

**BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGES AND UNIVERSITIES (CSCU)
Minutes of Finance & Infrastructure Meeting
Thursday, February 10, 2022
Conducted Via Remote Participation**

REGENTS - PARTICIPATING (Y = yes / N = no)	
Richard J. Balducci, Chair	Y
Felice Gray-Kemp	Y
David R. Jimenez	Y
JoAnn Ryan	Y
Ari Santiago	N
*Julia Noriega, SAC Chair	N
*Brandon Iovene, SAC Vice Chair	N
*Dr. David Blitz, FAC Vice Chair	Y
*ex-officio, non-voting member	

CSCU STAFF:

Alice Pritchard, Chief of Staff
Ben Barnes, Chief Financial Officer
Keith Epstein, VP of Facilities, Real Estate, & Infrastructure Planning
Melentina Puszta, Director of Budgets and Planning
Pam Heleen, Asst. Secretary of the Board of Regents (recorder)

GUESTS:

Dr. Terry Brown, Campus CEO, Gateway Community College
Dr. Fatma Salman, Interim Dean of Academic and Student Affairs, Manchester Community College

CALL TO ORDER

Chair Balducci called the meeting to order at 10:03 a.m. Following roll call, Chair Balducci declared a quorum present.

APPROVAL OF PREVIOUS MEETING MINUTES

On motion of Chair Balducci, seconded by Regent Gray-Kemp, the minutes of the December 8, 2021 Finance and Infrastructure Committee meeting were unanimously approved as submitted.

Chair Balducci made a motion to move the discussion of the Gateway Community College Naming Opportunity to the top of the agenda. The motion was seconded by Regent Ryan and approved by unanimous voice vote.

DISCUSSION ITEM

Naming Opportunity - Gateway Community College

- Chair Balducci explained that this donation and its naming opportunity are the first to follow the Naming Policy adopted by the Board in December 2021. The naming opportunity identified is an interior space. Based on President Cheng's review of square footage and the amount of the donation, the naming opportunity was approved at the System President level and did not require Board approval. Chair Balducci wanted to take the opportunity to congratulate everyone at Gateway and to share the process with the Committee.

- Dr. Brown shared the details of the gift.
- Regent Jimenez asked about the history of the fund/source of the donation. Dr. Brown noted that the fund is a separate entity of which Lindy Lee Gold is President.
- As details of an event are coordinated, they will be shared with the Board.

ACTION ITEMS

Establishment of Community College Tuition and Fees

- Ben Barnes highlighted the rationale for the tuition and fees increase. The Staff Report accompanying the Resolution provides the details.
- The specific schedule of charges appears on page 8 (Attachment A) of the Committee packet. There is a slight discount in the per credit charge as the student takes more credits.
- Given maximum PELL and the tuition rates of neighboring states, Regent Jimenez asked whether this tuition increase is too modest. CFO Barnes noted that the increase outlined for the committee as the result of collaborative discussion with campus leadership, CT State leadership, members of the Board. He continued by stating that there is a meaningful number of students who are not well-served by financial aid (i.e., non-traditional students, part-time students). Any additional increase would be an obstacle to enrollment and completion and efforts were made to find the balance.
- The plan also calls for an increase to the set-aside for financial aid from 15% to 17% to minimize the impact of the tuition increase.
- This increase does not address the budget deficit that will face the community colleges next year. The five ways to close a budget gap (increase tuition and fees, use reserves, cut costs, increase state funding, increase enrollment) will all need to be used to some extent to address the deficit.
- The message from the Campus CEOs is that if we raise the tuition too aggressively, enrollment would be harmed because some students would not be able to afford it and that there would be a perception that it was too expensive, and it was not as good a value as it once was. This increase seems to be at a level where the impact on affordability is small enough that the campus leaders could move forward.
- If this increase needs to be revisited, there is nothing that would prohibit the Board from opening the item up for further discussion and exploration.
- David Blitz asked about full funding for the CSCU system. Ben Barnes indicated that the legislative budget request is a standalone item on the agenda and asked if the question could be held.
- David Blitz also commented on anecdotal information about the decline in the quality and quantity of services provided at the community colleges as they relate to cost savings.
- Ben Barnes noted that there have been no changes to the Tier 2 fees (on page 10 of the meeting packet). After working with various SGA groups, there now is a unified student activities fee across CT State.

