

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

Wednesday, April 25, 2018, at 10:00 am
Regents Board Room
61 Woodland Street, Hartford, CT

Agenda

- 1. APPROVAL OF MINUTES FROM THE FEBRUARY 21, 2018 MEETING**
- 2. INFORMATION ITEMS**
 - A. Fiscal implications of bargaining unit agreements (S. Weinberger)
 - a. SEBAC
 - b. Higher Education unions
 - B. Impact of increases in wages and fringe benefit rates (E. Steiner)
 - a. FY 2019 impact on operating funds
 - b. Projections through FY 2021

**MEETING OF THE
FINANCE AND INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education

Wednesday, February 21, 2018

10:00 a.m.

61 Woodland Street, Hartford, CT

Minutes

REGENTS PRESENT

Richard Balducci, Committee Chair

Del Cummings

Felice Gray-Kemp (Telephonic)

David Jimenez (Telephonic)

William McGurk (Telephonic)

Yvette Melendez

REGENTS ABSENT

Catherine Smith

CSCU STAFF PRESENTING

Mark Ojakian, President; Erika Steiner, Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning

With a quorum present, Chairman Balducci called the meeting to order at 10:03 a.m.

1. Approval of Minutes from the December 6, 2017 Meeting

The minutes of the December 6, 2017 meeting were unanimously approved, upon the motion of Regent McGurk, seconded by Regent Balducci.

2. Information Items

A. CSCU 2020 Semiannual Report

VP Epstein reported on the status and progress of the various CSUS 2020 projects. A semi-annual report is also provided to the legislature to keep them updated. The renovation/expansion of Willard and DiLoreto Halls at CCSU is expected to be completed in May 2019. The project scope is being assessed for Burritt Library and Barnard Hall renovations are in design with a construction start date in February 2018. Goddard Hall on the campus of ECSU is under construction with a completion date set for December 2018. The new Health and Human Services building at SCSU is due to go out for bid in March, funding was deferred to FY2020 for the project. The new Academic Laboratory building project is in close-out with an expected

completion in February 2018 and the School of Business is waiting for the A/E contract. The new University Police Department was completed at WCSU. Various projects at the Community Colleges were highlighted.

Regent Melendez inquired about the IT Building on the campus of CCSU. VP Epstein noted that some projects are intentionally delayed in order to stay under the Bond cap while other projects aren't at the stage to proceed. The CSUS 2020 program has been extended for another year and discussions will occur over the next six months.

B. Updated Targets for Administrative Consolidation

CFO Steiner reported on the updated strategies for addressing the issue of declining state funding and the structural fiscal deficit for the System. The Board previously endorsed two strategies: an administrative consolidation involving all seventeen institutions and system office, targeting a savings of \$13.26M; and a consolidation of the twelve community colleges into one accredited college targeting a savings of \$27.65M. A preliminary quantification of the Students First strategy for the Community College Consolidation was presented to the Finance Committee at the December meeting and ultimately advanced to the full Board.

Today's report focused on the Administrative Consolidation involving all seventeen institutions and system office. The savings targets collaboration, use of common resources, and efficiencies associated with combining purchasing power. The original target set was \$13M. However, some of the specific initiatives set forth were consumed in the consolidation of the twelve community colleges. The initial targets were calculated as stand-alone initiatives, therefore, combining the two had some overlap.

The current report eliminates any overlaps and resets the realistic targets for an Administrative Consolidation, assuming that the Community College Consolidation proceeds. The updated cost savings target the areas of purchasing/contracts; IT reductions; facilities; internal audit; administrative reduction; and recruitment and retention was reviewed as well as additional targeted savings. Management's revised targeted savings from Administrative Consolidation is reset to \$11.2M to eliminate any duplication or overlap.

