

Eastern Connecticut State University Fiscal Year 2012 Spending Plan Narrative

Eastern's proposed Spending Plan for Fiscal Year 2012 will continue the University's current emphasis on substantive broad-based fiscal constraints. Also these practices, as in the past, will allow Eastern to work within the challenges of the State's struggling economy. Fiscal obligations require that Eastern:

- Must budget in its base the state-enacted wage increases already in place for FY 11, all wage increases mandated by the state's contracts for FY 12, and the full cost of the 27th payroll obligation which impacts FY 12.
- Must continue fiscal prudence with the strictest diligence in anticipation of: (1) the proposed 10 percent cut from CSUS's requested FY 12 state allocation as backed by the Legislature; and (2) the likelihood that one or more rescissions could be enacted at any time in FY 12 if the state's economy suffers any further erosion during the FY 12 period.
- Must adhere to its restrained spending practices so that savings can be steadily directed to instruction and academic support services that drive improvements in Eastern's retention and graduation rates.

This Spending Plan was developed in anticipation that savings would be continuously generated throughout FY 12 due mostly to the fact that the State's fiscal crisis appears deep-rooted and prolonged. It is formulated on the assumption that revenues from every traditional funding source are unlikely to rebound in any notable margins beyond the conservative amounts presented in the Plan. Savings, not new revenue sources, will create the impetus for the University's ability to achieve its balanced budget.

CHALLENGES IN SIGHT:

The FY 12 Spending Plan meets the University's full obligation to pay negotiated wage increases and changes to benefits. To manage such obligations, the University will continue its current restrictions on operating expenses, travel, and supply purchases. It continues emphasizing that position refills will for the most part relate to health and safety measures. Faculty vacancies can only be filled with one-year, non-tenure track appointments, unless exceptions are otherwise granted (rare) because of compelling academic needs.

Temporary faculty hires cannot be extended beyond two-year periods. These restrictions have tested continuity of operations and employee morale, but have protected the University from having to initiate layoffs at any staffing levels in the current year. As long as State funding rescissions can be kept to a minimal level in FY 12, there is hope that the University's continuing

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economies and restrictions will be sufficient to: (1) forestall any such layoffs, (2) sustain core academic and instruction programs, and (3) enable redeployment of some funds to strengthen the Strategic Plan initiatives begun in FY 10.

FISCAL YEAR 2012 ANALYSIS:

Meeting Strategic Objectives

Personnel Services and Fringe Benefits are budgeted as two-thirds of Eastern's total expenditures. While "holds" on vacant positions are routine and notable across the campus, the equally compelling fact is that current staff have to bear heavier workloads so offices can continue services ordinarily performed by a larger work force. Even when re-fills of vacant positions can be authorized, new fills are "timed" as much as is functionally beneficial to the academic calendar or most coincident with peak operational schedules.

In the current year, Eastern has again practiced a strict budget review as it did in both FY 09 and FY 10, to identify and earmark savings in the Operating Expenses in many departments. In these efforts, departments have had to adjust their paces of spending and prioritize their most compelling needs.

Grants from federal and private sources are being secured to offset expenses that were historically managed in the University's operating budget. Along with re-direction of other budgeted funds and grant funding, savings initiatives are enabling the phased implementation of core Strategic Plan initiatives.

Further, these numerous cost savings and revenue enhancements are helping the University achieve relative financial stability, as much as it has attained in recent years. Even more compelling have been the actions taken by the CSU Board of Trustees in their FY 09 refinements of the CSU distribution formula for allocating State funds and the FY 10 changes to assessing CHEFA debt. The latter decision dramatically reduced the debt obligations for recent housing and revenue bond-financed garage projects at Eastern and the other universities. Both Board decisions were critical in improving the financial stability of this University.

Again this year and in FY 12, the University anticipates receiving recommendations on cost-cutting measures from its Ad Hoc Budget Committee. Composed of representatives from every bargaining unit, the student body, the University Senate, and faculty ranks, the Committee plays an active role in communicating information and proposals for budgeting efficiencies throughout the campus. It has helped develop campus-wide awareness of and appreciation for economies that reduce prospects for layoffs, drastic budget curbs, or program elimination. Most recently, the Committee endorsed a mid-year budget review process that identified \$1,700,000 in

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new spending reductions. Best of all, the Committee has built a successful record of communicating regularly to the University community, so it is kept informed whenever major budget adjustments are being forecast and/or need to be enacted.

Just as important is that this Committee has created a subcommittee that sponsors the Work \$mart program whose aim is to solicit from University staff their suggestions for ways to do business more efficiently. When they prove “tried and true” in their benefit, the best Work \$mart recommendations have been institutionalized in the University’s operational processes so it can take steady and continuous advantage of the generated savings. Given its good counsel since its inception, the University will continue to enlist the Committee’s full participation in budget considerations through FY 12 and FY 13 and thereafter for as long as the State’s finances remain tenuous.

