

April 14, 2011

TO: All Faculty and Staff

FROM: Lou Spiro
Administration and Finance

RE: 2011-12 Enacted New York State Budget

The 2011-12 New York State Budget was enacted on April 1 and it incorporated many of the Governor's original Executive Budget recommendations regarding the State University of New York. The Community Colleges received \$12.9 million in additional state support, but still must manage a reduction of \$20.3 million. The hospitals received \$60 million in additional state support, along with the ability to amortize \$27 million in pension payments over time, but they still have to manage \$66 million in reductions. The state-operated campuses did not receive any additional state support, maintaining the \$88 million reduction amount.

Although the Executive Budget included legislation intended to enhance SUNY's ability to engage in public-private partnerships and to provide a more flexible procurement system, the Enacted Budget only included a modified version of the procurement component of this legislation which allows post-audit only for the purchases of goods. There was also no authorization for SUNY to increase tuition for Fall 2011. The UB 2020 legislation and potentially other SUNY flexibility items, most importantly including a SUNY-wide tuition policy, will be part of an agenda outside of the budget process as the Governor has conceptually favored a summit, now tentatively planned for May.

What does this mean for SUNY and what happens next?

SUNY System Administration leadership is optimistic that the conversation about tuition is not over. SUNY is on the list of the Governor's post-budget discussion items and SUNY leadership and campus presidents are trying to keep this issue alive, especially for Fall 2011. Similarly, they are making an effort to try to get the UB 2020 discussion broadened for all of SUNY.

While these discussions continue, SUNY has developed a "standard" series of budget reduction scenarios for review and discussion. One major difference this year, which has not happened in prior years, is that \$14 million of the hospital reduction has been added to the amount that needs to be reduced by the state-operated campuses. These scenarios are ultimately different ways to allocate the reduction in state support and each approach has "winners" and "losers".

The SUNY Business Officers Association has been asked to provide recommendations about the most equitable reduction strategy in the next six weeks. SUNY System Administration will then

provide a final version of the reduction strategy for the SUNY Board of Trustees to review at their June meeting, with the SUNY Financial Plan to follow.

What does this mean for Brockport and what happens next?

We will certainly do all we can to support SUNY System Administration in their efforts to successfully conclude discussions that could lead to a greatly needed tuition increase for Fall 2011.

We will also carefully evaluate the various SUNY budget reduction scenarios and then provide our recommendations to the leadership of the SUNY Business Officers Association. In particular, we will point out that adding a portion of the hospital reduction specifically identified by both the Executive and Legislative branches to the state-operated campuses is a very serious precedent and it is our opinion that this should not be implemented. Similarly, the \$88 million reduction is in state support and this should be managed as a function of each campus's level of state support, not through other approaches.

The key for us will be the SUNY Board of Trustees 2011-12 Financial Plan, which will officially allocate the budget reductions to the individual campuses. Once we know that information in June, we will re-calculate our structural deficit using our five-year financial model, and then use that information to inform our ongoing long-term contingency plans to manage this structural deficit on a permanent basis.

In the meantime, we all need to advocate for a fair and reasonable five-year tuition plan for all of SUNY, as approved at the last Board of Trustees meeting on March 22, 2011. Here is a link to this important plan: http://www.suny.edu/Board_of_Trustees/webcastdocs/TuitionProposal.pdf
We are grateful for the support of our College Senate, our College Council and BSG for endorsing such a plan – all unanimously – prior to the enactment of the New York State budget.