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[back](#) 

SUNY grapples with budget

Grand vision for system fades away after state faces money problems

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ALBANY -- A few months ago, then-Gov. Eliot Spitzer barnstormed the state promoting his dream to build a \$4 billion endowment for SUNY and CUNY.

This week, SUNY trustee H. Carl McCall drew laughs at a board meeting with gallows humor about how he shouldn't use the word "execution" when talking about what will have to be done to the system's budget.

How the conversation has changed. By today, SUNY is expected to present its plan to deal with a state order to freeze \$109 million of the money it collects -- money that, in addition to taxpayer dollars, comes from tuition, hospital revenues and other sources.

The mandate came last month from Gov. David Paterson, who directed all state agencies to reduce spending by 3.35 percent due to "economic storm clouds gathering on the horizon." The spending cut comes on top of a 2008-09 budget that reduced SUNY's operating support by \$38.8 million.

For the University at Albany, the spending cap would "eliminate the University's ability to deliver many fundamental academic and student services," interim President George Philip warned in an e-mail to the campus community.

That kind of language is a dramatic shift from December, when a commission on higher education created by Spitzer issued its preliminary report. The panel charted a blueprint for sweeping change on what, rhetorically at least, was shaping up as a signature administration issue.

Spitzer wanted thousands of new professors. He wanted flagship campuses at Buffalo and Stony Brook. And he wanted to shore up public higher education with a \$4 billion endowment that would come from partially privatizing the state lottery.

Even after Spitzer's resignation, lawmakers approved the endowment concept. But they included no vehicle to fund it.

The higher education commission is supposed to issue a final report by June. But SUNY trustees chairman Carl Hayden said he believed no formal sessions had been held since the preliminary report.

"There have been some e-mail communications," said Hayden, a member of the commission.

Is Paterson still pursuing his predecessor's higher education agenda? Or have circumstances forced him to scale it back?

The governor offered few details when asked those questions in a news conference this week.

"I was always a little apprehensive about the endowment fund being generated by the lottery -- and would that not put more pressure on us to create more participation in the lottery?" he said. "So we're still taking a look at it and haven't reached any final conclusion about that."

He added this remark about SUNY: "We are very sensitive to the difficulty that they have. And we are talking to them right now about how to resolve it."

The difficulties are already being felt at campuses like UAlbany.

Philip has issued a hiring "pause," said Candace Merbler, chapter president for United University Professions, SUNY's faculty union. The school is operating on "an emergency-type basis only," she said, holding back on offers and not bringing people to campus for interviews. Money for supplies was pulled back.

Merbler's union is warning of increased class sizes, canceled courses and students who may have to put in more than four years to achieve a bachelor's degree.

"It's absolutely draconian," said Merbler, a 30-year SUNY veteran. "I have never seen anything like this. I have never seen campus presidents so frustrated."

Hayden this week outlined the framework of a plan he hopes will satisfy the state's call to freeze the \$109 million -- a plan that does not turn over tuition dollars.

"There is in fact a serious fiscal contraction under way in this state, and as members of the family we have to play a part in reacting to it and helping the state to deal with it," Hayden said. "By the same token, the Division of the Budget has to understand that we provide an indispensable service that has to be the linchpin of any hope of restored economic vitality."

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