

Board for State Academic Awards

Charter Oak State College
Connecticut Distance Learning Consortium

Minutes of Meeting July 31, 2008

Members Present: A. Hanzalek, E. Alquist, J. Long, J. Titley, J. Whitcomb

Staff: E. Klonoski, S. Adams, G. Claffey, D. Goldsmith, C. Williams

Guests: C. Hebert (COSC Marketing Director), J. Noonan (OPM), J. Jakubowski (President, AFSCME Local 1303)

1. Call to Order

A. Hanzalek called the meeting to order at 12:15 p.m.

2. Approval of Minutes of Meeting of May 15, 2008

On a motion made by E. Alquist and seconded by J. Long, the Board APPROVED the Minutes of May 15, 2008.

3. COSC Action Items

A. Conferral of Degrees

On a motion made by J. Whitcomb and seconded by J. Titley, the Board APPROVED Resolution 08-26, Conferral of Degrees.

B. Faculty Appointments

A. Hanzalek reported that the recommendations to the Core Consulting Faculty have been approved by the President's Advisory Committee (PAC) and the Academic Council. It was noted that all candidates have been interviewed by Dr. Adams.

On a motion made by J. Titley and seconded by J. Long, the Board APPROVED Resolution 08-27, Faculty Appointments.

C. Approval of Adjunct Consulting Faculty

S. Adams explained that these are the faculty who provide academic services that our Core Consulting Faculty are unable to provide.

On a motion made by J. Long and seconded by J. Titley, the Board APPROVED Resolution 08-28, Adjunct Consulting Faculty.

CTDLC Items

D. Fees for CT Virtual High School

D. Goldsmith reported that the CTDLC did not receive the second year of State surplus funds (no surplus funding available); therefore, a fee would need to be imposed for high school students taking the online courses for the upcoming year. Private schools were not a part of the first year of State funding but would be considered for the 2008-09 year at a rate higher than the public schools, as the State provided the initial funding for the project. As an incentive to the public schools, a small credit would be awarded to those school districts whose students successfully complete the course(s). Specifics about the grade accepted to be considered for completion of a course(s) is still under review. Without the State's contribution, it will take a period of time before many districts might enroll a high number of students. In addition, many of the districts have already passed their budgets for the new academic year and did not account for this initiative as a potential expenditure.

On a motion made by E. Alquist and seconded by J. Whitcomb, the Board APPROVED Resolution 08-29, Fees for the Virtual Learning Center.

4. BSAA Personnel Committee

A Hanzalek called on J. Titley to present the Personnel Committee's report.

E. Revision to Management / Confidential Increases

J. Titley reported that the first item is a revision to the Management / Confidential increases which were approved by the Board in May. Unfortunately, the initial resolution had July as the effective pay period. The pay period to be effective for the increases should have been June 20, 2008.

On a motion made by J. Long and seconded by E. Alquist, the Board APPROVED Resolution 08-30, Management / Confidential Revisions.

F. New Position and Position Description Revisions (COSC)

J. Titley reported that the new position and position description revisions are for Charter Oak State College. With the resignation of one part-time employee, staff is requesting that two part-time positions be consolidated to a full-time position which will have minimum budgetary impact. Another current 32-hour position provides support to student services and the Foundation and is being recommended to become a full-time position based on workload requirements. This position change will have a slight budgetary impact. The Personnel Committee is also recommending revised position descriptions for Assistant, Academic Affairs and Associate, Enrollment Services.

On a motion made by J. Whitcomb and seconded by E. Alquist, the Board APPROVED Resolution 08-31, New Position and Position Descriptions.

5. BSAA Action Items

COSC FY 08 & FY 09 Budget Overview

A. Hanzalek called upon Cliff Williams to present the College's budget items that are up for discussion and approval.

C. Williams explained that the items before the Board for its approval take in some fee changes, the FY 2010-2011 proposed budgets, the expenditure plan for FY 09, and the BSAA capital budget requests. Significant changes occurred for the College in FY 08 including the hiring of a new Executive Director / President and other leadership changes; a strategic plan with six major goals; and a new student information system which incorporates improved student services. The College surpassed its enrollment goals, expanded programming (paralegal, Alternate Route to Certification for Early Childhood), instituted a corporate partnership agreement, developed additional certificate programs, revamped the LPN program, and increased the numbers of rematriculed students.

