

**BOARD OF REGENTS FOR HIGHER EDUCATION  
CT STATE COLLEGES AND UNIVERSITIES (CSCU)  
Minutes of Finance & Infrastructure Meeting  
Wednesday, September 14, 2022  
Conducted Via Remote Participation**

<b>REGENTS - PARTICIPATING (Y = yes / N = no)</b>	
Richard J. Balducci, Chair	Y
Felice Gray-Kemp	N
Ari Santiago	Y
*Dr. David Blitz, FAC Chair	Y
<i>*ex-officio, non-voting member</i>	

**CSCU STAFF:**

Benjamin Barnes, VP of Administration / Chief Financial Officer  
 Rachel Cunningham, Administrative Assistant to Benjamin Barnes (recorder)  
 Keith Epstein, VP of Facilities, Real Estate & Infrastructure Planning  
 Pam Heleen, Asst. Secretary of the Board of Regents  
 Melentina Puszta, Director of Budgets and Planning  
 Angelo Simoni, Jr, Senior Executive Director; Compliance, Equity, Student Relations

**CALL TO ORDER:**

Chair Balducci called the meeting to order at 10:32 a.m. following the roll call, Rachel Cunningham recorded a quorum present.

**APPROVAL OF PREVIOUS MEETING MINUTES:**

*Chair Balducci made a motion to approve the minutes of the June 9, 2022 Finance Committee Meeting. Regent Santiago seconded the motion which was approved following a unanimous voice vote.*

**INFORMATIONAL ITEMS:**

**Change in Schedule for Tuition and Fee Adoption**

CFO Barnes explained the proposal to move the adoption of the University Tuition & Fee Schedule from February/March 2023 to October 2022. Currently, the timing prevents the Universities from accurately telling students who are accepted early what their out-of-pocket costs their financial aid package will be. By moving the date to October these obstacles will be eliminated. CT State Tuition & Fee Schedule will be on the December agenda, and

Charter Oak has asked to defer setting their tuition and fees until early next year so that a cost analysis of competitors can be completed. The tuition & fee schedule for Charter Oak will be on the February meeting agenda. The shift in timing is better for enrollment, but we do lose some information about the level of State aid. CFO Barnes continued by stating that we cannot raise tuition enough to balance the budget this year, not would we ever try to balance the budget on the backs of students. From a Board decision-making standpoint, the question is what level of tuition increase can be implemented while not harming students and based on the availability of financial aid, tuition levels at competitive institutions, and anticipated State aid.

Q: Regent Santiago asked with the options provided, what can the Board do to help in presenting a balanced budget?

CFO Barnes explained that CSCU submits a Biennium Baseline Budget which assumes the current practices and laws and no change in funding levels and identifies a significant budget gap. In addition to moving the tuition setting process earlier to generate more student enrollment, they are looking for specific preliminary budget options from the campuses that will reduce expenses or increase revenue (i.e., building new programs, merging departments, or eliminating underperforming programs). The analysis and development of the selected options will eventually lead to Board actions for approval.

Q: Chair Balducci commented further on the question of what we can do. He suggested both initiatives to increase in enrollment and an increase in room and board fees for the Universities. He also suggested that campuses might begin to think about ways to cut (redirection of) 1%, 2%, 3%, or 5% in spending.

CFO Barnes responded that each of the Presidents and heads of the Colleges are working on identifying a combination of things that will realistically grow enrollment and revenue and believe that the last resort is implementing across-the-board cuts.

Q: Professor Blitz asked about the situation at Western, specifically if they are expected to return to a balanced budget within one year and if there is any plan to use the System reserves to aid them in any way.

CFO Barnes responded that Western and Southern have keen financial challenges next year and to some degree, so do Eastern and Central. With respect to providing System reserves to Western, the Board has the authority to do it and there may be a requirement to do it. He referred to the situation at Eastern 15 years ago when reserves were depleted/negative there. No transfer of reserves was needed, and they recovered with a stable financial footprint. He does not believe that Western will need a transfer of System reserves in this budget cycle as they have already undertaken some severe hiring restrictions and economization moves. Each institution will have a customized series of moves to stabilize their finances.

## ACTION ITEMS:

### I. FY2024- FY2025 Biennium Baseline Operating and Capital Budget

CFO Barnes summarized the Baseline Operating Budget noting that if we do nothing (which would never be the case) we anticipate a system-wide deficit of \$106 million in FY24 and \$115 million in FY25, both are driven almost entirely by revenue and to a lesser degree because of the additional operating budget expense related to the SEBAC raises.

CFO Barnes continued with follow-up comments concerning percentage budget cuts at the institutions. He noted that across-the-board Board-directed cuts may not be in the long-term best interest of the campuses. A well-planned, thoughtful custom approach centered on institution-driven recommendations for revenue generation and cost containment is the way to balance the budget and fulfill our organizational mission.

Q: Professor Blitz asked about the 178 Guided Pathway advisors and where the funding comes from after FY23.

