



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 is 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 activities 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 \$106.7 million in FY25. These planned efforts balance the individual budgets at four of our six institutions and, in one instance, generate surpluses that can support outyear deficits or be added



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to reserve balances. However, this substantial effort only represents 76% of an extraordinarily large deficit, marking the extent to which we can manage this deficit before taking more drastic—and harmful—steps. Therefore, we will need \$47.6 million more from the State, of which \$41.3 million and \$6.3 million will be applied to CT State and Western, 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.

Our request for FY25 is focused on addressing the financial challenges of mostly two institutions—CT State and Western. In response to the fiscal challenges systemwide, we have taken proactive steps and project balanced budgets at four of our six institutions. This demonstrates that we are 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 (\$37 million) comes through expenditure reductions. In FY25, nearly a third of the mitigation comes through revenue enhancements (\$30 million), almost half through expenditure reductions (\$49 million), and a fifth through cash support (\$20 million). The revenue enhancements assume a 5% increase in tuition and some 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>\$106.7</u>
1. Adjustments updating projections	(\$2.6)	\$7.8
2. New revenue initiatives	\$16.7	\$29.8
3. Expenditure reductions	\$36.8	\$48.8
4. Cash support	\$12.1	\$20.4

This mitigation plan represents preliminary estimates of the budgetary 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



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endeavors of all 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.

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 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 more 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 originally projected a balanced budget in FY24 and an \$8.0 million deficit in FY25. It now projects a FY24 \$2.1 million surplus and a break-even projection for FY25 through its mitigation efforts. The new projection for FY24 includes mitigation efforts of \$3.7 million in expenditure reductions and \$5.6 million in expenditure reductions 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 \$5.5 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 \$10.5 million in new revenue and \$1.8 million in expenditure reductions. The new revenue in FY25 includes \$4.0 million in tuition from new



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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 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 new revenues of \$5 million from grants and expenditure reductions of \$3.0 million in FY24 and \$4.0 million 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 looking to streamline operations and realign the most high-touch administrative 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 28% of the deficit is mitigated through new revenues, 46% through expenditure reductions, and 19% through cash reserves.

Conclusion

This plan demonstrates a considerable effort to strike a balanced approach to mitigate \$63 million in FY24 and \$106 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 will seek approval for 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".

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 deficit, and this plan mitigates over \$100 million of it. 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	\$106.7	\$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	\$9.0
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	29.8	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	5.0
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	8.8	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	5.0
3. Expenditure reductions	36.8	48.8	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	4.0
a. Personnel	27.1	35.4	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	3.9
b. Operational initiatives	9.7	13.4	4.3	4.3	(0.4)	1.7	1.6	2.9	0.0	(1.1)	4.3	5.2	0.0	0.2	0.1	0.1
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 deficit mitigation		<u>\$33,638,070</u>	<u>\$49,994,213</u>
<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>
Auxiliaries	<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>
Administrative 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 Capital.</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:
Central CT State University (CCSU)**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected mitigation (and 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		<u>(\$456,065)</u>	<u>(\$474,000)</u>
2. New revenue initiatives		<u>\$8,518,227</u>	<u>\$8,565,777</u>
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>		
Auxiliaries	<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		<u>(\$449,735)</u>	<u>\$1,705,000</u>
a. Personnel		<u>\$0</u>	<u>\$0</u>
b. Operational initiatives		<u>(\$449,735)</u>	<u>\$1,705,000</u>
Administrative 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		<u>\$0</u>	<u>\$0</u>
5. Additional support needed		<u>\$0</u>	<u>\$0</u>

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

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
<u>Total projected deficit mitigation</u>		<u>\$2,083,712</u>	<u>\$8,028,876</u>
<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>
Administrative 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:
Southern CT State University (SCSU)**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected deficit mitigation		<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		<u>(\$3,751,187)</u>	<u>(\$405,905)</u>
2. New revenue initiatives		<u>\$7,615,011</u>	<u>\$10,538,993</u>
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.</i>	\$2,754,646	\$3,985,540
Part Time Enrollment	<i>Aggressive plan in place for growth of 5% per year.</i>		\$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		<u>\$393,623</u>	<u>\$1,767,870</u>
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		<u>\$0</u>	<u>\$237,033</u>
5. Additional support needed		<u>\$0</u>	<u>\$0</u>

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

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected deficit mitigation		<u>\$12,060,601</u>	<u>\$15,270,472</u>
<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
Auxiliaries	<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 as a loan from System Office.

**Deficit Mitigation Plan:
Charter Oak College**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected deficit mitigation		<u>\$351,051</u>	<u>\$2,458,818</u>
<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		<u>\$56,384</u>	<u>\$368,333</u>
2. New revenue initiatives		<u>\$277,607</u>	<u>\$1,707,715</u>
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		<u>\$17,060</u>	<u>\$230,730</u>
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		<u>\$0</u>	<u>\$152,040</u>
5. Additional support needed		<u>\$0</u>	<u>\$0</u>

**Deficit Mitigation Plan:
System Office**

Mitigation actions	Description	Budgetary impact	
		FY24	FY25
Total projected deficit mitigation		<u>\$3,005,000</u>	<u>\$9,043,751</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	\$5,000,000
Grants	<i>New grants to support faculty research and capacity building.</i>	\$0	\$5,000,000
3. Expenditure reductions		<u>\$3,005,000</u>	<u>\$4,043,751</u>
a. Personnel		<u>\$2,950,000</u>	<u>\$3,918,751</u>
End-date personnel and vacancies	<i>Will not renew or fill 22 positions in FY24, 6 more in FY25.</i>	\$2,950,000	\$3,918,751
b. Operational changes		<u>\$55,000</u>	<u>\$125,000</u>
Generate operational efficiencies	<i>Implementing efforts to streamline organization and reduce OE spending</i>	\$55,000	\$125,000
4. Institutional cash support²		<u>\$5,000,000</u>	\$0
5. Additional support needed		\$0	\$0

1. This would be a transfer from System Office to CT State, so it does not count in total system mitigation except to make system office smaller.
2. The \$5 million cash support is a loan for Western, and is not counted because it is already accounted for in Western's mitigation plan.