C. Williams went on to report that the new student information system had a large impact on the staff. Training, along with system revisions, still continues. It has provided major efficiency improvements for the institution and greater service for those we serve. A Additionally, the College was able to implement Powerfaids into Jenzabar; which is a financial aid system. The College also bolstered its marketing, hiring a new director of marketing and expanding our online marketing initiatives. Finally, the College changed its Institutional Research position from part-time to full time and hired a much needed half-time instructional designer to assist with course development.

C. Williams provided an overview on the projected and actual receipts, noting that the FY 08 expenditures were lower than projected. Additionally, the College did not draw on as much of its reserves as expected and is ending FY 08 with a healthy reserve fund of \$1.7 million.

C. Williams further reported that FY 09 will be one of the more challenging of years – given the economic downturn which is now likely to carry into FY 2010 and FY 2011. Staff is being cautious with the projections in the distance learning area and has decided to forecast only a 14% increase for FY 09. The largest expenditure drivers will be in personnel costs (collective bargaining), the Alumni Road expansion, marketing support, and inflation. The Alumni Road expansion should actually happen this year but will bring some construction and furnishing costs totaling about \$50,000. Staff is recommending additional marketing dollars for FY 09, an area that the Board has requested be expanded. The expenditures for FY 09 will be about 12% above FY 08 and the College will use \$427,000+ from the reserve account for next year's budget. That amount includes many one time costs (construction costs at Alumni, professional services, software, etc.) and not ongoing costs.

COSC

H. COSC ESA Expenditure Plan FY 09

On a motion made by E. Alquist and seconded by J. Whitcomb, the Board APPROVED Resolution 08-32, FY 09 ESA Expenditure Plan.

I. COSC Fee Changes for FY 2010 and FY 2011

C. Williams reported that the Fees Committee reviewed the major drivers for increasing fees and that staff sought to stay consistent with the HEPI inflation index. The index factor for HEPI was at 3.6% a while back and then modified this week to 4.6% for higher education; so continual changes are in effect. Most fee increases are around 4%; some are slightly lower and some slightly above.

J. Titley suggested that the College consider avoiding the fee increases for our students for this fiscal year given that they too have seen constant increases in many other areas. If Charter Oak could hold its fees for FY 09, we might see a positive marketing effect from the General Assembly and the general public towards higher education. Most importantly, it would be good for our students. The newspapers are looking at the high fee increases of other institutions, and it might be to the College's advantage to hold the line on increases for FY 09. Last year, staff projected an ESA balance of \$1.4 million and we actually have \$1.7 million in the reserves. The College is looking at \$200,000 in revenue for fee increases and it seems that the ESA could take that hit along with using additional reserve funds to cover the costs.

C. Williams responded that staff is concerned about additional State rescissions. With the first rescission, the College lost about \$65,000 which actually comes to \$100,000 when figuring in the fringes. In addition, OPM is forecasting a continued downturn in FY 2010 and FY 2011. On the academic side, fees would increase only about 2% and distance learning fees about 5%.

J. Whitcomb asked if the College had in place a budget formula for its reserve account and if we boost enrollment over the next few years could that have a positive impact on the budget's bottom line. J. Whitcomb also indicated that he would like to see more aggressive goals on the revenue side.

C. Williams responded that a Resolution is in place that speaks to fund balances for both the College and the CTDLC and the percentages that need to be set aside for the building, building maintenance, disaster recovery, and continuity of operations. An increase in enrollments would have a positive effect on the budget's bottom line.

