Presentation to UVI Faculty and Staff
by Dr. LaVerne E. Ragster
Thursday, May 1, 2003

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
     o Shorter work week & employee furloughs

5 UVI Relationship with VI Government

6 UVI Current Fiscal Situation
   • 2002-2003 Budget Cut by 5%
   • 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

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

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)
• *2003 rate = $775/credit
• 2003 Comp. Model*
  • 34,300
  • 53,400
  • 87,700

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