



Board of Regents

AGENDA

Finance & Infrastructure Committee

10:30 a.m. Friday, October 13, 2023

Conducted Remotely

Meeting will stream live at: <https://youtube.com/live/F8RHjopuMMs?feature=share>

1. **Call to Order and Declaration of Quorum**
2. **Approval of Previous Finance Meeting Minutes**
 - a. Regular Meeting – September 13, 2023.....Page 1
3. **Action Items**
 - a. Discounted Tuition Rate for Strategic Enrollment Initiatives.....Page 5
4. **Update from System CFO, Dr. Lloyd Blanchard**
5. **Adjournment**

Finance & Infrastructure Committee:

Richard J. Balducci, Chair

Marty Guay

Ari Santiago

Erin Stewart

Ted Yang

**BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGES AND UNIVERSITIES (CSCU)**

Minutes of Finance & Infrastructure Meeting

Wednesday, September 13, 2023

Conducted Via Remote Participation

REGENTS - PARTICIPATING (Y = yes / N = no)	
Richard J. Balducci, Chair	N
JoAnn Ryan	Y
Ari Santiago	Y
Erin Stewart	Y
*David Blitz, FAC Vice Chair	Y
<i>*ex-officio, non-voting member</i>	

CSCU STAFF:

Lloyd Blanchard, VP of Administration / Chief Financial Officer
Rachel Cunningham, Administrative Assistant to Lloyd Blanchard (recorder)
Edward Klonoski, CEO, Charter Oak State College
Pamela Heleen, Secretary of the Board of Regents

CALL TO ORDER:

On behalf of Chair Balducci, Chair Ryan called the meeting to order at 10:37 a.m. Following the roll call, Rachel Cunningham recorded a quorum present.

Chair Ryan formally welcomed Interim CFO Dr. Lloyd Blanchard to Chancellor Cheng's Cabinet and the CSCU BOR Finance Committee.

APPROVAL OF PREVIOUS MEETING MINUTES:

Regent Santiago made a motion to approve the minutes of the June 21, 2023, Finance Committee Meeting, Regent Stewart seconded.

Professor Blitz requested a number of issues to be reviewed (Attachment A).

CFO Blanchard stated Provost Kathuria is trying to develop a comprehensive inventory of programs and not a review, that is the intent of the academic program planning.

Professor Blitz commented further on the minutes from the BOR June 23, 2023 meeting.

P. Heleen responded that she and Chair Ryan have received the emails requesting revisions to the BOR minutes and R. Cunningham will include the written commentary for today's minutes.

P. Heleen stated the minutes posted on the website are in draft form until they are approved by the full board and if there are changes to be made, they will do so before the next meeting.

Chair Ryan called for a vote to approve the June 21, 2023 minutes, which were approved following a unanimous vote.

Regent Stewart made a motion to approve the minutes of the August 23, 2023 Special Finance Committee Meeting, Regent Santiago seconded, the motion was approved following a unanimous voice vote.

ACTION ITEMS:

Naming of New Britain Center for Higher Education

Chair Ryan introduced the action item, naming 185 Main Street in New Britain as the New Britain Center for Higher Education. The building is now occupied by both Charter Oak State College and CT State Community College central offices. The staff report and request were jointly submitted by Charter Oak President Ed Klonoski and CT State President John Maduko.

Regent Stewart made a motion to accept the resolution, and Regent Santiago seconded.

President Klonoski provided an overview of the selected name which represents both premier colleges and not simply the address of the building. He clarified that in the future if a donor were to be identified, they would bring it back for the board's review and approval.

Q: Professor Blitz asked if it would be better to be called the New Britain Center for Public Higher Education.

Regent Stewart responded that she would like to keep the word public out of the name so it would not be confused with the New Britain Public School System.

Q: Regent Santiago asked from the mayor's perspective if the residents of the City of New Britain support the name.

Regent Stewart responded yes, it is flattering to have within the city, and after many years of the building being associated with CCSU, it will now be officially named.

The motion was approved following a unanimous vote and will be brought forward to the full board for consideration at the September 21, 2023 meeting.

Chair Ryan made a motion to adjourn, Regent Santiago seconded, following a unanimous vote, the meeting adjourned at 10:57 a.m.

