

**BOARD OF REGENTS FOR HIGHER EDUCATION
CT STATE COLLEGES AND UNIVERSITIES (CSCU)
MINUTES OF A SPECIAL MEETING
WEDNESDAY, NOVEMBER 15, 2023
CONDUCTED IN PERSON AND VIA WEBEX; LIVESTREAMED ON
<https://www.youtube.com/watch?v=Kb8sJMVSTw>**

REGENTS – PARTICIPATING (Y = yes / N = no)	
JoAnn Ryan, Chair	Y
Richard J. Balducci	Y
Ira Bloom	Y
Carla Galaise, Student Regent	Y
Marty Guay	Y
Juanita James	Y - virtual
Sophia Jappinen	Y- virtual
James McCarthy	N
Richard Porth	Y
Luis Sanchez, Student Regent	Y
Ari Santiago	Y
Erin Stewart	N
Elease E. Wright	Y
Ted Yang	Y
*David Blitz, FAC Vice Chair	Y
*Colena Sesanker, FAC Chair	Y
*Dante Bartolomeo, Labor Commissioner	N
*Dr. Manisha Juthani, Public Health Commissioner	N
*Alexandra Daum, DECD Commissioner	N
*Charlene Russell-Tucker, Education Commissioner	N
*Kelli-Marie Vallieres, Chief Workforce Officer	N
<i>*ex-officio, non-voting member</i>	

CSCU STAFF:

Terrence Cheng, Chancellor
 Jessica Paquette, Executive Director for Presidential Initiatives
 Danny Aniello, Executive Director for System Project Management
 Dr. Lloyd Blanchard, Interim Vice President for Administration and Chief Financial Officer
 Dr. Rai Kathuria, Provost and Senior Vice President of Academic & Student Affairs
 Pam Heleen, Secretary of the Board of Regents (recorder)
 Ed Klonoski, President, Charter Oak State College
 Dr. Elsa Nunez, President, Eastern Connecticut State University
 Dr. John Maduko, President, CT State Community College
 Dr. Manohar Singh, Interim President, Western Connecticut State University
 Dr. Dwayne Smith, Interim President, Southern Connecticut State University
 Dr. Zulma Toro, President, Central Connecticut State University

1. **CALL TO ORDER**

Chair Ryan called the meeting to order at 10:05 a.m. and, following roll call, declared a quorum present.

2. **REMARKS FROM THE BOARD CHAIR**

- Chair Ryan welcomed everyone who attended.
- She stated that given the level of State funding provided in the biennium budget, the Board charged Chancellor Cheng with developing a process to mitigate projected deficits in both FY24 and FY25. She recognized that this was not an easy task and would prefer not to have to navigate these challenges.
- She noted the hard work of the system office and the institutional presidents in crafting deficit mitigation plans and noted that there was a lot of information to be presented and that no decisions will be made.
- Chair Ryan outlined the meeting's agenda.

3. **CHANCELLOR'S REMARKS**

- Chancellor Cheng did not make any formal remarks; he introduced CFO Lloyd Blanchard.

4. **PRESENTATIONS AND DISCUSSIONS – Attachment A**

- **System Financial Information & Deficit Mitigation**
CFO Lloyd Blanchard presented the material in slides 1 – 8.
- **Charter Oak State College Deficit Mitigation Plan**
President Ed Klonoski, supported by CFO Mike Moriarity, presented slides 9 – 14.
- **Eastern Connecticut State University Mitigation Plan**
President Elsa Nunez, supported by CFO Jim Howarth and Provost Bill Salka, presented slides 15 – 24.
 - Regent Bloom asked if Eastern had any partnership arrangements with Charter Oak and other CSU. President Nunez commented that the CSCU Provost has been working with institutions to building a consortium focusing on online offerings. Collective bargaining issues and a culture shift are topics under discussion now.
 - Professor Blitz referred to the Board handout (Attachment B) to ask if the chart in the handout needs to be updated. CFO Blanchard responded that the figures presented on the slides are projections of where Eastern will be at the end of the mitigation.
- **CT State Community College Mitigation Plan**
President John Maduko and CFO Kerry Kelley presented slides 25 – 54.

- Regent Yang asked for more details about workforce initiatives and the enrollment challenges faced by CT State. He wanted to make sure the planned cuts did not compromise the goals in these areas. President Maduko noted that higher ed enrollment (as a sector) is not where it was 10 years ago and that only 3% of CT State’s enrollment is dual enrollment, even though we represent 27% of the State’s dual enrollment opportunities (second only to UConn). The trend in community colleges is that 12 – 40% of their enrollment is dual enrollment. Getting more of this segment is the game-changer for CT State. It is a huge opportunity for CT State, but it has to be funded. No one else has the capacity and footprint to handle the expansion. President Maduko continued by stating that workforce development programs (i.e., manufacturing, nursing) are very expensive to build and operate. These need to be funded, as well.
 - Regent James asked President Maduko about how he planned to target the aging community college student. He responded that it’s important to recognize that about 75% of CT State students are part-time with work, families, non-negotiable commitments. A family-sustaining career must be the end goal. CT State must stay focused on access and affordability. They are advocating for more wrap-around services. They have seen a double-digit gain in re-admit students.
 - Professor Sesanker referred to Attachment B and noted that the net cost of fringe is double its highest point in the past 15 years suggesting a significant reduction in State support for CT State. She asked if the numbers in the chart are correct. CFO Kelley noted the technical re-estimate to the numbers but stressed that it doesn’t diminish the fact that the calculation of fringe has a negative impact to CT State because of the way fringe is funded.
 - Professor Sesanker commented on the staff impact of the deficit mitigation plans. Regent Porth agreed with Professor Sesanker’s remarks.
 - Regent Porth asked when the Board would see enrollment increases as a result of CT State’s new initiatives. President Maduko responded that in FY26, CT State will see an uptick in enrollment.
 - Regent Balducci stated that the Transfer Articulation Agreement needs to be rewritten so that CT State students need to be able to transfer all their credits. President Maduko agrees.
- **Western Connecticut State University Mitigation Plan**
President Manohar Singh, supported by Provost Missy Alexander and CFO Beatrice Fevry, presented slides 55 – 62.
- Regent Balducci noted that recruiting international students and going into the high schools is a “really a big deal.” He continued by suggesting that instead of building new programs (with the debt that Western has), Western should look at other CSUs for similar program offerings. President Singh agreed and stated that investments will be made in new programs (Homeland Security and Artificial Intelligence) without duplication and reinvent, if possible, the programs that are not drawing in any students.

- **Southern Connecticut State University Mitigation Plan**

President Dwayne Smith, supported by CFO Mark Rozewski and Provost Bob Prezant, presented slides 63 – 71.

- Regent Porth asked Southern to explain its higher enrollment projections compared to other institutions in the System. President Smith explained that next year's projections (new students, retention) are conservative compared to last year's actual performance.

- **Central Connecticut State University Mitigation Plan**

President Zulma Toro, supported by Provost Kim Kostelis and CFO Lisa Bucher, presented slides 72 – 78.

- Professor Blitz recommended that the projections be updated. He also cited Central's work through the Academic Planning Process as an exemplary example of shared governance.
- Regent James and Student Regent Sanchez thanked President Toro for her leadership, planning and strategic actions for the long-term financial sustainability of the University.

5. **CHANCELLOR CHENG'S CLOSING REMARKS**

Chancellor Cheng thanked everyone and noted that there is much more to be done to work more effectively and efficiently across the System. He stated that he has great trust in our Regents, in our leadership teams, and in our faculty and staff.

The Chancellor thanked the Regents for their engagement in the process and for asking great questions. He stated that we are going to continue to do everything we can to meet the financial challenges that we are in while trying not to put any additional undue strain on our students.

He stated that there may only be so much more that can be cut before drastic actions have to be taken. CSU will continue to work with State leaders to demonstrate and prove that we are more than worthy of the State's full investment.

6. **ADJOURNMENT**

On a motion by Regent Bloom, seconded by Regent Yang, the meeting adjourned at 12:56 p.m.

Submitted,

Pamela Heleen
Secretary of the CT Board of Regents for Higher Education



**CONNECTICUT STATE
COLLEGES & UNIVERSITIES**

A blue-tinted collage of numerous diverse students' faces, arranged in a grid-like pattern, serving as a background for the lower half of the slide.

Deficit Mitigation Plan

November 15, 2023

Attachment A



Overview of Financial State

FY24-FY25 Systemwide Financial Projections as reported at the June 21st BOR Finance Committee Meeting

CONNECTICUT STATE COLLEGES & UNIVERSITIES

Projected Results

Millions (\$)	FY24 Budget	FY25 Projected
Central Connecticut State University	13.5	(4.7)
Eastern Connecticut State University	-	(8.0)
Southern Connecticut State University	5.5	(12.1)
Western Connecticut State University	(12.0)	(21.6)
CT State Community College **	(33.6)	(91.3)
Charter Oak State College	(0.6)	(2.5)
Operations Support Funding*	13.5	-
CSCU Total	\$ (13.7)	\$ (140.2)

* Reserved for System Initiatives from the one-time Operations Support Through Short-Term Recovery Funds Allocation

** FY25 and Projected Net Results for CT State have been revised to reflect the \$6.5M allotment moved under the block grant from ARPA federal grant.



Why are Projected FY25 Deficits So Large?

1. Enrollment decline

- 10-year enrollment decline exacerbated by pandemic

2. Tuition & Fee revenue

- Declined for CT State and CSUs

3. Pandemic

- Enrollments dropped precipitously
- One-time funds available temporarily, and used to support permanent cost increases

4. State Appropriation revenue

- Continue to increase for CT State and CSUs
- After pandemic, one-time fund support ended before enrollments recovered

5. Fringe costs

- Driver for growth in costs



Deficit Mitigation Options

Revenue:

- Implement new programs
- Expand market of student prospects
- Improve retention

Expenditures:

- Manage normal annual attrition
- Limit backfilling and/or incentivize retirements
- Consider program costs, productivity, and organization
- Personnel changes (discretionary and/or collectively bargained)

Cash Reserves:

- One-time solution, best done as supplement to permanent solutions



Overview of Deficit Mitigation Plan

A Balanced Path Forward for Public Higher Education: Revenues, Reductions, and Reserves

We project a balanced budget in FY24.

FY25 mitigation is allocated as follows:

- 7% in technical adjustments
- 28% in new revenue
- 46% in expenditure reductions
- 19% in institutional cash reserves

This balanced approach mitigates 76% of the projected \$140M deficit in FY25.

Additional support of \$47.6M is needed to balance the FY25 budget.

