

Developing a State of Minds

RESOLUTION

concerning

FY2001-02 INSTITUTIONAL SPENDING PLANS AND AUTHORIZED EXPENDITURE LEVELS FOR MANAGEMENT & CONFIDENTIAL PROFESSIONAL PERSONNEL AND SUOAF-AFSCME ADMINISTRATORS

June 8, 2001

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...the expenditure of the funds of institutions under its jurisdiction within the amounts available;..." and

WHEREAS, Board Resolution 92-31 provides that each university and the System Office shall submit a fiscal year spending plan proposal to the Board of Trustees for its approval, and

WHEREAS, The spending plan proposal is required to project overall university expenditures and proposed spending levels for full-time positions by major fund source and National Association of College and University Business Officers (NACUBO) program classifications, and

WHEREAS, Each university and the System Office has submitted spending plans for fiscal year 2001-02 to the Board of Trustees which are summarized in Attachments 1 through 5, and

WHEREAS, The Board of Trustees has reviewed and discussed the spending plan proposals with the four university Presidents and the Chancellor, and finds the FY2001-02 spending plans appropriate to the system's present fiscal circumstances, and

WHEREAS, The Board approves an overall spending level for all funds except for federal and private grants, bond funds, and intra/inter agency funds, therefore be it

RESOLVED, That each President and the Chancellor shall ensure adherence to the approved spending plan, maintaining expenditure control within the spending caps established for SUOAF-AFSCME, and Management and Confidential Professional personnel categories, and be it further

RESOLVED, That the following levels of spending for each university and the System Office/System Support/OnlineCSU are authorized for fiscal year 2001-02 and can be changed upon approval by the Chancellor, except for the System Office/System Support/OnlineCSU which must be approved by the Board Chairperson:

System Office	\$ 4,191,010
System Support	6,820,634
<i>OnlineCSU</i>	2,053,345
Central Connecticut State University	114,290,730
Eastern Connecticut State University	60,421,427
Southern Connecticut State University	114,623,416
Western Connecticut State University	58,500,087

NOTE: Excludes Telecommunications, federal and private grants, and bond funds
and be it further

RESOLVED, That the above authorized spending levels have the following effect upon the reserves of each university and the System:

System Office	\$ 0
System Support	0
<i>OnlineCSU</i>	92,655
Central Connecticut State University	(1,898,976)
Eastern Connecticut State University	498,615
Southern Connecticut State University	1,139,389
Western Connecticut State University	65,040

NOTE: Excludes Telecommunications, federal and private grants, and bond funds
and be it further

RESOLVED, That the university Presidents are authorized to establish and refill positions within approved spending caps, and be it further

RESOLVED, That the following expenditure caps are placed on the SUOAF-AFSCME bargaining unit for each university and the System Office/System Support for fiscal year 2001-02:

System Office and System Support	\$ 1,226,713
Central Connecticut State University	10,262,282
Eastern Connecticut State University	6,294,237
Southern Connecticut State University	9,878,599
Western Connecticut State University	5,586,710

and be it further

RESOLVED, That the following expenditure caps are placed on the Managerial and Confidential Professional personnel for each university and the System Office/System Support for the fiscal year 2001-02:

System Office and System Support	\$ 3,004,359
Central Connecticut State University	3,115,309
Eastern Connecticut State University	2,698,241
Southern Connecticut State University	3,167,524
Western Connecticut State University	2,492,859

and be it further

RESOLVED, That for FY2001-02 each university is expected to raise projected tuition revenues, as follows:

FY2001-02 Tuition Revenue Projections

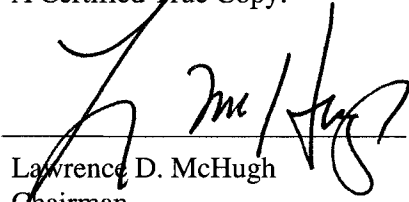
	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>
Net Revenue	\$16,585,564	\$8,565,492	\$16,899,949	\$9,386,610

and be it further

RESOLVED, That while expenditures are authorized up to the limit of the spending plans summarized in this resolution, the Presidents and the Chancellor are encouraged to seek further economies in their operations during fiscal year 2001-02, and be it further

RESOLVED, That each university and the System Office submit a progress report on their spending plans at the first scheduled Board of Trustees meeting after February 1, 2002.

