

October 24, 2000

TO: The University Community

FROM: Philip E. Austin

As we approach the middle of the semester, I want to take this opportunity to update the community on several key developments and to outline some of our goals for the months ahead.

I. Maintaining Momentum: People and Resources

I have said many times that despite the day-to-day frustrations, any higher education institution in the country would be happy to have its agenda shaped by the kinds of tests we are dealing with at UConn, particularly those posed by our construction program and by the increase in student demand. I do not thereby mean to diminish the difficulties these challenges present to faculty and staff who need to respond to housing and instructional demands that grow greater every Fall, or to students who must negotiate their way through those challenges. As in years past our overall success this Fall resulted from careful planning and hard work by a great many individuals. But there is an ongoing need for close monitoring of our progress and, on occasion, difficult decisions.

Despite an increase in both the quantity and quality of applications for this year's entering class, we chose to keep freshman enrollment at Storrs to last year's level. This was a logical course, since the pace of new housing construction (discussed in more detail below) meant that we would not have the capacity to meet greatly increased demand. This alleviated somewhat the difficulty many departments faced in meeting increased need for class seats and helped us meet our goal of providing virtually every freshman with a full instructional program and meeting as far as possible the curricular demand of continuing students. As the numbers below indicate, we in fact experienced a modest decline in the number of Storrs freshmen, compensated for by an increase in the number of freshmen at the regional campuses and the number of new transfer students at Storrs. Because of the climb in Storrs freshmen enrollment in the prior three years, the number of undergraduates is in fact about 3% higher this Fall than it was last year, as is total enrollment at the University.

	<u>Fall 1999</u>	<u>Fall 2000</u>
Storrs freshmen	2,956	2,836
Storrs transfers	469	589
Regional freshmen	689	749
Regional transfers	347	344
Total undergraduates	15,741	16,681
Total enrollment (includes undergraduates and graduate students, Storrs and regional campuses, Law School and Health Center)	22,736	23,419

Two years ago I recommended and the Board of Trustees endorsed an enrollment target of 25,000 by 2005. In order to accommodate a student body of that size the University must continue to construct additional housing of various types, as well as explore means of enhancing the quality and availability of off-campus options. Our progress in that effort is discussed below.

The even more fundamental challenge, however, is to maintain the University's commitment to excellent teaching without in any way diminishing the strength of our corollary commitments to research and public service. We are responding in several ways. As I wrote a few weeks ago in the *Advance*, the University continues to lobby aggressively for the support we need to maintain a strong student-faculty ratio; following a drop in the number of faculty resulting from the 1996-97 early retirement incentives, our faculty is now slightly larger than it was five years ago. Where possible we have reallocated resources to implement our strategic goals and to respond to areas of increasing demand. And departments are engaged in extensive discussions about how best to meet the instructional, scholarship and service expectations that comprise the mission of a public research university.

The University received some less than positive news in September, when we were told by the Office of Policy and Management that because Connecticut's aggregate spending exceeded a mandated cap on expenditure increases, the State will impose a reduction in support in this fiscal year applying to several agencies. The aggregate reduction is \$50 million, of which \$3.5 million is to be taken from UConn's budget.

We immediately entered into discussions with OPM to get a better understanding of the dimensions of the proposed reduction, to ascertain whether these are one-time cutbacks or reductions in our base for future years, to address various technical questions and to urge that the University be relieved of some or all of the burden of this rescission. On October 20 I wrote to OPM Secretary Marc Ryan strongly protesting the reduction. I stressed that it is counterproductive to undercut Connecticut's magnificently successful commitment to its flagship research university. UCONN 2000 stands as one of the Rowland Administration's and the General Assembly's triumphs, helping to make the

University of Connecticut one of this State's great assets. Our success in recruiting excellent students, conducting outstanding research, and serving the State in other ways is helping preserve Connecticut's economic advantage and quality of life. A \$3.5 million rescission will not destroy the University, but it will impede our progress just at the moment when we should be looking for ways to build on our momentum. A one-year reduction coming partway into the fiscal year will be highly unfortunate, though we can probably manage to deal with it. A permanent reduction in our base will have severe and lasting consequences not just for the University but for the State itself.

Our talks with OPM are ongoing and I will keep you informed as the situation clarifies. I will say at this point that regardless of the outcome of our discussions, ongoing faculty recruitments can be completed and hiring commitments made for the next academic year.