CFO Barnes stated the outcomes of the Guided Pathways program and initiatives are still being evaluated, the number of advisors has reduced based on current enrollment and turnover to 160. The funding source moving forward will come from tuition, fees, state assistance, and other operating revenues. Results of the Guided Pathways program are preliminary.

He also reviewed the request for Capital Budget Submission. There are a number of projects that were not funded in the past and make up about \$200 million of the \$500 million capital budget. He commented that we will defer larger projects to maintain program funding for infrastructure. The approval is for the first 2 years of the 10-year Capital Program. Professor Blitz referred to page 25 of the packet, Expenditures for the BOR and asked about job postings under the BOR and how are the funds allocated for SO, Universities, Colleges, and Shared Services.

CFO Barnes stated that level of detail is in the full budget report, which shows all expenses for governance activities; the line item listed on page 25 only shows a portion of President Cheng's and possibly Pam Heleen's salary. Most Shared Services support the Community Colleges, but there are a few people whose salary is split between the Colleges and Universities in Facilities, Comptroller, and Legal Departments, and many of the senior leaders and staff at the System Office.

CFO Barnes noted that CT State in New Britain is well beyond the planning stages; there are people working in New Britain or are in the process of transferring to CT State. Shared Services is a convenient way to organize now through the System Office and it continues to change based on the needs through the transition. The resources from a budget and management perspective will likely change as of July 1, 2023.

*Chair Balducci made a motion to adopt the Biennium Baseline & Operating Budget. Regent Santiago seconded the motion which was approved following a unanimous voice vote and adopted.*

## II. Use of Residential Halls Policy

Chair Balducci welcomed Angelo Simoni to summarize the proposed policy. Currently, the policy only includes married spouses. This revision adds partners, dependent children, and domesticated pets and will now allow for guest lecturers and visiting faculty. Students always have first priority, but this will bring in more revenue and bring the use of residence halls to full capacity.

Q: Chair Balducci asked how many people can live there with the employee, how many children.

A. Simoni said it's based on need, not more than 2 children in 1 bedroom; the housing departments will make the appropriate determination of space needed.

Q: Chair Balducci asked when providing housing, are we also providing meals.

A. Simoni responded we are not providing meals for spouse, partner, or dependent children, only the employee.

Q: Chair Balducci asked if there is a policy regarding liability, are we held harmless for any actions taken by spouse, partner, or children if there is an incident?

A. Simoni explained that our Legal Department checked with UConn and completed a thorough legal analysis to make sure that the liability aspects are covered. With respect to pets, the universities reserve the right to require renter's insurance and liability insurance of the employee. The liability to the Universities is determined to be low. We are requiring background checks as allowed by law to ensure the safety of our students.

Q: Chair Balducci asked if the campus can be sued for accidents, such as falling down stairs?

As these areas are considered public areas, A. Simoni responded that anyone can file a lawsuit. CFO Barnes commented that the maintenance of the facility is the same legal standard that every landlord has, no new burden is added, and the risk is very small. A. Simoni added that this policy has been in effect for many years at the Universities and they are looking for a successful continuation of that.

Q: Professor Blitz asked if during the summer term, when temporarily using the conferences, do people need background checks and should it be amended to be for fall and spring, versus summer? He commented further that if a background check is required for all conferences, it will impede the attendance of the event and the success of the conference. He recommended an amendment or separate policy be made by the voting members of the committee to add an exception for such conferences and short-term stays.

A. Simoni responded whether for one week or two, there is flexibility within the policy for the Universities to complete the background checks based on the timing of occupancy and if it is deemed necessary.

CFO Barnes disagreed with Professor Blitz's interpretation of the policy and pointed out the language on Page 45, Section I, Subsection D, states the Universities "may" complete background checks as deemed appropriate. He agrees that for short conferences or summer usage, well-informed Universities can be selective when it is appropriate.

Regent Santiago stated he's supportive of the "may" language and is glad to see it provides the Universities with flexibility. Chair Balducci stated he is glad to see the clarification of what the policy states.

Regent Santiago shared further clarification that it is a staff requirement vs. non-university personnel and guests as stated on Page 46, 2 Subsection B.

*Chair Balducci made a motion to adopt the resolution; Regent Santiago seconded the motion which was approved following a unanimous voice vote.*

### III. Acceptance of Gifts - TRAK Machine Tools

K. Epstein introduced the ongoing relationship between the retired TRAK Equipment President Richard Leonhard and his wife Marion with the Advanced Manufacturing Program at CT State. Last year's donation was \$250 million in equipment. This year, 2 pieces of equipment valued at \$104,000 are being donated for Tunxis's new Advanced Manufacturing Program.

Regent Santiago expressed gratitude and support of these continuing relationships for the great opportunities and value provided to our students to give them real-world equipment training and education.

*Chair Balducci made a motion to adopt the resolution; Regent Santiago seconded the motion which was approved following a unanimous voice vote.*

### ADJOURNMENT

*Chair Balducci made a motion to adjourn, Regent Santiago seconded, and the meeting adjourned at 11:45 AM.*