

Budget Advisory Group IV Final Report

April 15, 2011

President Philip appointed the fourth Budget Advisory Group (BAG IV), to serve as a consultative group to assist in shaping the University's response to another reduction in resources in the 2011-2012 New York State budget. BAG IV was formed in compliance with the provisions of the University Senate Bylaws for formal consultation, and in conjunction with the Governance Council as well as the Chair of the Senate and the Chair of the University Policy and Planning Council. Details of the formation process and our membership are found at <http://www.albany.edu/budget/files/Budget%20Advisory%20Group%20IV%20MEMBERSHIP.pdf> and in Appendix A.

The President's charge focused on a request, by early April, for a set of operating budget recommendations for the commitments and needs in the 2011-12 academic year, and also on recommendations for the longer term, including on how best to sustain and grow our strengths, pursue our strategic plan, respond to opportunity and student demand, and position the university for the future. The full text of the charge may be found at <http://www.albany.edu/budget/files/Budget%20Advisory%20Group%20IV%20Charge.pdf> and in Appendix B.

We met nine times over weeks between February 11, 2011 and April 5, 2011. A report of each meeting was provided by James Fossett, member of BAG IV and Chair of the University Policy and Planning Council to the University Senate Executive Committee and to the University Senate. These reports were also posted on the University's budget updates webpage (<http://www.albany.edu/budget/bag-IV.shtml>), on the MyUAlbany faculty and staff portal (<http://portal.albany.edu>), on the Senate website (<http://www.albany.edu/senate>), and on the wiki established for the Budget Advisory Group process (<https://wiki.albany.edu/display/budgetadvisorygroup/Home>). Our commentary and recommendations are presented below.

The scope of our review

To begin, it was not possible to address fully all components of the charge in the short time available. However, we hope that our comments and recommendations below will be helpful as the President develops the immediate campus plan. We recognize that immediate actions may well end up shaping long term consequences for the "UA of the future," and therefore urge proceeding with appropriate caution and deliberation about the consequences of any short term actions. Just as changes made in response to earlier crises have shaped today's University at Albany, decisions made now could have significant implications for our institution through the middle of the 21st century and beyond.

What we *have* been able to accomplish is a review of the resources available for allocation, a review of the prior and prospective budget reduction (and investment) plans for each of the divisions of the University, consideration of four institution-wide budget reduction allocation scenarios and one within-academic-affairs budget reduction allocation scenario, a

consideration of metrics that might be used to determine consistency with the recommended principles and priorities of the Budget Advisory Group III, and development of recommendations for next steps.

From our review, some realities are clear

The University at Albany faces budgetary challenges of historic proportions.¹ Since 2008, New York State support for the University has dropped precipitously—by more than 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 worth noting that the Schools and Colleges of the University received the smallest proportionate reductions of any sector of the campus. We also recognize that the College of Arts and Sciences received significantly smaller proportionate reductions than any of the other Schools and Colleges.

The University at Albany’s budgetary challenges well may continue for the foreseeable future.² Additional budget reductions are expected. Administrative plans for new academic and non-academic reductions already have been made, including a decision to deactivate degrees programs in five academic areas, but potentially preserving several minors.

Although no BAG approved the deactivation of any particular unit, we concur that a reduction of academic programs is likely to be inevitable and that the University is better served by strategic rather than across-the-board cuts.

In light of the fiscal situation in New York State, it has become clear that the SUNY system—and ultimately our campus—will face further reductions in state allocations. In addition, there is no current plan for 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—assuming that the state sustained its current level of non-tuition support.

