TRUSTEES PRESENT:
Lawrence D. McHugh, Chairman                        Mark Parrott
Karl J. Krapek, Vice Chairman                      Ronald J. Pugliese
Theresa J. Eberhard-Asch, Secretary               Peter M. Rosa
Mr. Richard J. Balducci                           John R. Sholtis, Jr.
John A. Doyle                                     Brian P. Sullivan
Angelo J. Messina                                 John P. Sullivan
John H. Motley                                    Andrew R. Wetmore
L. David Panciera                                 Gail H. Williams

TRUSTEES ABSENT:
Elizabeth Gagne                                   Andrew Russo

OTHER OFFICIALS PRESENT:
David G. Carter, Chancellor, Connecticut State University System (CSU)
Jack W. Miller, President, Central Connecticut State University (CCSU)
Elsa Nuñez, President, Eastern Connecticut State University (ECSU)
Cheryl J. Norton, President, Southern Connecticut State University (SCSU)
James W. Schmotter, President, Western Connecticut State University (WCSU)

STAFF TO THE BOARD:
Erin Fitzgerald, Associate for Board Affairs

CALL TO ORDER
Chairman McHugh called the meeting to order at 10:05 a.m., declaring a quorum present.

APPROVAL OF MINUTES
Chairman McHugh requested a motion to accept the Regular Session Minutes of July 27, 2007.
Trustee Sholtis so moved; Trustee Pugliese seconded. Motion passed unanimously.
CHANCELLOR’S REPORT

Chancellor Carter thanked ECSU President Elsa Nuñez for the warm reception and the excellent venue which the Betty Tipton Room in the new Student Center afforded the Trustees for their meeting. He provided brief remarks on the status of the CSUS 2020 infrastructure bill noting that he would apprise the Board of Trustees if there was any progress on this matter. Chancellor Carter introduced Dr. Roy Stewart, Interim Senior Vice Chancellor for Academic and Student Affairs. Chancellor Carter reported that the presidents’ reports in November will be focused on enrollment figures and that in December the presidents would be accompanied by the university police chiefs to provide a brief update on campus safety and emergency response. Referencing Governor Rell’s recent Executive Order for stricter controls on laptop security, Chancellor Carter noted that while CSUS is exempt from the order, steps have been taken to address every item contained in the Governor’s Order and beyond that which was requested.

Chancellor Carter remarked upon the recent passing of Mohegan Tribe Chief Ralph Sturges, stating that Eastern Connecticut State University, and the Connecticut State University System lost a trusted friend upon his passing. The Chancellor recalled the Chief’s dreams for the Mohegan land and noting the remarkable and rapid development thereof, reflected that the difference between dream and reality is a four letter word: work. Chancellor Carter stated that Chief Sturges represented the best of all humanity and that ECSU and CSUS join with the Chief’s tribal members, friends and family in mourning his passing.

Chancellor Carter informed the Board that ECSU President Nuñez and Manchester Community College President Jonathan Daube met on October 3, 2007, along with Dr. Roy Stewart and representatives from the four CSUS universities and community colleges regarding articulation and making sure that the Board’s directive in this regard is implemented. He commended both President Nuñez and Dr. Stewart for their efforts on this important initiative.

Chancellor Carter pointed out the following items in the Board folders:

- 2008 Schedule of Board and Board Committee meetings
- Opinion piece published October 2, 2007 in the Hartford Courant, authored by Mr. Oz Griebel, President and CEO of the Metro-Hartford Alliance. Mr. Griebel’s piece was in support of CSUS 2020.

ACADEMIC AFFAIRS COMMITTEE

Trustee Doyle echoed Chancellor Carter’s statement concerning the hospitality displayed by ECSU for the Board meeting and noted that the Academic Affairs Committee meeting at SCSU was well-attended, lively and productive. He extended his appreciation to President Norton for publicizing the Board’s presence on campus to the faculty and shared that he had advised the faculty
members present at the meeting how much he appreciated their support, particularly through their AAUP leadership. Trustee Doyle went on to report that the Academic Affairs Committee met on Wednesday September 26, 2007 at Southern Connecticut State University and recommended the following items:

A resolution to authorize Southern Connecticut State University to offer a Master of Fine Arts degree program in Creative Writing. Trustee Doyle reported that the proposed program is the first residential program in Creative Writing in Connecticut and the second public university program of its kind in the New England region. The program seeks to keep in-state many of the students who currently leave Connecticut to pursue residential MFAs elsewhere, particularly in private colleges and universities. Additional demand for the program will come from students who are already enrolled in SCSU’s residential MA and MS programs with Creative Writing specialization. The tuition cost for the program will make it highly competitive in our region. Classes will be taught on-site and provide students opportunities to immerse themselves in literary studies and writing in creative genres within an artistic and scholarly community. Graduates will be prepared for creative publishing and academic teaching at the college level. The program is designed as a complementary program to the low-residency MFA program in Professional Writing at Western Connecticut State University.

Trustee Doyle moved the following resolution; Father Sullivan seconded the resolution and the following resolution was approved unanimously.

RESOLVED, That the Board of Trustees for the Connecticut State University System approves Southern Connecticut State University’s proposal to offer a Master of Fine Arts in Creative Writing degree program, and be it further

RESOLVED, That under the authority granted to the Board of Trustees for Connecticut State University System in Chapter 185b, Section 10a-87 and 10a-149 of the Connecticut General Statutes, the Chancellor of the Connecticut State University System is authorized to seek licensure and accreditation for this program from the Connecticut Board of Governors for Higher Education.

A resolution to discontinue the Connecticut River Valley Institute for Media Literacy at Central Connecticut State University. Trustee Doyle remarked that while the institute generated some initial interest among K-12 teachers, the expected grants and contracts funding support did not materialize. The university is continuing its work in support of media literacy through the regular collaborations of faculty with the K-12 schools.

Trustee Doyle moved the following resolution; Trustee Pugliese seconded the resolution and the following resolution was approved unanimously.

WHEREAS, The Connecticut River Valley Institute for Media Literacy Center was established at Central Connecticut State University by Board Resolution 02-26, and
WHEREAS, The President of Central Connecticut State University has evaluated the work of the Center and has recommended that the Connecticut River Valley Institute for Media Literacy Center at Central Connecticut State University not be continued, therefore, be it

RESOLVED, That the Board of Trustees for the Connecticut State University System accepts the recommendation of the Chancellor of the Connecticut State University System and the President of Central Connecticut State University and hereby dissolves the Connecticut River Valley Institute for Media Literacy Center, effective December 31, 2007.

A resolution to receive the annual reports for the following Endowed Chairs for submission to the Board of Governors of Higher Education. Trustee Doyle offered a resolution affirming the Board’s receipt of the annual reports for the following endowed chairs.

The Stanislaus A. Blejwas Endowed Chair in Polish and Polish American Studies at Central Connecticut State University held by prominent scholar Dr. M.B. Biskupski.

The Governor William A. O’Neill Endowed Chair in Public Policy and Practical Politics at Central Connecticut State University previously held by Distinguished Professor of Public Policy Anthony V. Milano.

The Endowed Chair in Sustainable Energy Studies at Eastern Connecticut State University held by distinguished scientist and educator Dr. Fred Loxsom.

