

# Board of Regents

## AGENDA

**Finance & Infrastructure Committee**  
**11:00 a.m. Wednesday, March 13, 2024**  
**Conducted Remotely**

**Meeting will stream live at:** <https://youtube.com/live/Q3rWFffOQVM?feature=share>

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1. **Call to Order and Declaration of Quorum**
2. **Approval of Previous Finance Meeting Minutes**
  - a. February 14, 2024.....Page 2
3. **Action Item**
  - a. CSCU – Equitable Access Program Fee.....Page 18
4. **Executive Session Anticipated**

### **Finance & Infrastructure Committee members**

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**

**February 14, 2024**

**Conducted Via Remote Participation**

| REGENTS - PARTICIPATING (Y = yes / N = no) |   |
|--|---|
| Richard J. Balducci, Committee Chair       | Y |
| Marty Guay                                 | Y |
| JoAnn Ryan, BOR Chair                      | Y |
| Ari Santiago                               | N |
| Erin Stewart                               | Y |
| Ted Yang                                   | Y |
| *Brendan Cunningham, FAC Chair             | Y |
| Carla Galaise, Student Regent              | Y |
| <i>*ex-officio, non-voting member</i>      |   |
|  |   |

**CSCU STAFF:**

Lloyd Blanchard, VP of Administration / Chief Financial Officer  
Terrence Cheng, Chancellor  
Melinda Cruanes, Controller  
Rachel Cunningham, Admin Assistant to Lloyd Blanchard (recorder)  
Pamela Heleen, Secretary of the Board of Regents  
Melentina Pusztay, Director of Budgets & Planning

**CALL TO ORDER:**

Committee Chair Balducci called the meeting to order at 10:34 a.m. Following the roll call, Rachel Cunningham recorded a quorum present.

Chair Balducci welcomed the new ex-officio FAC Chair Brendan Cunningham to the Finance Committee.

**APPROVAL OF PREVIOUS MEETING MINUTES:**

*Chair Balducci made a motion to accept the minutes of the December 6, 2023 meeting, seconded by Regent Yang, which was approved by a unanimous vote.*

## **INFORMATION ITEM:**

### **Student Worker Pay Rates**

CFO Blanchard reviewed the minimum wage for the State of Connecticut, which will increase for all student workers. The new minimum wage effective January 1, 2024, is \$15.69 per hour.

## **ACTION ITEMS:**

### **CSU - Credit Card Fees**

Chair Balducci introduced the CSU - Credit Card fee action item for discussion.

Regent Stewart shared that she requested and received backup documentation on what Touchnet was proposing, why they were proposing it, and if there is anything that can/can't be done regarding the fee increase. She stated that while a student at Central, it was a good opportunity to get a credit card on campus and important for a lot of students who have no credit.

Q: Regent Stewart asked if Touchnet is giving good options with reasonable fees and asked what we need to do to start looking elsewhere if fees can continue to increase.

Chair Balducci stated he would like a further review of when the last contract was done and requested that the next contract be put out to bid.

R. Cunningham stated for the record the last resolved statement as it appears on the resolution will be deleted and replaced with the following: Resolved that the Tier II Fees schedule line item associated with any credit card service fees shall henceforth appear as an informational item only at the bottom of the fee schedule rather than a set amount within an itemized fee schedule and asterisked to indicate that changes in the percentage are permitted in accordance with the applicable contract with the service provider. (Attachment A)

CFO Blanchard explained that the contract goes back to the 90s when CSU institutions used a service from Global Payments. Touchnet is a subsidiary of Global Payments and runs the credit card service that all students can use to pay their bills. Recently, Touchnet decided to charge international students an elevated rate of 4.25% on their credit card transactions. The impact will be limited and approximately 100 of our international students will face an increase in their credit card fee of on average \$32. The concern is that this item is listed in the Tier 2 schedule that the Board approves even though it has no control over the contractual fee. The proposed change is to remove this fee from the fee schedule and include it only as an informational item on the fee schedule going forward.

Q: Regent Stewart stated although it is a small impact, it is still meaningful; she asked if the current Touchnet contract fee has a maximum, if it's negotiable, or unlimited.

CFO Blanchard responded there are aggregate maximum rates they can go up to and this was within the aggregate. He can follow up with more clarity on how it was calculated.

Q: Regent Stewart asked if a new or renewed contract will come to the Board for approval.

CFO Blanchard responded that it would go to the Board as an informational item. According to our Board policies, the aggregate amount of the contract is too small for Board approval.

Chair Balducci stated it must be over \$5 million to go to the full board for approval.

Regent Yang reiterated Regent Stewart's concerns about the contract having the ability for one party to increase fees unilaterally.

CFO Blanchard agreed and requested that M. Cruanes flag the expiration of the current contract and rethink our approach going forward.

Regent Yang requested we revisit the \$5 million threshold for contracts of significant risk or exposure and/or if they directly impact student's tuition and fees.

Q: Regent Yang asked if this is a single contract across all CSUs and if each institution is affected by the increase.

M. Cruanes confirmed that all 4 universities are affected by this and use this vendor; they all have international transactions online.

Q: Regent Yang asked why this request is time-sensitive and coming before the Board if they have no control over it.

CFO Blanchard responded that the resolution is to remove this fee from the Tier 2 fee schedule because the Board has no control over the changes at the current moment due to the executed contract.

*Chair Balducci made a motion to amend the resolution, seconded by Regent Stewart, which was approved by a unanimous vote.*

*Chair Balducci made a motion to approve the amended resolution, seconded by Regent Stewart, which was approved by a unanimous vote.*

*Chair Balducci made a motion to request that the next contract for the credit cards be opened to any vendor interested in bidding on it, seconded by Regent Stewart, which was approved by a unanimous vote.*

#### FY 2024 Mid-Year Update

CFO Blanchard provided a recap of the FY 24 budget approved in June which had a \$26.7 million deficit. His presentation showed how the mitigation plans impacted the approved June budget. The resolution is due to the major change to the budget. (Attachment B)

Q: Chair Balducci asked for clarification on net transfers to the system office.

CFO Blanchard explained the net gain and loss before transfers is total revenues minus total expenditures, which are from one institution to another and to/from the system office to pay for services done on behalf of the institutions.

Q: Regent Stewart asked if there is resistance from the universities when funds are transferred to the system office.

CFO Blanchard responded all transfers out are met with resistance, but they all share the costs of the system with shared services and consolidated financial statements.

Q: Prof. Cunningham asked if the system office pays the debt payments for each institution.

CFO Blanchard confirmed system office pays all the debt management payments owed and it is a large portion of what is transferred to the system office.

Q: Regent Yang asked what the difference is between shared services and system office.

CFO Blanchard explained that shared services represent 3/4 of the personnel at the system office, most of whom in HR were the result of the consolidation of CT State; 1/4 of these personnel hold System Office positions.

Chair Balducci summarized that the budget mitigation plans made a positive impact on FY 24 and the committee will continue to discuss how to resolve the deficits coming in FY 25.

Regent Yang thanked those who made the difficult decisions to balance the budget.

Q: Regent Stewart asked if the changes/savings shown today were due to the early retirement program.

CFO Blanchard responded that they are not due to the retirement incentive plan which is an incentive for those who are currently eligible to retire. The estimated savings for the retirement incentive plan have not been estimated yet, as enrollment will close on April 1st.

CFO Blanchard stated the nearly \$36 million in savings are due to the institution's mitigation plans.

Q: Regent Stewart asked for details of the changes and where the savings came from.

CFO Blanchard explained the details of the changes can be found campus by campus in the staff report (attachments).

