CHAIRPERSON: Representative Toni Walker

SENATORS: Osten, Flexer, Hartley

REPRESENTATIVES: Walker, Lavielle, Baker, Betts, Case, Haddad, Hall, Johnson, Rotella

REP. WALKER (93RD): Good afternoon. How are you?

MARK OJAKIAN: I'm wonderful. How are you --

REP. WALKER (93RD): -- Just, just.

MARK OJAKIAN: -- Representative Walker?

REP. WALKER (93RD): Full of caffeine. [laughter] That's about all I can say right now. Thank you for coming. I'd like to reconvene the Appropriations Higher Education Committee -- Subcommittee Meeting, and just to let everybody know, we are -- we're going to be working with -- with the Board of Regents from 2:00 to -- we're scheduled from 2:00 to.

MARK OJAKIAN: 3:00.

REP. WALKER (93RD): 3:00 or 3:30. At 3:00?

UNKNOWN: It says 3:00.

REP. WALKER (93RD): Okay. Well, whatever.

MARK OJAKIAN: I'll be quick.

REP. WALKER (93RD): Yeah, and [laughter] no, you won't. [laughter]

MARK OJAKIAN: No, I'll be quick. I'm not saying you'll be quick [inaudible]
REP. WALKER (93RD): And then at 5:00, we have the panels.

MARK OJAKIAN: Yeah.

REP. WALKER (93RD): And then we roll right into our public hearing, so go right ahead, sir. Good afternoon and good afternoon to the -- to the -- the -- the -- the new member of your staff.

MARK OJAKIAN: Thank you. Thank you, Representative Walker and Senator Osten, members of the Committee. Thank you for the opportunity to testify this afternoon on the Governor's proposed budget as it pertains to the CSCU system.

Just for the record, my name is Mark Ojakian, and I am the President of CSCU. I am joined today by Provost Jane Gates, who's sitting behind me, and our Chief Financial Officer Ben Barnes, several college-university presidents, and members of my executive team.

Just as a starting point, I do want to remind everybody that our school served nearly 85,000 students every year who are pursuing an education. We educate 60 percent of all public higher education students in the state. Approximately 60 percent are women, and 40 percent are students of color. Their futures are Connecticut's futures. Over 96 percent of our students come from Connecticut, and 74 percent of them have jobs in Connecticut within seven months of graduation. For many of our students, we are the ladder to the middle class and provide access to a higher quality of life.

As we testify to this Committee earlier in the session, the system is an economic boom to the
state, contributing more than $11 billion dollars to Connecticut's economy on an annual basis and providing $11.70 in added benefit to the state's economy for every dollar invested into the system by the state. Likewise, for every dollar a student spends on his or her education at a CSCU institution, they will gain $6.60 in lifetime earnings. To underscore just how large the economic impact of the system is, I will note that 1 out of every 19 jobs in Connecticut is supported by CSCU and its students.

Now, I, as well as CFO Barnes, understand acutely that Connecticut faces unenviable choices enclosing looming budgetary shortfalls. You’ve already heard from our colleagues at the University of Connecticut this morning, and you will hear from a number of agencies and advocacy groups in the days to come about how the proposed budget will impact those they serve. Well, there are never any easy answers. Your Committee must pick the best path forward including, I hope, strong support for public higher education, which is the future of the State of Connecticut.

As you -- as you know, Governor Lamont has proposed flat funding for the CSCU system, including support for the general fund portion of the CBAC raises and fringe benefits along with the continuation of last year's fringe benefit increase for the community college. While this is a good starting point, I need to be clear that, if CSCU's appropriation remains as proposed, the state college and university system will face a $57 million dollar shortfall, leading in turn to tuition increases, cuts that will harm our institutions -- I should say
will continue to harm our institutions, drawdowns of dwindling reserves, or some combination.

The fiscal challenges that face CSCU mirror those that plague the state as a whole. Rising fringe benefit costs associated with state's efforts to finally fund our state employee pension system are crowding out other spending. Investments in technology and shared services are underway but will take time before they are able to show full impact to our bottom line. Ultimately, CSCU's budget will stabilize based on the success of cost control efforts. Demographic change within our workforce as older staff retire and are replaced with lower cost workers with less generous pensions to which in policy ultimately aimed at supporting student success and ongoing state support.

While it may be necessary from time to time, the use of system reserves to balance the budget is not a sustainable, long-term strategy. The National Association of College and University Business Officers recommends three to six months of operating expenses in undesignated reserves to ensure financial health and stability. Our undesignated reserves projected at the end of fiscal year '19 are about one month for the community colleges and Charter Oak State College and about two months for the state universities.

The next few years will be critical to the long-term health of CSCU institutions. Charter Oak State college has begun rebuilding its once precarious reserve levels and thanks to a small, but timely increase in its block grant in fiscal year 2019. Charter Oak appears to be well positioned to compete effectively for Connecticut students looking for a
flexible way to complete a degree or enhance job skills and credentials. The state universities have been able to find savings and alternative revenues they need in combination with tuition increases to maintain balanced operations so far. However, the effects of the longstanding restrictions on hiring and other economy measures put in place at each campus make it harder to attract and retain students and ensure their academic success. Now, with tuition funds having to absorb their share of wage and fringe benefit increases, the universities will face more cutbacks or a significant use of resources -- reserves in fiscal year '20 and thereafter.

Now, as I've said many times in the past and will repeat today, our five-year projections for the community colleges show a tougher future if we do nothing. Without new revenue, these important institutions will deplete their remaining reserves sometime in the second year of the biennium, leaving them essentially insolvent. We are far, however, from doing nothing. The revised Students First plan has already produced $3.5 million dollars in savings in fiscal year 2018 through attritional loan and will produce a total savings of $23 million dollars per year once fully implemented in 2023.

To balance CSCU's budget in the face of low state support and declining enrollment since our post-recession high in 2010, we have had to cut away our critical services and supports that our students need to succeed at institutions. For instance, budget cuts and hiring freezes have resulted in advisor-to-student ratios of 842 to 1 at the universities and 923 to 1 at the colleges, well
above established standards and much too high to help students succeed.

Each time cuts are made to services that help students, we're making it more difficult for our students to complete on time. This, in turn, holds down enrollment, reduces retention, and limits the amount of federal Pell funding at which colleges, universities, and the students all depend. We cannot produce the skilled manufacturers, entrepreneurs, mathematicians, engineers, nurses, teachers, scientists, and critical thinkers that our state will need for the jobs of the future if we do not have the resources to educate them. This means we will have thousands of jobs going unfilled across the state because employers cannot find the candidates with the skills needed to fill them.

While we fully understand that today is just the beginning of the conversations that will shape the state budget this year, we appreciate the opportunity to be part of the dialogue. You have difficult decisions to make in the days and weeks to come, but we'll be here every step of the way as a resource for you and a reminder of the students we serve and the investments we all need to make in their futures.

I also wanted to comment on the fact that, despite financial difficulties over the past several years, the system remains engaged in important and innovative initiatives, announcing new strategic plans, working closely with the business community, and with our colleagues in private higher education to train the estimated 25,000 to 35,000 advanced manufacturing employees needed in the next two decades. And we will soon be announcing more
strategic partnerships with leaders in -- in Connecticut's technology industry to help meet workforce demands.

We are also moving forward with initiatives in addition to the Students First initiative that is currently very much underway to help drive student success. Our job is to do much more than bring students in the door but also to ensure that they have the necessary tools to complete their studies in a timely manner and join the workforce. That is why we adopted the Transfer and Articulation Policy known as TAP wherein a student in one of 27 majors at any one of our community colleges can seamlessly transfer to a four-year degree program at one of our state universities.

Connecticut is the only state to launch such a program on a statewide basis, and we are continuing to move forward with our Guided Pathways initiative, an innovative, evidence-based model Connecticut's community colleges are implementing to help students have a successful college experience, graduate, and find a good job. All of these initiatives will fundamentally improve the ability of our students to pursue their goals at CSCU institutions.

Later tonight is the favorite part of my, what I call, appropriations day up at the capital where you will hear from the students that we educate across the system. I get the opportunity to hear from these students every day, and I will be here once again this evening. Their stories move me and inspire me to do the best I can for them and makes me appreciate the courage it takes for them to testify. Thank you for your time today, and we're happy to entertain any questions you might have.
REP. WALKER (93RD): Thank you and thank you for that -- that intro. I've asked everybody somewhat the same -- every agency the same thing. How many -- how -- according to the OFA sheets that we have, you have 4633 employees on our -- I guess paid for by our block grant. How many of those positions are filled, and how are -- how many are unfilled?

MARK OJAKIAN: I -- do you have that -- no. I don't know if we have that information right here --

REP. WALKER (93RD): -- Okay.

MARK OJAKIAN: -- but we're happy to bring it.

REP. WALKER (93RD): Okay. I'd like to know how many you have unfilled, and then I'm assuming you also have federal dollars. I'd like to know how many federal dollars you have in your -- in your budget.

MARK OJAKIAN: Sure.

REP. WALKER (93RD): And how many employees do you have in that federal component.

MARK OJAKIAN: And, Representative, would you also like to know the number of employees on the operating fund?

REP. WALKER (93RD): Yes.

MARK OJAKIAN: As well? Okay.

REP. WALKER (93RD): Yes, yes.

MARK OJAKIAN: Thank you.

REP. WALKER (93RD): Then, the -- the other question I have. On the -- on the budget sheets, there was a $16.2 million dollar line item. It says under here,
Operating Expense, that your agency had requested but was not fulfilled by the Governor. What was that for? Is that the fringe? Is that the fringe you're -- you were asking? Is that the money you were asking for us to pay for your fringe?

