Report to the

Buffalo State College Community

President's Preliminary Budget Reduction Decision

March 10, 2011

We have now completed the third phase in the timeline developed for making decisions on closing the budgetary gap facing Buffalo State. I am pleased to inform you that no currently filled positions were eliminated to achieve the reductions outlined in this report.

The gap between our state revenue and expenses is $6.4 million. As stated in previous communications, we are making these permanent reductions over a two-year period with almost 80 percent of the reduction achieved in the first year. We will take the opportunity to exercise some immediate actions now, but will use all cooperative planning discussions and ideas to develop and implement the strategies that will allow the best alignment of available resources to continuing programs.

The key elements of the reduction plan include the elimination of expenditures and reduction of expenditure limits, the reallocation of expenses to special funds (e.g., Income Fund Reimbursable, Dormitory Income Fund Reimbursable), and the generation of new revenue to support ongoing expenses.

The major component of the reduction plan developed to date involves vacant positions. Fifty-six vacant positions, valued at nearly $3.6 million, will be eliminated from our state purpose fund expense. Most of these reductions will occur immediately in the first year of the two-year plan and will affect all areas and all position types across campus. The current configuration proposal includes the elimination of

- 21 faculty positions at a savings of $1,636,100;
- 15 professional and M/C positions at a savings of $1,149,400; and
- 20 classified positions at a savings of $819,300.

Additionally, the temporary personnel service allocation will be reduced by $173,900 and "Other Than Personal Service" funds (OTPS) will be reduced by $1,572,600, making the total reduction to state funds $5,351,300 to date. An approximate additional $1 million will, we hope, result from additional net revenues.

The following actions by senior administrative areas provide a more defined sense of scope for how our institutional programs are contributing to satisfy this very necessary mandate.

In **Finance and Management,** temporary staffing dollars have been reduced ($41,000), all travel funds have been cut ($41,600), resources for lease costs now expired will not be redeployed ($52,800), Campus Services OTPS has been reduced ($205,000), and targeted departmental OTPS budgets for contractual services have been reduced ($32,100). Elimination of vacant positions and reduced salary levels for continuing vacancies have been taken in Student Accounts, Human Resource Management, University Police, the Burchfield Penney Art Center, and every area of Campus Services including grounds, custodial, and structural maintenance for buildings.

Within **Student Affairs,** there will be an increased expectation for all funds program management and support. Historically, service to students in this area has relied most on support from Residence Halls income, the Health Fee, and the Athletic Fee. There will be an increased reliance on these accounts to maintain service to students. At present, a total of $102,000 in Personal Service, $98,200 in Temporary Service, and

$163,100 in OTPS expenses will be reassigned to non-state resources. Additionally, Student Affairs will eliminate vacant position resources totaling $150,100 from state-side expenses with no reallocation to other sources. This is a carefully considered plan that seeks to ensure that students continue to derive direct benefit from the student fees they are charged. As such, Student Affairs continues to examine these redistributions to include exploring possibilities for generating new revenue that lessen our dependence on student fees.

Information Services and Systems has identified the extent to which those costs borne most recently in state-side accounts, and validated expressly as direct student technology expenditures, might appropriately be moved to the Technology Fee account. This amount totals $278,100, encompassing activity in Computing and Technology Services as well as Butler Library and Instructional Resources. The program area will take advantage of this opportunity to continue supporting core operations and essential services for students. There will be an additional reduction of $50,000 in computing services OTPS, which reflects a variety of planned cost savings to be achieved through actions such as server consolidation, Enterprise license renegotiation, and the implementation of more cost-effective ways of training. Vacant position resources totaling $286,600 have been specified for Butler Library and Computing and Technology Services, with the latter also reducing salaries on remaining professional title vacancies.

Institutional Advancement has relinquished funds for temporary staffing ($3,900) and two vacant professional positions ($104,300), but has taken the larger portion of its reduction in OTPS ($119,800). Notably, the majority of this will come from College Relations ($102,800), where costs of production have lessened as enhanced technology options have evolved. Such efficiencies can offer new and reconfigured opportunities for production, such as moving to online catalogs and defining new standards for university publications.

