

Board of Regents

AGENDA

Finance & Infrastructure Committee

10:30 a.m. Wednesday, May 10, 2023

Conducted Remotely

Meeting will stream live at: <https://youtube.com/live/nYT-y784PvI?feature=share>

1. **Call to Order and Declaration of Quorum**
2. **Approval of Previous Finance Meeting Minutes**
 - a. March 15, 2023.....Page 2
3. **Informational Items**
 - a. Legislative Update
 - b. CSCU Preliminary Deficit Mitigation Plan.....Page 4

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, March 15, 2023

Conducted Via Remote Participation

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

CSCU STAFF:

Rachel Cunningham, Administrative Assistant to Benjamin Barnes (recorder)
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
Natalie Wagner, Associate VP of Administration & Deputy CFO

CALL TO ORDER:

Chair Balducci called the meeting to order at 10:31 a.m. following the roll call, Rachel Cunningham recorded a quorum present.

APPROVAL OF PREVIOUS MEETING MINUTES:

Chair Balducci requested a motion to approve the minutes of the February 8, 2023, Finance Committee Meeting. Regent Stewart moved the motion and Regent Gray-Kemp seconded the motion which was approved following a unanimous voice vote.

ACTION ITEMS:

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

Chair Balducci shared that at this time CT State has deferred making any substantive increases in tuition and fees due to the uncertainty of the amount of state funding that will be received. The proposed resolution is for minor changes to align the college to fixed amounts in three areas.

The college service fee for the first three credits will be a \$100 flat fee and \$20 per credit above three credits. Overall, this approach is cost-neutral and keeps the fee for each credit very close to the current rate.

The student activity fee currently varies by campus, the proposal standardizes it to be \$20 for full-time students per semester and \$10 for part-time students per semester.

The proposed transportation fee is specific to Naugatuck Valley students and provides the ability to opt-in if they would like for \$10 for full-time per semester and \$5 for part-time per semester.

Q: Regent Santiago asked if the decision is permanent not to make any changes or additions to the tuition or if it's on hold pending the state budget discussions.

Chair Balducci explained the tuition increases are on hold and still open to be changed.

Q: Regent Santiago asked if tuition increases are recommended after the budget is final, what would the deadline be to make those changes?

Chair Balducci answered it would need to be prior to the new fiscal year.

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

Professor Blitz made a comment in reference to page 8 of the agenda within the minutes of the February 8th meeting recapping the Mid-Year Budget Update, which is a one-page summary. He suggested it be broken down further and asked for individual spreadsheets listing each of the 4 universities separately.

ADJOURNMENT:

Chair Balducci requested a motion to adjourn. Regent Santiago moved the motion and Regent Gray Kemp seconded, and the meeting adjourned at 10:43 a.m.

DISCUSSION ITEM**CSCU Preliminary Budget Mitigation Plan**

In response to the budget proposal that was advanced out of the appropriations committee, CSCU developed a preliminary budget mitigation plan. This plan included an updated projection of expenditures in FY 24 and FY 25 based on current service levels, a preliminary modelling of the revenue and expenditure impacts of the Appropriations budget, and options developed by our 6 institutions that would put the system on track to achieve balanced budgets as quickly as possible. This work was completed by the finance staff at each institution, and then rolled up by the system staff.

The purpose of the plan is twofold. First and most urgently, the administration believed that it was critical for CSCU to clearly articulate the consequences of funding levels like those in the proposed budget as part of our ongoing advocacy for state resources. Second, the savings options that were initially developed for this process have been the starting point for budget and labor relations planning that is actively underway to ensure that we are able to respond in a timely and effective manner to a material decline in available resources.

The plan was presented to the legislature and the public on April 25 at a system level. Because the details of the programmatic and other reductions had not been fully elaborated in all cases, and because institutional leadership and ultimately the Board of Regents had not approved those reductions, it was determined to release the plan rolled up at a high level, without cuts summarized by category rather than identifying specific cuts that were not final.

The plan, along with supplemental materials in support of CSCU's budget request, are attached.

FY 24 and FY 25 CSCU Deficit and Preliminary Mitigation Plan, based on Appropriations Committee Budget

<u>\$ millions</u>	FY 24 <i>CSCU Total</i>	FY25 <i>CSCU Total</i>	Combined FY 24 & FY 25
Deficit			
State Aid (exc. Fringe)	552.5	488.0	1,040.5
State Fringe Support	281.7	286.8	568.5
Operating Revenue	578.9	586.0	1,164.9
Total Revenue	\$ 1,413.2	\$ 1,360.7	\$ 2,773.9
Total Expenditures -- current services*	1,522.5	1,586.6	3,109.1
Projected Balance	\$ (109.3)	\$ (225.9)	\$ (335.1)

Mitigation Plan

Revenue options

Tuition Increase	3.9	30.9	34.8
Enrollment Initiatives	0.5	6.0	6.5
Other	1.6	(0.2)	1.4

Expenditure options

Eliminate Unfilled Vacancies	26.0	39.8	65.8
Lay-off Faculty and Staff	2.4	55.3	57.7
Reduce part-time and adjunct staff	42.6	46.8	89.5
Other reductions	24.5	26.7	51.2

Total Options	\$ 101.6	\$ 205.2	\$ 306.8
Revised Balance	\$ (7.7)	\$ (20.6)	\$ (28.3)