C. FY18 Projections

CFO Steiner noted that a proposed FY 2018 Budget was presented to the Finance Committee at the September meeting based on the Governor's Executive Order at that time. That budget was ultimately approved by the Board. Approval was requested at that time because our institutions cannot transact without a budget uploaded. Each institution provided a contingency plan that addressed a potential state funding shortfall of 8.5% off of the Governor's Executive Order appropriations. The reduction was within the threshold set in the September 19, 2017 Board Resolution. The FY 2017 Actuals and the FY18 Projections were provided for the Board's information.

It is projected that enrollment will be flat compared to budget assumptions, as are the CSUs in aggregate. There is a slight variation among the CSUs. The CCC projected enrollment in

aggregate are nearly flat compared to FY18 Budget assumptions, however there is great variation among the colleges. Enrollment is half of the revenue equation and the figures are very close.

State appropriations have been reduced from the assumptions in our FY18 Budgets and is down \$32.6M from the budgeted amount. All institutions are impacted by the reduction in state support and some of the institutions have enrollment declines resulting in lower tuition and fee revenue. Each institution is finding it necessary to utilize reserves, with the exception of CCSU. A breakdown by institution on the usage of reserves was shared. The system continues to exercise a hiring freeze and leadership is committed to mitigating the use of reserves to the greatest extent possible.

3. Action Items

A. FY19 Fee Modifications

CFO Steiner noted that as the system enters into the second of the biennial years, minor modifications are requested to the fee schedules to:

- Align fees for housing and food to the costs incurred and adjust certain Tier II Fees (CSUs)
- Alleviate the impact of supplement course fees on certain students and certain disciplines (CCC)
- Adjust one college's student activity fee (CCC)
- Recognize a proration on program fees for part-time students (CCC)
- Adjust program costs to align with semester format, and introduce new program options (COSC)

The adjustments will serve to supplement and replace related schedules approved by the Board on April 6, 2017.

A motion by Regent Balducci, seconded by Regent McGurk, carried unanimously to approve the FY19 Fee Modifications.

B. License Agreement Enfield Connecticut Work Center (Asnuntuck Community College)

VP Epstein reported that as part of Asnuntuck Community College's working relationship with the Enfield Workforce Coalition, the college has an opportunity to extend community involvement on campus that would benefit the students of ACC. Connecticut's north central region affiliate of the American Job Centers (AJC) is the Capital Workforce Partners (CWP). The Workforce Coalition provides assistance to the public and students with career counseling, job identification, connections to employers with current job openings and workshops that may include: resume writing, employment strategies, interview skills and computer basics. A license agreement is being sought to collocate the Enfield Workforce Coalition to Asnuntuck CC, allowing the Coalition to conduct their local business operations on the premises of Asnuntuck.

The collocation will decrease the proximity of services for students while increasing convenience and heightening awareness. The collocation will also support students' job searches and encourage community members to take classes at ACC. The CWP and Workforce Coalition currently administer all of ACC's Workforce Innovation and Opportunity Act federal funding and parts of the apprenticeship framework for students.

A licensing agreement is sought for two years with renewal options for up to 10 years that allows the Workforce Coalition an opportunity to conduct their business operations out of Asnuntuck. The conditions of the license will include a \$58,000 annual rent amount that provides for dedicated tenant use of 2,982 s.f. in a north quadrant of the former gym space. The estimated cost of this project is \$67,000 in which Asnuntuck will fund up to \$33,500 of the costs from available bond funds. Stipulations to the license will include the Workforce Coalition with Asnuntuck, develop and implement specific strategies and services to assist Asnuntuck enrolled students and recent graduates with employment development services. Evaluation systems will be developed, implemented and reassessed semi-annually that document performance of the collocation.

Regent Balducci expressed concerns about the renting of State property to outside entities. Following a general discussion and responses from President Ojakian and President Lombella of Asnuntuck CC, the concerns were addressed.

A motion by Regent Balducci, seconded by Regent McGurk, carried unanimously to approve the entering of a license agreement between CSU and the Enfield Workforce at Asnuntuck Community College.

