

President's Report Fall, 2011

Since we met last April, much has happened, and much of that has focused on "Shared Services," about which I have already reported at length. Consequently, this report covers only the period following the Executive Committee's resolution on the subject. But, to take the issues one at a time.

1. SUNY System Personnel Changes. In May Mr. John O'Conner, the Sr. Vice Chancellor for Research and Innovation, Secretary of the University, and President of the Research Foundation, retired. In July, Ms. Monica Rimai, the Senior Vice Chancellor and Chief Operating Officer, departed to become the Vice President for Finance and Administration at Portland State University. Mr. Brian Hutzley, the CFO at SUNY Delhi, has been named Interim Vice Chancellor for Financial Services and Chief Financial Officer for SUNY. Dr. David Lavallee, who decided to take the announced end date (June 30, 2012) off his appointment, was named Executive Vice Chancellor for Academic Affairs and Provost, taking on new supervisory responsibilities, as has Mr. William Howard, the Senior Vice Chancellor and General Counsel. Together, these changes, along with personnel losses throughout the building, especially in the Provost's Office, will constitute a significant savings in the years ahead.

Finally, this week, the Governor announced the appointment of Mr. Carl McCall as the new Chair of the SUNY Board of Trustees. Mr. McCall has served on the Board for the past four years, adding to his distinguished record of decades of public service to New York State. He is succeeding Mr. Carl Hayden, a long-time friend and advocate of public education, who uniquely served with great distinction as both the Chancellor of the New York State Board of Regents and as Chair of the SUNY Board of Trustees. Incidentally, I attended the Governor's press conference announcing Mr. McCall's appointment and heard both Governor Cuomo and Lt. Governor Duffy proclaim SUNY's critical importance to the economic future of the state. This theme was also replayed by Dean Skelos, the Majority Leader of the Senate in his comment on the appointment: "Our state university system is at the heart of our efforts to build a new, high-tech economy and create new jobs in every region of the state." Such recognition of SUNY could not have become part of public discourse without Chancellor Zimpher's leadership.

2. SUNY System Committee Organization. The Chancellor's senior Executive team (Provost Lavallee, Mr. Howard, Mr. Hutzley and Ms. Johanna Duncan-Poitier) is supplemented by the Cabinet, a broadly representative group of approximately 20 people, including representatives from the governance organizations, the University Faculty Senate and the Faculty Council of the Community Colleges (the President of which is now a non-voting member of the Board of Trustees) and the Student Assembly. Mr. Hutzley is also organizing a number of advisory groups, one to rewrite the way in which direct state support is allocated to the state-operated campuses and another to serve as a steering committee for the Shared Services initiative. Both will have UFS representation.

3. "The Power of SUNY". The implementation of the "Power of SUNY" proceeds, with the teams that were created through the first three phases now charged with bringing their ideas to life. The Strategic Enrollment Management team, for example, has been re-constituted to provide policy oversight to system enrollment and coordination with the resource allocation model (RAM) team, which is especially important since it is expected that enrollment will be a substantial part of the new allocation model. A leadership group for implementation of the plan met last April and will be meeting again next month. As part of this effort, SUNY sponsored a successful national conference, "Universities as Economic Drivers," in late September that explored the relationship between universities, their communities, and economic development, a major theme of our Chancellor that as indicated above has gotten significant traction among the political powerbrokers. Next year's conference, scheduled for early November in New York City, will examine "systemness," which while not actually a word...yet, may be soon.

4. Work with FCCC and the CUNY UFS. I mentioned the continuation of the planning teams above, one of which is “Shared Governance.” The team crafted a questionnaire about the structure and operation of shared governance on every SUNY campus, which was distributed to presidents, CAOs, and CGLs. The responses, which are being analyzed, have been significantly increased in number by a second targeted mailing this fall. In addition, each of the organizations (FCCC and UFS) has named liaisons to the other organization’s corresponding committees, which will facilitate our collaboration and coordination on issues of joint interest and concern. One of those areas has been, and continues to be, student mobility, for which a new Provost’s advisory committee has been organized and met. Hopefully, since we have had NO (at the most recent accounting) appeals anywhere in the system, the work we have done in recent years has succeeded in creating the best faculty-based system for student transfer in the country. The committee will continue to monitor student transfer and recommend tweaks as we go forward.

