

Dear Colleagues,

The other day, we received a call from a parent, desperate to keep her daughter enrolled at UConn, but confronting severe financial duress as the result of being laid off. She was seeking our help. We both recalled the challenges our families faced as we put our own children through college. We contemplated the challenges ahead in these uncertain times for our children – now with families of their own. And of course, every day, we are working with our senior colleagues on the financial challenges we currently confront and are planning for what could well be additional and dramatic reductions in our state appropriation in the fiscal year ahead.

We are sharing this to remind us of the deeply personal way that the current economic crisis is affecting so many people. In November alone, the nation lost over 1/2-million jobs, more than 10-million people are now unemployed, and one-in-ten Americans is using food stamps. We expect that there is not a single person who will avoid being touched – either directly or through a close friend or relative – by the stresses and losses that these times are bringing upon us.

As you've probably heard, the updated economic forecasts for the state and nation continue to be pessimistic, with a predicted state deficit of over \$6-billion by FY11. Unemployment rates rose by almost 1/2 of one-percent in Connecticut in October alone, with a loss of 3,600 jobs. Some forecasters are predicting a net loss of over 60,000 jobs for the state by 2010 and a peak unemployment rate as high as 8.3% by 2011. Of course, we aren't alone; as we write this, the Dow Jones average has slid by nearly 25% and the NASDAQ by about 35%, since the beginning of our fiscal year. In some states revenue losses are expected to exceed 25% this year. Across the U.S., public and private universities are being hit hard by losses in state appropriations and endowments that the economic downturn has generated. They are implementing dramatic measures, including some we've put into place at UConn, such as hiring freezes and travel bans. Additional cost-saving measures we're seeing at other universities include freezes on sabbaticals, holds on capital projects, layoffs, reduced hours, salary freezes, benefit reductions, and purchasing freezes.

Now more than ever, we need to plan for the worst, while continuing to hope for the best. Indeed, we must do this with some urgency. Already, we have convened the CORE Task Force (<http://www.core.uconn.edu/>). They are hard at work analyzing the recommendations you are sending them. We want you to know how much we appreciate the positive and innovative suggestions that the Task Force is receiving. We hope you will visit the above Web site and/or attend the open forums the Task Force is hosting to offer your ideas regarding how we can generate cost-savings, efficiencies, and revenue enhancements.

As the Task Force goes about its work, it is adhering closely to the strategic priorities and allocation principles outlined in our Academic Plan. As we've noted repeatedly, a solid strategic plan is valuable in challenging times as well as plentiful times – perhaps even more so in challenging times, as it sets forth the principles that will guide us through the difficult decisions that must be made.

One of the strategic priorities outlined in the Academic Plan is to enhance the research enterprise and the quality of select graduate and professional programs. We are not prepared to veer from this priority. On the contrary, we must manage budget allocations and rescissions in a way that protects already strong programs as much as possible and ensures that those poised for excellence are not severely impeded in their upward trajectory. Through the hard work of students and faculty, we now have several programs already ranked among the top-25 in public universities. Some of these are poised to quickly move even further up in the rankings and we have others that are on the edge of breaking into this elite group. We must protect and advance these programs in this difficult time.

Toward this end, we are convening a small committee to quickly identify graduate and professional programs that should be protected, as far as possible, through the budget process. The committee will be chaired by the Dean of the Graduate School and will include faculty from core programs, whose records of research, scholarship, and creative work are among the most distinguished at UConn. We welcome your suggestions regarding faculty to appoint to the committee. Because we hope to have it begin its work very soon, we ask that you send us your suggestions by the end of the weekend.

We had planned to await the release of the results of the National Research Council's (NRC's) analysis of graduate programs before embarking on this internal study. As many of you are aware the release is now scheduled for February, but we should not delay even that long in taking steps to protect our strongest programs. The committee's work will be guided by the principles for selective investment set forth in our Academic Plan. Also, they will have access to the NRC data submitted by our own faculty, staff, and students, as well as other information, including accreditation data for some programs and rankings from various sources, especially *US News & World Report*. We will ask the committee to begin working with this information along with the principles set forth in the Academic Plan as they prioritize our programs.

One of the principles we will always abide by is to be honest with you. In that spirit, we must tell you that we have carefully reviewed our budget, considered alternatives for managing what will be enduring cuts, and cannot escape the reality that, even with the minimum forecasted additional rescissions we are confronting, we cannot continue to support all of the programs and activities that are currently underway at UConn. While we can and will implement operational efficiencies and revenue enhancements wherever possible across our campuses, these strategies alone will not generate the bottom-line results that will be needed.

As reported to the University Senate earlier this week, at the federal level, we are working within a consortium of about 30 public higher education leaders to press the case for support for public higher education. We are collectively drafting a proposal emphasizing the importance of investment in public higher education to catalyze economic recovery. We will also continue to work hard with our state legislators to minimize the impact on UConn of the fiscal difficulties facing the state. We have much to be proud of — the demand for a UConn degree from the nation's best and brightest students continues to grow; the percentage of our students graduating in four years is the eighth-highest among the top public universities in the U.S.; we have some of the most outstanding facilities among public research universities in the country, thanks to the state's unprecedented investment in the UCONN 2000 program; several graduate and professional programs have are now viewed as among the very best in the country. Through our hard work and the state's investment, UConn is emerging as the nation's "public ivy" and has become an important economic driver for the region. Now more than ever, we must be as prudent as possible with the valuable resources entrusted to us to serve the state, so we can continue on our trajectory of excellence. As we manage the difficult cuts ahead, to the extent possible, we will protect core programs and critical resource pools, such as financial aid, so the sons and daughters of Connecticut parents, like the mother who called us, can continue to access this great University.

These are extraordinary times and they call for extraordinary measures. Yet, UConn is an extraordinary institution with extraordinary faculty, staff, and students. We remain confident that by working together with resolve, vision, and compassion, we can continue our upward climb as one of the nation's top public research universities. At the same time, we need to be supportive of one another and sensitive to the losses we are all feeling as difficult decisions are implemented. When we both arrived at UConn, we experienced the warmth and compassion of our new colleagues, friends, and neighbors. That same warmth and compassion will help us help one another through the challenges we are facing.

Sincerely,

Mike

Michael J. Hogan
President

Peter

Peter J. Nicholls
Executive Vice President & Provost