Our review of the resource picture at UAlbany has not revealed significant non-state funds that can be pressed into service to correct the state-side reductions. Although there has been much comment on campus that the administration should look to the “all-funds” budget to solve the current financial problem, we note that non-state funds are largely restricted to specific uses that cannot be shifted to cover other operations. Fee income collected from students for housing, Athletics, and other purposes is earmarked for particular support services for students and can’t be spent for anything else. Research and other outside revenues support

¹ This section is adapted from the 4/1/11 document adopted by the University Policy and Planning Council

² Ibid.

expenses of the work for which the award was made, the University's research infrastructure, or revert to the school or department which "earned" them. The funding of the College of Nanoscale Science and Engineering is separate from that of the rest of the University.³

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 contributions to the University's mission.⁴ 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 in support to academic efforts. A modern university requires a sound non-academic infrastructure—safety, health, recreation, residence, maintenance, accounting, information technology, and so forth. The relative degrees to which academic and non-academic aspects of the University can be curtailed is a matter of debate, and both the academic and non-academic portions of the University have to be evaluated for efficiencies and relationship to mission and strategic plan. The level of support provided by the non-academic areas should be appropriate to the University's academic mission. Although academic areas will have to sustain cuts, efficiencies should be first secured in non-academic areas, wherever prudent.

The University needs to engage in long-term planning in addition to responding to the immediate financial challenges.⁵ The University at Albany will likely be transformed during this economic downturn. At the same time, however, the University will be presented with new opportunities to define itself. 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? What are areas of excellence and opportunity that can be developed and nurtured in order for us to enhance our distinctiveness?

Consideration of several specific institution-wide reduction models⁶

During our deliberations, we considered five different reduction models—four across the entire campus, and one restricted to Academic Affairs. A summary of the five models and our comments on each is presented below. Additional detail on the discussion of each is available in the Reports to Senate posted at <http://www.albany.edu/budget/bag-IV.shtml>.

Model 1: "Administrative Consolidations." In this model, the possibility of realizing budget savings from consolidating administrative activities and reducing the number of high ranking administrators was considered.

³ The nature of funding for the College of Nanoscale Science and Engineering has been a source of confusion. A description can be found at http://www.albany.edu/budget/files/Meeting_Report_to_Senate_4_5_11.pdf.

⁴ This section is adapted from the 4/1/11 document adopted by the University Policy and Planning Council

⁵ *ibid*

⁶ Adapted and modified from the reports provided by UPPC Chair Fossett to the Senate and Senate Executive Committee

The discussion was fairly conclusive that UAlbany's administrative structure does not appear to be "bloated." Although evaluation by an external consultant is pending (see below), few opportunities for budget savings by consolidating administrative functions are apparent. Administrative units have taken larger budget reductions than academic ones in the last four years. Data presented suggest that UAlbany has a "lean" staffing structure compared to its peers⁷.

Discussion was also relatively conclusive that there are few, if any, readily apparent opportunities for budget savings via administrative consolidation without stopping the performance of particular functions, which may be neither feasible nor legal for most of the administrative activities. Budget savings may still be realized by other, smaller consolidations across the University.

The University is in the process of engaging a consultant to evaluate the efficiency of its administrative processes, which may produce recommendations for procedural improvements or efficiencies and produce some budget savings.

Although we looked at administrative consolidations, we did not study academic consolidations. While we suspect that similar conclusions might be reached, the feasibility, and pros and cons, of consolidating course offerings, programs, departments, and even Schools/Colleges may need to be considered.

Model 2: Substantial reduction to Athletics, and smallest reduction to Schools and Colleges.

We considered an institution-wide scenario which called for a large scale reduction in funding for intercollegiate athletics and a reduction as small as possible to the Schools and Colleges with the remainder of the required reductions being distributed across the other Divisions and the support areas of Academic Affairs in an across-the-board fashion.

The scenario considered would generate a significant redistribution of resources. A 50% reduction in the Athletic Department's state funds budget would remove stateside funding for a significant proportion of the division's staff. Conversely, the reduction in stateside funding for Schools and Colleges would be just 25% of what would be called for under an across-the-board model. Other divisions and the support units of Academic Affairs would have stateside funding removed for a significant number of positions under this plan.

Considering this scenario in the context of the Strategic Plan, it was noted that Athletics is not explicitly mentioned in the Strategic Plan, but has relevance to several strategic goals, including providing a complete and rewarding student experience, attracting a diverse student body, and increasing the visibility of University activities in the larger community.

