

ASSUMPTIONS:

Eastern's proposed Spending Plan for Fiscal Year 2014 will continue the University's emphasis on prudent fiscal management. As in the past, conservative financial management practices will allow Eastern to work within the realities of Connecticut's fragile economy and the limits of the State Budget. Fiscal prudence requires that Eastern:

- Anticipate the potential for additional rescission requests during Fiscal Year 2014 if the state's economy suffers further erosion during the Fiscal Year 2014 period.
- Adhere to its conservative spending practices so that any savings realized can be directed to instructional and academic support services that drive improvements in Eastern's retention and graduation rates.

The Fiscal Year 2014 Spending Plan was developed in anticipation that cost savings must be continuously generated throughout Fiscal Year 2014, due to the fact that the State's fiscal crisis shows no significant signs of abatement. The plan is based on the assumption that revenues from traditional funding sources 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 a balanced budget. To manage our obligations, the University will continue its current restrictions on operating expenses and only fill positions directly associated with student needs.

CHALLENGES:

While we are confident that Eastern can manage its budget so that the University can balance projected expenditures with anticipated revenues, there are several new budget challenges in FY2014 that are noteworthy. The current estimated additional funds from the state in the amount of \$1,712,727 will help to cover anticipated increases in salaries and fringe benefits.

The upcoming budget does include contractual increases agreed to in the SEBAC agreement which had held prior years pay without increases for FY 2012 and FY 2013. The increase in FY 2014 is not fully covered by the increase in our state funding and was a contributing factor to the level of tuition increase required for FY 2014.

In FY 2013 we experienced a large number of Eastern employees electing to move from the Alternative Retirement Plan (ALTR) to the State Employee Retirement Plan (SERS), which has a significant impact to our personal service expenses. For FY 2013 the cost for the ALTR Plan was 9.17 percent and for the SERS Plan 46.01 percent, this is an increase to our cost of 36.84 percent. Currently we have no indication of how many additional employees may move from the ALTR Plan to the SERS Plan in FY 2014, as the election is open until 90 days after the Internal Revenue Service has ruled on the change in plans. There is no schedule for when the IRS ruling will occur.

Based on FY 2012 and FY 2013 rescission requests from the Governor, it also appears that any initial FY2014 state allocation could be in jeopardy during the year as actual state revenues are received.

Another challenge will be relatively flat enrollment projections. In Fiscal Year 2014, it is projected that Eastern's fall full-time 2013 enrollments will be up 0.9 percent from fall 2012. This is due to a relatively slight increase for our major student group, full-time undergraduates, which is expected to grow in fall 2013 by 45 students or one percent, to 4,465. Other student populations — part-time undergraduates and graduate enrollments — are expected to continue to decline.

Enrollment alone will not yield the increased revenue stream that the University has experienced in past years, now that our full-time undergraduate enrollment has reached a level that is appropriate for a Liberal Arts University. Therefore, while the 5.25 percent increase in tuition for Fiscal Year 2014 will generate \$1,212,397 in additional revenues, we must continue to be cautious in allocating those additional resources. As stated previously, careful management of existing resources, cost-savings and other efficiencies will be the way to achieving a balanced budget in Fiscal Year 2014.

FISCAL MANAGEMENT:

- In FY 2013, we were able to fill several critical faculty positions as tenure track positions.
- For FY 2014, knowing that new revenue streams are not forthcoming, most vacant administrative positions will continue to be held open.
- Our FY 2014 budget includes six new full time faculty positions as we continue to invest any additional resources available into areas that provide direct support our students.
- Grants continue to support tutoring, advising, and other Academic Services Center services.
- In the current fiscal year, as it did in the past several budget cycles, Eastern has practiced a strict budget review to identify and earmark operating savings. In these efforts, departments have adjusted their paces of spending and prioritized their most compelling needs.
- Sound fiscal management has also allowed the University to continue to support its diversity and Affirmative Action goals; Eastern has the highest percentage of minority faculty of any college or university in Connecticut.
- The University continues to benefit from the work of the Ad Hoc Budget Committee. Composed of representatives from every bargaining unit, the student body, the University Senate and the 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. Best of all, the Committee has built a successful record of communicating regularly to the University community so it is kept informed of major budget adjustments.

