May 15, 2009

Dear Faculty and Staff:

As the academic year comes to a close, I want to thank all faculty and staff for their hard work and their dedication to our students.

Looking back over this past year, we have much to be proud of, including a successful site visit by TEAC, completion of a three-year strategic plan, surpassing the $10 million mark in the Bright with Promise Campaign, the hosting of successful conferences, and the many awards won by faculty, staff and students. In addition, we took significant steps forward on exciting capital construction projects including a new science laboratory building, the demolition of the Old Hospital and a score of other improvements. These capital improvements were made possible by the support received via the SUNY Construction Fund.

Of course, one of the biggest sources of anxiety for our campus is the significant budget deficit we faced this year and expect to face in 2009-10. During the last eight months, we witnessed the implosion of the U.S. economy and felt its affects as the shock waves reached our campus. Although there are early signs that the recession is not deepening, the impact on our college and community will be lasting.

Due to significant cuts to our state-appropriated budget, we face a two-year deficit of $5.7 million. Some of the impact was offset this fiscal year by the fact that we had built up a sizable reserve. However, that reserve is being depleted and permanent reductions are required in order to close the budget gap.

Another measure that was intended to help was the increase in tuition that went into effect for the spring ’09 semester. The SUNY Board of Trustees approved the increase in late 2008, but due to decisions made by the governor and state Legislature, SUNY campuses were only allowed to retain 10 percent of the increase. For the 2009-10 academic year, our share of the increase rises to 20 percent.

Unfortunately, the majority of the SUNY tuition increase is being used to help address the budget deficit faced by the state of New York. Many students and families have complained that this amounts to a "tax on students." Adding insult to injury was the fact that the state used enrollment numbers from the fall to calculate the amount we would be allowed to keep.
Because our enrollment changes from semester to semester, the net result was a loss of revenue for the spring.

There was also some short-lived hope that the federal stimulus package would provide some relief for the SUNY system. New York state received $2.5 billion in federal funds to shore up education, but due to how the money was allocated, the SUNY system as a whole received very little. Over the past year, the SUNY system has absorbed $214.8 million in reductions and faces an additional $118 million shortfall in direct state support for the coming year.

For the past several months, I have held regular meetings with the cabinet and the deans to develop a comprehensive plan for navigating our way through this very challenging period. We will continue to address the budget situation while not losing sight of our mission to serve and educate the students who are counting on us all. We will do what we can to make decisions that have the least negative impact on our students as well as the morale of our faculty and staff.

What follows is a summary of the steps we have taken to date, the measures we plan on implementing in the near future, and, finally, some initiatives that we will study over the summer to help further our stabilization efforts.

**Budget saving measures to date:**

- A hiring freeze was implemented late last year and only critical searches were allowed to move forward.
- A number of positions have been eliminated or suspended indefinitely in each division:

<table>
<thead>
<tr>
<th>DIVISION</th>
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<tr>
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</tr>
<tr>
<td>Total</td>
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- All travel on state funds has been restricted and requires approval by a vice president.
- The sabbatical policy was modified so that one-semester sabbaticals receive half-pay only. The policy for full-year sabbaticals was unchanged.
- All departments were asked to reduce their 2008-09 budget by 6 to 8 percent.
- Significant contracts or purchases were delayed to realize temporary savings.
- The Alumni/Student Center for Professional Development has been closed due to budget and staffing reductions within Institutional Advancement. However, Cardinal Connections programming will continue to support student-alumni career networking.

**New initiatives to address the budget deficit:**

*Salary and contracts*

- Two programs designed to provide salary savings to the college are being offered:
A volunteer work reduction program is being offered to eligible employees who can reduce their work obligation by up to 30 percent.

A phased retirement program provides incentives for eligible faculty and staff to transition to retirement. Employees would reduce their work obligations over a two-year period followed by full retirement.

- We are examining the possibility of moving some salary lines and core operating expenses to non-state accounts (e.g., IFR, SUTRA, and DIFR).
- We are reviewing college policy concerning extra service in relation to full-time professional staff who also teach courses.

**Increased revenue and savings**

- Fees will be increased for external groups renting our facilities.
- There will be a continued focus on achieving operational efficiencies across all departments and programs.
- Mail service will be reduced to one trip per day.
- Employees who receive bi-weekly checks/advises at home, will now receive them via campus mail which will result in a modest savings in postage.
- Certain administrative offices will be closed on legal holidays.
- There will be increased scrutiny and management to limit overtime pay.
- Considerable savings have been realized through pre-purchase of natural gas for 2009-10.
- Focus, the campus newsletter, will be published online only, beginning this spring, saving both printing and postage costs.
- The Plattsburgh Magazine will be made available on campus and will no longer be mailed home to employees.
- The Winter Commencement Ceremony will be eliminated. Students finishing coursework in December or January will be invited to participate in the following spring commencement exercises.

**Enrollment and Instructional**

- Beginning in the fall, course sizes will be increased by 10 percent, provided they are not limited by facilities, accreditation requirements, or mode of delivery. In addition, we will consolidate course sections with low enrollment.
- In certain programs at the Branch Campus, we will increase both graduate and undergraduate enrollment by up to 15 percent.
- When possible, we will replace vacant faculty positions (permanent full-time positions) with adjuncts or lecturers.
- It is expected that participation in the Common Application beginning in the fall will provide a modest increase in revenue.
- Tuition for winter and summer sessions will be brought in-line with the tuition increases implemented during the spring semester.
- To better manage course utilization, the deadline for the $20 course withdrawal fee is being moved to the second week of the semester rather than at the beginning of the fourth week.
Program review and future considerations:

- During the summer, the vice presidents and deans will coordinate a comprehensive review of all academic, administrative and student support service programs and affiliated centers using a standardized review model. By late summer, recommendations for program elimination and the reduction of temporary and full-time staff, effective Sept. 1, 2010, will be considered.
- The review will also include an analysis of the costs and benefits of accreditation for those divisions and centers where accreditation is optional.
- Finally, we are taking a close look at faculty instructional workload.

The steps that we are taking are not easy, and we must brace ourselves for more difficult decisions in the months ahead. But challenges present opportunities. As we seek to secure the financial health of our college, we do so with the goal of emerging from this process as a stronger educational institution.

Sincerely,

John Ettling
President