

**BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGES AND UNIVERSITIES (CSCU)
Minutes of Finance & Infrastructure Meeting
Thursday, June 9, 2022
Conducted Via Remote Participation**

REGENTS - PARTICIPATING (Y = yes / N = no)	
Richard J. Balducci, Chair	Y
Felice Gray-Kemp	Y
JoAnn Ryan	Y
Ari Santiago	Y
*Julia Noriega, SAC Chair	N
*Brandon Iovene, SAC Vice Chair	N
*Dr. David Blitz, FAC Chair	Y
<i>*ex-officio, non-voting member</i>	

CSCU STAFF:

Benjamin Barnes, VP of Administration / Chief Financial Officer
 Melinda Cruanes, Controller
 Rachel Cunningham, Administrative Assistant to Benjamin Barnes (recorder)
 Pam Heleen, Asst. Secretary of the Board of Regents
 Alice Pritchard, Chief of Staff/Chief Strategy Officer
 Melentina Puzstay, Director of Budgets and Planning

GUESTS:

Kerry Kelley, VP of Finance / Administration, CFO, CT State
 Constance Hotchkiss, Division Director of Nursing, Allied Health and Vet Tech, Northwest
 Miah LaPierre-Dreger, Interim Provost and Vice President of Academic Affairs, CT State

CALL TO ORDER:

Chair Balducci called the meeting to order at 10:02 a.m. following the roll call, Rachel Cunningham recorded a quorum present.

APPROVAL OF PREVIOUS MEETING MINUTES:

Professor Blitz requested title changes on the top of page 1 to FAC Chair vs. Vice Chair and on page 2, the last question to be changed from Regent to Professor Blitz.

Regent Gray-Kemp made a motion to amend, Chair Balducci seconded the motion, which was approved following a unanimous voice vote.

Regent Gray-Kemp made a motion to approve the amended minutes, Chair Balducci seconded the motion which was approved following a unanimous voice vote.

ACTION ITEMS:

Refugee/Asylee Assistance Policy:

A. Pritchard provided an overview of the request by the FAC Committee and CSCU campus leaders to identify ways in which educational support could be provided to refugees who would like to continue or start their education at one of our 17 institutions. This resolution would formalize a relationship with the Connecticut Department of Social Services and the state's resettlement agencies to allow for the support of refugees from any country that are extended humanitarian aid by the State of Connecticut. The CSCU System Office will establish a process in collaboration with the resettlement agency for identifying student needs and accepting agency referrals to the colleges and universities. CSCU System Office will convene a working group with points of contact for each institution to work with the agencies to better understand our educational programs and services, admissions criteria, federal, state, and institutional aid, etc. ASA Committee added reporting requirements. The resettlement agencies are looking forward to the relationship.

Regent Ryan commended the plan and applauded the contribution and the vitality it brings to all of us in the future.

Professor Blitz seconded his support for the plan and welcomed the resolution.

Regent Santiago commended the plan and all efforts made to raise enrollment in any way.

Q: Chair Balducci asked for clarification on the process of the differences between refugees (working with a resettlement agency) and asylum seekers (who came to the country on their own). A. Pritchard explained some individuals are already in the country and can be made eligible, which will result in a reverse referral back to a supporting agency.

Q: Chair Balducci asked how many other states are doing this type of program? A. Pritchard commented some institutions are sponsoring students and doing much more as referenced through the National Association of System Heads and this is just the beginning for CSCU.

Chair Balducci made a motion, Regent Santiago seconded the motion which was approved following a unanimous voice vote.

Modified FY2023 Community College Nursing fees:

Chair Balducci welcomed K. Kelley, M. LaPierre-Dreger, and C. Hotchkiss.

M. LaPierre-Dreger reviewed the 3 different education extension fees and the changes for FY23.

- CT-CCNP Student Assessment Fee ATI
- Nursing Media Fee
- Nursing ExamSoft Testing Fee

Q-Regent Ryan asked how these fees compare to other nursing programs in the state and recognized C. Hotchkiss for starting this phenomenal program 12 years ago and for the great success rates. C. Hotchkiss stated the fees are comparable to others in the state.