Q: Regent Stewart asked if the request to legislators will change based on the surplus and how the system now justifies the amount of money requested.

CFO Blanchard stated the difference between the original \$63 million and \$71.7 million is a small proportion of the \$1.4 billion budget. The variance of \$8-9 million is due to the changes in the calculation of fringe. This is the first time the system will be paying for non-retirement costs and the state will be paying for retirement costs.

Chancellor Cheng added there are a lot of moving pieces to balance FY 24 and will continue to watch what will happen in FY 25. The surplus will not affect the conversations with the legislature, OPM, or the Governor. The kind of factors being presented across all the institutions as they roll up into a systemwide conversation will remain the same with the \$47.6 million request for CT State and Western for FY 25.

CFO Blanchard reiterated today's update is on FY 24 and the request to the legislators for \$47.6 million is for FY 25.

Q: Mayor Stewart asked with the success in solving the budget problems this year, isn't it worthwhile to take a victory lap?

CFO Blanchard stated that \$63 million is a victory and that the more than \$100 million mitigation plan impressed the Governor when presented, but we don't want to underestimate the upcoming costs and the uncertainty from the State.

Regent Guay commented that CFO Blanchard and the team presented great detailed information for the mid-year and is looking forward to more information regarding FY 25.

Prof. Cunningham acknowledged the difficulty of the budget circumstances and requested that the Board not lose track of the services that may be compromised through reductions. He provided examples of the effects on the campuses with reduced services.

Chancellor Cheng echoed Prof Cunningham's point to ensure that the voices of students, faculty, and staff are represented in this endeavor to close the budget gap. He commented on how proud he is of everyone who has sacrificed and worked to voice the message that an investment in CSCU is an investment in the people of Connecticut.

Chair Balducci reinforced that the action item going to the Board is due to the major changes achieved by the mitigation plans and changes to the FY 24 budget that were approved in June.

*Chair Balducci made a motion to adopt the FY 2024 Mid-Year Update, Regent Yang seconded, following a unanimous vote, the motion was approved.*

*Chair Balducci requested a motion to adjourn, Regent Yang moved, and Regent Santiago seconded. Following a unanimous vote, the meeting adjourned at 11:26 a.m.*

**RESOLUTION**

concerning

**CSU – Credit Card Service Fees**

February 29, 2024

WHEREAS, The Board of Regents for Higher Education (the Board) under its statutory authority – CGS 10a-99 – reviews and establishes tuition and fees for such purposes as the Board deems necessary, and

WHEREAS, On October 20, 2022 and December 14, 2023, the Board approved the fee structure for CSCU institutions, including what is referred to as “Tier II” Fees for fiscal years 2024 and 2025, respectively. Tier II Fees cover items that are assessed to students on a usage basis and are not necessarily applicable to all students, and

WHEREAS, Among the Tier II Fees approved for the four CSCU universities (CSUs) is one associated with credit card service fees, assessed by the service provider, TouchNet, to process credit cards for our universities, and

WHEREAS, The requested fees previously approved by the Board were at a specific percentage of 2.85% and 2.95% for fiscal year 2024 and fiscal year 2025, respectively,

WHEREAS, The service provider, TouchNet, recently increased the fee for international transactions to 4.25% which is allowable under CSCU Contract No. 22044, therefore be it

**RESOLVED** That the Tier II Fees schedule line item associated with any credit card service fees shall henceforth appear as an informational item only at the bottom of the fee schedule rather than a set amount within an itemized fee schedule and asterisked to indicate that changes in the percentage are permitted in accordance with the applicable contract with the service provider.

~~RESOLVED, A fee modification is approved for the CSUs to be implemented immediately to accommodate the new credit card service fees for international transactions with a notation allowing for rate changes in accordance with contractually permissible rate adjustments.~~

## ITEM

### CSU – Credit Card Service Fees

## BACKGROUND

On October 20, 2022 and December 14, 2023, the Board approved the fee structure for CSCU institutions for fiscal years 2024 and 2025, respectively, including what is referred to as “Tier II” Fees. Tier II Fees cover items that are assessed to students on a usage basis and are not necessarily applicable to all students. Among the Tier II Fees approved for the CSUs is one associated with credit card service fees. These are the costs assessed by the service provider, TouchNet, to process credit cards for our universities. **The CSUs have historically passed this cost on to the student as a usage fee as not all students use credit cards to pay for the cost of education.**

## ANALYSIS

The requested fees approved by the Board were at a specific percentage: 2.85% for fiscal year 2024 and 2.95% for fiscal year 2025. **TouchNet recently increased the fee for international transactions to 4.25% which, although is allowable under CSCU Contract No. 22044, was unexpected.** We are requesting a fee modification for the CSUs to be implemented immediately to accommodate the new credit card service fees.

Further, we are requesting that the Tier II Fees schedule line item associated with the credit card service fees appears as an informational item only at the bottom of the fee schedule rather than a set amount within an itemized fee schedule and asterisked to indicate that changes in the percentage are permitted in accordance with the contract with the service provider.

## RECOMMENDATION

Approve a change to CSU’s fiscal year 2024 and 2025 Tier II Fee structure to reflect the current rate for international credit card transactions (4.25%) charged by the service provider with a notation allowing for rate changes in accordance with contractually permissible rate adjustments.





# FY2023-24 Mid-Year Budget Update

**Finance and Infrastructure Committee**  
**February 14, 2024**



## **Informational Items:**

- a. Student Worker Pay Rates

## **Action Items:**

- a. CSCU Credit Card Fees
- b. Mid-Year Budget Update



# Deficit Mitigation Plan

## A Balanced Path Forward for Public Higher Education: Revenues, Reductions, and Reserves

In June, we projected a \$26.7M deficit for FY24.

In November, we presented our Deficit Mitigation Plan that covered FY24 and FY25.

This mid-year update shows how the Deficit Mitigation Plan impacts the FY24 budget.

**Today, we project a balanced budget in FY24.**

|   |                      |
|---|----------------------|
| Surplus/(Deficit) reported to June 21 <sup>st</sup> BOR F&I | (26.7)               |
| <b>Total deficit mitigation (in millions)</b>               | <b><u>\$63.0</u></b> |
| 1. Adjustments updating deficit                             | (2.6)                |
| 2. New revenue initiatives                                  | 16.7                 |
| 3. Expenditure reductions                                   | 36.8                 |
| 4. Institutional cash support                               | 12.1                 |
| <b>Balanced Budget for FY24</b>                             | <b>0.0</b>           |



# Deficit Mitigation Plan

## A Balanced Path Forward for Public Higher Education: Revenues, Reductions, and Reserves

| FY24  | Central             | Eastern             | Southern            | Western              | CT State             | Charter Oak         | SO/SS               |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| Surplus/Deficit reported to June 21 <sup>st</sup> BOR F&I | \$13.5              | \$0.0               | \$5.5               | (\$12.0)             | (\$33.6)             | \$0.0               | \$0.0               |
| <b>Total mitigation (in millions)</b>                     | <b><u>\$7.6</u></b> | <b><u>\$2.1</u></b> | <b><u>\$4.2</u></b> | <b><u>\$12.1</u></b> | <b><u>\$33.6</u></b> | <b><u>\$0.4</u></b> | <b><u>\$3.0</u></b> |
| 1. Adjustments updating deficit                           | (0.5)               | (1.4)               | (3.8)               | 0.4                  | 2.5                  | 0.1                 | 0.0                 |
| 2. New revenue initiatives                                | 8.5                 | (0.2)               | 7.6                 | 0.0                  | 0.5                  | 0.3                 | 0.0                 |
| 3. Expenditure reductions                                 | (0.4)               | 3.7                 | 0.4                 | 6.6                  | 23.6                 | 0.0                 | 3.0                 |
| 4. Institutional cash support                             | 0.0                 | 0.0                 | 0.0                 | 5.0                  | 7.1                  | 0.0                 | 0.0                 |





# FY24 Systemwide Mid-Year Update

Revenues are adjusted upward by 1.5% (+\$17.5M).