MEETING OUR STRATEGIC PLANNING OBJECTIVES:

Despite ongoing fiscal challenges facing the University, the cost-saving and financial practices that have been developed and implemented over the past four years have allowed Eastern to continue to move forward in meeting the objectives of the 2008–13 Strategic Plan.

- In Fiscal Year 2014 Eastern will continue to allocate available resources to hiring full-time faculty in tenure-track lines when appropriate. Maintaining relatively small class sizes and a favorable student-faculty ratio is critical to Eastern’s liberal education experience. Close student-faculty interaction, high impact practices, attentive faculty advising and innovative teaching methods that promote student success differentiate Eastern as Connecticut’s designated public liberal arts university. In Fiscal Year 2014 Eastern intends to rebuild the full-time faculty to 200.
- In 2013-14, Eastern will expand the role of “high-impact” practices to continue gains in student engagement and graduation rates, especially for traditionally underrepresented students. Promotion of undergraduate research, expansion of service-learning, carefully designed capstone experiences, and increased offerings of affordable study abroad opportunities will be accomplished through targeted hiring of new faculty, strategic support for faculty development and curriculum innovation, and deliberate allocation of resources to departments that emphasize high-impact practices.
- Eastern will continue to offer students experiences consistent with the tagline: “A Liberal Education. Practically Applied.” As part of the University’s primary educational mission — to provide students with a broad-based collection of interdisciplinary liberal arts courses grounded in practical, applied experiences, Eastern has institutionalized its Liberal Arts Work program and expanded opportunities for integrative learning experiences. While many integrative learning experiences take the traditional forms of internships or co-ops, Eastern has created innovative ways for students to develop their skills through applied learning opportunities that allow students to build their resumes and enhance their ability to begin careers right after graduation. An on-campus “WorkHub” provides a site where students are able to work for clients on a range of projects. Expanding from initial projects in information systems, students in the Work Hub have created marketing materials for non-profits in a new photographic and digital design studio and are serving as Grant Associates, assisting non-profits in seeking and applying for grants.
- Another Strategic Plan Initiative — Global Citizenship — continues to see progress. In the upcoming year the number of students studying internationally is expected to grow by 20 percent through a new approach to global field courses. Eastern will annually establish an overseas location where a set of linked courses will be offered. This will reduce cost, making the programs accessible to more students, and also enhance the safety, health and security issues that are always a concern when sending students overseas. In addition, it will lessen the burden placed on faculty for planning and increase the number of faculty interested in offering international courses and the diversity of courses offered.

- In 2013-14 Eastern will continue to emphasize the provision of support services to maximize student success. Overwhelming use of services provided by the Academic Services Center (ASC) has required a second round of space reallocations and the reassignment of staff to the ASC. The Writing Center has moved into a separate but nearby room and the Advising Center space was increased by about 40 percent to accommodate reassigned staff. A full-time director was hired to integrate the various ASC services and maximize the effectiveness of the services, with particular emphasis on use of technology.
- Eastern continues initiatives that promote student access and success, including use of the Common Application; outreach efforts in urban high schools; and refined use of a predictive assessment model and intervention program for at-risk students. To diversify the campus further, several new initiatives are being implemented to recruit international students.
- Eastern has continued to take a leadership role in making transfer seamless for community college and other transfer students. Initiatives include development of a new rolling registration program for transfer students; participation in a Department of Labor-funded Health and Life Science grant program; successful application to the College of Technology; and the assignment of additional advisers to provide regular service at community colleges. In addition, a new program has been proposed to meet new state regulations for Early Childhood teachers, with courses being offered at sites convenient for in-service teachers.
- In FY 2014 Eastern will complete the transition from an earlier Academic Program Review process to a new process that was proposed in the 2008-13 Strategic Plan, piloted in 2010-11 and implemented successfully in 2011-12 and 2012-13. The new process explicitly links resource allocations to program success in a number of measures including student retention, persistence and graduation; support for high-impact practices; curriculum innovation and updating; enrollment; and program distinctiveness.

