



Board of Regents

AGENDA

Finance & Infrastructure Committee

10:30 a.m. Wednesday, March 15, 2023

Conducted Remotely

Meeting will stream live at: <https://youtube.com/live/zS6eP9WviK8?feature=share>

1. Call to Order and Declaration of Quorum
2. Approval of Previous Finance Meeting Minutes
 - a. February 8, 2023.....Page 2
3. Action Items
 - a. CT State Fee Changes.....Page 13

Finance & Infrastructure Committee members

Richard J. Balducci, Chair
Felice Gray-Kemp
Ari Santiago
Erin Stewart

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

Minutes of Finance & Infrastructure Meeting

Wednesday, February 8, 2023

Conducted Via Remote Participation

REGENTS - PARTICIPATING (Y = yes / N = no)	
Richard J. Balducci, Chair	Y
Felice Gray-Kemp	Y
Ari Santiago	N
Erin Stewart	Y
*Dr. David Blitz, FAC Chair	Y
**Alexander Grant	Y
**Luis Sanchez-Chiriboga	Y
<i>*ex-officio, non-voting member</i>	
<i>**student regents, non-voting member</i>	

CSCU STAFF:

Benjamin Barnes, VP of Administration / Chief Financial Officer
Rachel Cunningham, Administrative Assistant to Benjamin Barnes (recorder)
Keith Epstein, VP of Facilities, Real Estate & Infrastructure Planning
Pam Heleen, Asst. Secretary of the Board of Regents
Kerry Kelley, VP Finance & Administration, Chief Financial Officer, CT State
Melentina Pusztay, Director of Budgets and Planning

CALL TO ORDER:

Chair Balducci called the meeting to order at 10:37 a.m. following the roll call, Rachel Cunningham recorded a quorum present.

Student Regent Sanchez-Chiriboga joined at 10:39 a.m.

ACTION ITEMS:

I. Construction and Slope Easements to DOT for Norwalk Community College

K. Epstein reviewed the request from DOT to reconstruct a small bridge on West Cedar Street, which is in a small, wooded corner in the southwest area of Norwalk Community College. DOT has requested a temporary easement of a 371 square foot area during construction and a permanent easement of 122 square feet once the work is completed.

DOT will pay an appraised fair market value rate for the easements with the purchase price to go to the General Fund. The cost for the temporary construction and permanent slope easement is not projected to exceed \$2,000.

Q: Chair Balducci asked why they need a permeant easement.

K. Epstein explained DOT wants to ensure the soil maintains a certain condition adjacent to the bridge that prevents future erosion.

Chair Balducci made a motion to adopt the resolution; Regent Gray-Kemp seconded the motion which was approved by a unanimous voice vote.

II. CSCU 2020 Fund Reallocation

K. Epstein provided a brief overview of the purpose of the CSCU 2020 program. In FY09, legislation approved CSCU for \$950 million for 10 years of capital improvements for the universities. In FY15 & FY16, legislation increased the program to just over \$1 million for improvements at the colleges. In FY20, an increase was approved bringing the total program to \$16 million, with a request to delay the final 4 projects up to 2 years. CSCU requested an adjustment due to projected cost escalation on 2 projects at Central and 2 projects at Southern. The BOR allocated \$9.1 million to Central's engineering building, which upon completion left \$.9M unspent/uncommitted.

K. Epstein stated further that in the past any projects requesting over 5% of an increase over the budgeted expense required legislative approval, but in this case, the special funds are being allocated consistently with the program and legislative action/approval is not required.

This request is to approve the remaining \$4,967,252 of the original \$16 million, \$2.3 million to Central's Burritt Library Renovation and Addition project, and \$2.6 million to Central's Code Compliance/Infrastructure Improvement program. The remaining funds for Southern will come back at a future date to be reallocated.

Q: Regent Stewart asked who is in charge of Central's Code Compliance and Infrastructure program and how much money is left in the whole program?

K. Epstein confirmed Sal Cintonino is in charge of the program and the remaining balance of the program is in the Semiannual Report that is next on the agenda.

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

INFORMATIONAL ITEMS:

CSCU 2020 Semiannual Report

K. Epstein provided an overview of the report which is updated every 6 months and highlighted the summary provided on page 19

Q: Regent Stewart asked once the CSCU funds are spent down, is there something to replace it?

