

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

Wednesday, December 6, 2017
10:30 a.m.
Regents Board Room
61 Woodland Street, Hartford, CT

Agenda

- 1. APPROVAL OF MINUTES FROM THE OCTOBER 11, 2017 MEETING**
- 2. ACTION ITEMS**
 - A. CCSU Building Naming – C.J. Huang Recreation Center
 - B. CSCU 2020, Phase III – Funding Reallocations and Project Schedule Modifications
 - C. Preliminary Quantification – Students First College Consolidation

**MEETING OF THE
FINANCE AND INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education

Wednesday, October 11, 2017

10:00 a.m.

61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Richard Balducci, Committee Chair

Felice Gray-Kemp (Telephonic)

William McGurk

Barbara Richards (Telephonic)

Catherine Smith (Telephonic)

Yvette Melendez (Telephonic)

REGENTS ABSENT

David Jimenez

Holly Palmer

CSCU Representatives

John Clark, President, WCSU; Jay Murray, Associate Vice President of Enrollment, WCSU

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 10:10 a.m.

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

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

2. INFORMATION ITEMS

A. WCSU Expanded Pilot Program – In-State tuition rates for New York and New Jersey

President Clark, WCSU, provided remarks on the college's proposal to expand the pilot program of in-state tuition rates to New York and New Jersey residents. A year ago, the Board approved a pilot program for WCSU to offer in-state tuition and fee rates to residents of seven New York neighboring counties. The program has proved to be highly successful in attracting students and the student enrollment grew from 74 in the Fall of 2016 to 243 in the Fall of 2017. Despite the

increased enrollment, only 70 are resident students. Based on the success of the initial pilot program, WCSU is asking the Board to approve the expansion of the pilot program to include all New York and New Jersey residents.

Western has seen the highest enrollment reduction of the four universities over the past several years resulting in fiscal challenges. Expansion of the pilot program will offer greater ability to recruit out-of-state students, thus increasing enrollment to benefit the University both financially and academically. Additional students would afford the opportunity to offer more courses and programs to support the auxiliary services offered by WCSU.

The majority of the universities agreed that WCSU should lead in this pilot program and the other CSUs will observe the impact in order to assess in the following fiscal year whether a request be made to modify out-of-state rates more broadly.

WCSU proposes to begin the pilot program in the Fall 2018 in order to provide sufficient time for marketing. The pilot will be evaluated after a two-year period for continuation. It is estimated that the first year of the pilot would cost approximately \$1.5M in lost revenues due to grandfathering current students.

There was a general discussion regarding the decreasing college-aged population in Connecticut, decreased State funding, decline in enrollment and the proposal to expand the University's recruiting service area to maintain and improve services.

On motion of Chairman Balducci, seconded by Regent McGurk, The resolution concerning the WCSU Expanded Pilot Program for In-State Tuition Rates for New York and New Jersey Residents was voted. Voting yes: Regents Richard Balducci, William McGurk. Voting nay: Regent Felice Gray-Kemp.

B. Adjusted Tuition Rates for Victims of Hurricane Maria

CFO Steiner commented on the State's initiatives of providing humanitarian aid to victims of Hurricane Maria by ensuring access to primary and secondary education. Presidents of our institutions have also expressed their interest in providing support to students in higher education residing in Puerto Rico and the US Virgin Islands so that they can continue their studies in Connecticut while their schools are being repaired or rebuilt. These students have little or no available options to continue their studies in their home territories.

Extending in-state tuition rates to impacted students who have been attending the University of Puerto Rico and the University of the Virgin Islands may be the best solution. Many of the impacted students are Pell recipients and would need to have their FAFSAs processed locally in order to receive the student Pell financing for the Spring semester.

It is not clear how many students may avail themselves of this offer. It is certain that the colleges has the space capacity for additional students.

President Ojakian and Regent Melendez commented on the initiative of offering the impacted students with an alternative to continue their education with little disruption.

The Resolution concerning the offering of in-state tuition rates to the displaced student-victims of Hurricane Maria who may have been attending the University of Puerto Rico or the University of the Virgin Islands was unanimously approved on a motion by Regent McGurk, seconded by Regent Gray-Kemp.

With no other business to discuss, on motion of Regent McGurk, seconded by Regent Gray-Kemp, the meeting was adjourned at 10:50 a.m.

ITEM

Naming of the Recreation Center at Central Connecticut State University (CCSU) to the “C. J. Huang Recreation Center”

BACKGROUND

Board Policy dated April 8, 2009 sets the requirements for the Connecticut State Universities’ recognition and naming of facilities and programs after persons or organizations.

The policy states, among other things, that:

- A) A naming opportunity associated with a gift to the CSU System, a constituent institution, or an affiliated foundation, will normally receive favorable consideration only when the present value of the gift is an amount equal to or greater than 10 percent of the cost to construct or substantially renovate the facility proposed for naming.

