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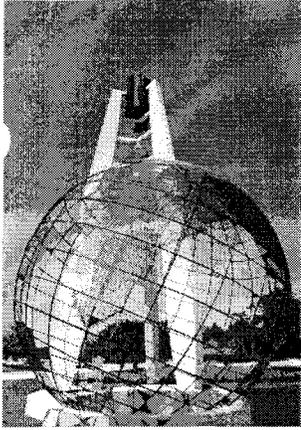
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GSU Universe

Governors State University's Weekly Newsletter

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“Real generosity towards the future lies in giving all to the present.”

Albert Camus

GSU Position on Budget Issues Spelled Out

On April 24, President Stuart Fagan testified before a panel of Senate Republicans on the budget and budget related issues. On the proposed reduction in appropriations for FY04 of 8.2 percent, or \$2.2 million for GSU, Fagan said that would put the state's appropriation flat with FY 1999-2000. He went on to say that even though costs have risen in four years, GSU would find ways to operate on that reduced budget without sacrificing quality or the university's core mission. “Admittedly,” he said, “this will be a very difficult task.” He said that up to 11 percent of course offerings for the Fall and Winter Trimester may be consolidated, postponed, or eliminated; that there would be reorganizations which would cut across the administrative and academic wings; and that some operations might be outsourced. He also said that while plans are being developed, no final decisions can be made until the state's higher education budget is finalized.

On the proposed reserve of 8.1 percent, or \$962,000 of GSU's income fund, which is primarily made up of tuition, Fagan said that the amount required to be reserved was excessive and the action unnecessary. He stressed the need for a university to have the flexibility to use the income fund in ways that advance the university's mission and serve student needs.

On proposals for a line item budget, Fagan said that GSU had no problem with the concept, but pointed out that the devil is in the details. Universities require some flexibility in allocating financial resources to meet student needs and unexpected developments. GSU favors the bill proposed by Rep. Kurt Granberg, rather than the more restrictive bill proposed by Sen. Miguel del Valle.

On proposals for caps on tuition increases, Fagan said he believed that students and parents want predictability in costs. He said GSU would support Rep. Kevin Joyce's proposal to guarantee an incoming freshman the same tuition for four years. He argued against proposals to cap annual tuition increases at a set numerical value, such as the cost of living or five percent, pointing out that historically that approach to price control has not worked.

A copy of Dr. Fagan's testimony is being sent along with this week's *GSU Universe*.

Dr. Fagan and Bruce Friefeld, Chair of the Board of Trustees, are scheduled to testify before the House Appropriations Committee on May 5.

Sneak a Peek: Web Site Preview

 Pete Mizera, executive director of Information Technology Services, reports that some portions of the new university web site can now be seen online, though quality testing has not been completed. The site can only be accessed on campus, at cmstest.govst.edu. ITS recommends it be viewed using Internet Explorer. When fully functional, the web site address will be changed to the familiar www.govst.edu. The target date for launching

the new website will be the Fall 2003 Trimester registration period, though Mizera explains the launch may be delayed because of the enormity of information transfer. Questions about the new website can be addressed to Mizera, Greg Kain, ITS coordinator of web development and maintenance, or Chuck Connolly, executive director of Marketing and Communications.

ScholarShip Sails On

Governors State's Division of Psychology and Counseling was well-represented at 2003 American Counseling Association National Conference in Anaheim, California, March 21 to 25. Dr. Jon Carlson presented three programs: "Counseling's Strangest Hour," "The Future of Family Therapy," and "Child Therapy." Dr. Hugh Crethar presented "Social Advocacy and Counseling with Intersex People." This was the first time that intersex peoples' needs were addressed at ACA. Dr. Cyrus Ellis presented a learning institute titled "Counselor Education Training: Three Bracket Approach," and, as the featured presenter, "Multiculturalism: Examining the Pitfalls of African American Males." He also moderated a panel discussion entitled "Speaking Truth to Power: Town Hall Meeting with Up and Coming African American Scholars."

Spring/Summer Welcome Days

May 5 and 6 will be Welcome Days for students registering for and starting the Spring/Summer Trimester. Staff and faculty will be on hand to act as Meeters and Greeters and answer the "Where do I...?" and "How do I...?" questions new students are likely to have. "Welcome Days are really about smoothing the way for new students and making them feel comfortable here," said Larry Polselli, executive director of Admission and Student Recruitment. Polselli said the head count for Spring/Summer is currently up by approximately 3 percent, while scheduled credit hours are up about 8 percent.

Polselli also invited faculty and staff to volunteer for Welcome Days. "We need people to staff the Welcome Center and to be Meeters and Greeters. We've gotten great support in the past, and I'm sure we will this time, too."