Comments at Finance Committee Meeting
David Blitz, Sept. 13, 2023

There are a number of issues I want to bring up with respect to the resolution passed by this committee at its last regular meeting, and presented as pp. 71 – 72 on the Agenda as “RESOLUTION Concerning THE CONNECTICUT STATE COLLEGES & UNIVERSITIES SPENDING PLANS FOR FY 2024 AND ADDITIONAL ACTIONS TO RESOLVE CURRENT AND FUTURE BUDGET SHORTFALLS”. This resolution was presented at the following Board meeting, and approved (by a majority, with two Regents voting No) with 3 amendments: one concerning a Nov. 1 deadline for submission by the 6 constituent institutions of remediation plans, and two concerning the proposed system study, removing the proposed \$4 million of system reserves and the use of external consultants.

In fact, the resolution dealt with multiple issues each of which should have been the object of separate resolution: (1) approving spending plans for FY 24, (2) requiring the preparation and submission of remediation plans to deal with expected deficits; (3) calling for a comprehensive “review” of academic and student support programs; and (4) proposing a study of the system itself. A number of unfortunate issues arise by combining all this in one resolution. Let me focus on two of the most important:

In the first place the terminology used in the third resolved is inaccurate and misleading: “That the CSCU President shall lead all CSCU institutions in an urgent and comprehensive effort to review academic and student support programs to ensure that they meet the mission of CSCU in a cost-effective manner”. The use of the terms “comprehensive” and “review” are at fault. If interpreted, as many have, as calling for academic program reviews, this is out of place. APRs as they are referred to are contractually conducted every 5 – 7 years and involve massive work to analyze courses, survey students and faculty and bring in an outside expert reviewer. This obviously cannot be done in a “comprehensive” way in the short time frame of the fall 2023 term covered by the resolution.

Some have suggested that what is being called for is comprehensive academic planning in the context of remediation measures. But academic planning is not done at the level of the system nor in the time frame implied adequate. Again, contractually, academic planning is in the purview of each institution, as specified by its governing body: each of curriculum committee, Deans, Provost, Senate and President having a specified role. Only a new or substantially revised program would be submitted to the ASA committee of the Board, but on going program planning, including course scheduling and allocation of faculty resources is done exclusively at the local level.

What may be intended is what I would term academic program accounting, leaving aside for the moment the student services component. But then the issue is what parameters are used in a metric to determine what accountants usually do: calculate costs and revenues. If the parameter is simply number of majors x tuition as revenue and salaries and fringes of faculty, along with departmental operating expenses as costs, then an especially narrow view is being used. Such a metric neglects students taking courses in the program to satisfy their minors and general education requirements, and the interdisciplinary activities of faculty outside their immediate program. It prioritizes cost accounting over academic needs, and the resulting accounting is unidimensional and unsatisfactory.

I want to draw the attention of this committee to these two problems: the substantial issue which confuses a cost-accounting with a program review, and the problem of the use of an inadequate

metric based on just one parameter for conducting a cost analysis. I have further comments on the proposed system study but will stop here to allow others to speak.

In reading the minutes of the June 28, 2023 BOR meeting I note that they should be modified for the discussion of the amendments to the Resolution on the CSCU Spending Plan and Shortfall Measures (deficit mitigation). As it stands, the minutes read (p. 10):

“Regent Balducci introduced two amendments to the resolution as follows: •

The removal entirely of the allocation of system reserves for costs related to the deficit mitigation effort. The system staff will return once specific costs have been identified. •

The elimination of the requirement that the system engages a consultant to perform the system analysis.”

The problem is the underlined phrase in red. As I recall, and the transcript of the meeting is consistent with this, the removal of allocation of system reserves was limited to the proposed \$4 million cost of the system study, not the deficit mitigation effort, which is a separate matter. Regent Balducci says at 2:05:24 – 2:06:21 in the video/transcript of the meeting:

“And if I can find my notes here I'll be able to tell you what the other two are easily and clearly. First it removes entirely the allocation of the system reserves for cost - the four million dollar piece is out if you look at the new resolution it is not in there at all in any way shape or form.”
(punctuation added)

I don't see a copy of the amended resolution in the minutes, and that should be added with a correction to the minutes for the sake of clarity and to avoid any possible misconstrual.

