

BOARD OF GOVERNORS FOR HIGHER EDUCATION

Minutes of the Meeting
November 20, 2002

Department of Higher Education
Hartford, CT

Members Present: W. Bevacqua, D. Brennan, L. Cohen, J. Kemler, A. Meyer, H. Penner,
F. Ridley, A. Vertefeuille

Members Absent: J. Bates, D. Leib, P. McCann Vissepó

Constituent Units: M. Cox, Community-Technical Colleges
K. Fox, University of Connecticut
G. Lewicki, University of Connecticut
G. Ragosta, Connecticut Conference of Independent Colleges

1. Call to Order

Chairman Vertefeuille called the meeting to order at 11:59 a.m.

2. Approval of Minutes

A. Meyer moved and F. Ridley seconded the motion to approve the minutes of the October 16, 2002 meeting. The motion passed unanimously.

3. Report of the Commissioner

Commissioner Lewis called upon M. Johnson, Associate Commissioner for Finance and Administration, and J. Pothier, Senior Associate for IPEDS and Data Analysis, to present the agency's final 2002 college enrollment report to the Board. Johnson noted that statewide enrollment reached an all-time high of 170,227 this fall, an increase of 3.4% over fall 2001 marking the fifth consecutive year of growth since 1997. Enrollment rose 63% at the public institutions and 37% at the independent institutions. This was the second straight year of growth across all six major sectors of higher education in Connecticut. The largest growth occurred at the community colleges with 2, 227 more students. Full-time enrollment at these colleges was up 43% while part-time counts fell slightly. Counts rose 7.4% at the University of Connecticut and remained stable at Connecticut State University, up a slight 0.7%. Commissioner Lewis indicated that the record enrollment is due largely to growing numbers of traditional-aged undergraduates and the general expansion of the higher education sector.

4. Report of the Committee of the Whole

In the interest of time, the Committee agreed to postpone action on the Transfer and Articulation Model for Nurse Education Mobility in Connecticut until the Board's regular scheduled meeting in December.

5. Commissioner's Consent Calendar

A. Vertefeuille moved and H. Penner seconded the motion to approve the extended Commissioner's Consent Calendar, consisting of the following:

- a) Central Connecticut State University – approval of a program modification to offer a program in Art History, as a new specialization in the accredited Bachelor of Arts degree program in Art

RESOLVED that the Board of Governors for Higher Education approve a program modification in the accredited Bachelor of Arts program in Art, to establish a specialization in Art History, to be offered by Central Connecticut State University for a period of time concurrent with institutional accreditation.

- b) Central Connecticut State University – accreditation of a program in Graphic/Information Design leading to the Bachelor of Arts degree

RESOLVED that the Board of Governors for Higher Education accredit a program in Graphic/Information Design leading to the Bachelor of Arts degree, to be offered by Central Connecticut State University for a period of time concurrent with institutional accreditation.

- c) Central Connecticut State University – modification of a program in Special Education leading to the Master of Science degree

RESOLVED that the Board of Governors for Higher Education approve a program modification of a program in Special Education leading to the Master of Science degree, to be offered by Central Connecticut State University for a period of time concurrent with institutional accreditation.

5. Commissioner's Consent Calendar (continued)

- d) Quinnipiac University – approval of a program modification to consolidate two graduate degrees in Nursing into a single Master of Science in Nursing program

RESOLVED that the Board of Governors for Higher Education approve a program modification in the accredited Master of Science in Nursing program, to consolidate two graduate degree programs in Nursing – the Master of Science in Nursing: Nurse Practitioner and the Master of Science in Nursing: Forensic Nursing – into a single accredited Master of Science in Nursing program, concurrent with institutional accreditation.

- e) University of Connecticut – licensure of a program in Accounting (On-Line) leading to a Master of Science degree

RESOLVED that the Board of Governors for Higher Education license a program in Accounting (On-Line) leading to the Master of Science degree, to be offered by the University of Connecticut until November 30, 2004.

- f) University of Connecticut – licensure of a program in Applied Financial Mathematics leading to a Professional Master of Science degree

RESOLVED that the Board of Governors for Higher Education license a program in Applied Financial Mathematics leading to the Professional Master of Science degree, to be offered by the University of Connecticut until November 30, 2003.

