

**CT BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGE AND UNIVERSITY (CSCU) SYSTEM**

AGENDA – SPECIAL MEETING

3:30pm, Friday, September 5, 2014

via teleconference originating from

Room 123, 39 Woodland Street, Hartford, CT

- 1. Call to Order**
- 2. Roll Call and Declaration of Quorum**
- 3. Finance and Infrastructure Committee – Matt Fleury, Committee Chair**
 - A. Naming Requests at Western Connecticut State University
 - a)* Macricostas School of Arts & Sciences
 - b)* Veronica Hagman Concert Hall
 - c)* Branson Lobby
 - d)* Boa Family Design Studio
 - e)* Ruth G. Schmotter Instrumental Rehearsal Room
 - f)* David and Nancy Nurnberger Sculpture Terrace
 - g)* Caraluzzi Family Conference Room
 - B. Use of Designated Fund Balances for the Construction of a Data Center at Central Connecticut State University
 - C. FY2016/2017 Biennial Budget Current Services Request – General Fund and Operating Fund
- 4. Adjourn**

**SPECIAL MEETING OF THE
FINANCE & INFRASTRUCTURE COMMITTEE**
Board of Regents for Higher Education
Hartford, Connecticut

Thursday, September 4, 2014, at 2:00 pm
Via Teleconference
Originating from 39 Woodland Street
Hartford, CT 06105

Agenda

1. APPROVAL OF MINUTES FROM THE JUNE 10, 2014 MEETING

2. INFORMATION ITEMS

A. CSUS 2020 Update

3. ACTION ITEMS

A. Naming Requests at Western Connecticut State University

- a)* Macricostas School of Arts & Sciences
- b)* Veronica Hagman Concert Hall
- c)* Branson Lobby
- d)* Boa Family Design Studio
- e)* Ruth G. Schmotter Instrumental Rehearsal Room
- f)* David and Nancy Nurnberger Sculpture Terrace
- g)* Caraluzzi Family Conference Room

B. Use of Designated Fund Balances for the Construction of a Data Center at Central Connecticut State University

C. FY2016/2017 Biennial Budget Current Services Request – General Fund and Operating Fund

**MEETING OF THE
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education
Tuesday, June 10, 2014, at 9:30 am
61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Matt Fleury, Committee Chair
Richard Balducci

CONNSCU REPRESENTATIVES

Gena Glickman, President, MCC; Charlene Casamento, Chief Financial Officer, CCSU; Richard Bachoo, Chief Administration Officer, CCSU; James Howarth, Chief Financial Officer, ECSU; James Blake, Executive Vice President, SCSU; Paul Reis, Chief Financial Officer, WCSU; Sean Loughran, Controller, WCSU; Steven Frazier, NwCC; Paul Martland, Dean of Administration, QVCC; Cliff Williams, Chief Financial Officer, COSC

CONNSCU STAFF

Erika Steiner Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning; Karen Stone, Director of Internal Audit; Kyle Thomas, Legislative Program Manager; Christopher Forster, Controller; Melentina Pusztay, Director, Budgets & Planning; Rosalie Butler, Administrative Assistant

GUESTS

Kerry Kelley, OPM
Kathleen Megan, The Hartford Courant
Keith Phaneuf, Connecticut Mirror

With a quorum present, Chairman Fleury called the meeting to order at 9:35 am.

1. APPROVAL OF MINUTES FROM THE APRIL 8, 2014 MEETING

The minutes of the April 8, 2014 meeting were unanimously approved, as written.

2. INFORMATION ITEMS

A. FY2014 Financial Update

Chairman Fleury turned to CFO Steiner for further explanation. Steiner indicated projections show a negative result of \$2.2 million for the community colleges. She

further explained the difference in allocation methods between FY 14 and FY15, with the colleges now able to keep their tuition revenue. CSUS as a system is projected to end FY14 at break-even. Cost reduction plans are in place for FY15. Chairman Fleury cited continuing reliance on reserves to fund deficits.

B. CSUS 2020 Update

VP Epstein provided an update on CSUS 2020 construction projects.

3. ACTION ITEMS

A. Approval of FY2015 Institutional Spending Plans for the Connecticut State Colleges and Universities

Chairman Fleury thanked staff and Regent Balducci for their time and efforts during the budget process and for the opportunity to learn about the institutions, their vision and challenges. The process accentuated the need for the Transform CSCU 2020 program. Regent Balducci added that the 3-days of hearings had been useful in the process of benchmarking and future planning.




CFO Steiner thanked the Regents for their generous time commitment and provided a summary of the hearings. She explained how a new allocation model would distribute funding, yet allows CSCU institutions to avoid any sudden negative impacts. Steiner provided assumptions, risks and opportunities associated with the FY15 budget.

The FY2015 Institutional Spending Plans were unanimously approved on a motion by Regent Balducci, seconded by Regent Fleury.