Expenditures are adjusted downward by 4.5% (-\$53.7M)

Projected Net Results are adjusted upward by \$71.7M.

The deficit mitigation plan presented to BOR in Nov 2023 explains the difference between the original FY24 Budget and FY24 Mid-Year Projection.

|   | FY23 Actual    | FY24 Budget    | FY24 Mid-year Projection | FY24 MidYear Projection vs. Budget |              |
|---|----------------|----------------|--------------------------|------------------------------------|--------------|
|   |                |                |                          | \$ change                          | % change     |
| <b>Revenue:</b>                         |                |                |                          |                                    |              |
| Tuition & Fees                          | 484.1          | 490.7          | 501.1                    | 10.4                               | 2.1%         |
| State Appropriations                    | 362.7          | 358.1          | 358.1                    | -                                  | 0.0%         |
| Fringe Benefits Paid By State (GF & OF) | 396.8          | 41.7           | 41.7                     | -                                  | 0.0%         |
| One-time Funding                        | 169.4          | 189.2          | 189.2                    | -                                  | 0.0%         |
| Housing and Food Services               | 89.0           | 90.7           | 95.7                     | 5.0                                | 5.5%         |
| Other Revenue                           | 19.2           | 8.2            | 10.3                     | 2.1                                | 26.3%        |
| <b>Total Revenue</b>                    | <b>1,521.2</b> | <b>1,178.7</b> | <b>1,196.2</b>           | <b>17.5</b>                        | <b>1.5%</b>  |
| <b>Expenditures:</b>                    |                |                |                          |                                    |              |
| Personnel salaries                      | 650.3          | 668.1          | 642.5                    | (25.6)                             | -3.8%        |
| Fringe Benefits                         | 444.7          | 179.9          | 160.5                    | (19.5)                             | -10.8%       |
| Inst. Financial Aid/Match and Waivers   | 78.6           | 80.5           | 80.7                     | 0.2                                | 0.2%         |
| Utilities                               | 28.4           | 33.6           | 33.3                     | (0.3)                              | -1.0%        |
| Other expenses                          | 174.5          | 210.6          | 201.7                    | (8.9)                              | -4.2%        |
| Debt Service                            | 29.7           | 30.9           | 31.3                     | 0.4                                | 1.3%         |
| <b>Total Expenditures</b>               | <b>1,406.2</b> | <b>1,203.6</b> | <b>1,149.9</b>           | <b>(53.7)</b>                      | <b>-4.5%</b> |
| <b>Net gain/(loss) before transfers</b> | <b>115.0</b>   | <b>(24.9)</b>  | <b>46.3</b>              | <b>71.2</b>                        | <b>-</b>     |
| Net Transfers                           | (30.3)         | (1.8)          | (1.3)                    | 0                                  | -            |
| <b>Net Results</b>                      | <b>84.7</b>    | <b>(26.7)</b>  | <b>45.0</b>              | <b>71.7</b>                        | <b>-</b>     |



# State Universities FY24 Mid-Year Update

Revenues are adjusted upward by 2.6% (+\$18.2M).

Expenditures are adjusted downward by .5% (-\$3.7M).

Projected Net Results are adjusted upward by \$20.6M.

|   | FY23 Actual  | FY24 Budget  | FY24 Mid-year Projection | FY24 MidYear Projection vs. Budget |              |
|---|--------------|--------------|--------------------------|------------------------------------|--------------|
|   |              |              |                          | \$ change                          | % change     |
| <b>Revenue:</b>                         |              |              |                          |                                    |              |
| Tuition & Fees                          | 321.6        | 326.8        | 332.5                    | 5.8                                | 1.8%         |
| State Appropriations                    | 174.4        | 173.7        | 173.7                    | -                                  | 0.0%         |
| Fringe Benefits Paid By State (GF & OF) | 195.5        | 2.3          | 2.3                      | -                                  | 0.0%         |
| One-time Funding                        | 88.7         | 103.2        | 103.2                    | -                                  | 0.0%         |
| Housing and Food Services               | 89.0         | 90.7         | 95.7                     | 5.0                                | 5.5%         |
| Other Revenue                           | 16.2         | 11.6         | 19.0                     | 7.4                                | 64.3%        |
| <b>Total Revenue</b>                    | <b>885.3</b> | <b>708.3</b> | <b>726.5</b>             | <b>18.2</b>                        | <b>2.6%</b>  |
| <b>Expenditures:</b>                    |              |              |                          |                                    |              |
| Personnel salaries                      | 357.5        | 366.5        | 361.9                    | (4.6)                              | -1.3%        |
| Fringe Benefits                         | 242.6        | 90.3         | 91.6                     | 1.3                                | 1.5%         |
| Inst. Financial Aid/Match               | 57.7         | 61.4         | 60.5                     | (0.9)                              | -1.4%        |
| Utilities                               | 19.4         | 22.5         | 22.2                     | (0.3)                              | -1.2%        |
| Other expenses                          | 120.1        | 128.6        | 128.9                    | 0.3                                | 0.2%         |
| Debt Service                            | 29.7         | 30.9         | 31.3                     | 0.4                                | 1.3%         |
| <b>Total Expenditures</b>               | <b>827.0</b> | <b>700.1</b> | <b>696.4</b>             | <b>(3.7)</b>                       | <b>-0.5%</b> |
| <b>Net gain/(loss) before transfers</b> | <b>58.4</b>  | <b>8.3</b>   | <b>30.1</b>              | <b>21.9</b>                        | <b>-</b>     |
| Net Transfers                           | (29.7)       | (1.3)        | (2.6)                    | (1.3)                              | -            |
| <b>Net Results</b>                      | <b>28.7</b>  | <b>7.0</b>   | <b>27.6</b>              | <b>20.6</b>                        | <b>-</b>     |



# State Universities FY24 Mid-Year Update

Projected Net Results for our 4 universities combined is \$27.6 million.