	CSCU Totals	
	FY24	FY25
Surplus/(Deficit) reported to June 21 st BOR F&I	(26.7)*	(\$140.2)
Total deficit mitigation (in millions)	<u>\$63.0</u>	<u>\$106.6</u>
1. Adjustments updating deficit	(2.6)	7.8
2. New revenue initiatives	16.7	29.8
3. Expenditure reductions	36.8	48.6
4. Institutional cash support	12.1	20.4
Additional support needed	0.0	47.6

** FY24 deficit reported at June BOR F&I was \$13.7M and \$13.5M in additional mitigation. Instead, we will use the \$13.5M for more impactful mitigation efforts. FY25 cash support of \$5M from System Office is not included as institutional cash support (which come from institutional reserves).*



Overview of Deficit Mitigation Plan

A Balanced Path Forward for Public Higher Education: Revenues, Reductions, and Reserves

	Central		Eastern		Southern		Western	
	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
Surplus/Deficit reported to June 21 st BOR F&I	\$13.5	(\$4.7)	\$0.0	(\$8.0)	\$5.5	(\$12.1)	(\$12.0)	(\$21.6)
Total mitigation (in millions)	<u>\$7.6</u>	<u>\$9.8</u>	<u>\$2.1</u>	<u>\$8.0</u>	<u>\$4.3</u>	<u>\$12.1</u>	<u>\$12.1</u>	<u>\$15.3</u>
1. Adjustments updating deficit	(0.5)	(0.5)	(1.4)	(0.1)	(3.8)	(0.4)	0.4	0.4
2. New revenue initiatives	8.5	8.6	(0.2)	2.5	7.6	10.5	0.0	1.2
3. Expenditure reductions	(0.4)	1.7	3.7	5.6	0.4	1.8	6.6	8.7
4. Institutional cash support	0.0	0.0	0.0	0.0	0.0	0.2	5.0	5.0
Additional support needed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3



Overview of Deficit Mitigation Plan

A Balanced Path Forward for Public Higher Education: Revenues, Reductions, and Reserves

	CT State		Charter Oak		System Office	
	FY24	FY25	FY24	FY25	FY24	FY25
Surplus/(Deficit) reported to June 21 st BOR F&I	(\$33.6)	(\$91.3)	\$0.0	(\$2.5)	\$0.0	\$0.0
Total deficit mitigation (in millions)	<u>\$33.6</u>	<u>\$50.0</u>	<u>\$0.4</u>	<u>\$2.5</u>	<u>\$3.0</u>	<u>\$8.9</u>
1. Adjustments updating deficit	2.5	8.0	0.1	0.4	0.0	0.0
2. New revenue initiatives	0.5	0.2	0.3	1.7	0.0	5.0
3. Expenditure reductions	23.6	26.8	0.0	0.2	3.0	3.9
4. Institutional cash support	7.1	15.0	0.0	0.2	0.0	0.0
Additional support needed	0.0	41.3	0.0	0.0	0.0	0.0



System Office

Strategic Focus: Streamline system office, support “right-sized” operations

Mitigation Steps:

- Develop streamlined system office framework
- Generate new revenues via additional contract and grant activity
- Transition select system office operational functions to CT State

Projected Mitigation Outcomes:

(in millions)	FY24	FY25
<u>Total deficit mitigation</u>	<u>3.0</u>	<u>8.9</u>
1. Adjustments updating deficit	0.0	0.0
2. Revenue enhancements	0.0	5.0
3. Expenditure reductions	3.0	3.9
4. Cash support*	5.0	0.0
Additional support needed	0.0	0.0

* \$5 million in cash support already accounted for in institutional plan.



CharterOak

STATE COLLEGE

Who We Are Today

Charter Oak is a niche institution that allows working adults with partial College credit to successfully complete their bachelor's degree online.

Online Only:

- 18 Asynchronous Programs
- Library of 430 Online Courses

No Frills & Low Cost:

- Not a Full-Service Campus Experience
- \$329 per Credit

Student Population:

Average Graduation Age	37 Years Old
Length of Classes	8 Weeks
# of Starts Per Year	6 (Fall, Spring, Summer)
Avg Credits Transferred In	70
Avg CPL Credits	30
Student Work Schedule	77% Working F/T

Deficit Mitigation Summary

Mitigation Through Revenue

Scale the College by 9%
or more for 3 years

Mitigation Through Expenditures

Maintain & Enhance Our
Sustainable Cost Model

(in millions)	FY24	FY25
<u>Total deficit mitigation</u>	<u>\$0.4</u>	<u>\$2.5</u>
1. Adjustments updating deficit	0.1	0.4
2. Revenue enhancements	0.3	1.7
3. Expenditure reductions	0.0	0.2
4. Institutional cash support	0.0	0.2
Additional support needed	0.0	0.0

Scale the College by 9% (or more)

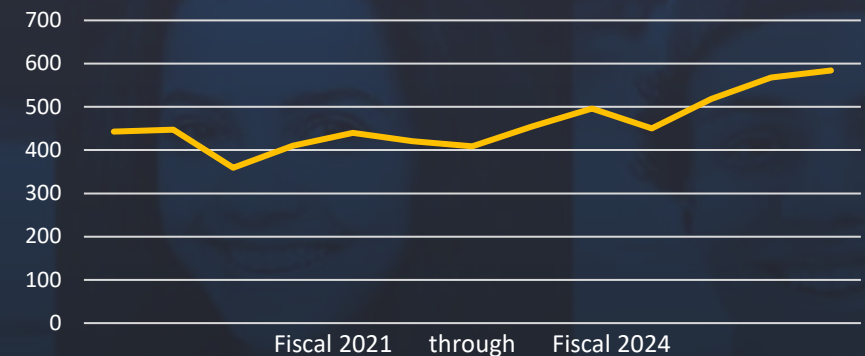
Positive Indicators:

- Applications are Growing
- Virtual Open Houses are Effective
 - 18 Conducted Last Year (avg. 127 attendees per)
 - 40% Move Forward and Apply to Charter Oak
- Fall 2023 Headcount & Credits Up 10% / 15%

Challenges:

- Streamlining the Enrollment Pipeline (Project Coast)
- Assessing National / International Opportunities
- Building Corporate Partnerships
- Funding For New Programs

Charter Oak Applications (per quarter)



Maintain & Enhance Our Sustainable Cost Model

What to Maintain:

- Pay Per Seat Teaching Model
- Project Based Course Development Model

What to Enhance:

- Adopt the Academic Program Plan to discontinue certain programs and create new programs to better allocate future course maintenance costs
- Leverage technology before growing staff when scaling enrollment

Challenges:

- Some Industry Sub-Accreditations Require Large Investments
- Seed Money For New Programs (repeated)



CharterOak

STATE COLLEGE



EASTERN'S MITIGATION PLAN

CONNECTICUT BOARD OF REGENTS FOR HIGHER EDUCATION
SPECIAL BOARD MEETING
NOVEMBER 15, 2023





OVERVIEW

Eastern has been fiscally conservative for many years

We will continue our fiscally conservative management in the future



ACADEMIC PROGRAM PLANNING

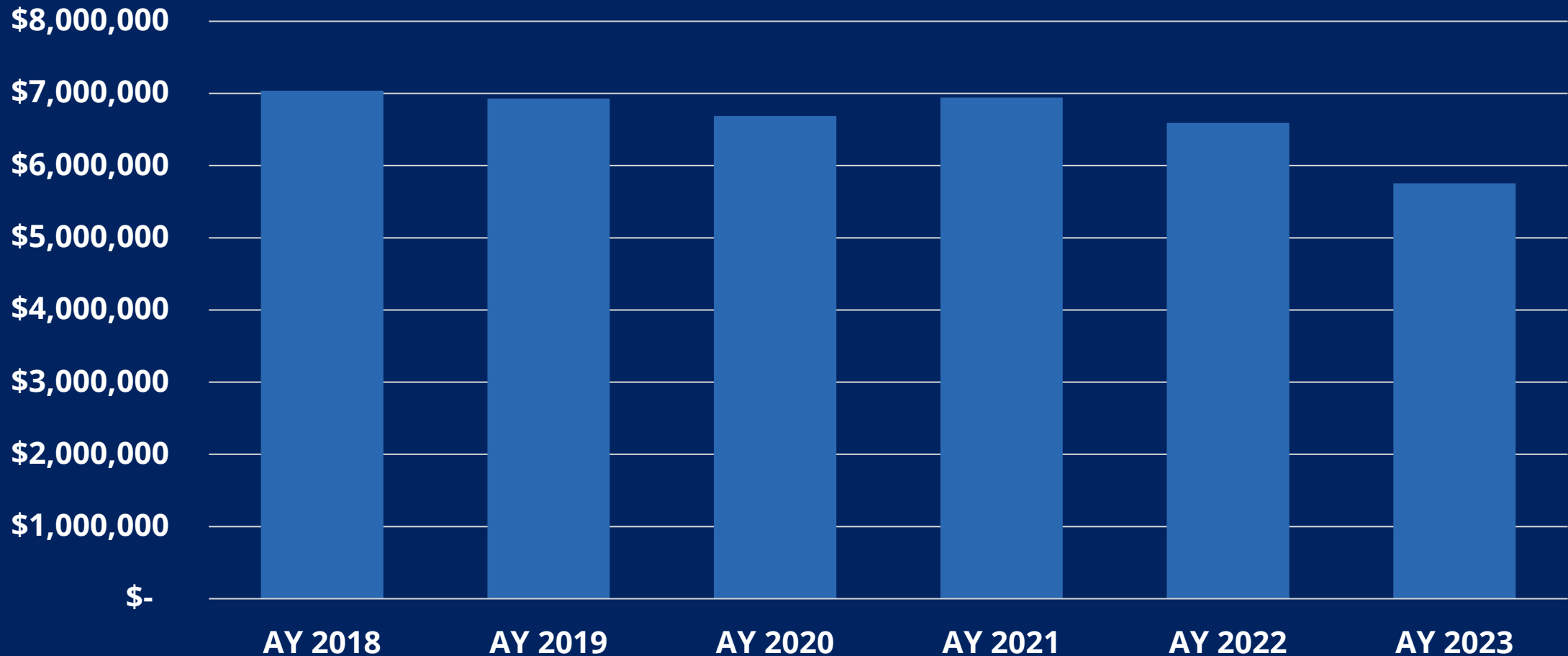
To date, nine majors have made significant revisions to their curricula, mostly decreasing the number of credits required for the major and/or discontinuing low enrolled concentrations

This has reduced the need to hire part-time faculty by 29% since FY 2018

PART-TIME FACULTY: COST SAVINGS

ESTIMATED SPENDING ON PART-TIME INSTRUCTORS AY 2018 – AY 2023

(assumes \$2,674 per credit)





Staff Reductions

**Non-Teaching Full-Time Staff in
FY 2013: 401**

**Non-Teaching Full-Time Staff in
FY 2024: 381**



**Management Confidential Staff
in FY 2013: 31**

**Management Confidential Staff
in FY 2024: 23**



NEW ENROLLMENT INITIATIVES

Expanding Online Graduate Programs with a new platform, extensive advertising, and faculty training

Revenue: \$1.5M in FY25/\$2.7M in FY26

Partnering with Hartford HealthCare to launch a critically needed Bachelor of Science in Nursing, particularly in eastern Connecticut

Revenue: \$1.4M in FY25/\$2.8M in FY26

RETENTION

83%

FALL 2023

84%

FALL 2024

A person in a plaid shirt and dark pants is walking from left to right in the foreground. In the background, there is a glass display case containing a sculpture. The setting appears to be a museum or gallery with wooden floors and track lighting.

