

Eastern Ad-Hoc Budget Committee
Minutes
March 29, 2012
Connecticut Room
10 a.m.

Attendance:

David Bachand, Patricia Banach, Maryann Clifford, Karen Collins, David Cummings, Matthew Hicks, James Howarth, Kristin Jacobi, Brian Lashley, Terry Lennox, David Mariasi, Diane Moore, Elsa Núñez, Michael Pernal, William Salka, David Stoloff

Absent:

Karyl Bulmer, Susanne Dowling, Drew Hyatt, Jianhua Lin, Thomas Madera, Denise Matthews, Dimitrios Pachis, Robert Wolf

Meeting commenced at 10 a.m.

1. Introduction of New Member

J. Howarth introduced new committee member Matthew Hicks, student representative from the Budget and Resource Allocation Committee.

2. Approval of Previous Meeting Minutes

The minutes of the January 31, 2012, meeting were approved.

3. Information Technology – Joe Tolisano

• Thin Client Technology

J. Tolisano passed out and reviewed a handout (Attachment A) on Thin Client, which the University is in the process of initiating. Thin Client uses less electricity, requires less manpower, and has lower ownership cost. D. Bachand said because this runs one server, users will be able to access information from anywhere, i.e., a Mac, PC, etc.

W. Salka asked how this will affect faculty. J. Tolisano responded that IT does not anticipate moving faculty to Thin Client anytime soon. Faculty will use Cloud which will allow them to work on an iPad or a PC.

J. Tolisano explained that it will be very important for faculty and staff to notify IT of any special software they will need so that IT can build it out on the server for their use.

• Computer Security Systems

J. Tolisano said IT has implemented several changes which have resulted in substantial savings. They include: Replacing 158 desk jet and laser printers with Cannon copiers (\$70,000 savings per year); implementing new Convenience Fee for credit card usage (\$200,000 savings per year), implementing TouchNet electronic billing (\$12,000 savings per year), and decreasing student

printing to 250-page credit per semester (\$50,000 savings per year). In addition, Nancy Tinker initiated the Building Automation System which saved \$130,000 in FY 11.

In regard to the Convenience Fee transfer to students, J. Howarth explained that students/parents were using their credit cards to pay Eastern in order to earn points. In effect, Eastern was paying for their points. Since the change in Fee, there has been a large reduction in the use of credit cards to pay student bills.

4. FY 2012 Budget Status – Jim Howarth

- FY 2013 Budget Process

J. Howarth stated that at the end of FY 11, Eastern had a positive reserve of \$3 million. The goal is \$5.1 million. Conscientious purchasing, keeping positions vacant, stable revenue streams, a mild winter, and the conversion of Gelsi-Young to ABS have helped build the reserve. He emphasized that if faculty and staff need to purchase an item, funds will be found, especially if it is a safety issue.

- Board of Regents Budget Process

J. Howarth discussed the letter Governor Malloy sent to agency heads (Attachment B). He explained that since the state's revenue is down, the Governor has said he may reduce our funding by up to 5 percent (\$2 million). Eastern would reduce spending where possible but may be required to use its reserves to fund this. However, J. Howarth does not anticipate a full 5 percent cut.

J. Howarth reviewed Attachment C which provides greater detail on the budget.

E. Núñez asked the committee's assistance in providing transparency about the budget and hiring processes to colleagues. She informed the committee that the BOR focused on three things: (1) Transfer based on competencies and not course equivalency, (2) adopting a Strategic Plan, and (3) reviewing policies, i.e., sexual assault.

P. Banach asked if bond funds would be impacted in a recession. J. Howarth said they would not be. The only question will be if 2020 money is funded. E. Núñez said the Fine Arts Building is in the 2020 request. She said Governor Malloy supports construction and job creation in eastern Connecticut so she thinks this project will be funded.

