



Board of Regents

Agenda & Notice of Special Meeting *

Finance & Infrastructure Committee

Board of Regents for Higher Education

Friday, May 1, 2020 @10:00 a.m.

CONDUCTED VIA WEBEX REMOTE PARTICIPATION

audio only (no video)

Call-in toll-free number 1-877-668-4493

Meeting number/access code: 195 375 727**

1. **Declaration of Quorum**

2. **Approval of Joint Minutes for Finance & Infrastructure Committee and Human Resources & Administration Committee from the March 11, 2020 Meeting**

3. **Information Item**
 - a) **Fiscal Impacts of Corona Virus Pandemic**

4. **Adjourn**

* - Technical issues necessitated rescheduling the 4/29/20 Regular Meeting of the Finance & Infrastructure Committee to 10 am, Friday, May 5, 2020.

** - After entering the meeting number/access code above, you should **not** be prompted to enter another code or password. Should that occur, however, use 8h4GAK8DY85

**BOARD OF REGENTS FOR HIGHER EDUCATION
JOINT MEETING OF FINANCE & INFRASTRUCTURE
COMMITTEE
HUMAN RESOURCES & ADMINISTRATION COMMITTEE
Wednesday, March 11, 2020 @10:30 a.m.
Regents Boardroom System Office, 61 Woodland Street, Hartford, CT 06105**

COMMITTEE MEMBERS PARTICIPATING

Richard J. Balducci, Chair – Finance & Infrastructure
Naomi Cohen, Chair – Human Resources & Administration (via teleconference)
Felice Gray-Kemp (via teleconference)
David R. Jimenez (via teleconference)
JoAnn Ryan (via teleconference)

CSCU STAFF PARTICIPATING

Ben Barnes, Chief Financial Officer
Andrew Kripp, Vice President of Human Resources
Keith Epstein, Vice President of Facilities, Real Estate & Infrastructure Planning
Joe Tolisano, Chief Information Officer
Greg DeSantis, Executive Director of CSCU Student Success Center & Academic Initiatives

CALL TO ORDER

With a quorum present, Chairman Balducci called the meeting to order at 10:32 a.m.

APPROVAL OF JANUARY 29, 2020 MINUTES FROM THE FINANCE COMMITTEE MEETING AND JANUARY 23, 2020 MINUTES FROM THE HUMAN RESOURCES & ADMINISTRATION MEETING

Regent Jimenez moved, seconded by Regent Ryan, the minutes of the January 29, 2020 Finance Committee meeting were unanimously approved as submitted.

Regent Balducci moved, seconded by Regent Jimenez, the minutes of the January 23, 2020 Human Resources and Administration Committee meeting were unanimously approved as submitted.

Information Items

- **CSCU 2020 Semi-annual Report**

VP Epstein provided a status report and progress on numerous projects that are being performed under CSCU 2020 at the universities. The bulk of the \$4 million awarded to the State universities will be spent by end of summer 2020. Since the inception of the CSCU 2020 program, an estimated \$850 million has been spent on campus projects and renovations.

- **Guided Pathways Implementation**

CFO Barnes provided a fiscal summary and outline for the implementation of a Holistic Case Management Advising policy at the CSCU Community Colleges that will be rolled out over a three-year period. The program is designed to provide an advisor and support staff to all degree and certificate seeking students to ensure they stay on track to completion. The policy is one of the primary pillars of Guided Pathways to improve completion rates and close the achievement gap. The estimated cost is \$3 million in the first year of the program. Funding for implementation of this advisement program at three community colleges this fall, with additional colleges coming on-line over the two following years. A full-scale implementation at the 12 colleges could produce an additional \$20 million or more and increase full-time equivalent enrollment by 20%. Conservative assumptions predict that Guided Pathways will pay for itself over time.

- **Students First Update – Shared Services**

The Students First Plan supports institutional resources through cost effective ways that improves the quality of services. The plan consolidates administrative functions of the separate accredited institutions allowing for uniform procedures and creating significant and recurring savings and revenue enhancement. Greg DeSantis commented that based on feedback received, the plan language was modified.

Administrative functions are planned for the restructuring in three main areas: Human Resources, the Office of Information Technology and Finance and Administration shared services. Outlines of the plan were reviewed by Vice President Kripp, CIO Tolisano and CFO Barnes. Combined administrative functions includes creating a HR Centers of Excellence, a centralized IT office, reduction of facilities staffing to industry standards, centralized management of capital projects and expanding system support for day-to-day financial operations. The colleges' budgets that are not converting to shared services will remain at the college level.

