

**MEETING OF THE  
FINANCE & INFRASTRUCTURE COMMITTEE**  
Board of Regents for Higher Education  
Hartford, Connecticut  
Wednesday, June 7, 2017, at 10:00 am  
61 Woodland Street, Hartford, CT

**Agenda**

**1. APPROVAL OF MINUTES FROM THE MARCH 29, 2017 MEETING**

**2. INFORMATION ITEMS**

A. Status of the State Budget

Note: Typically at this time, management would present a spending plan proposal to the Finance & Infrastructure Committee and request full Board approval. As the State Budget has not yet been approved and the proposals thus far have been volatile and inconsistent, we expect to bring our budget to this Committee and to the Board upon a final State Budget approval.

**3. ACTION ITEMS**

A. Purchase of 330 High Street, Willimantic – Cost Change

B. Reallocation of CSCU 2020 funds for ECSU

C. Tuition Charged to Veterans of the Armed Forces and Qualified Individuals using Post 9/11 GI Bill, Montgomery GI Bill and Fry Scholarship

**MEETING OF THE  
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education  
Wednesday, March 29, 2017, at 10:00 a.m.  
61 Woodland Street, Hartford CT

**Minutes**

**REGENTS PRESENT**

Richard Balducci, Committee Chair  
David Jimenez  
Holly Palmer  
William McGurk (Telephonic)  
Barbara Richard (Telephonic)

**REGENTS ABSENT**

Catherine Smith

**CSCU MANAGEMENT PRESENTING**

Mark Ojakian, President; Alice Pritchard, Chief of Staff; Erika Steiner, Chief Financial Officer; Keith Epstein, Vice President for Facilities & Infrastructure Planning;

**CSCU EMPLOYEES IN ATTENDANCE**

Mark Rozewski, Executive Vice President, SCSU; Charlene Casamento, Chief Financial Officer, CCSU; Michael Moriarty, Chief Financial Officer, Charter Oak State College; James Howarth, Vice President for Finance & Administration, ECSU; Sean Loughran, Associate Vice President for Finance, WCSU; Gennaro DeAngelis, Dean of Administration, ACC; Lester Primus, Dean of Administration, CCC; Paul Martland, Dean of Administration, QVCC; Alessandra Lundberg, Director of Finance, QVCC; Mary-Ann Dease, Budget Director, WCSU; Christopher Forster, CSCU Controller; Sean Bradbury, CSCU Director of Government Relations; Karen Stone, CSCU Director of Internal Audit; Maribel La Luz, CSCU Director of Communications; Melentina Pusztay, CSCU Director, Budgets and Planning; Sandra Bispham-Haywood, CSCU Director of Contracts, Purchasing and Procurement; Pamela Mikaelian; CSCU Assoc. Director, Budgets and Planning; Erin Fitzgerald, CSCU Associate for Board Affairs; Rosalie Butler, CSCU Administrative Assistant for HR

*With a quorum present, Chairman Balducci called the meeting to order at 10:00 a.m.*

**1. APPROVAL OF MINUTES FROM THE OCTOBER 13, 2016 MEETING**

*The minutes of the October 13, 2016 meeting were unanimously approved, as written.*

**2. INFORMATION ITEMS**

**A. FY2017 Projections**

Chairman Balducci turned to CFO Steiner for explanation. She indicated that mid-year projections are presented annually as a way to predict how the System will end the current fiscal year, as well as providing actual results for the previous fiscal year. CFO Steiner presented highlights of the financial schedules, discussing consolidated results for the System, the individual colleges and universities, and Unrestricted Net Positions (UNP). CFO Steiner stressed that UNP is not derived from budgetary formulae, but rather comes from the prior year’s audit results and serves as a gauge for the relative financial health of the System.

Steiner indicated the current projection for the total System for FY 2017 is a positive net change of approximately \$1.2 million. She attributed the forecast results to an imposed hiring freeze, a reduction in fringe benefit costs compared to budget, and the strict management of operating costs.