With no other business to discuss, on motion of Regent McGurk, seconded by Regent Gray-Kemp, the meeting adjourned at 11:30 a.m.

Fiscal Implications of SEBAC

2017 SEBAC AGREEMENT

Compensation, Salary, and Employment Security Provisions:

- ✓ FY 17 0%
- ✓ FY 18 0%
- ✓ FY 19 \$2,000 lump sum payment (pro-rated for part-timers)
- ✓ FY 20 5.5% ATB
- ✓ FY 21 5.5% ATB

Employment security provisions remain in place through
June 30, 2021

FY19 Proj vs FY18 Fringe Benefits Rates

3-Mar-18

	Initial Rates		REVISED FINAL (10/1/17) per SEBAC		Variance FY19 Proj vs FY18 FINAL	
	FY17	FY18 FB Rates	FY18 FB Rates	FY19 Proj Rates *	% Inc(Dec)	Basis Points Inc(Dec)
Fringe Benefits Rates						
Est. AVG Medical Insurance as a % of Total PS	15.89%	16.8%	15.47%	16.24%	5.0%	0.8%
Unemployment Compensation	0.06%	0.26%	0.26%	0.25%	-3.9%	0.0%
FICA Social Security	6.20%	6.20%	6.20%	6.20%	0.0%	0.0%
FICA Medicare	1.45%	1.45%	1.45%	1.45%	0.0%	0.0%
Employer SERS Regular Retirement	54.99%	56.22%	56.58%	67.60%	19.5%	11.0%
Employer SERS Hazardous Duty Retirement	69.94%	83.15%	81.75%	89.20%	9.1%	7.5%
Employer Alternative Retirement Program	11.93%	15.61%	14.50%	14.95%	3.1%	0.5%
Employer Teacher's Retirement	9.87%	27.45%	27.41%	48.70%	77.7%	21.3%
Workers Comp	0.70%	0.55%	0.55%	0.55%	0.0%	0.0%
Total FB rates for SERS Regular Employees (excluding Med Ins)	63.40%	64.68%	65.04%	76.05%	16.9%	11.0%
Total FB rates for SERS Regular Employees (including Med Ins)	79.29%	81.46%	80.51%	92.29%	14.6%	11.8%
Total FB rates for ARP Employees (excluding Med Ins)	20.34%	24.07%	22.96%	23.40%	1.9%	0.4%
Total FB rates for ARP Employees (including Med Ins)	36.23%	40.85%	38.43%	39.64%	3.2%	1.2%

* FY19 Proj Rates based on OSC preliminary forecast

Connecticut State Colleges and Universities
 Calculation of FY19 Fringe Benefits based on OSC projected rates