## II. Bricks, Mortar and Parking Spaces

As we pass the midpoint of UCONN 2000 it is impossible to feel anything less than a sense of exhilaration. In just five years, under the first phase of UCONN 2000 and other authorizations, the University completed ten major new projects and 120 renovations in Storrs and at the regional campuses and initiated construction on eleven major additional projects due to be completed in the next year. But the sum of the effort is truly greater than the aggregate number of parts; we are well on our way to creating a statewide campus whose quality will be among the best in the nation.

Faculty and students who returned from a summer away from Storrs witnessed new signs of progress: the new Visitors Center, created with the generous support of alumni Philip and Christine Lodewick, is open for business, already hosting tours for prospective students and their parents as well as other events; work on the new School of Business is moving rapidly toward completion; renovations of the Wilbur Cross Building housing most student administrative services are underway; a new parking garage is under construction; renovations to the Waring Building to house the Departments of English and Geography and administrative offices of the College of Liberal Arts and Sciences will commence shortly. The new Marine Sciences Research Center at Avery Point is scheduled for completion in February. And this summer we broke ground for the new hotel-conference center to be built on University land and managed by a private developer, which will be open for business by May 1, 2001.

The magnitude of these accomplishments cannot be minimized. Nor can the challenges. This is particularly true in the area of student housing, where our enrollment goals mandate that we move ahead expeditiously. For the most part, renovations in existing residential facilities must be completed during the summer since we cannot afford to take large numbers of rooms off-line. The resulting tight deadlines coupled with tight labor markets in the building trades create some anxious moments; this summer, for example, we completed room renovations in the Northwest residence halls within hours of students' arrival. (The dining hall and other common space was on-line

a few weeks later.) The ultimate achievement at Northwest is a first-class complex for 900 freshmen that more than meets our expectations, and I want to thank our colleagues in Facilities, Residential Life, and the Division of Student Affairs generally who are bringing it to realization.

By Fall 2001 we plan to complete housing for more than 1,200 additional students in the Hilltop area, with about 970 to be in student apartments and the remainder in residence hall suites (similar in concept to those at South Campus). Housing of this type and quantity is essential to our enrollment goals; it will help alleviate continuing overcrowding in existing facilities and provide a spectrum of housing options for students. The need is particularly urgent because the private student housing market in Storrs is so limited.

The University has been in ongoing discussions with elected leaders in Mansfield and with the town's professional staff regarding this construction, and we have hosted multiple public forums for residents of the general area. We heard and responded to concerns about traffic and other aspects of the project.

As with any effort of this scope, construction entails a significant interim impact on the surrounding area. Mansfield's elected leaders and professional staff understand our plans and we will continue to work with them and with residents to create this needed student housing in a manner least disruptive to the community.

The University, Mansfield town officials and business owners have agreed to work collaboratively to revitalize three Mansfield commercial areas adjacent to our Storrs campus: Storrs Center, the Four Corners, and King Hill Road. Improving the image and retail offerings available in these areas serves to strengthen their image and attractiveness to University students, faculty, staff and visitors. A recently established organizing committee has been charged with creating the Mansfield Downtown Partnership. It will begin immediately to implement the key recommendations of a recently completed study calling for creation of a distinct identity for each area, coordinated marketing and promotion, and the development of master plans for each area to guide future public and private investment.

Like almost every large college and university in the country (and a great many small ones) UConn continues to grapple with issues relating to parking. The completion of a second parking garage in Spring 2001 will help immeasurably. In the interim, guided by the faculty/staff/student Parking Advisory Committee, the University has adopted measures designed to limit inconvenience even as we maintain the concept of a pedestrian-friendly campus. (For example, the number of men's and women's basketball games held at the Storrs campus Monday through Thursday nights has been sharply limited this year to alleviate congestion while work on the South Garage is completed.) Shuttle bus service has been enhanced and options for further improvement are under review. The key principles that underlie our parking plan continue to be minimization of

inconvenience, promotion of pedestrian access, and maximization of equity. While I will not contend that we have addressed every real and potential problem, we are certainly moving in the right direction.

### III. The University Health Center: A Progress Report

The University's most important challenge last year was to assure the fiscal stability of the Health Center in a manner that protected the excellence of our education, research, and patient care programs.

