



Testimony of Mark E. Ojakian
President
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Before the Appropriations Committee
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Representative Walker, Senator Formica, Senator Osten, Representative Ziobron, and members of the Appropriations Committee, thank you for the opportunity to testify on the Governor's proposed budget as it pertains to the Connecticut State Colleges & Universities (CSCU). For the record, my name is Mark Ojakian, and I am the President of CSCU. I am joined today by our Provost Jane Gates, our Chief Financial Officer Erika Steiner, several college and university presidents, and members of my executive staff.

First and foremost, finding ways to better serve our students is my priority and the priority of our system. Some of you here are former students of CSCU, some have sons or daughters enrolled in our schools, but all of you share my commitment to continue our core mission of providing high quality, affordable, and accessible higher education for all our students.

I understand the very difficult challenges facing this legislature and the Governor in closing the budget deficit for the coming biennium. You've already heard from a number of agencies and advocacy groups about how the proposed cuts will impact those they serve, and undoubtedly will hear from many more in the days to come. I am not here to complain, I am here to acknowledge the reality of the cuts we face, and to let you know the impact this will have on our students. Above all I am here today to reaffirm to you why our students should be considered a priority investment.

The most pivotal role we play in our communities is that of opportunity. For many, we are a ladder to the middle class and access to a higher quality of life. We educate 45% of all college students in the state of Connecticut. Our students are Connecticut's future, over 96% of our students come from Connecticut and over 74% of them have jobs in Connecticut within 9 months of graduation. They contribute to the competitiveness of Connecticut's workforce and help foster innovation.

At their core, our institutions are here to serve the working people of Connecticut. You can see that in the teaching programs at the state universities which, true to their founding missions, are still preparing the next generation of educators for our state. You see that in Charter Oak State College, helping adults prepare themselves for that next big step in their career, or retooling themselves for an entirely new path. Our community colleges are preparing students of all ages for the high demand advanced manufacturing jobs like Housatonic Community College is with Sikorsky Aircraft and Three Rivers Community College is with Electric Boat.

This budget cuts our overall state appropriations by \$14.3M in both FY18 and FY19, a 4.4% annual reduction. When you include the cut to our fringe benefits, the annual reduction equates to \$25.1M. These cuts are exacerbated by the increasing fringe benefit rates and other anticipated cost increases. Adding these shortfalls to our proposed cuts leads to deficits of \$33.4M in FY18 and \$57.5M in FY19. If the proposed \$700M in state employee savings the Governor has assumed in this budget are not

realized, the additional cut would be \$31.8M. This would represent a nearly \$81M or 14% cut in one year.

These reductions follow successive years of budget cuts, rescissions, lapses, and holdbacks that have eaten away at the state revenues that fund our missions. Including these proposed cuts, we will face a 12.4% reduction since 2015. These cuts have been compounded by long-term declines in the school age population throughout the northeast which has impacted our enrollments and the revenue that they bring in through tuition and fees.

Our students have faced significant cuts to the resources they have come to rely on to succeed; chief among these is the Roberta B. Willis Scholarship. This fund is facing a \$2.2M reduction in FY18 and another \$2.2M reduction built on that in FY19. Similar to our block grants, this fund has seen significant reductions over the last several years. The loss of these scholarship dollars has severely impacted the affordability of our institutions for those Connecticut residents most in need.

Balancing our budgets solely on tuition increases is the last thing that I will do. Though it must be part of the conversation, we will not balance the bulk of this cut on the backs of our students. If we were to address this entire cut through tuition, it would increase tuition by at least 8%. We are always cautious with raising tuition because while it generates much needed revenue to keep our campuses running, increasing tuition can out-price many students from our institutions and make it more difficult for students to graduate. Cuts to financial aid only make this problem more severe.

Over the last 15 months, it has become clear to me, and our Board of Regents that the structure of our system has not been and will not be sustainable in the long term. This is something that unfortunately was not dealt with at the inception of the merger. That is why the Board has asked for a plan to deal with the structural deficit and the long term sustainability of our operations. Now is the time we need to make tough decisions about how we are going to structure our system, to ensure the continued access, affordability, and student success that our institutions deliver.

Let me say clearly, all possible options are on the table; we don't have the luxury of limiting the ideas and strategies we entertain to meet this challenge. Building a sustainable organizational model will be a monumental task, but a critical one for our system's future.

This must go beyond the Band-Aid solutions the system has employed over the last few years. We can no longer afford to incrementally cut services and supports that are fundamental in helping our over 85,000 students succeed. This will involve hard choices, and sacrifices from everyone. We need to look at our organization and determine how it can be reconfigured to ensure that resources are focused on teaching and learning. And let me say that our faculty and staff are the most dedicated and talented you will find, the more resources we can help direct towards them, the more successful our students will be. This is why we need to immediately deal with the structural deficit in our system that was never fully addressed in the merger.

To that end, we have already begun looking at innovative changes that can free up faculty and staff to be more student-centric and bring much needed resources to our institutions. We have decreased system office staff from a high of around 200 employees at the beginning of the merger to under 140 today. These employees are now almost exclusively focused on shared services for our campuses like IT support, facilities, finance, and academic affairs. We are piloting programs at Western Connecticut State University and Asnuntuck Community College to bring in more New York and Massachusetts students to

fill capacity and bring in much needed revenue. We have normalized credit hours for Associate and Baccalaureate Degree programs of 60 and 120 credits respectively. We are rolling out new Transfer and Articulation Pathways to help students seamlessly transfer between the community colleges and the state universities. Starting this fall, almost 70% of these transfer students will be covered by these pathways, saving them money, leading to on-time graduations, and helping our system function as intended.

We created internal workgroups on enrollment, marketing, human resources, financial aid, purchasing, and compliance, with stakeholders from across our institutions, including faculty, students, administrators, presidents, and system office staff. They were tasked with finding ways to make our system more efficient and effective, and allow us to focus our talent and resources on our students. The recommendations from these groups are presently out for public comment and will be brought for final consideration by the Board soon.

As I've said, all options are on the table for the benefit of our students and, as our duty to the taxpayers of the state of Connecticut, we need to explore every scenario. The Board will not endorse, and I will not propose, any long-term plan that does not create a stable and resilient system that continues to deliver high quality and affordable education to all our students.

We fully understand that today is just the beginning of the conversations that will shape the budget, and we appreciate the opportunity to be part of that dialogue. You have difficult decisions to make in the days and weeks to come, but we'll be here at every step of the way, as a resource for you, and a reminder of the students we serve.

Later tonight, you will have the opportunity to hear from students from across our system. Their stories will truly put a human narrative to these numbers on paper. I get the opportunity to hear from these students every day; their stories move me and inspire me to do the best I can for them, and makes me appreciate the courage it takes for them to testify.

Thank you for your time and attention this afternoon, I welcome any questions that you have for me.