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Budget Update and Early Retirement Incentive Program

Report to the College Council
September 14, 2010

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2010-11 Budget

- \$89.9M projected need, including \$4.4M mandatory costs (raises, energy & price inflation, and spring 2009 tuition split)
- SUNY used \$123M mandatory costs funding to offset 10/11 reduction of \$170M and assigned remaining \$47M reduction to campuses
- Buffalo State share of \$47M is \$1.1M and campus must cover mandatory costs, notably \$3.2M for contractual raises

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2010-11 Budget

- \$85.5M revised need – after reducing all areas 3.5%, and making additional campus cuts
- Projected state support of \$28.2M and revenue collections of \$52.4M supports budget of \$80.6M
- Additional mitigating actions must be taken to close the budgetary gap of \$4.9M

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2010-11 Budget

- Mitigating Actions Include:

(millions)	
\$2.72	Use of IFR Cash Reserves
\$1.15	Use of Tuition Overflow Cash Reserves
<u>\$1.0</u>	Controlled Hiring Payroll Savings
\$4.87	Total Additional 10/11 Actions
- Current year budget of \$85.5M represents 1.4% net change from 2009-10 budget of \$84.3M
- Absent mitigating actions, budget of \$80.6M represents 4.4% decrease from 2009-10 budget of \$84.3M

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2010-11 Early Retirement Incentive Program

- Program introduced by Governor's Office to allow state agencies to achieve permanent financial savings through workforce reductions and associated payroll savings
- 24 ERS staff (mostly classified) will retire by Sept. 30; no incentive cost charged to campus
- 9 ORP or TRS staff (faculty, professionals) will retire by Dec. 31 & more faculty retirements are expected
- 50% permanent position savings to be achieved over 2 years; campus must cover incentive costs for ORP, TRS
- Full fiscal effects will be known December 2010