

**BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGES AND UNIVERSITIES
(CSCU)**

**Minutes of Special Finance & Infrastructure Meeting
October 17, 2024**

Conducted Via Remote Participation

REGENTS - PARTICIPATING (Y = yes / N = no)	
Richard J. Balducci, Committee Chair	Y
Marty Guay, BOR Chair	Y
Ari Santiago	N
Erin Stewart	Y
Ted Yang	Y
*Charlene Casamento	N
*Brendan Cunningham, FAC Chair	Y
*Colena Sesanker, Vice Chair FAC	Y
<i>*ex-officio, non-voting member</i>	

CSCU STAFF:

Terrence Cheng, Chancellor
Lloyd Blanchard, VP of Administration / Chief Financial Officer
Keith Epstein, VP for Facilities, Real Estate & Infrastructure Planning
Adam Joseph, Vice Chancellor of External Affairs
Melentina Pusztay, Director of Budgets and Planning
Rachel Cunningham, Admin Assistant to Lloyd Blanchard (recorder)
Pamela Heleen, Secretary of the Board of Regents

CALL TO ORDER:

Committee Chair Balducci called the meeting to order at 2:06 p.m. Following the roll call, Rachel Cunningham recorded a quorum present.

ACTION ITEMS:

FY26/FY27 Biennium Operating & Capital Budget Request

Chair Balducci introduced CFO Blanchard to review the FY26/FY27 Biennium Request as submitted to OPM contingent on BOR approval. (Attachment A)

Regent Yang requested a point of personal privilege to express frustration about the budget process, particularly how it is being handled by the Committee and the Board. He feels that the Board should have been involved from the start of the budget process, not just at the end when it's being presented for approval after already being submitted to the State and emphasizes that this lack of involvement undermines good governance.

Additionally, Regent Yang raised concerns about the State's demographic trends, declining enrollment, and the need for better student outcomes, particularly in light of issues like mental health. He stated the budget doesn't reflect the necessary resources for addressing these issues, as no input was sought from the Board on key decisions. While acknowledging reductions

in administrative costs, he still feels more could be done to improve the budget, especially in terms of reallocating resources to programs that better serve students' needs. Despite agreeing to approve the budget, he does so reluctantly and with strong protest.

Chair Balducci thanked him for the comments and acknowledged changes will be made for the next fiscal year.

CFO Blanchard agreed that changes will be made moving forward to build and allot more time for the Committees to review the information and provide feedback.

Q: Prof Sesanker asked who was involved in developing the proposed budget and what information was solicited. She asked that the FAC Committee be involved in future conversations.

CFO Blanchard explained the budget process begins with general guidance provided to the institutions. This guidance includes the new strategic framework focused on access, completion, and talent, along with instructions to keep tuition flat and maintain steady enrollment. The institutions then use their governance processes to create their budget requests, which are submitted to the system office. The system office compiles the requests and presents them to the board for approval.

Q: Prof Sesanker stated the deficits remain at Eastern, Southern, and Western and asked if that's where the cuts or mitigation will be coming from.

CFO Blanchard responded that each institution would mitigate their budgets.

Q: Prof Sesanker asked if the \$20 million that we might get as additional funds is taken into consideration and what the cost of the current services is.

CFO Blanchard responded we still do not know if the \$20 million will be allocated to CSCU and was therefore not included. The current services expenditure is approximately \$1.1 billion.

Prof Cunningham commented that there are broader issues related to enrollment decline and should not be blamed on specific disciplines.

Q: Prof Cunningham asked for clarification on the assumption that the budget for faculty raises will be zero, pointing out that this seems inconsistent with SEBAC and recent outcomes of wage negotiations.

CFO Blanchard responded that the standard guidance from OPM to all state agencies is not to assume increases as historically they will share some of the costs in the form of increasing the block grant to assist in covering the costs.

Q: Regent Yang how much of the excess reserves for CT State will be used for one-time expenses vs permanent expenses?

CFO Blanchard stated CFO Kelley would have further information regarding the share of the actual monies spent but is aware of the dangers of using reserves to fund permanent costs like personnel and that it is not sustainable.

Q: Regent Yang asked for elaboration on what the process for the Capital Budget submission is and why year after year it has been submitted without being funded.

K. Epstein provided an overview of the 29 budget requests, noting that some programs are regularly funded, while others, such as energy efficiency projects, are required by law but have never received funding. He emphasized that 7 of the projects have received design or construction authorization but have not been funded by the current governor and must remain listed.

Q: Regent Yang requested the list of budget requests to be split into 3 categories, default energy efficiency, committed by a prior legislature, but not funded, and new projects.

K. Epstein will categorize and send.

Regent Stewart expressed her gratitude for the contributions from everyone and acknowledged the frustrations in the budget process. She emphasized that the current process needs change and that the diverse experiences of the members, from both the government and private sectors, will help drive improvement. While recognizing that significant adjustments will take time, she stressed the importance of setting realistic timelines, prioritizing capital improvement projects, and ensuring that the budget reflects a clear, well-understood plan. Despite current challenges, she believes the group is on the right path for future progress.

Chair Guay agrees with the input from others and acknowledges that the process is in a transition period. He expressed dissatisfaction with the lack of collaboration and strong governance in the current budget process, stating that this must change moving forward. While recommending approval of the current plan, he emphasized the need to build a better schedule that allows for proper collaboration and alignment before future deadlines and believes the group is capable of working together effectively and strengthening the process.

Prof Cunningham provided an example of an incident on campus, which serves to demonstrate the importance of building infrastructure and the necessity for funding to come to provide safe reliable spaces for the students.

Chair Balducci made a motion to adopt the resolution, seconded by Regent Stewart, which was approved by a unanimous vote.

Chair Balducci requested a motion to adjourn, Regent Yang seconded, and following a unanimous vote the meeting adjourned at 2:47 p.m.