ANALYSIS

Dr. C. J. Huang was a widely respected industrialist, humanitarian, calligrapher and a noted philanthropist who was driven to invest his wealth in ways that would make life better for people through education, science and medicine. Dr. Huang has generously supported Central Connecticut State University with lifetime contributions totaling more than \$830,000 and has made an estate gift of \$6.5 million.

Dr. Huang became involved with Central Connecticut State University more than two decades ago when he endowed a scholarship to support the exchange of students from Ouyang Yu Experimental Middle School in China to CCSU and the exchange of CCSU graduate students to Ouyang Yu to teach English.

Dr. Huang’s estate gift will benefit his existing scholarship fund and will establish a new fund which will support scholarships to students in the CCSU Schools of Business, Education and Professional Studies, and Graduate Studies as well as support students through general scholarships to be distributed at the discretion of the President of the University.

This recommendation is prompted by the generous lifetime donations and an estate gift from Dr. C. J. Huang which together amounts to more than \$7.3 million, well in excess of 10% of the cost of the Recreation Center which is estimated at \$25.4 million.

RECOMMENDATION

Approve the naming of the new Recreation Center at Central Connecticut State University to be known as the “C. J. Huang Recreation Center”.

12/06/17 Finance & Infrastructure Committee

12/14/17 Board of Regents

RESOLUTION

Naming

THE NEW RECREATION CENTER AT CENTRAL CONNECTICUT STATE UNIVERSITY

IN HONOR OF DR. C.J. HUANG

December 14, 2017

- WHEREAS, Dr. Chang-Jen Huang was a widely respected industrialist, humanitarian, and calligrapher, and
- WHEREAS, Dr. Huang was a noted philanthropist who was driven to invest his wealth in ways that would make life better for people through education, science, and medicine, and
- WHEREAS, Dr. Huang and the C. J. Huang Foundation has generously supported Central Connecticut State University with lifetime contributions totaling more than \$830,000, and
- WHEREAS, Dr. Huang has made an estate gift to Central Connecticut State University of \$6.5 million, and
- WHEREAS, Dr. Huang first became involved with Central Connecticut State University when he endowed a scholarship more than two decades ago supporting the exchange of students from Ouyang Yu Experimental Middle School in China to CCSU and also the exchange of CCSU graduate students to Ouyang Yu to teach English, and
- WHEREAS, Dr. Huang's estate gift will benefit his existing scholarship fund and will establish a new fund which will support scholarships to students in the CCSU Schools of Business, Education and Professional Studies, and Graduate Studies as well as support students through general scholarships to be distributed at the discretion of the President of the University consistent with University priorities, and
- WHEREAS, President Zulma R. Toro endorses the recommendation of the University's Facilities Planning Committee to name the new recreation center in honor of Dr. Huang, therefore be it
- RESOLVED, That the Board of Regents for the Connecticut State Colleges and Universities hereby approves the naming of the new recreation center at Central Connecticut State University to be known as the "C.J. Huang Recreation Center".

A True Copy:

Erin A. Fitzgerald, Secretary

ITEM

CSCU 2020, Phase III, funding reallocation and project schedule modification.

BACKGROUND

The CSCU 2020 program was legislatively approved as a multiyear three-phase program (3-years, 3-years & 4-years) to fund capital improvements, equipment, telecom, land acquisitions and deferred maintenance for the universities beginning in FY 2009 and running through FY 2018. The total program funding was \$950,000,000. Some college funding was added to this program to support deferred maintenance, equipment and telecom purchases in FY 2016 and for construction of one community college project in FY 2017. Total program funding was increased to \$1,053,500,000. Unlike traditional bond funds that require Bond Commission approval for individual funding requests, CSCU 2020 annual funding occurs as approved by the Governor prior to March 31st of each year. CSCU 2020 legislation categorizes projects within the three-phased program. Legislation does not reference individual project schedules within the phases. The Board of Regents may modify and approve individual project schedule modifications within each phase without legislative approvals.

ANALYSIS

In FY 2010, Governor Rell did not approve the annual funding request. Subsequently, we requested and received legislative approval for a one-year program extension to FY 2019 that maintains the overall program funding. For FY 2017, the Office of Fiscal Analysis requested that the CSCU defer \$55,000,000 of the FY 2017 \$95,000,000 allocation to FY 2018. We complied and deferred construction funding of Southern's new Health & Human Services facility by one year.

For FY 2018 the Office of Fiscal Analysis requested that the CSCU defer \$110,000,000 of the FY 2018 \$150,000,000 allocation to a new designated program year of FY 2020. We complied and additionally requested \$16,000,000 of new program funding titled "Supplemental Project Funding." The intent of Supplemental Project Funding is to keep deferred project programs whole and mitigate cost increases due to escalation as well as other unforeseen cost driven items. FY 2018 legislation reallocated \$110,000,000 from FY 2018 to FY 2020 and allocated \$16,000,000 of new project funding for FY 2020. The funding reallocation detail that accounts for the Phase III funding deferral is:

1. **\$52,800,000** of \$62,500,000 total project funding for Central's new Engineering Building was deferred from FY 2018 to FY 2020.
2. **\$55,000,000** of \$76,507,344 total project funding for Southern's new Health & Human Services building was deferred from FY 2018 to FY 2020.

