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**Appropriations Committee
Testimony of President Mark Ojakian
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Thank you Sen. Bye, Rep. Walker, and members of the Appropriations Committee, for taking the time to be here today. My name is Mark Ojakian and I am the President of the Connecticut State Colleges and Universities system, which includes our four state universities, 12 community colleges, and Charter Oak State College. I am joined today by our System Provost Estela Lopez and our Chief Financial Officer Erika Steiner along with several college and university presidents and other members of my executive staff. We are available to answer any questions you may have following my brief remarks.

This legislature and the Governor face a very difficult challenge this session closing a \$560 million budget gap and passing a balanced budget while trying to protect our most vulnerable populations and drive economic growth in the State of Connecticut. It is a huge responsibility, I have been part of those efforts in the past, and I do not envy you.

In my new role as President of the Connecticut State Colleges and Universities I share a similar sense of responsibility to provide opportunities for our students and invest in our future, while at the same time fulfilling our fiduciary responsibility to our students, our faculty and staff, and Connecticut's taxpayers.

I have been President for less than 6 months, but in that time I have learned a lot about our students, and the wonderful faculty and staff who work tirelessly every day to serve them. If I may, I'd like to share with you a bit of what I've learned about the students we serve and who we are. Of our over 90,000 students system-wide, 96% of them are from Connecticut, and 35% of all Connecticut high school graduates continue their education at a CSCU institution. Moreover, 85% of our students choose to stay in Connecticut to start their lives after graduation; we are educating our residents and investing in our future workforce.

The diversity of our student body is a reflection of our state. Around 40% are minority students, and around 60% are women. At our community colleges, 35.2% of students receive Pell grants, while 23.2% receive the maximum Pell grant amount. We have over 2,000 veterans enrolled in our institutions, with an increase of 7% over the last 5 years.

Our students are young people born and raised in Connecticut who remain here and work across all sectors both public and private. They come from working families, they are often our First Responders and our teachers: they start families here, buy homes and launch small businesses here as well. They are also the young creators and innovators that give our state the high quality of life we have come to enjoy. Right now our community college students are getting specialized training required by specific employers like Electric Boat that have announced major hiring in the coming years. At both our community colleges and state universities, we are preparing medical professionals across the full spectrum of practice; from technicians to nurses, social workers and pre-med students. And our universities are continuing the mission they were founded on, training the next generation of educators for our children across the state.

I understand that this budget is about establishing priorities. Like our K-12 classrooms, our public higher education system should be considered an essential service and a priority for funding. Funding our system should be seen as an investment, a vital component of the state's ability to succeed in such areas as economic development, transportation, and second chance society. Appropriation of our funds should not just be seen as meeting a cost but as a critical investment in the residents of our state today as well as their future.

Over the last 5 months, I have visited almost all of the CSCU campuses, to listen to our faculty, and our students and to solicit their candid feedback on how we can improve our system. All consistently commented that it's a great system, with much to be proud of, however it lacks sufficient resources to meet its full potential.

That is why we are here today – to ask you to continue to invest in CSCU, our students and our state. Our mission is more than training our workforce, or providing a liberal arts education. Our mission is to promote higher education as a basic right for those who aspire to it, and ensure that it does not simply remain a privilege for those with means.

I am well aware of the great challenges you face in the next two months, and the responsibilities that you have. I understand that everyone who comes before you today will be making a strong case as to why their needs are as critical as ours. The budget released last week represents a significant loss to the CSCU System's state funding. While we recognize that almost all state agencies received similar cuts, we believe that a disinvestment of this magnitude may have profound long-term implications. We believe that we are the solution to many challenges the state faces, and we certainly don't want to starve the solution.

Like other agencies, the Governor's budget applies the 5.75% across-the-board cut to all of our funds, and retains the deficit mitigation package cuts and lapses from the December special session into FY17. This brings the total effective cut to the system at over 7%.

In addition to these cuts, there was some redistribution of our funds. Our Transform CSCU line item was broken up into three parts; \$2.4M was added to an outcomes based financing pilot grant, some was added to our block grants, and the remaining funds which were dedicated to developmental services were broken out into a separate line item.

