

**MEETING OF THE  
FINANCE & INFRASTRUCTURE COMMITTEE**  
Board of Regents for Higher Education  
Hartford, Connecticut

Thursday, October 13, 2016, at 10:00 am  
Regents Board Room  
61 Woodland Street, Hartford, CT

**Agenda**

**1. APPROVAL OF MINUTES FROM THE AUGUST 25, 2016 MEETING**

**2. ACTION ITEMS**

- A. Connecticut Community Colleges Banded Tuition Policy
- B. Connecticut State Universities Student Health Insurance Policy
- C. Connecticut State Universities Policy re: Consolidated Telecommunication Charges

**MEETING OF THE  
FINANCE & INFRASTRUCTURE COMMITTEE**

Board of Regents for Higher Education  
August 25, 2016, at 9:30 a.m.  
61 Woodland Street, Hartford CT

**Minutes**

**REGENTS PRESENT**

Matt Fleury, Chair, Board of Regents  
Richard Balducci, Chair, Finance & Infrastructure Committee  
Naomi Cohen  
Merle Harris  
David Jimenez  
Gordon Plouffe  
Barbara Richards  
Yvette Melendez

**REGENTS ABSENT**

William McGurk  
Catherine Smith

**CSCU STAFF - PRESENTING**

Mark Ojakian, President; Erika Steiner, Chief Financial Officer; Keith Epstein, Vice President, Facilities; John Clark, President, WCSU

**CSCU STAFF – IN ATTENDANCE**

Jane Gates, Provost; Alice Pritchard, Chief of Staff; Sean Bradbury, Director of Government Relations; Melentina Pusztay, Director for Budgets and Planning; Pamela Mikaelian, Associate Director of Budgets & Planning; Michael Lopez, Director, Human Resources Administration; Erin Fitzgerald, Associate for Board Affairs; Rosalie Butler, Administrative Assistant; Gena Glickman, President, MCC; Mark Rozewski, Executive Vice President, SCSU; Charlene Casamento, Chief Financial Officer, CCSU; James Howarth, Vice President for Finance & Administration, ECSU; Sean Loughran, Vice President for Finance & Administration, WCSU; Paul Martland, Dean of Administration, QVCC; Jay Murray, Associate VP for Enrollment Services, WCSU

*With a quorum present, Chairman Balducci called the meeting to order at 9:30 a.m.*

**1. APPROVAL OF MINUTES FROM THE JUNE 9, 2016 MEETING**

*The minutes of the June 9, 2016 meeting were unanimously approved, as amended.*

## **INFORMATION ITEMS**

### **A. CSCU 2020 REPROGRAMMING FOR SOUTHERN CT STATE UNIVERSITY**

VP Epstein provided background on an approximately \$1.8 million overrun in project expenditures associated with the DCS-administered construction of the Academic Laboratory Building at Southern CT State University. Under normal circumstance, any expenditure in excess of budget would be brought to the BOR for a vote. However, the DCS notified CSCU after the fact and the work is largely complete. DCS has indicated that due to the current fiscal environment, it respectfully asked CSCU to fund the overrun. \$1,858,565 will be funded from a portion of the \$10 million FY16 Code Compliance and Infrastructure Improvement bond funds supplemental to the CSCU 2020 program.

## **2. ACTION ITEMS**

### **A. CSCU FY18/FY19 BIENNIUM BUDGET SUBMITTAL TO OPM**

CFO Steiner provided an overview of the process by which the biennium budget request is submitted to the Office of Policy and Management (OPM). She emphasized that the request before the Committee was the very beginning of the budget process and not a part of the system's annual Spending Plan. She further explained the submission consists of three distinct pieces, Capital Requests, Current Services and Expansion Options. The first two pieces are due to OPM shortly, while Expansion Options are not due to OPM until October 2016. Any Expansion Options budget will be presented to the Committee and full BOR prior to submission to OPM.

