President’s Report
Spring, 2013
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Well, time flies when you are having fun, and the past four years have flown by. In a few short days, we will have had our election and selected a new President, and our transition to new leadership will begin. Let me say at the outset, representing you for my two terms has been one of the singular honors of what I regard as a rather blessed professional life.

Of course, I will not be the only mainstay of SUNY’s current shared governance team who will be among the missing after this summer. This past month, Provost David Lavallee announced his intention to leave his current post, which he has held for almost four years, and return to SUNY New Paltz and his professorial status. Those of us who have had the privilege of working with David know that his has been a very steady hand guiding the implementation of the change agenda that Chancellor Nancy Zimpher brought with her in 2009. David contributed an insider’s knowledge of how the system worked – and didn’t. His tenacity and skill in developing policies and implementation mechanisms proved invaluable in the development of our new strategic plan, shared services, resource allocation, and most especially to moving the student mobility agenda forward. Finally, his manifest commitment to shared governance has served SUNY and us extremely well. Needless to say, he will be sorely missed, genuinely irreplaceable.

That said, the Chancellor has moved very quickly to organize a search committee, which will be chaired by Dr. Harvey Stenger (President, Binghamton University) and on which there will be representation from the University Faculty Senate (UFS). Despite its inevitable size, I expect it will move speedily to complete its work of conducting a national search for the best possible slate of candidates.

Now onto the usual suspects – budgets, SUNY hospitals, and student mobility – as well as several other items worth your attention.

**Budget**
As I reported to the Senate and its committee members last month, the budget news was mixed, with community colleges receiving a deserved increase in state aid that state operated campuses could only envy. But, part of the increase has been tied to performance, the specific metrics of which are still under consideration. This development, state-defined performance based budgeting, will probably be part of the New York budgeting process for the next several years, a trend that I urge receive our closest attention. While I welcome new state resources being directed to public higher education, I am more than a bit wary of the way that performance metrics can be used to reward institutions that are already budget rich (only in relative terms) and have the least need for new resources. As I have indicated before, accountability, especially for public institutions at a time of genuine budget squeezes, is both inevitable and welcome.

But, accountability is not performance based budgeting (PBB). We should work with the state to develop and use metrics to identify institutional and system-wide problems, and then target the new resources to their solutions. Rather than a fiscal reward for those who are already doing what is expected well, new funding should leverage the state money to prioritize specific grants in light of SUNY’s complex matrix of missions and its most pressing needs. In other words, we should be working to make certain that “PBB” becomes an investment pool directed toward quality improvements.
Beyond that, I think it’s fair to say the state has fulfilled its minimal obligation under the commitment it made to budget stability through a rational tuition plan and maintenance of effort in NYSUNY 2020. Unfortunately, there are two problems with the new budget in that regard: it fails to recognize new needs (read hospitals here, see below) and it uses the savings in the labor contract (which still awaits approval at this writing) to fund an increase in hospital support. In this way, it is something of a shell game, yet another in a long line of budgetary tricks.

There are two more budget issues hanging, neither of which became part of the SUNY state-operated budgeting process this year. Remember, the new Resource Allocation Model? Well, the Chancellor pushed the “pause” button on that two-years-in-the making budget tool when it became obvious that the hospital issue overshadowed every budget discussion and when significant pushback developed from a number of key legislators. Subsequently, she has charged a reconstituted budget group to address what had been identified as the model’s deficiencies (principal among which, in my judgment, is a lack of state support) and report back at some unspecified date. Whether the “play” button will ever be pushed on a new model is anybody’s guess, but the fundamental irrationality that crept into the current distribution scheme remains as compelling an argument for change as it was three years ago. And the second is those SUNY teaching hospitals, especially Downstate and Upstate.

**Hospitals**

Currently, funding SUNY hospitals threatens to obliterate all the progress made in recent years toward system budget stability. We have heard eloquent testimony from our medical school colleagues about the critical role these hospitals play in medical education. In addition, we now have a much clearer understanding of the mess that the previous administration made of Downstate’s finances. Another issue is the UUP’s justifiable insistence to hold the line on state contracts as they apply to SUNY hospitals, arguing that the funding be found to allow them to continue operations at something approaching the same level of service and employment. As a reminder, and a part of the UUP’s position, is that the hospitals have suffered from a serious loss of state support in the budget process and both Downstate and Upstate, given their patient mix, have lost income from the continuing cuts in Medicare and Medicaid reimbursement rates.