			Combined	% of
FT Personnel Reductions	FY 24 Layoffs	FY 25 Layoffs	2-year total	Total
Faculty	(60)	(136)	(196)	-10%
Unclassified Staff	(47)	(193)	(239)	-14%
Classified Staff	(10)	(185)	(195)	-18%
Managerial/Confidential Prof.	(14)	(10)	(24)	-7%
Total Layoffs/ eliminations	(131)	(524)	(654)	-13%
PT Reductions (estimated cumulative)	(2,678)	(2,916)	(2,916)	-39%

* Note that FY 25 expenditures include \$53.5 m for wage increases for the SEBAC option year in FY 25

CONNECTICUT STATE COLLEGES & UNIVERSITIES
TUITION AND MANDATORY FEES & RATE INCREASES (Undergraduate)
History and impact of Deficit Mitigation Plan

	In-state Tuition & Mandatory Fees (\$)														Deficit Mitigation Plan	
	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>
State Universities *	7,567	8,043	8,241	8,556	8,989	9,168	9,609	10,079	10,496	10,908	11,387	11,818	11,818	12,400	12,767	13,405
Community Colleges	3,200	3,406	3,490	3,598	3,786	3,866	4,032	4,168	4,276	4,384	4,476	4,476	4,476	4,700	4,935	5,182
Charter Oak	5,735	5,953	6,159	6,393	6,552	6,680	7,010	7,290	7,570	8,231	8,454	8,254	8,254	8,254	8,667	9,100
	Rate Increases (%)															
	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>
State Universities *	5.4%	6.3%	2.5%	3.8%	5.1%	2.0%	4.8%	4.9%	4.1%	3.9%	4.4%	3.8%	0.0%	4.9%	3.0%	5.0%
Community Colleges	7.2%	6.4%	2.5%	3.1%	5.2%	2.1%	4.3%	3.4%	2.6%	2.5%	2.1%	0.0%	0.0%	5.0%	5.0%	5.0%
Charter Oak	4.7%	3.8%	3.5%	3.8%	2.5%	2.0%	4.9%	4.0%	3.8%	8.7%	2.7%	-2.4%	0.0%	0.0%	5.0%	5.0%

* CSU system averages

CONNECTICUT STATE COLLEGES & UNIVERSITIES
State Appropriations
FY22/FY232 Approved, FY24/FY25 Governor's and Appropriations Committee Recommended

Account Name	Approved Funding		Gov's Recommended		Approp. Committee		Variance	
							Approp. Committee vs. FY2023 Approved	
	2022	2023	2024	2025	2024	2025	\$ Increase (Dec)	
							2024	2025
<u>State Appropriations</u>								
Charter Oak State College	3.5	3.7	3.7	3.8	3.1	3.2	(0.5)	(0.5)
Community Tech College System	153.4	172.5	168.5	169.4	208.5	217.5	36.0	45.0
Connecticut State University	161.9	174.4	173.7	174.7	176.1	178.6	1.7	4.3
BOR	0.4	0.5	0.5	0.5	0.5	0.5	0.0	0.0
Developmental Services	8.9	9.9	10.0	10.2	10.0	10.2	0.1	0.3
Outcomes-Based Funding Incentive	1.2	1.3	1.4	1.4	1.4	1.4	0.0	0.0
O'Neill Chair	-	0.3	0.3	0.3	0.3	0.3	-	-
	<u>\$ 329</u>	<u>\$ 362</u>	<u>\$ 358</u>	<u>\$ 360</u>	<u>\$ 400</u>	<u>\$ 412</u>	<u>\$ 37.4</u>	<u>\$ 49.2</u>
 PACT Program - Debt Free Community College	14.0	15.0	15.0	15.0	23.5	23.5	8.5	8.5
Enhance Student Retention at Community Colleges	-	19.5	-	6.5	-	6.5	(19.5)	(13.0)
Additional Fringe Benefits Support	61.0	64.5	-	-	-	-	(64.5)	(64.5)
Restructure Fringe Benefits Gov's Proposal	-	-	41.7	41.7	-	-	-	-
Deficiency Funding for Wages (Leg. Source ARPA FY23)	21.6	24.0	-	-	-	-	(24.0)	(24.0)
Provide Support for Salary Cost of the 27th Payroll	-	10.0	-	-	-	-	(10.0)	(10.0)
CharterO Additional State Approp (Graduation Fee Waiver)	0.1	0.1	-	-	-	-	(0.1)	(0.1)
Community Colleges: E-Commerce Training Program	-	0.1	-	-	-	-	(0.1)	(0.1)
Provide Operations Support Through Short-Term Recovery Fund	-	118.0	97.7	48.8	97.7	48.8	(20.3)	(69.2)
Carryforward Funding	-	-	-	-	55.0	27.5	55.0	27.5
ARPA Funding - Lecturers Pay	10.0	5.0	-	-	-	-	(5.0)	(5.0)
Enhance Public Safety at CCC, CSU and CharterO	-	-	-	-	-	-	-	-
GRAND Total State Support	<u>\$ 436.0</u>	<u>\$ 618.7</u>	<u>\$ 512.5</u>	<u>\$ 472.3</u>	<u>\$ 576.0</u>	<u>\$ 518.0</u>	<u>\$ (42.6)</u>	<u>\$ (100.7)</u>
Projected Deficit						<u>\$ (109.3)</u>	<u>\$ (225.9)</u>	

State has used "one-time" funds to pay for SEBAC raises and fringe costs at CSU since 2019 because the block grant has not kept up with OPM-negotiated raises

