BOARD OF TRUSTEES
FOR THE
CONNECTICUT STATE UNIVERSITY SYSTEM
REGULAR MEETING
MINUTES
9:00 a.m., Wednesday, May 11, 2011
System Office, 39 Woodland Street, Hartford, CT

TRUSTEES PRESENT
Richard J. Balducci, Vice Chairman
Theresa Eberhard Asch, Secretary
Michael A. Caron
Andrew Chu
John A. Doyle
Angelo J. Messina
John H. Motley

Scott A. Nolan
Peter M. Rosa
Ronald J. Pugliese
John R. Sholtis, Jr.
John P. Sullivan
Gail Hill Williams

TRUSTEES ABSENT
Elizabeth S. Gagne
Mercedes DeMasi

Ryan C. Sheehan

OTHER OFFICIALS
Louise H. Feroe, Acting Chancellor, Connecticut State University System (CSUS)
Jack W. Miller, President, Central Connecticut State University (CCSU)
Elsa Nuñez, President, Eastern Connecticut State University (ECSU)
Stanley F. Battle, Interim President, Southern Connecticut State University (SCSU)
James W. Schmotter, President, Western Connecticut State University (WCSU)

STAFF TO THE BOARD
Erin A. Fitzgerald, Associate for Board Affairs

CALL TO ORDER
Vice Chairman Balducci called the meeting to order at 9:00 a.m., and, following roll call, declared a quorum present.

ADOPTION OF AGENDA
Vice Chairman Balducci requested a motion to adopt the agenda as presented. On a motion by Trustee Sholtis, seconded by Trustee Pugliese, the agenda as presented was adopted.
APPROVAL OF MINUTES

Vice Chairman Balducci requested a motion to approve the Minutes of the April 7, 2011 Meeting; on a motion by Trustee Sholtis, seconded by Trustee Eberhard Asch, the minutes were unanimously approved.

CHANCELLOR’S REPORT

Acting Chancellor Louise H. Feroe offered an update on both ongoing and future activities and events, which included the status of the SCSU President Search, CPTV Education vs. Incarceration film premiere, the upcoming commencements and the Barnard Awards dinner. Dr. Feroe offered her best wishes and appreciation to Vice Chancellor for Finance and Administration Pamela J. Kedderis upon the occasion of her retirement after years of dedicated and outstanding service to the System. She concluded by noting that despite current fiscal challenges and reorganization proposals for administration of higher education, the universities of the System are continuing the work of their missions.

AUDIT & RISK MANAGEMENT COMMITTEE

Trustee Sholtis reported that the Audit and Risk Management Committee met on Thursday, May 5th. At the meeting PricewaterhouseCoopers, the independent auditors for the CSU System, presented a status of the IT Security Vulnerability Assessments currently underway at the System Office and three of the four universities, and reviewed their plan for the audit of the fiscal year 2011 Combined Financial Statements of the CSU System.

Trustee Sholtis noted that in terms of the IT Security Vulnerability Assessments, PWC indicated that they were currently in the process of vetting their findings and conclusions with the universities, and that the final reports would be completed in the next few months. They offered a high level review of themes and risks that they had found during their assessments, and indicated that standardization was the key to security control.

Regarding their audit plan for fiscal year 2011, Trustee Sholtis offered the following:

- This will be the first year of a five year audit arrangement with PwC for the audit of the System’s combined financial statements. The PwC engagement team for the 2011 audit contains some slight changes, including the introduction of a new Manager. However, the lead engagement partner, Lee Ann Leahy, remains the same, and the Information Technology
Partner and Director conducting the Security Vulnerability Assessments are also members of the engagement team. No impact is expected as a result of the revisions.

- The audit approach is a top-down, risk-based approach, which is constantly reassessed throughout the audit process. Two areas considered to be of significant risk at the outset are the risk of management override of the control environment, and the risk of fraud in revenue recognition. All other areas are considered to be of normal risk.

- PwC will begin their interim field work this month, and work through July. The year-end field work will take place in September and October, with financial statement and Management Letter completion anticipated in mid-November and a final report to the Audit Committee and the Board scheduled for December.

Trustee Sholtis further noted that Committee members were provided with an overview of the final Auditors of Public Accounts report for the FY2007-2008 and FY2008-2009 System Office Compliance Audit. There were five findings, all but one of which have been fully addressed.

The Committee also heard a report from Mr. Mitch Knight, the director of Internal Audit, on the status of Internal Audit activities.

