

**MEETING OF THE  
FINANCE COMMITTEE  
BOARD OF REGENTS FOR HIGHER EDUCATION**  
Room 123  
39 Woodland Street  
Hartford, Connecticut

Tuesday, January 8, 2013, at 10:30 a.m.

**Minutes**

**REGENTS PRESENT**

Lewis Robinson, Chair, Board of Regents for Higher Education  
Gary Holloway, Chair, Finance Committee  
Richard Balducci  
Matt Fleury  
Mike Fraser\*  
Catherine Smith\*  
Zac Zeitlin  
\*(telephonic)

**REGENTS ABSENT**

René Lerer

**STAFF**

Philip Austin, Interim President; Dennis Murphy, Chief of Staff ; William Bowes, Chief Financial Officer; Elaine Clark, Vice President for Facilities & Infrastructure Planning; Colleen Flanagan-Johnson, Director of Public Relations & Marketing; Beverly Lambert, Director of Budget & Finance; Erin Fitzgerald, Associate for Board Affairs; Ray Yirga, Director of Accounting & Finance; Senior Finance Officer Account System Support, Melentina Pusztay, Assistant for Finance & Accounting; Rosalie Butler, Administrative Assistant for Finance

**CONNSCU REPRESENTATIVES**

Richard Bachoo, CAO, CCSU; Charlene Casamento, CFO, CCSU; James Howarth, Vice President for Finance and Administration, ECSU; James Blake, Executive Vice President, SCSU; Paul Reis, VP for Finance and Administration, WCSU; Rose Ellis, Dean of Administration, Norwalk CC; James McDowell, Dean of Administration, Manchester CC; James Troup, Dean of Administration, Naugatuck Valley CC; Michael Lopez, Dean of Administration, Three Rivers CC; Steven Frazer, Dean of Administration, Tunxis CC

**GUESTS**

John Noonan, OPM  
Jaqueline Rabe Thomas, CT Mirror

*With a quorum present, Chairman Holloway called the meeting to order at 10:30 am.*

**APPROVAL OF MINUTES FROM THE NOVEMBER 12, 2012 SPECIAL MEETING**

*The minutes of the November 12, 2012 Special meeting were unanimously approved, as written.*

**2013-14 SABBATIC LEAVES**

The Committee reviewed recommendations for Academic Year 2013-2014 faculty sabbatic leaves at the Connecticut State Universities.

**CSUS 2020 SEMI-ANNUAL REPORT**

VP Clark provided Committee members with a high-level overview of the status of CSUS 2020 projects. Discussion followed regarding approval of projects and costs.

**CHEFA BOND SALE UPDATE**

CFO Bowes indicated that although Regents had approved borrowing up to \$118.5 million, only \$36.5 million was ultimately borrowed in the CHEFA Series M bond sale. The sale was held on December 19. The winning bid reflected a rate of 3.26%, which was better than anticipated. The official bond sale closing will take place on January 10, 2013. Plans for the new residence hall at CCSU were discussed. New bidding for that project is currently underway.

**BUDGET RESCISSION PLANS**

CFO Bowes explained that in November of 2012, Governor Malloy shared a deficit mitigation plan affecting all state agencies. The plan was developed in response to state projections in mid-November of a \$365 million deficit in the budget for the current fiscal year. The deficit mitigation plan, or budget rescission, addresses approximately \$161 million of the total projected deficit amount.

For the Connecticut State Colleges & Universities, the total amount of the reduction is \$14,422,487 of which \$7,059,732 million must come from the state university block grant, \$7,159,804 from the community college block grant and \$122,804 from the state appropriation to Charter Oak State College.

Bowes advised that ConnSCU management issued a letter to system presidents to prepare budget rescission plans equal to approximately 5% of their current state appropriations. In addition, a freeze on hiring of full-time positions was implemented, excluding positions determined to be essential for emergency needs or to ensure the health, safety and well-being of students, faculty and staff. The freeze also applied to the hiring of new faculty and support positions approved by the Board of Regents at its meetings in June and September of 2012. These are the positions that were to be funded using savings generated by the consolidation of system offices under the new governance structure.

Institutions were instructed to consider reviewing all programs and services that might be considered less essential based on enrollments and need, and to avoid any options that would violate the provisions of the SEBAC agreement. Institutions also were instructed to develop plans that do not require use of system or institutional reserves to achieve savings.

In total, the budget rescission plans will result in holding 187 general fund positions vacant across the ConnSCU system, 46 of which are teaching faculty. The majority of positions being held vacant are in management (8 positions) and administration (133 positions). The state universities plan to meet their reduction target by eliminating \$1.4 million in operating expenses and hold 99 vacant positions with a total salary value of \$6.4 million. The community colleges will hold 79 positions vacant in the general fund at a savings of \$3.9 million and cut roughly \$2.8 million in operating costs to meet its reduction target. Charter Oak State College will exceed its target by eliminating consulting and contractual services, travel and other expenses, generating an estimated savings of \$171,385. The BOR system office will hold 8 positions vacant in IT, finance and human resources and reduce the budget for DCS inspection funding based on prior year actual experience with cost. Approximately \$894,000 of the total reduction targets for the CSU and CCC state block grants will be made in the BOR budget. The total reduction for the BOR system office is just under \$1 million.

