

March 25, 2011

TO: All Faculty and Staff

FROM: Lou Spiro
Administration and Finance

RE: Update on Campus Actions to Prepare for the 2011-12 New York State Budget

Following up on my February 17, 2011, memo, I am providing an update on the status of the 2011-12 New York State Budget as well as the progress of the campus financial actions underway to cope with the likely impacts.

The New York State budget process for 2011-12 is now moving quickly with both the Senate and the Assembly having passed their own versions of the budget, which must now be reconciled with each other and the Governor's Executive Budget. Presently, all parties seem to be focused on having a budget in place by the required April 1 deadline, compared to the very late budget completion that was experienced last year.

From the SUNY perspective, the good news is that both the Senate and the Assembly have proposed restoration of \$16.6 million in state support to the SUNY Community Colleges, or one-half of the \$33.2 million reduction that was included in the Executive Budget. Further, both houses have proposed partial restoration for the SUNY hospitals; \$64.4 million in the Assembly and \$115.0 million in the Senate, compared to the \$154.0 million reduction in the Executive Budget. It remains to be seen if these restorations will be included in the enacted budget. The bad news is that there is no proposed restoration in state support for the State-operated colleges and no inclusion of a general tuition increase, thereby mirroring the Executive Budget.

We have previously estimated the impact of the \$88 million net reduction to SUNY State-operated colleges as \$3.1 million to The College at Brockport based on the methodology that SUNY used to allocate reductions last year. In the absence of any additional information about how the 2011-12 reductions might be allocated, the impact of funding reductions to the SUNY hospitals, etc., this remains our current best estimate. However, this could change depending on SUNY's budget allocation decisions.

Our available College reserves will be depleted quickly based on this current budget reduction estimate that translates into an estimated \$4.5 million to \$5.0 million structural deficit. All Divisions have identified short-term plans to generate funds for our reserves through such measures as suspending approved searches, reviewing IFR and State account balances, reducing expenditures, etc., with the goal of obtaining an additional \$3.0 million in cash. This has been a very difficult process, but we have been able to identify \$3.2 million in cash that can be added to the College reserve between now and the end of the 2011-12 fiscal year. The reallocation of this substantial level of resources from Divisional activities will negatively impact operations in the short term, but it is essential to preserve the financial integrity of the College for a longer period of time necessary to develop and implement additional permanent reduction strategies.

All Divisions have now begun to develop a number of long-term contingency plans to manage our structural deficit on a permanent basis. These plans will take longer to specify and the degree to which they may have to be implemented will depend upon the outcome of the 2011-12 enacted budget, participation in the College's Voluntary Separation Incentive Program (VSIP) and other intermediate actions that result in permanent savings.

It is important to note, however, that during this critical time both SUNY and our campus leadership have stepped up advocacy efforts for a five-year fair, predictable and responsible tuition plan. On March 22, the SUNY Board of Trustees unanimously passed a resolution supporting Chancellor Zimpher's tuition policy for all of SUNY. This followed on the heels of a strong resolution from the SUNY University Faculty Senate. Just this past Wednesday, our own College Senate passed a similar resolution, as did our Student Government on February 25 and our College Council on March 2 – all unanimously. President Halstead and Dave Mihalyov have been making advocacy calls to our legislators and College Senate President Joe Torre has also engaged in advocacy and there is still time for other faculty and staff to do the same prior to April 1. The favorable editorial in this morning's *Rochester Democrat & Chronicle* strongly supporting SUNY's rational and predictable tuition plan is just one positive sign of our advocacy efforts.

This is an extremely serious financial situation that we are working hard to manage. We will continue to strive to protect the academic core and the quality of the Brockport experience to the greatest extent possible. Again, we encourage you to advocate for support at this critical time as we approach April 1.

As always, I'm open to questions and constructive suggestions to significantly reduce expenditures or increase revenues.