RESOLUTION
Concerning
DISCOUNTED TUITION RATE FOR STRATEGIC ENROLLMENT INITIATIVES

October 19, 2023

- WHEREAS, The Board of Regents for Higher Education (“BOR”), in accordance with Connecticut General Statutes § 10a-6(a)(3), shall establish tuition and fee policies for the Connecticut State Colleges & Universities (“CSCU”) institutions under the jurisdiction of the BOR (“CSCU institutions”); and
- WHEREAS, The BOR, in accordance with Connecticut General Statutes § 10a-99(a), shall fix fees for tuition and shall fix fees for such other purposes as the BOR deems necessary at the CSCU Universities; and
- WHEREAS, The BOR in accordance with Connecticut General Statutes § 10a-77(a), shall fix fees at CT State Community College (formerly, “Community-Technical Colleges”) and shall fix fees for such other purposes as the BOR deems necessary; and
- WHEREAS, The BOR in accordance with Connecticut General Statutes § 10a-143(e), shall fix fees at Charter Oak State College and shall fix fees for such other purposes as the BOR deems necessary; and
- WHEREAS, Board Resolution 20-145 authorized the CSCU Universities to offer a discounted tuition rate, equivalent to the then-current New England Board of Higher Education (“NEBHE”) regional tuition rate (“Discounted Tuition Rate”), for students from New York and New Jersey; and
- WHEREAS, Board Resolutions 22-024 and 22-094 granted additional authority to the CSCU Universities and Charter Oak State College to offer the Discounted Tuition Rate to students from all states outside of the State of Connecticut; and
- WHEREAS, In light of enrollment declines, CSCU institutions are actively employing strategic recruitment and enrollment initiatives designed to secure financial stability and strengthen long-term viability, with international student recruitment identified as an area of focus; and
- WHEREAS, Attracting international students presents an opportunity, among other benefits, to diversify tuition and fee revenue sources, form strategic international partnerships, and provide a counterbalance to demographic fluctuations in regional enrollments. Now, therefore, be it
- RESOLVED, That the BOR hereby authorizes CSCU institutions to offer the Discounted Tuition Rate equivalent to the then-current New England Board of Higher Education (“NEBHE”) regional tuition rate to students from all locations outside of the State of Connecticut for use as a strategic recruitment and enrollment tool at the CSCU institutions’ discretion.

ITEM

Proposal to expand current institutional authorization to offer a discounted tuition rate as a strategic tool for enhancing student enrollment.

CURRENT INSTITUTIONAL AUTHORITY

In December 2020, the Board of Regents granted the Connecticut State Universities the authority to exercise discretion in offering a tuition discount to students from New York and New Jersey, enabling them to charge these students an amount equivalent to the current New England Board of Higher Education regional tuition rate (the “Discounted Tuition Rate”), as described further in Board Resolution 20-145 (Exhibit A). The current Discounted Tuition Rate equals a rate fifty percent (50%) higher than the then-current in-state tuition rate.

Subsequently, as part of the adoption process for the FY 23 tuition and fee schedule through Board Resolution 22-024 (Exhibit B), additional discretionary authority was granted allowing the universities and Charter Oak State College to offer the Discounted Tuition Rate to students from “additional states or all states outside of Connecticut”. Similar authority was also included in Board Resolution 22-094 as part of the adoption of the FY 24 tuition and fee schedule (Exhibit C).

PROPOSAL TO EXPAND

Given CSCU’s enrollment declines, institutions are taking proactive measures to address these challenges. Specifically, our CSCU institutions are actively involved in strategic enrollment and recruitment initiatives designed to bolster their financial stability and long-term viability. As part of their planning efforts, international student recruitment has been identified as a key area of focus.

According to data from the Institute of International Education's Open Doors report for the academic year 2021-2022, U.S. institutions successfully recruited approximately 950,000 international students. Despite the challenges posed by the global pandemic, there has been a notable resurgence in international applications for the academic year 2022-2023. An impressive 65% of universities with a history of recruiting international students have observed a surge in applications across all types of institutions, as indicated by the IIE Spring 2022 snapshot.

