



Enclosure 2.  
September 30, 2015

**Minutes of the Council on Postsecondary Education Meeting**  
**Thursday, August 20, 2015, 5:30 p.m.**  
**Office of the Postsecondary Commissioner**  
**560 Jefferson Boulevard**  
**Warwick, RI 02886**

The Finance/Facilities Committee of the Council on Postsecondary Education met on Thursday, August 20, 2015, at the Office of the Postsecondary Commissioner at 560 Jefferson Boulevard, Warwick, RI. At 5:30 p.m., Chair Michael Bernstein welcomed everyone. He then took roll call.

**Present:** Michael Bernstein, Dennis Duffy, John J. Smith Jr., and Dr. Jeffery Williams.

**Absent:**

**1. ACCEPTANCE OF THE AGENDA**

Chair Bernstein entertained a motion to accept the agenda. On a motion duly made by Dr. Williams and seconded by Mr. Smith, it was

**VOTED:**                   **THAT** The Finance/Facilities Committee of the Council on Postsecondary Education accept the agenda for the meeting of August 20, 2015 as presented.

**VOTE:** 4 members voted in the affirmative and no members voted in the negative as follows:

**YEAS:** Michael Bernstein, Dennis Duffy, John J. Smith Jr., and Dr. Jeffery Williams.

**NAYS:** 0

## 2. APPROVAL OF THE MINUTES

### **Minutes of the Facilities Committee of the Council on Postsecondary Education's December 17, 2014 Meeting.**

On a motion duly made by Mr. Smith and seconded by Dr. Williams, it was

**VOTED:**                   **THAT** The Finance/Facilities Committee of the Council  
on Postsecondary Education accept the minutes  
of the former Facilities Committee meeting of  
December 17, 2014.

**VOTE:** 4 members voted in the affirmative and 0  
members voted in the negative as follows:

**YEAS:** Michael Bernstein, Dennis Duffy, John J. Smith  
Jr., and Dr. Jeffery Williams.

**NAYS:** 0

## 4. CHAIR'S REPORT

### **Chair Michael Bernstein**

The Chairman talked about how he planned to have this permanent committee of the Council operate and noted that it was one of the two subcommittees appointed to support the work of the Council. He noted that the new office and the new staff that the Commissioner was assembling were competent and would provide support to the Committee.

The Council has an important charge, and the Committee's work is to "get into the weeds" in order to provide more oversight and to vet out issues. He wants to be sure that this Committee provides access and transparency to both the press and to the general public.

This evening's meeting is to consider the requests from the three institutions related to their capital needs for the upcoming five years.

#### **4. COMMISSIONER'S REPORT**

##### **Review of the FY 2016 Operating and Capital Budgets.**

The Commissioner provided a very brief overview of the current operating and capital budgets that had resulted from the FY 2016 Budget Appropriation Act that was voted on in June.

He also provided the Committee members with a review of the timeframe under which the budgets are developed, reviewed by the Committee, and approved by both the Council and the Board. This review provided the Committee members with a reference point for this season's work.

#### **5. ACTION ITEMS.**

##### **5a) Discussion and recommendation of the Capital Improvement Plan - FY 2017-2021.**

Dr. LaPanne provided a brief overview of the Council's duties in regard to facilities as the stewards of the physical assets totaling just under 50% of the state's total physical assets. She also provided a summary of the General Obligation (GO) debt associated with the colleges and University, explaining how this debt service is treated as a pass-through in which the system is charged for the actual debt service required and credited through an identical appropriation. In addition to GO debt, the institutions also have other bond indentures that support various projects at the campuses. For the most part, however, this debt supports the auxiliary and enterprise operations which must be self-supporting by statute.

The other funding mechanism for building and renovations projects comes from the Rhode Island Capital Assets Plan (RICAP). This is a fund that the General Assembly is required to set aside for capital funding that is used in lieu of long term debt. The two component pieces of RICAP includes the funding for specific projects awarded by the legislature in the Budget Act and the Asset Protection funding that is awarded to agencies for the refreshment and renewal of physical assets.

While the Capital Improvement Plan document included in the meeting's packet totals \$1.1B over the upcoming five years, Dr. LaPanne explained that many of the projects, especially in the out-years, will be discussed this evening but revisited in each of the upcoming years prior to their implementation. Many of them, she said, have been included in the plan for many years and get pushed forward as other priorities take their place. She also explained that some of the projects are included for consideration by potential donors or other sponsors and the Plan may be used to telegraph those

needs of the institution, rather than plans that the system will be taking to the state for funding.

Dr. LaPanne provided a quick tour of the Capital Improvement Plan document for the Committee members' reference and then asked them to focus on the work paper that organized the projects by the years in which the financing would be expended. (This was Section 4 of the document.) She also asked the Committee to focus on the current year's projects, as well as 2017 and 2018 projects, as these were the most urgent items needing their consideration and guidance.

The Committee members asked the institutional representatives to provide explanations of the various items, starting with the requests from the University of Rhode Island. Mr. Wyman, Mr. Carrillo, and Provost De Hayes were in attendance to represent the University.

Chair Bernstein asked if the Upper College Road Multiuse Project included the University Inn, which Mr. Wyman affirmed that it did. There was considerable discussion related to the \$1.5 M projected cost that was showing for that project. Mr. Wyman explained that these funds are to be used for the relocation of staff in three buildings on Upper College Road. There are two single family dwellings that are currently being used for college offices – the budget department in one and faculty in the other. These two houses will be razed after the staff is relocated. Mr. Wyman reported that the University Club was the third building included in this project. He explained that it was closed for part of the year, that there was significant deferred maintenance on this building, and that the Club was closing as of September 1 as business had declined sharply.