- g) University of Connecticut – licensure of a program in Applied Genomics leading to the Master of Science degree

RESOLVED that the Board of Governors for Higher Education license a program in Applied Genomics leading to the Master of Science degree, to be offered by the University of Connecticut until November 30, 2004.

The motion passed unanimously.

6. Report of the Finance and Administration Committee

W. Bevacqua moved and A. Meyer seconded the motion to approve the operating fund quarterly reports for the three-month period ending September 30, 2002. The motion passed unanimously.

RESOLVED that the Board of Governors approve the operating fund quarterly reports for the three-month period ending September 30, 2002, for the University of Connecticut, University of Connecticut Health Center, Connecticut State University and Charter Oak State College for submission to the Office of Policy and Management and the Appropriations and Education Committee.

D. Brennan moved and A. Meyer seconded the motion to approve the FY 2002-05 Biennial Operating Budget request as recommended by the Commissioner as revised in the attached staff report.

W. Bevacqua moved and A. Meyer seconded the motion to delegate to its Chair, Vice Chair and Commissioner, responsibilities associated with its participation in concession bargaining and other personnel matters being addressed by the Office of Policy and Management and the Governor. The motion passed unanimously.

RESOLVED that the Board of Governors for Higher Education delegate to its Chair, Vice Chair and Commissioner, responsibilities associated with its participation in concession bargaining and other personnel matters being addressed by the Office of Policy and Management and the Governor.

7. Adjournment

A. Meyer moved and L. Cohen seconded a motion to adjourn at 12:40 p.m. Chairman Vertefeuille announced that the next regular meeting will be held on Wednesday, December 18, 2002 at the Department of Higher Education.

Respectfully submitted,

Constance Fraser
Secretary

RESOLVED: that the Board of Governors for Higher Education approve the FY 2003-05 Biennial Operating Budget request as recommended by the Commissioner in the attached staff report.

Valerie Lewis, Commissioner
Board of Governors for Higher Education

11/20/02

STAFF REPORT: FINANCE & ADMINISTRATION COMMITTEE

Item: FY 2003-05 Biennial Operating Budget Request - Commissioner's Recommendations

Background

At hearings held on October 16, 2002, the Board of Governors' Finance and Administration Committee received a FY 2003-05 operating budget request of \$1.5 billion for each year of the biennium for Connecticut's system of higher education. Each constituent unit was invited to provide a brief overview of its request and respond to questions raised by the Committee and other members of the Board.

The Commissioner has evaluated all budget submissions and related information, and has had discussions with both the Office of Policy and Management (OPM) and the Chief Executive Officers concerning the budget requests. At this stage, the consolidated budget is a moving target. Worsening economic conditions have left basic, current services requests in jeopardy. In at least one instance, a constituent unit has begun to pursue significant tuition and fee increases, while still maintaining its original general fund requests. The budget the Commissioner has attached to this report includes all submitted materials received to date. Her recommendations are provided below.

Commissioner's Recommendations

On behalf of the Governor, the Secretary of the OPM directed all state agencies not to formally submit budget expansion proposals above the funding levels required to maintain current services. Exceptions to this limitation were to be granted only to those agencies that received permission in advance to develop such proposals. As explained by the Secretary, the major driver behind this directive is the fact that the state can only fund essential new enterprises, and is, in fact, facing a significant deficit situation in FY 2003.

As reported to the Board in October, three of the four constituent units and the Department of Higher Education had asked OPM for support to develop expansion proposals. Last week, OPM indicated that only two expansion options would be accepted for consideration, these being an allied health initiative submitted by the Community-Technical College System and a request to address the remaining required state match to federal funds for the Gear-Up Futures Scholarship Fund submitted by the Department of Higher Education. The Commissioner appreciates OPM's recognition of these two expansion proposals. However, given the Board of Governors' statutory charge to present a consolidated budget request for higher education to both the Governor and the General Assembly, the Commissioner has included all "unauthorized" expansion options in this budget presentation, whether supported by state or by student revenues. The Commissioner is not necessarily recommending endorsement of these options.

