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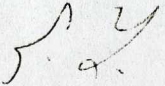
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Edwardsville Bulletin

To the Faculty, Staff and Students of Southern Illinois University at Edwardsville

Vol. 14, No. 3
February 9, 1983

MEMO TO: The University Community
FROM: Earl Lazerson 
SUBJECT: The Governor's Message

The stark realities of the shortfalls in general revenue funding in Illinois are apparent today as we anticipate the impact of Governor James Thompson's State of the State message on the future of Southern Illinois University at Edwardsville.

Governor Thompson's imperatives provide clear-cut directions which must be followed if Illinois is to avoid bankruptcy in the entire range of human services. The Governor has exhibited great courage and foresight in recommending a tax increase package designed to maintain essential services while encouraging economic growth and long-range prosperity for the state.

The alternatives to the Governor's proposed increases threaten the basic mission of this institution and other centers of higher education in Illinois. If additional tax revenues are not provided the projected reduction in general revenue funding for higher education in Fiscal Year 1984 is upwards of \$100 million.

This would be a 10 percent decrease from this year's funding level. For SIUE, it would mean a reduction in excess of \$3.5 million.

A reduction of such magnitude would critically impair our ability to pursue our educational mission. Layoffs and terminations would seem unavoidable. Other hard choices could include salary cuts of at least 10 percent or furloughs of 25 days or more. Intensive and critical analyses will be undertaken immediately to determine the most equitable and viable ways to address the potential shortage.

The Governor is seeking to avoid this catastrophe. He has proposed a tax package which includes:

- An increase in the personal income tax from 2.5 percent to 4 percent, which would raise approximately \$1.3 billion.
- A jump in the corporate income tax from 4 percent to 5.6 percent, which would produce about \$200 million in new money.

(OVER)

--Other increases, including a 3½ cent boost in the gasoline tax, a liquor tax hike which would produce an additional \$50 million, and higher auto license fees, phased in over a two-year period, up to \$48 per car.

If the tax increase proposals are approved by the Legislature, the Governor could fund higher education at the Board of Higher Education's recommended levels, with the possible exception of some reduction in recommended retirement funding.

The Governor also has shown courage in relation to the current fiscal year by announcing he will seek a combination of remedies, rather than simply imposing further recisions on higher education and other agencies of the state. The options include short-term loans, which could produce as much as \$190 million, additional program cuts of perhaps \$90 million, and a reduction of the state's end-of-the year treasury balance, normally about \$200 million, by as much as \$50 million.

I have directed all responsible University officers to review our needs for the remainder of this year and to make sure that the funds set aside for possible future recisions will be used in the best possible way in light of available information about FY-84. I anticipate that a final decision on salary increase funds will be made on or about April 1.

In recent weeks, I have been striving with my colleagues throughout the state to carry the urgent message of our fiscal dilemma to the general public. Momentum to shape public acceptance for tax increases is developing in the local media. Recently a statement I offered on the subject was presented in the Mirror of Public Opinion on the editorial page of the St. Louis Post-Dispatch. The following is the conclusion of those remarks:

"...I am reiterating my pledge of support and cooperation to those responsible leaders, including our Governor and our advocates in the General Assembly, in this great effort to save the very future for our children and our state. We have already proved that we can shoulder a hard share of the burden. We have earned the right to ask thinking, caring men and women to join forces with us to secure the future of our young, to offer fresh opportunities to those challenged with drastic changes in their lives. We must conserve our civic and cultural vitality, and we must foster the solid prosperity of the State of Illinois. The price of failure is too cruel to contemplate. We simply must prevail."

I am calling upon the entire University community to assume part of the responsibility in taking this issue to the people.