringe benefits                                     | (343,879)                | (310,601)               |
| Payments for scholarships and fellowships                        | (50,134)                 | (53,656)                |
| Loans issued to students   | (35,145)                 | (35,613)                |
| Collection of loans to students                                  | 33,725                   | 30,468                  |
| Auxiliary enterprise charges:                                    |                          |                         |
| Residence halls  | 279,839                  | 256,386                 |
| Food service   | 183,536                  | 164,183                 |
| Other (intercollegiate athletics, bookstore, fees, and vending)  | 163,734                  | 152,960                 |
| Sales and service of educational activities                      | 52,293                   | 3,667                   |
| Other receipts (payments)  | <u>28,253</u>            | <u>(28,544)</u>         |
| <b>Net cash used by operating activities</b>                     | <b><u>(998,400)</u></b>  | <b><u>(963,608)</u></b> |
| <b>Cash flows from noncapital financing activities:</b>          |                          |                         |
| State appropriations:  |                          |                         |
| Operations   | 1,186,693                | 877,939                 |
| Debt service   | 393,612                  | 374,204                 |
| Federal appropriations   | 15,161                   | 14,842                  |
| Private gifts and grants   | 61,041                   | 51,766                  |
| Proceeds from short-term loans                                   | 84,956                   | 278,787                 |
| Repayment of short-term loans                                    | (90,712)                 | (285,907)               |
| Direct loan receipts   | 286,392                  | 294,008                 |
| Direct loan disbursements  | (286,392)                | (294,008)               |
| Other receipts   | <u>14,427</u>            | <u>21,734</u>           |
| <b>Net cash provided by noncapital financing activities</b>      | <b><u>1,665,178</u></b>  | <b><u>1,333,365</u></b> |
| <b>Cash flows from capital and related financing activities:</b> |                          |                         |
| Proceeds from capital debt                                       | 624,460                  | 151,471                 |
| Capital appropriations   | 10,731                   | 46,280                  |
| Capital grants and gifts received                                | 64,455                   | 83,289                  |
| Proceeds from sale of capital assets                             | 373                      | 493                     |
| Purchases of capital assets                                      | (231,808)                | (272,637)               |
| Payments to contractors  | (414,727)                | (373,041)               |
| Principal paid on capital debt and leases                        | (236,218)                | (220,623)               |
| Interest paid on capital debt and leases                         | (282,774)                | (278,260)               |
| Other receipts (payments)  | (3,229)                  | 7,449                   |
| Deposits with trustees   | <u>(155,947)</u>         | <u>317,094</u>          |
| <b>Net cash used by capital and related financing activities</b> | <b><u>(624,684)</u></b>  | <b><u>(538,485)</u></b> |
| <b>Cash flows from investing activities:</b>                     |                          |                         |
| Proceeds from sales and maturities of investments                | 5,263,909                | 4,814,335               |
| Interest, dividends, and realized gains on investments           | 136,696                  | 123,255                 |
| Purchases of investments   | <u>(5,377,145)</u>       | <u>(4,854,540)</u>      |
| <b>Net cash provided by investing activities</b>                 | <b><u>23,460</u></b>     | <b><u>83,050</u></b>    |
| <b>Net change in cash</b>  | <b><u>65,554</u></b>     | <b><u>(85,678)</u></b>  |
| <b>Cash - beginning of year</b>                                  | <b><u>844,835</u></b>    | <b><u>930,513</u></b>   |
| <b>Cash - end of year</b>  | <b><u>\$ 910,389</u></b> | <b><u>844,835</u></b>   |

(continued)

## Statement of Cash Flows (continued)

*For the Year Ended June 30, 2006 (with comparative totals for the year ended June 30, 2005)  
In thousands*

| <b>Reconciliation of net operating loss to net cash used by operating activities:</b> | <b><u>2006</u></b>         | <b><u>2005</u></b>      |
|---|----------------------------|-------------------------|
| Operating loss  | \$ (2,352,994)             | (2,103,108)             |
| Adjustments to reconcile operating loss to net cash used by operating activities:     |                            |                         |
| Depreciation and amortization expense   | 320,454                    | 296,003                 |
| Fringe benefits provided by State   | 857,084                    | 770,515                 |
| Litigation costs provided by State  | 9,710                      | 41,949                  |
| Change in assets and liabilities:   |                            |                         |
| Receivables, net  | (23,379)                   | 12,332                  |
| Inventories   | (3,602)                    | (1,825)                 |
| Other assets  | (3,353)                    | (4,181)                 |
| Accounts payable and other accrued liabilities  | 214,442                    | 62,815                  |
| Deferred revenue  | (13,866)                   | (37,332)                |
| Student deposits  | 219                        | 737                     |
| Deposits held in custody for others   | (3,115)                    | (1,513)                 |
| <b>Net cash used by operating activities</b>  | <b>\$ <u>(998,400)</u></b> | <b><u>(963,608)</u></b> |
| <br><b>Supplemental disclosures for noncash transactions:</b>                         |                            |                         |
| New capital leases / debt agreements  | \$ <u>75,181</u>           | <u>42,110</u>           |
| Fringe benefits provided by the State   | \$ <u>857,084</u>          | <u>770,515</u>          |
| Litigation costs provided by the State  | \$ <u>9,710</u>            | <u>41,949</u>           |
| Noncash gifts   | \$ <u>23,355</u>           | <u>8,723</u>            |

*See accompanying notes to financial statements.*

# State University of New York Foundations

## Balance Sheet

June 30, 2006 (with comparative totals for June 30, 2005)

In thousands

| <u>Assets</u>                             | <u>2006</u>                | <u>2005</u><br><u>(Restated)</u> |
|---|----------------------------|----------------------------------|
| Cash and cash equivalents                 | \$ 59,050                  | 50,167                           |
| Accounts and notes receivable, net        | 13,734                     | 13,752                           |
| Pledges receivable, net                   | 51,748                     | 30,283                           |
| Investments                               | 771,937                    | 693,298                          |
| Other assets                              | 45,252                     | 45,013                           |
| Capital assets, net                       | <u>311,221</u>             | <u>297,540</u>                   |
| <b>Total assets</b>                       | <b><u>\$ 1,252,942</u></b> | <b><u>1,130,053</u></b>          |
| <br><u>Liabilities and Net Assets</u><br> |                            |                                  |
| Liabilities:                              |                            |                                  |
| Accounts payable and accrued expenses     | 20,016                     | 18,964                           |
| Current portion of long-term debt         | 5,897                      | 6,343                            |
| Deferred revenue                          | 1,426                      | 1,578                            |
| Deposits held for others                  | 43,085                     | 42,352                           |
| Other liabilities                         | 27,265                     | 34,027                           |
| Long-term debt                            | <u>258,105</u>             | <u>257,066</u>                   |
| <b>Total liabilities</b>                  | <b><u>355,794</u></b>      | <b><u>360,330</u></b>            |
| Net Assets:                               |                            |                                  |
| Unrestricted:                             |                            |                                  |
| Board designated for:                     |                            |                                  |
| Fixed assets                              | 70,954                     | 59,479                           |
| Campus programs                           | 104,500                    | 84,430                           |
| Investments                               | 60,385                     | 57,640                           |
| Other                                     | 23,924                     | 24,380                           |
| Undesignated                              | 29,218                     | 22,356                           |
| Temporarily restricted:                   |                            |                                  |
| Scholarships and fellowships              | 66,450                     | 55,536                           |
| Campus programs                           | 108,187                    | 76,649                           |
| Research                                  | 38,444                     | 39,868                           |
| General operations and other              | 66,987                     | 52,111                           |
| Permanently restricted:                   |                            |                                  |
| Scholarships and fellowships              | 159,344                    | 148,893                          |
| Campus programs                           | 82,949                     | 65,821                           |
| Research                                  | 43,284                     | 40,555                           |
| General operations and other              | <u>42,522</u>              | <u>42,005</u>                    |
| <b>Total net assets</b>                   | <b><u>897,148</u></b>      | <b><u>769,723</u></b>            |
| <b>Total liabilities and net assets</b>   | <b><u>\$ 1,252,942</u></b> | <b><u>1,130,053</u></b>          |

See accompanying notes to financial statements.

# State University of New York Foundations

## Statement of Activities

For the Year Ended June 30, 2006 (with comparative information for June 30, 2005)  
In thousands

|   | Unrestricted             | Temporarily<br>Restricted | Permanently<br>Restricted | 2006<br>Total         | 2005<br>Total<br>(Restated) |
|---|--------------------------|---------------------------|---------------------------|-----------------------|-----------------------------|
| Revenues:                                       |                          |                           |                           |                       |                             |
| Contributions, gifts, and grants                | \$ 35,961                | 104,306                   | 25,209                    | 165,476               | 123,767                     |
| Investment income, net                          | 5,900                    | 11,244                    | 2,003                     | 19,147                | 15,851                      |
| Net realized and unrealized gains               | 25,046                   | 21,479                    | 3,305                     | 49,830                | 39,700                      |
| Rental income                                   | 37,291                   | 318                       | -                         | 37,609                | 32,151                      |
| Sales and services                              | 14,850                   | -                         | 14                        | 14,864                | 16,602                      |
| Program income and special events               | 36,071                   | 5,291                     | 58                        | 41,420                | 42,474                      |
| Other sources                                   | 9,717                    | 336                       | 1,954                     | 12,007                | 2,572                       |
| Endowment earnings transferred                  | -                        | 1,718                     | (1,718)                   | -                     | -                           |
| Net assets released from restrictions           | 88,788                   | (88,788)                  | -                         | -                     | -                           |
| <b>Total revenues</b>                           | <b><u>253,624</u></b>    | <b><u>55,904</u></b>      | <b><u>30,825</u></b>      | <b><u>340,353</u></b> | <b><u>273,117</u></b>       |
| Expenses:                                       |                          |                           |                           |                       |                             |
| Program expenses                                | 106,126                  | -                         | -                         | 106,126               | 93,014                      |
| Payments to State University:                   |                          |                           |                           |                       |                             |
| Scholarships and fellowships                    | 18,674                   | -                         | -                         | 18,674                | 20,412                      |
| Other   | 17,850                   | -                         | -                         | 17,850                | 11,677                      |
| Real estate expenses                            | 19,606                   | -                         | -                         | 19,606                | 13,253                      |
| Depreciation and amortization expense           | 9,451                    | -                         | -                         | 9,451                 | 9,416                       |
| Interest expense on capital-related debt        | 10,329                   | -                         | -                         | 10,329                | 9,882                       |
| Management and general                          | 16,303                   | -                         | -                         | 16,303                | 16,361                      |
| Fundraising                                     | 12,694                   | -                         | -                         | 12,694                | 10,684                      |
| Other expenses                                  | 1,895                    | -                         | -                         | 1,895                 | 6,032                       |
| <b>Total expenses</b>                           | <b><u>212,928</u></b>    | <b><u>-</u></b>           | <b><u>-</u></b>           | <b><u>212,928</u></b> | <b><u>190,731</u></b>       |
| <b>Increase in net assets</b>                   | <b>40,696</b>            | <b>55,904</b>             | <b>30,825</b>             | <b>127,425</b>        | <b>82,386</b>               |
| <b>Net assets, beginning of year (restated)</b> | <b><u>248,285</u></b>    | <b><u>224,164</u></b>     | <b><u>297,274</u></b>     | <b><u>769,723</u></b> | <b><u>687,337</u></b>       |
| <b>Net assets, end of year</b>                  | <b><u>\$ 288,981</u></b> | <b><u>280,068</u></b>     | <b><u>328,099</u></b>     | <b><u>897,148</u></b> | <b><u>769,723</u></b>       |

See accompanying notes to financial statements.

# Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

## 1. Summary of Significant Accounting Policies and Basis of Presentation

### Reporting Entity

For financial reporting purposes, the State University of New York (State University) consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, and statutory colleges (located at the campuses of Cornell and Alfred Universities), central services and other affiliated entities determined to be includable in the State University's financial reporting entity.

Inclusion in the entity is based primarily on the notion of financial accountability. Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, defines financial accountability in terms of a primary government (State University) that is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally-separate organizations if its officers appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. The State University is included in the financial statements of the State of New York (State) as an enterprise fund as the State is the primary government of the State University.

Inclusion in the reporting entity is also required for legally-separate, tax-exempt, affiliated organizations that (a) receive or hold economic resources that are significant to, and entirely or almost entirely for the direct benefit of, the primary government, its component units, or its constituents and (b) the primary government, or its component units, is entitled to, or can otherwise access, a majority of the economic resources received or held by the separate organization. As a result, the campus-related foundations and student housing corporations (all referred to as foundations) are included in the State University reporting entity.

The combined totals of the foundations are presented as an aggregate component unit on financial statement pages 16 and 17 in the State University's financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB).

The Research Foundation of State University of New York (Research Foundation) is a separate not-for-profit educational corporation that operates as the fiscal administrator for the majority of the State University's sponsored programs. The programs include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The activity of the Research Foundation has been included in these financial statements. All of the financial activity was derived from audited financial statements of the Research Foundation for the years ended June 30, 2006 and 2005.

Almost all of the State University's campuses maintain auxiliary services corporations. These corporations are campus-based, not-for-profit corporations which, as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. Although separate and independent legal entities, these corporations carry out operations which are integrally related to the State University and, therefore, are included in the financial statements of the State University. All of the financial data for these corporations was derived from each entity's individual financial statements, the majority of which have a May 31 or June 30 fiscal year end.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs and rehabilitates facilities of the State University pursuant to an approved master plan. Although the Construction Fund is a separate legal entity, it carries out operations which are integrally related to the State University and, therefore, the financial activity related to the Construction Fund is included in the State University's financial statements as of the Construction Fund's fiscal years end of March 31, 2006 and 2005.

The State statutory colleges at Cornell University and Alfred University are an integral part of, and are

# Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

administered by, those universities. The statutory colleges are fiscally dependent on State appropriations through the State University. The financial statements information of the statutory colleges of Cornell University and Alfred University, for 2006 and 2005, have been included in the accompanying financial statements.

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni associations and student associations, are not included in the accompanying financial statements as such organizations do not meet the definition for inclusion under GASB Statement Nos. 14 or 39.

The State University administers State financial assistance to the community colleges in connection with its general supervision responsibilities pursuant to State Education Law. However, since these community colleges are sponsored by local governmental entities and are included in their financial statements, the community colleges are not considered part of the State University's financial reporting entity and, therefore, are not included in the accompanying financial statements.

The accompanying financial statements of the State University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the GASB.

The State University applies all applicable pronouncements of the FASB issued on or before November 30, 1989 that do not conflict or contradict GASB pronouncements. The State University has elected not to apply FASB pronouncements issued after November 30, 1989.

The State University reports its financial statements as a special purpose government engaged in business-type activities, as defined by GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the State University consist of a classified balance sheet; statement of revenues, expenses, and changes

in net assets, that distinguish between operating and nonoperating revenues and expenses; and statement of cash flows, using the direct method of presenting cash flows from operations and other sources.

The State University's policy for defining operating activities in the statement of revenues, expenses, and changes in net assets are those that generally result from exchange transactions, i.e., the payments received for services and payments made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities and include the State University's operating and capital appropriations from the State, federal appropriations, nonexchange receipts, net investment income, gifts, and interest expense.

Resources are classified for accounting and financial reporting purposes into the following four net asset categories:

### Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

### Restricted – nonexpendable

Net assets subject to externally imposed conditions that the State University must maintain them in perpetuity.

### Restricted – expendable

Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the State University or by the passage of time.

### Unrestricted, all other categories of net assets

Included in unrestricted net assets are amounts provided for specific use by the State University's colleges and universities, hospitals and clinics, and separate legal entities included in the State University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The State University has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.



# Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

### Revenues

Revenues are recognized in the accounting period when earned. State appropriations are recognized when they are made legally available for expenditure. Revenues and expenditures arising from nonexchange transactions are recognized when all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications for 2006 and 2005 were reported net of the following scholarship discount and allowance amounts (in thousands):

|                 | <u>2006</u> | <u>2005</u> |
|-----------------|-------------|-------------|
| Residence halls | \$ 44,998   | 42,419      |
| Food service    | 20,562      | 19,699      |
| Other auxiliary | 20,451      | 20,073      |

### Cash and Cash Equivalents

Cash and cash equivalents are defined as current operating assets that include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools which are included in short-term and long-term investments in the accompanying balance sheet.

### Investments

Investments in marketable securities are stated at fair value based upon quoted market prices. Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted - nonexpendable net assets if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted - expendable net assets as provided for under the terms of the gift, or as unrestricted. At June 30, 2006 and 2005, the State University had \$591 million and \$518 million available for authorization for expenditure, respectively, \$375 million and \$329 million from restricted funds, and

\$216 million and \$189 million from unrestricted funds, respectively.

The State University's Board of Trustees has the responsibility of oversight for the State University's endowment and similar funds, including the establishment of investment objectives and guidelines. The primary investment objective is to preserve the purchasing power of fund assets while providing a relatively predictable, stable, and constant stream of earnings in line with spending needs. The expenditure of available endowment and similar funds income is subject to State appropriation and may be spent at an annual rate of 5 percent increase per unit value per year, subject to certain minimum and maximum spending parameters. The State University is currently authorized by its Board of Trustees to invest in domestic and international equity and fixed income securities, and a limited use of an alternative investment strategy under a fund-of-funds approach. The State University's investment strategies are subject to asset allocation parameters established in the State University's investment objectives and guidelines.

The Investment Committee of the Cornell Board of Trustees establishes the investment policy of the Cornell statutory colleges. Distributions from the pool are approved by the Cornell Board of Trustees and are provided for program support independent of the cash yield and appreciation of investments in that year. Investments in the pool are stated at fair value and include limited use of derivative instruments, including leverage futures, options and other similar vehicles to manage market exposure and to enhance the total return.

Alternative investments are valued using current estimates of fair value obtained from the investment manager in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuations provided by the external investment managers. Because of the inherent uncertainty of valuation for these investments, the investment manager's estimate may differ from the values that would have been used had a ready market existed.

### Capital Assets

Capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. Building

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

renovations and additions costing over \$100,000 and equipment items with a unit cost of more than \$5,000 are capitalized. Equipment under capital leases are stated at the present value of minimum lease payments at the inception of the lease. Generally, the net interest cost on debt during the construction period related to capital projects, is capitalized and totaled \$5.6 million and \$8.2 million, in the 2006 and 2005 fiscal years, respectively. Library materials are capitalized and amortized over a ten-year period. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized. Capital assets, with the exception of land, construction in progress, and inexhaustible works of art, are depreciated on a straight-line basis over their estimated useful lives, using historical and industry experience, ranging from 3 to 50 years.

#### *Deferred Financing Costs*

Deferred financing costs represent costs incurred for the issuance of bonds that are capitalized and amortized over the life of the related debt.

#### *Compensated Absences*

Employees accrue annual leave based primarily on the number of years employed up to a maximum rate of 21 days per year up to a maximum of 40 days. Employees also earn sick leave credits, which are considered termination payments and may be used to pay the employee's share of post-employment health insurance.

#### *Inventories*

Inventories held by the State University are primarily stated at the lower of cost or market value on a first-in, first-out basis.

#### *Fringe Benefits*

Employee fringe benefit costs (e.g., health insurance, worker's compensation, retirement and post-retirement benefits) are paid by the State on behalf of the State University (except for the State University hospitals, which pay their own fringe

benefit costs) at a fringe benefit rate determined by the State. The State University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

#### *Tax Status*

The State University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations.

The Research Foundation and campus auxiliary services corporations are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Service Code and are tax-exempt on related income, pursuant to Section 501(a) of the code.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Reclassifications*

Certain amounts displayed in the 2005 financial statements have been reclassified to conform to the 2006 presentation.

### 2. Cash and Cash Equivalents

Cash and cash equivalents represent State University funds held in the State treasury, in the short-term investment pool (STIP), or local depositories, and cash held by affiliated organizations. Cash held in the State treasury beyond immediate need is pooled with other State funds for short-term investment purposes. The pooled balances are limited to legally-stipulated investments which include obligations of, or are guaranteed by, the United States, obligations of the State and its political subdivisions, and repurchase agreements. These investments are reported at cost

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 2. Cash and Cash Equivalents (continued)

(which approximates fair value) and are held by the State's agent in its name on behalf of the State University.

The New York State *Comprehensive Annual Financial Report* contains the GASB No. 40 risk disclosures for deposits held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by a pledging financial institution; or (c) collateralized with securities held by a pledging financial institution's trust department or agency, but not in the State University or affiliates name at June 30, 2006 and 2005, is as follows:

|      | Category a | Category b | Category c |
|------|------------|------------|------------|
| 2006 | \$ 63,491  | 2,979      | 2,202      |
| 2005 | 50,528     | 2,143      | 2,457      |

### 3. Deposits with Trustees

Deposits with trustees primarily represent Dormitory Authority of the State of New York (DASNY) bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds which have been designated for capital projects and equipment.

The State University's cash and investments which comprise deposits with trustees are registered in the State University's name held by an agent or in trust accounts in the State University's name. Cash and short-term investments held in the State treasury and money market accounts were approximately

\$56.6 million and \$27.3 million at June 30, 2006 and 2005, respectively. The market value of investments held, maturity and rating, if applicable, are displayed in the table below (in thousands).

### 4. Investments

Investments of the State University are recorded at fair value. Investment income is reported net of investment fees of \$4 million and \$3.1 million for 2006 and 2005, respectively. Investments are comprised of investments of the State University's endowment and similar funds, the statutory colleges at Cornell University and Alfred University (Alfred Ceramics), the Research Foundation, the Construction Fund, and the auxiliary services corporations. Pooled investments are held in two separate and distinct investment pools - the State University's investment pool and Cornell's long-term investment pool. The investments of the State University's investment pool are held by the State University's agent in the State University's name.

The Research Foundation maintains a diverse investment portfolio and with respect to debt instruments, has a policy of investing in primarily high quality securities. Investments are held with the investment custodian in the Research Foundation's name. Investments include \$60.8 million and \$50.9 million of investments designated for their post-retirement benefit plan for 2006 and 2005, respectively.

Investments of the Construction Fund have been made in accordance with the applicable provisions of the laws of the State and the Construction Fund's investment policy. Investments are limited to obligations of, or guaranteed by, the United States and obligations of the State and its political subdivisions.

| Type of Investments      | Fiscal Year 2006 |                     |           | Fiscal Year 2005 |                     |           |        |
|--------------------------|------------------|---------------------|-----------|------------------|---------------------|-----------|--------|
|                          | Fair Value       | Less than<br>1 year | 1-5 years | Fair Value       | Less than<br>1 year | 1-5 years | Rating |
| US Treasury notes/bonds  | \$ 329,533       | 322,357             | 7,176     | 158,793          | 125,756             | 33,037    |        |
| US Treasury bills        | 205,722          | 205,722             | -         | 131,103          | 131,103             | -         |        |
| US Treasury strips       | 251,057          | 248,577             | 2,480     | 287,873          | 284,072             | 3,801     |        |
| FNMA*                    | -                | -                   | -         | 6,885            | 6,885               | -         | AAA    |
| Federal Home Loan Bank   | -                | -                   | -         | 28,203           | 28,203              | -         | AAA    |
| Federal Farm Credit Bank | -                | -                   | -         | 40,370           | 40,370              | -         | AAA    |
| Total                    | \$ 786,312       | 776,656             | 9,656     | 653,227          | 616,389             | 36,838    |        |

\*Federal National Mortgage Association

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 4. Investments (continued)

The investments of the Construction Fund consisted of United States government obligations of approximately \$24.4 million and \$23.3 million, at March 31, 2006 and 2005, respectively. These investments are held by the State's agent in the State University's name.

Investments of the auxiliary services corporations and Alfred Ceramics were derived from each entity's individual financial statements. The composition of investments is as follows (in thousands):

| <u>State University Campuses</u>               | <u>2006</u>         | <u>2005</u>      |
|--|---------------------|------------------|
| Pooled funds:                                  |                     |                  |
| Non-equities                                   | \$ 61,927           | 66,119           |
| Equities - domestic                            | 269,963             | 246,478          |
| Equities - international                       | <u>45,679</u>       | <u>45,710</u>    |
| Total pooled funds                             | <u>377,569</u>      | <u>358,307</u>   |
| Separately invested funds-                     |                     |                  |
| non-equities                                   | <u>103</u>          | <u>102</u>       |
| Total invested funds                           | <u>377,672</u>      | <u>358,409</u>   |
| <u>Cornell Statutory Colleges</u>              |                     |                  |
| Pooled funds:                                  |                     |                  |
| Non-equities                                   | 390,487             | 303,497          |
| Equities - domestic                            | 75,773              | 77,288           |
| Equities - international                       | <u>98,040</u>       | <u>90,483</u>    |
| Total pooled funds                             | <u>564,300</u>      | <u>471,268</u>   |
| Short-term and separately invested funds:      |                     |                  |
| Non-equities                                   | 21,457              | 21,420           |
| Equities                                       | <u>15,330</u>       | <u>17,124</u>    |
| Total short-term and separately invested funds | <u>36,787</u>       | <u>38,544</u>    |
| Total invested funds                           | <u>601,087</u>      | <u>509,812</u>   |
| <u>Alfred Ceramics</u>                         |                     |                  |
| Non-equities                                   | 13,069              | 3,104            |
| Equities                                       | <u>8,301</u>        | <u>9,724</u>     |
| Total invested funds                           | <u>21,370</u>       | <u>12,828</u>    |
| <u>Research Foundation</u>                     |                     |                  |
| Non-equities                                   | 142,522             | 147,665          |
| Equities                                       | <u>155,947</u>      | <u>114,097</u>   |
| Total invested funds                           | <u>298,469</u>      | <u>261,762</u>   |
| <u>Auxiliary Services Corporations</u>         |                     |                  |
| Non-equities                                   | 42,124              | 28,186           |
| Equities                                       | <u>13,789</u>       | <u>16,915</u>    |
| Total invested funds                           | <u>55,913</u>       | <u>45,101</u>    |
| <u>State University Construction Fund</u>      |                     |                  |
| Total invested funds - non-equities            | <u>24,401</u>       | <u>23,312</u>    |
| Total investments                              | <u>\$ 1,378,912</u> | <u>1,211,224</u> |
| Classified as short-term                       | <u>\$ 225,121</u>   | <u>212,778</u>   |

Pooled investments of the State University and Cornell statutory colleges are described in the following paragraphs. The fair values per unit for the respective pools are not comparable, as initial unit values were determined at the inception of each pool based on the number of units.

Substantially, all of the investments of the State University's endowment and similar funds are pooled on a fair value basis. Individual funds subscribe to or dispose of units on the basis of the market value per unit at the beginning of the month within which the transaction takes place. The following summarizes changes in the relationship between cost and fair value of the pooled investments of the State University's endowment and similar funds and fair value per unit (in thousands):

|                     | <u>Fair Value</u> | <u>Cost</u>    | <u>Gains (Losses)</u> | <u>Unit Value</u> |
|---------------------|-------------------|----------------|-----------------------|-------------------|
| End of year         | \$ 377,569        | 335,156        | 42,413                | 10.75             |
| Beginning of year   | <u>358,307</u>    | <u>319,416</u> | <u>38,891</u>         | <u>10.04</u>      |
| Unrealized net gain |                   |                | 3,522                 |                   |
| Realized net gain   |                   |                | <u>21,101</u>         |                   |
| Total net gain      |                   |                | <u>\$ 24,623</u>      |                   |

Investments of the endowment and similar funds of the Cornell statutory colleges, except for separately invested funds with a fair value of \$28 million for both years, are pooled on a fair value basis in Cornell's long-term investment pool and living trust fund. Individual funds enter or withdraw from the pool based on each fund's share of the fair value of the pool's investments.

The following summarizes changes in the relationship between cost and fair value of the portion of Cornell's statutory colleges long term investment pool and fair value per unit (in thousands):

|                     | <u>Fair Value</u> | <u>Cost</u>    | <u>Gains (Losses)</u> | <u>Unit Value</u> |
|---------------------|-------------------|----------------|-----------------------|-------------------|
| End of year         | \$ 564,300        | 462,484        | 101,816               | 55.42             |
| Beginning of year   | <u>471,268</u>    | <u>411,141</u> | <u>60,127</u>         | <u>50.11</u>      |
| Unrealized net gain |                   |                | 41,689                |                   |
| Realized net gain   |                   |                | 29,915                |                   |
| Total net gain      |                   |                | <u>\$ 71,604</u>      |                   |

Generally, individual investment securities must be of investment grade. The State University

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 4. Investments (continued)

maintains a portfolio which possesses an overall weighted average rating by Moody's and Standard and Poor's (S&P) of at least A. Private placement securities must be rated A3 or higher by Moody's or A- or higher by S&P. Parameters exist that allow some limited investments in non-investment grade;

however, investments rated below B3 by Moody's or B- by S&P are prohibited. Policies are in place that limit fixed income investment duration within certain benchmarks and a highly diversified portfolio is maintained which limits interest rate risk exposure. At June 30, 2006 and 2005, the State University had the following investments and maturities as summarized in Table A.

Table A (in thousands)

| Investment Type              | Fiscal Year 2006 |                   |               |               |                     | Fiscal Year 2005 |                   |               |               |                     |
|------------------------------|------------------|-------------------|---------------|---------------|---------------------|------------------|-------------------|---------------|---------------|---------------------|
|                              | Fair Value       | Less than<br>1 yr | 1-5 yrs       | 6-10 yrs      | More than<br>10 yrs | Fair Value       | Less than<br>1 yr | 1-5 yrs       | 6-10 yrs      | More than<br>10 yrs |
| US treasury bills            | \$ 11,659        | 11,659            | -             | -             | -                   | 5,079            | 2,718             | 520           | 312           | 1,529               |
| US treasury notes/bonds      | 27,288           | 4,363             | 14,494        | 1,467         | 6,964               | 39,042           | 4,809             | 15,444        | 9,931         | 8,858               |
| US treasury strips           | 1,378            | 1,091             | 287           | -             | -                   | 20,800           | 20,800            | -             | -             | -                   |
| Asset-backed securities      | 56,470           | 4,874             | 3,185         | 437           | 47,974              | 63,473           | 1,774             | 5,402         | 2,137         | 54,160              |
| Municipals                   | 8,862            | 13                | 624           | 5,107         | 3,118               | 3,456            | -                 | 261           | 1,660         | 1,535               |
| Repurchase agreements        | 19,689           | 19,689            | -             | -             | -                   | 2,531            | 810               | 380           | 228           | 1,113               |
| Government bonds             | -                | -                 | -             | -             | -                   | 5,021            | 1,555             | 729           | 437           | 2,300               |
| Corporate bonds              | 29,746           | 2,197             | 7,735         | 6,798         | 13,016              | 39,458           | 7,376             | 6,781         | 11,155        | 14,146              |
| Commercial paper             | 7,519            | 7,288             | -             | 69            | 162                 | 10,648           | 3,407             | 1,597         | 958           | 4,686               |
| Mutual funds – non-equities  | 98,203           | 64,005            | 16,152        | 14,612        | 3,434               | 132,941          | 68,534            | 29,954        | 16,511        | 17,942              |
| International – non-equities | 12,103           | 3,065             | 6,314         | 1,943         | 781                 | 13,242           | 3,778             | 2,400         | 1,687         | 5,377               |
| US government – TIPS         | 9,722            | 15                | 5,541         | 3,224         | 942                 | 15,344           | 3,975             | 2,786         | 1,812         | 6,771               |
| US government agencies       | <u>32,061</u>    | <u>1,971</u>      | <u>6,249</u>  | <u>2,043</u>  | <u>21,798</u>       | <u>14,384</u>    | <u>4,120</u>      | <u>2,753</u>  | <u>1,159</u>  | <u>6,352</u>        |
| Total                        | <u>\$314,700</u> | <u>120,230</u>    | <u>60,581</u> | <u>35,700</u> | <u>98,189</u>       | <u>365,419</u>   | <u>123,656</u>    | <u>69,007</u> | <u>47,987</u> | <u>124,769</u>      |

Table B (in thousands)

| Credit Rating                 | AAA               | AA           | A             | BBB           | BB           | B             | Not Rated     |
|-------------------------------|-------------------|--------------|---------------|---------------|--------------|---------------|---------------|
| <u>Investment Type - 2006</u> |                   |              |               |               |              |               |               |
| Asset-backed securities       | \$ 49,275         | -            | 138           | 204           | 17           | -             | 6,836         |
| Municipal bonds               | 6,076             | 119          | 60            | 754           | -            | -             | 1,853         |
| Repurchase agreements         | -                 | -            | -             | -             | -            | -             | 19,689        |
| Corporate bonds               | 2,702             | 846          | 12,168        | 10,879        | 1,740        | 367           | 1,044         |
| Commercial paper              | 231               | -            | -             | -             | -            | -             | 7,288         |
| Mutual funds - non-equities*  | 72,471            | -            | -             | -             | -            | -             | 25,732        |
| International - non-equities  | 5,826             | 1,241        | 805           | 1,641         | 414          | 113           | 2,063         |
| US government agencies        | <u>11,505</u>     | <u>1,632</u> | <u>216</u>    | <u>-</u>      | <u>-</u>     | <u>-</u>      | <u>18,708</u> |
| Total                         | <u>\$148,086</u>  | <u>3,838</u> | <u>13,387</u> | <u>13,478</u> | <u>2,171</u> | <u>480</u>    | <u>83,213</u> |
| <u>Investment Type - 2005</u> |                   |              |               |               |              |               |               |
| Asset-backed securities       | 18,754            | 710          | 2,395         | 354           | -            | -             | 41,260        |
| Municipal bonds               | 2,471             | 702          | 283           | -             | -            | -             | -             |
| Repurchase agreements         | -                 | -            | -             | -             | -            | -             | 2,531         |
| Corporate bonds               | 4,089             | 467          | 12,981        | 7,772         | 4,364        | 115           | 9,670         |
| Commercial paper              | -                 | -            | 3,972         | -             | 2,897        | -             | 3,779         |
| Mutual funds - non-equities*  | 90,890            | -            | -             | -             | -            | 13,437        | 28,614        |
| International - non-equities  | 7,522             | 1,097        | 360           | 2,285         | 1,604        | -             | 374           |
| US government agencies        | <u>13,314</u>     | <u>822</u>   | <u>-</u>      | <u>-</u>      | <u>-</u>     | <u>-</u>      | <u>248</u>    |
| Total                         | <u>\$ 137,040</u> | <u>3,798</u> | <u>19,991</u> | <u>10,411</u> | <u>8,865</u> | <u>13,552</u> | <u>86,476</u> |

Stony Brook University - PRR Appendix 8

\*based on average credit quality of holdings

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 4. Investments (continued)

Credit quality ratings of the State University's investments in debt securities, as described by Moody's, S&P, and Fitch IBCA as of June 30, 2006 and 2005 are summarized in Table B.

The State University's exposure to foreign currency risk for investments, held at June 30, 2006 and 2005, was as follows (fair value in thousands):

| Currency Denomination | 2006              | 2005          |
|-----------------------|-------------------|---------------|
| Euro                  | \$ 30,064         | 23,814        |
| Japanese yen          | 22,051            | 19,019        |
| British pound         | 19,280            | 19,544        |
| Hong Kong dollar      | 7,296             | 2,363         |
| South Korean won      | 6,235             | 3,052         |
| Taiwan dollar         | 5,676             | 3,965         |
| Australian dollar     | 4,907             | 4,711         |
| Brazil real           | 3,433             | 524           |
| So. African rand      | 2,823             | 1,031         |
| Swiss franc           | 2,666             | 1,717         |
| Malaysian ringgit     | 2,084             | 768           |
| Singapore dollar      | 1,827             | 1,797         |
| Turkish lira          | 1,159             | 7,691         |
| Swedish krona         | 927               | 1,022         |
| New Zealand dollar    | 384               | 927           |
| Other                 | 4,950             | 2,026         |
| Total                 | <u>\$ 115,762</u> | <u>93,971</u> |

### 5. Accounts, Notes, and Loans Receivable

At June 30, accounts, notes, and loans receivable were summarized as follows (in thousands):

|   | 2006              | 2005           |
|---|-------------------|----------------|
| Tuition and fees                            | \$ 29,545         | 50,772         |
| Allowance for uncollectible                 | (7,055)           | (7,364)        |
| Net tuition and fees                        | <u>22,490</u>     | <u>43,408</u>  |
| Room Rent                                   | 7,041             | 7,834          |
| Allowance for uncollectible                 | (1,684)           | (1,763)        |
| Net room rent                               | <u>5,357</u>      | <u>6,071</u>   |
| Patient fees, net of contractual allowances | 532,788           | 403,184        |
| Allowance for uncollectible                 | (139,925)         | (88,920)       |
| Net patient fees                            | <u>392,863</u>    | <u>314,264</u> |
| Other, net                                  | <u>109,261</u>    | <u>113,406</u> |
| Total accounts and notes receivable         | <u>529,971</u>    | <u>477,149</u> |
| Student loans                               | 152,546           | 154,431        |
| Allowance for uncollectible                 | (21,104)          | (21,910)       |
| Total student loans receivable              | <u>131,442</u>    | <u>132,521</u> |
| Total, net                                  | <u>\$ 661,413</u> | <u>609,670</u> |

### 6. Capital Assets

Capital assets, net of accumulated depreciation, totaled \$4.83 billion and \$4.46 billion at fiscal year end 2006 and 2005, respectively. Capital asset activity for fiscal years 2006 and 2005 is reflected in Table C. In the table, closed projects and retirements represent capital assets retired and assets transferred from construction in progress for projects completed and the related capital assets placed in service.

Table C (in thousands)

|                                       | July 1,<br>2004     | Additions        | Closed Projects<br>& Retirements | June 30,<br>2005 | Additions        | Closed Projects<br>& Retirements | June 30,<br>2006 |
|---------------------------------------|---------------------|------------------|----------------------------------|------------------|------------------|----------------------------------|------------------|
| Land                                  | \$ 223,881          | 30,261           | 4,707                            | 249,435          | 13,410           | 71                               | 262,774          |
| Infrastructure and land improvements  | 447,683             | 20,486           | 562                              | 467,607          | 17,470           | 1,922                            | 483,155          |
| Buildings                             | 4,834,908           | 479,520          | 43,216                           | 5,271,212        | 347,106          | 45,789                           | 5,572,529        |
| Equipment, library books, and artwork | 1,728,078           | 242,061          | 102,873                          | 1,867,266        | 197,894          | 66,954                           | 1,998,206        |
| Construction in progress              | 700,957             | 393,200          | 507,864                          | 586,293          | 510,142          | 383,662                          | 712,773          |
| Total capital assets                  | <u>7,935,507</u>    | <u>1,165,528</u> | <u>659,222</u>                   | <u>8,441,813</u> | <u>1,086,022</u> | <u>498,398</u>                   | <u>9,029,437</u> |
| Less accumulated depreciation:        |                     |                  |                                  |                  |                  |                                  |                  |
| Infrastructure and land improvements  | 289,295             | 12,947           | 547                              | 301,695          | 13,608           | 1,922                            | 313,381          |
| Buildings                             | 2,340,003           | 134,665          | 27,202                           | 2,447,466        | 130,285          | 26,726                           | 2,551,025        |
| Equipment and library books           | 1,173,429           | 140,597          | 85,978                           | 1,228,048        | 165,734          | 60,999                           | 1,332,783        |
| Total accumulated depreciation        | <u>3,802,727</u>    | <u>288,209</u>   | <u>113,727</u>                   | <u>3,977,209</u> | <u>309,627</u>   | <u>89,647</u>                    | <u>4,197,189</u> |
| Capital assets, net                   | <u>\$ 4,132,780</u> | <u>877,319</u>   | <u>545,495</u>                   | <u>4,464,604</u> | <u>776,395</u>   | <u>408,751</u>                   | <u>4,832,248</u> |

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 7. Long-term Liabilities

The State University has entered into capital leases and other financing agreements with the DASNY to finance most of its capital facilities. The State University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-exempt Equipment Leasing Program (TELP), various state sponsored equipment leasing programs, or private financing arrangements. At June 30, 2006 and 2005, other than facilities obligations, which are included as of March 31, 2006 and 2005, total obligations are summarized in Table D.

#### Educational Facilities

The State University, through DASNY, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Athletic facility debt is aggregated with educational facility debt. Debt service is paid by, or from specific appropriations of, the State.

During the year, Personal Income Tax Revenue Bonds (PIT) were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of \$480 million.

#### Residence Hall Facilities

The State University has entered into capital lease agreements for residence hall facilities. DASNY bonds for residence hall facilities, which have a maximum 30-year life, are repaid from room rentals and other residence hall revenues. Upon repayment of the bonds, including interest thereon, and the satisfaction of all other obligations under the lease agreements, DASNY shall convey to the State University all rights, title, and interest in the assets financed by the capital lease agreements. Residence hall facilities revenue realized during the year from facilities from which there are bonds outstanding is pledged as a security for debt service and is assigned to DASNY to the extent required for debt service purposes. Any excess funds pledged to DASNY are available for residence hall capital and operating purposes.

