

**MEETING OF THE
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education

Tuesday, May 12, 2015, at 9:00 a.m.

61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Matt Fleury, Committee Chair

Richard Balducci

Merle Harris

William McGurk

REGENTS ABSENT

Catherine Smith

Sarah Greco

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

Erika Steiner Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning; Christopher Forster, Controller; Kyle Thomas, Legislative Program Manager; Michael Kozlowski, Director, Public Affairs & Marketing; Melentina Pusztay, Director, Budgets and Planning; Pamela Mikaelian, Associate Director for Budgets and Planning; Rosalie Butler, Administrative Assistant for Finance

With a quorum present, Chairman Fleury called the meeting to order at 9:00 a.m.

1. APPROVAL OF MINUTES FROM THE APRIL 9, 2015 MEETING

The minutes of the April 9, 2015 meeting were unanimously approved, as written.

2. ACTION ITEMS

A. Resolution concerning Tuition Charged to Certain Veterans of the Armed Forces and Qualified Individuals under the Veterans Access, Choice, and Accountability Act of 2014

CFO Steiner explained that in order to continue to qualify for the Veteran Administration's GI Bill programs, CSCU institutions must change the way out-of-state veterans are charged tuition. Institutions must now charge in-state tuition and fees to "covered individuals." Legislative Program Manager Kyle Thomas responded to Regent questions regarding the Veteran's Choice Act. The estimated impact to CSCU is \$250,000.

The Resolution was passed unanimously on a motion by Chairman Fleury, seconded by Regent McGurk.

3. INFORMATION ITEMS

A. CSCU 2020 Update

VP Epstein provided an update on CSCU projects to date. He characterized projects as being largely on schedule and within budget. At the Community Colleges, Facilities is working on minor capital, smaller dollar projects, mostly dealing with building efficiencies. These projects would have been funded by operating budgets in the past. VP Epstein responded to Chairman Fleury's questions regarding Facilities Master Planning at the colleges and universities, indicating they are the best way to assess programmatic and facilities needs for the future. All master plans are 8-12 years old at the universities. The colleges are just starting the process, which will continue over the next 6 years.

B. FY15-16 Budget Presentations

1. **CSCU Consolidated-** CFO Steiner provided an overview of the day's presentation schedule and gave a recap of budget events, since the Governor released his budget on February 18, 2015. In the absence of a legislative budget proposal, all institutions have been asked to present a break-even scenario based on the Governor's budget.

Facing an estimated overall \$30 million deficit, Steiner explained the gap is distributed across the system using a revised distribution methodology. Charter Oak State College does not project a deficit and, as such, is not a part of the gap-closing process. The remaining 17 institutions (System Office included) were asked to calculate their own deficit and arrive at a plan to break-even. The universities have sufficient reserves to cover their respective gaps. Each institution had a gap meeting with Dr. Gray and senior

finance staff. Two institutions may need to utilize reserves in order to close their respective gaps.

Steiner indicated the Legislature might restore some funding. Without knowing the precise amount, institutional budgets were prepared based on that of Governor Malloy's proposal of 2/8/15, with little or no contingency reserves. Spending plans will be fluid, based on the state budget process. Steiner provided an overview of the consolidated budget at the present time, explaining all but two institutions are projecting flat enrollment, while two assumed decreases. There is some concern and risk built into these assumptions.

Steiner explained the System would be postponing projects, looking at vacancies and retirements, not renewing certain temporary contracts and contemplating a few layoffs in order to reduce operating expenses by some \$7 million.

Steiner further explained that as part of the presentation process, each institution had been asked to respond to the following questions:

1. Describe the actions undertaken to bridge from your original budget gap to a break-even position.
 - a) If reductions in staffing are contemplated, in which areas and how many?
 - b) What is the expected impact of reductions on students, employees, and communities?
2. How will actions undertaken impact your programs and offerings?
3. How will actions undertaken impact your class sizes?
4. Have you explored areas for regional or central sharing of services to alleviate budget strain? If so, in what areas? If not, why not?
5. If funds were added back to our final budget, which areas would you restore from the cut-backs?
6. If funds were further constricted, what areas would you be able to further reduce?

The Committee heard informational institutional budget presentations from NCC, WCSU, CCSU, QVCC, CCC and the System Office.

No action was taken. The BOR Finance Committee is scheduled to hear similar informational presentations by the remaining 12 institutions on each of May 13th and 14th (with no action to be taken). The agendas and presentations may be accessed online at: <http://www.ct.edu/regents/meetings>

With no other business to discuss, the meeting was adjourned at 1:45 p.m.