So, what does the budget offer SUNY hospitals? In pure monetary terms, the same as last year, $60 million from the Governor’s Executive budget recommendation, to which the legislature added another $27 million. However, the last item (unlike last year’s additional money) does not come from public sources, but it is the amount that is estimated will be generated by the UUP labor contract. In other words, funds saved by temporary furloughs across the system will be transferred to the hospitals. Rather than the funding needed, the political poobahs mandated a “sustainability” plan for Downstate to be submitted by June 1 to the Commissioner of Health and the Director of the Division of Budget. IF they approve the plan, it will have the force of law. But, do not expect any approved plan to contain new money.

The problem is that we now find ourselves between lots of big rocks and some very hard places. Historically, the funding of public medicine programs in New York, especially Medicare and Medicaid, has been generous in comparison to other states. But, much has changed in the past several years, due to the dramatic shortfall in state revenues, and this trend toward cost containment (via reductions in hospital reimbursement rates) hits SUNY Downstate and Upstate, with their large proportion of patients supported by public programs, particularly hard.

To recap, a year ago, SUNY’s Board of Trustees approved a $75 million loan, secured by individual campus reserves, as a partial bridge to Downstate, in the hope that our earnest money would be
supplemented by a state appropriation that would cover the remainder of the projected $110 million deficit the campus was facing this year. But, no state money has been forthcoming, and with those funds now projected to run out in June, we have been given estimates of an additional $100 million deficit for the next year. While a big improvement over the original projection of $150 million, it represents a whole sea of red ink with no obvious source of money to fund it. To place these numbers in context, consider the fact that the state allocation to SUNY’s state-operated campuses is only $787 million.

Why not just close the hospitals? Beyond the damage that such an action would do to medical education, not to mention the delivery of desperately needed medical services to poorer communities, the reality that it costs money, a LOT of money, to shutter such facilities. Estimates, in fact, run as high as a half billion dollars for Downstate alone. Remember, as we have learned with the attempts to cease operation of the Long Island College Hospital that Downstate acquired two long years ago, there are no guarantees that the Department of Health and the courts would allow them to be closed.

One of the mantras of one of our political parties is that public money is not a sufficient answer to our most pressing societal issues; only the free market, we are told, can provide effective, efficient solutions to otherwise intractable problems. Well, money, public money, lots of public money, may not be a sufficient answer – it’s not – to the problems plaguing SUNY’s public hospitals, but after the past five years during which the state has withdrawn a significant portion of its traditional support, we know that money is indeed part of the answer. So, while not sufficient, it is necessary, and the failure of the current political leadership to recognize that fact and work closely with SUNY to create long-term solutions creates the potential for a public policy disaster.

Clearly, the current fiscal crisis afflicting medical education and public hospitals cannot be laid solely at the feet of the state government. SUNY, and particularly the Downstate’s former administration, share a large degree of culpability for the current state of affairs, but so does the state, a point that finally seems to have taken hold.

This story is obviously not finished. In the last week, in fact, we have seen significant movement that could begin to frame a solution, or series of solutions, to the seemingly intractable problems faced by SUNY, its hospitals and medical education. SUNY, after consulting with states authorities, has withdrawn its request to close Long Island College Hospital, an action that vacates the court order that temporarily halted closure proceedings and allows the interested parties, including the state, to sit down and create a sustainable plan for the future. By the time you read this column, I suspect that the necessary conversations will have begun, but at this moment, before the May meeting of the Board of Trustees, it is impossible to predict the specifics of the plan that will emerge, certainly not what it will mean for the rest of the system.

**Student Mobility**

As you probably know by now, the Board of Trustees at its January meeting passed yet another resolution on student mobility. But, this time there was a difference: many, if not most, of the specific elements in the resolution spoke to what students must have in their AA and AS programs if they are going to have seamless transfer, that long-articulated goal. To be specific, students need to complete SUNY general education, the designated courses in the pathway for their chosen major and no more than 64 credits. The expectation is that students will finish the first two years of any SUNY curriculum with these elements, and hence, will be able to transfer to any SUNY baccalaureate institution and complete their studies within another two full-time years, excluding summer and inter-sessions.
The Provost’s Office distributed the draft MTP (Memo to the Presidents) to guide the implementation of the policy, which the Student Mobility Advisory Committee reviewed and made substantive recommendations for change. The MTP is currently being reviewed by the UFS Undergraduate Committee, its counterpart in the Faculty Council of Community Colleges, and administrators across the system. The Provost’s Office will consider all the recommendations and plans on distributing a final revision of the MTP in May.