Academic Programs to be Strengthened in FY 12

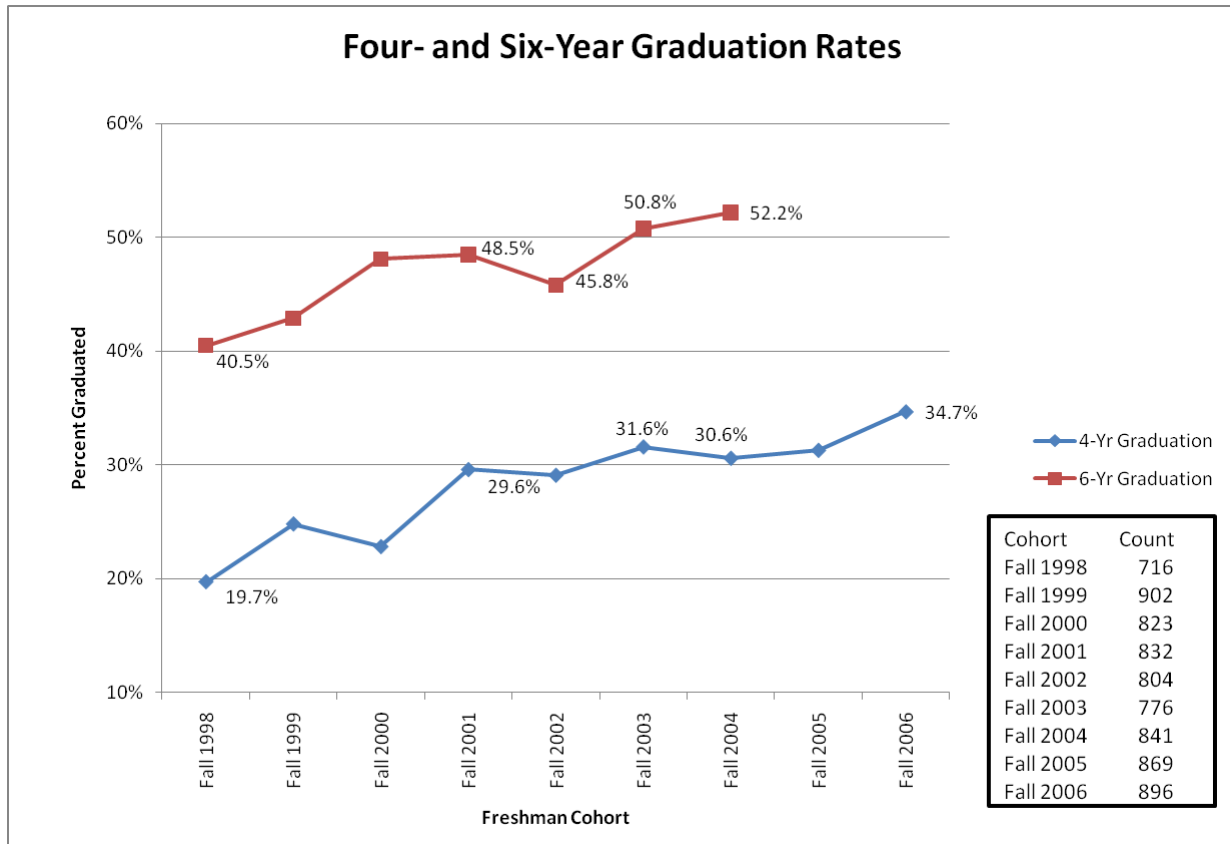
Several focused reallocations of operating budget funds are providing very positive results in the budget balancing processes. Some are marginal in their scope but markedly weighted in their benefits. Others are broader in purview, creating only moderate savings at initiation but promising some wholesale budget reductions in the mid- and long-term.

- In 2011-2012 Eastern will continue to emphasize “high-impact” academic practices that increase student engagement, retention, persistence, and graduation. High impact practices include learning communities, first-year seminars, writing-intensive courses, service-learning, undergraduate research, internships, and capstone experiences. These practices are built into the First Year Experience, the Writing Program, the Liberal Arts Core, and the Liberal Arts Work Program. High impact practices emphasize close student-faculty interaction and require low student-faculty ratios. Having increased use of the practices since 2008, the first year of the 2008-2013 Strategic Plan, Eastern has seen its four-year graduation rate rise to 34.7 percent and the six-year rate rise to 52 percent. Expansion of use of these practices is aimed at increasing these rates even further and at reducing racial/ethnic gaps in graduation rates.
- The Liberal Arts Work (LAW) program is a critical element of the Strategic Plan that is expected to become the “signature” of an Eastern education. It ensures that prior to graduation each Eastern student benefits from a significant pre-professional experience such as an internship, co-op, major performance or exhibition, research project, or service-learning. Incorporating a number of high impact practices, the LAW program will place demands on both faculty and administrative staff. To offset these costs several grants are being pursued: a Davis Foundation grant to promote related curriculum development, faculty development, and assessment of program goals; and a FIPSE grant to support the creation of an on-site “corporate center” where students can complete part of their internship work in a

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highly data secure setting that models a business workplace. Funding to promote equal access to all means of completing the LAW program, regardless of student economic ability, has come from a Title III grant.