CFO Steiner indicated the request would consist of \$121.5 million and \$115.1 million for Capital requirements, and \$578.8 million and \$592.6 million for Current Services requirements for FY2018 and FY2019 respectively. This proposal holds wages flat, per OPM guidelines. The same assumptions are carried for FY 2019.

Key assumptions were discussed (including a tuition and fee increase of 2%, decrease in enrollment of 2%, inflationary increases to the cost of utilities, housing, food service and fringe benefit cost), as were capital planning, deferred maintenance and project prioritization.

*The Resolution concerning the CSCU FY2018/FY2019 Biennium Budget Submittal to OPM was unanimously approved.*

### **B. FREQUENCY OF CSCU 2020 REPORTING**

CFO Steiner provided background for the monthly reporting requirements of the CSU 2020 program to the predecessor Board of Trustees for the State Universities. The BOR is also required to report to the Governor and Legislature both semiannually and at 5-year intervals. Given the minor changes in reporting from month to month, as well as the controls in place and clean audits received, Management proposes that, going forward, report be presented to the Board as required by statute on a semi-annual basis. Should any

matters or significant changes arise, such matters would be presented to the Board at the next available meeting.

*The Resolution concerning the Frequency of CSCU 2020 Reporting was unanimously approved on a motion by Regent Jimenez, seconded by Regent Balducci.*

#### **C. PURCHASE OF 330 HIGH STREET FOR EASTERN CT STATE UNIVERSITY**

VP Epstein provided background on the CSUS 2020 Land and Property Acquisition Program which was designed to meet the current and future strategic academic needs of the four universities. He cited ECSU's long-term goal of obtaining residential properties on streets adjacent to the university, as they became available. One such property is 330 High Street, which VP Epstein characterized as being located at the "front door" of Eastern, and situated in front of the newly-constructed Fine Arts Instructional Center. The purchase price of the property, negotiated by DCS, is \$85,000 and will be funded from FY2009 of the CSCU Land and Property Acquisition Program.

*The Resolution concerning the Purchase of 330 High Street for Eastern Connecticut State University was unanimously approved on a motion by Regent Jimenez, seconded by Chairman Balducci.*

#### **D. UPDATE TO DELEGATION OF SIGNING AUTHORITY**

CFO Steiner explained that System Office employees had recently participated in certain LeanCT activities using organizational, process and programmatic improvement techniques designed to streamline processes and eliminate waste. Stemming from this, employees suggested revision to the current BOR signing policy. Management concurs that the current policy requires both simplification and more consistent structure across the institutions and System Office. In addition, the policy inforce provided unlimited authority to all those positions specifically noted, while not covering other position requiring signature authority. The revision would provide the Presidents and Chief Financial/Administrative Officers with the authority to sign on behalf of their institutions. It further provides them with the ability to re-delegate authority at their respective campuses. CFO Steiner elaborated as to the specific thresholds considered by the revised policy.

*The Resolution concerning Signing Authority was unanimously approved on a motion by Regent Jimenez, seconded by Chairman Balducci.*

#### **E. WESTERN CT STATE UNIVERSITY PILOT PROGRAM TO OFFER IN-STATE TUITION AND FEES TO CURRENT AND PROSPECTIVE STUDENTS FROM CERTAIN NEW YORK COUNTIES**

CFO Steiner likened Western's tuition pilot program to attract students from neighboring New York counties to that of Asnuntuck Community College's (adopted by the BOR in June 2016). She reported that thus far, the results were encouraging, as the number of Massachusetts students enrolled at ACC was increasing. She turned to President Clark for further explanation. He discussed overall declining trends in the high school population, competition in the marketplace and vacancies in Western's residence halls. He characterized the pilot program as a socioeconomic strategy to keep students in the State. The proposed pilot would lower tuition and fees for New York students by about \$10,000. If successful, this 2-year pilot could be adopted system-wide.