REFINING THE FINANCIAL AID STRATEGY

**CSU Set Aside Requires 15% or
\$3.3 Million in FY 2024**

**Eastern Budgeted 34% or
\$7.5 Million for FY 2024 to help our
students**

UNRESTRICTED RESERVE GROWTH

-\$3.7M

UNRESTRICTED RESERVE
FY 2007

\$42.8M

UNRESTRICTED RESERVE
FY 2023

CURRENT BUDGET PROJECTIONS

\$2.1M

POSITIVE

PROJECTION FOR FY 2024

\$0.0

BREAKEVEN

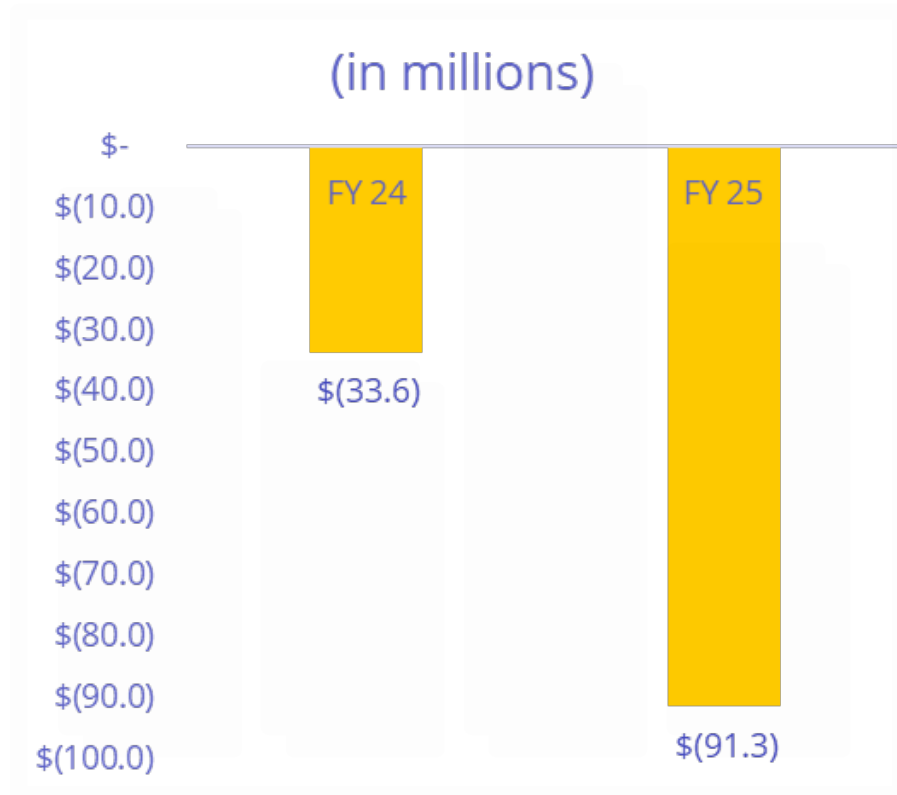
PROJECTION FOR FY 2025

Stabilize, Build & Thrive

CT STATE
COMMUNITY COLLEGE

CT State Community College has a Structural Imbalance

FY 24-25 Forecast Deficits



This is caused by:

- Increasing Costs
- Lower Revenue due to:
 - Declining Enrollments
 - Expiration of one-time funding
- Challenges in the way Fringe Benefits are funded

**CT State Community
College cannot maintain
current services**

Three Elements in Pathway to Fiscal Sustainability



**Deficit
Mitigation**

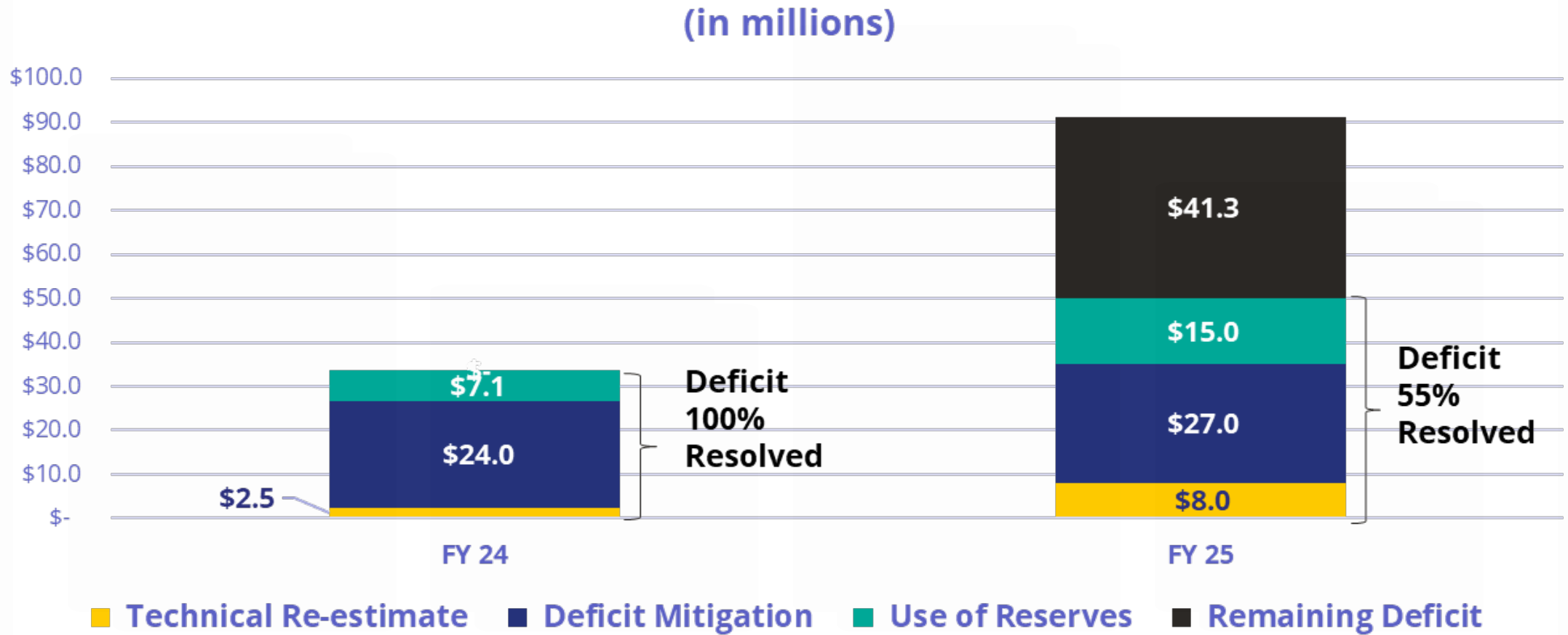


**Technical
Re-
Estimate**



**Use of
Reserves**

Resolution of Forecast & Remaining Deficits



Path to Fiscal Sustainability

- FY 24 deficit of \$33.6 million is FULLY extinguished
- CT State's FY 24 Plan is notable for what it excludes:
 - No layoffs of bargained employees
 - No campus or location closures
 - No academic program closures
- Biennial deficit has been **reduced by \$83.6 million, or 67%**
- Challenges remain: **FY 25 forecast shortfall of \$41.3 million**

The background is a dark blue field filled with white line-art illustrations. These include various campus buildings such as Naugatuck Valley, Housatonic, Tunxis, Three Rivers, Middlesex, Asnuntuck, Northwestern, Capital, Manchester, and Quinebaug. Educational icons like graduation caps, books, a microscope, a basketball, and theater masks are also scattered throughout. The text 'Deficit Mitigation' is centered in the middle of the image, with 'Deficit' in white and 'Mitigation' in a teal color.

Deficit Mitigation

Your Community. Your College.

CT STATE
COMMUNITY COLLEGE

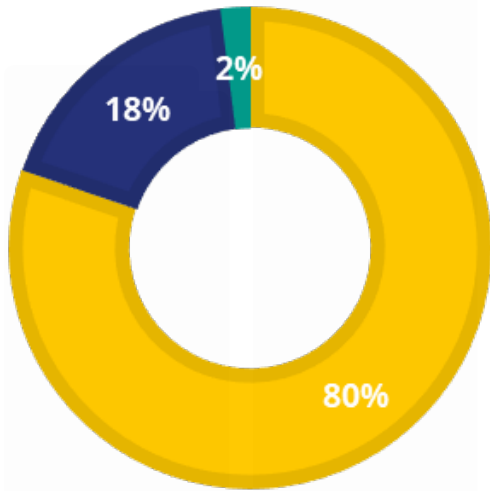
Deficit Mitigation: Process

- Began in October 2022 & is ongoing
- Identify strategic priorities & areas of continued investment
 - Teaching and Learning
 - Student Support Services
 - Diversity, Equity, Inclusion & Belonging Principles
 - Campus and Public Safety
 - Physical Plant and Technological Infrastructure
- Be transparent & inclusive
- Uphold principles of shared governance
- Evaluate impact on students, employees, mission & equity

Deficit Mitigation Plan

FY 24 DEFICIT MITIGATION PLAN

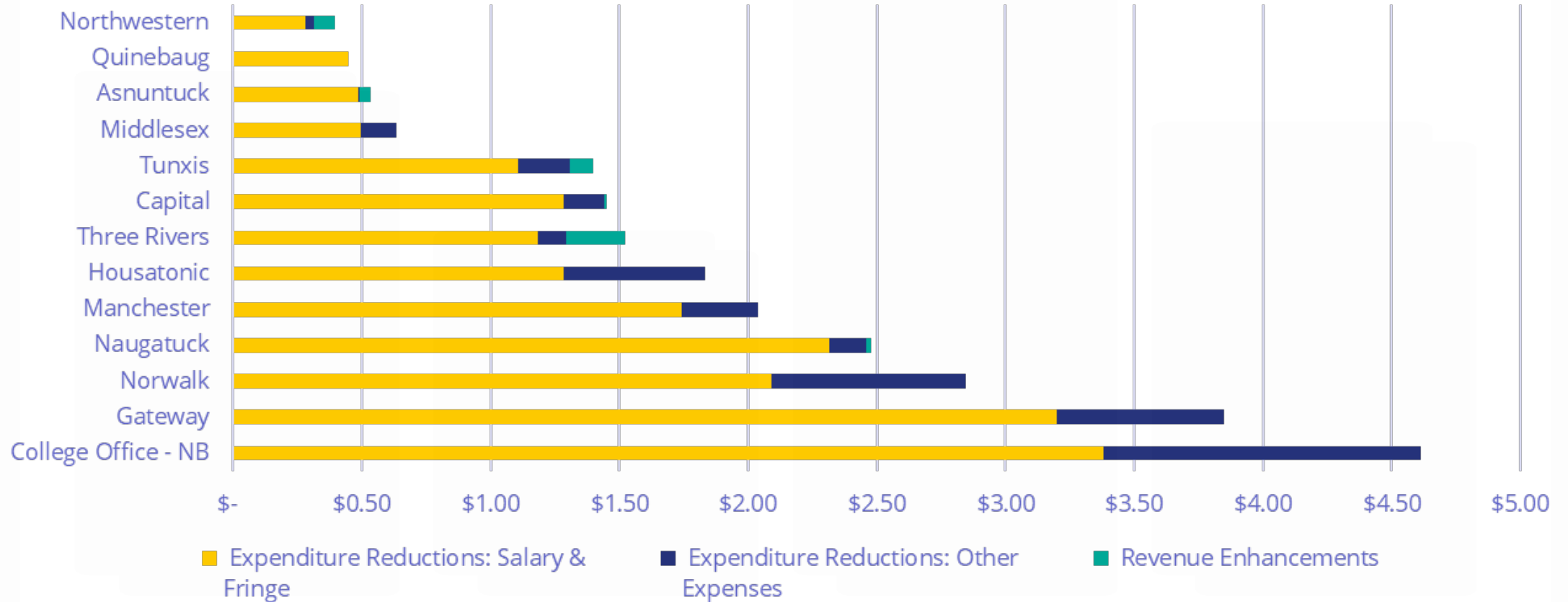
■ Salary and Fringe ■ Other Expenses
■ Revenue



