

[FROM: UFS President ken O'Brien to Campus Governance Leaders, UF Senators and UFS Committee members]

August 22, 2011

Colleagues:

Over the past month, the phrase "shared services" has appeared in a number of news articles about SUNY. It describes two very different models for savings money: one a much more closely integrated administration of two campuses, and the other regional alliances designed to produce administrative efficiencies across campuses. With this document, I hope to identify and clarify some of the attendant issues, so we achieve a common understanding of what this project promises – and what it might threaten – to our SUNY state-operated campuses.\*

I'll warn you upfront, this is a long piece, hastily written, based to a large extent on my trips to several campuses in the past week where I listened closely to colleagues. This is obviously not the way that you, our colleagues, the members of the Executive Committee of the University Faculty Senate or I wanted to spend this precious time in late August.

## **1. To Begin.**

An understanding of the administrative push for "shared services" among SUNY's state-operated campuses begins with two facts: 1). Over the past four budgets, New York State has reduced its support for core operations of the State University (which does NOT include either construction funding or personnel fringe benefits) by three-quarters of a BILLION dollars. Or, put another way, state support for SUNY's core operating budget has been reduced by more than a third, and 2). The administrative overhead for smaller campuses (i.e., those with fewer than 5,000 FTE students) has consumed a higher proportion of their operating budgets than is true for larger campuses. Or, larger campuses have been able to devote a greater percentage of their budget to instruction and instructional support. As a consequence, one of the approximately 150 special allocations that were part of the last SUNY budget process (the division of state support to state-operated campuses) was a \$25 million supplement to smaller campuses to cover their administrative costs.

These two facts came together and were highlighted in the past eighteen months as a special Task Force worked on a new allocation system for state support, producing one with many fewer special allocations. From this process grew a commitment to move as many resources as were reasonable from administration to the classroom by urging campuses to share services, a process that was most needed by the smaller campuses within the state.

## **2. First Mention.**

In her "State of SUNY" address last January, Chancellor Zimpher mentioned in passing the need for SUNY to "address the inefficiencies associated with 64 campuses replicating 64 sets of activities by consolidating backroom operations and administrative infrastructure as well as eliminating unsustainable financial models. However, this will be done without compromising student access."

A number of you wondered what that line could mean. I addressed your questions to the senior members of the administration and received one response: the administrative overhead was too

great a portion of the budget for many campuses and the initiative would work to even the field, making the System more efficient administratively. The phrase “back-office” was frequently used, and the area most frequently mentioned was “technology.”

### **3. Next Step: the Board of Trustees Resolution**

The administration introduced a resolution (for the full text see the SUNY web address: [http://www.suny.edu/Board\\_of\\_Trustees/webcastdocs/Shared%20Services.txt](http://www.suny.edu/Board_of_Trustees/webcastdocs/Shared%20Services.txt)) for consideration by the Finance Committee of the Board of Trustees at the June meeting. This resolution promised to be the first step in fulfilling the Chancellor’s January promise to address SUNY’s administrative inefficiencies.

After six “Whereas” clauses, the resolution called for 4 specific “Resolved” clauses:

*Resolved that the Chancellor be, and hereby is, authorized to direct the State-operated institutions to partner on a sector, regional or mission basis to identify and implement plans to share administrative functions now performed individually by each campus; and, be it further*

*Resolved that the State-operated institutions and System Administration continue efforts to enhance procurement effectiveness through activities such as participation in the New York State Strategic Sourcing Initiative and further expansion of University-wide contracting opportunities; and, be it further*

*Resolved that the State-operated institutions collaboratively review their academic program and course offerings, re-aligning such offerings where possible to further improve academic quality and delivery and administrative efficiency; and, be it further*

*Resolved that plans in pursuit of the above goals developed collaboratively by State-operated institutions and System Administration shall be as directed by or subject to the approval of the Chancellor, or designee.*

The third “Resolved” is what caught the attention of many teaching faculty, especially “review of academic program(s) and course offerings...” This was, as far as I knew, a new element in the efficiency discussion, and it threatened, at least theoretically, the principle many believe to be the bedrock of our disciplines: faculty control over the structure and delivery of the curriculum.

