

**MEETING OF THE  
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education  
Thursday, April 9, 2015, at 10:00 a.m.  
61 Woodland Street, Hartford CT

**Minutes**

**REGENTS PRESENT**

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

**CSCU REPRESENTATIVES**

Mark Rozewski, Executive Vice President, SCSU; Richard Bachoo, Chief Administrative Officer, CSCU; Charlene Casamento, Chief Financial Officer, CCSU; James Howarth, Vice President for Finance & Administration, ECSU; Paul Martland, Dean of Administration, QVCC; Sean Loughran, Interim Chief Financial Officer, WCSU

**CSCU STAFF**

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; 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 MARCH 19, 2015 MEETING**

*The minutes of the March 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 1<sup>st</sup>, 2<sup>nd</sup> and third floors of Buley Library as fully operational, with the 4<sup>th</sup> floor on-target to open for summer session. He also indicated the SCSU Science Building would be open in May for use in the fall. Epstein stated that the

Advance Manufacturing Center at Asnuntuck Community College was a priority project and that minor capital projects for the Community Colleges, such as code compliance/infrastructure upgrades, are underway.

### **B. CFO's Report to the Finance and Infrastructure Committee**

CFO Steiner provided Committee Members with an update since Tuition and Fees were set at last month's meeting. She indicated that models had now been refined and included enrollment estimates from the campuses. The Community Colleges have self-identified budget gaps between \$500k - \$1.3 million, with the Universities' gaps ranging from \$3-4 million. Housing and food service are driving the larger gaps at the universities. No gap is projected at Charter Oak State College. CSCU faces a \$28 million in the aggregate.

Budget meetings have been scheduled with Dr. Gray and each institution to discuss plans to close the gaps. The general philosophy discussed at Presidents' meetings has been to keep cuts away from the student experience. All institutions have been mandated to break even. President Gray has asked leadership to consider all options.

Steiner stated the System Office will reduce its budget by \$2.6 million.

Formal budget presentations before the Finance Committee are scheduled for May 12-14, with formal approval of the consolidated budget to come before the full Board prior to fiscal year-end.

Steiner stated actions being taken include keeping positions open, not filling vacancies, and non-renewals. She also indicated Middlesex Community College had opted to close its Meriden facility, as the college faces a \$1 million gap. Discussion followed as to which governing body has the authority to close a campus, facility or program. The full Board of Regents did not vote to close the Meriden facility. Further discussed was how MxCC would close the gap if the facility were to remain open. Regent Balducci cited three amendments before the Legislature, one of which speaks specifically to MxCC.

Chairman Fleury reiterated the necessity for break-even at the Community Colleges along with the preservation of reserves. No institution may operate in deficit.

Discussion followed on what types of positions are being held open and whether life/safety positions would be impacted.

Chairman Fleury offered that as the legislature hasn't yet set the biennial budget, the Board must manage known resources. He encouraged Regent participation in the May Spending Plan meetings.

### 3. ACTION ITEMS

#### **A. Resolution concerning Tuition and General Fund Distribution Methodology at the Connecticut State Universities**

Chairman Fleury turned to CFO Steiner for further explanation. Steiner explained the System Office has aggregately collected \$600,000 from the universities' block grant appropriation for a number of years. These funds were intended to be used for unbudgeted systemwide projects, or to smooth over any sudden shifts in funding a change to the distribution model might cause.

The state budget for the 2016-17 biennium did not provide CSCU with expansion options, so no special/strategic projects will be put forth for the next several years. Further, there is no comparable mechanism in place to collect funds from the Community Colleges, so systemwide projects would not be fully funded.

Steiner stated the suspension would allow the universities to maximize usage of their state appropriation.

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

#### **B. Resolution concerning Use of Designated Fund Balance to Purchase Scientific Equipment at Southern Connecticut State University**

CFO Steiner explained that Southern had put aside unrestricted funds specifically for this purchase. CSUS 2020 paid for a portion, but this additional amount allows the university to fully equip their lab building and offer more programs. SCSU has sufficient reserves to make the purchase. She turned to EVP Rozewski for further information.

Rozewski provided examples of the equipment to be purchased. This type of equipment typically has a long life cycle and won't recur often.

*The use of up to \$1.5 million in designated fund balances was unanimously approved on a motion by Regent Balducci, seconded by Regent Greco.*

#### **C. Correction of Board Resolution #15-XX Regarding Fee Waivers (action taken at February 26, 2015 Board of Regents Meeting)**

Chairman Fleury turned to CFO Steiner for further explanation. She explained the action taken at the February 26, 2015 BOR meeting fulfilled the intent of the Resolution, but incorrectly referenced equity between online and classroom tuitions. The modified Resolution clarifies that waivers for certain residents, as defined in CGS 10a-99, apply for online courses, as well as on-ground courses.

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

**D. Affirmation of 15% Tuition Set-Aside for Financial Aid**

CFO Steiner explained that today's action would ensure a consistent, repeatable financial aid set-aside at the Colleges and Universities. As required by a combination of regulations (statute, Board of Regents for Higher Education, and respective predecessor Boards of Trustees), the sixteen institutions had already been setting aside up to as much as 15% of net tuition revenue (gross tuition, less waivers, contra-revenue and refunds) for student aid. She further explained the set aside is intended to be used in the year in which it is established and not be carried forward.

*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 10:50 a.m.*