

**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**

<b>REGENTS - PARTICIPATING (Y = yes / N = no)</b>	
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

**Revenue**

	FY2022 Actual	FY2023 Budget	FY2023 Projection	FY2023 Proj vs. Budget	
				\$ Change	% Change
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%
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**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%
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# State Universities FY2022-23 Mid-Year Update

<u>\$ Millions</u>	FY2023 Proj vs. Budget				
	FY2022 Actual	FY2023 Budget	FY2023 Projection	\$ Change	% Change
<b>Revenue</b>					
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>
<b>Expenses</b>					
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%
<b>Adjustments</b>					
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%
<b>Net Results</b>	<u>\$13.1</u>	<u>\$6.5</u>	<u>\$14.6</u>	<u>\$8.1</u>	<u>125.8%</u>



# CT State Community College FY2022-23 Mid-Year Update

<i>\$ Millions</i>	FY2023 Proj vs. Budget				
	FY2022 Actual	FY2023 Budget	FY2023 Projection	\$ Change	% Change
<b>Revenue</b>					
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%
	<u>\$517.4</u>	<u>\$611.8</u>	<u>\$584.4</u>	<u>(\$27.4)</u>	<u>-4.5%</u>
<b>Expenses</b>					
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%
	<u>\$498.9</u>	<u>\$609.6</u>	<u>\$597.2</u>	<u>(\$12.4)</u>	<u>-2.0%</u>
Net Loss Before Adjustments	18.59	2.10	(12.85)	(14.95)	-710.6%
<b>Adjustments</b>					
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%
<b>Net Results</b>	<u>\$39.5</u>	<u>\$4.5</u>	<u>\$5.8</u>	<u>\$1.2</u>	<u>27.0%</u>





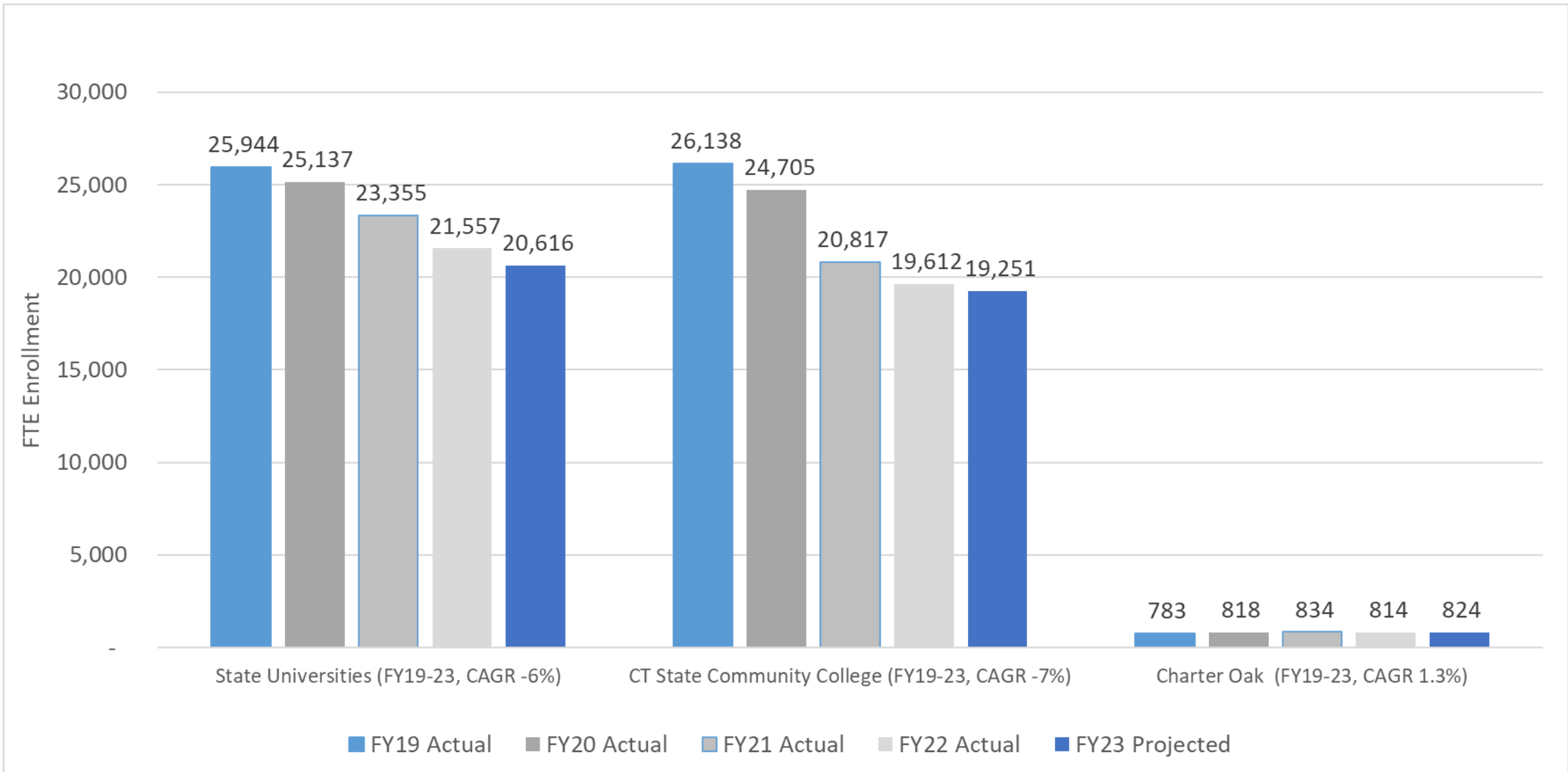
# Charter Oak State College

## FY2022-23 Mid-Year Update

<u>\$ Millions</u>	FY2023 Proj vs. Budget				
	<u>FY2022 Actual</u>	<u>FY2023 Budget</u>	<u>FY2023 Projection</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenue</b>					
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>
<b>Expenses</b>					
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%
<b>Adjustments</b>					
Transfers	(0.4)	(0.4)	(0.4)	-	0.0%
Additional Funds - ARPA	0.1	0.1	0.1	-	0.0%
<b>Net Results</b>	<u>\$0.4</u>	<u>(\$1.2)</u>	<u>(\$0.3)</u>	<u>\$0.9</u>	<u>-76.7%</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.