CFO Steiner explained that there has been a significant reduction in State Appropriations from FY16 to FY17. In FY16, the State had made a one-time contribution in tuition support of \$10 million for the Community Colleges. Further, of the \$23 million the System had set aside in “rainy day funds”, the State swept approximately \$6 million, leaving \$17.5 million (or 1.5% of Net Revenues) net accrued to reserves. She stated that this represents one month’s worth of operating reserves and far less than best practices dictate.

President Ojakian commended staff and cited institutions for doing a good job of holding down costs. He indicated that cost cutting is unsustainable in the long term and he is concerned about what services might be lost while trying to maintain affordability through balancing the budget on an ad hoc basis.

**3. ACTION ITEMS**

**A. Approval of 2018 and 2019 Tuition and Fees**

Chairman Balducci turned to CFO Steiner for further explanation. Steiner provided Regents with an executive summary of the schedules provided to them. She indicated that in order to provide transparency and stability, approval of tuition and fees for the next two years is being sought. This would increase tuition and fees by the following rates:

	<b>Proposed</b>	
	<b>FY18</b>	<b>FY19</b>
<b>Connecticut State Universities</b>	4.0%	4.0%
<b>Connecticut Community Colleges</b>	2.5%	2.5%
<b>Charter Oak State College</b>	4.0%	4.0%

Steiner indicated that, if the tuition is approved, only Tier II fees, housing and food rates might be adjusted for Academic Year 2019. Out-of-state tuition at the universities will be held flat. Discussion followed on Program Fee changes at the Community Colleges, as well as the possibility of unbanded tuition. Steiner discussed the Transportation Fee for undergraduates (in conjunction with DOT) whereby students would be permitted unlimited in-state ridership.

CFO Steiner spoke to the continuing decline in State support, as well as the corresponding impact of Fringe Benefit costs. She also discussed the consequences if the State does not reach the required concessions in order to achieve a balanced budget.

CFO Steiner explained the proposed tuition and fee package also seeks to expand the ACC pilot program to waive out-of-state tuition for certain students from neighboring states. Regents directed management to clearly define what constitutes a “neighboring state” and what is to be waived.

*Tuition and Fees for Academic Years 2018 and 2019 were unanimously approved on a motion by Regent Jimenez, seconded by Regent McGurk.*

*With no other business to discuss, the meeting was adjourned at 11:00 a.m.*

**ITEM**

CSUS 2020 purchase of property for Eastern Connecticut State University - REVISION

**BACKGROUND**

The CSUS 2020 Land and Property Acquisition Program provides an available fund source for the acquisition of properties that are strategic to meet current and future academic and support needs of the four universities. Land and buildings considered for purchase are located adjacent to, or nearby the universities and will include residential, open land, and industrial zoned properties. It is important that funds be on hand to purchase strategic properties as they become available for acquisition or else they may be sold to private entities and the opportunity for their acquisition may be lost for several years.

Board of Regents Property Acquisition Procedures for the universities permit each university to pursue the first priority on their list at any one time. If the property is unable to be purchased, the university cannot proceed to the second priority until all the other universities have acted on their first priority. To date all priorities have been acted on with either a purchase or elimination. Current purchase are on a request by request basis as funding can support. Of the \$8,250,190 CSUS 2020 funding allocated for property purchases through FY 2017, \$5,185,259 remains uncommitted for potential university purchases.

**ANALYSIS**

Eastern has an established long term goal with obtaining residential properties on Prospect Street, High Street and Windham Street that are adjacent to the university. The long term goal for incorporating land parcels as part of the campus has enabled the university to establish a street presence and expand ever so slightly on the campus footprint as opportunities allow. The owner of 330 High Street expressed an interest with selling their residential property to the State for Eastern's use. 330 High Street is a .19 acre lot containing a 1,166 square foot cape style house constructed in 1954. The acquisition of this property will be the final residential parcel purchased on High Street for the university. This purchase is also significant due to its' close proximity to the new Fine Arts Instructional Center. The Board of Regents approved the purchase of 330 High Street on September 16, 2016. The original approved purchase price was \$85,000.

