

East Stroudsburg University

Office of the President



Message Addressing the Current Economic Climate

Dear Members of the East Stroudsburg University Family (Alumni, Students and Parents),

We have all watched with deepening concern as the nation's economy has been in a devastating downward spiral over recent months. Today I am writing to you, our alumni, students, and parents, to share an analysis of the university's financial position. I also want to tell you that the challenges now facing not only the university, but all of you, are very much on my mind and the minds of the trustees. Last month I wrote to the university campus community to share an overview of ESU's financial position. This letter conveys some of that same information and includes additional points that I hope will address any concerns you may have.

ESU is in a position of financial strength as a result of our long standing policy of prudent spending and our history of realistic planning for the future. At the same time no university or individual is immune from the current economic crisis and financial challenges. Here are some of the important things that you should know:

- Our current year operating budget has thus far been affected in that we have had to delay or cancel new planned budget allocations. Considering the unknowns, we are being conservative and taking assertive precautions by setting aside a higher percentage of the budget than the 4.25% requested by the Governor. (We will likely return more than \$1.2 million of current state funds.)
- Our first priority is our students. A great many of our students depend on financial aid. We will continue to monitor the ability of students and their parents to access dependable, affordable sources of funds.
- Students and their families experiencing financial stress should be aware that we stand ready to assist with financial aid matters, personal counseling and tutoring and we encourage you to ask us for such assistance.
- Also in addressing the economic concerns of families, please know that we will attempt to expand student employment opportunities on campus.
- We are concerned that changes in family incomes, reduced access to personal credit, and eroding home equity and retirement accounts have negatively affected family resources. Financial aid is and will continue to be a central priority of our fundraising efforts.
- The University Foundation is in sound condition as recent audits have confirmed. Like all university foundations which invest in the stock market we will face challenges over the course of this crisis.
- The university has not frozen positions but we must leave that option open to possible implementation in the future.
- We recently completed a new ten-year university master plan which projects how to efficiently accommodate projected enrollment growth through future infrastructure and academic programming. The plan addresses, among other things, the incorporation of energy efficiency and innovations in economical construction of new student residence and academic buildings.

I have called on everyone to conserve university financial resources whenever and wherever possible and to suggest ways to do our jobs in increasingly financially prudent ways, without sacrificing quality.

The university will continue to manage its resources with care. We are prepared to implement contingency plans to deal with the possibility of a mid-year reduction of this year's operating budget and we must consider how this will impact the '09-'10 budget as well.

As I stated in my letter to the campus community, I will keep you informed on how the university is dealing with budget realities and ensuring the continued delivery of academic excellence to our students during the course of the economic crisis.

Sincerely,

Robert J. Dillman
President