**ACADEMIC AFFAIRS COMMITTEE**

While there were no action items to report from the Academic Affairs Committee, Committee Chairman offered his thanks and appreciation to Prof. Matthew Warshauer on his exemplary efforts in organizing Connecticut’s commemoration of the Sesquicentennial of the Civil War. A copy of a letter to Prof. Warshauer, signed by VC Balducci and Trustees Doyle and Pugliese, was distributed to all in attendance and is appended to the minutes as Attachment A.

**DEVELOPMENT COMMITTEE**

Trustee Pugliese reported that the Committee met on Thursday, May 5th in a special meeting to act upon President Miller’s recommendation to name the new engineering Lab at Central Connecticut State University in honor of Anthony and Helen G. Bichum.

Referencing the associated staff report, Trustee Pugliese noted that Mr. Anthony Bichum was a man with no more than an elementary school education, who quietly amassed considerable wealth during his lifetime through long-term investing and became one of Central’s most generous benefactors. **On a motion by Trustee Pugliese, seconded by Trustee Pugliese, the resolution naming the new**
engineering Laboratory in honor of Anthony and Helen G. Bichum was unanimously approved.

Trustee Pugliese also noted that the Committee endorsed the naming recommendations approved by the Executive Committee on May 5th.

FINANCE AND ADMINISTRATION COMMITTEE

Trustee Messina reported that the Finance and Administration Committee met on Thursday, May 5, 2011 and had four items to bring before the Board.

Promotion and Tenure Recommendations AY 11-12. Trustee Messina noted that recommendations for faculty promotion and tenure for academic year 2011-12 were received from each of the four University Presidents, accepted by the Chancellor, and approved by the Finance and Administration Committee.

On a motion by Trustee Messina, seconded by Trustee Pugliese, the promotion and tenure recommendations as presented were unanimously approved.

Yellow Ribbon GI Education Enhancement Program. Trustee Messina noted that the Yellow Ribbon GI Education Enhancement Program is a provision of the Post-9/11 Veterans Educational Assistance Act of 2008. The program allows degree granting institutions of higher learning in the United States to voluntarily enter into an agreement with the Veterans Administration to fund tuition and required fees that exceed the maximum amount covered by the Post 9/11 GI Bill. The law allows institutions of higher education to contribute up to 50% of the excess, which the VA will match the balance.

On June 11, 2009, the Board of Trustees, through BR #09-45, authorized the four universities to enter into a Yellow Ribbon Agreement with the VA, with the university contribution provided in the form of a Yellow Ribbon Waiver. The Yellow Ribbon Waiver was authorized for a maximum of 50 individuals each year at Central and Southern, and 25 individuals each at Eastern and Western; with a maximum waiver per person of $2,000.

When originally implemented, the Yellow Ribbon Program funded tuition and required fee expenses that exceeded the “highest” public in-state undergraduate tuition and fee rates, which was the maximum amount that the Post-9/11 GI Bill would cover for eligible veterans. However, effective August 1, 2011, a new law passed by Congress (the “Post-9/11 Veterans Educational Assistance Improvements Act of 2010”) decreased the maximum amount covered by the Post-9/11 GI Bill to the in-state tuition and fees (undergraduate, graduate or doctoral) at the public institution actually attended by the veteran. All other provisions of the Yellow Ribbon Program remain the same.
As a result, the $2,000 maximum waiver currently provided by CSUS Universities may not fully cover the shortfall in costs of tuition and fees for certain veterans, since any eligible veteran who is an out-of-state student at CSUS will exceed this new maximum. To restore full Yellow Ribbon coverage to all eligible veterans, it is recommended that effective August 1, 2011, the maximum amount of Yellow Ribbon waiver provided per individual in any given academic year be equal to “one-half of the differential between in-state and out-of-state tuition and required fees for the particular program in which the student is enrolled, with the VA matching the balance.

As a point of information and highlighting the pressure on the federal budget, this same Federal legislation mandates that the Federal Government be the “payer of last resort” regarding any tuition and fee benefits provided to Veterans. Previously, the tuition waiver provided to veterans by our universities under state statute was applied after the provision of Federal benefits. But with this new legislation, the state waiver will be applied first, prior to the provision of federal benefits. This will result in an aggregate cost shift from the federal government to our four universities of approximately $2 million. Despite this cost shift, Trustee Messina noted it is believed providing our veterans with access to an affordable college education is the right policy to continue.

