

Colleagues.... (Chapter Presidents, please circulate widely)

In this toughest-ever budget battle, UUP achieved some extremely significant gains!

What follows is our first-pass analysis of what's in the more-than 700 page Executive Budget, slated to be enacted sometime tomorrow, Tuesday, 3/31.

- "Fair Share" Tax Reform is included in this Budget and will help stabilize revenue and make the tax system more progressive. An estimated \$4 billion will be raised by increasing taxes for those earning \$200,000 in adjusted gross income as single payers and \$300,000 as joint filers.

- In an agreement that UUP fought extremely hard for, the Budget provides that \$75 million from SUNY's unallocated reserves will be available to preserve access to student programs and to protect campus positions, which include full- and part-time faculty and staff.

- The Legislature rejected the Governor's plan to merge The New York State Theatre Institute (NYSTI) with "The Egg."

- The Legislature restored cuts to SUNY's university-wide programs--except for the Levin Institute--by adding back \$17.4 million. The Governor's Budget also provides that EOP and EOCs are spared cuts originally proposed by SUNY. In the next few days, I'll send out a list enumerating the above program restorations.

- The Legislature agreed to a \$620 increase in SUNY tuition for '09-'10, with 20 percent of it retained for SUNY. The Legislature also provides a new plan for escalating tuition retention in subsequent years allowing SUNY to keep: 30 percent in '10-'11; 40 percent in '11-'12; and 50 percent in '12-'13. This is a significant gain that implements UUP's recent proposal to the Governor, DOB, and the Legislature to phase-in tuition revenues for the benefit of our campuses.

- While the Legislature went along with the proposed \$25 million cut to the SUNY hospital state subsidy, the state will use this money to leverage an increase in federal monies for disproportionate share payments (DSH) to these hospitals in the approximate amount of \$48 million. More specific information will follow when we fully decipher how the Stimulus Plan and Medicaid Package impact our hospitals. On the positive side, it appears that our hospitals will benefit by some \$30 million per year from the Stimulus Plan's "rebased" program.

However, there are potential downsides for our hospitals from the new Gross Receipts (Sick) Tax of 0.35%, and from what appears to be a redirection of federal Graduate Medical Education (GME) dollars. Again more information will be forthcoming, as a clearer picture of hospital funding evolves.

- The Legislature rejected proposals for a Tier V retirement plan for new hires. There was no cut to Retiree Medicare Part B Premium Reimbursement to state retirees; and, there was no cut to state employee retiree health insurance based on years of service.

- The Legislature rejected all proposals for SUNY flexibility.

-There is no provision to seek elimination of negotiated pay increases for state employees or to create a new state employee pay lag.

-In what may well be a "message to SUNY," the Legislature provided an additional \$20 million in operating aid to CUNY's senior colleges. Our speculation is that this "add" will restore the reserve funds CUNY tapped in preserving its programs, access for students, and faculty and campus jobs. SUNY was asked to tap \$40 million of its reserves to aid operating expenses, but it chose to pass that amount along to campuses as a cut under the BAP formula.

Overall, this is a very reasonable outcome in the face of very difficult fiscal circumstances. And, in stark contrast to how other state agencies fared, SUNY came out fairly well, indeed!

I want to send my heartfelt thanks to all of you who have contributed so much to UUP's success in these trying times. Did we make it happen? Yes, we did!

In Union...

Phil