

## PRESIDENT'S REPORT TO THE BOARD

President R. Barbara Gitenstein

February 27, 2003

While most of my comments today will focus on the details (as best we know them) of the impact of the budget cuts for higher education in the state of New Jersey and our plans of action in response, I would not wish to miss the opportunity to include in my comments some of the evidence of our continued institutional progress.

I would direct you to read the details of the mid-year update on institutional goals and task force reports which I presented to campus leaders on February 6 and which are posted on the presidential website. Let me underline the extraordinary success evidenced by the collaborative work on academic transformation and the focus on the realization of our mission. The faculty, deans and other academic leadership have combined tremendous intellectual and creative energy to help position the institution at the forefront of public education in the United States. It is an honor to serve as president for such a community. Large numbers of faculty, staff, administration and students have contributed innumerable hours and amazing powers of creativity and intelligence to developing our best plans for advisement, international and intercultural academic programming, the first year experience, better communication with our local community, and positioning of TCNJ in the national market.

The information about recruitment of faculty and students suggests that we are on target in meeting our continued commitment to diversify the faculty and student body and maintain our position as a challenging academic community for those who prize the life of the mind. Average SAT scores of applicants are up some 30 points from last year; applications up 3%; EOF applications up 4%; self-reported "non-white" applications up 24%.

Let me now turn to the subject that is on everyone's mind and to provide as much accurate information as possible, to outline our plans of action to advocate for reconsideration of support for higher education and preliminary expenditure/revenue plans for next year.

First, the information on the budget cuts included in Governor McGreevey's budget plan:

1. the state's appropriation for FY'04 to The College of New Jersey will be decreased by 12% (or 5 million);
2. there will be no funding from the state for its portion of next year's entering class of Outstanding Scholar Recruitment Program (we believe this will cost us about \$1.2 million);
3. the final payment of FY'03 state appropriation will be decreased by some 50% (this is about \$1.5 million);

4. we will be required to fund the lowest cell of TAG (about \$350,000).

Besides these cuts to our budget, we are faced with two major growth areas in our budget. We do not know how large the growth will be in the salary line as the state is at the very beginning of negotiations with our unions. Even without any increase (which is probably unlikely), there would be increases in this line because of the additional resources required to meet the salary steps contained in the employment understandings for compensation. The second largest growing line is our institutional obligation with regard to scholarships for our students. Even without the additional burden of the state's portion for next year's incoming students, because we are attracting more and more of the state's most academically talented students to attend The College, we project that the scholarship cost will grow by almost 30% for FY'04.

This all needs to be seen on the heels of past year's cuts: FY'01 mid-year cut of some \$3 million, \$3 million from FY'02, plus an additional cut of \$5.7 million from non-funded salaries negotiated by the state (\$5.7 million). While I am obligated to plan as if there will be no reinstatement of funds for higher education, I am not obligated to remain passive in the face of these historic cuts in our budget.

As to the budget plan, we have committed to beginning our planning process by limiting expenditures for FY'04:

1. We have begun with the personnel costs and have already determined that we will hold open as many positions as possible. The staff and administrative openings will be dealt with as much as possible by consolidation of positions and responsibilities. Two examples include the cabinet positions that will be open in July due to retirements. The responsibilities in these areas will be addressed by reorganizations and reassignments. Faculty positions will be filled in those areas where enrollment requires. Salary increases for non-unit employees will be extremely limited.

2. We have begun to review all operational expenditures for both FY'03 and for FY'04 to either meet the newly announced cut in our FY'03 draw or the FY '04 cut. Currently we are pursuing only those projects absolutely necessary; we are limiting travel; we are delaying the implementation of the SIS system.

3. As I did last year, I have begun (and will continue) a series of communication venues for the on-campus constituencies: with faculty, student, staff, and union leadership.

However, as I indicated before, I strongly believe that in the face of these painful cuts, we are obligated as a community to reach out to all possible partners and stakeholders to help advocate for reinstatement of resources for higher education in the state. It is simply detrimental to disinvest in higher education to this extent. If the state is to recover economically, it will need strong and excellent institutions of higher education to prepare its citizens for the future, and partner with business, government and industry to respond to state needs.

I have begun a very intense advocacy program with business and government leaders:

1. I am hoping that we will have support from the state and the local Mercer County Chambers on behalf of higher education;
2. I have met with all members of the New Jersey delegation in Washington to convince them of the importance of their using their moral suasion to convince their colleagues in the state government to reconsider investing in New Jersey's institutions of higher education;
3. we have taken a major leadership role in partnership with Rutgers, Drew, Stevens, Montclair, and Rowan to reinstate next year's state support for OSRP;
4. I have scheduled new meetings with local editorial boards to discuss the impact; I have sought opportunities to speak to other media regarding the matter (including the Star Ledger and the New York Times);
5. I have a series of new meetings with state legislative leadership to advocate for reinstatement;
6. the student government association has been active in developing a proactive advocacy plan, including letter writing campaigns and partnerships with other state institutions;
7. faculty and staff senate leadership have also asked to be part of developing their own advocacy program. We will be putting a website up with information for any stakeholder who wishes the facts;

I will continue to keep the community informed as best I can. As you are all aware, we are obligated to present at a tuition hearing our plans for addressing the next year budget, including our plans for increases in tuition and fees. We will surely honor that obligation, but as I commit to advocating from now until the required June 30th vote on the budget, I will be presenting our plan in April as a series of contingency plans – not a budget plan with the same kind of certitude as in the past.

We must remain good stewards for this gem of an institution – which requires that we advocate for restoration from the state and additional resources from all sources.