

**MEETING OF THE
FINANCE AND INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education

Wednesday, February 21, 2018

10:00 a.m.

61 Woodland Street, Hartford, CT

Minutes

REGENTS PRESENT

Richard Balducci, Committee Chair

Del Cummings

Felice Gray-Kemp (Telephonic)

David Jimenez (Telephonic)

William McGurk (Telephonic)

Yvette Melendez

REGENTS ABSENT

Catherine Smith

CSCU STAFF PRESENTING

Mark Ojakian, President; Erika Steiner, Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning

With a quorum present, Chairman Balducci called the meeting to order at 10:03 a.m.

1. Approval of Minutes from the December 6, 2017 Meeting

The minutes of the December 6, 2017 meeting were unanimously approved, upon the motion of Regent McGurk, seconded by Regent Balducci.

2. Information Items

A. CSCU 2020 Semiannual Report

VP Epstein reported on the status and progress of the various CSUS 2020 projects. A semi-annual report is also provided to the legislature to keep them updated. The renovation/expansion of Willard and DiLoreto Halls at CCSU is expected to be completed in May 2019. The project scope is being assessed for Burritt Library and Barnard Hall renovations are in design with a construction start date in February 2018. Goddard Hall on the campus of ECSU is under construction with a completion date set for December 2018. The new Health and Human Services building at SCSU is due to go out for bid in March, funding was deferred to FY2020 for the project. The new Academic Laboratory building project is in close-out with an expected

completion in February 2018 and the School of Business is waiting for the A/E contract. The new University Police Department was completed at WCSU. Various projects at the Community Colleges were highlighted.

Regent Melendez inquired about the IT Building on the campus of CCSU. VP Epstein noted that some projects are intentionally delayed in order to stay under the Bond cap while other projects aren't at the stage to proceed. The CSUS 2020 program has been extended for another year and discussions will occur over the next six months.

B. Updated Targets for Administrative Consolidation

CFO Steiner reported on the updated strategies for addressing the issue of declining state funding and the structural fiscal deficit for the System. The Board previously endorsed two strategies: an administrative consolidation involving all seventeen institutions and system office, targeting a savings of \$13.26M; and a consolidation of the twelve community colleges into one accredited college targeting a savings of \$27.65M. A preliminary quantification of the Students First strategy for the Community College Consolidation was presented to the Finance Committee at the December meeting and ultimately advanced to the full Board.

Today's report focused on the Administrative Consolidation involving all seventeen institutions and system office. The savings targets collaboration, use of common resources, and efficiencies associated with combining purchasing power. The original target set was \$13M. However, some of the specific initiatives set forth were consumed in the consolidation of the twelve community colleges. The initial targets were calculated as stand-alone initiatives, therefore, combining the two had some overlap.

The current report eliminates any overlaps and resets the realistic targets for an Administrative Consolidation, assuming that the Community College Consolidation proceeds. The updated cost savings target the areas of purchasing/contracts; IT reductions; facilities; internal audit; administrative reduction; and recruitment and retention was reviewed as well as additional targeted savings. Management's revised targeted savings from Administrative Consolidation is reset to \$11.2M to eliminate any duplication or overlap.

C. FY18 Projections

CFO Steiner noted that a proposed FY 2018 Budget was presented to the Finance Committee at the September meeting based on the Governor's Executive Order at that time. That budget was ultimately approved by the Board. Approval was requested at that time because our institutions cannot transact without a budget uploaded. Each institution provided a contingency plan that addressed a potential state funding shortfall of 8.5% off of the Governor's Executive Order appropriations. The reduction was within the threshold set at the September Board meeting. At this time, the FY 2017 Actuals and the FY18 Projections were provided for the Board's information.

Enrollment is expected to be flat compared to budget assumptions, as are the CSUs in aggregate. There is a slight variation among the CSUs. The CCC projected enrollment in aggregate are

nearly flat compared to FY18 Budget assumptions, however there is great variation among the colleges. The enrollment is half of the revenue equation.

State appropriations have been reduced from the assumptions in our FY18 Budgets. All institutions are impacted by the reduction in state support and some of the institutions have enrollment declines resulting in lower tuition and fee revenue. Each institution is finding it necessary to utilize reserves, with the exception of CCSU. A breakdown by institution on the usage of reserves was shared. The system continues to exercise a hiring freeze and leadership is committed to mitigating the use of reserves to the greatest extent possible.

3. Action Items

A. FY19 Fee Modifications

CFO Steiner noted that as the system enters into the second of the biennial years, minor modifications are requested to the fee schedules to:

- Align fees for housing and food to the costs incurred and adjust certain Tier II Fees (CSUs)
- Alleviate the impact of supplement course fees on certain students and certain disciplines (CCC)
- Adjust one college's student activity fee (CCC)
- Recognize a proration on program fees for part-time students (CCC)
- Adjust program costs to align with semester format, and introduce new program options (COSC)

The adjustments will serve to supplement and replace related schedules approved by the Board on April 6, 2017.

A motion by Regent Balducci, seconded by Regent McGurk, carried unanimously to approve the FY19 Fee Modifications.

B. License Agreement Enfield Connecticut Work Center (Asnuntuck Community College)

VP Epstein reported that as part of Asnuntuck Community College's working relationship with the Enfield Workforce Coalition, the college has an opportunity to extend community involvement on campus that would benefit the students of ACC. Connecticut's north central region affiliate of the American Job Centers (AJC) is the Capital Workforce Partners (CWP). The Workforce Coalition provides assistance to the public and students with career counseling, job identification, connections to employers with current job openings and workshops that may include: resume writing, employment strategies, interview skills and computer basics. A license agreement is being sought to collocate the Enfield Workforce Coalition to Asnuntuck CC, allowing the Coalition to conduct their local business operations on the premises of Asnuntuck. The collocation will decrease the proximity of services for students while increasing convenience

and heightening awareness. The collocation will also support students' job searches and encourage community members to take classes at ACC. The CWP and Workforce Coalition currently administer all of ACC's Workforce Innovation and Opportunity Act federal funding and parts of the apprenticeship framework for students.

A licensing agreement is sought for two years with renewal options for up to 10 years that allows the Workforce Coalition an opportunity to conduct their business operations out of Asnuntuck. The conditions of the license will include a \$58,000 annual rent amount that provides for dedicated tenant use of 2,982 s.f. in a north quadrant of the former gym space. The estimated cost of this project is \$67,000 in which Asnuntuck will fund up to \$33,500 of the costs from available bond funds. Stipulations to the license will include the Workforce Coalition with Asnuntuck, develop and implement specific strategies and services to assist Asnuntuck enrolled students and recent graduates with employment development services. Evaluation systems will be developed, implemented and reassessed semi-annually that document performance of the collocation.

Regent Balducci expressed concerns about the renting of State property to outside entities. Following a general discussion and input from President Ojakian and President Lombella of Asnuntuck CC, the concerns were addressed.

A motion by Regent Balducci, seconded by Regent McGurk, carried unanimously to approve the entering of a license agreement between CSCU and the Enfield Workforce at Asnuntuck Community College.

With no other business to discuss, on motion of Regent McGurk, seconded by Regent Gray-Kemp, the meeting adjourned at 11:30 a.m.