5. Human Resources – Mike Pernal

B. Salka asked if ECSU would be hiring a comparable number of faculty next year. E. Núñez responded yes. M. Pernal explained since the funding is in the budget, we can hire. Searches that were underway prior to the freeze are allowed to continue. E. Núñez explained that Eastern is only filling positions already in the budget. She asked the committee to inform faculty and staff that Dr. Carter's policy to hire only temporary faculty is no longer in place.

6. New Business

In response to questions from K. Jacobi and P. Banach, J. Howarth explained that the auditors require us to inventory software as well as any computer equipment purchased with bond funds regardless of the cost.

E. Núñez anticipates receiving a lot of comments about the new Commencement date. She explained that the System Office changed the date to allow graduates to get a head start on working. The XL Center was not available on the weekend, so it had to be held on a weekday. The 6:30 timeslot was chosen to accommodate parking. The University will try to hold Commencement on a weekend day or a Thursday next year depending upon availability.


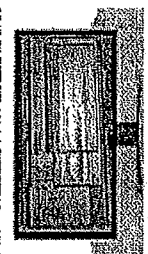
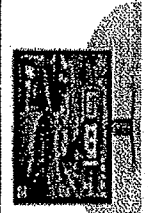

The meeting adjourned at 11:20 a.m.

Submitted by,

Rebecca Davis

User classification determines optimal solution

The end Result is "User Experience"

Solution Type	Task Worker	Prod / Knowledge	Desktop Power User	Performance User
	 <ul style="list-style-type: none"> - Primarily text based applications 	 <ul style="list-style-type: none"> - Limited graphics and minimal multimedia 	 <ul style="list-style-type: none"> - Some compute intensive applications - Requires graphics performance 	 <ul style="list-style-type: none"> - Compute intensive applications - 2D/3D graphics applications

Solution Type

Clients per host



Increasing Compute + Graphics Requirements

Increasing Per Seat Cost

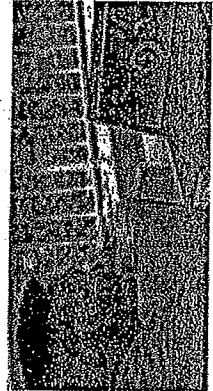


vmware



Client management challenges

Increasingly Global & Mobile Workforce



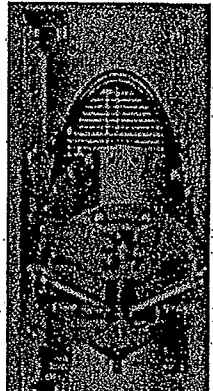
A "digital" generation of **250 million** is entering the workforce
3 out of 5 employees work outside of their organization's headquarters

The Burden of Managing Distributed Desktops



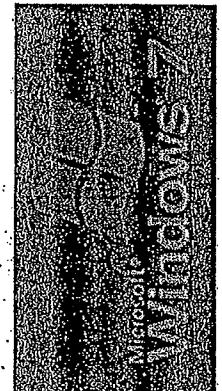
IT client-side support is **80%** of the annual **\$1298** client cost per user
Average # of applications **215**
Average # of application per user: **16**

The Impact of Security and Compliance Breaches



Average cost of a security breach **\$6.75 million**
10,000 laptops are stolen from US airports every week

End of life for Windows XP: **April 2014**



Migration planning should begin **NOW**
Client virtualization should be part of the migration plan **NOW**



Understanding the Business Value of Centralized Virtual Desktops™ IDC

March 27, 2012

Executive Branch Agency Heads:

Through our efforts last session, the adopted budget for fiscal year 2012 not only put the state on a path of fiscal sustainability by closing a more than \$3 billion shortfall, but also began to address the issue of fiscal responsibility by reserving \$75 million to help ensure that the state's cumulative Generally Accepted Accounting Principles (GAAP) deficit would not worsen. For the first half of the fiscal year a modest GAAP-based surplus was projected for the General Fund, but disappointing income tax collections in the fourth quarter of calendar year 2011 have caused the Office of Policy and Management, since January, to forecast a General Fund deficit on a GAAP basis. Since then, the legislature's Office of Fiscal Analysis and the Comptroller have both forecast a year-end deficit on a budgetary basis. In order to address the deficit, in February I exercised my rescission authority under CGS 4-85 to reduce allotments by approximately \$78.7 million. While spending projections have remained relatively stable and within budget on an aggregate basis throughout the course of the year, revenue collections continue to be an area of uncertainty and have lead OPM to forecast a \$62.6 million GAAP-basis deficit for the current fiscal year.

