

REGULAR SESSION  
BOARD OF TRUSTEES  
FOR THE  
CONNECTICUT STATE UNIVERSITY SYSTEM  
at the  
SYSTEM OFFICE  
HARTFORD, CONNECTICUT  
MINUTES  
May 15, 2008  
10:00 a.m.

**TRUSTEES PRESENT:**

Lawrence D. McHugh, Chairman	John H. Motley
Karl J. Krapek, Vice Chairman	Mark Parrott
Theresa J. Eberhard-Asch, Secretary	Ronald J. Pugliese
Richard J. Balducci	Andrew Russo
John A. Doyle	Brian P. Sullivan
Elizabeth Gagne	Andrew R. Wetmore

**TRUSTEES ABSENT:**

Angelo J. Messina	Gail H. Williams
L. David Panciera	Peter M. Rosa
Fr. John P. Sullivan	John R. Sholtis, Jr.

**OTHER OFFICIALS PRESENT**

David G. Carter, Chancellor, Connecticut State University System (CSUS)  
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)  
Koryoe Anim-Wright for James W. Schmotter, President, Western Connecticut State University (WCSU)

**STAFF TO THE BOARD**

Erin A. Fitzgerald, Associate for Board Affairs

**CALL TO ORDER**

Following roll call, Chairman McHugh called the meeting to order at 10:00 a.m., declaring a quorum present.

## **ADOPTION OF AGENDA**

Chairman McHugh requested a motion to adopt the May 15, 2008 agenda as presented. **Trustee Eberhard-Asch made a motion to remove Item #10b International Baccalaureate Organization Diploma Program (courses taken in CT) from the agenda and to add “A Resolution Honoring Dr. Roy Stewart, CSUS Interim Senior vice chancellor for Academic Affairs and Student Life” under NEW BUSINESS, Trustee Balducci seconded and the motion to amend the proposed agenda passed unanimously. Chairman McHugh requested a motion to adopt the May 15, 2008 agenda as amended. Trustee Balducci so moved; Trustee Eberhard-Asch seconded. Motion passed unanimously.**

## **APPROVAL OF MINUTES**

**Chairman McHugh requested a motion to accept the Minutes of the April 10, 2008 Regular Session. Trustee Pugliese so moved; Trustee Motley seconded. Motion passed unanimously.**

## **CHANCELLOR'S REPORT**

Chancellor Carter introduced Cheryl Connor, CSUS Administrative Assistant, who is providing support to both AAG Holly Bray and to Erin Fitzgerald in Board Affairs. The Chancellor remarked that Ms. Connor brings a wealth of administrative skills and experience to the CSUS team, most recently having served in various support roles for the Office of the Attorney General in the Special Litigation and Child Protection Departments/

Chancellor Carter commended the presidents for their work on the Articulation Oversight committee with Community Colleges, particularly President Cheryl Norton and President Elsa Nuñez for their exemplary leadership.

The Chancellor expressed his appreciation to the presidents, also, for their responsiveness of the request of the Board in preparing information on sustainability efforts at the universities, noting that the reports would be presented at the June 13, 2008 meeting.

Chancellor Carter pointed out the following items in the trustees' Board folders: CSUS Update on recent legislative session; AASCU Policy Matters brief concerning Private Student Loans; and publications from Connecticut Business & Industry Association (May 2008 newsletter and CBIA Government Affairs report).

**CONSENT ITEMS**

**Chairman McHugh requested a motion to approve the Consent Calendar (Resolutions Honoring Student Trustees Brian Sullivan and Andrew Russo, Faculty Promotion and Tenure Recommendations; and a Resolution Honoring Dr. Roy Stewart; Trustee Pugliese so moved; Trustee Balducci seconded. Motion passed unanimously and the Consent Calendar was approved containing the following resolutions.**