Volunteers should contact Polselli at extension 3148 or Executive Director of Student Life Lorraine Sibbet at extension 4555 by Wednesday, April 30.

2003 Commencement Speakers Selected

Two honorary degree recipients have been selected for the 2003 Commencement. John Gray, bestselling author of *Men are from Mars, Women are from Venus*, will receive an honorary doctorate in humane letters and speak at the afternoon ceremony for CE and CBPA. Jesse McDonald will be the recipient and speaker for the morning ceremony for CAS, BOG, and CHP. McDonald recently resigned from the Illinois Department of Children and Family Services, where he served as director for nearly 9 years. His tenure was marked by significant improvements at every level of the agency's operation.

2003 Student Speakers Selected

The student speakers for the 2003 Commencement have been selected by a committee comprised of faculty and staff. Congratulations to Yolanda McMillan and Janet Turek. McMillan, who is graduating from the BOG, will speak at the morning ceremony for CAS, BOG and CHP. Turek, who is receiving her M.A. in Education, will speak at the afternoon ceremony for CE and CBPA. Student speaker nominees are recommended by faculty for demonstrated excellence.

Friday Social

The Office of the Provost and the Graduate Council are holding a Friday Social Hour on Friday, May 16, from 3:30 p.m. to 4:30 p.m. on the Library Terrace. An open invitation is extended. The event will honor GSU faculty and staff who have been involved with grants and extramural funding. Wine and cheese will be served.

Remarks by Stuart Fagan, President, Governors State University, at a Hearing on Higher Education by Members of the Illinois State Senate, Dekalb, IL, April 24, 2003.

Thank you Senator. We appreciate this opportunity to discuss the four major budget or budget related issues affecting higher education that are before the Legislature today: reduced appropriations, control of universities' income funds, limits on tuition increases, and the adoption of a line-item budget.

Before we get to that, let me tell you quickly about Governors State. As you know, we are an upper division university, which means we have no freshman or sophomore classes. At the undergraduate level, we offer only junior and senior level classes. We admit students who graduate from nearby community colleges, or qualified students with 60 credit hours. We also offer masters degrees in a variety of disciplines including education, health professions such as nursing, business, and the liberal arts and sciences.

In looking at the Governor's proposed appropriated budget for FY04, Governor's State's appropriation would be reduced by 8.2 percent, or \$2.2 million. That proposed reduction comes on the heels of a reduction of \$1.7 million in appropriations for FY03, and rescissions during FY02 and FY03 totaling more than \$1 million.

If the Governor's proposal holds, what had been appropriated at \$28 million for FY02 will be down 14 percent and will be flat with the budget of four years ago. Over that time, we've also had cost of living increases; faculty salary increases; increases in operating expenses because of two new buildings the state has constructed on our campus with no increase to take account of that; and, for each of the past two years, an annual assessment of \$656,000 to cover health insurance costs – yet our budget will be flat with Fiscal Year 1999–2000.

I don't want to minimize the difficulties ahead because we already run a tight ship. Let me give you a few examples. We have no assistant or associate deans. Since I became president three years ago, we have cut our Public Affairs staff by 50 percent. We have no full-time receptionists anywhere in the university whose sole duty is to answer

the telephone and greet visitors. We invest our available resources into our 46 undergraduate and graduate educational programs – not in administrative programs.

It will take an extraordinary effort to meet that budget without seriously disrupting the lives of our students; undermining the foundation we have been building for growth, improved quality, and increased service; or injuring the disadvantaged communities we now provide important, if not essential, services.

Because more than 70 percent of our budget is for payroll, we will have no choice but to reduce the number of our employees. I can't tell you today how many people will be affected. We can't finalize our plans until we know all the details of funding for FY04. But I can report on the actions we have taken to date.

We have already placed a freeze on hiring. That freeze will continue. There will be few if any exceptions.

We will continue our policy of not replacing employees who retire or leave for other reasons, unless it is essential to do so because of accreditation requirements or public safety.

We will cut across the academic and administrative wings to reorganize and restructure some operations, such as information technology.

We are investigating outsourcing some operations.

We have identified approximately 100 classes that can be consolidated, offered less frequently, or eliminated. That's a reduction of 11 percent. We'll make a final decision in the next few weeks.

And we will have to severely cut support of some community outreach programs and other worthwhile activities and services that are not central to our core mission of providing a quality education for working adults.

At the same time, we will seek new sources of revenue, while stepping up our efforts to attract new students and retain current ones.

