



# Higher Education Fiscal Sustainability Board Meeting

January 6, 2025

Your Community. Your College.



In July of 2023, CT State became the **LARGEST COLLEGE** in Connecticut. Currently enrolling **64,883** students in AY23/24.

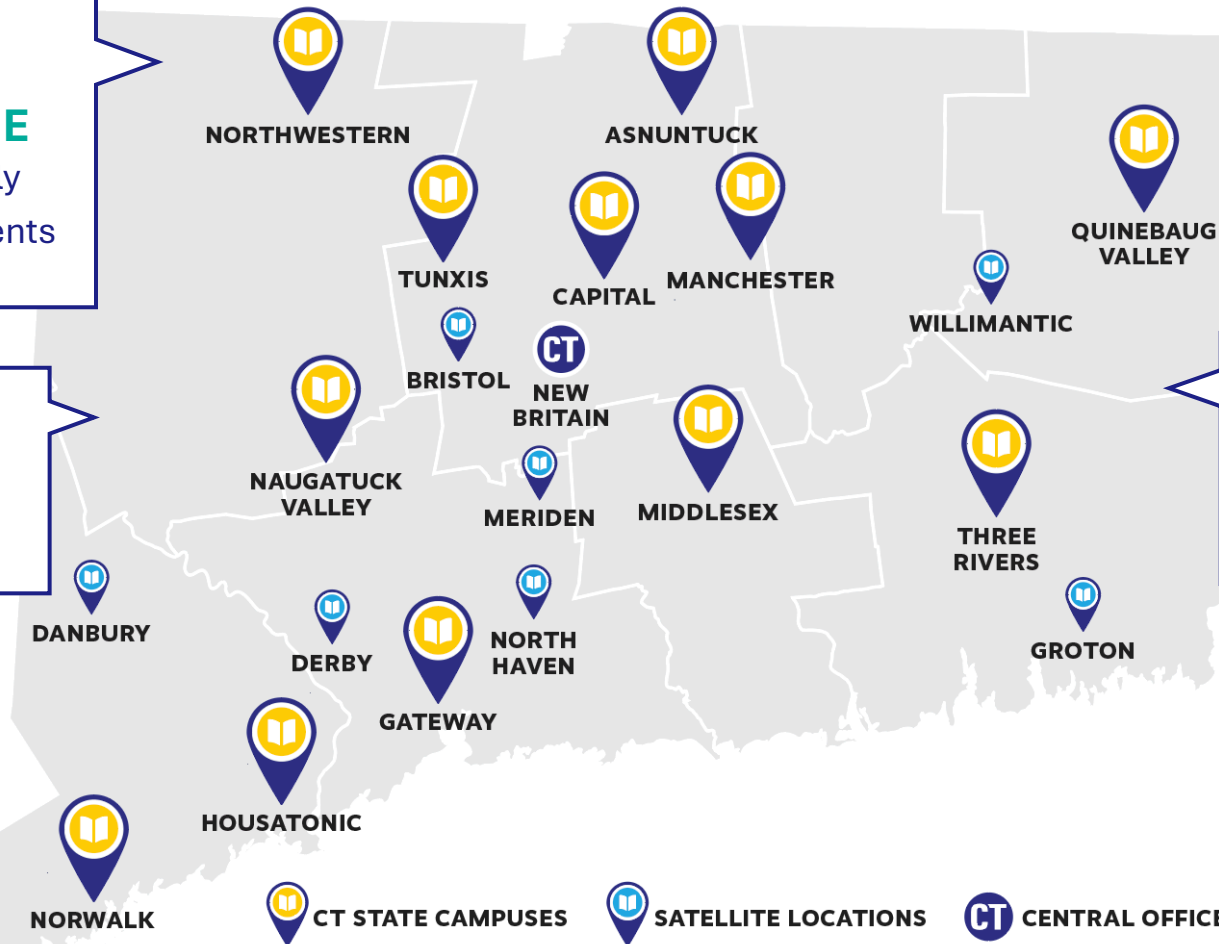
We serve **25%** of all undergraduate students in Connecticut.

We serve over **5,000** dual-enrolled high school students.

Connecticut's community colleges have a 60-year history of educating **250,000** alumni.

Over **90%** of our alumni remain in Connecticut and are Connecticut taxpayers.

**55-60%** are students of color; we are a minority-majority institution.





## AY 23/24 Credit Student Profile



**40,320**

### Are Degree-Seekers

Others are pursuing a certificate or short-term workforce training.

**27,166**

### Are First Generation Students

**38,829**

### Attend Part-Time

**27,952**

### Are Students of Color

We are a minority-majority institution.

**30,000**

### Work While Going to School

6,300 are parents attending school.