3. **\$2,200,000** of \$16,500,000 total project funding from Central's Burritt Library Improvements project was deferred from FY 2018 to FY 2020.

CSCU 2020 approvals currently requested of the Board that allow maintaining program and project continuity are:

1. Reallocate \$9,125,000 of the \$16,000,000 Supplemental Project Funds to Central's new Engineering building to mitigate cost increases due to escalation and a shortfall with equipment funding. \$6,000,000 of this funding exceeds the legislatively set 5% cost increase threshold allowed by the Board. The Board's reallocation approval above the 5% will be pending a legislative approval.
2. CSCU 2020 Phase III funding for Southern includes the Health and Human Services Building (construction and equipment purchases currently funded in FY 2020) and the new School of Business (construction funded in FY 2019). It is requested that Health and Human Services be rescheduled for FY 2019 (\$48,706,926) and FY 2020 (\$6,293,074) and the Business School be rescheduled for FY 2020 (\$48,706,926). The revised project schedules will primarily maintain the current project schedules. The total budget for each project remains unchanged. If Supplemental Project Funding is required in the future, a BOR request will occur.

RECOMMENDATION

1. Approve reallocating \$9,125,000 of the \$16,000,000 Supplemental Project Funds to Central's new Engineering building, pending legislative approval.
2. Approve rescheduling and reallocating construction and equipment funding for Southern's Health and Human Services Building from FY 2020 to FY 2019 (\$48,706,926) and FY 2020 (\$6,293,074) and the new Business School from FY 2019 to FY 2020 (\$48,706,926).

12/06/17 Finance & Infrastructure Committee
12/14/17 Board of Regents

RESOLUTION

Concerning

CSCU 2020 – PHASE III
FUNDING REALLOCATIONS and
PROJECT SCHEDULE MODIFICATIONS

For

SOUTHERN & CENTRAL CONNECTICUT STATE UNIVERSITIES

December 14, 2017

- WHEREAS, FY 2018 legislation deferred \$110,000,000 of CSCU 2020 funding from FY 2018 to new CSCU 2020 funding year FY 2020; and
- WHEREAS, New CSCU 2020 FY 2020 program funding of \$16,000,000 titled “Supplemental Project Funding” was provided to mitigate escalation and unforeseen cost increases of the deferred projects; and
- WHEREAS, Pending legislative approval, \$9,125,000 of the Supplemental Project Funding, which exceeds 5% of the total project budget, will be reallocated to Central’s proposed Engineering Building to mitigate escalation and an equipment funding shortfall; and
- WHEREAS, Of the CSCU 2020 Program, a portion of construction and equipment for Southern’s proposed Health & Human Services Building will be rescheduled from FY 2020 to FY 2019 and FY 2020 as \$48,706,926 and \$6,293,074 respectively; and
- WHEREAS, Of the CSCU 2020 Program, construction and equipment for Southern’s proposed Business School will be rescheduled from FY 2019 to FY 2020 as \$48,706,926; and
- WHEREAS, Program modifications to Central’s Engineering Building, Southern’s Health and Human Services Building and Southern’s Business School mitigate current cost and schedule concerns; therefore, be it
- RESOLVED, Central’s Engineering School funding will be increased by \$9,125,000 pending legislative approval. Southern’s Health and Human Services Building will be rescheduled, constructed and equipped from FY 2019 and FY 2020 funding and Southern’s Business School will be rescheduled, constructed and equipped from FY 2020 funds.

A True Copy:

Erin A. Fitzgerald, Secretary

CSCU 2020 FY 2018 - FY 2020 Program Funding

Project Title (a)	University (b)	FUNDING IN EACH YEAR OF CSUS 2020 PROGRAM				Total Funding in CSUS 2020 (q)	Notes:
		FY 2008 - 17 Prior Funding	FY 2017-18 (o)	FY 2018-19 (p)	FY 2019-20 (q)		
Code Compliance/Infrastructure Improvements	Central	\$ 23,312,636	\$ 1,000,000	\$ 2,000,000		\$ 26,312,636	
Code Compliance/Infrastructure Improvements	Eastern	\$ 14,080,113	1,000,000	2,000,000		\$ 17,080,113	
Code Compliance/Infrastructure Improvements	Southern	\$ 22,021,406	1,000,000	2,000,000		\$ 25,021,406	
Code Compliance/Infrastructure Improvements	Western	\$ 13,269,378	1,000,000	2,000,000		\$ 16,269,378	
New and Replacement Equipment Program, Smart Classroom & Technology Upgrades Alterations & Improvements: Auxiliary Service Facilities	System FY16 Universities FY 17-19	\$ 86,255,000	2,541,000	14,443,000		\$ 103,239,000	
	Universities	\$ 43,672,422	5,000,000	5,000,000		\$ 53,672,422	
Telecommunications Infrastructure Upgrade	Universities	\$ 15,415,000	1,000,000	2,000,000		\$ 18,415,000	
Land and Property Acquisition Program	Universities	\$ 8,250,190	-	2,000,000		\$ 10,250,190	
Health and Human Services Building	Southern			14,850,074	55,000,000		
		\$ 6,657,270	-	63,557,000	6,293,074	\$ 76,507,344	
Engineering Classroom Building	Central						
		\$ 9,900,000	-	-	61,925,000	\$ 71,825,000	
Burritt Library Addition/Renovations	Central	\$ 5,161,000	9,139,000	-	2,200,000	\$ 16,500,000	
School of Business	Southern			48,706,926			
		\$ 3,770,007	-	-	48,706,926	\$ 52,476,933	
Supplemental Project Funding	Universities				16,000,000		
		\$ -	-	-	6,875,000	\$ 6,875,000	
TOTALS		\$ 808,500,000	\$ 40,000,000	\$ 95,000,000	\$ 126,000,000	\$ 1,069,500,000	FY 2019 \$48,706,926 reallocated from the Business School FY 2020 \$48,706,926 reallocated from Health & Human Services

ITEM

Preliminary Quantification – Students First College Consolidation

BACKGROUND

In response to declining state funding since FY15, Connecticut State Colleges & Universities (CSCU) management began to evaluate different cost saving options required to ensure that our institutions maintain a sustainable fiscal future. It was not expected that the financial situation faced by the state would improve near term, and calculations suggested that proceeding in the current vein would rapidly exhaust reserves established by the CSCU institutions.

Further, a long-standing and valued goal of CSCU remains “access and affordability” for current and future Connecticut students, and ensuring a quality education to those who attend. The double digit increases in tuition and fees which would be required to balance institutional budgets is both contrary to our stated goals and objectives, and causes fewer students to be able to afford an education which in turn reduces enrollments.

Management first approached cost saving programs in FY16 and committees were formed to evaluate potential plans. These teams were led by College and University Presidents and supported by System Office staff, and included campus administration, faculty and staff. The following areas were evaluated:

- Financial Aid
- Purchasing/Contracts
- Human Resources
- Compliance/Affirmative Action
- Enrollment/Retention
- Branding/Marketing

Although excellent ideas surfaced from these proposals, the savings generated would not be enough to sustain the diminishing revenues expected. The state finances continued to worsen, and it was determined that more significant cost cutting measures were required.

The Board of Regents charged President Ojakian to develop and submit to the Board his recommendations on addressing the System’s structural fiscal deficit.

On April 6, 2017, President Ojakian proposed and the Board of Regents endorsed two strategies:

1. An administrative consolidation involving all seventeen institutions and system

- office, targeting to save approximately \$13.26M through collaboration, use of common resources, and efficiencies associated with combining purchasing power.
2. A consolidation of the twelve community colleges into one college, targeting to save approximately \$27.65M via elimination of redundancies and parallel administrative functions.

This staff report focuses on the second strategy: consolidation of the twelve community colleges into the one Community College of Connecticut. **It was agreed that no faculty positions and no direct, student-facing support functions such as advising and counseling would be impacted.**

Consolidation of certain administrative functions, such as Finance, Institutional Research, and Human Resources is facilitated by common enterprise systems among the twelve colleges. The colleges operate under one Banner System, and Human Resources is managed within a common CORE-CT system.

The case for change is presented in Attachment A, a five-year projection of fiscal results. This schedule shows an outlook if we take no action, and another if the savings projected herein are realized.

If the colleges are not consolidated, we estimate that reserves will be exhausted by FY2020 and the colleges would remain in a deficit position going forward. By implementing the changes as outlined, we estimate an erosion of reserves through the period but it would remain positive throughout the five-year period.

METHODOLOGY TO ESTIMATE SAVINGS

In general, the method employed was to construct a new organization, cost out the newly created positions, and eliminate those departments from the current structure which have been reorganized under the future structure. **It is expected that the future organization will be staffed with employees who currently work within the existing structure to the greatest degree possible.**

A subcommittee headed by President Michael Rooke was formed comprising Presidents and Staff from the Community Colleges to recommend a structure for the future Community College of Connecticut. That proposal went through numerous draft iterations, was presented to stakeholders, including the Board of Regents, the Community College Presidents, as well as the New England Association of Schools and Colleges (NEASC) which will ultimately be asked to accredit the new college. After this presentation, the proposal was shared with the broader CSCU community including campus administration, faculty, staff, students, campus foundations, and the community-at-large. Once this structure became relatively stable, we were able to conduct a preliminary quantification of the proposed changes.