*The Resolution concerning Western Connecticut State University Tuition Pilot was unanimously approved on a motion by Regent Jimenez, seconded by Chairman Balducci.*

*With no other business to discuss, the meeting was adjourned at 10:27 a.m.*

**ITEM**

Connecticut Community Colleges (CCC) Banded Tuition & Fee Policy

**BACKGROUND**

Section 10a-6 of the CT General Statutes states that it is the responsibility of the Board of Regents to “establish tuition and student fee policies for the Connecticut State University System, the regional community-technical college system and Charter Oak State College.”

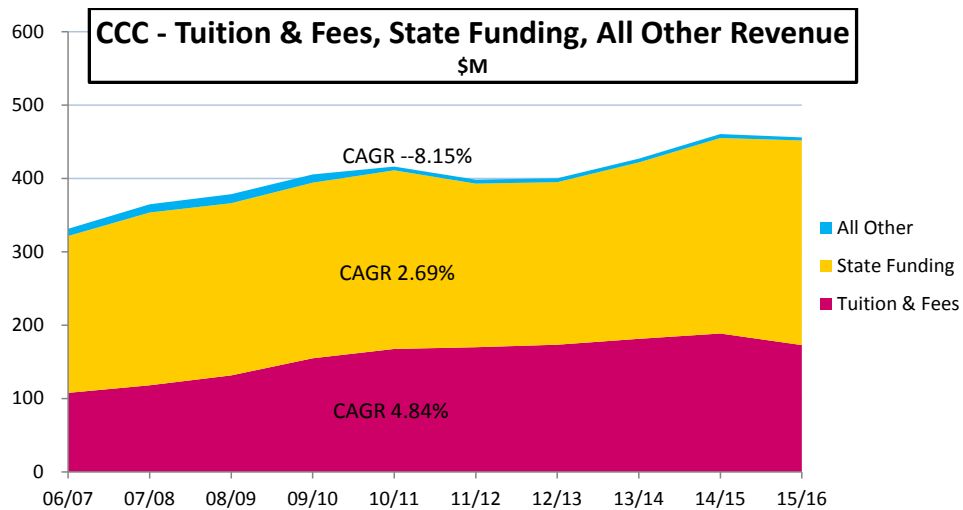
In addition, section 6.5.2 of the Board of Trustees of Community-Technical Colleges Policy Manual states that “tuition charge per semester hour, up to a maximum full-time rate for twelve or more semester hours per semester, shall be made for each credit course supported primarily by general fund and tuition resources.”

By setting the maximum rate at twelve hours, the CCC have in effect “banded” tuition; the current tuition and fee schedule calculates total charges by semester credit hour, up to a maximum of twelve, after which it remains flat. However, Students who enroll for eighteen or more credit hours are charged a flat fee of \$100.

As state funding of the CCCs continues to be stressed by the state’s fiscal position, management believes it to be appropriate to charge by the credit hour taken in order to match the cost with the benefit received.

**ANALYSIS**

The following chart shows that over time, the Tuition & Fee share of revenue has grown faster than the State Funding (CAGR: Compounded Annual Growth Rate):



The FY 15/16 drop was a function of enrollments. As indicated in this chart, the CCCs are heavily reliant on state funding (approximately 61% of revenue in FY16). This makes the CCCs highly vulnerable to changes in the level of state funding, and necessitates a review of tuition charge policies.

Management believes that charging Tuition & Fees per credit hour taken is a fairer manner in

which to share the burden of overall tuition and fee revenues in view of the state's ability to continue to fund the colleges at the current level.

The following table shows the analytics for FY16 by college based on the students taking more than twelve credits, offset by the students paying a \$100 fee for taking eighteen or more credits:

