

April 26, 2001

TO: Members of the University Community

FROM: Philip E. Austin

I want to take this opportunity to discuss a number of issues that the University has been working on for the past several weeks and that will in many cases continue to occupy our attention through the summer.

### The 2001-2003 Budget

The State administration's budget proposal to the General Assembly was, as I have indicated previously both within and outside the University, a deep disappointment. Last June the Board of Trustees approved a biennium budget request that requests a State appropriation of \$195.5 million at the Storrs-based programs and \$77.4 million at the Health Center to continue operations at current levels. In addition, the Board requested \$16.2 million for new or expanded initiatives at the Storrs-based programs and \$6.6 million for new or expanded initiatives at the Health Center. This was a reasonable request. Indeed, viewed in the context of our continuing progress and the State's aspirations for us, it was conservative.

The State administration, and particularly the Office of Policy and Management, developed its own recommendation for the University's budget in the ensuing months. The ultimate recommendation appears to have been guided by two overriding considerations:

- First, a legitimate concern with State expenditure cap requirements and revenue projections.
- Second, an incorrect definition of the University's fiscal situation. The budget proposal that went before the legislature was predicated on an assumption that somehow the University reserves constitute a "surplus," or simply money waiting to be spent, of \$57 million--\$33 million at the Storrs-based programs and \$24 million at the Health Center. Leaving aside issues of pure miscalculation, the fundamental premise is fatally flawed. The funds in question are cash balances, which include inventory, encumbrances, and planned one-time expenditures (such as equipping and furnishing new residence halls). They also represent an asset of critical importance as we go to the bond market for UCONN 2000 or other projects.

Based on these or perhaps other reasons, the State administration recommended \$186.6 million for current services at the Storrs-based programs--\$8.9 million less than what we need to continue operations at present levels. At the Health Center the recommendation was for no increase at all. Apart from \$1.5 million for the regional campuses which was included as part of the \$186.6 million current services figure, no new initiative funding was recommended. Proposed changes in Medicaid hospital reimbursement may provide some relief to the John Dempsey Hospital, but will not serve as a source of support for the education and research programs of the Health Center. There are other technical adjustments, but the key point is that absent restorations by the General Assembly we face a significant shortfall.

Over the past several months we have engaged in an intense effort in the legislature to assure that the final budget meets the University's needs. Action last week by the Appropriations Committee was encouraging, with restorations of \$22 million over two years for the Storrs-based programs and the Health Center. Nevertheless, according to our best estimate of these restorations we still fall short of current service funding for next year and do not receive funding to support anticipated enrollment growth across the University or mandated program expansions at the regional campuses. At Storrs and at the Health Center, there is no new funding for other programmatic or research plans for FY '02, and limited funding for the following year.

In the remaining weeks of the legislative session we will continue to press our case. As we have said repeatedly, enrollment is larger, stronger, and more diverse and private giving is up dramatically. Our contribution to Connecticut's quality of life and economic development is increasing with each year. We are continuing our movement to the top ranks of American research universities. UCONN 2000 and related programs are building a Statewide campus that is a model for the nation. Strong public support made all this possible and it would be foolhardy to reverse the trend line now.

### Environmental and Construction Issues

The budget is not, of course, the only issue before the General Assembly that is of concern to the University. Our Government Relations staff is coordinating the University's legislative efforts and tracking key bills as they work their way through committees. Two bills relate specifically to environmental concerns that have also been points of discussion on campus.

The University, like all State entities, is required by the Connecticut Environmental Policy Act (CEPA) to perform an environmental assessment prior to initiating construction on significant projects. These assessments evaluate alternative building sites by assessing the project's potential impact on important natural, historic and cultural resources. Environmental assessments also identify actions the University will take to avoid, minimize or mitigate environmental impacts at the site ultimately selected. CEPA has not been significantly modified since its enactment in 1971.

Last fall, the leadership of the General Assembly's Environment Committee encouraged the University and environmental advocacy groups to develop recommendations for amending CEPA to more readily facilitate successful public/private collaborations yet assure thorough environmental review. The Environment Committee unanimously approved and sent to the full House and Senate a bill which in its present form provides meaningful incentives to the University in the form of expedited permitting and limited protection from frivolous lawsuits that would serve to block projects deemed to conform with a comprehensive environmental assessment based on a master plan for development. It is too early to predict whether this legislation will be enacted this year, but the Environment Committee's actions--coupled with our collaboration with aggressive but responsible advocacy groups--sets a highly positive tone.

