



# Connecticut State University System

39 Woodland Street ■ Hartford, CT 06105-2337 ■ 860-493-0000 ■ [www.ctstateu.edu](http://www.ctstateu.edu)

**BR# 09-67**

## RESOLUTION

concerning

### GENERAL FUND DISTRIBUTION METHODOLOGY

October 8, 2009

- 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, A new funding 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 and again in 2008 to bring more equity to certain aspects of the model, and
- WHEREAS, Further adjustments are required to address the variability of the General Fund block grant funding to each university engendered by the current model, and 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 of \$6,500,000 (including fringe), 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 FY2009 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, including the in-state and out-of-state enrollment split.
- Any university whose annual adjusted full-time-equivalent of full-time student enrollment, calculated as described above, exceeds their FY2009 adjusted full-time-equivalent of full-time student enrollment number in a subsequent year will not receive any additional General Fund dollars; however, they will retain the additional tuition and fee revenue generated as a result of this increased enrollment. Conversely, if a university's annual adjusted full-time-equivalent of full-time student enrollment number in any year is less than their FY2009 adjusted full-time-equivalent of full-time student enrollment number by .5% or greater, that university will be assessed a proportional reduction in their amount of variable General Fund based on the reduced enrollment number.
- 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 FY2009 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, including the in-state and out-of-state enrollment split. 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.
- All General Fund fringe benefit funding will be distributed formulaically as part of the overall block grant.
- 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 year 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 total 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 immediately, and be it further

RESOLVED, That the distribution methodology will be reviewed biennially effective July 1, 2011, and be it further

RESOLVED, That BR#08-40 be rescinded.

A Certified True Copy:

  
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 David G. Carter, Chancellor