

**University of the Virgin Islands
Budget Request for FY 2003-2004**

Presented to:

The Finance Committee of the
25th Legislature of the U.S. Virgin Islands

By:

UVI President Dr. LaVerne Ragster

Date:

July 21, 2003

Good morning. The Honorable Adlah “Foncie” Donastorg, Jr., Chair of the Finance Committee, members of the Committee, and other members of the 25th Legislature, the University of the Virgin Islands appreciates the opportunity to appear before you to present our budget request for FY2003-2004, to hear your comments and to respond to your questions.

We commend the Legislature for its continuing support of the University during these demanding fiscal times and its commitment to seek solutions that will address the complex issues confronting the Territory. We were pleased to partner with the VI Government to support solutions through studies and investigations, like the airlift capacity study, authorized by the Legislature. The University stands committed to continue our partnership with the Government and the wider community to develop and facilitate solutions in the best interest of the Virgin Islands.

We again commend and extend our appreciation to the Legislature for its public support and commitment for the establishment of the Research and Technology Park. We are pleased to report that the Park has signed its first strategic partner, Crucian Global, and opened its office on the UVI campus on St. Croix. This important initiative will bring many knowledge-based and e-commerce companies to the Virgin Islands and stimulate our economy over the next five to ten years. When fully operational, the Park will create hundreds of jobs and provide workforce training that will provide greater economic opportunity for the residents of St. Croix, and the Territory. Your foresight and cooperation helped UVI to bring this future-oriented idea to life. Thank you.

As the University of the Virgin Islands looks to the future, we have a tremendous opportunity, with the Government’s help, to serve the interests of the people of the Virgin Islands by continuing to build an outstanding university that is competitive, sustainable, and increasingly more responsive to the needs and demands of our community. In just 41 years, what was then the College of the Virgin Islands has progressed to a University with the capacity to be the leading purveyor of intellectual capital in the region. High quality academics, innovative research, and dedicated public service remain the institution’s mission. However, as we advance into an era characterized by global access to information, greater accountability from accrediting agencies mandating improved outcomes, and shrinking public resources fueled by fiscal constraints, UVI must accelerate its efforts to transform. We must continue to:

- ◆ Seek additional sustainable sources of funding
- ◆ Pursue excellence in teaching, research and service
- ◆ Improve our administrative processes for greater efficiency and productivity
- ◆ Enhance teaching and learning outcomes to better prepare our graduates for today’s careers
- ◆ Lead the way in assisting the Government and community to address the challenges of restoring confidence in our public school system, and
- ◆ Collaborate with key stakeholders, locally and abroad, to address the complex issues impacting the Territorial community

These requirements are creating exciting options and possibilities for the University of the Virgin Islands as we chart our future over the next five to ten years.

As President, I am thrilled and honored to be a part of UVI's changing future – a future that is transforming the University into an institution that is internationally recognized for its strengths, community linkages and unique partnerships. This nexus creates many unique opportunities and challenges that will help shape the futures of thousands of lives. The success of this exciting transformation will depend on the relationships between the University and its stakeholders, including the Legislature.

The University is a learning institution that continues to use its Strategic Plan as a guide for all its efforts. Our accomplishments for fiscal year 2002 showcase exciting ways UVI is connecting with the people of the community and serving as a catalyst for positive change in the Territory. Let me highlight, just a few of the University's excellent programs and initiatives:

- 1) The Middle States Commission of Higher Education reaffirmed UVI's accreditation this year in recognition of our quality programs and institutional effectiveness.
- 2) The Virgin Island University Center for Excellence in Developmental Disabilities (VIUCEDD) developed a certification program to train paraprofessionals working as Teachers' Aides in Virgin Islands classrooms. The Center also helped develop the Education Specialist degree for school psychologists, in collaboration with the Department of Education. There are currently 30 Virgin Islanders enrolled in the program.
- 3) The first cohort for the Applied Science in Process Technology degree on the St. Croix campus successfully completed its first year – including internships for students with HOVENSA and WAPA.
- 4) The Community and Personal Development Unit (CPD), in collaboration with its public and private sector partners, has become active in training Virgin Islanders for entry level positions in the information technology and hospitality industries. In addition, UVI is established as the only authorized test site for administering certification exams for the Educational Institute of Hotels and Motels Association, and for the International Computer Drivers License, and
- 5) In collaboration with the Department of Education, the University has provided workshops and courses to advance the number of K-12 teachers holding a highly qualified teacher certification.

Mister Chairman, I want this Committee and the Legislature to know that the University of the Virgin Islands sees itself as an institution that *specializes in futures*. In countless ways, the programs and services that UVI offers affect all of us. In particular UVI affects:

- ◆ Our traditional and non-traditional students who come to us seeking knowledge, skills, careers, and a chance for a better future
- ◆ Our communities who expect our help dealing with social ills that threaten their future, and
- ◆ Our employees who give their best to make UVI's future stronger

Mister Chairman, the Board of Trustees, my leadership team, and I believe that UVI's future is bright. We know it will take lots of hard work to advance our mission and vision to effectively serve the Virgin Islands community. We understand that in order for the University of the Virgin Islands to become a truly outstanding institution contributing to the welfare and prosperity of the Territory, it will require an earnest commitment from the VI Government to invest in the University's future, notwithstanding the difficult financial choices that must be made. Since 1962, the VI Government has invested significant amounts of capital in the University. This investment acknowledged that the economic prosperity of the Territory was, and is permanently linked to the availability of higher education for the people of Virgin Islands and the Eastern Caribbean.