MARK OJAKIAN: Fringe included.

REP. WALKER (93RD): I'm sorry. I didn't hear you.

UNKNOWN: Fringe included.

MARK OJAKIAN: I -- I thought the fringe was -- I thought it included -- I thought the that included the $16--

REP. WALKER (93RD): Okay.

MARK OJAKIAN: Million that -- that everybody -- that you all generously put in last year to help cover the -- the increased costs.

REP. WALKER (93RD): No, it's -- it's only in the agency request line item and in the Governor's -- in the Governor's recommendation, he did not put it. And I didn't know what it was, and we thought it was fringe, but we think that fringe is included, so that's why I was trying to find out if you could tell me what that might be.

MARK OJAKIAN: I think CFO Barnes is -- is looking for that.

REP. WALKER (93RD): Okay. Well, it's not in the sheets. There is no explanation in our -- in our sheets from OFA so that's why. Well, when you have a chance to.

MARK OJAKIAN: Absolutely.
REP. WALKER (93RD): Yeah, I'd like to know what that -- what that component is. Representative Hadded.

REP. HADDED (54TH): Thank you and thank you for -- for joining us on budget day, as you call it. [laughter] You're -- you're right. I think the evening sessions with the student panels is one of the highlights --

MARK OJAKIAN: -- [Crosstalk]

REP. HADDED (54TH): -- of our -- of all of our Appropriations hearings.

MARK OJAKIAN: Absolutely.

REP. HADDED (54TH): It's -- it's always fun to hear from the students and important to hear from the students. I had a couple of questions, and -- and I -- I'm gonna try to move them -- through them as expeditiously as possible because we have a lot of other questions.

But I was -- and -- and I wanted to thank you for including at the -- the attachments behind your testimony of what -- what appear to be the expenditure and revenue plans for the -- for the system, and then it's broken down between the state universities, the community colleges, Charter Oak, and the System Office. But -- but the System Office budget is where I just wanted to ask a -- a couple questions to begin with 'cause it -- it shows total expenditures of something like $645,000 or something, in that vicinity, $647,000. But, you know, when I visit Woodland Street, I see more employees than that. And, so, I -- I'm just trying to discern what gets counted on the System Office
budget and -- and how -- and how -- how are the other positions that Woodland Street funded and paid for -- for what we would call the System Office, I guess.

MARK OJAKIAN: I think the number that you're looking at is the -- there is a --

REP. WALKER (93RD): -- Excuse me. Who are you? [laughter]

BEN BARNES: I'm Ben Barnes. I'm the CFO for CSCU.

REP. WALKER (93RD): I was waiting for you to do that, just ride right in so I could catch you. You felt it. Okay, good.

BEN BARNES: The -- the -- there -- there's a line item in an appropriation -- Line of Appropriation for the --

REP. HADDED (54TH): -- Yes.

BEN BARNES: -- Board of Regents, it's called and we do charge against that directly for System Office expenses.

REP. HADDED (54TH): Right.

BEN BARNES: However, obviously, the System Office costs much more than $600,000 to operate, and -- and the total cost of the System Office is, in the current year, about just $39.5 million dollars. Those costs are -- include PS and OE expenditures at the System Office, and we track those individual expenditures very closely and build that into our model for distributing state block grant funds to the colleges and universities. And they are essentially charged for those expenses that we undertake on their behalf, so a great deal of the
System Office budget pays for technology, for instance. And we fund all of the licensing fees and charges related to our servers and software systems. We procure a list of various Blackboard bookstore contracts. We provide solar electricity contracts and things like that that we manage and fund through the System Office.

MARK OJAKIAN: And I -- and I would just also say, Representative, that that the bulk, I would think, of our employees at the System Office are in information technology, providing support to the community colleges because each college just does not have their own technology support system. And we do that centrally.

REP. HADDED (54TH): Right, right. No, I mean, that -- that's consistent with what I understood, but it's just sometimes, you know, it's startling to look at a System Office Expenditure Plan and general and operating funds as you've presented and have the number be so low, but it's not inconsistent with the way that we budget, I understand. So -- and -- you know, we were looking back at information you provided back in Fiscal Year '17 which showed -- I just wanted to confirm that all of the System Office employees are being funded through the block grant dollars. And, so, therefore, all the -- would it be correct to say that all of the fringe benefits for the System Office are being paid for by the Office of the State Comptroller?

BEN BARNES: No, that would not be --

REP. HADDED (54TH): Yeah.

BEN BARNES: -- correct.
REP. HADDED (54TH): Okay.

BEN BARNES: The -- as you may know, there is a system in place -- various systems in place at the Constituent Units of Higher Education whereby they, periodically, ensure that -- that they are most efficiently charging employees to the block grant as opposed to the operating funds.

REP. HADDED (54TH): Yeah.

BEN BARNES: So we place the -- the employees who have the highest ratio of fringe benefits to salary on the general fund, and we fund the -- the remaining positions out of the operating fund and the -- while the college -- the universities do that individually for each university 'cause they have relatively large groups of employees, we do it across the entire community college system and the System Office, so --

REP. HADDED (54TH): -- Okay.

BEN BARNES: -- I think that we -- the -- the employees who are charged to the general fund are adjusted from time to time in order to maximize the system's benefit from the -- the current structure for funding fringe benefits.

REP. HADDED (54TH): Okay, I -- I -- I think I understand that, and I understand why you did that 'cause we wanna minimize the impact of the fringe rate as much as possible on students.

BEN BARNES: On the tuition --

REP. HADDED (54TH): -- So the --

BEN BARNES: -- part, yes.
REP. HADDED (54TH): -- so the degree at which we can maximize the impact, frankly, on, you know, the comptroller's budget and the general fund, it -- it -- it offsets costs that would otherwise have to be paid for out of student tuition or fees, right? That would be accurate?

BEN BARNES: [Crosstalk] Yes.

REP. HADDED (54TH): Yeah, yeah. So moving -- moving on to some different questions. Like, I'm still struggling. I mean, I -- I was hoping that you might be able to provide. You said you carefully track the dollars that are spent at the System Office, and I guess what would be helpful to see is what the total than budget would be for the System Office moving forward. And I -- and I -- one last question just about the mechanism for paying for it, and that is, so do you -- is it -- are the -- are the -- when -- when we look at our budget, we see a block grant for the community colleges and a block grant for the state university system. Some of that money is being used to pay for the services that's being provided by the System Office, is I think is what you said, right?

BEN BARNES: That's correct.

REP. HADDED (54TH): Do you -- did the -- does the money get delivered to the institutions, and then is it transferred back into the System Office? Or -- or -- or do you withhold money from the block grant to pay for the expenditures through the System Office? Like, I'm trying to figure -- I'm trying to figure out how to follow the money through the system.
BEN BARNES: You know, to be honest, I -- I don't -- I don't know the mechanics of that. I know that we --

REP. HADDEDE (54TH): -- Yeah.

BEN BARNES: -- do monthly reconciliations with the -- each of the colleges and universities in which we make adjustments for various expenses that -- you know, that are unexpected expenses that we will take on and bill them back for or that we've agreed to -- to reimburse the universities for. So, those things happen on a monthly basis. We reconcile our -- our -- our -- our expenses on either side, but typically we build it into the allotments of the -- of the block grants so that the --

REP. HADDEDE (54TH): -- Yeah.

BEN BARNES: -- at the very beginning of the year, the System Office budget and how that would be allocated to the different -- the different parts of our system is done at the very beginning of the budget process and gets built into the budget making at the -- at the campus level and is -- I think we probably net it out of the -- of the block grant. I know we -- I'm -- I'm almost 100 percent certain we do it that way with the community colleges. It may be a little different on the university side.

REP. HADDEDE (54TH): Right.

MARK OJAKIAN: And -- and that was a decision made when the -- when the Board of Regents was first constituted by the legislature in terms of how -- by not having a separate line item that truly reflected the operating expenses for the System Office. I will tell you -- and we can provide you with more
detailed information, but when the System Office was first put together in 2011, the number of employees of the separate boards of trustees was over 200. And, now, I believe we have 140 employees, and many of those -- and we can break it down by what they're doing -- many of those are providing information technology support to the community colleges.

REP. HADDED (54TH): Yeah. Right. I mean, and -- and I ask that question, I guess, because when I was also looking at the Community College Expenditure Plan and operating funds, I didn't see a line item here that would indicate that it was not -- not that I could see. Maybe there is one of money that's transferring out of the system to the System Office to help pay for the System Office unless it's these line items I see at the end. One -- one says, Transfer In. One says, Transfer Out, but they appear to offset each other. So I'm just -- I'm just trying to -- looking -- just looking for the path of the money to the System Office. And it would be helpful, I think, for the work session things to see maybe -- I -- I know it's easy. Like, a five-year history perhaps of the expenditures at the System Office would be helpful, I think, for us to see moving forward.

And -- and, you know, I mean, I -- I don't know that we want to revisit that decision that was made in 2011 to budget the System Office separately or not, but it's just harder -- harder given the numbers that we have to understand where the money's being spent.

MARK OJAKIAN: Sure.
REP. HADDED (54TH): I -- I might have additional questions at the end, but I think I'll allow other folks to ask questions moving forward.

REP. WALKER (93RD): Senator Flexer.