|   | FY24 Mid-year Projection | Central      | Eastern      | Southern     | Western      | System Office |
|---|--------------------------|--------------|--------------|--------------|--------------|---------------|
| <b>Revenue:</b>                         |                          |              |              |              |              |               |
| Tuition & Fees                          | 332.5                    | 119.7        | 46.7         | 114.5        | 51.5         | -             |
| State Appropriations                    | 173.7                    | 53.2         | 32.0         | 50.5         | 31.9         | 8.3           |
| Fringe Benefits Paid By State (GF & OF) | 2.3                      | 0.8          | 0.4          | 0.8          | 0.4          | -             |
| One-time Funding                        | 103.2                    | 35.7         | 17.0         | 33.6         | 16.9         | -             |
| Housing and Food Services               | 95.7                     | 29.2         | 27.1         | 26.7         | 12.7         | -             |
| Other Revenue                           | 19.0                     | 6.9          | 4.1          | 4.8          | 3.3          | -             |
| <b>Total Revenue</b>                    | <b>726.5</b>             | <b>245.5</b> | <b>127.2</b> | <b>230.8</b> | <b>116.7</b> | <b>8.3</b>    |
| <b>Expenditures:</b>                    |                          |              |              |              |              |               |
| Personnel salaries                      | 361.9                    | 111.1        | 60.1         | 123.3        | 61.4         | 6.0           |
| Fringe Benefits                         | 91.6                     | 28.3         | 15.2         | 30.8         | 16.1         | 1.2           |
| Inst. Financial Aid/Match               | 60.5                     | 20.5         | 15.7         | 16.9         | 7.4          | -             |
| Utilities                               | 22.2                     | 7.5          | 4.5          | 6.0          | 4.2          | -             |
| Other expenses                          | 128.9                    | 41.6         | 20.4         | 35.1         | 25.1         | 6.8           |
| Debt Service                            | 31.3                     | 13.4         | 7.1          | 7.4          | 5.3          | -             |
| <b>Total Expenditures</b>               | <b>696.4</b>             | <b>222.3</b> | <b>123.0</b> | <b>219.5</b> | <b>119.4</b> | <b>14.1</b>   |
| <b>Net gain/(loss) before transfers</b> | <b>30.1</b>              | <b>22.4</b>  | <b>3.8</b>   | <b>10.9</b>  | <b>(3.1)</b> | <b>(5.8)</b>  |
| Net Transfers                           | (2.6)                    | (2.3)        | (1.6)        | (1.6)        | (1.6)        | 6.4           |
| <b>Net Results</b>                      | <b>27.6</b>              | <b>20.1</b>  | <b>2.2</b>   | <b>9.3</b>   | <b>(4.7)</b> | <b>0.6</b>    |



# CT State & Shared Services FY24 Mid-Year Update

Revenues are adjusted downward by .2% (-\$933K).

Expenditures are adjusted downward by 10.3% (-\$49.8M).

Projected Net Results are adjusted upward by \$16.9M.

|   | FY23 Actual  | FY24 Budget   | FY24 Mid-year Projection |                 |               | FY24 MidYear Projection vs. Budget |               |
|---|--------------|---------------|--------------------------|-----------------|---------------|------------------------------------|---------------|
|   |              |               | CT State                 | Shared Services | System Office | \$ change                          | % change      |
| <b>Revenue:</b>                         |              |               |                          |                 |               |                                    |               |
| Tuition & Fees                          | 150.5        | 151.4         | 155.7                    | -               | -             | 4.3                                | 2.9%          |
| State Appropriations                    | 172.5        | 168.5         | 140.0                    | 22.9            | 5.7           | -                                  | 0.0%          |
| Fringe Benefits Paid By State (GF & OF) | 196.4        | 40.0          | 40.0                     | -               |               | -                                  | 0.0%          |
| One-time Funding                        | 64.6         | 83.6          | 83.6                     | -               |               | -                                  | 0.0%          |
| Housing and Food Services               | -            | -             | -                        | -               |               | -                                  | -             |
| Other Revenue                           | 13.7         | 7.2           | 1.9                      | -               |               | (5.3)                              | -73.3%        |
| <b>Total Revenue</b>                    | <b>597.7</b> | <b>450.6</b>  | <b>421.1</b>             | <b>22.9</b>     | <b>5.7</b>    | <b>(0.9)</b>                       | <b>-0.2%</b>  |
| <b>Expenditures:</b>                    |              |               |                          |                 |               |                                    |               |
| Personnel salaries                      | 282.1        | 290.3         | 249.5                    | 15.8            | 3.9           | (21.2)                             | -7.3%         |
| Fringe Benefits                         | 195.2        | 86.7          | 61.1                     | 4.5             | 0.7           | (20.4)                             | -23.6%        |
| Inst. Financial Aid/Match               | 19.6         | 14.4          | 18.2                     | 0.3             | -             | 4.1                                | 28.6%         |
| Utilities                               | 8.9          | 11.1          | 11.0                     | 0.0             | -             | (0.1)                              | -0.6%         |
| Other expenses                          | 54.1         | 81.7          | 45.8                     | 21.4            | 2.3           | (12.2)                             | -15.0%        |
| <b>Total Expenditures</b>               | <b>559.9</b> | <b>484.2</b>  | <b>385.6</b>             | <b>41.9</b>     | <b>6.9</b>    | <b>(49.8)</b>                      | <b>-10.3%</b> |
| <b>Net gain/(loss) before transfers</b> | <b>37.8</b>  | <b>(33.6)</b> | <b>35.5</b>              | <b>(19.0)</b>   | <b>(1.3)</b>  | <b>48.8</b>                        | <b>-</b>      |
| <b>Net Transfers</b>                    |              |               |                          |                 |               | -                                  |               |
| Total Net Transfers                     | 17.3         | -             | (26.9)                   | 26.3            | 2.3           | 1.7                                | -             |
| <b>Net Results</b>                      | <b>55.1</b>  | <b>(33.6)</b> | <b>8.6</b>               | <b>7.3</b>      | <b>1.0</b>    | <b>16.9</b>                        | <b>-</b>      |





# Charter Oak FY24 Mid-Year Update

Revenues are adjusted upward by 1.3% (\$253K).

Expenditures are adjusted downward by 1.2% (\$217K).

Projected Net Results adjusted upward by \$470K.

|   | FY23 Actual | FY24 Budget | FY24 Mid-year Projection | FY24 MidYear Projection vs. Budget |              |
|---|-------------|-------------|--------------------------|------------------------------------|--------------|
|   |             |             |                          | \$ change                          | % change     |
| <b>Revenue:</b>                         |             |             |                          |                                    |              |
| Tuition & Fees                          | 12.0        | 12.6        | 12.9                     | 0.3                                | 2.2%         |
| State Appropriations                    | 3.7         | 3.7         | 3.7                      | -                                  | 0.0%         |
| Fringe Benefits Paid By State (GF & OF) | 4.6         | (0.6)       | (0.6)                    | -                                  | 0.0%         |
| One-time Funding                        | 1.3         | 2.5         | 2.5                      | -                                  | 0.0%         |
| Housing and Food Services               | -           | -           | -                        | -                                  | -            |
| Other Revenue                           | 1.0         | 1.1         | 1.1                      | (0.0)                              | -2.3%        |
| <b>Total Revenue</b>                    | <b>22.5</b> | <b>19.3</b> | <b>19.5</b>              | <b>0.3</b>                         | <b>1.3%</b>  |
| <b>Expenditures:</b>                    |             |             |                          |                                    |              |
| Personnel salaries                      | 10.3        | 10.8        | 11.0                     | 0.2                                | 1.6%         |
| Fringe Benefits                         | 6.6         | 2.9         | 2.6                      | (0.4)                              | -12.1%       |
| Inst. Financial Aid/Match               | 1.4         | 1.4         | 1.6                      | 0.2                                | 12.9%        |
| Utilities                               | 0.1         | 0.1         | 0.1                      | 0.0                                | 4.2%         |
| Other expenses                          | 3.2         | 3.5         | 3.3                      | (0.2)                              | -6.4%        |
| <b>Total Expenditures</b>               | <b>21.5</b> | <b>18.8</b> | <b>18.6</b>              | <b>(0.2)</b>                       | <b>-1.2%</b> |
| <b>Net gain/(loss) before transfers</b> | <b>1.0</b>  | <b>0.5</b>  | <b>1.0</b>               | <b>0.5</b>                         | <b>-</b>     |
| Net Transfers                           | (0.6)       | (0.5)       | (0.5)                    | -                                  | -            |
| <b>Net Results</b>                      | <b>0.5</b>  | <b>0.0</b>  | <b>0.5</b>               | <b>0.5</b>                         | <b>-</b>     |