Q: Chair Balducci asked if this is just for the CCC's and what's the difference for university program fees, are they the same? M. LaPierre-Dreger stated that there are program fees associated with universities, but she does not have their schedule and amounts.

Chair Balducci made a motion, Regent Santiago seconded the motion which was approved following a unanimous voice vote.

Revised "Drop for Non-Payment" Policy

M. Cruanes reviewed the proposed policy to clarify drop criteria for small balances at a threshold of \$500 or below and which will create consistency across the system, protect students with small balances, and maintain responsible accounting and collection practices over students' accounts receivable. Exceptions to the policy may be made by the registrar, the student will be given a payment plan and a memo placed on file for extenuating circumstances by the registrar for up to 2 weeks and reviewed by VP Enrollment and Retention Services if further exceptions are requested. B. Barnes thanked Melinda Cruanes and Madeline Santiago for the product of the collaboration amongst departments.

Q-Chair Balducci asked if the discretion is up to the registrar for up to 2 weeks, then the VP or Director of EMSA to approve longer. M. Cruanes confirmed

Chair Balducci made a motion, Regent Ryan seconded the motion which was approved following a unanimous voice vote.

CSCU 2020 Transportation Fee

B. Barnes reviewed the current \$40 Upass fee for students. For a period of time, the federal government has provided students with free service by DOT. DOT has lowered the fee for the fall semester to \$16 for students.

Regent Ryan made a motion, Regent Gray-Kemp seconded the motion which was approved following a unanimous voice vote.

CSCU 2020 Reallocations

B. Barnes presented on behalf of K. Epstein, a resolution to reallocate any unspent or surplus funds. A correction will be made in the resolution to FY16, FY19, and FY20.

Regent Santiago made a motion, Regent Gray-Kemp seconded the motion which was approved following a unanimous voice vote.

Conveyance of Gateway Community College, North Haven Campus to ACES

B. Barnes reviewed the background of the current lease to ACES. The conveyance approval agreement will reverse services and we will pay them for usage to include provisions on maintenance, capital improvements, and unlimited rights on use and operation while looking for a new location.

Regent Ryan made a motion, Regent Santiago seconded the motion which was approved following a unanimous voice vote.

CSCU FY2023 Proposed Spending Plan

B. Barnes invited M. Puszta to present:

- CSCU institutions propose a balanced budget except for Charter Oak's projected loss of \$1.2M.
- Low tuition revenue growth and enrollment projections based on institution trends.
- One Time State Funding in FY22 and FY23 (\$300M).
- Significant number of retirements (727 FT employees).
- Increased payroll cost due to collective bargaining agreements (FY22 Estimate \$42M and FY23 Budget \$53M).
- 27th Payroll, one-time expenses occur in FY23 (\$18.4M).

Q: Chair Balducci asked for a breakdown of the "All Other Expenses" category of \$178 million. M. Puszta stated that a detailed summary can be provided but the category was summarized for this presentation and includes projections of increases due to 16-17% inflation on services such as IT and contracted services and equipment.

Q: Chair Balducci asked what happens after the one-time money has been spent. B. Barnes explained, and reiterated President Cheng's message to all the Presidents/CEOs and Finance Leaders that although we have state assistance this year, we don't have expectations that it'll occur again and each campus must review programs, cost savings, evaluation of attrition due to retirements, and make the changes now to remain balanced in future years.

Q: Regent Santiago asked for the presentation to be shared for further review to ensure full preparation before going in front of the full board on June 23rd. He asked for further explanation on what the plans are to increase enrollment. B. Barnes responded the presentation will be shared and explained the out of state tuition has been adjusted/lowered to bring in more out of state students. He described the on-campus roll-out of the guided pathways program with results to come in Fall of 2022. He commented further on the significant increase in marketing of the PACT program.