- FY 24 Plan Saves \$24 million, or 5% of budget
- For FY 25
 - CT State is confident the same levels can be achieved
 - Plus, an additional \$3 million in part-time lecturer savings
 - Total anticipated savings of \$27 million annually

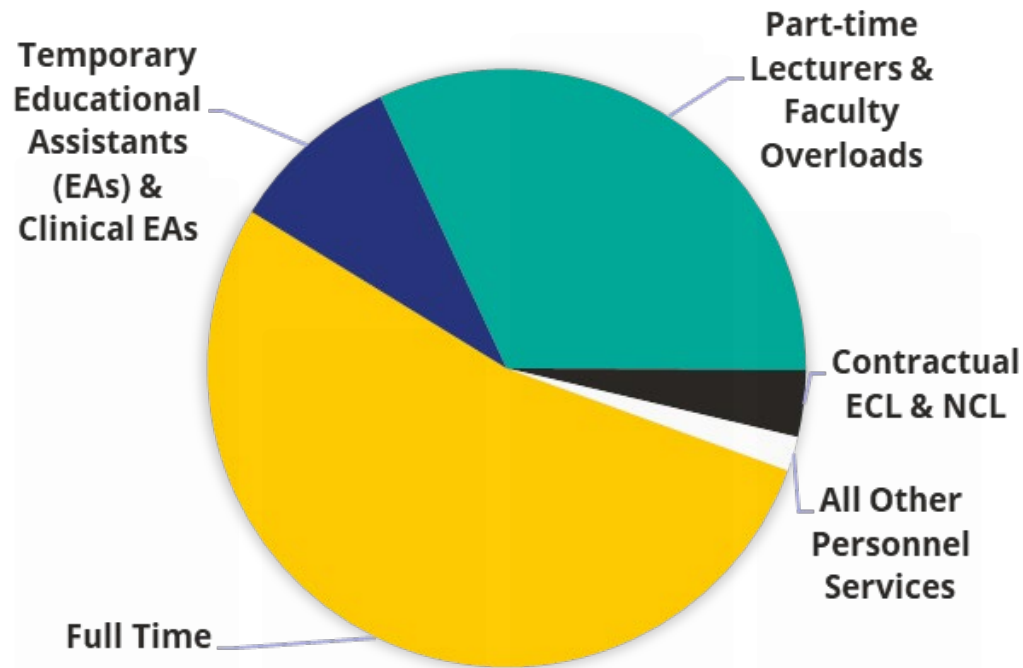
Deficit Mitigation: Campus Breakdown

FY 24 by Campus (in millions)



Deficit Mitigation: Personnel & Fringe

FY 24 Breakdown of Personnel By Category



Savings of \$19.3M in FY 24
Savings of \$22.5M in FY 25

- Over 80% of CT State's expenditures are for personnel & Fringe, the deficit mitigation plan mirrors that
- There are **NO** layoffs of bargained employees in this Plan
- Teaching & Learning and Student Support Services are strategic priorities to be protected

Deficit Mitigation: Full-Time, Permanent Personnel

- In FY 24, achieves \$11 million in personnel & fringe savings by:
 - Eliminating vacant positions
 - Holding positions vacant
 - Delaying the refill of vacant positions & hiring part-time, temporary staff
 - Making permanent changes to the management structure

Reductions in the Permanent Full Management Structure

- Since February, CT State has made significant changes in the management structure through retirements, resignations & eliminations of positions through non-continuation of contracts:
- Eliminates 8 executive positions, including:
 - 5 Executive Regional Positions (e.g., Regional Presidents/Executive Vice Presidents)
 - 3 Associate Vice Presidents
- When final, this will realize \$2.0 million in annual savings

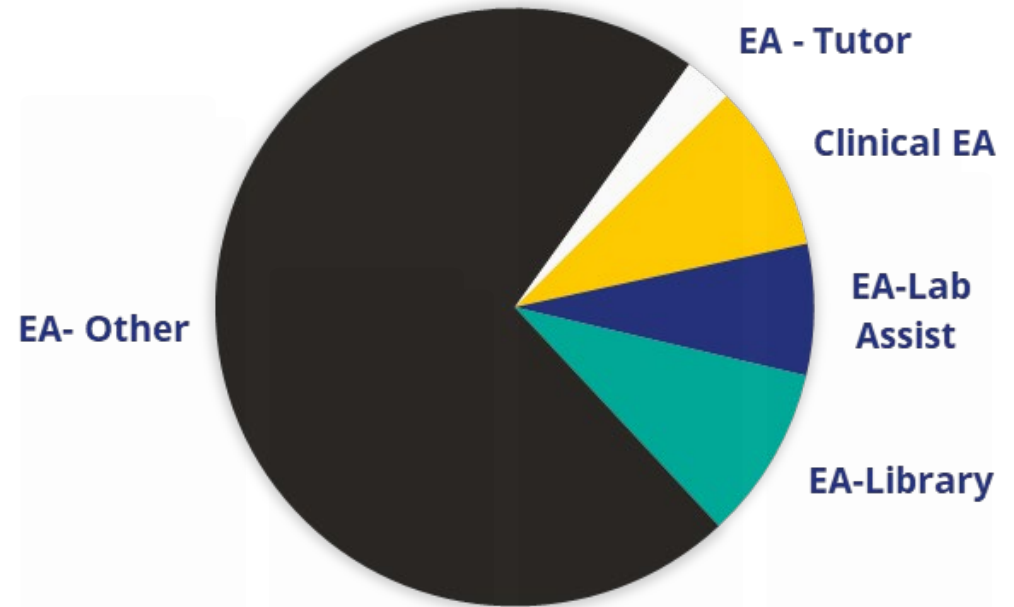
Deficit Mitigation: Temporary EAs

Temporary Educational Assistant (EA) & Clinical EAs

Most reductions are for part-time, temporary staff and occur by:

- Reducing hours
- Not renewing contracts when they expire

FY 24 Savings of \$1.8 million including for salary & fringe by functional area



Deficit Mitigation: Part-time Lecturers

Reductions align part-time lecturers & faculty overloads with enrollments through:

- Strategic course scheduling
- Filling classes to course caps
- Keeping sections inactive until others have been filled
- Modifying student drop for non-payment dates to avoid contractual penalty payments when sections are cancelled

FY 24 Part Time Lecturer & Faculty Overload Budget			
(in millions)			
	FY 24 Part Time Lecturer and & Faculty Overload Budget	Mitigation Increase/ (Decrease) Funding	Anticipated Increased/ (Decreased) Sections
College Office (NB)	\$ 0.08	\$ 0.15	22
Asnuntuck	\$ 2.00	\$ -	0
Capital	\$ 2.76	\$ (0.05)	-8
Gateway	\$ 8.75	\$ (1.25)	-193
Housatonic	\$ 3.76	\$ (0.17)	-26
Manchester	\$ 5.44	\$ (0.80)	-124
Middlesex	\$ 2.85	\$ -	0
Naugatuck*	\$ 7.00	\$ (0.85)	-131
Norwalk*	\$ 5.99	\$ (1.50)	-232
Northwestern	\$ 1.77	\$ -	0
Quinebaug	\$ 1.74	\$ 0.13	19
Three Rivers	\$ 4.54	\$ (0.38)	-59
Tunxis	\$ 4.36	\$ (0.29)	-45
TOTAL	\$ 51.04	\$ (5.02)	(776)
*Summary includes funding for Faculty Overload costs budgeted in FT Permanent			

Deficit Mitigation: Other Expenses

- Other Expenses represent 22% of CT State's budget and include student financial aid support, utilities & all contracted goods & services
- Results in FY 24 savings of \$4.3 million, or 18% of the plan
- **There are NO reductions to student financial aid**

Deficit Mitigation: OE & Public Safety

- Public Safety is a strategic priority & identified as an area of investment in President Maduko's 100 Days Report
- Adopted FY 24 budget invests in:
 - Expanding sworn officers to NK, with 1 new sergeant & 1 new police officer
 - Adding 1 new police officer at GW
 - Hiring 3 new Buildings & Grounds Officers at NW
 - Hiring a new Police Captain to oversee the accreditation of the police department
- FY 24 savings of \$1.3 million by making structural changes in deploying vendor security guards at: GW, HO, MX, NK
- All changes reviewed by Chief of Police to ensure appropriate level of security & consistent with national best practice

Deficit Mitigation: OE & Mental Health

- Mental Health is a strategic priority & identified as an area of investment in President Maduko's 100 Days Report
- FY 24 Adopted Budget invests in:
 - Adding 7 wellness counselors to ensure each campus has at least one licensed clinician
 - Continue partnership with Timely Care for free, 24/7 telehealth options for student health & counseling services
- FY 24 savings of \$0.6 million as CT State received a grant from OHE to fund Timely Care

Deficit Mitigation: Other Expenses

- **Physical Plant** –investing in it is a strategic priority
 - FY 24 savings of \$0.5 million achieved by:
 - Reducing utility costs at HO through strategic energy program, implementing over 50 initiatives identified in energy audit
 - Consolidating classes into 2 buildings on Fridays to achieve utility savings at NW
 - Reducing contracted custodial services at AS & TR
 - Delaying the opening of Spring Lane facility at TX
- **Enrollment Services**
 - FY 24 savings of \$0.25 million by changing the way vendor call center support and chat functions are deployed

Deficit Mitigation: Other Expenses

- **Dual Enrollment** is a key strategy to stabilizing the college's enrollments & is critical to its mission
 - Most current engagements are not self-sustaining and need a subsidy from CT State
 - FY 24 savings of \$0.2 million occurs as NK campus negotiated tuition payments from the school district for the P-TECH program
- **Cafeterias** are more than places serving nutritious meals, they are places for students to gather that provide vibrancy & build community
 - FY 24 savings of \$75k by re-bidding the contract and eliminating vendor subsidy at Capital
 - FY 24 savings of \$25k in contracted vendor costs at Three Rivers

Deficit Mitigation: Revenue Enhancement

- Plan does not rely on unrealistic revenue assumptions
- FY 24 increases revenue by nearly \$475,000, by:
 - Selling surplus manufacturing equipment at AS - \$40k
 - Increasing facility rental income at CA, NV, TX & TR - \$55k
 - Increasing continuing education revenue at NW & TR, as year-to-date actuals exceed projections - \$291k
 - Recognizing bookstore commissions at TX that were omitted from budget – \$89k

Evaluating the Effects of Deficit Mitigation

How the Initiatives Impact:

Students	Employees	Mission	Equity Principles
<p>27% of strategies had a negative impact :</p> <ul style="list-style-type: none">• Reduce Hours of Operation• Reduce Staffing• Close Fitness Centers• Reduce Student Labor	<p>40% of strategies had a negative impact:</p> <ul style="list-style-type: none">• Reduce Temporary EAs• Keep positions vacant• Reduce Part-Time Lecturers	<p>4% of strategies had a negative impact:</p> <ul style="list-style-type: none">• Reduce staffing in critical areas	<p>No strategies were identified that negatively impact CT State's principles of diversity, equity, inclusion and belonging</p>

The background is a dark blue field filled with white line-art icons and text labels for various CT State Community College locations. The locations include Naugatuck Valley, Housatonic, Tunxis, Three Rivers, Middlesex, Manchester, Capital, Asnuntuck, Norwalk, and Northwestern. Educational icons such as graduation caps, books, a microscope, a basketball, a theater mask, a bus, and a person at a whiteboard are also scattered throughout. The text 'Technical Re-Estimates' is centered over the collage, with 'Technical' in white and 'Re-Estimates' in teal.

