CALL TO ORDER AND APPROVAL OF MINUTES

Chairman McHugh called the meeting to order at 10:05 a.m., declared a quorum present and requested a motion to accept the Regular Session Minutes of June 9, 2006. **Mr. Balducci so moved; Mr. Pugliese seconded the motion and it was approved unanimously.**
CHANCELLOR/PRESIDENTS’ REPORTS

Chancellor pointed out the following materials in the Board folders: a copy of the 2007 BOT meeting schedule; AASCU’s Policy Matters brief on High School Coursework: Policy Trends and Implications for Higher Education and another AASCU publication with NASULGC Student charges and financial aid 2005-2006; and a copy of New England 2020: a Forecast of Educational Attainment and its Implications for the Workforce of New England States commissioned by the Nellie Mae Foundation.

Chancellor Carter advised the members of the Board that in connection with their goal and directive to move forward with academic strategies to improve and enhance student learning within our student-centered universities, Chairman McHugh and Chancellor Carter have arranged to have Dr. Carol Twigg present the results of her recent study focusing on increasing access and student success; and improving learning and reducing costs through course redesign on October 24, 2006 in Hartford.

Dr. Twigg is President and CEO of the National Center for Academic Transformation and an internationally recognized expert in using information technology to transform teaching and learning in higher education. Winner of the McGraw Prize in Education, she is former Vice President of Educom (now EDUCAUSE), where she advanced the need for new models of student-centered, on-line teaching and learning.

Chancellor Carter noted that all Board members would be invited as well as university presidents, academic offers, and selected state education and legislative officials.

Chairman McHugh noted that in the interests of streamlining business brought before the Board, it was agreed that there would not be a presidents report this month, however, he extended his appreciation and thanks to the university presidents for the stellar presentations which were the obvious product of a great deal of thought, time and energy.

FINANCE AND ADMINISTRATION COMMITTEE

Trustee Krapek reported that the Finance and Administration Committee met on Friday, July 14, and had four action items to bring before the Board.

Fiscal year 2006-07 Institutional Spending Plans and Authorized Expenditure Levels for Management & Confidential Professional Personnel and SUOAF-AFSCME Administrators. Trustee Krapek pointed out the overview of the spending proposals for the four universities, OnlineCSU, System Office and System Support initiatives for Fiscal Year 2006-2007. The plans were reviewed by the Finance and Administration Committee and other members of the Board during discussions with the Presidents and their staffs on June 9th. He added that the highlights of the spending plan included the following:
• A projected 7.8% increase in spending over current year actual expenditures, and 8.4% over current year budgeted expenditures. These increases are, as usual, driven primarily by Personal Services and reflect classified salary increases, refills of vacant positions, requested new positions and increased fringe benefits. Other expenses, most notably utilities, services, food service contracts and insurance, reflect additional expenses at the university level.

• Projected changes to full-time undergraduate student headcount enrollment ranging from 1.0% at Southern to 2.6% at Western, and a 1.0% increase in FTE enrollment Systemwide.

• Expenditures for the System Office are projected to increase 8.1% over current year budget after adjusting for a proposed use of reserves of $639,397 for expenditures of a one-time nature.

• Expenditures for Systemwide Information Technology Services are projected to decrease 6.9% from current year budget, and include over $2.0 million in software maintenance, licenses, and support directly for the benefit of the universities. The Fiscal Year ‘06 budget included very ambitious startup costs for approximately ten systemic initiatives that were to be fully defined as the year progressed. However, the progress of these initiatives was slowed down by mutual consent, and the budgeted funding was not expended during the year. The Fiscal Year ‘07 budget reflects only those projects which have been defined and fully costed. As other projects arise during the year, they will be added to the budget once they are fully costed.

• The Telecommunications expense budget for FY2005-06 is projected at $3.8 million, resulting in a positive bottom line of $490 thousand. This amount will be transferred to the Telecommunications capital equipment fund as required for capital projects.

Mr. Krapek moved approval; Mr. Balducci seconded the motion and the following resolution was approved unanimously.

