

University Meeting Remarks May 13, 2009

Greetings! It's wonderful to see all of you again on this fine spring day. Our May University Meetings are a time of celebration—we hand out awards, reflect on a busy, productive year, and get ready for commencement, the crowning event for our seniors and for the faculty and staff who have nurtured their academic careers. It is again a time of celebration, despite the financial adversity we are facing. We have had a great year.

- Last September, we opened our beautiful new Science Building and throughout the year I have enjoyed hearing the positive comments of faculty, students, and staff. It truly is a marvel, isn't it!
- Last fall, we also launched Project Compass in earnest and opened the Academic Services Center on the ground floor of the Library. This year, students will have logged more than 5,000 hours in the center, improving their skills and the probability of their success. I want to thank Pat Banach and everyone else who has worked so hard to make the center a huge success in its first year.
- In October, the Board approved our Master Plan, which calls for a greener, more pedestrian campus, a strengthened, more defined academic core, additional residence halls, and of course — our Fine Arts Center. Thanks again to Dr. Gomez, Mr. Hannon, Ms. Tinker, and everyone who worked on that committee. It was the first Strategic Initiative to be implemented. Again, congratulations. We are awaiting word to begin the planning phase of the Fine Arts Center.
- We also added 10 clusters to the First-Year Program, and Marty Levin tells me we will have more than 700 freshmen participating in first-year clusters in the fall. One major emphasis of the Strategic Plan was to improve retention rates, which of course, ultimately impacts graduation rates. Thanks are due to Marty Levin and the Senate First-Year Program Committee.
- We conducted our first university-wide student learning assessment, using the Collegiate Learning Assessment, a nationally normed test of written communication, analytical reasoning and critical thinking. This will help us better understand our students, assess our core curriculum, identify our strengths and prepare us for our upcoming NEASC accreditation. As an early adopter of the Voluntary System of Accountability, Eastern must publish our results to show the value added by an Eastern education.
- Looking ahead, we are having a great recruiting season as well for this fall enrollment. Kim Crone tells me that applications are up 10 percent, more students are indicating Eastern is their first choice than ever before, SAT scores are up significantly, and we are maintaining our access and diversity goals. Well done to the office of admissions and the enrollment management committee. **Please Stand.**
- Despite the nation's economic woes and our state budget situation, we are managing to maintain business as usual—faculty are still receiving sabbatical awards and our promotion and tenure process is continuing unabated. We balanced this year's budget and we are poised to do so next year as well.
- And of course, we are continuing to implement our 2008–13 Strategic Plan. By June 30, we will have implemented 15 of 18 initiatives.

It has indeed been a good year. But it is time now to turn our thoughts to next year and beyond. To set the stage for this coming fall, I want to focus my remarks on two topics this morning—the budget and the strategic plan. Of course, they are related, and I will try to give you as much information and clarity on both as I can today.

First I would like to discuss the budget. Before I give you details, I need to thank all of you for your own contributions to managing the current budget crisis. These are extraordinary times, and we are dealing with an unprecedented budget situation.

I cannot tell you how much it has meant to me to witness your commitment to each other, to sticking together as a team. You have remained committed to focusing on our students, putting them before your own self-interest. You have strived to maintain our commitment to access while not sacrificing the

quality of the service you provide. You see the big picture and recognize that we must place the long-term viability of the University ahead of shorter-term concerns. And you have made sacrifices, huge sacrifices, whether it be to tighten your departmental-level budgets, make personal sacrifices, or demonstrate patience as we deal with a hiring freeze, travel restrictions, and office supply controls that will continue into the next biennial budget. We will have more to do in the coming months, with fewer people. For all these sacrifices, I want you to know how much I appreciate your efforts. Thank you so much.

Another thing that I have been very proud of during these difficult budget times is our commitment to openness, honesty, transparency, and trust. There is a reason “integrity” is one of our core values — it is a value clearly shared across this campus. The principles of transparency, openness, and honesty are the foundation of our personal and collective credibility and validate the work we do together and the progress we wish to achieve.

