

Eastern Connecticut State University

Fiscal Year 2010 Spending Plan Narrative

The Spending Plan for Fiscal Year 2010 reflects three goals for the University:

- Balancing the budget and solidifying financial operating results to move towards compliance with Board minimum reserve policies;
- With the increased student enrollment and growing faculty and staff vacancies, creatively providing the necessary courses, residential beds and general support required by our students;
- Leveraging external funding with resource reallocations in order to implement Strategic Initiatives.

The Spending Plan has also been developed under the assumption that the state's fiscal crisis will be prolonged and deep. The Fiscal Year 2010 plan attempts to position the University to not only withstand the loss in state revenue but to also improve student and retention and graduation achievement.

Challenges Ahead

The University has made budget projections to Fiscal Year 2011 and understands the challenges ahead. The SEBAC agreement will allow wage and benefit increases totaling \$2.8 million in Fiscal Year 2011 but the current state budget does not provide for any additional appropriation.

If the Governor elects to impose a 5% cut to our funding during the biennium, the University will have few options available to reduce spending further. The University is aggressively cutting discretionary spending and the SEBAC agreement limits the type of personnel actions Eastern may take. With limits on our ability to alter staffing levels through 2011, it will be hard to adjust further to cuts in state funding.

The hiring freeze is beginning to tax administrative and support functions. There has been a significant and steady increase in demands on staff. While we have been successful in creating significant process improvements and other operational efficiencies, we have no depth in staffing. The organization is under considerable stress as we continue to ask more and more of fewer individuals. The Eastern community is extremely resilient and rises to every occasion but will we know when we hit the breaking point?

Eastern Connecticut State University

Fiscal Year 2010 Spending Plan Narrative

Fiscal Year 2010 Outlook

Balancing the Budget

Eastern's ability to implement the Strategic Plan and prepare for a successful Fall 2010 NEASC reaccreditation visit is directly dependent on the creation of a stable fiscal base. The University, with the support of the System Office and the Board of Trustees, has made significant strides in Fiscal Year 2009 and expects to achieve a higher measure of stability in the coming year. While achieving this turnaround is significant in normal times, successfully completing this in these troubled times will take a University-wide effort. This is already happening. Last Fall, Eastern sought out cost savings ideas from the entire community through the Works-\$mart initiative. The program has identified more than 107 ideas for costs savings and revenue enhancements. The top categories are listed in Table I. Eastern has been engaged in implementing a number of the ideas and expects to continue the savings process throughout the summer and the coming fiscal year.

Table I

Top Categories	#
Energy & Conservation	41
Printing & Publishing	26
Technology Related	17

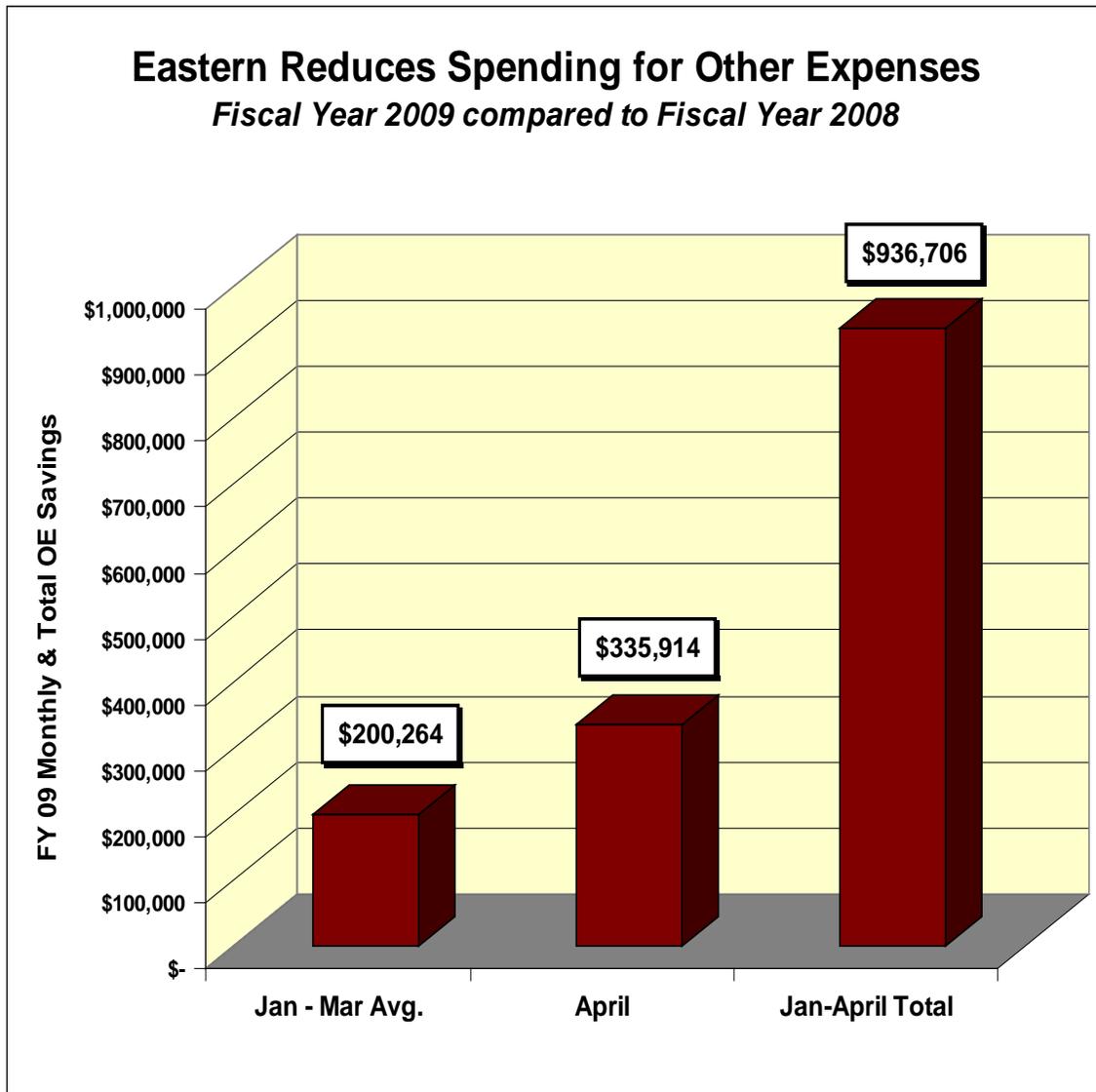
The University took a major step forward in Fiscal Year 2009 to bring its budget into balance. The University aggressively reduced spending and implemented a number of process redesigns which will produce significant savings for years to come. Fiscal Affairs conducted daily purchase requisition review meetings to identify lower priority requests and then work with departments to cut costs.