E. Klonoski responded that if the College foregoes fee increases this fiscal year, we would not recover those dollars in the following year. Charter Oak has the lowest fees in the State for earning a Bachelor's degree. Additionally, the College would not request new positions going forward. The BSAA has not received its much needed \$1.1 million in bond requests and it is unlikely that we will receive those technology funds until at least January 2009. Technology is our core business and without those funds we are facing terrible consequences. Therefore, both the CTDLC and Charter Oak might need to use some of those reserves in order to upgrade and replace our needed technology infrastructure until the bond funds are forthcoming.

On a motion made by J. Long and seconded by J. Whitcomb, the Board APPROVED Resolution 08-33, Fee Changes.

J. COSC Faculty Compensation FY 2010 and FY 2011

On a motion made by E. Alquist and seconded by J. Long, the Board APPROVED Resolution 08-34, Faculty Compensation

K. COSC 5-Year Statement of Operating Fund Receipts, Expenditures, and Fund Balance FY 07 through FY 2011

C. Williams explained that the FY 2010 and 2011 expenditure drivers continue to be in personal services and inflation. Additionally, the College is still pursuing a Master's degree program which, if approved, would have initial costs. The College has built in some new positions for assistance with the alumni and foundation along with a new phone system (should we receive capital funds), and an instructional designer. Staff expects the main revenues for those years to be in distance learning and academic services. The BSAA collective bargaining agreement will end as of that year.

On a motion made by J. Long and seconded by J. Titley, the Board APPROVED Resolution 08-35, 5 Year Statement of Operating Fund Receipts, Expenditures, and Fund Balance FY 07 through FY 2011

BSAA

L. BSAA Capital Budget Request FY 2010 & FY 2011

A. Hanzalek called on George Claffey to present the BSAA Capital Budget request.

George Claffey provided an overview on the capital equipment request for both Charter Oak and the CTDLC. Traditional colleges have teaching, research and faculty. The BSAA has teaching, learning and technology – technology being the critical component. We have a host of eLearning management systems, ePortfolio and a help desk in a 24/7 environment. Our technology costs include \$1.6 million in personnel, \$900,000 in operating (software, services, consulting) and \$500,000 for capital equipment. The BSAA has in place a five year technology plan which includes collaboration with other member institutions and leaders in K-12 and higher education that are dealing with challenges of today and concerns of tomorrow. We have received letters from both Governor Rell and Attorney General Blumenthal to increase our protocol to become compliant with security data, disaster recovery and business continuity. For FY 2010, we will look for replacement of enterprise servers, implementation of our own phone system, purchase of new laptops, desktops, data center management devices, and replacement of back-up equipment. These technology requirements are funded by State bond funds and without those funds we are placed in a precarious situation.

On a motion made by J. Whitcomb and seconded by E. Alquist, the Board APPROVED Resolution 08-36, Capital Budget Request.

CTDLC FY 08 & FY 09 Budget Overview

Diane Goldsmith highlighted the CTDLC FY 08 initiatives including launching a new strategic plan process, significant enrollment increases in the Adult Virtual High school, initiating the Northwest Tutoring collaborative, expanding the Northeast collaborative, building technical improvements to the data center, and the addition of two new learning management systems. The core business of the CTDLC is technology and capital funds

become extremely important to moving the organization forward and keeping up to date with the latest technological enhancements.

D. Goldsmith reported that the FY 08 receipts were up 11%., but the CTDLC business is more volatile than Charter Oak. With the downturn in the economy and technology- related businesses, the CTDLC could be significantly impacted. The CTDLC has a substantial fund balance of \$1 million and projecting a .1% decrease in revenues. The biggest drain on revenues for FY 09 will be the Virtual Learning Center (VLC) which will see no further State funding. Staff believes that over time, by working closely with the school systems, the VLC could eventually become profitable, but that will not happen overnight. Expenditure projections for FY 09 are 40% more than FY 08. The expenditure drivers for FY 09 are personnel costs, Alumni Road expansion and construction, hardware maintenance contracts, and capital equipment. At the end of FY 09, the CTDLC hopes to have a healthy fund balance of \$850,000+.