With no other business to discuss, the meeting was adjourned at 10:10 a.m., on a motion by Regent Balducci, seconded by Regent Fleury.

CSUS 2020
Monthly Project Status Report
 Reporting Period Through June 2014

PROJECT NAME	PROJECTED SUBSTANTIAL COMPLETION DATE	PROJECT BUDGET				PERCENTAGE OF COMPLETION	PROJECT ON SCHEDULE	REASON FOR DELAY	ACTIVITY SINCE PREVIOUS REPORT
		BUDGET	EXPENDITURES TO DATE	PROJECTED EXPENDITURES	PROJECTED VARIANCE (Budget-Projected Expenditures)				
CCSU									
Burritt Library HVAC Code Compliance Improvement	4/1/2013	2,182,000	129,500	2,182,000		6%	N	Project to commence Summer 2015	X
General Fund Minor Capital Improvements Program (FY 2011)	Ongoing	462,500	278,468	462,500		60%	Y		X
General Fund Minor Capital Improvements Program (FY 2013)	Ongoing	2,235,000	592,733	2,235,000		27%	Y		X
Window Replacement in Four General Fund Buildings	Phased Project	2,297,500	675,332	2,297,500		29%	Y		
New Classroom Office Bldg - Design & Construction	5/30/2013	37,992,000	36,360,600	37,992,000		96%	Y		X
General Fund Interior Signage Program		600,000	533,631	600,000		89%	Y		X
Auxiliary Services Fund Facilities (FY 2013)		3,200,000	504,612	3,200,000		16%	Y		X
HVAC Conversion (Seth North) Project		1,822,500	1,716,853	1,822,500		94%	Y		X
ITBD Renovations		200,000		200,000			Y		
Copernicus Hall Lower Roof Replacement		722,000		722,000			Y		
GF Building & Site - Telecom Equipment Removal & Replacement		327,000	322,950	322,950	4,050.00	100%	Completed		X
Maloney Hall HVAC Improvements		1,220,000		1,220,000		0%	Y		
Arute Field Artificial Turf Replacement		912,000		912,000		0%			
Willard & DiLoreto Hall Renovate/Expand		8,360,137	17,424	8,360,137		0%	Y		
ECSU									
General Fund Minor Capital Improvements Program (FY 2009)	Ongoing	739,343	720,601	739,343		97%	Y		
General Fund Minor Capital Improvements Program (FY 2011)	Ongoing	2,222,000	1,550,324	2,222,000		70%	Y		
General Fund Minor Capital Improvements Program (FY 2013)	Ongoing	3,325,000	2,292,938	3,325,000		69%	Y		
Fine Arts Instructional Center		83,556,000	22,256,791	83,556,000		27%	Y		X
New Warehouse	10/1/2013	2,269,000	2,004,022	2,269,000		88%	Y		X
Auxiliary Services Fund Facilities (FY 2011)	Ongoing	813,000	709,727	813,000		87%			
Athletic Support Building	10/1/2013	1,921,000	1,750,000	1,921,000		91%			
Goddard / Communication Building Renovations		2,551,000	4,699	2,551,000		0%			X
SCSU									
Academic Laboratory Building (New)	7/1/2012	67,587,000	15,757,108	67,587,000		23%	Y		X
Buley Library Addition & Renovations (2020 Share)	1/1/2013	17,437,937	17,437,937	17,437,937		100%	Y		X
Earl Hall Mechanical & Electrical Upgrades	1/24/2011	6,454,456	4,635,329	6,454,456		72%	Y		X
General Fund Minor Capital Improvements Program (FY 2009)	Ongoing	776,845	775,574	775,574	1,271	100%	Y		
General Fund Minor Capital Improvements Program (FY 2011)	Ongoing	1,656,000	1,625,835	1,656,000		98%	Y		X
General Fund Minor Capital Improvements Program (FY 2013)	Ongoing	1,299,000	1,030,136	1,299,000		79%	Y		X
General Fund Minor Capital Improvements Program (FY 2014)	Ongoing	1,000,000	462,964	1,000,000		46%	Y		X
Jennings Hall Mechanical & Electrical Upgrades	3/4/2011	6,013,168	5,003,813	6,013,168		83%	Y		X
Moore Field House - Locker Room Renovations	1/30/2012	929,500	922,195	929,500		99%	Y		
Moore Field House - Swimming Pool Renovations	7/30/2011	925,000	821,800	925,000		89%	N	Increased Construction Scope	
Old Student Center Renovations (New School of Business)	6/1/2012	6,124,145	5,728,543	6,124,145		94%	Y		
Earl Hall Broadcast Studio Security Corridor	T.B.D	136,189		136,189		0%	N	Project schedule to be determined	
Auxiliary Services Fund Facilities (FY 2011)	Ongoing	1,398,950	1,052,346	1,398,950		75%	Y		
Auxiliary Services Fund Facilities (FY 2012)	Ongoing	2,800,000	1,518,143	2,800,000		54%	Y		X
Auxiliary Services Fund Facilities (FY 2013)	Ongoing	400,000	0	400,000		0%	N		
Auxiliary Services Fund Facilities (FY 2009)	Ongoing	5,466,684	5,253,251	5,466,684		96%			
WCSU									
Fine Arts Instructional Center	4/1/2014	97,593,000	88,666,062	97,593,000		91%	Y		X
General Fund Minor Capital Improvements Program (FY 2009)	Ongoing	1,485,000	1,221,906	1,485,000		82%	Y		X
General Fund Minor Capital Improvements Program (FY 2011)	Ongoing	1,165,000	963,486	1,165,000		83%	Y		X
General Fund Minor Capital Improvements Program (FY 2013)	Ongoing	545,000	206,056	545,000		38%	Y		X
General Fund Minor Capital Improvements Program (FY 2014)	Ongoing	1,000,000	3,088	1,000,000		0%	Y		X
Higgins Hall Annex - HVAC Improvements	6/30/2011	280,000	132,488	280,000		47%	Y		
Higgins Hall Annex - Two New Lecture Halls (Classroom Re-configuration)	1/15/2012	699,258	676,700	699,258		97%	Y		
Higgins Hall Annex - Learning Emporium		807,025	583,387	807,025		72%	Y		
Steam and Hot Water Utilities' Infrastructure									
Central Heat Plant Improvements	Ongoing	1,975,000	1,626,227	1,975,000		82%	Y		X
Auxiliary Services Fund Facilities	Ongoing	985,000	60,750	985,000		6%	Y		X
New Police Station (Design Only)		500,000	127,466	500,000		25%	Y		X
SYSTEM									
Telecom Upgrades to Campuses		7,500,000	2,739,500	7,500,000		37%	Y		
New & Replacement Equipment (FY 2009)	Ongoing	10,000,000	10,000,000	10,000,000		100%	Y		X
New & Replacement Equipment (FY 2011)	Ongoing	8,000,000	8,000,000	8,000,000		100%	Y		X
New & Replacement Equipment (FY 2012)	Ongoing	8,895,000	8,895,000	8,895,000		100%	Y		X
New & Replacement Equipment (FY 2013)	Ongoing	9,500,000	1,434,187	9,500,000		15%	Y		X
TOTALS		431,263,138	259,782,484	431,257,817					