**11,000**

### Are Latine

Five of our campuses are Hispanic-serving institutions.

**15,071**

### Attend Classes at More Than One CT State Campus

(up from about 600 per term pre-merger)

**2,500**

### Have a Disability or Accommodation Needs

**300**

Credit Programs

**15:1**

Student to Faculty Ratio

**221:1**

Student to Advisor Ratio

98% of CT State students are from Connecticut, representing all CT school districts.

36,315 Credit  
Students in  
Fall 2024

65,000  
Students  
Served in  
AY23/24

Credit enrollment up 4% from Fall 2023

93% are associate or certificate seekers

67% are from families without a bachelor's degree

61% are women

62% are BIPOC

67% are attending part-time

65% are taking at least one course online

Students from all 169 towns



## Allied Health and Nursing

Largest Producer of Health  
Career Grads in CT

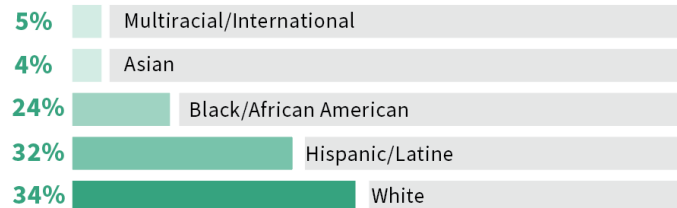
**32** Credit and Non-Credit Programs

**8,988** Annually Enrolled Students

**1,801** Free Tuition Students Enrolled

**98%** NCLEX-RN Pass Rate

**\$86K/YR** or \$40/HR, average wage for a  
starting registered nurse



## Information Technology and Computer Science

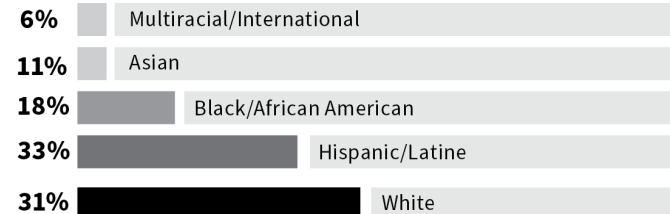
Leading Producer of IT  
Professionals in CT

**46** Credit and Non-Credit Programs

**3,031** Annually Enrolled Students

**776** Free Tuition Students Enrolled

**\$42K/YR** or \$21/HR, entry level wage for  
IT workers in Connecticut





## Manufacturing

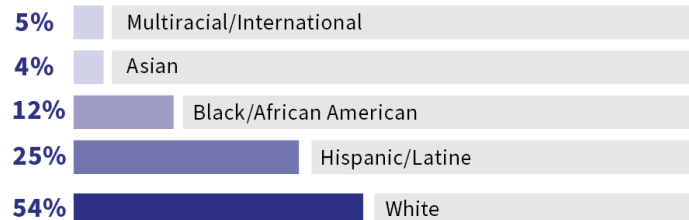
Leading Producer of Manufacturing Professionals in CT

**50** Credit and Non-Credit Programs

**1,900+** Annually Enrolled Students

**316** Free Tuition Students Enrolled

**\$59K/YR** Job Placement Rate or \$29/HR, average wage for mechatronics



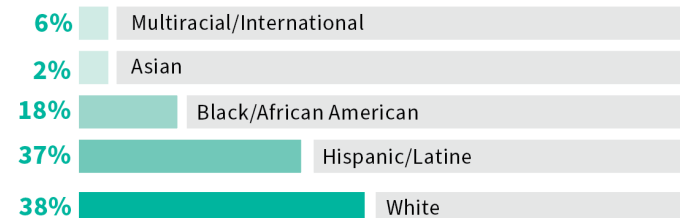
## Early Childhood Education & Teaching

CT State Graduates the Most Students in Early Childhood Education and Teaching in CT

