



Testimony by Louise H. Feroe, Acting Chancellor
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Before the Higher Education and Employment Advancement Committee
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Good morning, Senator Bye, Representative Willis and members of the Higher Education and Employment Advancement Committee. I am Louise Feroe, Acting Chancellor of the Connecticut State University System (CSUS), and I appreciate the opportunity to testify today.

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First, I would briefly like to express support for Senate Bill 909, *An Act Concerning a Reallocation of Funds within the CSUS 2020 Infrastructure Improvement Program for Renovation of Buley Library*. This proposal has no net fiscal impact. It reallocates a total of \$16,386,585 in Phase I of the CSUS 2020 Program from two of Southern Connecticut State University's project lines to the *Buley Library Renovation* line. This reallocation will enable Southern to complete the renovation of Buley Library, which is at the heart of the campus, deferring a parking garage and other less critical code compliance and infrastructure improvement projects until funds become available through savings on other projects.

We respectfully request a technical change to the proposed bill. On Line T62, the title of the project reads "*Buley Library Renovation*." However, consistent with our original proposal, we would ask that the title of the project be "*Additions and Renovations to Buley Library*." Funds will support work to the new addition as well as renovations to the existing library.

CRITICAL DECISION

My primary testimony today relates to Senate Bill 1011, *An Act Concerning a Reorganization of Connecticut's System of Public Higher Education*.

As legislators, your work impacts and influences Connecticut in many ways. But in my view, nothing you do will be more important than the decisions you will be making in the coming weeks regarding how Connecticut will deliver public higher education. You will be deciding what is best for Connecticut's students and future students. That is an awesome responsibility, and one that we share. In fact, that is what we do every day – strive to make decisions that are in the best interests of our students.

To be quite candid, I am very proud of the work we do across the Connecticut State University System, and the impact we have on individual lives and futures and the future of the State of Connecticut. Those of you who were here for last week's public hearing heard from our students first-hand, and their stories were nothing short of inspiring. That's what this discussion is all about.

Now, that's not to say there isn't room for improvement at the Connecticut State University System. There is. And it's not to say we aren't willing to accept constructive criticism. We are. I have not been here long, but I have been in higher education for more than 30 years and I know that decisions should be based on two factors, and two factors alone: facts and futures.

There are bills before you to restructure higher education, and to embark on a strategic plan or strategy for higher education in Connecticut. Both ideas hold promise, but in each case, process is everything. And the first step, whether you decide to go forward with a statewide strategy, which we have been supportive of for some time, or some form of reorganization, is to be well grounded in the facts. So, if you will permit me, I would first like to focus on the facts, many of which were included in the Program Review & Investigations report, which cleared up some misconceptions, and may have inadvertently created a few.

FUNDAMENTAL FACTS

- It has been said that the administration has grown at the universities and system office at the expense of faculty and student support services. In fact, the PRI report determined that 99 percent of the growth has been in faculty and student support services, and there has not been an increase in the proportion of non-instructional staff. We have provided you with a chart that clearly indicates where staff has grown, and where it has been cut. And the only two categories that have seen any growth over the past five years are faculty and student support professionals.

I understand that some legislators were apparently unaware that more than half of full-time personnel at universities, and university systems, are not instructional faculty. That has been true for many years, and not only in Connecticut. At UConn, for example, approximately 70 percent of full-time staff are not faculty. The University of New Hampshire is similar. At the university system in Maryland, it's also about 70 percent. At the Pennsylvania system, it is approximately 58 percent. We fall in that same range, with slightly higher faculty numbers. And if you include full-time equivalent part-time faculty in this calculation, more than 50 percent of employees are instructional faculty.

Who are the non-teaching professionals? Individuals working in areas which students very much depend on, such as health services, academic advising, admissions, financial aid, career services, residence life, public safety, and information technology.

You may also be interested to know, for example, that among our more than 36,000 students, we are responsible for more than 9,000 students who live at our universities. And that is a larger number than the population of 73 towns in Connecticut. Our largest residential population, at Southern, exceeds the population of 19 towns, and our smallest, at Western, still exceeds the population of 8 towns in our state.