**BRIAN PATRICK SULLIVAN**

- WHEREAS, Brian Patrick Sullivan was elected to the Board of Trustees for the Connecticut State University System by his fellow students at Eastern Connecticut State University in 2006 and served honorably as a member of the Student Life Committee, and
- WHEREAS, Throughout his service as a Trustee, Mr. Sullivan has participated conscientiously in the work of the Board and has contributed thoughtful insights from the perspective of a student as well as from the perspective of a citizen, and
- WHEREAS, Mr. Sullivan has demonstrated a faithful commitment to the welfare of present and future students, and
- WHEREAS, Mr. Sullivan's service on the Board of Trustees will conclude upon his graduation from Eastern Connecticut State University, therefore be it
- RESOLVED, That the Board of Trustees for the Connecticut State University System expresses to Brian Sullivan its appreciation for his many contributions to the work of the Board and extends to him its best wishes for a rewarding and fulfilling future.

**ANDREW RUSSO**

- WHEREAS, Andrew Russo was elected to the Board of Trustees for the Connecticut State University System by his fellow students at Central Connecticut State University in early 2006 and served as a member of the Student Life Committee, and
- WHEREAS, Throughout his service as a Trustee, Mr. Russo has participated conscientiously in the work of the Board and has contributed thoughtful insights from the perspective of a student as well as from the perspective of a citizen, and
- WHEREAS, Mr. Russo has demonstrated a faithful commitment to the welfare of present and future students, and
- WHEREAS, Mr. Russo's service on the Board of Trustees is concluding with this academic school year, therefore be it
- RESOLVED, That the Board of Trustees for the Connecticut State University System expresses to Andrew Russo its appreciation for his many contributions to the work of the Board and extends to him its best wishes for a rewarding and fulfilling future.

**DR. ROY STEWART**

WHEREAS, Dr. Roy Stewart was appointed to serve as Interim Senior Vice Chancellor for Academic Affairs and Student Life for the Connecticut State University System for the duration of an ongoing search for a permanent Senior Vice Chancellor, and

WHEREAS, Dr. Stewart, during his tenure as Senior Vice Chancellor for the Connecticut State University State System served as a dedicated advocate for the university system, engendered respect and admiration throughout the CSUS community, and provided wise counsel that was greatly appreciated and valued by the trustees, the Chancellor and his staff, and his colleagues at the sister universities and

WHEREAS, Dr. Stewart provided an atmosphere of collegiality and accessibility through his outstanding ability to listen and be receptive to ideas, issues and concerns of the university system, therefore be it

RESOLVED that the Board of Trustees for the Connecticut State University System hereby expresses to Dr. Stewart its heartfelt appreciation for his loyalty, commitment and service throughout the past year and extends its very best wishes to him and his family for a happy and healthy future.

Chairman McHugh presented the aforementioned resolutions to each individual extending to them, on behalf of the CSUS Board of Trustees, his sincere appreciation for their commitment to the universities and the Connecticut State University System.

**ACADEMIC AFFAIRS COMMITTEE**

Trustee Doyle reported that the Academic Affairs Committee met on Wednesday, May 7, 2008 at Eastern Connecticut State University and recommended the following items:

*A resolution to authorize Eastern Connecticut State University to seek Licensure and Accreditation of a Bachelor of Science in Labor and Workplace Studies degree program by the Board of Governors of Higher Education.* This interdisciplinary, liberal-arts-based program is composed of currently existing courses at three departments at the university. Graduates will be prepared for employment and advanced study in a variety of areas of human resource management and labor related fields including the legal, social and economic aspects of the workforce. The program responds to a growing demand for human resource professionals as established by the Connecticut State Department of Labor. The program is the first of its kind offered by a public university in Connecticut. Only one similar program exists in the New England region. Students will have the opportunity to explore the world of work from the humanities and the social sciences perspectives, and will be have a cohesive set of experiences to

prepare them for employment and/or graduate work after graduation. The program includes 45 to 48 credits in the Liberal Arts core, 15 credits in pre-requisite courses for the Labor and Workplace studies, 45 credits in major courses in Labor and Workplace studies that include a pre-professional experience, and 15 elective credits. Minimum cost for program coordination and administration has been allocated. Trustee Doyle asked Trustee Gagne to comments. Trustee Gagne spoke to the program noting that a component that should be included is the impact of the aging baby boomer population on corporate America. She added that she had conversations with Trustee Doyle and Provost Rhona Free, who agreed that there should be some program added to the curriculum recognizing the impact of aging boomers. Chancellor Carter concurred and stated he had assured Chairman McHugh and Trustee Doyle that the suggestion would be followed through and incorporated into the curriculum/program. Trustee Doyle expressed his appreciation to Trustee Gagne for her input and to President Nuñez for the excellent response received from Provost Free.

