



Budget Presentation Testimony by Chancellor David G. Carter
Connecticut State University System
To the Committee on Appropriations
February 13, 2009

Senator Harp, Representative Geragosian, and Members of the Appropriations Committee, thank you very much for this opportunity to talk with you today about the Connecticut State University System.

I know this has already been a long day for you, and there are other speakers to follow, so let me say two things. First, I commend you for your dedication, and second, although we have a detailed presentation, I will not read every slide of this presentation. I will share some of the highlights, and leave copies with you for your review.

The Connecticut State University System is four universities together in one system, with a common vision and purpose. We are dedicated to the State of Connecticut, our students, and our state's future. We work diligently:

- To advance the educational needs of the citizens of Connecticut,
- To stimulate the intellectual, economic and social vitality of Connecticut, and
- To prepare lifelong learners

We are Connecticut's largest university system, with nearly 36,000 students, and 93% are from Connecticut. It is also important to note that 86% - nearly 9 of 10 - remain in Connecticut after graduation to pursue their careers, raise families and contribute to our quality of life.

We have more full time students than we've ever had, increasing nearly 44% since 1996. And applications for admission continue to increase year after year. This year, we will set another all-time high.

If one looks at our transfer student numbers, there are two interesting trends - both good news for Connecticut.

- First, the number of students transferring from Connecticut Community Colleges continues to climb, up 46% since 2001.
- And second, more than 1,000 students transferred from out-of-state to CSUS universities last year, and three out of four, about 76%, were Connecticut residents coming home to attend our universities.

While interest in our universities is clearly on the rise, we are very cognizant of the fiscal challenges facing our state and we are working pro-actively as a partner in addressing this economic crisis. I've said many times, we're all in this together, and we all have to do our share. We take that seriously.

We began analyzing trends well over two years ago, and anticipated the necessity to reduce costs, even before we received directives from the Governor to do so. As you know, we first implemented a 2.8% reduction, and then began preparing to do more. At

the System Office, we provide oversight and accountability every step of the way, working with our university presidents to make the necessary adjustments.

Let me just mention a few examples, you'll see more on the material you have before you.

- Participating in the statewide electricity reverse auction, we estimated an annual cost avoidance of almost \$2.3 million.
- Our headcount freeze has resulted in holding more than 100 positions vacant, generating projected savings in FY09 of \$8.3 million and FY10 of an estimated \$11.5 million
- Out of state travel restrictions, reductions in the purchase of supplies, and non-bond fund equipment will also bring savings, in the current fiscal year, and in FY 10.

We're also continuing initiatives such as bulk purchasing, and participating in various master contracts and DAS and DOIT programs, all to increase efficiency, eliminate bureaucratic hurdles, and reduce expenses and help the bottom line.

In addition to the system-wide savings, each of our universities are taking additional steps to reduce costs, and can see a sampling of those listed in the material. At the system office, we've continued to reduce our budget and reduce personnel levels, redeploying staff to the universities. During the past two years, we have reduced our budget by 9.2%.

We're also working diligently in the area of sustainability, and proudly, we have been among the leaders in the state on these issues. I would like to mention just two examples, although there are many.

- First, CSUS currently has six LEED certified buildings, and one additional building in process for LEED silver certification.
- Second, we are working closely with the Department of Emergency Management & Homeland Security and the Connecticut Clean Energy Fund to determine the efficacy of using fuel cells at the universities and system office and the Department of Emergency Management and Homeland Security. They would provide an efficient energy source for the universities and also provide emergency sites for public safety and statewide disaster communications by the Governor.

Overall, our sustainability initiatives are not only good for our environment, they are fiscally prudent, helping to keep rising energy costs in check. And I would like to extend a word of appreciation to John Mengacci of OPM for his work with us on our energy initiatives.

As you have heard me say before, accessibility, affordability and excellence are the hallmarks of the CSUS universities. That is especially important as Connecticut's demographics continue to change.

Today, 49% of our students are the first in their families to attend college. Students of color comprise 17.4% of our students – and that is an increase from 14.7% in 2000.

Significantly, since 2003, retention rates for Hispanic and African-American students across the university system have each grown by 8 percent. That is good news for Connecticut's future.

Retention is a prerequisite to graduation, and in 2008 we awarded an all-time record of 6,870 degrees. Many of those graduates are entering the workforce in areas of high demand, such as the STEM fields and nursing. We also saw an increase in the number of Science/Engineering/Technology graduates for the first time in three years.

Our overall economic impact on the state of Connecticut – the contribution we make to the state's economy – is \$1.84 billion. That's not to mention the impact we have on intellectual development, cultural enrichment and the civic life of our state.

And when you stack up the price of the education we provide, it is certainly a bargain. We're among the lowest cost institutions compared with others in this region that are our peers. We provide an excellent education, at an excellent price.

While that is certainly true, we recognize that higher education remains a financial challenge for too many families. We respond with financial aid that can often make the difference for an individual beginning, or continuing, their education. 89% of all non-loan institutional aid awarded in FY2008 was need-based aid.

And we have committed to going beyond the state-mandated levels for the amount of tuition funds being devoted to financial aid. Let me add that we are grateful for the Governor's proposal to maintain financial aid levels, and we look forward to working with you to assure that students receive the financial aid that so many desperately need.

As you know, 59% of our operating funds come from student tuition and fees, with 41% coming from state appropriation. That is an important consideration as your deliberations proceed in the coming months.

As you can see, when you combine what is contained in the Governor's proposed budget for FY10, and the associated estimated fringe benefits, the difference between FY09 and FY10 will be approximately \$22 million. For FY11 it will be an estimated \$33 million. These reductions are due to the roll-forward of the FY09 recession into FY10 and an additional 2% reduction taken on the FY10 current services block grant, both of which are also rolled forward to FY11. And, the FY10 and FY11 budgets assume a significant impact from personnel based on a number of assumptions.

We will continue to work with you in meeting our fiscal challenges. In doing so, we will continue pursuing our key initiatives, from our "first year experience" programs to boost retention and graduation levels, to our collaborative efforts with the community colleges, which are really the best they have been in my memory. And that goes back a few years.

We will also continue to respond to your directives, from our "Bridges" program at Western, which is achieving excellent results and expanding to all of our universities,

thanks to your support, to our work on autism education, the nursing shortage, and green jobs. You asked us to work with the community colleges to forge an agreement on a seamless transition for students who, at the beginning of their college career, set a bachelor's degree as their goal.

We told you that it would take until 2010 to work that out, but today I can report that an agreement has been reached, just within the past week, and we now expect to implement that program a year early, beginning in Fall 2009.

Let me stop there and thank you very much for permitting me this opportunity to talk with you, and to highlight the many ways in which the Connecticut State University System is making a difference, everywhere in Connecticut.

In the words of Abraham Lincoln, who we celebrate this week, "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew."

You can be assured that the Connecticut State University System will be working with you to chart that course, to assure that in the years to come our students and our state will surely flourish.

I would be happy to respond to any questions you may have, now or in the future. Thank you very much.