Some might think that the task of determining what to cut and what to postpone and what to forego would be even more difficult because our faculty has been working without a contract for the past eight months, while negotiations have proceeded without resolution.

Not so.

Faculty have actively participated in committees we have created to address the budget problem, offered creative cost-cutting ideas, and proposed imaginative ways both to protect the quality of our academic programs as well generate additional revenue for the university. Any differences faculty may have with the administration and our plans for the best ways to advance GSU's mission have not interfered with their commitment to their students and the larger mission of the university.

I'm grateful for that.

There will be negative consequences no matter what we do to meet the FY04 budget. We'll disrupt students' plans in some cases and cause serious inconvenience in others by canceling or consolidating classes. We'll disrupt plans of our faculty by deferring scholarly and service projects, postponing library acquisitions, putting off purchases of teaching aids and technology upgrades, and putting on hold new academic programs, including those already approved by IBHE. And we'll disrupt some of the communities we serve by cutting back on the services we now provide.

We'll work to minimize the negative impacts of our budget cuts. In doing so, we will not abandon our strategic plan, nor sacrifice our commitment to quality, nor compromise our commitment to serve the educational needs of the working adult, difficult though that task may be.

Unfortunately, our challenge is complicated by the Bureau of the Budget's proposal to also reserve 8.1 percent of the public universities' income funds in anticipation of tuition caps. That amounts to \$961,000 in the case of Governors State. I'll talk about tuition caps in a minute. Let me first say something about the income fund.

As you know, the income fund is primarily composed of tuition and fees, and a few other miscellaneous sources income—but it is overwhelmingly tuition. As such, it is an important part of our regular operating budget. It is not reserved for specific functions or areas like the programs supported by mandatory fees.

So when you ask me how I spend my income fund, the answer is the same as if you asked me how I spend my appropriated funds. Together, tuition and appropriated funds make up our operating budget.

We hire faculty. We buy computers and teaching technology. We heat and light our building. We have janitors to keep the building clean and police to assure public safety.

As to the Bureau of the Budget's directive to reserve 8.1 percent of our income fund--\$961,000 for FY04. First, it's only prudent to plan ahead for a reduction in tuition income in light of the likelihood of caps on tuition increases. And second, it's only prudent to plan for a mid-year rescission in FY04. After all, we have had mid-year rescissions for two consecutive years. We would have established a reserve, as we did last year, without being directed to do so.

The reserve directed by the Bureau is a quarter of a million dollars more than the rescission of FY03 and three times the amount of the FY02 rescission.

Any reserve against the income fund is a reserve against our operating budget. It will negatively impact our ability to continue to deliver quality educational programs. It is larger than prudence demands.

As to caps on tuition increases, I believe they are inevitable for a variety of reasons. But I would urge the legislature to impose those caps in FY05, and not this upcoming fiscal year. Given the proposed 8.2 percent reduction in appropriations and the 8.1 reserve of the income fund for FY04, universities will already be hard pressed to meet the needs of their students. A limit on tuition increases in the next fiscal year will only intensify those pressures, lead to even larger layoffs, seriously disrupt the lives of students, and jeopardize the quality of educational programs.

In considering tuition caps, my sense is that parents and students want predictability in their costs. That can be realized if an incoming freshman is guaranteed that his or her tuition, whatever it may be, will remain the same for four years. For that reason, we support the bill introduced by Representative Kevin Joyce.

A numeric limit on annual tuition increases, whether it's the cost of living, or five percent, or any amount you name, is potentially damaging in the long-run because no one knows what the economy will be out ahead, what the state's appropriations will be, what new demands may be placed on universities, or what unexpected costs universities may have to incur. As an example, eight or nine years ago no one could have predicted the large investment we have to make in technology each year. But today, technology is a major cost item. History and experience tell us that such an approach to price controls doesn't work – it creates greater problems than the ones it was designed to solve.

Finally, there are proposals in the legislature and supported by the Governor to replace the current lump sum budget with a line item budget. I don't think a line item budget would create a problem for Governors State – but the devil's in the details. As a practical matter, universities require some flexibility to meet unexpected developments. If they do not have that flexibility, the alternative – the prospect of an endless stream of university presidents coming to Springfield to seek authorization to reallocate small amounts from one line item to another – is as unappealing to us as it is to you. We support the bill introduced by Representative Kurt Granberg. It ensures accountability while allowing some flexibility to respond to emergencies and student demand.

We recognize the very serious situation facing Illinois today, as well as the responsibility of higher education to contribute to the solution of the state's current financial problems. At the same time, we need to assure that higher education will be able to continue to meet its mission of providing a quality education--the long-term foundation for Illinois' economic growth.