K. Epstein responded that CSCU requests funds for future projects through the biennium budget, which is currently being reviewed. CFO Barnes added that the state has provided a dual funding approach through bond authorization funding for projects. Currently, the request is under review by the legislature in the proposed CSCU 2030 plan.

Q: Regent Gray-Kemp asked how are things determined to be multiphase projects, and how are they reviewed for deferral.

K. Epstein shared that the major and minor requests from the universities are available upon request and emphasized that they are collaboratively reviewed with health & safety operations remaining as primary.

Report on Gateway / Long Wharf

CFO Barnes provided an update on the North Haven Campus of Gateway and work with the City of New Haven to find funding to incorporate redevelopment projects with Regional Water Authority. Last year the system received a bond authorization of \$28 million for the automotive project, but those funds have not been allocated by the Bond Commission yet.

The City of New Haven is having a public meeting today and we will remain engaged, ideally with action forthcoming to the committee this Fall 2023 or Spring 2024.

Q: Chair Balducci asked what the transfer would be and what would come before the board?

CFO Barnes responded that the Board would consider the development project and transfer of property request.

Q: Professor Blitz asked if it is part of the 2030 plan?

CFO Barnes responded yes, but it is from a group of projects that have already been authorized by the legislature.

Mid-Year Budget Update (Attachment A)

CFO Barnes presented the update.

C: Chair Balducci commented that HERF and ARPA monies will be gone, and efforts will need to be focused to maintain professors and staff levels for the next fiscal year.

CFO Barnes responded a lot of information will be coming in the next 24-48 hours on how the Governor's budget.

Q: Professor Blitz referred to page 29, Guided Pathways Advisors, and asked what the plans for funding are.

CFO Barnes responded that the approach has been focused on special funding; they are planning to adjust expenditures.

CFO K. Kelley provided an overview of the strategy of where the funds came from and that they are working through and expect more with the requested support from OPM.

CFO Barnes added an observation on page 30, CT State has eliminated positions and has a savings production of 3.5 million with a reduction in the size and cost of administration

and further deficit mitigation steps due to both attrition and retirements in the coming years.

Q: Professor Blitz asked for percentages of retention numbers vs the enrollment numbers provided on page 29.

CFO Barnes explained it will be very helpful to have those numbers in the future, because the program has only gone through a one-year cycle it may take a few years to generate and separate out results.

APPROVAL OF PREVIOUS MEETING MINUTES:

Chair Balducci made a motion to approve the minutes of the September 14, 2022, Finance Committee Meeting. Regent Stewart seconded the motion which was approved following a unanimous voice vote.

Chair Balducci made a motion to approve the minutes of the October 12, 2022, Finance Committee Meeting. Regent Gray-Kemp seconded the motion which was approved following a unanimous voice vote.

ADJOURNMENT:

Chair Balducci made a motion to adjourn, Regent Gray-Kemp seconded, and the meeting adjourned at 11:23 a.m.



FY2022-23 Mid-Year Budget Update

Finance and Infrastructure Committee
February 8, 2023



FY2022-23 Mid-Year Update

\$ Millions

	FY2023 Proj vs. Budget				
	FY2022 Actual	FY2023 Budget	FY2023 Projection	\$ Change	% Change
Revenue					
State Appropriations	\$330.1	\$362.6	\$362.6	\$0.0	0.0%
Fringe Paid by State	370.2	400.5	396.0	(4.6)	-1.1%
One Time Funding	21.6	152.0	152.0	-	0.0%
Tuition and Fees (FT & PT)	479.4	502.0	482.2	(19.8)	-3.9%
Housing and Food Services	81.4	88.5	89.0	0.5	0.5%
All Other Revenue	19.3	6.5	0.3	(6.2)	-95.0%
	\$1,302.0	\$1,512.2	\$1,482.1	(\$30.1)	-2.0%
Expenses					
Personnel Cost	605.0	695.9	665.1	(\$30.8)	-4.4%
Fringe Benefits Cost	413.9	483.9	468.2	(\$15.7)	-3.3%
Institutional Financial Aid/Match and Waiver	76.3	78.9	79.0	\$0.1	0.1%
All Other Expenses	178.7	209.4	219.2	\$9.8	4.7%
Debt Service	26.3	30.9	31.4	\$0.5	1.6%
	1,300.2	\$1,499.1	\$1,462.9	(\$36.2)	-2.4%
Net Inc(Dec) Before Adjustments	2.04	13.15	19.25	6.10	46.4%
Adjustments					
Transfers	(41.4)	(8.3)	(16.1)	(7.7)	92.7%
Additional Funds - HEERF / CRF	82.6	-	11.9	11.9	n.a.
Additional Funds - ARPA	10.0	5.0	5.0	-	n.a.
Net Results	\$52.9	\$9.8	\$20.1	\$10.3	105.0%