	GF			OF			TOTAL		
	PS	Fringe	Fringe%	PS	Fringe	Fringe%	PS	Fringe	Fringe%
OF is Impact to our Bottom Line									
FY18 Est. based on YTD actual (18 PPE)									
CSU	134,159,221	117,577,140	87.64%	172,162,195	64,486,766	37.46%	306,321,416	182,063,906	59.44%
CCC	143,474,996	114,414,910	79.75%	92,316,859	31,776,324	34.42%	235,791,855	146,191,235	62.00%
	277,634,217	231,992,050	83.56%	264,479,054	96,263,090	36.40%	542,113,271	328,255,140	60.55%
FY19 Proj with BU increase in PS (\$2K plus 2 LNGV pays)									
CSU	138,303,424	127,999,818	92.55%	179,456,933	73,383,349	40.89%	317,760,357	201,383,167	63.38%
CCC	140,293,547	121,857,663	86.86%	105,713,245	48,072,366	45.47%	246,006,792	169,930,029	69.08%
	278,596,971	249,857,481	89.68%	285,170,178	121,455,715	42.59%	563,767,149	371,313,196	65.86%
FY19 Proj without increase in PS									
CSU	138,303,424	127,999,818	92.55%	167,853,701	67,044,362	39.94%	306,157,125	195,044,180	63.71%
CCC	140,293,547	121,857,663	86.86%	96,007,440	43,032,500	44.82%	236,300,987	164,890,163	69.78%
	278,596,971	249,857,481	89.68%	263,861,141	110,076,862	41.72%	542,458,112	359,934,342	66.35%
VARIANCE FY19 Proj without Increase in Pay vs. FY18 Est.									
CSU	4,144,203	10,422,678		(4,308,493)	2,557,596		(164,290)	12,980,274	
CCC	(3,181,449)	7,442,752		3,690,581	11,256,176		509,132	18,698,928	
	962,754	17,865,430		(617,913)	13,813,772		344,841	31,679,202	
% Change	0.3%	7.7%		-0.2%	14.4%	0.0%	0.1%	9.7%	
VARIANCE FY19 Proj with BU increase in Pay vs. FY18 Est.									
CSU	4,144,203	10,422,678		7,294,738	8,896,583		11,438,941	19,319,261	
CCC	(3,181,449)	7,442,752		13,396,386	16,296,042		10,214,937	23,738,794	
	962,754	17,865,430		20,691,124	25,192,625		21,653,878	43,058,056	
% Change	0.3%	7.7%		7.8%	26.2%		4.0%	13.1%	

A FY18 Estimate

B FY19 Projections w/ Wage Increases + New Fringe Rates

C FY19 Projections - Flat Wages + New Fringe Rates

E = C - A = Impact of Fringe Rate Increase Only

D = B - A = Total Impact of Wages and Fringe Rate Increases

**NEW PROJECTIONS WITH INCREASED FRINGE
CONNECTICUT STATE COLLEGES & UNIVERSITIES - 4 YEAR PROJECTIONS**

Updated 3-29-18

	FY17 Final	FY18 Projection	FY19 Est	FY20 Est	FY21 Est	Comments
State Funding General Fund	308,049,577	280,184,199	280,797,514	280,797,514	280,797,514	(1)
State Fringe Benefits	245,861,314	236,568,392	252,115,238	252,115,238	252,115,238	(2)
State Funding Operating Funds	10,489,115	10,382,878	10,114,729	10,114,729	10,114,729	(3)
Tuition and Fees	521,777,910	529,542,670	540,801,206	552,333,419	564,146,398	(4)
Housing & Food	99,111,730	102,011,986	102,011,986	102,011,986	102,011,986	(5)
Other	21,608,928	20,464,237	20,464,237	20,464,237	20,464,237	(6)
Total Revenue	1,206,898,574	1,179,154,362	1,206,304,910	1,217,837,123	1,229,650,102	
Salaries and Wages	574,638,485	562,540,713	583,595,369	595,673,688	628,435,740	(7)
Fringe Benefits	329,835,752	339,957,305	383,431,280	391,300,462	412,821,987	(8)
Institutional Aid & Waivers	66,779,048	72,780,667	74,403,639	76,006,421	77,648,418	(9)
Debt Service	36,588,490	34,643,894	34,643,894	34,643,894	34,643,894	(10)
Other	184,226,658	183,110,226	181,620,078	181,620,078	181,620,078	(11)
Total Expenses	1,192,068,433	1,193,032,805	1,257,694,261	1,279,244,543	1,335,170,118	
Net Results	14,830,141	(13,878,443)	(51,389,351)	(61,407,420)	(105,520,016)	(12)
Students First Savings, Net of Implementation			1,452,085	10,748,629	13,942,294	(13)
Net of Students First	14,830,141	(13,878,443)	(49,937,266)	(50,658,791)	(91,577,722)	
Unrestricted/Undesignated Reserves	99,461,734	85,583,291	35,646,026	(15,012,766)	(106,590,488)	