A rather odd debate over whether the University is in fact a "water company" for purposes of land use regulation attracted considerable attention over the past several months and resulted in the second bill of relevance to environmental concerns. Most of us know the difference between a higher education institution and a public utility and we know which of the two we are. Nevertheless, we do provide water to students in residence halls and to some other Mansfield residences and businesses, and this led to an effort by local activists to advance a longstanding objective of preventing any further development on UConn's agricultural campus by applying regulations that limit development of water company lands made applicable to the University. In November, Attorney General Richard Blumenthal issued an opinion that we are not in fact a water company under Connecticut law.

In response to the underlying environmental concerns, the University has worked with key legislators, including particularly the Environment Committee, to craft legislation that allows continued development but limits it to areas which will not affect water quality as determined by the Connecticut Department of Environmental Protection. Legislation to that effect is now on its way to the floor of the House and Senate.

A number of other physical infrastructure issues are in varying stages of progress. Work on the new suite-style residence halls and student apartments in the Hilltop area is proceeding on schedule for opening in the fall, providing accommodations for more than 1,400 additional students. (Plans are underway for the development of another 1,000 beds for apartment style student housing for Fall 2002.) We believe that we have met most if not all of the major community concerns about environmental impact and expect that final landscaping and planting will significantly improve the aesthetics. The new hotel, constructed and managed by private partners under a lease agreement with the University, will host its first guests this fall.

The planned extension of Bolton Road, proposed in order to address traffic concerns associated with completion of the new Parking Garage adjacent to Gampel, the hotel, and other nearby activities, is awaiting the issuance of an inland wetlands permit. Alternative plans for the routing of the road, offered by the University and by the Mansfield Planning and Zoning Commission, are under review. I expect that the ultimate resolution will meet our transportation requirements while recognizing the special needs of the University's Child Development Laboratories, which are located in the Bolton Road area.

The University/town/business collaboration on the Mansfield Downtown Partnership is proceeding well, with development of a Master Plan for the downtown Storrs area soon to be underway. The Partnership is an outstanding example of town-gown collaboration and will substantially increase the likelihood of creating a distinctive, vibrant commercial area that is attractive to students, faculty, staff, and town residents.

### A Climate of Safety on Campus

UConn's campuses are relatively safe places. But no institution that serves more than 23,000 students, employs more than 8,000 men and women, greets hundreds of thousands of visitors each year and is accessible to the general public can be immune from security concerns. We devote approximately \$8 million annually to police and fire services and work assiduously to enhance the climate of safety.

Three recent incidents on the Storrs campus underscore the importance of continuing vigilance. In the first incident a woman was forced into a car at knifepoint, driven a short distance, touched inappropriately, and then released. In the second incident a man boarded a UConn apartment shuttle bus, ordered the driver at knifepoint to drive to Route 44, and then exited the bus; the driver was not physically harmed. It is not clear whether the incidents are related. The University Police are working closely with the State Police to apprehend the perpetrator(s).

Needless to say, we took these events very seriously. Immediately after the first incident flyers with a police sketch of the perpetrator and a strongly worded warning encouraging students to follow safety recommendations made by the Division of Student Affairs and the University Police were distributed in residence halls, academic buildings, nearby commercial establishments, and on buses and at bus stops. Students in residence halls received voice mail reminders to be alert, keep doors locked, and use the University Escort Service when walking at night. The same message was repeated in a broadcast e-mail. After the bus incident the University placed two people on all night runs of the apartment shuttle, and is in the process of placing two people on other night runs.

The third incident was equally troubling. Threatening racist, anti-Semitic graffiti was reported on a men's room wall in an academic building, and this naturally created concern across campus. University Police launched an investigation, removed the graffiti after taking photographs, and intensified police patrols, especially in sensitive areas. We again broadcast messages to students to heighten awareness, met with students and others to address their concern, and forcefully communicated the message that this kind of hate speech has no place on a campus committed to inclusion, diversity, and student safety.

### Compensation for Maintenance Workers

After nearly twenty-five years in higher education, I continue to be impressed by the commitment so many students feel toward the attainment of a just, humane society. I know that we are succeeding in our mission as teachers when we nurture that spirit, and I accept with equanimity the fact that young people are less than patient with obstacles to the attainment of worthy goals.

In the past few weeks I have met with groups of students and others to discuss important issues relating to people who do much of the maintenance and cleaning on campus. The basic concern pertains to about 100 workers who are employed by private firms with which we have contracts. Like many institutions, UConn began the practice of retaining outside firms to do some of our maintenance work in the early 1990s as a cost saving measure that also allows more administrative flexibility. Funds saved as a result of this practice have been reallocated to teaching, research, and service activities at the heart of the University's mission.

