

April 30, 2008

TO: All Faculty and Staff

FROM: Lou Spiro
Administration and Finance

RE: SUNY 2008-09 Budget Update

The ongoing process of developing the final SUNY 2008-09 budget is one of the more complicated ones in recent memory and seems to be changing almost daily as we await firm numbers upon which to plan. But it is essential to update the College faculty and staff on the most current status as we know it. It should also be recognized that this process is not complete, and that other changes may still be forthcoming.

SUNY 2008-09 budget as originally approved on April 10 when the State signed the 2008-09 budget

- SUNY base budget reduction of 2.9 percent, or \$38.8 million.
 - This will be accomplished by a cash ceiling – the inability to spend available funds.
 - Campus reductions have not yet been specified by SUNY and there are signs that additional reductions may be forthcoming from the State.
- Energy reduction of \$26.6 million to align funding with recent and projected expenditures.
 - Contingency appropriation of \$45 million will protect campuses from extraordinary energy cost increases in 2008-09.
- Contractual salary increases are funded.
- Tuition will not be increased; however, this is an ongoing issue for SUNY and the Board of Trustees as attempts continue to change Title VII legislation to enable more autonomy as is frequently done in other states.
- SUNY Initiatives have not been funded.

Recent changes to the SUNY 2008-09 budget from the Executive branch.

- New York State has continued to experience a worsening economic situation (exceeding the original \$6.5 billion deficit) and the Governor has issued a directive that all state agencies reduce expenditures for 2008-09 and also to expect additional reductions in 2009-10.
- April 21 notification (from the Chancellor *after* the College Senate announcements) that SUNY would have an *additional* reduction of 3.35 percent, once again accomplished by an expenditure ceiling, to all of the revenue generating areas outside of direct state support.
 - This includes such areas as tuition revenue, residential life operations and special sessions that generate revenues from students—funds that are specifically collected to expend and to provide students with the related services.
 - While this seems counter-productive from the College viewpoint of providing instruction and student services, at this point SUNY is being treated the same as other state agencies rather than as an educational enterprise.
 - The impact is that while revenues would continue to be collected for these operations, there would be reductions in the amounts that could be expended.
 - The Finance and Administration Committee of SUNY's Board of Trustees met on April 24, as reported in the media, and is attempting to get relief from the Governor.
 - UUP leadership continues to advocate strongly to exempt SUNY.

Frequently Asked Questions

- What does this mean to the College?
 - Right now we do not know the exact answer, but SUNY System Administration has kept us informed of their negotiations with the Division of the Budget to see how these reductions might be changed.
 - Once the process is finalized, SUNY will develop reduction targets for the individual campuses. We've been told that reductions will probably be across the board.
 - We have been communicating with SUNY System Administration about the extremely negative impacts that these reductions will have on our ability to provide instruction and student services, and how these reductions are counter-productive.
 - We've also advocated for tuition authority for SUNY to address the need to increase revenues enabling our campus to continue our core mission of student success.
- What is the College doing to prepare for these possible reductions?
 - We are looking at all available options to increase our financial flexibility to manage as well as possible whatever reductions might be forthcoming.
 - We have been, and will continue, working with the Budget and Resource Committee to keep them fully informed.
 - Since this process will likely continue past the end of the spring semester, we have encouraged committee members to be available for additional meetings over the summer.
 - We have provided a budget insert as part of the April 2008 issue of *Statements* and the President sent an email to all faculty and staff providing an update on April 11.
 - We have provided budget updates to College Senate, and will continue this process.
- Why can't we use money from SUNY which the legislature just approved for our new \$29.3 million Academic Building or other capital projects to make up for any reductions in our operating budget?
 - Our academic building (non-residential) capital funding is provided through the State University Construction Fund (SUCF), and this money is made available through bond sales which have explicit spending restrictions to be used only for buildings.
 - The bond sale requirements are very specific that expenditures can only be for capital construction; they can not be used for operational or personnel expenses such as salaries or faculty lines.
 - Debt service on these bonds is paid by the state.
 - Our funding received for critical maintenance, such as the Tower Fine Arts renovation project, are further restricted by the state legislature so that they can only be used for these specific types of capital construction.
 - Our Strategic Initiative funding for the Special Events Recreation Center and the new Academic Building are similarly restricted by the legislature for these specific projects, not even for any other capital project purposes.
 - Our residential building capital funding is provided through the Dormitory Authority of the State of New York (DASNY) and this money is made available through bond sales which also have explicit spending restrictions only for capital construction.
 - This capital funding can only be spent on renovation projects in the residence halls, unless special approval has been granted for funding for new residential construction.
 - Debt service is paid from student occupancy charges.

- Energy Performance capital projects are funded through the New York Power Authority (NYPA) but these are repaid on a “cost avoidance” basis.
 - A small amount of campus “discretionary funds” is provided for alterations projects.
- Where can I find out more information?
 - Additional budget information, including the 2007-08 All Funds Budget Book and the Glossary of Terms, is at the Budget and Resource Committee Minutes site.
<http://www.brockport.edu/brc/>
 - An update and brief handout will also be provided at the next College Senate meeting during announcements on Monday, May 5.