SENATOR FLEXER (29TH): Thank you, Madam Chair. Good afternoon. I'd like to follow up on the questions that Representative Hadded was -- was asking concerning the expenditures of funds that are transferred to and from the System Office and the community colleges specifically. And I believe I'm looking at data from your finance committee's meeting back in February, and there were $11.8 million dollars transferred into the System Office and $7 million dollars transferred out of the System Office. And almost every community college in the system with the exception of Northwestern transferred out more money than they took in from the System Office. Can you talk with us about that?

BEN BARNES: What was the time period for that report?

SENATOR FLEXER (29TH): I believe the report is dated February 14th, 2019.

BEN BARNES: But it -- it applies to the current year?

SENATOR FLEXER (29TH): Fiscal year '18, those are the numbers I just gave you. It also has fiscal year '19 projected.

BEN BARNES: The -- the transfers back and forth are -- are relatively complex in terms of -- they include the entire process by which we do the shuffling of people between the general fund and the operating fund. And, so, we have to make transfers,
both directions, in order to make those adjustments each year. That ends up providing additional resources to the -- to the community colleges as we, basically, save fringe benefit money, and that accrues to the benefit of the -- of the community colleges. I think though that a great deal of resources that they are transferring to us has to do with contracts that we have procured and administer on their behalf. So, for instance, Blackboard is the grading system that's used throughout the entire community college system. You know, we have a $10 million dollar a year contract to run Blackboard. We pay for that out of the System Office, and we charge back all the -- all -- all the individual colleges. I don't know the methodology. I assume it's based on the number of students --

MARK OJAKIAN: -- Students.

BEN BARNES: -- I assume it's based on the number of students, number -- amount of activity, number of courses or something like that. So there's an allocation of that back to them, and obviously that is more cost effective than for them to procure it individually and pay for it out of their budget. And it's administratively simpler for us to adminis-- to pay the contract and pay the bills from one place and then -- and charge back. So I -- I mean - - I'd be happy to provide a schedule. It certainly does exist of detailed expenses within the System Office that are charged back to the, you know, CSU Constituent Units as well as to individual community colleges. That's -- that's something we -- we -- we produce at the beginning of our budget process. We update it and administer that throughout the year. I'd be happy to provide it. It will -- it will be
voluminous amounts of information, but I'm happy to do so.

SENATOR FLEXER (29TH): Thank you. That would be really helpful just to get a better understanding of exactly how and why those monies are being transferred out and if it is to support the -- the functioning of the individual institutions or if there's, you know, revenue that's being used differently 'cause I know there is concern at the institutions as to why so much of this -- this funding is -- is going out and whether it's to support other institutions within the system or whether it's going to the System Office. So I think that breakdown would be really helpful. The -- the -- same time period, the finance reports for the Board of Regents in February, there was a positive figure of a little less than a million dollars for the state universities and a loss of $5.8 million for the community colleges. And the report states that the actual results for the year may actually be better than projected based on historic underspending compared to midyear projections. And, then, it goes on in that report. Even taking into account the Governor's proposed budget with the 5.5 percent increase for negotiated raises, the budget gap balloons to $57 million in 2020 and $86 million in 2021.

Why is there such a huge gap between the projections for those years, and what's the actual for right now?

BEN BARNES: Well, there -- there are a couple points that I would make there. One is that in -- in fiscal '18, we deficit spent -- no, I'm sorry, fiscal '19, we are -- we're deficit spending. We --
we are spending our reserves, the $8 million dollars or so between, you know -- be between 5 and 8. There is some variation -- some uncertainty as to where exactly it will land, so we're deficit spending. That means that the following year, as you know, if you don't spend on something in one year, the next year either you have to deficit spend that amount again or you have to make up for it.

So the -- the $57 million dollar a year includes making up for all the deficit spending in fiscal '19, which is $8 million dollars or so. It also includes the -- the -- the cost of growth in salaries and fringe benefits for employees on the -- on the operating fund, which is a considerable amount, as well as, you know, contracts. We have several large contracts with escalation, like our food service contracts, several of the IT contracts and things like that have, you know, escalation that's built into those contracts. We have to pay the -- the -- the fee for the following year.

We also have flat or, in some cases, declining enrollment trends in some of our institutions, which means that, all things being equal, revenue from -- from tuition will go down because we'll have, you know, fewer credit hours than we would have had in a -- in a growing -- in an environment of growing enrollment. The combination of those factors comes to $57 million. Now, that's before we take any steps to control expenses. I -- I'll be the first to acknowledge that 57 is if we do nothing different. Obviously, if we are facing a large deficit, we will do things differently, and we will make efforts to -- to -- to control that deficit spending. It's -- it's -- it would be unsustainable
in a very short period of time the community colleges to have a -- a deficit of over $20 million dollars given that they have under $40 million dollars in reserves.

SENATOR FLEXER (29TH): Just to -- to clarify, so you've used the figure of $8 million dollars for this year. Is that for both '18 and '19? The deficit?

BEN BARNES: Oh no, I'm talking about --

SENATOR FLEXER (29TH): -- That you said will.

BEN BARNES: -- the deficit for the current year, for --

SENATOR FLEXER (29TH): -- the.

BEN BARNES: -- fiscal '19. It -- in -- there -- there's some uncertainty because we did our projections right before the -- the SEBAC ARP Grievance was finalized. And we've had to take on an additional $7 million dollars in fringe benefits costs that we found out about a week ago. And, so, we may have factored a portion of those into our midyear --

MARK OJAKIAN: -- But not all of them.

BEN BARNES: -- projection but not all of them. And, so, we're trying to reconcile that and figure out whether -- when we go and reshuffle people back on and off the general fund and the operating fund whether we can mitigate that to some degree. So there's some uncertainty because of this late developing fringe benefit expense that we're absorbing now.
SENATOR FLEXER (29TH): So that's why the figure is -- was 4.8 on February 21st, but now it's $8 million?

BEN BARNES: Yeah, I think it's probably more, like, $8 million, yes.

SENATOR FLEXER (29TH): Okay. Thank you, Madam Chair. And, like my colleague, I would have questions after everyone else has been given their opportunity. Thank you for your answers.

REP. WALKER (93RD): Sure. So we're going -- we're working on round one, everybody. Representative Lavielle.

REP. LAVIELLE (143RD): Thank you, Madam Chair. Good afternoon. Thank you both for being here. I -- you've given us so much material that I couldn't find my button to push. There -- there is a lot here. I thank you for that. It's -- but I -- I can't tell you I've digested it since I sat down, so I'll -- I'll have to do a lot of that before I see you again, and I'm -- I'm happy to do it, on -- on the contrary. Just a few things. I've -- leafing through very quickly, I saw all the -- all the budget sheets from the Board of Regents, which are pretty detailed for all the Constituent Units for the last year, of course the actuals, and for the current year. Have you projected out on those lines for your -- for the ask that you made? Do you have the same spreadsheets to show how -- if you were to get the funds that you asked for, how you would use them on all those line items?

BEN BARNES: I believe at the level of detail that we've provided to you with the testimony, yes. There is an additional level of detail that we
probably have not yet -- we -- we -- we're -- we typically go through our actual budget process for the coming year after the legislature has set. And we go through a tuition --

REP. LAVIELLE (143RD): -- I can understand that.

BEN BARNES: -- process and everything else, so we -- we -- we establish our detailed budget a little bit later in the process. But, at the level that we've showed you, which I actually think of in sort of a summary level compared to what we actually keep track of, we -- we certainly could provide you information about how that -- how we would expect those additional funds to be used.

REP. LAVIELLE (143RD): That -- that would be great because I -- I would assume that's what you did in order to get to the numbers you got to.

BEN BARNES: Yes.

REP. LAVIELLE (143RD): That would be useful to see for the work groups. And I -- I was -- I'm curious why, you know -- there -- there's some -- there's some differences between what you ask for and what the Governor has budgeted for, but the most conspicuous one is in 2021 for the community colleges. And is that because of a -- some projections related to Students First, or is it something else? Do you know?

MARK OJAKIAN: I think there's -- there's some projections related to Students First, but I think as part of the overall biennial budget process, the second year, if I could guess, having been part of that process, they just probably didn't -- didn't fund to the level we would have asked them for.
REP. LAVIELLE (143RD): It's -- no, I just asked because there -- there's a small relatively speaking difference with the CSUs and Charter Oak. Well, Charter Oak, I think, is exactly the same number, but the community colleges, it's quite conspicuous. And, so, I just wondered if there was something going on that...

MARK OJAKIAN: Not, not from our end, Representative.

REP. LAVIELLE (143RD): Okay. Well, that'll be something to find out that --

MARK OJAKIAN: -- From the Governor's office.

REP. LAVIELLE (143RD): So I -- I was also noticing -- now, I have to find the page, but there is a -- I just wondered how you do this. On -- on one of the documents that we have from you -- God knows which one it is, but it's -- yeah, here it is. It's in the -- in the Board of Regents 2019 Spending Plan. There's a -- there's a page where you detailed that quite a number of the Constituent Units are budgeting for losses this year. And what -- what happens when you do that? You -- you budget for a loss and a certain number, and then everything totals up and you come out with a -- an overall BOR line item that shows it's okay even though some of the units were down?

MARK OJAKIAN: You want to answer that?

BEN BARNES: Sure. This is with respect to the reserves at the end of the year, dipping into reserves in the community college area. We have -- some of the community colleges have negative reserves. They do not have any reserves at all.
They're in the negative position of a negative balance sheet. In total, the community colleges have about $40 million dollars in reserves, so that -- that includes, you know, positives and negatives. You add 'em all up, and they come to $40 million.

