A number of things happened during the summer break, which was not actually a break in my case. In any event, while each might deserve its own lengthy report, I have chosen to provide a sketch of what I see as the most important issues we face at this time.

Budget, 2012 and beyond.
As you know, the “good” budget news is that there is stable funding, at least in terms of tuition, which will keep rising at modest, predictable rates. And state support, the other major element in our funding will be stable this year, both for the system and for the campus.

However, while the tuition increases should probably continue over the next three years, the state support will be allocated by a new “tool,” which changes the allocations for some campuses fairly dramatically, with at least two campuses losing a bit more than 20% of their current allocation, IF the “current” model were fully implemented. (See attached “Resource Allocation Model Update, October 1, 2012”)

Before we leap any further than we already have, I’ll remind everyone of two realities: the numbers have not yet been set in stone, nor has the implementation process. Discussions are occurring with campus leadership, every campus leadership, to identify the issues and craft solutions to the remaining problems. And, this Chancellor and this administration understand that the process of redesigning the RAM would result in problems. They are engaged with the system now, so that they will be able to present a recommendation to the Board in December for distribution state funds that will be more predictable and based on factors mirror national practice.

One other item on the new Resource Allocation Tool: the implementation process, especially the timing sequence over the next several years, will be crucial to each of our campuses. So, read the materials and listen to CFO Brian Hutzley’s presentation, then have no hesitation about asking him tough questions.

Consistent and adequate funding of our SUNY hospitals remains a challenge, especially for Downstate and Upstate that serve populations with large percentages of patients without private insurance. Medicaid and Medicare reimbursements continue to be reduced, while the cost structures for the hospitals (due to state contracts) exceed those of the other hospitals in their regions. Upstate currently is meeting its challenge, while Downstate, as previously reported, is not. Consequently, the hospital’s administration has been replaced, $75 million of bridge funding for the next two years was secured from SUNY (NOT the State), and consulting contracts have been negotiated for a thorough review of the hospital’s mission and range of services. In addition, a substantial number of hospital employees, approximately a thousand, have either lost employment or have received notice, as per the contract, that their positions could well be eliminated next year.

Shared Services
This summer the reports were submitted from the six campuses paired into three administrative alliances: Canton – Potsdam; Morrisville – SUNY IT; and Delhi – Cobleskill. In addition, SUNY issued its first report on the savings that had already been identified, which are substantial, through the larger processes of shared services. According to the Chancellor, out of the $6 million that had been saved in the first year of the program, almost half -- $2.5 million – came from the three administrative alliances. For the full story, see http://www.suny.edu/sunynews/News.cfm?filname=9.18.12RedirectedFundsinFirstYearofSharedServices.htm

To date, there has been no change in the administrative structures of the three paired alliances: Canton has an interim president, while Potsdam’s president remains in place; Dr. Wolf Yeigh continues to serve as president of
SUNY IT as well as officer-in-charge of Morrisville State College, as does Dr. Candace Vancko, the president of Delhi and officer-in-charge of SUNY Cobleskill. The three alliance reports document different levels of savings, and the means by which they have been achieved, but my expectation is that they will share a common trajectory toward a blended administrative model, with a president for each campus coupled with a shared administration. Such a pattern contains its own difficulties, but it can work.

Finally, the Chair of our Governance Committee, Dr. Ed Warzala, has joined the Shared Services Steering Committee, which gives faculty and professional staff yet another voice at the table when these critical issues are discussed.

**Systemness**

The Shared Services initiative is part of what the Chancellor calls “systemness,” a word she hopes will soon appear in Wikipedia. Around the concept are clustered a surprising number of initiatives, including SUNY Works (which encompasses service learning, internships, entrepreneurial initiatives, and co-ops), student mobility (see below), shared governance, and the continuing movement to integrate the elements in the “Power of SUNY” throughout the system, making it more than a strategic plan that has been written and then put onto a shelf to collect dust over the next decade.

As some of you already know, the FCCC (our organizational counterpart for community colleges) has pushed for a “review” of general education. Our Executive Committee and I, however, have been careful about defining the scope and methodology of such a review before we make any commitment to the process. In fact, one of the stipulations we wanted from the outset was an agreement that the review would not result in any additional categories in the SUNY GER. And, we thought that the review must take into account the role the SUNY GER now plays in student mobility.

Student mobility remains an issue for the system, but I believe we are very close to final structural resolution. The Provost has sent us a resolution that he intends to submit to the Board of Trustees in December. The draft you received in email has been broadly distributed, to CGLs, to campus administrations, to the Student Mobility Advisory Committee, to FCCC and to you, and he really wants our response before it gets to the Board. So, again, we will have the opportunity at this meeting to raise any problematic issues we have with the proposed policy.

**Board of Trustees**

Since we last met, the Board re-created two committees, a Charter School Committee (for which I am personally, professionally and eternally grateful), and a Community College Committee, chaired by my counterpart, Dr. Tina Good. In addition, at its last two meetings the Board has passed a number of resolutions that covered its normal business, including the appointment of a number of our colleagues to the Distinguished ranks and the approval of several new academic programs. One of special notice was that which appointed former Chancellor Clifton Wharton Chancellor Emeritus, an honor long overdue, and another was that which requested from the University of Buffalo a report detailing “all of the facts and circumstances regarding the formation of the UB Shale Institute, the selection of its directors and the publication of its first report, including the involvement of the natural gas companies in the formation of the institute, the selection of its directors and the publication of its first report.” The Board’s concern in the latter case was not with the conclusions of the report itself, but with the initial claim that it had been peer-reviewed and the question regarding the funding sources for both the Institute and its staff.

**Concluding Thoughts**

And so, I bring this report of my summer “vacation” to a close, reminding everyone of the phrase that has been attributed to the “ancient Chinese,” “May you live in interesting times.” Apparently, we still do.