The Macricostas Endowed Chair in Modern Greek and Hellenic Studies at Western Connecticut State University held by visiting senior scholar Dr. Guy McLean Rogers.

Trustee Doyle moved the following resolution; Trustee Motley seconded the resolution and the following resolution was approved unanimously.

WHEREAS, Under the provisions of Section 10a-20a of the Connecticut General Statutes, the Board of Governors of Higher Education may establish and administer an Endowed Chair Investment Fund, and

WHEREAS, Central Connecticut State University has received support from the Endowed Chair Investment Fund for the Stanislaus A. Blejwas Chair in Polish and Polish American Studies and the William A. O’Neill Chair in Public Policy and Practical Politics, and

WHEREAS, Eastern Connecticut State University has received support from the Endowed Chair Investment Fund for the Endowed Chair in Sustainable Energy Studies, and

WHEREAS, Western Connecticut State University has received support from the Endowed Chair Investment Fund for the Macricostas Chair in Modern Greek and Hellenic Studies, and

WHEREAS, Under the provisions of Section 10a-20f of the Connecticut General Statutes, an annual report of activities of the supported chairs be sent to the Board of Governors of Higher Education, therefore be it

RESOLVED, That the Board of Trustees accepts the annual reports of the above named Endowed Chairs, and be it further
RESOLVED, That the Chancellor of the Connecticut State University System forward these reports to the Board of Governors for Higher Education.

Trustee Doyle also reported that the Committee received the Presidential and Trustees’ scholarship reports from the universities. The programs continue to make a positive impact in attracting and retaining students of high promise, especially students with high financial needs. The Trustees’ Scholarship program will be due for evaluation and continuation by this Board in January 2008.

It was reported that the Committee received a first-day enrollment report as a preliminary view of final figures to be provided by staff for the October meeting.

The Committee received a report on the September 19 meeting of the Board of Governors. Included in the report is the a note on the high praise received on the Western collaboration with Central to offer a Administration and Supervision, leading to a Sixth Year Certificate (092), a new option for Ed.D. students in the Instructional Leadership program.

FINANCE AND ADMINISTRATION COMMITTEE

Vice Chairman Krapek reported that the Finance and Administration Committee met on Thursday, September 29th, and had two action items to bring before the Board.

Fund Balance Guidelines

Vice Chairman Krapek offered a brief history of the fund balance guidelines, noting that in October 1994, the Board of Trustees established fund balance guidelines to ensure the fiscal viability of the system. The Guidelines were revised in July of 1997 to provide more specificity regarding the authorization of and accounting for designated fund balances, and again in 2001 to more clearly reflect working capital available at the Universities, and to provide more guidance regarding the use of plant funds. The guidelines are now being revised to further clarify the appropriate levels and uses of unrestricted fund balances, and implement additional internal controls regarding transfers of unrestricted balances from the current fund to the plant fund.

Vice Chairman Krapek pointed the following revisions to the Guidelines:

- The Previous guidelines concentrated only on current unrestricted fund, and completely ignored unrestricted plant funds. These guidelines take all unrestricted funds into account.
- The maximum percentage of budgeted funds to be retained as contingency at a University has been reduced to 7% from the previous maximum of 10%. The minimum percentage remains at 5%.
• It is specifically permitted (but not required) that unrestricted funds in addition to funds explicitly restricted for the purpose be designated for debt service funding or pre-funding.

• Any use of fund balances for plant purposes must be approved by the Chancellor. The requirement that any use of $250,000 or greater for plant purposes receive Board approval remains in effect.

• A separate fund balance requirement for the System Office is created, consistent with the separate budget that was established this year.

• The percentage of budgeted funds to be retained as contingency for Systemwide Operations is reduced to 1½% of the System’s total budgeted educational and general expense, from the currently required 3% level.

• A Systemwide Project Fund is created which will be overseen by the Council of Presidents and the Chancellor, and will be used to fund University and Systemwide projects on a request basis, in accordance with criteria to be established.

• Requires that Guidelines be reviewed at least every 5 years.

Vice Chairman Krapek noted that the revision will show the fund balance in a realistic way – that is, that a good majority of funds have been committed for specific purposes.

On a motion by Vice Chairman Krapek, seconded by Trustee Panciera the following resolution was unanimously adopted:

WHEREAS, The Board of Trustees under the provisions of Section 10a-89(a)(1) of the Connecticut General Statutes shall "...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, Positive fund balances are essential to ensure the operational continuity of the universities, and

WHEREAS, The Board of Trustees has established fund balance guidelines to ensure the maintenance of reasonable positive fund balances by the universities and the system office, now therefore be it

RESOLVED, That BR#01-02 is rescinded, and be it further

RESOLVED, That the revised fund balance guidelines shown in the addendum to this resolution are approved effective this date, and be it further

RESOLVED, That the fund balance guidelines be reviewed at least every five years to determine their adequacy and revised as determined appropriate.

Addendum to FUND BALANCE GUIDELINES

Operating Fund
The operating fund from a funds accounting perspective is known as the current fund, and accounts for those economic resources which are expendable for carrying out the primary purpose or general operation of the university: instruction, research, and public service. The current fund consists of two subgroups - unrestricted current funds and restricted current funds.

**Current unrestricted funds** are resources received by a university that have no limitations or stipulations placed on their use by external agencies or donors. These funds are often deemed the most desirable resources for an institution, since they offer the widest range of flexibility concerning how monies can be spent. Tuition, fees, and legislative appropriations are typical examples of revenue sources received as unrestricted current funds.

**Current restricted funds** are resources provided to a university that have externally established limitations or stipulations placed on their use. Such restriction can be broad or very specific.

**Designated funds** result from internal designations placed on resources by the governing board or institutional management and constitute an allocation of current unrestricted funds. These designations can change at any time. Any unrestricted resources designated to specific fund groups (plant, loan, or quasi-endowment) are included in such fund groups by a transfer, which can be either mandatory or non-mandatory, depending on the circumstances.

Within the Connecticut State University System, the Board of Trustees, the Chancellor, and the University Presidents are authorized to designate funds for certain purposes such as major expenditures that may require more funds than would be available for the specific purpose in a single year or for a future project. The designated funds will be accounted for within the accounting system.

I.

In general, fund balances must be sufficient to

a) finance open commitments including multi-year projects not structured on a fiscal year basis, such as implementation of large information systems;

b) provide funds designated for major expenditures that may require more funds than would be available for the specific purpose in a single year or for a future project;

c) provide sufficient funds to ensure financial stability in the event of unfavorable economic conditions and/or permit operation of the University/System for a reasonable length of time in case of emergency. NOTE: Except in case of extreme emergency, undesignated current fund balances shall not be used to subsidize ongoing current operations.