Again, I informed the Executive Committee of the UFS, which first discussed the implications of the resolutions at its Summer Planning Meeting in June and the members wanted more information. Questions were asked of SUNY administrators, answers given. With them came reassurance that faculty governance would be deeply involved in any and all curricular discussions, and that this initiative was never meant as a back-door to administrative control over the curriculum.

Subsequently, I urged governance leaders on the campuses to work closely with local administrators, making certain that existing governance bodies retained their authority in curricular discussions and decisions within the partnerships referred to in the first “Resolved” that they historically had over every other curricular decision on their campuses. That would include the structure of a program, the design and delivery of courses within the program and the hiring of teaching faculty for the program.

#### **4. Shared Services Memoranda and Press Releases**

With the authority granted by the Board's June 15 resolution, the SUNY administration moved to create two distinct, albeit related, models of regionally-based campus alliances committed to sharing administrative services and personnel. Both models would achieve significant savings, which then remained on the campuses and supplemented the funding for the campus's academic program. By this means, the curricular bottle-necks that have been created by the loss of state funding would be opened, and more students, who are after all paying a higher tuition in each of the next five years, would find greater availability of courses and seats in courses. Or to quote the Chancellor: "SUNY Campus Alliance Networks will expand access for students by making available to them academic resources, courses, and programs at additional campuses in the region."

For most, the Alliances would be loose confederations of regionally-based campuses that assemble teams to begin discussions about sharing services and academic resources in the month before school opens, with the first discussion by the campus presidents at their September 8 meeting. A map of the proposed alliances can be found at:

<http://www.suny.edu/Files/sunynewsFiles/Pdf/ProposedSharedServicesMap.pdf>.

But, the second model promised a much greater degree of integration, with three pairs of campuses – SUNY Canton and SUNY Potsdam; Morrisville State College and SUNY IT; and SUNY Delhi and SUNY Cobleskill – identified as needing to move toward a more unified administration, in each case under a single president. This prospect was possible because two of the campuses, Morrisville and Cobleskill, either had or were soon going to have an open presidency, while a third, (Canton), had a long-serving president who would become the Chancellor's special advisor to the Shared Services initiative.

#### **5. On the Tour of Three Regional Alliances.**

During the past week and a half, I have been attending meetings on the campuses that were designated as moving to a single presidency, beginning with a trip to Canton-Potsdam. I can report that each of these Alliances offers a very different set of issues, which will be of crucial importance in both the near and mid-term.

*A . SUNY Canton – SUNY Potsdam.* There is no way of sugar-coating this proposed marriage: Canton's College Council and many of its faculty and staff with whom I spoke see it as shotgun wedding, hastily arranged by SUNY and being foisted upon an unwilling campus community. The members of the Canton Council have spoken long and loudly on the subject, decrying the need for this drastic step, especially given the progress that the campus has made under its current president, Joseph Kennedy.

At a meeting I attended, members of the Canton Council threatened retribution if the plans to create a single presidency under Potsdam's Fritz Schwaller went forward. They charged (erroneously) that SUNY was summarily firing President Kennedy, who all acknowledged as an outstanding leader for their campus for almost two decades, replacing him on a part-time basis with someone who had already rejected any meaningful integration of administrative functions between the campuses and whose reported statements promised less advocacy and no understanding for what SUNY Canton had achieved. All of this was done, they claimed without any prior consultation or opportunity for

the campus to provide an alternative. For their part, the members of the SUNY Potsdam College Council, although neither as vocal nor as critical, offered no support for the proposed plan.