**Fall/Spring 2015-2016 Total**

College	Headcount	FTE	HC Above 12		Credits Above 12	Gross Revenue	Fees Collected above 18 Credits	Net Revenue	FTE Enrolled at No Cost	% of FTE Enrolled at No Cost
			Credits	Percentage						
Asnuntuck	3,030	1,788	749	24.7%	2,289	\$489,846	\$10,200	\$479,646	153	8.5%
Capital	6,740	3,589	599	8.9%	1,264	\$270,496	\$1,300	\$269,196	84	2.3%
Gateway	15,008	8,313	2,161	14.4%	4,785	\$1,023,990	\$4,700	\$1,019,290	319	3.8%
Housatonic	10,307	5,713	1,327	12.9%	3,636	\$778,104	\$13,400	\$764,704	242	4.2%
Manchester	13,377	7,628	2,350	17.6%	5,288	\$1,131,632	\$4,900	\$1,126,732	353	4.6%
Middlesex	5,588	3,281	1,073	19.2%	2,815	\$602,410	\$2,800	\$599,610	188	5.7%
Naugatuck Valley	13,163	7,685	2,544	19.3%	5,692	\$1,218,088	\$7,100	\$1,210,988	379	4.9%
Northwestern	2,861	1,522	551	19.3%	1,390	\$297,460	\$3,900	\$293,560	93	6.1%
Norwalk	11,586	6,904	2,546	22.0%	5,815	\$1,244,410	\$10,500	\$1,233,910	388	5.6%
Quinebaug Valley	3,148	1,763	480	15.2%	1,256	\$268,784	\$2,800	\$265,984	84	4.7%
Three Rivers	8,175	4,672	1,402	17.1%	3,860	\$826,040	\$14,200	\$811,840	257	5.5%
Tunxis	7,691	4,486	1,291	16.8%	2,865	\$613,110	\$5,600	\$607,510	191	4.3%
<b>Total</b>	<b>100,674</b>	<b>57,344</b>	<b>17,073</b>	<b>17.0%</b>	<b>40,955</b>	<b>\$8,764,370</b>	<b>\$81,400</b>	<b>\$8,682,970</b>	<b>2,730</b>	<b>4.8%</b>

As indicated above, there was \$8.7M NOT collected for credits taken by students in excess of twelve in FY16. We expect some students will not enroll in extra credits if they are not offered for free, however we also expect that this will have little effect on our students most in need as the total would still fall within the amount of support provided by Pell grants.

In order to determine potential impact of this proposal its students, ACC conducted research using the population filing FAFSAs. It revealed that within that population, students who enrolled for greater than 12 or 15 credits actually had significantly higher household incomes than those who registered for 12 or fewer credits. This research was conducted to ensure that "un-banding" tuition and fees does not disproportionately disadvantage lower wage earners. On the average among the FAFSA filers, those students enrolled in credit hours exceeding twelve had incomes 21% higher than those enrolled in twelve or fewer credit hours.

**RECOMMENDATION**

Rescind the portion of section 6.5.2 of the Board of Trustees of Community-Technical Colleges Policy Manual pertaining to the maximum full-time credit hour charged of twelve credits, and allow the Connecticut Community Colleges to charge tuition and fees by the credit hour taken. Management requests that the new policy take effect with the Spring semester of FY16.

10/13/16 – Finance Committee

10/20/16 – Board of Regents

RESOLUTION

concerning  
CONNECTICUT COMMUNITY COLLEGES (CCC)  
BANDED TUITION & FEE POLICY

October 20, 2016

WHEREAS, Section 10a-6 of the CT General Statutes states that it is the responsibility of the Board of Regents to “establish tuition and student fee policies for the Connecticut State University System, the regional community-technical college system and Charter Oak State College,” and

WHEREAS, In addition, section 6.5.2 of the Board of Trustees of Community-Technical Colleges Policy Manual states that “tuition charge per semester hour, up to a maximum full-time rate for twelve or more semester hours per semester, shall be made for each credit course supported primarily by general fund and tuition resources,” and

WHEREAS, By setting the maximum rate at twelve hours, the CCC have in effect “banded” tuition; the current tuition and fee schedule calculates total charges by semester credit hour, up to a maximum of twelve, after which it remains flat. However, Students who enroll for eighteen or more credit hours are charged a flat fee of \$100, and

WHEREAS, As state funding of the CCCs continues to be stressed by the state’s fiscal position, management believes it to be appropriate to charge by the credit hour taken in order to match the cost with the benefit received, therefore be it

RESOLVED, The portion of section 6.5.2 of the Board of Trustees of Community-Technical Colleges Policy Manual pertaining to the maximum full-time credit hour charged of twelve credits is rescinded to allow the Connecticut Community Colleges to charge tuition and fees by the credit hour taken. Management requests that the new policy take effect with the Spring semester of FY16.

