



President Office &lt;presoff@fredonia.edu&gt;

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## Budget Outlook for FY 22-23

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**President's Office** <President.Office@fredonia.edu>

Tue, Aug 2, 2022 at 12:04 PM

To: "Hon. Frank A. Pagano" <pagano.frank@gmail.com>, "Mr. Anthony J. Dolce" <adolceconsulting@gmail.com>, "Mr. Russell Diethrick" <diethrick@windstream.net>, "Mr. Joe C. Johnson" <jjohnson42@windstream.net>, "Mrs. Cynthia A. Ahlstrom" <leg.keith@gmail.com>, "Ms. JoAnn A. Niebel" <niebelj@netsync.net>, "Mr. Stephen W. Keefe" <stephenkeefe@netscape.net>, "Mr. Richard Alexander" <rlalexander83@gmail.com>

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Bcc: Stephen H. Kolison <stephen.kolison@fredonia.edu>

August 2, 2022

Dear College Council members,

I hope your summer is going well and that you received my Understory dated July 14, 2022. In addition to that, I want to share more detail with you about the financial outlook for this fiscal year (July 1, 2022 – June 30, 2023), which is provided in the table attached. Please note that what I am providing you is a high-level draft summary of our financial outlook for this current fiscal year and is based on an enrollment of 3,500 students. Because this is a draft, I am sharing this information confidentially, and this outlook will be updated in September after we have the final enrollment census report.

One of the variables that you will notice is that one of our biggest expenses, employee compensation, exceeds our financial planning revenue (tuition and state support) by close to 14 percent. As you know, this is a challenge that has existed for some time and we have the difficult work of addressing this in order to eliminate the structural deficit. With pending retirements, our efforts in increasing enrollment, additional state support, and implementing efficiencies in some areas of the university, I am optimistic that we can achieve that. Unfortunately, this may take some time to address totally.

I trust that you have heard about the \$53 million provided by the state for hiring new full-time faculty, and \$60 million to assist with enhancing enrollment and retention efforts. As I came to understand on August 1, 2022, Fredonia can expect to obtain up to \$700,000 from the fund for hiring new faculty, and up to \$800,000 from the fund for efforts aimed to enhance enrollment, retention, and degree completion. I did not include these amounts in the table attached as we are awaiting guidelines for applying for those funds.

You will notice in the table provided that there is a projected shortfall of about \$2,153,888 for this fiscal year. We are working to address that. With the number of retirements occurring, I believe we will be able to address that. Please feel free to call me or Vice President Metzger if you have questions about the table, or need more detailed financial information.

When we meet in the fall, we will present updates on the steps we are taking to change the enrollment picture of the university, as well as steps that we are taking to increase efficiency, conserve financial resources, and reduce the structural deficit.

We will launch the beginning of the new school year during the week of August 15, 2022, including my address at the All-Campus Welcome meeting, which I hope you will be able to attend on August 17, 9:00 a.m. in Rosch Recital Hall. I will send you the agenda for the week, and please let me know if you would be interested in attending any of the events that we have planned.

Thank you for your kind support for SUNY Fredonia. I look forward to seeing you soon.

Sincerely,

Stephen

Stephen H. Kolison, Jr., Ph.D.  
President

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 **Budget outlook for FY 22-23\_8-2-22\_v1.pdf**  
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**Preliminary Fiscal Outlook**  
**Draft Draft Draft Draft Draft Draft Draft**

	Category	FY 2021-'22 Budget	Projected FY 2022-'23 Budget
		Amount	Amount
I	<b>Major Expenses</b>		
	Salaries	\$ 44,415,281.00	\$ 43,227,763.00
	Contractual labor agreements for salary increases (Net)	\$ 1,179,819.00	\$ 699,454.00
	Noncompensation expense (OTPS)	\$ 6,576,525	\$ 6,982,368
	Scholarships (state sources)	\$ 4,075,250	\$ 4,075,250
	<b>Total Base Expenditures*</b>	<b>\$ 56,246,875.00</b>	<b>\$ 54,984,835.00</b>
	Tuition	\$ 26,762,465.00	\$ 24,848,730.00
	State Support	\$ 13,185,900.00	\$ 13,185,900.00
	New State Support (for hiring faculty, enrollment, retention, and completion efforts)***	\$ -	TBD
	<b>Total Financial Revenues (Base funds)</b>	<b>\$ 39,948,365.00</b>	<b>\$ 38,034,630.00</b>
III	<b>Deficit (Shortfall)</b>	<b>\$ (16,298,510.00)</b>	<b>\$ (16,950,205.00)</b>
IV	<b>Shortfall Actions</b>		
	Expenditures		
	Salary Savings (not filling positions)	\$ 4,798,510.00	\$ 400,000.00
	OTPS Savings (includes reductions by 50%)	\$ 2,150,000.00	\$ -
	<b>Total Expenditure Reductions</b>	<b>\$ 6,948,510.00</b>	<b>\$ 400,000.00</b>
	Revenue		
	Institutional Recurring Sources	\$ 3,251,750.00	\$ 3,143,650.00
	One-time Cash Infusion	\$ 570,864.00	\$ 1,252,667.00
	Rollover from previous year	\$ 5,527,386.00	\$ -
	Federal Stimulus Funds	\$ -	\$ 10,000,000.00
	<b>Total Revenue Interventions</b>	<b>\$ 9,350,000.00</b>	<b>\$ 14,396,317.00</b>
	<b>Total Shortfall Actions</b>	<b>\$ 16,298,510.00</b>	<b>\$ 14,796,317.00</b>
V	<b>Budget Margin/Shortfall Projection for FY 22-23</b>	<b>\$ -</b>	<b>\$ (2,153,888.00)</b>

\*Does not include fringe benefits.

\*\*Does not include restricted State Capital/Construction funds

\*\*\* Does not include potential allocation of new restricted funds from the State