We put those principles to work this year by creating an Ad Hoc Budget Committee, which has broad representation from across the campus. The committee has been sharing budget information as we receive it—via the website, through emails, and with open forums when needed. The result has been that all the various budget scenarios and numbers are being shared transparently and broadly across the campus. And despite the budget crunch, we still have been able to achieve some major changes on campus while doing so in a stable, collaborative manner.

The committee will continue its work as we confront a difficult biennial budget for FY10 and FY11. It is driven by such questions as “How can we ensure student access and opportunity?” “How do we maintain the quality of our educational product — the instruction you deliver each day?” And “How do we protect our professional workforce without sacrificing the needs of our students or the viability of our institution?”

As the budget committee confronts those questions, they are dealing with a budget scenario in flux. In Connecticut, we have spent the last few months grappling with a budget deficit this year of more than \$1 billion, and the projections suggest as much as an \$8 billion shortfall over the next biennium. In response, the CSUS trustees and the Governor have instituted the hiring freezes and travel restrictions I have already mentioned, as well as a moratorium on construction other than that funded by federal stimulus money. The Board also cut 10% from the CSUS management staff for next year, and salary freezes, furlough days, and health insurance adjustments are being made across the board through extensive, collaborative discussions. The SEBAC agreement ratified last week by the state’s public employee unions was critical to the process, and reflects the personal sacrifice of everyone in this room. As a result, we believe we can keep our team together so that we can maintain the spirit of unity essential to serving our students. But that was just the beginning. What else can I tell you about the upcoming biennial budget?

There are many remaining unknowns in the budget, especially the amount of money we will receive from the state. We may not have a final budget until August or September. We do know some variables, such as tuition, and have projections to share with you on others. We also have some modest degree of control over our own destiny, both in terms of enrollment growth and how we manage the funds we do have. Here’s what I can tell you at this time.

1. Fiscal Year 2009 (our current fiscal year)

Mr. Hannon and Mr. Sweeney have led the effort to carefully manage this year’s budget as we have dealt with what ended up being a 5% reduction, or more than \$2 million from our budget. Much of this was done without asking departments to sacrifice their limited resources, through careful institutional controls. In addition, the belt tightening in the past few months has resulted in an additional \$937,000 in savings. Whether it has been energy conservation, travel reductions, holding off buying supplies, or other strategies, you have stepped up to the plate. Thank you very much! When we save money together, we stay together and save jobs. I think a few details on **your** efforts to save money for this University are worth noting.

- Travel reductions saved us \$237,000, or a 42% reduction.
- Our new trash contract will save \$225,000 over the next 3 years.
- Even students are getting into the act—a friendly competition among residence halls achieved an average savings of 7.9% for each dorm on our electric bill
- Full-time enrollment grew by 5.2 % and housing was at 100.1% occupancy.
- Moving Commencement to the XL Center next week is saving us at least \$45,000.
- Voluntary leave savings = \$39,812.
- We had more than 100 suggestions on our Eastern Works-\$mart program — everything from recycling engine oil to consolidating our printer — and Mr. Sweeney will be giving us a full report on that important cost-saving project in the fall.

2. Known factors for next year.

- **TUITION:** We ended up with a 6.5 percent increase in tuition, and while it was a lower figure than we hoped for, the net impact of the additional tuition and fees on our budget will be \$2.9 million.
- **UNION CONCESSIONS:** We would be in dire shape if it were not for the seven furlough days, pay freeze, and insurance concessions that everyone in this room has agreed to. This amounts to \$3 million in savings. Again, thank you for those personal sacrifices.

