



## EASTERN CONNECTICUT STATE UNIVERSITY

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### *Office of the President*

February 24, 2011

Dear Colleague:

For the better part of the past three years, Eastern and other public institutions of higher learning have been dealing with the realities of an unstable world economy and the impact this challenging economic climate has had on our national and state budgets. These difficult financial times have impacted every publicly supported institution in Connecticut, and have been felt by most state governments across our country.

In Hartford, the Governor's Office, the General Assembly, and other state officials are hard at work seeking ways to streamline state government and reduce spending in the next biennial budget, while avoiding cuts in essential services. Last week, Governor Dannel Malloy laid out his proposals for managing the multi-billion dollar deficits facing our state. I would like to share my perspective on a number of the Governor's proposals that impact Eastern directly, in particular the plan to reorganize public higher education and the Governor's proposed budget cuts.

#### **HIGHER EDUCATION SYSTEM REORGANIZATION**

The Governor's restructuring proposal calls for replacing the boards and central office of the Connecticut State University System, the Connecticut Community College System, Charter Oak College, and the Board of Higher Education with one Board of Regents and a single CEO. Cost savings, efficiency, and improved accountability have all been cited as benefits of the proposal. The plan is modeled after reforms adopted by the State of Minnesota, and under its provisions, the University of Connecticut would not be governed by the new structure.

In addition to Senate Bill 1011, which details the proposed reorganization of higher education, other bills currently prepared for legislative action in the Connecticut General Assembly that impact Eastern include:

- Senate Bill 1000 would raise the Governor's rescission authority from 5 to 10 percent, allowing him to ask state-funded units to return budget allotments to eliminate General Fund deficits. This bill would also turn over "position control" (e.g. hiring decisions) of non-faculty positions, now under the authority of each University President, to the Office of Policy and Management.
- House Bill 6388 would allow more staff positions to qualify as management positions.
- House Bill 6380 would grant the newly created Board of Regents the authority to transfer up to 15 percent of the higher education budget within the system's component units. This bill would also allow the Office of Policy and Management to reduce higher education budgets to reflect any labor/management savings achieved through contract negotiations.

While we do not have many additional details at this point, it is important for us to keep an open mind and to cooperate with the Governor's Office and the Legislature as they consider these proposals. It also will be important for each of us to take the time to learn about the impact that the various proposals and bills could have on our University.

Our state leaders will clearly need to make tough decisions in order to address the unprecedented budget deficits we are now confronting. Our contribution should be to help find creative ways to manage cuts as we seek to preserve essential educational programs and services. I believe we can work with any structural model for higher education that is finalized, as long as it keeps Eastern's mission in focus — we are an invaluable public resource dedicated to providing educational access to the residents of our state, many of whom look to Eastern and its peers as their sole educational option.

#### **GOVERNOR'S PROPOSED BUDGET**

I also want to briefly respond to the Governor's budget proposals. As outlined in his speech and reported over the past week or so, Governor Malloy intends to balance the projected \$3.2 billion deficit in the first year of the biennial budget by raising \$1.5 billion in new sales and income taxes; negotiating \$1 billion in union concessions; and reducing spending by \$700 million.

In terms of details in the Governor's budget recommendations that relate to Eastern, the Fiscal Year 2012 budget proposal calls for a \$3.4 million reduction in Eastern's General Fund appropriations, or an 11 percent reduction. This does not include fringe benefits or the cost of the 27<sup>th</sup> payroll. In addition, whereas in prior years, contractually negotiated items — i.e., furlough days and wage freezes — helped each university achieve a balanced budget, such savings in the Governor's proposed budget would be used at the state level, and would not directly contribute to Eastern's bottom line.

I am very concerned that these reductions, as proposed, could force us to institute a reduction in force. While it is unclear at this time as to the severity of such a staffing reduction, it is cause for great concern at this juncture.

While we must be patient and supportive of our state leaders as the legislative and budget development processes unfold, there will be legislative hearings, town meetings, and other means to express our concerns about the impact the budget reductions will have on our ability to provide a quality education to the students of our state. For instance, I encourage faculty and staff to be prepared to offer their own suggestions and ideas during a series of town meetings that Governor Malloy has scheduled around the state; he will be in Willimantic at the Windham Town Hall at 7 p.m. the evening of March 30 — mark your calendars. If we want a fair and equitable solution to the state's budget problems, we need to be willing to participate in the discussion and the decision-making process.

No doubt, our operations will be affected by state budget cuts. I think we all understand the fiscal situation facing our state and nation, and the need for all of us to share the sacrifices we must make. The governor has asked that we all do our part in balancing the next biennial budget, and I am determined that Eastern be seen as part of the answer to this financial crisis. I remain confident that we will manage the budget in such a way as to have the least impact on the quality of the education we provide our students, and on our workforce at Eastern.

In the past three years, we have managed hiring freezes, operational budget cuts, belt-tightening, and other monetary constraints on our campus through the fiscal prudence of our faculty, staff, and administration. Whether it has been energy conservation efforts, reductions in printing expenses, bulk purchase of supplies, staff positions held open, or other cost savings, you have come through with creative ideas and followed up with sound implementation strategies.

This effort has been greatly enhanced by the transparency and participatory approach of our Ad Hoc Budget Committee. As we move into this next budget cycle, I will be depending on that group for continued open communications with the campus community, and for the excellent counsel it has provided me. In turn, I pledge to continue to share information quickly and fully with you. If we stay united, as we have been able to do so far, we will get through this together.

Thank you, as always, for being an active, supportive member of this wonderful community we call Eastern.

***Dr. Elsa M. Nuñez***  
**President**

