

Report to the Board of Trustees
President R. Barbara Gitenstein
April 21, 2005

I'll begin my report with some overview comments and then turn it over to Treasurer Barbara Wineberg to make more specific comments about our planning at this time.

Because the College's tuition hearing occurs before the budget deliberations are completed in Trenton, our discussions regarding proposed tuition and fee increases have always been contingent on a final decision regarding state allocation of resources to higher education. This state of contingency has become even more evident in the last several years, as the proposed governor's budget is less likely to be adopted in its original format, as was the tradition in years past. While Governor Codey's budget proposal set forth significant challenges for public higher education in the state, considering the extraordinary stresses in the state budget, I was personally gratified with the resources he allocated to higher education support and particularly appreciative of Treasurer McCormac's commitment to transparent language regarding the amount of resources available to support the full salary obligation for the colleges and universities.

With this said, since Governor Codey's budget is based on several initiatives that many feel are vulnerable during the legislative discussions regarding budget, I have concluded that we are again in a situation in which our budget planning will continue to be very preliminary until the legislature acts in late June.

If any of the governor's proposals to increase revenue or limit expenditures are rejected by the assembly and senate, his expenditure plan will need to be trimmed. Thus, there remains the possibility that resources currently planned for higher education could be cut. The three initiatives included in Governor Codey's budget that I worry about most are the planned cuts in the rebate program and the revenue planned from sales of state real estate and from proposed video lottery terminals.

What I mean to suggest today is that we can plan at this time only with the best information we currently have. These plans and assumptions will be tested in the next several months and we will have to respond accordingly. In any event, we will plan with the same values that we have held in the past: to protect the safety and security of our students, faculty, staff, and visitors and to ensure the academic core of the institution.

Whatever assumptions we make with regard to state support, our basic assumptions with regard to expenditure will be the same and they are stringent indeed. Treasurer Wineberg will delineate those. What I wish to underline here is that save for very limited areas of planned increase, any other increases (and there will likely be those) must come from reallocation from some other area of the enterprise.