

TESTIMONY OF PRESIDENT DAVID HALL
UNIVERSITY OF THE VIRGIN ISLANDS

BEFORE THE
COMMITTEE ON
APPROPRIATIONS AND BUDGET
28TH LEGISLATURE
OF THE VIRGIN ISLANDS

EARL B. OTTLEY LEGISLATIVE HALL
ST. THOMAS, U.S. VIRGIN ISLANDS

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Good morning, Chairman Dowe and other members of the Committee on Appropriations and Budget, other members of the 28th Legislature present, other testifiers, members of the Press, persons in the viewing and listening audiences, ladies and gentlemen. My name is David Hall, President of the University of the Virgin Islands, and it is indeed an honor for me to appear before this distinguished body to present the University's budget request for FY 2010-2011 and report on accomplishments as well as respond to your questions and comments.

To assist with this presentation today, I have with me the Chairman of our Board of Trustees, Mr. Alexander Moorhead; Dr. Karl Wright, Provost; Mr. Vincent Samuel, Vice President for Administration and Finance; and Dr. Henry Smith, Interim Vice President for Institutional Advancement. Also present in the audience are key support personnel, Directors of various programs, Deans, and other Cabinet members.

I am pleased to present to you the Fiscal Year 2010 - 2011 appropriation budget request as approved by the University's Board of Trustees' Executive Committee. We are very appreciative of this body's consistent support of the University's past requests and we look forward to your continued support.

I have organized my testimony into four major areas. First, key accomplishments and highlights of the year will be presented, along with challenges faced. Second, UVI's institutional goals for the upcoming fiscal year are presented. This is followed by the presentation of the University's specific budgetary request. Finally, the University's approach to absorbing the proposed 3% reduction will be presented.

Accomplishments and Highlights: 2009-2010

During the present fiscal year, there have been many significant accomplishments at UVI. The accomplishments which I will highlight here could not have been achieved without the dedication and commitment of the faculty, staff and students who create the character of this special institution. The Board of Trustees has been extremely supportive of our aspirations to move the University along the path to greatness, and I want to publically thank them for their enormous devotion of time, resources and wisdom. In the interest of time, I will only share some of the highlights of the year.

First, it became clear to me that in order to maximize the potential of this University, and to better serve our students and the community, we needed a set of management values which would produce a more efficient operation and create more accountability throughout the institution. Therefore a system, which we call The Seven Management Values, was implemented this past year. [See Appendix I for a detailed presentation of the Seven Management Values.] This system has allowed us to reduce the turnaround time in regards to certain services, provide better services to our customers, and enabled us to make more informed and thoughtful decisions. There is much work to

be done under each value, but the University is moving towards a more effective and efficient management of the resources which are provided by this body and other persons and entities.

In addition, several key Presidential initiatives were launched which significantly shaped the progress that we have made on the road to greatness. They include:

- The establishment of Presidential Task Forces on Improving Retention and Graduation Rates at UVI and Improving the Education Quality in the Territory. Each task force presented a report with recommendations that have been used to establish an institutional goal focused on student success and expanded collaboration between UVI and the Department of Education. From an educational perspective, two of the greatest challenges facing the Virgin Islands, are to ensure that more of our students who enter college graduate, and more of our high school students come to college better prepared to succeed. Our work last year has provided us with a systematic approach to addressing both challenges.
- The establishment of a male initiative, focused on increasing male enrollment and retention, and working more directly with male students throughout the Territory. The establishment of the “Brothers with a Cause” chapters on both campuses has empowered our male students to take greater control over their own destiny and empower others to do the same.
- The completion of a facilities assessment process to determine the most critical facilities needs across the two campuses, which resulted in the development of a Facilities Assessment Plan and the determination of the need for a new Residence Hall and a Science building as the two major facilities needs on the St. Thomas campus and the need for an academic building and a multi-purpose building as the two major facilities needs on the St. Croix campus. (*See Appendix II.*)
- The transition of our academic units from Divisions to Schools and Colleges. UVI can no longer afford to use labels that are inconsistent with the quality that already exists within our institution, and inconsistent with the dominant standards in higher education institutions throughout the United States. This change signals to the outside world and to us that UVI is a quality institution that is comparable to other universities throughout the country.