A True Copy:

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



**ITEM**

Connecticut State Universities (CSUs) Student Health Insurance Policy

**BACKGROUND**

Board Resolution 12-094, which amends Board Resolution 03-15, states that “The Board has approved a mandatory accident and sickness insurance program for full-time and certain matriculated part-time students who elect to participate in sponsored activities, and the mandatory sickness insurance may be waived...”

This resolution currently covers only the CSUs, as the Connecticut Community Colleges (CCC) offered health insurance in the past voluntarily. In the last fiscal year however, we were unable to obtain a bid on the CCC insurance coverage, so stopped offering a health care plan through the system.

**ANALYSIS**

Since the implementation of the Affordable Care Act (ACA), there have been a number of significant changes in the coverage available to our students, and the way that they access that coverage. Dependents now have the option to stay on their parents’ plans until age 26, while the expansion of Medicaid and the availability of federal subsidies has made care no cost or lower cost to many individuals. At the same time, insurance exchanges and mobile devices have made enrollment easier than ever.

All of this has likely contributed to the decreasing participation rates in these plans at the CSUs. In FY2013 the average system wide enrollment in the student health plan was 14.3%, we were down to 11.4% in FY2016 and CCSU is currently at 5.7% for FY2017. At the same time, annual premiums have increased year over year to a current \$2,953 annual premium.

Additionally an analysis of Fall 2015 FAFSA data for CCSU and SCSU (for sampling purposes the two larger CSUs were used), it was revealed that a significant number of these students currently enrolled in our health plan would be Medicaid eligible, and more would still be eligible for subsidized private coverage through Access Health CT (the CT state-based insurance exchange).

Further, in order to keep the cost of this coverage affordable, the insurance carriers require higher education institutions like ours to adopt an opt-out policy, which means that a student is signed up for coverage unless he/she proactively opts out. This means that a student who has existing coverage but does not actively opt-out is paying for coverage they may not need, and that students eligible for Medicaid or a subsidy are paying significantly more for coverage than they can access elsewhere. In addition, the process currently is an administrative burden to our CSUs inasmuch as staff has to “chase down” students for verification of insurance and/or payments, and the payments are just passed through to the insurance carrier.

In summary, although we have offered health care coverage to our CSU students, there are now alternative avenues to access available to our students which can help reduce the costs for those who need coverage, and prevent charging students with coverage who fail to opt-out.

The CSUs propose as an alternative to actively inform our students of their other coverage options, and to partner with Access Health CT, and the Office of the Health Care Advocate to improve the health insurance literacy of our students. Further, those students who are currently covered under the CSUs' procured policy will be advised via letter of the change being made, and also provided with information to help them choose a more favorable plan.

### **RECOMMENDATION**

Amend Board Resolution 12-094 and 03-15 to no longer mandate sickness insurance programs and related automatic billings at the CSUs for full-time and certain matriculated part-time students, without impacting existing accident insurance board policy. This would then eliminate the CSU-provided plan, and instead allow the system to provide information and guidance for students to obtain coverage through other means.

10/13/16 – Finance Committee

10/20/16 – Board of Regents

## RESOLUTION

concerning  
CONNECTICUT STATE UNIVERSITIES (CSUs)  
STUDENT HEALTH INSURANCE POLICY

October 20, 2016

WHEREAS, Board Resolution 12-094, which amends Board Resolution 03-15, states that “The Board has approved a mandatory accident and sickness insurance program for full-time and certain matriculated part-time students who elect to participate in sponsored activities, and the mandatory sickness insurance may be waived,” and

WHEREAS, Since the implementation of the Affordable Care Act (ACA), there have been a number of significant changes in the coverage available to our students and the way that they access that coverage, and

WHEREAS, This has likely contributed to the decreasing participation rates in these plans at the CSUs as students can now more easily obtain lower cost coverage, including many student who are eligible for Medicaid or subsidized private coverage, which has rendered CSU- provided plans superfluous, therefore be it

RESOLVED, That Board Resolutions 12-094 and 03-15 are amended to no longer mandate sickness insurance programs and related automatic billings at the CSUs for full-time and certain matriculated part-time students, only; as existing accident insurance board policy shall not be impacted, and be it further

RESOLVED, That the CSUs shall no longer provide its own insurance program but instead sanction the system to provide information and guidance for students to obtain coverage through other means.