A Certified True Copy:



Lawrence D. McHugh
Chairman

CONNECTICUT STATE UNIVERSITY SYSTEM

Dollar & Percentage Comparison - Educational & Auxiliary Services Revenues and Expenditures
Estimated FY 2000-01 and Budgeted FY 2001-02

	FY 00-01	FY 01-02	\$ / % CHANGE	
CENTRAL				
Revenues	\$106,584,403	\$112,391,754	\$5,807,351	5.4%
Expenses	107,393,806	114,290,730	6,896,924	6.4%
+/-	(\$809,403)	(\$1,898,976)		
EASTERN				
Revenues	\$57,784,675	\$60,920,042	\$3,135,367	5.4%
Expenses	57,228,728	60,421,427	3,192,699	5.6%
+/-	\$555,947	\$498,615		
SOUTHERN				
Revenues	\$105,895,872	\$115,762,805	\$9,866,933	9.3%
Expenses	107,817,314	114,623,416	6,806,102	6.3%
+/-	(\$1,921,442)	\$1,139,389		
WESTERN				
Revenues	\$54,173,200	\$58,565,127	\$4,391,927	8.1%
Expenses	53,767,694	58,500,087	4,732,393	8.8%
+/-	\$405,506	\$65,040		
SYSTEM OFFICE				
Revenues	\$3,745,769	\$4,191,010	\$445,241	11.9%
Expenses	3,795,769	4,191,010	395,241	10.4%
+/-	(\$50,000)	\$0		
ONLINE CSU				
Revenues	\$1,532,413	\$2,146,000	\$613,587	40.0%
Expenses	\$1,532,413	\$2,053,345	520,932	34.0%
+/-	\$0	\$92,655		
SYSTEM SUPPORT				
Revenues	\$13,935,441	\$6,820,634	(\$7,114,807)	-51.1%
Expenses	13,518,883	6,820,634	(6,698,249)	-49.5%
+/-	\$416,558	\$0		

SYSTEM TOTAL				
Revenues *	\$339,595,884	\$360,280,615	\$20,684,731	6.1%
Expenses **	\$341,388,918	\$360,900,649	19,511,731	5.7%
+/-	(\$1,793,034)	(\$620,034)		

* Includes Consolidating Adj. FY01 (3,665,689) Banner; & FY01 (390,200) OnlineCSU, and FY 02 (516,757) OnlineCSU

** Includes Consolidating Adj. FY 01 (3,665,689) Banner

TELECOM.				
Revenues	\$3,915,036	\$4,368,319	\$453,283	11.6%
Expenses	3,424,204	4,013,020	588,816	17.2%
+/-	\$490,832	\$355,299		

Finance Share/FY01-02 Spending Plan/Summaries for FAD & BR (E&G_Aux)

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CONNECTICUT STATE UNIVERSITY SYSTEM

Dollar & Percentage Comparison - Educational & Auxiliary Services Revenues and Expenditures
Budgeted FY 2000-01 and Budgeted FY 2001-02

	FY 00-01	FY 01-02	\$ / % CHANGE	
CENTRAL				
Revenues	\$105,855,075	\$112,391,754	\$6,536,679	6.2%
Expenses	107,033,229	114,290,730	7,257,501	6.8%
+/-	(\$1,178,154)	(\$1,898,976)		
EASTERN				
Revenues	\$58,204,548	\$60,920,042	\$2,715,494	4.7%
Expenses	57,738,477	60,421,427	2,682,950	4.6%
+/-	\$466,071	\$498,615		
SOUTHERN				
Revenues	\$104,684,164	\$115,762,805	\$11,078,641	10.6%
Expenses	105,779,722	114,623,416	8,843,694	8.4%
+/-	(\$1,095,558)	\$1,139,389		
WESTERN				
Revenues	\$54,044,077	\$58,565,127	\$4,521,050	8.4%
Expenses	54,377,550	58,500,087	4,122,537	7.6%
+/-	(\$333,473)	\$65,040		
SYSTEM OFFICE				
Revenues	\$3,895,310	\$4,191,010	\$295,700	7.6%
Expenses	3,895,310	4,191,010	295,700	7.6%
+/-	\$0	\$0		
ONLINE CSU				
Revenues	\$1,634,795	\$2,146,000	\$511,205	31.3%
Expenses	\$1,634,795	\$2,053,345	418,550	25.6%
+/-	\$0	\$92,655		
SYSTEM SUPPORT				
Revenues	\$11,650,320	\$6,820,634	(\$4,829,686)	-41.5%
Expenses	11,933,568	6,820,634	(5,112,934)	-42.8%
+/-	(\$283,248)	\$0		

