

**MEETING OF THE
FINANCE AND INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education

Wednesday, March 13, 2019

10:00 a.m.

61 Woodland Street, Hartford, CT

Minutes

REGENTS PRESENT

Richard Balducci, Committee Chairman

Del Cummings (Telephonic)

Sage Maier (Telephonic)

JoAnn Ryan

REGENTS ABSENT

Felice Gray-Kemp

David Jimenez

CSCU STAFF PRESENTING

Mark Ojakian, President; Ben Barnes, Chief Financial Officer; Keith Epstein, Vice President, Facilities, Real Estate and Infrastructure Planning

With a quorum present, Chairman Balducci called the meeting to order at 10:02 a.m.

1. Approval of Minutes from the February 14, 2019 Meeting

Motioned by Regent Ryan, seconded by Regent Maier, the minutes of the February 14, 2019 meeting were unanimously approved as submitted.

2. Action Items

A. Approval of FY2020 CT State Universities and Charter Oak State College Tuition and Fees

President Ojakian expressed his appreciation for the collaboration of the university presidents in the discussions of the proposed tuition increase. Our mission is to remain affordable and sensitive to the needs of the students. Tuition increases are always the last alternative. The proposed appropriation from the State calls for flat funding. Without additional State funding, this tuition increase could leave Universities with a budget gap of \$20 million. The student leadership were included in the conversations regarding tuition and fee rate increases.

Under statutory authority, the Board of Regents reviews and establishes tuition and fees annually for the Connecticut State Colleges and Universities as the Board deems necessary.

Recommendations are developed through a process which involves discussions among the leadership and CSCU management focused upon programmatic needs and academic priorities, enrollment, the cost to students, the economy, anticipated state appropriations, and other factors.

CFO Barnes reviewed the proposed tuition and fees increases for the Universities and Charter Oak State College (attachment A). A proposal for the Community Colleges has been deferred until the April meeting. The CSU average Tuition and Mandatory Fees are proposed to increase by \$479 or 4.4% for an in-state undergraduate student. For FY19-20, CSU University Fee for in-state and NE Regional remains flat (0% increase). In an attempt to maintain competitiveness with other States, the University Fee for out-of-state is proposed to decrease by \$110 or 5%. The proposed tuition rate increase for Charter Oak is 3%.

Regent Ryan moved, seconded by Regent Maier, that the FY2020 Connecticut State Universities and Charter Oak State College Tuition and Fees Rates be approved.

Regents R. Balducci, S. Maier and J. Ryan voted in favor of the Resolution.

B. Central Connecticut State University – Funding Reallocation for Barnard Hall

Legislation allows the Board of Regents to reallocate uncommitted CSCU 2020 project funds to other CSCU 2020 named projects provided the project total costs is not increased or decreased by 5% or more when a project's total costs is valued at \$1,000,000 or more. VP Epstein commented that construction bids have been received for Central's Barnard Hall Renovation and Addition Project. The total projected estimate cost exceeds the CSCU 2020 listed budget by less than 5%. A request is being made by Central to reallocate CSCU 2020 funds to alleviate the Barnard Hall Renovation and Addition Project funding shortfall.

Motioned by Regent Ryan, seconded by Regent Maier, that Funding Reallocation for Barnard Hall at Central Connecticut State University be approved. The motion was voted favorably.

C. Reallocating of CSCU 2020 Funds for Eastern, Southern and Western Connecticut State Universities

From FY2009 through FY2016, a number of capital projects were listed in the CSCU 2020 legislation for funding design, construction and equipment at Eastern, Southern and Western Connecticut State Universities. Final completion has occurred for seven of the named projects. A request is being made to approve the reallocation of the remaining uncommitted project funds to the University Code Compliance/Infrastructure Improvement Program in the corresponding funding years.

Motioned by Regent Ryan, seconded by Regent Balducci, that the Reallocation of CSCU 2020 Funds for Eastern, Southern, and Western Connecticut State Universities be approved. The motion was voted favorably.

D. Gateway Community College – Lease of Space Agreement with the Area Cooperative Educational Services (ACES)

Gateway Community College is requesting authorization to enter into a lease agreement with the Area Cooperative Educational Services (ACES) center for their Wintergreen School relocation. ACES is one of six Regional Educational Service Centers in Connecticut whose mission is to work with their member districts in order to promote and improve the quality of education for all of their participants.

Approximately 100,000 gross square feet on the first and second floor of the North Haven Campus will be leased for an annual amount of \$350,000. Lease amount adjustments may be made, as necessitated, consistent with energy cost increases. The lease base term will be for five years with an ability to renew the contract for a total of up to ten years. ACES will assume all cleaning, security, interior maintenance, any required tenant improvements, code conformance and other operating requirements of their leased space.

Motioned by Regent Ryan, seconded by Regent Maier, that Gateway Community College be authorized to enter into a Lease of Space Agreement with the Area Cooperative Educational Services (ACES). The motion was voted favorably.

E. CHEFA Series Q Bond Sale

CFO Barnes commented on the State of Connecticut Health and Educational Facilities Authority (CHEFA) Series Q bonds that are available for borrowing for the purpose of financing residential facilities, student centers, food service facilities and other auxiliary facilities and related building and improvements of the Connecticut state universities. The four universities and System Office have looked at projects required and funding available, and have agreed upon a level of funding that is both addressing the most important needs of the universities and maintaining a fiscal position that ensures that the incurred debt is manageable.

The CSUs have identified specific projects requiring either new construction or improvement project costs totaling \$101,945,751. Of the funding required to implement this program, \$85.5M will be funded from bond sale Series Q-1 proceeds. A breakdown of the projects as outlined in attachments A and B providing the analysis and schedules in support of this request were reviewed.

Motioned by Regent Ryan, seconded by Regent Maier, that approval be granted for the issuance of Series Q bonds through CHEFA to finance construction and improvement projects. The motion was voted favorably.

There being no further business, on motion of Regent Ryan, seconded by Regent Balducci, the meeting adjourned at 10:50 a.m.