The Chair asked if this project request would have been made but for the University Inn project that the Committee had formerly requested that URI reconsider. Dr. De Hayes said that these projects would have been requested but that the timeframe would probably have been different.

The Chairman commented that the project specifications keep shifting from his perspective and that the University needs to define and specify exactly what this project would entail. He shared his misgivings about public/private partnerships with the Committee. Dr. Williams agreed that bringing project components in a piecemeal fashion is not helpful or transparent.

After considerable discussion, the Commissioner advised the University to "sell" this project's features and benefits to the Committee and the Council.

Mr. Duffy stated that it was his opinion that approving the project currently would be premature without a full project disclosure.

The Chair asked the University representatives to talk about the Athletic and Recreational Facilities – Advanced Planning. Mr. Wyman reported that this project has three component pieces to it: the rehabilitation of the Slade Outdoor Track & Field, the reconstruction of the Meade Stadium Grandstands, and the replacement of the Natatorium.

Mr. Smith indicated that he would not be adverse to a discussion of any one or all of the projects, but that he did expect that the University would bring the study to the Committee upon completion so that they would be aware of the full extent of the project.

The Chair asked about the feasibility study that the Council had requested in the prior year relating to the Memorial Union. He had noted that there was no project request related to this study and that the study's results had not been reported back to the Committee or to the Council. Mr. Wyman reported that the new feasibility study looked beyond the original study for the renovation of the facility and looked at a full reconstruction of the building. He indicated that the study reported that financing of the building which would come through bonds that were supported by the revenue stream associated with student fees was not feasible with a need to increase fees by approximately \$1,400 per student annually. The Chair asked that Mr. Wyman send the report to the Committee members.

He also asked if they had any thoughts about the business community for input and Mr. Wyman indicated that they had not revisited the possibility of any investment into the project by local businesses.

The Chair asked about the Whitehorn Brook Apartment Project which is new to the University's request this year. Mr. Wyman stated that the University had studies supporting the concept that an addition of as many as 1,000 new beds would be supported by student demand on the Kingston campus. However, a project of this size was too large in the wake of the opening of the Hillside Residence just a couple of years ago. Instead, the University is proposing this project which would increase the on-campus residences by 450 beds. The Committee indicated its interest in pursuing more information about this project and the funding mechanisms needed to implement it.

In reviewing the projects recommended by Rhode Island College, RIC representatives noted that the College was looking for General Obligation Debt to support the renovation of one residence and the building of another one on its campus.

President Carriuolo urged the Committee to consider this request, as it is her belief that these residences have health, safety, and efficiency issues associated with them. She feels that these are the College's most urgent needs. President Carriuolo reported that these residences have not been renovated in decades and that their current configuration does not lend them to building good student communities. Capacity is an issue as well since the residences tend to fill with freshmen while upperclassmen have to seek housing in the local community.

The Chair asked the College to reconsider the design and funding sources and return to the Committee for continued discussion.

The Community College of Rhode Island has included the Westerly Campus project in its proposal this year. This project entails the construction of a facility that is to be used by CCRI, as well as other entities including URI and New England Institute of Technology. It will be owned by a private foundation, with College's contribution being the operation of the physical site, as well as the provision of furnishings and equipment for classrooms. This building will offer programs designed specifically for Electric Boat, and the lab spaces will be designed by EB to replicate their facilities and provide students with training in a simulation environment.

Mr. Patten also explained the accessibility project, which spans across all locations and is designed to implement changes in structure designed for the specifications of the Americans with Disabilities Act. He also indicated that the costs for these as shown in the proposal are for all campuses except the Knight Campus. The accessibility project costs for the Warwick Campus have been included in the overall Knight Campus Renovation project costs.

The Chair delivered his final thoughts to the Committee members, who were in agreement with his perspectives. He wants to be sure that the document that is sent to the Governor for inclusion in her budget consideration represents the Council and that the Council members are fully informed about the nature and extent of all projects.

The Committee members also agreed that campus tours for each of the institutions would be desirable, and all indicated that they would like to participate. The Commissioner's Office will coordinate these tours.

On a motion duly made by Mr. Duffy and seconded by Mr. Smith, it was:

**VOTED: THAT The Finance/Facilities Committee of the Council on Postsecondary Education will continue this discussion to the next meeting of the Finance and Facilities Committee.**

VOTE: 4 members voted in the affirmative and 0 members voted in the negative as follows:

YEAS: Michael Bernstein, Dennis Duffy, John J. Smith Jr., and Dr. Jeffery Williams.

NAYS: 0

#### UPCOMING MEETINGS

- b) The next meeting of the Council on Postsecondary Education is on Wednesday, September 16, 2015 at 5:30 p.m., CCRI Knight Campus, Room 4090.
- c) The Annual Retreat for the Council on Postsecondary Education is on Friday, September 18, 2015, at the Alton Jones Campus, URI, 8:00 a.m.-4:00 p.m.
- c) The next meeting of the Finance/Facilities Committee of the Council on Postsecondary Education is on Wednesday, September 30, 2015 at the Office of the Postsecondary Commissioner, 560 Jefferson Blvd, Warwick.

#### 6. ADJOURNMENT

On a motion duly made by Dr. Williams and seconded by Mr. Smith, it was:

**VOTED: THAT The Council on Postsecondary Education adjourn its meeting.**

VOTE: 4 members voted in the affirmative and 0 members voted in the negative as follows:

YEAS: Michael Bernstein, Dennis Duffy, John J. Smith Jr., and Dr. Jeffery Williams.

NAYS: 0

The meeting adjourned at 7:40 p.m.