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

RESOLVED, That the Board of Trustees for the Connecticut State University System approves Eastern Connecticut State University's proposal to offer a Bachelor of Science in Labor and Workplace Studies 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.

Trustee Doyle further reported that the Committee had an opportunity to welcome Dr. Louis Feroe who will assume her position as the new permanent Senior Vice Chancellor for Academic and Student Affairs on July 1, 2008.

The Committee commended Dr. Stewart for this superb work as Interim Senior Vice Chancellor for Academic and Student Affairs. Dr. Stewart expressed gratitude to the Trustees for their support during his time in our System and thanked the Vice Presidents for their excellent work. Trustee Doyle expressed his appreciation on behalf of the Academic Affairs Committee to Dr. Roy Stewart, who was presented with his resolution of appreciation by Chairman McHugh.

Trustee Doyle reported that on behalf of the Committee, he wished to recognize the CCSU students who won the Connecticut Collegiate Business Plan Contest on April 25. The CCSU undergraduate team of Anthony Cuifalo and Brian Smoliga took first place in the Venture

Enterprise Division for their business plan for Digi-Wait, a wireless tablet menu for the casual food segment of the restaurant industry. The team also received a grant award sponsored by Connecticut Innovations (CI). A one time exception within the “Best Promising Technology Venture” competition this year due to CCSU team’s very close second to an MBA team from UConn.

## **FINANCE & ADMINISTRATION COMMITTEE**

Committee Chairman and Board Vice Chairman Krapek reported that the Finance and Administration Committee met on Thursday, May 8, and had two action items to bring before the Board.

*Resolution concerning fund balance guidelines.* Trustee Krapek reported that in October 1994, this Board of Trustees established fund balance guidelines to ensure the fiscal viability of the system. The guidelines were most recently revised in 2007, to 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. Trustee Krapek noted that the proposed revision includes several technical revisions that will:

- ◆ Broaden the permissible use of certain funds within the Systemwide unrestricted fund balance that are currently designated as “telecommunications equipment replacement and upgrade only”, to encompass “the advancement of Systemwide projects and/or equipment in the area of Information Technology including Telecommunications”;
- ◆ Enable the System to act with agility in urgent cases by allowing the Chancellor to approve an emergency use of fund balance of \$250,000 and higher, with ratification after the fact by the Executive Committee and the full Board. Currently, in urgent cases a vote of the Executive Committee acting on behalf of the Board is required; and,
- ◆ Clarify that the use of either current fund or plant fund balances requires approval.

**Trustee Krapek moved approval of the following resolution; Trustee Pugliese seconded; approval was unanimous.**

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, and
- WHEREAS, The established fund balance guidelines permit the designation, within the Systemwide unrestricted fund balance, of three hundred thousand (\$300,000) dollars annually to provide for ongoing telecommunication equipment replacement and upgrade, and
- WHEREAS, From time to time it may be in the best interest of the System to use these designated funds for Systemwide commitments and projects of an Information Technology nature beyond telecommunication equipment replacement and upgrade, and
- WHEREAS, There may be times when there is an urgent need to use fund balances to address a situation where time is of the essence, and
- WHEREAS, In those situations, it may not be possible to call together a quorum of Executive Committee members in a timely fashion, and
- WHEREAS, Flexibility and ability to act in the best interest of the System is paramount in these situations, therefore be it
- RESOLVED, That BR#07-53 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 - 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.

