FINANCE AND ADMINISTRATION COMMITTEE
Connecticut State University System
Hartford, Connecticut

Friday, July 17, 2009, at 9:30 a.m.

Minutes

TRUSTEES PRESENT
Karl Krapek, Chairman
Richard Balducci
Theresa Eberhard-Asch
Angelo Messina
Peter Rosa
John Sholtis, Jr.

TRUSTEES ABSENT
David Panciera

SYSTEM OFFICE STAFF
David Carter, Chancellor; Louise Feroe, Senior Vice Chancellor for Academic and Student Affairs; Pamela J. Kedderis, Vice Chancellor for Finance and Administration; David Trainor, Associate Vice Chancellor for Human Resources and Labor Relations; Keith Epstein, Assistant Vice Chancellor for Planning and Technical Services; Trevor Thorington, Assistant Vice Chancellor for Finance and Administration; Rosalie Butler, Administrative Assistant for Finance

UNIVERSITY REPRESENTATIVES
Larry Wilder, Chief Financial Officer, CCSU; Dennis Hannon, Vice President for Finance and Administration, ECSU; James Blake, Executive Vice President, SCSU; Sean Loughran, Controller, WCSU

GUESTS
Nancy Brady, Department of Higher Education

Chairman Krapek called the meeting to order at 9:30 a.m. He moved to amend the Agenda to make Item 3B, Resolution Concerning General Fund Distribution Methodology, a new Information Item 4A. The motion carried unanimously.

1. APPROVAL OF MINUTES FROM THE JUNE 4, 2009 MEETING

The minutes of the June 4, 2009 meeting were unanimously approved on a motion by Trustee Sholtis, seconded by Trustee Messina.

2. INFORMATION ITEMS
A. Write-off of Uncollectible Accounts

VC Kedderis explained that as a matter of best fiscal practice and per internal procedures, all uncollectible receivables $1,000 and under are written off every year, while debts over $1,000 are written off every three years. The total write-off for the System for FY2009 is $180,780. This represents an improvement in collection efforts from previous years. The majority of outstanding debts are student receivables. VC Kedderis informed Trustees that efforts continue to collect all unpaid sums even after write-off.

B. CSUS 2020 Progress Report

AVC Epstein referenced a CSUS 2020 progress spreadsheet. Certain projects will be delayed due to the cancellation of Bond Commission meetings. In response to Trustee questions, AVC Epstein stated that no Federal stimulus funding has been received to date. Any projects on schedule to move forward will be funded through CSUS 2020.

AVC Epstein provided an update on impending building security upgrades for the System Office. This will include swipe card access only at the main entrance to 39 Woodland Street, which will be operational during normal business hours. Security cameras will also be installed to monitor the property.

C. Final Claim Settlement Regarding Construction of the Adanti Student Center at Southern Connecticut State University (no exhibit)

Vice Chancellor Kedderis gave a brief history of the circumstances surrounding this contractor claim. Following non-binding mediation, agreement could not be reached regarding the payment of interest, resulting in both parties proceeding to binding arbitration. The arbitrator awarded Haynes Construction $3,775,768, only $25,768.25 more than was approved for payment by the Board of Trustees in December following non-binding mediation. SCSU will pay the additional $25,768.25. Payment must be made by August 1.

3. ACTION ITEMS

A. Resolution concerning Postponement of Retroactive Funding to Central Connecticut State University

Vice Chancellor Kedderis explained that in November of 2006, the Board of Trustees approved a plan to retroactively reimburse Central, Eastern, and Southern for funding lost during FYs 1996-2000 as a result of the phase-in of a funding distribution model used during that time. The funding to be reimbursed amounted to approximately $3.27 million for Central, approximately $4.27 million for Eastern, and almost $420,000 for Southern. Since this time, total reimbursements to Eastern and Southern have been completed. Given the current and uncertain future fiscal environment, postponement of reimbursement to Central is recommended. Reserves
have been frozen to ensure the fiscal health of the entire System. CFO Wilder indicated CCSU supports postponement in favor of the needs of the System as a whole. Since the intent is to make total reimbursement to Central as soon as is fiscally feasible, language to that effect will be added to the Resolution.

*The amended Resolution was unanimously approved on a motion by Trustee Balducci, seconded by Trustee Rosa.*

**B. Resolution concerning Amendment to the 2004 Comprehensive Campus Master Plan for Southern Connecticut State University**

AVC Epstein indicated that an Environmental Impact Evaluation had been completed since the 2004 approval of the SCSU Master Plan. Higher priorities have also been identified since that time. EVP Blake explained the need for two proposed parking garages and stand-alone data center. The construction of a new Student Wellness Center has also been included in the amendment to the Master Plan. Residence halls have moved up in priority. Chancellor Carter requested that the resolution be tabled so that the impact of the amendment may be further analyzed.

*Trustees unanimously agreed to table the Resolution.*

**4A. Information Item: Resolution concerning General Fund Distribution Methodology**

Chairman Krapek reminded Trustees of the Institutional Base Funding increase which was implemented in 2008. He turned to Vice Chancellor Kedderis for further explanation. She gave a brief overview of how funds are allocated. She explained that General Fund dollars are typically distributed based on FTE of full-time enrollment and provided some of the drawbacks and impacts associated with this method. In order to stabilize the General Fund distribution, the Resolution before the Committee proposes that the proportion of enrollment be frozen at the FY 2009 level. Should enrollments decline by .5% or more at a particular university, that university would lose funding, with those monies set aside in a Systemwide fund to be used for the fiscal health of all four universities. Institutional Base Funding would be increased from $6 million to $6.5 million per university. The Western at Waterbury program would no longer be allocated specific fringe benefits under the proposed revision.

Discussion ensued regarding the proposed Distribution Methodology.

*The meeting was adjourned at 10:30 a.m. on a motion by Trustee Messina, seconded by Trustee Sholtis.*