



Enclosure 2.  
September 20, 2016

**Minutes of the Finance and Facilities Committee of the  
Council on Postsecondary Education Meeting  
Wednesday, August 24, 2016 5:30 p.m.  
The Office of the Postsecondary Commissioner  
560 Jefferson Boulevard  
Warwick, RI 02886**

The Finance/Facilities Committee of the Council on Postsecondary Education met on Wednesday, August 24, 2016, at the Office of the Postsecondary Commissioner at 560 Jefferson Boulevard, Warwick, RI. At 5:30 p.m., Chair Heather Crosby welcomed everyone. She then took roll call.

**Present:** Michael Bernstein, Heather Crosby, and Dennis Duffy.

**Absent:** Dr. Jeffery Williams

**1. ACCEPTANCE OF THE AGENDA**

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

**VOTED:**           **THAT**       The Finance/Facilities Committee of the Council on Postsecondary Education accept the agenda for the meeting of August 24, 2016 as presented.

**VOTE:**           3 members voted in the affirmative and no members voted in the negative as follows:

**YEAS:**           Michael Bernstein, Heather Crosby, and Dennis Duffy.

**NAYS:**           0

**ABSTAIN:**       0

## 2. APPROVAL OF THE MINUTES

### **Minutes of the Facilities Committee of the Council on Postsecondary Education's August 10, 2016 Meeting.**

Dr. LaPanne requested that a correction needed to be made to the draft minutes sent to the Committee related to the location of the meeting at the Alumni Center at 73 Upper College Road, Kingston. She distributed a revised set of minutes for review and approval by the Committee. An additional deletion of replicated text was also requested.

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

**VOTED:**                    **THAT**                    *The Finance/Facilities Committee of the  
Council on Postsecondary Education accept the  
minutes as amended of the Finance/Facilities  
Committee meeting of August 10, 2016.*

**VOTE:**                    3 members voted in the affirmative and 0  
members voted in the negative as follows:

**YEAS:**                    Michael Bernstein, Heather Crosby, and Dennis  
Duffy.

**NAYS:**                    0

**ABSTAIN:**                0

## 3. CHAIR'S REPORT

Chair Crosby recognized and thanked the presidents and their staffs for their efforts on the Capital Improvement Plan. She reiterated that this meeting will be a thoughtful and strategic conversation about the plans for each of the institutions. Each institution and the Office of the Postsecondary Commissioner will present their requests. Chair Crosby also stated that she was informed that the refinancing of the \$98m bonds should be complete in September.

**4. DISCUSSION/ACTION ITEMS.**

**4a) Overview of Capital Improvement Plan vision for the University of Rhode Island -  
Dr. Dooley**

Dr. Dooley began the overview referencing the first 13 projects listed on the Status Update provided in the CIP Requests from Institutions in Tab #4. Dr. Dooley explained that these projects are currently underway and funded. Mr. Duffy asked for an update on the Gateway to URI (welcome center). Dr. Dooley indicated that the welcome center will be a public gateway for the university with anticipated traffic 50,000-60,000 people visiting the campus annually. The Center design is underway with construction to start spring 2017.

Dr. Dooley shared with the Committee updates on the University Bond Ratings from Standard and Poor's and Moody's.

	Education & General Bonds	Auxiliary Bonds
Standard & Poor	A+	A+
Moody	AA3	A1

Both of the agencies reported a stable outlook for the University.

Dr. Dooley began his presentation by reminding the group that, while the CIP reflects a 5-year timetable, the University is preparing for the next century as demonstrated by the depiction of the campus with the requested projects - new construction and renovations to academic and residential life facilities.

He described the Fine Arts Center as a central facility for the University with approximately 4,000 students taking 240 classes and up to 50,000 people taking part in art and music events in the building annually. The project calls for both renovation and new construction. The hybrid approach was the most cost effective approach to the project. Additionally, the multi-year RICAP request will save \$38m in interest from 2018 through 2022. Dr. Dooley indicated that the RICAP request will allow the investment in this building to occur over a number of years with no new debt service expense included in the construction costs.

