BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGES AND UNIVERSITIES
(CSCU)
Minutes of Finance & Infrastructure Meeting
December 11, 2024
Conducted in-person and virtually

REGENTS – PARTICIPATING (Y = yes / N = no)	
Richard J. Balducci, Committee Chair	Y
Marty Guay, BOR Chair	Y
Ari Santiago	N
Erin Stewart	N
Ted Yang	Y
*Charlene Casamento	Y
*Brendan Cunningham, FAC Chair	Y
*Colena Sesanker, Vice Chair FAC	N
*ex-officio, non-voting member	

CSCU STAFF:
Terrence Cheng, Chancellor
Lloyd Blanchard, VP of Administration & Chief Financial Officer
Keith Epstein, VP for Facilities, Real Estate & Infrastructure Planning
James Howarth, VP of Finance & Administration/CFO, Eastern Connecticut State University
Kerry Kelley, VP of Finance & Administration/CFO, CT State Community College
Michael Moriarty, VP for Administration/CFO, Charter Oak State College
Melentina Pusztay, Director of Budgets and Planning
Ronald Thomas, Interim VP of Finance & Administration/CFO, Western Connecticut State University
Rachel Cunningham, Admin Assistant to Lloyd Blanchard (recorder)
Pamela Heleen, Secretary of the Board of Regents

CALL TO ORDER:

Committee Chair Balducci called the meeting to order at 10:05 a.m. Following the roll call, Rachel Cunningham recorded a quorum present.

APPROVAL OF PREVIOUS MEETING MINUTES:

Chair Balducci made a motion to accept the minutes of the October 7, 2024 meeting, seconded by Regent Yang, which were approved by a unanimous vote.

Chair Balducci made a motion to accept the minutes of the October 17, 2024 meeting, seconded by Regent Yang, which were approved by a unanimous vote.

INFORMATION ITEM:

<u>BOR Finance Committee Preparation Calendar</u> (Attachment A)

CFO Blanchard provided an overview of the calendar which outlines a new approach to Board Finance Committee meetings aimed at enhancing early board involvement in decision-making. It introduces a structured meeting schedule with key standing items such as budget approvals and operating requests, along with legislative strategy and budget formulation activities. The process emphasizes early engagement, with staff reports being shared for feedback before meetings, and office hours for board members to address questions to ensure informed voting and real-time collaboration.

Q: Regent Yang asked if the current fiscal year will be reviewed and how the Board will be engaged.

> CFO Blanchard responded that informal discussions are already taking place for the next fiscal year, involving the Chancellor, key Board members, and other stakeholders. The goal is to align the Board's priorities with the upcoming legislative session. Starting in April, the budget formulation process will officially begin with guidance sent to institutions for the fiscal year starting July 1.

Q: Regent Yang asked for further information on what is planned to inform the Board, NCHEMS, and OPM of the capital and master plans.

> CFO Blanchard suggested scheduling a special Board meeting in the spring or incorporating a review into the February mid-year update meeting to ensure that the board is aware of the planning process, 10-year master plans, and capital expenditures already in progress ahead of the formal review in May.

> Chancellor Cheng emphasized the importance of improving communication and alignment among all stakeholders, including NCHEMS and OPM, to ensure clarity and avoid misunderstandings. He acknowledged the ongoing work and stressed the need to present information at the right times and in the right way, fostering more transparent and effective communication going forward.

Q: Prof Cunningham asked if the audited financial statements, which are expected to be delivered in December, will be reviewed as part of the budget process.

> CFO Blanchard confirmed that the audit statements will be reviewed and presented at the Audit Committee meeting scheduled for January 14, 2025.

Prof Cunningham commended the budget process for transparency and asked about the value and effectiveness of investing resources into refining the capital budgeting process, given the historical challenges in securing funding for projects. Despite efforts to create well-structured requests, there's doubt about whether the funding will be provided, making the process seem less worthwhile.

