

Comparison of Budget Proposals for CSCU
FY 24 and FY 25 as of April 24

From FAC representative to the BOR

David Blitz, 04/24/23

FY 19 - 23 Budgets

	Actual FY 19	Actual FY 20	Appropriation FY 21	Governor Recommended		Legislative	
				FY 22	FY 23	FY 22	FY 23
General Fund							
Office of Higher Education	35,815,092	37,236,889	37,524,573	37,411,975	37,482,331	37,511,975	37,582,331
University of Connecticut	194,977,820	199,907,902	211,250,337	202,784,065	207,784,065	208,184,065	208,184,065
University of Connecticut Health Center	122,384,538	127,578,333	135,850,006	173,692,617	133,816,565	135,730,117	133,730,117
Connecticut State Colleges and Universities	301,184,200	302,676,443	320,030,686	322,337,127	322,337,127	317,864,939	317,864,939
Total - General Fund	654,361,650	667,399,567	704,655,602	736,225,784	701,420,088	699,291,096	697,361,452
Total - Appropriated Funds	654,361,650	667,399,567	704,655,602	736,225,784	701,420,088	699,291,096	697,361,452

CT State Budget, FY22 and FY23, p. 277

Summary by Year

FY 19	301.1 (Actual)
FY 20	302.6 (Actual)
FY 21	320.0 (Appropriation)
FY 22	317.8 (Legislature)
FY 23	317.8 (Legislature, constant, actual)

Governor's Proposal. 24 - 25

Continuation of Temporary Operating Support (\$ in millions)			
Constituent Unit	FY 2023	FY 2024	FY 2025
UConn & UConn Health	147.2	73.6	36.8
CT State Colleges and Universities	195.3	97.7	48.8
Total	342.5	171.2	85.6

Governor' Proposal, p. 25/33

CONNECTICUT STATE COLLEGES AND UNIVERSITIES		
Charter Oak State College	3,127,472	3,182,468
Community Tech College System	223,495,341	230,927,259
Connecticut State University	176,054,688	177,020,432
Board of Regents	460,084	466,906
Developmental Services	10,042,069	10,190,984
Outcomes-Based Funding Incentive	1,354,341	1,374,425
O'Neill Chair	315,000	315,000
AGENCY TOTAL	414,848,995	423,477,474

Governor' Proposal, C-11, p. 231

Note:
 414.8 Gov
 - 317.8 FY23
 97.0 Diff.
 97.7 ARPA
 or coincidence

Appropriations Committee

Budget Components	Governor Recommended		Committee		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
FY 23 Appropriation - GF	317,864,939	317,864,939	317,864,939	317,864,939	-	-
Policy Revisions	56,706,020	60,023,552	65,206,020	71,706,020	8,500,000	11,682,468
Current Services	40,278,036	45,588,983	40,278,036	45,588,983	-	-
Total Recommended - GF	414,848,995	423,477,474	423,348,995	435,159,942	8,500,000	11,682,468

Note 1: 8.5 for FY 24, 25 added from unexpended Roberta Willis scholarship

Current Services covers SEBAC pay increases

Note 2: 6.5 added for FY25 for Guided Pathways; FY24 covered by ARPA

Adds up to 15. but 11.6 indicated as difference from Governor

Total Proposed by appropriations committee:

FY 24: 423.3 (+ 8.5 from Governor)

FY 25: 435.1 (+ 11.6 from Governor)