During the year, the State University entered into agreements with DASNY to issue residential hall facility obligations totaling \$182 million; \$5.9 million for remarketing bonds; \$72.1 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities; and \$104 million in order to refinance \$101.3 million of the State University's existing residential hall facility obligations. The State University reduced its future aggregate debt service payments by \$3.4 million

Table D (in thousands)

| For the 2006 Fiscal Year                             | July 1,<br>2005     | Additions        | Reductions     | June 30,<br>2006 | Current<br>Portion |
|--|---------------------|------------------|----------------|------------------|--------------------|
| Long-term debt:                                      |                     |                  |                |                  |                    |
| Educational facilities                               | \$ 4,147,612        | 479,975          | 161,704        | 4,465,883        | 163,630            |
| Residence hall facilities                            | 633,780             | 181,965          | 128,085        | 687,660          | 22,890             |
| Capital lease arrangements                           | 171,453             | 75,025           | 49,484         | 196,994          | 55,730             |
| Other long-term debt                                 | <u>8,797</u>        | <u>-</u>         | <u>2,807</u>   | <u>5,990</u>     | <u>-</u>           |
| Total long-term debt                                 | <u>4,961,642</u>    | <u>736,965</u>   | <u>342,080</u> | <u>5,356,527</u> | <u>242,250</u>     |
| Other long-term liabilities:                         |                     |                  |                |                  |                    |
| Compensated absences and post-retirement obligations | 676,498             | 261,859          | 165,338        | 773,019          | 143,453            |
| Loan - State STIP pool                               | 148,636             | 6,052            | 6,500          | 148,188          | 16,580             |
| Litigation   | 167,576             | 25,033           | 47,168         | 145,441          | 29,286             |
| Other long-term liabilities                          | <u>75,560</u>       | <u>17,743</u>    | <u>27,107</u>  | <u>66,196</u>    | <u>10,321</u>      |
| Total other long-term liabilities                    | <u>1,068,270</u>    | <u>310,687</u>   | <u>246,113</u> | <u>1,132,844</u> | <u>199,640</u>     |
| Total long-term liabilities                          | <u>\$ 6,029,912</u> | <u>1,047,652</u> | <u>588,193</u> | <u>6,489,371</u> | <u>441,890</u>     |

# *Notes to Financial Statements*

*June 30, 2006 (with comparative information for June 30, 2005)*

**Table D, continued** (in thousands)

| <i>For the 2005 Fiscal Year</i>                      | July 1,<br>2004     | Additions      | Reductions     | June 30,<br>2005 | Current<br>Portion |
|--|---------------------|----------------|----------------|------------------|--------------------|
| Long-term debt:                                      |                     |                |                |                  |                    |
| Educational facilities                               | \$ 4,287,613        | 387,170        | 527,171        | 4,147,612        | 158,439            |
| Residence hall facilities                            | 589,770             | 63,355         | 19,345         | 633,780          | 20,975             |
| Capital lease arrangements                           | 169,711             | 42,149         | 40,407         | 171,453          | 45,299             |
| Other long-term debt                                 | <u>11,528</u>       | <u>-</u>       | <u>2,731</u>   | <u>8,797</u>     | <u>2,672</u>       |
| Total long-term debt                                 | <u>5,058,622</u>    | <u>492,674</u> | <u>589,654</u> | <u>4,961,642</u> | <u>227,385</u>     |
| Other long-term liabilities:                         |                     |                |                |                  |                    |
| Compensated absences and post-retirement obligations | 611,615             | 218,797        | 153,914        | 676,498          | 133,007            |
| Loan - State STIP pool                               | 163,373             | 3,198          | 17,935         | 148,636          | 16,580             |
| Litigation   | 162,271             | 91,456         | 86,151         | 167,576          | 47,022             |
| Other long-term liabilities                          | <u>17,715</u>       | <u>59,865</u>  | <u>2,020</u>   | <u>75,560</u>    | <u>6,633</u>       |
| Total other long-term liabilities                    | <u>954,974</u>      | <u>373,316</u> | <u>260,020</u> | <u>1,068,270</u> | <u>203,242</u>     |
| Total long-term liabilities                          | <u>\$ 6,013,596</u> | <u>865,990</u> | <u>849,674</u> | <u>6,029,912</u> | <u>430,627</u>     |

**7. Long-term Liabilities (continued)**

through lower interest costs, resulting in an economic gain of \$3.1 million.

During this year and prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the State University's financial statements. As of March 31, 2006, \$1.21 billion and \$346.9 million of outstanding educational and residence hall facility obligations, respectively, were considered defeased.

**Capital Lease Arrangements**

The State University leases equipment under DASNY TELP, New York State Personal Income Tax Revenue Bonds, certificates of participation (COPs), vendor financing, or through statewide lease purchase agreements. The State University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

**Loan - State STIP Pool**

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-

flow difficulties experienced by its hospitals. In connection with these cash-flow deficits, as authorized by State Finance Law, the State University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing from the State at June 30, 2006 was \$148.2 million. During the year, \$6.5 million was paid on these loans. The State University incurred an interest cost of \$6.1 million at an average interest rate of 4.1 percent.

**8. Retirement Plans****Retirement Benefits**

There are three major retirement plans for State University employees. The New York State and Local Employees' Retirement System (ERS), the New York State Teachers' Retirement System (TRS), and the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA/CREF). ERS is a cost-sharing, multiple-employer, defined benefit public plan administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a nine-member board. TIAA/CREF is a multiple-employer, defined contribution plan administered by separate boards of trustees. Substantially all full-time employees participate in the plans.



# Notes to Financial Statements

## June 30, 2006 (with comparative information for June 30, 2005)

*Debt service requirements of the long-term debt obligations as of June 30, 2006 are as follows (in thousands):*

| Fiscal year(s) | Educational Facilities                 |           | Residential Facilities                 |          | Other                                  |          | Total     |           |
|----------------|--|-----------|--|----------|--|----------|-----------|-----------|
|                | Principal                              | Interest  | Principal                              | Interest | Principal                              | Interest | Principal | Interest  |
| 2007           | \$ 163,630                             | 249,427   | 22,890                                 | 33,118   | 55,730                                 | 6,709    | 242,250   | 289,254   |
| 2008           | 164,949                                | 252,597   | 23,195                                 | 32,043   | 40,053                                 | 4,778    | 228,197   | 289,418   |
| 2009           | 172,500                                | 246,256   | 23,960                                 | 30,951   | 33,043                                 | 3,583    | 229,503   | 280,790   |
| 2010           | 160,150                                | 234,839   | 24,480                                 | 29,808   | 21,624                                 | 2,655    | 206,254   | 267,302   |
| 2011           | 185,086                                | 226,437   | 24,135                                 | 28,646   | 8,703                                  | 2,002    | 217,924   | 257,085   |
| 2012-16        | 1,315,958                              | 778,340   | 127,395                                | 125,277  | 17,943                                 | 7,506    | 1,461,296 | 911,123   |
| 2017-21        | 1,041,218                              | 463,462   | 123,765                                | 94,177   | 20,503                                 | 3,404    | 1,185,486 | 561,043   |
| 2022-26        | 683,075                                | 251,171   | 123,740                                | 63,821   | 3,245                                  | 648      | 810,060   | 315,640   |
| 2027-31        | 441,107                                | 93,093    | 136,060                                | 30,452   | 1,475                                  | 249      | 578,642   | 123,794   |
| 2032-36        | 138,210                                | 16,078    | 58,040                                 | 4,538    | 665                                    | 14       | 196,915   | 20,630    |
| Total          | \$ 4,465,883                           | 2,811,700 | 687,660                                | 472,831  | 202,984                                | 31,548   | 5,356,527 | 3,316,079 |
|                | Interest rates range from 2.0% to 7.5% |           | Interest rates range from 2.0% to 6.0% |          | Interest rates range from 2.4% to 5.4% |          |           |           |

### 8. Retirement Plans (continued)

Obligations of employers and employees to contribute and related benefits are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law. These plans offer a wide range of programs and benefits. ERS and TRS benefits are related to years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. TIAA/CREF is a State University Optional Retirement Program (ORP) and offers benefits through annuity contracts.

**ERS** and **TRS** provide retirement benefits as well as death and disability benefits. Benefits generally vest after five years of credited service. The NYSRSSL provides that all participants in ERS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Employees who joined ERS and TRS after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Employee contributions are deducted from their salaries and remitted on a current basis to ERS and TRS.

**TIAA/CREF** provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the

completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF.

The State University's total retirement-related payroll was \$2.3 billion and \$2.19 billion for the June 30, 2006 and 2005 fiscal years, respectively. The payroll for 2006 and 2005 for State University employees covered by TIAA/CREF was \$1.43 billion and \$1.38 billion, ERS was \$784 million and \$725 million, and TRS was \$84 million and \$86 million, respectively. Employer and employee contributions under each of the plans were as follows (in millions):

|                         | 2006    | 2005  | 2004  |
|-------------------------|---------|-------|-------|
| Employer contributions: |         |       |       |
| TIAA- CREF              | \$149.4 | 147.3 | 140.2 |
| ERS                     | 52.5    | 54.7  | 20.5  |
| TRS                     | 6.4     | 5.5   | 4.6   |
| Employee contributions: |         |       |       |
| TIAA- CREF              | \$ 40.9 | 39.1  | 36.5  |
| ERS                     | 9.5     | 8.1   | 7.2   |
| TRS                     | 0.9     | 0.9   | 0.8   |

The employer contributions are equal to 100 percent of the required contributions under each of the respective plans.

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 8. Retirement Plans (continued)

The Research Foundation maintains a separate non-contributory plan through TIAA/CREF for substantially all of its employees. Employees become fully vested in contributions made by the Research Foundation after five years of service which are allocated to individual employee accounts. Employer contributions are based on a percentage of regular salary and range from 8 percent to 15 percent. The payroll for Research Foundation employees covered by TIAA/CREF for its fiscal year ended June 30, 2006 and 2005 was \$310.5 million and \$296.0 million, respectively. The Research Foundation pension contributions for fiscal years 2006, 2005, and 2004 were \$23.6 million, \$21.6 million, and \$22.2 million, respectively. These contributions are equal to 100 percent of the required contributions for each year.

Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The reports may be obtained by writing to:

New York State and Local Employees'  
Retirement System  
110 State Street  
Albany, New York 12244

New York State Teachers' Retirement System  
10 Corporate Woods Drive  
Albany, New York 12211

Teachers Insurance and Annuity Association/  
College Retirement Equities Fund  
730 Third Avenue  
New York, New York 10017

#### **Post-retirement Benefits**

The State, on behalf of the State University, provides health insurance coverage and survivor benefits for retired State University employees and their survivors. Substantially all of the State University's employees become eligible for these benefits if they reach normal retirement age while working for the State University. Currently, 15,987 retirees and 1,883 dependent survivors meet the eligibility requirements. The State University recognizes the cost of providing post-retirement

health insurance and death benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2006 and 2005, the State, on behalf of the State University, paid health insurance premiums of \$145.4 million and \$131.8 million, respectively, and survivor benefits of \$1.1 million in both years.

The Research Foundation sponsors a separate plan that provides health insurance and medical benefits for retired employees and their spouses. Substantially all of the Research Foundation employees who meet age and service requirements become eligible for these benefits. There are approximately 5,877 participants in the plan. Employees hired after 1985, upon retirement, contribute to cover the cost of plan benefits provided. The cost of the benefits provided under this plan is recognized on an actuarially-determined basis using the projected unit cost method. Under this method, actuarial assumptions are made based on employee demographics and medical trend rates to calculate the accrued benefit cost.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors and were \$4.6 million and \$4.5 million during the years ended June 30, 2006 and 2005, respectively. Amounts recognized in the June 30, 2006 and 2005 financial statements include an accrued benefit cost of \$117.0 million and \$91.6 million, respectively, and investments designated for the plan of \$60.8 million and \$50.9 million, respectively. The investments are held in an unrestricted account, designated by the Research Foundation Board of Directors, consisting primarily of equity securities.

### 9. Commitments

The State University has entered into contracts for the construction and improvement of various projects. At March 31, 2006, these outstanding contract commitments totaled approximately \$491.6 million.

The State University is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended June 30, 2006 and 2005 under such operating leases were approximately \$24.2 million and \$22.3 million, respectively. The following is a summary of the future minimum

# Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

## 9. Commitments (continued)

rental commitments under noncancelable real property and equipment leases with terms exceeding one year (in thousands):

| Year ending June 30, |    |                |
|----------------------|----|----------------|
| 2007                 | \$ | 23,473         |
| 2008                 |    | 18,146         |
| 2009                 |    | 15,385         |
| 2010                 |    | 11,484         |
| 2011                 |    | 8,802          |
| 2012-16              |    | 20,129         |
| 2017-21              |    | 2,304          |
| 2022-26              |    | 2,607          |
|                      | \$ | <u>102,330</u> |

## 10. Contingencies

The State is contingently liable in connection with claims and other legal actions involving the State University, including those currently in litigation arising in the normal course of State University activities. The State University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims against the State involving State University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the State University has recorded a liability and a corresponding appropriation receivable of approximately \$145.4 million at June 30, 2006 (\$143.1 million related to hospitals and clinics) for unfavorable judgments, both anticipated and awarded but not yet paid.

The State University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The State University has insurance coverage for its residence hall facilities. However, in general, the State University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the State University are covered by

the State on a self-insured basis. The State does have fidelity insurance on State employees.

## 11. Related Parties

The State University's single largest source of revenue is State appropriations, which represents approximately 34 and 32 percent of total revenues for the 2006 and 2005 fiscal years, respectively. The State University is dependent on this appropriation to carry on its operations.

## 12. Federal Grants and Contracts and Third-Party Reimbursement

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government. Disallowances, if any, as a result of these audits may become liabilities of the State University. State University management believes that no material disallowances will result from audits by the grantor agencies.

The State University hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from their established charges. Contractual service allowances and discounts (reflected through State University hospitals and clinics sales and services) represent the difference between the hospitals established rates and amounts reimbursed by third-party payors. The State University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payors cost reimbursement items.

## 13. Subsequent Events

In August 2006, the State University entered into agreements with the DASNY to issue obligations totaling \$87.4 million for the construction and rehabilitation of residential facilities and to refinance the State University's existing residential hall obligations.

In October 2006, the State University completed the \$35 million purchase of the Long Island University campus and facilities. The purchase includes land, infrastructure, academic, residential, administrative and other major facilities located on the site.

## Notes to Financial Statements

June 30, 2006 (with comparative information for June 30, 2005)

### 14. Foundations

Discretely presented component unit information is comprised principally of the campus-related foundations. These foundations are not-for-profit organizations responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of its campus, the State University, its students, faculty, staff and alumni. The foundations receive the majority of their support and revenues through contributions, gifts and grants and provide benefits to their campus, students, faculty, staff and alumni. In addition, the reported amounts include foundation student housing corporations, not-for-profit organizations that operate and administer certain housing and related services for students. All the foundations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations was derived from each entity's individual financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, the majority of which have a June 30 fiscal year end.

During the year ended June 30, 2006 and 2005, the foundations distributed \$36.5 million and \$32.1 million, respectively, to the State University principally for scholarships and support of campus program activities.

Separately issued financial statements of the foundations and other related entities may be obtained in writing to:

Office of the University Controller  
State University Plaza, Room S-421  
Albany, New York 12246

### Net Asset Classifications

Unrestricted net assets represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the State University campus and foundation programs and activities. Temporarily restricted net assets represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or are removed by specific actions. Permanently restricted net assets represent resources

that donors have stipulated must be maintained permanently. The income derived from the permanently restricted net assets is permitted to be spent in part or in whole, restricted only by the donors' wishes.

### Investments

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments of the State University foundations were \$771.9 million and \$693.3 million at June 30, 2006 and 2005, respectively. The composition of investments is as follows (in thousands):

|                          | <u>2006</u>       | <u>2005</u>    |
|--------------------------|-------------------|----------------|
| Equities - domestic      | \$ 309,639        | 265,583        |
| Equities - international | 120,650           | 89,719         |
| Non-equities             | 254,912           | 265,459        |
| Other investments        | <u>86,736</u>     | <u>72,537</u>  |
| Total investments        | <u>\$ 771,937</u> | <u>693,298</u> |

### Capital Assets

Capital assets, are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled \$311.2 million and \$297.5 million at fiscal year end 2006 and 2005, respectively. Capital asset classifications are summarized as follows (in thousands):

|                               | <u>2006</u>       | <u>2005</u>    |
|-------------------------------|-------------------|----------------|
| Land and land improvements    | \$ 11,803         | 10,457         |
| Buildings                     | 303,804           | 219,914        |
| Equipment                     | 31,547            | 28,699         |
| Artwork and library books     | 15,603            | 14,864         |
| Construction in progress      | <u>15,757</u>     | <u>78,692</u>  |
| Total capital assets          | 378,514           | 352,626        |
| Less accumulated depreciation | <u>67,293</u>     | <u>55,086</u>  |
| Capital assets, net           | <u>\$ 311,221</u> | <u>297,540</u> |

## *Notes to Financial Statements*

*June 30, 2006 (with comparative information for June 30, 2005)*

### 14. Foundations (continued)

#### *Long-term Debt*

The Foundations have entered into various financing arrangements, principally through the issuance of Industrial Development Agency bonds and Housing Authority bonds for the construction of student residence hall facilities. The following is a summary of the future minimum annual debt service requirements for the next five years and thereafter (in thousands):

Year ending June 30:

|            |                   |
|------------|-------------------|
| 2007       | \$ 5,897          |
| 2008       | 6,871             |
| 2009       | 7,303             |
| 2010       | 7,730             |
| 2011       | 7,548             |
| Thereafter | <u>228,653</u>    |
|            | <u>\$ 264,002</u> |

#### *Restatement*

The financial statement amounts previously reported for the 2005 fiscal year have been restated to properly reflect the net asset classification for accumulated endowment gains and to properly reflect capital assets, other liabilities, and expense activity. The effect of these adjustments was a reduction of the beginning net assets by \$1.02 million for the 2005 fiscal year, and an increase in capital assets of \$390 thousand, a decrease in other liabilities of \$869 thousand, and a decrease in total expenses resulting in a corresponding increase in net assets of \$1.26 million at the end of 2005.

Additional copies of this report are available from  
The State University of New York  
Office of the University Controller  
State University Plaza - Room S421  
Albany, NY 12246  
518-443-5463



# THE STATE UNIVERSITY *of* NEW YORK

## ANNUAL FINANCIAL REPORT 2006

The State University of New York  
State University Plaza  
Albany, NY 12246  
[www.suny.edu](http://www.suny.edu)





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## Message from the Chancellor

I am pleased to present this year's Annual Financial Report of the State University of New York. The report provides an overview of the State University's finances and operating results for the year ended June 30, 2007. The State University continues to be in sound financial condition, and we continue to make progress on enhancing excellence, affordability, and accessibility throughout the State University. Enrollment, student retention, sponsored research, and philanthropy all remain strong or at record levels.

Total student enrollment has grown every year since 1997 and has been on a record-setting pace since the fall 2000. Enrollment has increased by more than 15 percent since fall 1996, from 368,459 to more than 426,891 this year. In addition, system-wide retention rates, which result in higher graduation rates, are steadily increasing. Retention of first-time, full-time students is 82.6 percent, which is the highest level in the history of the State University. The State University's retention rates continue to outpace the rates at most public colleges nationally, and they are as high as, or approaching, the rates at many of the best private colleges and universities in the United States. Reflecting the State University's commitment to improved student performances across all cultural backgrounds, recent data shows that the State University's minority student graduation rates exceed the national rates for minority students attending public institutions.

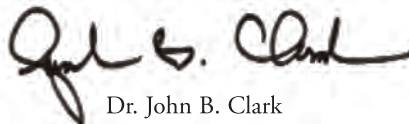
The 2006-07 State Budget continued the trend from the prior year and was among the best budgets the State University has received from the Governor and Legislature in decades. The overwhelming majority of the State University's financial plan has enabled the system to meet its salary obligations, and heat, light and to maintain the 90 million square feet of facilities. In addition, the State University was able to hold the line on tuition and continue to add full-time faculty across its 29 state-operated campuses. Full-time faculty provides the outstanding teaching, service and research that inspires our students, trains our workers and strengthens our economy.

During each of the last three fiscal years, 2005-2007, the State University received additional capital funding authorizations for State-operated hospital and educational facilities. The added State funding augmented the base multi-year capital plans already in place for these facilities through fiscal year 2008-09. A majority of the funding supports critical capital maintenance efforts to renovate and modernize existing State University educational and hospital facilities and also supports selected capital program initiatives. Multi-year planning and funding is crucial to the University's continued ability to prioritize and effectively sequence needed capital investments, and important State support for these efforts is expected to continue in coming years. Significantly, in concert with recommendations for additional capital funding for the State University in the 2007-08 State Budget, to support the needed continuity of planning and funding, the Executive has requested the University prepare and submit new Five-Year Capital Program Financing Plans for its entire capital program to cover the period SFY 2008-09 through 2012-13.

The volume of research and other sponsored programs grew 9 percent to \$950 million in fiscal year 2007. Research continues to be an important facet of the State University's mission, with faculty constantly breaking new ground in fields as far reaching as medicine, education, engineering, music, environmental studies and materials science. In the 2007 fiscal year, the Research Foundation recorded 264 invention disclosures, 201 patent applications, 40 patents, 52 licenses and more than \$11 million from royalties. These achievements were the products of more than 7,400 projects that supported more than 17,000 employees statewide.

Private support is critical to maintaining excellence at the State University. It allows our campuses to invest in academic quality and support innovative research on a level comparable to private institutions. In March 2004, we launched an ambitious fundraising campaign, *The State University of New York \$3 Billion Challenge*. To date, the Challenge has raised nearly \$1.8 billion in philanthropic donations and giving remains strong.

The State University of New York is an excellent investment for students who seek a higher education and for taxpayers as well. We are a vital partner with New York state to advance the state's competitiveness and national leadership in this innovation economy. We take very seriously our responsibility to be good stewards of public dollars and will continue to strive to be as efficient as possible in managing our resources.



Dr. John B. Clark  
Interim Chancellor

## Management's Discussion and Analysis

Management's discussion and analysis (MD&A) provides a broad overview of the State University of New York's (State University) financial condition as of June 30, 2007, the results of its operations for the year then ended, and significant changes from the previous year. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the State University which directly follows the MD&A.

For financial reporting purposes, the State University's reporting entity consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), and central services, but excluding community colleges. The financial statements also include the financial activity of The Research Foundation of the State University of New York (Research Foundation), which administers the sponsored program activity of the State University, the State University Construction Fund, (Construction Fund), which administers the capital program of the State University, the auxiliary services corporations and foundations located on its campuses.

The foundations meet the criteria under the Governmental Accounting Standards Board (GASB) accounting and financial reporting requirements for inclusion in the State University reporting entity. For financial statement presentation purposes, the combined totals of the foundations are not included in the reported amounts of the State University, but are discretely presented on separate pages in the State University's financial statements, in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB) for not-for-profit organizations.

The focus of the MD&A is on the State University financial information contained in the balance sheet, the statement of revenues, expenses, and changes in net assets, and the statement of cash flows, which exclude the foundations. Foundation financial statement information is presented separately on pages 16 and 17 of the State University's financial statements.

During 2007, the State University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenses, the related assets or liabilities and note disclosures in the financial statements. The OPEB cost during the 2007 fiscal year for the State University's Plan and Research Foundation Plan was \$712.5 million and \$35 million, respectively.

### Financial Highlights

At June 30, 2007 and 2006, total assets reported by the State University were \$10.4 billion and \$9.45 billion and total liabilities were \$8.14 billion and \$7.37 billion, respectively. Net assets, which total \$2.27 billion and \$2.08 billion at June 30, 2007 and 2006, experienced an increase of \$185 million in 2007 compared to 2006. The net assets at June 30, 2007 and 2006 are summarized in the following categories (in thousands):

|  | <u>2007</u>         | <u>2006</u>      |
|--|---------------------|------------------|
| Net Assets:  |                     |                  |
| Invested in capital assets,<br>net of related debt | \$ 596,527          | 312,538          |
| Restricted - nonexpendable                         | 246,393             | 229,583          |
| Restricted - expendable                            | 914,172             | 769,568          |
| Unrestricted                                       | <u>510,537</u>      | <u>770,449</u>   |
| Total net assets<br>(2006 restated)                | <u>\$ 2,267,629</u> | <u>2,082,138</u> |

The change in net assets during 2007 and 2006 was driven by operating and other supporting revenues over expenses and losses. Revenues, expenses, and the change in net assets for the 2007 and 2006 fiscal years are summarized as follows (in thousands):

|                        | <u>2007</u>       | <u>2006</u>      |
|------------------------|-------------------|------------------|
| Operating revenues     | \$ 4,748,377      | 4,381,490        |
| Nonoperating revenues  | 3,329,085         | 2,782,245        |
| Other revenues         | 73,010            | 93,985           |
| Total revenues         | <u>8,150,472</u>  | <u>7,257,720</u> |
| Operating expenses     | 7,684,624         | 6,689,647        |
| Nonoperating expenses  | <u>280,357</u>    | <u>268,672</u>   |
| Total expenses         | <u>7,964,981</u>  | <u>6,958,319</u> |
| Increase in net assets | <u>\$ 185,491</u> | <u>299,401</u>   |

## Management's Discussion and Analysis

Total revenues reported in 2007 and 2006 were \$8.15 billion and \$7.26 billion, respectively. Total revenue in 2007 grew \$893 million, or 12 percent, compared to the previous year. Revenue growth in 2007 was driven by increases in state appropriation revenue of \$451 million, investment income and net realized and unrealized gains of \$163 million, hospital and clinic revenue of \$191 million, grants and contracts of \$80 million, sales and service activities of auxiliary enterprises of \$43 million, net tuition and fees of \$38 million, and other sources of \$12 million. These increases were offset by decreases in gift revenues of \$39 million, other nonoperating revenues of \$28 million, capital gifts and grants of \$12 million, and capital appropriations of \$6 million.

Total expenses for 2007 and 2006 were \$7.96 billion and \$6.96 billion, respectively. State University expense growth in 2007 was slightly over \$1.0 billion, or 14 percent. Expense growth in 2007 was primarily the result of increases in instruction activity of \$290 million, support services of \$279 million, hospital and clinic activity of \$226 million, depreciation and amortization expense of \$60 million, auxiliary enterprises of \$56 million, research of \$50 million, public service of \$23 million, scholarships of \$12 million and other nonoperating expenses of \$12 million.

### Overview of the Financial Statements

The financial statements of the State University have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. The financial statement presentation consists of a balance sheet, statement of revenues, expenses, and changes in net assets, statement of cash flows, and accompanying notes for the June 30, 2007 fiscal year. These statements provide information on the financial position of the State University and the financial activity and results of its operations for the year. A description of these statements follows:

The *Balance Sheet* presents information on all of the State University's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the State University is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Assets* presents information showing the change in the State University's net assets during the fiscal year. Changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from students and others for services rendered, or the amount accrued for postemployment benefits earned).

The *Statement of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, investing, capital, and noncapital financing activities.

### Balance Sheet

The balance sheet presents the financial position of the State University at the end of its fiscal year. During the 2007 fiscal year, the State University's total assets increased over the prior year by \$953 million, or 10 percent while total liabilities increased \$768 million or 10 percent. The following table reflects the financial position at June 30, 2007 and 2006 (in thousands):

|                         | 2007                | 2006             |
|-------------------------|---------------------|------------------|
| Current assets          | \$ 2,493,481        | 2,253,725        |
| Capital assets, net     | 5,233,361           | 4,832,248        |
| Other noncurrent assets | 2,677,333           | 2,365,089        |
| Total assets            | <u>10,404,175</u>   | <u>9,451,062</u> |
| Current liabilities     | 1,504,132           | 1,516,129        |
| Noncurrent liabilities  | 6,632,414           | 5,852,795        |
| Total liabilities       | <u>8,136,546</u>    | <u>7,368,924</u> |
| Net assets              | <u>\$ 2,267,629</u> | <u>2,082,138</u> |

### Current Assets

Current assets at June 30, 2007 increased \$240 million and current liabilities decreased \$12 million compared to the previous year. In general, current assets are those assets that are available to satisfy current liabilities (i.e., those that will be paid within one year).

## Management's Discussion and Analysis

Current assets at June 30, 2007 and 2006 consist primarily of cash and cash equivalents of \$1.06 billion and \$853 million, short-term investments of \$196 million and \$225 million, and receivables (accounts, interest, appropriations, and grants) of \$1.19 billion and \$1.13 billion, respectively. During 2007, cash and cash equivalents increased \$203 million offset by a decrease in short-term investments of \$29 million.

### Current Liabilities

Current liabilities at June 30, 2007 and 2006 consist principally of accounts payable and accrued liabilities of \$547 million and \$515 million, interest on debt of \$232 million and \$255 million, deferred revenue of \$183 million and \$213 million, and the current portion of long-term liabilities of \$444 million and \$442 million, respectively. The decrease in current liabilities at June 30, 2007 was driven principally by decreases in deferred revenue of \$29 million and interest payable of \$23 million offset by an increase in accounts payable and accrued expenses of \$31 million.

### Capital Assets, net

In the 2007 and 2006 fiscal years, the State University received new multi-year capital funding authorizations intended to cover the five-year period through fiscal year 2008-09. Cumulatively, the multi-year capital plan now totals \$3.0 billion for State-operated campus educational facilities and \$419 million for the State University hospitals. Under this program, a majority of the funding is designed to support critical maintenance projects to repair, renovate, or rehabilitate existing State University facilities.

During the 2007 fiscal year, capital assets (net of depreciation) increased \$401 million, or 8 percent, compared to the previous year. The majority of the increase occurred at the State University campuses due to new building construction, renovations, and rehabilitation totaling \$449 million during the year. Equipment additions during 2007 of \$239 million also contributed to the increase.

Significant projects completed and capitalized during the 2007 fiscal year included construction of a new student residential facility at Purchase College,

an ambulatory care pavilion and athletic stadium at the University at Stony Brook, a recreation and convocation center at the College at Oswego, an integrated science facility at the College at Geneseo and the rehabilitation of the Basic Sciences building at the Health Science Center at Brooklyn. In addition, the State University purchased the Long Island University campus and facilities.

A summary of capital assets, by major classification, and related accumulated depreciation for the 2007 and 2006 fiscal years is as follows (in thousands):

|  | <u>2007</u>         | <u>2006</u>      |
|--|---------------------|------------------|
| Land                                     | \$ 274,846          | 262,774          |
| Infrastructure and<br>land improvements  | 518,808             | 483,155          |
| Buildings                                | 6,000,197           | 5,572,529        |
| Equipment, library books,<br>and artwork | 2,169,505           | 1,998,206        |
| Construction in progress                 | <u>752,776</u>      | <u>712,773</u>   |
| Total capital assets                     | <u>9,716,132</u>    | <u>9,029,437</u> |
| Less accumulated depreciation:           |                     |                  |
| Infrastructure and<br>land improvements  | 327,075             | 313,381          |
| Buildings                                | 2,679,161           | 2,551,025        |
| Equipment and library books              | <u>1,476,535</u>    | <u>1,332,783</u> |
| Total accumulated<br>depreciation        | <u>4,482,771</u>    | <u>4,197,189</u> |
| Capital assets, net                      | <u>\$ 5,233,361</u> | <u>4,832,248</u> |

### Other Noncurrent Assets

Other noncurrent assets exclusive of capital assets were \$2.68 billion and \$2.37 billion at June 30, 2007 and 2006, respectively. Noncurrent assets at June 30, 2007 and 2006 include long-term investments of \$1.4 billion and \$1.15 billion, deposits with trustees of \$920 million and \$843 million, restricted cash of \$72 million and \$57 million, and the noncurrent portion of receivables and deferred financing costs of \$283 million and \$311 million, respectively.

Long-term investments at June 30, 2007 and 2006 of \$1.4 billion and \$1.15 billion represent endowment and similar funds held in separate and distinct investment pools of the State University

## Management's Discussion and Analysis

campuses of \$426 million and \$360 million, and the Cornell statutory colleges of \$702 million and \$564 million, and separately invested funds of \$32 million and \$28 million, respectively. Long-term investments of the Research Foundation totaled \$196 million and \$163 million, which includes \$75 million and \$56 million in investments designated for its post-retirement benefit plan at June 30, 2007 and 2006, respectively. Other long-term investments include investments of the statutory College of Ceramics at Alfred University of \$25 million and \$21 million and the auxiliary services corporations of \$21 million and \$17 million at June 30, 2007 and 2006, respectively.

During 2007, long-term investments increased by a total of \$249 million, or 22 percent, due primarily to net realized and unrealized investment gains of \$115 million and investment income of \$48 million. Investment gains and reinvested investment income, donations, and other additions were offset by amounts used to meet spending needs.

During fiscal year 2007, deposits with trustees increased \$77 million, which generally represent funds available from the issuance of bonds by the Dormitory Authority of the State of New York (DASNY) used to finance capital projects and maintain debt service reserves for the State University's facilities.

Restricted cash and cash equivalents at June 30, 2007 increased \$15 million compared to 2006. During the normal course of operations, the State University has entered into various capital financing arrangements. The unspent cash on those arrangements at June 30, 2007 and 2006 were \$59 million and \$45 million, respectively.

The noncurrent portion of receivables reported at June 30, 2007 and 2006 consisted of accounts, notes, and loan receivables of \$104 million and \$103 million, appropriation receivables of \$105 million and \$116 million, and contribution receivables of \$8 million and \$28 million, respectively.

### Noncurrent Liabilities

Noncurrent liabilities at June 30, 2007 and 2006 of \$6.63 billion and \$5.85 billion, respectively, are largely comprised of debt on State University facilities, other long-term liabilities accrued for

postemployment and post-retirement benefits, and litigation, as well as an outstanding loan from the State's short-term investment pool (STIP). The State University capital funding levels and bonding authority are subject to operating and capital appropriations of the State. Funding for capital construction and rehabilitation of educational and residence hall facilities of the State University is provided principally through the issuance of bonds by DASNY. The debt service for the educational facilities is paid by, or provided through a direct appropriation of, the State. The debt service on residence hall bonds is funded primarily from room rents. A summary of the long-term liabilities at June 30, 2007 and 2006 is as follows (in thousands):

|   | 2007                | 2006             |
|---|---------------------|------------------|
| Educational facilities  | \$ 4,374,709        | 4,302,253        |
| Residence hall facilities   | 727,950             | 664,770          |
| Postemployment and Post-retirement obligations and compensated absences | 875,583             | 264,290          |
| Loan - State STIP pool  | 113,196             | 131,608          |
| Other obligations   | 364,531             | 319,284          |
| Total long-term liabilities   | <u>\$ 6,455,969</u> | <u>5,682,205</u> |

During fiscal year 2007, Personal Income Tax Revenue Bonds (PIT) were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of \$473 million.

The State University entered into agreements with DASNY during the fiscal year to issue residence hall facility obligations totaling \$87.4 million, for the purpose of financing capital construction and major rehabilitation on State University facilities.

During fiscal year 2007, the State University's credit ratings for educational and residence hall bonds were unchanged from the previous year. In 2006, Moody's upgraded the credit ratings for PIT (from A1 to Aa3), educational (from A2 to A1) and residence hall (from A1 to Aa3) bonds compared to the previous year. Standard & Poor's also upgraded the credit ratings for PIT bonds (from AA to AAA)

## Management's Discussion and Analysis

in 2006. The credit ratings at June 30, 2007 are as follows:

|                   | PIT<br>Bonds | Educational<br>Facilities | Residence<br>Halls |
|-------------------|--------------|---------------------------|--------------------|
| Moody's           |              |                           |                    |
| Investors Service | Aa3          | A1                        | Aa3                |
| Standard & Poor's | AAA          | AA-                       | AA-                |
| Fitch IBCA        | AA-          | A+                        | A+                 |

Principal payments on educational and residence hall facilities obligations made during 2007 totaled \$389.2 million and \$22.9 million, and in 2006 totaled \$161.7 million and \$21 million, respectively. During 2007, as part of the State's debt reform effort to defease outstanding high cost debt, the State defeased \$226.2 million of the State University's debt obligations.

During fiscal year 2007, the long-term portion of the postemployment and post-retirement benefit obligations and compensated absences liabilities increased \$611 million. The increase was due primarily to the adoption of GASB Statement No. 45. Under this new standard a liability of \$570 million was recognized at June 30, 2007 for the State University's OPEB Plan.

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by its three hospitals. As a result, the State University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing, including accrued interest, at June 30, 2007 and 2006 was \$130.4 million and \$148.2 million, respectively. During fiscal years 2007 and 2006, the total amount paid on these loans was \$25.6 million and \$6.5 million, respectively.

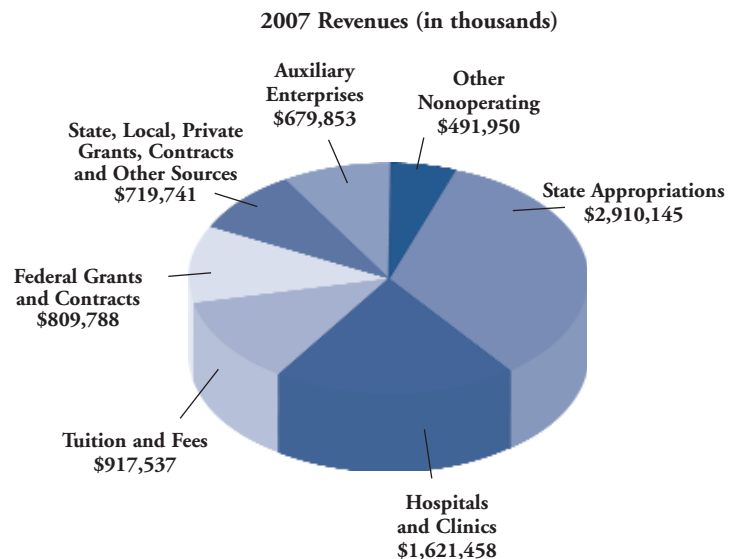
Refundable government loan funds at June 30, 2007 and 2006 totaled \$141.1 million and \$138.9 million, respectively. These revolving loan funds are principally those of the federal Perkins and Nursing Loan Programs established with an initial and continued federal capital contribution. Repayments of principal and interest and new contributions are deposited into a revolving loan fund for continual disbursement to students.

### Statement of Revenues, Expenses, and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets presents the State University's results of operations. Total operating revenues of the State University for 2007 and 2006 were \$4.75 billion and \$4.38 billion, respectively. Nonoperating and other revenues, which includes State appropriations, totaled \$3.40 billion and \$2.88 billion, for fiscal years 2007 and 2006, respectively. Total expenses for 2007 and 2006 were \$7.96 billion, and \$6.96 billion, respectively.

#### Revenue Overview

| Revenues (in thousands):                                      | 2007                | 2006             |
|---|---------------------|------------------|
| Tuition and fees, net   | \$ 917,537          | 879,549          |
| Hospitals and clinics   | 1,621,458           | 1,430,623        |
| Federal grants and contracts                                  | 809,788             | 798,086          |
| State, local, private grants and contracts, and other sources | 719,741             | 636,291          |
| Auxiliary enterprises   | 679,853             | 636,941          |
| Operating revenues  | <u>4,748,377</u>    | <u>4,381,490</u> |
| State appropriations  | 2,910,145           | 2,458,827        |
| Other nonoperating  | 491,950             | 417,403          |
| Nonoperating and other revenues                               | <u>3,402,095</u>    | <u>2,876,230</u> |
| Total revenues  | <u>\$ 8,150,472</u> | <u>7,257,720</u> |



## *Management's Discussion and Analysis*

### *Tuition and Fees, Net*

Tuition and fee revenue for the 2007 fiscal year, net of scholarship allowances, was \$918 million, an increase of \$38 million or 4 percent, compared to the previous year. The increase in 2007 was driven by an increase in enrollment and a slight increase in fee revenue.

Annual average full-time equivalent students, including undergraduate and graduate, were approximately 180,200 and 176,800 for the fiscal years ended June 30, 2007, and 2006, respectively.

### *Hospitals and Clinics*

The State University has three hospitals (each with academic medical centers) under its jurisdiction – the State University hospitals at Brooklyn, Stony Brook, and Syracuse.

Hospital and clinic revenue for the 2007, and 2006 fiscal years were \$1.62 billion and \$1.43 billion, respectively. During the 2007 fiscal year, hospital and clinic revenues increased \$191 million compared to the previous year principally due to an increase in outpatient and inpatient revenue along with an increase in Medicaid Disproportionate Share (DSH) Program revenue from the prior year. A supplement to the patient service revenue stream of the hospitals comes from the Medicaid DSH Program. The DSH Program is designed to help support hospitals that serve large numbers of Medicaid and uninsured patients. In the current year, the State University recorded revenue of \$310 million under the DSH Program, compared to \$205 million in 2006.