SYSTEM TOTAL				
Revenues *	\$336,267,290	\$360,280,615	\$24,013,325	7.1%
Expenses **	\$339,215,768	\$360,900,649	21,684,881	6.4%
+/-	(\$2,948,478)	(\$620,034)		

* Includes Consolidating Adj. FY01 (3,041,812) Banner; & FY01 (524,116) OnlineCSU, and FY 02 (516,757) OnlineCSU

** Includes Consolidating Adj. FY 01 (3,176,883) Banner

TELECOM.				
Revenues	\$4,016,618	\$4,368,319	\$351,701	8.8%
Expenses	3,716,618	4,013,020	296,402	8.0%
+/-	\$300,000	\$355,299		

Finance Share/FY01-02 Spending Plan/Summaries for FAD & BR (E&G_Aux)

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CONNECTICUT STATE UNIVERSITY SYSTEM

Dollar & Percentage Comparison - Total Revenues & Expenditures
 Estimated FY 2000-01 and Budgeted FY 2001-02

	FY 00-01	FY 01-02	\$ / % CHANGE	
CENTRAL				
Revenues	\$120,820,150	\$127,308,085	\$6,487,935	5.4%
Expenses	121,629,553	129,207,061	7,577,508	6.2%
+/-	(\$809,403)	(\$1,898,976)		
EASTERN				
Revenues	\$68,705,156	\$69,295,786	\$590,630	0.9%
Expenses	68,149,209	68,797,171	647,962	1.0%
+/-	\$555,947	\$498,615		
SOUTHERN				
Revenues	\$117,209,289	\$126,864,363	\$9,655,074	8.2%
Expenses	119,130,730	125,724,974	6,594,244	5.5%
+/-	(\$1,921,441)	\$1,139,389		
WESTERN				
Revenues	\$60,434,668	\$69,581,627	\$9,146,959	15.1%
Expenses	60,029,162	69,516,587	9,487,425	15.8%
+/-	\$405,506	\$65,040		
SYSTEM OFFICE				
Revenues	\$3,745,769	\$4,191,010	\$445,241	11.9%
Expenses	3,795,769	4,191,010	395,241	10.4%
+/-	(\$50,000)	\$0		
ONLINE CSU				
Revenues	\$1,851,413	\$2,401,000	\$549,587	29.7%
Expenses	1,851,413	2,308,345	456,932	24.7%
+/-	\$0	\$92,655		
SYSTEM SUPPORT				
Revenues	\$15,412,924	\$8,342,634	(\$7,070,290)	-45.9%
Expenses	14,996,366	8,342,634	(6,653,732)	-44.4%
+/-	\$416,558	\$0		
SYSTEM TOTAL				
Revenues *	\$384,123,480	\$407,467,748	\$23,344,268	6.1%
Expenses **	\$385,916,513	\$408,087,782	22,171,269	5.7%
+/-	(\$1,793,033)	(\$620,034)		
TELECOM.				
Revenues	\$3,915,036	\$4,368,319	\$453,283	11.6%
Expenses	3,424,204	4,013,020	588,816	17.2%
+/-	\$490,832	\$355,299		

* Includes Consolidating Adj. FY01 (3,665,689) Banner; & FY01 (390,200) OnlineCSU, and FY 02 (516,757) OnlineCSU

** Includes Consolidating Adj. FY 01 (3,665,689) Banner

CONNECTICUT STATE UNIVERSITY SYSTEM

Dollar & Percentage Comparison -Total Revenues & Expenditures
 Budgeted FY 2000-01 and Budgeted FY 2001-02