PROJECT SCHEDULE COLOR CODE	
	PROJECT IS WITHIN SCHEDULE ISSUE
	MINOR PROJECT SCHEDULE ISSUE
	SIGNIFICANT PROJECT SCHEDULE ISSUE

ITEM

Naming Requests at Western Connecticut State University

BACKGROUND

The Board of Regents has the sole authority to provide for the naming of facilities and programs at the Connecticut State Universities. In 2001, the former CSUS Board of Trustees adopted a Naming Policy for the Connecticut State University System in order to give private donors the opportunity to contribute endowment and other major monetary gifts to universities within the CSU System. The naming of academic programs, facilities and other capital projects provides an outstanding opportunity to honor these major contributions. The Board of Trustees revised the Trustee Recognition and Naming of Facilities and Programs Policy (“the Policy”) at their April 8, 2009 meeting.

ANALYSIS

The goal of the Policy is to enhance the ability of the institutions of the Connecticut State University System to encourage and pursue contributions in support of institutional goals. The policy specifies procedures for the solicitation and acceptance of named gifts and programs, as well as other procedures to be followed in naming facilities for individuals, families, or entities:

- A naming opportunity associated with a gift to the CSU System, a constituent institution, or an affiliated foundation, will normally receive favorable consideration only when the present value of the gift is an amount equal to or greater than 10 percent of the cost to construct or substantially renovate the facility proposed for naming.
- A naming opportunity for a program associated with a gift to the CSU System, a constituent institution, or an affiliated foundation, will normally receive favorable consideration only when the present value of the gift is an amount equal to or greater than 200 percent of the annual operating budget of the program.

RECOMMENDATION

Approve the naming of the School of Arts and Sciences, and the concert hall and several other spaces in the new Visual and Performing Arts Center, as requested by President Schmotter in his letter dated July 22, 2014 and as outlined in Attachment A.

RESOLUTION

concerning

NAMING OF THE SCHOOL OF ARTS AND SCIENCES AND SPACES WITHIN THE
VISUAL & PERFORMING ARTS CENTER

at

WESTERN CONNECTICUT STATE UNIVERSITY

September x, 2014

WHEREAS, In accord with the Naming Policy for the Connecticut State University System the Board of Regents has the sole authority to provide for the naming of facilities and programs to honor those donors who contribute endowment and other major monetary gifts to universities within the CSU System, and

WHEREAS, Pursuant to that policy, the Board of Regents shall consider the naming of academic programs, facilities or major portions thereof or prime external spaces as a result of a recommendation of a university president, be it therefore

RESOLVED, That the Board of Regents for the Connecticut State Colleges and Universities hereby approves the naming requests as set forth by President James Schmotter in his letter dated July 22, 2014 and **ATTACHMENT A** herein.