#### **DISCUSSION OF FY2013-14 TUITION AND FEES**

Committee Chair Holloway indicated that as the State is facing the potential of a \$1 billion deficit next year, which may affect decisions concerning tuition and fees. Despite the projected deficit, there will be salary increases next year for employees covered under the SEBAC agreement and fairly significant increases in fringe benefit costs. Based on simple projections of costs and state appropriations next year, and in the absence of opportunities to restructure services and operations, the system may have to consider the possibility of a 10% or more increase in tuition and fees in order to maintain fundamental services to students. These factors, and issues relating to enrollment and impact on student cost, would be addressed in advance of the board's consideration of tuition and fee increases for next year.

#### **CSU TENURE RECOMMENDATIONS**

VP Weinberger provided an overview of the tenure approval process and provided certain systemwide statistics.

*Tenure recommendations were unanimously approved on a motion by Regent Fleury, seconded by Regent Balducci.*

#### **AWARD OF THE TITLE CONNECTICUT STATE UNIVERSITY PROFESSOR TO EDWARD A. HAGAN AND MARIE A. WRIGHT**

VP Weinberger indicated that as part of the AAUP contract, the title of CSU Professor was established in 1987. There are twelve designated CSU Professor positions, 3 at each university. The title carries a 10% adjustment in base salary. Those individuals awarded the title participate in determining the recipients of teaching and research awards and may also serve on certain research committees. He provided a brief overview of both Dr. Hagan's and Dr. Wright's qualifications.

*The recommendations were approved unanimously on a motion by Trustee Balducci, seconded by Regent Fleury.*

**TEMPORARY STIPEND FOR CONNSCU DIRECTOR OF POLICY & RESEARCH**

VP Weinberger indicated that the BOR Administration Committee had made favorable recommendation at its December meeting and approval to reinstate the temporary stipend is now submitted for action to the Finance Committee. He explained that this had emerged from salary adjustment issues in 2012. Payment of the stipend will terminate with the hire of a new academic leader.

*Payment of the temporary stipend was approved unanimously on a motion by Regent Zeitlin, seconded by Regent Fleury.*

**COMMUNITY COLLEGE BUDGET ADJUSTMENTS**

CFO Bowes explained that the community college budget allocation formula uses a revenue sharing concept to provide funding to each institution. Under the model, each institution is required to determine a tuition revenue target using board-approved tuition rate changes and estimated enrollment growth. Each college's tuition revenue contribution (or the amount of its tuition revenue subsidy) is then determined by assessing its formula-based expenditure needs relative to its tuition revenue target. Any excess of tuition revenues within an institution's target above formula expenditures is considered available for redistribution to other institutions in the system.

Five institutions: Manchester Community College, Norwalk Community College, Naugatuck Valley Community College, Tunxis Community College and Middlesex Community College, have been net contributors to the seven other colleges over the past five years. Manchester Community College, due in part to its robust enrollment growth, has contributed more than the other four colleges combined.

In June 2012, the Board of Regents approved a proposal to provide budget relief to the five contributing institutions. BOR staff were directed to develop recommendations regarding the amount of budget adjustment to these five institutions based on institutional plans. The recommendations presented today call for budget adjustments for each of the five institutions that are roughly equal to one-half of each institution's required contribution for FY 2013, or about \$1.935 million in total. The adjustments will be funded from system reserves.

*The one-time budget adjustments were approved unanimously on a motion by Regent Fleury, seconded by Regent Balducci.*

**THE SUB-LEASE OF A PORTION OF AN OFFICE TRAILER AT CENTRAL CONNECTICUT STATE UNIVERSITY TO NEW BRITAIN EMERGENCY MEDICAL SERVICES, INC.**

VP Clark explained that CCSU is requesting approval from the Board of Regents (under its statutory authority – C.G.S. 4b-38) to lease two rooms in the modular trailer consisting of approximately 349 square feet to New Britain Emergency Medical Services, Inc. (New Britain EMS). New Britain EMS is a not-for-profit ambulance service whose primary location is in central New Britain at 225 Arch Street. Use of the modular trailer will enable New Britain EMS to post a staffed paramedic ambulance at Central's campus between the hours of 8:00 AM and

12:00 AM, 7-days per week. The leased space will be used as a small office for ambulance staff waiting for responses. The ambulance, when posted at the Central location, will provide primary New Britain EMS response coverage to Central's community as well as the northern section of New Britain. The lease term shall be for one-year with three additional one-year terms. The annual rent will be one dollar.

*The sub-lease was approved on a motion by Regent Balducci, seconded by Regent Zeitlin.*

*With no further business to discuss, the meeting was adjourned at 12:00 p.m., on a motion by Regent Balducci, seconded by Regent Zeitlin.*