

University Meeting
Dr. Núñez Remarks
May 1, 2015

Good morning! Thank you for being here during the busiest time of the academic year! Commencement is only 11 days away, and faculty and students have much to do before that special day. I know how busy everyone in this room is, and I truly appreciate all of the work that you accomplish each day on this campus. Our students are truly blessed to be served by such dedicated people!

First of all, let me congratulate all of our awardees today, especially our retirees. This year, we will end up with 26 retirees, counting Ben Blake in the bookstore, and they represent 641 years of service to this campus community! (APPLAUSE) Of course, most of that is due to the fact that Tim Swanson has been here forever! (Just kidding, Tim!) I think I speak for all of us in saying that we are going to miss all of you. What a tremendous contribution this group of people have made over the past half century. We are going to have to work very hard to make up for this loss, and I don't think it will be easy.

But today is a day to celebrate the careers of our distinguished retirees! I wish all of you the very best in your retirement, and promise me, you will not stop dreaming. For as John Barrymore once said, "*A man is not old until regrets take the place of dreams.*" Let us have no regrets! Keep dreaming!

A year ago at this meeting, we shared information with you about our five new majors in Finance, Health Sciences, New Media Studies, Liberal Studies, and Philosophy. By this fall, we will have almost 500 students enrolled in those majors. It was a lot of hard work by our faculty and administration, and it is paying off!

These new enrollments, as well as other initiatives on campus aimed at ensuring that we have the enrollments we need to make our budget, are encouraging signs. As you recall this past August, I had to report an enrollment decline for the first time in my presidency. The reasons were several—declining high school classes, the fact Connecticut students leave the state to attend college at a rate only exceeded by Vermont and New Hampshire, aggressive enrollment goals by UConn and other schools, and other factors contributed to the situation.

At this point, freshman applications for the fall are up 13 percent over last year and five percent over two years ago. Total applications are up 11 percent. The number of admitted students is up 14 percent over last fall, and 3 percent over two years ago. Paid tuition deposits are up four percent over last year and are very close to where we were two years ago, and the average SAT scores of those students is up 32 points. These are all good signs that we can achieve our enrollment projections.

I bring up enrollments first because we build our budget based on those numbers. Three major sources of funds for Eastern are a function of enrollment—tuition, housing, and food service. Every full-time student from Connecticut—the lion's share of our student body—generates about \$22,000 in revenue—just a little over \$10,000 in tuition and fees, and a little over \$12,000 in room and board. That revenue is not only critical to operating our university, it basically pays for our salaries. This student-sourced revenue amounts to almost 60 percent of our budget. About four percent of our budget is pass-through funds—insurances, telecommunications revenue, the University Fee. The remainder, or about 39 percent, comes from the state. And that is where our budget challenges lie.

The State of Connecticut, like many other states in our nation, continues to face budget challenges. For several years, tax revenues have not kept up with the costs of public services that range from public schools to healthcare to transportation to early childhood education.

The governor's next biennial budget included a \$46 million cut in the funds provided to the 17 institutions that constitute the Connecticut State Colleges and Universities System. And while we were allowed an 8 percent increase in tuition, and an overall 4.8 increase in tuition and fees combined, we are still facing a \$3.3 million deficit on our \$133 million budget. Keep in mind that in addition to this challenge, we already endured \$600,000 in budget rescissions in this current fiscal year.

I am not blaming anyone for this—the governor, the legislature, and the Board of Regents continue to work together with us on a common challenge, one that many states face along with Connecticut. But face it we must.

Let us look at next year's budget details. I want to give you a clear picture of how the \$133 million budget is constructed:

- \$47 million will come from tuition and fees
- \$28 million will be generated by housing and dining plans, assuming our projection of a slight enrollment increase holds.
- \$5 million is in pass-through funds, as I have explained.
- \$52 million will come from our state allocation and fringe benefit payments

How will we spend this money? Here is a quick look at our expense budget.

- \$94.5 million is for personnel
- Financial aid commitments take up another \$7.6 million
- Operating funds, including the library, account for \$23.5 million
- CHEFA payments for buildings amount to \$6.8 million
- We plan to spend a modest \$350,000 this year on equipment.
- And another \$555,000 is targeted for housing reserves.

How do we plan to make up a \$3.3 million deficit? Let me first say that I am committed to a balanced budget without a reduction in our workforce through layoffs. And I think we can do that.