3. Projected figures.

- **Funding formula.** I think most of you are aware that a formula is used to allocate state dollars across the four CSU schools. Eastern is the smallest, and over the years, Chancellor Carter, Mr. Hannon, myself, and others, have been able to make a convincing case to the Board of Trustees that we have not been getting our fair share. As a result, the funding formula has been revisited. And while the full impact of this change will take place gradually, we anticipate more than \$250,000 in additional formula revenue this next year. It may not seem like a lot of money, but it equates to five jobs.
- **Stimulus funds.** In addition to receiving \$17 million to build our second parking garage, Eastern is going to see approximately \$200,000 in other stimulus monies.
- **Fringes.** State funding for fringes will increase \$600,000 next year.
- **Enrollment Growth:** Kim Crone projects as much as a two percent increase for fall 2009 which means more tuition revenue. In addition, our FY09 enrollment growth will increase our state allocation by more than \$1 million in 2010.

On this last point, since we have some ability to grow enrollments, it is worth noting that for every 1/10 of one percent increase in our share of the total CSUS full-time equivalents, Eastern would receive an additional \$235,000. We could accomplish this with 21 additional students, assuming no growth at the other three campuses.

We have many other factors that are unknown or simply projections at this time. With the concessions made last week and the figures I have shared with you, we believe we can keep this house together, keep this team together, and move ahead together next year. I am worried about 2011, however, with so many unknowns. I know that at this point, contracts call for pay raises for bargaining units. This will be a challenge, given that the cost of those raises —\$2.7 million — is not included in the Governor's 2011 budget. But as soon as we have certainty about 2010, we can move ahead to 2011. Together with the Ad Hoc Budget Committee, we must work together to figure it out.

Strategic Planning

The other thing I want to discuss with you this morning is our Strategic Plan Implementation process. Much work has been done this year, and I want to thank and congratulate all of you for your contributions to that effort.

This year, you have put forth 15 of 18 strategic initiatives for review and approval, with three more in the pipeline for next year. On your tables is a grid that summarizes the progress that has been made on those proposals. Our goal is to move ahead to implement the remaining initiatives this coming year.

How are we going to fund all these new ideas? Three financial initiatives in particular at the state level that are in process have the potential to provide us with new revenues. I have already mentioned the Board's efforts to change the funding formula, a decision that will have significant positive impact over time. The other two are:

- **Debt Service.** An ongoing dialog has been occurring regarding how we manage debt repayment in the CSUS system. While nothing has been finalized and I cannot give you a timetable on this, if the changes being proposed are enacted, the amount of money we have to commit each year to repaying our debt service would be substantially reduced.
- **Differentiated tuition.** Currently, all four CSUS institutions bill at the same tuition rate. However, operating a small, liberal arts college like Eastern is more costly than running a larger, less residential institution. Those additional costs range from the fact we don't use graduate teaching assistants to the costs of operating our residence halls. We have put forth a proposal to charge a tuition differential that accounts for those costs. The proposal is currently with the Department of Higher Education and on hold until the economy improves. However, in the long haul, we believe our proposal is compelling, and should it be accepted, we would see additional revenues as a result.

In the long-term, the prospects for these additional new revenues I have just described are good, and we expect to fund as much as 60 percent of the plan with those dollars. In the meantime, the other 40% of the resources that are needed will be in the form of reallocation and redeployment. Keep in mind that some of the initiatives—residential life for instance—generate revenue, while others—the Student Center—are paid for through student fees. Some strategies have elements that can be started without cost. We have said before, and I will say again, that we need to be patient while we wait to fully implement our Strategic Plan, but we can begin. We know it is a sound plan, grounded by shared values. We are organized, we are determined, and we shall prevail.

At this time, I am going to ask Maggie Martin to share with you some of the exciting developments that are already occurring in the implementation process. (Margaret Martin and students speak.)

If you ever wonder why we get up each morning to come to work, why we have spent so many hours and days planning our future, why we build sparkling new facilities, and why each of you are willing to make the sacrifices you make, my friends, here is our answer. These young people are why we are here. They are our future, and our future is in good hands. Thank you and have a wonderful summer.