Calculations

1. Incorporated administrative positions into the sub-committee's recommended structure to account for finance, HR, IR, etc.
2. Costed out the new organization, recognizing:
 - a. New positions (added costs).
 - b. Retitling or variations of existing positions (cost neutral).
 - c. Transfers from System Office or Colleges (cost neutral).
3. Eliminated departments, or in some cases positions, that are redundant when considering the new organization.
4. Evaluated a timeline for recognizing the full value of savings when considering commitments under SEBAC and a normal rate of attrition.

Existing Structure

1. Data was extracted from the FY17 Banner system to ensure all payroll dollars and fringe benefit dollars matched actual amounts paid to employees.
2. No faculty positions, neither full nor part-time, nor any student affairs positions were included in this analysis.
3. Data was extracted from CORE-CT to incorporate position information.
4. Reports were generated by college.
5. Each President was asked to work with his/her HR Director and provide the department designation for each employee (neither Banner nor CORE-CT contains reliable, consistent department data).
6. Reports received were sorted by department to determine which are redundant with the future organization structure.
7. Administrative positions that will be consolidated or eliminated under one college was also considered.
8. Targeted savings of \$28.65M was based on FY16 payroll data.
 - a. In order to determine if the current plan is in line with the target, those departments that will be eliminated were cross matched with FY16 data.
 - b. Any amounts already saved in FY17 through attrition were added in for analytical purposes.
9. These results are shown in Attachment B.

New Organization

1. The positions included in the new organization which have been incorporated into the calculations are shown in Attachment C. These positions were reviewed with President Rooke's subcommittee to ensure alignment with the organization charts developed by them.
2. Salaries are estimated, based on like-kind positions throughout the System.
3. Current colleges have been designated as small, medium and large campuses of the future Community College of Connecticut.
4. References used to estimate salaries include existing positions in both the Colleges and the Universities, and modulation among the size of the campus in

- order to recognize added scope in the larger institutions.
5. Fringe benefits are assumed at an average 75% for purposes of this analysis.

ANALYSIS

The following is the current result of the above methodology (\$):

Elimination of Departments/Positions based on FY17	48,070,602
Savings from Attrition FY16 to FY17	2,520,233
Reduction Academic Administration	1,500,000
Total Savings	<u>52,090,835</u>
Less: Incremental Cost of New Structure	24,331,426
Net Savings	<u><u>27,759,410</u></u>

The reduction of Academic Administration will require additional study. The proposal substitute Associate Deans for current, multiple levels of administration. We believe that the estimate of \$1.5M is conservative.

The net savings expected going forward represent 6% of the Community Colleges' payroll (including fringe benefits), and 12% of the non-faculty payroll.

RISKS

- If we were unable to generate savings via consolidation and attempted to balance the budget through tuition and fee increases, this would require 15% to 33% in increases over a five year period – that is clearly not an option.
- The projections in Attachment A assume flat state funding after FY2019. The state is projecting deficits during this same period which could have a further negative impact.
- Attachment A also assumes flat enrollment through the period. We believe there are a number of enrollment enhancing factors built into the Students First strategies, however, if enrollment continues to fall there would be a further negative impact.

TIMING

We expect the Community College of Connecticut to be initiated in July 2019. However, due to agreements with bargaining units, there are no lay-offs permitted until FY21. We would therefore expect some normal rate of attrition, and use the rate experienced in FY17 as a basis for the following:

	Annual Savings			
	Incremental	Management Confidential	Total Annual	Cumulative
FY17	2,520,233		2,520,233	2,520,233
FY18	2,520,233	1,202,808	3,723,041	6,243,274
FY19	2,520,233		2,520,233	8,763,508
FY20	2,520,233	6,492,095	9,012,329	17,775,836
FY21	9,983,573		9,983,573	27,759,410

This presumes that costs and savings are somewhat parallel, management confidential adjustments are in line with the initiation of the Community College of Connecticut, and layoffs are implemented in FY21, with notice provided in many cases in FY20. The FY17 figure is the actual experienced attrition.

NEXT STEPS

- Calculate savings in Academic Administration (currently estimated)
 - Elimination of Division Directors and Department Chairs.
 - Add back Associate Deans of Academic Affairs, dependent on the size of the campus.
- Evaluate impact of cost sharing among campuses.
 - Additional savings may be applied to further deficit mitigation, increasing academic advisors, or maintaining/bolstering reserves.
- Align proposed new positions with the system’s class and compensation study.

CONCLUSIONS

Although our calculations indicate that the targeted savings for the consolidation of the community colleges are achievable, we believe that further deterioration of the state budgets and the threat of continued loss of state funding necessitate that we continue to refine this model and identify additional savings as practicable.