**4** Credit and Non-Credit Programs

**982** Annually Enrolled Students

**269** Free Tuition Students Enrolled





### Operations Spending Impact

*College payroll and  
other spending + ripple effects*

**\$379.9 million**

Added regional income

OR

**4,937**

Jobs supported in the region



### Student Spending Impact

*Relocated/retained student  
spending + ripple effects*

**\$64.0 million**

Added regional income

OR

**787**

Jobs supported in the region



### Alumni Impact

*Higher alumni earnings and increased  
business profit + ripple effects*

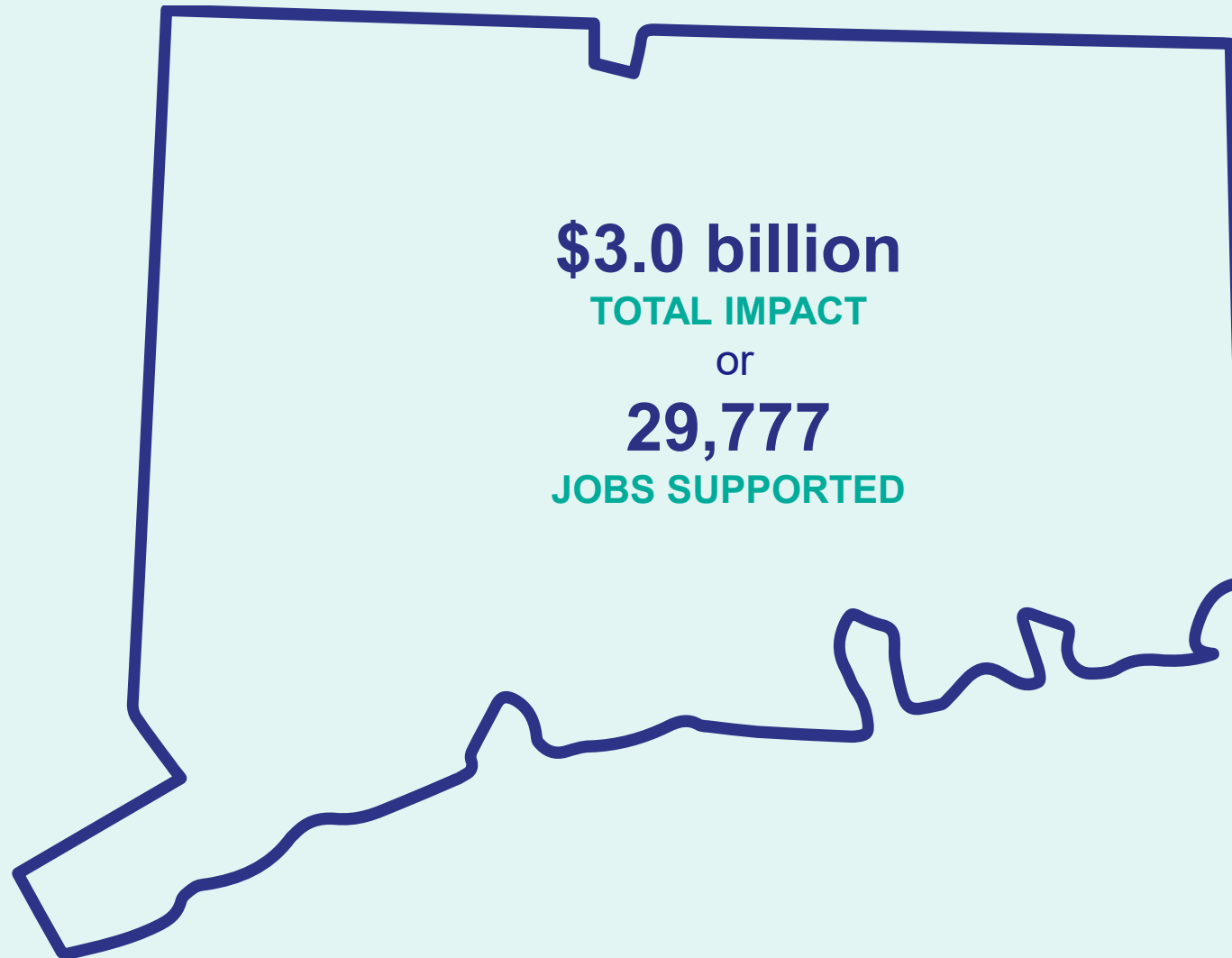
**\$2.6 billion**

Added regional income

OR

**24,053**

Jobs supported in the region





FY 25 budget is balanced using \$79.7 million in temporary state support

Loss of temporary state support results in a \$119.1 million shortfall for the biennium