M. CTDLC ESA Expenditure Plan for FY 09

On a motion made by E. Alquist and seconded by J. Long, the Board APPROVED Resolution 08-37, CTDLC ESA Expenditure Plan for FY 09.

N. CTDLC – 5-Year Statement of Operating Fund Receipts, Expenditures, and Fund Balance FY 07 through FY 2011

D. Goldsmith noted that the drivers for FY 2010 and FY 2011 are inflation and personal services. The CTDLC expects a loss of \$150,000 in FY 2010 and \$42,000 in FY 2011. Thereafter, they expect to see positive revenues.

On a motion made by E. Alquist and seconded by J. Whitcomb, the Board APPROVED Resolution 08-38, CTDLC 5Year Statement of Operating Fund Receipts.

6. COSC Marketing Report / Plan

E. Klonoski introduced Carolyn Hebert, the new Director of Marketing.

C. Hebert presented an overview of the fall marketing campaign; noting that the College is building its brand awareness in order to increase enrollment, thereby increasing the College's profile. After reviewing the College's target audiences and knowing that about 60% of our students are Connecticut residents, the fall marketing campaign will become an integrated campaign with online student testimonials that are being tracked by URL. The radio campaigns are focusing on the greater Hartford, New Haven and Fairfield counties. The print campaign has been in major educational newsprint. We are experimenting with *post-it notes* on newspapers and testing online ads on various websites. Today is payday for 71,000 State employees who received a *paycheck stuffer* that spoke to the College's affordability. We have enhanced our efforts and Ed has spoken on radio programs in Putnam, Middletown, Norwalk, and Stamford. A Charter Oak student appeared on WFSB –TV talking about the importance of online courses given the gas increases. Additionally, we have expanded efforts in the Hispanic media and staff is working diligently to upgrade our website on a daily basis. We are also on a number of web sites – from DIGG, to Facebook and Babbalou.

A. Hanzalek congratulated Carolyn Hebert on a great presentation and on the wonderful marketing efforts to date.

7. Reports & Discussion Items

A. CTDLC Report

The Board received the report.

B. Financial Aid Report

The Board received the report.

C. Financial Reports

The Board received the reports.

D. Enrollment Management Reports

The Board received the reports.

E. Adjunct Faculty Report

The Board received the report.

8. Chairman's Report

A. Hanzalek reminded the Board members that the College will hold three signature events on October 3 - the Presidential Inauguration, a Shea Lecture and a Foundation Fundraiser. *Save the Date* cards should arrive this coming week followed by formal invitations around Labor Day. We hope that all Board members will attend.

9. Executive Director's Report

Ed Klonoski reported on the following

- The FY 2010 and FY 2011 budgets have been very conservatively crafted. There will be no new hires for FY 09 and will need to carefully monitor further State budget cuts.
- Shirley Adams continues to meet with faculty at Western CT State University about partnering with us on the Master's degree program. Approvals are still needed by DHE and NEASC, but it is looking much more positive. The Master's degree will be offered in organizational effectiveness.
- Webster Bank executives have approved the corporate partnership with Charter Oak. Liberty Bank is considering a corporate partnership and Mohegan Sun has made inquiries.
- The Alumni Road expansion actually will happen. The College and the CTDLC are still planning for a new building, but that will not happen in the near future.
- At a meeting with Steve Kitowicz from OPM, we learned that our bond funds will not be forthcoming until January at the earliest. After explaining our core

businesses and the importance of technology, we believe that he has a better understanding of our bond fund needs and that we are not looking to purchase desktops, printers, and Xerox machines, like other agencies.

- The Jenzabar system has been a great addition with offering online registration for our online courses.
- Lori Pendleton has done some good work in Hispanic recruitment and therefore has seen additional dollars from ConnCas funds.

10. Other Business

No further business.

11. Adjournment

At 2:30 p.m., on a motion made by J. Whitcomb, the Board Adjourned.

Secretary
July 31, 2008