State Universities

FY2022-23 Mid-Year Update

<u>\$ Millions</u>	FY2023 Proj vs. Budget				
	FY2022 Actual	FY2023 Budget	FY2023 Projection	\$ Change	% Change
Revenue					
State Appropriations	\$163.5	\$176.4	\$176.4	\$0.0	0.0%
Fringe Paid by State	179.0	192.9	193.5	0.6	0.3%
One Time Funding	13.4	86.2	86.2	(0.0)	0.0%
Tuition and Fees (FT & PT)	320.1	329.8	324.7	(5.1)	-1.5%
Housing and Food Services	81.4	88.5	89.0	0.5	0.5%
All Other Revenue	6.0	4.5	5.2	0.8	17.0%
	<u>\$763.5</u>	<u>\$878.3</u>	<u>\$875.1</u>	<u>(\$3.3)</u>	<u>-0.4%</u>
Expenses					
Personnel Cost	346.0	383.7	364.5	(\$19.2)	-5.0%
Fringe Benefits Cost	233.9	266.3	251.7	(\$14.6)	-5.5%
Institutional Financial Aid/Match and Waiver	57.2	57.5	58.3	\$0.8	1.4%
Utilities	19.9	20.6	22.7	\$2.1	10.2%
All Other Expenses	97.8	107.4	114.5	\$7.0	6.5%
Debt Service	26.3	30.9	31.4	\$0.5	1.6%
	<u>\$781.0</u>	<u>\$866.4</u>	<u>\$843.0</u>	<u>(\$23.4)</u>	<u>-2.7%</u>
Net Loss Before Adjustments	(17.53)	11.89	32.02	20.13	169.3%
Adjustments					
Transfers	(22.2)	(7.9)	(19.9)	(12.0)	151.1%
Additional Funds - HEERF	47.7	-	-	-	n.a.
Additional Funds - ARPA	5.0	2.5	2.5	-	0.0%
Net Results	<u>\$13.1</u>	<u>8</u> \$6.5	<u>\$14.6</u>	<u>\$8.1</u>	<u>125.8%</u>



CT State Community College FY2022-23 Mid-Year Update

	FY2023 Proj vs. Budget				
<u>\$ Millions</u>	FY2022 Actual	FY2023 Budget	FY2023 Projection	\$ Change	% Change
Revenue					
State Appropriations	\$162.5	\$181.9	\$181.9	\$0.0	0.0%
Fringe Paid by State	186.5	202.7	197.4	(5.2)	-2.6%
One Time Funding	7.7	64.6	64.6	-	0.0%
Tuition and Fees (FT & PT)	148.0	160.9	145.8	(15.1)	-9.4%
All Other Revenue	12.7	1.7	(5.4)	(7.0)	-420.2%
	\$517.4	\$611.8	\$584.4	(\$27.4)	-4.5%
Expenses					
Personnel Cost	249.2	301.5	290.4	(\$11.1)	-3.7%
Fringe Benefits Cost	173.6	210.3	209.2	(\$1.1)	-0.5%
Institutional Financial Aid/Match and Waiver	17.7	19.9	19.2	(\$0.7)	-3.6%
Utilities	9.0	10.4	11.1	\$0.7	6.9%
All Other Expenses	49.3	67.6	67.4	(\$0.2)	-0.2%
	\$498.9	\$609.6	\$597.2	(\$12.4)	-2.0%
Net Loss Before Adjustments	18.59	2.10	(12.85)	(14.95)	-710.6%
Adjustments					
Transfers	(18.8)	-	4.3	4.3	n.a.
Additional Funds - HEERF	34.8	-	11.9	11.9	n.a.
Additional Funds - ARPA	4.9	2.4	2.4	-	0.0%
Net Results	\$39.5	\$4.5	\$5.8	\$1.2	27.0%