In 1999 the General Assembly approved legislation known as the Standard Wage Act, colloquially referred to as "justice for janitors." This requires that in contracts entered into after July 1, 2000 with outside firms, public agencies stipulate that the firms pay a wage rate determined by the Connecticut Commissioner of Labor and that there be funds provided for employee benefits.

The biennial budget proposal approved by the Board of Trustees last June incorporated approximately \$1.7 million in our current services budget to implement the provisions of the law. As outlined above, the State administration's recommended appropriation for the University falls so far short of our current service request that if significant funds are not restored we will be required to implement cost savings of a magnitude not seen at UConn since the recession of the early 1990s, and the extent to which the legislature will restore funding is not yet clear. We had hoped to have sufficient funds available to contract for the coming year at higher wage levels even though our existing multi-year contract for maintenance services does not fall subject to the law's provisions until July 1, 2002. But in view of budget realities it is simply not possible at this time to commit to maintenance workers or students who have spoken to me on their behalf that we will voluntarily implement the standard wage levels for our existing contract. What I can pledge is that if our full current services budget is restored we will honor the pledge implicit in our budget submission to fulfill the objectives of the Standard Wage Act this July, a year earlier than is required by the law.

I should mention in this context that maintenance contracts at the Health Center, which were re-bid last summer, are in full compliance with the Standard Wage Act.

### Continuing Progress at the Health Center

In previous communications I have discussed at some length the financial condition at the University of Connecticut Health Center. As I have for the past year, I can report here that the fiscal trend lines continue to be positive. While external variables are hard to forecast, it is clear that the cost savings and revenue enhancement measures implemented over the past year are achieving the intended objectives without in any way adversely affecting the quality of our academic, research, or clinical program.

We received yet another indication of that quality earlier this month when the University of Connecticut School of Dental Medicine students ranked first among the country's 55 dental schools on Part II of the National Board Dental Examinations, the key test used by states to determine qualifications of dentists who seek to practice dentistry. UConn dental students have consistently placed in the top ten for national board results. More recently, students have been scoring consistently in the top five. This is the first year in which students achieved a Number 1 ranking.

The quality of our dental program complements the quality of the medical and public health programs at the Health Center, and is significant not only for the prestige it brings to the University and the State but because it demonstrates UConn's capacity to meet a growing need. In Connecticut, the average age of dentists is 51 and 30% are over 55. Our State has, in fact, the oldest average dental population in New England and one of the oldest in the country. Each year approximately 40 students graduate from the University of Connecticut School of Dentistry; about 50% of them remain here to practice, giving UConn a vital role in assuring a strong cohort of dentists in the years ahead. The recognized excellence of our program provides some degree of reassurance that demographic trends in the profession do not predict a decline in quality.

### Campaign UConn

On May 3 the University will formally announce "Campaign UConn: Countless Reasons, Endless Possibilities." By far the largest development fundraising effort in the University's history, the Campaign builds on a record of growing private support. (To cite one particularly dramatic statistic: annual donations, which totaled \$8.2 million in FY 1995, reached \$37 million in FY 2000.) Significant major private donations, coupled with substantial corporate support, have already generated \$140 million toward the campaign's goal. The specific fundraising target will be announced at the kickoff ceremony in May.

As I noted in a recent column in the *Advance*, I am highly optimistic about the campaign's prospects. A broad range of schools and programs have a vested interest in our success, and development of our objectives has been a broad collaborative process. Like all major fundraising efforts, however, the campaign's prospects are a function not only of UConn's demonstrated appeal but of the state of the economy and particularly the

financial markets. Moreover, individual and corporate donors need continuing assurance that their investment is coupled with strong, steady, and predictable State support. Thus the actions of the General Assembly in the coming weeks will be critical to the campaign's ability to meet and exceed its objectives.

### Closing Thoughts

While much of the news in this message is positive, I cannot emphasize strongly enough that decisions now being made in Hartford will have a profound effect on the University's progress in the next two years. Since the State administration's budget proposal went to the General Assembly in January we have done everything possible to make a clear, simple, and to our minds compelling argument: adequate funding for our operating budget is vital not only to the ongoing operations of the institution, but to the success of external fundraising, student recruitment, and faculty recruitment. UConn's achievements in each of these areas have been exceptional, moving us closer and closer to the goals set for us in the mid-1990s by the Governor, the General Assembly, and the people of the State. This is no time to turn back.

As soon as we have more definite information on our budget and on the progress of our other initiatives, I will let you know. In the meanwhile, as always, I welcome your thoughts.

cc: Board of Trustees