## RESOLUTION

Concerning

### CONNECTICUT STATE COLLEGES AND UNIVERSITIES EQUITABLE ACCESS PROGRAM AND APPLICABLE FEE

March 21, 2024

- 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-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, The BOR recognizes the importance of access and affordability in higher education and the need for programs that reduce financial burdens on all students; and
- WHEREAS, The BOR acknowledges the systemwide Request for Proposal (RFP) process initiated in the spring semester of 2023, aimed at exploring cost-effective solutions for course materials through the collective bargaining power of all four CSCU universities and Charter Oak State College; and
- WHEREAS, The BOR values the collaborative effort of the participating CSCU institutions, which led to the unanimous selection of a vendor and equitable access program, ensuring a fixed per credit fee for required textbooks and course materials to support student success, enrollment, and retention, with an option for students to opt-out each semester; and now, therefore, be it
- RESOLVED, That the BOR approves the addition of an Equitable Access Program Fee (“Fee”), in an amount not to exceed \$18.75 per credit, to the FY2025 tuition and fee schedule of each CSCU institution offering the equitable access program, provided that students have the ability to opt out of the program and not be charged the Fee; and be it further
- RESOLVED, That any modifications to the Fee shall be approved by the BOR;

A True Copy:

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Pamela A. Heleen, Secretary  
Board of Regents for Higher Education

**ITEM**

CSCU – Equitable Access Program Fee

**BACKGROUND**

In response to concerns about higher education affordability, especially for students from low to moderate income families, several programs have been introduced to minimize their expenses. An example is the Inclusive Access program, which emerged during the Obama-Biden era, following federal guidelines from the US Department of Education. These guidelines allowed educational institutions to include the cost of course materials in tuition and fees, provided these materials were priced below market rates. This approach made it possible for students to cover these costs through federal grants and loans instead of paying out of pocket.

In the spring of 2023, the Connecticut State Colleges and Universities (CSCU) initiated a system-wide Request for Proposal (RFP) process to explore more cost-effective solutions for course materials, taking advantage of the collective bargaining power of all four State Universities and Charter Oak State College. A committee comprising representatives from each institution was formed to evaluate proposals from various vendors. Ultimately, Barnes & Noble's First Day Complete Program ("FDC program") was selected for its offer to supply all required textbooks and course materials at a fixed rate of \$18.75 per credit, which would be billed separately. The FDC program aims to enhance student success by ensuring immediate access to necessary materials at the start of classes and integrating these costs with financial aid options. Students have the choice to opt-out of the FDC program during the Add/Drop period each semester.

The FDC program is part of the broader Inclusive Access initiative, allowing students nationwide to access all required course materials for a single flat fee. This approach contrasts with traditional a la carte purchases, as the FDC program's rental costs are applied to students' accounts along with tuition fees. Students who believe they can find materials at a lower cost elsewhere have the option to opt-out, ensuring the program remains a low-cost solution for as many students as possible.

**ANALYSIS**

Since the introduction of Inclusive Access programs such as the FDC program, more than 1,900 colleges and universities across the nation offer access and affordability programs based on the rules created during the Obama-Biden era.

According to a report by the College Board entitled, [Trends in College Pricing 2023 \(p. 11\)](#), the last decade saw average student spending on college textbooks and digital course materials decline by over 40%. In a survey at an institution that has implemented the FDC program, 83% of students said that such programs had a positive impact on their academic success, and 89% said that they would be likely to recommend the program to other students.

Academic research has confirmed the effectiveness of such Inclusive Access programs. The National Association of College Stores surveyed over 10,000 college and university students about their textbook purchasing decisions, both through the campus bookstore and other retailers, and found that 24% of students waited until after classes began to secure their required course materials. Only 13% of students purchased their required course materials a month before class started.

Dr. Michael Moore of the University of New Hampshire is perhaps the leading scholar on the topic, with his dissertation, [\*Inclusive Access Course Materials: The Impact on Student Outcomes\*](#), showing positive student outcomes as a result of such programs. He charts the increasing availability of Open Educational Resources (OER), which encourages instructors to assign free course materials that exist in the public domain. OER programs have been found to reduce the costs of course materials to students, but that is because the costs are shifted to the institutions.

With regard to the inclusive access programs, his research revealed the following:

- The grade distribution found more ‘A’ grades for students who obtained books through Inclusive Access (IA) programs than through more traditional means.

**Table 3.1**  
**Grade Distribution**

| Nominal |      |      |            |
|---------|------|------|------------|
| Grade   | NoIA | IA   | Difference |
| A       | 471  | 509  | 38         |
| B       | 256  | 253  | -3         |
| C       | 172  | 164  | -8         |
| D       | 91   | 75   | -16        |
| F       | 85   | 76   | -9         |
| I/W     | 209  | 189  | -20        |
| Total   | 1284 | 1266 |            |

**Table 3.2**  
**Grade Distribution**

| Percentages |        |        |            |         |
|-------------|--------|--------|------------|---------|
| Grade       | NoIA   | IA     | Difference | % Diff  |
| A           | 36.68  | 40.21  | 3.52       | 9.60%   |
| B           | 19.94  | 19.98  | 0.05       | 0.23%   |
| C           | 13.40  | 12.95  | -0.44      | -3.30%  |
| D           | 7.09   | 5.92   | -1.16      | -16.41% |
| F           | 6.62   | 6.00   | -0.62      | -9.32%  |
| I/W         | 16.28  | 14.93  | -1.35      | -8.28%  |
| Total       | 100.00 | 100.00 |            |         |

- The grade distribution found more students earn a “C” grade or better when they obtained books through Inclusive Access (IA) programs than through more traditional means.

**Table 4.1**  
**Total Population**

| Nominal |      |      |            |
|---------|------|------|------------|
| C>      | NoIA | IA   | Difference |
| No      | 215  | 182  | -33        |
| Yes     | 860  | 895  | 35         |
| Total   | 1075 | 1077 |            |

**Table 4.2**  
**Total Population**

| Percentages |        |        |            |              |
|-------------|--------|--------|------------|--------------|
| C>          | NoIA   | IA     | Difference | % Difference |
| No          | 20.00  | 16.90  | -3.10      | -15.51%      |
| Yes         | 80.00  | 83.10  | 3.10       | 3.88%        |
| Total       | 100.00 | 100.00 |            |              |

- Students experience less incidence of withdrawals and incomplete grades under IA programs.

**Table 13.1****Incomplete/Withdrawal****Nominal**

| <b>Incomplete/Withdrawal</b> |             |           |                   |
|------------------------------|-------------|-----------|-------------------|
| <b>I/W</b>                   | <b>NoIA</b> | <b>IA</b> | <b>Difference</b> |
| <b>Yes</b>                   | 209         | 189       | -20               |
| <b>No</b>                    | 1075        | 1077      | 2                 |
| <b>Total</b>                 | 1284        | 1266      |                   |

**Table 13.2****Incomplete/Withdrawal****Percentages**

| <b>Incomplete/Withdrawal</b> |             |           |                   |                     |
|------------------------------|-------------|-----------|-------------------|---------------------|
| <b>I/W</b>                   | <b>NoIA</b> | <b>IA</b> | <b>Difference</b> | <b>% Difference</b> |
| <b>Yes</b>                   | 16.28       | 14.93     | -1.35             | -8.28%              |
| <b>No</b>                    | 83.72       | 85.07     | 1.35              | 1.61%               |
| <b>Total</b>                 | 100         | 100       |                   |                     |

Programs providing early access to course materials have been shown to have particularly strong benefits for the most underserved student populations. Moore’s research has shown substantial increases in course completion rates for at-risk groups, including Black students (up 21%), students over the age of 25 (up 6%), and female students (up 13%) who participate in these programs.