Q: Regent Santiago asked what the enrollment projections were based on? K. Kelley explained the enrollment forecast was based on a conservative budget of numbers from FY20 as a level.

Q: Regent Santiago questioned why and how Charter Oak had a decline in enrollment as our only online institution when that seems to be an area of great demand at this time. CFO Barnes responded it was due in part to new programs that were rolled out which created a FY23 deficit and responded further that we can add an update item for a future meeting to review and track the enrollment decrease.

Q: Regent Santiago requested an educational meeting for an explanation of fringe. CFO Barnes will put together a meeting to review.

Q: Professor Blitz asked about the report from WCSU, specifically page 76 referring to the financial troubles, as well as further information on the vote of no confidence in the president. He asked who/what the 73 positions are that are not being replaced? He

requested the full report. B. Barnes will confirm if the WSCU report went to the entire Board of Regents and will send the report to Professor Blitz.

Q: Regent Ryan shared on behalf of the Executive Committee that President Cheng has been addressing each of the questions raised and is monitoring each of them very closely.

Q: Chair Balducci asked for an update and review of the dollars set aside for emergency funds. B. Barnes explained that there is an approximate \$1 million set aside as UNP and that a small surplus has been built in for all the schools.

Q: Regent Santiago asked if there is tracking data on the total dollars spent per student, 2010, 2015, 2020, etc. and if there is a target ratio being set. B. Barnes indicated that the cost per student in the State of CT is rising, due to the SEBAC agreement and declined enrollment as pointed out by NCHEMS during the review of WCSU and that we are considerably higher than other regional schools across the country. B. Barnes will gather further data and share it with the committee.

Regent Gray-Kemp acknowledged the tremendous work put in by the entire Finance Department to pull the data together for review and along with Chair Balducci looks forward to reviewing further over the next 2 weeks leading up to the full board.

Q: Professor Blitz questioned a 1% increase in spending on page 48 and what that was due to as the consolidation is supposed to reduce costs. K. Kelley responded that currently, there are some one-time transition costs before consolidating which make this year higher, in addition to the once every 11 years payroll.

Q: Professor Blitz asked why there are well over 500 positions posted and would like a follow-up. K. Kelley and B. Barnes explained that the majority will be positions/people currently on the campuses who will join CT State, in addition to retirements. B. Barnes highlighted the overview slide of FY20-FY22 total retirements again and that the rate of retirement of non-faculty positions is 3x higher and it is still being seen as a plan for attrition savings so reserves will be as strong as possible.

P. Heleen stated that the Proposed Spending Plan slide deck has been distributed to the committee and will be included in the minutes.

Regent Ryan made a motion to adopt, seconded by Regent Santiago, which was approved following a unanimous voice vote.

Regent Santiago & Chair Balducci acknowledged further the gratitude for all the work on the budget from the entire finance team.

Adjournment

The meeting was adjourned at 11:30 a.m.