RECOMMENDATION

Management's recommendation is that the Finance Committee accept the preliminary quantification of the consolidation of the twelve community colleges as a reasonable demonstration of ability to achieve the estimated \$28M in savings, and that management is charged to continue refining estimates to achieve optimal savings through the consolidation.

12/6/17 Finance & Infrastructure Committee
12/14/17 Board of Regents

FIVE YEAR PROJECTIONS ASSUMING NO ACTIONS AND ASSUMING STUDENTS FIRST

CONNECTICUT COMMUNITY COLLEGES - 5 YEAR PROJECTIONS IF WE DO NOTHING

11/30/2017

	FY17 Projection	FY18 Budget - Original	FY18 Budget - Revised	FY19	FY20	FY21	FY22	Comments
State Funding	157.4	155.0	143.8	138.2	138.2	138.2	138.2	FY18 Revised includes holdbacks; FY19 per approved biennium, flat going forward
State Fringe Benefits	118.8	122.2	113.4	109.0	111.7	114.5	117.4	Same % recoupment as FY18 Budget
Tuition and Fees	174.7	177.2	180.7	184.3	188.0	191.8	195.6	2.5% increases each year; assumes flat enrollment
Other	7.0	5.7	5.7	5.7	5.7	5.7	5.7	Flat
Total Revenue	457.9	460.1	443.6	437.2	443.7	450.2	456.9	
Salaries and Wages	243.3	242.9	242.9	242.9	242.9	256.3	270.4	Assumes flat wages until FY21, then 5.5% increases thereafter
Fringe Benefits	142.9	148.8	148.8	148.8	152.5	165.0	178.4	Assumes 2.5% rate increase per year
Institutional Aid & Waivers	22.4	23.2	23.2	23.2	23.7	24.2	24.6	Increases along with Tuition and Fees
Other	40.2	45.5	45.5	45.5	45.5	45.5	45.5	Flat
Total Expenses	448.8	460.5	460.5	460.5	464.7	490.9	518.9	
Net Results	9.0	(0.4)	(16.9)	(23.3)	(21.0)	(40.7)	(62.0)	
Reserves	45.7	45.3	28.5	5.2	(15.8)	(56.6)	(118.6)	FY17 is Actual from Audit Financial Statements

CONNECTICUT COMMUNITY COLLEGES - 5 YEAR PROJECTIONS LAYERING IN STUDENTS FIRST

11/30/2017

	FY17 Projection	FY18 Budget - Original	FY18 Budget - Revised	FY19	FY20	FY21	FY22	Comments
State Funding	157.4	155.0	143.8	138.2	138.2	138.2	138.2	No Change
State Fringe Benefits	118.8	122.2	113.4	109.0	111.7	114.5	117.4	No Change
Tuition and Fees	174.7	177.2	180.7	184.3	188.0	191.8	195.6	No Change
Other	7.0	5.7	5.7	5.7	5.7	5.7	5.7	No Change
Total Revenue	457.9	460.1	443.6	437.2	443.7	450.2	456.9	
Salaries and Wages	243.3	242.9	239.2	236.7	227.7	230.5	243.2	Personnel Cost Savings Layered In (with 5.5% increase in savings in FY21)
Fringe Benefits	142.9	148.8	146.5	145.0	139.5	144.7	156.5	Same Fringe rate with 2.5% increased
Institutional Aid & Waivers	22.4	23.2	23.2	23.2	23.7	24.2	24.6	No Change
Other	40.2	45.5	45.5	45.5	45.5	45.5	45.5	No Change
Total Expenses	448.8	460.5	454.5	450.4	436.4	444.9	469.9	
Net Results	9.0	(0.4)	(10.9)	(13.2)	7.3	5.3	(13.0)	
Reserves	45.7	45.3	34.5	21.3	28.6	33.8	20.9	Erodes, but still positive through five year period

SUMMARY OF COSTS ELIMINATED

Community College of Connecticut
Consolidation of Departments/Positions
Functions re-created under One-College Model
 FY17 Amounts Including Fringe Benefits

<u>Department/Positions</u>	<u>TOTAL</u>
Administrative Services	9,397,411
Facilities	1,717,161
Finance	11,098,332
Human Resources	7,379,465
Institutional Research	2,754,658
IT	4,536,290
Marketing	4,143,221
President's Office	6,249,782
Continuing Education	794,282
Total	<u><u>48,070,602</u></u>

SUMMARY OF COSTS ADDED BACK TO CREATE NEW INSTITUTION

Summary of Salaries under New One College Structure
 Additional Costs of New Positions