**RECOMMENDATION**

That the Board of Regents approve the addition of an Equitable Access Program Fee (“Fee”), in an amount not to exceed \$18.75 per credit, to the FY2025 tuition and fee schedule of each CSU institution offering the FDC program, provided that students have the ability to opt out of the FDC program and not be charged the Fee.

**ATTACHMENTS:**

Attachment A – Bookstore Process and FDC Presentation



**CONNECTICUT STATE  
COLLEGES & UNIVERSITIES**

A blue-tinted collage of many diverse student faces serves as the background for the lower half of the slide.

# **Bookstore Operations & Equitable Access Program Proposal**

**March 13, 2024**

Attachment A



# First Day Complete (FDC)

## Key Benefits

With First Day Complete, BNC's equitable access program, students receive their required course materials, in both physical and digital formats, before the first day of class. Instead of purchasing materials a la carte, the rental cost is applied to the student's account at the same time tuition is charged, **typically saving students an average of 35-50%**

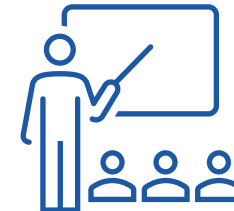


First Day Complete (FDC) allows full-time and part-time undergraduate students to receive required course materials for all classes for a flat fee, regardless of how much each individual textbook or digital access would cost to rent or purchase separately.



**ZERO** change in faculty adoption

Faculty maintain full academic freedom without any restrictions on format or publisher selection.



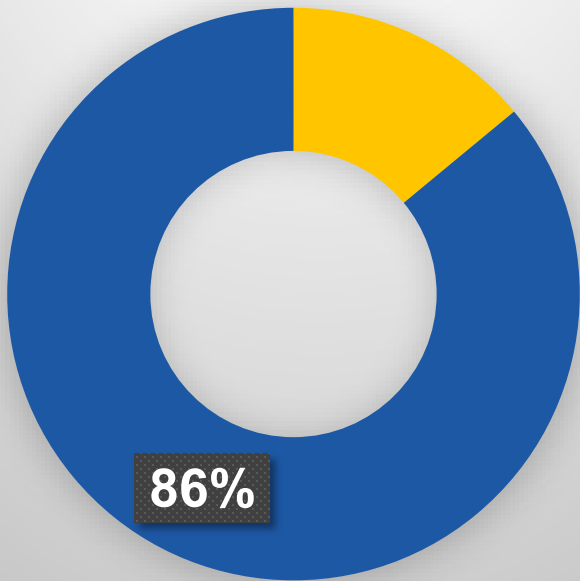


# 2022 Student Survey Results

**Percentage of students surveyed that would like course materials bundled with tuition and fees**  
(and at lower cost than they are paying when purchasing separately)

**CCSU**

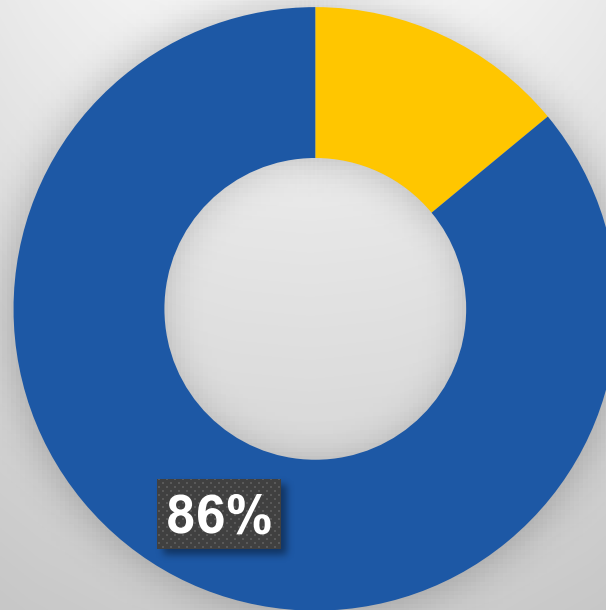
■ Yes



Sample Size: 299 Students

**ECSU**

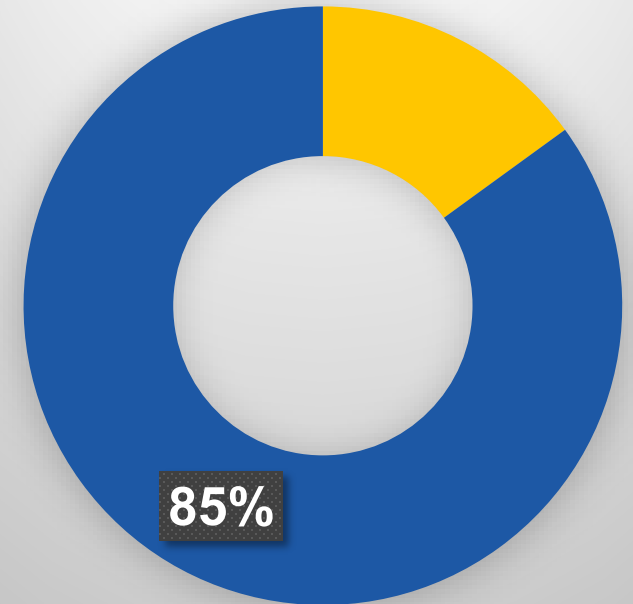
■ Yes



Sample Size: 77 Students

**SCSU**

■ Yes

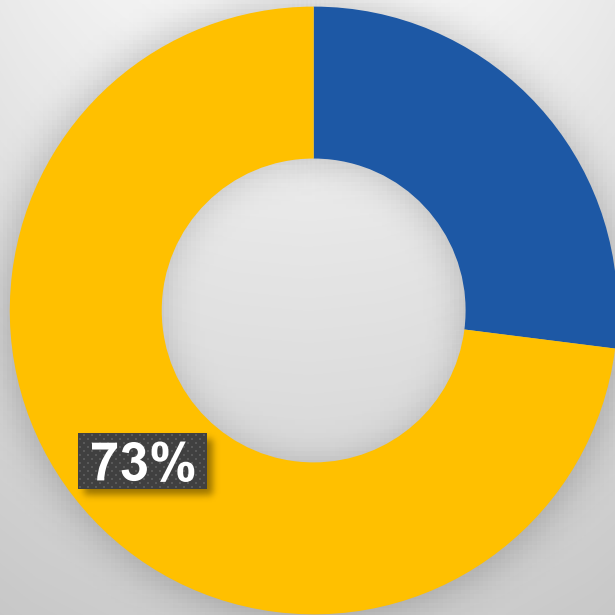


Sample Size: 267 Students

# 2022 Student Survey Results

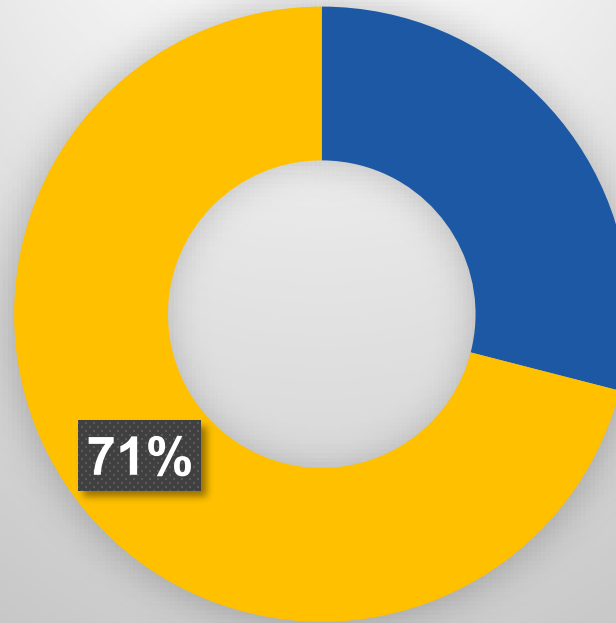
Percentage of students said they would have a somewhat or much more positive perception of their school if their school offered complete access to all their course materials – for a lower price – that would be included in tuition and/or fees