⁷ These data are contained in a presentation by Assistant Vice-President Bruce Szelest titled "Key Performance Indicators: Full Time Equivalent Staff" which is included on the BAG IV website at http://www.albany.edu/budget/files/Comparative_data_for_BAG4_03-04-2011.pdf

Considered in the context of what is desirable and what needs to be changed, such a scenario would unquestionably mitigate the effects of the current budget on the Schools and Colleges and might be favorably viewed in some quarters as an appropriate focus on the academic mission. Because this scenario would result in a withdrawal from participation in Division I Athletics, and consequent elimination of the student athletics fee, the cost of attendance at the University would be reduced by \$500 and thereby enabling the University to explore the cost-of-attendance elasticity on enrollment.

Concern was expressed that additional adverse consequences might accompany such a significant reduction to the Athletics budget, including loss of substantial philanthropic funds. A reduction of the size contemplated in this scenario would make it impossible for the University to retain its Division I status and force it to revert to Division III or some other lesser status. There was a suggestion that reversion to Division III status could result in few cost savings compared to what is required to support Division I athletics. A move out of Division I would also require the cancellation of the student intercollegiate athletics fee (currently 42% of the Athletics budget), since that fee was explicitly approved by the student body for the purpose of supporting Division I athletics. In addition, losing the student athletes and their academic accomplishments⁸ and losing one of the major sources of favorable coverage of the University in the media would be notable. The effects of eliminating Division I on such University activities as development, sponsorships, and donations from alumni or others are unknown at this time.

It was also noted that while a reduction in athletic spending of this magnitude would be popular in some quarters, it would be extremely unpopular in others. It was also suggested that the scholarly reputation of the University has a greater impact on the recognition of graduates of the University in contrast with the greater visibility of those Division I schools with a higher athletic profile.

It was proposed that a broader examination of the educational and other benefits and costs of Athletics, including all the various stakeholders (proponents as well as those who oppose), might be of considerable value and should be considered.

Model 3: Protecting the revenue-generating elements of the University. We considered a scenario which imposed minimal cuts on the research and development divisions, with larger off-setting cuts elsewhere across the University.

Most of the discussion centered on the research function and the most appropriate way to encourage increased funded research across campus. It was noted that some external funding may actually have a net financial cost the University, rather than a net gain. Concern was expressed that there was no basis for predicting the effect of protecting the research infrastructure on the level of funded research and that protecting the Research Division while

⁸ Evidence on the academic performance and standing of UAlbany athletes has recently been presented to the University Senate and the Senate Executive Committee by the university's faculty athletic representative. This presentation can be accessed from the Senate website at <http://www.albany.edu/senate/5569.php>

cutting Schools and Colleges could run counter to the Strategic Plan's goal of increasing the volume of funded research.

It was argued that, while the Research Division houses several productive research centers, most funded research is generated by faculty. Incentives for increased research should be applied at the level of individual departments or faculty members, with more incentives being provided to departments that generate more external funding.

It was also argued, however, that investment in research should be made with the recognition that teaching is also vital to the University's mission as well as a significant source of revenue.

Model 4: Differentiated Reductions--a combination of protecting the revenue-generating elements, assigning the smallest reduction to Schools and Colleges, and a substantial reduction to Athletics. We evaluated a more variegated scenario with only minimal reductions imposed on the Schools and Colleges and the revenue producing units, while larger cuts were imposed on other non-academic units, particularly Athletics.

The discussion indicated that this scenario fit well with some parts of the University's Strategic Plan, but less well with others. This allocation pattern protects the academic mission of teaching and research, but does less well in serving the Strategic Plan's goals of maintaining the University's infrastructure and providing students with a high quality experience. Excessively large reductions to IT and finance and business could adversely affect the strategic goal of maintaining the campus infrastructure, while reductions to Athletics, Academic Support and Student Services could compromise the strategic goal of providing students an excellent non-academic experience.

The suggestion was made that the level of assigned reductions might be further modulated to accommodate a larger array of goals.

Concern was also expressed that such an allocation might actually "over-protect" the Schools and Colleges, and that individual academic units may need to be evaluated separately to determine their contribution to the University's strategic goals and mission.