**Required Unrestricted Funds – University**

Each University shall provide for an unrestricted fund balance without deduction for the reserve for accrued compensated absences as well as the impact of all assets due from the State of Connecticut and all liabilities due to the State of Connecticut, and including required and permitted plant fund transfers (“adjusted unrestricted fund balance”), as follows:

- Five (5) to seven (7) percent of the University’s total budgeted educational and general expenditures and auxiliary services expenditures for the current fiscal year; plus
- Current portion of the University’s accrued compensated absences from the prior year financial statements, since this is the amount that is estimated to materialize in the current fiscal year; plus
- Two (2) to five (5) percent of housing and food service fee revenues annually for the purpose of meeting the annual refurbishing and equipment replacement/acquisition requirements of these activities, with the proviso that if any of these particular funds remain unspent in the current year, they may be carried over into subsequent years to be used for the same purpose; plus
- Funds designated due to Student or other non-debt-service commitments (must be pre-approved by the Chancellor and the Board of Trustees); plus
• Unrestricted funds set aside for debt service funding/pre-funding on student housing or student parking garages

Project Fund

Should a University’s adjusted unrestricted fund balance exceed the above level, the excess shall be transferred to a Systemwide Project Fund, which shall be used to fund University and Systemwide projects on a request basis, based on the merits of the request according to established criteria. The Project Fund shall be overseen by the Council of Presidents and the Chancellor, who shall develop the aforementioned criteria to determine the circumstances and guidelines under which the Project Fund may be used. Proposals to use the Project Fund shall be made to the Council of Presidents, who will determine the acceptability of each proposal and provide their recommendation(s) for use to the Chancellor by way of written justification. The Chancellor shall not be bound to accept the recommendation(s) of the Council of Presidents, but will take them under advisement. Should the Chancellor choose to advance any proposal(s), he shall provide his final recommendation(s) to the Executive Committee of the Board of Trustees for discussion and action within 60 days of the Council of Presidents’ recommendation(s).

Should a University’s adjusted unrestricted fund balance fall below the required level, the University President may request of the Council of Presidents and the Chancellor that the University’s adjusted unrestricted fund balance be replenished through the use of the Project Fund. The request shall be in writing, and shall detail why the University believes that it would be unable to restore its adjusted unrestricted fund balance to the required level within two years, and why the infusion of Project Funds is necessary. The University shall further detail measures that it will put in place to restore its adjusted unrestricted fund balance and replenish the Project Fund within five years following the infusion.

Required Unrestricted Funds – System Office

The System Office shall maintain a System Office unrestricted fund balance without deduction for the reserve for accrued compensated absences as well as the impact of all assets due from the State of Connecticut and all liabilities due to the State of Connecticut (“adjusted unrestricted fund balance”), of an amount not to exceed five (5) percent of the System Office’s total budgeted educational and general expenditures and auxiliary services expenditures for the current fiscal year; plus the current portion of accrued compensated absences from the prior year financial statements attributable to personnel charged to the System Office, since this is the amount that is estimated to materialize in the current fiscal year.

Required Unrestricted Funds – Systemwide

The System Office shall maintain a Systemwide unrestricted fund balance without deduction for the reserve for accrued compensated absences as well as the impact of all assets due from the State of Connecticut and all liabilities due to the State of Connecticut (“adjusted unrestricted fund balance”), as follows:

• One and one-half (1 1/2) percent of the System's total budgeted educational and general expenditures of the current fiscal year; plus
• Current portion of accrued compensated absences from the prior year financial statements attributable to personnel charged to Systemwide Operations, since this is the amount that is estimated to materialize in the current fiscal year; plus
• Three hundred thousand ($300,000) dollars annually, if needed, to provide for ongoing telecommunication equipment replacement and upgrade, with the proviso that if any of these particular funds remain unspent in the current year, they may be carried over into subsequent years to be used for the same purpose; plus
• Funds designated due to Student or other non-debt-service commitments (must be pre-approved by the Chancellor and the Board of Trustees)

Should the Systemwide adjusted unrestricted fund balance exceed the above level after required transfers to plant fund, the excess shall be transferred to the Project Fund.
Should the System Office or Systemwide unrestricted fund balance fall below the required level, the Chancellor will develop an action plan to restore the adjusted fund balance to the designated level within a reasonable time, including possible infusion from the Project Fund. This action plan shall be presented to and receive the concurrence of the Executive Committee of the Board of Trustees. The Chancellor shall notify the Council of Presidents of any approved infusion of funds from the Project Fund to the System Office or Systemwide fund balance.

**Plant Fund**

Plant fund purposes consist of the following: plant construction or acquisition; payment of interest and/or principal on plant-related debt; and renewal and replacement of facilities (including maintenance of plant). Funds received from outside providers for capital projects may not be used for other purposes unless approved by the provider.

1. **Debt Service**
   Fund balances maintained in the plant fund for debt service are transferred to this account from the current fund to meet statutory requirements to pay for University self-supporting construction projects. Interest earned on these funds is unrestricted, but is designated for debt service purposes in order to minimize student fee charges.

2. **Transfers to Plant Fund**
   Annually, each University shall provide to the Board of Trustees a report listing the designated purpose(s) and amount(s) of all unrestricted current operating funds transferred or intended to be transferred into the plant fund in that year. This report is to be provided to the Finance and Administration Committee as part of each University’s spending plan submission. Any transfers or intended transfers from the unrestricted current fund to the plant fund made by the Universities, other than the required amount for annual refurbishing and equipment replacement/acquisition for housing and food service, must be approved by the Chancellor and the Board of Trustees in advance.

**Other Funds**

Unrestricted, self-supporting funds, such as those resulting from entrepreneurial activities or university self-supporting units, may also have unrestricted fund balances. Fund balances for these types of activities will vary depending upon the scope of the activity and will remain with the activity or unit during its lifetime. Should an activity find its fiscal viability threatened, the University President will make a determination as to the continued existence of the activity.

Unrestricted revenues of other funds such as the endowment fund group, loan fund group, annuity/life income fund group and the research fund, if realized, may be designated for certain purposes by the appropriate authority(s) enumerated above.

**Use of Fund Balances**

Any use of fund balances for plant purposes, whether or not the funds being used are from the plant fund, must be approved by the Chancellor and, if the amount to be used is $250,000 or greater, by the Board of Trustees. Ordinarily this approval will take place at a regularly scheduled meeting of the Board of Trustees; however, in urgent cases, a vote of the Executive Committee, acting on behalf of the Board as authorized by Article III, Section 1 of the bylaws of the Board of Trustees for the Connecticut State University System, may be substituted.

**Financial Aid Code of Conduct.** Mr. Krapek noted that a good deal of national press has been given to the relationships between certain institutions of higher education and lending institutions which may have negatively impacted borrowers of student loans. Although the Connecticut State
Code of Ethics addresses certain interactions between State employees and entities doing or seeking to do business with the State, the proposed Financial Aid Code of Conduct is specifically designed to assist officers and employees involved in or responsible for student lending, in avoiding such detrimental relationships.

The proposed Code of Conduct contains certain key provisions regarding compensation, the acceptance of gifts, items of value, and reimbursement for lodging or meals. The Code also sets forth terms for preferred lender lists, exit interviews and information sessions, and revolving door prohibitions.

The Code also dictates who may or may not serve as an outside director for a lending institution. Correspondence has been obtained from the Attorney General’s office which states that neither the Chancellor, nor any member of the Board of Trustees are prohibited under this Code from serving on any board of directors of a lending institution. Conversely, any trustee, director, officer or employee of a lending institution who has no responsibilities with respect to higher education loans or other financial aid at the lending institution may sit on the CSUS Board of Trustees. Because the University Presidents are perceived to be much more closely involved in the financial aid process, they may not serve on any lending institution board. Vice Chairman Krapek noted, however, that the Chancellor made it clear during conversations with representatives from the Attorney General’s office that he was not in agreement with the position, and that he was committed to continuing to work with the AG’s office to have the provision changed.