- (1) The fiscal year 2019 state funding is set by the Governor's mid term report. Flat funding thereafter.
- (2) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter. State reimbursed fringe is calculated by person for FY19.
- (3) Developmental Education and Outcomes Based Funding as appropriated in FY19 and flat thereafter.
- (4) Assumes tuition and fee rate increase at FY19 rates and that enrollments decline in accordance with Fall Enrollment Census.
- (5) Assumes housing and food revenue is flat in accordance with enrollment assumptions.
- (6) Other net Revenue is kept flat.
- (7) SEBAC negotiations concluded in late FY 2017; the contract was ratified by the Legislature in early FY 2018, and includes:
 - a. A three year wage freeze, beginning in fiscal year 2017 (in arrears)
 - b. A \$2,000 one-time payment to each full time member, prorated for part time members, in fiscal year 2019. We've estimated this cost to CSCU at approximately \$14 million in fiscal year 2019.
 - c. 5.5% increases in fiscal years 2020 and 2021; the agreement expires on June 30, 2021
 - d. Layoff protection which expires on June 30, 2021.
 - e. "Longevity" payments totaling \$5 million were deferred from fiscal year 2018 to fiscal year 2019. This does not get included in base pay (all 3 constituent units included).
- (8) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter.
- (9) Institutional Aid & Waivers vary with tuition.
- (10) Debt service assumed to be flat.
- (11) Other expenses are held flat.
- (12) Net results are negative beginning in fiscal year 2018 and get worse each year thereafter.
- (13) Full impact of students first will not be realized until fiscal year 2022.

**NEW PROJECTIONS WITH INCREASED FRINGE
CONNECTICUT COMMUNITY COLLEGES - 4 YEAR PROJECTIONS**

Updated 3-29-18

		FY18					
	FY17 Final	Projection	FY19 Est	FY20 Est	FY21 Est		Comments
State Funding General Fund	157,410,403	143,839,222	140,293,547	140,293,547	140,293,547		(1)
State Fringe Benefits	118,750,872	115,761,014	121,857,663	121,857,663	121,857,663		(2)
State Funding Operating Funds	8,483,500	8,374,525	8,174,828	8,174,828	8,174,828		(3)
Tuition and Fees	175,416,703	179,066,265	180,856,928	182,665,497	184,492,152		(4)
Other	6,335,695	7,249,228	7,249,228	7,249,228	7,249,228		(5)
Total Revenue	466,397,173	454,290,254	458,432,194	460,240,763	462,067,418		
Salaries and Wages	244,185,554	240,085,158	249,537,873	253,289,842	267,220,783		(6)
Fringe Benefits	142,831,938	146,603,555	170,342,349	172,903,560	182,413,256		(7)
Institutional Aid & Waivers	22,317,347	23,599,437	23,894,430	24,133,374	24,374,708		(8)
Other	47,519,731	51,364,704	49,874,556	49,874,556	49,874,556		(9)
Total Expenses	456,854,570	461,652,854	493,649,208	500,201,333	523,883,303		
Net Results	9,542,603	(7,362,600)	(35,217,014)	(39,960,570)	(61,815,886)		(10)
Students First Savings, Net of Implementation			1,452,085	10,748,629	13,942,294		(11)
Net of Students First	9,542,603	(7,362,600)	(33,764,929)	(29,211,941)	(47,873,592)		
Unrestricted/Undesignated Reserves	45,729,805	38,367,205	4,602,276	(24,609,665)	(72,483,256)		
Annual Operating Expenses (net of Dep)	563,580,000						
Months in Reserve		0.97					(12)