### *Sponsored Research, Grant and Contract Revenue*

During fiscal year 2007, State University increased its volume of sponsored program activity. Total revenue from federal, state, local, private and capital grants and contracts administered by the Research Foundation was \$791 million and \$710 million, for the fiscal years ended June 30, 2007 and 2006, respectively. Facilities and administrative recoveries earned on grants and contracts administered by the Research Foundation were \$124 million and \$123 million for the fiscal periods ending June 30, 2007 and 2006, respectively.

The volume of research and other sponsored programs reported for 2007 and 2006 by the statutory colleges at Cornell University was \$154.3 million and \$149.7 million, respectively, and Alfred University was \$4.3 million and \$4.1 million, respectively.

Revenue from projects sponsored by the federal government and administered by the Research Foundation totaled \$341 million and \$345 million during 2007 and 2006, respectively. Of these federally-sponsored projects, 54 percent and 56 percent of the funding was received from the Public Health Service during 2007 and 2006, respectively. Other major federal sponsors include the National Science Foundation, the Department of Education, the Department of Defense, the Agency for International Development and the Department of Energy.

Revenue from non-federal sponsors (including federal flow-through funds) administered by the Research Foundation totaled \$450 million and \$365 million for the 2007 and 2006 fiscal years, respectively. In fiscal years 2007 and 2006, the largest non-federal support of sponsored research programs was received from the Empire State Development Corporation.

Amounts received under the State's Tuition Assistance Program decreased \$3 million from prior year. Federal grants under the Pell and other federal student aid programs increased \$11 million from the previous year.

### *Auxiliary Enterprises*

The State University's auxiliary enterprise activity is comprised of sales and services for residence halls, food services, campus store operations, intercollegiate athletics, student health services, parking, and other activities. The residence halls are owned, operated and managed by the State University and its campuses.

Generally, food services, campus store operations and other services are operated and managed by separately incorporated not-for-profit organizations, commonly referred to as auxiliary services corporations.



## Management's Discussion and Analysis

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Any excess funds generated by residence halls operating activities are separately maintained for improvements and maintenance of the residence halls.

Occupancy at the residence halls has risen steadily to 70,354 for the fall of 2006, an increase of nearly 10,000 students since the fall of 2001 and an increase of over 1,700 students compared to the previous year. The overall utilization rate for the fall of 2006 was reported at 96.8 percent.

Auxiliary enterprise sales and services revenue totaled \$680 million and \$637 million in the 2007 and 2006 fiscal years, respectively. Of these amounts, residence halls operating revenue totaled \$301 million and \$280 million for 2007 and 2006, respectively. Increases in revenue were largely due to increases in occupancy levels and modest increases in room rates.

Food service operations generated \$189 million and \$179 million in revenue for fiscal years 2007 and 2006, respectively. In addition to residence halls and food service activities, other auxiliary revenues totaled \$189 million and \$178 million for fiscal years 2007 and 2006, respectively.

### State Appropriations

The State University's single largest source of revenues are State appropriations, which for financial reporting purposes is classified as non-operating revenues. State appropriations totaled \$2.91 billion and represented approximately 36 percent of total revenues for fiscal year 2007. State support (both direct support for operations and indirect support for debt service and fringe benefits) for State University campus operations, statutory colleges, and hospitals and clinics increased \$451 million in 2007. State support for operating expenses increased \$123 million, while indirect State support for debt service, fringe benefits, and litigation expenses increased \$328 million compared to 2006, driven principally by the State's defeasance of \$226.2 million of the State University's debt.

### Nonoperating and Other Revenue

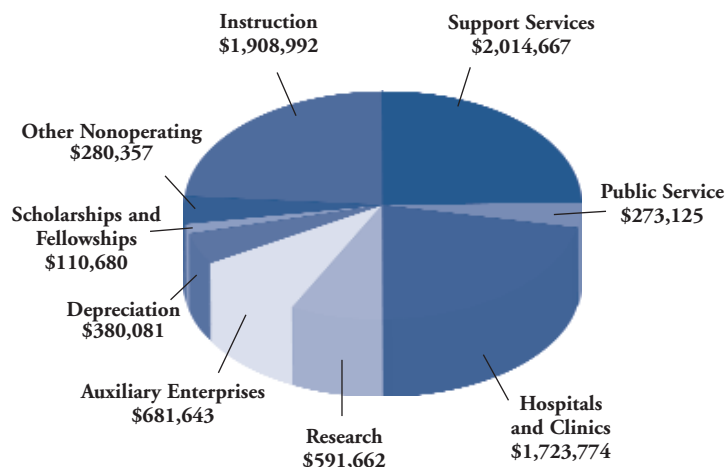
Nonoperating and other revenue excluding State appropriations were \$492 million and \$417 million for the 2007 and 2006 fiscal years, respectively. This increase was primarily due to an increase of \$163 million in investment income and gains offset by a decline in gifts of \$39 million and other non-operating revenues of \$49 million.

### Expense Overview

#### Expenses (in thousands):

|                               | <u>2007</u>         | <u>2006</u>      |
|-------------------------------|---------------------|------------------|
| Instruction                   | \$ 1,908,992        | 1,619,085        |
| Research                      | 591,662             | 542,157          |
| Public service                | 273,125             | 250,352          |
| Support services              | 2,014,667           | 1,735,314        |
| Scholarships and fellowships  | 110,680             | 98,789           |
| Hospitals and clinics         | 1,723,774           | 1,497,997        |
| Auxiliary enterprises         | 681,643             | 625,499          |
| Depreciation and amortization | 380,081             | 320,454          |
| Other nonoperating            | 280,357             | 268,672          |
| Total expenses                | <u>\$ 7,964,981</u> | <u>6,958,319</u> |

2007 Expenses (in thousands)



## *Management's Discussion and Analysis*

The increase in instruction expense during 2007 of \$290 million is predominantly from an increase of \$196 million in postemployment benefits costs due to the adoption of GASB Statement No. 45. There was also growth in personal service and related fringe benefit expenses. The fringe benefit rate applied to personal service costs increased from 45.24 percent in 2006 to 45.81 percent in 2007.

Research expenses increased \$50 million during 2007. This growth was due to increased sponsored research expenditure activity at the Research Foundation and Cornell statutory colleges.

Support services, which includes expenses for academic support, student services, institutional support, and operation and maintenance of plant, increased \$279 million compared to the previous year. Institutional support increased \$119 million and academic support \$47 million in the 2007 fiscal year, driven by an increase in personal service and postemployment benefit costs. Operation and maintenance of plant costs increased \$73 million during 2007 attributable to an increase in personal service and construction costs.

In the State University's financial statements, scholarships used to satisfy student tuition and fees (residence hall, food service, etc.) are reported as an allowance (offset) to the respective revenue classification up to the amount of the student charges. The amount reported as expense represents amounts provided to the student in excess of State University charges.

Total scholarships and fellowships, including federal and state grant programs were \$531 million for the fiscal year ended June 30, 2007. Of this amount, \$420 million were classified as scholarship allowances and \$111 million was reported as scholarship expense for the 2007 fiscal year. Major scholarships and grants received include the State Tuition Assistance Program of \$176 million and \$179 million, and \$138.7 million and \$136.5 million from the federal Pell Program during fiscal years 2007 and 2006, respectively.

Expenses at the State University's hospitals and clinics increased \$226 million during the year, largely due to an increase in core operating and personal service costs. Also contributing to the growth in expenses was an increase in postemployment benefit costs of \$148 million.

During fiscal year 2007, auxiliary enterprise expenses increased \$56 million compared to the previous year. For the 2007 fiscal year, residence halls expenses increased \$17 million and food service expenses increased \$12 million, primarily due to an increase in occupancy and rates. Other auxiliary enterprise expenses for the year ended June 30, 2007 increased \$27 million.

Depreciation and amortization expense recognized in fiscal years 2007 and 2006 totaled \$380 million and \$320 million, respectively. Other nonoperating expenses were \$280 million and \$269 million for the years ended June 30, 2007 and 2006, respectively.

### **Economic Factors That Will Affect the Future**

The State University is one of the largest public universities in the nation, with a headcount enrollment of nearly 212,000 in the fall 2007, at its 29 State-operated campuses and 5 contract/statutory colleges. The State University's student population is directly influenced by State demographics as the majority of students attending the State University are New York residents. The enrollment outlook remains strong for the State University based on its continued ability to attract quality students for its academic programs coupled with a larger expected number of high school graduates in New York State over the next few years. Full-time equivalent (FTE) enrollment, excluding community colleges, for the fiscal year ended June 30, 2007, is approximately 180,200, an increase of 3,400 FTE compared to June 30, 2006.

New York State appropriations remain the largest single source of revenues. State appropriation revenues are expected to increase in fiscal year 2007-08 to support the rising costs of personal service, utilities, health care, and other fringe benefits. The State University's continued operational viability is substantially dependent upon this level of ongoing State support. For the most recent fiscal year, State appropriations represented 36 percent of the total revenues of the State University. Continued emphasis will be placed on University-wide efforts to control operating costs and enhance other revenue streams, including philanthropy, sponsored programs, and auxiliary revenues.

## *Management's Discussion and Analysis*

Debt service on educational facilities is paid by the State in an amount sufficient to cover annual debt service requirements. In previous fiscal years, the State University received new multi-year capital funding authorizations intended to cover the five-year period through fiscal year 2008-09. Cumulatively, the multi-year capital plan now totals \$3 billion for State-operated campus educational facilities and \$419 million for State University hospitals. Taken together, the sizeable new multi-year funding authorizations provide the State University with both the basic resources needed to make steady progress in addressing core critical maintenance needs of its existing infrastructure, and

the means to make additional capital investments in a wide range of areas, including research and technology development.

The State University hospitals, each with academic medical centers, at Brooklyn, Stony Brook and Syracuse serve large numbers of Medicaid and uninsured patients and, as a result, their dependency on the Medicaid DSH Program revenue stream is critical to their continued viability. Their financial and operational capabilities will also continue to be challenged by structural changes in the health care environment, changes to Medicaid and Medicare programs, and local competition.

**Report of Independent Auditors**

To The Board of Trustees  
State University of New York

In our opinion, based on our audit and the report of other auditors, the financial statements of the business-type activities and the aggregate discretely presented component units of The State University of New York (the "University") which collectively comprise the University's basic financial statements, present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University at June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the State University Construction Fund, nor certain auxiliary service corporations, which statements reflect total assets of 2 percent and total net assets of 6 percent of the related totals as of June 30, 2007 and total revenues of 8 percent of the related total revenues for the year then ended of the business type activities. Additionally, we did not audit the financial statements of the discretely presented component units, which comprise 100% of the total assets, total net assets and total revenue of the discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the State University Construction Fund, certain auxiliary service corporations, and the discretely presented component units is based on the reports of the other auditors. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As discussed in Note 1, the University is included in the primary government reporting entity of the State of New York as an enterprise fund. The accompanying financial statements represent only the financial statements of the University and do not purport to, and do not, present fairly the financial statements of the State of New York in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which changed the manner in which it accounts for postemployment retirement benefits in 2007.

The Management's Discussion and Analysis on pages 2 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*PricewaterhouseCoopers LLP*

*Balance Sheet**June 30, 2007**In thousands***Assets**

|  |                             |
|--|-----------------------------|
| Current Assets:                            |                             |
| Cash and cash equivalents                  | \$ 1,056,763                |
| Short-term investments                     | 196,108                     |
| Accounts, notes, and loans receivable, net | 611,491                     |
| Interest receivable                        | 8,218                       |
| Appropriations receivable                  | 406,306                     |
| Grants receivable                          | 164,014                     |
| Inventories                                | 36,629                      |
| Other assets                               | 13,952                      |
| Total current assets                       | <u>2,493,481</u>            |
| Noncurrent Assets:                         |                             |
| Restricted cash and cash equivalents       | 71,728                      |
| Deposits with trustees                     | 920,255                     |
| Accounts, notes, and loans receivable, net | 103,904                     |
| Contributions receivable                   | 8,135                       |
| Appropriations receivable                  | 104,774                     |
| Deferred financing costs                   | 65,692                      |
| Long-term investments                      | 1,402,845                   |
| Capital assets, net                        | 5,233,361                   |
| Total noncurrent assets                    | <u>7,910,694</u>            |
| <b>Total assets</b>                        | <b><u>\$ 10,404,175</u></b> |

**Liabilities and Net Assets**

|   |                             |
|---|-----------------------------|
| Current Liabilities:                            |                             |
| Accounts payable and accrued liabilities        | 546,812                     |
| Interest payable                                | 232,214                     |
| Student deposits                                | 10,041                      |
| Deposits held in custody for others             | 33,298                      |
| Deferred revenue                                | 183,345                     |
| Long-term liabilities - current portion         | 443,639                     |
| Other liabilities                               | 54,783                      |
| Total current liabilities                       | <u>1,504,132</u>            |
| Noncurrent Liabilities:                         |                             |
| Long-term liabilities                           | 6,455,969                   |
| Refundable government loan funds                | 141,085                     |
| Other noncurrent liabilities                    | 35,360                      |
| Total noncurrent liabilities                    | <u>6,632,414</u>            |
| <b>Total liabilities</b>                        | <b><u>8,136,546</u></b>     |
| Net Assets:                                     |                             |
| Invested in capital assets, net of related debt | 596,527                     |
| Restricted - nonexpendable:                     |                             |
| Instruction and departmental research           | 91,344                      |
| Scholarships and fellowships                    | 72,356                      |
| General operations and other                    | 82,693                      |
| Restricted - expendable:                        |                             |
| Instruction and departmental research           | 441,576                     |
| Scholarships and fellowships                    | 115,357                     |
| Capital projects                                | 86,901                      |
| Loans   | 23,138                      |
| General operations and other                    | 247,200                     |
| Unrestricted                                    | 510,537                     |
| <b>Total net assets</b>                         | <b><u>2,267,629</u></b>     |
| <b>Total liabilities and net assets</b>         | <b><u>\$ 10,404,175</u></b> |

See accompanying notes to financial statements.

*Statement of Revenues, Expenses, and Changes in Net Assets*  
*For the Year Ended June 30, 2007*  
*In thousands*

|   |                            |
|---|----------------------------|
| <b>Operating revenues:</b>                            |                            |
| Tuition and fees                                      | \$ 1,244,601               |
| Less scholarship allowances                           | <u>(327,064)</u>           |
| Net tuition and fees                                  | 917,537                    |
| Federal grants and contracts                          | 809,788                    |
| State grants and contracts                            | 325,584                    |
| Local grants and contracts                            | 16,599                     |
| Private grants and contracts                          | 269,842                    |
| Sales and services:                                   |                            |
| University hospitals and clinics                      | 1,621,458                  |
| Educational activities                                | 48,411                     |
| Sales and services of auxiliary enterprises:          |                            |
| Residence halls, net                                  | 301,452                    |
| Food service, net                                     | 189,386                    |
| Other, net  | 189,015                    |
| Other sources   | 59,305                     |
| <b>Total operating revenues</b>                       | <b><u>4,748,377</u></b>    |
| <b>Operating expenses:</b>                            |                            |
| Instruction   | 1,908,992                  |
| Research  | 591,662                    |
| Public service  | 273,125                    |
| Academic support                                      | 387,273                    |
| Student services                                      | 237,126                    |
| Institutional support                                 | 790,900                    |
| Operation and maintenance of plant                    | 587,999                    |
| Scholarships and fellowships                          | 110,680                    |
| Hospitals and clinics                                 | 1,723,774                  |
| Auxiliary enterprises:                                |                            |
| Residence halls                                       | 261,387                    |
| Food service  | 190,711                    |
| Other   | 229,545                    |
| Depreciation and amortization expense                 | 380,081                    |
| Other operating expenses                              | 11,369                     |
| <b>Total operating expenses</b>                       | <b><u>7,684,624</u></b>    |
| <b>Operating loss</b>                                 | <b><u>(2,936,247)</u></b>  |
| <b>Nonoperating revenues (expenses):</b>              |                            |
| State appropriations:                                 |                            |
| University operations                                 | 2,736,114                  |
| Hospitals and clinics                                 | 174,031                    |
| Federal appropriations                                | 16,767                     |
| Investment income, net of investment fees             | 126,603                    |
| Net realized and unrealized gains                     | 224,214                    |
| Gifts   | 47,567                     |
| Interest expense on capital related debt              | (266,086)                  |
| Loss on disposal of plant assets                      | (14,271)                   |
| Other nonoperating revenues, net                      | 3,789                      |
| <b>Net nonoperating revenues</b>                      | <b><u>3,048,728</u></b>    |
| <b>Income before other revenues and gains</b>         | <b>112,481</b>             |
| Capital appropriations                                | 3,314                      |
| Capital gifts and grants                              | 60,882                     |
| Additions to permanent endowments                     | 8,814                      |
| <b>Increase in net assets</b>                         | <b><u>185,491</u></b>      |
| <b>Net assets at the beginning of year (restated)</b> | <b><u>2,082,138</u></b>    |
| <b>Net assets at the end of year</b>                  | <b><u>\$ 2,267,629</u></b> |

*See accompanying notes to financial statements.*

## Statement of Cash Flows

For the Year Ended June 30, 2007

In thousands

|  |                            |
|--|----------------------------|
| <b>Cash flows from operating activities:</b>                     |                            |
| Tuition and fees   | \$ 922,388                 |
| Grants and contracts:  |                            |
| Federal  | 796,985                    |
| State and local  | 302,978                    |
| Private  | 264,622                    |
| Hospital and clinics   | 1,526,450                  |
| Personal service payments  | (3,191,197)                |
| Other than personal service payments                             | (1,965,681)                |
| Payments for fringe benefits                                     | (364,843)                  |
| Payments for scholarships and fellowships                        | (55,244)                   |
| Loans issued to students   | (35,551)                   |
| Collection of loans to students                                  | 29,443                     |
| Auxiliary enterprise charges:                                    |                            |
| Residence halls  | 302,918                    |
| Food service   | 190,962                    |
| Other (intercollegiate athletics, bookstore, fees, and vending)  | 175,531                    |
| Sales and service of educational activities                      | 40,173                     |
| Other receipts   | 16,152                     |
| <b>Net cash used by operating activities</b>                     | <b><u>(1,043,914)</u></b>  |
| <b>Cash flows from noncapital financing activities:</b>          |                            |
| State appropriations:  |                            |
| Operations   | 1,312,409                  |
| Debt service   | 649,592                    |
| Federal appropriations   | 15,748                     |
| Private gifts and grants   | 67,058                     |
| Proceeds from short-term loans                                   | 127,471                    |
| Repayment of short-term loans                                    | (128,043)                  |
| Direct loan receipts   | 264,059                    |
| Direct loan disbursements  | (264,059)                  |
| Other receipts   | 14,418                     |
| <b>Net cash provided by noncapital financing activities</b>      | <b><u>2,058,653</u></b>    |
| <b>Cash flows from capital and related financing activities:</b> |                            |
| Proceeds from capital debt                                       | 603,496                    |
| Capital appropriations   | 3,578                      |
| Capital grants and gifts received                                | 67,513                     |
| Proceeds from sale of capital assets                             | 172                        |
| Purchases of capital assets                                      | (272,249)                  |
| Payments to contractors  | (522,827)                  |
| Principal paid on capital debt and leases                        | (475,329)                  |
| Interest paid on capital debt and leases                         | (301,508)                  |
| Other receipts   | 685                        |
| <b>Net cash used by capital and related financing activities</b> | <b><u>(896,469)</u></b>    |
| <b>Cash flows from investing activities:</b>                     |                            |
| Proceeds from sales and maturities of investments                | 3,530,269                  |
| Interest, dividends, and realized gains on investments           | 182,798                    |
| Purchases of investments   | (3,613,235)                |
| <b>Net cash provided by investing activities</b>                 | <b><u>99,832</u></b>       |
| <b>Net change in cash</b>  | <b><u>218,102</u></b>      |
| Cash - beginning of year   | 910,389                    |
| Cash - end of year   | <b><u>\$ 1,128,491</u></b> |
| <b>End of year cash comprised of:</b>                            |                            |
| <b>Cash and cash equivalents</b>                                 | <b><u>\$ 1,056,763</u></b> |
| <b>Restricted cash and cash equivalents</b>                      | <b><u>\$ 71,728</u></b>    |

## *Statement of Cash Flows (continued)*

*For the Year Ended June 30, 2007*

*In thousands*

**Reconciliation of net operating loss to net cash used by operating activities:**

|   |                              |
|---|------------------------------|
| Operating loss  | \$ (2,936,247)               |
| Adjustments to reconcile operating loss to net cash used by operating activities: |                              |
| Depreciation and amortization expense   | 380,081                      |
| Fringe benefits provided by State   | 929,878                      |
| Litigation costs provided by State  | 25,567                       |
| Change in assets and liabilities:   |                              |
| Receivables, net  | (99,415)                     |
| Inventories   | (1,578)                      |
| Other assets  | (5,055)                      |
| Accounts payable and other accrued liabilities                                    | 687,033                      |
| Deferred revenue  | (26,294)                     |
| Student deposits  | (2,065)                      |
| Deposits held in custody for others   | 4,181                        |
| <b>Net cash used by operating activities</b>                                      | <b>\$ <u>(1,043,914)</u></b> |

**Supplemental disclosures for noncash transactions:**

|  |                   |
|--|-------------------|
| New capital leases / debt agreements   | \$ <u>166,157</u> |
| Fringe benefits provided by the State  | \$ <u>929,878</u> |
| Litigation costs provided by the State | \$ <u>25,567</u>  |
| Noncash gifts                          | \$ <u>2,896</u>   |

*See accompanying notes to financial statements.*



# State University of New York Foundations

## Balance Sheet

June 30, 2007

In thousands

### Assets

|                                    |    |                            |
|------------------------------------|----|----------------------------|
| Cash and cash equivalents          | \$ | 64,062                     |
| Accounts and notes receivable, net |    | 15,347                     |
| Pledges receivable, net            |    | 49,596                     |
| Investments                        |    | 899,975                    |
| Other assets                       |    | 50,419                     |
| Capital assets, net                |    | <u>321,752</u>             |
| <b>Total assets</b>                |    | <b><u>\$ 1,401,151</u></b> |

### Liabilities and Net Assets

|  |  |                       |
|--|--|-----------------------|
| Liabilities:                             |  |                       |
| Accounts payable and accrued liabilities |  | 23,808                |
| Current portion of long-term debt        |  | 9,163                 |
| Deferred revenue                         |  | 1,713                 |
| Deposits held in custody for others      |  | 43,002                |
| Other liabilities                        |  | 32,679                |
| Long-term debt                           |  | <u>257,975</u>        |
| <b>Total liabilities</b>                 |  | <b><u>368,340</u></b> |

#### Net Assets:

|                              |  |                         |
|------------------------------|--|-------------------------|
| Unrestricted:                |  |                         |
| Board designated for:        |  |                         |
| Fixed assets                 |  | 79,888                  |
| Campus programs              |  | 112,519                 |
| Investments                  |  | 77,528                  |
| Other                        |  | 23,852                  |
| Undesignated                 |  | 36,930                  |
| Temporarily restricted:      |  |                         |
| Scholarships and fellowships |  | 81,295                  |
| Campus programs              |  | 140,839                 |
| Research                     |  | 17,963                  |
| General operations and other |  | 66,711                  |
| Permanently restricted:      |  |                         |
| Scholarships and fellowships |  | 187,976                 |
| Campus programs              |  | 148,243                 |
| Research                     |  | 13,072                  |
| General operations and other |  | <u>45,995</u>           |
| <b>Total net assets</b>      |  | <b><u>1,032,811</u></b> |

|   |  |                            |
|---|--|----------------------------|
| <b>Total liabilities and net assets</b> |  | <b><u>\$ 1,401,151</u></b> |
|---|--|----------------------------|

*See accompanying notes to financial statements.*

*State University of New York Foundations*  
*Statement of Activities*  
*For the Year Ended June 30, 2007*  
*In thousands*

|  | <u>Unrestricted</u>      | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>            |
|--|--------------------------|-----------------------------------|-----------------------------------|-------------------------|
| Revenues:                                |                          |                                   |                                   |                         |
| Contributions, gifts, and grants         | \$ 32,705                | 51,975                            | 29,567                            | 114,247                 |
| Investment income, net                   | 8,653                    | 16,992                            | 2,120                             | 27,765                  |
| Net realized and unrealized gains        | 42,579                   | 40,047                            | 9,755                             | 92,381                  |
| Rental income                            | 42,210                   | 399                               | -                                 | 42,609                  |
| Sales and services                       | 15,407                   | 27                                | 48                                | 15,482                  |
| Program income and special events        | 38,384                   | 7,206                             | 555                               | 46,145                  |
| Other sources                            | 1,455                    | 600                               | 3,139                             | 5,194                   |
| Endowment earnings transferred           | -                        | 2,277                             | (2,277)                           | -                       |
| Net assets released from restrictions    | <u>75,327</u>            | <u>(75,327)</u>                   | <u>-</u>                          | <u>-</u>                |
| <b>Total revenues</b>                    | <b><u>256,720</u></b>    | <b><u>44,196</u></b>              | <b><u>42,907</u></b>              | <b><u>343,823</u></b>   |
| Expenses:                                |                          |                                   |                                   |                         |
| Program expenses                         | 91,008                   | -                                 | -                                 | 91,008                  |
| Payments to the State University:        |                          |                                   |                                   |                         |
| Scholarships and fellowships             | 20,959                   | -                                 | -                                 | 20,959                  |
| Other                                    | 22,803                   | -                                 | -                                 | 22,803                  |
| Real estate expenses                     | 16,403                   | -                                 | -                                 | 16,403                  |
| Depreciation and amortization expense    | 12,620                   | -                                 | -                                 | 12,620                  |
| Interest expense on capital-related debt | 11,705                   | -                                 | -                                 | 11,705                  |
| Management and general                   | 17,106                   | -                                 | -                                 | 17,106                  |
| Fundraising                              | 13,317                   | -                                 | -                                 | 13,317                  |
| Other expenses                           | <u>2,239</u>             | <u>-</u>                          | <u>-</u>                          | <u>2,239</u>            |
| <b>Total expenses</b>                    | <b><u>208,160</u></b>    | <b><u>-</u></b>                   | <b><u>-</u></b>                   | <b><u>208,160</u></b>   |
| <b>Change in net assets</b>              | <b>48,560</b>            | <b>44,196</b>                     | <b>42,907</b>                     | <b>135,663</b>          |
| <b>Net assets, beginning of year</b>     | <b><u>282,157</u></b>    | <b><u>262,612</u></b>             | <b><u>352,379</u></b>             | <b><u>897,148</u></b>   |
| <b>Net assets, end of year</b>           | <b><u>\$ 330,717</u></b> | <b><u>306,808</u></b>             | <b><u>395,286</u></b>             | <b><u>1,032,811</u></b> |

*See accompanying notes to financial statements.*

# Notes to Financial Statements

June 30, 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation

### Reporting Entity

For financial reporting purposes, the State University of New York (State University) consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, and statutory colleges (located at the campuses of Cornell and Alfred Universities), central services and other affiliated entities determined to be includable in the State University's financial reporting entity.

Inclusion in the entity is based primarily on the notion of financial accountability. Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, defines financial accountability in terms of a primary government (State University) that is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally-separate organizations if its officers appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. The State University is included in the financial statements of the State of New York (State) as an enterprise fund as the State is the primary government of the State University.

Inclusion in the reporting entity is also required for legally-separate, tax-exempt, affiliated organizations that (a) receive or hold economic resources that are significant to, and entirely or almost entirely for the direct benefit of, the primary government, its component units, or its constituents and (b) the primary government, or its component units, is entitled to, or can otherwise access, a majority of the economic resources received or held by the separate organization. As a result, the campus-related foundations and student housing corporations (all referred to as foundations) are included in the State University reporting entity.

The combined totals of the foundations are presented as an aggregate component unit on financial statement pages 16 and 17 in the State University's financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB).

The Research Foundation of State University of New York (Research Foundation) is a separate not-for-profit educational corporation that operates as the fiscal administrator for the majority of the State University's sponsored programs. The programs include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The activity of the Research Foundation has been included in these financial statements using GASB measurements and recognition standards. The financial activity was derived from audited financial statements of the Research Foundation for the year ended June 30, 2007.

Almost all of the State University's campuses maintain auxiliary services corporations. These corporations are campus-based, not-for-profit corporations which, as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. Although separate and independent legal entities, these corporations carry out operations which are integrally related to the State University and, therefore, are included in the financial statements of the State University. All of the financial data for these corporations was derived from each entity's individual audited financial statements, the majority of which have a May 31 or June 30 fiscal year end.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs and rehabilitates facilities of the State University pursuant to an approved master plan. Although the Construction Fund is a separate legal entity, it carries out operations which are integrally related to the State University and, therefore, the financial activity related to the Construction Fund is included in the State University's financial statements as of the Construction Fund's fiscal year end of March 31, 2007.

The State statutory colleges at Cornell University and Alfred University are an integral part of, and are

# Notes to Financial Statements

June 30, 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

administered by, those universities. The statutory colleges are fiscally dependent on State appropriations through the State University. The financial statement information of the statutory colleges of Cornell University and Alfred University, have been included in the accompanying financial statements.

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni associations and student associations, are not included in the accompanying financial statements as such organizations do not meet the definition for inclusion under GASB Statement Nos. 14 or 39.

The State University administers State financial assistance to the community colleges in connection with its general supervision responsibilities pursuant to State Education Law. However, since these community colleges are sponsored by local governmental entities and are included in their financial statements, the community colleges are not considered part of the State University's financial reporting entity and, therefore, are not included in the accompanying financial statements.

The accompanying financial statements of the State University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the GASB.

The State University applies all applicable pronouncements of the FASB issued on or before November 30, 1989 that do not conflict or contradict GASB pronouncements. The State University has elected not to apply FASB pronouncements issued after November 30, 1989.

During 2007, the State University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenses, the related assets or liabilities and note disclosures in the financial statements. The objective of this statement is to improve the relevance and

usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB expenses over a period that approximates the employees' years of service and provides information about actuarial accrued assets or liabilities associated with OPEB and whether and to what extent funding progress is being made.

The State University reports its financial statements as a special purpose government engaged in business-type activities, as defined by GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the State University consist of a classified balance sheet; statement of revenues, expenses, and changes in net assets, that distinguish between operating and nonoperating revenues and expenses; and statement of cash flows, using the direct method of presenting cash flows from operations and other sources.

The State University's policy for defining operating activities in the statement of revenues, expenses, and changes in net assets are those that generally result from exchange transactions, i.e., the payments received for services and payments made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities and include the State University's operating and capital appropriations from the State, federal appropriations, nonexchange receipts, net investment income, gifts, and interest expense.

Resources are classified for accounting and financial reporting purposes into the following four net asset categories:

### Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

### Restricted – nonexpendable

Net assets subject to externally imposed conditions that require the State University retain in perpetuity.

### Restricted – expendable

Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the State University or by the passage of time.

# Notes to Financial Statements

June 30, 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

### Unrestricted, all other categories of net assets

Included in unrestricted net assets are amounts provided for specific use by the State University's colleges and universities, hospitals and clinics, and separate legal entities included in the State University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The State University has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

### **Revenues**

Revenues are recognized in the accounting period when earned. State appropriations are recognized when they are made legally available for expenditure. Revenues and expenditures arising from nonexchange transactions are recognized when all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value. Net patient service revenue for the hospitals is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications were reported net of the following scholarship discount and allowance amounts for the fiscal year (in thousands):

|                 |           |
|-----------------|-----------|
| Residence halls | \$ 49,010 |
| Food service    | 22,000    |
| Other auxiliary | 21,945    |

### **Cash and Cash Equivalents**

Cash and cash equivalents are defined as current operating assets that include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools which are included in short-term and long-term investments in the accompanying balance sheet.

### **Investments**

Investments in marketable securities are stated at fair value based upon quoted market prices. Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted - nonexpendable net assets if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted - expendable net assets as provided for under the terms of the gift, or as unrestricted. At June 30, 2007, the State University had \$761 million available for authorization for expenditure, \$459 million from restricted funds, and \$302 million from unrestricted funds.

The State University's Board of Trustees has the responsibility of oversight for the State University's endowment and similar funds, including the establishment of investment objectives and guidelines. The primary investment objective is to preserve the purchasing power of fund assets while providing a relatively predictable, stable, and constant stream of earnings in line with spending needs. The expenditure of available endowment and similar funds income is subject to State appropriation and may be spent at an annual rate of 5 percent increase per unit value per year, subject to certain minimum and maximum spending parameters. The State University is currently authorized by its Board of Trustees to invest in domestic and international equity and fixed income securities, real estate and commodity investments, and a limited use of an alternative investment strategy under a fund-of-funds approach. The State University's investment strategies are subject to asset allocation parameters established in the State University's investment objectives and guidelines.

The Investment Committee of the Cornell Board of Trustees establishes the investment policy of the Cornell statutory colleges. Distributions from the pool are approved by the Cornell Board of Trustees and are provided for program support independent of the cash yield and appreciation of investments in that year. Investments in the pool are stated at fair value and include limited use of derivative instruments, including leverage futures, options and

# Notes to Financial Statements

June 30, 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

other similar vehicles to manage market exposure and to enhance the total return.

Alternative investments are valued using current estimates of fair value obtained from the investment manager in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuations provided by the external investment managers. Because of the inherent uncertainty of valuation for these investments, the investment manager's estimate may differ from the values that would have been used had a ready market existed.

### Capital Assets

Capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. Building renovations and additions costing over \$100,000 and equipment items with a unit cost of more than \$5,000 are capitalized. Equipment under capital leases are stated at the present value of minimum lease payments at the inception of the lease. Generally, the net interest cost on debt during the construction period related to capital projects, is capitalized and totaled \$9.2 million during the fiscal year. Library materials are capitalized and amortized over a ten-year period. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized. Capital assets, with the exception of land, construction in progress, and inexhaustible works of art, are depreciated on a straight-line basis over their estimated useful lives, using historical and industry experience, ranging from 3 to 50 years.

### Deferred Financing Costs

Deferred financing costs represent costs incurred for the issuance of bonds that are capitalized and amortized over the life of the related debt.

### Compensated Absences

Employees accrue annual leave based primarily on the number of years employed up to a maximum

rate of 21 days per year up to a maximum of 40 days. The compensated absences liability at June 30, 2007 was \$230 million.

### Inventories

Inventories held by the State University are primarily stated at the lower of cost or market value on a first-in, first-out basis.

### Fringe Benefits

Employee fringe benefit costs (e.g., health insurance, worker's compensation, retirement and post-retirement benefits) are paid by the State on behalf of the State University (except for the State University hospitals, which pay their own fringe benefit costs) at a fringe benefit rate determined by the State. The State University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

### Tax Status

The State University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations.

The Research Foundation and campus auxiliary services corporations are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Service Code and are tax-exempt on related income, pursuant to Section 501(a) of the code.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## *Notes to Financial Statements*

*June 30, 2007*

### 2. Cash and Cash Equivalents

Cash and cash equivalents represent State University funds held in the State treasury, in the short-term investment pool (STIP), or local depositories, and cash held by affiliated organizations. Cash held in the State treasury beyond immediate need is pooled with other State funds for short-term investment purposes. The pooled balances are limited to legally-stipulated investments which include obligations of, or are guaranteed by, the United States, obligations of the State and its political subdivisions, and repurchase agreements. These investments are reported at cost (which approximates fair value) and are held by the State's agent in its name on behalf of the State University.

The New York State *Comprehensive Annual Financial Report* contains the GASB No. 40 risk disclosures for deposits held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are (a) uncollateralized were \$54 million; (b) collateralized with securities held by a pledging financial institution were \$20.8 million; or (c) collateralized with securities held by a pledging financial institution's trust department or agency, but not in the State University or affiliates name were \$2.6 million at June 30, 2007.

### 3. Deposits with Trustees

Deposits with trustees primarily represent Dormitory Authority of the State of New York (DASNY) bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds which have been designated for capital projects and equipment.

The State University's cash and investments which comprise deposits with trustees are registered in the State University's name held by an agent or in trust accounts in the State University's name. Cash and short-term investments held in the State treasury and money market accounts were approximately \$53.3 million at June 30, 2007. The market value of

investments held and maturity are displayed in the table below (in thousands).

| <u>Type of Investments</u> | <u>Fair Value</u> | <u>Less than<br/>1 year</u> | <u>1-5 years</u> |
|----------------------------|-------------------|-----------------------------|------------------|
| US Treasury notes/bonds    | \$ 305,757        | 305,456                     | 301              |
| US Treasury bills          | 303,591           | 303,591                     | -                |
| US Treasury strips         | 257,570           | 257,570                     | -                |
| Total                      | <u>\$ 866,918</u> | <u>866,617</u>              | <u>301</u>       |

### 4. Investments

Investments of the State University are recorded at fair value. Investment income is reported net of investment fees of \$4.2 million. Investments are comprised of investments of the State University's endowment and similar funds, the statutory colleges at Cornell University and Alfred University (Alfred Ceramics), the Research Foundation, the Construction Fund, and the auxiliary services corporations. Pooled investments are held in two separate and distinct investment pools - the State University's investment pool and Cornell's long-term investment pool. The investments of the State University's investment pool are held by the State University's agent in the State University's name.

The Research Foundation maintains a diverse investment portfolio and with respect to debt instruments, has a policy of investing in primarily high quality securities. Investments are held with the investment custodian in the Research Foundation's name. Investments include \$80.0 million of investments designated for their post-retirement benefit plan.

Investments of the Construction Fund have been made in accordance with the applicable provisions of the laws of the State and the Construction Fund's investment policy. Investments are limited to certificates of deposit purchased from banks and trust companies located within New York State, commercial paper with maturity of ninety days or less, and obligations of, or guaranteed by, the United States and obligations of the State and its political subdivisions.

The investments of the Construction Fund are as of March 31, 2007 and consisted of United States

## Notes to Financial Statements

June 30, 2007

### 4. Investments (continued)

government obligations of approximately \$29.8 million. These investments are held by the State's agent in the State University's name.

Investments of the auxiliary services corporations and Alfred Ceramics were derived from each entity's individual financial statements. The composition of investments at fiscal year end is as follows (in thousands):

#### State University Campuses

##### Pooled funds:

|                          |                |
|--------------------------|----------------|
| Non-equities             | \$ 81,458      |
| Equities - domestic      | 241,349        |
| Equities - international | 109,667        |
| Total pooled funds       | <u>432,474</u> |

##### Separately invested funds-

|                      |                |
|----------------------|----------------|
| Non-Equities         | 80             |
| Total invested funds | <u>432,554</u> |

#### Cornell Statutory Colleges

##### Pooled funds:

|                          |                |
|--------------------------|----------------|
| Non-equities             | 380,547        |
| Equities - domestic      | 192,704        |
| Equities - international | 128,809        |
| Total pooled funds       | <u>702,060</u> |

##### Short-term and separately invested funds:

|  |                |
|--|----------------|
| Non-equities                                   | 17,611         |
| Equities                                       | <u>21,401</u>  |
| Total short-term and separately invested funds | <u>39,012</u>  |
| Total invested funds                           | <u>741,072</u> |

#### Alfred Ceramics

|                      |               |
|----------------------|---------------|
| Non-equities         | 13,127        |
| Equities             | 11,438        |
| Total invested funds | <u>24,565</u> |

#### Research Foundation

|                      |                |
|----------------------|----------------|
| Non-equities         | 113,792        |
| Equities             | 195,925        |
| Total invested funds | <u>309,717</u> |

#### Auxiliary Services Corporations

|                      |               |
|----------------------|---------------|
| Non-equities         | 43,111        |
| Equities             | 18,171        |
| Total invested funds | <u>61,282</u> |

#### State University Construction Fund

|                                     |                     |
|-------------------------------------|---------------------|
| Total invested funds - non-equities | <u>29,763</u>       |
| Total investments                   | \$ <u>1,598,953</u> |
| Classified as short-term            | \$ <u>196,108</u>   |

Pooled investments of the State University and Cornell statutory colleges are described in the following paragraphs. The fair values per unit for the respective pools are not comparable, as initial unit values were determined at the inception of each pool based on the number of units.

Substantially, all of the investments of the State University's endowment and similar funds are pooled on a fair value basis. Individual funds subscribe to or dispose of units on the basis of the market value per unit at the beginning of the month within which the transaction takes place. The following summarizes changes in the relationship between cost and fair value of the pooled investments of the State University's endowment and similar funds and fair value per unit (in thousands):

|                     | Fair Value     | Cost           | Gains (Losses)   | Unit Value   |
|---------------------|----------------|----------------|------------------|--------------|
| End of year         | \$ 432,474     | 368,995        | 63,479           | 12.45        |
| Beginning of year   | <u>377,569</u> | <u>335,156</u> | <u>42,413</u>    | <u>10.75</u> |
| Unrealized net gain |                |                | 21,066           |              |
| Realized net gain   |                |                | 36,459           |              |
| Total net gain      |                |                | \$ <u>57,525</u> |              |

Investments of the endowment and similar funds of the Cornell statutory colleges, except for separately invested funds with a fair value of \$39.0 million, are pooled on a fair value basis in Cornell's long-term investment pool and living trust fund. Individual funds enter or withdraw from the pool based on each fund's share of the fair value of the pool's investments.