Chair Guay expressed gratitude for the positive response in developing the model, which aligns with the committee's requests for greater transparency and clarity in the workflow and reporting process. He agreed that this is a positive step forward, acknowledging the System Office's constructive response in creating the model, and building a strong foundation for future improvements.

Chair Balducci emphasized that while CSCU can propose capital projects, final approval lies with the legislature, which meets from January to June. To secure funding, it is crucial to align with legislative priorities and provide information to legislative leaders and committees starting in January.

Chancellor Cheng committed to staying focused on CSCU's capital needs, especially for the approved $335 million in funding for health and safety infrastructure projects that have not yet been allocated. He emphasized that the success of the capital plan depends on the legislature's support, and they will remain steadfast in keeping the lawmakers informed.

Q: Chair Guay inquired about the approval process for the schedule and when the plan would be shared with the full Board.

> CFO Blanchard stated the document is an internal planning document that can be shared and revised as necessary.

P. Heleen will share the schedule with the full Board in the administrative biweekly updates with an effective date.

ACTION ITEM:

FY26 Tuitions & Fees

Chair Balducci reiterated that CSCU will not be raising tuition but will need to vote on the increased CSU food service fees and CT State credit card transaction fees.

CFO Blanchard stated that some food service costs are increasing automatically because of existing contracts. The increases in student fees are necessary to cover the rising costs outlined in contracts with food service providers. The revenues from food service fees do not always cover these costs and plans to close that gap will be implemented modestly to avoid a large, sudden hike.

The proposed increases for FY26 are:
- 3.5% for Central Connecticut State University
- 2.9% for Eastern Connecticut State University
- 5.6% for Western Connecticut State University
- 3.9% for Southern Connecticut State University

Chair Balducci commented that there is difficulty in finding multiple vendors to bid for food service contracts, which limits competition in the process.

Professor Cunningham highlighted the food insecurity faced by students on campuses, noting the existence of food pantries and urging contractors to consider this issue when negotiating food services. He also pointed out the flooding of the food pantry at Western, emphasizing the need for more support and realistic solutions to address student needs in such an affluent state.

Regent Yang expressed concern about the lack of uniform food services across CT State campuses, emphasizing that the State should ensure students are adequately fed, especially given the provision of free education. He requested that we address the issue of food insecurity more systemically, potentially involving nonprofit funding and advocated for a more consistent and fair approach to food contracts across campuses.

C. Casamento provided information from the Department of Social Services to share with students to help access SNAP benefits.

CFO Blanchard provided an overview of the State mandate Section 438-441 of Public Act 21-2 which requires that state agencies pass along any fees for credit card and debit card transactions, (Staff Report page 29). The Secretary of OPM can waive these fees, but this waiver will expire in June 2025. Currently, CT State absorbs significant costs from these fees,

ranging from $700,000 to $800,000 annually. The proposal is to allow CT State to charge fees to cover these costs. If approved, these fees could start in the fall, or as early as the spring of 2025, which would help offset about $400,000 of the annual costs for the remainder of this fiscal year.

Q: Chair Guay asked for clarification to understand the per-person cost.

CFO Kelley explained that the credit card fee would depend on the base amount being charged, such as for daycare, parking fines, or tuition. For a full-time student paying their entire semester on a credit card, the maximum fee would be around $73, while smaller fees like parking fines could result in a minimum charge as low as $5.

P. Heleen raised a point of order, referring to last year's resolution, which grants the CSCU Chancellor the authority to make necessary adjustments to tuition and fee rates for FY2025, as long as the overall cost doesn't significantly increase the financial burden on students.

C. Balducci accepted the point of order and agreed that the early beginning for the charge of credit card fees falls under this Resolution and will not need an amendment to the schedule for FY26 Tuition & Fees as stated.

Chair Balducci made a motion to move the resolution to the full Board for approval, seconded by Regent Yang, which was approved by a unanimous vote.