Rather than try to adjudicate these charges, I am reporting the depth of the Canton College Council's outrage. They threatened lawsuits, political action and alleged that funds previously committed to the College were now being withdrawn. More than anything else, I think, they feared a loss of campus identity. These campuses have a history, the residue of which is the deep-seated belief by Canton faculty and staff that their counterparts at Potsdam have not, and do not, see them and their students as equal partners within SUNY.

In the end, the Canton Council's actions had an obvious effect, the decision to allow President Kennedy to continue in office during this year, with the assigned task of working with Potsdam's leadership to create the framework for a more unified administration next year, under President Schwaller.

SUNY, for its part, has been consistent and adamant that no campus would lose either its specific identity or its historic mission, that the goal was always to achieve enough savings to safeguard a campus's future, not threaten it, and that the initiative was designed to foster and support academic quality. Provost David Lavalley spoke eloquently on this issue at each stop on this three region tour.

My meetings with a small number of faculty from both campuses indicates that they are very wary about the results of Shared Services and/or a shared presidency. That is especially true for our colleagues at Canton, some of whom described the initiative as the "colonization" of their campus.

*B. Morrisville State College – SUNY IT.* Again, a pair of campuses with distinct histories, missions, and sets of difficulties. In recent years, Morrisville State College has prospered under the leadership of Ray Cross, who left for a position in the Wisconsin system earlier this year. Despite a recent charge to the College Council to begin a presidential search, the current plan is for the Interim President, Richard Carreno, to lead a Morrisville team that will work over the next months with colleagues from SUNYIT to move toward an integrated administration under the leadership of Bjong Wolf Yeigh, the President of SUNY IT.

Like their colleagues in Canton, the Morrisville College Council's members objected strenuously to the imposition of a president on their campus without any meaningful prior consultation. They were clear: their objection constituted an indictment of the process, not a judgment about President Yeigh. Many of the arguments made at Canton were repeated, almost verbatim, but this time without the threats, except the implicit threat of political involvement, which was made evident by the presence of the local Assemblyman who was not pleased.

Heated discussion between various members of the Council and an imperturbable Provost Lavalley eventually offered some hope that the Morrisville Council, which was as deeply committed to its campus as was the Canton Council, would seek a path that would be workable for the goals of both SUNY administration to save money and for the campus to maintain its hard-earned, distinct identity.

Again, the few faculty I talked with were understandably hesitant to commit an opinion, as they were still trying to figure out what "Shared Services," or a shared presidency, might mean to their campus.

C. *SUNY Cobleskill – SUNY Delhi*. In some ways, this was the most problematic of the proposed Alliances with unified administrations. The campuses are geographically proximate and offer similar, but certainly not identical, academic programs. In other words, the two campuses were competitors in ways that could not be said of other combinations. On the other hand, that meant that an experienced and successful president of one, in this case Delhi's President Candace Vancko, might be a suitable candidate to provide stable leadership for a campus that had had five presidents in the preceding decade.

While I was not able to attend the meeting with the Cobleskill College Council, it was described to me as the next step on the continuum, with very similar arguments being made about the sudden imposition of a president, no matter how successful, on a community that had expected to be able to choose their own leadership (as indicated in the existing Board of Trustees *Policies*).

At the large meeting with the Cobleskill faculty and staff, the Provost and President Vancko spoke briefly and answered questions at length. Interestingly, two area representatives, Assemblymen Pete Lopez (a graduate and strong supporter of Cobleskill) and Senator James Seward, one of the state Senate's principal legislative supporters of SUNY, spoke at the meeting. Despite their different language, they struck similar themes, beginning with criticism for what they saw as a deeply flawed process, which they yet framed in the larger need for SUNY to pare administrative costs. They both saw a single presidency for these campuses as an "experiment, echoing" Provost Lavalley's language, and concluded by asking the Cobleskill community to give it a chance. Based on my meeting with five members of the Cobleskill faculty and staff, I think that is exactly what will happen.

