

From: UPBC / Chad E. Valk
To: Candace Barrington
Re: Recommendations of the UPBC Committee following the Budget Presentations of
February 9 & 16, 2011.
Date: March 30, 2011

Dr. Barrington,

I have attached the memo regarding UPBC budget recommendations submitted to the President from the committee. Upon reviewing the budget presentations from all divisions, it was obvious to the committee that certain divisions by their nature (Human Resources being one example) operate at a continual state of requesting minimal to zero increases each year. Other divisions, again by their nature, have large requests for appropriations whether they are one-time, bond, or even base budget increases. This is understandable, but needs to be said to provide some guidance as one reads the committee recommendations.

UPBC again this year pointed out some large value projects that the committee felt were not proper to fund in this budget climate. Some of these, the lock replacements and field turf replacements, have come before the committee for two consecutive years now. However, UPBC did support some requests for one-time and base budget increases in funding. Based upon the guidance UPBC has been given, which is that the University needs to prepare for a planned 10% rescission in the Governor's proposed budget, the concern of the committee was affordability of these projects when faced immediately with a looming budget cut in FY 2012. The one area that the committee is not completely knowledgeable about at the time this document is written is the final dollar value of available one-time funds, typically cost savings from the existing fiscal year. We are given some estimates, but truly in late February these numbers are not known nor can they be called "savings" at that time.

These funds come from various budgetary savings, but in recent years are heavily supported by salary savings due to the slower pace (some may still call it a freeze) of hiring that has taken place. As the CFO has explained to the committee many times, the University appropriates funding in each budget to cover the planned hiring of all positions on the books. This has demonstrated to be a smart way for the University to budget and plan for what already has become a relaxation of the hiring restrictions that were once in place. UPBC does anticipate that as the economic climate grows more difficult, that divisions will be seeking to reduce these salary savings dollars upfront as part of the budget giveback required to offset any overall budget rescission from the state. Add to this our uncertainty about the structuring of higher education in Connecticut and at CSU moving forward and you can clearly see that UPBC approached this budget review in a most conservative manner.

At this time, President Miller has met with his executive committee members to review their budgets and some budgetary adjustments may already be in the works based upon UPBC and President Miller's input to the divisions. Typically, President Miller will meet with UPBC in late April to discuss his final budget proposal that he will submit to CSU in May. I will end my comments here and offer to make myself available to the Senate for any direct questions or follow up regarding our review of the divisional budget requests.

Respectfully,
Chad E. Valk
UPBC Chair