Subsequently, the estate of the property owner has requested an additional \$5,000 over the original agreement for the property sale. The revised purchase price of \$90,000 remains within the appraised value.

This purchase will be funded from FY 2009 of the CSCU 2020 Land and Property Acquisition Program.

**RECOMMENDATION**

Approve the purchase of 330 High Street for Eastern Connecticut State University at \$90,000, pending final approvals of the Department of Administrative Services, State Properties Review Board and Attorney General.

6/7/17 Finance Committee  
6/15/17 Board of Regents

RESOLUTION

concerning

THE PURCHASE OF REAL ESTATE  
FOR  
EASTERN CONNECTICUT STATE UNIVERSITY

June 15, 2017

WHEREAS, The purchase of residential property adjacent to Eastern Connecticut State University located at 330 High Street, Willimantic, CT, has been offered for sale to the Board of Regents of Higher Education, and

WHEREAS, The acquisition of property on High Street is part of a planned long term university effort to obtain real estate parcels that are adjacent to Eastern to increase buildable land area, enhance esthetics and better promote the university street frontage, and

WHEREAS, The acquisition of 330 High Street is consistent with Eastern's long term property acquisition goals, and

WHEREAS, The purchase of 330 High Street was approved by the Board on September 16, 2016 for \$85,000, and

WHEREAS, Subsequently, the estate of the property owner requested an additional \$5,000 for this property, now totaling \$90,000, which is still within the appraised value, and

WHEREAS, The funding of \$90,000 is available from the FY2009 portion of the CSCU 2020 Program Land and Property Acquisition Program, therefore be it

RESOLVED THAT, Contingent upon the approvals of the Department of Administrative Services, State Properties Review Board, and Attorney General That the Board of Regents for the Connecticut State Colleges and Universities will purchase 330 High Street for the consideration of \$90,000 for Eastern Connecticut State University.

A TRUE COPY:

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Erin A. Fitzgerald, Secretary of the  
CT Board of Regents for Higher Education

**STAFF REPORT****FINANCE AND ADMINISTRATION COMMITTEE****ITEM**

CSCU 2020 Reprogramming of funding for Eastern Connecticut State University.

**BACKGROUND**

Legislation allows the Board of Regents to reallocate uncommitted CSCU 2020 project funds to other CSCU 2020 named projects or programs at the completion of each project. Eastern's Fine Arts Instructional Center is complete. This is a request for the reallocation of uncommitted available funds from the Fine Arts Instructional Center project to other CSCU 2020 named projects or ongoing programs at Eastern.

**ANALYSIS**

The CSCU 2020 program budgeted \$87,671,000 across FY 2011, FY 2014 and FY 2016 for design, construction and equipment of a new Fine Arts Instructional Center at Eastern. Other than warrantee and final closeout type work this project is complete. \$2,209,356.95 of project funding remains uncommitted and available at the CSCU. In addition, approximately \$1,000,000 of additional project funding remains uncommitted and available at the Department of Construction Services (DCS). Legislation allows the Board of Regents to reallocate program funds at the completion of a project to other CSCU 2020 named projects and programs pending total project budgets are not modified by more than 5%.

Comprehensive renovations to Goddard Hall at Eastern was funded under the initial CSCU 2020 legislation. In FY 2016, through project reprioritizing, available funding for comprehensive renovations to Eastern's Communication Building was combined with the Goddard Hall renovation project. The aggregate project funding is \$31,382,000. As design of this project is being completed it is apparent the prior available supplemental funding is not sufficient to complete comprehensive renovations at both buildings.