Appropriations Committee

	Account	Actual FY 21	Actual FY 22	Appropriation FY 23	Governor Recommended		Committee	
					FY 24	FY 25	FY 24	FY 25
	Other Current Expenses							
	Workers' Compensation Claims	3,225,818	-	-	-	-	-	-
1	Charter Oak State College	3,284,028	5,005,361	3,291,607	3,127,472	3,182,468	3,127,472	3,182,468
2	Community Tech College							
3	System	148,518,817	196,436,729	149,563,169	223,495,341	230,927,259	208,495,341	217,494,271
	Connecticut State University	152,182,340	197,809,486	154,172,093	176,054,688	177,020,432	176,054,688	178,635,888
	Board of Regents	404,258	436,324	408,341	460,084	466,906	460,084	466,906
	Developmental Services	8,868,138	9,521,073	8,912,702	10,042,069	10,190,984	10,042,069	10,190,984
	Outcomes-Based Funding Incentive	1,196,016	1,285,244	1,202,027	1,354,341	1,374,425	1,354,341	1,374,425
	Institute for Municipal and Regional Policy	360,000	-	-	-	-	-	-
	O'Neill Chair	-	-	315,000	315,000	315,000	315,000	315,000
4	Debt Free Community College	-	-	-	-	-	23,500,000	23,500,000
	Agency Total - General Fund	318,039,415	410,494,217	317,864,939	414,848,995	423,477,474	423,348,995	435,159,942

Appropriations Cte Budget proposal, Apr 18, p. 246

Note 1: Keeps Charter Oak at 3.1-3.2 level

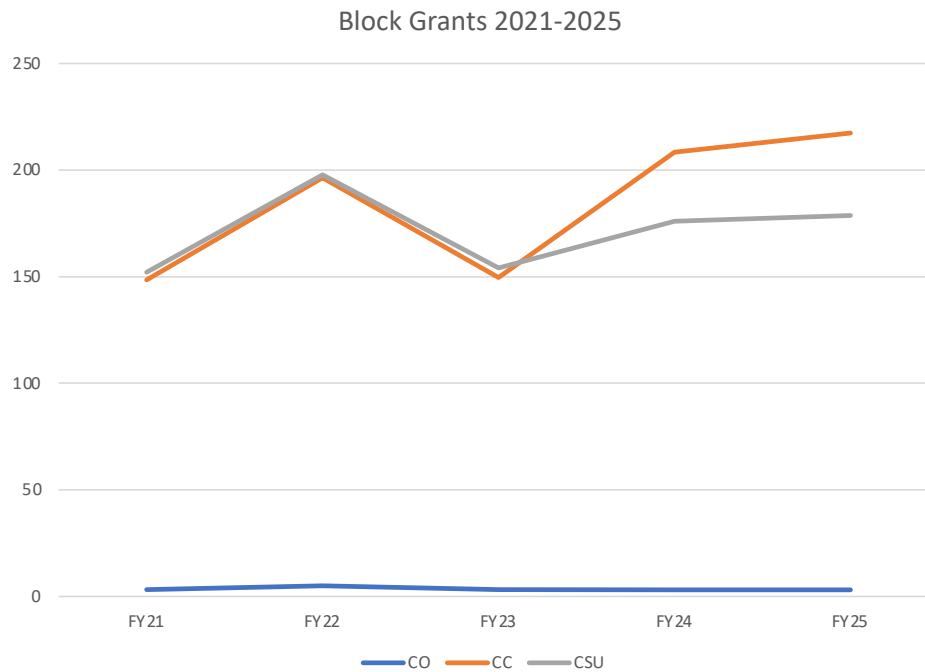
Note 2: Proposes less for CC than Governor, both years

Note 3: Proposes more funding for CC-system compared to CSU for both years.

Difference Approp = 217.4(CC) – 178.6 (CSU) = 38.8 (FY 25); difference Gov = 230.9 – 177.0 = 53.9 (FY25)

Note 4: Proposes 23.5 for debt free CC (PACT+)

Block Grants: CO, CC, CSU



Note 1: FY24, FY25 as per Appropriations Cte. recommendation

Note 2: Administrative costs (eg mgt confidential) are deducted by SO/CSCU from block grants

CO: Charter Oak State College
CC: Community- Technical College System
CSU: Connecticut State Universities System