A True Copy:

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

**ITEM**

Connecticut State Universities (CSU) Policy re: Telecommunication Charges

**BACKGROUND**

Board Resolution # 08-039 approved on May 15, 2008 provides Fund Balance Guidelines for the CSUs. In accordance with this resolutions, the CSUs are required to “within the Systemwide unrestricted fund balance, [provide an amount] of three hundred thousand (\$300,000) dollars annually to provide for ongoing telecommunication equipment replacement and upgrade.”

These funds were used as a reserve for CSU equipment and projects managed by the System Office Telecommunications staff. In order to support this requirement, funds were collected from each university, and accumulated in a reserve which totals approximately \$3.1M as of September 7, 2016.

**ANALYSIS**

After significant evaluation of the process by the Chief Information Officer, his staff, and the four CSU leadership teams, the CSU telecomm auxiliary services is being dissolved and the funds will be returned to the CSUs.

The model of centralized services for telecommunications is no longer valid at a residential campus that operates 24 hours a day. It’s more appropriate that each University manage and control their own networks and telecommunications infrastructures.

The CIO’s organization is in the process of disbanding the central function, ensuring that the Universities are equipped to transition responsibility, and dispersing the system reserves to each institution’s reserve balance. The timing coincides with new voice and network systems being implemented at the CSUs. The Universities will in turn hold the reserves for repair and replacement equipment, and in the future establish individual reserves as required to maintain their equipment. As of now, Eastern, Central and Southern are ready to take ownership of the process, and the team at Western is still in transition.

As a result of this transition, management is requesting that the Board rescind the former policy, and that System Office cease collection of funds from the four Universities beginning immediately. Further, management requests that the Board approve returning the System Office reserve to the four Universities in a mutually agreed upon, equitable manner.

**RECOMMENDATION**

Rescind Board Resolution 08-39 and abolish the need for a system reserve for telecommunications, allowing each CSU to manage their own telecommunication costs and requirements and allowing the CSUs to establish individual reserves within their available resources to provide for telecomm replacement and upgrade requirements.

RESOLUTION

concerning  
CONNECTICUT STATE UNIVERSITIES (CSU) POLICY RE:  
TELECOMMUNICATION CHARGES

October 20, 2016

WHEREAS, Board Resolution # 08-039 approved on May 15, 2008 provides Fund Balance Guidelines for the CSUs, and states that the CSUs are required to set aside “within the Systemwide unrestricted fund balance, [ ] three hundred thousand (\$300,000) dollars annually to provide for ongoing telecommunication equipment replacement and upgrade,” and

WHEREAS, These funds were used as a reserve for CSU equipment and projects managed by the System Office Telecommunications staff, and

WHEREAS, In order to support this requirement, funds were collected from each university, and accumulated in a reserve which totals approximately \$3.1M as of September 7, 2016, and

WHEREAS, This process is being decentralized in order to allow the individual universities to manage the process locally so that they may accommodate the varying campus needs, therefore be it

RESOLVED, That the Board Resolution 08-39 is rescinded, abolishing the need for collecting telecommunications support funds from the CSUs, and abolishing the need for a System reserve for telecommunications, and be it further

RESOLVED, That the current funds held at the System Office for this purpose will be allocated to the CSUs to hold in reserve to support their individual telecommunication requirements, and be it further

RESOLVED, That the CSUs will establish individual reserves going forward as deemed appropriate for this purpose.

A True Copy:

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