

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

Wednesday, October 7, 2020 @10:00 a.m.

Via WebEx Remote Participation

<https://youtu.be/IBICwFbEEAQ>

COMMITTEE MEMBERS and REGENTS PARTICIPATING

Richard J. Balducci, Chair

David Blitz

Felice Gray-Kemp

David R. Jimenez

JoAnn Ryan

Matt Fleury

Aviva Budd

Colena Sesanker

CSCU STAFF PARTICIPATING

Mark E. Ojakian, CSCU President; Ben Barnes, Chief Financial Officer; Jane Gates, SVP & Provost, Academic & Student Affairs; Alice Pritchard, Chief of Staff/Chief of Operations; Andrew Kripp, VP Human Resources & Labor Relations; Ernestine Y. Weaver, Counsel; Melentina Pusztay, Director of Budget & Planning; Kerry Kelley, Interim CFO for the CT State Community College; Pam Heleen, Asst. Secretary of the Board of Regents

CALL TO ORDER

Chair Balducci called the meeting to order at 10:04 a.m. and following roll call, declared a quorum present.

APPROVAL OF JULY 21, 2020 MINUTES

On motion of Regent Jimenez, seconded by Regent Ryan, the minutes of the July 21, 2020 Finance and Infrastructure Committee meeting were unanimously approved as submitted.

Action Items

- **CSCU Revised FY2021 Spending Plan**

President Ojakian commented on the reduced enrollment and occupancy as well as the increased cost to the colleges and universities driven by the COVID19 pandemic. In response to the Regents' directive with respect to actions the Board would consider to address budget issues, all options are on the table to reduce the anticipated deficit. A letter was sent to the Governor and legislature asking for bridge funding and seeking their partnership in addressing the financial issues. Leadership also communicated with the leaders of the Collective Bargaining unions to open discussions to identify solutions to help rectify the financial problems. The scheduled raises will remain intact as part of the collective bargaining agreement. The possibility of furlough days may be an option for discussion. Thanks were extended to the Finance Committee and to the Board for their continued support of the System's operation during this unprecedented time.

CFO Barnes provided an overview of the FY2021 budget revisions and outlined the \$69M budget deficit. The schools reduced the deficit from the original \$90M. The revised spending plan was developed in order to mitigate the financial losses of the system in FY2021 while ensuring that the system can continue to serve students and sustain efforts to improve student success and secure financial sustainability. Revenues to the colleges and universities have dropped below the levels expected in the original spending plan as a result of revenue shortfall from lower enrollment at the colleges and lower residence hall occupancy at the universities both due to COVID. These operating deficits will reduce reserves in both the colleges and universities. Charter Oak State College has experienced enrollment growth and is not affected by revenue loss. An overview was provided on the revised FY21 Revenue and Expenditures. The spending plan revisions include using \$12.2M of CC HEERF funds to offset FY21 revenue losses. Through the CARES Act, the CSU's have \$3.1 million FY20 (Coronavirus Relief Fund (CRF) expenses still to be reimbursed, and \$8.5 million in FY21 CRF Expenses to be reimbursed by OPM. The administration learned this morning that the universities were reimbursed \$8.5 million by OPM.

The revised spending plan also includes provisions related to Students First and CSCC. The filling of vacant positions at CSCC have slowed while still advancing the most critical work on enrollment management, Guided Pathways, and academic alignment across colleges. The implementation of shared services has also resumed. Additional necessary revisions will include details of across-the-board cuts at the universities and colleges; enrollment and occupancy shortfalls prompt the need for spending reductions to limit use of reserves; and technical revisions and spending cuts identified by the CC Regions and universities.

A general discussion ensued among the Board members regarding the budget, revisions, expenses and difficult decisions that lie ahead.

On motion of Regent Jimenez, seconded by Regent Ryan, the CSCU Revised FY2021 Spending Plan was voted unanimously.

- **Gateway Community College – Acceptance of Gifts (General Motors Corporation)**

General Motors Corporation generously donated six (6) vehicles to Gateway Community College for use in the college's automotive program. The donated cars will provide the students with laboratory and experiential instruction.

On motion of Regent Jimenez, seconded by Regent Balducci, the Gateway Community College – Acceptance of Gifts (General Motors Corporation) was voted unanimously.

Adjournment

There being no further business, on motion of Regent Jimenez, seconded by Regent Ryan, the meeting adjourned at 11:51 a.m.