Today, we are asking this Committee and the Legislature to renew its commitment to help UVI establish more exemplary academic programs, recruit more qualified faculty and staff, train more students, and serve our community more vigorously. This year, our request for \$35.6 million represents a "hold the line" budget which is the minimum level of financial support required from the VI Government to support and operate the University of the Virgin Islands—the details are outlined in your budget package.

2003-2004 UVI Operating Budget

◆ General Operating Appropriation	\$24,669,656
◆ Earned Merit, Promotions & General Salary Adjustments	5,542,852
◆ Debt Service Requirements	3,192,205
◆ Plant & Equipment Renewals and Replacements	1,025,000
◆ SBDC Local Matching Requirements	300,000
◆ Veterans Tuition Requirements	184,243
◆ Senior Citizens Tuition Requirements	37,773
◆ National Guard Tuition Requirements	176,723
◆ Valedictorian and Salutatorian Scholarships	240,000
◆ Academic & Cultural Awards Endowment	<u>250,000</u>
Total Operating Requirements	<u>\$35,618,452</u>

High quality education requires highly qualified and dedicated professionals. This year, the University's number one priority is the compensation of its employees. Apart from funding general operating appropriations and mandated programs, the University is requesting an increase in support for salary adjustments and past meritorious awards for our faculty and staff through fiscal 2004. This request is crucial to our *present and future* efforts to recruit and retain highly qualified professionals.

The sad truth is – salaries at the University of the Virgin Islands are woefully non-competitive. Compared to salaries paid at other master's level institutions, and even our own Department of Education, UVI professionals are underpaid. For example, based on national averages, UVI assistant professors earn \$44,000, which ranks in the lowest 30th percentile.¹ Our full and associate professors salaries also rank below 50% of their peers. The salary disparities are worse in the highly competitive fields of information technology and business. New professors teaching in technology related areas earn \$62,321 compared to just \$40,000 at UVI. In accounting, the average is \$67,747 compared to \$46,419. Administrative and staff salaries are also non-competitive and have resulted in employee turnover rates of 35% - 40% annually. The University's inability to offer competitive salaries and reward its employees for their collective achievements is negatively affecting morale and is the major reason cited by faculty and staff for why they leave the University.

Mister Chairman, these disconcerting facts are damaging the University's ability to compete for the highly qualified professionals, which the people of the Territory deserve. Therefore, we urge this Committee and the Legislature to fully fund the \$5.5 million compensation component of our 2003-2004 budget request. The other funding levels being requested for debt service, mandatory programs, and support for plant and equipment renewals and replacements are the same levels requested last year.

The University's 2003-2004 request for appropriations is necessary to sustain the level of operations and programs that will allow us to serve this community. The University continues to be innovative with the limited resources available to us. We are continuing our efforts to strengthen and explore strategies that will produce greater efficiencies in our procedures, offerings, and customer service. Additionally, we are making aggressive efforts to diversify our revenue generating streams.

Diversification for us means that we are aggressively energizing enrollments, building our endowments, and expanding our entrepreneurial activities and level of sponsored research programs and grants. In the 2002, UVI secured more than \$13 million in external funds. These funds are the result of the University's highly successful sponsored program and grant activities. Our level of sponsored programs and grants is considered exemplary, by national standards, for an institution of our size. In addition, the University, on behalf of the Government of the Virgin Islands, has just submitted a \$7 million EPSCoR² grant to the National Science Foundation in support of economic diversification in the Territory. We are pleased to be a partner in this important economic initiative for the Territory.

I want to emphasize that our diversification efforts have helped us to continue to serve the people of the Virgin Islands, despite the fact that government appropriations have shrunk from 75% to 60% of the University's budget. Please permit me to reiterate that our request for \$35.6 million is a "hold the line" budget. An investment of less than \$35.6 million by the Government of the Virgin Islands, our major sponsor, will require the University to immediately reassess its structure, educational offerings, and its ability to provide the services needed by this community. Mister Chairman, currently approximately 30% of the people of the Virgin Islands live in poverty. It is only through the development of the intellectual capital and workforce skills of the people living in our community that we will be able to provide the standard of living and quality of life, we all deserve. The key is authorizing the requested level of support to insure that the University of the Virgin Islands can be a more community-engaged University than it has been in the past.

Mister Chairman, let me close by proudly saying, that UVI sees itself as an institution poised to fully realize its vision of being a university that demonstrates excellence in collaboration and service, even as, we help facilitate the economic and social development of the Territory. We are proud of what we have accomplished and are confident of our future. The "we" I speak of, are our students, faculty, staff, administrators, Trustees, thousands of Alumni, and supporters. All of us are dedicated to the principles of higher education and a better future for the Virgin Islands.

Many of you are also a part of this collective "we." Therefore, I know that you understand the value and role of a strong University of the Virgin Islands to the future of this Territory. I am confident that the members of the Finance Committee and the Legislature will support the University's request for \$35.6 million, despite the difficult choices that must be made.

On behalf of the University of the Virgin Islands, I want to thank each of you for the time and attention you have given to our request.

¹ Based on the AAUP Rating Scale as reported in [The Chronicle of Higher Education](#).

² An Experimental Program to Stimulate Competitive Research that strengthens science, mathematics, engineering and technology education and the research enterprise.