

Report from University Policy & Planning Council

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Subject	Report from University Policy & Planning Council

To All University Faculty and Staff:

I write as the chair of the University Policy and Planning Council (UPPC), which is the committee of the University Senate that worries about resources, to transmit the following report from UPPC on the current state of university finances. We find there is considerable cause for concern over the next year or two. While there is no final UAlbany budget for 2011-2012 as yet, and some elements are still in flux, it seems increasingly likely that this will be yet another bad budget which may require unpleasant decisions involving both academic and non-academic units to address. There is still the possibility of a multi-year tuition agreement which may mitigate some problems, but it is advisable at this stage to plan for the worst.

As you may be aware, President Philip has appointed a budget advisory group (BAG) of faculty and administrators to advise him on how to deal with both short and long term budget matters. I've been reporting regularly to the University Senate on BAG's deliberations. These reports, together with a variety of material that we've looked at, can be accessed at <http://www.albany.edu/budget/bag-IV.shtml>. If you haven't already done so, please take a few minutes to check out where things stand. There is also a wiki for you to register your comments, so please weigh in if there are issues you think we need to consider. Much of the same material is also available on the University Senate website at <http://www.albany.edu/senate/bagivreports.php>

Thanks

Jim Fossett

Chair, University Policy and Planning Council

UPPC Report

The University Planning and Policy Council (UPPC) is charged by the Charter of the University at Albany Senate with "responsibility for the oversight and development of the educational, research and service programs of the University." As such, UPPC has examined considerable information related to the University budgetary situation, both in its regular deliberations and in the participation of its members in Budget Advisory Groups III and IV. The Council seeks to share some its observations here in anticipation of continuing budget challenges for the University.

- 1. The University at Albany has much to be proud of.** As one of four research centers of the SUNY system, UAlbany is a leader among public and private institutions of higher education in New York State and across the nation. Because the University is second only to NYS government as the single largest enterprise in the region, hardly a corner of the Capital Region is unaffected by its presence. UAlbany impacts the regional economy in billions of dollars annually. The University is also a cultural hub for the area, attracting nationally renowned performers, exhibitions, and speakers. Its intellectual reach is even greater. Garnering \$2 billion in external funding for research since 2003, many of its academic units are ranked among the top ten in the nation, and many of its faculty members stand among the leaders of their disciplines.
- 2. The University at Albany faces budgetary challenges of historic proportions.** Over the past 20 years, the University has seen a long-term erosion of support from New York State for its operations. New York State's allocation for UAlbany in 2011 is less than it was in 1989; had the allocation kept pace with inflation, we would have a 100% increase in funding over our current levels. At times when the Legislature authorized tuition increases, these were offset by larger reductions in state budget support, effectively taxing students for the state's general fund. Since 2008, New York State support for the University has dropped precipitously—over 30%. Such a large reduction in so short a time has caused hardship to the University. Because approximately 85% of the NYS allocation supports salaries of personnel, in order to make these reductions, over 200 positions were shed, about a third of these from the faculty. Wherever possible, these losses were taken from positions vacated through resignations and retirements, though, in some cases, active employees lost their jobs. It is noteworthy that the Schools and Colleges of the University received the smallest percent of reductions of any other sector of the campus.
- 3. The University at Albany's budgetary challenges are likely to continue over the next two years (2011-12 and 2012-13).** Additional budget reductions are expected in the next two fiscal years. Administrative plans for new academic and non-academic reductions have been already made, including a decision to deactivate degrees in five academic areas. Though UPPC has never approved the deactivation of any particular unit, the Council acknowledged publicly that reduction of academic programs are likely to be inevitable and that the University is better served by strategic rather than across-the-board cuts. With a new administration in New York State, it has become clearer that the SUNY system—and ultimately our campus—will face further reductions in state allocations. In addition, elected officials are divided about tuition increases for the SUNY system. This is most unfortunate because even a modest increase in the order of 5% would be of great assistance to our campus—if the state sustained its current level of support.
- 4. The academic mission of the University—expanding knowledge and transforming minds—is its highest priority, but academic programs are not above scrutiny for effectiveness and value to the University's mission.** Because Academic Affairs takes up about 63% of the University's resources, a large reduction to the University budget necessarily will result in some reduction to academic efforts. A modern university requires some non-academic infrastructure—

safety, health, recreation, residence, maintenance, accounting, etc. The relative degrees to which academic and non-academic aspects of the University can be curtailed is a matter of debate, but clearly both the academic and non-academic portions of the University have to be evaluated for efficiencies and relationship to mission and strategic plan.

- 5. The University needs to engage in long-term planning in addition to responding to the immediate financial challenges.** The University at Albany will likely be transformed during this economic downturn... and change can be confusing and painful. There are, however, new opportunities to define ourselves. In the midst of considering how it will respond to state support reduction in the immediate and near future, the University community also needs to engage in conversations about the long-term vision for the campus. What should a 21st century research university look like and how can the University at Albany position itself to advance in the future?
- 6. We urge members of the University community to advocate on behalf of our enterprise.** We believe the University at Albany makes essential contributions to the economy and development of the Capital Region and New York State. We believe the University at Albany makes essential contributions to the intellectual growth and career aspirations of thousands of New Yorkers and the scholarly achievements of the nation. These contributions can only be sustained and expanded with sufficient financial support. Members of the University community should communicate to the Governor, members of the Legislature, and fellow New Yorkers that renewed investment in the State University of New York is one of the surest means to boost the state's economy and prepare its citizens for a lifetime of productivity and innovation. Members of the University community should also communicate to elected representatives and friends the need for a plan of rational and predictable tuition growth. The tuition in the SUNY system is one of the lowest in the nation, and even a modest increase would alleviate a significant portion of our budget reduction. A system of predictable, modest increases over a number of years would go a long way to invigorating the Power of SUNY for the citizens of New York.

For more budget-related information, visit this site for updates:

www.albany.edu/budget

To contact elected officials, visit this site for useful information:

www.albany.edu/budget/involved.shtml