Given the current budget climate, the Commissioner stresses the need for fiscal constraint. As such, the Commissioner strongly recommends that all constituent units emulate cost reduction strategies similar to those of the University of Connecticut Health

Center. Such strategies should include the identification and implementation of opportunities for administrative savings, additional collaboration among institutions and the phase-out of duplicative or low production programs.

With regard to items requested within the current services budget, the Commissioner recommends strict adherence to increases that have prior commitment and to funding them through the elimination of general inflationary adjustments. In addition, new facility costs should include operation and maintenance costs only, based on the Board of Governors' physical plant formula, and not program enhancements. And the operations and maintenance costs of new facilities should be funded at a consistent percent of state support. As in the past, the Commissioner does not support the inclusion of inflation on tuition freeze funds. The restoration of previously reduced general funds as presented in the Connecticut State University budget request is contrary to explicit OPM budget instructions and, therefore, cannot be supported.

Should any opportunity arise for consideration of additional expansion dollars, the Commissioner recommends priority be given to those proposals that address solutions to teacher and nursing shortages, public health and safety problems, and inequities among the constituent units in the state versus student share of educational costs.

With regard to requested tuition increases, the Commissioner has serious concerns that rates are rising to double digit levels. Connecticut State University is, in fact, pursuing tuition and fee increases significantly above those submitted to the Department in the budget currently being reviewed. These adjustments, if enacted, would necessarily change the unit's projected revenues and expenditures. Therefore, the Commissioner withholds any final recommendation on tuition pending recommendations by the Board's Tuition Policy Review Committee.

It is recommended that the Board of Governors approve the FY 2003-05 Biennial Operating Budget request as recommended by the Commissioner.

11/20/02

ACADEMIC AFFAIRS AND PLANNING COMMITTEE
Board of Governors for Higher Education
December 18, 2002

Tentative Agenda

1. Approval of the Minutes of the November 20th, 2002 meeting

2. Action Items

Sacred Heart University, Fairfield – Approval of an Off-Campus location for the University's R.N. to B.S.N. program at St. Francis Hospital

Teikyo Post University, Waterbury – Approval to offer eleven existing degree and certificate programs in the on-line format: Associate of Science degree Certificate in Early Childhood Education; Certificate in Child Development Associate; Certificate in Early Childhood Education Administration; Bachelor of Science degree and Certificate in International Business Administration; Bachelor of Science degree, Associate of Science degree and Certificate in Legal Assistant; Associate of Science and Bachelor of Science degrees in Marketing

Western Connecticut State University, Danbury – Licensure of a program in Instructional Leadership leading to the Doctor of Education (Ed.D.) degree

3. Commissioner's Consent

University of New Haven, West Haven – Approval to offer the University's Master of Business Administration (M.B.A.) program at an off-site location in Stratford

University of New Haven, West Haven – Program modification to change the program and the degree name of the Bachelor of Science (B.S.) in General Dietetics to Nutrition and Dietetics and to add a minor in Nutrition

4. Progress Report

The Graduate Institute

5. Information Items

Monthly Update

6. Other business - None

7. Next Meeting – January 15, 2003

8. Adjournment

ACADEMIC AFFAIRS AND PLANNING
Minutes of the Meeting
November 20, 2002

Committee Members

Present: L. Cohen, F. Ridley, A. Vertefeuille

Committee Member

Absent: J. Bates, P. McCann Vissepo

Other BGHE Members

Present: W. Bevacqua, D. Brennan, J. Kemler, A. Meyer, H. Penner

1. Call to Order

L. Cohen called the meeting to order at 10:52 a.m. F. Ridley moved and A. Vertefeuille seconded the motion to approve the minutes of the October 17, 2002 meeting. The motion passed.

2. Commissioner's Consent Calendar

a.) Central Connecticut State University – Approval of a program modification to offer a program in Art History as a new specialization in the accredited Bachelor of Arts degree program in Art

b.) Central Connecticut State University – Accreditation of a program in Graphic/Information Design leading to the Bachelor of Arts (B.A.) degree

c.) Central Connecticut State University – Modification of a program in Special Education leading to a Master of Science (M.S.) degree

There being no concerns, F. Ridley moved and A. Vertefeuille seconded that the items be forwarded to the full Board's Commissioner's Consent Calendar. The motion passed unanimously.

