AGENDA SUMMARY
Regular Meeting 9:00 a.m., Thurs., July 23, 2009
System Office Boardroom, 39 Woodland Street
Hartford, Connecticut

BOARD OF TRUSTEES
CONNECTICUT STATE UNIVERSITY SYSTEM

Lawrence D. McHugh, Chairman
Karl J. Krapek, Vice-Chairman
Theresa J. Eberhard-Asch, Secretary
Richard J. Balducci
Andrew Chu
John A. Doyle
Elizabeth S. Gagne
Angelo J. Messina
John H. Motley
L. David Panciera
Ronald J. Pugliese
Alexis Rodriguez
Peter M. Rosa
John R. Sholtis, Jr.
John P. Sullivan
Andrew Wetmore
Gail H. Williams
Kolby Williams
1. Call to Order
2. Roll Call and Declaration of Quorum
3. Adoption of Agenda
4. Oath of Office to Student Trustee Alexis Rodriguez
5. Approval of Minutes
   a) June 11, 2009 Regular Session
6. Report of Chancellor and Presidents
   Presidents’ reporting on Assessment of Educational Improvement (BR 05-38)
7. Chancellor's Consent Items
8. Development Committee
9. Student Life Committee
10. Academic Affairs Committee
11. Audit Subcommittee
12. Finance and Administration Committee
    a) Postponement of Retroactive Funding – CCSU 1
13. Executive Committee
    a) Revision to BOT Bylaws – CSUS 3
    b) Policy for the Establishment of Endowed Chairs - CSUS 5
14. Report of the Chairman
15. Report of Representatives to Other Bodies
16. New Business
17. Adjournment
ITEM

Postponement of retroactive funding to Central Connecticut State University

BACKGROUND

In FY1994-95, the Board of Trustees, pursuant to its statutory authority, reviewed the then-existing distribution methodology for tuition and general fund dollars, and adopted new formulas for distribution. BR #95-53 established the distribution methodology for CSU Grants. BR #95-51 established the distribution methodology for tuition and general funds, and BR#96-68 modified these methodologies to address certain concerns regarding revenues and enrollments. All resolutions required that the new allocation methodologies be implemented over a period of ten years, in order to minimize the adverse impact on Western of the significant shift of funds among the Universities that would be caused by the implementation of the new models. BR#99-32, implemented in June of 1999, accelerated the implementation of the new methodology for general funds and CSU Grants, so that it would be accomplished in six years rather than ten with no retroactive funding, for those Universities slated to receive greater allocations than under the “old” methodology (Central, Eastern, and Southern). Those Universities would be able to use those funds immediately to meet educational needs. Western, which was gradually receiving lower allocations of funds under the ten-year implementation schedule, however, would continue on the schedule originally established. In FY2000, the simplified distribution formula currently in use was adopted by the Board through BR#2000-53, and the phased-in methodology was abandoned.

Three Universities did not receive funds during the first five years of the ten-year implementation period of the new distribution formulas (FY1996-2000), as the reallocations only gradually took effect. Central did not receive a cumulative amount of $3,274,733 that it would have obtained had the distribution methodologies been fully implemented immediately. Likewise, Eastern during the same period did not receive a total of $4,267,517, while Southern did not receive a total of $419,979. Conversely, Western received in excess of $10 million in additional funding which would not have been received had the distribution methodologies been implemented immediately. On November 2, 2006, the Board of Trustees approved a plan to retroactively reimburse Central, Eastern, and Southern for funding lost during FYs 1996-2000 using CSU System reserves, Trustee Initiatives funding, and anticipated savings from the decentralization of OnlineCSU (BR #06-80).

ANALYSIS

With a final installment of $104,416 in July, 2009, retroactive reimbursement to both Eastern and Southern will have been completed in full. Retroactive reimbursement to Central is due to begin in FY2011 and continue until FY2015.

Since the passage of the retroactive reimbursement plan there has been a major decline in the fiscal circumstances of the State, as the nation faces its worst economic downturn since the great depression. The Governor and the Legislature are currently working to
put together a balanced budget for the FY09-11 biennium, in the face of a projected
deficit of over $8 billion. While it is currently unclear what the level of funding will be
for CSUS at the end of this process, or what other sacrifices the System will be asked to
make, it is clear that the coming biennium will be difficult. CSUS has already taken
major steps to constrain hiring and spending over the past year, and will continue to do
so. We will continue to be asked to do more with less in the coming year, and need to be
prepared for further reductions. This makes prudent fiscal management, careful planning,
and foresight on our part even more important, as we will need to continue to provide
quality programs and services to a growing cadre of students now and in the future,
despite uncertain State funding.

Given this uncertain environment, and the importance of conserving our funds to order to
be able to ensure every university’s fiscal health during the upcoming biennium and
beyond, it is recommended that the retroactive reimbursement to Central be delayed until
such time as the Board of Trustees determines it should be reinstated.

CHANCELLOR’S RECOMMENDATION
Approve the postponement of the retroactive reimbursement to Central Connecticut State
University until such time as the Board of Trustees determines it should be reinstated.
ITEM
Amendment to Board of Trustees Bylaws.

BACKGROUND
The existing Bylaws of the CSUS Board of Trustees reflect that the “Standing Committees of the Board shall be the Academic Affairs Committee, Development Committee, Finance and Administration Committee, and Student Life Committee.” There currently exists an Audit Subcommittee of the Executive Committee.