Our relationship to the CUNY UFS is close, with the Executive Committees planning a joint meeting in December. CUNY’s UFS, which contains representatives from both the community colleges and the baccalaureate colleges, is facing an administration-mandated revision of general education (sound familiar?) that has been tied to the need for more effective patterns of transfer among the CUNY institutions. Sandi Cooper, the President of UFS, invited me to speak at their last plenary in May about our struggles with these issues in SUNY. After that, she and I decided to propose a session for the AAUP Shared Governance conference in November and present our quite distinct views on the experience each system has had with these issues, with a special focus on their implications for shared governance.

5. Shared Services. Since I have already reported at length about this topic, and you each have an extensive packet of materials available through the plenary handouts, I’ll keep this part of the report as brief as possible. First, remember that the term “shared services” covers two distinct, but related, initiatives, both designed to save money that campuses are currently spending on administrative overhead, and to move those savings into instruction or direct support for instruction. Second, the ratio of funding between administrative and academic services is most skewed toward the former on SUNY’s smaller campuses. Most of the state-operated campuses, all but six, have been aligned into largely geographically based alliances, which are urged to meet to discuss ways they can share the services, such as HR and IR, that each currently offers on its campus.

The remaining six, however, were designated to begin the sharing, or at least that was the suggestion, with the President’s office, with Dr. Candace Vancko, the current President of SUNY Delhi, becoming the President of SUNY Cobleskill as well, with Dr. “Fritz” Schwaller, President of SUNY Potsdam taking on additional responsibility for SUNY Canton, and President Wolf Yeigh (SUNYIT) also assuming the duties at Morrisville State College. As far as I can tell, there is no opposition to the creation of working teams within regional (or otherwise constructed) alliances, each designed to examine every possibility of generating savings and increasing efficiencies. There is, however, growing dissent on two of the six campuses (Canton and Morrisville) designated to share a sitting president. The issue at Cobleskill is a bit different, in that the campus, unlike Canton and Morrisville, has recently experienced unsettled and unsettling presidential leadership, a condition that has made the campus more willing to work with an experienced, successful president who will continue her work, but now on two campuses.

The Board of Trustees passed two resolutions on the subject (in your packet), the first at its June meeting, and the second in September. The long and short of it is that the presidents of Canton (Joseph Kennedy, who remains in office according to his accepted letter of resignation until June 2012), and Potsdam (Fritz Schwaller) have been instructed to submit a joint report by March 30, 2012 on the possibilities and problems the campuses sharing a president. The four other campuses, however, are expected to move toward a shared presidency, with the caveat that each of the college councils will have an opportunity to craft a recommendation on the designated presidential nominee. Unorthodox,

certainly, maybe even unworkable in all cases, but an honest effort to begin to deal with the \$1.4 BILLION in accumulated cuts in SUNY's state appropriation over the past four years.

In any event, I went before the presidents at their September meeting and reminded them of the absolute necessity of working through existing governance organizations as planning for the regional alliances begins. I arranged for Provost Lavalley to answer questions from faculty and staff after dinner during our Fall Planning Conference, a "q and a" which we later repeated in another format (based on the careful notes taken by a student in the audience!) and videotaped for distribution across SUNY. It is now available at <http://www.youtube.com/watch?v=CMZqW68ZJ24>. In the week and a half that it has been "up," we have had almost 300 hits. Finally, I appeared last week at the ACT meeting (college council members) on a panel with Admiral Crain (the former president of SUNY Maritime who is assisting the System with the initiative), Brian Hutzley, and Kaitlyn Beachner (the new President of the Student Assembly) on shared services.

Shared Services is obviously an initiative in its very early stages, but there have already been some early successes that promise significant savings. While shared services may be changing the way we do campus business in our regions, it is harder to see how two College Councils will be able to conduct a joint search for a new president when the need arises, or how a candidate who suits one of the campuses very well would be an equally good fit for the other. That's the issue of shared presidencies that will be directly addressed some years hence. For today, we must make certain that we in governance, on both our campuses and working at system, are as deeply engaged in these processes as possible, inasmuch as our futures literally depend upon it.

