

**BOARD OF REGENTS FOR HIGHER EDUCATION
FINANCE & INFRASTRUCTURE COMMITTEE
MINUTES**

**Wednesday, January 29, 2020 @10:00 a.m.
Regents Boardroom, System Office, 61 Woodland Street, Hartford, CT 06105**

COMMITTEE MEMBERS PARTICIPATING

Richard J. Balducci, Chairman
David R. Jimenez
JoAnn Ryan (via teleconference)

CSCU STAFF PARTICIPATING

Ben Barnes, Chief Financial Officer
Keith Epstein, Vice President of Facilities, Real Estate & Infrastructure Planning

CALL TO ORDER

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

APPROVAL OF MINUTES FROM THE DECEMBER 4, 2019 MEETING

Regent Jimenez moved, seconded by Regent Ryan, the minutes of the December 4, 2019 meeting were unanimously approved as submitted.

• **FY2020 Mid-Year Spending Plan Review**

CFO Barnes presented the results of the mid-year 2020 spending plan review that includes present actual results of fiscal year ended June 30, 2019 and current fiscal year projections. The overall projection shows a modest improvement compared to the revised budget. The system is slightly better than budget overall with respect to operating results. This is being achieved despite a 2% shortfall in revenue. Operating results continue to improve by the ongoing efforts under Students First initiatives. In FY2020, it is projected that the colleges' spending will be \$12.5 million lower than it would have been if administrative consolidation had not been undertaken.

Overall, revenues are down due to lower than expected tuition and fees (down 2%) and lower fringe benefit contributions from the state. This is offset by lower expenses in salaries and fringes. Fall semester FTE enrollment was down and Spring semester FTE enrollment is estimated to be 10% lower than Fall. It is anticipated that the Spring decline in enrollment will be attributed to the PACT program. Enrollment is expected to grow in the following academic year.

FY2019 actual results for fiscal year ended on June 30, 2019 were better than projected for State Universities and Charter Oak State College. For Colleges, the actual results shows a slight improvement and are better than projected.

- **Students First: 5-Year Financial Forecast**

CFO Barnes reported on CSCU five-year budget projection for the Community Colleges. Students First has already produced annual savings of \$10.9 million in FY20. These savings are expected to grow to \$24 million in 2023 and thereafter. In addition to non-faculty attrition, a major push to implement advisement in line with Guided Pathways also promises to increase enrollment and revenue within a few years under Student First. The PACT program will also contribute to enrollment and revenue growth. The combined impact of these initiatives has potential to convert a projected enrollment decline into enrollment growth. In turn, an increase in revenue for the system.

- **FY2021 Tuition and Fees**

CFO Barnes reviewed the proposed tuition changes for the fall 2020 academic year. The changes include a freeze on tuition and mandatory fees at the 2020 level at the community colleges; a 4% tuition increase and an average of 3.5% increase in fees for the Connecticut State Universities; and Charter Oak State College proposes to freeze tuition and fees and eliminate the third installment of the Student Services fee.

The tuition freeze recommended for the colleges is made possible by the savings being achieved under Students First and the anticipated revenue from increased enrollment due to PACT. A tuition freeze will enhance affordability for the students who are not benefitted by PACT. The recommended tuition and fee levels for the Universities compromises between affordability and fiscal stability. The 4% increase in tuition is intended to limit the growth in costs for students at the CSUs. The tuition and fee recommendation for Charter Oak reflects a system-wide focus on access and affordability. The cost reduction will strengthen Charter Oak's competitiveness with other on-line institutions.

CFO Barnes noted that the resolution grants limited authority to adjust tuition and fees to the system President in order to implement Board policies such as PACT, provided those adjustments do not increase costs for students. This will allow some changes to the structure of fees in manufacturing programs to ensure that all these costs are eligible for state support under the new program.

It was unanimously voted to approve the FY2021 Tuition and Fee rates on motion of Regent Jimenez, seconded by Regent Ryan.

- **CSCU 2020 Property Acquisition for Eastern CT State University**

VP Epstein provided information on Eastern CT State University's long-term goal to obtain certain properties that are adjacent to the university in an effort to connect main campus to college buildings south of Prospect Street. The Town of Willimantic has expressed interest in selling the Kramer Building located at 322 Prospect Street to the State for Eastern's use. Acquisition of the property will support Eastern's mission and accelerate development of a new Professional Studies Academic Building.

The purchase of 322 Prospect Street will be funded from CSCU 2020 Land and Property Acquisition Program. The Department of Administrative Services (DAS) completed two independent real estate appraisals for this property. Approval of the purchase is contingent upon final approvals of DAS, Office of Policy and Management, State Properties Review Board and Attorney General.

On motion of Regent Jimenez, seconded by Regent Ryan, the CSCU 2020 Property Acquisition for Eastern CT State University was approved.

Adjournment

There being no further business, on motion of Regent Jimenez, seconded by Regent Ryan, the meeting adjourned at 11:00 a.m.