The University, following System Office guidance, created an Ad Hoc Budget Committee with representation from every bargaining unit, the student body, the University Senate and the faculty ranks. The Committee has played a key role in a number of cost cutting measures including an endorsement of changes to the office supply ordering process. The Committee has been active in communicating information and ideas throughout the campus helping to gain widespread support for expenditure reductions. Faculty and staff have been engaged and very active in this effort. The University plans to expand the efforts with students in the coming year.

Eastern Connecticut State University Fiscal Year 2010 Spending Plan Narrative

As a result of the support of the entire community, Eastern has been able to achieve reduced spending over the first four months of Calendar Year 2009 by \$936,706 or 19%. Chart I highlights actual savings for the period of January 1, 2009 through April 30, 2009. Savings averaged \$200,264 for the first three months and \$335,914 for the month of April.

Chart I



The following is a list of specific initiatives that have produced savings in Fiscal Year 2009 or are expected to produce savings in the coming years.

Eastern Connecticut State University

Fiscal Year 2010 Spending Plan Narrative

Specific expenditure costing cutting actions include:

- Travel restrictions through March 2009 have saved \$237,437 for a 42% reduction in expenditures. The University expects FY 2010 savings to be even greater as savings will accrue over a full twelve month period;
- As part of the Dean's Cup competition, residence halls competed in the Spring 2009 semester to cut electric usage. The Residential Hall Energy Conservation Program produced an average reduction of 7.9% in electric usage, with one hall reducing electric usage by 17.5%. The University plans to continue this program in Fiscal Year 2010 plus create a new initiative creating competition among administrative buildings;
- Purchasing staff working with the support of the Ad Hoc Budget Committee instituted a policy on campus where departments could only order office supplies on-line that were drawn from the deeply discounted vendor's fixed price list. Departments could still order supplies off the list but they would have to provide a specific justification for the substitute order. Savings from the implementation of the purchasing protocol is estimated at \$300 a day.
- As a result of a dumpster audit conducted by our custodial staff in conjunction with the Purchasing Department, Eastern was able to refine its trash collection schedule and reassess equipment needs. This work has enabled Eastern to implement a three-year trash contract, saving \$225,000 over its lifetime or nearly 35% below previous contractual levels;
- In an attempt to generate revenue and offset some of the impact of the State funding cuts, full-time enrollment increased by 5.2% over last year while maintaining part-time student levels;
- Eastern relies heavily on revenue from housing and food service. The University sought to achieve full occupancy for the year. Eastern met this goal and increased the number of paid-occupied residential beds by 143. This increase boosted the rated occupancy level from 94.5% in Fiscal Year 2008 to 100.1% in Fiscal Year 2009;
- In response to the Governor's Fourth Quarter reduction, Vice Presidents identified more than \$736,000 allotment reductions within their own units or departments;