On a motion by Vice Chairman Krapek, seconded by Trustee Panciera the following resolution was unanimously adopted:

WHEREAS, It has been reported in the national press that relationships have existed between certain institutions of higher education and lending institutions which may have worked to the detriment of borrowers seeking to obtain student loans; and

WHEREAS, The Board of Trustees believes that it is of the utmost importance that such relationships be avoided by the trustees, officers, and employees of the Connecticut State University System; and

WHEREAS, The Board of Trustees believes that it is in the best interests of the System and its students that the Board adopt a code of conduct designed to assist the System trustees, and those officers and employees engaged in financial aid activities, in avoiding such relationships; and

WHEREAS, The Board of Trustees believes that adoption of such a code of conduct will also provide assurance to students, parents, and guardians that their access to a full array of student loan products has not been compromised; therefore be it

RESOLVED, That the Connecticut State University System Board of Trustees adopts the attached Financial Aid Code of Conduct for the Connecticut State University System, effective immediately.
I. DEFINITIONS

A. “Lending Institution” or “Lender” shall mean: (i) any entity that itself, or through an affiliate, engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or (ii) any entity, or association of entities, that guarantees education loans. “Lending Institution” or “Lender” shall not include the University or the state or federal government.

B. “University” shall mean the university, college, university or college system, professional trade school or other entity providing post-secondary education that adopts this Code of Conduct.

C. “Opportunity Loans” shall mean loans to international students or other students who, because they have poor or no credit history, do not have access to student loans on reasonable terms.

D. “Compensation” shall mean anything of value including, but not limited to, money, credits, loans, discounts, payments, fees, forgiveness of principal or interest, reimbursement of expenses, charitable contributions, stock options, consulting fees, educational grants, vacations, prizes, gifts or other items of value, whether given directly or indirectly.

E. “Trade Association” shall mean any higher education, financial aid, lending or banking trade, industry or professional association that receives Compensation within the preceding 12-month period from any Lending Institution or Lender. Neither the Connecticut State University System (“CSUS”) nor any CSUS university shall be deemed to be a “trade association” solely by virtue of its contract to administer any grant or loan program through any state or federal agency, or any quasi-public agency including, but not limited to, the Connecticut Higher Education Supplemental Loan Authority (“CHESLA”).

F. “Outside Director” shall mean a member of a Lender’s Board of Directors or Board of Trustees who receives Compensation from such Lender in connection with his or her service on the Board of Directors or Board of Trustees and who receives no other compensation from the Lender as an officer, employee, or agent of the Lender.

G. “Agent” shall mean a person acting as a representative of and at the direction of or under the control of a University where such person’s responsibilities with respect to the University relate primarily to the University’s activities involving financial aid or the business of higher education loans.

H. “Affiliated Organization” shall mean an organization including, but not limited to, an alumni association, booster club, foundation, athletic organization, social organization, academic organization, professional organization or other organization, which is affiliated with the University and which is not a separately existing legal entity.

II. CODE OF CONDUCT

A. Prohibition of Certain Compensation to University Employees

1. No University trustee, director, officer, or Agent, or any employee who is employed in the financial aid office of the University or who otherwise has responsibilities with respect to higher education loans or other financial aid at his or her University, and no spouse or dependent child of any such person (“Family Member”), shall accept any Compensation of more than nominal value (not to exceed the gift limitations established in the State Code of Ethics), directly or indirectly, from or on behalf of a Lending Institution or Trade Association, except that this provision shall not be construed to prohibit any officer, trustee, director, Agent or employee of the University, or any of their Family Members, from receiving Compensation for the conduct of non-University business with any Lending Institution or Trade Association or from accepting Compensation that is offered to the general public, provided receipt of such Compensation is permitted by the State Code of Ethics.

2. Notwithstanding the prohibitions set forth in subsection II.A.1 or any other provision of this Code of Conduct: (i) the University may hold a membership in any nonprofit professional association;
and (ii) a University trustee, director, officer or employee who does not have responsibilities with respect to higher education loans or other financial aid, may serve as an Outside Director of a Lending Institution or Trade Association and receive Compensation at the Lending Institution’s or Trade Association’s established compensation rates for Outside Directors, provided that any University trustee, director, officer or employee serving on the board of the Lending Institution or Trade Association is precluded from participating in such board’s discussions or decisions that might affect the interests of the University, and provided further that such University trustee, director, officer or employee complies with the University’s conflict of interest policy, and receives annual written notice of the requirements of both this Code of Conduct and the University’s conflict of interest policy. Further, notwithstanding the prohibitions in subsection II.A.1, a trustee, director, officer or employee of a Lending Institution or Trade Association who does not have responsibilities with respect to higher education loans or other financial aid shall not be prevented from serving on the Board of Directors of a University solely by virtue of his or her position with the Lending Institution or Trade Association, provided that any such person serving on the board of the University is precluded from participating in such board’s discussions or decisions that might affect the interests of such Lender or Trade Association.

3. Nothing in this Code of Conduct shall be construed to conflict with the requirements of Connecticut General Statutes §§10a-201 et seq., including without limitation §10a-203(a), and §§10a-221 et seq.

4. The prohibitions set forth in this subsection II.A shall include, but not be limited to, a ban on any payment or reimbursement by a Lending Institution or Trade Association to a University employee or Family Member for lodging, meals, or travel to and/or from conferences or training seminars unless such payment or reimbursement is related solely to non-University business. University employees whose duties relate to higher education loans or other financial aid may accept food or refreshments provided or paid for by a Lender or Trade Association at a meeting, conference or seminar related to their professional development or training, to the extent permitted by the State Code of Ethics. If permitted by the State Code of Ethics, University employees are not precluded by this Code of Conduct from attending any educational or training program related to higher education loans or other financial aid where no registration fee is charged to any attendee because of a Lender’s or Trade Association’s sponsorship or support of the program, and provided that the registration fee is limited to covering the costs associated solely with the education or training component of the program.

B. Limitations on University Employees Participating on Lender Advisory Boards

1. No University officer, trustee, director, Agent or employee, or any of their Family Members, shall serve on an advisory board for a Lender. Lenders can obtain advice and opinions of financial aid officials on higher education loan and financial aid products and services through Trade Associations, industry surveys or other mechanisms that do not require service on Lender advisory boards and provided such person receives no Compensation for such service. This provision shall not apply to participation on advisory boards that are unrelated in any way to higher education loans or other financial aid.

C. Prohibition of Certain Compensation to the University

1. Neither the University nor any of its Affiliated Organizations may accept any Compensation from any Lending Institution or Trade Association in exchange for any advantage or consideration provided to the Lending Institution or Trade Association related to the Lending Institution’s or Trade Association’s higher education loan or financial aid activity. This prohibition shall include, but not be limited to: (i) revenue sharing by a Lending Institution or Trade Association with the University or Affiliated Organization; (ii) the receipt by the University or Affiliated Organization from any Lending Institution or Trade Association of any equipment or supplies, including, without limitation, computer hardware and software, for which the University or Affiliated
Organization pays below-market prices; and (iii) printing costs or services, provided that a University or Affiliated Organization shall not be prohibited from accepting a Lender’s or Trade Association’s own standard printed brochures or informational material that does not contain the University’s logo or otherwise identify the University.