FY2023 Budget

Finance and Infrastructure Committee

June 9, 2022

Ben Barnes, CFO

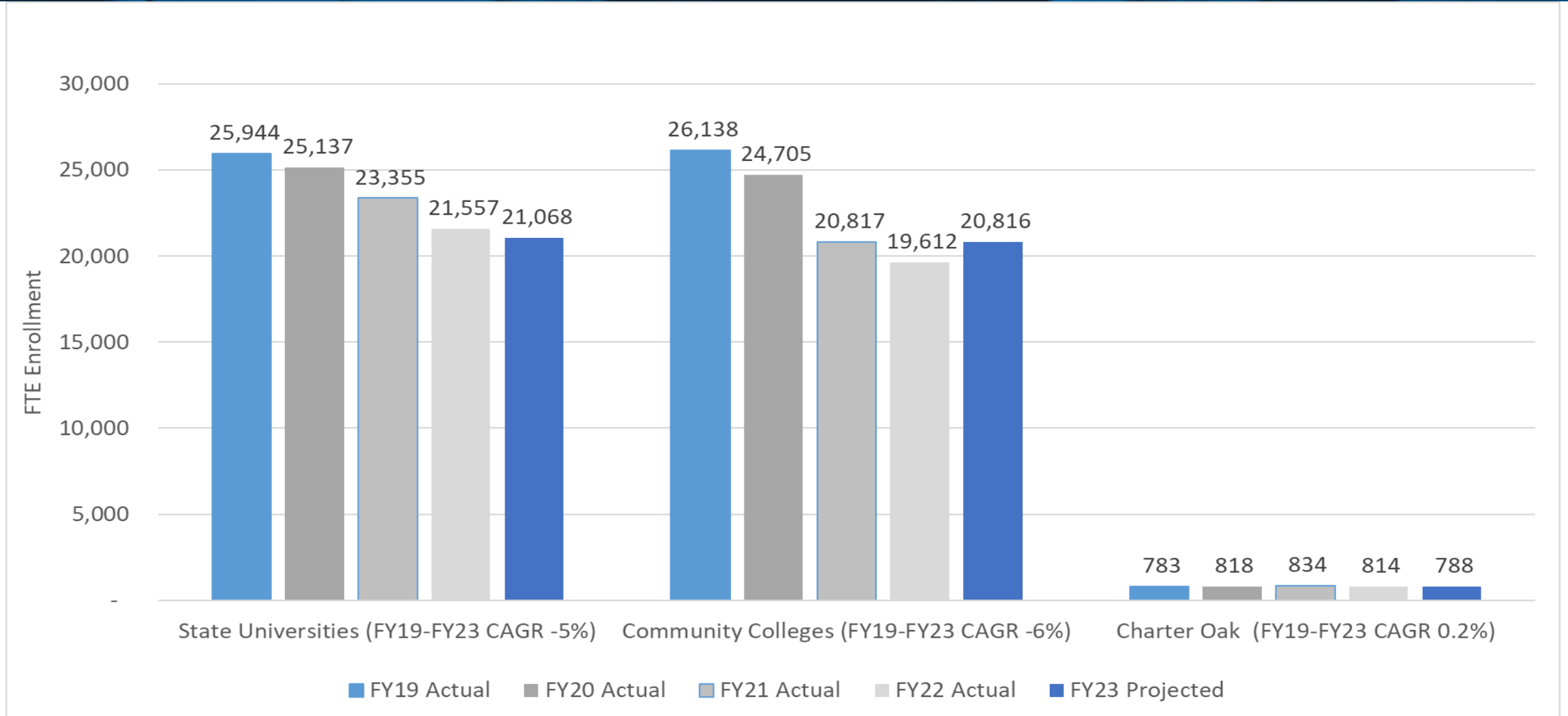
CSCU

***Connecticut State
Colleges & Universities***

Overview - FY23 Proposed Spending Plans

- ✓ CSCU Institutions proposed a balanced budget with the exception of Charter Oak's projected loss of \$1.2M.
- ✓ Low tuition revenue growth and enrollment projections based on institution trends.
- ✓ One Time State Funding in FY22 and FY23 (\$300M).
- ✓ Significant number of retirements (727 FT employee).
- ✓ Increased payroll cost due to collective bargaining agreements (FY22 Estimate \$42M and FY23 Budget \$53M).
- ✓ 27th Payroll, one-time expenses occur in FY23 (\$18.4M).

