

**MEETING OF THE
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education
Thursday, January 7, 2016, at 10:00 a.m.
61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Matt Fleury, Committee
William McGurk (Telephonic)
Catherine Smith (Telephonic)

REGENTS ABSENT

Richard Balducci

CSCU REPRESENTATIVES

Mary Ellen Jukoski, President, TRCC; Mark Rozewski, Executive Vice President, SCSU; Kenneth DeLisa, Vice President for Institutional Advancement, James Howarth, Vice President for Finance & Administration, ECSU; Sean Loughran, Interim Vice President for Finance & Administration, WCSU; Gennaro DeAngelis, Dean of Administration, ACC; Lester Primus, Dean of Administration, CCC; Steven Goetchius, Dean of Information Technology, TRCC

CSCU STAFF

Erika Steiner Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning; Michael Kozlowski, Director, Public Affairs and Marketing; Karen Stone, Director of Internal Audit; Melentina Pusztay, Director for Budgets and Planning; Erin Fitzgerald, Associate for Board Affairs; Rosalie Butler, Administrative Assistant for Finance

With a quorum present, Chairman Fleury called the meeting to order at 10:00 a.m.

1. APPROVAL OF MINUTES FROM THE OCTOBER 8, 2015 MEETING

The minutes of the October 8, 2015 meeting were unanimously approved.

2. INFORMATION ITEMS

A. State Funding of Higher Education Update

CFO Steiner provided Committee members with a timeline of changes to lapses, holdbacks, rescissions, and other adjustments to CSCU constituent general funds since the initiation of the FY16 Budget. Discussion followed on the need to rename the Transform 2020 line item to more clearly reflect its purpose, Developmental Education.

The total impact of the State’s Deficit Mitigation is as follows (\$000s):

	<u>\$ 000s</u>
General Fund Impact (excluding Transform CSCU)	(1,939.4)
General Fund Impact of Transform CSCU	(776.2)
CSU Reserves	(1,800.0)
CCC Reserves	(1,800.0)

CFO Steiner also informed Committee members about a new GASB 68 pronouncement, which requires CSCU to record a \$550 million pension liability as part of its FY15 financial statements.

B. Schedule of 2016 Committee Meetings

CFO Steiner gave an overview of the 2016 yearly calendar, highlighting when the Mid-Year Spending Plan Review, Tuition and Fees, Biennial Budget approval and Spending Plan presentations will take place.

C. 2015 Grant Report

CFO Steiner provided the Committee with a grant inventory of the 17 Connecticut State Colleges and Universities as prepared by the BOR’s Office of Sponsored Programs. It details the number of grants awarded by funding source and type (as of September 30, 2015).

D. CSCU 2020 Semi Annual Report

VP Epstein provided Committee members with the CSCU 2020 report, sent semi-annually to the Governor and Legislature, per statute. The report details all programs, funds allotted, the total available, commitments to date, expenditures and the general project status. VP Epstein highlighted many of the special projects undertaken or completed in the past 6 months. The overall cost and performance of LEED rated buildings was discussed. In response to Regent questions, VP Epstein also outlined the funding mechanism and annual request process for CSCU 2020.

E. Proposed Redevelopment of the Southern Connecticut State University Long Wharf Site

VP Epstein provided background on Southern’s award of the custody and control of the 140,250 gross square-foot former Gateway Community College site by the BOR in March of 2014. He further explained that site studies had been commissioned to determine best use of the facility. The study determined that the existing facility cannot be cost-effectively kept in service for continued academic use.

Epstein continued that because the Long Wharf site is directly accessible and visible from I-95, the area surrounding has seen considerable recent redevelopment for destination retail shopping. Southern’s assessment of the Long Wharf site show considerable value could be

accessed to serve the needs of the university. The principal goal of the project is to meet the academic needs of the university, without requiring significant state or student funding.

Epstein characterized the proposal as being in an extremely early stage. Southern would solicit real estate developers, through a formal request for proposal, to enter into a long-term agreement to build physical improvements at the Long Wharf site, potentially resulting in mixed commercial and academic use. As the process is further defined, the Committee will be kept apprised.

3. ACTION ITEMS

A. Right of First Refusal for Property Acquisition for Eastern Connecticut State University

VP Epstein explained that at ECSU, long-term land use policy has been to acquire additional land when available. The largest single land mass adjacent to ECSU is the Windham Technical High School property owned by the State. If, or when, Windham Tech may relocate to a new site, ECSU would like the BOR to obtain a right of first refusal option for the property.

Motion by Regent Fleury, seconded by Regent McGurk, to seek legislative modification providing a right of first offer to obtain custody and control of the Windham Technical High School site at such time as the property may be surplus. Motion carried.

B. Transfer of State Land at Manchester Community College to the Town of Manchester for Hillstown Road

VP Epstein explained that the Town of Manchester has requested the State transfer a parcel of land totaling .314 acres for improvements to Hillstown Road via land conveyance act. The Town plans improvements to Hillstown Road by widening it, both for safety purposes and to increase roadway sightlines to the north and south of the College entrance. The requested parcel is not usable for any other purpose than roadway development.

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

B. Reallocation of Authorized but Unallocated Bond Funds and Cancellation of the Theater Entrance Project for Three Rivers Community College

VP Epstein provided background on the authorization to construct a new 15,076 square-foot addition at TRCC. The addition would have housed a 300-seat auditorium with theatrical stage dressing rooms, storage and other support spaces. In 2015, TRCC re-evaluated their most current academic and student program needs, in addition to the theater. Based on that evaluation, TRCC deemed its academic needs more critical in nature and decided to cancel funding for the Theater and Entrance project.

Instead, TRCC has outlined a number of building enhancements to better support academic and student needs: Tutoring and Academic Success Center, Library and

Student Services office.

Epstein further explained that pending a legislative modification to PA 09-2, \$5,700,000, will be reallocated to the above three projects, while \$5,906,676 will be reallocated for deferred maintenance to the System-wide Community College Compliance/Infrastructure Improvement program. The Three Rivers Theater and Entrance Project will be cancelled.

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

With no other business to discuss, the meeting was adjourned at 11:15 a.m.