

January 26, 2010

TO: All Faculty and Staff

FROM: Lou Spiro  
Vice President for Administration and Finance

RE: 2010-11 Executive Budget Update

As conveyed in a campus e-mail from President Halstead on January 15, 2010, Governor Paterson announced The Public Higher Education Empowerment and Innovation Act building upon unprecedented cooperation and partnerships between SUNY, CUNY, the Governor, and the Division of the Budget. If approved by the Legislature – again, we urge your advocacy – this bill would have a profound impact upon flexibility and independence for SUNY.

The Governor then released the New York State 2010-11 Executive Budget on January 19, 2010, which now begins the budget process with the State Legislature – a process that may go through April 1. A summary of the impact of each upon SUNY and The College at Brockport follows:

**The Public Higher Education Empowerment and Innovation Act ([www.suny.edu](http://www.suny.edu))**

The Public Higher Education Empowerment and Innovation Act harnesses high-impact, zero-cost solutions that will create jobs, build the foundation for tomorrow's economy and strengthen public higher education – while saving millions of taxpayer dollars.

- As the State University becomes more responsible for its own finances, its spending on academic pursuits will not only benefit the students that it serves, but also create a larger workforce and a better work environment.
- With greater financial independence and streamlined operations, SUNY and CUNY will be poised to develop strong public-private partnerships, new sources of revenue and enhanced research funds. Most importantly, the Act will provide the financial stability (through multi-year budget plans) and increased opportunities that our students, employees and taxpayers need.

Major components of the legislative proposal (sometimes referred to as the SUNY-CUNY Empowerment Act) include:

- Tuition Policy and Financing that allows for differential tuition by campus and program.
  - The SUNY Board of Trustees must adopt tuition policy that is fair, equitable and responsible and that includes guidelines for across the board tuition adjustments, differential tuition and enrollment planning. The Board will do so in open meetings with student representation and guarantee predictability plus ensure access as SUNY continues to be concerned about low-income students.
- Land Use, Public-Private Partnerships and Construction Fund opportunities.

- The SUNY Board of Trustees can accept gifts of real property and can undertake land leases without special legislation for projects not in conflict with campus missions, subject to approval by the State University Asset Maximization Review Board.
- SUNY can enter joint ventures and public private partnerships, subject to approval by the State University Asset Maximization Review Board.
- The State University Construction Fund can use expanded delivery methods, including design/build and construction manager at risk;
- Procurement and Operational Efficiencies.
  - Eliminates burdensome and duplicative State Comptroller/Attorney General pre-approval of SUNY, CUNY and their Construction Funds contracts.
  - Streamlines approval for residential halls built by SUNY alumni associations.
  - Provides protection from liability for students participating in clinical internships related to their field of study.
  - Aligns SUNY and CUNY to the eight year master planning process applicable to the independent colleges and universities in New York State.
- Hospital Reforms.
  - Facilitates hospitals participating in joint ventures and managed care to provide health care related services.
  - Eliminates burdensome and duplicative State Comptroller/Attorney General pre-approval of SUNY hospital contracts, including those involving real property transactions.

### **2010-11 Base Budget Reductions to SUNY State Operated Colleges**

- **\$90 million 2009-10 mid-year reduction was made permanent.**
  - The reduction to the state operated campuses was \$2.6 million *less* than anticipated.
- **SUNY requested \$106.1 million in additional funding and \$115.1 million was provided.**
  - SUNY requested \$89.6 million for collective bargaining and general inflation and \$98.4 million was provided for these costs and for energy costs that had not been requested.
    - SUNY had requested \$81.4 million for collective bargaining costs and this was fully funded.
    - SUNY had requested \$8.2 million for general inflation and \$8.9 million was funded.
    - An additional \$8.1 million was provided for energy costs, even though this was not requested.
  - SUNY had requested \$16.5 million for the next installment of the tuition share and \$16.7 million was funded.
- **\$117.9 million budget reduction was imposed – this represents slightly *more* than all of the additional funding that had been provided for collective bargaining, inflation and the tuition share.**

- **\$30.9 million budget reduction was imposed as SUNY's portion of the Governor's Executive Budget \$250.0 million state-wide budget reduction, which is to come from personal service actions.**
  - The specific actions that would generate these savings are yet to be negotiated with the unions at the state level, and if successful this budget reduction would be eliminated.
- **Net impact is that the Executive Budget is \$137.3 million or 12.7% less than SUNY's request.**

### **Estimated 2010-11 Base Budget Impact to The College at Brockport**

- Contractual salary increases, tuition share adjustment and inflation estimates are funded for an estimated total of \$2,978,200.
  - Contractual salary increases of \$2,262,000 are funded, *but cannot* be used to offset budget reductions.
  - Tuition share adjustment increase estimate of \$569,600.
  - Inflation increase estimate of \$146,600.
- Two percent tuition increase that was included in the SUNY budget request generates an estimated \$772,400 in revenues.
- \$106.4 million SUNY base budget reduction is assumed to be allocated to the campuses like last year, resulting in an estimated \$2,068,900 reduction.
- \$30.9 million SUNY base budget reduction for workforce negotiation reductions is assumed to be allocated to the campuses like last year resulting in an estimated \$600,800 reduction.
  - Should the unions agree to one or more reductions to achieve the \$250 million reduction for all state agencies, this amount would no longer be listed as a budget reduction.
- M/C salary increases are funded but not distributed, resulting in an estimated \$125,700 savings.
- **Net impact on Brockport is an estimated budget reduction of nearly \$1.1 million, adding to the prior net reduction of \$4.4 million that was reported in December.**

The President's Cabinet has already met and reviewed the impacts of the 2010-11 Executive Budget. All existing revenue generation/expenditure reduction actions remain in place and a new series of more aggressive actions have been closely scrutinized due to the continuing budget reductions. A number of these actions will need some further careful study, but we hope to be able to implement them in the near future. Since we expect to achieve significant savings and/or revenues from these actions, we will *not* be considering layoffs at this time.

Again, we ask that you support The Public Higher Education Empowerment and Innovation Act as this would provide SUNY and our campuses with the long-overdue ability to manage our own resources even more wisely and to take advantage of opportunities to increase local economic development.

We also ask for your continued support to **protect the College's academic core** and to **maintain our commitment to the outstanding overall student experience**, which both make The College at Brockport unique. We are rightfully proud of our unwavering focus on student success.

As always, we look forward to receiving your questions and comments about the ongoing efforts to manage these ongoing budget reductions as we work with the State to solve New York's budget problems and become part of the solution in a concerted effort from SUNY and all constituents.