It is important to note that April tax collections will be the most critical factor affecting year-end results in the General Fund. While it is my hope that these collections will be strong enough to eradicate the GAAP deficit and to allow reversal of February's rescissions, we cannot assume that that will be the case and as a result must prepare contingency plans to reduce spending. Therefore, I am directing each of you to review your agency's planned spending in order to eliminate, minimize or delay those expenditures that are not absolutely critical in nature. Your efforts should include potential savings in all areas of spending, including hiring and overtime, contractual services and purchased commodities. In addition, you should identify any funds that are anticipated to remain unspent as of June 30th and plan to maximize those sums. Furthermore, agencies should not assume that requests for discretionary carry-forward of any unspent appropriations into fiscal year 2013 will be granted. While the most immediate need is in the state's General Fund, I am also asking agencies funded through other appropriated funds to economize as much as possible. Please note that I will be requesting that Legislative and Judicial branch agencies and constitutional officers take similar measures.

Your attention to taking immediate steps to reduce spending is of paramount importance to my objective of maintaining balanced operations on a GAAP basis. If April tax collections miss our targets and the expenditure reduction measures outlined above are insufficient, I intend to direct OPM to prepare a deficit mitigation plan for presentation to the legislature in May.

Thank you for your attention to prudent fiscal stewardship of the state's resources. If you have any questions, please contact Ben Barnes, Secretary of the Office of Policy and Management.

Sincerely,

Dannel P. Malloy
Governor

Eastern Connecticut State University

FY 2010-11 Actual vs. Budget

Eastern's FY 2011 Budget included an Addition to Funds of \$447,403 based on revenues of \$116,465,744.

A shortfall in revenues of \$1,220,456, or 1%, partially offset the favorable variances in personal services of \$2,441,893 and operating expenses of \$877,798. Revenues reflected slightly lower activity in all areas while the personal services savings reflected lower full time personal services of \$1,649,960 and fringe benefits of \$1,003,929.

Eastern continued to hold open positions in FY 2011 in anticipation of the reduced state funding in FY 2012 while fringe benefits reflect both the lower level of full time employees and lower fringe benefit rate.

Lower operating expenses reflect the combined efforts of faculty and staff to limit expenditures and favorable utility expenses.

To prepare for the 27th payroll in FY 2012 Eastern provided an additional \$935,909 as it was evident the funding for FY 2012 would be reduced.

FY 2011-12 Projection

Eastern is projecting to meet the breakeven budget for FY 2012.

The Budget for FY 2012 was a breakeven of \$11,514 on revenues of \$113,296,715 and we are currently projecting an Addition to Funds of \$62,040 on revenues of \$111,693,698.

The shortfall in projected revenue of \$1,603,017, or 1.4%, is primarily a combination of the reduction in state general fund and fringe paid by the state of \$748,189, combined lower tuition, university general fee, and university fee of \$772,108. We also experienced a decline in housing revenue of \$231,898 offset in part by increased revenue for food services of \$129,126.

The shortfall in tuition is primarily the mix of in-state and out-of-state students and fewer graduate students as our overall full time student enrollment continue slightly above budget. Our part time enrollment is projected to be below budget as a trend of fewer part time students continues.

We were able to overcome the reduction in revenues through savings in full time staffing of \$1,069,256 and lower overall fringe benefit expenses of \$1,830,689 reflecting both the lower experienced fringe rate and the lower personal services dollars. Eastern continues to hold positions open longer and utilize lecturers where searches for tenure