PRELIMINARY	11/30/2017		
<u>Level</u>	<u>Salaries</u>	<u>Fringes</u>	<u>Total</u>
Institutional	5,615,000	4,211,250	9,826,250
Small Campus 1	630,000	472,500	1,102,500
Small Campus 2	630,000	472,500	1,102,500
Small Campus 3	630,000	472,500	1,102,500
Medium Campus 1	653,375	490,031	1,143,406
Medium Campus 2	653,375	490,031	1,143,406
Medium Campus 3	653,375	490,031	1,143,406
Medium Campus 4	653,375	490,031	1,143,406
Large Campus 1	757,034	567,776	1,324,810
Large Campus 2	757,034	567,776	1,324,810
Large Campus 3	757,034	567,776	1,324,810
Large Campus 4	757,034	567,776	1,324,810
Large Campus 5	757,034	567,776	1,324,810
Total Cost New Structure	13,903,672	10,427,754	24,331,426

INSTITUTIONAL LEVEL

Community College of Connecticut		11/30/2017										
INSTITUTIONAL LEVEL												
Additional Costs of New Positions & Transferred Positions												
PRELIMINARY												
	New Positions	Institutional New			Transferred Positions	Transfer From System (Cost Neutral)			Transfer From Colleges (Cost Neutral)			
		Salaries	Fringe Benefits	Total		Salaries	Fringe Benefits	Total	Salaries	Fringe Benefits	Total	
			75%				75%			75%		
Vice Chancellor's Office												
Vice Chancellor/CEO	1	250,000	187,500	437,500								
Admin Asst to Vice Chancellor	1	55,000	41,250	96,250								
Regional Presidents	3	585,000	438,750	1,023,750								
Institutional CFO	1	175,000	131,250	306,250								
Finance Banner Support Staff					8	643,951	482,963	1,126,913				
IT Banner Support Staff (reporting to SO CIO)					41	4,389,840	3,292,380	7,682,220				
Security Officer	1	150,000	112,500	262,500								
Accounting Staff	2	100,000	75,000	175,000								
Budget Officers (Regional reporting also)	3	300,000	225,000	525,000								
IR Staff	11	825,000	618,750	1,443,750								
Human Resources Staff (reporting to SO HR Vice President)	38	1,900,000	1,425,000	3,325,000								
CCC Facilities Project Manager (reports to SO)	1	80,000	60,000	140,000								
Payroll Staff devoted to CCC Payroll	10	500,000	375,000	875,000								
Grant Writing Office					4				300,000	225,000	525,000	
Admin/Clerical Support	2	80,000	60,000	140,000								
CCC Enrollment Management												
Vice President Enrollment Management	1	150,000	112,500	262,500								
Director of Financial Aid					1	88,987	66,740	155,728				
Assistant Director Financial Aid					1	70,200	52,650	122,850				
Director of Marketing & PR	1	75,000	56,250	131,250								
Webmaster	1	75,000	56,250	131,250								
Financial Aid Support Staff					5				351,000	263,250	614,250	
CCC Academic & Student Affairs Office												
CCC Provost, Chief Academic & Student Affairs Officer	1	175,000	131,250	306,250								
Admin Asst to Provost	1	60,000	45,000	105,000								
Executive Director of Retention & Completion (Student Success)					1	115,000	86,250	201,250				
CCC Registrar	1	80,000	60,000	140,000								
TOTAL INSTITUTIONAL MANAGEMENT GROUP	80	5,615,000	4,211,250	9,826,250	61	5,307,978	3,980,983	9,288,961	651,000	488,250	1,139,250	

SMALL CAMPUS

Community College of Connecticut - New Positions SMALL CAMPUS Additional Costs of New Positions & Transferred Positions PRELIMINARY	11/30/2017	ACC, NWCC, QVCC			Transferred Positions	Already Exists (Retitled Positions)		
	New Positions	Small Campus		Total		Salaries	Fringe Benefits	Total
		Salaries	Fringe Benefits					
			75%				75%	
Campus Vice President								
Campus Vice President	1	150,000	112,500	262,500				
Administrative Support	2	90,000	67,500	157,500				
Dir. Comm. Relations, Grants & Development	1	60,000	45,000	105,000				
Business Services								
Assoc. Dean of Campus Operations	1	90,000	67,500	157,500				
Bursar	1	65,000	48,750	113,750				
Purchasing/Financial Support	1	60,000	45,000	105,000				
Academic Affairs								
Dean of Academic & Student Affairs					1	100,000	75,000	175,000
Associate Academic Deans (replacing Div. Dir/Dept Chairs)					2	170,000	127,500	297,500
Assoc. Dean Cont. Educ/Workforce Dev					0*			
Student Affairs								
Assoc. Dean Student Affairs					1	80,000	60,000	140,000
Enrollment Services (Registrar, Fin. Aid & Admissions)								
Director Enrollment Management					1	70,000	52,500	122,500
Asst. Director Enrollment Management					1	65,000	48,750	113,750
Marketing Lead	1	65,000	48,750	113,750				
Graphics Specialist	1	50,000	37,500	87,500				
Enrollment Specialists					2	70,000	52,500	122,500
TOTAL NEW POSITIONS SMALL CAMPUS	9	630,000	472,500	1,102,500	8	555,000	416,250	971,250

