



# THE STATE UNIVERSITY of NEW YORK

## MEMORANDUM

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TO: All Presidents

FROM: Dr. John B. Clark, Interim Chancellor *JBC*

SUBJECT: Update on Proposed Actions to Address Budget Reductions

I am writing at this time to update you on the budget situation and to outline the steps SUNY is proposing to address the budget reductions imposed by the State. As you know, State support for SUNY in the current fiscal year has been reduced by approximately \$210 million.

Accordingly, SUNY must focus on short-term and long-term remedial actions. We are developing several measures designed to address the academic and financial health of SUNY which include:

1. A multi-year rational tuition plan that would enable campuses to better plan their enrollment revenues and build their future year budgets and programs with greater certainty. This multi-year approach to tuition will be consistent with the approach outlined in the final report of the Commission on Higher Education report. It is most important to note that the SUNY Student Assembly in its recent meeting voted to endorse a rational tuition policy which should provide significant support in obtaining the necessary gubernatorial endorsement and legislative approval.
2. Management and operational reforms and regulatory, administrative and budgetary flexibility, which afford campuses the ability to better meet the needs of their stakeholders. As articulated in the Commission on Higher Education report, the State of New York's tight oversight of SUNY has resulted in lost opportunities, delays and wasted resources. Our flexibility package includes tuition and fee account administration, post-auditing of expenditures for procurement and contract reviews, personnel, and capital construction.
3. Legislative and regulatory flexibility to leverage our many assets, including land lease and sales. We believe a number of our campuses can generate several million dollars annually through the sale or lease of undeveloped or underutilized property. Additionally, the formation of public/private partnerships to leverage other assets and resources is critical during this period of fiscal constraint. We have meetings set-up with Executive Branch staff to discuss these issues and

solicit their support. Also, we are pleased to report that Trustee Carl McCall has been appointed to the New York State Commission on State Asset Maximization which the Governor has charged with reviewing potential public-private partnerships and leveraging the State's assets to maximize their full potential.

4. As you know, our budget staff has been working with campus fiscal officers on implementation strategies for the most recent round of budget reductions. Our goal is to limit any negative campus impact as much as possible and we have currently reduced the original \$96 million reduction in State funding to \$71 million using various fiscal strategies for 2008-09. Interim Vice Chancellor VanVoorst is now working with the State University of New York Business Officers (SUBOA) group to determine the most fair and equitable allocation methodology. The recommendations as well as any issues which may arise from the Special Session will be presented to the Finance Committee at its meeting on November 10<sup>th</sup> and then finalized at the Board of Trustees meeting scheduled for November 18<sup>th</sup>. The goal for the actions outlined above would be to enhance campus flexibility in addressing any future financial constraints and that the funding reductions be done in a way to ensure campuses have the resources so they can fulfill their respective missions.
5. Additionally, our Government Relations Office is implementing a comprehensive communications plan which builds on the talking points distributed earlier this month. As a primary example, at the public hearing sessions scheduled for the Board of Trustees meeting on November 18<sup>th</sup>, we will have panels of presidents, chief academic officers, business officers, faculty and students to present our case for SUNY and the negative impact the budget cuts are having on our campuses. The timing is set to coincide with the return of the legislature for the special session to maximize their effect.

We wish to thank you for your support and help during these difficult and challenging times as well as the members of SUBOA and the Chairman's Advisory Group. Hopefully, the many creative ideas and solutions you have put forward will come to fruition and lead to a stronger and more flexible SUNY. Again, if you have any questions or require any additional information, please do not hesitate to call me or the appropriate member of Senior Staff at any time. We are available around the clock to discuss your concerns.