Discussion of Models 1-4 also rendered three additional observations:

1. Preserving the academic mission by way of preserving and protecting the Schools and Colleges is important, BUT it cannot be done "at all expenses." The resultant cuts to the rest of the University should Schools/Colleges be afforded a 1% reduction are just too deep. We'd like to keep doing everything we're doing, but Student Success, Finance and Business, ITS, Research, Development, Communications, and other non-academic units are necessary for the University to function.
2. It was noted that a limited reduction to Athletics may release insufficient funds to protect existing academic programs or allow reinvestment though it may be so deep as to further impair the viability of the athletic programs. One consequence of such cuts

would be the preservation of a significantly impaired athletics program, one that is unable to provide the desired benefits of participating in Division I athletics

3. On further discussion about Athletics, we noted that many benefits accrue to the University by having a strong athletics program. However, our conclusion is that making an informed recommendation would require additional information, such as would be available from a stakeholder analysis, and from a closer study of the costs, benefits, and revenues of the athletics program. In principle, we would support a pattern of reductions that would allow the University to retain a quality Division I program if it is possible to do so in the context of the severe curtailment of resources that confronts us and the need to sustain our academic mission and the critical infrastructures that support that mission. We also acknowledge that alternative perspectives exist on the campus, and in the membership of BAGIV, that would not concur with this view.

Model AA: Applying the “principles/priorities” within Academic Affairs. We considered a within-Academic-Affairs scenario derived from developing rough metrics to translate the University’s Strategic Plan and the reports of earlier BAG’s into budget figures.

The guidelines and priorities set by these earlier reports focused on supporting academic programs “on the merits”, which include enrollment, reputation, and faculty productivity; and called for focusing resources on areas of “strength, reputation, and quality.” These guidelines and priorities suggest a focus on enrollment, academic strength and reputation, and external revenue as the main criteria for academic units, within the overarching context of promoting the University’s core educational mission. Units that excel on these elements presumptively would receive some “protection” under a model based on these metrics and would be asked to absorb smaller cuts than under an across-the-board allocation scheme. The main criteria for academic support units were the unit’s role in supporting the core academic mission, enrollment and retention, and student experience.

The set of rough metrics applied to academic units for “enrollment” included the unit’s share of the total credits awarded by the University, student/faculty ratios, and credit hours per faculty member compared to departmental peers at other public research universities.⁹ The set of rough metrics for “strength” included indicators of reputation (areas “for which Albany is known”), accreditation standing, and data from various internal and external evaluations and rankings (such as US News and World Report, the recent National Research Council ranking of doctoral programs, and so on). The rough metric for “external funding” included externally funded research expenditures per tenured or tenure track faculty member.

Considering this scenario in the context of the Strategic Plan, there was agreement that the metrics did a good job of capturing the focus of the Strategic Plan on graduate education and external funding. There was respect (although not applause) for the idea that AA programs were “on the table,” and for the attempt to apply relative values to them. The metrics were

⁹ The data supporting these measures is contained in a presentation by Bruce Szelest BAG which is available on the BAGIV website at http://www.albany.edu/budget/files/UDel_Tables_for_BAG4_3_2_11.pdf

seen as working better for the sciences, and for smaller Schools and Colleges, and less well for the arts and humanities.

In the context of considering what features of this scenario were desirable and which needed to be changed, concern was expressed that the metrics did less well in capturing the value of a comprehensive undergraduate program and its potential impact on the quality of education for undergraduates who attend UAlbany.

Several suggestions were offered for improving the quality of the metrics in this regard, including attention to placement rates and other market indicators such as student demand, a cost/benefit analysis of individual departments, and trajectory and potential for growth.

It was also noted that these metrics, including those derived from comparison with peer institutions, do not recognize the legacy effects of disinvestment on many academics units, and the possible consequent implications for student educational opportunities.

It was agreed that there was no easy way to define what units are “core” or central to the University’s mission, and further that definitions of “core” alternatively might be considered to be either independent of or connected to considerations such as strength and contribution to instruction, scholarship, and external funding.