Technical Re-Estimates

Your Community. Your College.

CT STATE
COMMUNITY COLLEGE

Technical Re-Estimates

- Results in a net improvement of \$2.4 million in FY 24 & \$8 million in FY 25
- Revenue – FY 24 worsening by \$4.0 million due to:
 - \$3.1 million increase in tuition as enrollments exceed forecast
 - \$2.0 million decrease in summer extension credit fees, late drop fees, supplemental fees, and fees for materials
 - \$5.2 million increase in contra revenue for allowance for doubtful accounts due to significant increase in unpaid tuition in FY 23
- Expenditures – improvement of \$6.5 million in FY 24 and \$8 million in FY 25 as actual fringe benefit rate is lower than forecast

The background is a dark blue field filled with white line-art illustrations. These include various campus buildings such as Naugatuck Valley, Housatonic, Tunxis, Three Rivers, Middlesex, Asnuntuck, Northwestern, Capital, Manchester, and Quinebaug. Educational icons like graduation caps, books, a microscope, a basketball, and a person at a whiteboard are also scattered throughout. The text 'Use of Reserves' is centered in the middle of the image.

Use of Reserves

Your Community. Your College.

CT STATE
COMMUNITY COLLEGE

Use of \$22.1 million in Reserves

- Reserves should not be used to address structural deficits
- Reserves provide temporary stability by using \$7.1 million in FY 24, & \$15 million in FY 25

FY 22-25 Anticipated Use of Undesignated Reserves, Per BOT Policy 6.4.4 (in millions)				
Fiscal Year	Starting Balance	Addition/(Use) of Reserves	Ending Balance	Number of Days Reserves Could Support Operations
FY 22 Actual	\$ 23.8	\$ 45.1	\$ 68.9	38.3
FY 23 Estimated*	\$ 68.9	\$ 50.0	\$ 118.9	66.1
FY 24 Projected	\$ 118.9	\$ (7.1)	\$ 111.8	62.1
FY 25 Projected	\$ 111.8	\$ (15.0)	\$ 96.8	53.8
* Unaudited and subject to change				

Reserves Ensure Fiscal Stability

- To allow time to respond to changes in economic environment
- To sustain through temporary revenue setbacks
- To respond to unexpected costs
- To fund unexpected opportunities
- To protect against unpredictable political behavior (e.g., shutdown of the federal government)

Exemplar organizations suggest that institutions should have reserves to sustain the organization for 4-6 months. CT State has not achieved this threshold.

Conclusion

- This plan provides a pathway to stabilize, build & thrive
- CT State's plan fully resolves the current year shortfall of \$33.6 million
- The plan represents difficult decisions upholding our principles of shared governance, inclusivity & transparency
- The plan preserves the college's strategic priorities:
 - Teaching and Learning
 - Student Support Services
 - Diversity, Equity, Inclusion and Belonging
 - Campus and Public Safety
 - Physical Plant and Technological Infrastructure

Conclusion

CT State's FY 24 Plan is notable for what it excludes:

- No layoffs of bargained employees
- No campus or location closures
- No academic program closures
- The biennial deficit has been closed by \$83.6 million, or 67%
- Challenges remain: FY 25 forecast shortfall of \$41.3 million

CT State's plan reflects the maximum deficit mitigation savings that can be achieved while preserving our strategic priorities.

CT State is committed to transparency. See our website for more details:





DEFICIT MITIGATION PLAN
Western Connecticut State University

11.15.2023

Long-term Strategic Vision:

03

To emerge as the first-choice provider of science and technology-infused liberal and fine-arts education serving technology-intensive academic and workforce needs and advancing regional socio-economic prosperity and cultural enrichment among western Connecticut communities.

Financial stability and growth through enrollment management

- Strategize data-informed targeted recruitment
- Enhance financial, academic, and wrap-around services support
- Develop Innovative programs (Artificial Intelligence, Machine Learning, Quantum computing)
- Adopt dual modalities for flexibility and accessibility
- Create synergies for economies of scale and scope
 - Develop 4 + 1 pathways
 - Create direct admit options
 - Partner with Charter Oak for online delivery
- Offer distinctive programs and create a unique identity with a strong brand



Strategic Focus: Long-term Strategic Vision

To be a preferred partner of technology companies for developing degree and non-degree programs that are guided by and responsive to their workforce needs focusing on emerging STEM fields fueling growth in enabling technologies

- Engage community leaders and partners in developing programs advancing our mission of Accessibility, Inclusivity, Equity, and Academic Excellence
- Create a focus on career prospects, technology entrepreneurship, and innovation management in the emerging and critical-need fields
- In partnership with major technology companies in the region to develop programs to emerge as advanced emerging technologies center capable of transforming western Connecticut region as a technology corridor.

Strategic Focus: Long-term Strategic Vision

Promoting Diversity, Fostering Inclusivity, and Embracing Equity

- Persistent and purposeful efforts to increase recruitment and retention of students, faculty, and staff from diverse backgrounds in response to changing demographics
- Build capabilities to be able to effectively serve as a Minority and/or Hispanic Serving Institution, especially focusing on increasing representation of women and minorities in STEM fields

Mitigation Steps

Near-term strategic initiatives for financial stabilization and resilience

06

Cost Efficiencies

Operations and Facilities

- Reduced discretionary spending
- Limiting operating capital needs
- Workforce efficiencies
- Closure of facilities
- Reduction in services
- Eliminate redundancies and duplicities

Academic Program Portfolio Optimization

- Realignment of academic program offerings
- Program modifications
- Program reductions and revisions
- Reorganization of units for synergies and economies of scale and scope
- Shared resources (personnel and facilities)

Mitigation Steps

07

Near-term strategic initiatives for financial stabilization and resilience

Revenue enhancement through enrollment growth: Retention strategies

- Established professional advising model for all first-year students
- First Year Experience to build campus engagement and inclusion
- Academic recovery strategies for students with below minimum GPA
- Newly appointed Dean of Student Success and Engagement
- Restoring our Intramural Athletics programs
- Developing a plan for Marching Band Club
- Bringing an e-Sports Club to WCSU
- Implementing the scheduler tool through Course Leaf
- Demand-based course scheduling
- Reduced course-conflicts
- Limiting course cancellations for low-enrollment

Revenue enhancement through alternative revenue sources

- Facility rentals, food services, and community engagement, etc.
- Strategically tapping into grants funding and fundraising opportunities

Mitigation Steps

Near-term strategic initiatives for financial stabilization and resilience

Revenue enhancement through enrollment growth: Recruitment strategies

New recruitment approaches

- Targeted search and real-time communications (Fire Engine Red) Predictive analytics to increase yield (Othot)
- Increased frequency of campus visits
- Expansion of Early College and dual credit programs
- Increased recruitment travel to High Schools (~500 visits)
- Focus on recruitment of athletes

Targeting new student demographics

- Greater focus on graduate enrollment
- New focus on international student recruitment
- New focus on adult learners: Stop-outs and non-traditional students
- Prioritize Transfer Student initiatives: Improve processes and timelines



THANK YOU!



SCSU DEFICIT MITIGATION PLAN

Presented to the
Connecticut
Board of Regents



Southern Connecticut State University

CSCU Board of Regents Presentation

SCSU Deficit Mitigation Plan



Strategic Focus:

- Composed of a balanced combination of new revenue generation and operational adjustments, informed by a new Strategic Plan and its emphasis on finding several new paths to enrollment growth.
- A series of deficit mitigation efforts that build on this year's success to both increase income and reduce the cost of operations:

Projected Mitigation Outcomes:

<i>(in millions)</i>	FY24	FY25
<u>Total deficit mitigation</u>	<u>\$4.3</u>	<u>\$12.1</u>
1. Adjustments updating deficit	(3.8)	(0.4)
2. Revenue enhancements	7.6	10.5
3. Expenditure reductions	0.4	1.8
4. Institutional cash support	0.0	0.2
Additional support needed	0.0	0.0

CSCU Board of Regents Presentation

SCSU Deficit Mitigation Plan



Mitigation #1

New revenue from enhanced efforts to generate enrollment, with a target of at least 3.5% growth in Fiscal Year 25, and with a related growth in revenue of about \$4 million from new student enrollments and \$4.1 million in associated fees; similar growth in that year in associated new housing occupancy, and conference and other business would add slightly more than \$2 million.

CSCU Board of Regents Presentation

SCSU Deficit Mitigation Plan



Mitigation #2

Operational adjustments like:

- Extending a hiring freeze, for current estimated savings of at least \$500,000
- Further reducing adjuncts, estimated at \$1,200,000 in savings

Mitigation #3:

Savings from unfilled vacant positions from voluntary retirements - \$1,400,000.

NEW SCHOLARS

SCSU Head Count

↑ 10%

Fall '23 first-year class includes 1,227 scholars – a 10% increase over 2022

↑ 14%

941 new transfer and re-admitted students



GRADUATE ENROLLMENT

Fall 2023

849

New graduate
students, up 22%
over 2022

6%

Full-time graduate
enrollment is up 6%

3.6%

Overall graduate
enrollment is up 3.6%



OVERALL ENROLLMENT



1.8%

Full-time
head count
is up 1.8%

Overall head count is
relatively flat, -.8%



1.2%

Credit hours

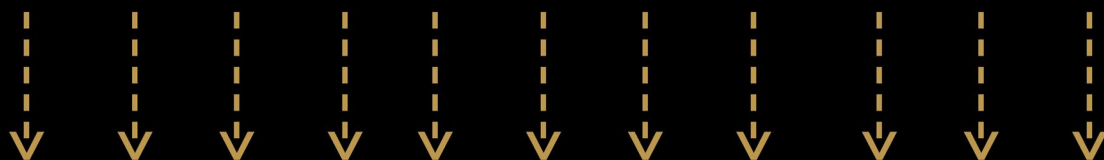


1.4%

FTEs

FALL 2024 ENROLLMENT GOALS

 **3.5%** enrollment growth for Fall 2024 = **282** additional scholars



1%

New scholar
enrollment =
73 scholars

.7%

Transfer and
readmits =
59 scholars

.8%

Retention =
67 scholars

1%

Graduate
enrollment (new
and continuing)
= 83 scholars



THANK YOU! QUESTIONS?