There has also been a strengthening of Shared Governance at UVI over the past year. One of the unique aspects of the culture and values of a university is that all groups within the university must have a critical and meaningful role in the decision-making process of the university. Our accreditation agency cited this area as a weakness during our last accreditation, and therefore we worked hard this year to enhance this process. Some examples of our achievements in this area are:

- The establishment of an expanded budget development process reflected by a University Budget Committee with representatives from all constituency groups, including students, staff, faculty and administrators; and the convening of university-wide budget hearings where budgetary recommendations were shared with the University community.
- The establishment of the St. Croix Presidential Advisory Council, with a membership from various units across the campus. This group, which meets regularly with the President, was created in order to identify and address the unique challenges facing the St. Croix campus. This resulted in better service for that campus and a greater role for members of that campus in the decision making process of the University. With rare exception, I was on the St. Croix campus every Thursday in order to increase that campus's access to the President. I plan to continue this schedule during the new academic year.
- The involvement of a cross section of university personnel and students on various executive and administrative search committees during the fall 2009 and spring 2010 semesters. In the spirit of "shared governance" the input of the search committees and various constituency groups was taken very seriously in all of the hiring decisions made this year.

Over the past academic year, there were also expanded outreach efforts to the community in order to enhance the visibility of UVI for future students, potential donors and governmental entities. The University also welcomed increased numbers of visits from elementary, junior and senior high school students to our St. Croix and St. Thomas campuses. UVI has become a "preferred stop" for students embarking on field trips. We have attempted to be more accessible to the K-12 school system, both public and private, during the course of the past year.

In order to address the critical need for more mental health professionals in the Territory, we developed and launched a master's degree in Counseling Psychology this year. There are approximately thirty students who have been accepted into this program and they will begin classes this week.

Due to increased outreach efforts and dedicated staff and volunteers, we have in one year doubled the number of gifts from our alumni (from 328 to 679) and greatly increased the number of alumni who contribute to our annual fund campaign (from 266 to 500). Before the fiscal year is completed we hope to enhance this growth even more. I want to personally thank those Senators (alumni and non-alumni), who responded to our appeal. Your generosity is greatly appreciated. We also received a \$1 million pledge from Trustee Donald Sussman toward the future construction of a Science building. This is the largest single pledge from a private donor in the history of UVI.

With funding and support from this body, we have completed the design and site selection for the construction of a bathhouse on John Brewers Beach. We will begin construction as soon as we receive CZM approval and obtain the necessary permits.

We are very pleased to share with you that through the State Fiscal Stabilization Funds under the American Recovery and Reinvestment Act, UVI received \$3,797,800 to address five facilities improvement projects on the St. Croix and St. Thomas campuses. A focus on meeting compliance requirements of the Americans with Disabilities Act is a key element of the majority of the approved projects. [*Please see Appendix III for a brief description of each of the five projects*].

The accomplishments presented above are just some highlights of a very productive and successful year for UVI. More detailed accomplishments are delineated in *Appendix IV*.

We would now like to turn your attention to some critical challenges the University has been faced with in recent times. They are as follows:

- Increased pressure to provide a safe learning and residential environment for our students in the face of an increase in the number of incidents occurring on college campuses across the nation.
- Increasing costs associated with providing state-of-the art technology infrastructure and other student learning technological services.
- Administrative and fiscal reporting responsibilities with regards to audit reports and increasing federal program compliance requirements.
- Annual health insurance premium increase, which increases the University's match.
- The inability to provide universal salary adjustments for employees since 2006. There are faculty and staff who may not have received any salary adjustments over the past five years.
- Declining investment income from our Foundation and endowment funds.
- Need for additional buildings to provide academic, campus housing and office space for faculty and increasing student enrollment.

