

September 8, 2011

TO: All Faculty and Staff

FROM: Lou Spiro
Administration and Finance

RE: Interim Budget Update for 2011-12

The most recent 2011-12 budget update was provided to the College community on June 30, 2011. It focused on the implementation of the SUNY tuition plan and our improved financial position, even though there was still a significant budget reduction. This interim report reinforces much of what President Halstead reviewed at the Faculty/Staff Convocation and it will be followed by a more comprehensive report in October after final fall enrollment is available.

The basic parameters of our 2011-12 budget position remains constant, however there have been some changes as SUNY has finalized the financial plans for all campuses.

- Brockport's net state support budget reduction for 2011-12 remains at just under \$3 million, another significant reduction continuing the trend since the start of the 2008-09 budget year.
- Our estimated tuition amount is increased by about \$300,000 to over \$2.4 million. This is higher than the prior estimate of nearly \$2.2 million, since the SUNY tuition plan included additional increases for out-of-state undergraduates and graduate students.
- The SUNY tuition credit program has been developed as a system-wide pool, with each campus providing nearly 25 percent of their additional tuition. This is estimated to be \$495,000 for Brockport, an additional cost of nearly \$60,000, since we had estimated a 20 percent cost for our own students.
- The net budget reduction for 2011-12 is now less than \$1 million, well below the reductions of prior years.

We expect some reductions in SUNY University-wide allocations to the campus, but there are other areas where we will see increased revenues.

What does this mean for Brockport and what happens next?

We continue to be cautiously optimistic that New York State's economy will continue to improve and that the enacted New York State balanced budget for 2011-12 will remain balanced, removing the need for another mid-year reduction.

With our current level of College reserves, recently increased by over \$3.2 million from both College actions and Divisional contributions, we have sufficient flexibility to manage both the 2011-12 budget reduction and our structural deficit of \$1.7 million to \$2.9 million without taking any extraordinary personnel actions. We have shared the details of this preliminary budget plan with the Budget and Resource Committee at the July 14 meeting and as usual we will keep them informed throughout the year.

We have been successful in protecting our academic core and maintaining the number of full-time faculty, however, we continue to have 65 FTE staff positions "frozen" for permanent salary savings.

At the state level, the 2012-13 Executive Budget will be released in January and it will provide an indication of the recommended level of state support for SUNY. If there is some combination of increased state support and/or a tuition increase for 2012-13, we would be well on our way to eliminating our structural deficit.

It remains very important that we continue to follow through on changes that we have made in instruction, student support and business processes as we move forward with the implementation of the next phase of our strategic plan.

President's Cabinet is now in the process of reviewing funding requests based on the strategic plan to invest some of our available resources in the highest priority areas to improve instructional and service areas that will positively impact student success. This will be an ongoing process each semester as we continue to monitor our budget condition, and if all goes well, over the next few years we will be able to make more significant investments to benefit our students and to continue to advance the College.

We are encouraged by recent financial events, but we need to stay focused on implementing critical aspects of the College's Strategic Plan while also making sure that we do not over-commit in the area of permanent investments.