CSCU 2030 REQUEST

	General Fund	FY23	FY 24	FY 25
1	Charter Oak State College	\$3,291,607	\$6,042,213	\$8,979,788
	Community Tech College System	\$149,563,169	\$269,170,417	\$285,597,127
2	Connecticut State University	\$154,172,093	\$257,099,860	\$292,044,640
	Board of Regents	\$408,341	\$408,341	\$408,341
	Developmental Services	\$8,912,702	\$8,912,702	\$8,912,702
	Outcomes-Based Funding Incentive	\$1,202,027	\$1,202,027	\$1,202,027
	O'Neill Chair	\$315,000	\$315,000	\$315,000
	Agency Total - General Fund	\$317,864,939	\$543,150,560	\$597,459,625

	Additional Funds Available	FY23	FY 24	FY 25
	Carryforward Funding	\$58,508,926	—	—
	American Rescue Plan Act	\$178,600,000	—	—
	PACT (funded in FY 23 with FY 21 Carryforward)	\$15,000,000	\$81,105,899	\$100,313,288
	Agency Total - General Fund	\$569,973,865	\$624,256,459	\$697,772,913

3	SEBAC-related costs	\$179,875,536	\$148,053,670	\$180,673,615
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Note 1: Increase in Charter Oak from
FY 23: 3.2 to
FY 25: 8.0
250% increase over 2 years

Note 2: CC request for FY23 greater than CSU
request:
FY 23: 149.5 comp. to 154.1
FY 24: 269.1 comp. to 257.0
but
FY 25: 285.5 comp. to 292.0
But see Approp. Cte for maintaining greater
CC funding both years

Note 3: SEBAC related costs include wages,
bonuses, fringe (medical, pension, others).
Gov. proposal for higher ed to pay all medical
fringe (only).
Wage increases:
FY 24: 40.2
FY 25: 45..5 (see previous slide)

CSCU 2030 REQUEST

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Note 4: PACT funding (“free” college):

FY 23: 15.0

FY 24: 81.1

FY 25: 100.3

Approp: 23.5 both years

Comparisons

Comparisons	FY24	FY25
Governor Proposal	414.8	423.7
Appropriations Cte.	423.3	435.1
CSCU 2030 (without PACT)	543.1	597.4
CSCU 2030 (with PACT+)	624.2	697.7

CSCU 2030 with PACT is more than double baseline FY23, without further explanations (other than PACT+)

Table of Comparisons: Approps in middle column

Appropriations Comparison								
		Gov		Approps		CSCU 2030		
General Fund	FY23	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	
4 Charter Oak State College	3,291,607	3,127,472	3,182,468	3,127,472	3,182,468	6,042,213	8,979,788	
Community Tech College System	149,563,169	223,495,341	230,927,259	208,495,341	217,494,271	269,170,417	285,597,127	
Connecticut State University	154,172,093	176,054,688	177,020,432	176,054,688	178,635,888	257,099,860	292,044,640	
Board of Regents	408,341	460,084	466,906	460,084	466,906	408,341	408,341	
Developmental Services	8,912,702	10,042,069	10,190,984	10,042,069	10,190,984	8,912,702	8,912,702	
Outcomes-Based Funding Incentive	1,202,027	1,354,341	1,374,425	1,354,341	1,374,425	1,202,027	1,202,027	
O'Neill Chair	315,000	315,000	315,000	315,000	315,000	315,000	315,000	
Agency Total - General Fund	317,864,939	414,848,995	423,477,474	399,848,995	411,659,942	543,150,560	597,459,625	
Additional and One-Time Funds Available								
1 Carryforward Funding	58,508,926			55,000,000	27,500,000	-	-	
2 American Rescue Plan Act	178,600,000	97,700,000	48,800,000	97,700,000	48,800,000	-	-	
3 PACT (funded in FY 23 with FY 21 Carryforward)	15,000,000			23,500,000	23,500,000	81,105,899	100,313,288	
Agency Grand Total	569,973,865	512,548,995	472,277,474	576,048,995	511,459,942	624,256,459	697,772,913	