**CT State has not requested state support to resolve forecast deficit**

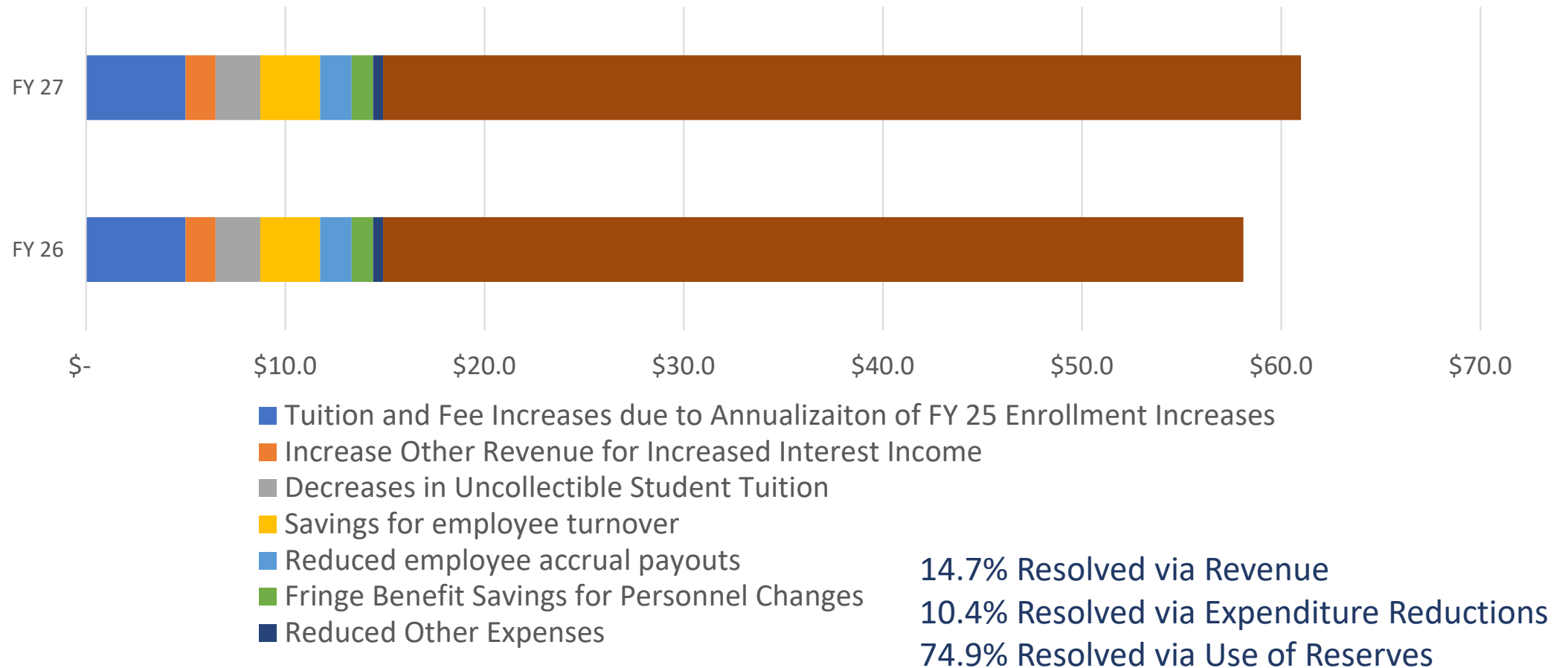
**CT State does not propose any tuition increases to resolve deficit**

Shortfall is resolved by:

- Use of \$89.3 million in reserves
- \$17.5 million in revenue enhancements
- \$12.3 million in expenditure reductions
  - Assumes no wage increases during the biennium

