

**BOARD OF REGENTS FOR HIGHER EDUCATION
EXECUTIVE COMMITTEE MINUTES – REGULAR MEETING**

Thursday, November 17, 2016

Regents Boardroom, 61 Woodland Street, Hartford, CT 06105

COMMITTEE MEMBERS PARTICIPATING

Matt Fleury
Richard J. Balducci
Naomi K. Cohen

Merle W. Harris (via teleconference)
Elease E. Wright

COMMITTEE MEMBERS ABSENT

Yvette Melendez

OTHER BOARD MEMBERS IN ATTENDANCE

William J. McGurk

STAFF PARTICIPATING

Mark Ojakian, President
Erika Steiner, Chief Financial Officer
Erin A. Fitzgerald, Associate Director of Board Affairs/BOR Secretary

CALL TO ORDER

Chairman Fleury called the meeting to order at 10:08 am, declaring a quorum present.

APPROVAL OF PREVIOUS MEETING MINUTES

On a motion by Regent Cohen, seconded by Regent Wright, the [August 25, 2016 meeting minutes](#) were approved.

UPDATE FROM CSCU PRESIDENT MARK E. OJAKIAN

President Ojakian provided some background regarding the development of his response to OPM's request re 10% reduction of FY2017 current services (see Attachment A hereto). Following his overview, discussion took place among President Ojakian, Committee members and CFO Erika Steiner concerning potential fiscal scenarios.

President Ojakian also provided brief commentary regarding the following topics:

- Working Groups – he will provide the Board with an overview at the December meeting and currently anticipating that he will be back to the Board in March with a draft report.
- Regional Partnerships – President Ojakian discussed successful efforts towards better collaboration and integration between 2 year and 4 year institutions.
- Responsiveness to students who are feeling concern and anxiety following last week's elections. Referencing his message to the CSCU community (see Attachment B hereto), President Ojakian noted all colleges and universities are trying to be as helpful as possible in allaying students' concerns and anxieties.

EXECUTIVE SESSION

On a motion by Regent Cohen seconded by Regent Balducci, the Committee voted unanimously to go into Executive Session at 10:30 am for discussion concerning the topics listed below.

- strategy related to collective bargaining; and
- evaluation of a public officer or employee

At the request of Chair Fleury, President Ojakian remained with committee members.

The Committee returned to open session at 11:39 a.m.

Chair Fleury advised that no votes were taken in executive session and that discussion was limited to the topics previously announced (relisted below).

- strategy related to collective bargaining; and
- evaluation of a public officer or employee

ADJOURNMENT

Regent Cohen moved to adjourn; Regent Wright seconded; upon unanimous vote the meeting adjourned at 11:40 am.

Submitted,

Erin A. Fitzgerald, Associate Director, Office of Board Affairs/
Secretary of the Board of Regents for Higher Education



October 28, 2016

Mr. Paul Potamianos
 Executive Budget Officer
 Office of Policy and Management
 450 Capital Avenue
 Hartford, CT 06134

Dear Mr. Potamianos:

Per your request, attached please find reduction options for the Connecticut State Colleges & Universities totaling 10% of the FY2017 current services budget allotment. This reduction totals \$56.7M (\$32.4M in general fund and \$24.3M in associated fringe benefits), which follows general fund lapses already assessed in FY2017 of \$8.3M:

| SID | SID Title | FY2017 | | | Additional 10% Reduction | | | |
|------------|----------------------------------|--------------|-----------------|----------------|--------------------------|---------------|---------------|--------------|
| | | Appropriated | Allocated Lapse | Targeted Lapse | Current Allotment | 10% Reduction | Fringe Impact | Total |
| 12235 | Workers' Compensation Claims | 3,571,674 | (35,716) | (71,433) | 3,464,525 | (346,453) | - | (346,453) |
| 12531 | Charter Oak State College | 2,424,330 | (24,243) | (24,243) | 2,375,844 | (237,584) | (166,309) | (403,893) |
| 12532 | Community Tech College System | 161,446,565 | (1,614,465) | (1,614,466) | 158,217,634 | (15,821,763) | (11,866,323) | (27,688,086) |
| 12533 | Connecticut State University | 153,640,756 | (1,536,407) | (3,072,815) | 149,031,534 | (14,903,153) | (12,220,586) | (27,123,739) |
| 12534 | Board of Regents | 446,390 | (4,463) | (8,928) | 432,999 | (43,300) | (27,279) | (70,579) |
| 12578 | Transform - Operations Support | | | | | - | | |
| 12591 | Developmental Services | 9,469,836 | (94,698) | (189,397) | 9,185,741 | (918,574) | - | (918,574) |
| 12592 | Outcomes-Based Funding Incentive | 1,662,925 | (16,629) | (33,259) | 1,613,037 | (161,304) | - | (161,304) |
| Total CSCU | | 332,662,476 | (3,326,621) | (5,014,541) | 324,321,314 | (32,432,131) | (24,280,496) | (56,712,628) |

This \$56.7M reduction to the FY2017 State Appropriation would be on top of the \$39.8M reduction already realized from FY2016 to the current FY2017 Allotment, as follows:

| SID | SID Title | FY2016 | FY2017 | Reduction FY2017 vs FY2016 | | | Additional 10% Reduction | | | Total Impact vs FY2016 |
|------------|----------------------------------|-----------------|-------------------|----------------------------|---------------|--------------|--------------------------|---------------|--------------|------------------------|
| | | Final Allotment | Current Allotment | GF Reduction | Fringe Impact | Total | 10% Reduction | Fringe Impact | Total | |
| 12235 | Workers' Compensation Claims | 3,813,230 | 3,464,525 | (348,705) | - | (348,705) | (346,453) | - | (346,453) | (695,158) |
| 12531 | Charter Oak State College | 2,689,233 | 2,375,844 | (313,389) | (219,372) | (532,761) | (237,584) | (166,309) | (403,893) | (936,655) |
| 12532 | Community Tech College System | 161,936,815 | 158,217,634 | (3,719,181) | (2,789,386) | (6,508,567) | (15,821,763) | (11,866,323) | (27,688,086) | (34,196,653) |
| 12533 | Connecticut State University | 162,485,587 | 149,031,534 | (13,454,053) | (11,032,323) | (24,486,376) | (14,903,153) | (12,220,586) | (27,123,739) | (51,610,116) |
| 12534 | Board of Regents | 524,777 | 432,999 | (91,778) | (57,820) | (149,598) | (43,300) | (27,279) | (70,579) | (220,177) |
| 12578 | Transform - Operations Support | 10,000,000 | | (10,000,000) | | (10,000,000) | - | | | (10,000,000) |
| 12591 | Developmental Services | 8,602,092 | 9,185,741 | 583,649 | - | 583,649 | (918,574) | - | (918,574) | (334,925) |
| 12592 | Outcomes-Based Funding Incentive | - | 1,613,037 | 1,613,037 | - | 1,613,037 | (161,304) | - | (161,304) | 1,451,733 |
| Total CSCU | | 350,051,734 | 324,321,314 | (25,730,420) | (14,098,902) | (39,829,322) | (32,432,131) | (24,280,496) | (56,712,628) | (96,541,949) |

As indicated above, this would put the CSCU system at nearly \$100M of funding under FY2016 levels.

For purposes of responding to this request, the information below shows the impact of the full 10% budget reduction allocated to each of personnel costs, financial aid expenditures, or tuition and fee rates. However we note that a reduction of this magnitude would require a combination of these and other actions, and each action presents significant challenges as noted below.

If 10% Reduction was fully allocated to Personnel Costs and Other Line Item Reductions

About 85% of the spending at CSCU is related to personnel costs, so a significant funding reduction of this nature would come by way of headcount reductions.