* Will be shared with Large campus

MEDIUM CAMPUS

Community College of Connecticut - New Positions MEDIUM CAMPUS Additional Costs of New Positions & Transferred Positions PRELIMINARY	11/30/2017	CCC, TRCC, TXCC, MXCC			Transferred Positions	Already Exists (Retitled Positions)		
	New Positions	Medium Campus				Salaries	Fringe Benefits	Total
		Salaries	Fringe Benefits	Total				
Campus Vice President			75%				75%	
Campus Vice President	1	161,250	120,938	282,188				
Administrative Support	2	100,000	75,000	175,000				
Dir. Comm. Relations, Grants & Development	1	64,500	48,375	112,875				
Business Services								
Assoc. Dean of Campus Operations	1	96,750	72,563	169,313				
Bursar	1	75,000	56,250	131,250				
Purchasing/Financial Support	1	64,500	48,375	112,875				
Academic Affairs								
Dean of Academic & Student Affairs					1	107,500	80,625	188,125
Associate Academic Deans (replacing Div. Dir/Dept Chairs)					3	274,125	205,594	479,719
Assoc. Dean Cont. Educ/Workforce Dev					0*			
Student Affairs								
Assoc. Dean of Student Affairs					1	86,000	64,500	150,500
Enrollment Services (Registrar, Fin. Aid & Admissions)								
Director Enrollment Management					1	75,250	56,438	131,688
Asst. Director Enrollment Management					1	69,875	52,406	122,281
Marketing Lead	1	37,625	28,219	65,844				
Graphics Specialist	1	53,750	40,313	94,063				
Enrollment Specialists					4	150,500	112,875	263,375
TOTAL NEW POSITIONS MEDIUM CAMPUS	9	653,375	490,031	1,143,406	11	763,250	572,438	1,335,688

* Will be shared with Large campus

LARGE CAMPUS

Community College of Connecticut - New Positions LARGE CAMPUS Additional Costs of New Positions & Transferred Positions PRELIMINARY		11/30/2017	GWCC, HOCC, MCC, NVCC, NKCC				Already Exists (Retitled Positions)		
	New Positions	Salaries	LARGE Campus Fringe Benefits	Total	Transferred Positions	Salaries	Fringe Benefits	Total	
Campus Vice President							75%		
Campus Vice President	1	173,344	130,008	303,352					
Administrative Support	2	100,000	75,000	175,000					
Dir. Comm. Relations, Grants & Development	1	69,338	52,003	121,341					
Business Services									
Assoc. Dean of Campus Operations	1	104,006	78,005	182,011					
Bursar	1	85,000	63,750	148,750					
Purchasing/Financial Support	1	69,338	52,003	121,341					
Academic Affairs									
Dean of Academic Affairs					1	138,388	48,980	187,368	
Associate Academic Deans (replacing Div. Dir/Dept Chairs)					4	392,913	294,684	687,597	
Assoc. Dean Cont. Educ/Workforce Dev					1	92,450	69,338	161,788	
Student Affairs									
Dean of Students Affairs					1	130,000	97,500	227,500	
Enrollment Services (Registrar, Fin. Aid & Admissions)									
Director Enrollment Management					1	80,894	60,670	141,564	
Asst. Director Enrollment Management					1	75,116	56,337	131,452	
Marketing Lead	1	40,447	30,335	70,782					
Graphics Specialist	2	115,563	86,672	202,234					
Enrollment Specialists					5	202,234	151,676	353,910	
TOTAL NEW POSITIONS LARGE CAMPUS	10	757,034	567,776	1,324,810	14	1,111,994	779,185	1,891,179	

RESOLUTION

concerning

Preliminary Quantification – Students First College Consolidation

December 14, 2017

- WHEREAS, State funding of the Connecticut State Colleges and Universities has deteriorated since fiscal year 2015, and the Connecticut Community Colleges have been especially negatively affected, and
- WHEREAS, The state's fiscal projections suggest that funding will not improve and is likely to deteriorate further, and
- WHEREAS, Increasing tuition and fees for Community College students to balance the budget is not feasible nor desirable, and
- WHEREAS, Management has put forth a strategy to consolidate the twelve community colleges and create one accredited institution in order to cut costs and improve services, and
- WHEREAS, Management has developed a preliminary quantification of such consolidation which is expected to generate approximately \$28 million of annual savings, implemented over a four year period, therefore be it
- RESOLVED, That the preliminary quantification of savings and methodology employed appear to be reasonable and would support future fiscal sustainability to the extent demonstrated, and further
- RESOLVED, That the Board accepts the attached preliminary quantification as an indication of due diligence.

A True Copy:

Erin A. Fitzgerald, Secretary of the
CT Board of Regents for Higher Education