EASTERN ENERGY INITIATIVES:

Eastern's historical focus on energy conservation and related cost savings yielded significant results in Fiscal Year 2013. The Encelium lighting project reduced energy consumption by 28 percent in the J. Eugene Smith Library and will be installed in the Student Center this summer.

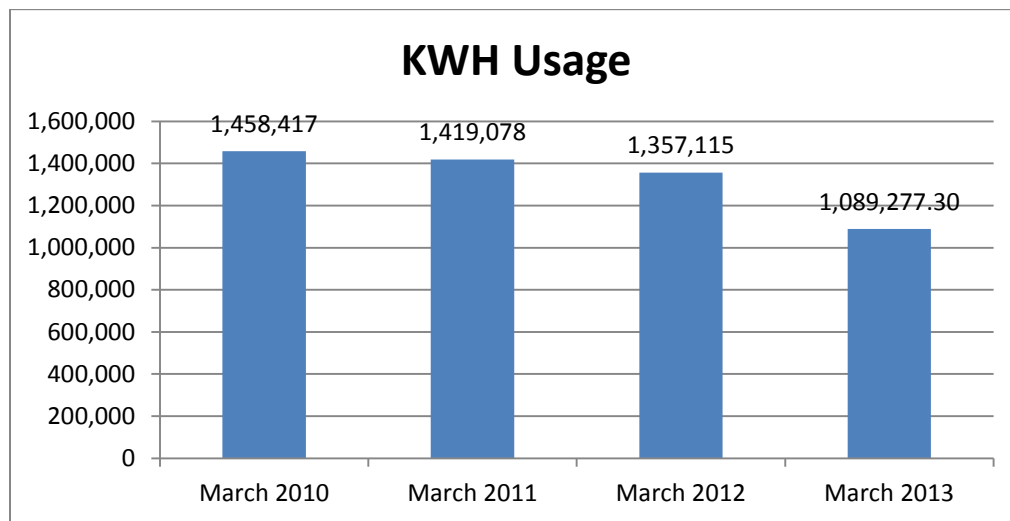
Building Management Systems will be installed in Burnap, Crandall and Occum Halls this summer. The Building Management Systems allow for significant energy savings.

By working closely with Connecticut Light and Power, and their retro-commissioning program — we have implemented new energy efficient lighting in other areas, upgrades to air handling systems, reprogramming of HVAC equipment to operate efficiently in both winter and summer. Additionally, Facilities Management and Planning continues recycling educational programs in the residence halls, and continues planning reclamation of green space. We are pleased to see our efforts result in consistent energy savings over time. For instance, we have reduced energy

consumption each March, with the result that we have lowered electrical usage by 9.5 percent since March 2010.

Additionally the staff of the Facilities Management & Planning Department is always looking for new and creative ways to reduce consumption.

	March 2010	March 2011	March 2012	March 2013
Meter A	972,637	946,010	904,586	725,978.2
Meter B	485,780	473,068	452,529	363,299.1
Total	1,458,417	1,419,078	1,357,115	1,089,277.3
	March 2009	March 2010	March 2011	March 2013
25.4 percent reduction since 2010				



Another major addition to our energy conservation efforts this coming year is a PureCell Model 400 kW Class I combined heat and power fuel cell that has been installed by UTC Power (UTCP) on the west side of the Science Building, under a 10-year Energy Services Agreement. Eastern will use 100 percent of the energy produced to provide a majority of the power required for the Science Building while maximizing the use of the heat output available from the plant. Supplemental heat generated by the operation of the fuel cell will be utilized by Eastern’s

infrastructure. With effective utilization of the thermal output, overall system efficiencies of up to 90 percent are possible — more than double that of traditional power sources.