



Testimony by Chancellor David G. Carter
Connecticut State University System (CSUS)
Appropriations Committee
Wednesday, July 9, 2008

Good afternoon, Senator Harp, Representative Merrill, and members of the Appropriations Committee. I appreciate the opportunity to provide testimony on behalf of the Connecticut State University System (CSUS) with regard to the recent FY09 General Fund rescission.

The amount of our rescission is \$4,616,470, or about 2.8% of our General Fund appropriation. The rescission was not unexpected, given the economic trends in the state and the nation; and we have actually been preparing for the past 18 months for this very possibility.

In early May, I advised the Board of Trustees and University Presidents that the System Office would be withholding 3% of their first quarter FY09 General Fund allotment in preparation for a possible rescission, and that each university was to hold back 2.5% of their second quarter allotment internally for the same purpose. They were further advised to begin considering where these potential reductions would occur, and to factor them into their annual budget planning. On June 24, Governor Rell announced the rescissions, and OPM Secretary Genuario informed me of the reduction to CSUS's annual allotment.

On May 6, Governor Rell announced the out-of-state travel ban for Executive Branch Agencies. On May 20 CSUS implemented a similar restriction on out-of-state travel. While approval of out-of-state travel requests is left to the discretion of the Presidents, they are instructed to authorize only those requests that they deem essential to University business and are required by applicable collective bargaining agreements. Universities have reported a marked decline in requests for out-of-state travel since the implementation of this restriction.

On May 23, Governor Rell announced a hiring freeze for Executive Branch Agencies, effective May 27. On that same day, OPM Secretary Genuario requested that CSUS implement a similar freeze. On May 29, CSUS imposed a hiring freeze effective close of business on May 29. A process has been established for review of exceptions to the freeze, which are permitted principally for public health and safety reasons, as well as for instructional faculty positions that further workforce development goals, maintain and enhance retention and graduation rates, and ensure high quality instruction for our students.

Our expense reductions have been primarily personnel-related, since that is our largest expense item: for example, the universities and the System Office are holding vacancies open and reducing overtime, as well as reducing travel, services and supplies. As of July 8, 2008, the universities and the System Office were holding 171 positions vacant, with no plans to fill these positions in the immediate future. As positions become vacant, unless they meet the exemptions noted earlier, they will remain vacant for the duration of the hiring freeze. Escalating energy costs remain a concern; however, all Universities actively seek out opportunities for energy conservation, and the associated cost savings will help to offset some of the uncertainty in this area. Please note that despite efforts to conservatively budget for increased energy costs, if the trend of these increases continues, we anticipate making additional expense reductions to meet such obligations.

Admittedly, these reductions will make it more difficult to serve our students to the same level as in the past. We may see an increase in class size in some classes. There may also be some impact on certain types of academic programs as well as on student overseas travel.

There may be a need to phase in some programs in the student support services area that we believe will help to improve student retention and graduation rates. As our enrollment has grown, so has the number of students requiring counseling assistance, as well as the number of students with disabilities. Our ability to meet this growing demand may be slower; however, we will make adjustments wherever possible to minimize any impact.

There will be no cuts in institutional need-based aid. There may be some reduction in the level of internal funds available for student work-study, but as resources become available, we will bring this to a level we believe to be appropriate.

We are committed to doing that which is necessary to meet the needs of our students with the resources that we have. We will continue to do what we can to keep costs as low as possible. We are committed to efficiency and to shifting resources to where the need is greatest. Throughout the System, we have shifted support staff positions to areas that provide optimum support for our students at the expense of lower priority areas. At the System Office in the last year, we shifted four Information Technology positions to the Universities, and are committed to making additional adjustments if it becomes possible.

As our state's largest university system, the Connecticut State University System is squarely focused on Connecticut. We have a commitment to provide Connecticut's students with the best education possible.

Your consideration of this testimony is greatly appreciated.