Our recommendations about next steps

1. For the current budget situation, continue to follow the advice provided by earlier BAGs and the Strategic Plan that budget cuts to Academic Affairs units be apportioned on a strategic, rather than an across-the-board, basis. There is a continuing strong sentiment that budget cuts should not be across the board. This means that some areas will receive cuts, some will receive more cuts, some might be eliminated, and some should receive investment. Reductions to Academic Affairs units should protect or reinvest in the University’s strongest departments, areas that hold greatest promise for new growth, and units that contribute most strongly to the University’s strategic goals and mission.
2. Metrics or dimensions can and should be developed and used to evaluate and communicate dimensions of accountability for the units in the University in order to continue to build strengths and identify areas that are worthy of more investment due to growth, market demand, or other indicators of need or excellence.

Refine and “pilot test” a set of dimensions (metrics) for evaluating areas within Academic Affairs that are consistent with the Strategic Plan and congruent with the advice of the prior Budget Advisory Groups. Once refined and tested, and applied to consider budget allocations, it is recommended that the resulting allocation model should be reviewed with advisory bodies prior to implementation. BAG IV could be of assistance in this regard.

Develop and “pilot test” a set of dimensions (metrics) for evaluating other Divisions that are consistent with the Strategic Plan and congruent with the advice of the prior Budget Advisory Groups. Once refined and tested, and applied to consider budget allocations, it is recommended that the resulting allocation model should be reviewed with advisory bodies prior to implementation. BAG IV could be of assistance in this regard.

The processes of reviewing the resulting allocation models noted above would help clarify the criteria employed to make the adjustments, would allow the BAG to serve as a sounding board regarding whether the proposed adjustments, in combination, would seem consistent with guiding principles as BAG understands them, and would generally help inform judgments about whether the resulting picture conforms to a sound plan for preserving and promoting the core educational and other missions of the University.

3. When decisions are made and announced, inclusion of the decisional criteria and alternatives considered should be a part of the explanation offered to the University community. Providing a detailed justification for whatever cuts are made to the academic programs and non-academic units will be essential to reassure the campus that there is both a guiding vision behind reductions and complete transparency as to the factors that were considered in arriving at the decisions.
4. The University needs to be able to make difficult choices AND move forward – these are not mutually exclusive actions. For example, the deactivation of a program or programs should not preclude the University from growing elsewhere or investing in new initiatives.
5. Continue the advisory process to consider the longer-term picture. We have generated several issues for consideration in such a discussion, and would welcome the opportunity to serve in an advisory capacity toward that goal.
6. Undertake a study of Athletics that includes the appropriate role of athletics within the University, including the relevance of athletics to the University’s educational mission, and involving a stakeholder analysis and a closer study of the costs, benefits, and revenues of the athletics program. It would be important for that analysis to be undertaken in a manner that incorporates diverse perspectives, including proponents as well as those who oppose.
7. Consider the possible role of summer sessions and intersessions, and how the University might consider fundamental restructuring of academic offerings—times of year, days of week, time of day, online options, etc.—in anticipation of accommodating more “nontraditional” students, as well as offering enhanced options to “traditional” students.

Finally, our comments and recommendations are offered in the context of an urgent and ongoing need for the labor organizations and the University Senate to have a full awareness concerning budgetary issues and the various constraints on the University’s ability to control finances. We also stress that state-level decision makers must continue to be reminded about

the difficult conditions to which SUNY is subjected in light of current legislative policies regarding tuition, the constraints on campus autonomy, and the hardships that follow.

We would also underscore the desirability of SUNY being carefully studied as a system, with an eye toward achieving strategic efficiencies and economies of scale, including consolidation of programs and the use of faculty and other resources across and among the individual campuses.

Appendix A

**Budget Advisory Group IV
Membership**

In forming a consultative group to assist in shaping the University's response to another reduction in resources in the upcoming NYS budget, President Philip appointed a fourth Budget Advisory Group (BAG IV). This group was formed in compliance with the provisions of the University Senate Bylaws for formal consultation, and in conjunction with the Governance Council as well as the Chair of the Senate and the Chair of the University Policy and Planning Council. Discussions about the membership and functions of this group were undertaken initially by Provost Phillips in conversation with the Governance Council (GOV) on 12/10/10, followed by a conference on 1/10/11 with Governance Council Chair Fessler, Senate Chair Lifshin, and University Policy and Planning Council (UPPC) Chair Fossett.