On a motion by Trustee Messina, seconded by Trustee Pugliese, the resolution concerning the Yellow Ribbon G.I. Education Enhancement Program was unanimously approved.

Relinquishment of Care, Custody and Control of the Danbury Armory to the City of Danbury. Trustee Messina advised that the Department of Public Works transferred custody of the Danbury Armory to CSUS in late 1993. Western has been using the basement for storage and the gymnasium for intercollegiate and recreational activities. In addition, since 1999 Western has been leasing a portion of the Armory to a non-profit agency, the Harambee Center for Youth and Community Services.

In 2007, Special Act 07-11, (“An Act Concerning the Conveyance of Certain Parcels of State Land”), stipulated that the Danbury Armory be conveyed to the City of Danbury, no earlier than January 1, 2011. At the time of passage of this Special Act, the relinquishment of this property did not come before the Board of Trustees for action. The resolution offered would ratify the conveyance of the Armory to the City of Danbury, which the statute already conveyed. On a motion by Trustee Messina, seconded by Trustee Pugliese, the resolution concerning Relinquishment of Care, Custody and Control of the Danbury Armory to the City of Danbury was unanimously approved.
Use of Designated Fund Balances to fund three separate repair projects at the Institute of Technology and Business Development (ITBD) Building in New Britain. Trustee Messina noted that the following three projects were important for health and safety reasons, and were not included in CSUS 2020.

**Project #1: Structural Repairs to the ITBD garage.** In January 2011, CCSU discovered signs of deterioration in the ITBD parking garage structure. The garage was closed to pedestrians and vehicle access, and a structural engineer was retained to assess the garage’s structural integrity and provide corrective measures. During January and February, under the direction of the structural engineer, areas of the parking garage were temporarily shored up. The garage currently remains closed, and Central has temporarily contracted for ITBD parking in an adjacent parking garage owned by the City of New Britain. The structural evaluation was completed in March, 2011. Major recommended structural repairs in specific locations consist of concrete replacement around columns, steel beam replacements, steel beam reinforcing, structural steel repainting, the installation of approximately 15,200 SF of flexible waterproofing membrane, sealing of approximately 1,500 LF (linear feet) of concrete floor deck cracks, and miscellaneous other minor structural repairs. Costs for this project will not exceed $630,000.

**Project #2: Roof Repairs to the ITBD Building.** The existing roof on the ITBD building has exceeded its useful life, contains numerous patches, and has begun to split and crack across a majority of the roof area. There is prolonged water ponding on the roof. These poor roof conditions, if not corrected, may result in the development of mold within the interior of the building. The proposed new roof system will increase the building’s energy efficiency and meet LEED/OPM guidelines for an Energy Star system. Additional work includes repointing the brick exterior at the stair tower and, in specific areas, the installation of gutters and downspouts. Costs for this project will not exceed $600,000.

**Project #3: Installation of a canopy over the exposed portions of the Parking Garage.** The footprint on the north and south sides of the ITBD two-story parking garage is larger than the four story office tower above the garage, exposing the garage floor to the elements. Excessive snow accumulation and rainwater travels off the office tower building face and penetrate the upper level garage concrete floor slab, contributing to the structural damage that has occurred in the garage. In order to keep water and snow off the floor slab and deter future structural deterioration, a steel frame canopy with a plexi-glass roof would be built on the north and south sides of the garage.

Costs for this project will not exceed $300,000. The Finance and Administration Committee concluded that these three projects were independent of one another and not intended to avoid any authorization or approval levels. **On a motion by Trustee Messina, seconded by Trustee**
Pugliese, the resolution concerning Use of Designated Fund Balances to fund three separate repair projects at the Institute of Technology and Business Development (ITBD) Building in New Britain was unanimously approved.

Trustee Messina further noted that the Committee reviewed two information items, including the current status of CSUS 2020 Projects. The Committee was informed that all of the CSUS 2020 projects are now on or close to schedule; with two projects that previously had been delayed now back on track. The Committee reviewed the Quarterly Operating Fund Report for the Third Quarter of Fiscal Year 2011, provided to the Department of Higher Education. Revenues and expenditures are on schedule with the budget, and comparable to last year’s progression.