WHEREAS, Pursuant to the provisions of Section 10a-89(a) of the Connecticut General Statutes, the Board of Trustees shall “…subject to state-wide policy and guidelines established by the Board of Governors of Higher Education,…(1) Make rules for the government of the Connecticut State University system and shall determine the general policies of the university system, including…the expenditure of the funds of institutions under its jurisdiction within the amounts available;…” and

WHEREAS, Board Resolution 92-31 provides that each university and the System Office shall submit a fiscal year spending plan proposal to the Board of Trustees for its approval, and

WHEREAS, The spending plan proposal is required to project overall university expenditures and proposed spending levels for full-time positions by major fund source and National
Association of College and University Business Officers (NACUBO) program classifications, and

WHEREAS, Each university and the System Office has submitted spending plans for fiscal year 2006-07 to the Board of Trustees which are summarized in Attachments 1 through 3, and

WHEREAS, The Board of Trustees has reviewed and discussed the spending plan proposals with the four university Presidents and the Chancellor, and finds the FY2006-07 spending plans appropriate to the system’s present fiscal circumstances, and

WHEREAS, The Board approves an overall spending level for all funds except for federal and private grants, bond funds, and intra/inter agency funds, therefore be it

RESOLVED, That each President and the Chancellor shall ensure adherence to the approved spending plan, maintaining expenditure control within the spending caps established for SUOAF-AFSCME, and Management and Confidential Professional personnel categories, and be it further

RESOLVED, That the following levels of spending for each university and the System Office/System Support/OnlineCSU/Systemic IT Strategic Initiative are authorized for fiscal year 2006-07 and can be changed upon approval by the Chancellor, except for the System Office/System Support/OnlineCSU/Systemic IT Strategic Initiative which must be approved by the Board Chairperson:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Office</td>
<td>$5,698,360</td>
</tr>
<tr>
<td>System Support</td>
<td>7,849,641</td>
</tr>
<tr>
<td>OnlineCSU</td>
<td>766,740</td>
</tr>
<tr>
<td>Central Connecticut State University</td>
<td>158,086,512</td>
</tr>
<tr>
<td>Eastern Connecticut State University</td>
<td>81,351,477</td>
</tr>
<tr>
<td>Southern Connecticut State University</td>
<td>154,337,204</td>
</tr>
<tr>
<td>Western Connecticut State University</td>
<td>82,667,616</td>
</tr>
</tbody>
</table>

NOTE: Excludes Telecommunications, federal and private grants, and bond funds

and be it further

RESOLVED, That the above authorized spending levels have the following effect upon the reserves of each university and the System:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Office</td>
<td>$(639,397)</td>
</tr>
<tr>
<td>System Support</td>
<td>0</td>
</tr>
<tr>
<td>OnlineCSU</td>
<td>118,248</td>
</tr>
<tr>
<td>Central Connecticut State University</td>
<td>70,580</td>
</tr>
<tr>
<td>Eastern Connecticut State University</td>
<td>(440,637)</td>
</tr>
<tr>
<td>Southern Connecticut State University</td>
<td>717,090</td>
</tr>
<tr>
<td>Western Connecticut State University</td>
<td>(106,000)</td>
</tr>
</tbody>
</table>

NOTE: Excludes Telecommunications, federal and private grants, and bond funds

and be it further
RESOLVED, That the university Presidents are authorized to establish and refill positions within approved spending caps, and be it further

RESOLVED, That the following expenditure caps are placed on the SUOAF-AFSCME bargaining unit for each university and the System Office/System Support for fiscal year 2006-07:

<table>
<thead>
<tr>
<th></th>
<th>CCSU</th>
<th>ECSU</th>
<th>SCSU</th>
<th>WCSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Office and System Support</td>
<td>$ 1,673,957</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Connecticut State University</td>
<td>13,703,634</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Connecticut State University</td>
<td>8,705,240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern Connecticut State University</td>
<td>12,834,470</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Connecticut State University</td>
<td>7,836,605</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

and be it further

RESOLVED, That the following expenditure caps are placed on the Managerial and Confidential Professional personnel for each university and the System Office/System Support for the fiscal year 2006-07:

<table>
<thead>
<tr>
<th></th>
<th>CCSU</th>
<th>ECSU</th>
<th>SCSU</th>
<th>WCSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Office and System Support</td>
<td>$ 4,269,199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Connecticut State University</td>
<td>3,990,226</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Connecticut State University</td>
<td>3,588,815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern Connecticut State University</td>
<td>4,210,175</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Connecticut State University</td>
<td>3,036,521</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

and be it further

RESOLVED, That for FY2006-07 each university is expected to raise projected tuition revenues, as follows:

<table>
<thead>
<tr>
<th></th>
<th>CCSU</th>
<th>ECSU</th>
<th>SCSU</th>
<th>WCSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$27,296,336</td>
<td>$13,612,611</td>
<td>$26,890,213</td>
<td>$14,756,811</td>
</tr>
</tbody>
</table>

and be it further

RESOLVED, That while expenditures are authorized up to the limit of the spending plans summarized in this resolution, the Presidents and the Chancellor are encouraged to seek further economies in their operations during fiscal year 2006-07, and be it further

RESOLVED, That the Board of Trustees may request that each university and the System Office submit a progress report on their spending plans at any time during the year as desired.
The purchase of equipment used for research purposes, library media and library books. Mr. Krapek remarked that we are required by statute to designate annually an amount to be spent by each campus for the purchase of research equipment and total library expenditures, including library media and library books.

For Fiscal Year 2006-2007, library expenditures are budgeted at $5.8 million or an increase of 7%. Expenditures in this area are essential in order to maintain a world-class university system.

A schedule attached to the resolution provided detailed budget and expenditure information by university.

Mr. Krapek moved approval; Mr. Balducci seconded the motion and the following resolution was approved unanimously.

WHEREAS, Section 10a-151a(a) of the Connecticut General Statutes provides that the Board of Trustees shall designate annually an amount to be spent by each campus for the purchase of research equipment, library media and library books, and

WHEREAS, Section 10a-151a(b) of the Connecticut General Statutes provides that the Chancellor of the Connecticut State University System shall report annually to the Board of Trustees the amounts expended for research equipment, library media and library books, and

WHEREAS, The appended schedule reflects the actual amounts expended for fiscal year ended June 30, 2005, and the amounts estimated to be spent for fiscal year ending June 30, 2006 for the purchase of research equipment, library media, library books and periodicals for the four universities, therefore be it

RESOLVED, That for the fiscal year ended June 30, 2007, the amounts shown on the appended schedule are designated to be spent by each university for the purchase of research equipment, and total library expenditures, including library media and library books.

Lease of a portion of the radio tower and equipment shelter at Western Connecticut State University to Nextel Communications, Inc. Trustee Krapek explained that the action before the Trustees, as originally described in the staff report, contained a request from Nextel Communications to amend an existing lease that permitted installation and use of a radio tower and equipment shelter. Nextel has now tabled this amendment request for the time being. However, the existing lease, which was entered into in February of 1996 and was not brought to the Board of Trustees at that time, still needs to be ratified by this Board. Trustee Krapek advised that the resolution presented for approval reflects the revision.
The initial term of the lease was for thirty (30) years from receipt of Connecticut Siting Council approval (which was received on October 21, 1996) with a one-time payment of $191,000 in lieu of an annual rental payment, due upon completion of the radio tower. Under the lease agreement, Nextel must comply with any and all local, state, and federal regulations and environmental laws.

The Office of the State Treasurer reviewed the original lease to ensure that it did not affect the State’s tax-exempt status. The CSU Assistant Attorney General reviewed and approved the lease, as well.