Following the recommendations that emerged from these discussions, the President formed a proposed slate of BAG IV members to include all members of the Budget Advisory Group III who were available to continue to serve, all of the individuals who were current members of the UPPC, and additional membership from the areas of Arts and Humanities in the College of Arts and Sciences. This slate was submitted to GOV for review on 1/24/11. GOV conducted a "line-item" vote on each member of the proposed slate on 1/27/11, and a majority approved of 34 of the 43 suggested members (79%). GOV also provided comments and suggestions for additional consideration for membership, and designated UPPC Chair Fossett to provide the reporting function to the Senate and Senate Executive Committee.

Following these further suggestions, the President made additional adjustments in the membership to reduce the representation from administrative positions, to eliminate any multiple seats for a single department, and to increase the representation of the Arts and Humanities. The final membership, listed below, includes 41 individuals. Of these, GOV had approved or nominated 35 (85%).

James Acker, Distinguished Teaching Professor, School of Criminal Justice

Pierre Alric, University Council

Robert Bangert-Drowns, Associate Professor and Dean, School of Education

Kevin Bean, Associate Vice President for Development

George Berg, Associate Professor and Chair, College of Computing and Information, Department of Computer Science

Tom Bessette, Computer Application Instructor, Information Technology Services

Scott Birge, Assistant Director, Student Union, Student Success

Adrienne Bonilla, Assistant Vice President for Research and Director, Office of Regulatory Research Compliance

Jennifer Carron, Director of Marketing, Division of Communications and Marketing

Shobha Chengalur-Smith, Professor and Chair, School of Business, Department of Information Technology Management

Edward Cupoli, Professor, College of Nanoscale Science and Engineering

Anthony DeBlasi, Associate Professor, College of Arts and Sciences, Department of East Asian Studies

John Delano, Distinguished Teaching Professor, College of Arts and Sciences, Department of Atmospheric and Environmental Sciences

Diane Dewar, Associate Professor and Chair, School of Public Health, Department of Health Policy, Management, and Behavior

Eric Eisenbraun, Associate Professor, College of Nanoscale Science and Engineering
Nicholas Farenkopf, Graduate Student, College of Nanoscale Science and Engineering
Patrick Ferlo, Director, Performing Arts Center & Page Hall, College of Arts and Sciences
James Fossett, Associate Professor, Rockefeller College, Department of Public Administration and Policy,
Chair, University Policy and Planning Council
John Giarrusso, Associate Vice President (Facilities), Division of Finance and Business
Teresa Harrison, Professor, College of Arts and Sciences, Department of Communication
Michael Hill, Associate Professor and Chair, College of Arts and Sciences, Department of English
Richard Johnson, Assistant Professor, School of Business, Department of Management
Linda Krzykowski, Vice Dean for Administration, School of Business
Kajal Lahiri, Distinguished Professor, College of Arts and Sciences, Department of Economics
Hamilton Lankford, Professor, School of Education, Department of Educational Administration and Policy
Studies
Christian Lenart, Associate Professor, College of Arts and Sciences, Department of Mathematics and
Statistics
Eric Lifshin, Professor, College of Nanoscale Science and Engineering, University Faculty Senate Chair
Andi Lyons, Professor and Chair, College of Arts and Sciences, Department of Theatre
Lee McElroy, Vice President, Athletic Administration
John Monfasani, Professor, College of Arts and Sciences, Department of History
Tremayne Price, Undergraduate Student, Student Association
Blanca Ramos, Associate Professor, School of Social Welfare
Cynthia (Brady) Riggi, Assistant Vice President, Division of Student Success
David Rousseau, Associate Professor and Chair, Rockefeller College, Department of Political Science
David Wagner, Professor, College of Arts and Sciences, Department of Sociology
Justin Wax-Jacobs, Undergraduate Student, President, Student Association
John Welch, Professor, College of Arts and Sciences, Department of Chemistry
Geoffrey Williams, Librarian, University Libraries
Robert Yagelski, Associate Professor, School of Education, Department of Educational Theory and
Practice