Note 1: Adds CarryForward of 55.0 in FY24 and 27.5 in FY25 in Approps. proposal

Note 2: Adds transition 97.5/48.8 from ARPA to baseline Approps. proposal

Note 3: Adds PAC+ at 23.5 for both years

Note 4: CC = 208.4/217.4 compared to CSU 176.0/178.6

CSCU FY24_FY25 vs FY23 Proj, FY22 Actual Rev 4-10-23.xlsx (from SO)

Assumes Gov. Recommend: Note 1: Gov. Recommend per Budget Proposal:
 FY 24: 346.6 FY 24: 414.8 (diff: +68.2)
 FY 25: 348.3 FY 25: 423.4 (diff: +75.1)

Total Revenue; Note 2: Approp. Cte. Recommends:
 FY 24: 1,358.9 FY 24: 423.3 (+ 8.5 from Governor; Tot: +76.3)
 FY 25: 1,324.1 FY 25: 435.1 (+ 11.6 from Governor); Tot: +86.7)

Expenditures: Note 3: From previous slide, Approp. grand total:
 FY 24: 1,491.4 FY 24: 576.0 (+161.2 from Gov. recommend)
 FY 25: 1,553.6 FY 25: 511.4 (+ 88.0) (includes CarryForward,
 ARPA transition, PACT)

Deficit (R-E, calculated): (R-E, calculated) + (Note3):
 FY 24: -132.5 FY 24: +28.7
 FY 25: -229.5 FY 25: -141.5

As Stated xlsx): (As stated xlsx) + (Note 3):
 FY 24: -164.8 FY 24: -3.6
 FY 25: -261.4 FY 25: -173.4

Latest Info FY24

317.86 FY23 baseline
 40.27 wage adjustment
 56.70 policy revisions
 (restructure fringe benefits)
 Total: 414.84

97.7 ½ FY 23 ARPA (if not
 previously included)
 Total: 512.54
 + 8.5 Approp. (Roberta Willis
 Scholarship)
 Total: 520.54

Compare:
 543.15 CSCU 2030 (without PACT)
 624.25 (with PACT = 81.1)

Statement by Pres. Cheng, Press Conference, Thurs. April 27

Speaking at a news conference at the Legislative Office Building, Connecticut State Colleges and Universities (CSCU) President Terrence Cheng today outlined the steps CSCU would be forced to take if the state budget as it is currently proposed is enacted. In recent weeks, CSCU and individual colleges and universities have been working on identifying actions they would need to take in the event of the passage of a budget that does not meet the system's basic operating needs.

Those actions include the following items:

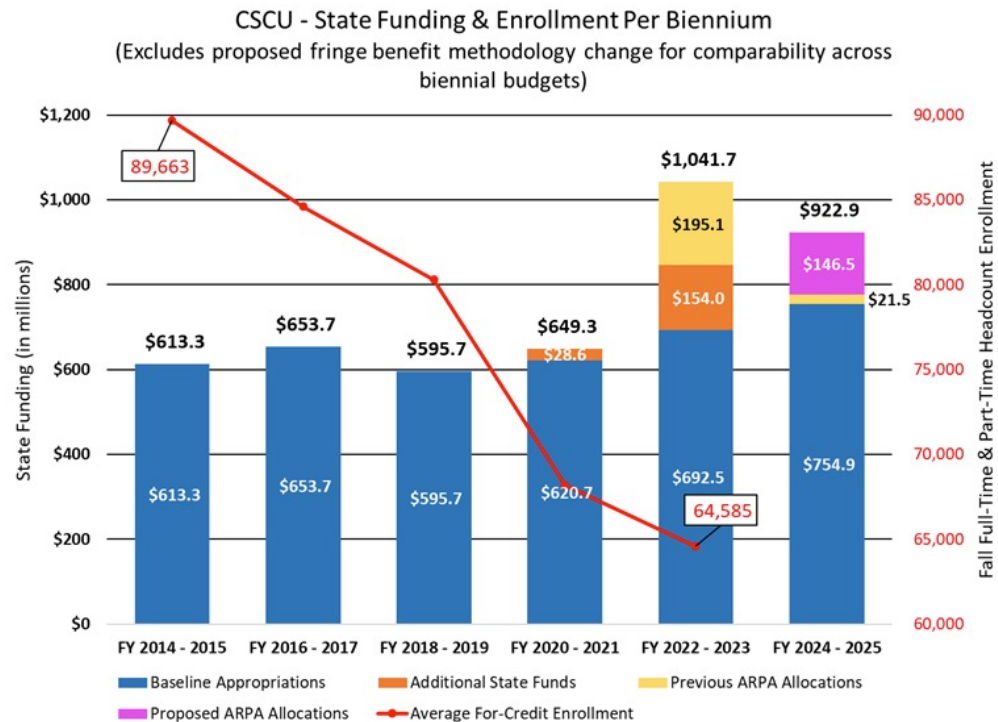
- More than 650 full-time faculty and staff layoffs
- Nearly 3,000 part-time positions eliminated
- Five-percent tuition increase per year at the community college for the next two years and 5 percent increase at the universities for the 2024-25 academic year
- Elimination of high-subsidy programs, most of which are those which meet the state's greatest workforce need

"The proposed state budget would harm students, the state's workforce, and communities," President Cheng said. "CSCU is an incredible system with amazing institutions that are the lifeblood of the communities they serve. We serve students from each of Connecticut's 169 cities and towns with locations providing access in every corner of the state and online. We are an inclusive system, providing opportunities for some of the most socioeconomically disadvantaged students in the state to pursue higher education and create social mobility for themselves and their families. We are the state's most important workforce pipeline with in-demand programs in everything from nursing and allied health, to bioscience and innovation, to IT and computer engineering, to business and manufacturing. Our students are Connecticut residents, and they stay here to live and work. This would all be at risk without adequate state funding."

As it is currently proposed, the state budget would leave CSCU with a projected \$335.1 million budget deficit over the 2024-25 biennium.

"We understand the need for fiscal restraint," President Cheng continued. "But it should never come at the expense of opportunity for our most disadvantaged students – especially at a time when our state's resources are more than sufficient to address students' needs."

OPM Statement following CSCU Press Conference, Thurs. April 27



Note: Graphic also in Gov. Proposed Budget

CSCU introduced the 2030 Plan in late January, which proposes appropriations of \$1.32 billion over the biennium, which represents an increase of \$629 million over FY 22/23 and \$330 million more than what CSCU officially requested this past fall. Their plan also proposes \$2.1 billion in bonding support over seven years, with \$545.84 million over the biennium.

CSCU's 2030 proposal is unrealistic, unsustainable and lacks a cohesive strategic plan guiding operations and investments that would lead to financial sustainability. The 2030 plan emerged only after the administration was transparent with CSCU leadership that CSCU's request for Connecticut taxpayers to make permanent one-time federal COVID funds was unsustainable and unrealistic.

Aside from requesting historic investments of capital and operating funds, the expansion of CSCU 2020 does not acknowledge or address the enrollment challenges or how these investments will strategically right-size the system. A coordinated, realistic strategic plan with realistic enrollment assumptions is critical, targeting the state's investments to the right locations and the right programs and creating a plan for a financially sustainable system.

Given those challenges, there must be an assessment of the actual needs for the system in responding to the market in which it operates. The Governor's budget proposes \$250,000 for an evaluation to assist CSCU in developing realistic recommendations as to how CSCU assets can be best leveraged to make the right investment in the right places.

Face the Facts: Taking a Deep Dive Into Education Funding, Budget Cuts in CT Colleges, Sunday, April 30

Mike Hydeck: So first up, are they facing shortfalls or not?