FY 2019-22 Actual & FY 2023 Projected FTE Enrollment

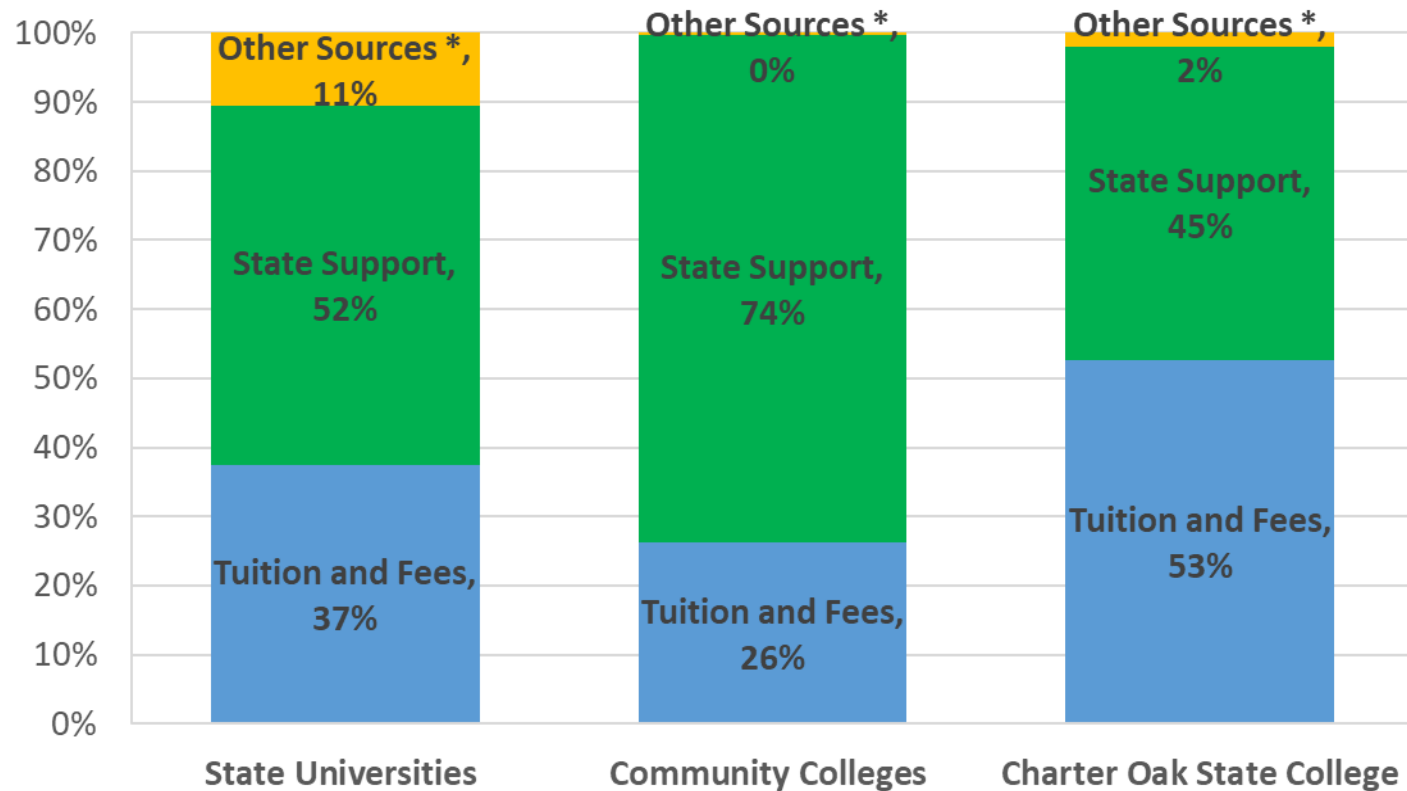


FY2022 and FY2023 - State Appropriations

<i>\$ Millions</i>	FY 2022		FY 2023	\$ Change	
	Original	Approved	Approved	FY22	FY23
State Appropriations	\$ 304.8	\$ 307.8	\$ 307.4	\$ 3.0	\$ 2.7
Developmental Services	8.9	8.9	8.9	-	-
Outcomes-Based Funding Incentive	1.2	1.2	1.2	-	-
O'Neill Chair	-	-	0.3	-	0.3
Fringe Benefits Paid By State	286.5	288.0	305.9	1.5	19.4
Additional Operating Fund Fringe Paid by State	61.0	61.0	64.5	-	3.5
* Deficiency Funding for Wages (Leg. Source ARPA FY23)	-	21.6	24.0	21.6	24.0
* Provide Support for Salary Cost of the 27th Payroll	-	-	10.0	-	10.0
* RSA Adjustment	-	12.1	44.7	12.1	44.7
* Fringe with RSA Adjustment	-	12.3	30.1	12.3	30.1
* Provide Operations Support Through Short-Term Recover	-	-	118.0	-	118.0
* ARPA Funding	10.0	10.0	5.0	-	(5.0)
Grand Total	\$ 672.4	\$ 722.8	\$ 920.1	\$ 50.5	\$ 247.7