3. Action Items

a.) Quinnipiac University – Approval of a program modification to consolidate two graduate degrees in Nursing into a single Master of Science in Nursing program

J. Zdanys provided a summary of the application and introduced Dean Joseph Woods, who represented the University and who answered questions about the program. After discussion, L. Cohen moved acceptance and F. Ridley seconded that the item be forwarded to the Commissioner's Consent Calendar. The motion passed.

b.) University of Connecticut – Licensure of a program in Accounting (On-line) leading to a Master of Science (M.S.) degree

J. Zdanys provided a summary of the application and introduced Karla Fox, James Henkel, Andrew Rosman, and Margery Sweeney, who represented the program. After discussion, A. Vertefeuille moved and F. Ridley seconded that the item be forwarded to the Commissioner's Consent Calendar. The motion passed.

c.) University of Connecticut – Application for licensure of a program in Applied Financial Mathematics, leading to a Professional Master of Science (M.S.) degree

J. Zdanys provided a summary of the application and introduced Karla Fox, James Henkel, and Charles Vinsanhaler, who represented the program. After discussion, A. Vertefeuille then moved and F. Ridley seconded that the item be forwarded to the Commissioner's Consent Calendar. The motion passed.

d.) University of Connecticut – Licensure of a program in Applied Genomics leading to the Master of Science (M.S.) degree

J. Zdanys provided a summary of the application and introduced Karla Fox, James Henkel, and Linda Strausbaugh, who represented the program. After discussion, A. Vertefeuille moved and F. Ridley seconded that the item be forwarded to the Commissioner's Consent Calendar. The motion passed.

4. Progress Report

None

5. Information Item

a.) J. Zdanys presented the monthly update.

b.) Merle Harris, President of Charter Oak State College presented the committee with an overview of the College's activities in China

6. Adjournment

The meeting adjourned at 11:58 a.m.

Respectfully submitted,

Jonas Zdanys, Secretary

AGENDA

FINANCE & ADMINISTRATION COMMITTEE

December 18, 2002

1. Approval of the Finance & Administration Committee Minutes for the November 20, 2002 Meeting
2. Executive Session
3. Action Items:
 - a. Endowed Chair Investment Fund and Annual Expenditure Reports
 - b. Revised Comparative Peer Institutions for CSU, CTC System and COSC
 - c. Operating Fund Quarterly Reports for the Three-Month Period Ending September 30, 2002
 - d. FY 2003-05 Biennial Capital Budget
- 4. Other**

FINANCE & ADMINISTRATION COMMITTEE
BOARD OF GOVERNORS FOR HIGHER EDUCATION

RECORD OF MEETING

Department of Higher Education
Hartford, CT
November 20, 2002

Members Present: W. Bevacqua, J. Kemler, A. Meyer, F. Ridley, A. Vertefeuille

Other BGHE

Present: D. Brennan, L. Cohen, V. Lewis

1. Call to Order:

W. Bevacqua called the meeting to order at 9:15 a.m.

2. Approval of the Finance & Administration Committee Minutes for the September 18, 2002 Meeting

On a motion made by F. Ridley, seconded by A. Meyer, the Committee unanimously voted to approve the minutes of the October 16, 2002 meeting.

3. Executive Session:

On a motion made by J. Kemler, seconded by A. Meyer, the Committee unanimously voted to enter Executive Session at 8:15 a.m.

The Committee returned to public session at 9:48 a.m.

On a motion made by F. Ridley, seconded by A. Meyer, the Committee unanimously voted to delegate to its Chair, Vice Chair and Commissioner, responsibilities associated with its participation in concession bargaining and other personnel matters being addressed by the Office of Policy and Management and the Governor.

4. Action Items:

- a. Operating Fund Quarterly Reports for the Three-Month Period Ending September 30, 2002

M. Johnson reviewed first quarter activity ending September 30, 2002. She noted that the report does not include any contingency plans should Connecticut colleges be faced with further reductions this year. She reported that revenue collection and expenditures for the first quarter essentially were in line with what was expected.