- (1) The fiscal year 2019 state funding is set by the Governor's mid term report. Flat funding thereafter.
- (2) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter. State reimbursed fringe is calculated by person for FY19.
- (3) Developmental Education and Outcomes Based Funding as appropriated in FY19 and flat thereafter.
- (4) Assumes tuition and fee rate increase 2.5% and enrollment decline 1.5% (Fall 2017 Census) (net 1.0%)
- (5) Other net Revenue is kept flat.
- (6) SEBAC negotiations concluded in late FY 2017; the contract was ratified by the Legislature in early FY 2018, and includes:
 - a. A three year wage freeze, beginning in fiscal year 2017 (in arrears)
 - b. A \$2,000 one-time payment to each full time member, prorated for part time members, in fiscal year 2019. We've estimated this cost to the CCCs at \$7 million in fiscal year 2019.
 - c. 5.5% increases in fiscal years 2020 and 2021; the agreement expires on June 30, 2021
 - d. Layoff protection which expires on June 30, 2021.
 - e. "Longevity" payments totaling \$2.5 million were deferred from fiscal year 2018 to fiscal year 2019. This does not get included in base pay.
- (7) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter.
- (8) Institutional Aid & Waivers vary with tuition.
- (9) Other expenses are held flat.
- (10) Net results are negative beginning in fiscal year 2018 and get worse each year thereafter.
- (11) Full impact of students first will not be realized until fiscal year 2022.

**NEW PROJECTIONS WITH INCREASED FRINGE
CONNECTICUT STATE UNIVERSITIES - 4 YEAR PROJECTIONS**

Updated 3-29-18

	FY18					
	FY17 Final	Projection	FY19 Est	FY20 Est	FY21 Est	Comments
State Funding General Fund	148,263,330	134,159,221	138,303,424	138,303,424	138,303,424	(1)
State Fringe Benefits	124,971,452	118,730,910	127,999,818	127,999,818	127,999,818	(2)
State Funding Operating Funds	1,892,509	1,921,618	1,873,075	1,873,075	1,873,075	(3)
Tuition and Fees	336,171,797	340,455,536	349,647,835	359,088,327	368,783,712	(4)
Housing & Food	99,111,730	102,011,986	102,011,986	102,011,986	102,011,986	(5)
Other	13,429,775	11,417,265	11,417,265	11,417,265	11,417,265	(6)
Total Revenue	723,840,593	708,696,536	731,253,403	740,693,895	750,389,280	
Salaries and Wages	321,379,434	313,383,597	324,822,538	332,812,930	351,117,641	(7)
Fringe Benefits	182,054,324	188,154,747	207,474,008	212,577,714	224,269,488	(8)
Institutional Aid & Waivers	44,254,704	49,008,650	50,331,884	51,690,844	53,086,497	(9)
Debt Service	36,588,490	34,643,894	34,643,894	34,643,894	34,643,894	(10)
Other	134,570,367	129,410,190	129,410,190	129,410,190	129,410,190	(11)
Total Expenses	718,847,319	714,601,078	746,682,514	761,135,572	792,527,710	
Net Results	4,993,274	(5,904,542)	(15,429,110)	(20,441,677)	(42,138,430)	(12)
Unrestricted/Undesignated Reserves	52,940,929	47,036,387	31,607,277	11,165,600	(30,972,830)	
Annual Operating Expenses (net of Dep)	811,164,987					
Months in Reserve	0.78					(13)

- (1) The fiscal year 2019 state funding is set by the Governor's mid term report. Flat funding thereafter.
- (2) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter. State reimbursed fringe is calculated by person for FY19.
- (3) Developmental Education and Outcomes Based Funding as appropriated in FY19 and flat thereafter.
- (4) Assumes tuition and fee rate increase 3.9% (FY19 rate); enrollment flat in accordance with Fall 2017 Enrollment Census.
- (5) Assumes housing and food revenue is flat in accordance with enrollment assumptions.
- (6) Other net Revenue is kept flat.
- (7) SEBAC negotiations concluded in late FY 2017; the contract was ratified by the Legislature in early FY 2018, and includes:
 - a. A three year wage freeze, beginning in fiscal year 2017 (in arrears)
 - b. A \$2,000 one-time payment to each full time member, prorated for part time members, in fiscal year 2019. We've estimated this cost to the CSUs at \$7 million in fiscal year 2019.
 - c. 5.5% increases in fiscal years 2020 and 2021; the agreement expires on June 30, 2021
 - d. Layoff protection which expires on June 30, 2021.
 - e. "Longevity" payments totaling \$2.46 million were deferred from fiscal year 2018 to fiscal year 2019. This does not get included in base pay.
- (8) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter.
- (9) Institutional Aid & Waivers vary with tuition.
- (10) Debt service assumed to be flat.
- (11) Other expenses are held flat.
- (12) Net results are negative beginning in fiscal year 2018 and get worse each year thereafter.