Eastern Connecticut State University Fiscal Year 2010 Spending Plan Narrative

- University's move of Commencement off campus, while driven by a need to accommodate the size of the event, will also save more than \$45,000 in Fiscal Year 2009;
- Eastern will be extending the useful portion of its current copier fleet and redeploying those machines to departments with lower copying demands. The redeployment will reduce Fiscal Year 2010 copier lease costs by \$68,000 over the current year cost.
- Eastern began to charge for printing at the main computer labs on campus as a way to reduce the amount of wasteful printing done on campus. Students received credit on their "Cat Card" for 200 pages of printing per semester. Students would have to pay for any additional printing. This action has reduced printing by an estimated 800,000 sheets for a savings of nearly \$25,000. The printing change also reduces toner replacement, energy usage and wear on the printers.

The University is seeing tangible results in the coming year and expects to see these savings deepen in 2010. The Eastern Community is an active partner in making these results happen and creating real reductions in spending.

Providing for Growing Enrollment

The University has attempted to match enrollment growth with increases in the number of full-time faculty. With a concerted effort to bring outstanding faculty searches to a successful conclusion and the legislative support of five faculty positions in Fiscal Year 2008, Eastern has been able to serve its growing student body. Potential faculty losses due to retirements will present a significant challenge as we attempt to provide our students with the necessary courses in the proper sequence. Chart II shows the historical pattern of additions to the faculty ranks and growth in full-time enrollment. The University expects that the retirement losses and the expected Fiscal Year 2010 enrollment growth will merge the trend lines.

In order to fulfill Eastern's role as Connecticut's Public Liberal Arts University, the interaction between full-time faculty and students must be fostered. Creating opportunities for student-faculty interaction in the classroom and while doing research helps to make the Eastern experience special for our students.

In order to create the necessary course sections within existing resources, the Vice President for Academic Affairs is carefully reviewing course scheduling, enrollments and non-contractual reassign time to maximize the number of seats available to our students.

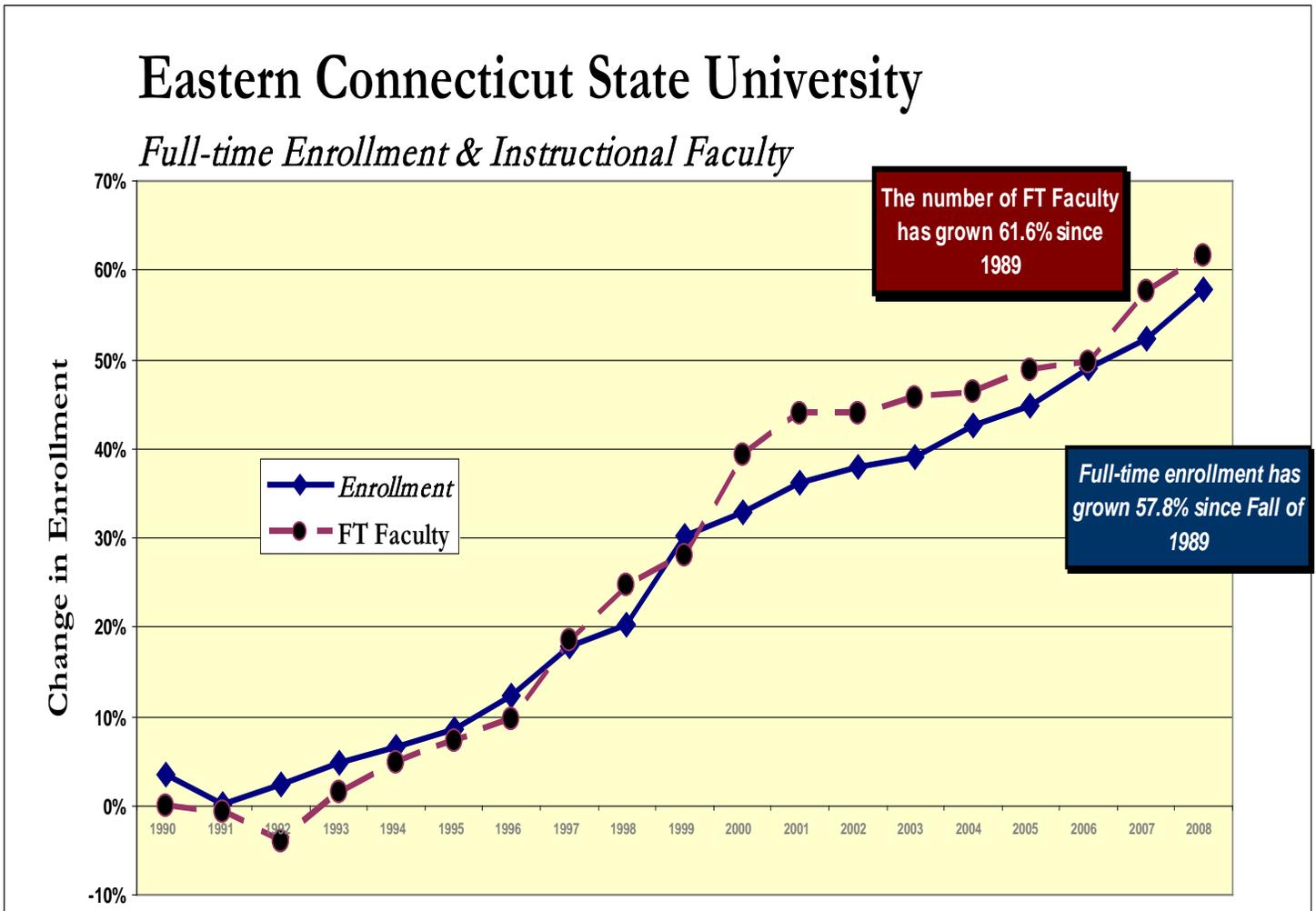
The University is projecting a modest increase in full-time enrollment of 1% and a slight decline of 1.8% in part-time headcount. The economic downturn is creating both student