The long and short is that I believe this is final policy piece needed for an effective process for intra-system transferability. It calls on all of us to consider carefully the number of credits we require for our degree programs (126 is the maximum for baccalaureate programs, 64 for AA and AS degree programs), it allows for a small number of waivers to those limits (engineering is among the usual suspects), and it mandates that any additional campus degree requirements (read local general education and other college-wide curricular requirements) cannot impede a student’s time to degree or increase the total number of credits necessary for a baccalaureate degree. In other words, unless there are clear grounds for a waiver, each academic program leading to an AA or AS must demonstrate that it can be completed in four full-time semesters of study (or their equivalent), and the corresponding baccalaureate degree in another four full-time semesters.

**System Reporting of Campus Data.**

At the March Board of Trustees meeting, the Chancellor asked five questions aimed at the issue of collecting campus and system-wide data into a single, publicly accessible data set. These data, which might allow for speedy (and potentially misleading) comparisons among campuses, are going to be made public in one fashion or another. In fact, much is already available on the White House web pages as well as through New York State Education Department. A number of the specific data points, such as retention and graduation rates, have been mandated by external agencies for several years. The point is that the Chancellor has decided that the time has finally come to provide campus specific data, formatted in a way that will allow for ready comparisons. At its May meeting, I expect the Board of Trustees will adopt a resolution that will authorize the Provost to work out the details for such public reporting.

To remind you, the USF has consistently opposed such efforts, not because we oppose accountability, which is usually the banner under which these projects fly, but rather because we understand that such data, unless appropriately contextualized by a number of other pieces of data such as incoming student criteria and campus mission, can be misleading. For example, at the last meeting of the Board of Trustees Academic Affairs Committee, staff produced a presentation on student performance that included a PowerPoint slide that indicated that SUNY community colleges had achieved a 35% graduation rate. Now, by itself this seems quite low, which could lead some to question the commitment the state and localities have made to supporting these vital, necessary institutions. But, when properly placed in a national context, which reveals a national community college graduation rate of 25%, SUNY’s success becomes obvious, turning what might appear a failure into a reason for recognition. This is just what this particular presentation did, and it underscores the critical importance of context when reporting institutional data.

As with system-wide data, so too with college comparative data sets. Does anyone really believe that the retention and graduation rates for Buffalo State College can rival those of its neighboring SUNY campus, Geneseo? Of course not. Their historical missions are quite distinct, and unless the data set
presents such complications it will not only be useless, it will inevitably do damage to a number of SUNY’s campuses.

What this means is that at this moment of leadership transition, participation of governance in this issue will be more important than ever, which is one reason I have kept both our Executive and Operations Committees fully informed of these developments. The draft resolution does, in fact, mandate full participation of governance in the future, which assures our continued engagement in the discussions and decisions ahead.

My goal in this area is quite simple; I am looking to establish several core principles under which the data will be collected and publicly displayed. Let me name two. The first is that data sets prominently displayed on the SUNY website and readily available to any interested party should focus on those elements most critical to the public, which would include retention rates, graduation rates, graduate employment or subsequent academic placements and success, campus safety, etc. None of these should be hidden from potential students or their families, or from policy makers at every level. A corollary is the need for a much more detailed data set that would allow members of the Board and members of campus and system communities to drill down and create sector and system scoreboards, building on what we have done for past two years, that will enable the system (or the campus) to identify particular strengths and weaknesses. This could, and should, be tied directly to that “Performance Based Budgeting,” giving the system the data needed to fund specifics projects aimed at campus improvement, using specific metrics and identifying specific targets.

Open SUNY
As I think you know by now, the Board of Trustees passed a resolution at its March meeting calling for “Open SUNY,” a new, as yet unspecified configuration of SUNY’s on-line instruction. Currently we enroll almost 90,000 students in more than 4,000 courses. That is what the campuses offered in 2011-2012 in dozens of programs. After the Chancellor’s call for 100,000 additional students in the next three years in her State of the University address, a number of steps have been taken, or are in the process of being taken, to reach that goal.

First, a comment from 30,000 feet, as the Chancellor has said about other issues. One way of understanding what is being proposed (and there is little that is specific yet) is to build on the current campus-based programs and offerings and move toward greater systemization, a more rational set of programs and courses based on existing and growing student demands. And that process promises a series of difficult decisions, the parameters and processes of which are currently unclear.

Some pertinent questions: What role should SUNY play in the process of creating Open SUNY? How, and by whom, are new programs to be designed, taught, and assessed? What is the agency by which a faculty member at one campus could be invited to offer a course that is within an already approved program sponsored by another? In other words, how can we achieve greater programmatic coherence and deliver new programs in this space when we have basically had a free-market system, with all its strengths and weaknesses, for the past twenty years?