	FY 00-01	FY 01-02	\$ / % CHANGE	
CENTRAL				
Revenues	\$118,678,317	\$127,308,085	\$8,629,768	7.3%
Expenses	119,856,471	129,207,061	9,350,590	7.8%
+/-	(\$1,178,154)	(\$1,898,976)		
EASTERN				
Revenues	\$66,172,782	\$69,295,786	\$3,123,004	4.7%
Expenses	65,706,711	68,797,171	3,090,460	4.7%
+/-	\$466,071	\$498,615		
SOUTHERN				
Revenues	\$113,618,829	\$126,864,363	\$13,245,534	11.7%
Expenses	114,714,389	125,724,974	11,010,585	9.6%
+/-	(\$1,095,560)	\$1,139,389		
WESTERN				
Revenues	\$59,452,022	\$69,581,627	\$10,129,605	17.0%
Expenses	59,785,495	69,516,587	9,731,092	16.3%
+/-	(\$333,473)	\$65,040		
SYSTEM OFFICE				
Revenues	\$3,895,310	\$4,191,010	\$295,700	7.6%
Expenses	3,895,310	4,191,010	295,700	7.6%
+/-	\$0	\$0		
ONLINE CSU				
Revenues	\$1,963,545	\$2,401,000	\$437,455	22.3%
Expenses	1,963,545	2,308,345	344,800	17.6%
+/-	\$0	\$92,655		
SYSTEM SUPPORT				
Revenues	\$12,692,320	\$8,342,634	(\$4,349,686)	-34.3%
Expenses	12,975,568	8,342,634	(4,632,934)	-35.7%
+/-	(\$283,248)	\$0		
SYSTEM TOTAL				
Revenues *	\$372,772,126	\$407,467,748	\$34,695,622	9.3%
Expenses **	\$375,720,606	\$408,087,782	32,367,176	8.6%
+/-	(\$2,948,480)	(\$620,034)		
TELECOM.				
Revenues	\$4,016,618	\$4,368,319	\$351,701	8.8%
Expenses	3,716,618	4,013,020	296,402	8.0%
+/-	\$300,000	\$355,299		

* Includes Consolidating Adj. FY01 (3,176,883) Banner; & FY01 (524,116) OnlineCSU, and FY 02 (516,757) OnlineCSU

** Includes Consolidating Adj. FY 01 (3,176,883) Banner

CONNECTICUT STATE UNIVERSITY SYSTEM

Management/Confidential & Administrators (SUOAF/AFSCME)

Salary Caps FY 2000-01 and FY 2001-02

Management / Confidential

	<u>Central</u>	<u>Eastern</u>	<u>Southern</u>	<u>Western</u>	<u>System Office & System Support</u>
FY 2000-01 (BOT APPROVED BR 2000-54)	\$2,995,443 @	\$2,283,674 @	\$2,801,064	\$2,241,489 @	\$2,739,615
FY 2001-02 (REQUESTED CAP)	\$3,115,309	\$2,698,241	\$3,167,524	\$2,492,859	\$3,004,359
Change	\$119,866	\$414,567	\$366,460	\$251,370	\$264,744

Administrators (SUOAF /AFSCME)

	<u>Central</u>	<u>Eastern</u>	<u>Southern</u>	<u>Western</u>	<u>System Office & System Support</u>
FY 2000-01 (BOT APPROVED BR 2000-54)	\$9,484,967	\$6,088,335	\$9,052,343	\$4,842,248	\$1,157,335
FY 2001-02 (REQUESTED CAP)	\$10,262,282	\$6,294,237	\$9,878,599	\$5,586,710	\$1,226,713
Change	\$777,315	\$205,902	\$826,256	\$744,462	\$69,378

@ Adjusted at Mid Year

ATTACHMENT TO BR#01-48

ITEM

FY2001-02 Institutional Spending Plans and Authorized Expenditure Levels for Management and Confidential Professional Personnel and SUOAF-AFSCME Administrators

BACKGROUND

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 expenditure of the funds of the institutions under its jurisdiction within the amounts available;..." In addition, under the provisions of Board Resolution 92-31, dated April 3, 1992, the Board of Trustees granted to the Chancellor and university presidents authority to establish and refill positions within approved spending caps. University spending caps may be adjusted during the fiscal year upon approval of the Chancellor. System Office spending cap adjustments are contingent upon approval of the Board Chairperson. Additionally, the universities and the System Office are required to submit proposed spending plans to the Finance and Administration Committee for their review and subsequent recommendation to the Board for its approval.