A True Copy:

Erin A. Fitzgerald
Secretary



OFFICE OF THE PRESIDENT
JAMES W. SCHMOTTER, PH.D

July 22, 2014

Dr. Gregory Gray
President, Board of Regents for Higher Education
Connecticut State Colleges and Universities
39 Woodland Street
Hartford, CT 06105-2237

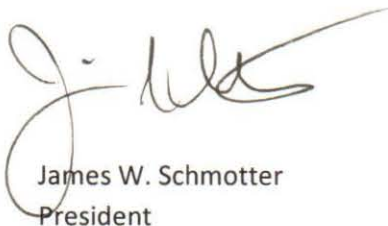
Dear Dr. Gray:

In compliance with the *CSUS Policy on Trustee Recognition and Naming of Facilities and Programs* (Section 4.D and 4.J), I respectfully request the Connecticut Board of Regents approval for the naming of the School of Arts and Sciences, the concert hall in the new Visual and Performing Arts Center, and several other SVPC spaces. I have attached the required information as denoted in the policy.

The School of Arts and Sciences would be named in honor of Constantine "Deno" Macricostas and his family. The concert hall would be named in honor of Veronica Hagman, class of 2005, the daughter of longtime supporter Erland Hagman.

I thank you in advance for your support of these requests and would be happy to answer any questions you or members of the Board of Regents might have.

Sincerely yours,



James W. Schmotter
President

WCSU Naming Requests

<u>Name Requested</u>	<u>Building</u>	<u>Program</u>	<u>Function</u>	<u>Amount of Donation</u>	<u>Cost of Construction</u>	<u>Program Costs</u>	<u>Policy</u>
Macricostas School of Arts & Sciences	n/a - not a building	School of Arts & Sciences	n/a	\$3 million	n/a	\$395,000	200% of annual operating budget
Veronica Hagman Concert Hall	Concert Hall (Visual and Performing Arts Building)		Instruction, performance	\$1.65 million	\$5,132,700	n/a	10% of construction costs
Branson Lobby (1)	Lobby (Visual and Performing Arts Building)		Connect wings of bldg.	\$100,000	\$2,052,000	n/a	10% of construction costs*
Boa Family Design Studio (2)	Design Studio West 145 (Visual and Performing Arts Building)		Instruction	\$25,000	\$297,000	n/a	10% of construction costs
Ruth G. Schmotter Instrumental Rehearsal Room	Visual and Performing Arts Building		Instruction	\$125,000	\$540,000	n/a	10% of construction costs
David and Nancy Nurnberger Sculpture Terrace (4)	Visual and Performing Arts Building		Public display, reception	\$100,000	n/a	n/a	10% of construction costs
Caraluzzi Family Conference Room (3)	Westside Classroom Building Rm 218		Seminars, meetings	\$25,000	n/a	n/a	10% of construction costs

(1) Gift made during 2002 Capital Campaign. A written agreement was entered into to name the lobby of a future visual and performing arts center/facility.

(2) Gift made during 2002 Capital Campaign.

(3) Westside Classroom Bldg. constructed 25 years ago.

(4) Terrace is an outdoor space 22" x 60' (1,320 sqft). Construction cost cannot be determined, but <\$500 per sq. ft. of fully finished space.

* Note: A&S costs are FY14 OE per WCSU Office of Planning & Budgets.

ITEM

Approval to utilize University Reserves for Central Connecticut State University

BACKGROUND

Central Connecticut State University currently houses the majority of its computer servers in a central Data Center located on campus in a portion of Barnard Hall. Since the Center's construction in 2004, computer services have grown exponentially. The Data Center has reached full capacity, limited by power and cooling. Board Resolution BR# 09-35, dated April 8, 2009, authorized Central to utilize up to \$500,000 from their designated Fund Balance for the upgrade of this Campus Data Center/ Server Room.

ANALYSIS

Central's Data Center consists of a single room which is approximately 1,400 square feet. It is powered by a single UPS, which is backed up by a generator located in the former Powerhouse. Both are insufficiently sized. The current electric service to Barnard Hall is fed from the Energy Center through the campus underground tunnel system. The electric service delivered to Barnard Hall, and eventually fed to the server room, does not have the capacity to fully supply the Data Center power requirements.

The CCSU IT Department has calculated the Data Center projections of server room usage for the next 7-10 years. This room will require an additional 100KVA UPS to handle the anticipated load, as well as the required air conditioning to support this load.