**Mr. Krapek moved approval; Mr. Sholtis seconded the motion and the following resolution was approved. Trustees Doyle and Balducci recused themselves and did not vote on this item.**

**WHEREAS,** Section 4b-38 of the Connecticut General Statutes provides that the Board of Trustees of the Connecticut State University System may lease land or buildings, and facilities under its control and supervision when such land, buildings or facilities are otherwise not used or needed for use by the constituent unit and such action seems desirable to produce income or is otherwise in the public interest; and

**WHEREAS,** On February 15, 1996, Western Connecticut State University entered into a lease agreement with Nextel Communications, Inc. (“Nextel”), for a term commencing on October 21, 1996, and expiring on October 20, 2026, whereby the University leased a portion of its premises to Nextel for the installation of a radio tower and an equipment shelter for antennas and related equipment; and

**WHEREAS,** The University determined that the leased premises were not needed for use by the University; and

**WHEREAS,** The lease agreement produces income for the University; and

**WHEREAS,** The lease agreement stipulates that use of the leased premises is contingent upon Nextel’s meeting all applicable federal, state and local laws, regulations and policies; therefore be it

**RESOLVED,** That the Board of Trustees of the Connecticut State University retroactively approves and ratifies the lease agreement by and between Nextel Communications, Inc. and Western Connecticut State University for the construction of a radio tower and equipment shelter for communications equipment.

**Appointment of Gwendolyn Smith Iloani as Distinguished Business Executive in Residence at Eastern Connecticut State University**

Trustee Krapek reported that pursuant to Board Resolution #82-120, the “In Residence” title may be awarded to individuals of established reputation in their chosen field who make significant contributions to the instructional programs of Connecticut State University by spending limited periods of time in residence at the university. The appointment to such title is honorary in character and is not usually accompanied by any compensation or perquisite.
Gwendolyn Smith Iloani, President and CEO of Smith Whiley & Company, will be in residence at Eastern Connecticut State for the 2006-2007 Academic Year, offering contributions to students and faculty through her rich array of business experience and knowledge.

**Mr. Krapek moved approval; Ms. Eberhard-Asch seconded the motion and the following resolution was approved unanimously.**

WHEREAS, Ms. Gwendolyn Smith Iloani, a distinguished business executive, will be offering occasional but highly significant contributions to the students and faculty at Eastern Connecticut State University during the 2006-2007 academic year and will bring a rich array of business experience and knowledge to this role, and

WHEREAS, Ms. Iloani’s business background as an executive in her field of expertise is extensive, she is the founder and current chair, president and CEO of Smith Whiley & Company, one of the largest female and Black/female-owned private equity firms in the country, headquartered in Hartford, Connecticut, and

WHEREAS, Ms. Iloani possesses over 24 years of investment experience, of which 15 years were at Aetna where she successfully invested $4 billion and managed a $9.2 billion portfolio for the company, and

WHEREAS, In addition to her business leadership, Ms. Iloani is also active in many community organizations and institutions, serving on various boards and committees, most notably on the board of trustees for Colgate University, as a board member for the Hartford Stage, and as an incorporator for St. Francis Hospital, and

WHEREAS, BR#82-120 authorizes the Board to award the title “in Residence” to persons of established reputation in their chosen field who seem likely to make significant contributions to the instructional programs of CSU institutions, and

WHEREAS, Ms. Iloani is eminently qualified for this award and has agreed to serve in this capacity, and the University is in compliance with the “honorary” and limited term nature of these appointments as stipulated in BR#82-120, therefore, be it


Trustee Krapek stated that the Finance and Administration Committee, jointly with the Academic Affairs and Student Life Committees, also heard a presentation regarding a comprehensive plan for improvements to recreation, intramural and athletic fields at Central Connecticut State University and also discussed a potential revision to Southern’s Master Plan. In addition, the Finance and Administration Committee heard a presentation regarding upcoming very modest accounts receivable write-offs at two universities (noting that they were less than 0.7%).
ACADEMIC AFFAIRS COMMITTEE

While there was not any business before the Board for action from the Academic Affairs Committee, Trustee Doyle provided a brief update on the issue of articulation and transfer agreements to allow for seamless transitions between the constituent units of higher education. Trustee Doyle commended Dr. Selase Williams and his colleagues on the fine job they are doing in this regard.