2. Notwithstanding anything else in this subsection II.C, the University may accept assistance comparable to the kinds of assistance provided by the Secretary of the U.S. Department of Education to schools under or in furtherance of the Federal Direct Loan Program.

3. Nothing in this subsection shall prohibit a University or Affiliated Organization from accepting endowment gifts, capital contributions, scholarship funding, or other financial support from a Lender or Trade Association, so long as the University gives no competitive advantage or preferential treatment to the Lender or Trade Association related to its education loan activity in exchange for such support.

D. Preferred Lender Lists

In the event that the University promulgates a list of preferred or recommended lenders or similar ranking or designation (“Preferred Lender List”), then:

1. Every brochure, web page or other document that sets forth a Preferred Lender List must clearly disclose, textually or by clearly designated hyperlink, the process by which the University selected Lenders for said Preferred Lender List, including but not limited to the criteria used in compiling said list and the relative importance of those criteria;

2. Every brochure, web page or other document that sets forth a Preferred Lender List or identifies any Lender as being on said Preferred Lender List shall state in the same font and same manner as the predominant text on the document that students and their parents have the right and ability to select the education loan provider of their choice, are not required to use any of the Lenders on said Preferred Lender List, and will suffer no penalty from the University for choosing a Lender that is not on said Preferred Lender List;

3. The University’s selection of Preferred Lenders and the University’s decision as to where or how prominently on the list the Lending Institution’s name appears shall be based solely on the best interests of student and parent borrowers, utilizing stated criteria that are limited to benefits provided to borrowers (such as competitive interest rates and repayment terms, quality of loan servicing, and whether loans will be sold) and the ability to work efficiently and effectively with the University to process loans, without regard to the pecuniary interest of the University or to any benefits provided by Lending Institutions to the University or any of the University’s officers, trustees, directors, Agents or employees or their Family Members or to its Affiliated Organizations. The University’s selection of any Preferred Lender shall be limited to the types of loans for which that Lender has been selected, based on the benefits to the borrower for those types of loans, and the University’s Preferred Lender list shall indicate the types of loans for which each Lender has been selected as a Preferred Lender. Nothing in this provision is intended to restrict the University’s ability to exercise its discretion in making its own, final judgment about which lenders best meet the University’s criteria and the needs of its student and parent borrowers;

4. The University shall review its Preferred Lender List at least annually;

5. The University shall require that all Preferred Lenders commit, in writing to disclose to the borrower, at the time a loan is issued: (i) whether the loan may be sold to another Lender; (ii) that the loan terms and benefits will not change if the loan is sold to another Lender; and (iii) that the loan benefits may change if the borrower chooses to consolidate his or her loans; and
6. The University shall ensure that any Preferred Lender list that it publishes to students contains no fewer than three (3) Lending Institutions.

E. Prohibition of Lending Institutions’ Staffing of University Financial Aid Offices

1. No employee or other agent of a Lending Institution may staff the University financial aid offices at any time. The University shall ensure that no employee or other representative of a Lending Institution is ever identified to students or prospective students of the University or their parents as an employee or agent of the University. The foregoing prohibitions notwithstanding, if the University believes that it would benefit students, the University may allow representatives of Lenders to conduct informational sessions, such as exit interviews and presentations on loan payment and loan consolidation options, so long as: (i) student attendance is voluntary; (ii) a University representative explains that other Lenders may provide similar services; (iii) the affiliation of the Lender representative is disclosed at the start of the presentation; (iv) the Lender representative does not promote the products or services of any Lender; and (v) the University takes reasonable steps to ensure compliance with the requirements of this paragraph.

2. In the event that the University permits a Lender to conduct information sessions or exit interviews as set forth in subsection II.E.1 above, the University must retain control of any such session or interview conducted by the Lender. Control may be evidenced by: (i) a University employee attending such interview or presentation; (ii) the University recording or videotaping the interview or presentation; or (iii) with respect to an exit interview conducted electronically via the internet, the University creating or approving in advance the content of such electronic exit interview.

F. Proper Execution of Master Promissory Notes

The University shall not link or otherwise direct potential borrowers to any electronic Master Promissory Note or other loan agreement unless the Master Promissory Note or agreement allows borrowers to enter the Lender code or name for any Lender offering the relevant loan or the University’s link to the electronic Master Promissory Note or agreement informs borrowers of alternative means of entering into a Master Promissory Note or agreement with any Lender of the borrower’s choice. Any information the University provides to borrowers about completing a Master Promissory Note or agreement with a Preferred Lender must provide the information required in subsections II.D.1 and II.D.2 above.

G. Requirements for Opportunity Loans

The University may enter into arrangements with Lenders to provide Opportunity Loans to students whose credit rating would otherwise preclude them from obtaining loans with reasonable rates and terms. The University may enter into such arrangements with a Preferred Lender after the University has selected Preferred Lenders in accordance with the provisions of Section II.D above, or it may use a separate process for selecting Lenders to provide Opportunity Loans, so long as that process also complies with the provisions of Section II.D above. The University shall not request, accept, solicit or consider a Lending Institution’s offer to provide any Opportunity Loans in exchange for the University providing concessions, benefits or promises to the Lender.

H. Revolving Door Prohibition

1. In the event a University hires an employee who will be employed in the financial aid office of the University or who otherwise will have responsibilities with respect to higher education loans or other financial aid and such employee was employed by a Lender during the 12-month period prior to the date of hire by the University, such employee shall be prohibited from having any dealings or interactions with such Lender on behalf of the University for a period of twelve (12) months from the date such employee’s employment with the Lender was terminated.
2. In the event a Lender hires an employee who was employed by the University during the 12-month period prior to the date of such employee’s hire by the Lender, the University shall be prohibited from having any dealings or interactions with such employee that relate to higher education loans or other financial aid for a period of twelve (12) months from the date such employee’s employment with the University was terminated.

III. CONNECTICUT STATE UNIVERSITY SYSTEM ETHICS STATEMENT

This Financial Aid Code of Conduct shall be construed to impose standards for the conduct of officers, trustees, directors, and employees of the Connecticut State University System in addition to those presently imposed by the Connecticut State University Ethics Statement, dated April, 2006, and any other conflict-of-interest policies now in effect or hereafter adopted by the Connecticut State University System.

Vice Chairman Krapek also reported that the Finance and Administration Committee received an update on efforts to collect outstanding accounts receivable written off at the four Universities in Fiscal Year 2002. Almost one-quarter ($1.25 million) of the $5.5 million in receivables written off at that time have been collected to date. Committee members were informed of a Spring 2008 Sabbatical leave, and also reviewed a policy concerning Faculty Consulting and Research with Public or Private Entities.

STUDENT LIFE COMMITTEE

Trustee Panciera reported that the Student Life Committee met on Thursday, September 20, 2007 in the CSUS Office and that, although there were no action items emanating from that meeting, he had information he wished to share with the Board.

Faculty and students from Central Connecticut State University were present at the meeting and expressed concerns regarding the “cartoon” published in the CCSU student newspaper, The Recorder. Trustee Panciera noted that comments were made regarding the despicable, hurtful, and insensitive tone of the cartoon and those present requested that action be taken by the CCSU administration.