ANALYSIS

The proposed FY2001-02 educational and auxiliary services' spending levels for the universities and the System Office were reviewed by the Finance and Administration Committee and other members of the Board during discussions with the Chancellor and his staff, and the presidents of the universities and their staffs on May 11, 2001. The discussions covered a number of issues of concern to each university and the System Office, as well as issues relating to the educational and fiscal viability of our universities. Brief highlights of the major issues are discussed in the following paragraphs.

System Spending Projections

Overall, FY2001-02 spending projections for the System (including the four universities, System Office, Systemwide, and *OnlineCSU*, excluding grants, intra/inter agency, and bond funds) reflect an increase of 5.7% over estimated FY2000-01 expenditures, and 6.4% over budgeted FY2000-01 expenditures, primarily due to salary increases, annualization of salary requirements for positions filled for only a portion of the current fiscal year, and staff additions (refills of vacancies as well as new positions) in such areas as Faculty, Library Services, and campus Information Technology. The implementation of the core Banner system, which was initially scheduled to conclude in FY2002, has been accelerated, and will conclude in FY2001. Remaining expenditures for Banner in the FY2002 budget relate to final implementation and training occurring locally on each campus, and Banner-related enhancements to be implemented Systemwide in FY2002, including Web for Student, Faculty, Employee, and Alumni, as well as CAPP (Degree Audit) and SEM (Strategic Enrollment Management).

Student Enrollments

For FY2001-02, full-time undergraduate enrollment is projected to increase by 1.5% at Eastern, 2.0% at Southern, and 6.8% at Western. Central is projecting flat enrollment. CSU is literally "bulging at the seams". CSU's full-time student enrollment now exceeds the largest number of students we had ever previously enrolled, and we are at capacity. The National Center for Educational Statistics of the Department of Education, in its report entitled, "Projections of Educational Statistics to 2010", projects for Connecticut a 23% growth in the number of public high school graduates between 1998-99 and 2009-10. This projected growth will result in increased demand for higher education over the next ten years. Without additional State investment in higher education to fund the expansion of our educational infrastructure - faculty and staff - to accommodate this projected need, enrollment increases of the type expected in FY2002 may not be possible in the future.

Enhancing the Public Awareness of the Connecticut State University System (CSU)

In FY1995-96, the Board began a significant continuing programmatic initiative to enhance the public's awareness of and improve the image of the Connecticut State University System. The thrust of this program has been to better inform the public about the excellent educational programs the Connecticut State University System provides for them and their children, as well as the contributions CSU makes to the economic development of the State. Targeted distribution of a new newsletter, "CSU Universe", television and radio advertising, an enhanced website, and participation in the Governor's "You Belong in CT" campaign, have resulted in greater media coverage across the board for CSU.

During the next fiscal year, \$189,600 will be expended for a continuing program to complement our earlier efforts. The specific activities to be undertaken are described in the budget briefing book.

System Office, Information Technology Services and Systemwide Activities - General

Spending plan proposals for the System Office and for Systemwide Activities include information technology, telecommunications, and other projects that assist the system as a whole. Funding for the proposed activities will be met through

- a) an allocation from the distribution of State general fund appropriations,
- b) new bond funds approved by the General Assembly,
- c) interest earnings on systemwide reserves which may be used without drawing down the reserve base amount,
- d) *OnlineCSU* revenue,
- e) systemwide reserves for selected projects, and
- f) operating revenues (Telecommunications).

System Office

The System Office is projecting expenditures of \$4.1 million for FY2001-02, a net increase of 9.2% over FY2000-01 estimate and 5.0% over FY2000-01 budget, or \$345,241 and \$195,700, respectively (excluding repayment of Banner borrowing). This funding continues the normal activities performed in the System Office and in addition will provide for a) staff merit pay increases; and b) annualization of salary requirements for positions filled for only a portion of the current fiscal year.