In 2009, the University commenced with a design to expand the existing server room, but was unable to reach an acceptable resolution and abandoned the expansion effort.

In 2012, Central commenced with a new design scheme that creates a new 650-square foot server room in the Energy Center, also the location of Central's co-generation plant. The Energy Center location can provide emergency power to the servers off the existing campus generator system. Major infrastructure items within the construction budget include high-efficiency racks with hot or cold isle containment, cooling of each rack, UPS for each rack system, clean agent fire protection system (Halon alternative), and security access controls and cameras.

Central is prepared to solicit construction bids for the server room. Revised estimates indicate that the total budget for this project is \$875,000. Central was previously authorized to utilize up to \$500,000 from reserves. Central is now requesting Board approval to utilize an additional \$374,940 from University Reserves to fund this project.

RECOMMENDATION

Approve Central's revised request to use of up to \$875,000 from University designated fund balances to fund this project.

9/4/14 Finance & Infrastructure Committee

9/xx/14 BOR

RESOLUTION

concerning

THE USE OF DESIGNATED FUND BALANCES TO UPGRADE THE CAMPUS DATA
CENTER/SERVER ROOM

AT

CENTRAL CONNECTICUT STATE UNIVERSITY

September XX, 2014

- WHEREAS, Central Connecticut State University currently houses the majority of its computer servers in a central Data Center located in Barnard Hall, and
- WHEREAS, The Data Center was constructed in 2004, and has reached its capacity with regard to size, power and cooling capacity, and
- WHEREAS, CSUS Board of Trustees Resolution BR# 09-35, dated April 8, 2009, authorized Central to utilize up to \$500,000 from their designated fund balance for upgrades to the Data Center, and
- WHEREAS, The new Data Center will be located in the Energy Center, and
- WHEREAS, Revised bid specifications indicate the total project cost will be \$875,000, and
- WHEREAS, Central is requesting Board approval to utilize an additional \$374,940 of plant reserves to fund this project, and
- RESOLVED, That the Board of Regents for the Connecticut State Colleges and Universities authorizes Central Connecticut State University to utilize up to \$875,000 from their designated fund balance to construct the new Data Center.

A True Copy:

Erin A. Fitzgerald
Secretary

ITEM

FY2016/FY2017 Biennial Budget Submittal for Board of Regents, Connecticut State Colleges & Universities (CSCU) including Current Services and Capital Requests

BACKGROUND

The Board of Regents under its statutory authority reviews and approves the CSCU budget requests and prepares and submits a consolidated system request to the Secretary of the the Office of Policy and Management (OPM).

The Biennial Budget submission consists of three distinct pieces: Capital Requests, Current Services, and Expansion Options. CSCU has received instructions from OPM for preparation of the first two items, which are due immediately. The third item will be due to OPM in October, 2014.

The Capital Requests for this Biennium include the first two years of the broader request under CSCU 2020, our ten-year capital program. The full ten-year plan will be presented to the BOR at a later date. The first two years are presented herein for approval.

The Current Services budget request was built using our current spending profile (detailed by the roster of current employees and open positions that comprise our approved FY2015 Spending Plan), current revenues, and certain revenue and cost growth factors. Some of these factors are provided by OPM and others are developed by management. A list of these assumptions is provided in Attachment A. Current Services include both amounts that are paid for by the State (General Fund) and amounts that are covered by our institutions through tuition, fees and other auxiliary funds.

The Expansion Options budget will be presented to the Committee and BOR upon completion and prior to submission to OPM.

The Current Services and Capital Requests are relatively straightforward and do not include new programs or initiatives which will be covered in the next Expansion Options submission. The Expansion Options will include funding requests projects developed under strategic plan Transform CSCU 2020.

Discussions will continue with members of the Governor's staff and the General Assembly to provide more details and clarification, up until such time as the State's final Biennial Budget is approved.

ANALYSIS – CURRENT SERVICES REQUEST

The Current Services request to the Governor and the General Assembly represents a summary projection of Systemwide spending needs for FY2016/FY2017, using inflationary factors provided by OPM, including fringe benefit and general expense growth, and factors supplied by management, including tuition assumptions and collective bargaining increases.

The Current Services appropriation request provides for funds necessary to maintain all services at the current level.

For the General Fund, we are requesting \$641.6 million for FY2016, an increase of \$65.0 million or 11.3% over FY2015, as appropriated. The requested \$641.6 million (including \$240.9 million for fringe benefits) includes funding necessary to provide for certain cost increases to meet known collective bargaining needs. This request also includes \$1.3 million to meet the operating costs of new facilities coming online in FY2016.

For FY2017, we are requesting \$698.8 million. This includes approximately \$261.3 million for estimated fringe benefits and \$2.2 million to meet the operating costs of new facilities coming online in FY2017. Our collective bargaining unit contracts expire in FY2016; for purposes of this submission, we have assumed the same increases apply for FY2017 as were used in FY2016.