Trustee Messina reminded trustees that they were all welcome to participate in the spending plan hearings with the universities and the System Office, taking place immediately following the morning’s Board of Trustees meeting. Ten years ago nearly half of all of CSUS’ operating funds came from the State; today it comprises 40%, still a significant portion. The universities and the System have worked aggressively over the past four fiscal years to reduce costs. While over $44 million of costs have been saved or avoided as a result of these diligent efforts, even more needs to be done to close the gap arising from declining State funding. Regardless of structure, the State and our Universities must find ways of continuing to provide the students of Connecticut with access to an affordable higher education. And that is the purpose of today’s spending plan hearings.

In concluding, Trustee Messina offered, on behalf of the members of the Finance & Administration Committee, sincere thanks and appreciation to Pam Kedderis, Vice Chancellor for Finance & Administration, who, as Dr. Feroe previously announced, would be retiring after a distinguished and committed service to the Connecticut State University System. Trustee Messina noted that VC Kedderis’ insight and counsel was highly valued and would be sorely missed.

EXECUTIVE COMMITTEE

Vice Chairman Balducci noted the Executive Committee met Thursday, May 5 and received an update on pending litigation from Chancellor Feroe and David Trainor, along with the status of proposed state legislation and the potential impact on CSUS. The Executive Committee voted on several naming recommendations at the universities, however, given the anticipated changes in higher education being considered by the legislature, VC Balducci noted that he had directed staff not to include those items on the May 11, 2011 meeting agenda.
VC Balducci noted that the Committee approved two resolutions Honoring Student Trustees Andrew Chu from Southern Connecticut State University and Mercedes DeMasi from Western Connecticut State University. While Trustee DeMasi was not in attendance to receive her resolution, VC Balducci noted that he believed he spoke for all members of the Board in applauding her for her conscientious participation as a Trustee. VC Balducci presented Andrew Chu with his resolution, noting that Andrew was initially appointed to fill the remainder of a former student trustee’s term and went on to be re-elected by his peers to serve an additional 2-year term. Trustee Chu accepted the resolution offering his thanks and appreciation those Board members present and also thanked former BOT Chairs Lawrence McHugh and Karl Krapek as well as former CSUS Chancellor David Carter. On a motion by Trustee Messina, seconded by Trustee Pugliese, the resolutions Honoring Student Trustees Andrew Chu from Southern Connecticut State University and Mercedes DeMasi from Western Connecticut State University were unanimously approved.

CHAIRMAN’S REPORT

VC Balducci echoed the remarks offered by both Dr. Feroe and Trustee Messina relating to VC Kedderis extending the Board’s best wishes and appreciation. He also offered reminders regarding the evening’s Barnard Awards dinner and CSUS Day at the Capitol, scheduled for May 18.

VC Balducci thanked those members of the trustees whose terms were ending in June 2011, reminding trustees that their term of service continued until reappointed or a success is named.

ECSU President Nuñez expressed her appreciation to VC Kedderis for the leadership and guidance she provided and wished her well in her retirement.

ADJOURNMENT

Vice Chairman Balducci requested a motion to adjourn. Trustee Messina so moved; Trustee Sholtis seconded the motion and the meeting was adjourned at 9:40 a.m.

Respectfully submitted,

Theresa Eberhard Asch, Secretary
May 11, 2011

Dr. Matthew Warshauer
Co-chair, Connecticut Civil War Commemoration Commission
Central Connecticut State University
1615 Stanley Street
New Britain, CT 06050

Dear Dr. Warshauer:

Please allow us to extend our commendation and appreciation to you for your exemplary efforts in spearheading and organizing Connecticut’s commemoration of the Sesquicentennial of the Civil War.

From your preliminary planning efforts to the opening ceremonies at Central Connecticut State University and the State Capitol, you gave selflessly of your time and expertise. It is without question that your commitment and dedication to this observance was directly responsible for thousands from across the state having the opportunity to not only learn about the Civil War and its implications for the present day, but also to visit the CCSU campus and gain a greater understanding of what the state university system has to offer the citizens of Connecticut.

By copy hereof, we are proud to share this communication with the members of the Board of Trustees so that they, too may have an opportunity to recognize your leadership in engaging the State of Connecticut in commemorating the 150th anniversary of the this nation’s Civil War.

Sincerely,

Richard J. Balducci
Vice Chairman
Board of Trustees

John A. Doyle
Chairman
Academic Affairs Committee

Ronald J. Pugliese
Chairman
Development Committee

cc: Members, CSUS BOT
Dr. L. H. Feroe, Acting Chancellor
Dr. J. W. Miller, CCSU President