

BPC Report to the Faculty Senate

February 1, 2002

Since the last BPC report to Faculty Senate (12/7/01), the BPC met twice - on January 10th and January 31st. At the Jan. 10 meeting, the main agenda items were a budget presentation by the college's CFO, Len Davis, and a discussion of the role of the BPC in budgeting and planning.

2001/2002 Budget

The "Snapshot of Operating Budget, Funding and Projections" (dated 12/5/01) presented by Davis showed a gap of \$621K in the college's funding for the current fiscal year 2001/2002. This is the gap between total estimated Operating Costs (\$23Mil) and total funding, with funding comprised of the \$19.1Mil Operating Budget and \$3.3Mil in Strategic Plan Funds. The \$23Mil in operating costs includes \$430K additional funds needed in facilities to raise the college from a level 5 (unkept neglect) to level 4 (moderate dinginess), according to guidelines of Association of Physical Plant Administrators. Davis acknowledged Dolan's analysis of M&O projected costs and analysis of custodial staffing needs (which incorporates space classification data from the Construction Fund's campus space inventory).

Allocations under this year's budget are 77% PSR, 19.8% OTPS and 2.2% automatic (contractual) salary increases. Annualized payroll costs (as of 12/5/01) are running \$1.24Mil above budgeted payroll, with about 80% of this excess payroll due to Strategic Plan hires. OTPS allocations are about 49% utilities, 25% supplies, 6% Library, and 20% contractual services (which includes recharges, e.g., telecommunications, postage, photocopying, etc.).

In response to question re. how these figures compare to other campuses, Davis pointed to plans by BPC workgroup (Data Collection & Analysis) to undertake benchmarking against peer institutions. In response to question on savings in utilities area, Dolan responded that energy savings from pending NYSEDA projects will not be realized for several years. She also cited the college's current change to "Temperature Controlled" natural gas service; this also has long-term benefits (reliability of service and protection against pricing volatility) though in the short-term, the college is assigned by KeySpan to higher-priced Firm Rate until college's oil storage site is fully remediated.

Projections for 2002/2003

As reported by Davis, during the Dec. 6th visit to campus by SUNY Vice Chancellor for Finance Brian Stenson and Associate Vice-Chancellor David Demarco, the college was told that no additional funds would be available due to the potential for a "flat" system budget. SUNY also requested that the Strategic Plan be "paused" and that a "rock-bottom" budget be provided along with an accounting of the \$1.7Mil in strategic plan funding for 2000/2001. Davis noted that the college's budget gap in the current year will increase by about \$1Mil in 2001/2002, due to automatic (contractual) increases. If the college is funded in 2002/2003 at the level of its base operating budget (\$19.1Mil), there is the potential of a \$5Mil shortfall.

Dr. Butts indicated that it was the role of the BPC to now deal with the budget for 2002/2003, to make tough decisions on possible cuts. He asked that the Budget Work Group and the Strategic Plan work group be merged. Faculty expressed concerns regarding possible reductions in personnel, and re-iterated their frustration with the planning process to date. Several faculty noted that the Strategic Plan Work Group had never been convened, and that initiatives undertaken through Strategic Plan, which had not been endorsed or refined by the BPC, led to front-loading of lines without an explicit

plan of how the lines would be funded in the out-years. Faculty re-iterated the need for the BPC to be able to recommend funding priorities, noting the importance of additional funding of student services and improvements in facilities. Dolan stressed the need for BPC to have formal procedures, structure, and a systematic process by which recommendations will be made.

(In series of memos to Dr. Butts, in between the 1/10 and 1/31 meetings of BPC, the Chair raised concerns about the charge and membership of the merged Budget/Strategic Plan Work Group, and sought clarification on issues related to the Academic Crescent, funded projects for facilities, and a possible expanded role of the Capital Plan Work Group. The Chair did has yet received responses.)

January 31st meeting

Mary Marquez Bell provided an Enrollment Update and distributed a report of Retention Committee Highlights and Spring 2002 Retention Plans. Marquez Bell noted a 5% improvement in retention this year. Spring enrollment goals are at 101% of FTE goal,, with transfers at 123% of goal and FTC at 84%. Fall 2002 Goal is 2709 AAFTE, as per college's MOU.

Dr. Butts cited a recent regional meeting of campus presidents with Chancellor King, in which King spoke about negotiating with the Governor and legislators. King indicated there were to be no layoffs, no increase in tuition and no additional fees. Enrollment growth [at OW] beyond MOU targets may lead to increased revenue but at possible expense of admissions selectivity. Faculty commented on the many variables and complex analyses to be considered, including the marginal cost of additional students and comprehensive review of programmatic impacts. Dr. Butts asked the BPC Chair (Dolan) to work with the BPC Vice-Chair (Davis) to develop a framework for decision making. A faculty member stressed the need for a rational process to deal with either cuts or growth.

Davis provided an itemized list of 2000/2001 expenditures totaling \$1.7Mil. Dolan noted that in order to move forward, a greater level of detail is needed in the reporting of current operating budget and strategic plan expenditures. Also, a breakout is needed on 2001/2002 strategic plan expenses that are recurring vs. start-up or first-costs. In Davis' description of some strategic plan initiatives as "must do", Dolan asked for additional details and rationale to be provided to BPC. Dr. Butts took exception to a faculty member's characterization of ongoing planning as "seat of the pants" planning. Two senior staff reported that much work has been done at the department level to assess actual operating expenses; this had never been done under previous CFO.

Ruben Gonzalez (filling in for Aubrey Bonnett) provided an update on status of graduate program approval. As of last week, all required materials have been received in Albany. S.E.D. visit will occur in April or May, to assess campus readiness to offer graduate programs; review also includes finances and facilities. Gonzalez reported that the Vice President for Academic Affairs had considered bypassing SUNY's sanctioning of graduate degree and just going to S.E.D. for approval.

Referring to previous emails and memos, the Chair asked Dr. Butts for clarification re. the Charge to Budget/Strategic Plan Work Group. Dolan expressed concerns about unwieldy size of merged group, and questioned how it would function and how it would interface with BPC. Rather than name persons to be removed from subcommittee, Dolan instead suggested going back to the drawing board to construct a smaller, focused group to deal with specific budget issues. Davis asked that new group work on developing contingencies for budgeting at various funding levels. BPC members moved to empower the Chair and Vice-Chair to work with Mona Rankin to create a revised work group.

*report respectfully submitted by
Maureen Dolan, BPC Chair*