

**MEETING OF THE  
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education  
Thursday, March 19, 2015, at 10:00 a.m.  
61 Woodland Street, Hartford CT

**Minutes**

**REGENTS PRESENT**

Matt Fleury, Committee Chair  
Richard Balducci  
Sarah Greco  
William McGurk (Telephonic)

**REGENTS ABSENT**

Catherine Smith

**CSCU REPRESENTATIVES**

Mark Rozewski, Executive Vice President, SCSU; Charlene Casamento, Chief Financial Officer, CCSU; James Howarth, Vice President for Finance & Administration, ECSU; Steven Frazier, Dean of Administration, NWCC; Michael Lopez, Dean of Administration, TRCC; Cliff Williams, Chief Financial Officer, Charter Oak State College; Paul Martland, Dean of Administration, QVCC; Lise Brule, Controller, SCSU; Mary-Ann Dease, Budget Director, WCSU

**CSCU STAFF**

Gregory Gray, President; Elizabeth Caswell, Chief of Staff; Erika Steiner Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning; Christopher Forster, Controller; Karen Stone, Director of Internal Audit; Michael Kozlowski, Director, Public Affairs & Marketing; Kyle Thomas, Legislative Program Manager; Melentina Pusztay, Director, Budgets and Planning; Ernestine Weaver; Counsel; Erin Fitzgerald, Associate for Board Affairs; Rosalie Butler, Administrative Assistant for Finance

*With a quorum present, Chairman Fleury called the meeting to order at 10:00 a.m.*

**1. APPROVAL OF MINUTES FROM THE FEBRUARY 19, 2015 MEETING**

*The minutes of the February 19, 2015 meeting were unanimously approved, as written.*

## **2. INFORMATION ITEMS**

### **A. CSCU 2020 Update**

VP Epstein provided an update on CSCU projects to date. He characterized projects as being largely on schedule. He cited the CCSU classroom building as occupied and nearly complete. This project will be closed out shortly. He also indicated the SCSU lab building would be open within the next year. Epstein stated that minor capital projects for the Community Colleges, such as code compliance/infrastructure and academic improvements, are underway.

Epstein responded to Regents' questions regarding the operational costs and efficiency of new buildings coming online. Epstein also commented that estimates are coming in higher than anticipated for those projects still in the planning phase.

## **3. ACTION ITEMS**

### **A. Student Activity Fee at the Connecticut Community Colleges**

Chairman Fleury turned to CFO Steiner for further explanation. Steiner advised the Student Advisory Council (SAC) had first approached the BOR Academic Affairs Committee. This request was subsequently redirected to the Finance Committee for approval. Regent Greco explained that the Community College Student Governments would like the same flexibility as the Universities currently have to determine their own campus activity fees, as warranted. The fee schedule had not been re-examined since the early 1970s and is no longer sufficient to support costs and related activities. Pending full BOR approval, any revised Student Activity Fees will become part of the Tuition and Fee schedules for the 2015-16 Academic Year.

*The Resolution was unanimously approved on a motion by Regent Greco, seconded by Regent McGurk.*

### **B. FY16 Connecticut State Colleges and Universities Budget Forecast, Tuition and Fees, and Mitigation Plan**

Chairman Fleury remarked to the CSCU students attending that he had read their correspondence and appreciated their communication with their Presidents and Legislators. He recognized Regent Greco for her thoughtful request to not raise tuition. He then provided context for the consideration of Tuition and Fees for Academic Year 2015-16, citing the substantial fiscal challenge facing the State, alongside the requirements to both fulfill institutional missions and provide financial stability for the System. He cited the need for balance to fill a gap of nearly \$50 million. Timing is also an issue. While the Legislature has not reached a final FY16 budget, this decision comes

late for campuses, which need to publish their catalogs and literature for the next academic year.

President Gray commented that at a meeting with representatives of the State's Office of Policy and Management, he had reinforced the pledge of Transform 2020 with regard to maintaining access and affordability. Campus Presidents have been involved. Gray added a hiring freeze had been put in place. All 18 institutions, including System Office, are evaluating and fining plans for cost reductions. Discretion has been given to the campuses as to how best to close the gap. Tough decisions will be made, but not at the expense of a quality education.

CFO Steiner explained how management had arrived at this recommendation. The Governor's budget was released four weeks ago. Tuition and fees cannot wait until the State budget is finalized. The recommendation presented today is based on the best estimates of impact, with the heaviest assumption of risk to CSCU, not students.

It was first thought the budget gap was \$38 million. But with fringe benefit rates rising and the additional cost of employee retirement plan conversions, CSCU is now facing a \$48.6 million shortfall. Steiner reiterated management's commitment to a balanced budget and indicated steps were already being put into place to mitigate the deficit. A hiring freeze has been instituted and no discretionary spending is permitted.

Systemwide, the recommendation is for a 4.8% increase in tuition, or \$186 for a community college student, \$440 for a full-time, commuting, undergraduate university student, and \$321 for students at Charter Oak State College.

Steiner indicated the proposal calls for \$21.7 million (45%) of the budget gap be closed through expense reductions, \$21.6 million (44%) will come from the increase in tuition and fees, and \$5.3 million (11%) will come from a one-time balance sheet release of funds.

Discussion followed as to which positions had been frozen, the potential negative impact of employee retirement plan conversions and fringe benefit rate costs. President Gray indicated he would reach out to bargaining units to explore other cost-savings measures.

*Motion carried with Regents Fleury, Balducci and McGurk voting in favor. Regent Greco was opposed.*

### **C. Resolution concerning Reallocation of CSCU 2020 Funding for the Police Station at Western Connecticut State University**

Chairman Fleury turned to VP Epstein for further explanation. He explained the Police Station at WCSU is a 1960s structure attached to the Boiler Plant/Maintenance Facility, is undersized and generally in need of infrastructure improvements and physical enhancements.

While WCSU currently has \$1,947,000 in CSUS 2020 fund programmed in FY2017 for design and construction of a new Mini Chiller Plant, the University has subsequently determined that the Plant will not be as efficient as originally estimated and wishes to cancel the project. They further request the funding be reallocated to CSCU 2020 FY17 Code Compliance/Infrastructure Improvements program, from which \$1,700,000 will be used to construct the new Police Station.

*The Resolution was unanimously approved on a motion by Regent Balducci, seconded by Regent Greco.*

*With no other business to discuss, the meeting was adjourned at 11:27 a.m.*