As I outlined in my report to the community in February, the Health Center's financial problems—and, more specifically, those confronting John Dempsey Hospital—are the result of the combined impact of federal funding cutbacks and the implementation of severe cost containment in a managed care environment. Virtually every academic hospital in the nation has been affected by these external variables. The impact at Dempsey Hospital was particularly severe for four reasons:

- As an academic hospital, John Dempsey was more adversely affected by federal budget reductions (which apply to teaching as well as patient care activities) than were other Connecticut hospitals.
- We were already efficient. Recognized by the Connecticut Office of Health Care Access as the most cost-effective hospital in the State, we had few “easy” cost-savings measures left to implement.
- As a relatively small hospital—the smallest university hospital in the nation—Dempsey was particularly vulnerable to the impact of a few severely ill patients whose treatment is reimbursed at a fraction of the cost.
- Unlike some other academically affiliated hospitals, the relatively new John Dempsey Hospital has a fairly small endowment.

Given these circumstances, the task before us was clear. We needed to implement both short- and long-term strategies to achieve additional operational efficiencies and to enhance revenues that would, without compromising patient care or the quality of instruction or research, ultimately assure fiscal balance. And for the immediate term, we required a State appropriation to help the Health Center meet immediate fiscal difficulties and continue implementation of its Research Strategic Plan.

Under the leadership of Dean Peter Deckers of the Medical School and with the strong support of Dental School Dean Peter Robinson and a committed faculty and administrative staff, the Health Center moved vigorously to improve the cost and revenue situation, with results that have thus far met or exceeded our earlier expectations. The underlying trend lines are moving in the right direction:

- Health Center expenses dropped from \$105.8 million to \$100.9 million between the quarter ending in September 1999 and the quarter ending in June 2000.
- Research awards rose from \$48.5 million in FY 1999 to \$57.0 million in FY 2000.
- Hospital admissions rose from 1,682 in June 1999 to 1,837 in June 2000.
- The number of patients seen by the UConn Medical Group went from 77,215 to 80,259 in the same period.

In an environment so heavily influenced by elements beyond our control, it would be foolhardy to predict an uninterrupted string of positive numbers. Nevertheless, I am confident that we are on a course toward a balanced budget, continued quality in patient care, and continued excellence in teaching and research.

A key reason for my confidence is the development of a new Strategic Plan for the Health Center. Endorsed by the Board of Trustees and incorporated in our budget request for next year, this Strategic Plan for the first time integrates the Health Center's education, research and clinical programs. Integral to the plan is the identification of four "Signature Programs" where clinical excellence will be driven by the research excellence already developed at the Health Center: Cancer, Musculoskeletal Disease and Treatment, Brain and Human Behavior, and Connecticut Health (collaborative efforts in public policy, research, and service).

The Health Center's overall progress, combined with a strong advocacy effort, proved persuasive to Connecticut's elected leaders. In June the General Assembly approved and Governor Rowland signed legislation appropriating \$12.5 million in additional operating funds for FY 2000 and \$4.4 million for FY 2001, and \$3.1 million in support for our Research Strategic Plan for FY 2001. While the University's authority to administer the Health Center is recognized and maintained, the legislature appropriately calls for presentation of a series of quarterly reports to a legislative "University of Connecticut Health Center Review Committee" documenting our progress. The first of these reports was approved by the University Board of Trustees and presented on August 15.

This September I presented to the Board of Trustees a proposal for organizational streamlining at the Health Center which I believe will, when adopted, yield improved efficiency and communication. The key element is revision of the *University Bylaws* in a manner that will allow the designation of the Dean of the School of Medicine as the Health Center's chief executive officer; this position will be designated "Executive Vice President for Health Affairs." The combined position replicates a structure that works effectively at many academic health centers across the nation, and has been discussed at length with all Health Center constituencies. With the addition of several talented new recruits to our leadership team (notably Susan Whetstone, formerly New Haven's Chief Administrative Officer, who joined us last winter as Director of Operational Improvement, and Dan Upton, an experienced professional in turning around fiscally

troubled hospitals, who was designated Chief Financial Officer in July), and, even more important, with the strong cooperation and guidance of faculty and staff, the Health Center is now exceptionally well-positioned to meet the challenges of the years to come.