This is a request to utilize the CSCU uncommitted and available Fine Arts Instructional Center of \$2,209,356.95. Of this total, \$1,569,000 will be reallocated to the Goddard Hall/Communications Building renovation project and \$640,356.95 will be reallocated to Eastern's Code Compliance/Infrastructure Improvements program. When the DCS completes their project closeout, which may take up to 6-months, the DCS uncommitted funds of \$1,000,000 will also be reallocated to Eastern's Code Compliance/Infrastructure Improvements program.

In accordance with State statute (CGS Sec. 10a-91d(c)), these funding reallocations do not increase or decrease CSCU 2020 project or program totals by 5% or more and therefore do not require legislative authorization.

**RECOMMENDATION**

Approve the reallocation of Eastern's Fine Arts Instructional Center uncommitted and available funds of \$1,569,000 to the Goddard Hall/Communications Building project, \$640,356.95 to Eastern's Code Compliance/Infrastructure Improvements program and DCS uncommitted funds of approximately \$1,000,000 to Eastern's Code Compliance/Infrastructure Improvements program when funding is released by the DCS.

6/7/17 Finance Committee

6/15/17 Board of Regents

RESOLUTION

concerning

CSUS 2020 FUNDING REALLOCATION  
FOR  
EASTERN CONNECTICUT STATE UNIVERSITY

July 15, 2017

WHEREAS, \$87,671,000 was funded for design construction and equipment for a new Fine Arts Instructional Center at Eastern; and

WHEREAS, The new Fine Arts Instructional Center is operational and the project is complete; and

WHEREAS, \$2,209,356.95 of uncommitted project funds remain available at the CSCU; and

WHEREAS, Approximately \$1,000,000 of uncommitted project funds remain available at the Department of Construction Services (DCS), pending final project closeout; be it therefore

RESOLVED THAT, \$1,569,000 of the CSCU uncommitted funds will be reallocated as supplemental Goddard Hall/Communications Building project funds; and further

RESOLVED THAT, \$640,356.95 of the CSCU uncommitted funds will be reallocated to Eastern's Code Compliance/Infrastructure Improvements program; and further

RESOLVED THAT, the approximate \$1,000,000 of the DCS uncommitted funds, when released, will be reallocated to Eastern's Code Compliance/Infrastructure Improvements program.

A TRUE COPY:

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Erin A. Fitzgerald, Secretary of the  
CT Board of Regents for Higher Education

**ITEM**

Tuition Charged to Veterans of the Armed Forces and Qualified Individuals using Post 9/11 GI Bill, Montgomery GI Bill and Fry Scholarship

**BACKGROUND**

On May 21, 2015 the Board of Regents for Higher Education approved a resolution charging in-state tuition to certain veterans of the Armed Forces and qualified individual under the Veterans Access, Choice, and Accountability Act of 2014 so that it was compliant with 38 U.S.C 3679(c).

However, in December 2016, Congress passed Public Law 114-315, which modified 38 U.S.C. 3679(c). As a result of the new law, individuals using the Fry Scholarship under 38 U.S.C. 3311(b)(9) are no longer required to enroll within three years of the service members death, and there is no longer a requirement that the service member who died had served at least ninety days of active duty service. Because individuals using the Fry Scholarship are no longer required to enroll within three years of the death of the service member, the concept of continuous enrollment does not apply to these individuals. Additionally, a new category of individuals who qualify for covered individual status under 38 U.S.C. 3679(c) was added. This category is individuals who live in the state in which the institution is located and are using transferred Post-9/11 GI Bill benefits while the transferor is a member of the uniformed services on active duty.

As a result of the modifications to 38 U.S.C. 3679(c), CSCU is no longer compliant. Public Law 114-315 requires the Veterans Administration to disapprove colleges and universities for the Post-9/11 GI Bill and the Montgomery GI Bill-Active Duty if the college or university charges more than the resident rate to covered individuals, as described in 38 U.S.C. 3679(c), for terms beginning on or after July 1, 2017.