Jeffrey Beckham: Well, they say they are. It's apparent from the communications we've had within the last six or eight months that they do have some structural budget issues that they need to deal with. They are asking for all of the funding that we've given them the last couple of years, which as everyone knows, was supplemented greatly by federal funds, COVID era pandemic funding under the ARPA act. And it was well understood that that was one-time funding that should have been used for one-time expenses. They went without students for a while, as you know, so they were doing without some of the revenue that they have from having students on campus. So this was meant for that limited purpose during the pandemic emergency, but now that we're beyond that, it's time to move back to a more sustainable level of funding. And that's what the governor's budget provided for...

Mike Hydeck: And when these releases came out, and after the protests at the Capitol, lawmakers started hinting and talking about maybe there's a workaround here relating to funding higher education, whether it's the revenue intercept or another option. What's your response to that?

Jeffrey Beckham: Well, the governor supports our fiscal guardrails. He's been very clear about that. And important fiscal guardrails include our spending cap. We're not allowed to spend more than a certain amount of money. It's based on last year's expenditures grown by inflation. And we mean to stay within those caps. So the governor is not interested in any budget gimmicks like that to circumvent the guardrails. Those guardrails have served us well the last several years, gotten us to a very strong financial position, and we don't want to go backwards...

Mike Hydeck: Now for years, including under the past president of the state's colleges and universities, there was a consolidation plan Mark Ojakian started to get going years ago. Did that help at all? When you look at the balance sheet, is that still underway? Where is that, do you know?

Jeffrey Beckham: That has largely, that one college for the community colleges, that's to bring them under one administration, that does help, that is a good start. But they have much more to do there. As you know, their enrollment has declined tremendously in the last decade or so. It's down about 30% at the community colleges. It's down about 20% at the regional universities. They've got a way to go to right size themselves for the changes that have happened in the higher education market.

<https://www.nbcconnecticut.com/news/politics/face-the-facts/face-the-facts-taking-a-deep-dive-into-education-funding-budget-cuts-in-ct-colleges/3022821/>

Roles of Players

Governor:

- Balanced budget without “gimmicks” (intercepts)
- Build confidence in and expand CT economy
- Pay down pension deficit
- Provide tax relief across the board
- Maintain and expand social services (eg school lunch, abortion services)
- Meet basic needs of public higher education (eg: SEBAC pay increases)

Office of Planning and Budget (OPM)

- Prepares budget proposal according to Governor’s priorities
- Secretary appointed by Governor

Legislature:

- Use “intercepts” to skirt spending cap for special items
- Limit tax relief to middle and lower class with cap on earnings
- Uncertain about CSCU proposals given past administration promise to decrease costs through consolidation and lack of detail justifying new administration proposals.

CSCU

- New Leadership (president, provost; CFO continues)
- Never defined “full funding for public higher education” despite joint BOR/FAC meeting
- Seeks budgetary alliance with unions
- Maintains narrative of under-funding leading to layoffs and possible closings
- No consultation with FAC on budget request

SO

- Staff support to executive CSCU
- IT, AcadAff, Finance, etc.
- Now split into Woodland SO and CC/SO in New Britain
- Over 140 total staff

BOR

- New leadership (chair, vice-chair, ASA chair)
- Committed to consolidation of colleges
- Distinct from System Office (CSCU executive, staff)
- Approves items Units → SO → Committee → Board (eg academic progs) or directly from SO (eg budget, cuts).

Universities

- Four of six constituent units of the CSU system + consolidated CC, Charter Oak
- Should be considered as autonomous systems in “system of systems” approach to CSCU

FAC:

- Role to both “advise” and “assist” BOR
- Non-voting ex-officio members of BOR
- Not consulted or informed of CSCU 2030 buildings. or budget proposals
- Leadership regular meeting with SO provost
- Irregular meetings with other CSCU leaders

SAC

- Student Advisory Committee
- Voting members of BOR
- Sporadic participation, rapid turnover, SO “mentor”