The following summarizes changes in the relationship between cost and fair value of the portion of Cornell's statutory colleges long term investment pool and fair value per unit (in thousands):

|                     | Fair Value     | Cost           | Gains (Losses)    | Unit Value   |
|---------------------|----------------|----------------|-------------------|--------------|
| End of year         | \$ 702,060     | 512,816        | 189,244           | 66.62        |
| Beginning of year   | <u>564,300</u> | <u>462,484</u> | <u>101,816</u>    | <u>55.42</u> |
| Unrealized net gain |                |                | 87,428            |              |
| Realized net gain   |                |                | 48,398            |              |
| Total net gain      |                |                | \$ <u>135,826</u> |              |



## Notes to Financial Statements

June 30, 2007

### 4. Investments (continued)

Generally, individual investment securities must be of investment grade. The State University maintains a portfolio which possesses an overall weighted average rating by Moody's and Standard and Poor's (S&P) of at least A. Private placement securities must be rated A3 or higher by Moody's or A- or higher by S&P. Parameters exist that allow some limited investments in non-investment grade; however, investments rated below B3 by Moody's

or B- by S&P are prohibited. Policies are in place that limit fixed income investment duration within certain benchmarks and a highly diversified portfolio is maintained which limits interest rate risk exposure. At June 30, 2007, the State University had the following investments and maturities as summarized in Table A.

Credit quality ratings of the State University's investments in debt securities, as described by Moody's, S&P, and Fitch IBCA as of June 30, 2007 are summarized in Table B.

Table A (in thousands)

| Investment Type              | Fair Value | Less than |         |          | More than |
|------------------------------|------------|-----------|---------|----------|-----------|
|                              |            | 1 yr      | 1-5 yrs | 6-10 yrs | 10 yrs    |
| US treasury bills            | \$ 3,959   | 3,959     | -       | -        | -         |
| US treasury notes/bonds      | 26,135     | 3,347     | 9,606   | 1,743    | 11,439    |
| US treasury strips           | 308        | 308       | -       | -        | -         |
| Asset-backed securities      | 62,221     | 4,082     | 36,859  | 9,536    | 11,744    |
| Municipals                   | 6,256      | 14        | 1,855   | 3,120    | 1,267     |
| Repurchase agreements        | 24,499     | 24,499    | -       | -        | -         |
| Corporate bonds              | 34,042     | 3,385     | 11,095  | 12,444   | 7,118     |
| Commercial paper             | 6,235      | 6,000     | -       | 235      | -         |
| Mutual funds – non-equities  | 71,387     | 22,190    | 32,856  | 20,341   | (4,000)   |
| International – non-equities | 11,609     | 528       | 3,254   | 2,044    | 5,783     |
| US government – TIPS         | 11,100     | -         | 8,070   | (491)    | 3,521     |
| US government agencies       | 42,100     | 238       | 13,951  | 12,664   | 15,247    |
| Total                        | \$ 299,851 | 68,550    | 117,546 | 61,636   | 52,119    |

Table B (in thousands)

| Credit Rating                | AAA        | AA     | A      | BBB    | BB    | B   | Not Rated |
|------------------------------|------------|--------|--------|--------|-------|-----|-----------|
| <u>Investment Type</u>       |            |        |        |        |       |     |           |
| Asset-backed securities      | \$ 55,990  | -      | -      | 1,071  | -     | -   | 5,160     |
| Municipal bonds              | 5,393      | 48     | 56     | 74     | -     | -   | 685       |
| Repurchase agreements        | -          | -      | -      | -      | -     | -   | 24,499    |
| Corporate bonds              | 3,799      | 1,713  | 10,556 | 15,053 | 896   | 495 | 1,530     |
| Commercial paper             | 939        | -      | 47     | -      | -     | -   | 5,249     |
| Mutual funds - non-equities* | 6,577      | 31,780 | -      | -      | -     | -   | 33,030    |
| International - non-equities | 3,551      | 992    | 342    | 1,361  | 200   | 23  | 5,140     |
| US government agencies       | 40,810     | -      | -      | -      | -     | -   | 1,290     |
| Total                        | \$ 117,059 | 34,533 | 11,001 | 17,559 | 1,096 | 518 | 76,583    |

\*based on average credit quality of holdings

## Notes to Financial Statements

June 30, 2007

### 4. Investments (continued)

The State University's exposure to foreign currency risk for investments, held at June 30, 2007, was as follows (fair value in thousands):

| Currency Denomination | Fair Value        |
|-----------------------|-------------------|
| Euro                  | \$ 47,764         |
| Japanese yen          | 34,157            |
| British pound         | 29,777            |
| Swiss franc           | 8,958             |
| Australian dollar     | 8,790             |
| South Korean won      | 7,999             |
| Taiwan dollar         | 7,974             |
| Hong Kong dollar      | 7,033             |
| Brazil real cruzeiro  | 4,879             |
| Swedish krona         | 4,068             |
| Canadian dollar       | 3,080             |
| So. African rand      | 3,069             |
| Singapore dollar      | 2,460             |
| Turkish lira          | 2,221             |
| Malaysian ringgit     | 2,132             |
| Norwegian krone       | 1,976             |
| Mexican Nuevo Peso    | 1,862             |
| Danish krone          | 1,206             |
| Indian rupee          | 676               |
| New Zealand dollar    | 549               |
| Other                 | 7,253             |
| Total                 | <u>\$ 187,883</u> |

### 5. Accounts, Notes, and Loans Receivable

At June 30, accounts, notes, and loans receivable were summarized as follows (in thousands):

|   |                   |
|---|-------------------|
| Tuition and fees                            | \$ 33,171         |
| Allowance for uncollectible                 | (7,425)           |
| Net tuition and fees                        | <u>25,746</u>     |
| Room Rent                                   | 7,052             |
| Allowance for uncollectible                 | (1,690)           |
| Net room rent                               | <u>5,362</u>      |
| Patient fees, net of contractual allowances | 590,498           |
| Allowance for uncollectible                 | (162,192)         |
| Net patient fees                            | <u>428,306</u>    |
| Other, net                                  | <u>122,501</u>    |
| Total accounts and notes receivable         | <u>581,915</u>    |
| Student loans                               | 154,507           |
| Allowance for uncollectible                 | (21,027)          |
| Total student loans receivable              | <u>133,480</u>    |
| Total, net                                  | <u>\$ 715,395</u> |

### 6. Capital Assets

Capital assets, net of accumulated depreciation, totaled \$5.23 billion. Capital asset activity during the year is reflected in Table C. In the table, closed projects and retirements represent capital assets retired and assets transferred from construction in progress for projects completed and the related capital assets placed in service.

Table C (in thousands)

|                                       | July 1,<br>2006     | Additions        | Closed Projects<br>& Retirements | June 30,<br>2007 |
|---------------------------------------|---------------------|------------------|----------------------------------|------------------|
| Land                                  | \$ 262,774          | 12,155           | 83                               | 274,846          |
| Infrastructure and land improvements  | 483,155             | 37,073           | 1,420                            | 518,808          |
| Buildings                             | 5,572,529           | 448,841          | 21,173                           | 6,000,197        |
| Equipment, library books, and artwork | 1,998,206           | 265,894          | 94,595                           | 2,169,505        |
| Construction in progress              | <u>712,773</u>      | <u>514,572</u>   | <u>474,569</u>                   | <u>752,776</u>   |
| Total capital assets                  | <u>9,029,437</u>    | <u>1,278,535</u> | <u>591,840</u>                   | <u>9,716,132</u> |
| Less accumulated depreciation:        |                     |                  |                                  |                  |
| Infrastructure and land improvements  | 313,381             | 15,109           | 1,415                            | 327,075          |
| Buildings                             | 2,551,025           | 143,927          | 15,791                           | 2,679,161        |
| Equipment and library books           | <u>1,332,783</u>    | <u>213,509</u>   | <u>69,757</u>                    | <u>1,476,535</u> |
| Total accumulated depreciation        | <u>4,197,189</u>    | <u>372,545</u>   | <u>86,963</u>                    | <u>4,482,771</u> |
| Capital assets, net                   | <u>\$ 4,832,248</u> | <u>905,990</u>   | <u>504,877</u>                   | <u>5,233,361</u> |

# Notes to Financial Statements

June 30, 2007

## 7. Long-term Liabilities

The State University has entered into capital leases and other financing agreements with DASNY to finance most of its capital facilities. The State University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-exempt Equipment Leasing Program (TELP), various state sponsored equipment leasing programs, or private financing arrangements. At June 30, 2007, other than facilities obligations, which are included as of March 31, 2007, total obligations are summarized in Table D. During 2007, as part of the State's debt reform effort to defease outstanding high cost debt, the State defeased \$226.2 million of the State University's debt obligations.

### Educational Facilities

The State University, through DASNY, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Athletic facility debt is aggregated with educational facility debt. Debt service is paid by, or from specific appropriations of, the State.

During the year, Personal Income Tax Revenue Bonds (PIT) were issued for the purpose of financing capital construction and major

rehabilitation for educational facilities in the amount of \$473 million.

### Residence Hall Facilities

The State University has entered into capital lease agreements for residence hall facilities. DASNY bonds for residence hall facilities, which have a maximum 30-year life, are repaid from room rentals and other residence hall revenues. Upon repayment of the bonds, including interest thereon, and the satisfaction of all other obligations under the lease agreements, DASNY shall convey to the State University all rights, title, and interest in the assets financed by the capital lease agreements. Residence hall facilities revenue realized during the year from facilities from which there are bonds outstanding is pledged as a security for debt service and is assigned to DASNY to the extent required for debt service purposes. Any excess funds pledged to DASNY are available for residence hall capital and operating purposes.

During the year, the State University entered into agreements with DASNY to issue residential hall facility obligations totaling \$87.4 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities.

In prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to

Table D (in thousands)

|  | Beginning Balance   | Additions        | Reductions     | Ending Balance   | Current Portion |
|--|---------------------|------------------|----------------|------------------|-----------------|
| Long-term debt:  |                     |                  |                |                  |                 |
| Educational facilities   | \$ 4,465,883        | 472,577          | 389,207        | 4,549,253        | 174,544         |
| Residence hall facilities  | 687,660             | 87,430           | 22,890         | 752,200          | 24,250          |
| Capital leases arrangements  | 196,994             | 75,776           | 59,036         | 213,734          | 51,111          |
| Other long-term debt   | 5,990               | -                | 145            | 5,845            | -               |
| Total long-term debt   | <u>5,356,527</u>    | <u>635,783</u>   | <u>471,278</u> | <u>5,521,032</u> | <u>249,905</u>  |
| Other long-term liabilities:   |                     |                  |                |                  |                 |
| Postemployment and postretirement obligations and compensated absences | 407,743             | 889,642          | 276,589        | 1,020,796        | 145,213         |
| Loan from State  | 148,188             | 7,814            | 25,562         | 130,440          | 17,244          |
| Litigation   | 145,441             | 55,970           | 69,669         | 131,742          | 26,968          |
| Other long-term liabilities  | 66,196              | 40,981           | 11,579         | 95,598           | 4,309           |
| Total other long-term liabilities                                      | <u>767,568</u>      | <u>994,407</u>   | <u>383,399</u> | <u>1,378,576</u> | <u>193,734</u>  |
| Total long-term liabilities  | <u>\$ 6,124,095</u> | <u>1,630,190</u> | <u>854,677</u> | <u>6,899,608</u> | <u>443,639</u>  |

# Notes to Financial Statements

June 30, 2007

Debt service requirements of the long-term debt obligations as of June 30, 2007 are as follows (in thousands):

| Fiscal year(s) | Educational Facilities                  |                  | Residential Facilities                 |                | Other                                    |               | Total            |                  |
|----------------|---|------------------|--|----------------|--|---------------|------------------|------------------|
|                | Principal                               | Interest         | Principal                              | Interest       | Principal                                | Interest      | Principal        | Interest         |
| 2008           | 174,544                                 | 273,806          | 24,250                                 | 36,254         | 51,111                                   | 7,592         | 249,905          | 317,652          |
| 2009           | 182,504                                 | 266,371          | 26,580                                 | 35,086         | 45,396                                   | 6,166         | 254,480          | 307,623          |
| 2010           | 170,574                                 | 253,694          | 27,200                                 | 33,835         | 34,211                                   | 4,736         | 231,985          | 292,265          |
| 2011           | 195,950                                 | 243,817          | 26,975                                 | 32,562         | 21,430                                   | 3,575         | 244,355          | 279,954          |
| 2012           | 252,332                                 | 194,978          | 26,755                                 | 31,304         | 12,613                                   | 2,828         | 291,700          | 229,110          |
| 2013-17        | 1,221,334                               | 770,377          | 146,160                                | 135,795        | 27,914                                   | 9,523         | 1,395,408        | 915,695          |
| 2018-22        | 953,101                                 | 487,640          | 142,280                                | 100,095        | 21,708                                   | 3,199         | 1,117,089        | 590,934          |
| 2023-27        | 716,163                                 | 279,936          | 138,360                                | 65,607         | 3,331                                    | 601           | 857,854          | 346,144          |
| 2028-32        | 483,891                                 | 113,338          | 142,695                                | 29,203         | 1,525                                    | 186           | 628,111          | 142,727          |
| 2033-37        | 198,860                                 | 22,954           | 50,945                                 | 4,204          | 340                                      | -             | 250,145          | 27,158           |
| Total          | <u>\$ 4,549,253</u>                     | <u>2,906,911</u> | <u>752,200</u>                         | <u>503,945</u> | <u>219,579</u>                           | <u>38,406</u> | <u>5,521,032</u> | <u>3,449,262</u> |
|                | Interest rates range from 2.25% to 7.5% |                  | Interest rates range from 2.0% to 6.0% |                | Interest rates range from 1.55% to 9.95% |               |                  |                  |

## 7. Long-term Liabilities (continued)

provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the State University's financial statements. As of March 31, 2007, \$1.31 billion and \$346.9 million of outstanding educational and residence hall facility obligations, respectively, were considered defeased.

### Capital Lease Arrangements

The State University leases equipment under DASNY TELP, New York State Personal Income Tax Revenue Bonds, certificates of participation (COPs), vendor financing, or through statewide lease purchase agreements. The State University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

### Loan - State STIP Pool

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by its hospitals. In connection with these cash-flow deficits, as authorized by State Finance Law, the State University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing from the

State at June 30, 2007 was \$130.4 million. During the year, \$25.6 million was paid on these loans. The State University incurred an interest cost of \$7.8 million at an average interest rate of 5.3 percent.

## 8. Retirement Plans

### Retirement Benefits

There are three major retirement plans for State University employees. The New York State and Local Employees' Retirement System (ERS), the New York State Teachers' Retirement System (TRS), and the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA/CREF). ERS is a cost-sharing, multiple-employer, defined benefit public plan administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a nine-member board. TIAA/CREF is a multiple-employer, defined contribution plan administered by separate boards of trustees. Substantially all full-time employees participate in the plans.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law. These plans offer a wide range of programs and benefits. ERS and TRS benefits are related to years of credited service

## Notes to Financial Statements

June 30, 2007

### 8. Retirement Plans (continued)

and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. TIAA/CREF is a State University Optional Retirement Program (ORP) and offers benefits through annuity contracts.

**ERS** and **TRS** provide retirement benefits as well as death and disability benefits. Benefits generally vest after five years of credited service.

The NYSRSSL provides that all participants in ERS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Employees who joined ERS and TRS after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Employee contributions are deducted from their salaries and remitted on a current basis to ERS and TRS.

**TIAA/CREF** provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF.

The State University's total retirement-related payroll was \$2.4 billion for the year. The payroll for the fiscal year for State University employees covered by TIAA/CREF was \$1.52 billion, ERS was \$845 million, and TRS was \$84 million. Employer and employee contributions under each of the plans were as follows (in millions):

|                         | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-------------------------|-------------|-------------|-------------|
| Employer contributions: |             |             |             |
| TIAA- CREF              | \$157.1     | 149.4       | 147.3       |
| ERS                     | 50.7        | 52.5        | 54.7        |
| TRS                     | 6.7         | 6.4         | 5.5         |

|                         | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-------------------------|-------------|-------------|-------------|
| Employee contributions: |             |             |             |
| TIAA- CREF              | \$ 49.6     | 40.9        | 39.1        |
| ERS                     | 10.7        | 9.5         | 8.1         |
| TRS                     | 0.9         | 0.9         | 0.9         |

The employer contributions are equal to 100 percent of the required contributions under each of the respective plans.

The Research Foundation maintains a separate non-contributory plan through TIAA/CREF for substantially all of its employees. Employees become fully vested in contributions made by the Research Foundation after three years of service which are allocated to individual employee accounts. Employer contributions are based on a percentage of regular salary and range from 8 percent to 15 percent. The payroll for Research Foundation employees covered by TIAA/CREF for its fiscal year was \$323.5 million. The Research Foundation pension contributions for the fiscal year were \$25.6 million. These contributions are equal to 100 percent of the required contributions for each year.

Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The reports may be obtained by writing to:

New York State and Local Employees'  
Retirement System  
110 State Street  
Albany, New York 12244

New York State Teachers' Retirement System  
10 Corporate Woods Drive  
Albany, New York 12211

Teachers Insurance and Annuity Association/  
College Retirement Equities Fund  
730 Third Avenue  
New York, New York 10017

### **Postemployment and Post-retirement Benefits**

The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their spouses as part of the New York State Health Insurance Plan (NYSHIP). NYSHIP offers comprehensive benefits through various providers consisting of hospital,

## Notes to Financial Statements

June 30, 2007

### 8. Retirement Plans (continued)

medical, mental health, substance abuse and prescription drug programs. The State administers NYSHIP and has the authority to establish and amend the benefit provisions offered. NYSHIP is considered an agent multiple-employer defined benefit plan, is not a separate entity or trust, and does not issue stand-alone financial statements. The State University, as a participant in the plan, recognizes OPEB expenses on an accrual basis.

Employee contribution rates for NYSHIP are established by the State and are generally 10 percent for enrollee coverage and 25 percent for dependent coverage. NYSHIP premiums are being financed on a pay-as-you-go basis. During the fiscal year, the State, on behalf of the State University, paid health insurance premiums of \$142.4 million. The State University's annual OPEB cost and increase in the OPEB obligation for the year ended June 30, 2007 is as follows (in thousands):

|   |                   |
|---|-------------------|
| Annual required contribution and annual OPEB cost | \$ 712,551        |
| Benefits paid during year                         | <u>(142,399)</u>  |
| Increase in OPEB Obligation                       | 570,152           |
| Net obligation at beginning of year               | <u>-</u>          |
| Net obligation at end of year                     | <u>\$ 570,152</u> |

The unfunded actuarial accrued liability, totaled \$8.26 billion as of the July 1, 2006 actuarial valuation date. The initial unfunded actuarial accrued liability is being amortized over an open period of thirty years using the level percentage of projected payroll amortization method. The State University total retirement related payroll for the June 30, 2007 fiscal year was \$2.4 billion.

The actuarial valuation utilizes a frozen entry age actuarial cost method. The actuarial assumptions include a 4.2 percent discount rate, payroll growth rate of 3.5 percent, and an annual healthcare cost trend rate for medical coverage of 10 percent initially, reduced by decrements to a rate of 5 percent after 6 years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially

determined results are subject to continual revision as actual results are compared to past expectations and new estimates are made in the future. The actuarial methods and assumptions used are designed to reduce short-term volatility in reported amounts and reflect a long-term perspective.

The Research Foundation sponsors a separate single employer defined benefit post-retirement plan ("Plan") that provides health insurance and medical benefits that covers substantially all non-student Research Foundation employees. The Research Foundation Board of Directors administers the plan and has the authority to establish and amend the benefit provisions offered. Contribution rates for employees hired after 1985 are 10 percent for employee coverage, and 25 percent for dependent coverage.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors and during the year totaled \$11.7 million, \$7.7 million to increase designated plan assets and \$4.0 million for the payment of benefits. Plan assets are held in an unrestricted investment account designated by the Research Foundation Board of Directors and are not considered plan assets in determining the funded status or funding progress of the plan under GASB reporting and measurement standards. Amounts recognized in the financial statements include \$80 million in investments designated for the Plan and an actuarial accrued liability of \$220.4 million. The payroll for employees covered by the Plan for the year was \$209.1 million. The Plan does not issue stand-alone financial statements.

The OPEB obligation and annual OPEB cost for the Research Foundation Plan have been calculated retrospectively using an open transition period of 17 years, at the beginning of the 1991 fiscal year. The Research Foundation's annual cost and increase in the OPEB obligation for the year ended June 30, 2007 is as follows (in thousands):

|                                     |                   |
|-------------------------------------|-------------------|
| Annual OPEB cost                    | \$ 34,995         |
| Benefits paid during year           | <u>(3,994)</u>    |
| Increase in OPEB Obligation         | 31,001            |
| Net obligation at beginning of year | <u>189,369</u>    |
| Net obligation at end of year       | <u>\$ 220,370</u> |

## Notes to Financial Statements

June 30, 2007

### 8. Retirement Plans (continued)

The components of the Research Foundation OPEB obligation include the total annual required contribution (ARC) of \$224.4 million, ARC reduction of \$201.3 million, and interest costs of \$11.9 million. The cost of the benefits provided under this plan is recognized on an actuarial-determined basis using the projected unit cost method. Under this method, actuarial assumptions are made based on employee demographics and medical trend rates to calculate the accrued benefit cost. The actuarial assumptions include a 6.3 percent discount rate, and an initial healthcare cost trend rate range of 8.0 percent trending to 6.5 percent. A blended discount rate was utilized using the expected investment return of designated plan assets and the one year U.S. treasury note rate for available cash equivalents expected to be used to fund future OPEB obligations.

### 9. Commitments

The State University has entered into contracts for the construction and improvement of various projects. At March 31, 2007, these outstanding contract commitments totaled approximately \$575.3 million.

The State University is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year under such operating leases were approximately \$29.3 million. The following is a summary of the future minimum rental commitments under non-cancelable real property and equipment leases with terms exceeding one year (in thousands):

Year ending June 30,

|         |                   |
|---------|-------------------|
| 2008    | \$ 26,226         |
| 2009    | 24,679            |
| 2010    | 20,731            |
| 2011    | 15,863            |
| 2012    | 11,876            |
| 2013-17 | 22,256            |
| 2018-22 | 2,369             |
| 2023-27 | 2,086             |
| Total   | \$ <u>126,086</u> |

### 10. Contingencies

The State is contingently liable in connection with claims and other legal actions involving the State University, including those currently in litigation arising in the normal course of State University activities. The State University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims against the State involving State University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the State University has recorded a liability and a corresponding appropriation receivable of approximately \$131.7 million at June 30, 2007 (\$130.2 million related to hospitals and clinics) for unfavorable judgments, both anticipated and awarded but not yet paid.

The State University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The State University has insurance coverage for its residence hall facilities. However, in general, the State University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the State University are covered by the State on a self-insured basis. The State does have fidelity insurance on State employees.

### 11. Related Parties

The State University's single largest source of revenue is State appropriations, which represents approximately 36 percent of total revenues for the fiscal year. The State University is dependent on this appropriation to carry on its operations.

### 12. Federal Grants and Contracts and Third-Party Reimbursement

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government.

## Notes to Financial Statements

June 30, 2007

### 12. Federal Grants and Contracts and Third-Party Reimbursement (continued)

Disallowances, if any, as a result of these audits may become liabilities of the State University. State University management believes that no material disallowances will result from audits by the grantor agencies.

The State University hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from their established charges. Contractual service allowances and discounts (reflected through State University hospitals and clinics sales and services) represent the difference between the hospitals established rates and amounts reimbursed by third-party payors. The State University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payors cost reimbursement items.

### 13. Subsequent Events

In July and August 2007, the State University entered into agreements with the DASNY to issue obligations totaling \$406.6 million for the construction and rehabilitation of educational facilities and \$145.4 million, respectively, for the construction and rehabilitation of residential facilities.

### 14. Restatement

The provisions of GASB Statement No. 45 has been applied to the beginning net assets. The following is a reconciliation of the total net asset as previously reported as of June 30, 2006 to the beginning net asset balances (amounts in thousands):

|   |                     |
|---|---------------------|
| Total at June 30, 2006                      | \$ 1,716,862        |
| Change to compensated<br>absences accrual   | 437,683             |
| Research Foundation<br>Post-retirement Plan | <u>(72,407)</u>     |
| Total net assets at July 1, 2006            | <u>\$ 2,082,138</u> |

As a result of adopting GASB Statement No. 45, the State University changed its policy on

accounting for employee sick leave credits expected to be used to pay for a share of post-retirement health insurance. The measurement and recognition of the estimated cost of these credits is actuarially determined as required under GASB No. 45. In addition, the accounting and measurement requirements under GASB 45 have been retroactively applied to the Research Foundation's post-retirement benefit plan resulting in a decrease in opening net assets at July 1, 2006.

### 15. Foundations

Discretely presented component unit information is comprised principally of the campus-related foundations. These foundations are not-for-profit organizations responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of its campus, the State University, its students, faculty, staff and alumni. The foundations receive the majority of their support and revenues through contributions, gifts and grants and provide benefits to their campus, students, faculty, staff and alumni. In addition, the reported amounts include foundation student housing corporations, not-for-profit organizations that operate and administer certain housing and related services for students. All the foundations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations was derived from each entity's individual financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, the majority of which have a June 30 fiscal year end.

During the year, the foundations distributed \$43.8 million to the State University principally for scholarships and support of campus program activities.

Separately issued financial statements of the foundations and other related entities may be obtained in writing to:

The State University of New York  
System Administration  
Office of the University Controller  
State University Plaza, S-421  
Albany, New York 12246



## Notes to Financial Statements

June 30, 2007

### 15. Foundations (continued)

#### Net Asset Classifications

Unrestricted net assets represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the State University campus and foundation programs and activities. Temporarily restricted net assets represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or are removed by specific actions. Permanently restricted net assets represent resources that donors have stipulated must be maintained permanently. The income derived from the permanently restricted net assets is permitted to be spent in part or in whole, restricted only by the donors' wishes. The beginning net asset amounts have been revised from those previously reported to reclassify amounts to conform with donor intentions. As a result, permanently restricted net assets were increased \$24.3 million and temporarily restricted and unrestricted net assets were decreased by \$17.5 million and \$6.8 million, respectively.

#### Investments

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments of the State University foundations were \$900 million as of June 30, 2007. The composition of investments is as follows (in thousands):

|                          |                   |
|--------------------------|-------------------|
| Equities - domestic      | \$ 376,375        |
| Equities - international | 157,981           |
| Non-equities             | 256,279           |
| Other investments        | 109,340           |
| Total investments        | <u>\$ 899,975</u> |

#### Capital Assets

Capital assets are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled \$321.8 million as of June 30, 2007. Capital asset classifications are summarized as follows (in thousands):

|                               |                   |
|-------------------------------|-------------------|
| Land and land improvements    | \$ 15,403         |
| Buildings                     | 327,507           |
| Equipment                     | 32,006            |
| Artwork and library books     | 16,541            |
| Construction in progress      | <u>9,728</u>      |
| Total capital assets          | <u>401,185</u>    |
| Less accumulated depreciation | <u>79,433</u>     |
| Capital assets, net           | <u>\$ 321,752</u> |

#### Long-term Debt

The Foundations have entered into various financing arrangements, principally through the issuance of Industrial Development Agency bonds and Housing Authority bonds for the construction of student residence hall facilities. The following is a summary of the future minimum annual debt service requirements for the next five years and thereafter (in thousands):

Year ending June 30:

|            |                   |
|------------|-------------------|
| 2008       | \$ 9,163          |
| 2009       | 8,796             |
| 2010       | 7,434             |
| 2011       | 7,062             |
| 2012       | 7,483             |
| Thereafter | <u>227,200</u>    |
|            | <u>\$ 267,138</u> |

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State University Plaza - Room S421  
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518-443-5463



# THE STATE UNIVERSITY *of* NEW YORK

## ANNUAL FINANCIAL REPORT 2007

The State University of New York  
State University Plaza  
Albany, NY 12246  
[www.suny.edu](http://www.suny.edu)



# 2008 ANNUAL FINANCIAL REPORT

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## *Message from the Chancellor*

I am pleased to present this year's Annual Financial Report of the State University of New York. The report provides an overview of the State University's finances and operating results for the year ended June 30, 2008. The State University, even in the midst of negative economic pressures, continues to push forward with its mission to enhance educational excellence, affordability, and accessibility for New Yorkers. Enrollment, student retention and sponsored research all remain strong or at record levels.

New York's public higher education system is integral to the economic, cultural and civic well-being of the state. New York's cities, towns and villages are more robust economically and culturally because of the presence of State University campuses. The State University has the unique ability to educate individuals across a spectrum of interests and career paths—from fashion to forestry, and from medicine to law—and in large numbers. Our system served more than 427,000 students in the 2008 fiscal year. Indeed, the State University is the primary developer of the state's human capital—educating the next generation of individuals who will return the state to global prominence.

The boost that State University provides New York in economic impact each year is significant. For every state dollar received, the State University generates \$8 in total spending. The 2007-08 all-funds budget of over \$10 billion yielded an estimated total economic impact of \$27.5 billion in the State's economy. The eight-fold return that New York State sees on its investment in the State University is arguably the economy's most favorable and most valuable.

The State University continues to attract and educate talented and promising students in record numbers. Total student enrollment has grown every year since 1997 and has been on a record-setting pace since the fall 2000. Enrollment has increased almost 20 percent from the fall of 1997 to the fall of 2008. In addition, system-wide retention rates, which result in higher graduation rates, are steadily increasing. Retention of first-time, full-time students is 82.8 percent, which is the highest level in the history of the State University. The retention rates continue to outpace the rates at most public colleges nationally, and they are as high as, or approaching, the rates at many of the best private colleges and universities in the United States. Reflecting the State University's commitment to improved student performances across all cultural backgrounds, recent data shows that the State University's minority student graduation rates exceed the national rates for minority students attending public institutions.

The volume of research and other sponsored programs revenue continues to be strong, with more than \$944 million reported in fiscal year 2008. Research continues to be an important facet of the State University's mission, with faculty constantly breaking new ground in diverse fields such as medicine, education, engineering, music, environmental studies and materials science. In the 2008 fiscal year, the Research Foundation of the State University received 289 invention disclosures, filed 209 patent applications, was awarded 44 U.S. patents, executed 52 licenses and received more than \$18 million in royalties. These achievements were the products of more than 7,600 projects that supported more than 17,000 employees statewide.

More than ever before, the State University of New York is an excellent investment for students who seek a higher education and for taxpayers as well. If the state is to move forward in these tough economic times, then we must look to building a stronger future for the State University, which has provided generations of New Yorkers access to the American dream. The State University educates the workforce that is critical to advancing the state's competitiveness and national economic leadership. Thus, we take very seriously our responsibility to be good stewards of public dollars and will continue to strive to be as efficient and creative as possible in managing our resources.



Dr. John B. Clark  
Interim Chancellor



**PricewaterhouseCoopers LLP**  
 677 Broadway  
 Albany NY 12207  
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## Report of Independent Auditors

To The Board of Trustees  
 State University of New York

In our opinion, based on our audits and the report of other auditors, the financial statements of the business-type activities and the aggregate discretely presented component units of The State University of New York (the "University") which collectively comprise the University's basic financial statements, present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University at June 30, 2008 and 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the State University Construction Fund, nor certain auxiliary service corporations, which statements reflect total assets of 3 and 2 percent and total net assets of 8 and 6 percent of the related totals as of June 30, 2008 and 2007, respectively and total revenues of 8 and 8 percent of the related total revenues for the years then ended of the business type activities. Additionally, we did not audit the financial statements of the discretely presented component units, which comprise 100% of the total assets, total net assets and total revenue of the discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the State University Construction Fund, certain auxiliary service corporations, and the discretely presented component units is based on the reports of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinions.

As discussed in Note 1, the University is included in the primary government reporting entity of the State of New York as an enterprise fund. The accompanying financial statements represent only the financial statements of the University and do not purport to, and do not, present fairly the financial statements of the State of New York in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which changed the manner in which it accounts for postemployment retirement benefits in 2007.

As discussed in Note 14 to the financial statements, the discretely presented component units are reported in accordance with generally accepted accounting principles promulgated by FASB and the audits were not performed in accordance with *Government Auditing Standards*.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*PricewaterhouseCoopers LLP*

## Management's Discussion and Analysis

Management's discussion and analysis (MD&A) provides a broad overview of the State University of New York's (State University) financial condition as of June 30, 2008 and 2007, the results of its operations for the years then ended, and significant changes from the previous years. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the State University which directly follows the MD&A.

For financial reporting purposes, the State University's reporting entity consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), and central services, but excluding community colleges. The financial statements also include the financial activity of The Research Foundation of the State University of New York (Research Foundation), which administers the sponsored program activity of the State University, the State University Construction Fund, (Construction Fund), which administers the capital program of the State University, the auxiliary services corporations and foundations located on its campuses.

The foundations meet the criteria under the Governmental Accounting Standards Board (GASB) accounting and financial reporting requirements for inclusion in the State University reporting entity. For financial statement presentation purposes, the combined totals of the foundations are not included in the reported amounts of the State University, but are discretely presented on separate pages in the State University's financial statements, in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB) for not-for-profit organizations.

The focus of the MD&A is on the State University financial information contained in the balance sheets, the statements of revenues, expenses, and changes in net assets, and the statements of cash flows, which exclude the foundations. Foundation financial statement information is presented separately on pages 16 and 17 of the State University's financial statements.

### Financial Highlights

At June 30, 2008 and 2007, total assets reported by the State University were \$11.15 billion and \$10.4 billion and total liabilities were \$9.22 billion and \$8.14 billion, respectively. Net assets, which total \$1.93 billion and \$2.27 billion at June 30, 2008 and 2007, experienced a decrease of \$336 million in 2008 and an increase of \$185 million in 2007. The net assets at June 30, 2008, 2007, and 2006 are summarized in the following categories (in thousands):

|                             | <u>2008</u>         | <u>2007</u>      | <u>2006</u>      |
|-----------------------------|---------------------|------------------|------------------|
| Net Assets:                 |                     |                  |                  |
| Invested in capital assets, |                     |                  |                  |
| net of related debt         | \$ 641,283          | 596,527          | 312,538          |
| Restricted - nonexpendable  | 264,380             | 246,393          | 229,583          |
| Restricted - expendable     | 917,170             | 914,172          | 769,568          |
| Unrestricted                | <u>108,711</u>      | <u>510,537</u>   | <u>770,449</u>   |
| Total net assets            | <u>\$ 1,931,544</u> | <u>2,267,629</u> | <u>2,082,138</u> |

The change in net assets during 2008 and 2007 was driven by an increase in operating expenses of \$366 million in 2008 compared to 2007 and net realized and unrealized losses in 2008 of \$35 million compared to net realized and unrealized gains of \$234 million in 2007. Revenues, expenses, and the change in net assets for the 2008, 2007, and 2006 fiscal years are summarized as follows (in thousands):

|                       | <u>2008</u>         | <u>2007</u>      | <u>2006</u>      |
|-----------------------|---------------------|------------------|------------------|
| Operating revenues    | \$ 4,752,602        | 4,748,377        | 4,381,490        |
| Nonoperating revenues | 3,235,918           | 3,340,591        | 2,782,245        |
| Other revenues        | 89,119              | 73,010           | 93,985           |
| Total revenues        | <u>8,077,639</u>    | <u>8,161,978</u> | <u>7,257,720</u> |
| Operating expenses    | 8,062,105           | 7,696,130        | 6,689,647        |
| Nonoperating expenses | <u>351,619</u>      | <u>280,357</u>   | <u>268,672</u>   |
| Total expenses        | <u>8,413,724</u>    | <u>7,976,487</u> | <u>6,958,319</u> |
| Change in net assets  | <u>\$ (336,085)</u> | <u>185,491</u>   | <u>299,401</u>   |

Total revenues reported in 2008, 2007, and 2006 were \$8.08 billion, \$8.16 billion, and \$7.26 billion, respectively. Total revenue in 2008 decreased \$84 million while revenue in 2007 grew \$904 million, compared to the previous year. The revenue decline in 2008 was driven by reductions of \$234 million of



## Management's Discussion and Analysis

net realized and unrealized gains, \$59 million in state grants and contracts, and \$26 million in hospital and clinic revenue from the prior year. These decreases were offset by increases in state appropriations of \$61 million, gifts of \$52 million, auxiliary enterprises of \$51 million, net tuition revenues of \$35 million, and other nonoperating revenues of \$33 million.

Total expenses for 2008, 2007, and 2006 were \$8.41 billion, \$7.98 billion, and \$6.96 billion, respectively. State University expense growth in 2008 and 2007 was \$437 million and \$1.02 billion, respectively. Expense growth in 2008 compared to 2007 was primarily the result of increases in support services of \$133 million, hospital and clinic activity of \$99 million, auxiliary enterprises of \$76 million, instruction activity of \$62 million, interest expense of \$40 million, and net realized and unrealized losses of \$35 million.

### Overview of the Financial Statements

The financial statements of the State University have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. The financial statement presentation consists of comparable balance sheets, statements of revenues, expenses, and changes in net assets, statements of cash flows, and accompanying notes for the June 30, 2008 and 2007 fiscal years. These statements provide information on the financial position of the State University and the financial activity and results of its operations during the years presented. A description of these statements follows:

The *Balance Sheets* present information on all of the State University's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the State University is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Assets* present information showing the change in the State University's net assets during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in

these statements include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from students and others for services rendered, or the amount accrued for postemployment benefits earned).

The *Statements of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statements portray net cash provided or used from operating, investing, capital, and noncapital financing activities.

### Balance Sheets

The balance sheets present the financial position of the State University at the end of its fiscal years. During the 2008 and 2007 fiscal years, the State University's total assets increased over the prior years by \$745 million and \$953 million, while total liabilities increased \$1.08 billion and \$768 million, respectively. The following table reflects the financial position at June 30, 2008, 2007, and 2006 (in thousands):

|                         | <u>2008</u>         | <u>2007</u>       | <u>2006</u>      |
|-------------------------|---------------------|-------------------|------------------|
| Current assets          | \$ 2,774,815        | 2,493,481         | 2,253,725        |
| Capital assets, net     | 5,744,812           | 5,233,361         | 4,832,248        |
| Other noncurrent assets | 2,629,474           | 2,677,333         | 2,365,089        |
| Total assets            | <u>11,149,101</u>   | <u>10,404,175</u> | <u>9,451,062</u> |
| Current liabilities     | 1,719,058           | 1,504,132         | 1,516,129        |
| Noncurrent liabilities  | 7,498,499           | 6,632,414         | 5,852,795        |
| Total liabilities       | <u>9,217,557</u>    | <u>8,136,546</u>  | <u>7,368,924</u> |
| Net assets              | <u>\$ 1,931,544</u> | <u>2,267,629</u>  | <u>2,082,138</u> |

### Current Assets

Current assets at June 30, 2008 increased \$281 million while current liabilities increased \$215 million compared to the previous year. In general, current assets are those assets that are available to satisfy current liabilities (i.e., those that will be paid within one year).

Current assets at June 30, 2008 and 2007 consist primarily of cash and cash equivalents of \$1.21 billion and \$1.06 billion, short-term investments of \$301 million and \$196 million, and receivables (accounts, interest, appropriations, and grants) of \$1.2 billion and \$1.19 billion, respectively. During

## Management's Discussion and Analysis

2008, cash and cash equivalents increased \$157 million and short-term investments increased \$105 million.

### Current Liabilities

Current liabilities at June 30, 2008 and 2007 consist principally of accounts payable and accrued expenses of \$622 million and \$547 million, interest on debt of \$201 million and \$232 million, deferred revenue of \$258 million and \$183 million, and the current portion of long-term liabilities of \$477 million and \$444 million, respectively. The increase in current liabilities at June 30, 2008 was driven principally by increases in accounts payable and accrued expenses of \$75 million, deferred revenue of \$75 million, deposits held in custody for others of \$42 million, and the current portion of long-term liabilities of \$34 million.

### Capital Assets, net

Since 2003, the State University has received \$5.3 billion in cumulative new multi-year capital funding authorizations for State-operated campus educational facilities and \$869 million for the State University hospitals. Under the educational facilities program, a majority of the funding is designed to support critical maintenance projects to repair, renovate, or rehabilitate existing State University facilities.

During the 2008 and 2007 fiscal years, capital assets (net of depreciation) increased \$511 million and \$401 million, respectively. The majority of the increase occurred at the State University campuses due to new building construction, renovations, and rehabilitation totaling \$395 million and \$449 million for the 2008 and 2007 fiscal years, respectively. Equipment additions during 2008 and 2007 of \$214 million and \$239 million, respectively, also contributed to the increase.