Eastern Connecticut State University Fiscal Year 2010 Spending Plan Narrative

demand as a cost alternative to a private college and a threat to retention as our current students face financial difficulties. Applications for Fall 2009 enrollments are running over 10% ahead of last year's level but the fallout from the economic downturn may not be known until we move into the summer.

The University has committed to purchasing furniture to support an additional 30 students in the Mead Residence Hall. This purchase combine with last year's campus wide effort will put the effective on-campus capacity at 93 beds over the rated capacity of 2,512 beds. The University cannot accommodate anymore students on campus without significantly damaging the quality of the on-campus experience.

Chart II



Eastern Connecticut State University

Fiscal Year 2010 Spending Plan Narrative

Implementing the Strategic Plan

At the conclusion of the current year, Eastern expects to have a complete implementation plan for 15 of the 18 separate initiatives contained in the Strategic Plan. The University is not requesting any new positions in the Spending Plan but will undertake the initiatives with current and reallocated funds. The University has already used this model to create the Academic Support Center (ASC) located on the ground level of the Smith Library. The center brings together advising, tutoring and other academic support and has become a real vibrant spot for students.

Staffing for the Center has come from existing support offices or has been funded by the external Nellie Mae Foundation Grant. The University will undertake other efforts this year such as the Office of Community Engagement which will be staffed from existing personnel resources. The University is actively engaged in the pursuit of a number of significant sized grants designed to target underserved groups and reduce the performance gaps on our campus.

This year's success in creating the Academic Support Center and the Veterans' Drop-in Center through the use of reallocated resources and external funding is a model the University plans to use in the future. Eastern's community has come together to make these initiatives happen and, as a result, has a great stake in their individual and collective success.

Fiscal Year 2009 Review of Initiatives

Initiative I: Growing Enrollment, Growing Credit Load for Students & Faculty Hiring

Eastern was fortunate to have added the additional faculty as enrollment yield surged beyond expectations. The strong Spring semester enrollment was a result of an increase in graduate students, a large number of income transfers and strong Fall to Spring retention.

Students took more credits per semester as is evidenced by the growth in full-time equivalent enrollment greatly outstripping the growth in student headcount.

Strong housing occupancy and meal plan enrollment enabled the University to withstand the reductions in state funding.

Eastern Connecticut State University Fiscal Year 2010 Spending Plan Narrative

Initiative II: Opening of the Science Building



The Science Building successfully opened before the start of the Fall 2008 semester has already become a vibrant part of the University academic community. The benefits go beyond what one might expect. The consolidation of programs in this building has allowed the University to proceed with a number of other critical initiatives including the opening of the Academic Support Center in the vacated computer lab space in the Library, and the conversion of lab space in the Goddard Building to two new Health and Physical Education demonstration and testing spaces. The under-developed top floor of the Science Building will yield some space for the creation of data center space to support campus wide IT functions.

Eastern Connecticut State University Fiscal Year 2010 Spending Plan Narrative

Initiative III: Opening of the Student Success Center known as the Academic Support Center (ASC)



While the 2009 Spending Plan called for the hire of positions to support the Support Center, the freeze forced the University to look for other alternatives. The University used grant funds from the Nellie Mae Foundation's Project Compass Grant along with reallocated positions and funding to make the Center a reality. The University believes that the Center will play a critical role in helping Eastern improve student retention and four graduation rates.