- It has been said there are too many managers. Yet, the number of management personnel system-wide is only 2.4 percent of the total number of full-time employees.
- It has been said that Connecticut doesn't have as many college graduates as it should. That may be, but the Connecticut State University System awarded more degrees and certificates last year than in any year in its history... a total of 7,005. And the fact that 86 percent of our graduates stay in Connecticut, to pursue their careers underscores the significance of that number.
- It has been said that tuition has gone up. Yes, that's true, in Connecticut and across the country. In fact, compared with other systems, we are relatively less expensive than a decade ago. The PRI staff report correctly points out that our 'enrollment has grown substantially' and that 'state support has not kept up with the student growth.' In fact, it points out that state support of CSUS, per full-time equivalent student, has 'actually dropped.' In addition, the report explains that expenditure growth has been consistent with student population growth, and that increases in tuition and fees have been 'below the national average.' As the report indicates, we are in the middle when compared with other public institutions in our region. We provide a great education, and great value.
- It has been said that our graduation rates are not what they ought to be. I agree, and we are moving that needle. But the PRI report correctly points out that graduation rates, have improved. In fact, graduation rates now exceed the national average for similar institutions. That was not true a few years ago. The report also points out that graduation rate is an incomplete measure, because transfer students, among other categories, are not counted. Last year, of undergraduate graduating seniors, almost half – 43 percent – had transferred in. And as you know, most of those students stay in Connecticut after graduation. Graduation rate continues to be a system-wide priority, and we intend to build on the progress we have made.
- It has been said that steps need to be taken to save money and reduce costs at CSUS and all across higher education. Again, I agree. We have done this – to the level of \$48.9 million – and will continue. The PRI report also notes that staff levels at the system office have been reduced in recent years and, when adjusted for inflation, there has not been an increase in salary costs. And staff levels have been reduced across the universities, with the exception of faculty and student support services. We recognize that even more savings need to be achieved, at the System Office and across the system, and we will do so.

RESPONDING TO WORKFORCE NEEDS

- It has been said that there needs to be more responsiveness to Connecticut's workforce needs. I would say we're quite responsive right now, although certainly there is always room for further improvement. Let me give you just a few examples of what is happening:

1. **Science:** There is a national call for more students to pursue the fields of science, technology, engineering and math. Here too, we are responding. The number of students majoring in the sciences has grown by 43 percent since 2005. That includes students majoring in scientific academic disciplines including biochemistry, biomolecular sciences, meteorology, chemistry, earth and planetary sciences, environmental science, physics and related fields.
2. **Nursing:** During the past five years, the Connecticut State University System (CSUS) has awarded more bachelor's degrees in nursing than any other institution of higher education in Connecticut, including a 46 percent increase between 2008 and 2010. Overall, CSUS awarded 27 percent of all the nursing bachelor's degrees in the state in 2010, up from 21 percent in 2008. The number of students enrolled in nursing programs at CSUS institutions, including bachelor's and master's degree programs, has increased by 40 percent between 2004 and 2010.
3. **Accounting:** Department of Labor data indicate that accounting and auditing is projected to be one of the growth fields in Connecticut in the coming years. The number of accounting majors at CSUS has increased by 30 percent in the past five years. In fact, CSUS conferred more accounting degrees at the baccalaureate level than UConn in the 2009-10 academic year, according to data on the Department of Higher Education website. And the number of accounting students increased at all four universities last year.
4. **Engineering:** It was only few years ago that our Board Chairman served on a statewide task force which identified engineering as a critical workforce need for Connecticut. We responded quickly, and established new programs, in civil and mechanical engineering at Central, and attracting students in numbers well beyond even our most optimistic projections. In the first year of the mechanical engineering program, for example, Central anticipated 30 applicants are received over 80. In that first class 42 were accepted into the program. That was in 2006. By 2008 the number had grown to 125, and this year to 166. Connecticut industries are taking notice, and looking to Central for high caliber engineering graduates.

These are just some examples of our responsiveness to workforce needs. As these programs demonstrate, our focus is very much about futures.

CONSIDERATION OF REORGANIZATION

You are considering proposals to restructure higher education – or at least restructure parts of it. Among the goals of this bill is development of a statewide strategic plan for higher education. I wholeheartedly agree that there needs to be an overarching plan that every constituent unit is part of. There are at least two bills in this session, House Bill 6257 and Senate Bill 1026, which outline a process for developing a strategic plan or public agenda for higher education in Connecticut. We support development of such a plan, and look forward to contributing to whichever methodology you adopt to achieve that goal.

The PRI committee report in December concluded that “governance structure changes made now, before goals and policies are set, could be ill-suited to the vision that emerges” for higher education in Connecticut. Some of you have raised similar concerns.

At the end of the day, any reorganization plan works not because of how the boxes on a flow chart are arranged, but because of how the work gets done. Different states approach it in different ways – there is no absolute, guaranteed structure or design for success. I would only say that extreme care must be taken to assure that the potential savings, improved coordination and – most importantly – better outcomes for students that you seek are not lost between the silos of whatever approach is ultimately adopted.

I would also caution that we not underestimate the complexity of achieving these goals or think that simply by moving people around everything else will take care of itself. It won't. The devil is in the details. And it is how you, and we, handle the details that will determine the prospects for the future... not only structurally, but educationally. Some of this needs to be codified into law. Some of it depends on the implementation of the law. We are ready, willing and able to be a resource for you in both endeavors.