We have been largely as -- because we didn't have any choice given that some community colleges were -- were losing money and had lost all their reserves, we have been, for several years now, pooling reserves amongst the community colleges so that while the community college with -- it has negative reserves is, by some standards, insolvent. And were they a standalone entity, they would possibly not be able to continue functioning. They might be able to function for a short period of time, but they would need to restructure in order to be a -- a growing concern. But because we've combined them, we are able to rely on those combined reserves including some that are held at the System Office level in order -- in order to be able to provide, you know, liquidity and -- and, you know, growing concern capacity to all the different community colleges. So I -- I -- I think that -- I hope that answers your question.

REP. LAVIELLE (143RD): Yeah, I was -- I was just curious because, as I said, I haven't read this in detail, but I -- I saw the -- I saw the words -- the -- some of the -- that the ones on the list here, it says, "Our budgeting losses for the coming fiscal year." So I just wondered how you -- how you -- how you handled that. Do you comingle the funds at all at a certain stage?

BEN BARNES: Well, the -- at the reserves --
MARK OJAKIAN: -- Reserves.

BEN BARNES: -- we do, yes.

REP. LAVIELLE (143RD): Yeah.

BEN BARNES: And, you know, the other thing we could -- the other approach we could take would be to adjust the allocation of block grant to different universities based on their -- their financial needs that year, but that has its own drawbacks. Changing the distribution methodology -- methodology amongst the community colleges is not something that I would undertake lightly or frequently because it is a, you know -- it's a very meaningful distribution methodology that's -- that the campuses depend on. And, so, we have chosen to make -- to -- to deal with those institutions with -- that have had poor performance by pooling reserves rather than by adjusted the distribution methodology.

REP. LAVIELLE (143RD): Okay. Well, thank you. With -- brutally changing the subject, I know that, at least with West Con, I'm not sure with -- about the others. There was the -- the move awhile back, if I'm not mistaken, to allow some out-of-state students to have in-state tuition. Would you have some -- some figures or results, whatever we want to call them, to share with us to show whether, you know -- whether we can sort of develop a view on whether that's actually gotten us more students or whether it has actually shown our revenue per student to decrease, you know -- to weigh those -- to -- to evaluate the balance between those two factors.

MARK OJAKIAN: Absolutely, absolutely. And it's -- it was part of the overall pilot program that we --
we entered at both our two-year and four-year institutions. We can get you the specific numbers and the specific revenue, but we have seen an increase in students coming across the border to take -- to take those classes. As you know, we don't have full capacity at any of our institutions, so allowing for individuals in a certain geographic region to come in and take those -- those degrees at an in-state rate has produced additional revenue and numbers of students. And we will have those specific numbers for you for work group.

REP. LAVIELLE (143RD): That would be great.

MARK OJAKIAN: Thank you.

REP. LAVIELLE (143RD): And I -- there was something we discussed this morning with UConn, and I think it would be useful if we could ask you for the same thing. We asked for some detail on -- you -- you know how much the -- the fringe has cut into everything and -- and how you're not, you know -- it's -- it isn't the same as though they were set by the Constituent Units themselves and yet they have to manage. So we asked UConn for kind of a -- a multiyear view of what the effect of the fringes was on the total discretionary income that you have after they're accounted for so that we could see what the effect of the extension of the SEBAC agreement has been and whether that's also how much effect that's had on the tuition that you have to -- how much the burden you have to shift to students in other words. So if you could -- I -- I don't know what year range you think would be appropriate, but I think it'd be a couple years before and a couple years after so that we could have a look at that.
BEN BARNES: I'm -- I'm not sure I understand you. I mean, I'm happy to --

REP. LAVIELLE (143RD): No, I -- I --

BEN BARNES: -- I'm not sure I understand what -- what I'm being asked for [Crosstalk]

REP. LAVIELLE (143RD): You're clarifying.

BEN BARNES: Any -- so you're asking for, you know -- for whatever 2015 to -- to today what our fringe payments have been --

REP. LAVIELLE (143RD): -- What's -- what's been the -- what's been the evolution?

BEN BARNES: -- how much [Crosstalk].

REP. LAVIELLE (143RD): -- of the percentage of your -- your block grant that gets used up?

MARK OJAKIAN: Our fringe benefit costs.

REP. LAVIELLE (143RD): By fringe?

BEN BARNES: Oh okay.

REP. LAVIELLE (143RD): And, then, what effect that has had on what you're charging for tuition? Because you have, obviously, less -- fewer funds available to spend on university-related things you had to raise tuition rates.

BEN BARNES: Yeah, we can -- we can.

REP. LAVIELLE (143RD): So something that'll -- that'll help us see what that evolution has been.

MARK OJAKIAN: Absolutely.

REP. LAVIELLE (143RD): Okay, and I think that's all I have for the moment unless I come back with more.
I also have to read a lot, but I'll let other people ask questions. Thank you.

REP. WALKER (93RD): Thank you. Representative Hall.

REP. HALL (59TH): My questions were asked already. I do have a couple, and I apologize if they were already answered. I was in Public Safety, so how many employees does the Board of Regents have right now?

MARK OJAKIAN: We've currently 100 and.

BEN BARNES: At the System Office.

MARK OJAKIAN: At the System Office that are totally System Office employees.

REP. HALL (59TH): Yeah.

BEN BARNES: 150.

MARK OJAKIAN: 150.

REP. HALL (59TH): 150.

MARK OJAKIAN: Right.

REP. HALL (59TH): Okay. All right. And you had said earlier that they're mostly in support of IT for the various colleges.

MARK OJAKIAN: Correct.

REP. HALL (59TH): So other -- I mean, 150 IT people.

MARK OJAKIAN: No, we don't have 150 IT people.

REP. HALL (59TH): Okay.

MARK OJAKIAN: We have Mae.
REP. HALL (59TH): Okay, right, right.

MARK OJAKIAN: So we can give you a breakdown --

REP. HALL (59TH): -- Okay.

MARK OJAKIAN: -- I think that was one of the things we talked about a little earlier, Representative.

REP. HALL (59TH): Okay, great.

MARK OJAKIAN: Of -- of the -- of the -- the -- the functions.

REP. HALL (59TH): Yep.

MARK OJAKIAN: And how many people and then we can provide you information on those functions that support the institutions as supports -- as opposed to just supporting the System Office.

REP. HALL (59TH): Okay.

MARK OJAKIAN: I think that --

REP. HALL (59TH): -- That --

MARK OJAKIAN: -- will be helpful to you.

REP. HALL (59TH): -- that would be great.

MARK OJAKIAN: Yep.

REP. HALL (59TH): That would be great. Also, can you explain to me -- and I -- I'm -- this is a genuine question -- what an endowed chair of a department actually does?

MARK OJAKIAN: Let me ask the Provost Dr. Gates to come up to my seat and answer that question. We like to share the opportunities.

REP. HALL (59TH): Yes, thank you.
JANE GATES: Thank you. I'm Jane Gates, and I survived here. And I serve as Provost and Senior Vice President For Academic and Student Affairs at the Connecticut State Colleges and Universities. Evan Dow Chair [phonetic] is an individual who has been brought to the institution to specifically look at an area of study, expertise -- for example, most recently at western [inaudible 00:44:41] Hellenic studies. And, typically, those positions are funded through either philanthropic efforts or other funds that float into the university, but they are quite typical in -- in institutions of higher education but -- or one who has international or -- or -- or statewide experience, expertise in a specific discipline.

REP. HALL (59TH): Okay.

JANE GATES: Who is brought in to serve.

REP. HALL (59TH): Okay.

JANE GATES: For a specific period of time.

REP. HALL (59TH): Okay.

JANE GATES: They are not there forever.

REP. HALL (59TH): Okay, so then they're not part of the block grant process. It's more --

JANE GATES: -- No.

REP. HALL (59TH): -- other fundings. Okay.

JANE GATES: It's typically other funds.

REP. HALL (59TH): Okay.

JANE GATES: Thank you.
REP. HALL (59TH): Thank you. Thank you for that answer.

JANE GATES: This is a wonderful opportunity to just chat with you briefly.

REP. HALL (59TH): Thank you. Thank you. I have a couple more questions, too.

MARK OJAKIAN: She -- she was much more eloquent than I woulda been.

REP. HALL (59TH): Thank you for that answer. Just a couple of other quick -- what does the Development Services Grant pay for, and how does the program actually work?

BEN BARNES: Forgive me -- I -- find my right piece of paper.

MARK OJAKIAN: As -- as many pieces of paper as we gave Representative Lavielle, he has the same issue.

REP. HALL (59TH): There's a whole --

MARK OJAKIAN: -- Tryin' to.

REP. HALL (59TH): -- pile here, yeah.

MARK OJAKIAN: Trying to find the page.

BEN BARNES: Starting several years ago, I can't remember exactly how many, five maybe. There was -- a separate line item was provided for developmental education. I think --

MARK OJAKIAN: -- 2012.

BEN BARNES: -- 2012 in response to legislative concerns that -- that activity of providing developmental education was not being appropriately funded within the system. The requirements, as I
understand them, are that a -- a grant is provided that requires us to -- and -- and we are providing -- required to spend, on a per campus basis, the amount that we were spending prior to that -- what we had reported prior to that plus the incremental amount of the -- of the appropriation on developmental education.