Significant projects completed and capitalized during the 2008 fiscal year included construction of a new athletic center at the College at New Paltz, a townhouse complex and community building at Alfred State College, a center of excellence building concentrating on life sciences at the University of Buffalo, a new academic building on the Health Science Center at Syracuse

campus and the rehabilitation of a residential facility at the College at Oswego.

A summary of capital assets, by major classification, and related accumulated depreciation for the 2008, 2007, and 2006 fiscal years is as follows (in thousands):

|                                       | <b>2008</b>         | <b>2007</b>      | <b>2006</b>      |
|---------------------------------------|---------------------|------------------|------------------|
| Land                                  | \$ 301,862          | 274,846          | 262,774          |
| Infrastructure and land improvements  | 593,877             | 518,808          | 483,155          |
| Buildings                             | 6,337,675           | 6,000,197        | 5,572,529        |
| Equipment, library books, and artwork | 2,334,477           | 2,169,505        | 1,998,206        |
| Construction in progress              | 901,084             | 752,776          | 712,773          |
| Total capital assets                  | <u>10,468,975</u>   | <u>9,716,132</u> | <u>9,029,437</u> |
| Less accumulated depreciation:        |                     |                  |                  |
| Infrastructure and land improvements  | 334,785             | 327,075          | 313,381          |
| Buildings                             | 2,787,220           | 2,679,161        | 2,551,025        |
| Equipment and library books           | <u>1,602,158</u>    | <u>1,476,535</u> | <u>1,332,783</u> |
| Total accumulated depreciation        | <u>4,724,163</u>    | <u>4,482,771</u> | <u>4,197,189</u> |
| Capital assets, net                   | <u>\$ 5,744,812</u> | <u>5,233,361</u> | <u>4,832,248</u> |

### Other Noncurrent Assets

Other noncurrent assets exclusive of capital assets were \$2.63 billion and \$2.68 billion at June 30, 2008 and 2007, respectively. Noncurrent assets at June 30, 2008 and 2007 include long-term investments of \$1.37 billion and \$1.4 billion, deposits with trustees of \$887 million and \$920 million, restricted cash of \$74 million and \$72 million, and the noncurrent portion of receivables and deferred financing costs of \$301 million and \$283 million, respectively.

Long-term investments at June 30, 2008 and 2007 of \$1.37 billion and \$1.4 billion represent endowment and similar funds held in separate and distinct investment pools of the State University campuses of \$390 million and \$426 million, and the Cornell statutory colleges of \$721 million and \$702 million, respectively, and separately invested funds of \$32 million for both years. Long-term investments of the Research Foundation totaled \$172 million

## Management's Discussion and Analysis

and \$196 million, which includes \$76 million and \$75 million in investments designated for its post-retirement benefit plan at June 30, 2008 and 2007, respectively. Other long-term investments include investments of the auxiliary services corporations of \$28 million and \$21 million and the statutory College of Ceramics at Alfred University of \$24 million and \$25 million at June 30, 2008 and 2007, respectively.

During 2008, long-term investments decreased by a total of \$35 million due primarily to net realized and unrealized investment losses, allocations to short-term investment vehicles and amounts used to meet spending needs.

During fiscal year 2008, deposits with trustees decreased \$34 million, which generally represent funds available from the issuance of bonds by the Dormitory Authority of the State of New York (DASNY) used to finance capital projects and maintain debt service reserves for the State University's facilities.

Restricted cash and cash equivalents at June 30, 2008 increased \$2 million compared to 2007. During the normal course of operations, the State University has entered into various capital financing arrangements. The unspent cash on those arrangements at June 30, 2008 and 2007 were \$58 million and \$59 million, respectively.

The noncurrent portion of receivables reported at June 30, 2008 and 2007 consisted of accounts, notes, and loan receivables of \$114 million and \$104 million, appropriation receivables of \$90 million and \$105 million, and contribution receivables of \$30 million and \$8 million, respectively.

### Noncurrent Liabilities

Noncurrent liabilities at June 30, 2008 and 2007 of \$7.5 billion and \$6.63 billion, respectively, are largely comprised of debt on State University facilities, other long-term liabilities accrued for compensated absences and post-retirement benefits, and litigation, as well as an outstanding loan from the State's short-term investment pool (STIP). The State University capital funding levels and bonding authority are subject to operating and capital appropriations of the State. Funding for capital construction and rehabilitation of educational and residence hall facilities of the State University is

provided principally through the issuance of bonds by DASNY. The debt service for the educational facilities is paid by, or provided through a direct appropriation of, the State. The debt service on residence hall bonds is funded primarily from room rents. A summary of noncurrent long-term liabilities at June 30, 2008, 2007, and 2006 is as follows (in thousands):

|   | <u>2008</u>         | <u>2007</u>      | <u>2006</u>      |
|---|---------------------|------------------|------------------|
| Educational facilities  | \$ 4,591,499        | 4,374,709        | 4,302,253        |
| Residence hall facilities   | 845,385             | 727,950          | 664,770          |
| Postemployment and Post-retirement obligations and compensated absences | 1,375,277           | 875,583          | 264,290          |
| Loan - State STIP pool  | 92,934              | 113,196          | 131,608          |
| Other obligations   | 409,124             | 364,531          | 319,284          |
| Long-term liabilities   | <u>\$ 7,314,219</u> | <u>6,455,969</u> | <u>5,682,205</u> |

During fiscal year 2008, Personal Income Tax Revenue Bonds (PIT) were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of \$418 million.

The State University entered into agreements with DASNY during fiscal year 2008 to issue residence hall facility obligations totaling \$145.4 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities. The State University's credit ratings for educational and residence hall bonds were unchanged in 2008 and 2007. In 2006, Moody's upgraded the credit ratings for PIT (from A1 to Aa3), educational (from A2 to A1) and residence hall (from A1 to Aa3) bonds compared to the previous year. Standard & Poor's also upgraded the credit ratings for PIT bonds (from AA to AAA) in 2006. The credit ratings at June 30, 2008 are as follows:

|                   | <u>PIT<br/>Bonds</u> | <u>Educational<br/>Facilities</u> | <u>Residence<br/>Halls</u> |
|-------------------|----------------------|-----------------------------------|----------------------------|
| Moody's           |                      |                                   |                            |
| Investors Service | Aa3                  | A1                                | Aa3                        |
| Standard & Poor's | AAA                  | AA-                               | AA-                        |
| Fitch IBCA        | AA-                  | A+                                | A+                         |

## Management's Discussion and Analysis

Principal payments on educational and residence hall facilities obligations made during 2008 totaled \$184.4 million and \$24.3 million, in 2007 totaled \$389.2 million and \$22.9 million, and in 2006 totaled \$161.7 million and \$21 million, respectively.

During fiscal years 2008 and 2007, the long-term portion of the compensated absences and post-retirement benefit obligations liabilities increased \$500 million and \$611 million, respectively. The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their spouses as part of the New York State Health Insurance Plan (NYSHIP). The State administers NYSHIP and has the authority to establish and amend benefit provisions offered. The State University, as a participant in the plan, recognizes these other postemployment benefits (OPEB) on an accrual basis. The State University's OPEB plan is financed annually on a pay-as-you go basis. There are no assets set aside to fund the plan. The State University total retirement related payroll during fiscal years 2008 and 2007 was \$2.5 billion and \$2.4 billion, respectively. The total unfunded actuarial accrued liability as of the July 1, 2006 actuarial valuation was \$8.26 billion, or 330% and 344% of the total retirement related payroll of the State University for fiscal years 2008 and 2007, respectively.

The Research Foundation sponsors a separate defined benefit post-retirement plan. Contributions are made by the Research Foundation pursuant to a funding policy established by its Board of Directors to cover annual premium costs and to accumulate assets in a board designated investment account. The Research Foundation's total retirement related payroll during the 2008 and 2007 fiscal years was \$224.2 million and \$209.1 million, respectively. The total unfunded actuarial accrued liability as of the June 30, 2008 and 2007 actuarial valuations was \$233.0 and \$220.4 million, or 104% and 105% of the total retirement related payroll expense of the Research Foundation for fiscal years 2008 and 2007, respectively.

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by its three hospitals. As a result, the State University borrowed funds

with interest from the short-term investment pool of the State. The amount outstanding under this borrowing, including accrued interest, at June 30, 2008 and 2007 was \$110.2 million and \$130.4 million, respectively. During fiscal years 2008 and 2007, the total amount paid on these loans was \$25.6 million in both years.

Refundable government loan funds at June 30, 2008 and 2007 totaled \$144.3 million and \$141.1 million, respectively. These revolving loan funds are principally those of the federal Perkins and Nursing Loan Programs established with an initial and continued federal capital contribution. Repayments of principal and interest and new contributions are deposited into a revolving loan fund for continual disbursement to students.

### Statements of Revenues, Expenses, and Changes in Net Assets

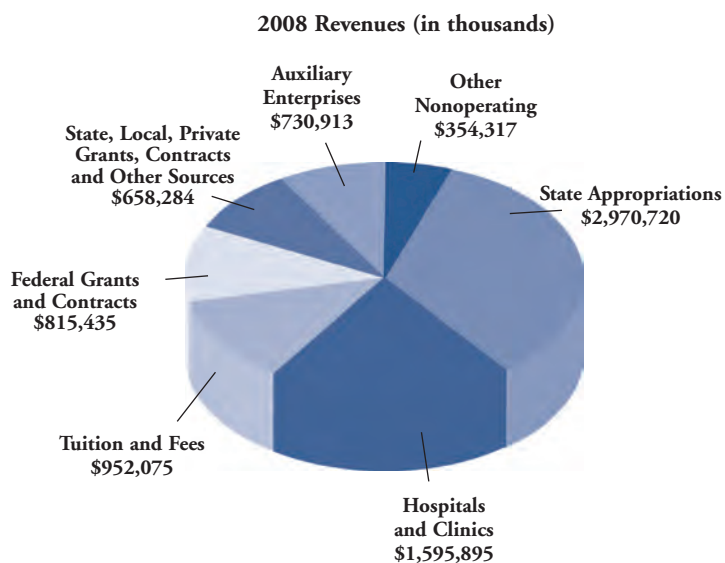
The statements of revenues, expenses, and changes in net assets present the State University's results of operations. Total operating revenues of the State University were \$4.75 billion in 2008 and 2007 and \$4.38 billion in 2006. Nonoperating and other revenues, which includes State appropriations, totaled \$3.33 billion, \$3.41 billion, and \$2.88 billion, for fiscal years 2008, 2007, and 2006, respectively. Total expenses for 2008, 2007, and 2006 were \$8.41 billion, \$7.98 billion, and \$6.96 billion, respectively.

#### Revenue Overview

##### Revenues (in thousands):

|   | <u>2008</u>         | <u>2007</u>      | <u>2006</u>      |
|---|---------------------|------------------|------------------|
| Tuition and fees, net   | \$ 952,075          | 917,537          | 879,549          |
| Hospitals and clinics   | 1,595,895           | 1,621,458        | 1,430,623        |
| Federal grants and contracts                                  | 815,435             | 809,788          | 798,086          |
| State, local, private grants and contracts, and other sources | 658,284             | 719,741          | 636,291          |
| Auxiliary enterprises   | 730,913             | 679,853          | 636,941          |
| Operating revenues  | <u>4,752,602</u>    | <u>4,748,377</u> | <u>4,381,490</u> |
| State appropriations  | 2,970,720           | 2,910,145        | 2,458,827        |
| Other nonoperating  | <u>354,317</u>      | <u>503,456</u>   | <u>417,403</u>   |
| Nonoperating and other revenues                               | <u>3,325,037</u>    | <u>3,413,601</u> | <u>2,876,230</u> |
| Total revenues  | <u>\$ 8,077,639</u> | <u>8,161,978</u> | <u>7,257,720</u> |

## Management's Discussion and Analysis



### *Tuition and Fees, Net*

Tuition and fee revenue for the 2008, 2007, and 2006 fiscal years, net of scholarship allowances, were \$952 million, \$918 million, and \$880 million, an increase of \$35 million and \$38 million, in 2008 and 2007, respectively. The increases in 2008 and 2007 were driven by an increase in enrollment and slight increase in fee revenue.

Annual average full-time equivalent students, including undergraduate and graduate, were approximately 185,700, 180,200, and 176,800 for the fiscal years ended June 30, 2008, 2007, and 2006, respectively.

### *Hospitals and Clinics*

The State University has three hospitals (each with academic medical centers) under its jurisdiction - the State University hospitals at Brooklyn, Stony Brook, and Syracuse.

Hospital and clinic revenue for the 2008, 2007, and 2006 fiscal years were \$1.6 billion, \$1.62 billion, and \$1.43 billion, respectively. During the 2008 fiscal year, hospital and clinic revenues decreased \$26 million compared to the previous year principally due to a decrease in Medicaid Disproportionate Share (DSH) Program revenue from the prior year and an increase in the provisional for uncollectible accounts receivable.

### *Sponsored Research, Grant and Contract Revenue*

During fiscal year 2008, State University had a slight decrease in its volume of sponsored program activity. Total revenue from federal, state, local, private and capital grants and contracts administered by the Research Foundation was \$792 million, \$791 million, and \$710 million for the fiscal years ended June 30, 2008, 2007, and 2006, respectively. Facilities and administrative recoveries earned on grants and contracts administered by the Research Foundation were \$127 million, \$124 million, and \$123 million for the fiscal periods ending June 30, 2008, 2007, and 2006, respectively.

The volume of research and other sponsored programs reported for 2008 and 2007 by the statutory colleges at Cornell University was \$147.9 million and \$154.3 million, respectively, and Alfred University was \$4.3 million for both fiscal years.

Revenue from projects sponsored by the federal government and administered by the Research Foundation totaled \$340 million and \$341 million during 2008 and 2007, respectively. Of these federally-sponsored projects, 54 percent of the funding was received from the Public Health Service for both fiscal years. Other major federal sponsors include the National Science Foundation, the Department of Education, the Department of Defense, the Agency for International Development and the Department of Energy.

Revenue from non-federal sponsors (including federal flow-through funds) administered by the Research Foundation totaled \$453 million and \$450 million for the 2008 and 2007 fiscal years, respectively. In fiscal years 2008 and 2007, the largest non-federal support of sponsored research programs was received from the Empire State Development Corporation.

Amounts received under the State's Tuition Assistance Program decreased \$6 million from prior year. Federal grants under the Pell and other federal student aid programs increased \$17 million from the previous year.

## Management's Discussion and Analysis

### Auxiliary Enterprises

The State University's auxiliary enterprise activity is comprised of sales and services for residence halls, food services, campus store operations, intercollegiate athletics, student health services, parking, and other activities. The residence halls are generally owned, operated and managed by the State University and its campuses.

Generally, food services, campus store operations and other services are operated and managed by separately incorporated not-for-profit organizations, commonly referred to as auxiliary services corporations.

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Any excess funds generated by residence halls operating activities are separately maintained for improvements and maintenance of the residence halls.

Occupancy at the residence halls has risen steadily to 71,605 for the fall of 2007, an increase of 9,619 students since the fall of 2001 and an increase of over 1,251 students compared to the previous year. The overall utilization rate for the fall of 2007 was reported at 96.9 percent.

Auxiliary enterprise sales and services revenue totaled \$731 million, \$680 million, and \$637 million in the 2008, 2007, and 2006 fiscal years, respectively. Of these amounts, residence halls operating revenue totaled \$325 million, \$301 million, and \$280 million for 2008, 2007, and 2006, respectively. Increases in revenue were largely due to increases in occupancy levels and modest increases in room rates.

Food service operations and other auxiliary services each generated \$406 million, \$379 million, and \$357 million in revenue for fiscal years 2008, 2007, and 2006, respectively.

### State Appropriations

The State University's single largest source of revenues are State appropriations, which for financial reporting purposes is classified as

nonoperating revenues. State appropriations totaled \$2.97 billion, \$2.91 billion, and \$2.46 billion and represented approximately 37 percent, 36 percent, and 34 percent of total revenues for fiscal year 2008, 2007, and 2006, respectively. State support (both direct support for operations and indirect support for debt service and fringe benefits) for State University campus operations, statutory colleges, and hospitals and clinics increased \$61 million in 2008 and \$451 million in 2007. In 2008, State support for operating expenses increased \$176 million, while indirect State support for debt service, fringe benefits, and litigation expenses decreased \$115 million compared to 2007. In 2007, state support for debt service, fringe benefits, and litigation expenses increased \$328 million compared to 2006, driven principally by the State's defeasance of \$226.2 million of the State University's debt.

### Nonoperating and Other Revenue

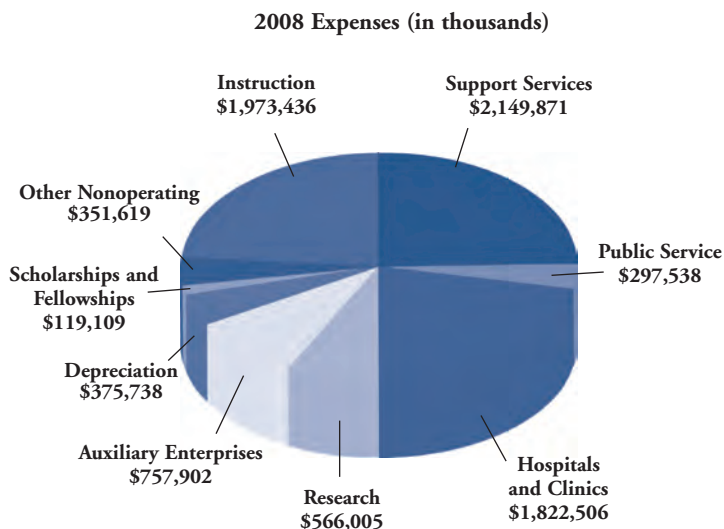
Nonoperating and other revenue excluding State appropriations were \$354 million and \$503 million for the 2008 and 2007 fiscal years, respectively. This decrease was primarily due to a decrease of \$234 million in net realized and unrealized gains offset by an increase in gifts of \$52 million and other nonoperating revenues of \$33 million.

### Expense Overview

#### Expenses (in thousands):

|                               | 2008                | 2007             | 2006             |
|-------------------------------|---------------------|------------------|------------------|
| Instruction                   | \$ 1,973,436        | 1,911,300        | 1,619,085        |
| Research                      | 566,005             | 597,301          | 542,157          |
| Public service                | 297,538             | 274,166          | 250,352          |
| Support services              | 2,149,871           | 2,017,118        | 1,735,314        |
| Scholarships and fellowships  | 119,109             | 110,738          | 98,789           |
| Hospitals and clinics         | 1,822,506           | 1,723,773        | 1,497,997        |
| Auxiliary enterprises         | 757,902             | 681,653          | 625,499          |
| Depreciation and amortization | 375,738             | 380,081          | 320,454          |
| Other nonoperating            | 351,619             | 280,357          | 268,672          |
| Total expenses                | <u>\$ 8,413,724</u> | <u>7,976,487</u> | <u>6,958,319</u> |

## Management's Discussion and Analysis



The increase in instruction expense during 2008 of \$62 million is predominately from an increase in personal service and related fringe benefit expenses. The increase of \$292 million during 2007 was primarily due to an increase of \$196 million in postemployment benefits due to the adoption of GASB Statement no. 45.

Research expenses decreased \$31 million during 2008 and increased \$55 million from 2006 to 2007. The decline in 2008 was due to decreased sponsored research expenditure activity at the Research Foundation and Cornell statutory colleges.

Support services, which includes expenses for academic support, student services, institutional support, and operation and maintenance of plant, increased \$133 million and \$282 million during 2008 and 2007, respectively. Institutional support increased \$41 million and \$121 million, and academic support increased \$33 million and \$47 million, in the 2008 and 2007 fiscal years, respectively, driven by an increase in personal service and postemployment benefit costs. Operation and maintenance of plant costs increased \$43 million and \$74 million during 2008 and 2007, respectively, attributable to an increase in capital expenses.

In the State University's financial statements, scholarships used to satisfy student tuition and fees (residence hall, food service, etc.) are reported as an allowance (offset) to the respective revenue classification up to the amount of the student

charges. The amount reported as expense represents amounts provided to the student in excess of State University charges.

Total scholarships and fellowships, including federal and state grant programs were \$554 million and \$531 million for the fiscal years ended June 30, 2008 and 2007, respectively. Of this amount, \$435 million and \$420 million were classified as scholarship allowances and \$119 million and \$111 million was reported as scholarship expense for fiscal years 2008 and 2007, respectively. Major scholarships and grants received include the State Tuition Assistance Program of \$170 million and \$176 million, and \$153.3 million and \$138.7 million from the federal Pell Program during fiscal years 2008 and 2007, respectively.

Expenses at the State University's hospitals and clinics increased \$99 million and \$226 million during 2008 and 2007, respectively, largely due to an increase in core operating and personal service costs. Also contributing to the growth in expenses in 2007 was an increase in postemployment benefit costs of \$148 million.

During fiscal years 2008 and 2007, auxiliary enterprise expenses increased \$76 million and \$56 million, respectively. For the 2008 and 2007 fiscal years, residence halls expenses increased \$48 million and \$17 million, and food service expenses increased \$16 million and \$12 million, respectively, primarily due to an increase in occupancy and rates. Other auxiliary enterprise expenses for the years ended June 30, 2008 and 2007 increased \$12 million and \$27 million, respectively.

Depreciation and amortization expense recognized in fiscal years 2008 and 2007 totaled \$376 million and \$380 million, respectively. Other nonoperating expenses were \$352 million and \$280 million for the years ended June 30, 2008 and 2007, respectively.

### Economic Factors That Will Affect the Future

The State University is one of the largest public universities in the nation, with headcount enrollment of nearly 218,000 in the fall 2008, on twenty-nine State-operated campuses and five contract/statutory colleges. The State University's student population is directly influenced by State

## *Management's Discussion and Analysis*

demographics as the majority of students attending the State University are New York residents. The enrollment outlook remains strong for the State University based on its continued ability to attract quality students for its academic programs coupled with a larger expected number of high school graduates in New York State over the next few years. Full-time equivalent enrollment, excluding community colleges, for the fiscal year ended June 30, 2008, is approximately 185,700, an increase of 5,500 FTE compared to June 30, 2007.

New York State appropriations remain the largest single source of revenues. State appropriation revenues are expected to decrease in fiscal year 2009 due to State budget constraints in response to the deteriorating economic conditions. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support. For the most recent fiscal year, State appropriations represented 37 percent of the total revenues of the State University. Continued emphasis will be placed on University-wide efforts to control operating costs and enhance other revenue streams, including philanthropy, sponsored programs, and auxiliary revenues.

Debt service on educational facilities is paid by the State in an amount sufficient to cover annual

debt service requirements; pursuant to annual statutory provisions, each of the University's three teaching hospitals must reimburse the State for their share of debt service costs to finance their capital projects. Since 2003, the State University has received more than \$6.1 billion in cumulative new multi-year capital funding authorizations for its State-operated academic facilities and teaching hospitals. Of this total, \$869 million is for State University hospitals, and \$5.3 billion is for educational facilities. According to the terms of the State's enacted budget for 2009, the educational facility amounts will be supplemented by an additional \$550 million each year for the next four years specifically to address ongoing critical maintenance needs of existing facilities, most of which are more than forty years old and thus are scheduled for major building system upgrades or the replacement of crucial building components such as roofs or windows.

The State University hospitals, each with academic medical centers, at Brooklyn, Stony Brook and Syracuse serve large numbers of Medicaid and uninsured patients and, as a result, their dependency on the Medicaid DSH Program revenue stream is critical to their continued viability. Their financial and operational capabilities will also continue to be challenged by industry deregulation and managed care.



*Balance Sheets**June 30, 2008 and 2007**In thousands*

| <u>Assets</u>                                   | <u>2008</u>                 | <u>2007</u>              |
|---|-----------------------------|--------------------------|
| Current Assets:                                 |                             |                          |
| Cash and cash equivalents                       | \$ 1,213,457                | 1,056,763                |
| Short-term investments                          | 301,093                     | 196,108                  |
| Accounts, notes, and loans receivable, net      | 582,048                     | 611,491                  |
| Interest receivable                             | 5,934                       | 8,218                    |
| Appropriations receivable                       | 414,329                     | 406,306                  |
| Grants receivable                               | 198,599                     | 164,014                  |
| Inventories                                     | 40,648                      | 36,629                   |
| Other assets                                    | 18,707                      | 13,952                   |
| Total current assets                            | <u>2,774,815</u>            | <u>2,493,481</u>         |
| Noncurrent Assets:                              |                             |                          |
| Restricted cash and cash equivalents            | 73,628                      | 71,728                   |
| Deposits with trustees                          | 886,726                     | 920,255                  |
| Accounts, notes, and loans receivable, net      | 113,633                     | 103,904                  |
| Contributions receivable                        | 29,525                      | 8,135                    |
| Appropriations receivable                       | 89,508                      | 104,774                  |
| Deferred financing costs                        | 68,276                      | 65,692                   |
| Long-term investments                           | 1,368,178                   | 1,402,845                |
| Capital assets, net                             | 5,744,812                   | 5,233,361                |
| Total noncurrent assets                         | <u>8,374,286</u>            | <u>7,910,694</u>         |
| <b>Total assets</b>                             | <b><u>\$ 11,149,101</u></b> | <b><u>10,404,175</u></b> |
| <b><u>Liabilities and Net Assets</u></b>        |                             |                          |
| Current Liabilities:                            |                             |                          |
| Accounts payable and accrued liabilities        | 621,814                     | 546,812                  |
| Interest payable                                | 201,017                     | 232,214                  |
| Student deposits                                | 11,791                      | 10,041                   |
| Deposits held in custody for others             | 75,038                      | 33,298                   |
| Deferred revenue                                | 257,869                     | 183,345                  |
| Long-term liabilities - current portion         | 477,155                     | 443,639                  |
| Other liabilities                               | 74,374                      | 54,783                   |
| Total current liabilities                       | <u>1,719,058</u>            | <u>1,504,132</u>         |
| Noncurrent Liabilities:                         |                             |                          |
| Long-term liabilities                           | 7,314,219                   | 6,455,969                |
| Refundable government loan funds                | 144,250                     | 141,085                  |
| Other noncurrent liabilities                    | 40,030                      | 35,360                   |
| Total noncurrent liabilities                    | <u>7,498,499</u>            | <u>6,632,414</u>         |
| <b>Total liabilities</b>                        | <b><u>9,217,557</u></b>     | <b><u>8,136,546</u></b>  |
| Net Assets:                                     |                             |                          |
| Invested in capital assets, net of related debt | 641,283                     | 596,527                  |
| Restricted - nonexpendable:                     |                             |                          |
| Instruction and departmental research           | 77,730                      | 91,344                   |
| Scholarships and fellowships                    | 102,577                     | 72,356                   |
| General operations and other                    | 84,073                      | 82,693                   |
| Restricted - expendable:                        |                             |                          |
| Instruction and departmental research           | 434,342                     | 441,576                  |
| Scholarships and fellowships                    | 109,854                     | 115,357                  |
| Capital projects                                | 88,879                      | 86,901                   |
| Loans   | 22,979                      | 23,138                   |
| General operations and other                    | 261,116                     | 247,200                  |
| Unrestricted                                    | 108,711                     | 510,537                  |
| <b>Total net assets</b>                         | <b><u>1,931,544</u></b>     | <b><u>2,267,629</u></b>  |
| <b>Total liabilities and net assets</b>         | <b><u>\$ 11,149,101</u></b> | <b><u>10,404,175</u></b> |

*See accompanying notes to financial statements.*

*Statements of Revenues, Expenses, and Changes in Net Assets*  
*For the Years Ended June 30, 2008 and 2007*  
*In thousands*

|  | <u>2008</u>                | <u>2007</u>               |
|--|----------------------------|---------------------------|
| <b>Operating revenues:</b>                           |                            |                           |
| Tuition and fees                                     | \$ 1,284,276               | 1,244,601                 |
| Less scholarship allowances                          | <u>(332,201)</u>           | <u>(327,064)</u>          |
| Net tuition and fees                                 | 952,075                    | 917,537                   |
| Federal grants and contracts                         | 815,435                    | 809,788                   |
| State grants and contracts                           | 266,405                    | 325,584                   |
| Local grants and contracts                           | 15,926                     | 16,599                    |
| Private grants and contracts                         | 273,568                    | 269,842                   |
| Sales and services:                                  |                            |                           |
| University hospitals and clinics                     | 1,595,895                  | 1,621,458                 |
| Educational activities                               | 50,918                     | 48,411                    |
| Sales and services of auxiliary enterprises:         |                            |                           |
| Residence halls, net                                 | 324,895                    | 301,452                   |
| Food service, net                                    | 203,277                    | 189,386                   |
| Other, net   | 202,741                    | 189,015                   |
| Other sources  | 51,467                     | 59,305                    |
| <b>Total operating revenues</b>                      | <b><u>4,752,602</u></b>    | <b><u>4,748,377</u></b>   |
| <b>Operating expenses:</b>                           |                            |                           |
| Instruction  | 1,973,436                  | 1,911,300                 |
| Research   | 566,005                    | 597,301                   |
| Public service                                       | 297,538                    | 274,166                   |
| Academic support                                     | 420,053                    | 387,427                   |
| Student services                                     | 256,988                    | 237,152                   |
| Institutional support                                | 834,314                    | 792,914                   |
| Operation and maintenance of plant                   | 630,969                    | 588,256                   |
| Scholarships and fellowships                         | 119,109                    | 110,738                   |
| Hospitals and clinics                                | 1,822,506                  | 1,723,773                 |
| Auxiliary enterprises:                               |                            |                           |
| Residence halls                                      | 309,746                    | 261,387                   |
| Food service   | 206,567                    | 190,711                   |
| Other  | 241,589                    | 229,555                   |
| Depreciation and amortization expense                | 375,738                    | 380,081                   |
| Other operating expenses                             | 7,547                      | 11,369                    |
| <b>Total operating expenses</b>                      | <b><u>8,062,105</u></b>    | <b><u>7,696,130</u></b>   |
| <b>Operating loss</b>                                | <b><u>(3,309,503)</u></b>  | <b><u>(2,947,753)</u></b> |
| <b>Nonoperating revenues (expenses):</b>             |                            |                           |
| State appropriations:                                |                            |                           |
| University operations                                | 2,819,541                  | 2,736,114                 |
| Hospitals and clinics                                | 151,179                    | 174,031                   |
| Federal appropriations                               | 20,467                     | 16,767                    |
| Investment income, net of investment fees            | 132,418                    | 128,386                   |
| Net realized and unrealized gains (losses)           | (35,418)                   | 233,937                   |
| Gifts  | 99,306                     | 47,567                    |
| Interest expense on capital related debt             | (306,472)                  | (266,086)                 |
| Loss on disposal of plant assets                     | (9,729)                    | (14,271)                  |
| Other nonoperating revenues, net                     | 13,007                     | 3,789                     |
| <b>Net nonoperating revenues</b>                     | <b><u>2,884,299</u></b>    | <b><u>3,060,234</u></b>   |
| <b>Income (loss) before other revenues and gains</b> | <b><u>(425,204)</u></b>    | <b><u>112,481</u></b>     |
| Capital appropriations                               | 9,259                      | 3,314                     |
| Capital gifts and grants                             | 68,912                     | 60,882                    |
| Additions to permanent endowments                    | 10,948                     | 8,814                     |
| <b>Change in net assets</b>                          | <b><u>(336,085)</u></b>    | <b><u>185,491</u></b>     |
| <b>Net assets at the beginning of year</b>           | <b><u>2,267,629</u></b>    | <b><u>2,082,138</u></b>   |
| <b>Net assets at the end of year</b>                 | <b><u>\$ 1,931,544</u></b> | <b><u>2,267,629</u></b>   |

*See accompanying notes to financial statements.*

## *Statements of Cash Flows*

*For the Years Ended June 30, 2008 and 2007*  
*In thousands*

|  | <u>2008</u>                | <u>2007</u>               |
|--|----------------------------|---------------------------|
| <b>Cash flows from operating activities:</b>                     |                            |                           |
| Tuition and fees   | \$ 960,796                 | 922,388                   |
| Grants and contracts:  |                            |                           |
| Federal  | 796,284                    | 796,985                   |
| State and local  | 317,626                    | 302,978                   |
| Private  | 322,607                    | 264,622                   |
| Hospital and clinics   | 1,573,056                  | 1,526,450                 |
| Personal service payments  | (3,402,942)                | (3,191,197)               |
| Other than personal service payments                             | (2,167,042)                | (1,977,187)               |
| Payments for fringe benefits                                     | (390,181)                  | (364,843)                 |
| Payments for scholarships and fellowships                        | (61,488)                   | (55,244)                  |
| Loans issued to students   | (26,461)                   | (35,551)                  |
| Collection of loans to students                                  | 18,855                     | 29,443                    |
| Auxiliary enterprise charges:                                    |                            |                           |
| Residence halls  | 325,213                    | 302,918                   |
| Food service   | 201,888                    | 190,962                   |
| Other (intercollegiate athletics, bookstore, fees, and vending)  | 189,470                    | 175,531                   |
| Sales and service of educational activities                      | 47,997                     | 40,173                    |
| Other receipts   | 50,846                     | 16,152                    |
| <b>Net cash used by operating activities</b>                     | <b><u>(1,243,476)</u></b>  | <b><u>(1,055,420)</u></b> |
| <b>Cash flows from noncapital financing activities:</b>          |                            |                           |
| State appropriations:  |                            |                           |
| Operations   | 1,468,865                  | 1,312,409                 |
| Debt service   | 437,669                    | 649,592                   |
| Federal appropriations   | 20,902                     | 15,748                    |
| Private gifts and grants   | 77,876                     | 67,058                    |
| Proceeds from short-term loans                                   | 54,839                     | 127,471                   |
| Repayment of short-term loans                                    | (68,939)                   | (128,043)                 |
| Direct loan receipts   | 275,953                    | 264,059                   |
| Direct loan disbursements  | (275,953)                  | (264,059)                 |
| Other receipts   | 19,102                     | 14,418                    |
| <b>Net cash provided by noncapital financing activities</b>      | <b><u>2,010,314</u></b>    | <b><u>2,058,653</u></b>   |
| <b>Cash flows from capital and related financing activities:</b> |                            |                           |
| Proceeds from capital debt                                       | 742,414                    | 603,496                   |
| Capital appropriations   | 9,259                      | 3,578                     |
| Capital grants and gifts received                                | 63,085                     | 67,513                    |
| Proceeds from sale of capital assets                             | 2,335                      | 172                       |
| Purchases of capital assets                                      | (227,927)                  | (272,249)                 |
| Payments to contractors  | (612,237)                  | (522,827)                 |
| Principal paid on capital debt and leases                        | (260,524)                  | (475,329)                 |
| Interest paid on capital debt and leases                         | (305,385)                  | (301,508)                 |
| Other receipts (payments)  | (2,310)                    | 685                       |
| <b>Net cash used by capital and related financing activities</b> | <b><u>(591,290)</u></b>    | <b><u>(896,469)</u></b>   |
| <b>Cash flows from investing activities:</b>                     |                            |                           |
| Proceeds from sales and maturities of investments                | 4,040,036                  | 3,541,775                 |
| Interest, dividends, and realized gains on investments           | 152,200                    | 182,798                   |
| Purchases of investments   | (4,209,190)                | (3,613,235)               |
| <b>Net cash provided (used) by investing activities</b>          | <b><u>(16,954)</u></b>     | <b><u>111,338</u></b>     |
| <b>Net change in cash</b>  | <b><u>158,594</u></b>      | <b><u>218,102</u></b>     |
| <b>Cash - beginning of year</b>                                  | <b><u>1,128,491</u></b>    | <b><u>910,389</u></b>     |
| <b>Cash - end of year</b>  | <b><u>\$ 1,287,085</u></b> | <b><u>1,128,491</u></b>   |
| <b>End of year cash comprised of:</b>                            |                            |                           |
| <b>Cash and cash equivalents</b>                                 | <b><u>\$ 1,213,457</u></b> | <b><u>1,056,763</u></b>   |
| <b>Restricted cash and cash equivalents</b>                      | <b><u>\$ 73,628</u></b>    | <b><u>71,728</u></b>      |

## *Statements of Cash Flows (continued)*

*For the Years Ended June 30, 2008 and 2007*

*In thousands*

| <b>Reconciliation of net operating loss to net cash used by operating activities:</b> | <b><u>2008</u></b>           | <b><u>2007</u></b>        |
|---|------------------------------|---------------------------|
| Operating loss  | \$ (3,309,503)               | (2,947,753)               |
| Adjustments to reconcile operating loss to net cash used by operating activities:     |                              |                           |
| Depreciation and amortization expense   | 375,738                      | 380,081                   |
| Fringe benefits and litigation costs provided by State                                | 1,022,522                    | 955,445                   |
| Change in assets and liabilities:   |                              |                           |
| Receivables, net  | (14,862)                     | (99,415)                  |
| Inventories   | (4,019)                      | (1,578)                   |
| Other assets  | (7,337)                      | (5,055)                   |
| Accounts payable, accrued expenses, and other liabilities                             | 575,822                      | 687,033                   |
| Deferred revenue  | 74,523                       | (26,294)                  |
| Student deposits  | 1,750                        | (2,065)                   |
| Deposits held for others  | 41,890                       | 4,181                     |
| <b>Net cash used by operating activities</b>  | <b><u>\$ (1,243,476)</u></b> | <b><u>(1,055,420)</u></b> |
| <br><b>Supplemental disclosures for noncash transactions:</b>                         |                              |                           |
| New capital leases / debt agreements  | \$ <u>182,612</u>            | <u>166,157</u>            |
| Fringe benefits provided by the State   | \$ <u>999,638</u>            | <u>929,878</u>            |
| Litigation costs provided by the State  | \$ <u>22,884</u>             | <u>25,567</u>             |
| Noncash gifts   | \$ <u>2,149</u>              | <u>2,896</u>              |

*See accompanying notes to financial statements.*

# State University of New York Foundations

## Balance Sheet

June 30, 2008 (with comparative totals for June 30, 2007)  
In thousands

| <u>Assets</u>                            | <u>2008</u>         | <u>2007</u>      |
|--|---------------------|------------------|
| Cash and cash equivalents                | \$ 85,652           | 64,062           |
| Accounts and notes receivable, net       | 13,044              | 15,347           |
| Pledges receivable, net                  | 89,631              | 49,596           |
| Investments                              | 895,053             | 899,975          |
| Other assets                             | 46,143              | 50,419           |
| Capital assets, net                      | 334,025             | 321,752          |
| <b>Total assets</b>                      | <b>\$ 1,463,548</b> | <b>1,401,151</b> |
| <b><u>Liabilities and Net Assets</u></b> |                     |                  |
| Liabilities:                             |                     |                  |
| Accounts payable and accrued liabilities | 23,290              | 23,808           |
| Current portion of long-term debt        | 9,232               | 9,163            |
| Deferred revenue                         | 1,639               | 1,713            |
| Deposits held in custody for others      | 42,744              | 43,002           |
| Other liabilities                        | 44,096              | 32,679           |
| Long-term debt                           | 267,850             | 257,975          |
| <b>Total liabilities</b>                 | <b>388,851</b>      | <b>368,340</b>   |
| Net Assets:                              |                     |                  |
| Unrestricted:                            |                     |                  |
| Board designated for:                    |                     |                  |
| Fixed assets                             | 105,593             | 79,888           |
| Campus programs                          | 118,744             | 112,519          |
| Investments                              | 61,069              | 77,528           |
| Other                                    | 23,937              | 23,595           |
| Undesignated                             | 16,588              | 36,930           |
| Temporarily restricted:                  |                     |                  |
| Scholarships and fellowships             | 70,106              | 80,488           |
| Campus programs                          | 143,071             | 139,258          |
| Research                                 | 16,773              | 17,963           |
| General operations and other             | 73,197              | 64,018           |
| Permanently restricted:                  |                     |                  |
| Scholarships and fellowships             | 205,731             | 188,783          |
| Campus programs                          | 150,683             | 150,484          |
| Research                                 | 13,411              | 13,072           |
| General operations and other             | 75,794              | 48,285           |
| <b>Total net assets</b>                  | <b>1,074,697</b>    | <b>1,032,811</b> |
| <b>Total liabilities and net assets</b>  | <b>\$ 1,463,548</b> | <b>1,401,151</b> |

*See accompanying notes to financial statements.*

# State University of New York Foundations

## Statement of Activities

For the Year Ended June 30, 2008 (with comparative totals for June 30, 2007)  
In thousands

|  | Unrestricted             | Temporarily<br>Restricted | Permanently<br>Restricted | 2008<br>Total           | 2007<br>Total           |
|--|--------------------------|---------------------------|---------------------------|-------------------------|-------------------------|
| Revenues:                                    |                          |                           |                           |                         |                         |
| Contributions, gifts, and grants             | \$ 32,954                | 75,917                    | 53,892                    | 162,763                 | 114,247                 |
| Investment income, net                       | 9,410                    | 19,189                    | 2,216                     | 30,815                  | 27,765                  |
| Net realized and unrealized gains (losses)   | (13,131)                 | (22,930)                  | (6,090)                   | (42,151)                | 92,381                  |
| Rental income                                | 45,707                   | 399                       | -                         | 46,106                  | 42,609                  |
| Sales and services                           | 20,501                   | -                         | 5                         | 20,506                  | 15,482                  |
| Program income and special events            | 38,306                   | 4,533                     | 92                        | 42,931                  | 46,145                  |
| Change in value of split interest agreements | (89)                     | (84)                      | (2,001)                   | (2,174)                 | 2,397                   |
| Other sources                                | 1,182                    | 576                       | 18                        | 1,776                   | 2,797                   |
| Endowment earnings transferred               | -                        | 3,137                     | (3,137)                   | -                       | -                       |
| Net assets released from restrictions        | 79,317                   | (79,317)                  | -                         | -                       | -                       |
| <b>Total revenues</b>                        | <b><u>214,157</u></b>    | <b><u>1,420</u></b>       | <b><u>44,995</u></b>      | <b><u>260,572</u></b>   | <b><u>343,823</u></b>   |
| Expenses:                                    |                          |                           |                           |                         |                         |
| Program expenses                             | 94,868                   | -                         | -                         | 94,868                  | 91,008                  |
| Payments to the State University:            |                          |                           |                           |                         |                         |
| Scholarships and fellowships                 | 22,450                   | -                         | -                         | 22,450                  | 20,959                  |
| Other  | 20,296                   | -                         | -                         | 20,296                  | 22,803                  |
| Real estate expenses                         | 18,639                   | -                         | -                         | 18,639                  | 16,403                  |
| Depreciation and amortization expense        | 13,146                   | -                         | -                         | 13,146                  | 12,620                  |
| Interest expense on capital-related debt     | 13,020                   | -                         | -                         | 13,020                  | 11,705                  |
| Management and general                       | 18,310                   | -                         | -                         | 18,310                  | 17,106                  |
| Fundraising                                  | 14,424                   | -                         | -                         | 14,424                  | 13,317                  |
| Other expenses                               | 3,533                    | -                         | -                         | 3,533                   | 2,239                   |
| <b>Total expenses</b>                        | <b><u>218,686</u></b>    | <b><u>-</u></b>           | <b><u>-</u></b>           | <b><u>218,686</u></b>   | <b><u>208,160</u></b>   |
| <b>Change in net assets</b>                  | <b>(4,529)</b>           | <b>1,420</b>              | <b>44,995</b>             | <b>41,886</b>           | <b>135,663</b>          |
| <b>Net assets, beginning of year</b>         | <b><u>330,460</u></b>    | <b><u>301,727</u></b>     | <b><u>400,624</u></b>     | <b><u>1,032,811</u></b> | <b><u>897,148</u></b>   |
| <b>Net assets, end of year</b>               | <b><u>\$ 325,931</u></b> | <b><u>303,147</u></b>     | <b><u>445,619</u></b>     | <b><u>1,074,697</u></b> | <b><u>1,032,811</u></b> |

See accompanying notes to financial statements.

