

TO: Brockport Faculty and Staff

FROM: James “Beau” Willis
Vice President for Administration and Finance

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RE: **Campus Financial Plan Update**

This past year, the leadership of the College has intentionally brought campus-wide attention to the College’s fiscal health and the need to place the institution’s finances on a sustainable trajectory to maintain operations, advance strategic priorities and ensure the vitality of the College long into the future. Through a transparent and broadly engaging effort there is now a collective understanding that our dependence on campus reserve funds to operate in fiscal balance cannot be sustained at current revenue levels and expenditure rates. The December 3 [Campus Financial Plan Update](#) and February 4 [Campus Budget Forum](#) provided important context for understanding these circumstances and steps being considered to address the situation. Our intent has also been to be inclusive and to solicit campus-wide input.

With the academic year winding down I would like to update you on the current state of the College’s financial health and the actions underway that will ensure fiscal balance in the short-term and lay the groundwork for institutional financial sustainability over the long-term. That’s our goal.

To begin, I want to state unequivocally that the College will finish the current fiscal year with a positive reserve balance and that although there are still a number of unpredictable factors, I am confident that we have sufficient options available to us to complete the upcoming year (2014/15) in fiscal balance. This news should not be taken as an indication that we can afford to take our eyes off the imperative to bring our operations into sustainable fiscal balance and rebuild campus reserves—a multi-year undertaking. Indeed the need to create fiscal capacity for Brockport and other SUNY campuses—as well as nation-wide in higher education—has never been more pressing. The fact that the NYS Legislature did not fund contractually-mandated salary increases for SUNY employees over the past two legislative cycles serves as just one example of a significant financial obligation that will require funding from campus resources. This obligation alone will cost our campus almost \$300,000 annually.

The College entered the current fiscal year (2013/14) with a reserve balance of nearly \$4.4 million, a decrease of \$2.4 million from the prior year. I am encouraged to report that we anticipate closing the fiscal year with a reserve balance on the order of \$2 million. This is higher than earlier projections, a consequence of slightly better than expected tuition revenues (primarily due to larger than expected Special Session and Spring 2014 enrollments) and a larger than normal reimbursement of certain SUNY assessments. Certain budget actions expected to occur over the next several weeks may increase the reserve balance somewhat.

Current planning assumptions for the 2014/15 fiscal year are based on enrolling approximately 250 additional students in Fall 2014 relative to 2013; the result of moderate growth in graduate programs and a decision in early 2014 to extend a second wave of admission offers to freshmen and transfers. These additional enrollments, coupled with the fourth of five years of NYSUNY 2020 rational tuition increases, will add approximately \$3.5 million in additional tuition revenue to the College’s

financial plan. Deposits, a strong predictor of new fall enrollments, are being monitored closely. We are encouraged that graduate deposits are ten percent ahead of last year. While undergraduate deposits are on pace with last year, it is still too early to evaluate our success in achieving our revised enrollment targets despite a dramatic increase in applications thanks to the efforts of Enrollment Management.

To ensure a balanced 2014/15 operating budget and sufficient reserve balances going into the 2015/16 fiscal year, a number of one-time strategies are being evaluated. These include limiting certain expenditures managed centrally, assessing divisional reserve balances, disciplined restraint in filling open faculty and staff positions, and delaying or adjusting certain priority need strategic investments. The extent to which these will need to be drawn upon will be a function of year-end reserve balances and achieving fall 2014 enrollment targets, both of which we should know with some certainty in several weeks.

Moving forward, our collective efforts need to be focused on the launching of new academic programs that will attract new enrollments to increase tuition revenue, as well as improved operational and academic efficiencies to better manage expenditures. It is encouraging to note that the campus is already engaged in this work.

Several new academic programs in various stages of development that are aligned with SUNY objectives and the high priority needs of New York state will attract new enrollments. Operationally, a number of administrative initiatives are underway that promise to deliver important campus services in a more efficient and cost effective manner.

The College's Budget and Resource Committee is currently evaluating a number of very good suggestions submitted through the online [Budget Forum Feedback](#) form, and is also assessing budget priorities as identified in [Budget Presentations](#) made by the Vice Presidents and Deans over the past year. BRC's year-end report to the President's Cabinet will provide a number of recommendations to reduce expenditures, as well as a prioritization of strategic investments.

Drawing from the December 3 Campus Financial update, it is important to reiterate that while our College – much like other colleges, both public and private – is facing financial challenges, focused planning and strategies created through the deliberative and collective effort of all will move us toward financial sustainability. The College has now begun to take steps towards this goal and we should be confident that with your assistance we will begin to realize significant progress.