These are just a few of the challenges we continue to face and which your support will increase our ability to address. We see each year as an opportunity to move the University further along the path to greatness. And we will use all of our resources, insights and people to move along the path.

Institutional Goals for Fiscal Year 2010-11

It is in that spirit that we share with you our goals for the next fiscal year. As we begin the 2010-2011 academic year and prepare ourselves for the start of Fiscal Year 2010-

2011, the University has established a number of institutional goals. The institutional goals that we have set will preserve and enhance the University's academic and financial viability. Further, the institutional goals are focused on programs that impact students in a very direct way; academic programs that will provide current and prospective students with a wider range of career options and respond to community needs; programs that will demonstrate UVI's continued role as a leader in the community and projects that move us closer to addressing pressing facility needs.

With respect to programs that will have a direct impact on our students, we have set the following institutional goals:

1. Implement the recommendations from the Retention Task Force and the Education Quality Task Force through the Center for Student Success and the P-16 Collaborative; and ensure that those initiatives improve our retention rate and reduce the number of entering freshmen who need remedial courses. We are excited about the possibility of developing a Center for Student Success which would coordinate our existing efforts and create new ones that will ensure that our students reach their full potential and graduate. When one of our students does not succeed, then the Virgin Islands and the Caribbean loses another potential leader, entrepreneur, nurse, teacher or scientist. We must do all we can to make sure that all students reach their full potential.
2. Establish an Academic Learning Center on St. John so that UVI courses and library resources are provided to St. John students and residents through the use of our videoconferencing capabilities. We will be asking the leaders of that community to assist us in creating this enhanced pathway to higher education. If we want to increase the quality of life in the Virgin Islands then we must make higher education more accessible to more people.
3. Institutionalize and expand the male initiative (*Brothers with a Cause*), and commence a female initiative that focuses on addressing the unique challenges that female students encounter. For example, we have many single mothers who are working, attending school and caring for their families. We need to better support them in their quest to improve their lives.

Goals related to academic programs that have the potential to impact current and prospective students in the Territory and beyond include:

4. Develop and implement a new Baccalaureate degree program in Hotel and Hospitality Management. We have received support from the Department of Tourism, the Department of Education and from industry partners to explore the development of this long overdue program. We recognize that this body has demonstrated a strong interest in this area of our economy, and we plan to incorporate your concerns and ideas into the overall proposed plan.

5. Ensure that the School of Business is successful in attaining accreditation by fall 2011. We have a very successful business program that has produced many business leaders in this community and throughout the world. However, we need to enhance the stature of our program and gain the industry's stamp of approval so that our students and graduates can have more confidence in their achievements.

The University has also identified institutional goals that will demonstrate UVI's leadership role in the Territory and the wider Caribbean region. These goals include:

6. Develop, fund and launch a Caribbean Center for Green Technology. We are in conversation with leading experts from the University of California at Berkley, and Harvard University about creating a center at UVI that will engage in cutting edge research related to renewable energy. As energy consumption creates a greater burden and threat to this economy, we want the University to be an enlightened resource for the government and the private sector as they grapple with this difficult challenge. Internally we hope to launch a **"UVI Goes Green"** initiative which will promote more policies and practices at the University in support of energy conservation, recycling and sustainability. We will also explore the development of other Centers and Institutes in the areas of Spirituality and Professionalism, Economic Policy and Leadership Development.
7. Develop a proposal, for which we need the support of this body, to increase the number of clinical sites for our Nursing program so that we can increase the number of nursing students we can accommodate and graduate. We must also become more creative in attracting more Nursing faculty which is an extremely difficult task in the present marketplace.
8. Develop a comprehensive review of our Criminal Justice Program so that we can better maximize existing resources and greatly increase the number of students who enroll in and graduate from this program.