# Notes to Financial Statements

June 30, 2008 and 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation

### Reporting Entity

For financial reporting purposes, the State University of New York (State University) consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, and statutory colleges (located at the campuses of Cornell and Alfred Universities), central services and other affiliated entities determined to be includable in the State University's financial reporting entity.

Inclusion in the reporting entity is based primarily on the notion of financial accountability, defined in terms of a primary government (State University) that is financially accountable for the organizations that make up its legal entity. The reporting entity includes legally-separate organizations meeting certain financial accountability and fiscal dependency criteria of the State University. Separate legal entities meeting the criteria for inclusion in the blended totals of the State University reporting entity are described below. The State University is included in the financial statements of the State of New York (State) as an enterprise fund as the State is the primary government of the State University.

Legally-separate, tax-exempt, affiliated organizations that receive or hold economic resources that are significant to, that are entirely or almost entirely for the direct benefit of, and that can be accessed by, the primary government, its component units, or its constituents are required to be included in the reporting entity using discrete presentation requirements. As a result, the combined totals of the campus-related foundations and student housing corporations (all referred to as foundations) are separately presented as an aggregate component unit on financial statement pages 16 and 17 in the State University's financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB).

The Research Foundation of State University of New York (Research Foundation) is a separate, private, nonprofit educational corporation that operates as the fiscal administrator for the majority

of the State University's sponsored programs. The programs include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The activity of the Research Foundation has been included in these financial statements using GASB measurements and recognition standards. The financial activity was derived from audited financial statements of the Research Foundation for the years ended June 30, 2008 and 2007.

Almost all of the State University's campuses maintain auxiliary services corporations. These corporations are campus-based, nonprofit organizations which, as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. Although separate and independent legal entities, these corporations carry out operations which are integrally related to the State University and, therefore, are included in the financial statements of the State University. All of the financial data for these corporations was derived from each entity's individual audited financial statements, the majority of which have a May 31 or June 30 fiscal year end.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs and rehabilitates facilities of the State University pursuant to an approved master plan. Although the Construction Fund is a separate legal entity, it carries out operations which are integrally related to the State University and, therefore, the financial activity related to the Construction Fund is included in the State University's financial statements as of the Construction Fund's fiscal years end of March 31, 2008 and 2007.

The State statutory colleges at Cornell University and Alfred University are an integral part of, and are administered by, those universities. The statutory colleges are fiscally dependent on State appropriations through the State University. The financial statement information of the statutory colleges of Cornell University and Alfred University, have been included in the accompanying financial statements.

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni associations and student associations,

# Notes to Financial Statements

June 30, 2008 and 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

do not meet the criteria for inclusion, and are not included, in the accompanying financial statements.

The State University administers State financial assistance to the community colleges in connection with its general supervision responsibilities pursuant to State Education Law. However, since these community colleges are sponsored by local governmental entities and are included in their financial statements, the community colleges are not considered part of the State University's financial reporting entity and, therefore, are not included in the accompanying financial statements.

The accompanying financial statements of the State University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The State University applies all applicable pronouncements of the FASB issued on or before November 30, 1989 that do not conflict or contradict GASB pronouncements. The State University has elected not to apply FASB pronouncements issued after November 30, 1989.

During 2007, the State University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenses, the related assets or liabilities and note disclosures in the financial statements.

The State University reports its financial statements as a special purpose government engaged in business-type activities, as defined by GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the State University consist of classified balance sheets; statements of revenues, expenses, and changes in net assets, that distinguish between operating and non-operating revenues and expenses; and statements of cash flows, using the direct method of presenting cash flows from operations and other sources.

The State University's policy for defining operating activities in the statement of revenues, expenses, and changes in net assets are those that generally result from exchange transactions, i.e., the payments received for services and payments made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities and include the State University's operating and capital appropriations from the State, federal appropriations, nonexchange receipts, net investment income, gifts, and interest expense.

Resources are classified for accounting and financial reporting purposes into the following four net asset categories:

### Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

### Restricted – nonexpendable

Net assets subject to externally imposed conditions that require the State University retain in perpetuity.

### Restricted – expendable

Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the State University or by the passage of time.

### Unrestricted, all other categories of net assets

Included in unrestricted net assets are amounts provided for specific use by the State University's colleges and universities, hospitals and clinics, and separate legal entities included in the State University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The State University has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

## **Revenues**

Revenues are recognized in the accounting period when earned. State appropriations are recognized when they are made legally available for expenditure. Revenues and expenditures arising from



# Notes to Financial Statements

June 30, 2008 and 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

nonexchange transactions are recognized when all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value. Net patient service revenue for the hospitals is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications for 2008 and 2007 were reported net of the following scholarship discount and allowance amounts (in thousands):

|                 | <u>2008</u> | <u>2007</u> |
|-----------------|-------------|-------------|
| Residence halls | \$ 54,088   | 49,010      |
| Food service    | 24,476      | 22,000      |
| Other auxiliary | 24,410      | 21,945      |

### **Cash and Cash Equivalents**

Cash and cash equivalents are defined as current operating assets that include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools which are included in short-term and long-term investments in the accompanying balance sheets.

### **Investments**

Investments in marketable securities are stated at fair value based upon quoted market prices. Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted - nonexpendable net assets if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted - expendable net assets as provided for under the terms of the gift, or as unrestricted. At June 30, 2008 and 2007, the State University had \$715 million and \$761 million available for authorization for expenditure, \$429 million and

\$459 million from restricted funds, and \$286 million and \$302 million from unrestricted funds, respectively.

The State University's Board of Trustees has the responsibility of oversight for the State University's endowment and similar funds, including the establishment of investment objectives and guidelines, asset allocation parameters, and spending policy. The primary investment objective is to preserve the purchasing power of fund assets while providing a relatively predictable, stable, and constant stream of earnings in line with spending needs. The expenditure of available endowment and similar funds income is subject to State appropriation and may be spent at an annual rate of 5 percent increase per unit value per year, subject to certain minimum and maximum spending parameters. The State University investments include domestic and international equity and fixed income securities, real estate and commodity investments, and a limited use of an alternative investment strategy under a fund-of-funds approach.

The Investment Committee of the Cornell Board of Trustees establishes the investment policy of the Cornell statutory colleges. Distributions from the pool are approved by the Cornell Board of Trustees and are provided for program support independent of the cash yield and appreciation of investments in that year. Investments in the pool are stated at fair value and include limited use of derivative instruments, including leverage futures, options and other similar vehicles to manage market exposure and to enhance the total return.

Alternative investments are valued using current estimates of fair value obtained from the investment manager in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuations provided by the external investment managers. Because of the inherent uncertainty of valuation for these investments, the investment manager's estimate may differ from the values that would have been used had a ready market existed.

### **Capital Assets**

Capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. Building reno-

# Notes to Financial Statements

June 30, 2008 and 2007

## 1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

valuations and additions costing over \$100,000 and equipment items with a unit cost of more than \$5,000 are capitalized. Equipment under capital leases are stated at the present value of minimum lease payments at the inception of the lease. Generally, the net interest cost on debt during the construction period related to capital projects is capitalized and totaled \$7.9 million and \$9.2 million, in the 2008 and 2007 fiscal years, respectively. Library materials are capitalized and amortized over a ten-year period. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized. Capital assets, with the exception of land, construction in progress, and inexhaustible works of art, are depreciated on a straight-line basis over their estimated useful lives, using historical and industry experience, ranging from 3 to 50 years.

### *Deferred Financing Costs*

Deferred financing costs represent costs incurred for the issuance of bonds that are capitalized and amortized over the life of the related debt.

### *Inventories*

Inventories held by the State University are primarily stated at the lower of cost or market value on a first-in, first-out basis.

### *Compensated Absences*

Employees accrue annual leave based primarily on the number of years employed up to a maximum rate of 21 days per year up to a maximum of 40 days.

### *Fringe Benefits*

Employee fringe benefit costs (e.g., health insurance, worker's compensation, and pension and post-retirement benefits) are paid by the State on behalf of the State University (except for the State University hospitals, which pay their own fringe

benefit costs) at a fringe benefit rate determined by the State. The State University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

### *Postemployment Benefits*

Postemployment benefits other than pensions are recognized on an actuarially determined basis as employees earn benefits that are expected to be used in the future. The amounts earned include employee sick leave credits expected to be used to pay for a share of post-retirement health insurance.

### *Tax Status*

The State University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations.

The Research Foundation and campus auxiliary services corporations are nonprofit organizations as described in Section 501(c)(3) of the Internal Revenue Service Code and are tax-exempt on related income, pursuant to Section 501(a) of the code.

### *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Reclassifications*

Certain amounts displayed in the 2007 financial statements have been reclassified to conform to the 2008 presentation.

## Notes to Financial Statements

June 30, 2008 and 2007

### 2. Cash and Cash Equivalents

Cash and cash equivalents represent State University funds held in the State treasury, in the short-term investment pool (STIP), or local depositories, and cash held by affiliated organizations. Cash held in the State treasury beyond immediate need is pooled with other State funds for short-term investment purposes. The pooled balances are limited to legally-stipulated investments which include obligations of, or are guaranteed by, the United States, obligations of the State and its political subdivisions, and repurchase agreements. These investments are reported at cost (which approximates fair value) and are held by the State's agent in its name on behalf of the State University.

The New York State *Comprehensive Annual Financial Report* contains the GASB No. 40 risk disclosures for deposits held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by a pledging financial institution; or (c) collateralized with securities held by a pledging financial institution's trust department or agency, but not in the State University or affiliates name at June 30, 2008 and 2007, is as follows (in thousands):

|      | <u>Category a</u> | <u>Category b</u> | <u>Category c</u> |
|------|-------------------|-------------------|-------------------|
| 2008 | \$ 59,238         | 24,868            | 4,639             |
| 2007 | 54,022            | 20,786            | 2,615             |

### 3. Deposits with Trustees

Deposits with trustees primarily represent Dormitory Authority of the State of New York (DASNY) bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds which have been designated for capital projects and equipment.

The State University's cash and investments which comprise deposits with trustees are registered in the State University's name held by an agent or in trust accounts in the State University's name. Cash and short-term investments held in the State treasury and money market accounts were approximately \$53.9 million and \$53.3 million at June 30, 2008 and 2007, respectively. The market value of investments held and maturity are displayed in the table below (in thousands).

### 4. Investments

Investments of the State University are recorded at fair value. Investment income is reported net of investment fees of \$4.4 million and \$4.2 million for 2008 and 2007, respectively. Investments are comprised of investments of the State University's endowment and similar funds, the statutory colleges at Cornell University and Alfred University (Alfred Ceramics), the Research Foundation, the

| <u>Type of Investments</u> | <u>Fiscal Year 2008</u> |                         |                  |               | <u>Fiscal Year 2007</u> |                         |                  |
|----------------------------|-------------------------|-------------------------|------------------|---------------|-------------------------|-------------------------|------------------|
|                            | <u>Fair Value</u>       | <u>Less than 1 year</u> | <u>1-5 years</u> | <u>Rating</u> | <u>Fair Value</u>       | <u>Less than 1 year</u> | <u>1-5 years</u> |
| US Treasury notes/bonds    | \$ 206,887              | 185,647                 | 21,240           | -             | 305,757                 | 305,456                 | 301              |
| US Treasury bills          | 360,903                 | 360,903                 | -                | -             | 303,591                 | 303,591                 | -                |
| US Treasury strips         | 246,328                 | 243,777                 | 2,551            | -             | 257,570                 | 257,570                 | -                |
| FNMA*                      | 4,062                   | 4,062                   | -                | AAA           | -                       | -                       | -                |
| Federal Home Loan Bank     | 14,635                  | 14,635                  | -                | AAA           | -                       | -                       | -                |
| Total                      | <u>\$ 832,815</u>       | <u>809,024</u>          | <u>23,791</u>    |               | <u>866,918</u>          | <u>866,617</u>          | <u>301</u>       |

\*Federal National Mortgage Association

## Notes to Financial Statements

June 30, 2008 and 2007

### 4. Investments (continued)

Construction Fund, and the auxiliary services corporations. Pooled investments are held in two separate and distinct investment pools - the State University's investment pool and Cornell's long-term investment pool. The investments of the State University's investment pool are held by the State University's agent in the State University's name.

Substantially, all of the investments of the State University's endowment and similar funds are pooled on a fair value basis. Individual funds subscribe to or dispose of units on the basis of the market value per unit at the beginning of the month within which the transaction takes place.

Investments of the endowment and similar funds of the Cornell statutory colleges, except for separately invested funds with a fair value of \$42.7 million and \$39 million at June 30, 2008 and 2007, respectively; are pooled on a fair value basis in Cornell's long-term investment pool and living trust fund. Individual funds enter or withdraw from the pool based on each fund's share of the fair value of the pool's investments.

The Research Foundation maintains a diverse investment portfolio and with respect to debt instruments, has a policy of investing in primarily high quality securities. Investments are held with the investment custodian in the Research Foundation's name. Investments include \$82.1 million and \$80 million of investments designated for their post-retirement benefit plan at June 30, 2008 and 2007, respectively.

Investments of the Construction Fund have been made in accordance with the applicable provisions of the laws of the State and the Construction Fund's investment policy and consisted primarily of obligations of the United States government and its agencies. These investments are held by the State's agent in the State University Construction Fund's name.

Investments of the auxiliary services corporations and Alfred Ceramics were derived from each entity's individual financial statements.

The State University's financial position may be impacted through its market risk positions and by changes in economic conditions.

The composition of investments is as follows (in thousands):

| <u>State University Campuses</u>                  | <u>2008</u>         | <u>2007</u>      |
|---|---------------------|------------------|
| Pooled funds:                                     |                     |                  |
| Non-equities                                      | \$ 92,383           | 81,458           |
| Equities - domestic                               | 183,112             | 241,349          |
| Equities - international                          | 125,388             | 109,667          |
| Total pooled funds                                | <u>400,883</u>      | <u>432,474</u>   |
| Separately invested funds-                        |                     |                  |
| Non-Equities                                      | 83                  | 80               |
| Total invested funds                              | <u>400,966</u>      | <u>432,554</u>   |
| <u>Cornell Statutory Colleges</u>                 |                     |                  |
| Pooled funds:                                     |                     |                  |
| Non-equities                                      | 433,006             | 380,547          |
| Equities - domestic                               | 181,346             | 192,704          |
| Equities - international                          | 107,135             | 128,809          |
| Total pooled funds                                | <u>721,487</u>      | <u>702,060</u>   |
| Short-term and separately invested funds:         |                     |                  |
| Non-equities                                      | 21,869              | 17,611           |
| Equities  | 20,795              | 21,401           |
| Total short-term and<br>separately invested funds | <u>42,664</u>       | <u>39,012</u>    |
| Total invested funds                              | <u>764,151</u>      | <u>741,072</u>   |
| <u>Alfred Ceramics</u>                            |                     |                  |
| Non-equities                                      | 10,054              | 13,127           |
| Equities  | 13,933              | 11,438           |
| Total invested funds                              | <u>23,987</u>       | <u>24,565</u>    |
| <u>Research Foundation</u>                        |                     |                  |
| Non-equities                                      | 209,062             | 113,792          |
| Equities  | 179,157             | 195,925          |
| Total invested funds                              | <u>388,219</u>      | <u>309,717</u>   |
| <u>Auxiliary Services Corporations</u>            |                     |                  |
| Non-equities                                      | 43,511              | 43,111           |
| Equities  | 19,292              | 18,171           |
| Total invested funds                              | <u>62,803</u>       | <u>61,282</u>    |
| <u>State University Construction Fund</u>         |                     |                  |
| Total invested funds -                            |                     |                  |
| non-equities                                      | 29,145              | 29,763           |
| Total investments                                 | \$ <u>1,669,271</u> | <u>1,598,953</u> |
| Classified as short-<br>term                      | \$ <u>301,093</u>   | <u>196,108</u>   |

Generally, individual investment securities must be of investment grade. The State University maintains a portfolio which possesses an overall weighted average rating by Moody's and Standard and Poor's (S&P) of at least A. Private placement securities must be rated A3 or higher by Moody's or A- or higher by S&P. Parameters exist that allow some

## Notes to Financial Statements

June 30, 2008 and 2007

### 4. Investments (continued)

limited investments in non-investment grade; however, investments rated below B3 by Moody's or B- by S&P are prohibited. Policies are in place that limit fixed income investment duration within certain benchmarks and a highly diversified portfolio is maintained which limits interest rate risk

exposure. At June 30, 2008 and 2007, the State University had the following investments and maturities as summarized in Table A.

Credit quality ratings of the State University's investments in debt securities, as described by Moody's, S&P, and Fitch IBCA as of June 30, 2008 and 2007 are summarized in Table B.

**Table A** (in thousands)

| Investment Type              | Fair Value | Fiscal Year 2008 |         |          |                  | Fiscal Year 2007 |                |         |          |                  |
|------------------------------|------------|------------------|---------|----------|------------------|------------------|----------------|---------|----------|------------------|
|                              |            | Less than 1 yr   | 1-5 yrs | 6-10 yrs | More than 10 yrs | Fair Value       | Less than 1 yr | 1-5 yrs | 6-10 yrs | More than 10 yrs |
| US treasury bills            | \$ 2,115   | 2,115            | -       | -        | -                | 3,959            | 3,959          | -       | -        | -                |
| US treasury notes/bonds      | 13,010     | 2,193            | (515)   | 2,941    | 8,391            | 26,135           | 3,347          | 9,606   | 1,743    | 11,439           |
| US treasury strips           | 6,018      | 6,018            | -       | -        | -                | 308              | 308            | -       | -        | -                |
| Asset-backed securities      | 48,964     | 704              | 35,777  | 8,018    | 4,465            | 62,221           | 4,082          | 36,859  | 9,536    | 11,744           |
| Municipals                   | 4,242      | 15               | 1,209   | 1,654    | 1,364            | 6,256            | 14             | 1,855   | 3,120    | 1,267            |
| Repurchase agreements        | 25,227     | 25,227           | -       | -        | -                | 24,499           | 24,499         | -       | -        | -                |
| Corporate bonds              | 36,317     | 1,575            | 13,699  | 11,966   | 9,077            | 34,042           | 3,385          | 11,095  | 12,444   | 7,118            |
| Commercial paper             | 5,819      | 5,819            | -       | -        | -                | 6,235            | 6,000          | -       | 235      | -                |
| Mutual funds – non-equities  | 211,522    | 132,367          | 38,234  | 38,597   | 2,324            | 71,387           | 22,190         | 32,856  | 20,341   | (4,000)          |
| International – non-equities | 13,542     | 724              | 2,169   | 2,928    | 7,721            | 11,609           | 528            | 3,254   | 2,044    | 5,783            |
| US government – TIPS         | 5,706      | -                | (1,411) | 4,080    | 3,037            | 11,100           | -              | 8,070   | (491)    | 3,521            |
| US government agencies       | 42,976     | 1,116            | 14,166  | 10,684   | 17,010           | 42,100           | 238            | 13,951  | 12,664   | 15,247           |
| Total                        | \$ 415,458 | 177,873          | 103,328 | 80,868   | 53,389           | 299,851          | 68,550         | 117,546 | 61,636   | 52,119           |

**Table B** (in thousands)

| Credit Rating                 | AAA        | AA     | A      | BBB    | BB    | B   | Not Rated |
|-------------------------------|------------|--------|--------|--------|-------|-----|-----------|
| <b>Investment Type - 2008</b> |            |        |        |        |       |     |           |
| Asset-backed securities       | \$ 46,050  | 999    | 233    | 743    | 372   | -   | 567       |
| Municipal bonds               | 1,480      | 1,413  | 758    | 146    | -     | -   | 445       |
| Corporate bonds               | 2,831      | 7,329  | 10,077 | 14,143 | 204   | 161 | 1,572     |
| Commercial paper              | 4,973      | -      | -      | -      | -     | -   | 846       |
| Mutual funds - non-equities*  | 103,911    | 69,880 | -      | -      | -     | -   | 37,731    |
| International - non-equities  | 3,228      | 1,825  | 600    | 832    | 460   | 102 | 6,495     |
| US government agencies        | 24,694     | 132    | -      | -      | -     | -   | 18,150    |
| Total                         | \$ 187,167 | 81,578 | 11,668 | 15,864 | 1,036 | 263 | 65,806    |
| <b>Investment Type - 2007</b> |            |        |        |        |       |     |           |
| Asset-backed securities       | 55,990     | -      | -      | 1,071  | -     | -   | 5,160     |
| Municipal bonds               | 5,393      | 48     | 56     | 74     | -     | -   | 685       |
| Corporate bonds               | 3,799      | 1,713  | 10,556 | 15,053 | 896   | 495 | 1,530     |
| Commercial paper              | 939        | -      | 47     | -      | -     | -   | 5,249     |
| Mutual funds - non-equities*  | 6,577      | 31,780 | -      | -      | -     | -   | 33,030    |
| International - non-equities  | 3,551      | 992    | 342    | 1,361  | 200   | 23  | 5,140     |
| US government agencies        | 40,810     | -      | -      | -      | -     | -   | 1,290     |
| Total                         | \$ 117,059 | 34,533 | 11,001 | 17,559 | 1,096 | 518 | 52,084    |

\*based on average credit quality of holdings

## Notes to Financial Statements

June 30, 2008 and 2007

### 4. Investments (continued)

The State University's exposure to foreign currency risk for investments, held at June 30, 2008 and 2007, was as follows (fair value in thousands):

| Currency Denomination | 2008              | 2007           |
|-----------------------|-------------------|----------------|
| Euro                  | \$ 37,805         | 47,764         |
| Japanese yen          | 29,717            | 34,157         |
| British pound         | 21,083            | 29,777         |
| South Korean won      | 10,398            | 7,999          |
| Brazil real cruzeiro  | 9,278             | 4,879          |
| Hong Kong dollar      | 8,876             | 7,033          |
| Swiss franc           | 8,827             | 8,958          |
| Australian dollar     | 8,458             | 8,790          |
| Taiwan dollar         | 8,090             | 7,974          |
| Swedish krona         | 3,719             | 4,068          |
| Singapore dollar      | 3,514             | 2,460          |
| Canadian dollar       | 3,495             | 3,080          |
| Mexican Nuevo Peso    | 2,993             | 1,862          |
| So. African rand      | 2,880             | 3,069          |
| Norwegian krone       | 2,285             | 1,976          |
| Thailand baht         | 2,106             | 2,826          |
| Indian rupee          | 1,957             | 676            |
| Malaysian ringgit     | 1,900             | 2,132          |
| Turkish lira          | 1,695             | 2,221          |
| Polish zloty          | 1,301             | 1,026          |
| Danish krone          | 1,214             | 1,206          |
| Other                 | 10,186            | 3,950          |
| Total                 | \$ <u>181,777</u> | <u>187,883</u> |

### 5. Accounts, Notes, and Loans Receivable

At June 30, accounts, notes, and loans receivable were summarized as follows (in thousands):

|   | 2008              | 2007           |
|---|-------------------|----------------|
| Tuition and fees                            | \$ 30,116         | 33,171         |
| Allowance for uncollectible                 | (7,419)           | (7,425)        |
| Net tuition and fees                        | <u>22,697</u>     | <u>25,746</u>  |
| Room rent                                   | 7,528             | 7,052          |
| Allowance for uncollectible                 | (1,748)           | (1,690)        |
| Net room rent                               | <u>5,780</u>      | <u>5,362</u>   |
| Patient fees, net of contractual allowances | 566,565           | 590,498        |
| Allowance for uncollectible                 | (172,466)         | (162,192)      |
| Net patient fees                            | <u>394,099</u>    | <u>428,306</u> |
| Other, net                                  | <u>131,914</u>    | <u>122,501</u> |
| Total accounts and notes receivable         | <u>554,490</u>    | <u>581,915</u> |
| Student loans                               | 163,190           | 154,507        |
| Allowance for uncollectible                 | (21,999)          | (21,027)       |
| Total student loans receivable              | <u>141,191</u>    | <u>133,480</u> |
| Total, net                                  | \$ <u>695,681</u> | <u>715,395</u> |

### 6. Capital Assets

Capital assets, net of accumulated depreciation, totaled \$5.74 billion and \$5.23 billion at fiscal year end 2008 and 2007, respectively. Capital asset activity for fiscal years 2008 and 2007 is reflected in Table C. In the table, closed projects and retirements represent capital assets retired and assets transferred from construction in progress for projects completed and the related capital assets placed in service.

Table C (in thousands)

|                                       | July 1,<br>2006     | Additions        | Closed Projects<br>& Retirements | June 30,<br>2007 | Additions        | Closed Projects<br>& Retirements | June 30,<br>2008  |
|---------------------------------------|---------------------|------------------|----------------------------------|------------------|------------------|----------------------------------|-------------------|
| Land                                  | \$ 262,774          | 12,155           | 83                               | 274,846          | 27,118           | 102                              | 301,862           |
| Infrastructure and land improvements  | 483,155             | 37,073           | 1,420                            | 518,808          | 86,284           | 11,215                           | 593,877           |
| Buildings                             | 5,572,529           | 448,841          | 21,173                           | 6,000,197        | 395,101          | 57,623                           | 6,337,675         |
| Equipment, library books, and artwork | 1,998,206           | 265,894          | 94,595                           | 2,169,505        | 240,544          | 75,572                           | 2,334,477         |
| Construction in progress              | <u>712,773</u>      | <u>514,572</u>   | <u>474,569</u>                   | <u>752,776</u>   | <u>634,714</u>   | <u>486,406</u>                   | <u>901,084</u>    |
| Total capital assets                  | <u>9,029,437</u>    | <u>1,278,535</u> | <u>591,840</u>                   | <u>9,716,132</u> | <u>1,383,761</u> | <u>630,918</u>                   | <u>10,468,975</u> |
| Less accumulated depreciation:        |                     |                  |                                  |                  |                  |                                  |                   |
| Infrastructure and land improvements  | 313,381             | 15,109           | 1,415                            | 327,075          | 18,372           | 10,662                           | 334,785           |
| Buildings                             | 2,551,025           | 143,927          | 15,791                           | 2,679,161        | 156,475          | 48,416                           | 2,787,220         |
| Equipment and library books           | <u>1,332,783</u>    | <u>213,509</u>   | <u>69,757</u>                    | <u>1,476,535</u> | <u>196,382</u>   | <u>70,759</u>                    | <u>1,602,158</u>  |
| Total accumulated depreciation        | <u>4,197,189</u>    | <u>372,545</u>   | <u>86,963</u>                    | <u>4,482,771</u> | <u>371,229</u>   | <u>129,837</u>                   | <u>4,724,163</u>  |
| Capital assets, net                   | \$ <u>4,832,248</u> | <u>905,990</u>   | <u>504,877</u>                   | <u>5,233,361</u> | <u>1,012,532</u> | <u>501,081</u>                   | <u>5,744,812</u>  |

## Notes to Financial Statements

June 30, 2008 and 2007

### 7. Long-term Liabilities

The State University has entered into capital leases and other financing agreements with DASNY to finance most of its capital facilities. The State University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-exempt Equipment Leasing Program (TELP), various state sponsored equipment leasing programs, or private financing arrangements. At June 30, 2008 and 2007, other than facilities obligations, which are included as of March 31, 2008 and 2007, total obligations are summarized in Table D.

#### Educational Facilities

The State University, through DASNY, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Athletic facility debt is aggregated with educational facility debt. Debt service is paid by, or from specific appropriations of, the State.

During the year, Personal Income Tax Revenue Bonds (PIT) were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of \$418.1 million.

#### Residence Hall Facilities

The State University has entered into capital lease agreements for residence hall facilities. DASNY bonds for residence hall facilities, which have a maximum 30-year life, are repaid from room rentals and other residence hall revenues. Upon repayment of the bonds, including interest thereon, and the satisfaction of all other obligations under the lease agreements, DASNY shall convey to the State University all rights, title, and interest in the assets financed by the capital lease agreements. Residence hall facilities revenue realized during the year from facilities from which there are bonds outstanding is pledged as a security for debt service and is assigned to DASNY to the extent required for debt service purposes. Any excess funds pledged to DASNY are available for residence hall capital and operating purposes.

During the year, the State University entered into agreements with DASNY to issue residential hall facility obligations totaling \$145.4 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities.

In prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account

Table D (in thousands)

| For the 2008 Fiscal Year   | July 1, 2007        | Additions        | Reductions     | June 30, 2008    | Current Portion |
|--|---------------------|------------------|----------------|------------------|-----------------|
| Long-term debt:  |                     |                  |                |                  |                 |
| Educational facilities   | \$ 4,549,253        | 418,105          | 184,408        | 4,782,950        | 191,451         |
| Residence hall facilities  | 752,200             | 145,405          | 24,250         | 873,355          | 27,970          |
| Capital lease arrangements   | 213,734             | 56,419           | 52,621         | 217,532          | 55,362          |
| Other long-term debt   | 5,845               | 56,140           | 150            | 61,835           | 9,405           |
| Total long-term debt   | <u>5,521,032</u>    | <u>676,069</u>   | <u>261,429</u> | <u>5,935,672</u> | <u>284,188</u>  |
| Other long-term liabilities:   |                     |                  |                |                  |                 |
| Postemployment and postretirement obligations and compensated absences | 1,020,796           | 879,494          | 372,905        | 1,527,385        | 152,108         |
| Loan from State  | 130,440             | 5,300            | 25,562         | 110,178          | 17,244          |
| Litigation   | 131,742             | 22,515           | 45,100         | 109,157          | 19,650          |
| Other long-term liabilities  | 95,598              | 18,279           | 4,895          | 108,982          | 3,965           |
| Total other long-term liabilities                                      | <u>1,378,576</u>    | <u>925,588</u>   | <u>448,462</u> | <u>1,855,702</u> | <u>192,967</u>  |
| Total long-term liabilities  | <u>\$ 6,899,608</u> | <u>1,601,657</u> | <u>709,891</u> | <u>7,791,374</u> | <u>477,155</u>  |

## Notes to Financial Statements

### June 30, 2008 and 2007

**Table D, continued** (in thousands)

| <i>For the 2007 Fiscal Year</i>  | July 1,<br>2006     | Additions        | Reductions     | June 30,<br>2007 | Current<br>Portion |
|--|---------------------|------------------|----------------|------------------|--------------------|
| Long-term debt:  |                     |                  |                |                  |                    |
| Educational facilities   | \$ 4,465,883        | 472,577          | 389,207        | 4,549,253        | 174,544            |
| Residence hall facilities  | 687,660             | 87,430           | 22,890         | 752,200          | 24,250             |
| Capital leases arrangements  | 196,994             | 75,776           | 59,036         | 213,734          | 51,111             |
| Other long-term debt   | 5,990               | -                | 145            | 5,845            | -                  |
| Total long-term debt   | <u>5,356,527</u>    | <u>635,783</u>   | <u>471,278</u> | <u>5,521,032</u> | <u>249,905</u>     |
| Other long-term liabilities:   |                     |                  |                |                  |                    |
| Postemployment and postretirement obligations and compensated absences | 407,743             | 889,642          | 276,589        | 1,020,796        | 145,213            |
| Loan from State  | 148,188             | 7,814            | 25,562         | 130,440          | 17,244             |
| Litigation   | 145,441             | 55,970           | 69,669         | 131,742          | 26,968             |
| Other long-term liabilities  | 66,196              | 40,981           | 11,579         | 95,598           | 4,309              |
| Total other long-term liabilities                                      | <u>767,568</u>      | <u>994,407</u>   | <u>383,399</u> | <u>1,378,576</u> | <u>193,734</u>     |
| Total long-term liabilities  | <u>\$ 6,124,095</u> | <u>1,630,190</u> | <u>854,677</u> | <u>6,899,608</u> | <u>443,639</u>     |

**7. Long-term Liabilities (continued)**

assets and liabilities for the defeased obligations are not included in the State University's financial statements. As of March 31, 2008, \$1.31 billion and \$346.9 million of outstanding educational and residence hall facility obligations, respectively, were considered defeased.

**Capital Lease Arrangements**

The State University leases equipment under DASNY TELP, New York State Personal Income

Tax Revenue Bonds, certificates of participation (COPs), vendor financing, or through statewide lease purchase agreements. The State University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

**Loan From State**

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by its hospitals. In connection with these cash-flow deficits, as

*Debt service requirements of the long-term debt obligations as of June 30, 2008 are as follows (in thousands):*

| Fiscal year(s) | Educational Facilities                  |                  | Residential Facilities                   |                | Other                                    |               | Total            |                  |
|----------------|---|------------------|--|----------------|--|---------------|------------------|------------------|
|                | Principal                               | Interest         | Principal                                | Interest       | Principal                                | Interest      | Principal        | Interest         |
| 2009           | \$ 191,451                              | 286,270          | 27,970                                   | 41,992         | 64,767                                   | 10,108        | 284,188          | 338,370          |
| 2010           | 179,887                                 | 273,228          | 29,940                                   | 40,658         | 54,567                                   | 8,012         | 264,394          | 321,898          |
| 2011           | 205,644                                 | 262,969          | 30,915                                   | 39,251         | 42,515                                   | 6,135         | 279,074          | 308,355          |
| 2012           | 262,495                                 | 213,664          | 30,845                                   | 37,822         | 34,458                                   | 4,612         | 327,798          | 256,098          |
| 2013           | 286,271                                 | 200,823          | 32,580                                   | 36,361         | 27,887                                   | 3,040         | 346,738          | 240,224          |
| 2014-18        | 1,275,073                               | 788,792          | 171,025                                  | 157,487        | 33,688                                   | 7,973         | 1,479,786        | 954,252          |
| 2019-23        | 890,636                                 | 513,662          | 169,215                                  | 115,518        | 17,097                                   | 1,881         | 1,076,948        | 631,061          |
| 2024-28        | 751,377                                 | 296,425          | 163,140                                  | 74,884         | 2,807                                    | 248           | 917,324          | 371,557          |
| 2029-33        | 507,127                                 | 125,396          | 155,795                                  | 33,300         | 1,581                                    | 54            | 664,502          | 158,750          |
| 2034-38        | 232,989                                 | 24,423           | 61,930                                   | 6,270          | -  | -             | 294,920          | 30,693           |
| Total          | <u>\$ 4,782,950</u>                     | <u>2,985,652</u> | <u>873,355</u>                           | <u>583,543</u> | <u>279,367</u>                           | <u>42,063</u> | <u>5,935,672</u> | <u>3,611,258</u> |
|                | Interest rates range from 2.25% to 7.5% |                  | Interest rates range from 3.125% to 6.0% |                | Interest rates range from 1.55% to 9.95% |               |                  |                  |



## Notes to Financial Statements

June 30, 2008 and 2007

### 7. Long-term Liabilities (continued)

authorized by State Finance Law, the State University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing from the State at June 30, 2008 was \$110.2 million. During the year, \$25.6 million was paid on these loans. The State University incurred an interest cost of \$5.3 million at an average interest rate of 4.1 percent.

### 8. Retirement Plans

#### Retirement Benefits

There are three major retirement plans for State University employees. The New York State and Local Employees' Retirement System (ERS), the New York State Teachers' Retirement System (TRS), and the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA/CREF). ERS is a cost-sharing, multiple-employer, defined benefit public plan administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a nine-member board. TIAA/CREF is a multiple-employer, defined contribution plan administered by separate boards of trustees. Substantially all full-time employees participate in the plans.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law. These plans offer a wide range of programs and benefits. ERS and TRS benefits are related to years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. TIAA/CREF is a State University Optional Retirement Program (ORP) and offers benefits through annuity contracts.

**ERS** and **TRS** provide retirement benefits as well as death and disability benefits. Benefits generally vest after five years of credited service. The NYSRSSL provides that all participants in ERS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating

employers. Employees who joined ERS and TRS after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Employee contributions are deducted from their salaries and remitted on a current basis to ERS and TRS. Employer contributions are actuarially determined for ERS and TRS.

**TIAA/CREF** provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF.

The State University's total retirement-related payroll was \$2.5 billion and \$2.4 billion for the June 30, 2008 and 2007 fiscal years, respectively. The payroll for 2008 and 2007 for State University employees covered by TIAA/CREF was \$1.57 billion and \$1.52 billion, ERS was \$874 million and \$845 million, and TRS was \$84 million for both fiscal years, respectively. Employer and employee contributions under each of the plans were as follows (in millions):

|                         | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|-------------------------|-------------|-------------|-------------|
| Employer contributions: |             |             |             |
| TIAA-CREF               | \$163.9     | 157.1       | 149.4       |
| ERS                     | 48.6        | 50.7        | 52.5        |
| TRS                     | 8.3         | 6.7         | 6.4         |
| Employee contributions: |             |             |             |
| TIAA-CREF               | \$ 55.7     | 49.6        | 40.9        |
| ERS                     | 11.5        | 10.7        | 9.5         |
| TRS                     | 1.0         | 0.9         | 0.9         |

The employer contributions are equal to 100 percent of the required contributions under each of the respective plans.

The Research Foundation maintains a separate non-contributory plan through TIAA/CREF for substantially all of its employees. Employees become

## Notes to Financial Statements

June 30, 2008 and 2007

### 8. Retirement Plans (continued)

fully vested in contributions made by the Research Foundation after three years of service which are allocated to individual employee accounts. Employer contributions are based on a percentage of regular salary and range from 8 percent to 15 percent. The payroll for Research Foundation employees covered by TIAA/CREF for its fiscal year ended June 30, 2008 and 2007 was \$337.7 million and \$323.5 million, respectively. The Research Foundation pension contributions for fiscal years 2008 and 2007 were \$27.5 million and \$25.6 million, respectively. These contributions are equal to 100 percent of the required contributions for each year.

Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The reports may be obtained by writing to:

New York State and Local Employees'  
Retirement System  
110 State Street  
Albany, New York 12244

New York State Teachers' Retirement System  
10 Corporate Woods Drive  
Albany, New York 12211

Teachers Insurance and Annuity Association/  
College Retirement Equities Fund  
730 Third Avenue  
New York, New York 10017

#### **Postemployment and Post-retirement Benefits**

The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their spouses as part of the New York State Health Insurance Plan (NYSHIP). NYSHIP offers comprehensive benefits through various providers consisting of hospital, medical, mental health, substance abuse and prescription drug programs. The State administers NYSHIP and has the authority to establish and amend the benefit provisions offered. NYSHIP is considered an agent multiple-employer defined benefit plan, is not a separate entity or trust, and does not issue stand-alone financial statements. The State University, as a participant in the plan, recognizes OPEB expenses on an accrual basis.

Employee contribution rates for NYSHIP are established by the State and are generally 10 percent for enrollee coverage and 25 percent for dependent coverage. NYSHIP premiums are being financed on a pay-as-you-go basis. There are no assets set aside to fund the plan. During the fiscal year, the State, on behalf of the State University, paid health insurance premiums of \$234.3 million. The State University's annual OPEB cost and increase in the OPEB obligation for the years ended June 30 2008 and 2007, was as follows (in thousands):

|                                     | <u>2008</u>        | <u>2007</u>    |
|-------------------------------------|--------------------|----------------|
| Annual OPEB cost                    | \$ 749,962         | 712,551        |
| Benefits paid during year           | (234,293)          | (142,399)      |
| Increase in OPEB Obligation         | 515,669            | 570,152        |
| Net obligation at beginning of year | <u>570,152</u>     | <u>-</u>       |
| Net obligation at end of year       | <u>\$1,085,821</u> | <u>570,152</u> |

The components of the State University's OPEB obligation include the total annual required contribution (ARC) of \$718.2 million (comprised of service costs of \$395.8 million and amortization of unfunded actuarial liability of \$322.4 million), ARC reduction of \$20.8 million, and interest costs of \$52.6 million. The initial unfunded actuarial accrued liability totaled \$8.26 billion as of the July 1, 2006 actuarial valuation date and is being amortized over an open period of thirty years using the level percentage of projected payroll amortization method. The State University total retirement related payroll for the June 30, 2008 fiscal year was \$2.5 billion.

The actuarial valuation utilizes a frozen entry age actuarial cost method. The actuarial assumptions include a 4.2 percent discount rate, payroll growth rate of 3.5 percent, and an annual healthcare cost trend rate for medical coverage of 10 percent initially, reduced by decrements to a rate of 5 percent after 6 years.

Projections of benefits are based on the plan and include the types of benefits provided at the time of each valuation. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of future events

## Notes to Financial Statements

June 30, 2008 and 2007

### 8. Retirement Plans (continued)

and actual results are considered for future valuations. The actuarial methods and assumptions used are designed to reduce short-term volatility in reported amounts and reflect a long-term perspective.

The Research Foundation sponsors a separate single employer defined benefit post-retirement plan ("Plan") that provides health insurance and medical benefits that covers substantially all non-student Research Foundation employees. The Research Foundation Board of Directors administers the plan and has the authority to establish and amend the benefit provisions offered. Contribution rates for employees hired after 1985 are 10 percent for employee coverage, and 25 percent for dependent coverage.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors and were \$12.3 million and \$11.7 million during the 2008 and 2007 fiscal years, respectively. Assets are held in an unrestricted investment account designated by the Research Foundation Board of Directors and are not considered plan assets in determining the funded status or funding progress of the plan under GASB reporting and measurement standards. The actuarial accrued liability at June 30, 2008 and 2007 was \$233 million and \$220.4 million, respectively. The payroll expense for employees covered by the Plan for the 2008 fiscal year was \$224.2 million. The Plan does not issue stand-alone financial statements.

The OPEB obligation and annual OPEB cost for the Research Foundation Plan have been calculated retrospectively using an open transition period of 17 years, at the beginning of the 1991 fiscal year. The Research Foundation's annual cost and increase in the OPEB obligation for the years ended June 30, 2008 and 2007, was as follows (in thousands):

|                                     | <u>2008</u>       | <u>2007</u>    |
|-------------------------------------|-------------------|----------------|
| Annual OPEB cost                    | \$ 17,227         | 34,995         |
| Benefits paid during year           | (4,580)           | (3,994)        |
| Increase in OPEB Obligation         | 12,647            | 31,001         |
| Net obligation at beginning of year | <u>220,370</u>    | <u>189,369</u> |
| Net obligation at end of year       | <u>\$ 233,017</u> | <u>220,370</u> |

The components of the Research Foundation OPEB obligation at June 30, 2008 include the total annual required contribution (ARC) of \$237.6 million (comprised of service cost of \$10.2 million and amortization of unfunded actuarial accrued liability of \$227.4 million), ARC reduction of \$235.8 million, and interest costs of \$15.4 million. The unfunded actuarial accrued liability is amortized over one year. The cost of the benefits provided under this plan is recognized on an actuarial-determined basis using the projected unit cost method. Under this method, actuarial assumptions are made based on employee demographics and medical trend rates to calculate the accrued benefit cost. The actuarial assumptions include a 7 percent discount rate, and an initial healthcare cost trend rate of 9 percent grading down to 5 percent. A blended discount rate was utilized using the expected investment return on investments designated for the Plan and investments held in the operational pool expected to be used to fund future OPEB obligations.

### 9. Commitments

The State University has entered into contracts for the construction and improvement of various projects. At March 31, 2008, these outstanding contract commitments totaled approximately \$615.1 million.

The State University is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the years ended June 30, 2008 and 2007 under such operating leases were approximately \$32.3 million and \$29.3 million, respectively. The following is a summary of the future minimum rental commitments under non-cancelable real property and equipment leases with terms exceeding one year (in thousands):

| Year ending June 30, |                   |
|----------------------|-------------------|
| 2009                 | \$ 28,826         |
| 2010                 | 25,380            |
| 2011                 | 21,917            |
| 2012                 | 17,978            |
| 2013                 | 12,468            |
| 2014-18              | 24,825            |
| 2019-23              | 3,178             |
| 2024-39              | <u>2,093</u>      |
| Total                | <u>\$ 136,665</u> |

## *Notes to Financial Statements*

*June 30, 2008 and 2007*

### **10. Contingencies**

The State is contingently liable in connection with claims and other legal actions involving the State University, including those currently in litigation arising in the normal course of State University activities. The State University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims against the State involving State University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the State University has recorded a liability and a corresponding appropriation receivable of approximately \$109.2 million at June 30, 2008 (\$101.6 million related to hospitals and clinics) for unfavorable judgments, both anticipated and awarded but not yet paid.

The State University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The State University has insurance coverage for its residence hall facilities. However, in general, the State University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the State University are covered by the State on a self-insured basis. The State does have fidelity insurance on State employees.

### **11. Related Parties**

The State University's single largest source of revenue is State appropriations, which represents approximately 37 and 36 percent of total revenues for the 2008 and 2007 fiscal years, respectively. The State University is dependent on this appropriation to carry on its operations.

### **12. Federal Grants and Contracts and Third-Party Reimbursement**

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government.

Disallowances, if any, as a result of these audits may become liabilities of the State University. State University management believes that no material disallowances will result from audits by the grantor agencies.

The State University hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from their established charges. Contractual service allowances and discounts (reflected through State University hospitals and clinics sales and services) represent the difference between the hospitals established rates and amounts reimbursed by third-party payors. The State University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payors cost reimbursement items.

### **13. Subsequent Events**

The State University entered into agreements with the DASNY to issue obligations totaling \$129.4 million for the construction and rehabilitation of residential facilities in September 2008.

### **14. Foundations**

Discretely presented component unit information is comprised principally of the campus-related foundations. These foundations are nonprofit organizations responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of its campus, the State University, its students, faculty, staff and alumni. The foundations receive the majority of their support and revenues through contributions, gifts and grants and provide benefits to their campus, students, faculty, staff and alumni. In addition, the reported amounts include foundation student housing corporations, nonprofit organizations that operate and administer certain housing and related services for students. All the foundations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations was derived from each entity's individual financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, the majority of which have a June 30 fiscal year end.

## *Notes to Financial Statements*

*June 30, 2008 and 2007*

### 14. Foundations (continued)

During the years ended June 30, 2008 and 2007, the foundations distributed \$42.8 million and \$43.8 million, respectively, to the State University principally for scholarships and support of campus program activities.

Separately issued financial statements of the foundations and other related entities may be obtained in writing to:

The State University of New York  
System Administration  
Office of the University Controller  
State University Plaza, S-421  
Albany, New York 12246

### *Net Asset Classifications*

Unrestricted net assets represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the State University campus and foundation programs and activities. Temporarily restricted net assets represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or are removed by specific actions. Permanently restricted net assets represent resources that donors have stipulated must be maintained permanently. The income derived from the permanently restricted net assets is permitted to be spent in part or in whole, restricted only by the donors' wishes. The beginning net asset amounts have been revised from those previously reported to reclassify amounts to conform with donor intentions. As a result, permanently restricted net assets were increased \$5.4 million and temporarily restricted and unrestricted net assets were decreased by \$5.1 million and \$.3 million, respectively.

### *Investments*

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments of the State University foundations were \$895

million and \$900 million as of June 30, 2008 and 2007, respectively. The composition of investments is as follows (in thousands):

|                          | <u>2008</u>       | <u>2007</u>    |
|--------------------------|-------------------|----------------|
| Equities - domestic      | \$ 317,949        | 376,375        |
| Equities - international | 156,472           | 157,981        |
| Non-equities             | 304,110           | 256,279        |
| Other investments        | <u>116,522</u>    | <u>109,340</u> |
| Total investments        | <u>\$ 895,053</u> | <u>899,975</u> |

### *Capital Assets*

Capital assets are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled \$334 million and \$321.8 million at fiscal year end 2008 and 2007, respectively. Capital asset classifications are summarized as follows (in thousands):

|                               | <u>2008</u>       | <u>2007</u>    |
|-------------------------------|-------------------|----------------|
| Land and land improvements    | \$ 24,525         | 15,403         |
| Buildings                     | 342,331           | 327,507        |
| Equipment                     | 30,501            | 32,006         |
| Artwork and library books     | 18,831            | 16,541         |
| Construction in progress      | <u>9,503</u>      | <u>9,728</u>   |
| Total capital assets          | 425,691           | 401,185        |
| Less accumulated depreciation | <u>91,666</u>     | <u>79,433</u>  |
| Capital assets, net           | <u>\$ 334,025</u> | <u>321,752</u> |

### *Long-term Debt*

The Foundations have entered into various financing arrangements, principally through the issuance of Industrial Development Agency bonds and Housing Authority bonds for the construction of student residence hall facilities. The following is a summary of the future minimum annual debt service requirements for the next five years and thereafter (in thousands):

Year ending June 30:

|            |                   |
|------------|-------------------|
| 2009       | \$ 9,232          |
| 2010       | 7,334             |
| 2011       | 7,292             |
| 2012       | 10,245            |
| 2013       | 8,428             |
| Thereafter | <u>234,551</u>    |
|            | <u>\$ 277,082</u> |

Additional copies of this report are available from  
The State University of New York  
Office of the University Controller  
State University Plaza - Room S421  
Albany, NY 12246  
518-443-5463



# THE STATE UNIVERSITY *of* NEW YORK

## ANNUAL FINANCIAL REPORT 2008

The State University of New York  
State University Plaza  
Albany, NY 12246  
[www.suny.edu](http://www.suny.edu)

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part A - Statement of Net Assets: FY2006</b> |   |                     |
|---|---|---------------------|
| (in whole dollars)                              |   |                     |
| Line no.  |   | Current year amount |
|   | Current assets                                  |                     |
| 01  | Total current assets                            | 489,097,670         |
|   | Noncurrent assets                               |                     |
| 02  | Capital assets - depreciable (gross)            | 1,527,461,124       |
| 03  | Accumulated depreciation                        | 740,597,528         |
| 04  | Other noncurrent assets (CV)                    | 139,132,790         |
| 05  | Total noncurrent assets                         | 925,996,386         |
| 06  | Total assets (CV)                               | 1,415,094,056       |
|   | Current liabilities                             |                     |
| 07  | Long-term debt, current portion                 | 43,189,360          |
| 08  | Other current liabilities (CV)                  | 250,082,146         |
| 09  | Total current liabilities                       | 293,271,506         |
|   | Noncurrent liabilities                          |                     |
| 10  | Long-term debt                                  | 607,822,974         |
| 11  | Other noncurrent liabilities (CV)               | 231,790,230         |
| 12  | Total noncurrent liabilities                    | 839,613,204         |
| 13  | Total liabilities (CV)                          | 1,132,884,710       |
|   | Net assets                                      |                     |
| 14  | Invested in capital assets, net of related debt | 176,535,160         |
| 15  | Restricted-expendable                           | 797,985             |
| 16  | Restricted-nonexpendable                        | 0                   |
| 17  | Unrestricted (CV)                               | 104,876,201         |
| 18  | Total net assets (CV)                           | 282,209,346         |



Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part A - Plant, Property, and Equipment: FY2006</b> |  |                   |             |                  |                |
|--|--|-------------------|-------------|------------------|----------------|
| (in whole dollars)                                     |  |                   |             |                  |                |
| Line no.   | Description                            | Beginning balance | Additions   | Retirements (CV) | Ending balance |
|  | Plant, property, and equipment         |                   |             |                  |                |
| 21   | Land & land improvements               | 23,846,771        | 6,773,865   | 10               | 30,620,626     |
| 22   | Infrastructure                         | 55,153,399        | 1,981,594   | 376,006          | 56,758,987     |
| 23   | Buildings                              | 867,215,009       | 111,436,200 | 21,425,171       | 957,226,038    |
| 24   | Equipment                              | 264,654,128       | 24,082,811  | 12,803,703       | 275,933,236    |
| 25   | Art and library collections            | 67,568,175        | 3,259,302   | 241,942          | 70,585,535     |
| 26   | Property obtained under capital leases | 0                 | 0           | 0                | 0              |
| 27   | Construction in progress               | 147,491,266       | 100,204,556 | 111,359,120      | 136,336,702    |
| 28   | Accumulated depreciation               | 717,515,131       | 49,162,420  | 26,080,023       | 740,597,528    |

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| Part B - Revenues and Other Additions: FY2006 |   |                     |
|---|---|---------------------|
| (in whole dollars)                            |   |                     |
| Line No.                                      | Source of funds   | Current year amount |
|   | Operating revenues  |                     |
| 01  | Tuition & fees, after deducting discounts & allowances                            | 94,233,123          |
|   | Grants and contracts - operating  |                     |
| 02  | Federal operating grants and contracts  | 147,916,323         |
| 03  | State operating grants and contracts  | 26,204,889          |
| 04  | Local/private operating grants and contracts                                      | 39,184,281          |
| 05  | Sales & services of auxiliary enterprises, after deducting discounts & allowances | 74,237,545          |
| 08  | Other sources - operating (CV)  | 12,573,855          |
| 09  | Total operating revenues  | 1,041,353,491       |
| 10  | Federal appropriations  | 0                   |
| 11  | State appropriations  | 374,890,340         |
| 12  | Local appropriations, education district taxes, & similar support                 | 0                   |
|   | Grants-nonoperating   |                     |
| 13  | Federal nonoperating grants   | 0                   |
| 14  | State nonoperating grants   | 0                   |
| 15  | Local nonoperating grants   | 0                   |
| 16  | Gifts, including contributions from affiliated organizations                      | 3,829,834           |
| 17  | Investment income   | 7,953,033           |
| 18  | Other nonoperating revenues (CV)  | 1,031,333           |
| 19  | Total nonoperating revenues   | 387,704,540         |
| 20  | Capital appropriations  | 1,779,793           |
| 21  | Capital grants and gifts  | 18,114,986          |
| 22  | Additions to permanent endowment  | 0                   |
| 23  | Other revenues and additions (CV)   | 0                   |
| 24  | Total other revenues and additions  | 19,894,779          |
| 25  | Total all revenues and other additions (CV)                                       | 1,448,952,810       |

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part C - Expenses and Other Deductions: FY2006</b> |   |                    |                    |                          |              |                |
|---|---|--------------------|--------------------|--------------------------|--------------|----------------|
| (in whole dollars)                                    |   |                    |                    |                          |              |                |
|   |   | 1                  | 2                  | 3                        | 4            | 5              |
| Line no.  | Description   | Current year total | Salaries and wages | Employee fringe benefits | Depreciation | All other (CV) |
|   | Operating expenses  |                    |                    |                          |              |                |
| 01  | Instruction   | 235,015,404        | 148,038,041        | 60,974,758               | 0            | 26,002,605     |
| 02  | Research  | 94,600,885         | 54,812,022         | 17,585,245               | 0            | 22,203,618     |
| 03  | Public service  | 16,385,209         | 7,346,309          | 2,933,357                | 0            | 6,105,543      |
| 05  | Academic support  | 39,366,335         | 20,639,928         | 8,980,087                | 0            | 9,746,320      |
| 06  | Student services  | 21,891,638         | 12,449,680         | 5,073,580                | 0            | 4,368,378      |
| 07  | Institutional support   | 85,280,908         | 40,495,438         | 16,702,291               | 0            | 28,083,179     |
| 08  | Operation & maintenance of plant  | 71,293,922         | 14,947,535         | 10,656,176               | 0            | 45,690,211     |
| 09  | Depreciation  | 49,977,555         |                    |                          | 49,977,555   |                |
| 10  | Scholarships and fellowships expenses, excluding discounts & allowances | 9,729,445          |                    |                          |              | 9,729,445      |
| 11  | Auxiliary enterprises   | 64,748,807         | 14,422,040         | 5,960,000                | 0            | 44,366,767     |
| 14  | Other expenses & deductions (CV)  | 4,207,019          | 1,127,257          | 7,496                    | 0            | 3,072,266      |
| 15  | Total operating expenses  | 1,355,302,692      | 614,992,617        | 226,519,132              | 49,977,555   | 463,813,388    |
| 16  | Interest  | 32,506,581         |                    |                          |              | 32,506,581     |
| 17  | Other nonoperating expenses & deductions (CV)                           | 2,819,012          | 0                  | 0                        | 0            | 2,819,012      |
| 18  | Total nonoperating expenses & deductions (CV)                           | 35,325,593         | 0                  | 0                        | 0            | 35,325,593     |
| 19  | Total expenses & deductions   | 1,390,628,285      | 614,992,617        | 226,519,132              | 49,977,555   | 499,138,981    |

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part D - Summary of Changes in Net Assets: FY2006</b> |  |                     |
|--|--|---------------------|
| (in whole dollars)                                       |  |                     |
| Line no.   | Description                              | Current year amount |
| 01   | Total revenues & other additions         | 1,448,952,810       |
| 02   | Total expenses & deductions              | 1,390,628,285       |
| 03   | Increase in net assets during year (CV)  | 58,324,525          |
| 04   | Net assets beginning of year             | 200,229,485         |
| 05   | Adjustments to beginning net assets (CV) | 23,655,336          |
| 06   | Net assets end of year                   | 282,209,346         |

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part E - Scholarships and Fellowships: FY2006</b> |  |                     |
|--|--|---------------------|
| (in whole dollars)                                   |  |                     |
| Line no.   | Source   | Current year amount |
| 01   | Pell grants  | 15,649,661          |
| 02   | Other federal grants   | 1,438,387           |
| 03   | Grants by state government   | 23,018,810          |
| 04   | Grants by local government   | 50,000              |
| 05   | Institutional grants from restricted resources                                   | 17,053,264          |
| 06   | Institutional grants from unrestricted resources (CV)                            | 238,310             |
| 07   | Total gross scholarships and fellowships   | 57,448,432          |
| Discounts & allowances                               |  |                     |
| 08   | Discounts & allowances applied to tuition & fees                                 | 34,596,303          |
| 09   | Discounts & allowances applied to sales & services of auxiliary enterprises (CV) | 13,122,684          |
| 10   | Total discounts & allowances (CV)  | 47,718,987          |
| 11   | Net scholarships and fellowships expenses after deducting discounts & allowances | 9,729,445           |

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part F - GASB Component Unit that Uses FASB Standards: FY2006</b> |   |  |
|--|---|--|
| (in whole dollars)   |   |  |
| FormId   | 1   |  |
| Statement of Financial Position                                      |   |  |
|  | Entities included:                          | Stony Brook Foundation, Inc. and Affiliate |
|  | Primary nature of unit(s)                   | Fundraising                                |
| 01   | Long-term investments                       | 103,059,530                                |
| 02   | Other assets (CV)                           | 37,103,903                                 |
| 03   | Total assets                                | 140,163,433                                |
| 04   | Total liabilities (CV)                      | 29,718,875                                 |
| 05   | Temporarily restricted net assets           | 66,240,679                                 |
| 06   | Permanently restricted net assets           | 25,084,005                                 |
| 07   | Unrestricted net assets (CV)                | 19,119,874                                 |
| 08   | Total net assets                            | 110,444,558                                |
| Statement of Activities  |   |  |
| 09   | Investment return                           | 9,858,997                                  |
| 10   | Other revenues, gains, & other support (CV) | 55,934,884                                 |
| 11   | Total revenues, gains, & other support      | 65,793,881                                 |
| 12   | Total expenses                              | 31,454,584                                 |
| 12a  | Expenses paid to institution                | 4,427,537                                  |
| 13   | Total losses (CV)                           | 0  |
| 14   | Total expenses and losses (CV)              | 31,454,584                                 |
| 15   | Change in net assets                        | 34,339,297                                 |
| 16   | Net assets - beginning of year              | 76,105,261                                 |
| 17   | Adjustments to beginning net assets (CV)    | 0  |
| 18   | Net assets - end of year                    | 110,444,558                                |

Institution: (196097) Stony Brook University

Survey: Finance

Collection Year: 2006

| <b>Part H - Details on Endowment Assets: FY2006</b> |   |              |
|---|---|--------------|
| (in whole dollars)                                  |   |              |
| Line no.  | Value of endowment assets                                     | Market Value |
| 01  | Value of endowment assets at the beginning of the fiscal year | 21,692,822   |
| 02  | Value of endowment assets at the end of the fiscal year       | 25,084,005   |

|                        |
|------------------------|
| <b>Finance 2007-08</b> |
|------------------------|

Institution: Stony Brook University (196097)

User ID: P81960971

**Finance - Public institutions****Reporting Standard****Please indicate which reporting standards are used to prepare your financial statements:**

- GASB (Governmental Accounting Standard Board), using standards of GASB 34 & 35
- FASB (Financial Accounting Standard Board)

**Please consult your business officer for the correct response before saving this screen.** Your response to this question will determine the forms you will receive for reporting finance data.

---



Institution: Stony Brook University (196097)

User ID: P81960971

**Finance - Public institutions****General Information****Finance - Public Institutions**

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statement (GPFS). Please refer to the instructions specific to each page of the survey for detailed instruction and references.

**1. Fiscal Year calendar**

**This report covers financial activities for the 12-month fiscal year:** (The fiscal year reported should be the most recent fiscal year ending before October 1, 2007.)

Beginning: month/year (MMYYYY)

Month: Year: 

And ending: month/year (MMYYYY)

Month: Year: **2. Audit Opinion**

**Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above?** (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

- Unqualified       Qualified       Don't know

**3. GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution ?**

- Business Type Activities  
 Governmental Activities  
 Governmental Activities with Business-Type Activities

**4. If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?**

- Auxiliary enterprises  
 Student services  
 Does not participate in intercollegiate athletics  
 Other (specify in caveats box below)

**5. Does this institution or any of its foundations or other affiliated organizations own endowment assets ?**

- Yes - (report endowment assets)  
 No

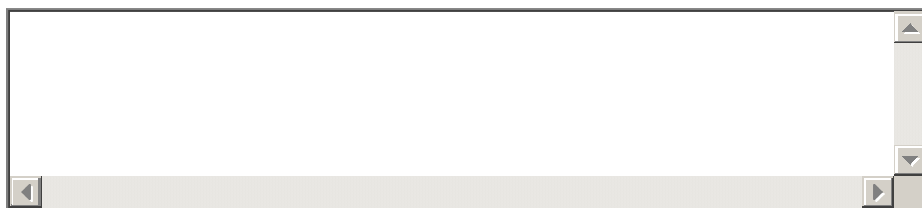
**6. Component Units**

Each discretely presented component unit should be reported in the same manner and amounts as included on the face of the institution's GPFS. There should be one Finance Survey component unit form (Part F or G) completed for each column on the face of the GPFS **other than the institution itself**, whether that column represents a single component unit or a combination of component units.

Number of component unit columns on GPFS using FASB standards

Number of component unit columns on GPFS using GASB standards

Caveats:



Institution: Stony Brook University (196097)

User ID: P81960971

**Part A - Statement of Net Assets****Fiscal Year 2007****Report in whole dollars only**

| Line no. |   | Current year amount | Prior year amount |
|----------|---|---------------------|-------------------|
|          | <u>Current Assets</u>   |                     |                   |
| 01       | Total <u>Current Assets</u>   | 567,211,310         | 489,097,670       |
|          | <u>Noncurrent Assets</u>  |                     |                   |
| 02       | <u>Capital assets</u> - depreciable (gross)                         | 1,717,853,763       | 1,527,461,124     |
| 03       | <u>Accumulated depreciation</u> (enter as a positive amount)        | 799,216,308         | 740,597,528       |
| 04       | Other noncurrent assets <b>(CV)</b><br><b>CV=[A05-(A02-A03)]</b>    | 195,370,101         | 139,132,790       |
| 05       | Total noncurrent assets   | 1,114,007,556       | 925,996,386       |
| 06       | Total assets <b>(CV)</b><br><b>CV=(A01+A05)</b>                     | 1,681,218,866       | 1,415,094,056     |
|          | <u>Current Liabilities</u>  |                     |                   |
| 07       | <u>Long-term debt, current portion</u>                              | 43,902,652          | 43,189,360        |
| 08       | Other <u>current liabilities</u> <b>(CV)</b><br><b>CV=(A09-A07)</b> | 261,553,404         | 250,082,146       |
| 09       | Total current liabilities   | 305,456,056         | 293,271,506       |
|          | <u>Noncurrent Liabilities</u>                                       |                     |                   |
| 10       | <u>Long-term debt</u>   | 648,321,445         | 607,822,974       |
| 11       | Other noncurrent liabilities <b>(CV)</b><br><b>CV=(A12-A10)</b>     | 298,890,349         | 231,790,230       |
| 12       | Total noncurrent liabilities  | 947,211,794         | 839,613,204       |
| 13       | Total liabilities <b>(CV)</b><br><b>CV=(A09+A12)</b>                | 1,252,667,850       | 1,132,884,710     |
|          | <u>Net Assets</u>   |                     |                   |
| 14       | <u>Invested in capital assets, net of related debt</u>              | 302,351,006         | 176,535,160       |
| 15       | <u>Restricted-expendable</u>  | 808,683             | 797,985           |
| 16       | <u>Restricted-nonexpendable</u>                                     | 0                   | 0                 |
| 17       | <u>Unrestricted</u> <b>(CV)</b><br><b>CV=[A18-(A14+A15+A16)]</b>    | 125,391,327         | 104,876,201       |
|          | Total Net assets <b>(CV)</b>  |                     |                   |

18 CV=(A06-A13)

428,551,016

**282,209,346**

**CV= Calculated Value**

**CAVEATS**

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An empty rectangular text box with a thin black border. It features a vertical scrollbar on the right side and a horizontal scrollbar at the bottom, both with standard arrow and track icons. The box is currently empty of text.

Institution: Stony Brook University (196097)

User ID: P81960971

**Part A - Plant, Property, and Equipment**

**Fiscal Year 2007**

**Report in whole dollars only**

| Line No.                              | Description   | Beginning balance | Additions   | Retirements (CV) | Ending balance |
|---------------------------------------|---|-------------------|-------------|------------------|----------------|
| <b>Plant, Property, and Equipment</b> |   |                   |             |                  |                |
| 21                                    | <u>Land &amp; land improvements</u>   | 30,620,626        | 4,830,032   | 17,226           | 35,433,432     |
| 22                                    | <u>Infrastructure</u>   | 56,758,987        | 5,717,787   | 87,743           | 62,389,031     |
| 23                                    | <u>Buildings</u>  | 957,226,038       | 83,366,638  | 2,414,374        | 1,038,178,302  |
| 24                                    | <u>Equipment</u>  | 275,933,235       | 82,997,755  | 7,339,554        | 351,591,436    |
| 25                                    | Art and <u>library collections</u>  | 70,585,535        | 4,303,925   | 931,760          | 73,957,700     |
| 26                                    | Property obtained under <u>capital leases</u><br>(if not included in equipment) | 0                 | 0           | 0                | 0              |
| 27                                    | <u>Construction in progress</u>   | 136,336,702       | 107,822,408 | 87,855,248       | 156,303,862    |
| 28                                    | <u>Accumulated depreciation</u>   | 740,597,528       | 67,511,715  | 8,892,935        | 799,216,308    |

**CV = (Beginning Balance + Additions - Ending Balance)**

**CAVEATS**

Institution: Stony Brook University (196097)

User ID: P81960971

**Part B - Revenues and Other Additions****Fiscal Year 2007****Report in whole dollars only**

| Line No.                                | Source of Funds  | Current year amount | Prior year amount    |
|---|--|---------------------|----------------------|
| <b>Operating Revenues</b>               |  |                     |                      |
| 01                                      | <u>Tuition &amp; fees, after deducting discounts &amp; allowances</u>                                  | 99,504,252          | <b>94,233,123</b>    |
| <u>Grants and contracts - operating</u> |  |                     |                      |
| 02                                      | Federal operating grants and contracts   | 147,381,212         | <b>147,916,323</b>   |
| 03                                      | State operating grants and contracts   | 37,764,237          | <b>26,204,889</b>    |
| 04                                      | Local/private operating grants and contracts   | 40,583,985          | <b>39,184,281</b>    |
| 05                                      | Sales & services of <u>auxiliary enterprises,</u><br>after deducting <u>discounts &amp; allowances</u> | 78,131,946          | <b>74,237,545</b>    |
| 06                                      | <u>Sales &amp; services of hospitals,</u><br>after deducting <u>patient contractual allowances</u>     | 723,389,839         | <b>647,003,475</b>   |
| 07                                      | <u>Independent operations</u>  | 0                   | <b>0</b>             |
| 08                                      | Other sources - operating <b>(CV)</b><br><b>CV=[B09-(B01+ ....+B07)]</b>                               | 14,201,700          | <b>12,573,855</b>    |
| 09                                      | Total operating revenues   | 1,140,957,171       | <b>1,041,353,491</b> |

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Institution: Stony Brook University (196097)

User ID: P81960971

**Part B - Revenues and Other Additions****Fiscal Year 2007****Report in whole dollars only**

| Line No.                            | Source of funds  | Current year amount | Prior year amount |
|-------------------------------------|--|---------------------|-------------------|
| <b><u>Nonoperating Revenues</u></b> |  |                     |                   |
| 10                                  | <u>Federal appropriations</u>  | 0                   | 0                 |
| 11                                  | <u>State appropriations</u>  | 457,298,911         | 374,890,340       |
| 12                                  | <u>Local appropriations, education district taxes, &amp; similar support</u> | 0                   | 0                 |
| <b><u>Grants-nonoperating</u></b>   |  |                     |                   |
| 13                                  | Federal nonoperating grants  | 0                   | 0                 |
| 14                                  | State nonoperating grants  | 0                   | 0                 |
| 15                                  | Local nonoperating grants  | 0                   | 0                 |
| 16                                  | <u>Gifts, including contributions from affiliated organizations</u>          | 3,255,510           | 3,829,834         |
| 17                                  | <u>Investment income</u>   | 12,677,545          | 7,953,033         |
| 18                                  | Other nonoperating revenues (CV)<br>CV=[B19-(B10+...+B17)]                   | 5,836,426           | 1,031,333         |
| 19                                  | Total nonoperating revenues  | 479,068,392         | 387,704,540       |

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Institution: Stony Brook University (196097)

User ID: P81960971

**Part B - Revenues and Other Additions**

**Fiscal Year 2007**

**Report in whole dollars only**

| Line No. | Resource of funds   | Current year amount | Prior year amount |
|----------|---|---------------------|-------------------|
|          | Other Revenues and Additions                                    |                     |                   |
| 20       | Capital appropriations  | 789,539             | 1,779,793         |
| 21       | Capital grants & gifts  | 27,493,777          | 18,114,986        |
| 22       | Additions to permanent endowments                               | 0                   | 0                 |
| 23       | Other revenues & additions (CV)<br>CV=[B24-(B20+...+B22)]       | 0                   | 0                 |
| 24       | Total other revenues and additions                              | 28,283,316          | 19,894,779        |
| 25       | Total all revenues and other additions (CV)<br>CV=(B09+B19+B24) | 1,648,308,879       | 1,448,952,810     |

**CV = Calculated Value**

**CAVEATS**

? State G, G & C / Research ? increase in Research Foundation grants. ? Hospital Revenue ? revenue increased due to a 7.5% rate increase along with an increase in patient care services. ? Other Sources ? increase in Research Foundation revenue. ?



Institution: Stony Brook University (196097)

User ID: P81960971

**Part C - Expenses and Other Deductions****Fiscal Year 2007****Report in whole  
dollars  
only**

| Line No.                  | Description   | 1<br>Current year total | 2<br>Salaries & wages | 3<br>Employee fringe benefits | 4<br>Depreciation | 5<br>All other     |
|---------------------------|---|-------------------------|-----------------------|-------------------------------|-------------------|--------------------|
| <b>Operating Expenses</b> |   |                         |                       |                               |                   |                    |
| 01                        | <u>Instruction</u>  | 273,373,202             | 156,488,907           | 95,234,981                    | 0                 | 21,649,314         |
| 02                        | <u>Research</u>   | 95,229,591              | 53,201,543            | 18,236,959                    | 0                 | 23,791,089         |
| 03                        | <u>Public service</u>   | 15,942,266              | 6,978,958             | 3,498,012                     | 0                 | 5,465,296          |
| 05                        | <u>Academic support</u>   | 42,057,665              | 21,361,914            | 13,754,169                    | 0                 | 6,941,582          |
| 06                        | <u>Student services</u>   | 25,652,446              | 13,230,860            | 7,881,395                     | 0                 | 4,540,191          |
| 07                        | <u>Institutional support</u>  | 95,864,569              | 43,315,911            | 23,992,877                    | 0                 | 28,555,781         |
| 08                        | <u>Operation &amp; maintenance of plant</u>   | 82,705,232              | 18,145,263            | 17,035,910                    | 0                 | 47,524,059         |
| 09                        | <u>Depreciation</u>   | 68,846,789              |                       |                               | 68,846,789        |                    |
| 10                        | <u>Scholarships and fellowships expenses, excluding discounts &amp; allowances (do not include work study here)</u> | 13,015,421              |                       |                               |                   | 13,015,421         |
| 11                        | <u>Auxiliary enterprises</u>  | 75,367,971              | 15,942,345            | 9,659,018                     | 0                 | 49,766,608         |
| 12                        | <u>Hospital services</u>  | 783,512,836             | 323,721,557           | 174,153,264                   | 0                 | 285,638,015        |
| 13                        | <u>Independent operations</u>   | 0                       | 0                     | 0                             | 0                 | 0                  |
| 14                        | <u>Other expenses &amp; deductions (CV) CV=[C15-(C01+...+C13)]</u>  | 4,682,873               | 1,178,248             | 16,269                        | 0                 | 3,488,356          |
| 15                        | <u>Total operating expenses</u>   | 1,576,250,861           | 653,565,506           | 363,462,854                   | 68,846,789        | 490,375,712        |
|                           | <u>Prior year amount</u>  | <b>1,355,302,692</b>    | <b>614,992,617</b>    | <b>226,519,132</b>            | <b>49,977,555</b> | <b>463,813,388</b> |

Institution: Stony Brook University (196097)

User ID: P81960971

**Part C - Expenses and Other Deductions**

Fiscal Year 2007

Report in whole dollars only

| Line No.                                    | Description  | 1<br>Current year total | 2<br>Salaries & wages | 3<br>Employee fringe benefits | 4<br>Depreciation | 5<br>All other     |
|---|--|-------------------------|-----------------------|-------------------------------|-------------------|--------------------|
| <b>Nonoperating Expenses and Deductions</b> |  |                         |                       |                               |                   |                    |
| 16  | <b>Interest</b>  | 36,517,299              |                       |                               |                   | 36,517,299         |
| 17  | <b>Other nonoperating expenses &amp; deductions (CV)</b><br>CV=(C18-C16) | 458,536                 | 0                     | 0                             | 0                 | 458,536            |
| 18  | Total nonoperating expenses & deductions (CV)<br>CV=(C19-C15)            | 36,975,835              | 0                     | 0                             | 0                 | 36,975,835         |
| 19  | Total expenses & deductions  | 1,613,226,696           | 653,565,506           | 363,462,854                   | 68,846,789        | 527,351,547        |
|   | Prior year amount  | <b>1,390,628,285</b>    | <b>614,992,617</b>    | <b>226,519,132</b>            | <b>49,977,555</b> | <b>499,138,981</b> |

CV = Calculated Value

**CAVEATS**

? Operation and Maintenance of Plant ? increase primarily due to an increase of \$6 million in personal service and fringe benefit costs and an increase of \$4 million in postemployment benefit costs. ? Hospital Expenses ? increased primarily

Institution: Stony Brook University (196097)

User ID: P81960971

**Part D - Summary of Changes In Net Assets**

**Fiscal Year 2007**

| Line No. | Description   | Current year amount | Prior year amount    |
|----------|---|---------------------|----------------------|
| 01       | Total revenues & other additions <b>(from B25)</b>                                  | 1,648,308,879       | <b>1,448,952,810</b> |
| 02       | Total expenses & deductions <b>(from C19)</b>                                       | 1,613,226,696       | <b>1,390,628,285</b> |
| 03       | Increase in net assets during year <b>(CV)</b><br><b>CV=(D01-D02)</b>               | 35,082,183          | <b>58,324,525</b>    |
| 04       | <u>Net assets</u> beginning of year   | 282,209,346         | <b>200,229,485</b>   |
| 05       | <u>Adjustments to beginning net assets</u> <b>(CV)</b><br><b>CV=[D06-(D03+D04)]</b> | 111,259,487         | <b>23,655,336</b>    |
| 06       | Net assets end of year <b>(from A18)</b>  | 428,551,016         | <b>282,209,346</b>   |

**CV = Calculated Value**

**CAVEATS**

Institution: Stony Brook University (196097)

User ID: P81960971

**Part E - Scholarships and Fellowships**

**Part E - Scholarships and Fellowships  
Fiscal Year 2007**

**Report in whole dollars only**

| Line No. | Source   | Current year amount | Prior year amount |
|----------|--|---------------------|-------------------|
|          | Institutional Expenses and Discounts & Allowances  |                     |                   |
|          | Gross Scholarships and Fellowships (no loans included)   |                     |                   |
| 01       | <u>Pell grants</u> (federal)   | 16,021,588          | 15,649,661        |
| 02       | <u>Other federal grants</u>  | 3,236,936           | 1,438,387         |
| 03       | <u>Grants by state government</u>  | 29,494,528          | 23,018,810        |
| 04       | <u>Grants by local government</u>  | 77,974              | 50,000            |
| 05       | <u>Institutional grants from restricted resources</u>  | 15,261,061          | 17,053,264        |
| 06       | <u>Institutional grants from unrestricted resources (CV)</u><br>CV=[E07-(E01+...+E05)]                           | 1,248,549           | 238,310           |
| 07       | Total gross scholarships and fellowships   | 65,340,636          | 57,448,432        |
|          | <u>Discounts and Allowances</u>  |                     |                   |
| 08       | <u>Discounts &amp; allowances applied to tuition &amp; fees</u>  | 37,374,514          | 34,596,303        |
| 09       | <u>Discounts &amp; allowances applied to sales &amp; services of auxiliary enterprises (CV)</u><br>CV= (E10-E08) | 14,950,701          | 13,122,684        |
| 10       | Total Discounts & Allowances (CV)<br>CV=(E07-E11)  | 52,325,215          | 47,718,987        |
| 11       | Net scholarships and fellowships expenses after deducting discount & allowances (from C10)                       | 13,015,421          | 9,729,445         |

**CV = Calculated Value**

**CAVEATS**

Institution: Stony Brook University (196097)

User ID: P81960971

**Part F - Component Unit That Uses FASB Standards**

**Part F - GASB Component Unit that uses FASB Standards  
Fiscal Year 2007**

Names of entities included:   
 Primary nature (purpose) of unit(s)

**Report in whole dollars only**

Line No. Current year amount

**Statement of Financial Position**

|    |   |             |
|----|---|-------------|
| 01 | <u>Long-term investments</u>                          | 118,677,111 |
| 02 | <u>Other assets (CV)</u><br><b>CV=(F03-F01)</b>       | 35,055,364  |
| 03 | Total Assets  | 153,732,475 |
| 04 | Total liabilities <b>(CV)</b><br><b>CV=(F03-F08)</b>  | 27,380,997  |
|    | <u>Net Assets</u>                                     |             |
| 05 | <u>Temporarily restricted</u>                         | 53,876,230  |
| 06 | <u>Permanently restricted</u>                         | 49,309,531  |
| 07 | <u>Unrestricted (CV)</u><br><b>CV=[F08-(F05+F06)]</b> | 23,165,717  |
| 08 | Total net assets                                      | 126,351,478 |