Action Item

- **Property Conveyance Between Gateway CC, North Haven Campus and the Area Cooperative Educational Services (ACES)**

VP Epstein reported on the property conveyance between Gateway CC, North Haven campus and the Area Cooperative Educational Services (ACES). As a cost savings measure the CSCU and ACES is seeking to obtain legislation for a conveyance bill to transfer ownership of GCC's North Haven campus from the care of the Board of Regents for Higher Education to ACES. The college relocated its academic programs except the Automotive Technology program from the North Haven campus to the new Church Street location in 2012. The change of ownership requires legislation. As part of the conveyance, a long-term leaseback for GCC's Automotive Technology program will be sought and subject to BOR's approval prior to finalizing conveyance approval.

It was unanimously voted to approve the Property Conveyance Between Gateway CC, North Haven Campus and the Area Cooperative Educational Services (ACES) on the motion of Regent Jimenez, seconded by Regent Gray-Kemp.

Adjournment

There being no further business, on motion of Regent Cohen, seconded by Regent Jimenez, the meeting adjourned at 11:35 a.m.

ITEM

Fiscal Impacts of Corona Virus Pandemic

Overview

The ongoing pandemic has wide-ranging impacts on the operation of CSCU that will continue and change over the coming months. While there remains massive uncertainty regarding our longer-term outlook, some of the near-term impacts are becoming better understood. In particular, this item provided information on the following:

- CARES Act student and institutional funding
- Corona Virus-related expenditures as reported by campus
- State Budget outlook

In addition, several fee reductions related to operations under the pandemic have been made by the universities under the terms of the February 6 Tuition and Fee Resolution. This report provides notice to the committee of those changes, as required under that resolution.

CARES Act Funding

The federal CARES Act provides funding for higher education as part of the Higher Education Emergency Relief Fund (HEERF). In total, CSCU institutions will receive \$54.6 million, of which half must be dedicated to emergency student financial assistance. The formula amounts for each institution are shown in the table below.

For the student funding, which has already been made available for drawdown by institutions, the Colleges and Universities have developed similar methodologies for distributing assistance, based on guidance provided by the US Department of Education (USDOE).

In each case, the late disclosure last week that the USDOE will require that the student-based funding be limited to FAFSA-eligible students has forced CSCU to adapt our intended payment methodologies, which would have included non-FAFSA filers also. President Ojakian has written to Secretary DeVos to express CSCU's desire to provide assistance to the nearly 30,000 non-FAFSA filers, and to ask that the USDOE revise its guidance in alignment with the flexibility provided by Congress with respect to these funds. In order to get funding quickly into the hands of as many needy students as possible, both the colleges and universities will fund the FAFSA-filers right away, and will hold back funding to cover the non-filers while we see if our advocacy efforts bear fruit.

For the colleges, funding will be made available to each student enrolled in for-credit classes this spring, including those who have withdrawn post-census. Only students who are on CSCU employee or dependent waivers will be excluded, along with high school partnership and second-chance Pell students. Each student will get the same grant of approximately \$350, depending on the college.

The Universities will make payments to students based on the number of credits enrolled for the spring, with a higher grant paid to students who receive Pell grants. Again, only the grants for FAFSA-filers will be paid now, and the remaining students will be paid in a few weeks if the USDOE changes its guidance.

The remaining “institutional” portion of the CARES Act grants will be used by the universities to partially reimburse the room and board refunds that were paid to students in when the campuses closed. This will cover slightly more than half the cost of those refunds. The use of the colleges’ institutional allotment is not yet determined, as we continue to track eligible expenses and develop the FY21 spending plan.

CARES Act Allocations

College Name	Total Allocation	Minimum Allocation to be Awarded for Emergency Financial Aid Grants to Students	Spring 2020 Headcount	FAFSA Eligible	NOT FAFSA Eligible	% Ineligible
Asnuntuck	\$ 1,215,438	\$ 607,719	1,610	909	701	44%
Capital	\$ 2,032,022	\$ 1,016,011	2,874	1,855	1,019	35%
Gateway	\$ 4,296,723	\$ 2,148,362	6,150	3,502	2,648	43%
Housatonic	\$ 3,450,869	\$ 1,725,435	4,183	2,587	1,596	38%
Manchester	\$ 3,235,201	\$ 1,617,601	4,973	2,334	2,639	53%
Middlesex	\$ 1,323,379	\$ 661,690	2,173	987	1,186	55%
Naugatuck	\$ 3,819,528	\$ 1,909,764	5,389	2,764	2,625	49%
Northwestern	\$ 602,265	\$ 301,133	1,334	548	786	59%
Norwalk	\$ 3,189,661	\$ 1,594,831	4,751	2,211	2,540	53%
Quinebaug	\$ 889,048	\$ 444,524	1,210	630	580	48%
Three Rivers	\$ 2,253,229	\$ 1,126,615	3,342	1,873	1,469	44%
Tunxis	\$ 2,185,505	\$ 1,092,753	3,419	1,899	1,520	44%
CC Total	\$ 28,492,868	\$ 14,246,438	41,408	22,099	19,309	47%
Central	\$ 9,009,014	\$ 4,504,507	9,902	5,267	4,635	47%
Eastern	\$ 4,433,725	\$ 2,216,863	4,267	3,241	1,026	24%
Southern	\$ 8,390,168	\$ 4,195,084	9,212	6,773	2,439	26%
Western	\$ 4,256,393	\$ 2,128,197	5,266	3,433	1,833	35%
CSU Total	\$ 26,089,300	\$ 13,044,651	28,647	18,714	9,933	35%
CSCU Total	\$ 54,582,168	\$ 27,291,089	70,055	40,813	29,242	42%