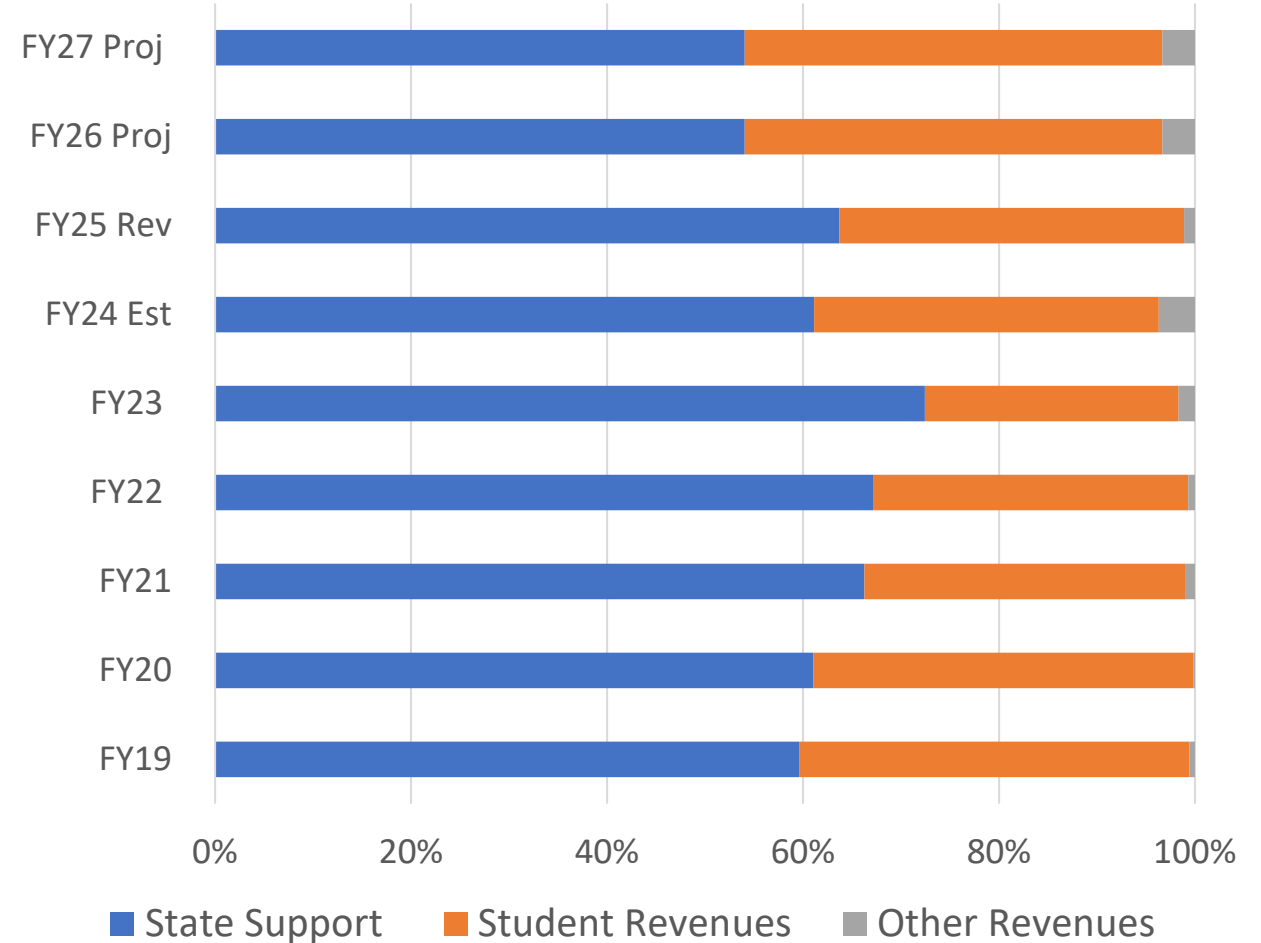
CT State Community College Budget (in millions)	FY 25 Revised Budget	FY26 Forecast	FY 27 Forecast
<b>Revenue:</b>			
State Support (Block Grant)	159.1	161.4	161.4
Addtl State Appropriation (Dev Edu and Outcomes)	9.8	9.8	9.8
GF Fringe Benefits Paid by State	40.0	40.0	40.0
Temporary State Support	79.7	-	-
<b>Subtotal State Support</b>	<b>288.5</b>	<b>211.2</b>	<b>211.2</b>
Tuition (Gross)	108.9	112.7	112.7
Fees	55.9	57.2	57.2
Private Gifts, Grants and Contracts	0.1	0.1	0.1
Sales of Educational Activities	0.9	0.9	0.9
All Other Revenue	4.0	12.0	12.0
Less Contra Revenue	(5.6)	(3.3)	(3.3)
<b>Subtotal Tuition Fees &amp; Other Revenues</b>	<b>164.3</b>	<b>179.6</b>	<b>179.6</b>
<b>Total Revenue</b>	<b>452.8</b>	<b>390.8</b>	<b>390.8</b>
<b>Expenditures:</b>	-	-	
Salaries & Wages	276.4	270.0	270.0
Fringe Benefits (excludes retirement)	68.8	66.9	66.9
Inst. Financial Aid/Match	15.6	15.6	15.6
Waivers	2.8	2.8	2.8
Utilities	11.2	10.5	10.5
All Other Expenses	46.9	42.7	44.3
<b>Total Expenditures</b>	<b>421.7</b>	<b>408.6</b>	<b>410.6</b>
Transfer out to SO/SS	(25.0)	(25.3)	(26.2)
Utilization of Reserves for Budget Balance	-	43.2	46.1
<b>Net Gain/(loss)</b>	<b>6.0</b>	<b>-</b>	

## ►► Resolving the Projected Biennial Deficit of \$119 Million



- Historically, the largest portion of the college's revenue comes from the state
- For the FY 26-27 biennium it is assumed state support will be below FY 19 levels in terms of:
  - Percentage
    - FY 19: 59.6%
    - FY 26 & FY 27: 54.0%
  - Absolute dollars
    - FY 19: \$270.6 million
    - FY 26 & 27: \$211.1 million
- CT State's other source of revenue is student tuition & fees
- Full time, annual tuition & fees is \$5,218

Revenue Breakdown (% of total)