CFO Blanchard provided an overview of Eastern Connecticut State University student fee requests seeking approval to raise the residential social fee by $4, increasing it from $40 to $44, and joining the UPass program, which allows students to use the bus system throughout the state for a $40 fee.

C. Balducci supports these changes, noting that the fee increase is minimal but necessary and that including Eastern in the UPass program is a positive development for the students.

Q: Chair Guay asked the Chancellor to investigate food pantry and food insecurity issues and return to the committee with an assessment to help the board understand how to better support students and maximize available benefits to assist them.

Chancellor Cheng accepted the request and will provide an update.

Chair Balducci made a motion to adjourn, Regent Yang seconded, and following a unanimous vote the meeting adjourned at 11:34 a.m.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Standing item for BOR approval		Mid-Year Update				Spending Plan		Operating & Capital Request				Tuition & Fees
Standing item for BOR information		Accountability Report #2 (F&I), Enrollment Report #2 (ASA)			Awards (BOR), Accountability Report #3 (F&I); Capital Program Review(F&I, Tech)			Completions Report (ASA)		Accountability Report #1 (F&I), Enrollment Report #1 (ASA)		
Shared Governance		*Legislative Strategy Meetings*		*Budget Formulation*	*Budget Hearings*							*Legislative Strategy Meetings*
State Funding Process	Governor submits budget	Legislative session begins		Legislative Session	Legislative session ends	Start of Fiscal Year, OPM Budget Guidance			Deadline for Current Service submission to OPM	Deadline for Policy Options submission to OPM	Governor/OPM develops budget	
Finance & Infrastructure Committee (CFO)												
Budget process starts with Fall & Spring Strategy Meetings		Feb 1 - Mar 30									Nov 1 - Dec 15	
CFO sends budget guidance to institutions				Apr 1								
Institutions develop budgets				Apr 1 - 30								
Budget hearings					May 1st - 30th							
1. Develop draft Staff Report	Dec 25 - Jan 2	Jan 29 - Feb 6			Apr 23 - May 1	May 28 - Jun 5		Jul 30 - Aug 7		Sep 24 - Oct 2		Nov 19 - 27
2. Socialize draft Staff Report with Committee	Jan 3 - 7	Feb 7 - 11			May 2 - 6	Jun 6 - 10		Aug 8 - 12		Oct 3 - 7		Nov 28 - Dec 2
3. Revise draft Staff Report based on feedback	Jan 8 - 9	Feb 12 - 13			May 7 - 8	Jun 11 - 12		Aug 13 - 14		Oct 8 - 9		Dec 3 - 4
4. Send final Staff Report to Committee	Jan 10	Feb 14			May 9	Jun 13		Aug 15		Oct 10		Dec 5
5. CFO office hours for Committee members	Jan 13 - 14	Feb 17 - 18			May 12 - 13	Jun 16 - 17		Aug 18 - 19		Oct 13 - 14		Dec 8 - 9
6. Committee Meeting	**Jan 15**	**Feb 19**			**May 14**	**Jun 18**		**Aug 20**		**Oct 15**		**Dec 11**
7. Send final Staff Report to all Regents	Jan 17	Feb 21			May 16	Jun 20		Aug 22		Oct 17		Dec 12