We currently provide a total of -- let's see, the funds provided to us for fiscal '19 for this year is just under $9 million dollars, including $7.3 million for the community colleges and $1.5 million for the -- for the universities. That is required that we spend -- however, our total spending for this year -- I don't have -- er, for fiscal '18, we don't have a current total spending for '19. I at least haven't reconciled that, but for last year, our total spending was actually far in excess of that. We spent $26.5 million dollars on developmental education, so we spent about $9 million, just under $9 million from the Developmental Education Block Grant from the Developmental Education Appropriation. And, then, the remaining $17 million came from the block grant or from tuition revenues that we dedicated to that purpose.

REP. HALL (59TH): Okay. Thank you. Thank you for that information. And, then, just a -- a question. There -- there's space that, I guess, at Central Connecticut State College -- that's dedicated to union employees. So my question is, is that space that they utilize a rented space from the college, or how does that actually work?

MARK OJAKIAN: I'm not into that.
BEN BARNES: I -- I don't know. I can find out. It may well be a requirement of a collective bargaining agreement --

MARK OJAKIAN: -- Collective bargaining agreement.

BEN BARNES: -- that we provide certain accommodations for them to conduct union business, but I -- we'll verify that and --

REP. HALL (59TH): -- The working group is fine on that one, just curious.

BEN BARNES: -- and provide you with the information.

REP. HALL (59TH): And the block grant questions have been asked already, so I'm all set. Thank you.

MARK OJAKIAN: Thank you.

REP. WALKER (93RD): Thank you. Representative Betts then -- followed by Senator Osten. And is there anybody else that hasn't been for the first time? Anybody down there?

UNKNOWN: Yes.

REP. WALKER (93RD): Yes? Okay. Oh yes, I'm sorry. I'm sorry. Representative Betts, I'm -- I'm sorry. I have -- I have Senator Hartley first and then you. Okay?

SENATOR HARTLEY (15TH): Thank -- thank you very much, Madam Chair. So I -- I'm just going to, you know, change -- shift gears here just a little bit. Can you provide for us, when we get into the working sessions, a profile and maybe like a little three-year kind of synopsis of Charter Oak? I'm very interested in what we're offering, what the -- the
utility is, what the graduation rate is, how we are connecting that resource to the bricks and mortar and, in particularly, in manufacturing. We're having this ongoing conversation about mechatronics and, you know, what the best way is to meet this need with regard to, you know, the -- the growing demand in -- in that sector. So if, you know, you can --

MARK OJAKIAN: -- Sure.

SENATOR HARTLEY (15TH): -- get some --

MARK OJAKIAN: -- Absolutely.

SENATOR HARTLEY (15TH): -- historical information about what we've done, where we're going. And, then, I'm just assuming as I look at, you know, our OFA sheets here. So we've got about a 5.5 percent increase on every single line but for this CSU. Is that basically set year flat except for salary and -- and wages as contractor? Is that what this is? About 5.5 percent and then with CSU, it's -- it's 4.89.

BEN BARNES: Yes.

MARK OJAKIAN: Mostly from salaries.

BEN BARNES: Yes, it's mostly from salaries. I mean, there are a couple of offsetting factors there. In fiscal '19, there was a one-time payment to Unitus employees for $2000.

SENATOR HARTLEY (15TH): Yeah.

BEN BARNES: That does not recur next year, but the 5.5 percent salary increase does, so the -- the increase is largely the -- the delta between those two --
MARK OJAKIAN: -- Right.

BEN BARNES: -- those two factors, so it ends up being close to 5 percent.

SENATOR HARTLEY (15TH): Okay. All right. Thank you very much. We'll, go on. Thanks, Madam Chair.

REP. WALKER (93RD): Okay. Representative Betts.

REP. BETTS (78TH): Thank you, Madam Chair. I just have one question centered around your document, the Board of Regents Resolution. It's on page two under the Revised Students First Plan, and it's the last bullet where you say you're gonna hire a number of positions to raise additional income for the system. I wonder if you could explain what the VP of Enrollment Management is gonna be doing and does it -- do they have any dollar goals set to them? And is the CSU -- C -- CSCU Developmental Officer a fundraising officer?

MARK OJAKIAN: Yes.

REP. BETTS (78TH): So is the plan to -- what's gonna happen to the funds that's raised by that officer versus all the other campuses with different endowments?

MARK OJAKIAN: So the vice --

REP. BETTS (78TH): You don't have to necessarily answer it now, but --

MARK OJAKIAN: Yeah, I know. So let me talk about the Vice President of Enrollment Management for -- for the community colleges. That is a position we recently recruited for and got a very top-notch national person to be part of the team, and it really is to take a look at all of the practices
around the colleges and all the national practices to increase enrollment, to look at how we recruit both traditional students and nontraditional students, and especially adult learners. I'm always a big believer that we should provide opportunities for folks that work, at times that they can go to school, so perhaps more in the evening and more on weekends. And, then, this person is also going to be looking at retention initiatives as well because it's one thing to get a student in the door. It's another thing to keep the student in to get them to complete in a timely fashion because those two things help a student succeed but also helps the revenue stream stay in and especially in terms of federal Pell dollars. I don't see the development yet. We have not hired a development person yet.

REP. BETTS (78TH): Okay, and in regards to that VP, is that a annual contract, or is that a multiyear one? What's the pay and benefits for that and?

MARK OJAKIAN: The Vice President of Enrollment Management?

REP. BETTS (78TH): Yes.

MARK OJAKIAN: That -- that will become a state employee. Like any other state employee, that person will be on the payroll. I believe it was -- what was the salary? 172 and that -- and that is intended to be part of the one college once that moves forward to completion in '23. But, in the meantime, we need a lot of assistance in enrollment as our enrollment continues to decline in many of our campuses, and we need a lot of help in
retention. And, so, we -- we believe that this position will pay for itself many times over.

REP. BETTS (78TH): Okay. Thank you very much, Madam Chair.


REP. JOHNSON (49TH): Thank you, Madam Chair, and thank you, President Ojakian, for your testimony today. I just have a -- a question. Maybe you can bring it to the Committee when we meet but.

MARK OJAKIAN: Sure.

REP. JOHNSON (49TH): The focus I have is the wonderful agreements that have occurred in the past between the high schools and the community colleges for Early College Opportunity. And it's my understanding, at least in my area, that there's been some change in terms of how they're working together, and I was hoping that maybe this is -- this is also be -- a way perhaps for you to increase enrollment is through the Early College Opportunity and so whatever you can provide in that area would be really appreciated. I think there are four programs in the state that do that now, and I propose a bill to expand it to any alliance district that might be capable of doing it, so it would be a way to regionalize and also expand access to college for students making the transition from high school to college. So thank you for what you've done so far, and I appreciate --

MARK OJAKIAN: -- Thank you.

REP. JOHNSON (49TH): -- it very much.
MARK OJAKIAN: No, thank you. We'll -- we'll bring that to -- to work group.

REP. JOHNSON (49TH): Okay. Thank you, Madam Chair.

MARK OJAKIAN: Or subcommittee, whatever it's called nowadays.


MARK OJAKIAN: It changes.

REP. WALKER (93RD): Yes, it does. It depends on our mood. Senator Osten. [laughter]

SENATOR OSTEN (19TH): Thank you very much, Madam Chair. I just have a couple questions, and it's nice to see both here. I just -- on the pension system for -- for your employees, has there -- are there any of your employees that are currently covered under ARP? Can you give us the numbers that are ARP and numbers that are --

BEN BARNES: -- I --

SENATOR OSTEN (19TH): -- SERS?

BEN BARNES: I can give numbers, although, as I said, there are -- about 800 or 900 were just permitted to go from ARP back to the SERS plan as a result of the resolution of grievance.

SENATOR OSTEN (19TH): Right.

BEN BARNES: So I'd have to go and double check to see -- post all that action where -- where we are in terms of -- of -- of ARP and SERS, but I can certainly provide that to you. The number on ARP is
diminishing quite significantly. There may be very few left.

SENATOR OSTEN (19TH): And, so, the number of people that -- the people that are on ARP, is there an extension of the fringe cost onto those ARP employees when you're calculating out for a grant? For example, do you include the fringe cost for an ARP employee that you would on a service employee?

BEN BARNES: The fringe cost that we pay and that we use when we -- we -- when we're projecting something into the future --

SENATOR OSTEN (19TH): -- Yep.

BEN BARNES: -- we -- we -- we build off of that -- our -- by individual so that the fringe costs that are reported on our schedules for -- for me reflect my circumstances, the type of health insurance that I have, the family size that I have, the pension plan -- system that I'm in. We don't distinguish -- this is based on the comptroller's practice between tiers within SERS.

MARK OJAKIAN: Right.

BEN BARNES: But there is a distinction as to whether your regular or hazardous duty in SERS or ARP. I think their hybrid plan is wanting with SERS, and then there are obviously all the various iterations of -- of health benefits configuration. So the -- the -- the fringe benefits are specifically determined by individual employee. So, if we have, you know, an -- an -- and, you know, all the people at one of the community colleges, you know, transferred out, had left their jobs, and were replaced by people on ARP, their fringe benefit rate
would plummet because they would be paying much lower fringe benefits for those --

SENATOR Osten (19th): -- Right.

BEN BARNES: -- for those folks.

SENATOR Osten (19th): So -- and I know that the comptroller does not distinguish between tiers, tier one to tier four, but a tier four employee's fringe costs are far less than a tier one. Do you have any tier one employees left?

MARK OJAKIAN: [laughter] Sorry.

SENATOR Osten (19th): Are you the only one, Mark?

MARK OJAKIAN: I -- I -- I might be.