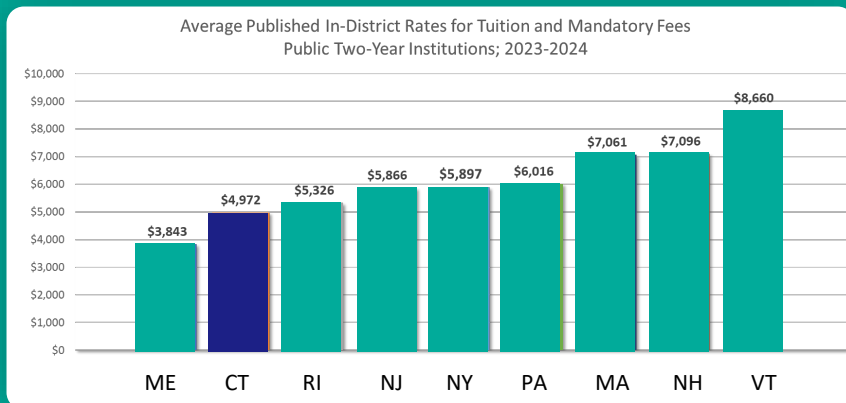
Among the **most affordable**  
education in the region  
**\$5,218/YR** tuition



Serving the **largest number of**  
**college students** in the state  
**with the most need**



## Affordability is a Balancing Act



### Wrap Around Student Support Services Proven to Enhance Student Outcomes

- Disability and Accessibility Services
- Food Security Programs
- Mental Health and Wellness Counseling
- Guided Pathway Advising
- On-campus Childcare Centers
- Veterans OASIS Centers
- Discounted Transportation
- Laptop Loan Programs
- And more



Maintain over 4.8 million gross sq.ft. at over 20 locations statewide



Deferred capital improvements/maintenance result in costly emergency repairs



Increased demand for student support services, particularly mental health & wrap around services



Inflationary pressures



Declining number of high school graduates in CT



High fixed costs, over 66% of budget is personnel costs



Expand economic activity in the state through workforce & non-credit partnerships



Increase Dual Enrollment Opportunities



Develop a Strategic Enrollment Plan



Enhance fundraising & targeted student supports



Increase efficiency of course offerings to achieve savings & better meet student needs



Continue financial improvements strategies while balancing student needs



## About PACT “Free Tuition”

- Established in 2019
- Amended three times since inception
- Covers tuition and fees as a last-dollar award
- Available for up to 72 earned credits
- Does not factor student loans into award
- Created to curb student debt and support completion
- Cost-effective way to earn an associate degree and transfer

**23,615**

Students in the  
PACT “Free Tuition” program over the  
program's four complete years

Totaling

**\$56.1m**

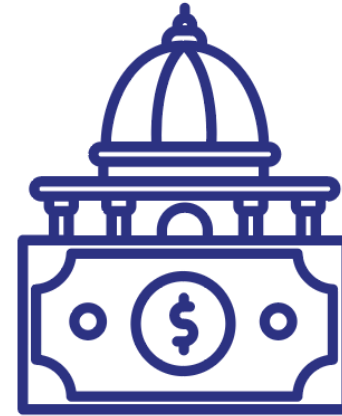
in funding

The PACT “Free Tuition” program and Guided Pathways Advising works together to improve student persistence rates and close equity gaps.

Guided Pathway Advising



PACT “Free Tuition” Program



Greater Outcomes



+

=

## Semester Persistence Rate Increases

**19%**

Black/African American  
with Guided Pathway  
Advising

**30%**

Black/African American  
with Guided Pathway  
Advising **AND** Free Tuition

**14%**

Hispanic/Latino with  
Guided Pathway  
Advising

**29%**

Hispanic/Latino with  
Guided Pathway Advising  
**AND** Free Tuition





# APPENDICES

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**CT STATE**  
COMMUNITY COLLEGE



## Analysis of CT State Reserve Balances

Analysis of Reserves: Unrestricted Net Position, Excluding Pension & OPEB Liabilities (in millions)	
Current Designated Reserves*	\$ 30.3
Current Undesignated Reserves	\$ 123.6
Anticipated FY 24 Deposit: CT State	\$ 59.4
Anticipated FY 24 Deposit: Shared Services/System Office	\$ 12.9
	<b>\$ 226.2</b>
Utilization of Reserves for FY 26 Projected Deficit	\$ (43.2)
Utilization of Reserves for FY 27 Projected Deficit	\$ (46.1)
Projected Reserve Balance: Designated & Undesignated	<b>\$ 136.9</b>
<b>Resulting reserve balance equates to 106 days of cash on hand for operations</b>	
*Per board policy the college may reserve 3% of the operating expense as contingency reserve and may also contain a system contingency reserve equal to 1.2% of the total system operating expense	