**CCSU**



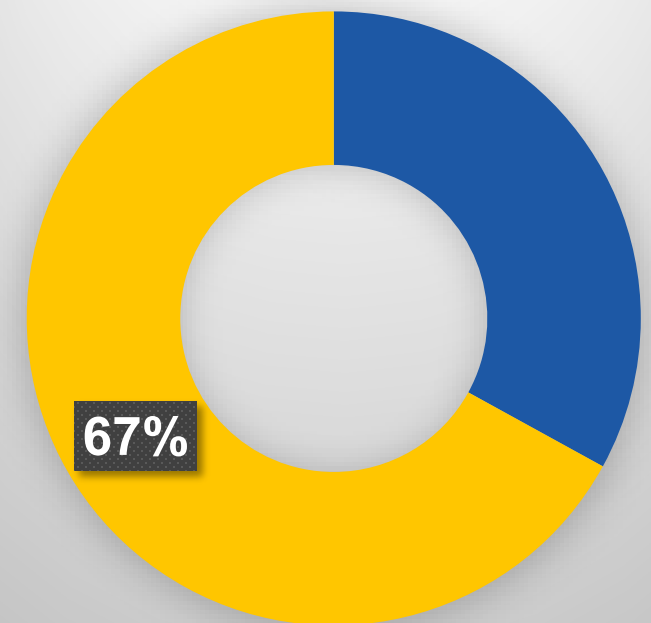
Sample Size: 299 Students

**ECSU**



Sample Size: 77 Students

**SCSU**



Sample Size: 267 Students

# First Day Complete Benefits



*"Cost sometimes gets in the way of me purchasing a textbook. For some textbooks that are multiple hundreds of dollars, I thought I could just wing it."*

*Jonathan D'Ercole, Student  
Campbell University*

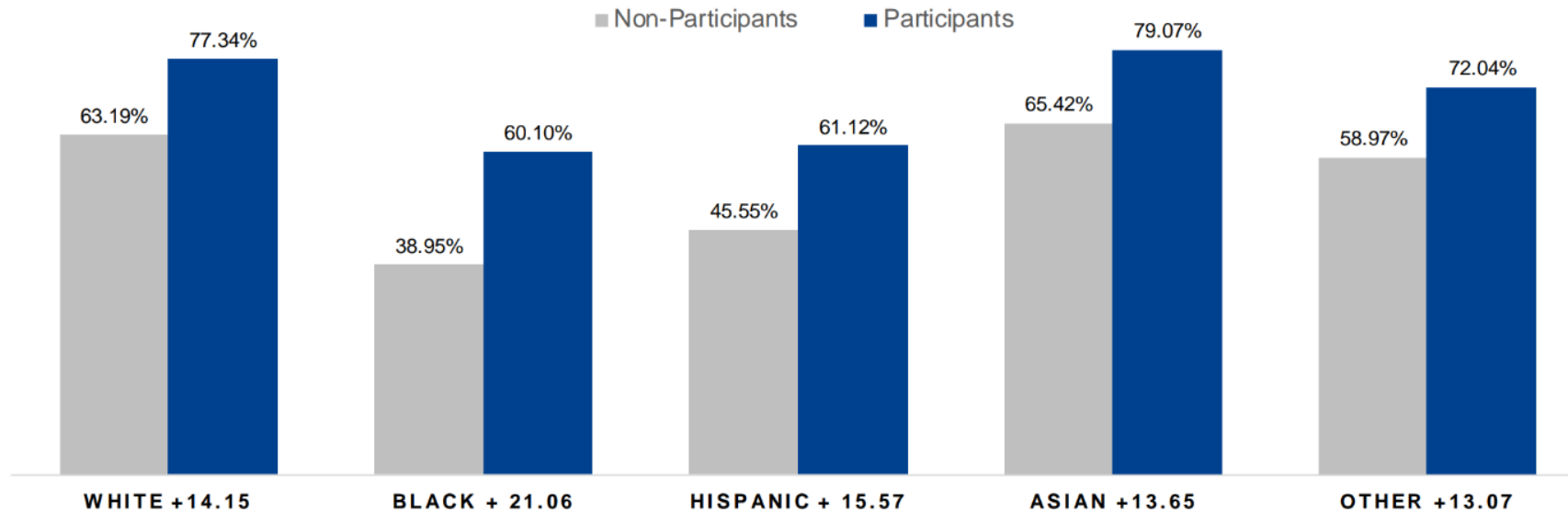
**85 PERCENT**  
of students delay or avoid purchasing course materials and  
**39 PERCENT**  
of them said that it has negatively impacted their grades<sup>\*</sup>



**of CSCU students said they were interested in bundling course materials with tuition<sup>\*\*</sup>**

# First Day Complete Benefits

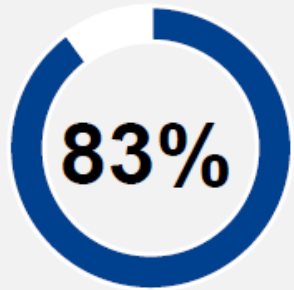
COURSE COMPLETION RATES BY RACE/ETHNICITY



First Day<sup>®</sup> Complete students are **15.58 PERCENT more likely** to complete the course than students not in an equitable access program.\*

\* Independent Inclusive/Equitable Access Research Study, Dr. Michael Moore, University of New Hampshire, July 2022

# First Day Complete (FDC) Cost



**OF CSCU STUDENTS SAID THEY WERE INTERESTED IN  
BUNDLING COURSE MATERIALS WITH TUITION**

Source: BNC Insights™, ECSU/CCSU/SCSU Roll-Up Student Pulse 2023, N=701

Proposed First  
Day® Complete  
pricing  
per credit hour

**\$18.75**

## **FULL-TIME AND PART-TIME UNDERGRADUATE STUDENTS WOULD SPEND**

**\$168.75**

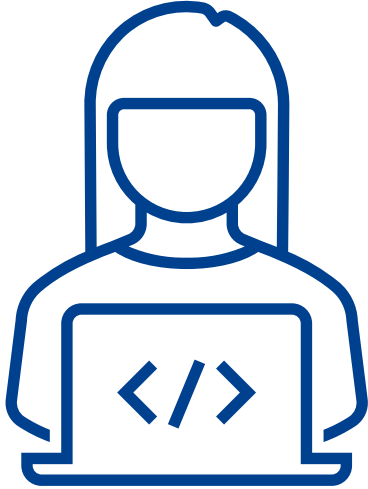
per semester (9 credit hours)

**\$225.00**

per semester (12 credit hours)

**\$281.25**

per semester (15 credit hours)



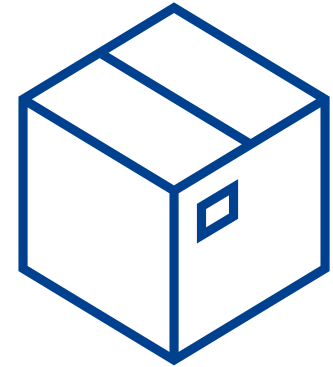
## REGISTER FOR CLASSES

Upon registering for classes, both full and part-time undergraduate students at participating institutions will automatically be enrolled in the program.