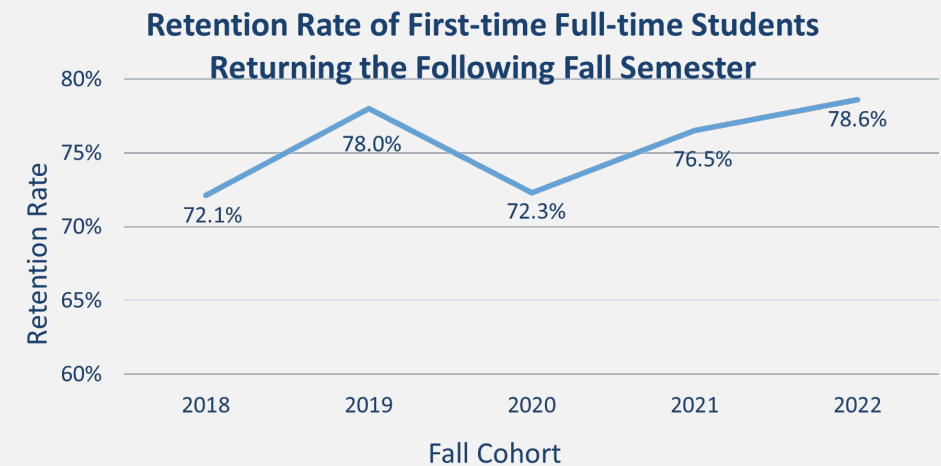
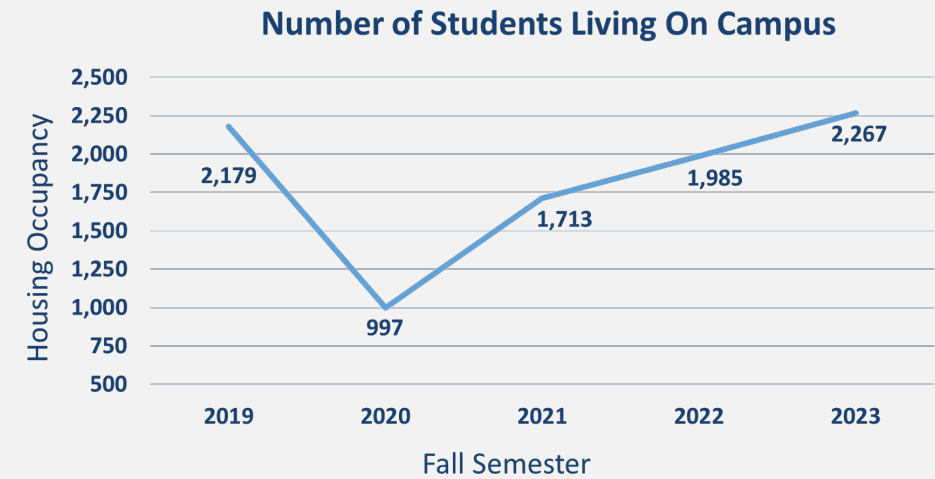
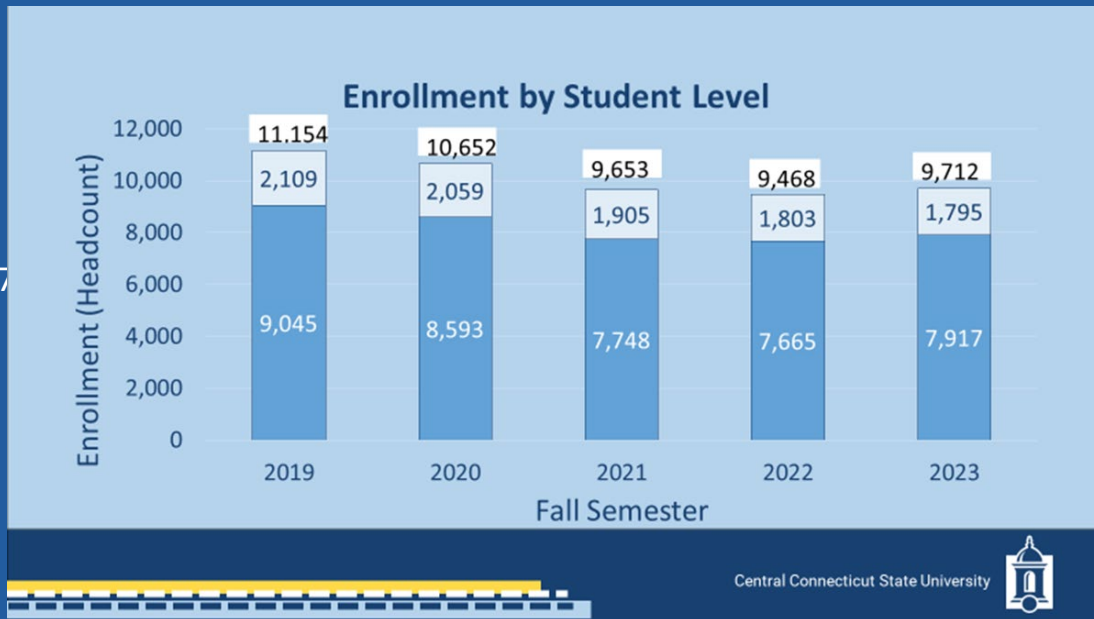


Central CT State University

Our Collective Goal

Financially sustainable student success
centered institution: a model for
Connecticut and beyond

Some Key Performance Indicators at CENTRAL



Financial Position

Foundations of Central's Strategy for Financial Sustainability

Approximately 60 reviews & assessments of areas of operation & student support services & programs; 42 unduplicated

Reduce base budget by \$13.1 Million in fiscal year 2021

Hiring freeze process

Ongoing implementation of cost containment and revenue enhancement initiatives

Focus on enrollment, retention and housing occupancy



Financial Position

End of Year Operational Balances

FY 2019	FY 2020	FY 2021	FY 2022	Estimated FY 2023	Estimated FY 2024 *	Estimated FY 2025**
\$2,614,063	\$238,624	\$0	\$4,947,005	\$13,304,204	\$21,108,771	\$5,120,758

- *Assumptions: Flat enrollment, 2,000 students in dorms and 3% tuition increase; actual 2.6% increase in enrollment and 2,267 in dorms.
- **Assumptions: Additional 2% increase in enrollment for Fall 2024, 2,200 students in dorms and 5% tuition increase.



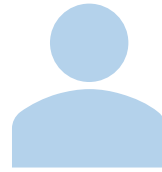
Central's Financial Position At A Glance



Reserves

2022 -2023

\$99.1 Million



Enrollment

Total

+2.6%



Housing

Surpassed goal

Nearly 200+



APP Process Recommended Priorities to Accomplish Our Collective Goal

REVENUE GENERATING

1. **Develop New Programs** aligned with workforce needs.
2. **Develop an Undergraduate & Graduate Interdisciplinary Climate Change Studies.**
3. **Establish a Forensic lab** in partnership with the Connecticut Law Enforcement and Department of Emergency Services and Public Protection (DESPP).

INCREASING STUDENT SUCCESS

4. **Examine Course Modality and Course Scheduling** creating Flexibility to accommodate Student Needs.
5. **Engage in conversations with Math** and explore the development of a Math Lab.
6. **Optimize Tutoring Services** through a coordinated approach.

COST CONTAINMENT STRATEGIES

7. **Optimize Interdisciplinary Collaborations.**

RECRUITMENT AND ENROLLMENT

8. **Expand K-12 partnerships**, including expanding dual and concurrent enrollment.
9. **Expand partnerships with community colleges and company partners.**

OVERALL RECOMMENDATION

10. **Examine results from Central Connecticut State University Financial Model.**



We Are Central



WE ARE CENTRAL TO:

Innovation

Your Future

Academic Excellence

You

Our Community

What's Next

Everything





The Connecticut State Colleges & Universities (CSCU) contribute to the creation of knowledge and the economic growth of the state of Connecticut by providing affordable, innovative, and rigorous programs. Our learning environments transform students and facilitate an ever-increasing number of individuals to achieve their personal and career goals.

CSCU will build on its long and successful history of access, diversity and excellence by working collectively - within and across institutions - and by engaging external partners to increase the number of students pursuing and completing personally and professionally rewarding certificate and degree programs, improving their social mobility and helping the state to meet its current and future workforce demands.



Terrence Cheng
Chancellor

November 1, 2023

To the Members of the Board of Regents,

Per Resolution 23-053, enclosed are the materials outlining our Deficit Mitigation Plan to address the projected systemwide deficits for FY24 and FY25. These materials include this memo, which serves as an executive summary of the plan, and a workbook file that provides detailed information on specific initiatives undertaken by each institution and their associated deficit mitigation impacts. In addition, a slide presentation summarizing this plan will be presented during the special Board of Regents meeting on November 15th.

The State of Connecticut's biennium budget allocation for CSCU falls significantly short of what is necessary to maintain our existing levels of operations. This shortfall isn't merely a matter of numbers on paper; it requires us to think creatively, make impactful strategic shifts, and embrace innovation in ways we might not have considered previously. As we approach this financial challenge, we are driven not just by budgetary considerations but by a deeper, steadfast commitment to our mission. We are unwavering in our dedication to serve our students by providing affordable, innovative, and rigorous academic programs and an environment where our students can realize both personal and professional success. Building upon a rich legacy of access, diversity, and excellence, CSCU has always been more than just a system of higher education institutions within Connecticut; we are a community-driven force for positive change. In upholding our mission, it's vital that we continually remind ourselves of the transformative power of education and the promise it holds for a better future.

I must express my appreciation to our institutional presidents and their dedicated teams who worked tirelessly throughout this intricate process. Their resilience, adaptability, and resolve in navigating their respective fiscal challenges has been nothing short of exemplary. Each of them, with their respective strategies and actions, has made significant strides, not only in mitigating budgetary concerns but also in ensuring that our students continue to receive a high-quality educational experience.

This plan embodies collaborative effort and shared responsibility within our system. It consolidates data on actions and initiatives taken or proposed by our institutions and the System Office. Using the System Office's template to maintain a unified approach, institutions have provided their specific data, ensuring consistency throughout. This collective information is documented in the workbook file, summarized in this memo, and will be further outlined in the November 15th presentation.

Deficit Mitigation: Executive Summary

We have chosen to adopt a multifaceted and balanced approach to deficit mitigation across the system. This plan includes a combination of activity to reduce projected deficits, including technical adjustments that update deficit projections, revenue enhancement initiatives, expenditure reductions, and the usage of cash reserves.

FY24: We propose to mitigate \$63.0 million in FY24. This not only balances all institutional budgets by addressing the \$33.6 million deficit for CT State and the \$12.0 million deficit for Western, but it also assists in reducing the total FY25 deficit by cutting down on recurring expenses (e.g., salary and fringe costs).

FY25: We propose to mitigate \$100.6 million in FY25. These planned efforts balance the individual budgets at four of our six institutions and, in some instances, generate surpluses that can support outyear deficits or be added to reserve balances. However, this substantial effort only represents 72% of an extraordinarily large deficit, marking the extent to which we can manage this deficit before taking more drastic—and harmful—steps.



Terrence Cheng
Chancellor

Therefore, we will need additional funding from the State in the amount of \$47.6 million, of which \$41.3 and \$6.3 million will be applied to CT State and Western respectively, bringing both into balance for FY25.

At the June 21st Board of Regents Finance & Infrastructure Committee Meeting, we projected systemwide deficits of \$26.7 million in FY24 and \$140.2 million in FY25 reported. Technical adjustments (such as re-estimates of fringe costs) update these projected deficits. These are net deficits systemwide, which means the projected surpluses of some institutions offset projected deficits of other institutions in systemwide reports. However, each institution's finances remain distinct, so one institution's surpluses will not be used to offset another institution's deficits.

These figures largely stem from two institutions: CT State and Western. Our request for FY25 is focused on addressing the financial challenges of these two institutions. In response to these challenges systemwide, we've taken proactive steps and project balanced budgets at four of our six institutions. This demonstrates that we're taking the necessary steps and moving in the right direction. It is a testament to our commitment to fiscal responsibility. As for CT State and Western, while they face unique challenges, with a bit more support and time, they too can align with our broader trajectory of success.

The following table reveals the balanced approach we took to address such a sizable challenge. In FY24, more than half of the mitigation (\$35 million) comes through expenditure reductions. In FY25, a quarter of the deficit is addressed through revenue enhancements (\$25 million), almost half through expenditure reductions (\$47 million), and 20% through cash support (\$20 million). The revenue enhancements assume a 5% increase in tuition and fees for FY25, which we will propose to the Board of Regents for approval at its December 2023 meeting.