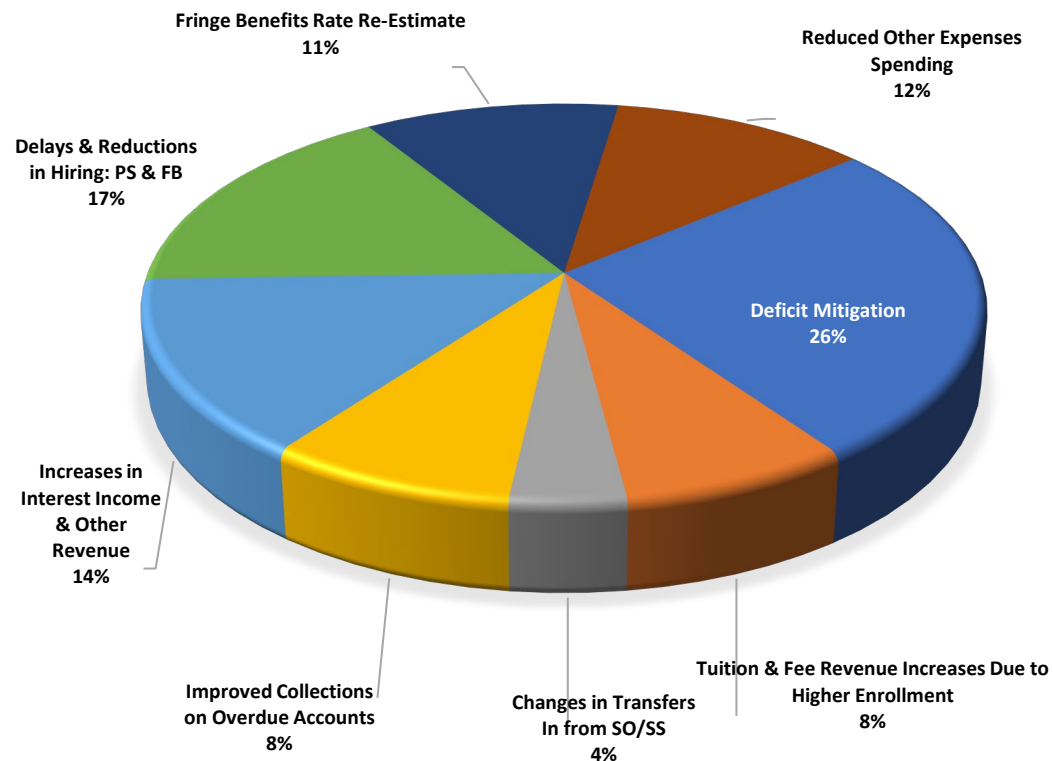
## Biennial Budget Options Request

CT State developed an outyear forecast informed by the FY 24 actuals & using the following assumptions provided by OPM and the CSCU System Office:

Key Assumptions:	FY26	FY27
Enrollment (CT State/Universities/Charter Oak)	flat	flat
Tuition & Fees increase (CT State/Universities/Charter Oak)	0.0%	0.0%
Housing	0.0%	0.0%
Food services	0.0%	0.0%
Inflation rate	3.4%	3.4%
<u>Personnel Costs</u>		
Personnel Services Increases	0.0%	0.0%
Fringe Benefits	5%	5%

# FY 24 Variance from Original Budget (excludes SO/SS)

FY 24 VARIANCE ANALYSIS



## The FY 24 variance is attributable to:

- Net Deficit Mitigation - \$24.6M
- Increases in Tuition and Fee Revenue due to a 3% enrollment gain over a flat enrollment assumption - \$7.2M
- Changes in Transfers from System Office - \$3.7M
- Improved Collections on overdue student accounts - \$7.9M
- Increases in All Other Revenue are due to higher interest rates realized on reserve fund balances - \$13.4M
- Delays in hiring in FY 24, despite hiring 178 full-time positions: Personal Services and Fringe Benefits savings - \$15.5M
- Reduced Other Expenses Spending - \$10.8M
- Re-estimate of Fringe Benefits - \$10.6M

## CT State is Transparent with Internal & External Stakeholders

- Revenue projections made in January forecasted 94.2% of actual revenue & May forecast 97.6%
- Overall expenditure projections made in January were 92.9% accurate and 94.6% accurate
  - Personnel & Fringe projections made in May were 97.0% accurate
  - Significant variance in projections for Other Expenses: 82% accurate in January & 83.7% in May

