

October 7, 2008

TO: All Faculty and Staff

FROM: Lou Spiro
Administration and Finance

RE: SUNY 2008-09 Budget Update and Impacts for The College at Brockport

There have been some new developments since my July 31, 2008 budget report. Campus leadership has determined that now is the time to begin to implement our action plan to meet our anticipated budget reductions. This is necessary given the information recently received from SUNY and from the Governor's October 3, 2008 press release where he indicated that he would call the legislature back into special session on November 18 to close an additional \$1.2 billion deficit for 2008-09.

At a recent SUNY Business Officers meeting, SUNY staff provided us with some additional information. SUNY has a short term strategy to minimize to the greatest extent possible the impacts of the July 29, 2008 budget reductions, but discussions are still ongoing with the Division of the Budget. SUNY is also in the process of developing a long term strategy that includes aspects of the Final Report of the New York State Commission on Higher Education, particularly relating to long term resource needs and flexibility issues.

The September 29, 2008 SUNY Board of Trustees Finance Committee meeting provided more financial information and examples of how some other colleges are planning to manage their reductions. There have also been news reports and administrative letters from other SUNY campuses with various illustrations. But it is important to remember that each SUNY campus has different resources as well as different strategies; ours has always been to mobilize and utilize our Budget and Resource Committee as well as other time-trusted processes to make the most prudent short and long-term decisions.

SUNY is facing the largest budget reduction in its history, a total reduction of \$210 million. The most recent seven percent cut to SUNY amounts to \$96 million of this total. While SUNY continues to try to minimize the campus impacts in 2008-09, likely to be near \$70 million (at one time SUNY was hoping to keep this latest impact to \$40 million to campuses-another illustration of how things can change daily), these reductions are recurring. The reduction amounts have not yet been developed at the campus level, but they should be available in the next few weeks. We have not yet received any target amount. The Board of Trustees Finance Committee will be scheduling another meeting and developing specific recommendations for consideration at the next Board of Trustees meeting in November.

Examples of how selected campuses plan to manage their reductions include:

- Use reserves on a one-time basis.
- Look for other revenue sources.
- Look at potentials for increased productivity.
- Reduce faculty through attrition.
- Reduce spring 2009 enrollment.
- Reduce scholarship awards.
- Defer accreditation activities where possible.
- Reduce library acquisitions.
- Reduce S&E expenditures.
- Implement hiring freezes.
- Restrict purchasing and travel.

Although the 2008-09 initial budget reductions are significant, and any further reductions brought on by the national economy, and particularly Wall Street, would be even more problematical, they will not prevent us from accomplishing our core academic and student support missions.

Fortunately our prudent financial management practices have prepared us for possible reductions this year. We have well established priorities for the College starting with our ever increasing academic quality. Of particular importance, if all of our planned searches for fall 2009 faculty are successful, the number of full-time faculty should be the same as fall 2008. Our major emphases will also be the Comprehensive Campaign to elevate fund-raising, Recruitment Initiatives and Retention Initiatives. All of these are essential to increase revenues with declining state support.

We will have to wait until after November 18 to see if the special legislative session further reduces state support to SUNY as part of their efforts to close the additional \$1.2 billion deficit for 2008-09.

Based on the public statements from the Governor's Office and the Division of the Budget, especially the zero growth requirement contained in their "2009-10 budget call letter", we are already evaluating the possibility of additional reductions in 2009-10. There is particular concern about contractual salary increases not being funded, which would amount to about a seven percent reduction in state support for our campus.

Given these recent budget developments, it is now time for The College at Brockport to take action.

- Our best *estimate* is that we will face a \$1.9 million base reduction in state support as our portion of the \$96 million permanent reduction to SUNY in 2008-09. Again, we should be receiving a more exact figure shortly from SUNY-based on the standard BAP II formula.
- We have determined that it is essential to permanently reduce campus spending by \$750,000 in 2008-09 and to use up to \$1.2 million of campus reserves to temporarily meet the remainder of the anticipated reduction. We are most fortunate to have built our reserves over the past few years.
- The Provost's, Vice Presidents' and President's Offices all have been assigned a goal to meet this \$750,000 reduction according to their divisional proportion of the staff salary pool.
- A rolling staff hiring freeze will now be implemented that will allow the Provost and Vice Presidents to identify funded but vacant lines to meet their reduction goals and these vacant lines will be held separately in a budget reduction pool.

- This provides the flexibility for the Provost and Vice Presidents to continually review vacant staff positions and to move vacant positions in and out of the reduction pool to best fit their priorities while still achieving their reduction goals.
- The intention is to retain these lines for possible reinstatement when financial conditions improve, however, *if* SUNY becomes subject to state line controls, these positions *may* have to be eliminated.
- It will also be possible for the Provost's, Vice Presidents and President's Offices to identify non-salary reductions to meet their reduction goals and they may institute spending restrictions in their divisions for this purpose.

We will continue to work with the Budget and Resource Committee to identify additional strategies as we must also prepare for a likely substantial reduction in state support for 2009-10.

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.

Please feel free to e-mail me any questions that you may have about our current efforts to meet these budget challenges. And thank you for your continued commitment to move the College forward and to deal with these budget challenges during these uncertain economic times for our state, our State University of New York, and our nation.