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

Friday, September 17, 2010, at 9:30 a.m.

Minutes

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

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; Jill Ferraiolo, Associate Vice Chancellor for Government Relations; Bernard Kavaler, Assistant Vice Chancellor for Public Affairs; Thomas Masciadrelli, Executive Director for Finance and Administration; Mitch Knight, Director of Internal Audit; 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; Paul Reis, Vice President for Finance & Administration, WCSU

GUESTS
Scott Ciecko, DHE
Lisa Hammersley, OPM

With a quorum present, Chairman Messina called the meeting to order at 9:30 am.

1. APPROVAL OF MINUTES FROM THE MAY 6, 2010 MEETING

The minutes of the July 15, 2010 meeting were unanimously approved, as written.
2. **INFORMATION ITEMS**

A. **CSUS 2020 Progress Report**

VC Kedderis and AVC Epstein provided an update on CSUS 2020 projects.

B. **DHE Quarterly Report – 4th Quarter FY2010**

VC Kedderis outlined the requirements for submission to the Department of Higher Education. She explained the DHE Quarterly Report is not presented in the same format as the System budget, however, the trends are representative. She indicated the report reflects a $3 million net gain, resulting from holding vacant positions open and cuts in spending. CSUS has put funds aside to pay the FY11 collective bargaining increases.

3. **ACTION ITEMS**

A. **Resolution concerning the Appointment of Chandler Howard as Distinguished Business Executive in Residence at Eastern Connecticut State University**

AVC Trainor explained that Board Resolution #82-120 gives the authority necessary to convey the “In Residence” title. Any services provided will be honorary in nature. He provided details with regard to Mr. Howard’s background and accomplishments.

*The resolution was unanimously approved on a motion by Trustee Sholtis, seconded by Trustee Panciera.*

B. **Resolution concerning the Relinquishment of Care, Custody and Control of a Parcel of Land Situated in New Britain, Connecticut and Approval of an Adjacent Temporary Easement to the Connecticut Department of Transportation**

Chairman Messina explained that the Board of Trustees had already approved the transfer of this parcel in May of 2010 and provided a brief overview of DOT’s plans to modify the Cedar Street Bridge in New Britain, in connection with the development of a Bus Rapid Transit facility. However, the offer was subsequently rescinded. He turned to VC Kedderis for further explanation. She advised that on August 2, 2010, the DOT had rescinded the compensation offer, indicating that revisions to the bridge design would also require a temporary easement consisting of a 671-square foot adjacent land parcel. The DOT has now submitted an $8,000 compensation offer in exchange for the relinquishment of the 2,342 square foot parcel along with the grant of a temporary easement.

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

C. **Resolution concerning Amendment to the 2004 Comprehensive Campus Master Plan for Southern Connecticut State University, as Previously Amended**
Chairman Messina turned to VC Kedderis for explanation. She indicated that Southern’s 1993 Campus Master Plan included a major addition and renovation to Buley Library as a priority project. General obligation bond authorization was given and commencement of the project was considered imminent. This assumption resulted in the exclusion of the Buley Library project from Southern’s 2004 Master Plan Priority Project List and 2009 Campus Plan Update. However, due to funding shortfalls as a result of change orders and project delays, the project remains incomplete. The proposed Master Plan modification adds Additions and Renovations to Buley Library as a 2010 Master Plan Update, Phase I Priority Project, to Southern’s 2004 amended Comprehensive Master Plan.

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

D. Resolution concerning Amendment to the FY2009-18 Capital Plan

VC Kedderis explained that the FY2009-18 Capital Plan is the underpinning for CSUS 2020. The “Additions and Renovations to Buley Library” project at Southern Connecticut State University was not included in the FY2009-18 Capital Plan. This Resolution adds this project as a line item and reallocates funds from other Southern projects to meet the $16,386,585 shortfall in funding necessary to complete this project. Funds will be redirected from a 450-vehicle parking garage (under Southern’s New Academic Laboratory/Parking Garage project), as well as from projects contained in the Code Compliance and Infrastructure improvements line items in FY09 and FY10.

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

E. Revision to the CSUS 2020 Program and Request for Statutory Amendment

VC Kedderis explained that CSUS 2020 does not include the Additions and Renovations to Buley Library project. The proposed action revises the CSUS 2020 program in Phase I by adding “Additions and Renovations to Buley Library” as a project under Southern Connecticut State University with a total amount of $16,386,585, reducing the Southern Connecticut State University Code compliance/Infrastructure Improvement line by $4,904,585 and reducing the Southern Connecticut State University New Academic Laboratory Building/Parking Garage line by $11,482,000. State statute requires a formal request to the Governor and the General Assembly for enactment of a public or special act approving any line item addition, or line item change greater than 5% of the line item total if the line item is greater than $1 million. The proposed revision falls within these parameters.

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

F. FY2011-12 Tuition and Fees for Connecticut State University System Students
Chairman Messina commented that Connecticut residents are continuing to feel the effects of the prolonged economic downturn and slow recovery. While some signs of improvement are beginning to appear, these are eclipsed by a State budget deficit of $3 billion forecasted for FY12, and the state unemployment rate, which stands at 9.1% as of August. He turned to VC Kedderis for further explanation. She indicated that State funds now account for less than 40% of revenues, compared with 48% a decade ago. CSUS has experienced both direct and indirect reductions in State support in the past two years, including unfunded mandates, cost shifts from the State, and fund balance transfers in FY10 and FY11 totaling $15 million. Reductions imposed on, and unanticipated costs transferred to, CSUS have been absorbed primarily through savings and cost avoidance achieved across the System. She further stated that the American Recovery and Reinvestment Act Maintenance of Effort requirements expire at the end of FY11; at that point CSUS’s General Fund appropriation may be reduced without restriction.

Chairman Messina stressed that, in spite of this uncertainty, CSUS needs to maintain the accessibility and affordability of its universities to the greatest extent possible, recognizing that students and potential students are among those that are most feeling the effects of the prolonged downturn.

Discussion ensued regarding the recommendation that there be no increase to tuition or to any fee at any of the CSUS universities in FY12. Student Accident and Sickness Insurance is excepted because this is not a fee charged by CSUS. Chairman Messina advised that this recommendation may need to be reexamined based on the action taken by the Governor and the General Assembly on the FY 2011-2013 Biennial Budget.

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

G. FY12 Salary Adjustment Freeze for Management and Confidential Staff

Chairman Messina turned to AVC Trainor for explanation of the proposal before the Committee. AVC Trainor stated that CSUS was the first agency to freeze Management/Confidential salaries in FY10. Savings had also been achieved by holding open positions vacant and through furlough days. He advised that while this action would freeze salaries in FY12 for Management/Confidential employees, union employees would still be eligible for increases through collective bargaining agreements which expire in FY12. He stated an estimated $1.5 million in salary and fringe could be saved as a result of the salary freeze for Management/Confidential staff.

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

*With no other business to discuss, the meeting was adjourned at 10:20 a.m. on a motion by Trustee Balducci, seconded by Trustee Sholtis.*