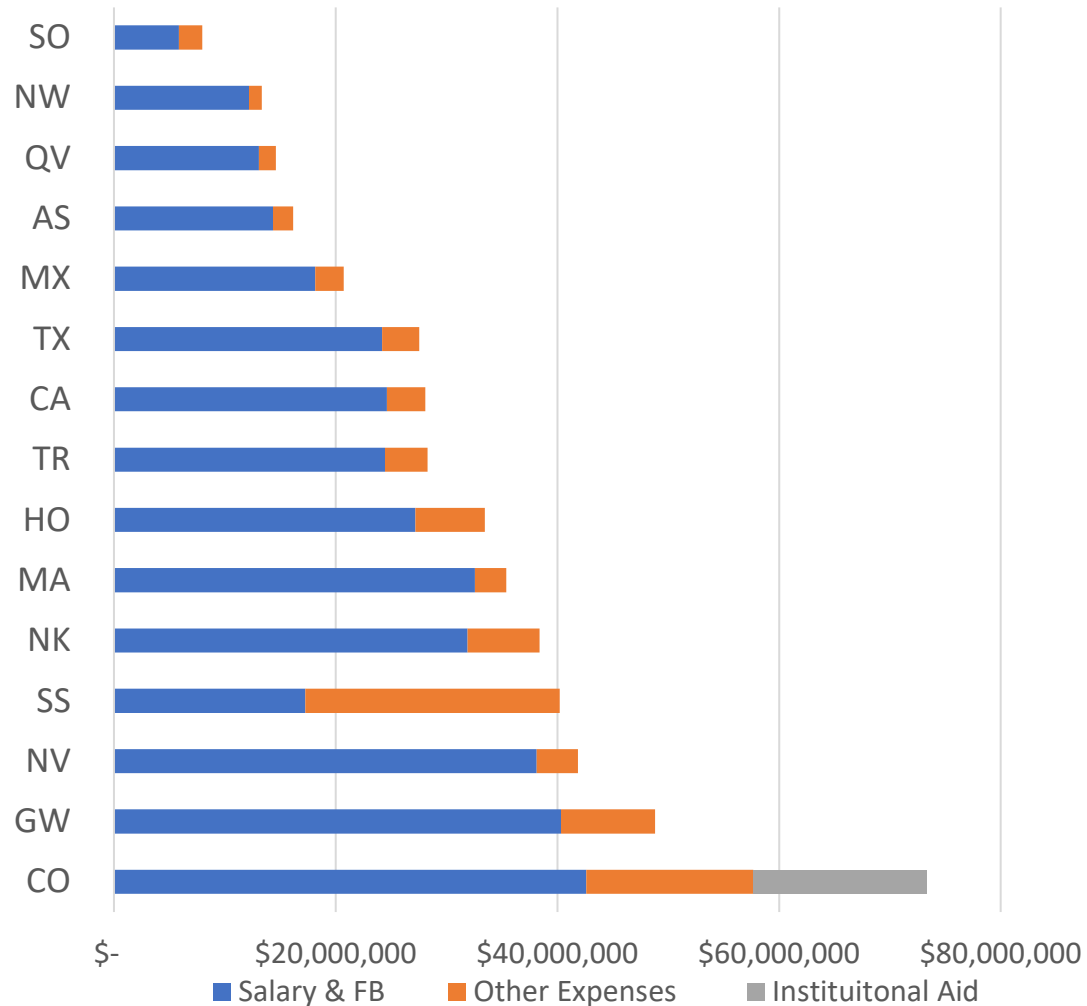
May projections made by the campuses for all other goods and services varied by 10-55% from actuals. Accordingly, CT State is strengthening its OE budget development and expense reporting/forecasting procedures.

FY 24 Budget Projections (in Millions \$)				
	Original Budget	January Estimate	May Estimate	Actuals
Revenues	422.0	421.1	436.4	446.6
Expenses				
Personnel	268.2	249.5	245.4	240.6
Fringe Benefits	80.2	61.0	60.1	55.9
Other Expenses	76.6	75.0	73.9	63.8
Transfers	-30.5	-26.8	-26.8	-26.8
<b>Net Change</b>	<b>-33.6</b>	<b>8.6</b>	<b>29.9</b>	<b>59.3</b>



# FY 25 College and Campus Budgets

FY 25 Budget by Campus/Unit



- CT State's budget reported in 3 parts:
  - Shared Services is \$40.2 million or 9%
  - System Office is \$7.9 million or 2%
  - College (12 campuses & College Office) – 89%
- Campus resources are understated as many things are budgeted centrally like:
  - Institutional Student Financial Aid: \$15.6 million
  - Public Safety Officers
  - Library Materials
  - Financial Aid staff
  - Parts of Admissions/Enrollment
  - Insurance Costs
  - Marketing staff
  - Marketing Expenditures – \$2.3 million
- 2,075 funded FT positions (permanent & temporary)
  - 721 faculty
  - 1,354 staff & administrators
- 4,969 funded PT positions (permanent & temporary)
  - 3,137 adjunct & clinical faculty
  - 563 non-credit lecturers
  - 676 staff
  - 593 student labor