Revenues from Tuition and Fees include assumptions of a 2% rate increase, offset by a 2% enrollment decline.

Funding provided in FY2015 for Early College and Developmental Education is expected to require ongoing support; neither this funding, nor related expenses, were contemplated at the time the FY2015 Budget was approved. Funding provided in FY2015 for Go Back to Get Ahead was deemed to be a one-year program and therefore does not carry forward into FY2016/FY2017.

We project expenditures of \$1,259.2 million for FY2016, an increase of \$74.1 million or 6.3 % over FY2015 Budget. The increase is impacted by the introduction of Developmental Education and Early College spending, which were not included in the FY2015 Budget. This increase also includes inflationary growth of operating costs (using factors provided in Attachment A) and salary requirements in accordance with collective bargaining agreements. For FY2017, the projected expenditures of \$1,320.1 million represent an increase of \$61.0 million, or 4.8% over FY2016.

The schedule supporting our Biennial Budget request for Current Services is included in Attachment B herein.

ANALYSIS – CAPITAL REQUEST

The Capital Request in this Biennial package does not include the funding already approved via Public Act 14-98 enabling the System's CSCU 2020 program. These approvals total \$118.5 million and \$95.0 million for FY2016 and FY2017, respectively. CSCU 2020 was initially developed for the previous University System and served the four Universities with capital requirements extending for ten years. During the current fiscal year, certain amounts were brought into the program, which are specifically for the Community College. This program is still in force, and we are in the process of extending the timeline by six years, and including the remainder of Community Colleges and Charter Oak State College capital requirements. The Systemwide FY2016 – FY 2025 Transform CSCU 2020 capital program is being finalized and will be presented to the Finance and Infrastructure Committee in the near future.

Under this Biennial Capital Request, we are asking the State to support requirements totaling \$162.9 million and \$163.3 million for FY2016 and FY2017, respectively. The first year of this Biennium includes \$40.0 million for IT Deferred Maintenance purchase orders which would be drawn down over several years. The total amounts requested are higher than our requests in the past because: (1) we are in need of deferred maintenance at many of our institutions, and (2) we are investing in upgrades to our IT infrastructure and classroom systems throughout our seventeen institutions.

Deferred maintenance requirements were first identified by our external consultants, Sightlines, further refined by our Facilities organization, and are included herein as "Code Compliance/Infrastructure Improvements". Each institution's allocation is based upon square footage, age of buildings and age of major renovations. Costs associated with enhanced security and safety, as well as environmental objectives, have been considered in the Code Compliance/Infrastructure Improvements budget.

Major construction projects are generally staggered over the course of the ten year plan to spread the cost, allow time for thorough oversight of the projects, and because needs are not all immediate. In FY2016, major projects include additions and renovations at Norwalk Community College totaling \$29.9 million. The relocation of Charter Oak State College to a new facility is planned for FY2017. Phase III for Tunxis's Academic Building is also scheduled for FY2017.

The schedule supporting our Biennial Budget request for Capital is included at Attachment C herein. We believe that this request is reasonable, covers our requirements, and allows for some areas which not specifically quantifiable, but are estimable.

RECOMMENDATION

Approve the FY2016/FY2017 Biennial Budget Capital Request and Current Services Request as presented, subject to minor modifications (if any) from institutional refinements or OPM requirements.

090414 Finance & Infrastructure Committee
09xx14 BOR

ATTACHMENT A
FY2016/FY2017 Assumptions

Key Assumptions:	Biennial Projection		Origin
	<u>FY16</u>	<u>FY17</u>	
Tuition increase	2.0%	2.0%	BOR
Fees increase	2.0%	2.0%	BOR
All other university fee increase	2.0%	2.0%	BOR
Fringe Benefit rates are projected to increase	5.0%	9.0%	BOR
Headline CPI	2.3%	2.9%	OPM
Food and Beverages	2.3%	2.3%	OPM
Utility increases			
Electric	2.1%	2.5%	OPM
Oil	6.0%	2.7%	OPM
Natural Gas	2.7%	5.0%	OPM
Gasoline	4.3%	1.9%	OPM
Library Expenses 10%	10.0%	10.0%	BOR
Personnel Costs			
Personnel Services Increases - Universities	5.0%	5.0%	BOR
Personnel Services Increases - Colleges	5.5%	5.5%	BOR
Personnel Services Increases - Charter Oak	5.0%	5.0%	BOR
Fringe benefits	5.0%	9.0%	BOR

NOTES:

Personnel Services based upon bargaining unit contracts
Enrollment is flat with the FY15 Spending Plan assumptions

