

## **Presentation to UVI Faculty and Staff**

by Dr. LaVerne E. Ragster

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### **1 UVI Strategy for Securing the Future**

- Presented by
- Dr. LaVerne E. Ragster
- President

### **2 2000-2005 Strategic Plan Focus – Sustainability**

#### **3 National Context**

- All 50 states battling budget deficits
- Aggregate deficits = \$40 Billion
- Worst budget crisis since WW II
- Revenues shrinking, Expenditures escalating
- States raising taxes, cutting payrolls, closing hospitals, libraries, and reducing services
- Declining State Support to Colleges & Universities Continues
- College Board study: tuition & fees at 4-year public colleges increased 9.6% for 2002-2003

#### **4 Local Context**

- VI Deficit: projected at \$115 Million
- Serious Cash Crunch
- Declining Tax Revenues
- Borrowing to Meet Payroll
- Considering Dramatic Cost Cutting options
  - Shorter work week & employee furloughs

### **5 UVI Relationship with VI Government**

#### **6 UVI Current Fiscal Situation**

- 2002-2003 Budget Cut by 5%
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- 5% Budget Cut is Permanent for 2003-2004
- VI Government Allotments Behind \$2.9 Million

#### **7 UVI Current Fiscal Situation**

- \$29.0M Original UVI Appropriation
- ( 1.4M) 5% Reduction
- \$27.6M Adjusted UVI Appropriation
- (16.1M) UVI Received
- \$11.5M Allotment Owed UVI

### **8 How Will UVI Address 2002-2003 Budget Shortfall ?**

- Phase I

- Cut Travel
- Selective Hiring Freeze –Vacant Positions
- Cut Professional Development Opportunities – Faculty & Staff
- Curtailed Phone Usage, Photocopying, Overtime
- Reduced Discretionary Equipment Purchases
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**9 How Will UVI Address 2002-2003 Budget Shortfall ?**

- Phase II – Responding to VI Government Cash Crunch
  - Establish \$1.5 Million Line of Credit
  - Borrow \$1.0 Million from UVI Foundation
  - Borrow \$500,000 from Endowment

**10 How Will UVI Operate at 95% Budget-Level Going Forward?**

- All Self-Supporting Enterprises must make a positive revenue contribution ASAP
  - Bookstore
  - Reichhold Center
  - Sports and Fitness Center
  - Dormitories and Food Service
  - Summer School \*\*
  - Workforce Training & Continuing Education
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**11 How Will UVI Operate at 95% Budget- Level Going Forward?**

- Restructuring Summer School for Sustainability
  - Changing Faculty Compensation Model
  - Offering Courses Based on Enrollment Levels
  - Cutting Courses with Low Enrollments
  - Summer 2003 – Objective is to at least break-even

**12 Summer School Models**

- 2002 Comp.Model
- STT (82,200)
- STX ( 8,300)
- NRC (90,500)
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- \*2003 rate = \$775/credit
- 2003 Comp. Model\*
- 34,300
- 53,400
- 87,700
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**13 Fundamental Operating Assumptions Going Forward**

- Future Sustainability & Growth Based on Non-Appropriation Dollars

#### **14 Future Sustainability & Growth Based on Non-Appropriation Dollars**

- What Must We Do?
- We all must share responsibility for meeting the challenge
  - Faculty
    - Seek Grants
    - Seek Partnerships
    - Recruit/Retain Students
    - Promote Innovation & Quality– Teaching, Research, Learning, New Programs

#### **15 Future Sustainability & Growth Based on Non-Appropriation Dollars**

- What Must We Do?
- We all must share responsibility for meeting the challenge
  - Administration
    - Seek Grants
    - Seek Partnerships
    - Solicit Donors, Supporters
    - Promote & Support Innovation
    - Interact with Government

#### **16 Future Sustainability & Growth Based on Non-Appropriation Dollars**

- What Must We Do?
- We all must share responsibility for meeting the challenge
  - Staff
    - Seek Grants
    - Seek Partnerships
    - Improve Service Delivery
    - Enhance Productivity & Efficiencies
      - Process Redesign &/or Restructuring

#### **17 Examples of Future Sustainability Initiatives**

- Research & Technology Park – 3/5 Years
- Increasing Fall 2003 Enrollments
- VI EPSCoR – January 2004
- Workforce Training – Projected \$250,000 Revenues by 2005

#### **18 Examples of Future Sustainability Initiatives**

- New Facilities – Dining Pavilion, Etelman House, Upgrade Dormitories
- \$100, 000 for Policy Development – Summer 2003
- NSF VI Math Partnership-\$4.5M pending grant