SENATOR Osten (19th): I say you cost us less by continuing to work [Crosstalk]

MARK OJAKIAN: I might be the only one. That's right. If I keep working, it's super for you, Senator.

SENATOR Osten (19th): Yes, exactly, exactly. I appreciate -- I appreciate you caring about us that way, Mark.

MARK OJAKIAN: Always.

SENATOR Osten (19th): So -- so back to my question. I'm sorry. I -- I got waylaid by a [inaudible 00:59:07]. So, anyways, I just wanted to know on the tier four employee, now that it's a hybrid plan -- a hybrid 401(k), do you add on the unfunded liability to that tier four employee when you're calculating out the fringe for the application of a grant?
BEN BARNES: Well, this is all provided to use by the comptroller. The comptroller is the one who ultimately says, you know, the fringe benefit cost for Ojakian are this dollar amount, so they have a methodology that we accept. I mean, I -- what choice do we have? Of course, we accept it. [laughter] That -- they are -- determine -- they determine this. My understanding is that they make no distinction between tiers and that all participants in the SERS plan are proportionately -- I believe, proportionately to salary responsible for the unfunded liability portion of the SERS payment each year. So, you know, they take the, you know, the salary attributable to each individual employee as a share of the total of state SERS-covered salary and divide up the unfunded liability regardless of which tier you're in, which I appreciate is imperfect because certain tiers are probably -- I mean, there is no unfunded liability for tier four --

SENATOR OSTEN (19TH): -- Correct.

BEN BARNES: -- employees. They've all been only in the last year or two, and they -- we've been fully funding our pension during that time.

SENATOR OSTEN (19TH): And there's no unfunded liability for a tier three employee either.

BEN BARNES: Correct and probably tier two A's are pretty well funded too.

SENATOR OSTEN (19TH): They -- correct.

BEN BARNES: But I don't -- we --

SENATOR OSTEN (19TH): -- So.
BEN BARNES: -- do not -- I -- I don't believe that the -- the actuarial information that the --

SENATOR OSTEN (19TH): -- Right.

BEN BARNES: -- comptroller uses would permit them to break up the unfunded liability by tier without doing an enormous amount of actuarial hoop jumping that they have never done.

SENATOR OSTEN (19TH): So have you ever asked the comptroller for the methodology that is used to calculate out that fringe?

BEN BARNES: Well, I've not personally, but I have a staff member who is intimately familiar with it and argues them through every detailed point on an at least annual basis. So, yes, we -- we scrutinize their methodology. We ensure -- make -- make sure that the methodology has been applied correctly to our employees and argue for our own benefit every opportunity we get.

SENATOR OSTEN (19TH): So I'm arguing for your benefit quite frankly also.

BEN BARNES: I'm -- I'm appreciating that. Thank you.

SENATOR OSTEN (19TH): And -- and -- because I think that we're imposing on -- without recognition for all the hard work that has been done, thus far, to decrease the liability on the newer employees and not accepting that our state employees cost far less today than they did even ten years ago based on the work that has happened.

And, so, what I'm trying to figure out, where I'm really trying to go with this is, if we have a
grant, if you're applying for a grant and you put in an ARP employee, the chances are that you're on an equal footing with other colleges putting in for that grant. The chances are, if you're putting in for a service employee, you are not on the same level playing field because we include a debt that is not owed by today's employees. It is owed by -- by past governors and legislatures who did not fund this, so I think that we have to look at a different way on how we handle fringe because, you know -- and, so, what I would -- I would want to see is that methodology so if -- it's someone who works for you can --

BEN BARNES: -- [Crosstalk]

SENATOR OSTEN (19TH): -- get me that methodology. I'm very interested in getting that methodology. I'm also very interested in getting the number of grants that you are denied. I know that they don't always tell you the grants that you're denied, the reason why but, quite frankly, I can make a supposition. So, if I could get a -- the number of grants that you are denied and the dollar amount that it equates to, I would be very interested in that. And I -- I know that that's a lot of work, but I would really like --

BEN BARNES: -- [Crosstalk]

SENATOR OSTEN (19TH): -- to understand, are we putting the fringe on to our detriment by not being able to access different funding for sources? And, you know, I have other questions, but that's really clearly where I'm going, and we are going to be having a forum on fringe to sorta talk about the different things that equate to this. So, if you
wouldn't mind getting me those, I'd really appreciate it. Thank you very much, Madam Chair.

BEN BARNES: Thank you.

REP. WALKER (93RD): Thank you and -- thank you, Senator Osten, for asking that because that was a concern that we had earlier about the loss of -- of grant funding that because of our fringe was being applied in a universal way as opposed to a specific way for the individuals that are going to be contracted under those grants. So we need to make sure that we're clear for everybody that we get that established.

BEN BARNES: Sure.

REP. WALKER (93RD): Before I go to round two with everybody, the -- the -- the question that I would like or the information -- I don't know if we asked it clearly enough. Your -- your -- your back -- I guess your -- your grouping in services that are being paid out of the main office or the front office -- I think it's your Blackboard or your food, maybe maintenance, IT. Whatever -- whatever's paid for out of the -- the basic main office or the Board of Regents -- I'm not sure how you classify it, but could we get the list of the things that are being paid for?


REP. WALKER (93RD): The main reason why is because under your -- under your -- the OFA budget they have you listed at only $394,000, but you are utilizing -- you're paying through those -- those items. And at no time do I remember an FAC for removing it, so I'm trying to see how are you doing it within the
system that you have established so that we can understand how it's -- it's allowed.

MARK OJAKIAN: Absolutely.

REP. WALKER (93RD): And I had one other one that I just wanted to throw in there that I -- I did find the 16,000, I mean, not the 16,000, the $16,200,000. It was for fringe.

MARK OJAKIAN: Okay.

REP. WALKER (93RD): Okay? So we'll -- we'll -- we'll deal with that next.

MARK OJAKIAN: Thank you.

REP. WALKER (93RD): Okay. Next Representative Flexer. Oh, I'm sorry, sorry. Representative Hadded first. [laughter]

REP. HADDIED (54TH): Thank you.

REP. WALKER (93RD): Oh, wait. I'm -- I'm sorry. Hold it. I -- I -- I didn't see you wave. I'm sorry. Representative Baker.

REP. BAKER (124TH): That's okay, Madam Chair. I didn't wave --

REP. WALKER (93RD): -- Oh.

REP. BAKER (124TH): -- until just now.

REP. WALKER (93RD): Okay.

REP. BAKER (124TH): [laughter].

REP. WALKER (93RD): Go right ahead, sir.

REP. BAKER (124TH): Good afternoon. I was just trying to -- and I appreciate the information that you gave me, so -- so it's a lot in terms of trying
to flip through the pages and -- when you talk about consolidation and -- and with the -- with the -- with the schools and -- and I looked at some of the information. So it's safe to say that there was -- like, the consolidation, it -- it created a -- a -- a savings of $12 million -- million dollars overall. I don't know if I'm looking at it right.

MARK OJAKIAN:  No, the -- the -- the -- the -- we -- the consolidation is poised to save, on an annual basis, $23 million dollars annually --

REP. BAKER (124TH):  -- Okay.

MARK OJAKIAN:  -- once it's fully implemented. We did point to a savings figure for this year that we've been able to achieve under the consolidation proposal based on a reconfiguration of positions and not filling certain positions through attrition that are not gonna be part of the consolidated effort.

REP. BAKER (124TH):  Okay, so, basically, it -- it's -- it's more of -- of -- of positions and employees and the consolidation, not.

MARK OJAKIAN:  Correct.

REP. BAKER (124TH):  Okay, so nothing to really do it, like, operational in terms of cutting back on -- on supplies or things of that nature or anything?

MARK OJAKIAN:  No.

REP. BAKER (124TH):  Okay. When you -- when you're referring to that you're gonna be doing some -- some improvement projects and stuff, could you give, like, a breakdown on -- on what those improvement projects? 'Cause I'm looking in the -- the -- the packet where it has the Board of Regents and it says
MARK OJAKIAN: I'm sorry, Representative. I'm trying to find which page.

REP. BAKER (124TH): Well, it was on a resolution, and it was a combination, so I -- I -- I -- it was just a bunch of packets that would -- you know, information that was dumped on my desk over here, so I'm not sure if this is actually --

MARK OJAKIAN: -- Well, we didn't -- we.


MARK OJAKIAN: We didn't provide -- we didn't provide that information. We provided my testimony and three attachments on the budget, so I -- I'm -- I apologize.

REP. BAKER (124TH): Okay, so.

MARK OJAKIAN: But I don't know.

REP. BAKER (124TH): Okay.

MARK OJAKIAN: What you're referring to.

REP. WALKER (93RD): That's from off -- OFA.

REP. BAKER (124TH): Okay. All right. So it was -- it was just, like, somehow it got dumped.

MARK OJAKIAN: Okay.

REP. BAKER (124TH): Well, thank you for sharing that.

MARK OJAKIAN: [Crosstalk]
REP. BAKER (124TH): And I guess I'll have some more questions as we go on. Okay, and I'll try to clear up what I have on my desk.

MARK OJAKIAN: No problem. Okay. Thank you.

REP. WALKER (93RD): Representative Hadded.

REP. HADDED (54TH): Thank -- thank you very much. You know, as we've gone along, I've just had lots of additional questions. So most of them, I think, will probably be held with -- dealt with in the work session, so I -- so I -- just a couple of items I was hoping that you could bring to the work session.

MARK OJAKIAN: Sure.