Institution: Stony Brook University (196097)

User ID: P81960971

**Part F - Component Unit That Uses FASB Standards**

**Part F - GASB Component Unit that uses FASB Standards  
Fiscal Year 2007**

Report in whole dollars only

| Line No.                       |  | Current year amount |
|--------------------------------|--|---------------------|
| <b>Statement of Activities</b> |  |                     |
| 09                             | <b>Investment return</b>   | 12,816,512          |
| 10                             | Other <b>revenues, gains, &amp; other support (CV)</b><br>CV=(F11-F09) | 21,321,308          |
| 11                             | Total revenues, <b>gains, &amp; other support</b>                      | 34,137,820          |
| 12                             | Total <b>expenses</b>  | 18,230,900          |
| 12a                            | Expenses paid to institution ( <b>included in F12</b> )                | 3,829,109           |
| 13                             | Total <b>losses (CV)</b><br>CV=(F14-F12)                               | 0                   |
| 14                             | Total expenses and losses ( <b>CV</b> )<br>CV=(F11-F15)                | 18,230,900          |
| 15                             | <b>Change in net assets</b>  | 15,906,920          |
| 16                             | Net assets -- beginning of year  | 110,444,558         |
| 17                             | <b>Adjustments to beginning net assets(CV)</b><br>CV=[F18-(F15+F16)]   | 0                   |
| 18                             | Net assets -- end of year ( <b>from F08</b> )                          | 126,351,478         |

CV = Calculated value

**CAVEATS**



Institution: Stony Brook University (196097)

User ID: P81960971

**Part H - Details of Endowment Assets****Fiscal Year 2007****Report in whole dollars only**

| <b>Line No.</b> | <b>Value of Endowment Assets</b>   | <b>Market Value</b> | <b>Prior Year Amounts</b> |
|-----------------|--|---------------------|---------------------------|
|                 | Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution. |                     |                           |
| 01              | Value of <u>endowment assets</u> at the beginning of the fiscal year   | 25,084,005          | <b>21,692,822</b>         |
| 02              | Value of <u>endowment assets</u> at the end of the fiscal year   | 49,309,531          | <b>25,084,005</b>         |

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Institution: Stony Brook University (196097)

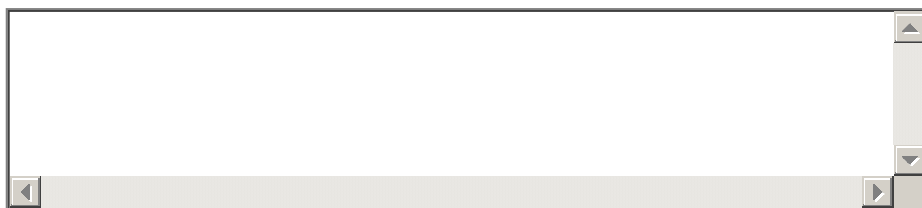
User ID: P81960971

**Part J - Revenue Data for Bureau of Census**

**Part J - Revenues (Census Bureau)  
Fiscal Year 2007**

| Source and type                                       | Amount  |  |                       |   |   |
|---|---|--|-----------------------|---|---|
|   | Total for all funds and operations (includes endowment funds, but excludes component units) | Education and general/independent operations | Auxiliary enterprises | Hospitals                               | Agriculture extension/experiment services |
|   | (1)   | (2)  | (3)                   | (4)                                     | (5)                                       |
| 01 Tuition and fees                                   | 136,878,766   | 136,878,766                                  |                       |   |   |
| 02 Sales and services                                 | 816,472,486   | <input type="text"/>                         | 93,082,647            | 723,389,839                             | <input type="text"/>                      |
| 03 Federal grants/contracts (excludes Pell Grants)    | 131,359,624   | <input type="text" value="131,359,624"/>     | <input type="text"/>  | <input type="text"/>                    | <input type="text"/>                      |
| Revenue from the state government:                    |   |  |                       |   |   |
| 04 State appropriations, current & capital            | 457,298,911   | <input type="text" value="368,096,085"/>     | <input type="text"/>  | <input type="text" value="89,202,826"/> | <input type="text"/>                      |
| 05 State grants and contracts                         | 37,764,237  | <input type="text" value="37,764,237"/>      | <input type="text"/>  | <input type="text"/>                    | <input type="text"/>                      |
| Revenue from local governments:                       |   |  |                       |   |   |
| 06 Local appropriation, current & capital             | 0   | <input type="text"/>                         | <input type="text"/>  | <input type="text"/>                    | <input type="text"/>                      |
| 07 Local government grants/contracts                  | 379,811   | <input type="text" value="379,811"/>         | <input type="text"/>  | <input type="text"/>                    | <input type="text"/>                      |
| 08 Receipts from property and non-property taxes      | <input type="text"/>  |  |                       |   |   |
| 09 Gifts and private grants, including capital grants | <input type="text" value="30,749,287"/>   |  |                       |   |   |
| 10 Interest earnings                                  | <input type="text"/>  |  |                       |   |   |
| 11 Dividend earnings                                  | <input type="text"/>  |  |                       |   |   |
| 12 Realized capital gains                             | <input type="text"/>  |  |                       |   |   |

**CAVEATS**



Institution: Stony Brook University (196097)

User ID: P81960971

**Part K - Expenditure Data for Bureau of Census**

**Part K - Expenditures  
Fiscal Year 2007**

| Category   | Amount  |  |                       |             |   |
|--|---|--|-----------------------|-------------|---|
|  | Total for all funds and operations (includes endowment funds, but excludes component units) | Education and general/independent operations | Auxiliary enterprises | Hospitals   | Agriculture extension/experiment services |
|  | (1)   | (2)  | (3)                   | (4)         | (5)                                       |
| 01 Salaries and wages  | 653,565,506   | 313,901,604                                  | 15,942,345            | 323,721,557 |   |
| 02 Employee benefits, total  | 363,462,854   | 179,650,572                                  | 9,659,018             | 174,153,264 |   |
| 03 Payment to state retirement funds (maybe included in line 02 above) | 57,326,737  | 28,357,610                                   | 1,678,142             | 27,290,985  |   |
| 04 Current expenditures other than salaries                            | 0   |  |                       |             |   |
| Capital outlay:  |   |  |                       |             |   |
| 05 Construction  | 83,366,638  | 49,871,849                                   | 9,503,327             | 23,991,462  |   |
| 06 Equipment purchases   | 82,997,755  | 29,624,965                                   | 871,140               | 52,501,650  |   |
| 07 Land purchases  | 4,830,032   | 4,830,032                                    |                       |             |   |
| 08 Interest on debt outstanding, all funds & activities                | 10,990,290  |  |                       |             |   |
| 09 Scholarships/fellowships  | 65,340,636  | 65,340,636                                   |                       |             |   |

**CAVEATS**

Institution: Stony Brook University (196097)

User ID: P81960971

**Part L - Debt and Assets, page 1**

**Part L - Debt and Assets  
Fiscal Year 2007**

**Debt**

| Category   | Amount               |
|--|----------------------|
| 01 Long-term debt outstanding at beginning of fiscal year  | <input type="text"/> |
| 02 Long-term debt issued during fiscal year                | <input type="text"/> |
| 03 Long-term debt retired during fiscal year               | <input type="text"/> |
| 04 Long-term debt outstanding at end of fiscal year        | <input type="text"/> |
| 05 Short-term debt outstanding at beginning of fiscal year | <input type="text"/> |
| 06 Short-term debt outstanding at end of fiscal year       | <input type="text"/> |

**CAVEATS**

Institution: Stony Brook University (196097)

User ID: P81960971

**Part L - Debt and Assets, page 2**

**Part L - Debt and Assets (page 2)  
Fiscal Year 2007**

**Assets**

Category

Amount

07 Total cash and security assets held at end of fiscal year in sinking or debt service funds

08 Total cash and security assets held at end of fiscal year in bond funds

09 Total cash and security assets held at end of fiscal year in all other funds

**CAVEATS**

Institution: Stony Brook University (196097)

User ID: P81960971

**Explanation Report**

There are no explanations for selected survey and institution



Print Form(s)

GoBack



Contact Information:  
 Your name:  
 and Email:  
 Telephone:

This Survey is for Stony Brook University

**General Information**

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statement (GPFS). Please refer to the instructions specific to each page of the survey for detailed instruction and references. Note: Your fiscal year should end before October 1, if not please explain in the Caveats Section.

| (Month MM) | (Year YYYY) |
|------------|-------------|
| 07         | 2007        |
| 06         | 2008        |

1. This report covers financial activities for the 12-month fiscal year

Beginning: Month and Year

Ending: Month and Year

Select One (X)

|                                     |             |
|-------------------------------------|-------------|
| <input checked="" type="checkbox"/> | Unqualified |
| <input type="checkbox"/>            | Qualified   |
| <input type="checkbox"/>            | Don't Know  |

2. Audit Opinion Did your institution receive an unqualified opinion on its General Purpose Statement from your auditor for the fiscal year noted above? (If your institution is audited only in combination with an other entity, answer this question based on the audit of that entity.)

Select One (X)

|                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Business Type Activities                              |
| <input type="checkbox"/>            | Governmental Activities                               |
| <input type="checkbox"/>            | Governmental Activities with Business-Type Activities |

3. GASB Statement No. 34. Which reporting model will be implemented by your institution ?

Select One (X)

|                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Auxiliary enterprises                             |
| <input type="checkbox"/>            | Student Services                                  |
| <input type="checkbox"/>            | Does not participate in intercollegiate athletics |
| <input type="checkbox"/>            | Other (specify in caveats box below)              |

4. If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

Select One (X)

|                                     |                                |
|-------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> | Yes - Report Endowment Records |
| <input type="checkbox"/>            | No                             |

5. Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

Enter Units

|   |   |
|---|---|
| 1 | Number of component unit columns on GPFS using FASB standards |
| 0 | Number of component unit columns on GPFS using GASB standards |

6. Component Units Each discretely presented component unit should be reported in the same manner and amounts as included on the face of the institution's GPFS. There should be one Finance Survey component unit form (Parts F or G) completed for each column on the face of the GPFS, whether that column represents a single component unit or a combination of component units.

CAVEATS:

Please continue to next Tab.....

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part A - Statement of Net Assets**

| Line No.                      | Source of Funds                                       | Current Year Amount  |
|-------------------------------|---|----------------------|
| <b>Current Assets</b>         |   |                      |
| 01                            | Total current assets                                  | 611,109,380          |
| <b>Non Current Assets</b>     |   |                      |
| 02                            | Capital assets depreciable (gross)                    | 1,885,943,684        |
| 03                            | Accumulated depreciation (enter as a positive amount) | 854,152,989          |
| 04                            | Other noncurrent assets (A05 - (A02-A03))             | 232,419,399          |
| 05                            | Total noncurrent assets                               | 1,264,210,094        |
| 06                            | <b>Total assets (A01 + A05)</b>                       | <b>1,875,319,474</b> |
| <b>Current Liabilities</b>    |   |                      |
| 07                            | Long-term debt, current portion                       | 53,970,258           |
| 08                            | Other current liabilities (A09 - A07)                 | 254,677,457          |
| 09                            | Total Current Liabilities                             | 308,647,715          |
| <b>Noncurrent Liabilities</b> |   |                      |
| 10                            | Long-term debt  | 810,617,301          |
| 11                            | Other non-current liabilities (A12 - A10)             | 397,914,755          |
| 12                            | Total noncurrent liabilities                          | 1,208,532,056        |
| 13                            | <b>Total liabilities (A09 + A12)</b>                  | <b>1,517,179,771</b> |
| <b>Net assets</b>             |   |                      |
| 14                            | Invested in capital assets, net of related debt       | 296,873,901          |
| 15                            | Restricted expendable                                 | 764,818              |
| 16                            | Restricted non-expendable                             |                      |
| 17                            | Unrestricted (A18 - (A14 + A15 + A16))                | 60,500,984           |
| 18                            | <b>Total net assets (A06 - A13)</b>                   | <b>358,139,703</b>   |

| Part A | Plant, Property, and Equipment   | Beginning     | Additions   | Retirements | Ending Balance |
|--------|--|---------------|-------------|-------------|----------------|
| 21     | Land and land Improvements   | 35,433,432    | 12,239,350  | 137,871     | 47,534,911     |
| 22     | Infrastructure   | 62,389,031    | 8,523,363   | 1,385,596   | 69,526,798     |
| 23     | Buildings  | 1,038,178,302 | 37,266,013  | 2,412,525   | 1,073,031,790  |
| 24     | Equipment  | 351,591,435   | 39,885,388  | 12,414,355  | 379,062,468    |
| 25     | Art and library collections  | 73,957,700    | 3,130,602   | 420,496     | 76,667,806     |
| 26     | Property obtained under capital leases ( if not included in equipment) |               |             |             |                |
| 27     | Construction in progress   | 156,303,862   | 147,103,006 | 63,286,957  | 240,119,911    |
| 28     | Accumulated depreciation   | 799,216,308   | 72,202,064  | 17,265,383  | 854,152,989    |

**IPEDS F1A Survey (GASB), FY 2007-08**

**This Survey is for Stony Brook University**

**Part B - Revenues and Other Additions**

Report in whole dollars only

| Line                                    | Function of Expenditures  | Current Year Amount  |
|---|---|----------------------|
| <b>Operating Revenues</b>               |   |                      |
| 01                                      | Tuition & fees, after deducting discounts & allowances                            | 107,684,274          |
| <b>Grants and contracts - operating</b> |   |                      |
| 02                                      | Federal operating grants and contracts  | 148,635,614          |
| 03                                      | State operating grants and contracts  | 17,436,797           |
| 04                                      | Local/private operating grants and contracts                                      | 43,698,627           |
| 05                                      | Sales & services of auxiliary enterprises, after deducting discounts & allowances | 89,308,775           |
| 06                                      | Sales & services of hospitals, after deducting patient contractual allowances     | 739,835,861          |
| 07                                      | Independent operations  |                      |
| 08                                      | Other sources - operating (B09-(B01+ ....+B07))                                   | 21,092,476           |
| 09                                      | <b>Total operating revenues</b>   | <b>1,167,692,424</b> |
| <b>Nonoperating Revenues</b>            |   |                      |
| 10                                      | Federal appropriations  |                      |
| 11                                      | State appropriations  | 462,596,126          |
| 12                                      | Local appropriations, education district taxes & similar support                  |                      |
| <b>Grants Nonoperating</b>              |   |                      |
| 13                                      | Federal nonoperating grants   |                      |
| 14                                      | State nonoperating grants   |                      |
| 15                                      | Local nonoperating grants   |                      |
| 16                                      | Gifts, including contributions from affiliated organizations                      | 1,300,894            |
| 17                                      | Investment income   | 12,370,068           |
| 18                                      | Other nonoperating revenues (B19-(B10+...+B17))                                   |                      |
| 19                                      | <b>Total nonoperating revenues</b>  | <b>476,267,088</b>   |
| <b>Other Revenues and Additions</b>     |   |                      |
| 20                                      | Capital appropriations  | 1,375,716            |
| 21                                      | Capital grants & gifts  | 3,327,243            |
| 22                                      | Additions to permanent endowments   |                      |
| 23                                      | Other revenues & additions (B24-(B20+...+B22))                                    |                      |
| 24                                      | <b>Total other revenues and additions</b>   | <b>4,702,959</b>     |
| 25                                      | <b>Total all revenues and other additions (B09+B19+B24)</b>                       | <b>1,648,662,471</b> |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part C - Expenses and Other Deductions**

Report in whole dollars only

| Line   | Function of Expenditures  | Current Year Total | Salaries & Wages | Employee Fringe Benefits | Depreciation | All Other   |  |
|--|---|--------------------|------------------|--------------------------|--------------|-------------|--|
| <b>Operating Expenses</b>                    |   |                    |                  |                          |              |             |  |
| 01   | Instruction   | 277,869,390        | 164,862,356      | 93,932,898               |              | 19,074,136  |  |
| 02   | Research  | 96,307,112         | 51,804,684       | 18,194,377               |              | 26,308,051  |  |
| 03   | Public service  | 17,962,163         | 9,173,422        | 4,442,736                |              | 4,346,005   |  |
| 05   | Academic support  | 49,928,756         | 23,689,852       | 14,857,309               |              | 11,381,595  |  |
| 06   | Student services  | 31,857,356         | 15,387,199       | 8,950,999                |              | 7,519,158   |  |
| 07   | Institutional support   | 104,414,931        | 46,841,825       | 24,967,230               |              | 32,605,876  |  |
| 08   | Operation & maintenance of plant                                      | 102,007,181        | 20,439,783       | 20,105,652               |              | 61,461,746  |  |
| 09   | Depreciation  | 72,392,368         | 72,392,368       |                          |              |             |  |
| 10   | Scholarships & fellowships expenses, excluding discounts & allowances | 13,057,477         | 1,220,965        | 7,916                    |              | 11,828,596  |  |
| 11   | Auxiliary enterprises   | 92,596,326         | 16,770,968       | 9,691,218                |              | 66,134,140  |  |
| 12   | Hospital services   | 804,788,005        | 350,504,154      | 170,319,828              |              | 283,964,023 |  |
| 13   | Independent operations  |                    |                  |                          |              |             |  |
| 14   | Other expenses & deductions (C15-(C01+...+C13))                       | 3,968,380          |                  |                          |              | 3,968,380   |  |
| 15   | Total operating expenses  | 1,667,149,445      | 700,695,208      | 365,470,163              | 72,392,368   | 528,591,706 |  |
| <b>Non-operating Expenses and Deductions</b> |   |                    |                  |                          |              |             |  |
| 16   | Interest  | 45,128,435         |                  |                          |              |             |  |
| 17   | Other nonoperating expenses & deductions (C18-C16)                    | 6,795,904          |                  |                          |              | 6,795,904   |  |
| 18   | Total nonoperating expenses & deductions (C19-C15)                    | 51,924,339         |                  |                          |              | 51,924,339  |  |
| 19   | Total expenses & deductions   | 1,719,073,784      | 700,695,208      | 365,470,163              | 72,392,368   | 580,516,045 |  |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part D - Summary of Changes in Net Assets**

Report in whole dollars only

| Line No. | Summary of Changes in Net Assets                    |               |
|----------|---|---------------|
| 01       | Total revenues & other additions (from B25)         | 1,648,662,471 |
| 02       | Total expenses & deductions (from C19)              | 1,719,073,784 |
| 03       | Increase in net assets during year (D01-D02)        | -70,411,313   |
| 04       | Net assets beginning of year                        | 428,551,016   |
| 05       | Adjustments to beginning net assets (D06-(D03+D04)) |               |
| 06       | Net assets end of year (from A18)                   | 358,139,703   |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part E - Scholarship and Fellowships**

**Institutional Expenses and Discounts & Allowances  
Gross Scholarships and Fellowships (no loans included)**

Report in whole dollars or

| Line No.                        | Student Scholarships and Fellowships by Source   | Total Amount |
|---------------------------------|--|--------------|
| 01                              | Pell grants (federal)  | 16,638,370   |
| 02                              | Other federal grants   | 2,718,534    |
| 03                              | Grants by state government   | 28,808,990   |
| 04                              | Grants by local government   | 26           |
| 05                              | Institutional grants from restricted resources   | 15,534,383   |
| 06                              | Institutional grants from unrestricted resources E07-(E01+...+E05)                         | 1,336,503    |
| 07                              | Total gross scholarships and fellowships   | 65,036,806   |
| <b>Discounts and Allowances</b> |  |              |
| 08                              | Discounts & allowances applied to tuition & fees   | 36,514,755   |
| 09                              | Discounts & allowances applied to sales & services of auxiliary enterprises (E10-E08)      | 15,464,574   |
| 10                              | Total Discounts & Allowances (E07-E11)   | 51,979,329   |
| 11                              | Net scholarships and fellowships expenses after deducting discount & allowances (from C10) | 13,057,477   |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part F - Component Unit that Uses FASB Standards**

Report in whole dollars only

|   |  |   |   |   |   |   |   |   |
|---|--|---|---|---|---|---|---|---|
| Enter up to 8<br>(text will accommodate 60 spaces)<br><br>Entities included:<br>Primary nature of unit(s) | 1  | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|   | Stony Brook Foundation, Inc. and Affiliate |   |   |   |   |   |   |   |
|   | Fundraising                                |   |   |   |   |   |   |   |

| Line                           | Statement of Financial Position                 | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount |
|--------------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 01                             | Long-term investments                           | 123,713,270  |              |              |              |              |              |              |              |
| 02                             | Other assets (F03-F01)                          | 68,576,423   |              |              |              |              |              |              |              |
| 03                             | Total assets                                    | 192,289,693  |              |              |              |              |              |              |              |
| 04                             | Total liabilities (F03-F08)                     | 28,886,463   |              |              |              |              |              |              |              |
| <b>Net Assets</b>              |   |              |              |              |              |              |              |              |              |
| 05                             | Temporarily restricted                          | 71,855,327   |              |              |              |              |              |              |              |
| 06                             | Permanently restricted                          | 71,226,269   |              |              |              |              |              |              |              |
| 07                             | Unrestricted F08-(F05+F06)                      | 20,321,634   |              |              |              |              |              |              |              |
| 08                             | Total net assets                                | 163,403,230  |              |              |              |              |              |              |              |
| <b>Statement of Activities</b> |   |              |              |              |              |              |              |              |              |
| 09                             | Investment return                               | 4,295,850    |              |              |              |              |              |              |              |
| 10                             | Other revenues, gains & other support (F11-F09) | 52,613,887   |              |              |              |              |              |              |              |
| 11                             | Total revenues, gains & other support           | 56,909,737   |              |              |              |              |              |              |              |
| 12                             | Total expenses                                  | 19,857,985   |              |              |              |              |              |              |              |
| 12a                            | Expenses paid to institution (included in F12)  | 2,140,674    |              |              |              |              |              |              |              |
| 13                             | Total losses (F14-F12)                          |              |              |              |              |              |              |              |              |
| 14                             | Total expenses and losses (F11-F15)             | 19,857,985   |              |              |              |              |              |              |              |
| 15                             | Change in net assets                            | 37,051,752   |              |              |              |              |              |              |              |
| 16                             | Net assets -- beginning of year                 | 126,351,478  |              |              |              |              |              |              |              |
| 17                             | Adjustments to beg. net assets F18-(F15+F16)    |              |              |              |              |              |              |              |              |
| 18                             | Net assets -- end of year (from F08)            | 163,403,230  |              |              |              |              |              |              |              |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part G - Component Unit that Uses GASB Standards**

Report in whole dollars only

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| Enter up to 8<br>(text will accommodate 60 spaces)<br>Entities included:<br>Primary nature of unit(s) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|   |   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |   |

| Line | Statement of Net Assets   | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount | Total Amount |
|------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 01   | Total current assets  |              |              |              |              |              |              |              |
| 02   | Total non-current assets (G03-G01)                                |              |              |              |              |              |              |              |
| 03   | Total Assets  |              |              |              |              |              |              |              |
| 04   | Total current liabilities   |              |              |              |              |              |              |              |
| 05   | Total noncurrent liabilities (G06-G04)                            |              |              |              |              |              |              |              |
| 06   | Total liabilities (G3-G11)  |              |              |              |              |              |              |              |
|      | <b>Net Assets</b>   |              |              |              |              |              |              |              |
| 07   | Invested in capital assets, net of related debt                   |              |              |              |              |              |              |              |
| 08   | Restricted-expendable   |              |              |              |              |              |              |              |
| 09   | Restricted-nonexpendable  |              |              |              |              |              |              |              |
| 10   | Unrestricted G11-(G07+...+G09)                                    |              |              |              |              |              |              |              |
| 11   | Total net assets  |              |              |              |              |              |              |              |
|      | <b>Statement of Revenues, Expenses, and Changes in Net Assets</b> |              |              |              |              |              |              |              |
| 12   | Total operating revenues  |              |              |              |              |              |              |              |
| 13   | Total operating expenses  |              |              |              |              |              |              |              |
| 13a  | Expenses paid to institution (included in G13)                    |              |              |              |              |              |              |              |
| 14   | Net operating revenues (Expenses) (G12-G13)                       |              |              |              |              |              |              |              |
| 15   | Total nonoperating revenues                                       |              |              |              |              |              |              |              |
| 16   | Total nonoperating expenses (G14+G15)-G17                         |              |              |              |              |              |              |              |
| 17   | Income before other revenues, expenses, gains, or losses          |              |              |              |              |              |              |              |
| 18   | Total other additions & deductions (G19-G17)                      |              |              |              |              |              |              |              |
| 19   | Change in net assets  |              |              |              |              |              |              |              |
| 20   | Net assets – beginning of year                                    |              |              |              |              |              |              |              |
| 21   | Adjustments to beginning net assets G22-(G19+G20)                 |              |              |              |              |              |              |              |
| 22   | Net assets – end of year (from G11)                               |              |              |              |              |              |              |              |



**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part H - Details of Endowment Assets, (positional file only)**

Report in whole dollars only

| Line No. | Line Value of Endowment Assets                                |             |
|----------|---|-------------|
| 01       | Value of endowment assets at the beginning of the fiscal year | 80,371,279  |
| 02       | Value of endowment assets at the end of the fiscal year       | 102,687,671 |

This Survey is for Stony Brook University

**Part J - Revenue Data for Bureau of Census**

Report in whole dollars only

| Line                                      | Source   | Totals For All Funds And Operations (Includes Endowment Funds, But Excludes Component Units) | Education And General / Independent Operations | Auxiliary Enterprises | Hospitals   | Agriculture Extension / Experiment Services |
|---|--|--|--|-----------------------|-------------|---|
| 01  | c Tuition and fees (generated)                       | 144,199,029  | 144,199,029                                    |                       |             |   |
| 02  | c Sales and services                                 | 844,609,210  |  | 104,773,349           | 739,835,861 |   |
| 03  | c Federal grants/contracts (excludes Pell Grants)    | 131,997,244  | 131,997,244                                    |                       |             |   |
| <b>Revenue from the state government:</b> |  |  |  |                       |             |   |
| 04  | c State appropriations, current & capital            | 462,596,126  | 393,227,854                                    |                       | 69,368,272  |   |
| 05  | c State grants and contracts                         | 17,436,797   | 17,436,797                                     |                       |             |   |
| <b>Revenue from local governments:</b>    |  |  |  |                       |             |   |
| 06  | c Local appropriation, current & capital             |  |  |                       |             |   |
| 07  | c Local government grants/contracts                  | 552,779  | 552,779  |                       |             |   |
| 08  | c Receipts from property and non-property taxes      |  |  |                       |             |   |
| 09  | c Gifts and private grants, including capital grants | 4,628,137  |  |                       |             |   |
| 10  | c Interest earnings                                  |  |  |                       |             |   |
| 11  | c Dividend earnings                                  |  |  |                       |             |   |
| 12  | c Realized capital gains                             |  |  |                       |             |   |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part K - Expenditure Data for Bureau of Census**

Report in whole dollars only

| Line                   | Source   | Totals - All Funds & Operations (Includes Endowment Funds, Excludes Component Units) | Education And General / Independent Operations | Auxiliary Enterprises | Hospitals   | Agriculture Extension / Experiment Services |
|------------------------|--|--|--|-----------------------|-------------|---|
| 01                     | Salaries and wages                                   | 700,695,208  | 333,420,086                                    | 16,770,968            | 350,504,154 |   |
| 02                     | Employee benefits, total                             | 365,470,163  | 185,459,117                                    | 9,691,218             | 170,319,828 |   |
| 03                     | Payment to state retirement funds                    | 55,842,526   | 28,658,611                                     | 1,625,343             | 25,558,572  |   |
| 04                     | Current expenditures other than salaries             |  |  |                       |             |   |
| <b>Capital outlay:</b> |  |  |  |                       |             |   |
| 05                     | Construction   | 37,266,013   | 26,042,425                                     | 11,223,588            |             |   |
| 06                     | Equipment purchases                                  | 39,885,388   | 13,666,917                                     | 1,245,280             | 24,973,191  |   |
| 07                     | Land purchases                                       | 12,239,350   | 12,239,350                                     |                       |             |   |
| 08                     | Interest on debt outstanding, all funds & activities | 17,317,018   |  |                       |             |   |
| 09                     | Scholarships / fellowships                           | 65,036,806   | 65,036,806                                     |                       |             |   |

**IPEDS F1A Survey (GASB), FY 2007-08**

This Survey is for Stony Brook University

**Part L - Debt and Assets**

Report in whole dollars or

| Line          | Category Amount  | Total Amount |
|---------------|--|--------------|
| <b>Debt</b>   |  |              |
| 01            | Long-term debt outstanding at beginning of fiscal year                                     |              |
| 02            | Long-term debt issued during fiscal year   |              |
| 03            | Long-term debt retired during fiscal year  |              |
| 04            | Long-term debt outstanding at end of fiscal year   |              |
| 05            | Short-term debt outstanding at beginning of fiscal year                                    |              |
| 06            | Short-term debt outstanding at end of fiscal year  |              |
| <b>Assets</b> |  |              |
| 07            | Total cash and security assets held at end of fiscal year in sinking or debt service funds |              |
| 08            | Total cash and security assets held at end of fiscal year in bond funds                    |              |
| 09            | Total cash and security assets held at end of fiscal year in all other funds               |              |

## Enrollment History

|   | Fall<br>2003  | Fall<br>2004  | Fall<br>2005  | Fall<br>2006  | Fall<br>2007  | Fall<br>2008  | Five-year<br>change |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|
| <b>WEST CAMPUS</b>                        |               |               |               |               |               |               |                     |
| <b>UNDERGRADUATE</b>                      |               |               |               |               |               |               |                     |
| Full-time freshmen new                    | 2,163         | 2,127         | 2,498         | 2,709         | 2,692         | 2,799         | 636                 |
| Full-time transfers new                   | 1,224         | 1,353         | 1,516         | 1,374         | 1,225         | 1,114         | (110)               |
| FT continuing/non-matric                  | 8,640         | 8,434         | 8,454         | 8,840         | 9,507         | 9,729         | 1,089               |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| Total full-time                           | 12,027        | 11,914        | 12,468        | 12,923        | 13,424        | 13,642        | 1,615               |
| Total part-time                           | 1,205         | 1,113         | 1,013         | 983           | 996           | 968           | (237)               |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| <b>TOTAL UNDERGRADUATE</b>                | <b>13,232</b> | <b>13,027</b> | <b>13,481</b> | <b>13,906</b> | <b>14,420</b> | <b>14,610</b> | <b>1,378</b>        |
| <b>GRADUATE SCHOOL</b>                    |               |               |               |               |               |               |                     |
| Full-time new                             | 630           | 611           | 642           | 629           | 674           | 659           | 29                  |
| Part-time new                             | 67            | 74            | 97            | 76            | 93            | 96            | 29                  |
| Full-time continuing                      | 1,152         | 999           | 970           | 977           | 946           | 969           | (183)               |
| Part-time continuing                      | 326           | 289           | 273           | 298           | 302           | 322           | (4)                 |
| Advanced full-time                        | 752           | 6             | 19            | 964           | 944           | 943           | 191                 |
| Advanced part-time                        | 8             | 889           | 906           | 9             | 10            | 15            | 7                   |
| MBA full-time                             |               | 11            | 81            | 149           | 180           | 134           | 134                 |
| MBA part-time                             |               | 2             | 21            | 67            | 77            | 111           | 111                 |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| Total Graduate School                     | 2,935         | 2,881         | 3,009         | 3,169         | 3,226         | 3,249         | 314                 |
| <b>SCHOOL OF PROFESSIONAL DEVELOPMENT</b> |               |               |               |               |               |               |                     |
| Full-time new                             | 245           | 220           | 261           | 224           | 229           | 202           | (43)                |
| Full-time continuing                      | 275           | 270           | 241           | 218           | 232           | 222           | (53)                |
| Part-time                                 | 2,632         | 2,361         | 2,164         | 1,965         | 1,952         | 2,194         | (438)               |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| Total SPD                                 | 3,152         | 2,851         | 2,666         | 2,407         | 2,413         | 2,618         | (534)               |
| Total full-time                           | 3,054         | 2,117         | 2,214         | 3,161         | 3,205         | 3,129         | 75                  |
| Total part-time                           | 3,033         | 3,615         | 3,461         | 2,415         | 2,434         | 2,738         | (295)               |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| <b>TOTAL GRADUATE</b>                     | <b>6,087</b>  | <b>5,732</b>  | <b>5,675</b>  | <b>5,576</b>  | <b>5,639</b>  | <b>5,867</b>  | <b>(220)</b>        |
| <b>WEST CAMPUS TOTAL</b>                  | <b>19,319</b> | <b>18,759</b> | <b>19,156</b> | <b>19,482</b> | <b>20,059</b> | <b>20,477</b> | <b>1,158</b>        |
| <b>EAST CAMPUS</b>                        |               |               |               |               |               |               |                     |
| <b>UNDERGRADUATE</b>                      |               |               |               |               |               |               |                     |
| Full-time                                 | 683           | 707           | 712           | 813           | 796           | 863           | 180                 |
| Part-time                                 | 157           | 124           | 95            | 128           | 152           | 180           | 23                  |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| Total undergraduate                       | 840           | 831           | 807           | 941           | 948           | 1,043         | 203                 |
| <b>GRADUATE</b>                           |               |               |               |               |               |               |                     |
| Full-time                                 | 778           | 621           | 630           | 765           | 773           | 790           | 12                  |
| Professional                              | 580           | 599           | 601           | 595           | 605           | 630           | 50                  |
| Part-time                                 | 827           | 875           | 818           | 739           | 770           | 729           | (98)                |
|   | -----         | -----         | -----         | -----         | -----         | -----         | -----               |
| Total graduate                            | 2,185         | 2,095         | 2,049         | 2,099         | 2,148         | 2,149         | (36)                |
| <b>EAST CAMPUS TOTAL</b>                  | <b>3,025</b>  | <b>2,926</b>  | <b>2,856</b>  | <b>3,040</b>  | <b>3,096</b>  | <b>3,192</b>  | <b>167</b>          |
| <b>SB CAMPUS TOTAL</b>                    | <b>22,344</b> | <b>21,685</b> | <b>22,012</b> | <b>22,522</b> | <b>23,155</b> | <b>23,669</b> | <b>1,325</b>        |

(continued)

## Enrollment History (continued)

|                            | Fall<br>2003  | Fall<br>2004  | Fall<br>2005  | Fall<br>2006  | Fall<br>2007  | Fall<br>2008  | Five-year<br>change |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|
| <b>SOUTHAMPTON CAMPUS</b>  |               |               |               |               |               |               |                     |
| <b>UNDERGRADUATE</b>       |               |               |               |               |               |               |                     |
| Full-time freshmen new     |               |               |               |               | 68            | 81            | 81                  |
| Full-time transfers new    |               |               |               |               | 40            | 57            | 57                  |
| FT continuing/non-matric   |               |               |               |               | 12            | 92            | 92                  |
|                            |               |               |               |               | -----         | -----         | -----               |
| Total full-time            |               |               |               |               | 120           | 230           | 230                 |
| Total part-time            |               |               |               |               | 35            | 41            | 41                  |
|                            |               |               |               |               | -----         | -----         | -----               |
| <b>TOTAL UNDERGRADUATE</b> |               |               |               |               | <b>155</b>    | <b>271</b>    | <b>271</b>          |
| <b>GRADUATE</b>            |               |               |               |               |               |               |                     |
| Graduate School part-time  |               |               |               |               | 28            | 27            | 27                  |
| Graduate School full-time  |               |               |               |               |               | 7             | 7                   |
| SPD part-time              |               |               |               |               | 12            | 19            | 19                  |
| SPD full-time              |               |               |               |               | 1             | 1             | 1                   |
|                            |               |               |               |               | -----         | -----         | -----               |
| <b>TOTAL GRADUATE</b>      |               |               |               |               | <b>41</b>     | <b>54</b>     | <b>54</b>           |
| <b>SOUTHAMPTON TOTAL</b>   |               |               |               |               | <b>196</b>    | <b>325</b>    | <b>325</b>          |
| <b>STONY BROOK TOTAL</b>   | <b>22,344</b> | <b>21,685</b> | <b>22,012</b> | <b>22,522</b> | <b>23,351</b> | <b>23,994</b> | <b>1,650</b>        |

**Stony Brook University  
Projected Enrollment (fall 2009-fall 2011)**

|                                 | Enrollment Plan |               |               |
|---------------------------------|-----------------|---------------|---------------|
|                                 | Fall<br>2009    | Fall<br>2010  | Fall<br>2011  |
| <b>WEST CAMPUS</b>              |                 |               |               |
| <b>Undergraduates</b>           |                 |               |               |
| Full-time freshmen new          | 2,700           | 2,700         | 2,700         |
| Full-time transfers new         | 1,200           | 1,200         | 1,200         |
| FT continuing/non-matric        | 9,800           | 9,750         | 9,700         |
|                                 | -----           | -----         | -----         |
| Total full-time                 | 13,700          | 13,650        | 13,600        |
| Total part-time                 | 1,000           | 1,000         | 1,000         |
|                                 | -----           | -----         | -----         |
| <b>TOTAL</b>                    | <b>14,700</b>   | <b>14,650</b> | <b>14,600</b> |
| <hr/>                           |                 |               |               |
| <b>Graduate School</b>          |                 |               |               |
| Full-time new                   | 625             | 625           | 625           |
| Part-time new                   | 75              | 75            | 75            |
| Full-time continuing            | 946             | 919           | 904           |
| Part-time continuing            | 355             | 355           | 355           |
| Full-time dissertation          | 918             | 885           | 856           |
| Part-time dissertation          | 10              | 10            | 10            |
| MBA full-time                   | 185             | 200           | 220           |
| MBA part-time                   | 95              | 105           | 115           |
|                                 | -----           | -----         | -----         |
| Total Graduate School           | 3,209           | 3,174         | 3,160         |
| <b>Professional Development</b> |                 |               |               |
| Full-time new                   | 250             | 265           | 280           |
| Full-time continuing            | 255             | 270           | 285           |
| Part-time                       | 2,015           | 2,030         | 2,045         |
|                                 | -----           | -----         | -----         |
| Total SPD                       | 2,520           | 2,565         | 2,610         |
| <b>Total Graduates</b>          |                 |               |               |
| Full-time                       | 3,179           | 3,164         | 3,170         |
| Part-time                       | 2,550           | 2,575         | 2,600         |
|                                 | -----           | -----         | -----         |
| Total Graduates                 | 5,729           | 5,739         | 5,770         |
| <hr/>                           |                 |               |               |
| <b>WEST CAMPUS</b>              | <b>20,429</b>   | <b>20,389</b> | <b>20,370</b> |

|                           | Enrollment Plan |               |               |
|---------------------------|-----------------|---------------|---------------|
|                           | Fall<br>2009    | Fall<br>2010  | Fall<br>2011  |
| <b>EAST CAMPUS</b>        |                 |               |               |
| <b>Undergraduates</b>     |                 |               |               |
| Full-time                 | 809             | 756           | 756           |
| Part-time                 | 100             | 100           | 100           |
| Total undergraduate       | 909             | 856           | 856           |
| <b>Graduates</b>          |                 |               |               |
| Full-time                 | 852             | 865           | 857           |
| Professional              | 664             | 696           | 720           |
| Part-time                 | 752             | 752           | 752           |
| Total graduate            | 2,268           | 2,313         | 2,329         |
| <b>EAST CAMPUS</b>        | <b>3,177</b>    | <b>3,169</b>  | <b>3,185</b>  |
| <b>SB CAMPUS</b>          | <b>23,606</b>   | <b>23,558</b> | <b>23,555</b> |
| <b>SOUTHAMPTON CAMPUS</b> |                 |               |               |
| <b>Undergraduates</b>     |                 |               |               |
| Full-time freshmen new    | 210             | 300           | 350           |
| Full-time transfers       | 75              | 75            | 75            |
| FT continuing from SBS    | 204             | 402           | 635           |
| Total full-time           | 489             | 777           | 1,060         |
| Total part-time           | 40              | 40            | 40            |
| <b>TOTAL</b>              | <b>529</b>      | <b>817</b>    | <b>1,100</b>  |
| <b>Graduates</b>          |                 |               |               |
| Full-time                 | 5               | 5             | 5             |
| Part-time                 | 50              | 50            | 50            |
| <b>TOTAL</b>              | <b>55</b>       | <b>55</b>     | <b>55</b>     |
| <b>SBS TOTAL</b>          | <b>584</b>      | <b>872</b>    | <b>1,155</b>  |
| <b>SB TOTAL</b>           | <b>24,190</b>   | <b>24,430</b> | <b>24,710</b> |