Increased application numbers for the academic year 2022-2023 have been particularly prominent in various academic settings, including Master's Colleges and Universities (76%), Doctoral Universities (73%), Community Colleges (68%), and Liberal Arts Colleges (51%). Over half of these institutions have reported that all international students were physically present on their campuses, demonstrating a resilient commitment from international students.

CSCU institutions are poised to aggressively pursue the recruitment of international students over the next three years. By offering the Discounted Tuition Rate to prospective international students, CSCU institutions aim to increase enrollment while maintaining the benefit of in-state tuition rates for local students.

Advantages to recruiting international students include:

- Broadening sources of tuition and fee revenue from a wider geographical market will aid in establishing financial stability for CSCU institutions.
- Establishing avenues for strategic international partnerships with foreign institutions to enhance student enrollment, develop joint programs, and facilitate research initiatives.
- Attracting talented international students will facilitate a rich exchange of ideas, foster international understanding, and create collaborative learning experiences among our student body.
- International student enrollment may also serve as a buffer to the demographic cliff that the country, especially the Northeast region, is experiencing and will only increase in the coming years.

This expansion would empower CSCU institutions to effectively manage their resources, enhance their international recruitment efforts, and ensure that their strategies align with their financial goals during these challenging fiscal years.

RECOMMENDATION

It is recommended that the Board of Regents authorize CSCU institutions to offer the Discounted Tuition Rate, equivalent to the then-current New England Board of Higher Education regional tuition rate, grant all CSCU institutions with the discretion to apply the Discounted Tuition Rate, equivalent to the then-current New England Board of Higher Education tuition rate, to students from all locations outside of the State of Connecticut for use as a strategic recruitment and enrollment tool.

EXHIBIT A

BR 20-145

RESOLUTION

Concerning

Authorizing Discount Tuition and Fees to Increase Student Enrollment from New York and
New Jersey at Connecticut State Universities

December 17, 2020

- WHEREAS, CSCU institutions currently are authorized as part of the New England Board of Higher Education's Tuition Break Program to offer reduced tuition and fees to students from other New England states; and
- WHEREAS, The discounts are described as the "NEBHE Rate" in the schedules of adopted tuition and fees enacted from time to time by the Board of Regents; and
- WHEREAS, New York and New Jersey are large nearby states with a combined number of new high school graduates each year exceeding 200,000; and
- WHEREAS, ECSU estimates that this tuition discount could produce additional revenue of \$745,000, offset by discounts to existing students of \$361,000 next school year; and
- WHEREAS WCSU already offers in-state tuition to NY and NJ students under pilot authorization granted previously by the Board of Regents; now therefore be it
- RESOLVED, That the Board of Regents does hereby approve permitting any of the Universities to charge the "NEBHE Rate" for tuition and fees to students from New York or New Jersey, starting in the Fall of 2021, provided that the Universities identify at the time of tuition adoption whether they are each intending to charge this lower rate.

A True Copy:



Alice Prichard, Secretary of the
CT Board of Regents for Higher Education

EXHIBIT B

BR 22-024

RESOLUTION

Concerning

CONNECTICUT STATE UNIVERSITY AND CHARTER OAK STATE COLLEGE

FY2023 TUITION AND FEES

March 24, 2022

- WHEREAS, The Board of Regents for Higher Education (“BOR”) pursuant to Connecticut General Statute section 10a-6(a)(3) establishes tuition and fee policies for the institutions that comprise the Connecticut State Colleges & Universities (“CSCU”); and
- WHEREAS, The BOR in accordance with Connecticut General Statute section 10a-99(a), shall fix fees for tuition and shall fix fees for such other purposes as the board deems necessary at the state universities; and
- WHEREAS, The BOR in accordance with Connecticut General Statute 10a-143(e), shall fix fees at Charter Oak State College and shall fix fees for such other purposes as the Board deems necessary; and
- WHEREAS, The State Universities have been successful at controlling costs yet despite recent declines in enrollment still must fund wage increases and other expenses necessary to ensure the high quality of the education they provide to students, and
- WHEREAS, The State Universities have identified strategies to increase enrollment by out-of-state students in order to address recent steep enrollment declines, and
- WHEREAS, Charter Oak State College has seen marked improvements in its fiscal position and enrollment over recent years and has maintained stable enrollment through aggressive marketing and outreach to students, and
- WHEREAS, The proposals for tuition and fees as presented were developed through discussions among stakeholders, including University and College Presidents, who arrived at the consensus that CSCU is best served by implementing inflationary tuition and mandatory fee increases at our institutions, therefore be it
- RESOLVED, That the FY2023 rates reflected on the attached report and schedules are effective at each state university and Charter Oak State College as appropriate, and be it further
- RESOLVED, That the Universities and Charter Oak shall charge the rate identified for participants in the New England Board of Higher Education’s regional tuition