There are a number of key areas to be considered. Let me mention just a handful.

- *Positions:* Under the Board of Regents scenario, as currently proposed, a number of critical and substantial questions remain. Among them are who is in a better position to make decisions to fill positions that are needed at the universities (SB100), and should such a Board have the ability to move as much as 15 percent of a line-item, with little or no notice. It is also unclear what the timeline would be for such a reorganization, what the implementation plan would be, and what the ultimate funding formula might be – which could certainly upset the fiscal planning process.
- *Unions:* There are different unions, and different union agreements, with faculty and staff at CSUS, the community colleges, Charter Oak, and the Department of Higher Education. Without getting into detail, suffice to say that close attention to these matters is absolutely essential to any effective reconfiguration of higher education.
- *CSUS2020:* In the current language of the proposal, it would appear that CSUS 2020 is unchanged. Reorganizing the structure of higher education does not change

the need for this program. We were very encouraged to have the State Bond Commission move forward on a number of much-needed projects last month, and we appreciate the leadership of Governor Malloy in doing so. We would hope that the continuation of this program does not become a casualty of reorganization.

- *CHEFA*: Similarly, we want to be certain that we do not lose the financial capacity to float bonds through CHEFA to finance university auxiliary services facilities, such as residence halls, dining halls, student centers, student parking garages. This is absolutely critical, both going forward, and as it relates to previously issued bonds, should the current system structure be revised.
- *CoreCT*: And finally, there is the matter of the state's CoreCT data system. Currently we are using seven of the 13 components in CoreCT for data such as payroll and human resources. The Banner system is used for student accounts, financial aid, admissions data, demographics, and official transcripts. We are in discussions with the State Comptroller's office to hopefully identify cost-effective ways of migrating more information to CoreCT, but it is important that there is a full understanding of how this can be best achieved before any statutory requirement is enacted.

There are certainly additional areas that would merit your attention, which we would be happy to discuss with you or the committee staff.

I would also wonder how a newly reorganized structure would handle matters such as the approval of academic programs. Currently, virtually every institution – including our universities, UConn, the community colleges, and most of the private and for-profit institutions – need approval from the Board of Governors to introduce new academic programs. The Department of Higher Education is the gate-keeper. It is unclear how that might work going forward.

REDUCTION PLANS

Before concluding, I would also like to follow-through on a request by the co-chair of this committee made during an Appropriations subcommittee hearing last week.

Notwithstanding the cuts we have made and the efficiencies we have already achieved, which total almost \$50 million, we were asked if we were prepared to do more. It has only been a week, but let me give you a sense of the approach we are taking:

- First, we will reduce the personnel costs of the system office to the lowest percentage of the total personnel costs of the entire system in the last ten years. That will mean more reductions than have already been made, but we make that commitment here today.
- Second, we will reduce "non-instructional" costs across the system, at each institution, at a greater rate than any reductions that are made in instructional costs.

- Third, we will move from examination to implementation on a range of administrative efficiencies across the system that do not impact instruction but will either save money, help students, or both. One example is establishing a common admissions application for all four universities. That process has already begun.
- Fourth, we will reduce system office costs at a greater rate than the percentage of the reduction of the universities collectively. The only caveat here would be if it is determined that economies of scale suggest that certain additional functions, if centralized, will produce greater system-wide savings.
- Fifth, we will reduce costs in information technology by continuing to improve productivity, enhance service quality, and expand efficiencies. One example is Voice Over Internet Protocol, or VOIP, which I mentioned briefly last week. That will be up and running within the next fiscal year.
- Sixth, we will continue to place the highest priority on keeping our universities within reach of Connecticut students, and not cut costs by reducing access in the next biennium.

FISCAL RAMIFICATIONS

We are taking this approach as we work to absorb the level of cutback that is currently on the table. The proposed budget reduces the Connecticut State University System by a total of \$21.9 million. That includes \$17.6 million from the 10 percent reduction, as well as \$3.3 million in turnover reduction, and a \$1.0 million reduction in our personal services base – for a total reduction of at least \$21.9 million. Operationally, this number is likely to be greater, as you heard in some detail last week from Chancellor Emeritus Bill Cibes.

In conclusion, I would say that reorganization can be valuable, and may ultimately produce better outcomes. But the focus of a reorganization plan should be based on facts, and firmly focused on providing better futures for our students. Collectively, we need to be on the same page as a state, all across public higher education. And we need to be attentive to the details, because that, more than any alignment, will decide whether we have truly a sound, streamlined and productive structure that ultimately benefits students or simply moved the pieces around the board.

Thank you very much. I look forward to working with you, and would be happy to respond to any questions you may have.