

**MEETING OF THE
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education

June 9, 2016, at 10:00 a.m.

61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Matt Fleury, Committee Chair

Richard Balducci

William McGurk

Barbara Richards

Catherine Smith (Telephone)

CSCU REPRESENTATIVES

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

CSCU STAFF

Mark Ojakian, President; Erika Steiner, Chief Financial Officer; Sean Bradbury, Legislative Program Manager; Christopher Forster, Controller; Melentina Pusztay, Director for Budgets and Planning; Pamela Mikaelian, Associate Director of Budgets & Planning; Maribel La Luz, Director of Communications; Louisa Despina, Administrative Assistant for Finance

With a quorum present, Chairman Fleury called the meeting to order on Thursday, June 9, 2016 at 10:05 a.m.

1. APPROVAL OF MINUTES FROM THE MAY 11-13, 2016 MEETING

The minutes of the May 11-13, 2016 meeting were unanimously approved, as written.

INFORMATION ITEMS

A. CSCU 2020 Update

VP Epstein provided an update on CSCU 2020 and other capital projects to date. Most of projects are on schedule and within budget, while some projects are ahead of schedule. Some major project are scheduled at Central Connecticut State University for Kaizer Hall renovations. Eastern Connecticut State University has some minor Capital Improvement Projects and Shafer Hall Renovations (those projects will be part of CHEFA bond that will go out for bid in August). Western Connecticut State University scheduled some exterior renovations and window replacements. VP Epstein stated that all projects are going well without any issues.

2. ACTION ITEMS

A. Approval of FY 2016-17 Budget for the Connecticut Colleges and Universities

CFO Steiner said that the budget hearings lasted over the course of three days and all of the seventeen institutions provided their individual, preliminary budgets that were based on the Governor's Proposed Budget. However, CFO Steiner stated that as of June 8, 2016, \$14.5 million additional spending reductions are required due to the State holdbacks and there will be an estimated fringe benefit impact of such holdbacks as well. The additional state appropriations compared to the preliminary budget has afforded the CSUs to set aside contingencies to support the institutions and/or potential for reductions in appropriations, and improve the negative results in the final submitted budget. Savings realized from the FY16 hiring freeze that roll into FY17 have been redeployed to fund contingency reserves, auxiliary equipment services, and compliance program and energy conservation. CFO Steiner explained that Three Rivers CC has forecasted an enrollment decline of 8% instead of 5% decline for a more conservative view and the costs have been reduced accordingly to present a balanced budget. The Charter Oak State College state appropriation has been reduced and there was an impact on fringe benefits as well.

President Ojakian pointed out that budget is a "moving target" and is always up for debate. He added that all teams did a great job presenting their budgets with contingency plan. He added that in the future there should be serious conversations with the stakeholders about conducting business differently. There is a need for a much more sustainable business model.

Regent Balducci proposed a change to Board Resolution to replace: "That the Board of Regents *may* request that each institution and the System Office submit a progress report on their budgets during the year" with "That the Board of Regents *shall* request." Regent Balducci requested to reflect the \$14.5 million impact of holdbacks in Board Resolution as well.

A motion by Chairman Fleury, seconded by Regent Balducci, carried unanimously to approve FY2016-17 Budget for the Connecticut Colleges and Universities with the above proposed changes.

B. Out-of-State Tuition Waiver Pilot Program at Asnuntuck Community College

CFO Steiner explained that with the fall 2016 semester, Asnuntuck Community College (ACC) proposes to offer tuition and fee rates to Massachusetts residents that are consistent with those typically reserved for Connecticut residents. Discounting the price of tuition will help to attract out-of-state enrollment. It involves the leveraging of need and/or merit-based institutional grants and scholarships to reduce the net costs for prospective students in hopes of encouraging their enrollment. This form of "back end" tuition discounting is not possible at ACC due to policy restrictions that limit the use of institutional funds to Connecticut residents. ACC is requesting that the discounting of tuition be made effective at the front end of the transaction, rather than in an ex post factor manner. The only way to increase enrollment is to increase applications. ACC staff is confident that they will get enough students to apply.

The Resolution concerning Out-of- State Tuition Waiver Pilot Program at Asnuntuck Community College was unanimously approved on a motion by Chairman Fleury, seconded by Regent McGurk.

C. Scholarship Program at Eastern Connecticut State University

President Ojakian stated that Eastern Connecticut State University (ESCU) has been offered a unique opportunity to participate in a scholarship program sponsored by TheDream.US (“Dream”). Qualified students are DREAMers (young undocumented immigrants who came to the US as children and have graduated from a U.S. high school) who are unable to access federal financial aid or assistance needed to complete a college education. ESCU hopes to extend this opportunity to as many as 50 students beginning in the fall 2016 and pay up to \$80,000 for their education throughout their four years at the university. The program will accept only academically qualified students and can include both Connecticut and out-of-state residents.

The Resolution concerning Scholarship Program at Eastern Connecticut State University was unanimously approved on a motion my Chairman Fleury, seconded by Regent Balducci.

D. Authorization to Issue Bonds through the State of Connecticut Health and Educational Facilities Authority

CFO Steiner explained that Connecticut Health and Educational Facilities Authority (CHEFA) is one of the ways of financing capital projects for Connecticut State Colleges and Universities. VP Epstein mentioned some of the proposed projects for the FY17: Manafort Parking Garage (preconstruction), Memorial Hall Interior Mechanical Renovation and Minor Capital Projects Program. All CHEFA projects are funded from student fees. There are three types of fees that are used for CHEFA projects: University fee, general University fee and housing fee. Board policy requires that the cost of debt service on new residence halls must be supported 80% by housing fees. 20% of the cost of all projects are supported by the University Fee. VP Epstein stated that payment of debt service is an obligation of the Connecticut Colleges and Universities. The four state universities have no authority to borrow directly through CHEFA.

The Resolution concerning Authorization to Issue Bonds through the State of Connecticut Health and Educational Facilities Authority was unanimously approved on a motion my Chairman Fleury, seconded by Regent Balducci.

E. Modification of Tuition and Fee Refund Policy to Align Language with Academic Calendar

SFO Steiner said that the Tuition and Fee Refund Policy consolidates the three constituent groups into a single policy, while recognizing the differences in the timing and scheduling of academic calendars existing within the broader single academic-year calendar. The policy does not change the substance of the former policy and includes all technical changes.

The Resolution concerning Modification of Tuition and Fee Refund Policy to Align Language with Academic Calendar was unanimously approved on a motion my Chairman Fleury, seconded by Regent Balducci.

With no other business to discuss, the meeting was adjourned at 11:23 a.m.