**NEW PROJECTIONS WITH INCREASED FRINGE
CHARTER OAK STATE COLLEGE - 4 YEAR PROJECTIONS**

Updated 3-29-18

	FY17 Final	FY18 Projection	FY19 Est	FY20 Est	FY21 Est	Comments
State Funding General Fund	2,375,844	2,185,756	2,200,543	2,200,543	2,200,543	(1)
State Fringe Benefits	2,138,990	2,076,468	2,257,757	2,257,757	2,257,757	(2)
State Funding Operating Funds	113,106	86,735	66,826	66,826	66,826	(3)
Tuition and Fees	10,189,410	10,020,869	10,296,443	10,579,595	10,870,534	(4)
Other	1,843,458	1,797,744	1,797,744	1,797,744	1,797,744	(5)
Total Revenue	16,660,808	16,167,572	16,619,313	16,902,465	17,193,404	
Salaries and Wages	9,073,497	9,071,958	9,234,958	9,570,916	10,097,316	(6)
Fringe Benefits	4,949,490	5,199,003	5,614,923	5,819,188	6,139,243	(7)
Institutional Aid & Waivers	206,997	172,580	177,326	182,202	187,213	(8)
Other	2,136,560	2,335,332	2,335,332	2,335,332	2,335,332	(9)
Total Expenses	16,366,544	16,778,873	17,362,539	17,907,639	18,759,104	
Net Results	294,264	(611,301)	(743,226)	(1,005,174)	(1,565,700)	(10)
Unrestricted/Undesignated Reserves	791,000	179,699	(563,527)	(1,568,701)	(3,134,401)	
Annual Operating Expenses (net of Dep)	18,122,000					
Months in Reserve	0.52					(11)

- (1) The fiscal year 2019 state funding is set by the Governor's mid term report. Flat funding thereafter.
- (2) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter. State reimbursed fringe is calculated by person for FY19.
- (3) Developmental Education and Outcomes Based Funding as appropriated in FY19 and flat thereafter.
- (4) Assumes tuition and fee rate increase of 4% and enrollment decline of 1.25% (net 2.75%)
- (5) Other net Revenue is kept flat.
- (6) SEBAC negotiations concluded in late FY 2017; the contract was ratified by the Legislature in early FY 2018, and includes:
 - a. A three year wage freeze, beginning in fiscal year 2016 (in arrears)
 - b. A \$2,000 one-time payment to each full time member, prorated for part time members, in fiscal year 2019. We've estimated this cost to COSC at \$126,000 in fiscal year 2019.
 - c. 5.5% increases in fiscal years 2020 and 2021; the agreement expires on June 30, 2021
 - d. Layoff protection which expires on June 30, 2021.
 - e. "Longevity" payments totaling \$37,000 were deferred from fiscal year 2018 to fiscal year 2019. This does not get included in base pay.
- (7) FY19 Fringe rate adjusted for March 2, 2018 communication from OSC raising rates. Rates are flat thereafter.
- (8) Institutional Aid & Waivers vary with tuition.
- (9) Other expenses are held flat.
- (10) Net results are negative beginning in fiscal year 2018 and get worse each year thereafter.