## VERIFY YOUR ORDER OR OPT-OUT

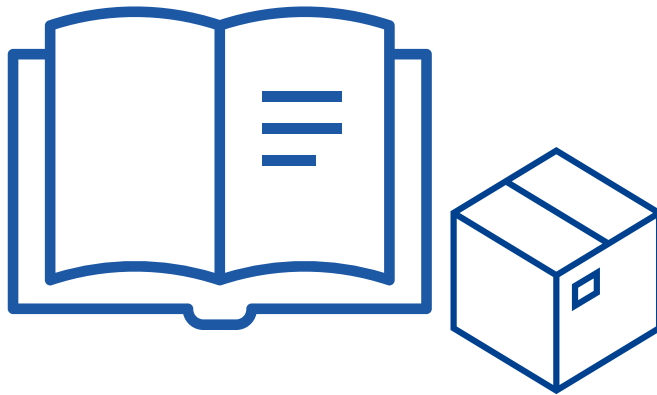
Starting 30 days before the first day of classes, students will receive an email to confirm their materials and select your fulfillment preferences (delivery vs pick-up) or opt out.



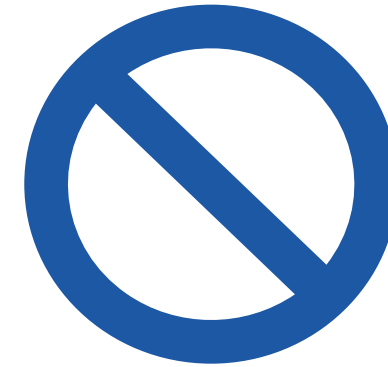
## RECEIVE MATERIALS

An email notification will be sent when the order is ready for pick up or when it ships. Digital materials will be delivered for their course(s) within their learning management system (LMS).

# What's Included



The program provides **all** required textbooks, lab manuals, access codes and digital course materials to eligible students in the delivery format (physical or digital) selected by faculty.



The program does not include consumables that cannot be returned and reused such as lab goggles, dissection kits, molecular model kits, engineering kits or nursing kits.

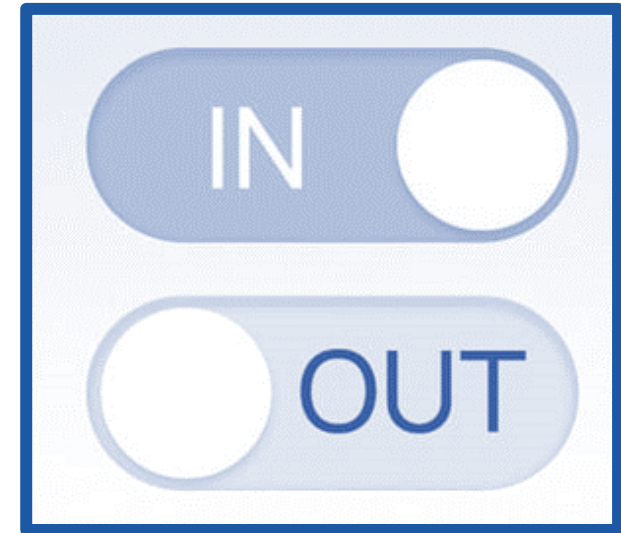
# Student Experience: Opting Out

**Can students opt out of the program?**

**YES, opting out is easy!** Students have the option to opt-out of this program each semester.

**How do students opt out?**

The opt-out period for each semester is open 30 days prior to the first day of class and ends on the last day of the add/drop period each semester. To opt out, student will follow a simple process that tracks this choice.





“Guide Me” with  
Integrated History,  
Search, and  
Recommendations

Affordability Solutions  
like OER Options  
Featured

Industry’s First  
One-Click Re-Adopt  
Functionality

**ZERO** change in faculty  
adoption process



Adoption Insights with  
High-Impact Reporting  
Dashboards By Class,  
Department & School

Adopt Ancillary Course  
Materials like Lab Coats  
and Calculators

Live Faculty Support  
7 Days/Week  
Via Chat/Phone

**96%**

Adoption  
Rate Fall '23  
ECSU

**94%**

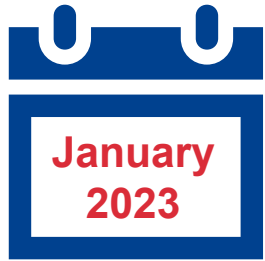
Adoption  
Rate Fall '23  
CCSU

**82%**

Adoption  
Rate Fall '23  
SCSU

Faculty maintain full academic  
freedom without any restrictions  
on format, publisher selection, or  
concerns related to burdening  
students with additional costs.

# Bookstore Project Timeline



Significant interest related to bookstore operations alignment and equitable access program from multiple campuses



Introduction of a Systemwide Bookstore Request for Proposal (RFP) presented to the Presidents and Provosts, with subsequent approval to proceed.



Systemwide Bookstore RFP Developed



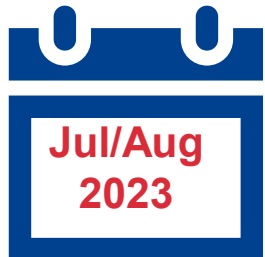
Bookstore RFP Publicly Posted



Bookstore RFP Process Continues



Virtual campus meetings scheduled to gain feedback and questions regarding bookstore vendor proposals.



Selections for vendors for campus presentations



Bookstore vendor presentations



Final selection/Notice of intent to award

# 2023 System Participants



**CENTRAL**

- Lisa Bucher
  - Chief Budget & Compliance Officer
- Tom King
  - Director of Auxiliary Services for IT Card Office
- David McGraw
  - Fiscal Affairs
- Tom Pincine
  - Director of Athletics



- David Ferreira
  - Provost
- Mike Moriarty
  - Chief Financial Officer
- Susana Orozco
  - Director, Academic Programs



- Beatrice Fevry
  - VP for Finance & Administration, CFO
- Amy Lopez
  - Director of Administrative Services





**EASTERN  
CONNECTICUT  
STATE UNIVERSITY**

- James Howarth
  - Vice President for Finance and Administration
- Kate Rotella
  - Director of Fiscal Affairs/Acquisitions
- Bill Salka
  - Provost and Vice President for Academic Affairs



- Robert DeMezzo
  - Senior Director of Conferences, Events and Student Affairs Auxiliaries
- Mark Rozewski
  - Executive Vice President, Finance & Administration
- Cynthia Shea-Luzik
  - Manager, Contract Compliance and Purchasing

# Leveraging the Power of the System for both Students and Institutions

| <b>Individual Institution</b>                                  | <b>System Proposal</b>    |
|---|--|
| <b>Per Credit Cost: \$24.00</b>   | <b>Per Credit Cost: \$18.75</b>  |
| <b>Commission Rate:</b> <ul style="list-style-type: none"> <li>• 7% for course materials</li> <li>• 13% -16.5% for General Merchandise</li> </ul> | <b>Commission Rate:</b> <ul style="list-style-type: none"> <li>• 10% for First Day Complete &amp; Digital</li> <li>• 12.1% other printed materials</li> <li>• 16% for General Merchandise</li> </ul> |
| <b>Capital Improvements:</b> <ul style="list-style-type: none"> <li>• N/A</li> </ul>  | <b>Capital Improvements:</b> <ul style="list-style-type: none"> <li>• \$800,000 (Divided by 4 CSUs)</li> </ul>   |