The University of Connecticut anticipates using about \$2.2 million in 2001 surplus operating reserves to balance its budget. The UConn Health Center is doing well and still projects a balanced budget, as does Charter Oak State College (including the Connecticut Distance Learning Consortium). The Connecticut State University's spending plan assumes a \$3.6 million overall operating gain by year-end. Unfortunately, the Community-Technical College System did not submit a quarterly report until the day before the Board of Governors meeting; therefore, the Department has not had a chance to analyze that report. A separate report will be brought to the Board of Governors next month.

On a motion made by F. Ridley, seconded by A. Meyer, the Committee unanimously voted to approve the operating fund quarterly reports for the three-month period ending September 30, 2002, the for University of Connecticut, University of Connecticut Health Center, Connecticut State University and Charter Oak State College for submission to the Office of Policy and Management and the Appropriations and Education Committee.

b. FY 2003-05 Biennial Operating Budget

M. Johnson reviewed the report entitled, *FY 2003-05 Biennial Operating Budget*. She noted that the report contained the full higher education budget request. The final document will include budget projections for each campus in the public system as well as some related statistical information such as student/faculty ratios and average faculty salaries. She reported that overall the budget is about \$1.5 billion, or 10.5 percent more than this year. Just under \$16 million, or an increase of 3 percent, has been requested to expand services or improve the quality of program offerings next year.

Last week, the Office of Policy and Management indicated that only two expansion options would be accepted for consideration. These are an allied health initiative submitted by the Community Colleges and a request to address the remaining required state match to federal funds for the Gear-Up Futures Scholarship Fund submitted by the Department of Higher Education.

Should any opportunities for consideration of expansion dollars arise, the Commissioner is recommending that teacher and nursing shortages, public health and safety issues and inequities in student/state share be addressed first. In addition, the state needs adequate levels of student financial aid to enable students to not only enter school but to stay and earn a degree. The Department is very concerned about the level of tuition and fee increases that have been approved or are under consideration by the Boards of Trustees; however, since the Board's Tuition Policy Review Committee is just beginning its work, no explicit recommendations have been made at this time.

Board members indicated that they are not convinced that the constituent units have done everything necessary to reduce expenses. There was some discussion regarding the UConn Health Center's determined pursuit of saving opportunities as a means to enhance resources. It was agreed that it should be recommended that all constituent units emulate cost reduction strategies similar to those of the UConn Health Center and those strategies be included in the Commissioner's recommendations. It was further agreed to include all "unauthorized" expansion options in the budget presentation, whether supported by state

or by student revenues, but make it clear that the Commissioner is not recommending endorsement of these options given the financial crisis in the state. Lastly, it was suggested that it be debated whether the state should fund all institutions equally or should the state fund the under-funded student a great deal more which means funding different institutions differently.

William J. Cibes, Chancellor, Connecticut State University, provided information explaining why Connecticut State University (CSU) submitted a budget that requested the appropriation of its original current services level, as opposed to the level reduced by 5 percent. He noted that the real current services level (including collective bargaining increases) should be regarded as the top priority in budget expansion proposals. He further reported that if the state is reducing its share of per student costs, there are few alternatives left open for CSU. CSU can reduce expenditures and spend down its reserves, as it is doing, but it must also consider tuition increases, in line with universities in other states this year and with past practice nationally.

Commissioner Lewis noted median income figures in Connecticut mask a tremendous difference from one region of the state to another. She also noted the dilemma of higher education everywhere at the moment which is to try to get more service to more students at a time when resources are diminishing. A solution needs to be given to the public for not just this year or next year but, for the long term.

Vicky Greene, Chief Financial Officer, Community-Technical College System (CTC System), briefly commented that the display of their operating fund current expenditures is not technically what their Board of Trustees had approved. This comes to the issue of the shortfall in the budget. The total dollars in the report need to be reduced by that shortfall. The CTC System is the process of addressing their shortfall by looking at a variety of both revenue and expenditure issues. At this point, their Board of Trustees has approved a balanced budget. She further noted that they have submitted a mixture of expansion options to give some flexibility to the state.

The Commissioner's recommendation will be revised to incorporate the concerns expressed by Board members and be brought to the full Board of Governors meeting for approval.

5. Adjournment:

The meeting was adjourned at 11:18 a.m.

Respectfully submitted,

Mary K. Johnson
Secretary