Academic Affairs has identified 70 percent ($2,277,800) of its reduction in the first year of its two-year strategy. The predominant component of the reduction plan is the use of available vacant position titles. While the 2010 Early Retirement Incentive (ERI) program afforded almost every executive area an increase in the number of vacancies that could be considered for resource realignment or reduction, Academic Affairs benefited considerably in terms of the total magnitude of annual resources freed up via the 2010 ERI program. Remaining resource deployment will be critical, of course, since all academic departments have been affected either directly or indirectly by the absence of former employees. The Provost's Office has already engaged the deans and directors to ensure appropriate delivery of critical services, inside the classroom and in support of the instructional mission. Contributing elements to the overall academic program are being discussed at this time, including numbers of course sections offered, class sizes, and innovative ways to continue to serve students.

Beyond looking to continue its successes in delivery of services to students, Academic Affairs has also established priorities for revenue development and enhancement. Academic Affairs' strategy is to close approximately $1 million of its share of the budget gap by achieving an increase in net revenue. This is a complex undertaking. Its current plan to reduce state-side expenditures includes the proposal to "decouple" the Intersemester program from the traditional spring semester, which will permit the Provost's Office to match OTPS expenditures to a new source of support ($150,000). This proposal is an exciting shift in thinking about how we deliver our educational services. It will help pave the way for tangential and new ideas to increase revenue streams by identifying those services for which a new or increased source of support can be developed.

In the budgets supporting the **President's Office,** I have eliminated one vacant professional staff position in the Equity and Campus Diversity Office, as well as adjusted the resource salary for a vacant Management/Confidential position, creating $89,600 in personnel savings moving forward. These changes notwithstanding, we will be able to continue to aggressively pursue our equity and diversity mission and goals. Travel and contractual services expenditures will also be reduced ($10,500), although some travel activity that has a closer affiliation to institutional development efforts may be covered by the Buffalo State College Foundation in the future.

University-wide resources (e.g., institutional memberships, SUNY legal fees, College Senate support) will be reduced by $95,000, and the funds designated to cover **utility expenses** will be reduced by $405,400.

The $5.3 million in reductions outlined in this document represents real savings that have already been identified. The remaining $1 million needed to reach the initial reduction target of $6.4 million will be the result of implementing revenue development and enhancement initiatives, some of which surfaced through the university-wide input process. We will continue to work on this challenge until we are satisfied that we have established the direction and activities for a new comprehensive financial framework for the university's programs.

Concurrent institutional adjustments and outcomes stem from these initial decisions:

- Some position and program expenses will be moved to the "special funds," such as Residence Halls, IFR, and Summer Session. We are aware that a longer timeline will permit a more in-depth look at how such expenditures are aligned, and we will examine all such transfers in expense as we develop Buffalo State's comprehensive financial plans. Actions taken at this time will immediately draw upon cash balances in these special funds, and recurring costs will dictate the need for continued and strong revenue streams in the future.

- The identification of new revenue streams to offset the expense of current expenditures will create new internal mandates for revenue collection.

Commensurately, it will reward the creative efforts of those who use their talents to define new ways to secure and expand university programs.

Please remember that current actions are “opportunistic” reductions and do not by themselves indicate the long-term view of how institutional resources will be dedicated. Decisions that are more long range and strategic in scope will be reviewed and vetted over the days and weeks to come.

I thank the entire university community for your tremendous participation in this process to date. We have received numerous excellent and thoughtful suggestions and ideas that we are evaluating for implementation. We will continue to keep you informed of our progress in the same open and participative manner that has been established thus far. I am also especially appreciative of the effort put forward by the members of the College Planning Council (CPC) Budget Committee. Their important and insightful input has assisted with bringing us to the preliminary decision we publish today.

I will be meeting with members of my cabinet and the CPC Budget Committee on March 15 to receive their further input before we finalize our plan. If you have any additional feedback or comments, please direct that information to the provost, your vice president or dean or a member of the budget committee by Monday, March 14. Your opinion is important, valued, and needed to achieve an outcome that we can all live with.

The fourth and final phase of our process will involve preparing the 2011–2012 state budget proposal to be submitted to SUNY by July 1, 2011. We will begin preparation for this final phase on March 16.

I will continue to ask all faculty and staff to work with and alongside their Buffalo State colleagues to keep our spirit and momentum moving. This is an exciting, wonderful place to be, and it holds great promise for our students and each of us. Thank you for your continued interest in our collective work as we tackle this pressing, but not insurmountable, challenge.