#### IV. Welcoming a new Chancellor and Other New Colleagues

Our new Chancellor and Provost for University Affairs, John Petersen, arrived this summer and has spent much of the past few months getting to know students, faculty, staff and friends of the University. John comes to us from Wayne State University in Michigan, where he served as Dean of the College of Science for six years. Prior to that he served in faculty and administrative posts at Clemson University in South Carolina and, earlier, at Kansas State University. In addition to mastering his new responsibilities, John and his wife Carol are now busily engaged in all aspects of relocating, including building a house in Storrs. The search for a new Chancellor was long, onerous, and comprehensive and I am delighted that it brought us a leader of experience, vision, and commitment to excellence at UConn.

Several other new leaders also joined us over the summer, including Nursing School Dean Laura Dzurec, who comes to us from Oregon Health Sciences University; Nell Newton, the new Dean of the School of Law, who served as Dean of the University of Denver's College of Law; and Dean of Fine Arts David Woods, who previously served as the Dean of the School of Music at Indiana University. In each case a national search preceded the appointment and I want to express my gratitude to the faculty, students and staff who contributed their time and effort to that process. It is a mark of our standing that we were able to attract people of this quality to lead their respective schools.

With the filling of these positions and the impending completion of the Health Center's reorganization, the personnel issues before us last year have been brought to a highly successful conclusion.

#### V. The National Context

Much of the University of Connecticut's progress is the product of all segments of our own community—the Board of Trustees, faculty, administration, staff and students—with the invaluable assistance of a supportive State. But it is worth noting in this election season that national choices and priorities also have a profound impact on our own institution and on higher education generally. It would not be appropriate for me to use my position to advocate for a particular party or candidate. I do want to suggest, however, that we keep a set of underlying considerations in mind as we watch and engage in the national debate.

While both major party candidates have spoken a bit about higher education, particularly in the context of student support, it is safe to say that this has not been among the central issues in the 2000 campaign. Most of the discussion thus far has focused on

other issues: protection of entitlements, access to health care, elementary-secondary education and tax reduction. The underlying question has been what to do with a surplus projected at something in excess of \$4 trillion over the next ten years. With a number of that size shaping the dialogue, it is not surprising that some members of the higher education constituency have taken a posture of passive optimism, assuming that there will be money aplenty available for our needs among others.

I want to offer a word of caution, which I hope to expand upon in other forums in the coming months. As C. Peter Magrath, President of the National Association of State Universities and Land-Grant Colleges, pointed out last month, the “real” surplus (factoring out Social Security revenues) is closer to \$2 trillion. Much of this will be consumed if existing programs continue at the current rate of growth, and more will be devoted to new programs advocated by the presidential candidates—or consumed in tax reductions. Even a small down-tick in the economy may eliminate what remains. The point here is not that we confront disaster; nothing could be further from the truth. It is, rather, that if we simply rely on ever-rising tides to lift the higher education boat we may find ourselves sorely disappointed.

Moreover, state governments, upon which we and all other public institutions rely so heavily, face their own set of challenges. As always, a range of interests—including many who come in “white hats,” like health care, child welfare and elementary-secondary education—compete for resources. The pressure to cut taxes grows as revenues increase. And we have yet to determine the impact of the dot.com economy on state sales tax revenues, or indeed to come to a national consensus on appropriate public policy in that area.

Particularly in good times, it is easy for the nation to take higher education’s value for granted. We need to work against that tendency. It is incumbent on those of us who serve major public research institutions to keep several issues at the fore of the public’s consciousness. Among these, I would certainly include the value of research to the nation’s competitive position, to the nation’s health, and to the quality of life; the ongoing importance of equal access to students of all backgrounds and income levels; the need—largely but not exclusively met through colleges and universities—to support creative endeavor in the arts and the humanities; the national value of strong programs in the social and natural sciences; and the need to expand universities’ capacity to serve as centers of lifelong learning. In one sense, these are all easy arguments to make, since the truth of each of them has been borne out over time. But in another sense, because they relate to concerns that do not confront most people on a day-to-day basis (unlike, say, health care) they tend not to rise automatically to the forefront of public concern.

There are multiple ways to meet higher education’s needs and expand our capacity to serve the nation. A wide dialogue on that topic would be fruitful both for higher education and for the country, and I would submit that those of us in the academy should do what we can to assure that higher education ranks high on the national agenda, not just for the 2000 campaign but for the debate over surplus resources that will take place in the next decade.

With that, let me wish all members of the UConn community continued success in the current year and beyond. I look forward to speaking with many of you in the months to come, and, as always, I welcome your response to the thoughts in this letter and to the other issues before us.

cc: Board of Trustees