STAFF REPORT

FINANCE AND INFRASTRUCTURE COMMITTEE

ATTACHMENT B

FY2016/FY2017 Current Service Request

Account Name	FY15 Budget		FY16 Biennial Budget		FY17 Biennial Budget	
	Pos	\$M	Pos	\$M	Pos	\$M
Revenue:						
Tuition (Gross)		312.6		312.6		312.6
Student Fees		185.7		185.7		185.7
State Appropriations		316.8		331.1		348.8
State Appropriation Operational Support		22.7		56.7		75.0
State Appropriation (Dev Edu and Early College)		-		12.9		13.7
GBTGA Net Revenue		7.6		-		-
Fringe Benefits Paid By State		229.5		240.9		261.3
Housing		59.4		60.6		61.8
Food		30.8		31.7		32.8
All Other Revenue		31.7		33.0		34.4
Less: Contra Revenue		(6.1)		(6.1)		(6.1)
Total Revenue		<u>1,190.7</u>		<u>1,259.1</u>		<u>1,320.1</u>
Expenditures:						
Personal Services:						
Full Time	5,672	429.9	5,686	463.9	5,713	488.3
Part Time	1,162	22.8	1,171	24.0	1,171	25.3
Lecturers	5,893	79.1	5,903	83.3	5,913	87.7
Student Labor	1,512	8.1	1,512	8.3	1,512	8.5
Other Part Time	3,406	15.0	3,406	15.8	3,406	16.6
Overtime	-	4.2	-	4.4	-	4.7
All Other Personal Services	-	20.2	-	21.2	-	22.3
Subtotal Personal Services	<u>17,645</u>	<u>579.3</u>	<u>17,678</u>	<u>621.0</u>	<u>17,715</u>	<u>653.4</u>
Fringe Benefits		316.2		341.5		362.9
Total P.S. & Fringe Benefits		<u>895.6</u>		<u>962.5</u>		<u>1,016.3</u>
Other Expenses:						
Inst. Financial Aid/Match		51.4		51.4		51.4
Waivers		12.9		12.1		12.1
All Other Expenses		175.6		181.7		187.6
Total Other Expenses		<u>239.9</u>		<u>245.3</u>		<u>251.2</u>
Library Expenses		7.1		7.8		8.6
Total Equipment (excludes Library)		5.4		5.5		5.6
Total Expenditures		<u>1,148.0</u>		<u>1,221.0</u>		<u>1,281.8</u>
Addition to (Use of) Funds Before Designated Items		42.7		38.1		38.3
Designated Transfers Per BOR Policies						
Debt Service (University Fee)		(26.5)		(26.5)		(26.5)
Debt Service Residence Halls		(5.2)		(5.3)		(5.4)
Debt Service Parking Garage		(3.4)		(3.5)		(3.6)
CSU Designated Transfers per BOR Policies		(3.0)		(2.9)		(3.0)
CSU Other Designated Transfers		0.8		-		-
Total CSU Designated Transfers		<u>(37.2)</u>		<u>(38.2)</u>		<u>(38.4)</u>
Transfer in		6.6		6.0		6.2
Transfer out		(6.4)		(5.9)		(6.1)
Total Transfers		<u>0.2</u>		<u>0.1</u>		<u>0.1</u>
Net Change		<u>5.7</u>		<u>0.0</u>		<u>(0.0)</u>