A 10% across-the-board budget reduction based on FY2017 Current Allotment would require the elimination of 391 full-time positions of which 213 are faculty positions, as follows:

| <u>Personnel</u> | <u>Community Colleges</u> | <u>Charter Oak</u> | <u>State Universities</u> | <u>CSCU Total</u> |
|-------------------------------------|---------------------------|--------------------|---------------------------|-------------------|
| FT Faculty Positions | 809 | | 1,325 | 2,134 |
| FT Staff | 1,235 | 77 | 1,897 | 3,209 |
| 10% Reduction in Faculty | 81 | | 133 | 213 |
| 10% Reduction in Staff | 134 | 3 | 40 | 177 |
| Total Reduction in Personnel | 215 | 3 | 173 | 391 |

In addition, we would reduce coverage of workers compensation claims by \$346K which would force longer payment cycles and discourage advantageous settlements. Further, we would have to cut back \$919K from the delivery of development education services offered to students requiring extra support.

All of these actions would negatively impact student programs and completion rates. We note also that cost elimination through personnel reductions could not be realized within one year as most employees require notification periods ranging from three months to one year.

If 10% Reduction was fully allocated to Tuition and Fee Increases

If the burden of a \$56.7M reduction in general fund and related fringe benefits was fully absorbed by tuition and fee increases, the impact would be as follows:

| | <u>% Increase Tuition & Fees</u> |
|----------------------------|--------------------------------------|
| Community Colleges | 47% |
| State Universities | 13% |
| Charter Oak State College | 15% |
| Overall CSCU Impact | 20% |

This increase would clearly affect affordability and would impose a burden on CSCU’s students and their families, and in general would be contrary to public policy. It would also negatively impact the State’s economic recovery as well as Connecticut long-term economic growth.

If 10% Reduction was fully allocated to Institutional Financial Aid

As with the other two examples above, this scenario is hypothetical as we would not be inclined to negatively impact financial aid to the degree that would be required if this were a sole solution to the budget reduction. Impact would be as follows:

| | FY2017 Budget Financial Aid | 10% Reduction GF & Fringe | % of Financial Aid |
|-------------------------------|--|--|-------------------------------|
| Charter Oak State College | 141,804 | (70,579) | 50% |
| Community Tech College System | 18,035,615 | (27,123,739) | 150% |
| Connecticut State University | 36,332,238 | (27,688,086) | 76% |

As indicated above, The Universities and Charter Oak would lose a significant amount of aid provided to students in need, and the Community Colleges do not have enough institutional aid to even cover the 10% reduction.

We appreciate the opportunity to discuss with you the hardship that such a budget reduction would create to the CSCU System. Please feel free to contact me with any questions.

Sincerely,

Erika Steiner
Chief Financial Officer

cc: Mark Ojakian, CSCU President

From: [BOR-Announcement](#)
Subject: Important Message from President Ojakian
Date: Tuesday, November 15, 2016 3:16:52 PM

Dear CSCU Community:

Like many of you, I have been deeply troubled by the unrest across our nation and state as a result of last week's elections. I continue to look to our campus communities as a source of optimism and confidence.

At CSCU one of our greatest assets is the diversity of our students, faculty, staff and leadership. We are strengthened by the various races, ages, religions, ethnicities, sexual orientations, gender identities, nationalities, physical abilities, and political perspectives that define our campus communities. We are all committed to creating the opportunity for lifelong learning and the pursuit of knowledge. Our campuses thrive when people from different backgrounds, walks of life and perspectives have a forum for sharing their beliefs and ideas while learning together. That is the real value of a higher education.

I want to personally reaffirm our commitment to social justice, diversity, inclusion and respect for one another. There are some on our campuses that are feeling vulnerable and scared about what lies ahead for themselves and their families. I share their worries and will work with campus leaders, students and state officials to address any issues should they arise.

In the meantime, I encourage all of us to come together to support one another and to protect our learning environment. Just as we must stand up against behavior on our campuses that incites harm, we must also protect the open environment where opinions are expressed freely.

Together, I believe we can preserve our academic freedom and our commitment to respect each other as we face this next chapter in our nation's history.

Sincerely,
Mark E. Ojakian
President
Connecticut State Colleges and Universities