

Minutes of November 12 & 13, 2008 SUBOA Meeting

Attendees: S. Brady (Upstate Medical); T. Bennett (Fredonia); K. Bessette (Albany); B. Boice (RF SUNY); D. Bowers (Optometry); S. Brady (Upstate Medical); L. Davis (Old Westbury); J. DiStefano (New Paltz); T. Dixon (Cobleskill); N. Fawcett (Cornell); C. Foster (Plattsburgh); T. Gunn (Alfred Ceramics); F. Hammond, (Downstate Medical); L. Hartmark (Oneonta); J. Homburger (Plattsburgh); R. Hume (Farmingdale); K. Kain Gray (Stony Brook); D. Kirwan (Potsdam); G. LaRosa (Farmingdale); M. LeVine (Buffalo); K. Levison (Geneseo); M. Lewis (Potsdam); R. LoParrino (Purchase); K. Lowery (Albany); N. Lyons (Oswego); M. McGoff (Binghamton); J. A. Navarro (Binghamton); V. Nixon (Alfred State); J. Nolan (Purchase); K. Riotto (Brockport); W. Shaut (Cortland); L. Spiro (Brockport); P. Tucci (Empire); C. Webb (ESF); J. A. Willis (Buffalo)

Wednesday, November 12, 2008 (Day 1)

Meeting called to order at 1:00 pm by Nick Lyons.

Discussed overall Budget issues and concerns:

Significant announcement from Governor

- Far less than we would have rationally projected.
- 08-09 Plan \$300 spring increase, we get 10%. \$600 annual increase, we retain 20%. SUNY negotiating our percentage.
- Discussions with DOB might allow for better share for SUNY down the road.
- Medicaid reduction will have big impact at Hospitals.
- 10% at Community Colleges reductions.
- With current plan, we would gain \$6M (10% of tuition increase) on \$210M documented reductions, plus another potential reduction of \$90M next year (unfunded increases).

Discussions continued on BAPII Model and how reductions will be allocated.

- Concerns from several campuses on impact.
- No model reviewed by SUBOA E-Board worked for every campus.
- Long-term goal continues to balance through differential tuition and other methods.
- Concerns with how System Admin cuts are being allocated. Are cuts there equal to campus? How and where are their cuts being made?
- Concerns with capacity at the campuses as far as enrollment. People will be coming back to college as they look for career opportunities. This will not be possible if we need to reduce overall enrollment.
- We need to be part of economic development and recovery efforts.
- This will all impact time to graduate.

Presidents met as a group last week.

- They are now more aware.
- They are more unified and understand all campuses will not be impacted equally.

- Will not meet as sectors six times/year.
- Want direct input to Chancellor & Board of Trustees, become part of policy making.
- They had not received required communications over last several months.

Resolution was presented. This would be sent to Board of Trustees with endorsements from Presidents.

- Recognize the crisis NYS is facing.
- Acknowledge our role in driving savings.
- Concern with State disinvestment with Higher Education.
- Impact to economic revitalization.
- Budget reductions disproportionate.
- Impact to workforce and access.
- Need Tuition for SUNY and for SUNY students
- This would include:
 1. End cuts in State support
 2. Decouple Tuition from Budget cuts
 3. Exercise right to increase tuition

Discussion on SUBOA Meetings – Should we cancel annual meeting? Motion to cancel the annual meeting, seconded. Motion approved by SUBOA. Ken/Nick reviewing how to eliminate expense. If held to contract, we will have end-of-year meeting at Niagara Falls.

Secretaries Report - Minutes from last meeting were approved.

Wednesday, November 13, 2008 (Day 2)

Jim VanVoorst – Vice Chancellor - Finance

- Governor's 2008-2009 cut \$96.3M was reviewed.
- SUNY assumed a tuition increase that would result in partial recovery.
- Total budget was used versus BAP for the \$96.3M reduction.
- What about use of Reserves?
 - DOB had targets but extraordinary circumstances would allow for additional cap.
 - Yes, they still agree to this.
 - Will need to provide a SUNY-wide amount.
 - Start moving spending into special revenue funds.
- Need flexibility with fringe on PSR in IFR's.
- Energy \$46M. Attempted to use to negotiate. The Contingency Fund is based on price not usage. Joe Fox monitors and builds the case for SUNY. Ready to discuss in January. **CRITICAL THAT ENERGY REPORTS ARE SENT IN AND THEY ARE ACCURATE.**
- Negotiated salary increases.