ATTACHMENT C
FY2016/FY2017 Capital Request

Project Title	Description	Institution	Funding Year		Total Biennium Request
			FY 2016	FY 2017	
Code Compliance/Infrastructure Improvements			Universities		
Central Connecticut State University			5,977,244	6,404,190	12,381,435
Eastern Connecticut State University			2,926,292	3,135,313	6,061,605
Southern Connecticut State University			5,249,079	5,624,013	10,873,092
Western Connecticut State University			4,261,522	4,565,916	8,827,438
Preexisting 2020 Funding Commitments			(6,212,000)	(3,809,524)	(10,021,524)
Code Compliance/Infrastructure Improvements			Colleges		
Asnuntuck Community College			2,683,536	2,875,218	5,558,754
Capital Community College			1,657,581	1,775,979	3,433,560
Gateway Community College			1,394,668	1,494,287	2,888,955
Housatonic Community College			2,058,819	2,205,878	4,264,697
Manchester Community College			2,283,347	2,446,443	4,729,790
Middlesex Community College			2,850,379	3,053,977	5,904,356
Naugatuck Valley Community College			3,842,325	4,116,777	7,959,102
Northwestern Community College			1,875,491	2,009,455	3,884,946
Norwalk Community College			3,186,545	3,414,155	6,600,700
Quinebaug Community College			1,618,200	1,733,786	3,351,986
Three Rivers Community College			1,323,880	1,418,443	2,742,323
Tunxis Community College			1,756,711	1,882,190	3,638,901
Code Compliance/Infrastructure Improvements		Charter Oak	102,105	109,398	211,503
Code Compliance/Infrastructure Improvements		System Offices	269,774	289,044	558,818
Telecommunications Infrastructure Upgrade			System		
Deferred Maintenance	Upgrade Univ, Campus Networks, Telcom		40,000,000		40,000,000
Interdependent System	Fed. Student ID-System		750,000		750,000
Interdependent System	Further Enhance Smart Institutions			5,000,000	5,000,000
Interdependent System	Cross Registration-Degree Tracking-Pr.Adv.		3,000,000		3,000,000
Enhanced Student Experience And Efficiency	Single-Automated Fin Aid-Admin Process		1,000,000		1,000,000
Enhanced Student Experience And Efficiency	Enable Student Scheduling At CCC		250,000		250,000
Risk Reduction And Efficiency & Interdependent Syst	Est. New Charts Of Accounts In CCC Banner		750,000		750,000
Interdependent System	Combine Library Databases		1,000,000		1,000,000
Interdependent System	System Data Wharehousing,Analytics Tool		500,000		500,000
Risk Reduction And Efficiency	Virtual Desktops		5,000,000	5,000,000	10,000,000
Institutional Projects			-		
Convert Existing Gym Into Library And Stud. Services		Asnuntuck		3,625,342	3,625,342
Capital Equipment And Design		Asnuntuck	2,000,000		2,000,000
Prop. Acqu., Design And Const. For Campus Exp.		Capital	5,095,756		5,095,756
New Automotive Continuing Education Building		Gateway		1,220,553	1,220,553
New Academic Building		Manchester	4,581,694		4,581,694
Danbury Campus Fit-Out		Naugatuck	2,500,000		2,500,000
MEP & Distribution Systems Upgrade		Naugatuck	2,145,000		2,145,000
Founders Hall Annex Demolition		Naugatuck	1,500,000		1,500,000
Renovate The White Building		Northwestern	825,000	1,925,000	2,750,000
Add. And Renov. To The East And West Campuses		Norwalk	28,880,263	2,250,188	31,130,451
B Wing Mep/Code Upgrades And New Façade		Norwalk		4,942,887	4,942,887
East Campus-Re Roofing Project		Norwalk	1,010,553		1,010,553
New Academic Building- Phase III & Prop. Purchase		Tunxis	3,000,000	45,206,183	48,206,183
New Academic Building		Charter Oak	248,257	26,780,720	27,028,977
Land And Property Acquisition Program		System	5,000,000		5,000,000
Advance Manufacturing-Emerging Technoloy Centers		System	2,500,000	2,500,000	5,000,000
New And Replacement Equipment Program		System	12,300,000	12,300,000	24,600,000
Subtotal			162,942,020	155,495,810	318,437,831
Totals Including Escalation in FY 17 @ 5% annual			162,942,020	163,270,601	326,212,621

RESOLUTION

concerning

FY2016/FY2017 BIENNIAL BUDGET CAPITAL REQUEST AND
CURRENT SERVICES REQUEST (GENERAL FUND AND
OPERATING FUND)

August 28, 2014

- WHEREAS, The Board of Regents for Higher Education (BOR) under its statutory authority shall “prepare a single budget request itemized by [constituent units]... and shall submit such budget request displaying all operating funds to the Secretary of the Office of Policy and Management...”, and
- WHEREAS, A proposed FY2016/FY2017 Biennial Budget Capital Request and Current Services Request, which includes continuation funding for positions projected to be funded through the General Fund and the Operating Fund; funding to meet known collective bargaining requirements; and funding to meet operating costs for new General Fund facilities projected to go on-line, has been developed for submission to the Office of Policy and Management (OPM), and
- WHEREAS, When given the opportunity, the Board intends to request additional funds through Expansion Options for strategic initiatives and other currently unfunded priorities, targeted at student welfare; therefore be it
- RESOLVED, That the Board of Regents for Higher Education hereby approves and submits for review and recommendation to the Office of Policy Management a Biennium Budget request of \$118.5 million and \$95.0 million for Capital requirements, and \$641.6 million and \$698.8 million for Current Services requirements for FY2016 and FY2017 respectively, including collective bargaining increases for settled bargaining units. A breakdown of the current service request is shown below:

	FY2016 Current Services	FY2017 Current Services
Personnel Services	620,971,206	653,439,490
Fringe Benefits	341,481,030	362,910,493
Other Expenses (1)	245,279,764	251,181,140
Library	7,813,773	8,595,153
Equipment	5,476,209	5,634,471
Designated Transfers (Debt Service and Other)	38,104,591	38,315,818
TOTAL	<u>1,259,126,573</u>	<u>1,320,076,565</u>

and be it further

RESOLVED, That these requests may be adjusted by the President of the Board of Regents as a result of guidelines issued by or discussions with the Secretary of the Office of Policy and Management or for other technical purposes, and be it further

RESOLVED, That the requests shall be transmitted to the Office of Policy and Management for its review and recommendation on the requested due date.

A Certified Copy:

Erin A. Fitzgerald, Secretary