EXECUTIVE COMMITTEE

Chairman McHugh reported that the Executive Committee met on July 14\textsuperscript{th} and approved the 2006-2007 Letter of Priority outlining Chancellor Carter’s goals and objectives for the upcoming year, a copy of which had been placed in the Board folders.

The Chairman pointed out the 2007 CSUS BOT meeting schedule. Chairman McHugh requested a motion to approving the Calendar of Meetings for 2007. Mr. Balducci so moved; Ms. Eberhard-Asch seconded the motion and the 2007 Board of Trustees schedule was approved unanimously.

Chairman McHugh also reported that the Executive Committee accepted the internal audit report on the Central Purchasing Card program. The report indicated that the internal accounting and management control environment over Central’s Purchasing Card function is satisfactory and determined that no audit recommendations were deemed necessary.

At the same meeting, the Chairman noted that Chancellor Carter continued to inform the members of the Executive Committee on his steps towards reorganizing and streamlining the System Office. Chairman McHugh stated that the Committee continued to strongly support Chancellor Carter in those efforts.

Chairman McHugh also noted that the Executive Committee approved a market surcharge adjustment for the position of School of Business Dean. In recent recruitment activities, it was apparent that the current market surcharge is no longer sufficient and needed to be revised for CSUS to remain competitive in regard to base salary compensation for this position. He added that the mission of the Trustees and the entire Connecticut State University System is not just to be one of the best public higher education institutions in New England, but to be one of the best in the country and that we need to give the Chancellor and the University Presidents the resources they need to hire faculty that will have a positive impact on our students.

Chairman McHugh noted he wanted to go on record as publicly thanking Trustees Krapek and Messina, along with Internal Auditor Mitch Knight, for the excellent performance on the Audit Subcommittee.
Chairman McHugh reported that Chancellor Carter provided the Executive Committee with a brief status report on the plans for the Chancellor’s inauguration, scheduled for October 20 at Central Connecticut State University. The Chairman thanked those individuals who accepted his request to serve as members of the Inaugural Committee and pointed out that they had their first meeting on July 27. He remarked that the inaugural will be a wonderful event that will not only mark the Chancellor’s inauguration but also will pay tribute to CSUS’s past, recognize what a great university system we have now, and mark the commencement of a year-long celebration of the 25th anniversary of being a university system.

CHAIRMAN’S REPORT

Chairman McHugh pointed out that Chancellor Carter shared the research prepared by Dr. Carol Twigg, the President and CEO of the National Center for Academic Transformation, on improving learning and student achievement, while reducing costs, through course redesign.

Chairman McHugh commended President Norton on her recent efforts in reaching out to the business leaders in the New Haven community and noted that he is appreciative of all the efforts put forth by the university presidents in promoting our universities and the university system.

Chairman McHugh also remarked upon the upcoming discussions with SUOAF and AAUP and stated that he felt the outreach efforts by the members of the Board toward Chairman McHugh stated that he appreciated the tenor of the recent discussions and looks forward to a mutually productive negotiation process. He also offered his appreciation in advance to Mr. David Trainor and Ms. Yvette Melendez Thiesfield for the work they will be undertaking over the course of the next few months.

Chairman McHugh spoke briefly concerning his recent meeting with Governor Rell, wherein he and Chancellor Carter had the opportunity to explain to the Governor the needs of the CSUS universities.

Chairman McHugh mentioned that this would be President Pernal’s last meeting before the Board as Interim President of ECSU and requested that he attend the October Board meeting and sit with the presidents to introduce Dr. Nunez. Chairman McHugh indicated the Board would be honoring Dr. Pernal’s service to the Connecticut State University System. Dr. Pernal expressed his appreciation to have the opportunity to work for a wonderful Chancellor and Board of Trustees, noting that he appreciated the support of the members of the Board and that he was made to feel very welcome.
ADJOURNMENT

Mr. Balducci moved to adjourn; Mr. Doyle seconded the motion and the meeting was adjourned at 10:25 a.m.

Respectfully submitted,

Theresa J. Eberhard-Asch, Secretary