Trustee Panciera noted that CSUS Chancellor David Carter was present to hear the concerns and respond to questions. Trustee Panciera reported that the Chancellor stated he was appalled by the cartoon and assured those present that he would work with President Miller to initiate steps to help alleviate the hurt feelings and to help prevent such an incident from occurring in the future. He also urged those present to work together to build an atmosphere of respect and mutual understanding and pledged his support in those efforts.

The Student Life Committee members present were impressed by the students’ willingness to express their concerns in such a mature, thoughtful, and articulate manner.
Each person who wanted to speak was given the floor and the discussion about the “cartoon” was lengthy and the feelings of the students and faculty were made very clear to the Board members present.

Trustee Panciera reported that there were additional issues discussed at the meeting as noted below:

Mr. Bernard Kavaler, Assistant Vice Chancellor for Public Affairs, led a discussion of the CSUS crisis management activities, which include campus security, campus notification, campus counseling, and public/media notification. Discussions regarding these important issues are ongoing.

Each of the Student Affairs Vice Presidents gave a brief report on their institution’s plans and actions to date regarding improving students’ financial literacy.

Prior to concluding his report, Trustee Panciera added that Chancellor Carter’s presence at the Student Life Committee meeting was appreciated. Per Trustee Panciera, it was clear that the Chancellor had made his presence at the meeting a huge priority as he stayed at the meeting to speak to all the students and faculty present, even though he was running late for a meeting at the Legislative Office Building to advocate on behalf of the CSUS 2020 infrastructure bill. Trustee Panciera stated he wanted to assure everyone at the Board meeting that the faculty and students who attended the Student Life Committee meeting left with a much better feeling due to the Chancellor’s participation.

Upon Trustee Doyle’s inquiry as to whether this would be an appropriate place within the agenda for Trustees to discuss the CCSU/Recorder incident, Chairman McHugh responded in the affirmative. The Chairman led off with a statement that he, along with every member of the Board sitting around the table, was extremely upset about and disgusted by the cartoon. Chairman McHugh provided a brief summary timeframe of the events which occurred following publication of the comic noting that Chancellor Carter contacted him as soon as he was informed of the existence of the cartoon. Chairman McHugh stated it was at that point, that he directed the Chancellor to contact the legal staff to the System to discuss the areas of concern and to determine the response avenues available as well as the limitations on those responses due to First Amendment issues. Chairman McHugh noted he had received an e-mail from Trustee Rosa which he responded to right away advising him that a response would be forthcoming. Chairman McHugh also reported that Trustee Panciera, Chairman of the Student Life Committee, also called the Chairman and they spoke at length regarding this matter. On Friday, September 14, the Chairman noted that an e-mail was sent from the Chairman and Chancellor to Board members advising them of the issue. On Monday, September 17, a copy of the Chairman and Chancellor’s joint statement was sent to all Board members. The Chairman reported that Trustee Gagne posted a question regarding the operation of student newspapers and a response
was sent out to all Trustees from Chancellor Carter with an explanation along with information on past court cases having to do with First Amendment rights and student newspapers. Chairman McHugh noted that on Tuesday, September 18, both he and the Chancellor received an e-mail from Trustee Doyle wherein Trustee Doyle stated that he did not agree with the statement that had been prepared. Chancellor Carter then had a conversation with Trustee Doyle regarding the statement. The Chairman added that Trustee Doyle blind-copied his e-mail to members of the CCSU campus.

Continuing the summary timeframe of events, Chairman McHugh noted that Trustee Doyle discussed his feelings regarding this matter at the September 18 meeting of the faculty at CCSU. Chairman noted that this was within Trustee Doyle’s rights and recognized that Trustee Doyle had strong feelings on this matter. The Chairman stated that he was pleased with Chancellor Carter’s performance in this regarding, noting that the Chancellor has been in constant communication with him, speaking several times a day and that he is in support of his actions 200%.

Chairman McHugh noted that a discussion could certainly take place at the Board meeting and that he wanted there to be no confusion as to where he stood: he was appalled by the cartoon and placed it as a top priority reacting to events as fast as possible. He added that in addition to speaking with those individuals he previously noted, he also kept Vice Chairman Krapek informed on this issue.

Trustee Doyle moved that the Board of Trustees express its most sincere apology to the Latino and female communities who have been hurt so deeply the ugly and demeaning assaults from CCSU’s student newspaper and, further, that the System Office disseminate this apology to the statewide media, the affected communities and to each and every person or organization who has previously or may in the future, contact the Board of Trustees on this matter. Fr. Sullivan seconded.

Trustee Doyle stated he wished to expand upon the motion. He advised the Trustees that he had been contacted by individuals he did not know calling him on the phone in tears. Trustee Doyle stated that the harm that has been done to the very population that CCSU is trying to attract was beyond anything he could believe. He noted that this was not an academic issue, but that those impacted were real kids, real people who have been extremely hurt. In making the motion for a formal apology from the Board, he stated that it was the first thing that should have been done as the Board has a similar right to free speech. Trustee Doyle read from an e-mail he received from a parent of a prospective student. This parent relayed his hesitation to continue to consider CCSU as a prospective university in light of this recent incident.

Trustee Motley offered his opinions on the matter, noting that he had just returned from a trip to Boston for a Civil War forum: a war which tore people apart. He expressed his deep regard for
Trustee Doyle, but stated that he felt the op-ed which Trustee Doyle submitted to the Hartford Courant was distracting. He stated that he felt an apology was called for from Trustee Doyle for the insinuation that the Chairman and Chancellor were of a different mind than the Board as a whole. Trustee Motley stated he felt it was the Chairman’s job to speak for the Board when immediate action is necessary. He stressed the need for the Board to speak with one voice, recognizing that while each member has a right to their own individual opinion and personal actions, but that care should be taken when doing so to not do it as a member of the Board, but as an individual. He concurred that an apology was owed to those affected, and added that he was of the belief that Trustee Doyle owed the Chairman and Chancellor an apology as well.

Trustee Rosa expressed his gratitude to Trustee Doyle for his actions in communicating the outrage that was felt. He stated that what he heard from members of his community, was that there seemed to be a silence for a long period of time—a silence which could only be termed as deafening. When statements were made by the University and System, they were technical, rather than proactive. He is well aware that as a public institution the Board represents government and accordingly the people, including students, have certain protections from government actions and this includes first amendment rights to express themselves. Trustee Rosa noted that as a co-author of the Student Code of Conduct, he is well aware that within that code there are limitations on university action. However, there also is a great deal regarding respect for diversity and commitment to different groups in the Student Code of Conduct, in catalogs, and in other university documents. The official statements issued in this case should have focused more on such respect and less on what the university cannot do. He added that he thought the response was fine albeit too technical. Trustee Rosa said that when the President of Central finally spoke to the matter, it went a little further, but was still technical in nature. Trustee Rosa said this matter, while focused on one individual instance, was really a symptom of something deep within the university. To Trustee Motley’s remarks, Trustee Rosa noted the perception in the Latino community, possibly because of its culture, which emphasizes being respectful and abiding by decorum and measured responses, that it is read by many as weakness in the Latino community, that it can be insulted and nothing will come of it. That is not the case. Trustee Rosa said he heard the outrage in Trustee Doyle’s remarks and that it was the same outrage that the Board as a whole should have taken. He stated that the Board, as a unified Board, should apologize to make it clear that the demented cartoon in no way reflects either the System or the individual universities.