6. Legislative Agenda. This has been a remarkable year for SUNY and its legislative agenda, marked by clear statements on the SUNY's role in affecting economic change, inclusion in the Governor's regional economic councils, and most of all, in both modest regulatory relief and the passage of NYSUNY 2020, which contained construction funds for specific projects and an additional \$75/student fee per year (differential tuition by another name) for each of the four university centers. For the rest of us, there was "rational tuition," an authorization for SUNY to raise its in-state, undergraduate tuition by \$300 in each of the next five years.

Yet, just as there are no free lunches, and this was no exception. Chief among the costs is SUNY's assumption of responsibility to provide funds needed to cover the "TAP gap," that amount between the highest TAP award (no increases there) and SUNY tuition. In the end, this has meant that campuses will receive only 75% of the tuition increase, the remainder being provided to students in supplemental awards, a process that will be repeated in each of the next five years if nothing is done about this issue. Could we get a TAP increase next year? Probably not, since any increased support for higher education is unlikely when the state faces a \$2 billion – and growing – projected deficit for next year.

Despite those prospects, the issue must be raised, along with several others, such as relief for the SUNY hospitals. This too would take real money. To expect the political class to willingly make new investments in places (such as the SUNY hospitals) where they really want none at all is unrealistic. While one of the three hospitals is financially successful, but the other two are struggling to remain in business, given the extent of cuts in public health programs, coupled with state cuts. Hospital funds cannot be moved from one to another, and although dividing state support differentially, biasing it toward the neediest, might a solution, it's one fraught with difficulties internal to SUNY.

Another issue might offer a greater chance of success, if not this year, then next, or even the year after that, whenever the economy improves. When the state enacted the last tuition increase (\$650), it took 90% of that for other state needs. SUNY has received an additional 10% of that increase in each of the

past five years, which that students today are paying a more than \$300 per year in tuition that funds state programs in areas other than public higher education, say prisons, bridges, roads, or..... In any event, logic, public morality and good government (a phrase that has particular currency with the Cuomo administration) argue in favor of ending this nonsense. Again, the state's pressing need for cash may be too great to overcome this year, but getting this on the table is critical. In fact, if you do the math, this is almost the exact exposure we have on the TAP gap. Let's make a deal.

7. Concluding Musings.

- We are now in the third year of the Zimpher Era, a distinctive period for SUNY, characterized to the extent to which SUNY leadership, in the person of the Chancellor, has set the terms of public discourse between the university and its more broadly-based public constituencies, including the state's highest political leadership. We have been identified as the engine for the state's economic revival, a mantle we will bear proudly and from which we may even benefit in the short run (public investment in public higher education have not yet followed the rhetoric). While few of us could object to having SUNY seen as *an* (as opposed to *the*) engine of economic expansion, I am concerned that we have by implication rather than exact language promised more than we can produce.
- Through the strategic planning process SUNY committed itself to helping solve several of the state's – indeed the nation's – most pressing social issues: effective and efficient health care, energy conservation and renewable resources, and the leaky educational pipeline, to name three. Implicitly, the plan sought to remind both the university community and the broader public that public higher education in the United States has been most effectively tied to the traditions of public service represented by the Morrill Act, that 1862 landmark legislation that translated academic knowledge into the solution of real-world problems.
- The reach of the strategic plan perfectly fit the moment, transforming the discourse, if not the funding streams, about the importance of public higher education, but in the process, the public's view of academics has been focused exclusively on those disciplines or initiatives that seem to promise very quick rewards in terms of jobs and economic growth. This has left so much of what we do in the fine arts, the humanities, the social sciences, even the basic research in the natural sciences and mathematics outside the discussion. In fact, there are no magic solutions, no single line of research that we can fund knowing that it will produce the social results we desperately need, jobs upon which communities and families depend. But, this is certain: without the creation of new knowledge, without our commitment to put that knowledge to work, both through our students, more directly with economic investments, in our communities, and without our individual and collective teaching acts, through which we expand the human capital upon which all economic and social progress depend, New York – and by extension, the United States – will not prosper in the decades to come.

In short, we in the State University of New York, one of New York's two distinctive systems of public higher education, offer opportunities essential to progress in the years ahead. Our mission must be to continue making available the highest quality post-secondary education to each and every member of our larger community who seeks it, irrespective of their social class, ethnicity or any other marker of human differentiation, other than that of the talent, discipline, and engagement necessary for learning.

Kenneth P. O'Brien
President
October 18, 2011