Chair Balducci made a motion for a technical amendment to the last RESOLVED statement:

RESOLVED, ~~That said~~ rate adjustments may be reconsidered by the BOR should circumstances warrant.

Regent Jimenez seconded the amendment which was approved following a unanimous voice vote.

Chair Balducci made a motion to move the amended resolution forward to the full Board for consideration. Regent Ryan seconded the motion which was approved following a unanimous voice vote.

Reporting of Gifts - Manchester Community College

Keith Epstein provided introductory comments concerning the Jack Lardis gift consisting of 13 portraits and one sculpture to be donated to Manchester Community College. Dr. Fatma Salman, Interim Dean of Academic and Student Affairs, Manchester Community College was present to support the item.

On a motion by Chair Balducci and a second by Regent Gray-Kemp, the resolution was carried by unanimous voice vote for full Board consideration.

INFORMATIONAL ITEMS

- FY22 Mid-Year Projections and Budget Update

Ben Barnes and Melentina Puszta provided a budget update based on the spending through December 31 on all campuses and projections for the remainder of the fiscal year. Their presentation is included as Attachment A.

- Ben Barnes noted that the CRF funds are not reflected in the P&L. CRF funds are additional moneys, are considered a grant fund, and are not part of the general operating funds.
- Chair Balducci asked about the 23.6% decline in "All Other Revenue." Melentina Puszta explained they include all other activities on campus (i.e., athletic events, restricted activities on campus). Although the percentage change appears quite large, the change is only \$2.3 million.
- David Blitz pointed out on page 19 of the meeting packet that the current projections do not include any impact from a SEBAC agreement or any possible retroactive payment. Neither the cost of salary increases, nor any fringe benefits impact is reflected on the FY22 Mid-year Projection. He believes that this is not realistic. Ben Barnes indicated that when this data was assembled, there was no information known about the status of SEBAC agreements. More information about estimates of the aggregate cost of the SEBAC agreements will be presented during the "Legislative Budget Request" presentation.
- Regent Jimenez asked whether it has been determined that the enrollment decline is due to the pandemic and what are the campus leaders doing to turn the decline around. Ben Barnes responded that there is a long-term trend towards declining enrollment in higher education which is most pronounced as the school becomes less selective. The pandemic has accounted for precipitous drops in enrollment far beyond those expected due to fewer high school graduates. We anticipate that with relaxing of COVID mandates, enrollment might rebound, but not quickly. Efforts are being undertaken in the community colleges to improve enrollment trends (i.e., financial aid set-asides, increase contact with local high schools, Guided Pathways). Fall-to-fall retention is about 60%. Universities are working on some changes to their tuition structure related to out-of-state students to improve their enrollment situations, as well as investigating graduate programs that are in demand and might garner additional enrollment.
- Regent Jimenez indicated that the Regents would like to hear more about these plans to increase enrollment.

- Legislative Budget Request
 - Ben Barnes noted that estimates of the budget shortfall have been developed for next year across the system, based on current levels of enrollment and tuition, the proposed tuition increase, and what we know about state assistance (the Governor's budget proposal).
 - Total projected budget shortfall for next year exceed \$250M and are outlined as follows:
 - o \$23M for the 27th pay in 2023
 - o \$78M in salary and fringe for the FY22 SEBAC (retroactive raises)
 - o \$40M SEBAC FY23
 - o \$40M in associated fringe (for 27th pay and SEBAC)
 - o \$84M in lost tuition and fees due to COVID
 - o \$60M in 2 years of raises from the 2017 SEBAC agreement
 - Working to align our shortfall with the Governor's budget. Met with the leaders of all the bargaining units to give them the most current estimates of the shortfall and to let them know that we would be asking the legislature for the funds to close the gap. They have agreed to work with us and support the ask.
 - An update is expected in time for the February 24 BOR meeting.
- CSUS 2020 Program Report
 - Keith Epstein provided a report on the status and progress of the long-term capital projects across the system. The amount committed as of 11/30/2021 is \$991,773,788 and the amount expended as of the same date is \$914,307,828. Projected FY22 expenditures are \$55M+.
 - Most projects have not changed in scope or cost since the last report.
 - Next step is to start planning for 2025 bonding.

OTHER NOTE:

Regent Balducci congratulated David Blitz on his naming as a member of the Community Executive Board of the CT Mirror.

ADJOURNMENT

On a motion by Regent Jimenez, seconded by Regent Ryan, the meeting adjourned at 11:37 a.m.