Trustee Williams indicated she had thought about the matter long and hard. She applauded Trustee Doyle for his openness and outrage and applauded Trustee Motley for his support of a unified Board. She stated she believes the communities are sick of pacifist, fluffy responses. As an African
American female, she stated that she understands the outrage the community feels. As a trustee, she advised that she felt the Board should stop doing fluffy, canned responses and provide responses that actually have some teeth in them. Trustee Williams noted that the Board is responsible for safety, well being and growth in every university. She added that she takes her position as a trustee very seriously and that any statements should be accompanied by concrete action steps as to what the Board intends to do.

Chancellor Carter referenced the joint letter which was distributed to the entire CSUS community and noted that it was not fluffy in any regard; in fact, the letter stated the cartoon was despicable and not condoned by the Board. Chancellor Carter remarked that he knew what discrimination was and that he had lived with it. He supported wholeheartedly an apology, but that he found it insulting to hear the opinion that the joint statement offered was despicable. He noted that he had met the night before the Board meeting with the Student Advisory Board members. In speaking with the Student Advisory Board members, the Chancellor told them that discrimination against any group was equally offensive and intolerable and should not be tolerated, and that the outrage should be no greater or lesser based upon which group was being discriminated against.

Chancellor Carter stated that the Board hired him to deal with administrative matters and he has done so and will continue to do so. He noted that the Board has the option, if they are not satisfied with his performance, to discontinue his service.

Chancellor Carter reiterated that he supports the apology but cautioned the Board against being fooled that this was an isolated incident, but, rather, symptomatic of what we deal with as a university system and as a society. Last year, he noted that the object of discrimination was females; it could be another group the following year. CSUS, together with the Connecticut Conference of Independent Colleges, is working with students as to what constitutes a responsible student/citizen.

Trustee Balducci noted that he had been out of state recently, but from what he has seen, he felt the Chairman, Chancellor and President Miller had done an outstanding job. He added that as a Board, members’ responsibilities go beyond those that are exclusively fiduciary and into social. When he was Speaker of the House of the CT General Assembly, hate crime legislation was passed; he remarked that, in his opinion, this matter borders on a hate crime. (Chancellor Carter interjected that the Attorney General did not agree.) In summary, Trustee Balducci stated he felt an apology was appropriate and that this type of incident should never occur, not only on a CSUS campus, but anywhere.

Chairman McHugh noted that his job as Chairman is to make statements on behalf of the Board. He added that, when doing so, he is diligent in ensuring that he does not put any Board members at risk where they could have legal action taken against them personally. The Chairman stated that
when the AG staff assigned to the System gives an opinion, and should the Board choose to act in contradiction of that opinion or advice, the Board members would then need to obtain their own legal representation. The Chairman added that he will continue to follow the advice of the Attorney General.

CCSU President Miller noted that he wished to make several quick observations. He asked that he be allowed to make a presentation to the Board at the next meeting on all of the specific suggestions that either were ongoing since the first Recorder incident last year and which were put in place and all of the actions taken since then. He added that several groups were working with him, including the president of the faculty senate, the chapter head of AAUP, the head of the student Government and others, collecting various suggestions and recommendations and would be meeting the week following the Board meeting. As to the timeliness issue, he stated that he became aware of the cartoon when he got back in town Thursday night and actually saw it on Friday morning. He spent the day Friday meeting with various groups and by Friday, issued a two-page statement about how disappointed he was, along with eight specific items which came out of the Task Force on Journalistic Integrity, which were in the process of being implemented. President Miller noted the only way a response from his office could have been provided more quickly was if he hadn’t taken the time to meet with different student and faculty groups, however, he felt it was important to speak to those people.

Fr. Sullivan noted that there was a contradiction by the Chairman in remarking that he was responding on the Board’s behalf but that the statements were only expressed by the Chairman and Chancellor. Fr. Sullivan stated that when the Chairman speaks, he speaks for the whole Board. He suggested that when the Chairman issues a statement, he check first with the members of the Board.

Chairman McHugh noted an e-mail was sent on Friday indicating a statement would be forthcoming and members had an opportunity reach him or the Chancellor if they had concerns or desired input into the statement. He added that several trustees did contact him.

Trustee Pugliese noted that the Board is certainly democratic as evidenced by the very frank open discussion the Board was having regarding this matter. He added that he felt the response was totally acceptable and appropriate and took into consideration the free society that we live in. Trustee Pugliese praised the Chairman and Chancellor for their quick action on this matter. He added that the students have a right to elect an editor of their student newspaper and he hoped that they acted on the right.

Trustee Pugliese moved the motion and on a second by Fr. Sullivan, the following motion was unanimously approved:
That the Board of Trustees express its most sincere apology to the Latino and female communities who have been hurt so deeply by the ugly and demeaning assaults from CCSU’s student newspaper and, further, that the System Office disseminate this apology to the statewide media, the affected communities and to each and every person or organization who has previously or may in the future, contact the Board of Trustees on this matter. Fr. Sullivan seconded.

**Trustee Doyle moved that the Board of Trustees ask the Chancellor to immediately initiate a de novo review of the recent “Recorder” incidents and provide a report for the Board of actions taken to date and those recommended but not as yet acted upon to address these incidents and, further, that the report also include a complete range of options the Board might consider to prevent future such incidents and further that the Chancellor is authorized to seek the counsel of a wide range of legal and other professionals who have expertise in assisting universities in such matters. Trustee Rosa seconded.**

Trustee Doyle expressed his appreciation for the Board’s eloquent discussion on his first motion. His motions, he noted, do nothing to impair anyone’s first amendment rights. He referenced Hartford Courant columnist Stan Simpson and Hartford Courant editorial cartoonist Bob Englehart, both of whom expressed themselves in op-ed pieces on this matter.

Chancellor Carter stated that the Student Editorial Board is deliberating whether or not to fire the student newspaper editors—they understand who is the publisher of the paper. With respect to legal counsel, he noted that permission needs to be obtained from the AG’s office to hire legal counsel other than the Attorney General’s office. He also noted the difference between policy and administration.

Trustee Rosa noted he supported the motion to deal with the issue and regrets that anyone may have taken this personally. He added that, for the record, he did not use the term despicable in any of his remarks, to which Chancellor Carter replied that he was not referencing Trustee Rosa’s statement when he made the comment. Trustee Rosa said this is not about the Board of Trustees, the Chairman, the Chancellor or the Chairman of the Board’s Academic Affairs Committee. He agreed with Chancellor Carter’s comments that this is a symptom of something deeper. He stated that he never suggested not seeking an attorney’s opinion, however, he did not feel that one required consultation with an attorney about being revolted and that a statement might have been issued immediately. Trustee Rosa stated that the failure to do so, resulting in silence, was perceived as condoning certain behaviors—perception is everything.

Trustee Williams noted that the Board needs an inspection process and that is where the Board fails the students and community. The Board, she stated, comes out on record as stating what is needed and what will be done, but we do not report on, maybe not even track, the ultimate outcome.
She noted the need for identifying deliverables to the community if the motion passed. Trustee Williams added that a report without identifying deliverables and an accompanying inspection process is meaningless.

