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M E M O R A N D U M
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TO: Members, Board of Trustees
FROM: George A. Pruitt 
SUBJ: President's Report

As is our custom, the President's Report for this meeting is abbreviated in deference to the Annual Report which has been provided to you under separate cover. However, there are certain items of significance that I would like to share with you as a part of my report.

FY '92 State Appropriation

As I indicated to you in our June discussion, given the severity of the state's fiscal situation, maintaining the status quo is a great achievement. I am pleased to report to you that in the appropriation signed by the Governor on July 1, we were able to maintain the status quo. Our FY '91 state appropriation was \$3.322 million. However, because the salary program was not funded, the budget carried an obligation of \$3.722 million in expenditures. In his annual budget message, the Governor recommended \$3.42 million for FY '92. During the budget process, the Legislature added, and the Governor concurred with, an additional \$284,000, bringing the total appropriation to \$3.706 million. By receiving this increase, our appropriations were brought in line with mandated salary increases, and we were made whole.

Unfortunately, we face another \$400,000 problem in providing the FY '92 salary increases which are not covered in this appropriation. We have been notified by the Office of Management and Budget that we will receive about one-third of our salary program for the coming year, and the funds will be paid to us in the first quarter. From our point-of-view, this is a very useful approach. Although the salary program will again be underfunded, partial support is a lot better than no support, and the early declaration has removed the uncertainty from this major budgetary item.

The expected revenues from the tuition increase that was effective July 1, taken together with the partial salary program funding and combined with spending restraints, should allow us to conduct the College's business without further reducing staff or turning away students.

Given the context of the times, I think we should be appreciative of achieving this outcome. Attached is a chart which displays the distribution of funds for higher education in the Appropriations Act.

FY '93 Budget Request

Attached in your materials is a copy of the College's FY '93 request for appropriated funds. Although we survived the current year appropriations cycle without major reductions, FY '93 has the potential of being a much more difficult budgetary year. Many of the revenue sources used by the state to balance this year's budget will not be available next year, i.e., highway sales, etc. The lingering recession makes it unlikely that growth in revenues will replace one-shot measures taken last year. In addition, there will be budgetary pressures from mandated cost increases, including, but not limited to, escalating employee salary and benefit costs. Within this context we have requested an appropriation next year of \$4.336 million which, in our view, represents another "stand still" budget.

Hanover Lives!

After more false starts than I care to recount, it appears that the Hanover Street renovations will finally be completed. I hope and expect that the facility will be renovated, furnished, and occupied in time for our Middle States visit this spring. The planning and logistical requirements in pulling off this move represent a daunting challenge. It is long overdue and greatly needed.

Masters Degree Program Planning

In spite of the severe financial strain the College is experiencing, we, nevertheless, are moving forward with the planning of our initial graduate degree offering. You may note from my transmittal letter to the Chancellor in our FY '93 budget request, we have dedicated \$50,000 in current revenues to continue the planning of this important new initiative.

We have been fortunate to attract the services of Dr. Charles Nanry, professor at Rutgers, member of the Academic Council, and a scholar with a distinguished record of public service (former Commissioner of the Department of Personnel) to lead a group of faculty working on this effort.

We expect by late spring to achieve two outcomes: 1) a completed program approval document for submission to the Department of Higher Education; and, 2) a grant proposal to solicit necessary funds for the developmental work associated with initiating this new degree. We have conceived this program to be self-supporting at a point beyond its initial capitalization.

Bid Waiver Updates

At the March, 1991 meeting, bid waivers were approved for survey research, for a new two-year catalog, for a new Prospectus, and for a new Guided Study bulletin. Those items or services have now been purchased as follows:

<u>Item</u>	<u>Request</u>	<u>Expenditure</u>	<u>Vendor</u>
College catalog	\$50,000	\$52,080	Salina Press, Inc.
Prospectus	45,000	36,981	Nittany Valley Offset
Guided Study	14,000	12,913	Marketing Graphics
Survey Research	50,000	29,268	The Gallup Organization

Risk Management

The state colleges have agreed to consolidate the purchase of insurance through a joint agreement rather than remain in the state program. The colleges will purchase property and casualty coverage through a brokerage firm; this will save the colleges over \$400,000 in premiums over the present coverage provided by the state and the New Jersey Educational Facilities Authority. An additional advantage to premium savings is the decrease in principle deductibles from \$100,000 to \$50,000.

Attached for your information is the full risk management proposal.

BillBoard Advertising

The College plans to use billboard advertising this fall as part of the identity project begun earlier this year. Foundation Director Dick Gillespie once again is donating the design for the advertising, and Linda Holt, Director of Communications and College Relations, has thoroughly researched locations in North Jersey for maximum exposure.

New Grant Received

A grant program, offered cooperatively though JvNCnet (John von Neumann Computer Network), the National Science Foundation, and NJIN (New Jersey Intercampus Network), has awarded the College a total of \$30,000 toward a three year project that will connect the CALL Network to the Internet. The Internet is a global network of computers dedicated for research and educational use, and offers the resources of E-mail and file transfer between members, data base access, use of supercomputing and scientific instrument usage, and library services. Internet technology (TCP/IP) was originally funded through the Defense Advanced Research Projects Agency (DARPA) in the mid 1970's. That effort has grown into an international Internet cooperative venture composed of some 3,000 active networks and roughly 200,000 computers;

thus, its resources and availability are broad. The connection of the CALL Network to the Internet is scheduled for September of 1991. In the first phase, all CALL users will be able to use Internet resources, and in the second phase, CALL will become a resource on the Internet and will thus be available to any other Internet user upon their appropriate registration for use of CALL.

Resignations

The following people have resigned from the College:

Nancy Anne Kopp	-	Corporate Programs
Tywanna Clark	-	Alumni Affairs
Ellen Carriere	-	Registrar
Jennifer Luisi	-	DIAL
Tina Lockhart	-	DIAL