



STOCKTON
COLLEGE

ADMINISTRATIVE ANNOUNCEMENT

January 19, 2009

OFFICE OF THE PRESIDENT

Greetings and welcome back!

The economic downturn is on everyone's mind, and there is no question that all businesses, civic organizations, and educational institutions are affected. Stockton College is in better fiscal shape than most institutions, and I want to thank you for your support and understanding as we move into a new year.

Let me assure you that the College is in good condition, and we continue to move forward in developing academic programs and quality student life experiences. The Board of Trustees, administration, faculty and staff are committed to providing access and academic excellence for those who wish to pursue higher education at Stockton, and we are taking the necessary steps to meet the economic crisis while enhancing our academic programs and student life.

Consider the following positive aspects, challenges, and opportunities.

Positive news: public higher education is normally more stable than other institutions during economic downturns.

1. **State Support.** In clear support for higher education, Governor Corzine did not make mid-year cuts in our appropriation or support, although most state agencies did receive mid-year rescissions. This is good news and means we will complete the year as planned although we will be tightening budgets, principally in administration.
2. **Enrollment.** Historically, enrollment in public higher education is counter-cyclical to economic downturns. We normally experience an increase in applications and enrollment during recessions. This was true in 2001 as well as in 1980-81 and 1990-91. Currently, Stockton is experiencing an increase in

applications for fall 2009, and if projections are accurate, we should meet enrollment goals for next year. Private higher education is likely to face more difficult challenges as students look to more-affordable, highly-regarded public institutions like Stockton.

3. **Endowment.** Some institutions of higher education, particularly private ones, are heavily dependent on earnings from endowments. We are not. Although we have had more than a three-fold increase in our Foundation's assets since 2004, our Foundation assets remain below \$10 million. A portion of these funds is dedicated to student scholarships. Because the payout of all endowed funds is based on a three-year average, a short-term drop in endowment values normally has a modest impact on spending.
4. **Economic Stimulus Plan.** Part of President Obama's economic stimulus package includes educational projects, and we are working closely with our state government to place some of Stockton's proposed academic buildings in consideration for these funds.
5. **Civic Engagement.** As a result of the presidential election, there are new levels of student civic engagement, with young people registering and voting in record numbers. Civic engagement is an important pillar of Stockton's education, and we are likely to experience higher participation in student life and in the attainment of academic excellence.
6. **New Jersey College Promise.** Stockton is actively engaged in this advocacy effort to increase public support and funding for New Jersey's nine state colleges and universities. (<http://www.njascu.org/Promise.html>)
7. **Stockton Community.** Stockton has a history of meeting challenges in a collaborative and cooperative way. This pattern of trust and addressing difficult issues responsibly will serve us well during this economic downturn.

Challenge: demand for education is increasing as support is decreasing.

1. **The state budget.** The state budget will experience a record shortfall this year and the projections for next year are not good. State funding for higher education will most likely be reduced, perhaps by a significant percentage of our appropriations.
2. **Student Financial Support.** Federal, state, and private support for student aid is being reduced.
3. **Utilities and other requisite support.** The costs of essential support services for the College are increasing.

- 4. Regional impact.** The recession is affecting the major businesses in Southern New Jersey, and the region is experiencing higher demand for social services. Individuals and families will need greater assistance.

Opportunities: Stockton and our region.

- 1. Goal.** Our goal is excellence in education with a focus on student learning, civic engagement, global education, and environmental sustainability. There is an increased demand for each of these during difficult economic periods.
- 2. Scholarships.** We will continue to increase scholarship support. Since 2003, we have had more than a fourfold increase in College scholarship support. This should enable many students to attend Stockton who may not have been able to without support.
- 3. Student Financial Assistance Team.** We have formed a team of individuals to make recommendations regarding ways of supporting student financial needs. Student Affairs staff are working with students who may not be able to return to Stockton this semester because of financial issues. We were able to work with almost every student to make it possible for them to return.
- 4. Buildings.** Our building plans continue to move forward even while we continue to review opportunities for savings in our capital plan. This past year we undertook approximately sixty projects including several large ones: six new dormitories, naming and expansion of the Sara and Sam Schoffer Holocaust Resource Center, renovation of Alton Auditorium, and two solar panel installations. Because of the economic downturn, the cost of new buildings is less now than in previous years. Since construction is down, bidders sharpen their pencils in order to compete as the lowest bidder for projects. As a result of decreased costs, we are able to move forward with other building projects, such as the Unified Science Center, while completing the Campus Center. Obviously, we need to be cautious, and we will make decisions based on the economic circumstances and on a case by case basis contingent on a funding plan.
- 5. Academic Programs.** We have enjoyed significant growth in faculty and programs over the past six years, and it is important that we continue to recruit and retain the finest faculty to teach our students. Until the Campus Center is completed in 2011, we do not have enough room to continue increasing faculty at the same rate as in the past, but we have known this for five years. So, we plan to continue to increase the number of faculty but not as rapidly as before, until we can provide the requisite academic space and faculty offices. In fact, I have just authorized seven searches for faculty who will be on full-year sabbatical leave and to fill vacancies that currently exist for next year.
- 6. Community service.** Because the College is likely to be a principal stable institution in the region, we will need to provide more community support. We

already do this through existing academic and student life programs, and we are working to enhance these in a number of ways. Through the Hughes Center for Public Policy, we have a team focusing on economic downturn's effect on the region. We have another team focusing principally on the impact on the gaming industry and recommendations as to how the state could improve the local economy. In our Division of Administration and Finance, we assigned a person to assist distressed businesses as well as townships, municipalities and other not-for-profits. An Economic Development Committee has been formed to help our fellow community members with such steps as job placement assistance, academic internships, professional services, even a computer skills "boot camp."

7. **Strategic planning.** In 2008, I convened a strategic planning committee that launched a process to develop and align our vision, mission, strategies and objectives. The process will provide a shared understanding of our budget priorities and the results we expect from the investment of our resources.
8. **Sustainability.** Stockton is noted for its focus on environmental sustainability. Internally, green initiatives will continue to be a priority in the way we operate our physical plant and construct our new buildings. Externally, the demand for expertise and innovation in this area will increase the involvement of Stockton's faculty, programs and resources.

There are projections that the economic downturn will continue to spiral down until the summer when the federal economic stimulus package should have a positive impact. Even so, the depth of the economic downturn, coupled with the uncertainty of predicting its duration, means we are likely at the start of multiyear budgetary adjustments. The Trustees and I are monitoring the circumstances, and we will make decisions accordingly.

While no one can fully predict the future, it is important to remember our top priority: student learning and engagement. We will not waver from our goal of providing extraordinary education and programs that are accessible and affordable. Our commitment to preserving the best possible college experience for our students will remain uppermost.

No one can meet the challenges and opportunities we face alone, but we can do this together. Through our mutual efforts we can come through these difficult times with the College being in a far better place to serve our students and the region, and I look forward to working with you toward that goal.

Thank you for your good work and dedication to Stockton.



Herman J. Saatkamp, Jr., President