To date, two specific steps have been taken: a RFP was released requesting proposals for a consultant who would bring a familiarity with both currently existing and emerging models of online education to the project, and, internally, a steering committee is in the process of being organized. In addition to system and campus administrators, the committee will have three representatives each from Faculty Council of Community Colleges and the University Faculty Senate. We had nineteen nominees for these
positions, for which I crafted short paragraphs on each, divided the list into three sectors (university centers, comprehensive colleges, and others) and submitted them for consideration. For the most part, the nominations were forwarded by Senators and Campus Governance Leaders after the last plenary, and I tried to make certain we had a representative selection of disciplines, although even that was difficult with only three positions.

**Final Comments**

Well, that’s my last report, but certainly not my last word. If the “good lord’s willing and the creek don’t rise,” as an old country singer from Tennessee used to say, I intend to take the time in the next several years to draft think pieces for the Bulletin and other media outlets. Foolishly, I had expected this would be the case when I assumed the Presidency of the University Faculty Senate, but other demands always intruded.

These are very difficult times for public higher education, the traditions, historical structure, and purpose of which face more serious challenges than at any point in the twentieth century. It will no longer serve us, or more importantly the society we have been empowered to help educate, to simply ignore the technological revolution that confronts us, particularly when it has been too often yoked to the service of a particularly vocational vision of public higher education. There are class elements to these threats that need to be confronted directly; there are implications of what access and success mean in these new contexts. To ignore the seriousness of these threats imperils what the world has come to admire about twentieth century America, our commitment to publicly affordable education for all citizens, no matter social standing, from pre-K through the highest levels of educational attainment. It is what has fueled our democracy and enriched our community life. And, it can continue to provide the human capital necessary keep our economy innovative and competitive, as it did in decades past, if we engage our critics in public debate about the future of public higher education in the state and nation.

In closing, there is a long list of people to whom I owe a deep debt of gratitude for helping me do my job during the past four years, but the demands of space dictate that what follows is the “short” list.

First, my family. When I first considered this position, I was told that I could expect to be away from home about 3 days every 2 weeks. My wife and I agreed that getting me out of the house that often was probably manageable, on occasion even desirable. But, the travel demands of the position have increased dramatically, averaging more than three days a week, ten or eleven months of the year. So, a long overdue public thanks, Diane, from the bottom of my heart.

What is there to say about Nancy Zimpher, the twelfth Chancellor of the State University and David Lavallee, our Provost? In addition to the extraordinary energy and competence they bring to their daily tasks, they have served as models of shared governance for the system, each fostering an ethic of inclusion that now runs through every office in System Administration. With the support of the past two chairs of the Board of Trustees, they have eased the way for governance representatives to participate meaningfully in the Board of Trustees leadership group. This is not my predecessor’s Board, a fact for which I (and all of SUNY) am genuinely grateful.

One of the dirty little secrets of successful shared governance is its dependence on the administration, at whatever level, to use its table-setting power wisely. Our Chancellor and Provost have consistently invited faculty/staff representatives to those places where decisions are being made, which is very
different from being asked for comment at the tail end of a decision making process. I am now
confident that together we have established a pattern of participation that will survive us all.

In addition, I must recognize all the members of the Senate, its committee membership, and especially
the leadership provided by the members of the Executive Committee, both elected and appointed,
including the Committee chairs. Together we have faced, and continue to face, difficult choices for
SUNY, but together we have built a record of meaningful consultation, thoughtful consideration, and
appropriately speedy action that is remarkable. To whatever extent my two terms as President of the
University Faculty are judged successful is due to the dedication and skill each of our colleagues, Old
Guard and Newbies alike, brought to their assignments. For that, I am deeply grateful.

Before closing, a nod toward the FCCC and its leadership is warranted. Over the past four years we
came to a shared understanding that we needed to develop a much better relationship between our
organizations if we were to represent our constituencies effectively. It hasn’t always been easy, but we
have worked at it, and I believe we have the basis for a much more effective voice in the governance of
the university because of it. And, the same can be said for the CUNY University Faculty Senate, with
which we are now conducting joint exhibitions of student research.

Finally, to Mrs. Carol Donato, who keeps the office running when others would simply quit, who
provides for all of this organization’s professional needs, who simply works smarter, no matter the
immediate crisis, and who does it all with great good humor. She is rightfully proud of the job she does,
and for all that, I extend my most sincere and heart-felt thanks.