Co-Chairs:

Stephen J. Beditz, Interim Vice President Finance and Business
Susan D. Phillips, Provost and Vice President for Academic Affairs

Appendix B

**Budget Advisory Group IV
Charge**

The President's charge to BAG IV was delivered in teleconference on 2/11/2011, and in print on 2/14/2011. The text of the charge is reproduced below.

Dear Members of the Budget Advisory Group IV:

I am sorry that other obligations prevented me from meeting with you personally to deliver your formal "charge" for the next phase of the University's budget planning process. At the outset, I want to thank each of you for your willingness to serve as a member of BAG IV. Many would agree that we are in a defining period for the future of our University, and I am so very grateful for your dedication and participation as we seek to build and extend this institution's heritage and excellence as a modern research university. Your work follows the very thoughtful and useful reflections and reports produced by the three prior Budget Advisory Groups, as well as the values and direction articulated in the Middle States self-study and review and the recently announced UAlbany Strategic Plan. Unfortunately, this next phase of planning will continue to be impacted by likely further declines in State funding, which were proposed under the Executive Budget proposal for SUNY for FY 2011-12. Notwithstanding the current challenging fiscal environment, it is my fervent hope we will be successful in making decisions that further enhance UAlbany's reputation for high quality in the research we conduct, the education we provide, and the service we contribute to our surrounding communities and larger society.

As members of BAG IV, I first ask for you to formulate a set of operating budget recommendations for continuing our near-term forward progress—the immediate challenge is to define a plan and pathway to meet commitments and needs in the 2011-12 academic year, a year in which New York State will likely take additional fiscal actions that will further impact University programs and personnel in substantial and serious ways. While we anticipated a substantial reduction in constructing UAlbany's preliminary financial plan for 2011-12, it remains to be seen whether our projected reductions will be enough. Based on our initial rough calculations, the Executive Budget adds over \$4 million to our near-term problem. And, as you know, we must not only address whatever decreases in State support are contained in the upcoming state budget process, but also continue our efforts to rebalance our resources to deploy them where they are needed to respond to areas of strength, student demand for instruction, and opportunities for the future. I am not asking you to revisit the reductions already proposed; indeed, I will shortly provide an update and announce final actions related to the 2010-11 budget reduction consultation process. For BAG IV, I would welcome your input in deciding how specific to make your recommendations – e.g., whether to identify specific programs or units to down-size or eliminate (or grow), or whether to keep the discussion and recommendations focused on values and principles. As a first step in this process, I ask you to provide me and our shared governance groups with your views about this important issue.

Second, I also ask you to consider the longer term, looking beyond 2011-12. In addition to the massive cuts in State tax dollar support taken to date, all of us are increasingly concerned about the consequences of cumulative reductions into the foreseeable future on the scope and character of the academic and research programs we will offer, particularly given our insistence on high quality and excellence in whatever we offer. So I ask also for your thoughts and recommendations about what UAlbany will look like at the end of this period of our development – e.g., the menu of majors and degree programs we will offer, the quality of campus life and support you expect, and the condition of our

capital facilities and infrastructure. In asking you to consider the longer term picture, I am not looking for a zero-base budget plan, nor for a model of building the university “from the ground up.” Rather, I am looking for your recommendations on how best to sustain and grow our strengths, pursue our strategic plan, respond to opportunity and student demand, and position the university for the future.

You will be working intensively on a fast schedule, designed to produce recommendations by early April so that they can be factored into appropriate next steps if the Governor and Legislature are successful in producing an “on-time” budget.

Again, thank you so very much for your assistance and involvement in this difficult assignment. Please know I will support your work and deliberations in every way possible. I look forward to receiving your recommendations as we continue our concerted efforts to advance our University’s programs, impact, and reputation in the years ahead.