Deficit Mitigation	FY24	FY25
<u>Total deficit mitigation (in millions)</u>	<u>\$63.0</u>	<u>\$100.6</u>
1. Adjustments updating projections	(\$2.6)	\$7.8
2. New revenue initiatives	\$16.7	\$24.8
3. Expenditure reductions	\$36.8	\$47.7
4. Cash support	\$12.1	\$20.4

This mitigation plan represents preliminary estimates of the financial impact that can be achieved through the outlined measures. Through this approach, we aim to stabilize our finances without resorting to deeper and more damaging cuts, particularly concerning personnel and service levels. **Therefore, we respectfully urge the State to consider our request for an additional \$47.6 million in FY25.** This funding is crucial for CT State and Western's long-term sustainability. This will allow us to reinforce and stabilize the ongoing educational endeavors of all of our institutions, ensuring our ability to provide exceptional educational experiences to the students we serve.

The remainder of this memo will summarize mitigation efforts taken by each institution. For more detail, please refer to the institutional worksheets within the submitted workbook file.



Terrence Cheng
Chancellor

CT State

By far the largest institution of the system with 12 campuses serving over 70,000 students across the state, CT State projects a \$33.6 million deficit in FY24 and \$91.3 million in FY25. Most of the proposed mitigation (70%) would come in the form of \$23.6 million of expenditure reductions in FY24 and \$26.8 million in FY25. Though relatively small in amount, its revenue enhancements include a new workforce pipeline program at the Three Rivers campus, increased room rental rates at the Capital, Naugatuck, and Tunxis campuses, and selling surplus manufacturing equipment at Asnuntuck. Among the expenditure reductions are plans to reduce non-personnel expenditures by \$4.3 million in FY24 and in FY25. With the usage of \$7.1 million in institutional cash support in FY24, this will balance the current fiscal year's budget. However, with the usage of \$15 million in institutional cash support in FY25, it leaves a remaining projected deficit of \$41.3 million.

Charter Oak State College

Charter Oak projects a balanced budget in FY24 and a \$2.5 million deficit in FY25. Of the projected deficit in FY25, it plans to mitigate this mostly with \$1.7 million in revenue enhancements, including continued growth of credits by 13% per year, and workforce and other grants totaling \$650 thousand. Expenditure reductions include reducing vendor costs and efficiencies in administrative shared services.

Central Connecticut State University

With an originally projected surplus of \$13.5 million in FY24, this surplus will increase on the strength of \$8.5 million in new revenues in FY24. For FY25, \$8.5 million in new revenue and \$1.7 million in expenditure reductions will easily offset the original projected deficit of \$4.7 million. New revenue comes from new students (tuition, housing, and dining) and new program offerings such as Systems Engineering, Climate Studies, and a Master's degree in Social Work.

Eastern Connecticut State University

Eastern projects a \$1.4 million deficit in FY24 (after downward adjustments to the original deficit projection) and \$8.0 million deficit in FY25. It proposes to close the FY25 deficit through \$3.7 million in expenditure reductions in FY24 and \$5.6 million in FY25. Revenue enhancements of \$2.5 million complete its FY25 mitigation, and includes enhancing online Graduate program offerings, a new Nursing program, targeted Out-of-State recruiting, and additional associated housing and dining revenue.

Southern Connecticut State University

Southern projects a \$4.3 million surplus (before downward adjustments to the original deficit projection) in FY24 and a \$12.1 million deficit in FY25. It proposes to mitigate the FY25 deficit through \$10 million in new revenue and \$1.8 million in expenditure reductions. The new revenue in FY25 includes \$4.5 million in tuition from new student enrollments, \$4.1 million in associated new student fees, and \$2.2 million in associated new housing and dining revenue.

Western Connecticut State University

Western projects a \$12 million deficit in FY24 and a \$21.6 million deficit in FY25. It proposes to mitigate the FY24 deficit through \$6.6 million in expenditure reductions, and a \$5 million loan from the System Office. In



Terrence Cheng
Chancellor

FY25, it can mitigate \$15.2 million (70% of deficit) through \$1.2 million in new revenue, \$8.6 million in expenditure reductions, and \$5 million in institutional cash support, leaving a remaining deficit of \$6.3 million.

System Office

The System Office will also contribute to this mitigation effort with expenditure reductions of \$3 million in FY24 and in FY25. It will also provide a \$5 million loan to Western in FY24 to be repaid over four fiscal years. The System Office is also looking at ways to streamline operations and push the most high-touch functions closer to the point of service delivery. It is working with CT State to determine which functions will reside at CT State and which will remain at System Office.

Use of Reserves

The use of cash reserves will be guided by standards set by the National Association of College and University Business Officers (NACUBO) and Board of Regents policy. Given the sustained downward trend in enrollments, we will take a long-term view and use reserves as a supplement to more substantial changes in revenues and expenditures. Our balanced approach to deficit mitigation in FY25 means 25% of the deficit is mitigated through new revenues, 47% through expenditure reductions, and 20% through cash reserves.

Conclusion

This plan demonstrates a considerable effort to strike a balanced approach to mitigate \$63 million in FY24 and \$100 million in FY25. The extraordinary level of mitigation planned for FY25 represents three quarters of an exceptionally large projected deficit. We believe that this is as far as we can go before taking more drastic—and harmful—steps. Moreover, given the size of the projected FY25 deficit, we have assumed a 5% tuition increase that will add burden to our students' ability to pay. We remain steadfast in our commitment that Connecticut State Colleges and Universities provides affordable, innovative, and rigorous programs for students to achieve their personal and career goals as well as contributes to the economic growth of Connecticut. Therefore, we will need \$47.6 million in additional funding to address the remaining deficits at CT State (\$41.3 million) and Western CT State University (\$6.3 million). I look forward to our continuing efforts to support the educational development of our students.

With thanks and appreciation,

A handwritten signature in black ink, appearing to read 'Terrence Cheng', is placed over a light gray rectangular background.

Chancellor, Connecticut State Colleges and Universities

Deficit Mitigation Plan, Comprehensive Summary: Connecticut State Colleges and Universities (CSCU)

CSCU projects a balanced budget in FY24. In FY25, we project a \$140 million net deficit, and this plan mitigates over \$100 million of it. Some institutions project surpluses, so deficits are unevenly allocated. We project a remaining deficit in FY25 of \$47.6M and will require additional support.

	CSCU Totals		CT State		Central		Eastern		Southern		Western		Charter Oak		System Office	
	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
<i>Projected surplus/(deficit), June 21 BOR F&I</i>	<i>(\$26.7)</i>	<i>(\$140.2)</i>	<i>(\$33.6)</i>	<i>(\$91.3)</i>	<i>\$13.5</i>	<i>(\$4.7)</i>	<i>\$0.0</i>	<i>(\$8.0)</i>	<i>\$5.5</i>	<i>(\$12.1)</i>	<i>(\$12.0)</i>	<i>(\$21.6)</i>	<i>\$0.0</i>	<i>(\$2.5)</i>	<i>\$0.0</i>	<i>\$0.0</i>
Total deficit mitigation	\$63.0	\$100.6	\$33.6	\$50.0	\$7.6	\$9.8	\$2.1	\$8.0	\$4.3	\$12.1	\$12.1	\$15.3	\$0.4	\$2.5	\$3.0	\$3.0
1. Adjustments updating deficit	(2.6)	7.8	2.5	8.0	(0.5)	(0.5)	(1.4)	(0.1)	(3.8)	(0.4)	0.4	0.4	0.1	0.4	0.0	0.0
2. New revenue initiatives	16.7	24.8	0.5	0.2	8.5	8.6	(0.2)	2.5	7.6	10.5	0.0	1.2	0.3	1.7	0.0	0.0
a. New enrollments	10.3	20.9	0.0	0.0	5.8	8.6	(1.0)	0.0	5.2	10.8	0.0	0.5	0.3	1.1	0.0	0.0
b. Program initiatives	6.4	3.8	0.5	0.2	2.7	(0.0)	0.8	2.5	2.4	(0.3)	0.0	0.7	0.0	0.7	0.0	0.0
3. Expenditure reductions	36.8	47.7	23.6	26.8	(0.4)	1.7	3.7	5.6	0.4	1.8	6.6	8.7	0.0	0.2	3.0	3.0
a. Personnel	27.1	34.4	19.3	22.5	0.0	0.0	2.1	2.7	0.4	2.8	2.4	3.5	0.0	0.0	3.0	3.0
b. Operational initiatives	9.7	13.2	4.3	4.3	(0.4)	1.7	1.6	2.9	0.0	(1.1)	4.3	5.2	0.0	0.2	0.0	0.0
4. Cash support	12.1	20.4	7.1	15.0	0.0	0.0	0.0	0.0	0.0	0.2	5.0	5.0	0.0	0.2	0.0	0.0
5. Additional support needed	0.0	47.6	0.0	41.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0

**Deficit Mitigation Plan:
CT State Community College**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (including updated projections)		\$33,638,070	\$49,994,213
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>(\$33,638,070)</i>	<i>(\$91,289,171)</i>
1. Adjustments updating June surplus/deficit projections		\$2,466,192	\$8,000,000
a. Revenue			
Tuition	<i>Increase based on Fall 2023 enrollments exceeding projections.</i>	\$3,133,318	\$0
Fees	<i>Decrease based on lower late drop fees, summer extension credit fees, and supplemental fees.</i>	(\$1,967,126)	\$0
Allowance for Doubtful Accounts	<i>Increase in student receivables from FY 23.</i>	(\$5,200,000)	\$0
b. Expenditure	<i>Re-estimate fringe benefit rates based on actuals</i>	\$6,500,000	\$8,000,000
2. New revenue initiatives		\$474,380	\$222,380
a. New enrollments / net tuition & fees		<u>\$0</u>	<u>\$0</u>
b. Program initiatives		<u>\$474,380</u>	<u>\$222,380</u>
Auxialiaries	<i>Increased cafeteria sales at Three Rivers.</i>	\$20,000	\$20,000
Noncredit revenue	<i>New workforce development pipeline program at Three Rivers; corrected understated budget at Northwestern.</i>	\$290,880	\$78,880
Room Rentals	<i>Increase in room rental rates at Capital, Naugatuck, and Tunxis.</i>	\$35,000	\$35,000
Commissions-Bookstore	<i>Original budget was understated at Tunxis.</i>	\$88,500	\$88,500
Sale of manufacturing equipment	<i>Sale of surplus manufacturing equipment at Asnuntuck.</i>	\$40,000	\$0
3. Expenditure reductions		\$23,557,851	\$26,771,833
a. Personnel		<u>\$19,287,419</u>	<u>\$22,501,401</u>
Projected voluntary attrition	<i>Net savings from retirements, resignations, delays in refill, and holding positions vacant.</i>	\$9,847,800	\$9,847,800
Management/confidential staff	<i>Savings achieved through non-renewal, retirements, resignations, and delays in replacements on campuses.</i>	\$1,498,269	\$1,498,269
Part-time staff	<i>Net savings achieved through non-renewals, reduction in contract hours, and resignations.</i>	\$2,019,219	\$2,019,219
Adjunct faculty	<i>Net savings from reduction of part-time instruction due to strategic scheduling and management of course fill rates.</i>	\$5,922,131	\$9,136,113
b. Operational initiatives		<u>\$4,270,432</u>	<u>\$4,270,432</u>
Adminisrative operational changes	<i>Various reductions in non-personnel expenses such as contracted security, travel, food, etc. Using grant funds to pay for Timely Care, and changes in food service vendors to a no-cost structure at Captial.</i>	\$4,270,432	\$4,270,432
4. Institutional cash support		\$7,139,647	\$15,000,000
5. Additional support needed		\$0	\$41,294,958