- The primary strategy to cutting \$3.3 million from our budget is by doing something we have gotten very good at over the past 6-7 years—holding vacant positions open.
- Based on current projections, we will hold open 28 positions—staff and faculty—which will save us \$1.9 million.
- Add to that fringe benefit savings of \$1.2 million.
- Subtract an additional \$300,000 in part-time faculty expenses, and we arrive at \$2.8 million in savings based on vacant positions.
- We also play to reduce operating expenses by \$325,000 and defer another \$200,000 in equipment replacement.
- Finally, and this is a statewide initiative of the Board of Regents, management staff will receive no raise for the first half of the year.
- Add it all up and we are looking at \$3.3 million in savings necessary to achieve a balanced budget.

I have quickly shared with you the numbers, but let us understand that it is no easy task to operate our campus with 28 vacancies. This is a huge sacrifice for the people who ARE employed at Eastern.

Some people have been doing 2 and 3 jobs for years. We know that at some point, we cannot do it all or do it well with the many vacancies we must keep open.

In an organization our size, every position is important, every position moves us forward as a community to reach as aspirations. I could make an argument for each of the 28 positions that are open.

I would start with faculty searches that we have had to stop or never were able to begin. Today we have 207 faculty lines, six more than a year ago. However, we could add 15-20 more if it were not for the state deficit and the reduction in state funding that we are facing.

We have clerical positions that we would love to fill. As I said at yesterday's administrative assistant breakfast, our support staff keep our institution running smoothly. We run far less smoothly when those positions are kept open year after year.

And we also have several management positions that we are not filled for several years. We tend to go about our business diligently; neither the individuals performing 2-3 jobs nor their colleagues complain. But let us never, never, ever assume that the hiring that we forbear is not needed.

We could do much more, we could be more efficient, and we would pace ourselves better as individuals and as an organization if we had the opportunity to fill any, let alone all of the vacancies we have. But right now, we cannot.

The alternative is to hire some people while laying others off. That makes no sense to me. Keeping this workforce together as we move ahead to pursue our mutual goals is the wisest course of action, and it is the path I will continue to pursue. The budget I have shared with you is based upon a projected enrollment increase of 1.7 percent. Our approach to spending our limited resources continues to follow the conservative fiscal patterns we have adopted for some time now. If enrollment exceeds our projections, we will hire some of the vacancies I have mentioned. Let that be a glimmer of hope on our horizon.

A much bigger reason for us to feel strong as we mark the end of another academic year at Eastern is the fundamental value of our work. Sometimes, I know, we all wonder if a liberal education has lost its perceived value in this country. Rick Scott, the governor of Florida, has asked, "Is it a vital interest of the state to have more anthropologists? I don't think so."

Politicians from both sides of the aisle are pushing technology, math and science education, bemoaning America's scores in international testing. The noted journalist Fareed Zakaria has made the point that America has done poorly on those tests for the past 50 years, as has Israel and Sweden, to name two other nations that nonetheless are also at the top of the leaderboard when it comes to investing in innovation. Zakaria also notes that despite our international test scores, American students are at the top of the ladder when it comes to their belief in their abilities. This confidence in their thinking skills "allows them to challenge their elders, start companies, persist when others think they are wrong, and pick themselves up when they fail."

And our employers still know the value of a liberal education—84% of employers in a recent survey indicated they would rather hire "smart passionate people, even if they didn't have the exact skills their companies needed." That is why countries like Singapore, South Korea and India are trying to add the liberal arts to their educational systems. What you do matters, and it works.

In addition to the fundamental value of the work we conduct on this campus, our solidarity, forged from common goals and values, and steeled by the challenges we face together,

is another strength at Eastern. We have used that strength to plan our future as a team from the day I arrived nine years ago.

Our planning has been and continues to be strategic; it has to be to maximize our limited resources. As a result, we have been able to see breakthrough initiatives and quantitative progress being made. We are now finishing the second year of the 2013-18 Strategic Plan. Despite continued fiscal constraints, the committed professionals on this campus have made important strides in serving our students, improving our systems, and responding to technological and social changes occurring around us.

Rather than me giving you a verbal update on our progress, I have decided to offer information to you today in a different way. As you recall, we have five overarching objectives in our 2013-18 Strategic Plan. The handout at your table briefly summarizes some of the more significant accomplishments under each objective that have been made this year.

To give that information some life, we have created five short videos, one for each strategic objective, so that you can see our progress in an entertaining and creative way. I am going to ask Bill Salka to come up now to summarize the process we have used to create and implement the strategic plan, and to introduce the videos. Bill?