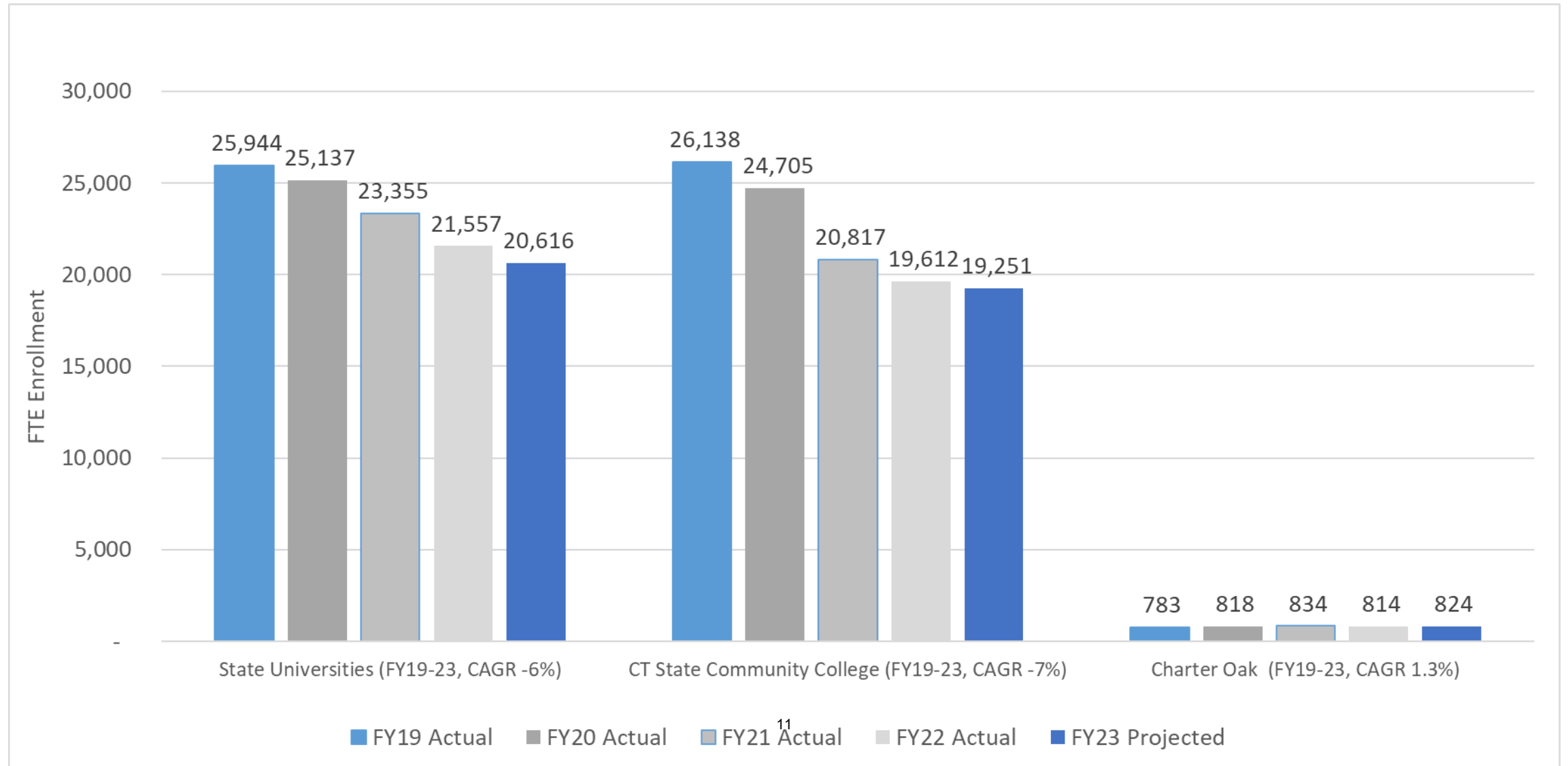
Charter Oak State College

FY2022-23 Mid-Year Update

<u>\$ Millions</u>	FY2023 Proj vs. Budget				
	FY2022 Actual	FY2023 Budget	FY2023 Projection	\$ Change	% Change
Revenue					
State Appropriations	\$3.6	\$3.8	\$3.8	\$0.0	0.0%
Fringe Paid by State	4.4	4.6	4.6	-	0.0%
One Time Funding	0.5	1.2	1.2	-	0.0%
Tuition and Fees (FT & PT)	11.3	11.3	11.7	0.4	4.0%
All Other Revenue	0.5	0.4	0.5	0.1	15.6%
	<u>\$20.3</u>	<u>\$21.3</u>	<u>\$21.8</u>	<u>\$0.5</u>	<u>2.4%</u>
Expenses					
Personnel Cost	9.3	10.3	9.8	(\$0.5)	-4.7%
Fringe Benefits Cost	6.1	7.0	7.0	(\$0.1)	-0.7%
Institutional Financial Aid/Match and Waivers	1.4	1.5	1.5	(\$0.0)	-2.2%
All Other Expenses	2.8	3.4	3.5	\$0.1	4.4%
	<u>\$19.6</u>	<u>\$22.2</u>	<u>\$21.8</u>	<u>(\$0.4)</u>	<u>-1.9%</u>
Net Loss Before Adjustments	0.66	(0.84)	0.08	0.92	-109.3%
Adjustments					
Transfers	(0.4)	(0.4)	(0.4)	-	0.0%
Additional Funds - ARPA	0.1	0.1	0.1	-	0.0%
Net Results	<u><u>\$0.4</u></u>	<u><u>(\$1.2)</u></u>	<u><u>(\$0.3)</u></u>	<u><u>\$0.9</u></u>	<u><u>-76.7%</u></u>



FTE Enrollment FY 2019-22 Actual & FY 2023 Proj





FY23 Projection -Significant Factors

Enrollment appears to be stabilizing (while remains below pre-pandemic levels, current data shows decline leveling off).

Expiration of One Time Funding provided by CARES Act (HEERF) and State Funding (ARPA & Carryforward)

Changing Costs due to:

- Increases in salary and fringe benefits (4.5% pay increase and \$1,000 lump sum)
- Inflation: Consumer Price Index (CPI), December 2022 = 6.5%; Personal Consumption Index, 6.3%, December 2022 = 5%; Higher Education Price Index (HEPI), December 2022 = 5.2%

CSCU tools to control spending, increased efficiencies and implement cost reductions:

- Hiring freezes and positions eliminations.
- Filling vacant positions in critical areas only, positions vacated due to significant number of retirements experienced during June and July 2022.
- Evaluate all expenditures to drive efficiencies and effectiveness.

CT State Community College FY 24 Fees

Given the uncertainty faced by the CT State Community College with respect to state funding, the administration has elected to defer consideration of any substantive increases in tuition and fees. However, there are some important changes to community college fees that are necessary in order to make sense in the context of a single college, and to align with revised business practices and the implementation of a new unified financial and student data system for CT State. Therefore, at this time, CT State is recommending minor and conforming changes to the fee structure and no tuition increases for FY 24.

College Service Fee

The current irregular, incremental pricing by credit for the college services fee requires manual programming in the Banner IT enterprise system that is difficult to maintain. Rationalizing the fees to a fixed amount for the first three credits and each additional credit thereafter facilitates the administration of this fee on student bills. The fees would change as follows:

- For In-State students a proposed \$100 flat fee, and \$20 per credit above three credits;
- For Out-of-State students a proposed \$300 flat fee, and \$50 per credit above three credits; and
- For NEBHE students a proposed \$140 flat fee, and \$30 per credit above three credits.

Overall, this approach is cost neutral and keeps the fees for each credit very close to the current rate.