* One Time Funding

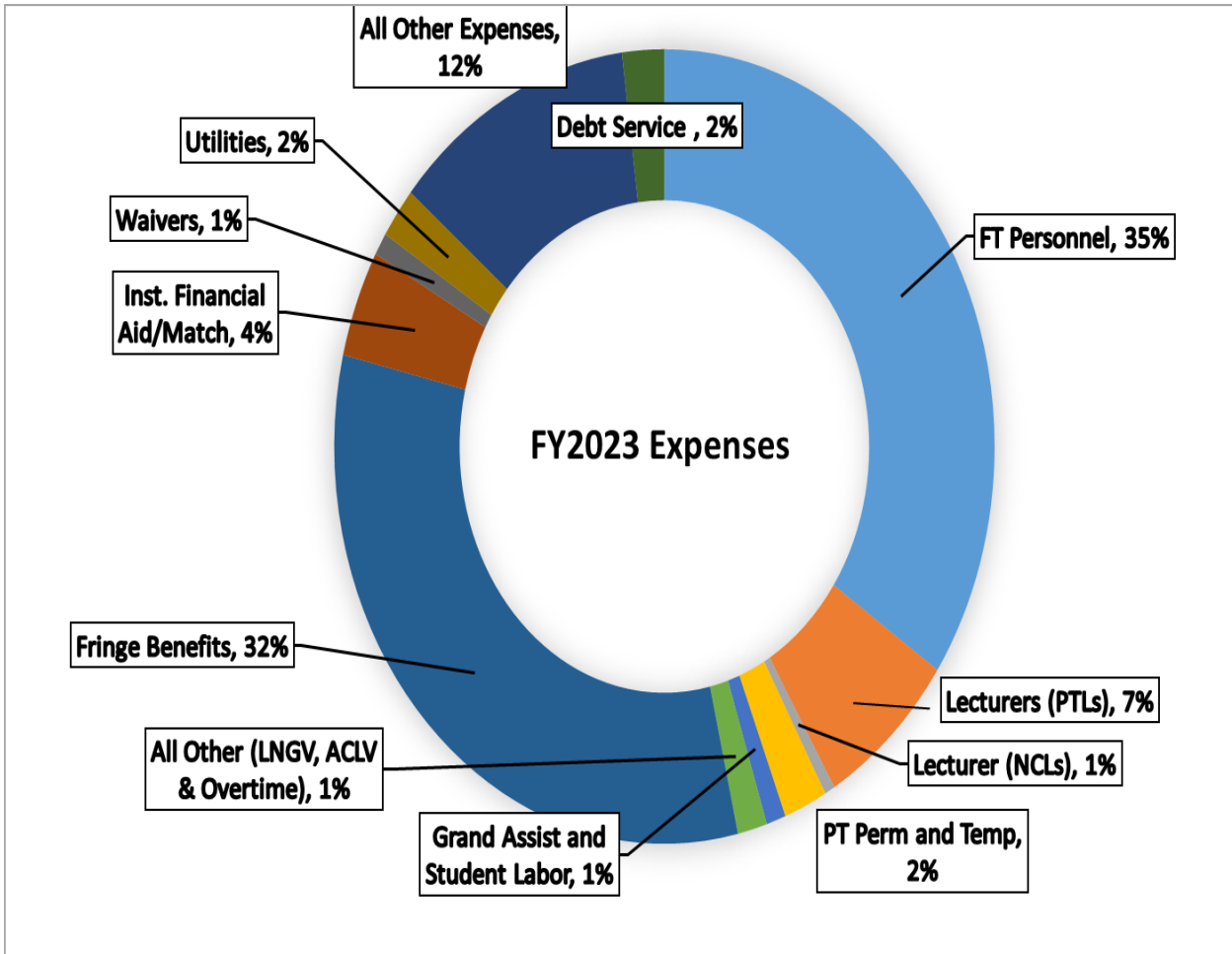
FY2023 Spending Plan – Revenue Sources



* Other Sources: Room & Board, all other revenue and contra revenue.

<i>Revenue (\$ in millions)</i>	<u>FY23 Budget</u>	<u>% of Total</u>
<u>State Universities</u>		
Tuition & Fees	\$ 329.8	38%
State Support	455	52%
Room & Board	89	10%
Other Sources	4	1%
Total	<u>\$ 878</u>	<u>100%</u>
<u>Community Colleges</u>		
Tuition & Fees	\$ 160.9	26%
State Support	449	73%
Other Sources	2	0%
Total	<u>\$ 611.8</u>	<u>100%</u>
<u>Charter Oak</u>		
Tuition & Fees	\$ 11.3	53%
State Support	10	45%
Other Sources	0	2%
Total	<u>\$ 21.3</u>	<u>100%</u>

FY2023 Spending Plan – Expenses



<u>Expenses (\$ in millions)</u>	<u>FY23 Budget</u>	<u>% of Total</u>	<u>FY19-FY23 CAGR *</u>
FT Personnel	\$ 517.3	35%	6%
Lecturers (PTLs)	103.3	7%	4%
Lecturers (NCLs)	7.5	1%	1%
PT Perm and Temp PT	32.0	2%	-2%
Grand Assist and Student Labor	14.2	1%	-1%
All Other PS & Overtime	21.7	1%	-3%
Sub Total PS	695.9	46%	5%
Fringe Benefits	483.9	32%	6%
Total PS and Fringe Benefit	1,179.9	79%	5%
All Other Expenses	178.3	12%	4%
Inst. Financial Aid/Match	65.2	4%	3%
Waivers	13.7	1%	-4%
Utilities	31.1	2%	0%
Debt Service	30.9	2%	-3%
Total All Other OE	319.2	21%	2%
GRAND Total	\$ 1,499.1	100%	5%

* CAGR - Compound Annual Growth Rate, represents the value change over the time period.
 Excel formula = ((Ending Value/Beginning Value) ^ (1/No. of Years)-1)

