

January 29, 2009

TO: Dr. Dawn Jones
Chair, Budget and Resource Committee

FROM: Lou Spiro
Administration and Finance

RE: SUNY 2009-10 Executive Budget Recommendation

On the attached sheet is a one page summary of the SUNY 2009-10 Executive Budget Recommendations, indicating the positives and negatives, and likely allocations and unknown allocations if the recommended budget were to be enacted. These allocations are only SUNY proposals, and they are not “cast in stone”, but SUNY is required at this point to file a report showing how the enacted budget would impact the system.

It is important to note that these are the current recommendations, and that there is still a long way to go before the enacted state budget is finalized by April 1, 2009, or perhaps later given the difficult budget negotiations that are likely to take place. Also, the SUNY Board of Trustees and SUNY System Administration continue to negotiate with the Governor’s Office and the Division of the Budget, and also continue to advocate for SUNY with the legislature. Goals of these efforts are to restore reductions in state support to the greatest degree possible, to retain all of the increased tuition revenue without corresponding reductions in state support and to obtain increased flexibility of operations.

Our next step is to try to “guestimate” what the impacts to The College at Brockport would be if the Executive Budget were to be enacted, as we can not wait until April or longer to determine our proper courses of action. This “guestimate” will help to guide our decisions about the targeted level of permanent reductions that we need to generate, the continuance of the hard hiring freeze, the use of reserves to offset reductions on a temporary basis, and other revenue and expenditure considerations. The “guestimate” will be updated periodically to indicate our internal financial status and as we obtain additional information from the legislative process. Ultimately, we expect to receive our final 2009-10 allocations from SUNY about a month after the final state budget is in place.

SUNY 2009-10 EXECUTIVE BUDGET RECOMMENDATION

Positives: \$89.6 million in additional state funding

- Contractual salary increases funded (\$71.3 million), but allocated to existing faculty and staff.
- OTPS inflation funded (\$8.1 million).
- Energy inflation funded (\$10.2 million).

Additional Tuition Revenues: \$71.9 million

- Additional annual tuition increase (\$71.9 million) after 2008-09 partial increase.

Negatives: \$173.5 million in additional reductions to state funding

- 80/20 split of annualized tuition in 2009-10 (\$53.5 million).
- 16.5% reduction in hospital funding (\$25.4 million).
- Increase in-state graduate tuition to 21.3% over fall 2008 (\$10.1 million).
- Research Foundation tithe (\$7.8 million).
- State support reduction/use of reserves (\$40.0 million).
- Targeted reduction or elimination of University-Wide Programs (\$22.8 million).
- Eliminate state support for Levin Institute (\$3.1 million).
- Statutory College reduction (\$6.0 million).
- Tuition reimbursement reduction (\$4.8 million).

Likely Allocations to Campuses of “Positives”

- Contractual salary increases based on incremental campus salary increase needs.
- OTPS inflation proportional to campus budgeted OTPS spending in 2008-09.
- Energy inflation proportional to projected campus energy needs.

Likely Allocation to Campuses of “Negatives”: \$106.1 million

- 80/20 split of remaining tuition increase using campus 2008-09 Financial Plan enrollment.
- Research Foundation tithe as a proportional reduction (about 10%) of the total 2007-08 federal indirect expenditures. (From a campus “all funds” perspective, still a reduction).
- State support reduction of \$40 million using the “full financial plan” model, which gives larger proportional reductions to comprehensive colleges and smaller proportional reductions to universities/doctoral/medical campuses.
- Tuition reimbursement reduction as a proportion of campus amounts.

Unknown Allocation to Campuses of “Negatives”: \$67.4 million

- Reduction in hospital funding only to hospital budgets; reduction spread across the system; some other methodology?
- Additional increase implemented to graduate tuition above the 14% current increase; reduction spread across the system; some other methodology?
- Targeted reduction or elimination of University-Wide Programs as indicated; reduction spread across the system; some other methodology?
- Elimination of state support for the Levin Institute; reduction spread across the system; some other methodology?
- Statutory College reduction only to statutory colleges; reduction spread across the system; some other methodology?