- 2008-2009. Fully Funded!!!
- 2009-2010
- High Needs Funding – All U-wide at 50%. Were waiting for cuts to be determined and communicated. Now SA can allocate.
- Tuition
 - Governor's allowing for students to pay for a bigger share
 - Students agreed
 - Presidents agreed
 - Still a bargain
 - \$300 Spring, \$600 Fall
 - 10% to campus Spring and 20% in Fall
 - 10%/20% Tuition, how will this work?
 - Not seen as revenue stream to SUNY
 - They will keep 90% and give us 10% back
 - If State starts to recover, more could be shared
 - Board of Trustees must decide! They must approve.
 - Will legislature support? TBD
- From \$300 in Tuition = \$72.8M and they will cut our State support of \$65.6M
- Spread of \$65.6M TBD
- Has SUNY agreed to the Governor's proposal? Only to the general amounts for Tuition increase.
- Clearly should not tie another cut to a tuition increase. SUNY should increase Tuition as recommended and let Governor take his cuts as needed.
- 2009/2010. We will receive another cut?
- Tuesday is Finance Committee including 2009-2010 budget, includes:
 - Salary increases
 - Inflation added to base
 - Four other items
 - Asset leveraging
 - Flexibility
 - SUNY as economic development catalyst, strategic opportunity for recovery
 - Tuition Plan
- Layoffs - Campuses should document in the reports back to SUNY
- Other proposals by Governor
 - 3% delay in increases
 - 1 week delay in pay distribution
 - Pick up more of health care
 - No vacation exchange for MC
 - Cut legislative items by 50%

Phil Wood- SUCE

- Change in Capital Market is making it difficult for State to borrow money.
- Budget Bulletin
 - We normally receive advance appropriations.
 - Assumed June bond sale to cover us for next 12 months.

- In August we showed we would be running out in October.
- Asked us to reduce \$650M to \$350M (will cover us to March not next 12 months).
- Bond Rate increase is significant
- Current Status
 - DASNY \$659M working on an issue including \$350M for SUNY
 - Still being negotiated
 - Rates at 5.43% (last year 4.85%, last month 6.5%)
- Exemptions include legally binding contracts which equal 90% of cash draws.
- Impact would be on new design.
- We believe DIFR contracts should not be part of this.
- OSC has locked up Capital. Sending contracts back!
 - Change orders, amendments, emergencies, etc, are all being sent back and is a total over reactions
- Buyers market.
 - More bids
 - Below estimate
- Campus Lets. Need broader authority. Major issue with timing and impact to campuses.
- More to follow.
- 2009-2010 Budget Requests.
 - Looking for \$550M Critical Maintenance for next year, as part of DOB obligation.
 - Energy reduction financing program \$250M (\$50M/year). Payback of 20 years or less.

Dave DeMarco – IT Update

- Flexibility having positive interest.
- Group working on hospital flexibility.
- Still clarifying change with OSC.
- SICAS doing campus assessment to see how well we are using Banner.
- System-wide contracts in discussion NelNet – work in Student Accounts area, automate Student Accounts function. On-line billing, etc, but offers complete services. If interested in reviewing as group, contact Dave DeMarco.

Mike Abbott – Audit Update

- Handouts provided.
- P-Cards – see handout.
 - Not being used
 - Some control issues – need supervisor’s review, A/P review, training and policies
- Student Government Associations – see handout.
 - Written policies and procedures
 - Budget & Reporting requires campus approval

- Controls over expenditures and receipt of goods
- Agency Accounts – see handout.
 - Written policies
 - Process to apply for account
- Audit will act as consultant to campus on an as-needed basis. Call Mike Abbott.
- OSC Audits – Clery. Will do a 90-day response. Campus needs to document how they will address.

Marti Ellermann – Legal Council Update

- “Red Flag Rules” – FTC and Identity Theft for creditors. Handout provided.
- Professional Association Guidelines – still under review.
- Regulations on “Prohibited Gifts” by State employees – in draft to Ethics Officers.
- New review of healthcare companies and how campuses contract with them.
- Annual reporting on fires (on-campus student housing)
- Policies on video surveillance has been provided to UP and Student Affairs.

Jim Campbell – Legislative Update

- Handout provided.

SUBOA Resolution

Resolution was presented to respond to Governor’s announcement on tuition increases and budget reductions.

- Acknowledge fiscal crisis.
- Communicate our role.
- Requests:
 - Immediate and enduring end to cuts in State support
 - Approve \$1,090 in tuition increase (\$545 in Spring) and that tuition be retained by SUNY
 - Decouple tuition increases from budget cuts
- Sent to Presidents, Chancellor, Vice Chancellor – Finance, Chair (Hayden & McCall)
- Motion and second. Approved by SUBOA

Meeting adjourned at 12:02 pm.

Upcoming SUBOA Meetings

January 21 & 22, 2009 – May want to move up as Executive Budget has moved up.
 April 29 & 30, 2009