Over the past few years, like other recipients of state funds, we have whittled down our spending to our core services in response to decreasing state appropriations. The problem our system faces is that we have such limited options for reductions. What remains for consideration are services that are not just core to the missions of a higher education institution, but necessary for us to deliver on our promises to our students.

For example, many of our community colleges have already reduced library services, scaled-down or eliminated early child care services, cut back weekend classes and programs that supported working adults, and reduced full-time faculty. Recent budgets have also resulted in fewer funds for clinical instructors in nursing and allied health programs, the colleges' inability to re-tool curriculum so that students are prepared for employment in high-growth sectors such as information technology, and continued reductions in advisement and career counseling. Finally, CT-ECO, a statewide initiative designed to provide early college experiences to high school students to ensure college readiness and reduce the need for remediation, is also jeopardized by continued cuts.

The situation is similar for our state universities who over the past 25 years have seen the percentage of their total budgets funded by state support decrease from more than 60% to less than 40%. As a result, students and their families have been forced to shoulder more and more of the burden. At the state universities, academic support services have been drastically cut or reduced, library hours have been cut on many campuses, dozens of staff positions have been eliminated, equipment purchases and preventive maintenance have been delayed, and academic support services have been drastically reduced. This includes tutoring, academic advisement and psychological counseling.

In response, we have aggressively fought for every available federal grant to supplement our state funds, and to fill the funding gap in cuts over the years. As a result, we have been awarded a \$15 million Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant for advanced manufacturing, a \$12 million TAACCCT grant for our Health and Life Sciences initiative and a \$3 million grant that funded a Center for New Media at Middlesex CC in FY'12. While grants like these defray some of our costs and promote development at our institutions, they are only temporary and cannot be relied on for long-term sustainability.

The proposed cuts will mean diminished services as previously described, as well as total elimination of certain programs and services. Further still, these cuts could inhibit our ability to assure quality instruction by hiring more full-time tenure-track faculty. It will instead necessitate the continued reliance on part-time faculty in order to preserve programing and services at a lower cost. Cuts could lead to larger class sizes, reduced time for individual instruction and advising, and fewer office hours available to our students. Right now our institutions still represent an affordable and accessible higher education option for our states' residents.

To compensate for these cuts, we will be forced to look at the possibility of significant tuition hikes to support our core student services. This runs the risk of pricing too many of our students out of a high quality education that they can afford.

In addition to these cuts, the Governor's budget proposes significant changes to the way in which fringe benefits are treated. The rise of fringe benefit costs over the years have presented a fiscal burden, and whereas the state covers most of that cost, we in higher education bear a portion of it as well. That portion is of course financed through tuition and fees. I am pleased that the dialog has begun and that we are collectively looking at a better way to manage and portray fringe benefits. However, I also believe that the proposal as laid out in this budget would subject CSCU to undue risks associated with cost increases. We would like to work more closely with OPM and the legislature to develop a better process that meets the state's goal of transparency and the CSCU system's need for predictable, self-managed costs.

The budget proposed to you anticipates the need for a reduction in the state's workforce to achieve balance. For the purpose of your deliberations, please keep in mind that any reduction in force necessitated by the budget will impact all segments of the CSCU workforce – from administrators, to student workers, classified employees, professional staff, as well as teaching and non-teaching faculty.

No other entity in this state creates the opportunities for success and pathways to the middle class in Connecticut as CSCU. Our system is one of the core engines that nurture a strong workforce and drive the state economy by leveraging the talent and ambition of our residents. As we come out of one of the worst recessions in decades, this is not the time to starve that engine, now is the time to reinvest in public higher education.

Later today our students will have the opportunity to tell you what these cuts mean personally to them. While our students may not be able to come here by the busload, it is not for lack of desire or passion; it is due to the responsibilities they have outside of school. Some of them are in classes; some are heading to their second or third job to help support themselves and their families; some are busy being parents to young children, or caregivers to their parents. They would be here if they could, and we are here on their behalf.

We understand that this is the starting point in a long process that will take place this legislative session, and we respect the very difficult decisions that you and the Governor will have to make to close the projected deficit. We welcome the opportunity to have a conversation about the critical missions of our institutions, the impact that they have on their local communities and importantly, the value our students and graduates provide to their families, their communities, and the state.

Thank you for your attention, and we are happy to take your questions.