EXECUTIVE SUMMARY
Because of the importance of the function which it performs, the Chancellor has recommended and the members of the Board’s Executive Committee concur, that the Audit Subcommittee of the Executive Committee should be recognized as a Standing Committee of the Board of Trustees. Further, it is recognized that it is the responsibility of the Board of Trustees of the Connecticut State University System ("CSUS") to ensure that there are procedures in place to safeguard CSUS assets and identify, evaluate, prevent and or protect against a wide range of risks that may threaten the System's mission and institutional goals. Accordingly, it is recommended that in migrating from a subcommittee to a full standing committee, the Committee shall be known as the Audit & Risk Management Committee of the Board of Trustees. In addition to the previously identified responsibilities held by the Audit Subcommittee, the Audit & Risk Management Committee responsibilities will also include identifying and evaluating risk exposures and implementing loss prevention measures by the System from a policy perspective, and making recommendations to the Board directing the Chancellor with regard to the enhancement of risk management. The risk management responsibilities associated with the Audit & Risk Management Committee will be as follows:

- Determine and institutionalize the objectives of the System's risk management program.
- Review existing policies and procedures relating to risk management and recommend to the Board revisions thereto deemed necessary by the Committee.
- Identify areas regarding which policies and procedures have not yet been promulgated, superintend, through the Chancellor, the development of such policies and procedures, and recommend to the Board the approval of such policies and procedures.
- Receive and evaluate reports received from the Chancellor regarding newly-identified areas of risk exposure and the measures taken by the System in response thereto.
- Evaluate proposals made by the Chancellor regarding the financing of risk and determine which proposals, if any, to recommend to the Board.
- Evaluate proposals made by the Chancellor regarding the engagement of independent contractors by the System, and determine which proposals, if any, to recommend to the Board.
- Report to the Board on trends in risk management.
The following revision to Article III of the Bylaws of the Board of Trustees, entitled "Committees and Representatives of the Board," is necessary to implement the designation of the Audit Committee as a standing committee of the Board and the formation of an additional Subcommittee of the Board of Trustees:

**ARTICLE III. COMMITTEES AND REPRESENTATIVES OF THE BOARD**

**SECTION 1 - EXECUTIVE COMMITTEE**

The Executive Committee shall consist of the Chair of the Board, officers of the Board, the Standing Committee Chairs, and, at the discretion of the Board Chair, two (2) Members-at-Large appointed by the Chair of the Board.

The Executive Committee may transact business on behalf of the Board during the interim between regular meetings of the Board, and any actions taken shall be confirmed by the full Board at its next regularly-scheduled meeting.

**SECTION 2 - STANDING COMMITTEES**

Standing Committees of the Board shall be the Academic Affairs Committee, Audit & Risk Management Committee, Development Committee, Finance and Administration Committee, and Student Life Committee, and such additional committees as may be authorized by the Board Chair from time to time for purposes of efficient operation.

As required by the Bylaws, any amendments thereto must be introduced to the full Board for review at a regularly-scheduled meeting and approved by the Board at the next regularly-scheduled meeting.

**RECOMMENDATION**

Accept the proposed amendment to the Board of Trustees Bylaws to recognize the Audit & Risk Management Committee as a Standing Committee of the Board. This item was originally placed on the June 11, 2009, agenda as an information item and, subsequent to review and deliberation thereof, the proposed amendment is hereby placed as an action item on the agenda for the July 23, 2009, meeting of the Board of Trustees for the Connecticut State University System for acceptance by the Board.
ITEM
Policy for the Establishment of Endowed Chairs

BACKGROUND
Under the provisions of Section 10a-20a of the Connecticut General Statutes, the Board of Governors of Higher Education may establish and administer an Endowed Chair Investment Fund. Section 10a-20a also provides that the Board of Trustees for the Connecticut State University System “shall select candidates to fill the endowed chair and shall develop a budget for expenditures associated with the chair, and shall submit annual reports to the Board of Governors concerning endowed chair expenditures.”

In 1997, an endowed chair in Polish Studies was established at Central Connecticut State University (BR #97-9). In recognition of the generous contributions from the private sector and general support for its creation, the Board believed it appropriate to fill the endowed chair notwithstanding the absence of a formal policy for such a designation at that time. In view of the likelihood of additional opportunities for CSU institutions to utilize the endowed chair procedure, a formal policy was developed in 1999 (BR #99-46). In administering endowed chairs under this resolution, the universities need more clarity regarding the selection procedure, specifically to require a national search and to stipulate that a person may not simultaneously hold an endowed chair and the title of CSU Professor.

ANALYSIS
The recommended policy outlines the appropriate procedure for submission of an application to the Board of Governors, the process for approval of a budget, and the selection and appointment procedures to be followed by any of the universities in the CSU System wishing to establish an endowed chair.

The appointment procedures are in accordance with university personnel policies, Affirmative Action objectives, and the terms of the CSU-AAUP contract and outline options allowing for fixed-term and tenure track appointments.

The recommended policy includes procedures for utilization of the matching funds provisions of the endowed chair in Section 10a-20a of the General Statutes and for the establishment of an endowed chair without matching funds.

This new resolution rescinds the former resolution and creates a new resolution that adds additional provisions to the selection procedure as outlined in BR99-46 to require a national search and to stipulate that a person holding an endowed chair may not simultaneously hold the CSU professor designation.

CHANCELLOR’S RECOMMENDATION
Approve the policy for establishing endowed chairs.