REP. HADDED (54TH): One is a list of reserves by institution. You know, and I understand that you said that some of them are negative. My -- my question related to that though is, is there -- are there ram -- what are the -- are there accreditation or other ram -- or other similar ramifications for having an institution that's currently separately accredited or a separate institution that has a negative reserve? You know, we might -- I -- are there federal implications for -- for funding for Pell grants or --

MARK OJAKIAN: -- Not -- not -- not to my --

REP. HADDED (54TH): -- I -- I thought that -- I thought that the measures.

MARK OJAKIAN: -- not to my knowledge, Representative. We have -- when we get the individual institutional reports on accreditation, they will note, at certain points in time, about the financial situation of a particular --
REP. HADDED (54TH): -- Yeah.

MARK OJAKIAN: -- institution. They do understand how we balance the budgets of all of our institutions based on pulling the reserve dollars.

REP. HADDED (54TH): Yeah.

MARK OJAKIAN: So we've never had an issue today.

REP. HADDED (54TH): Okay. I -- I -- I just thought -- I thought I learned at one point -- it might have been for private institutions. I don't know if it's the same for public institutions but if there's a measure of financial stability and sustainability that's built into the accreditation process.

MARK OJAKIAN: No, there is. I mean, as a matter of fact, I would -- I would -- I would point out that all of the accreditation reviews that I've seen of -- -- since I have been leader of -- of this -- of this system have indicated their concern about the financial viability of many of the institutions. And they point to 10 out of 12. They won't tell us which 10 out of 12, but I could argue -- I could tell you probably by my -- my knowledge base. But, no, they -- they -- they point to the financial viability of the institutions, and they point -- they point to, quite specifically, those services that are not being provided adequately to students. So, in many cases, they point out -- and the library is not being open.

In many cases, they point out the lack of opportunities for a student to go to tutoring centers or that the student success centers, which provide students with -- with job opportunities, both internships and once they graduate, are either
not fully staffed or are closed when -- when students need to see them. These are very tangible issues that they point out in their reviews.

REP. HADDED (54TH): Yeah, thank you. I just -- if you could give us a list of the reserves by institution.

MARK OJAKIAN: Sure.

REP. HADDED (54TH): And -- and I guess I'm tempted to ask for any correspondence that you might have with your accrediting body that relates --

MARK OJAKIAN: -- Sure.

REP. HADDED (54TH): -- to that.

MARK OJAKIAN: Absolutely.

REP. HADDED (54TH): That provides that linkage.

MARK OJAKIAN: Absolutely.

REP. HADDED (54TH): Also, if you could bring to the work session, I -- I'd love to have a conversation about it here, but out of respect for other members of the Committee -- a -- a -- an analysis of your -- the current expenditures around outcome-based funding. There is the outcome base funding line.

MARK OJAKIAN: Sure.

REP. HADDED (54TH): It's $1.2 million dollars, thereabouts. I -- I'm interested in knowing, like, how you've been using that money and whether or not you've seen a discernible difference in the outcome of what you're trying to incentivize based on the expenditure of that -- of that money.
MARK OJAKIAN: Absolutely. We're happy to provide that to you.

REP. HADDED (54TH): And -- and if -- and, if you have any -- if you’ve earmarked that money for future fiscal years, I -- I'd be interested in knowing if that's the case. Additionally, I'll just put this as a speed round question, maybe not a real question. Developmental services, that's -- those are -- all -- those -- that line item is spent on personal services. If the developmental services line item --

MARK OJAKIAN: -- What [Crosstalk]

REP. HADDED (54TH): -- It essentially goes into staff salaries.

MARK OJAKIAN: Correct. It provides developmental education courses.

REP. HADDED (54TH): Right and I -- and I guess I mention that just to note that -- that despite there being contractual increases that are reflected -- that would compensate you for and recognized for -- for the block grant, we don't extend that 5 percent or 5.5 percent increase to that line item even though it also pays for --

MARK OJAKIAN: -- Correct.

REP. HADDED (54TH): -- developmental services.

MARK OJAKIAN: Correct.

REP. HADDED (54TH): And, so, that would be something we look at. And then -- then my last question, I guess, really does go to Students First. And I have one quick question and one maybe longer question. The quick question, I think, is how much
of the $23 million dollars that you project savings
the entire savings is dependent on moving to a
single consolidated community college as opposed to
other savings that you can realize through
administrative actions but that don't require
consolidation.

MARK OJAKIAN: I would -- I would -- I can get you
that specific information.

REP. HADDED (54TH): Okay.

MARK OJAKIAN: But I would -- I would say here today
that most of that savings would come from the
consolidated institution because of accreditation
requirements of -- of individual institutions versus
one consolidated institution because we have looked
at all of these options. We looked at all of these
options before.

REP. HADDED (54TH): Yeah.

MARK OJAKIAN: And this clearly not only was, in my
opinion and the opinion of -- of others, the best
path forward in terms of financial stability for the
system but also the best way to ensure student
success in the future in terms of curriculum, in
terms of retention rates, in terms of Guided
Pathways. And, so, we can -- I can certainly
provide you a breakout of what it might look like if
we didn't move to the single accredited institution,
and I think you would see far less of a -- of a
savings achieved.

REP. HADDED (54TH): Okay. You know, I -- I just --
I mean, I guess I was -- all right. We'll have that
-- we'll continue to have that conversation. The --
the second one is really probably information, just
a request to bring to our -- our work sessions, and it's also related consolidation. What's different from this year from last year is last year, when the consolidation plan was being considered, it was a very rapid -- the application was for a very rapid movement towards a single accredited institution. Now, I think you're looking at a four-year horizon, right? You're looking at --


REP. HADDED (54TH): -- 20-- 2023. And what I'd like to sort of see and understand is how -- since -- since now for a four-year period of time, as I understand it, you'll need to maintain the accreditation of each individual system, including all of the expenditure requirements that go with ensuring that the -- each individual institution meets the accreditation standards. But you're also building an infrastructure at the central office that is ready -- what -- if the accreditation is -- the -- the accreditation application is approved to take over those functions at the end of the four-year period, right? So I -- so I -- I'd like to see what the -- sorta the flow of expenditures and savings looks like over that transition period.

MARK OJAKIAN: Sure.

REP. HADDED (54TH): You know, what -- what -- positions are we adding and when are we adding them, you know, over the next four-year period before -- before the consolidation were to occur and -- and when those other -- I'm not -- I guess I would call them, at this point, maybe duplicative services or functions could -- could end at the -- at the other colleges. So I want to try to discern whether or
not there's an overall savings during the transition period as well or if we're gonna have an increase or decrease in expenditures as we [Crosstalk]

MARK OJAKIAN: We're happy -- we're happy to provide that --

REP. HADDED (54TH): -- Yeah.

MARK OJAKIAN: -- to you. As I indicated, while we are moving in that direction, we continue down the path of refilling positions based on the new model. So, for example, when presidents retire, we are replacing presidents with chief executive officers. The accreditation standards call for each institution to have a chief executive officer, so we're in compliance with that. As we see deans of administration or chief operating officers retire, we are replacing those with the newer positions at lower salaries. And we are also replacing those positions with folks at the senior level that can go between campuses as opposed to just be dedicated to that one campus. The important thing to remember about this initiative is that this does not impact teaching or learning. It doesn't impact faculty and doesn't impact those services that, I believe, students need and expect to be able to complete.

REP. HADDED (54TH): Thank you and I -- and I think -- yeah, I understand. You know, so I -- I'd just like to see the, you know, how the -- how the savings and the expenditures play out over the transition period --

MARK OJAKIAN: -- Sure, absolutely.
REP. HADDED (54TH): -- before we can achieve, you know, the projected $23 million dollar savings upon implementation.

MARK OJAKIAN: Sure.

REP. HADDED (54TH): Thank you.

REP. WALKER (93RD): Thank you. Representative Lavielle has to run, so she wanted to give her questions before she did.

REP. LAVIELLE (143RD): Thank you, Madam Chair. I really appreciate it. Representative Hadded asked -- just asked one of them, so I only have two. And this is just for -- we don't have to discuss it now, but it's for work group stuff.

MARK OJAKIAN: Sure.

REP. LAVIELLE (143RD): One of them on -- I would love some more information on -- obviously, some of the colleges aren't doing as well as others. And I'd be interested to know what -- you know, why? And, you know, is it because there's not enough students, or is it something else? And what measures you're taking to improve those in each case? That would be, I think, very good information to have.

And the second one is, about six years ago, we sat here in this room. It was the only term I ever sat on Higher Ed and -- but we were sitting here in Appropriations afterwards discussing the notion of -- with the high remediation rates of all the students that come into the community colleges and CSUs, of embedding the remedial material into the ongoing courses so that they would not be in a
position of having to spend longer in college than they would've otherwise if they'd been prepared.

And I wondered if you had any data on whether they have been able to cut down their stays, whether they're leaving at rates as high as they used to when they weren't prepared enough, whether you have a more reliable, predictable stream of students coming in and out as a result of it, whether you have any data on that.

MARK OJAKIAN: We have -- we have lots of data to share with you.

REP. LAVIELLE (143RD): Great. I would love to see it.

MARK OJAKIAN: Thank you.

REP. LAVIELLE (143RD): And that's all I have. Thank you very much for being here this afternoon.

MARK OJAKIAN: Always happy to be here.

REP. LAVIELLE (143RD): Thank you, Madam Chair.

REP. WALKER (93RD): Thank you, and I'm very well familiar with all the -- that data and your developmental courses. Moving right along. Senator Flexer.

