

November 21, 2008

TO: All Faculty and Staff

FROM: Lou Spiro, Vice President for Administration and Finance

RE: Update on the SUNY 2008-09 and 2009-10 Budgets and Required College Actions

In a continuing effort to keep our faculty and staff aware of significant changes in the SUNY 2008-09 and 2009-10 budgets and the College actions that are required, there are recent developments that have taken place since our October 7, 2008 update that need to be reviewed. Most of these developments were just this past week as the SUNY Board of Trustees acted on several resolutions from their Finance Committee.

In exercising their fiduciary responsibility and in an attempt to secure the future of our State University, the SUNY Board of Trustees on November 18 put forth a framework which they entitled “The Four Pillars:” 1) appropriate state support for SUNY; 2) a rational tuition policy; 3) expanded entrepreneurial activity and public-private partnerships; and, 4) management and operational reforms and efficiencies.

SUNY System Administration also recommended—and the SUNY Board of Trustees just approved at their meeting this past Tuesday—the campus reductions that will be implemented to meet the \$96 million cut that was announced by the Governor in late July. SUNY System Administration has developed a new allocation strategy which differs markedly from the BAP methodology most recently applied. As a result, our portion of the reduction is much higher than anticipated, a total of nearly \$2.5 million compared to the \$1.9 million that we had estimated based on the 7% cut we all expected. Thus, there is an additional \$557,000 that must be reduced on a permanent basis.

The SUNY Board of Trustees has also just approved a tuition increase, \$310 which would be implemented in Spring 2009; and \$620 annualized starting in Fall 2009. However, it is unclear if the State’s Division of the Budget will follow the Governor’s recent proposal (not acted upon at the special legislative session on November 18, but widely publicized) and take 90 percent of the additional tuition revenue in the spring and 80 percent of the additional tuition revenue in 2009-10 and later years. Plus, the Legislature would have to approve expenditure of the additional tuition money collected by the SUNY campuses.

As we anticipate in mid-December the 2009-10 budget, the Division of the Budget “Call Letter” has already informed all state agencies that no increases in base level funding will be provided. While the SUNY Board of Trustees—again, acting upon their “fiduciary responsibility”—has just approved a 2009-10 budget request that includes funding for contractual salary increases, inflation, utilities and several initiatives, these may not be funded. Thus, an equivalent of an additional \$1.9 million cut could be imposed on a permanent basis as our estimate of the unfunded contractual salary increases.

A great deal of uncertainty continues for New York State, SUNY and The College at Brockport as the global financial crisis continues and the New York State projected budget deficit increases. There is now an estimated \$47 billion budget deficit for New York State over the next four years. There is still an estimated \$1.5-\$2.0 billion deficit for 2008-09 and an additional \$12.5 billion deficit

for 2009-10. The 2009-10 Executive Budget will be released on December 16, 2008--well over a month before it is required to be released, to enable all parties to have more time to make the difficult decisions needed to ensure a balanced budget prior to the start of the state fiscal year on April 1, 2009.

The development of the 2009-10 state budget will be a long process, and given the recent budget reductions to SUNY and The College at Brockport, and the expectation that we and all SUNY institutions will have to make additional reductions, it is essential that we take significant, decisive, and strategic actions now.

While we can no longer continue “business as usual”, this is also not a time to panic. We have the opportunity to examine all of our operations in an effort to continue to serve our students and to strengthen the College. This is a challenge that we will all face together, and one which can be overcome if we are all willing to make sacrifices for the common good. In this spirit, President Halstead, Provost Huot and I met with representatives of campus leadership on Thursday. Included were the elected heads of College Senate, UUP, CSEA, Brockport Student Government, and the Budget and Resource Committee—the latter being closely involved in all major budget deliberations. This collective leadership of the College—working in concert with the President’s Cabinet—considered at length the goals and strategies we put forward as enumerated in some detail below.

The College Goals in this endeavor are to develop strategies to:

- Reduce expenditures to the greatest extent possible.
- Increase revenues from as many sources and to the greatest extent possible.
- Maintain emphasis on our core instructional activities, including academic quality.
- Generate productivity increases that are real, and possibly painful, as we implement changes in how our faculty and staff fulfill their roles, both in support of our students and to allow our College to continue functioning.
- Maintain student enrollments. Not only is this the right thing to do for our students, many of whom are place bound, but since tuition is an increasingly larger proportion of our operating budget, loss of tuition revenue would make matters worse.
- Focus on the future to strengthen and advance the College.

Reduce expenditures to the greatest extent possible.

- Implement a hard hiring freeze immediately for non-instructional staff positions, as nearly all SUNY institutions are doing.
  - Exclude positions (e.g., University Police) where health, safety and welfare issues are present. The Provost/VP’s will jointly review other search requests.
  - Suspend and review searches where candidates have been interviewed.
  - All other searches will be cancelled, and reviewed by the Provost/VP’s as needed.
  - Provost/VP's to review together if other requests to search are made.
- Eliminate the Distinguished Presidential Scholarship Program.
  - The Enrollment Management Task Force reviewed the complete scholarship program and made recommendations. It was also reviewed by the Budget and Resource Committee and an informational discussion was held with College Senate.
  - Increased savings will accrue for four years until all students complete the program.
- Purchasing, food and beverage and travel should be restricted to the greatest extent possible.

- Strictly enforce heating/cooling guidelines to generate increased cost avoidance.
  - Faculty/staff to dress appropriately for conditions.
  - Consider four day work week during winter and summer periods.
- Suspend the tri-annual reclassification/upgrade review processes and the discussions about faculty salary compression.
- Eliminate or scale back College-wide celebration events.

Increase revenues from as many sources and to the greatest extent possible.

- Reconsider the time frame required to meet the General Education and Assessment requirements.
- Increase funding support from the Brockport Foundation and BASC.

Generate productivity increases.

- Examine the organizational structure across the College and all Divisions to consider areas that can be consolidated or eliminated to reduce costs.
  - There are no plans to implement layoffs except as a last resort, and then only after review and approval by SUNY System Administration.
  - There are no plans for major outsourcing of functions to private companies.
- Evaluate large scale changes that would have a strategic impact, rather than across the board reductions.

SUNY System Administration is developing an advocacy program and more details about how you can support public higher education will be provided as they become available.

In our continuing efforts to keep the campus informed as budget developments continue to unfold, we are committed to providing more information as it becomes available. As indicated, we have already met with representatives of our major campus constituencies to review the current situation and we will continue to keep the lines of communication open.

Please feel free to e-mail me with any questions that you may have about our current efforts to address these budget challenges.

We thank you for your continued commitment to The College at Brockport and for your willingness to help us meet these financial challenges facing our state and SUNY as one united community.