8. CFO office hours for all Regents	Jan 20 - 21	Feb 24 - 25			May 19 - 20	Jun 23 - 24		Aug 25 - 26		Oct 20 - 21		Dec 15 - 16
9. BOR Meeting	**Jan 23**	**Feb 27**			**May 22**	**Jun 26**		**Aug 28**		**Oct 23**		**Dec 18**
Technology Committee (CIO)												
1. Develop draft Staff Report	Dec 25 - Jan 2	Jan 29 - Feb 6	Feb 26 - Mar 6		Apr 23 - May 1	May 28 - Jun 5			Aug 27 - Sep 4	Sep 24 - Oct 2	Oct 29 - Nov 6	Nov 19 - 27
2. Socialize draft Staff Report with Committee	Jan 3 - 7	Feb 7 - 11	Mar 7 - 11		May 2 - 6	Jun 6 - 10			Sep 5 - 9	Oct 3 - 7	Nov 7 - 11	Nov 28 - Dec 2
3. Revise draft Staff Report based on feedback	Jan 8 - 9	Feb 12 - 13	Mar 12 - 13		May 7 - 8	Jun 11 - 12			Sep 10 - 11	Oct 8 - 9	Nov 12 - 13	Dec 3 - 4
4. Send final Staff Report to Committee	Jan 10	Feb 14	Mar 14		May 9	Jun 13			Sep 12	Oct 10	Nov 14	Dec 5
5. CIO office hours for Committee members	Jan 13 - 14	Feb 17 - 18	Mar 17 - 18		May 12 - 13	Jun 16 - 17			Sep 15 - 16	Oct 13 - 14	Nov 17 - 18	Dec 8 - 9
6. Committee Meeting	**Jan 15**	**Feb 19**	**Mar 19**		**May 14**	**Jun 18**			**Sep 17**	**Oct 15**	**Nov 19**	**Dec 11**
7. Send final Staff Report to all Regents	Jan 17	Feb 21	Mar 21		May 16	Jun 20			Sep 19	Oct 17		Dec 12
8. CIO office hours for all Regents	Jan 20 - 21	Feb 24 - 25	Mar 24 - 25		May 19 - 20	Jun 23 - 24			Sep 22 - 23	Oct 20 - 21		Dec 15 - 16
9. BOR Meeting	**Jan 23**	**Feb 27**	**Mar 27**		**May 22**	**Jun 26**			**Sep 26**	**Oct 23**		**Dec 18**
HR & Administration (AVC-HR)												
1. Develop draft Staff Report	Dec 18 - 26		Feb 19 - 27		May 21 - 29				Aug 20 - 28			Nov 12 - 20
2. Socialize draft Staff Report with Committee	Dec 27 - 31		Feb 28 - Mar 4		May 30 - Jun 3				Aug 29 - Sep 2			Nov 21 - 25
3. Revise draft Staff Report based on feedback	Jan 1 - 2		Mar 5 - 6			Jun 4 - 5			Sep 3 - 4			Nov 26 - 27
4. Send final Staff Report to Committee	Jan 3		Mar 7			Jun 6			Sep 5			Nov 28
5. AVC office hours for Committee members	Jan 8 - 9		Mar 12 - 13			Jun 11 - 12			Sep 10 - 11			Dec 3 - 4
6. Committee Meeting	**Jan 10**		**Mar 14**			**Jun 13**			**Sep 12**			**Dec 5**
7. Send final Staff Report to all Regents	Jan 17		Mar 21			Jun 20			Sep 19			Dec 12
8. AVC office hours for all Regents	Jan 20 - 21		Mar 24 - 25			Jun 23 - 24			Sep 22 - 23			Dec 15 - 16
9. BOR Meeting	**Jan 23**		**Mar 27**			**Jun 26**			**Sep 26**			**Dec 18**
Audit (Controller)												
1. Develop draft Staff Report	Dec 18 - 27											
2. Socialize draft Staff Report with Committee	Dec 30 - Jan 3											
3. Revise draft Staff Report based on feedback	Jan 6 - 7											
4. Send final Staff Report to Committee	Jan 8											
5. Controller office hours for Committee members	Jan 13											
6. Committee Meeting	**Jan 14**				**May 27**							**Dec 16**
7. Send final Staff Report to all Regents	Jan 17				May 16							Dec 12
8. Controller office hours for all Regents	Jan 20 - 21				May 19 - 20							Dec 15 - 16
9. BOR Meeting	**Jan 23**				**May 22**							**Dec 18**