Chairman McHugh stated that the reason an attorney was sought immediately was because he had been approached by a trustee regarding the possibility of expelling a student. With that question before him, he had no choice but to go to the Attorney.

Trustee Brian Sullivan remarked that he felt the response provided by the Chairman and Chancellor was fantastic and that he did not see any language which could be deemed fluffy. He cautioned against being over-reactory, referencing discussions which took place after the Virginia Tech tragedy. He supports the actions of the Chairman and Chancellor.

**On a motion by Trustee Doyle, seconded by Trustee Rosa, the following motion was unanimously approved:**

Trustee Doyle moved that the Board of Trustees ask the Chancellor to immediately initiate a de novo review of the recent “Recorder” incidents and provide a report for the Board of actions taken to date and those recommended but not as yet acted upon to address these incidents and, further, that the report also include a complete range of options the Board might consider to prevent future such incidents and further that the Chancellor is authorized to seek the counsel of a wide range of legal and other professionals who have expertise in assisting universities in such matters. Trustee Rosa seconded.

**EXECUTIVE COMMITTEE**

Chairman McHugh reported that the Executive Committee met September 12th and had one action item to bring before the Board, the *Policy on Faculty Consulting and Research with Public or Private Entities*. During this past Legislative Session, the General Assembly enacted Act # 07-166 that requires the Board to adopt a policy regarding faculty consulting agreements and research projects with public or private entities. We also need to put procedures in place to manage and account for such agreements and projects and to ensure that compliance with the policy and procedures are audited by the System’s Internal Audit function.

Chairman McHugh advised that the current Collective Bargaining Agreement between the Board of Trustees and CSUS-AAUP contains provisions that govern activities outside of normal teaching and university duties. The legislation requires additional safeguards such as the proposed policy and procedures. In order to meet the individual needs of CSUS’ respective universities, it is recommended that university-specific procedures be developed to comply with this overarching policy. Due to the October 1 legislative deadline to implement the policy, this was approved by the Executive Committee at our September meeting and is before the full Board today for ratification of that action.

Prior to calling for a motion to ratify, Chairman McHugh noted one minor change was made to the policy, which you will note is the addition of the phrase “to the extent possible” in the last paragraph and he would, therefore, be requesting two motions: one to amend and one to ratify as amended.
On a motion by Trustee Pugliese, seconded by Trustee Balducci the policy as adopted by the Executive Committee on September 12, 2007, was amended in a unanimous vote to include the phrase “to the extent possible” in the last paragraph thereof:

On a motion by Vice Chairman Krapek, seconded by Trustee Pugliese, seconded by Trustee Brian Sullivan, the following resolution was unanimously adopted:

WHEREAS, The Connecticut State University System and its four universities recognize that faculty professional activities such as consulting or engaging in a research project for a public or private entity often is useful in maintaining and enhancing the faculty member’s academic scholarship and competence; and

WHEREAS, The primary responsibility of full-time faculty during the academic year is to the Connecticut State University System and their respective universities; and

WHEREAS, The value of these outside activities is recognized both by the Collective Bargaining Agreement between the Board of Trustees and the CSUS-AAUP and by state statute and regulation; and

WHEREAS, Public Act No. 07-166 requires that the Board of Trustees adopt a policy regarding faculty consulting agreements and research projects with public or private entities, require that procedures be promulgated at the System’s universities to manage and account for such agreements and projects, and provide information semiannually to an oversight committee established pursuant to the Public Act; now therefore, be it

RESOLVED, That the Executive Committee of Board of Trustees, at a Special Meeting held September 12, 2007, voted to adopt the attached Faculty Consulting and Research with Public or Private Entities Policy for the Connecticut State University System effective September 12, 2007; and be it further

RESOLVED, That such Executive Committee vote adopting the attached Faculty Consulting and Research with Public or Private Entities Policy on behalf of the Board be hereby ratified.

CSUS Policy Regarding Faculty Consulting and Research with Public or Private Entities

Faculty professional activities such as consulting or engaging in a research project for a public or private entity often is useful in maintaining and enhancing the faculty member’s academic scholarship and competence. However, the primary responsibility of full-time faculty during the academic year is to the Connecticut State University System and their respective universities. The value of these outside activities is recognized both by the Collective Bargaining Agreement between the Board of Trustees and the CSUS-AAUP and by statute and regulation.

For the purposes of this policy, consulting shall be defined as the provision of services for compensation to a public or private entity by a member of the faculty or member of the faculty bargaining unit: (I) when the request to provide such service is based on such member’s expertise in a field or prominence in such field, and (II) while such member is not acting in the capacity of a state employee.

For the purposes of this policy, research shall be defined as a systematic investigation, including, but not limited to, research development, testing and evaluation, designed to develop or contribute to general knowledge in the applicable field of study.

Faculty are expected to comply with the applicable provisions of the aforementioned Collective Bargaining Agreement, state statute and regulation. As such, no faculty member may engage in consulting agreement or
research project that (A) inappropriately uses university proprietary information in connection with such agreement or project; (B) interferes with the proper discharge of his or her employment with the university; and/or (C) inappropriately uses such member’s association with the university in connection with such agreement or project.

Each university shall establish internal operating procedures that shall ensure, to the extent possible: (i) the disclosure, review, and management of conflicts of interest relating to any such agreement or project; (ii) the approval of the chief academic officer of the university prior to any such member entering into any such agreement or engaging in any such project; and (iii) the referral of any failure to comply with the provisions of this policy or university procedure to the applicable disciplinary process outlined in the Collective Bargaining Agreement. Each university shall provide a report to the Office of the Chancellor of any such approved activities on or before May 1 and November 1 of each year. In addition, the Director of Internal Audit for the Connecticut State University System shall audit each university’s compliance with the established internal procedures and this policy semiannually.

CHAIRMAN’S REPORT

Chairman McHugh pointed out the 2008 Schedule for the Board and Board Committee meetings contained in the trustees folders. **On a motion by Trustee Balducci, seconded by Fr. Sullivan, the 2008 Board of Trustees schedule was unanimously adopted as presented.**

Chairman McHugh reported that Chancellor Carter and David Trainor continued to bring the members of the Executive Committee up to date on several issues, both at the System Office and at the universities.

The Chairman advised that staff is in the process of scheduling the Board/Faculty dinners for the upcoming year. For AAUP, it is currently anticipated the Board will meet with two universities in October and the remaining two in March, with the SUOAF dinner in March or April and, once again, the Board will meet with the CSU Professors, most likely in February. Chairs for the dinners will be as follows: Trustee Messina for Central; Trustee Rosa for Eastern; Trustee Sholtis for Southern and Trustee Pugliese for Western. Trustee Doyle will chair the meeting with the CSU Professors. Chairman McHugh noted that Erin Fitzgerald would be in touch with Board members soon with the details on the dinner meetings.

ADJOURNMENT*

Trustee Williams moved to adjourn; Father Sullivan Panciera seconded the motion and the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

Theresa J. Eberhard-Asch, Secretary

Following adjournment of the meeting, ECSU President Nunez provided her annual report to the Board. Open Forums were held for students and faculty.