FY2020-FY2022 Retirements

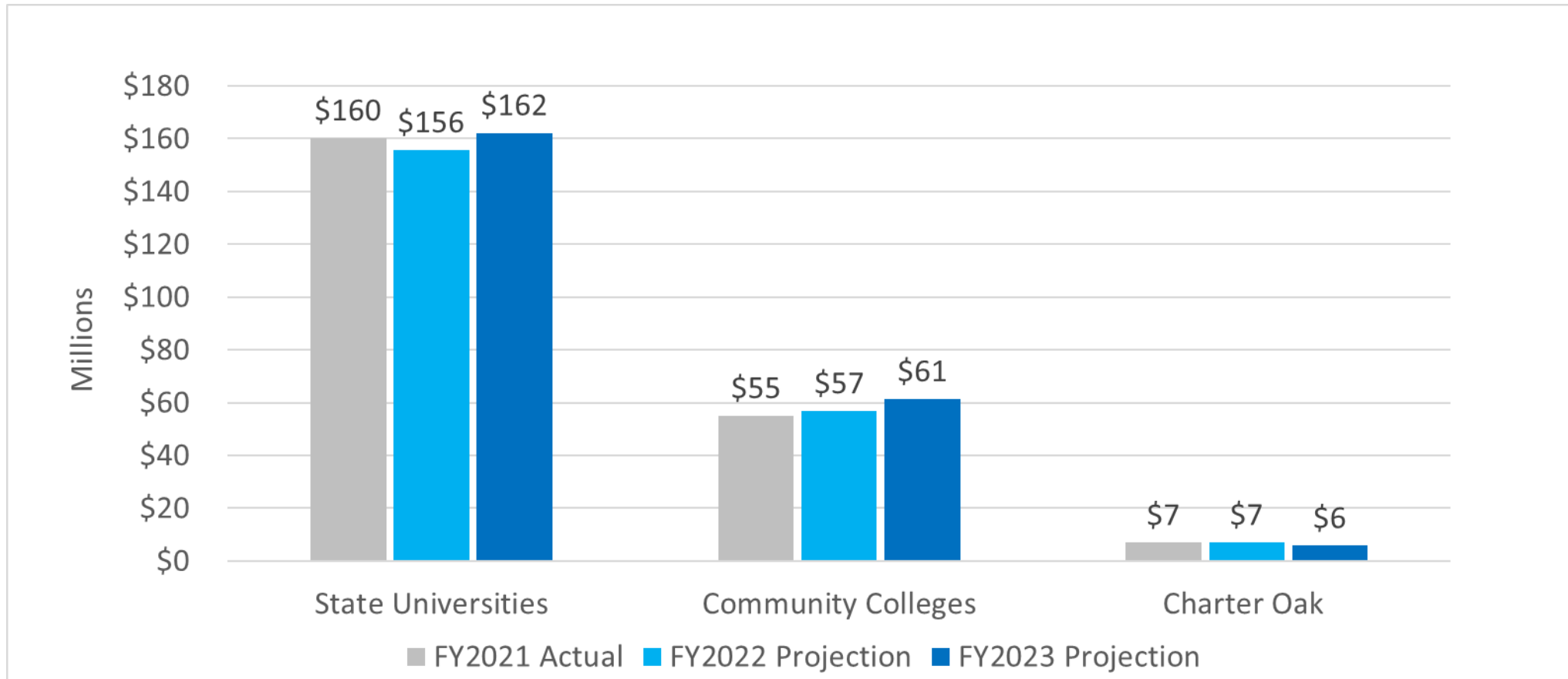
Retirements, Headcount Full-time Employees

	FY2020			FY2021			FY2022*		
	<i>Faculty</i>	<i>Non-Faculty</i>	<i>Total</i>	<i>Faculty</i>	<i>Non-Faculty</i>	<i>Total</i>	<i>Faculty</i>	<i>Non-Faculty</i>	<i>Total</i>
Community Colleges	29	53	82	39	68	107	112	202	314
State Universities	36	59	95	38	75	113	128	264	392
Charter Oak		2	2	-	3	3	-	6	6
System Office/Shared Services		4	4	-	12	12	-	15	15
Total CSCU	65	118	183	77	158	235	240	487	727
% of Total Full-time Positions	3%	4%	4%	4%	5%	5%	5%	16%	14%

Note:

* FY22 includes 152 pending retirements with effective date 7/1/22

Unrestricted Net Position (UNP) - Balances



Notes:

UNP balances do not reflect the following GASB adjustments:

- GASB 68 Adjustment for Pension Liability
- Cumulative GASB 75 Adjustment for OPEB Liability

FY2023 Challenges and Opportunities

- ✓ Growth in revenue and enrollment
- ✓ Efficiencies and cost management requires evaluation of:
 - ❖ financial performance of academic programs and functions.
 - ❖ filling in vacant positions in critical areas due to large number of retirements.
 - ❖ services that might be shared among all institutions to provide system-wide cost savings.
 - ❖ opportunities to create incentives to drive efficiencies and effectiveness.