**Deficit Mitigation Plan:
Eastern CT State University (ECSU)**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (including updated projections)		\$2,083,712	\$8,028,876
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>\$0</i>	<i>(\$8,028,876)</i>
1. Adjustments updating June surplus/deficit projections		(\$1,381,466)	(\$84,400)
2. New revenue initiatives		(\$204,524)	\$2,519,626
a. New enrollments / net tuition & fees		<u>(\$984,861)</u>	<u>\$0</u>
Tuition and fees	<i>Lower than budgeted enrollment.</i>	(\$984,861)	\$0
b. Program initiatives		<u>\$780,337</u>	<u>\$2,519,626</u>
New program offerings	<i>BISK Online Graduate program, Nursing program, targeted out-of-state recruiting.</i>	\$257,040	\$1,994,120
Auxiliaries	<i>Housing and dining revenue from Nursing program and out-of-state recruiting.</i>	\$200,000	\$225,931
Other	<i>Interest income.</i>	\$323,297	\$299,575
3. Expenditure reductions		\$3,669,702	\$5,593,650
a. Personnel		<u>\$2,057,902</u>	<u>\$2,665,396</u>
Projected voluntary attrition	<i>Attrition from unfilled and difficult to fill positions.</i>	\$1,166,605	\$1,277,014
Projected voluntary retirements	<i>Projected reduced need.</i>	\$53,050	\$547,322
Management/confidential staff	<i>Retirement/vacancy in FY24, refill in FY25.</i>	\$303,557	(\$220,826)
Part-time staff	<i>Adjust FY24 to FY23 level plus general wage increases.</i>	\$466,904	\$344,100
Adjunct faculty	<i>Projected reduced need.</i>	\$67,786	\$717,786
b. Operational initiatives		<u>\$1,611,800</u>	<u>\$2,928,254</u>
Adminisrative operational changes	<i>Return to FY23 spending level w/2% inflationary increase, Cisco contract, new financial aid awarding strategy.</i>	\$1,611,800	\$2,928,254
4. Institutional cash support		\$0	\$0
5. Additional support needed		\$0	\$0

**Deficit Mitigation Plan:
Central CT State University (CCSU)**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (including updated projections)		<u>\$7,612,427</u>	<u>\$9,796,777</u>
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>\$13,496,343</i>	<i>(\$4,674,019)</i>
1. Adjustments updating June surplus/deficit projections		(\$456,065)	(\$474,000)
2. New revenue initiatives		\$8,518,227	\$8,565,777
a. New enrollments / net tuition & fees		<u>\$5,776,917</u>	<u>\$8,600,489</u>
Tuition and fees	<i>FY24 enrollment up 2.6% from projected flat to FY23.</i>	\$3,776,917	\$5,003,761
Others	<i>Interest rates increased; increase in rental/conference events program.</i>	\$2,000,000	\$3,596,728
b. Program initiatives		<u>\$2,741,310</u>	<u>(\$34,712)</u>
New program offerings	<i>Fall 2024 - Systems Engineering, Climate Studies, Masters in Social Work, SPED 3+2 and bringing back MS in Elementary that will now be certifiable.</i>		
Auxialiaries	<i>Housing & dining increased from projections by 267 students.</i>	\$2,741,310	\$1,146,017
Contra Revenue	<i>Changes in bad debt & adjustments based on more current estimates.</i>		(\$1,180,729)
3. Expenditure reductions		(\$449,735)	\$1,705,000
a. Personnel		<u>\$0</u>	<u>\$0</u>
b. Operational initiatives		<u>(\$449,735)</u>	<u>\$1,705,000</u>
Adminisrative operational changes	<i>Fringe a little lower than anticipated based on evidence since July 2023.</i>	\$48,477	\$1,705,000
Inst. Financial Aid & OE changes	<i>Add'l investment in F/A; increase in food expense with add'l students in housing, & other changes in OE.</i>	(\$498,212)	\$0
4. Institutional cash support		\$0	\$0
5. Additional support needed		\$0	\$0

**Deficit Mitigation Plan:
Southern CT State University (SCSU)**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (including updated projections)		<u>\$4,257,447</u>	<u>\$12,137,991</u>
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>\$5,490,165</i>	<i>(\$12,137,991)</i>
1. Adjustments updating June surplus/deficit projections		(\$3,751,187)	(\$405,905)
2. New revenue initiatives		\$7,615,011	\$10,538,993
a. New enrollments / net tuition & fees		<u>\$5,183,609</u>	<u>\$10,788,993</u>
Full Time Enrollment	<i>Enrollment increased 4.8% above projection in Fall 24. Aggressive plan in place for growth of 5% per year.</i>	\$2,754,646	\$3,985,540
Part Time Enrollment			\$498,721
Student Fee revenue	<i>Expected increase of 5% on some fees plus added enrollments.</i>		\$4,124,555
Residential Life occupancy	<i>Occupancy increased by 5%; projecting similar increases going forward.</i>	\$1,238,182	\$1,412,300
Food Service participation	<i>Dining revenue is 15% higher than projected; expecting increase of 8.1% going forward.</i>	\$1,190,781	\$767,877
b. Program initiatives		<u>\$2,431,402</u>	<u>(\$250,000)</u>
Other revenue	<i>Expect additional interest Income and conference revenue.</i>	\$2,431,402	(\$250,000)
3. Expenditure reductions		\$393,623	\$1,767,870
a. Personnel		<u>\$393,623</u>	<u>\$2,827,972</u>
Projected voluntary retirements	<i>Vacated positons due to retirements, net of payout increases.</i>	\$0	\$1,405,081
Management/confidential staff	<i>Hiring freeze of unfilled positions.</i>	\$393,623	\$88,897
Part-time staff	<i>University assistants to be reduced.</i>	\$0	\$107,250
Adjunct faculty	<i>Teaching adjuncts to be reduced in FY25.</i>	\$0	\$1,226,744
b. Operational initiatives		<u>\$0</u>	<u>(\$1,060,102)</u>
Adminisrative operational changes	<i>Maintain financial aid level that projects increase in enrollment.</i>	\$0	(\$1,096,121)
Decrease in Waivers GEAR UP	<i>Final Gear Up students are expected to graduate May 2024; replacements to be paying students, reducing waiver</i>	\$0	\$250,000
OE increase for Res Life & Food Service Contract	<i>Because dining service participation significantly increased, expenses will increase.</i>	\$0	(\$696,192)
Adjustment for Debt Service Transfers (University Fee)	<i>System Office transfer for debt service.</i>	\$0	\$482,211
4. Institutional cash support		\$0	\$237,033
5. Additional support needed		\$0	\$0

**Deficit Mitigation Plan:
Western CT State University (WCSU)**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (including updated projections)		\$12,060,601	\$15,270,472
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>(\$12,030,374)</i>	<i>(\$21,606,072)</i>
1. Adjustments updating June surplus/deficit projections		\$442,878	\$410,761
2. New revenue initiatives		\$0	\$1,202,080
a. New enrollments / net tuition & fees		<u>\$0</u>	<u>\$461,750</u>
First-time full-time	<i>Utilize Othot model for enrollment and financial aid.</i>	\$0	\$100,000
International	<i>Begin recruitment efforts.</i>	\$0	\$261,750
Transfers	<i>Increase outreach to community campuses for transfers.</i>	\$0	\$100,000
b. Program initiatives		<u>\$0</u>	<u>\$740,330</u>
Retention strategies	<i>Adopt intrusive advising mode where all first-year students will be assigned professional advisor.</i>	\$0	\$200,000
Auxialiaries	<i>Increase housing utilization, summer camps, etc.</i>	\$0	\$440,330
Extramural funding (spendable)	<i>Project increased scholarships from Foundation.</i>	\$0	\$100,000
3. Expenditure reductions		\$6,617,723	\$8,657,631
a. Personnel		<u>\$2,365,610</u>	<u>\$3,487,513</u>
Projected voluntary retirements	<i>Some retirements will not be refilled.</i>	\$645,017	\$1,651,136
Non-renewals	<i>Non-renewals.</i>	\$39,100	\$194,677
Canceled Search and postponed hiring	<i>Cancel and delay searches for approved positions.</i>	\$488,493	\$93,750
Part-time staff	<i>Reduce University Assistants and hourly student workers.</i>	\$93,000	\$215,000
Adjunct faculty	<i>Reduce adjunct expenses.</i>	\$1,100,000	\$1,332,950
b. Operational initiatives		<u>\$4,252,113</u>	<u>\$5,170,118</u>
Institutional aid adjustment	<i>Adjust institutional aid based on enrollment.</i>	\$700,768	\$511,773
Administrative operational changes	<i>OE reductions in facilities, ITI, academic affairs, enrollment management and other areas.</i>	\$3,551,345	\$4,658,345
4. Institutional and system cash support*		\$5,000,000	\$5,000,000
5. Additional support needed		\$0	\$6,335,600

* BOR approval required to provide \$5M of system office reserves (in red) as a loan from System Office.

**Deficit Mitigation Plan:
Charter Oak College**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (including updated projections)		\$351,051	\$2,458,818
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>\$15,980</i>	<i>(\$2,458,818)</i>
1. Adjustments updating June surplus/deficit projections		\$56,384	\$368,333
2. New revenue initiatives		\$277,607	\$1,707,715
a. New enrollments / net tuition & fees		<u>\$277,607</u>	<u>\$1,057,715</u>
Growth in credit hours	<i>New students and credit hours; 13% one-year increase in new credits; new applications up 40%.</i>	\$277,607	\$1,057,715
b. Program initiatives		<u>\$0</u>	<u>\$650,000</u>
New grants	<i>OWS grant confirmed to pay through FY25; Pegpetia grant expected thru FY2026.</i>	\$0	\$650,000
3. Expenditure reductions		\$17,060	\$230,730
a. Personnel		<u>\$17,060</u>	<u>\$16,200</u>
Vacant positions	<i>Removal from books.</i>	\$17,060	\$16,200
b. Operational initiatives		<u>\$0</u>	<u>\$214,530</u>
Reduce vendor costs	<i>Limit vendor cost increase to 1% per year.</i>		\$70,430
Efficiencies in shared services	<i>One person to cover HR/Payroll/Shared services.</i>		\$144,100
4. Institutional cash support		\$0	\$152,040
5. Additional support needed		\$0	\$0

Deficit Mitigation Plan:
System Office

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
<u>Total projected deficit mitigation</u>		<u>\$2,950,000</u>	<u>\$2,950,000</u>
<i>Projected surplus/(deficit), June 21 BOR F&I</i>		<i>\$0</i>	<i>\$0</i>
1. Adjustments updating June surplus/deficit projections		\$0	\$0
2. New revenue initiatives		\$0	\$0
3. Expenditure reductions		\$2,950,000	\$2,950,000
a. Personnel		<u>\$2,950,000</u>	<u>\$2,950,000</u>
End-date personnel and vacancies	<i>Will not renew or fill 22 positions.</i>	\$2,950,000	\$2,950,000
4. Institutional cash support		\$0	\$0
5. Additional support needed		\$0	\$0