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 the advancement of Systemwide projects and/or equipment in the area of Information Technology, including Telecommunications; 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 current fund or plant fund balances 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, the Chancellor may approve the use of fund balances of \$250,000 or greater. In these instances,

the action will be brought to the next scheduled meeting of the Executive Committee for ratification, followed by ratification by the Board of Trustees at their next scheduled meeting.

**Resolution concerning General fund distribution methodology.** Trustee Krapek advised that the Board of Trustees adopted the current General Fund Distribution Methodology effective July 1, 2000. In 2005, the model was revised to bring more equity to certain of its aspects, including facilities funding, inflationary increase allowances for Institutional Base Funding, the proportionate distribution of Systemwide Information Technology expenses and the recognition that the State funds out-of-state students to a lesser extent than it does in-state students. He added that the proposed distribution model included further modifications designed to enhance the fair and equitable distribution of the finite General Fund pool among the four universities, as follows:

A fixed, equal amount of Institutional Base Funding is currently provided to each university on the premise that all universities, regardless of size, have certain expenses that are the same, such as salaries and fringes for Management common to all the universities. However, the current amount of the allowance is not representative of the true level of the costs this allowance is meant to cover. It was the Committee's recommendation, therefore, that the Institutional Base Funding level be reset at \$5,580,656 in Fiscal Year 2009 and \$6,000,000 in Fiscal Year 2010.

Currently, expenses for System Office and System-wide Operations are evenly distributed among the four universities, while expenses for System-wide Information Technology are allocated proportionally among the universities based on FTE of all students, with residential students weighted at 1.25. However, this method results in a higher per-student cost at the smaller universities for these items, even though each student theoretically receives an equal amount of services. The recommendation of the Committee was that all System Office and Systemwide Operations costs be distributed proportionately across the four universities based on FTE of full-time students, to be phased in over a two-year period.

Trustee Krapek concluded noting the Committee's recommendation that the revised distribution methodology be implemented effective July 1, 2008 and reviewed annually beginning in Fiscal Year 2011.

**Trustee Krapek moved approval of the following resolution; Trustee Balducci seconded; approval was unanimous.**

WHEREAS,

Pursuant to the provisions of Section 10a-89(a) of the Connecticut general statutes, the board of trustees shall "...Subject to state-wide policy and guidelines established by the Board of Governors of Higher Education,...(1) Make rules for the government of the Connecticut State University system and shall determine the general policies of the university system, including those concerning the admission of students and the expenditure of the funds of institutions under its

jurisdiction within the amounts available;...” Further, under the provisions of Section 10a-99(b), “...the board of trustees shall establish an equitable policy for allocation of appropriations from general revenues of the state, fringe benefits transferred from the State Comptroller and tuition revenue deposited in the Connecticut State University System Operating fund...”, and

WHEREAS, In FY1994-95, the Board of Trustees, pursuant to its statutory authority, reviewed the then-existing distribution methodology for tuition and general fund dollars, and adopted new formulas for distribution, and

WHEREAS, A completely new model which addressed several issues raised by the universities concerning equity and stability, as well as greatly simplified the distribution formula was adopted by the Board of Trustees effective July 1, 2000, and

WHEREAS, This model was revised in 2005 to bring more equity to certain aspects of the model, and

WHEREAS, Further adjustments are required to enhance the equitable distribution of the finite General Fund pool among the four universities, therefore be it

RESOLVED, That tuition and the General Fund appropriation be distributed on the basis of the principles described below:

■ General Fund

- Each institution will be provided with a base cost block grant for FY2009 of \$5,580,656 (including fringe), to be increased to \$6,000,000 (including fringe) in FY2010, to cover certain fixed costs of operations (institutional support and facilities support).
- Each institution will be provided with a variable cost block grant proportionally based on the sum of the prior year’s ending full-time-equivalent of full-time students enrolled, with out-of-state students weighted on a 1 to 2.4 basis. These enrollment numbers will be based on the average of fall and spring third-week enrollment figures.
- A portion of the state appropriation will be retained for System Office, and Systemwide Operations. These amounts will be established annually as a part of the Spending Plan process. Expenses for System Office and Systemwide Operations will be assessed proportionally across the four universities based on the sum of the prior year’s ending full-time-equivalent of full-time students enrolled, with out-of-state students weighted on a 1 to 2.4 basis. These enrollment numbers will be based on the average of fall and spring third-week enrollment figures. The System Office will internally exchange General Fund dollars for operating fund dollars in order to ensure that all General Fund current services dollars are spent on Personal Services. Given the impact that the shift in funding among the universities may have due to the implementation of this revised method of allocating System Office and Systemwide expenses, this method will be implemented over a two-year period beginning July 1, 2008.
- Any “new facilities” funds provided in the state appropriated block grant that are not specifically designated (e.g. for a particular university, building or project) will be allocated in perpetuity to the