Information Technology Services

For FY2001-02, we are projecting expenditures for Information Technology Services (ITS) of \$9.0 million, an increase of \$559,489 or 6.6% over FY2000-01 estimate and an increase of \$447,385 or 5.2% versus FY2000-01 budget. After transfer of capital equipment bond funding to the universities, the comparable expenditures for information technology at the systemwide level are \$5.5 million in FY2000-01 (estimate) and \$6.1 million in FY2001-02, an increase of 10.2%. After transfers, comparable expenditures versus FY2000-01 budget show an increase of 8.0%. The increase versus estimate is mainly due to certain initiatives which will benefit the entire System, such as funding for additional Systemwide internet bandwidth and increased costs for Systemwide hardware and software maintenance and licenses; as well as salary increases and the incorporation of staffing back into ITS for ongoing operation and maintenance of the ERP (Banner), which is partially offset by a decrease in consulting and professional services. The planned expenditure of \$6.1 million continues many of the normal Information Technology Services office activities, and includes a \$250,000 carryforward from the current fiscal year. The specific activities are described more fully in the budget briefing book.

Systemwide Activities

In addition to the projects discussed above, we are proposing to continue other systemwide initiatives to be funded from systemwide fiscal resources. These initiatives total \$956,847 and include a) university master planning, b) legal counsel for personnel grievances and grievance arbitration, c) systemwide public relations and publications including the *Connecticut Review*, d) systemwide academic conferences, e) the Committee on the Arts, f) job evaluation activities, including consulting services to undertake a reevaluation of all Management/Confidential positions throughout the System, g) strategic planning, h) development of performance measures and assessment, i) continuation of the contract compliance unit, j) internal audit consulting services to address such areas as IT audits, k) research regarding economic factors, and CSU's impact on economic clusters within the State, and l) financial consulting services to address issues arising from the conversion to the new mandated financial reporting format (GASB 35).

Finally, \$89,900 is recommended for the Global Majority Retreat, a self-supporting enterprise.

Telecommunications System Activity

The Telecommunications operation is completing its seventh year of activity. Revenues are slightly below projections this fiscal year; operating expenditure projections are below budget as well, resulting in an addition to reserves of \$490,832. The Telecommunications budget for FY2001-02 is projected at \$4.0 million, resulting in a surplus of \$355,299, which will be transferred to the Telecommunications plant fund in accordance with the Board's fund balance guideline requirements (BR#01-02).

This past fiscal year Telecommunications continued the implementation of proactive network management tools. Tools to manage and shape the traffic on the network are being implemented. This implementation and learning process will continue into FY2001-02. Additional upgrades to the Internet will be required to support the growing use of learning materials and collaboration. The implementation of E911 has been completed. The telecommunications management system has been installed and tested. Expansion of the use of the telecommunications management system to the Universities will take place this year.

This year plans exist to replace the old voice mail systems and UPS batteries and begin the necessary upgrade of some PBX equipment. Funding for these needs will come from the telecommunications equipment reserves, which have been set aside over the past few years.

OnlineCSU

In FY2001, *OnlineCSU* broke even for the first time. The third year was the most successful yet: thirty-three courses were offered in the Fall 2000 semester, serving a total of 573 students; and forty-five courses were offered in Spring of 2001, with an enrollment of 971 students. In FY2002, it is expected that enrollment will increase by 26.6%, and that \$92,655 in surplus will be shared with the four universities, after payment of online service provider fees, university expenses such as faculty stipends and summer/winter salaries, and expenses for System Office support.

Central Connecticut State University

Central projects educational and auxiliary services' expenditures of \$114.3 million for FY2001-02, \$6.9 million or 6.4% greater than FY2000-01 estimate, and \$7.3 million or 6.8% greater than FY2000-01 budget. Overall expenditures including equipment bond funds and federal and private grants amount to \$129.2 million. The \$6.9 million increase can be attributed mainly to salary increases and annualization of salary requirements for positions filled for only a portion of the current fiscal year; as well as increases in utilities and other fixed costs.

