



The College at
BROCKPORT
STATE UNIVERSITY OF NEW YORK

Vice President for Administration and Finance

December 1, 2011

TO: All Faculty and Staff

FROM: Lou Spiro
Administration and Finance

RE: The College at Brockport 2011-12 Budget Update and the SUNY 2012-13 Budget Request

Final Fall 2011 enrollment and tuition revenue information has been compiled and this report includes an update on The College at Brockport's 2011-12 budget status as well as an overview of the SUNY 2012-13 budget request.

The College at Brockport 2011-12 Budget Update

After all reductions, increases and tuition revenue increases, Brockport has a \$400,000 net budget reduction in 2011-12, well below the initial \$3.0 million reduction in state support that was anticipated in the spring. Additional tuition revenue from the first year of the five-year SUNY Rational Tuition Plan, a \$300 annual undergraduate resident tuition increase plus other tuition rate increases, provided \$2.5 million, less the nearly \$500,000 reduction (25%) for the TAP Credit amount required as part of the Governor and Legislature's approved NYSUNY2020 bill.

However, it is important to remember that we are still managing the cumulative effects of the past four fiscal years where we have seen a reduction of \$9.2 million in state support. While tuition revenue increases have nearly matched this reduction, our contractual salary expenses have increased by \$8.5 million, resulting in a net reduction of \$9.0 million in available resources. Our cash balance position remains strong, providing the flexibility to manage through these still uncertain times.

SUNY 2012-13 Budget Request

In recognition of this more favorable financial position for 2011-12, we have begun to *reinvest* in some of the College's highest priorities from our updated Strategic Plan. This includes selected one-time and permanent expenditures, including critical staffing, in all Divisions of the College. The details of these strategic investments, along with our five-year financial projections, will be reviewed with the Budget and Resource Committee at their December meeting.

SUNY is requesting nearly \$154 million in additional state support for 2012-13, with \$90 million of this total for maintenance of effort and costs to continue. This is primarily focused on the SUNY

Hospitals fringe benefit disparity situation and the need to move towards a one-third state share of costs for Community Colleges. State Operated campuses would receive \$24 million, with nearly \$8 million in contractual salary and inflationary costs and over \$16 million from the last installment of the tuition share reimbursement. \$40 million is requested for SUNY Works, a variety of programs and activities to deliver economic growth through jobs.

SUNY is also requesting more than \$151 million in additional appropriations for tuition, with \$81 million in increased revenues that would be generated by the second year of the SUNY Rational Tuition Plan and an additional \$70 million generated from total SUNY enrollments that are well above the planned levels.

The SUNY Capital budget request is significantly larger than 2011-12 enacted amounts, primarily for SUNY Hospitals and Community Colleges. The last year of the current five-year capital plan for educational facilities is consistent with prior years at \$550 million. Total residence hall capital requests, which are self-funded, are similar to last year. Hospitals have not received capital allocations, which are self-funded, in the last two fiscal years and \$600 million is requested. Community Colleges have an increased request due to additional funding support from the sponsoring counties, who pay one-half of the project cost.

What Happens Next?

- While New York State's revenues have fallen behind projections by about \$350 million, a concern to the Governor and the Legislature, we hope that a 2011-12 mid-year reduction will not be required.
- The SUNY 2012-13 budget request is positive since it provides for ongoing costs, recommends the implementation of the second year of the SUNY Rational Tuition Plan and continues capital plan support. However, we would like to see future increases focusing on the needs of our SUNY comprehensive colleges.
- The Governor releases his Executive Budget recommendations for 2012-13 on January 17, 2012, and this will be followed by Legislative review and negotiations before April 1, 2012, when the state fiscal year begins and the enacted budget is supposed to be in place. This process will be complicated by the current estimate of a \$3.5 billion budget deficit for 2012-13.
- We will review our 2011-12 financial position again after the Spring 2012 enrollment and tuition revenue is finalized in February/March to see if it is realistic to consider some additional strategic investments. This review will also be guided by the Governor's Executive Budget for 2012-13, the likely enacted budget, the status of the SUNY Rational Tuition Plan and the ongoing discussions within SUNY about a new budget allocation model.

While our 2011-12 financial position is better than we expected six months ago, there are still significant national and state uncertainties, as reflected by the current state budget shortfall and the projection of a significant state budget deficit in 2012-13.

We will continue to stay focused on implementing critical aspects of our College's Strategic Plan, while making sure that we can afford any additional permanent strategic investments in future semesters.