## 6. Issues and Final Thoughts

Recently, I have been asked by a number of colleagues, and a reporter, how the University Faculty Senate could remain outside this process of presidential firings. After all, according to Board Policies, the UFS is the shared governance body for the state-operated campuses in SUNY and what could be more important for governance than the "removal" of a campus president? So, let's begin there.

1. **Presidential Searches.** Article IX of the Board of Trustees *Policies* names the SUNY Board as the appointing body for presidents of SUNY's state-operated campuses, based on recommendations from the College Council and the Chancellor. Since the Board is the legal appointing agency for presidents, the president serve at the pleasure of the Board, much like campus Deans and Vice Presidents who serve at the pleasure of their Presidents.

More importantly, in these three particular cases, the letter of the policy is being followed, with either presidents or interim presidents or officers in charge remaining in place on each campus for an unspecified period as the details of a transition are worked through. At the end of this period, campuses are expected to move toward a unified administration under a single president.

2. **Now, the Problem.** By the Board policies and the processes written for presidential searches, formal recommendations of the Campus Councils are the initial steps leading to a SUNY review of a presidential candidate's credentials. The appointment of a president who is currently serving another institution obviously short-circuits these procedures.

To date, this contradiction between existing policy and these circumstances has not been satisfactorily resolved. Members of the College Councils are arguing for a continuing role presidential appointments. In fact, the SUNY Morrisville College Council has drafted a resolution requesting consultation by the Chancellor before the appointment of a new president for the campus, and further, its members have asked President Yeigh to “present his credentials to the Morrisville College Council in application for the position of President of Morrisville State College.” Obviously, the new circumstances will require revised procedures.

3. **Monetary Targets.** At every stop, someone asked for the specific monetary targets that they assumed had been established for the process. This is a complex issue, since specific targets for savings could give those involved an idea of the benchmarking that would occur in the future. And I am certain that it was tempting for SUNY System to identify such targets. But, they chose otherwise, opting instead (and I believe wisely) to allow the various potential savings to be identified by the regional alliance teams. The campuses are different, their financial circumstances are different and the personnel (much of the savings are expected to come as a consequence of administrative attrition) are different. Hence, it is the campus representatives in each of the ten alliances who will determine the targets for the near term and work toward a plan for the longer term. There will be a reporting mechanism that will highlight savings and the ways in which they were generated, reports that can be circulated for wider effect. In addition, System is developing budgetary transfers that will assist campuses in alliances that have shared resources to share the savings as well. Campus budgets, through this mechanism, will remain whole.

Of course, the Board’s resolution had an additional element, the charge to the state-operated campuses to “collaboratively review their academic program and course offerings, re-aligning such offerings where possible to further improve academic quality and delivery and administrative efficiency.” While the resolution offers no direction as to who should be conducting these reviews, the Provost has. Campus presidents, Provost Lavalée wrote in an August 4 memorandum, should “work with faculty governance to examine academic programs and course offerings and develop collaborative plans...” This is an important reminder of the need for existing governance groups to remain involved in both their local and the newly created regional decision-making bodies.

4. **Potential Political problems.** Since many of the members of our College Councils are closely related to local political elites, they have access to the larger world of New York State politics. Often a strength for SUNY in its various requests of the state legislature, this case, it also poses a threat. Several members of the College Councils expressed such deep dissatisfaction with the notion of a shared presidency that they were prepared to use every possible means, including political action, to impede it. Moreover, based on a meeting at Stony Brook University this week, we learned that several Senators who have supported SUNY consistently in the past have begun drafting legislation critical of shared presidencies.
5. **Campus Identity.** As I indicated above, for these six campuses, one of the greatest fears is a loss of identity, a loss felt by both internal and immediately external communities. This was most apparent in Canton, but it was an undercurrent in each of the other campuses that faced the prospect of sharing a president who had been selected by their partner institution. I suspect the issue is even more complicated than “campus identity,” since it assumes that the first

qualification of a president is the fit between an individual and the campus itself. How does a candidate's education, experience, and allegiances compare to those of a specific campus community? That's a hard question to answer when a campus never recruited that person, even harder when it appears that the individual would neither have applied for the presidency at the campus, or, if s/he had applied would never have been selected.