For FY2001-02, Central projects a deficit of \$1,898,976, mainly as a result of reduced housing and food service revenue, due to the closing of Sheridan Hall for renovations in FY2002; as well as the effect of flat enrollment on revenue. Central's undesignated fund balance is in compliance with Board guideline requirements for FY2001-02.

Eastern Connecticut State University

Eastern's educational and auxiliary services' expenditures are projected at \$60.4 million for FY2001-02, \$3.2 million or 5.6% higher than FY2000-01 estimate, and \$2.7 million or 4.6% higher than FY2000-01 budget. Overall expenditures including equipment bond funds and federal and private grants amount to \$68.8 million. The \$3.2 million increase can be attributed primarily to salary increases, annualization of salary requirements for positions filled for only a portion of the current fiscal year, and staff additions, including seven new faculty positions.

Eastern projects a surplus of \$498,615 for FY2001-02. Eastern's undesignated fund balance is projected to meet the Board's fund balance guideline requirements for FY2001-02.

Southern Connecticut State University

Southern projects educational and auxiliary services' expenditures of \$114.6 million for FY2001-02. This is an increase of approximately \$6.8 million or 6.3% over FY2000-01 estimate, and \$8.8 million or 8.4% over FY2000-01 budget. Overall expenditures including equipment bond funds and federal and private grants amount to \$125.7 million. The \$6.8 million increase can be primarily attributed to salary increases, annualization of salary requirements for positions filled for only a portion of the current fiscal year, staff additions, and increases in operating expenses (notably increases in fuel costs, building leases, a new payment system, professional services, and accreditation costs).

Southern is projecting a surplus of \$1,139,389 for FY 2001-02. Southern's undesignated fund balances are projected to be within Board guidelines for FY2001-02.

Western Connecticut State University

Western projects educational and auxiliary service expenditures of \$58.5 million for FY2001-02, an increase of \$4.7 million or 8.8% over FY2000-01 estimate and \$4.1 million or 7.6% over FY2000-01 budget. Overall expenditures including equipment bond funds and federal and private grants amount to \$69.5 million. The \$4.7 million increase is due to salary increases, the annualization of salary requirements for positions filled for only a portion of the current fiscal year, and the hiring of additional staff, including six new faculty; as well as increases in operating expenses (including utilities, advertising, and supplies).

Western is projecting a surplus of \$65,040 for FY 2001-02. This surplus includes \$475,000 in supplemental funding provided to the university from Systemwide reserves in FY2001-02 to partially offset the effect on the university of the distribution formula implemented this year. (The previous funding formula was projected to reduce Western's funding support by approximately \$3.0 million, and was being implemented progressively over 10 years, so that Western could ratchet down its spending gradually in response. FY2001-02 would have been the seventh year of this 10-year implementation. The new funding formula has the effect of accelerating the implementation, so that Western would have had to absorb the

entire remaining funding reduction in FY2000-01. Therefore, a two-year funding "bridge" was implemented in FY2000-01, to assist the university in implementing the new formula.)

Western's undesignated fund balances are projected to be within Board guidelines for FY2001-02.

Summary

The spending plan proposals have been reviewed by the Finance and Administration Committee and other members of the Board in consultation with the university presidents and their staffs and the Chancellor and his staff. The spending plan proposals are consistent with Board guidelines and reflect the allocation of resources toward the achievement of institutional strategic plan goals. Central is presenting a deficit budget, while Eastern, Southern, and Western are presenting surplus budgets. Central's use of reserves is primarily due to reduced housing and food service revenue, as a result of the closing of Sheridan Hall for renovations in FY2002; as well as the effect of flat enrollment on revenue.

The proposals for the System Office, Information Technology Services (ITS) and other systemwide activities, reflect several new or expanded initiatives reflecting Board priorities, as well as normal inflationary increases. The ITS spending plan proposal incorporates the activities identified in several studies completed over the last five years. In addition, funding is proposed to continue a number of systemwide activities that provide a variety of services to the universities.

CHANCELLOR'S RECOMMENDATION

The proposed FY2001-02 Institutional Spending Plans and Authorized Expenditure Levels for Management and Confidential Professional Personnel and SUOAF-AFSCME Administrators be approved.