Corona Virus Expenditures

Campuses have been closely tracking expenses related to the pandemic. The accounting of expenses through 4/7 is shown below. These expenses have been reported to OPM and it is anticipated that certain categories will be reimbursed out of emergency response funding provided to the State. The significant expenses paid by the Universities to clear out facilities for use as surge hospitals and first responder accommodations is expected to be fully covered by the state at a minimum. We will continue to track these expenses and work to ensure maximum reimbursement.

CSCU Projected Expenses				
COVID 19 Est. cost of Student Refunds, Expenses and Donated Items (as of 4/7/2020)				
Colleges:	Expenditures	Spring 2020 Semester Student Refunds	Donated Items	Total
Asnuntuck	\$ 2,391	\$ 62,858	\$ 1,518	\$ 66,767
Capital	13,672	615,440	5,728	634,840
Gateway	20,993	36,968	4,320	62,281
Housatonic	37,107	41,473	1,495	80,075
Manchester	-	147,452	-	147,452
Middlesex	468	44,683	2,703	47,854
Naugatuck Valley	2,024	7,490	38,360	47,874
Northwestern	3,961	29,208	6,400	39,569
Norwalk	29,217	8,978	85,668	123,863
Quinebaug	21,877	22,919	1,216	46,012
Three Rivers	81	25,882	5,214	31,178
Tunxis	12,867	-	1,770	14,637
System Office	240,931	-	-	240,931
Total CCC	\$ 385,590	\$ 1,043,351	\$ 154,393	\$ 1,583,334
Charter Oak State College	\$ 57,488	\$ 447,858	\$ 290	\$ 505,636
State Universities				
CCSU	2,551,396	6,957,692	11,186	9,520,274
ECSU	374,887	6,648,974	-	7,023,861
SCSU	1,372,278	6,818,543	-	8,190,821
WCSU	720,092	3,704,562	2,925	4,427,579
Total CSU	\$ 5,018,652	\$ 24,129,771	\$ 14,111	\$ 29,162,534
Grand Total CCC	\$ 5,461,730	\$ 25,620,980	\$ 168,794	\$ 31,251,504

State Budget Outlook

The state legislature has indicated that they will not return to active session before the required adjournment date next week. As a result, it is highly likely that our funding levels next year will reflect the second year of the adopted biennial budget. These funding levels are shown below. As you can see, the only difference between the Governor's proposed and the pre-existing enacted budget are the inclusion of funding for PACT and for Guided Pathways. In both of these cases we will continue to see if we can identify funding, including during any special session called by the legislature to address outstanding issues.

	FY20	FY21	FY21
Allotment:	Actual Received	Governor's recommendation	Enacted
GF State Appropriation CSUs	145,330,562	153,315,495	153,315,495
GF Fringe Benefits paid by State CSUs	134,481,635	147,182,875	147,182,875
CSU Total	279,812,197	300,498,370	300,498,370
GF State Appropriation CCs	140,733,737	149,218,817	149,218,817
GF Fringe Benefits paid by State CCs	123,820,820	125,314,619	125,314,619
Developmental Services & Transitional Adult Education	7,327,566	8,912,702	8,912,702
Outcomes Based Funding Incentive	1,196,017	1,202,027	1,202,027
Operating Fund Fringe Benefits paid by State	24,400,000	36,550,000	36,550,000
Debt Free Community College		2,450,842	
Funding for Net Cost of Guided Pathways		2,130,284	
CC Total	\$297,478,140	\$325,779,291	\$321,198,165
Grand Total	\$577,290,337	\$626,277,661	\$621,696,535