SENATOR FLEXER (29TH): Thank you. Thank you, Madam Chair. I want to continue on some of the questions that Representative Hadded just posed a few minutes ago concerning Students First and if we could get a detailed breakdown of the hiring that's happened, thus far, to support the Students First initiative and to meet the needs that would be required for that plan to receive approval from NEASC versus the -- the -- the changes -- the elimination of
positions that you described in your answer to -- to Representative --

MARK OJAKIAN: -- Sure.

SENATOR FLEXER (29TH): -- Hadded. And a -- a detailed listing of how many of those new positions are. Can you give me a few examples of what those Students First -- the new positions with Students First are?

MARK OJAKIAN: Well, the only position we currently have in place is the Vice President of Enrollment Management. We have not hired any other individuals as part of the overarching consolidated institution. We were -- we're replacing positions with individuals in the new configuration, and those individuals are also being compensated at a -- at a lower level.

SENATOR FLEXER (29TH): And how many vice presidents will there be under the Students First plan?

MARK OJAKIAN: How many vice presidents?

SENATOR FLEXER (29TH): You said you've hired one, the VP of Enrollment Management. How many vice president level positions will -- will there be?

MARK OJAKIAN: Maybe one or two. There'd have to be a chief -- chief academic officer and a chief financial officer for the one institution as -- as required by accreditors.

SENATOR FLEXER (29TH): Okay, and, then, there will be three regional presidents?

MARK OJAKIAN: Correct.
SENATOR FLEXER (29TH): And where will their offices be?

MARK OJAKIAN: I have not decided where they would be sitting yet.

SENATOR FLEXER (29TH): How will you decide that?

MARK OJAKIAN: I will -- once we have -- once we have hired them, we will -- we will determine. They will be sitting in the region that they're serving, but the exact location of their desk has not been determined yet.

SENATOR FLEXER (29TH): And what's the estimated salary of the regional presidents?

MARK OJAKIAN: We can get that to you. There's a range. We're still in the process of the search, and, so, the compensation depends on qualifications and experience.

SENATOR FLEXER (29TH): And has the -- has your office expended money on the search? How much is the search for these regional presidents cost?

MARK OJAKIAN: We can get that for you as well.

SENATOR FLEXER (29TH): Okay, and will the regional president have their own staff wherever their offices are located?

MARK OJAKIAN: No.

SENATOR FLEXER (29TH): Other than the CEO, the CFO, and the CAO at each of the regional locations, correct?

MARK OJAKIAN: No, the CFO, the CAO, and the chief academic officer will be at the consolidated institution. And then each camp -- I mean, the --
there will be one college president who will have a chief academic officer and a chief budget officer. And, then, each campus will have a chief executive officer and somebody in charge of the budget and then also a dean of academics, who will be the chief academic officer. We can provide you with a -- with a full Gantt chart and a full organizational chart rather than just relying on my memory.

SENATOR FLEXER (29TH): No, I think I have that here, and it says that each campus will have a CEO, a CFO, and a CAO.

MARK OJAKIAN: Correct.

SENATOR FLEXER (29TH): So there will be 36.

MARK OJAKIAN: Each campus, not each -- not each -- so the regional person -- right -- so as.

SENATOR FLEXER (29TH): So there'll be 36 of these new chief officer positions.

MARK OJAKIAN: We can provide you because I think -- I think what you have -- what -- what you have there is a fair representation of -- of the new structure.

SENATOR FLEXER (29TH): It's from your office.

MARK OJAKIAN: No, I'm -- I'm -- I'm not arguing with you, Senator. I'm just trying to understand 'cause I don't have that in front of me. And, so, I would much rather have something in front of me to be able to respond more intelligently to your question.

SENATOR FLEXER (29TH): Okay, okay. When the consolidation is complete, how many fewer people do you anticipate having in administration and operations of the community colleges?
MARK OJAKIAN: 160.

SENATOR FLEXER (29TH): 160 total?

MARK OJAKIAN: Correct.

SENATOR FLEXER (29TH): Okay, and was that the number that was presented to NEASC in your application last year?

MARK OJAKIAN: I believe.

SENATOR FLEXER (29TH): Because I think last year it was 135.

MARK OJAKIAN: I think it was -- I think it was higher with what we presented to NEASC, and now we have to -- we did a reassessment of the plan based on the response from NEASC but also the -- the different timeline, but it's -- but it's my understanding and I can verify this that -- that the total number would be 150 or 160 that we would have less in the community college system.

SENATOR FLEXER (29TH): Okay, and then.

MARK OJAKIAN: And I can provide you with -- with the functionality of those positions.

SENATOR FLEXER (29TH): That would be great. Does that plan still includes 34 new associate dean positions? Is that part of that 160 number?

MARK OJAKIAN: I don't think it -- I don't think -- I -- I mean, because the associate deans are taking the place of other positions that currently exist on campus.

SENATOR FLEXER (29TH): Okay.
MARK OJAKIAN: So it's a position with a lower compensation schedule for each individual campus. So -- so we can provide you with what -- with what it's gonna look like, what the different levels will be as a result of the consolidation, and what the salary reductions will be, and then which positions we're just not going to be replacing once they are -- we could -- we have that information. I just -- I didn't know we were gonna talk extensively about Students First today, so I didn't have it.

SENATOR FLEXER (29TH): I'm surprised.

MARK OJAKIAN: Well, I -- I -- I mean, I knew we were -- no, no, I mean, I figured we would have some conversation about it. We had a conversation in front of Higher Ed, and we'll have another forum in front of Higher Ed. But I was going through, for today, based on, you know, what our budget request was and what we received.

SENATOR FLEXER (29TH): Okay. It would be helpful to see that -- that -- that breakdown and to have a understanding of the -- the positions that are proposed to be eliminated and how they're being replaced and what the differences are in terms of the --

MARK OJAKIAN: -- Absolutely.

SENATOR FLEXER (29TH): -- credentials of the people in that positions and the compensation that's necessary, so if we could have that for the next time --

MARK OJAKIAN: -- Absolutely.

SENATOR FLEXER (29TH): -- this group [Crosstalk]
MARK OJAKIAN: We actually provide it as part of our Substantive Change Submission, a very detailed budget, which had all of that information. We can synthesize that. That was available, and I think it was -- it was sent to every member of the General Assembly to look at, but we will -- we will put it in a format that I can better understand and that I can better articulate to you, Senator.

SENATOR FLEXER (29TH): Okay. Thank you. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Senator Hartley. Is there anybody else that has any other questions? Thank you, sir, and --

MARK OJAKIAN: See you at 5:00.

REP. WALKER (93RD): Yeah, and I -- I want to thank you for -- for -- for understanding what we need to do in our system. So one thing that I had -- did not see is you talked about the -- the -- the schools that are losing student positions in their -- in their bodies. Could you present the -- give us those numbers, please, because I didn't see. Usually, you give it to us every year.

MARK OJAKIAN: The enrollment numbers?

REP. WALKER (93RD): Enrollment, yeah.

MARK OJAKIAN: Oh, I'm sorry.

REP. WALKER (93RD): Enrollment, yeah. Usually, you give it to us.

MARK OJAKIAN: Yes, we can -- we can give you the latest enrollment figures both from fall -- fall of '18 and spring of '19.
REP. WALKER (93RD): Yeah.

MARK OJAKIAN: Because we like to compare fall to fall.

REP. WALKER (93RD): Exactly.

MARK OJAKIAN: And I think what you will see, Representative, is -- is a very mixed bag, so to speak. We have institutions that have really employed very entrepreneurial methods for recruiting students, and those enrollment numbers are up. And, then, you have others that have not, and those are -- those, in some cases, are down, but we will provide those to you.

REP. WALKER (93RD): I know -- I know our community college [inaudible 01:28:49] with a president that is doing a really good job bouncing from campus to campus.

MARK OJAKIAN: And -- and I will also point out that -- that we used those two campuses as well as Asnuntuck and Tunxis as pilots before we move toward the -- our consolidated approach, so we have presidents who are going in between two -- two campuses. We have admin -- senior administrators going between two campuses, and in each of those models in the past year, they've saved a million dollars each as a result of the sharing services model that they are, in fact, employing. Now, we can't do that permanently.

REP. WALKER (93RD): Right.

MARK OJAKIAN: But NEASC allowed us to do it temporarily while we were transitioning to a different model, but we -- we just didn't create
something that we didn't feel could work based on the experience of those two pilot programs.

REP. WALKER (93RD): Well, what I will say is even though we are sharing, the -- the -- the enrollment is up.

MARK OJAKIAN: Correct.

REP. WALKER (93RD): And both campuses are thriving immensely, to the point where it's crowded, which is a good thing. So it -- it's -- it does show that, at a certain level, it does not impact the students. They still go on about their business.

MARK OJAKIAN: Absolutely.

REP. WALKER (93RD): Which is getting an education so thank you.

MARK OJAKIAN: Thank you.

REP. WALKER (93RD): Thank you, sir.

MARK OJAKIAN: Thank you, Representative. Thank you, Members of the Committee.

REP. WALKER (93RD): So we will now adjourn. Am I adjourning? I never know these numbers but when -- I get that. Okay. I think we're adjourning, and then we are reconvening at 5:00 because I think this is the agency component. And, so, then the next part is the public hearing component, so I think I -- I -- I reopen the process so -- you guys are shaking your head, so I'm gonna assume [inaudible 01:30:33] I'll tell Sue to blame you if you -- she says, no. Thank you. See everybody at 5:00.