- Eastern continues to make progress in assessment of learning outcomes in General Education and in specific academic programs. A University Assessment Committee chaired by a faculty member on limited reassigned time, a Strategic Initiative Assessment Coordinator on partial reassigned time, and a Liberal Arts Core coordinator, also on partial reassigned time has developed and are overseeing the implementation of a comprehensive and multi-pronged approach to assessment of learning outcomes. The objective is to ensure that all curriculum requirements achieve the intended goals for student learning. These initiatives have been funded largely with operating funds, along with some support from Project Compass and Title III grants.



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- To improve graduation rates further, Eastern will encourage streamlining and updating of program requirements in the 2011-2012 academic year. Support will be provided for department retreats that focus on evaluating and modifying program requirements. Recent changes in the First Year Program model the approach that will be taken to curriculum assessment and program modification. To date, evidence on program effectiveness has been reviewed, program goals scrutinized, changes in complementary programs evaluated, and the program significantly modified to reduce demands on faculty resources without diminishing support and opportunities provided to students.
- While efforts are underway to reduce administrative staffing, Eastern plans to expand its full-time faculty. This is essential to implementation of high impact practices and the resulting improved graduation rates and vital for ensuring that the curriculum is current and that Eastern students have unique opportunities to participate in close mentoring relationships with faculty who oversee their research and creative projects.

In Student Affairs, the same emphasis is placed on the value of assessment tools to measure effectiveness of its meeting the delivery of programs and services. The initiatives connected to the current Strategic Plan have made the offices in the division to be more progressive in partnering with the other divisions, particularly with Academic Affairs so it parallels its efforts to support the University's liberal arts mission.

Assessments of student service programs are proving that the new directions are more effective. Spending reductions of any measure could hamper their sustainability or momentum. Of particular note is the progress created by the Office of Residential Life's "SIX Week Educational Enhance Plan" (SWEEP Initiative) which has contributed to the improved retention rates for first-time freshmen and transfer students. Also, the shift in the Student Center and Student Activities programming has led to increased participation in all four classes, showing that students are more engaged currently than they were prior to the existing Strategic Plan.

RECENT ENERGY INITIATIVES

With current Energy Conservation initiatives, the University expects notable operating efficiencies in the future.

- Conclusion to Science Building Commissioning. As we emphasized in Eastern's Spending Plan last year, "commissioning" of a building's numerous building control systems can reveal if harmful deficiencies, mis-calibrations, and operational problems exist during pre-functional and functional phases. This process has been a long and slow verification of these functionalities in the Science Building. Recently wrapping up the process, the testing agents have successfully brought the building's energy efficiency

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close to the complex design levels. At conclusion, the calibrations are making demands for heating and power much more efficient, to the point that savings can be estimated to be in the annual range of \$150,000 - \$175,000 this year and yearly hereafter.

- The Retro Commissioning Pilot Project with CL&P that originated in FY 10 and since then has been applied to Mead, Niejadlik, and Hurley Halls; and recently proceeded to administrative buildings, including the Library. CL&P pays for Strategic Building Solutions to evaluate buildings with Building Automation Systems and come up with energy saving projects the University can economically implement. CL&P then provides a rebate, some of which goes to paying the commissioning agent, and any balance becomes “seed money” for the next set of improvements. Most of the anticipated savings will be in the areas of lighting, lighting controls, and HVAC controls.
- As has proven economical, Eastern has been replacing LED lamps on the Sternberg exterior lights. In addition to being more energy efficient, the bulbs last considerably longer than previous types of bulbs. Eastern will have replaced 100 exterior lights with LED by the end of this fiscal year. Both of Eastern’s garages have been converted to efficient bulbs that will save at least \$2,400 per month in electric consumption.
- Eastern contracted recently for an Encelium project in Gelsi-Young Hall. This system ties the lighting and HVAC systems to occupancy sensors. The system also allows for personal control of lights; all light ballasts are now dimmable. The system also uses day lighting and comes with software that will track the savings.
- Eastern added a program to its building control system to operate hot water pumps at outside temperatures above 50 degrees and implement a reset scheduled for hot water pumps based on outside air temperature. In Noble Hall, Facilities replaced the DHW electric remote bulb thermostat with a control relay and hot water supply sensor and also upgraded the controls to the Allerton system for better efficiency.

As a result of Facilities staff’s mastery of new building control technologies, their several green initiatives have already achieved quite remarkable reductions in consumption of fossil-fuel generated energy. In the current year, it is realizing savings of between \$500,000 and \$600,000 in its utility budget. Eastern is earning a 12 percent reduction in natural gas (CCF) that fuels the north and south heat plants; and a 6.5 percent reduction in electric (kWh) power.

Commissioning of the Science Building and the re-commissioning Pilot programs are primary factors; but fuller development of the Encelium program and more sophistication in building control technologies are expected to play substantial new roles in creating notable supplemental savings in FY 12 and beyond.