Credits	In State		Out-of-State		NEBHE	
	Current	FY 24	Current	FY 24	Current	FY 24
1	\$92	\$100	\$277	\$300	\$139	\$140
2	\$101	\$100	\$299	\$300	\$151	\$140
3	\$107	\$100	\$318	\$300	\$160	\$140
4	\$112	\$120	\$334	\$350	\$169	\$170
5	\$133	\$140	\$394	\$400	\$199	\$200
6	\$151	\$160	\$446	\$450	\$227	\$230
7	\$170	\$180	\$503	\$500	\$255	\$260
8	\$186	\$200	\$550	\$550	\$280	\$290
9	\$207	\$220	\$610	\$600	\$310	\$320
10	\$222	\$240	\$657	\$650	\$334	\$350
11	\$241	\$260	\$714	\$700	\$363	\$380
12 or more	\$262	\$280	\$774	\$750	\$392	\$410

Student Activity Fee

Pursuant to the recommendations of the Student Activities Committee Final Report, the Student Activity Fee is standardized across all campuses for FY 24 as follows:

Student Activity Fee	Current Year	FY 24
	Varies by campus	Standardize to \$20 for full-time students per semester; & \$10 for part-time students per semester

Transportation Fees

Currently, ten campuses (excluding NVCC and QVCC) participate in the UPass program, which allows students access to CT Transit (including CT Fastrak and Express) statewide, CT Rail Hartford lines between New Haven and Springfield, CT Rail Shore Line East, and New Haven Metro-North to the state border. <https://ctrides.com/u-pass-ct/> For FY 24, students identifying one of these ten campuses as their home campus will continue to pay the same UPass fee of \$40 per semester, or less based on agreements between CSCU and CT Department of Transportation (DOT) establishing rates for the UPASS program and receive these benefits.

For FY 24, students identifying Naugatuck Valley as their home campus will pay a new NV-Rides fee which provides a bus pass for public transportation routes in Waterbury and Danbury. (Formerly, NVCC had a fee for these transportation services as part of their student activity fee). The FY 24 NV-Rides fee would be as follows:

- \$10 per semester for full-time students; and
- \$5 per semester for part-time students.

Subject to the terms of agreement with DOT, students identifying Quinebaug Valley as their home campus may opt-in to the UPass program, but otherwise are not assessed a transportation fee.

Non-credit students on any campus may opt-into a transportation program by paying the transportation fee.

Recommendation

Staff recommends adoption of the included resolution, implementing the fee adjustments described here and leaving the remaining tuition and fee items unchanged from FY2023.

RESOLUTION

Concerning

COMMUNITY COLLEGE FY2024 TUITION, FEES AND FINANCIAL AID SET-ASIDE

March 23, 2023

- WHEREAS, The Board of Regents for Higher Education (“BOR”) pursuant to Connecticut General Statute section 10a-6(a)(3) establishes tuition and fee policies for the institutions that comprise the Connecticut State Colleges & Universities (“CSCU”); and
- WHEREAS, The BOR in accord with Connecticut General Statute section 10a-77(a), shall fix fees for tuition at the regional community colleges and shall fix fees for such other purposes as the Board deems necessary at the regional community colleges; and
- WHEREAS, The BOR in Board Resolution 2015-035 committed to maintaining the Colleges’ financial aid set-aside at a minimum of 15%; and
- WHEREAS, The CSCU has been successful in achieving savings in the community colleges through attrition of non-academic positions based on the Students First plan but still faces daunting budgetary shortfalls because of the expiration of federal assistance under the Higher Education Emergency Grant program; and
- WHEREAS, CSCU remains committed to access and affordability, and is reflecting that commitment with the launch of Pledge to Advance Connecticut (“PACT”), Students First, and Guided Pathways, all of which are anticipated to grow enrollment across the system while improving outcomes for students, and
- WHEREAS, The proposed minor and technical fees changes as presented were developed through discussions among stakeholders, who arrived at the consensus that CSCU is best served by maintaining the current tuition, mandatory fees, and financial aid set-aside percentage at our institutions, therefore be it
- RESOLVED, That the FY 2023 tuition and fees approved at the February 24, 2022 meeting of the Board of Regents remain in effect for FY 2024, except for the minor and technical fee changes reflected on the attached report, and be it further
- RESOLVED, That for FY 2024, the Colleges shall set aside 17% of tuition for financial aid, and that funding shall be directed by the Vice President of Enrollment Management to address unmet financial need and foster enrollment growth, and be it further
- RESOLVED, That the President of CSCU in facilitating Board-approved policies, may make limited and necessary adjustments to tuition and fees to conform with these policies, provided that the adjustments shall not materially increase the combined

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

RESOLVED, That tuition and fee rates may be reconsidered by the BOR should circumstances warrant.

A True Copy:

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