The modifications requested to the May 21, 2015 policy comply with the new requirements in 38 U.S.C. 3679(c).

**RECOMMENDATION**

Approve rescission of Board Resolution dated May 21, 2015 entitled "Tuition Charged to Certain Veterans of the Armed Forces and Qualified Individuals under the Veterans Access, Choice and Accountability Act of 2014" and adopt this policy regarding Tuition Charged to Veterans of the Armed Forces and Qualified Individuals using Post 9/11 GI Bill, Montgomery GI Bill and Fry Scholarship.

**CT BOARD OF REGENTS FOR HIGHER EDUCATION**

**RESOLUTION**

concerning

Tuition Charged to Veterans of the Armed Forces and Qualified Individuals using Post 9/11 GI Bill, Montgomery GI Bill and Fry Scholarship

June 15, 2017

WHEREAS, On May 21, 2015 the Board of Regents for Higher Education approved a resolution charging in-state tuition to certain veterans of the Armed Forces and qualified individual under the Veterans Access, Choice, and Accountability Act of 2014 so that it was compliant with 38 U.S.C 3679(c); and

WHEREAS, In December 2016 Congress passed Pubic Law 113-315, which modified 38 U.S.C. 3679(c) and as a result the Resolution passed on May 21, 2015 is no longer compliant; and

WHEREAS, Public Law 113-315 requires the Veterans Administration to disapprove schools for the Post-9/11 GI Bill and the Montgomery GI Bill-Active Duty if the school charges more than the resident rate to covered individuals , as described in 308 U.S.C. 3679(c), for terms beginning on or after July 1, 2017; now therefore,

RESOLVED, For any course, semester, or term commencing on or after July 1, 2017 the below classified students shall be charged tuition and fees as though they were classified as in-state students for such purposes:

- A Veteran who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within three years of discharge from a period of active duty service of 90 days or more.
- Anyone using transferred benefits who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within 3 years of the transferor's discharge from a period of active duty service of 90 days or more.
- Individuals who initially meet the requirements above will maintain "covered individual" status as long as they remain continuously enrolled at the institution of higher learning, even if they are outside the 3-year window or enroll in multiple programs.

- Anyone using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence)
- Anyone using transferred Post-9/11 G.I. Bill benefits (38 U.S.C. § 3319) who lives in the state in which the institution is located (regardless of his/her formal state of residence) and the transferor is a member of the uniformed service who is serving on active duty.

The policy shall be read to be amended as necessary to be compliant with the requirements of 38 U.S.C. 3679(c) as amended.

A True Copy:

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Erin A. Fitzgerald, Secretary of the  
CT Board of Regents for Higher Education

Board of Regents for Higher Education

Policy concerning Tuition Charged to Veterans of the Armed Forces and Qualified Individuals  
using Post 9/11 GI Bill, Montgomery GI Bill and Fry Scholarship

June 15, 2017

For any course, semester, or term commencing on or after July 1, 2017 the below classified students shall be charged tuition and fees as though they were classified as in-state students for such purposes:

- A Veteran who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within three years of discharge from a period of active duty service of 90 days or more.
- Anyone using transferred benefits who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within 3 years of the transferor's discharge from a period of active duty service of 90 days or more.
- Individuals who initially meet the requirements above will maintain "covered individual" status as long as they remain continuously enrolled at the institution of higher learning, even if they are outside the 3-year window or enroll in multiple programs.
- Anyone using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence)
- Anyone using transferred Post-9/11 G.I. Bill benefits (38 U.S.C. § 3319) who lives in the state in which the institution is located (regardless of his/her formal state of residence) and the transferor is a member of the uniformed service who is serving on active duty.

The policy shall be read to be amended as necessary to be compliant with the requirements of 38 U.S.C. 3679(c) as amended.

APPROVED 5/21/15; REVISED 6/15/17