FINANCE AND ADMINISTRATION COMMITTEE
Room 123
Connecticut State University System
39 Woodland Street
Hartford, Connecticut

Thursday, March 31, 2011, at 9:30 a.m.

Minutes

TRUSTEES PRESENT
Angelo Messina, Chair
Richard J. Balducci
Peter Rosa
John Sholtis, Jr.

SYSTEM OFFICE STAFF
Louise Feroe, Acting Chancellor; Pamela J. Kedderis, Vice Chancellor for Finance and Administration; David Trainor, Associate Vice Chancellor for Human Resources & Labor Relations; Jill Ferraiolo, Associate Vice Chancellor for Government Relations/Communications; Bernard Kavaler, Assistant Vice Chancellor for Public Affairs; Keith Epstein, Assistant Vice Chancellor for Planning & Technical Services; Thomas Masciadrelli, Executive Director for Finance and Administration; Randy Lubin, Director of Capital Budgeting; Mitch Knight, Director of Internal Audit; Rosalie Butler, Administrative Assistant for Finance

UNIVERSITY REPRESENTATIVES
Larry Wilder, Chief Financial Officer, CCSU; Richard Bachoo, Chief Administrative Officer, CCSU; Dennis Hannon, Vice President for Finance and Administration, ECSU; James Blake, Executive Vice President, SCSU; Paul Reis, Vice President for Finance & Administration, WCSU

GUESTS
Nancy Brady, DHE
Kathleen Meghan, The Hartford Courant

With a quorum present, Chairman Messina called the meeting to order at 9:30 am. He announced that Trustee David Panciera had resigned and thanked him for his longstanding service on the Finance & Administration Committee.

1. APPROVAL OF MINUTES FROM THE FEBRUARY 3, 2011 MEETING

The minutes of the February 3, 2011 meeting were unanimously approved, as written.

INFORMATION ITEMS

A. CSUS 2020 Progress Report
Chairman Messina announced that Governor Malloy had approved $95 million in CSUS 2020 funds for FY12. VC Kedderis and AVC Epstein provided an update on CSUS 2020 projects.

B. DHE Quarterly Report – 2nd Quarter FY2011

VC Kedderis provided details on the 2nd Quarter FY2011 DHE Report. She indicated the numbers differ from the Mid-Year Spending Plan Review provided to Trustees, because the DHE report includes grant funds. The DHE report reflects that CSUS on track and will end the year as projected. The Statement of Changes in Net Assets Exhibit has been updated subsequent to the completion of the FY10 financial audit. Trustees should expect to see a decline in Net Assets in the future, due to the payment of collective bargaining increases for General Fund employees in FY11 and the 27th payroll in FY12, for both of which funds have been set aside.

ACTION ITEMS

A. Connecticut State University System Research Grants

Chairman Messina provided an overview of the collective bargaining requirements and funding method for the CSU-AAUP Faculty Research Grant Program. AVC Trainor gave historical background and explained the selection and approval process. Of the 218 proposals received, 193 proposals are recommended for funding involving 211 members of the faculty. AVC Trainor indicated that the average grant award had risen by $150 this year.

_The CSUS Research Grants were unanimously approved on a motion by Trustee Rosa, seconded by Trustee Balducci._

B. Resolution concerning Maintenance of a Child Care Center at Central Connecticut State University

VC Kedderis provided a brief history of the Child Care Center at CCSU. She explained that the resolution before the Committee today rescinds a 1987 resolution and authorizes CCSU to provide child care services primarily for the benefit of students enrolled at the University as well as faculty and staff at CCSU and others within the immediate community. It also stipulates that rates charged to CCSU students are to be at a discount.

_The resolution was unanimously approved on a motion by Trustee Sholtis, seconded by Trustee Balducci._

C. Resolution concerning Lease of 1285 East Street in New Britain, Connecticut to the Early Learning Center, Inc.

VC Kedderis gave a brief history of the property at 1285 East Street in New Britain and indicated that no property lease agreement with the current non-profit child care provider is presently in place. She provided detail as to the proposed lease term, conditions and transfer of liability. The agreement has already been reviewed by the CSUS Assistant Attorney General and
The resolution was unanimously approved on a motion by Trustee Sholtis, seconded by Trustee Rosa.

D. Resolution concerning Authorization to Borrow from the State of Connecticut Health and Educational Facilities Authority

VC Kedderis and Director Lubin gave a detailed overview of the purpose and scope of financing through CHEFA for various additions and improvements to residential and other facilities at CSUS Universities, as well as their related expenses and revenue for repayment of debt service. Opportunities to refinance previous CHEFA bond issues were also discussed. The Committee was reminded that Board Resolution #05-31 allows the System to move forward with a refunding whenever the opportunity is available as long as the refunding meets the following criteria:

- the net savings of any refunding issue shall be at least 3.00% of the par amount of the refunded bonds
- the aggregate net savings shall not be less than $250,000 on a present value basis.

The resolution was unanimously approved on a motion from Trustee Sholtis, seconded by Trustee Rosa.

E. Resolution concerning FY2011-12 Tuition and Fees for Connecticut State University System Students

Chairman Messina recalled that in September of 2010, the Board of Trustees declared its intention to hold tuition and fees at the FY11 level in FY12, with the proviso that it may need to reexamine the matter based on any potential action taken by the Governor or General Assembly on the FY11-13 Biennial Budget. He turned to VC Kedderis for further explanation. Citing the Governor’s proposed budget, which includes a $21.8 million reduction to CSUS’s Current Services request in both FYs 2012 and 2013, VC Kedderis explained there would also be an additional payroll period in FY12. Increases in inflation and energy costs are also expected. In order to partially mitigate the decline in State funding and maintain instructional quality in the coming year, Tuition and Mandatory Fees are proposed to increase by $198 or 2.5% for an in-state undergraduate student. Under the proposal, total Tuition and Fees for an in-state undergraduate residential student would increase $446 or 2.5%.

Two additions to Tier II Fees are also proposed. The first is a new 2.5% credit card convenience fee, which would be charged to any student utilizing a credit card to pay for tuition and fees. The second Tier II Fee, proposed by CCSU, is the addition of a lab fee of $300 per semester for full-time undergraduate Nursing students, and a $25 per credit hour fee for part-time undergraduate Nursing students. SCSU and WCSU currently charge similar lab fees to Nursing students.

VC Kedderis explained that an additional $517,000 would be made available for need-based financial aid as a result of the required 15% set-aside on the tuition increase.
Chairman Messina indicated the recommended increase is the lowest increase which could be responsibly recommended and will still leave almost a $15 million shortfall. However, the increase will assist CSUS in maintaining the quality of its educational programs without limiting student access.

The resolution was unanimously approved on a motion by Trustee Balducci, seconded by Trustee Rosa.

With no other business to discuss, the meeting was adjourned at 10:30 a.m. on a motion by Trustee Balducci, seconded by Trustee Sholtis.