One of our key focus areas for the upcoming fiscal year is to address facilities needs within the University. As mentioned in our accomplishments for the past year, we were able to secure State Fiscal Stabilization Funds (SFSF), under the American Recovery and Reinvestment Act to address various facility needs. However, there are other facility needs that go beyond the scope of the SFSF, and, as such, we will need the support of this body to begin this year a bold plan to address critical needs and make UVI competitive with other universities across this nation. I will provide greater details about this plan when I share our proposed FY 2010-2011 budget request.

There are a few goals that will preserve and enhance our academic and financial viability. They include:

9. Coordinate plans and create an organizational structure to prepare for the Middle States Commission on Higher Education Periodic Review which is scheduled for June 2012.
10. Conduct a comprehensive risk assessment for the University that involves multiple stake-holders, and which results in a thoughtful plan for addressing potentially damaging risk.
11. Conduct an assessment and develop the case statement for the launching of the Capital Campaign. With the hiring of a permanent Vice President for Institutional Advancement, Ms. Dionne Jackson, we are well positioned to begin our most aggressive fundraising effort in the history of UVI. I would like to thank Dr. Henry Smith for his leadership of this area over the past two years.

Finally, I have contended, since beginning my tenure at UVI, that this University is an extraordinary gem within the Territory, and, indeed the Caribbean. We need to do a better job of celebrating this special institution and showcasing what we have to offer. Therefore, the final institutional goal that I will share with you is:

12. Commence the planning process for the 50th Anniversary Celebration in 2012. Though our 50th Anniversary is two years away, we want to engage all key stakeholders in planning a thoughtful and worthy celebration of this major accomplishment.

Fiscal Year 2010-11 Budget Request

It should be evident from the institutional goals shared, that UVI has great ambitions and clearly understands its mandate and its purpose for existing within this community. In order for us to achieve these goals, and continue to gain momentum on our path to greatness, it is critical to have the level of financial support that will allow us to move forward boldly and confidently towards the achievement of our institutional goals. You can greatly assist us on our journey by supporting the University's budget request for FY 2010-11.

Please note that the June 11, 2010 submission of the Fiscal Year 2011 Executive Budget by Governor John P. deJongh, Jr. contained some errors in the University's section. We have brought this situation to the attention of the Office of Management and Budget and have submitted the correct budget numbers which we have requested be submitted to this body in the form of a Technical Amendment.



The breakdown of the University's revised budget request in light of the three-percent (3%) reduction, as communicated by the Office of Management and Budget, is as follows:

1. General Operating Appropriation	\$ 28,984,056
2. Debt Service Requirements	3,592,205
3. SBDC Local Matching Requirements	300,000
4. Senior Citizens' Tuition Requirements	87,773
5. Valedictorian and Salutatorian Scholarships	400,966
6. Community Engagement and Lifelong Learning	<u>100,000</u>
 Total Appropriation Request	 <u>\$ 33,465,000</u>

It is important to note that this year's request appropriately matches funding needs with expected demand for those resources. Consistent with this strategy, there is an increase in the amount being requested for Debt Service, Senior Citizen's Tuition waivers and Valedictorian and Salutatorian scholarships. Accordingly, since, currently, there are sufficient fund balances in the University's accounts for the Academic and Cultural Awards program, and the Veterans and National Guard tuition requirements we are not requesting additional funding for those programs.

The general operating appropriation of \$28,984,056 will be used for salaries and fringe benefits for the University's faculty and staff, books, equipment, supplies, laboratories, professional services, and other legitimate expenses of the University. This amount represents approximately sixty-percent (60%) of the operating budget of the University inclusive of revenues and expenditures. Appendix V provides details of the University's Fiscal Year 2009-2010 operating budget inclusive of revenues and expenditures as of June 30, 2010.

The amount of \$3,592,205 for debt service is \$400,000 more than the amount appropriated each year for at least the last 10 years. The increase of \$400,000 in debt service capacity will allow the University to secure an additional \$5,000,000 of capital funds to assist with the construction of a state of the art residence hall on the St. Thomas campus. Our long term goals include adding other critically needed buildings to both campuses to address our growing enrollment needs and raise the quality of facilities on both campuses. As mentioned briefly earlier, our facilities assessment plan indicates a critical need for the following facilities:

- A 100-bed residence hall facility on the St. Thomas campus.
- An Academic building on the St. Croix campus which would provide additional classrooms, faculty offices and consolidation and upgrading of laboratories.

