

**MEETING OF THE
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education
Wednesday, March 29, 2017, at 10:00 a.m.
61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Richard Balducci, Committee Chair
David Jimenez
Holly Palmer
William McGurk (Telephonic)
Barbara Richard (Telephonic)

REGENTS ABSENT

Catherine Smith

CSCU MANAGEMENT PRESENTING

Mark Ojakian, President; Alice Pritchard, Chief of Staff; Erika Steiner, Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning;

CSCU EMPLOYEES IN ATTENDANCE

Mark Rozewski, Executive Vice President, SCSU; Charlene Casamento, Chief Financial Officer, CCSU; Michael Moriarty, Chief Financial Officer, Charter Oak State College; James Howarth, Vice President for Finance & Administration, ECSU; Sean Loughran, Associate Vice President for Finance, WCSU; Gennaro DeAngelis, Dean of Administration, ACC; Lester Primus, Dean of Administration, CCC; Paul Martland, Dean of Administration, QVCC; Alessandra Lundberg, Director of Finance, QVCC; Mary-Ann Dease, Budget Director, WCSU; Christopher Forster, CSCU Controller; Sean Bradbury, CSCU Director of Government Relations; Karen Stone, CSCU Director of Internal Audit; Maribel La Luz, CSCU Director of Communications; Melentina Pusztay, CSCU Director, Budgets and Planning; Sandra Bispham-Haywood, CSCU Director of Contracts, Purchasing and Procurement; Pamela Mikaelian; CSCU Assoc. Director, Budgets and Planning; Erin Fitzgerald, CSCU Associate for Board Affairs; Rosalie Butler, CSCU Administrative Assistant for HR

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

1. APPROVAL OF MINUTES FROM THE OCTOBER 13, 2016 MEETING

The minutes of the October 13, 2016 meeting were unanimously approved, as written.

2. INFORMATION ITEMS

A. FY2017 Projections

Chairman Balducci turned to CFO Steiner for explanation. She indicated that mid-year projections are presented annually as a way to predict how the System will end the current fiscal year, as well as providing actual results for the previous fiscal year. CFO Steiner presented highlights of the financial schedules, discussing consolidated results for the System, the individual colleges and universities, and Unrestricted Net Positions (UNP). CFO Steiner stressed that UNP is not derived from budgetary formulae, but rather comes from the prior year's audit results and serves as a gauge for the relative financial health of the System.

Steiner indicated the current projection for the total System for FY 2017 is a positive net change of approximately \$1.2 million. She attributed the forecast results to an imposed hiring freeze, a reduction in fringe benefit costs compared to budget, and the strict management of operating costs.

CFO Steiner explained that there has been a significant reduction in State Appropriations from FY16 to FY17. In FY16, the State had made a one-time contribution in tuition support of \$10 million for the Community Colleges. Further, of the \$23 million the System had set aside in "rainy day funds", the State swept approximately \$6 million, leaving \$17.5 million (or 1.5% of Net Revenues) net accrued to reserves. She stated that this represents one month's worth of operating reserves and far less than best practices dictate.

President Ojakian commended staff and cited institutions for doing a good job of holding down costs. He indicated that cost cutting is unsustainable in the long term and he is concerned about what services might be lost while trying to maintain affordability through balancing the budget on an ad hoc basis.

3. ACTION ITEMS

A. Approval of 2018 and 2019 Tuition and Fees

Chairman Balducci turned to CFO Steiner for further explanation. Steiner provided Regents with an executive summary of the schedules provided to them. She indicated that in order to provide transparency and stability, approval of tuition and fees for the next two years is being sought. This would increase tuition and fees by the following rates:

	Proposed	
	FY18	FY19
Connecticut State Universities	4.0%	4.0%
Connecticut Community Colleges	2.5%	2.5%
Charter Oak State College	4.0%	4.0%

Steiner indicated that, if the tuition is approved, only Tier II fees, housing and food rates might be adjusted for Academic Year 2019. Out-of-state tuition at the universities will be held flat. Discussion followed on Program Fee changes at the Community Colleges, as well as the possibility of unbanded tuition. Steiner discussed the Transportation Fee for undergraduates (in conjunction with DOT) whereby students would be permitted unlimited in-state ridership.

CFO Steiner spoke to the continuing decline in State support, as well as the corresponding impact of Fringe Benefit costs. She also discussed the consequences if the State does not reach the required concessions in order to achieve a balanced budget.

CFO Steiner explained the proposed tuition and fee package also seeks to expand the ACC pilot program to waive out-of-state tuition for certain students from neighboring states. Regents directed management to clearly define what constitutes a “neighboring state” and what is to be waived.

Tuition and Fees for Academic Years 2018 and 2019 were unanimously approved on a motion by Regent Jimenez, seconded by Regent McGurk.

With no other business to discuss, the meeting was adjourned at 11:00 a.m.