program, the "NEBHE Rate," to students from New York and New Jersey in addition to New England states, and be it further

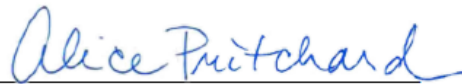
RESOLVED, That the Universities and Charter Oak shall have the option to charge the NEBHE Rate for additional states or all states outside of Connecticut, and be it further

RESOLVED, That the Universities and Charter Oak shall have the option to charge students from New York and New Jersey the same rate as identified for Connecticut resident students; and be it further

RESOLVED, That the President of CSCU in facilitating Board-approved policies, may make limited and necessary adjustments to tuition and fees to conform with these policies, provided that the adjustments shall not increase the combined cost of tuition and fees as established by the BOR, so as to not increase costs to students, and that said adjustments will be promptly communicated to the Finance and Infrastructure Committee of the Board for their review, and be it further

RESOLVED, That said rate adjustments may be reconsidered by the BOR should circumstances warrant.

A True Copy:



Dr. Alice Pritchard, Secretary
Board of Regents for Higher Education

EXHIBIT C

BR 22-094

RESOLUTION

Concerning

CONNECTICUT STATE UNIVERSITY

FY2024 TUITION AND FEES

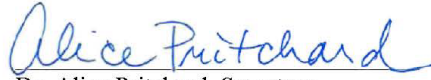
October 20, 2022

- WHEREAS, The Board of Regents for Higher Education (“BOR”) pursuant to Connecticut General Statute section 10a-6(a)(3) establishes tuition and fee policies for the institutions that comprise the Connecticut State Colleges & Universities (“CSCU”); and
- WHEREAS, The BOR in accord with Connecticut General Statute section 10a-99(a), shall fix fees for tuition and shall fix fees for such other purposes as the board deems necessary at the state universities; and
- WHEREAS, The State Universities must fund wage increases and other expenses necessary to ensure the high quality of the education they provide to students, and
- WHEREAS, The State Universities have identified strategies to increase enrollment by out-of-state students in order to address recent steep enrollment declines, and
- WHEREAS, The proposals for tuition and fees as presented were developed through discussions among stakeholders, including University Presidents, who arrived at the consensus that CSCU is best served by implementing modest inflationary tuition and mandatory fee increases at our institutions, therefore be it
- RESOLVED, That the FY2024 rates reflected on the attached report and schedules are effective at each state university as appropriate, and be it further
- RESOLVED, That the Universities shall charge the rate identified for participants in the New England Board of Higher Education’s regional tuition program, the “NEBHE Rate,” to students from New York and New Jersey in addition to New England states, and be it further
- RESOLVED, That the Universities shall have the option to charge the NEBHE Rate for additional states or all states outside of Connecticut, and be it further
- RESOLVED, That the Universities shall have the option to charge students from New York and New Jersey the same rate as identified for Connecticut resident students; and be it further
- RESOLVED, That the President of CSCU in facilitating Board-approved policies, may make limited and necessary adjustments to tuition and fees to conform with these

policies, provided that the adjustments shall not increase the combined cost of tuition and fees as established by the BOR, so as to not increase costs to students, and that said adjustments will be promptly communicated to the Finance and Infrastructure Committee of the Board for their review, and be it further

RESOLVED, That said rate adjustments may be reconsidered by the BOR should circumstances warrant.

A True Copy:



Dr. Alice Pritchard, Secretary
Board of Regents for Higher Education