- A Multi-purpose building on the St. Croix campus which would accommodate a gymnasium, wellness center, and student activities center, and serve as a venue for commencement exercises.
- A Science building on the St. Thomas campus.

In order to execute this comprehensive plan we must secure support from this body, refinance existing debt, engage in aggressive fundraising from private donors and secure support from various federal agencies. Though this is a multi-year plan, your approval of the proposed budget will permit us to begin this process. Once completed, these facilities will elevate this University to another level of excellence and make the people of the Virgin Islands prouder of their University.

The University continues to be innovative with the limited resources available to us. We are continuing our efforts to strengthen and explore strategies to achieve efficiency and effectiveness in the delivery of programs and services. Additionally, we will continue our efforts to identify and pursue alternate funding sources to launch a number of initiatives to prepare our institution for new challenges and developments that lie ahead.

I must interject here that the University remains very much accountable and is an excellent steward of the resources allocated to it. Our external auditors have consistently provided unqualified reports of the University's financial condition, and as recently as June of this year, we were able to file, on time, our financial statements and federally required audit report for the year ended September 30, 2009. This we believe is confirmation that we are managing our appropriations and other revenues in a thoughtful and fiscally responsible manner.

UVI's Approach to Absorbing Projected 3% Reduction

Finally, I will share with the Committee how the University proposes to absorb the projected 3% reduction in our general fund appropriations budget. The University's approach is to maintain the highest quality of performance both in terms of our outputs and our services while making the needed adjustments associated with the projected reduction. The University has developed a set of nine principles that we believe will allow us to thoughtfully, prudently, and judiciously absorb the projected 3% reduction.

The principles are as follows:

1. Strive to preserve the momentum created during the 2009-2010 fiscal year.
2. Strive to preserve instructional programs.
3. Spread the reduction as broadly as possible, yet holding to principles 1 and 2.
4. Continue to identify and eliminate duplication and optional expenditures and strictly ensure efficiency at the component and university levels.

5. Use carryover dollars to address facilities and other fundamental needs for which funding has been eliminated through the reduction.
6. Use this challenge as an opportunity to grow revenues to replace reduction in appropriations.
7. Identify existing functions that can be transferred to grant funding on a temporary basis until budget reduction is replaced by revenue growth.
8. Utilize the recommendations, if appropriate, from the University Budget Committee (UBC) relative to the zero-based budgeting exercise.
9. Strive to preserve the workforce to the extent possible and preserve salary levels.

These nine principles are guiding us as we develop specific areas of savings and identify places where we can reduce cost and better maximize existing resources.

In conclusion, it has been an honor to serve as President of the University of the Virgin Islands for this past year. I came with a deep appreciation for what has been built by the University and this community, and a sincere excitement about the potential for growth. One year later I can say unequivocally that this University is destined for greatness. The journey will not be easy, the path will not always be straight, and we will not always agree about which turns to take when we reach a fork in the road. But if we walk by faith and by sight, we will reach our destination. This journey toward ever-increasing excellence is not for the swift, but for those who endure to a just and perfect end. I believe that among our faculty, staff, administrators, students, alumni and Trustees, we have individuals who are committed to walking this sacred path and enduring until we reach higher ground.

I also believe, based on my experience, that the people of this Territory, government officials, and the business community are also committed to traveling with us as we strive to make UVI an academic gem in the midst of paradise. For when UVI shines, then we can help brighten the lives of people throughout the Virgin Islands, the Caribbean and the world.

I thank this legislative body for your past support, for your dedication to UVI and for believing in the bright future that awaits this University. Thank you for this opportunity to appear before you today and I look forward to answering your questions.