universities with new facilities coming on line that year, on a proportional basis.

- Tuition and Extension Fee Freeze amounts received as state appropriation will not be included in the General Fund block grant distributed to the universities. Instead, these funds will be distributed as follows:
  - Tuition Fee Freeze dollars will be distributed proportionally based on the prior year ending tuition net of waivers.
  - Extension Fee Freeze dollars will be distributed proportionally based on the prior years ending part-time credit hours per university.

■ Tuition

- Each institution will retain all tuition funds collected from its students.
- Each institution will be assessed a portion of its tuition receipts to support priorities of the Board of Trustees. The Trustees' priority portion will be a fixed amount of \$600,000 per year, assessed proportionally based on prior year ending tuition net of waivers. The Board of Trustees may assess the universities additional amounts for other Board priorities as they see fit.
- Each institution must comply with policies and statutory requirements of CSU grants.

and be it further

RESOLVED, That the revised distribution methodology be implemented effective July 1, 2008, and be it further

RESOLVED, That the distribution methodology will be reviewed annually effective July 1, 2010, and be it further

RESOLVED, That BR#05-48 be rescinded effective July 1, 2008.

Trustee Krapek noted that the Finance & Administration Committee also reviewed and approved recommendations for faculty promotion and tenure for 2008 from the Chief Academic Officers and President Nuñez, (approved as a Consent Item).

**EXECUTIVE COMMITTEE**

Chairman McHugh reported that the Executive Committee met on May 8, 2008 and had no action items to bring before the Board for consideration.

**CHAIRMAN'S REPORT**

Chairman McHugh made the following announcements:

- He thanked the trustees who volunteered to extend greetings on behalf of the Board: Terry Eberhard-Asch at Western Grad on May 16; Gail Williams at Central on May 17;

Liz Gagne at Eastern on May 18; Ron Pugliese at Western undergrad on Sunday May 18; John Doyle and Ron Pugliese at Southern Grad on May 22; John Motley at Southern Undergrad on May 23

- He thanked Trustees Doyle and Panciera for attending the Association of Governing Boards National Conference on Trusteeship in Boston.

Chairman McHugh stated he was extremely honored and pleased to announce that Governor M. Jodi Rell would be visiting Western Connecticut State University later today to announce her intention to put funds for the design of the new Fine Arts Instructional Center at WCSU on the agenda of the Bond Commission scheduled for May 30, 2008. He noted he was leaving immediately upon adjournment to welcome Governor Rell to Western and invited any trustee who was able to do so to join him. The Chairman expressed his deep appreciation to Governor Rell for her steadfast support of the Connecticut State University System and suggested that trustees express their appreciation as well.

Prior to calling for adjournment, the Chairman advised the Board that the next meeting of the Board was scheduled for **10:00 a.m.** on Friday, June 13, at the System Office in Hartford.

Trustee Balducci remarked briefly on the success of the Barnard Awards dinner and expressed his appreciation to the staff who made it all possible as well as to the presidents who each contributed to making it such a successful evening and an enjoyable event. He further commented upon the depth and breadth of the remarkable students enrolled in the CSUS universities.

#### **ADJOURNMENT**

Trustee Balducci moved to adjourn; Trustee Pugliese seconded the motion and the meeting was adjourned at 10:35 a.m.

Respectfully submitted,

Theresa J. Eberhard-Asch, Secretary