To an extent most of us either fail to appreciate or tend to undervalue, the president is the face of the institution, the spokesperson who articulates the value and complexity of our collective work to others. Can someone do this effectively for two distinct institutions, each of which has its own identity, all at the same time? That is one of the critical questions these campuses face.

6. **Half-time presidents.** Beneath many of the questions I heard lay an assumption that the campus community simply did not believe its president, or its projected president, could function on a part-time basis. And, it was as true for that those campuses (SUNY Potsdam, SUNY IT, and SUNY Delhi) whose presidents were now going half-time as for those who were designated as getting half of the sitting president's time. In the years ahead, this issue will become even more pressing in the years ahead, as each SUNY campuses seeks to develop its external funding capacity to replace other funding streams. The only effective closer for such campaigns is the president her or himself.

Given these potential problems, why then should we participate in this process? A fair question.

The answer from SUNY administrators has been to save money which can then be used in the classrooms or in support of the classroom. I don't really know how much can be saved, but I suspect much less across the system than others believe. And while there are promises that the money saved will remain on the campuses ( I believe it will), there are no guarantees that the savings will be transmuted into academic and academic support lines. In any event, we will know more in the months ahead, since SUNY is planning to use an accounting system that will be able to track the savings and then track the changing percentages of administrative vs. academic support.

In addition, we have a vested interest in making certain that the services that are to be shared are those that can do so effectively and economically, that will maintain the support necessary, however indirectly, for effective academic programs, efficiently delivered. Obviously these academic programs must remain within the purview of existing campus governance bodies.

Yet, the question, however fair, misses a larger point: SUNY, like all public education is facing a new fiscal environment, with fewer public resources available for higher education in every state, even those with long, honored traditions of support for their public colleges and universities. If we are to maintain the quality of our services – education, research and service – in this environment, we must think and rethink and rethink once again how we do things. We have to subject every one of our operating assumptions about the nature of university education to the most careful scrutiny, and be willing to follow the logic of that inquiry to appropriate conclusions.

As a cultural historian, I understand and respect the "persistence" of cultural norms and forms, but, I also see that American public institutions of higher education currently face challenges unique in their history. Those of us in public higher education with positions of responsibility must transform the real problems created by the on-going reductions in public fiscal support into opportunities.

Which means all of us across SUNY should be seeking places in the alliance decision-making processes and find ways of saving more, so that we can teach more and better, ultimately so that our students will have even greater opportunities to learn. If we fail to do so, others will surely be doing it in our names.

The “Shared Services” project is just at the beginning of its life in SUNY. I have concentrated my comments on my recent trips to the six campuses that are slated for shared presidencies because they have been the first to hit the press, they are the ones for which the most dramatic changes have been urged, and they are the ones where the process has already begun. But, soon we will begin to see the next major step, the beginning organization of and conversations among the other seven regional alliances across the state. We need to be full participants in those conversations.

Rest assured, the Executive Committee of the Senate and I are discussing these issues and considering a number of possible options, but the one that is foremost in our minds is support for campus faculty and staff governance organizations. As more information becomes available, we will remain in touch, keeping you all informed about what we see happening across the system, but to be effective, we need you to keep us informed as well, either directly or through your Senators and CGLs.

Heck of a beginning to the 2011 - 2012 academic year.

Collegially,

Kenneth P. O’Brien  
President  
University Faculty Senate

\* There is an important semantic issue here, the distinction between “SUNY” or “SUNY system” and “state operated-campus.” The first two includes the System’s 30 community colleges, the last does not. For the sake of simplicity, I have used the terms interchangeably, but I understand and would like everyone on the state-operated campuses to remember that we alone are not the “State University of New York.” The current initiative, for example, potentially includes everyone, the state-operated campuses by Board mandate and the community colleges by invitation.