Chair Crosby asked how construction contracts were structured and whether they have a maximum price (not to exceed) clause. Dr. Dooley explained that the university follows the state procurement procedures. The costs of the project are designed to anticipate escalation clauses and inflation contingencies. The

exception to that process was the Chemistry building which was impacted by the timing of the recession and was 10% higher than anticipated.

Dr. Dooley stressed that many University projects have significant fund raising proponents as well as third party financing.

After surveying the undergraduate student body, it was determined that over 1,000 students would take advantage of on-campus housing. In response to this need, the White Horn Brooke (Resident Hall) is being designed to create 500 additional beds for juniors and seniors. During the summer the space will be used to house guests for conferences and events on campus. The project also calls for improvements to the surrounding landscape and the White Horn Brook itself.

Mr. Duffy asked if graduate student housing was considered. Dr. Dooley explained that, due to the economics of the local housing rental market, there does not appear to be a need for graduate student housing at this time.

Dr. Dooley provided his overview of the Upper College Road Multiuse Development project. An RFP is being developed to determine if any entity in the hotel development industry is willing to become a third party partner (3P) in the development of this project. No decision will be made on the overall project until a review and analysis of the interest and costs associated with a Public/Private Partnership (P3) are concluded.

Although part of the project will be to relocate the Budget Office and certain faculty groups to other locations on campus, the requested amount in the CIP proposal covers only the costs of relocating those offices and the costs associated with the development of the Request for Proposal.

The Committee had considerable discussion about the risks and benefits of a P3 projects, citing other such endeavors to develop University property. The Committee asked if a feasibility study will be conducted to ascertain if this is the best use of the property.

Dr. Dooley reminded the committee that, due to URI's location and lack of amenities in the near vicinity, a multi-use facility will be successful. Dr. Dooley indicated that to best position URI going forward, it will have to provide this level of service within walking distance for the students living on campus. Leveraging \$1.4M to benefit from a \$30-\$40m project will improve the campus life for URI students.

Committee members expressed serious reservations as to whether a privately-owned commercial center including a hotel would be an appropriate use of a central location of the URI campus. References were made to the past failure of hotels at state universities and the associated business risks. The hotel proposal was removed by the Council from the prior year's plan based on similar concerns.

The renovation of the Biological Resource Lab was the next project discussed. Dr. Dooley shared that, due to the nature of the building and its contents, URI sought and was granted Expedited Approval Process by the Department of Administration. This allows the University to use one-time-only funds for this project.

The final aspect of the URI CIP request pertained to the Energy Conservation/Performance Project. Through these efforts, the university has reduced the cost, consumption of energy, and saved substantial amount of money.

Chair Crosby recognized the innovation on campus and the savings of these effort.

She asked President Dooley to describe what he would like to see in 2021. Dr. Dooley's indicated that he would like to see the following completed or in process:

1. Renovate and restore the buildings on the historic quad
2. Rehab and expand the Oceanography School

He also indicated that he would like to see a building for Neuroscience in Providence in a partnership with the Department of Health.

When asked about the parking issues on campus, Dr. Dooley reported that a comprehensive parking plan is underway and should be available later this fall.

**4b.) Overview of Capital Improvement Plan vision for the Rhode Island College - Dr. Sánchez**

Dr. Sanchez began his discussion pointing out the unique position that Rhode Island College holds in the state as the significant provider of quality, low cost liberal arts education.

An ongoing project on campus is the relocation of electrical wires to underground. Dr. Sanchez stressed the need to update and upgrade wiring structures while maintaining the trees on the campus. He reflected on the importance of quality residence halls to the recruitment and retention of the student body. The results of a study of first time freshmen showed that retention among students in the residence halls was lower than the other classes. While enrollment is up, students using on-campus housing is down. A couple of the Committee members indicated that they were not surprised to hear that considering the condition of the residence halls.

After 2 feasibility studies, the RIC CIP request of \$150M includes residence hall renovations and new construction. Renovation costs of \$95M are recognized in the CIP with an additional \$55M for new construction.

RIC is investigating whether a Public/Private Partnership arrangement would be of benefit. President Sanchez indicated that RIC will be amending its CIP request to include a dedicated stream of funding over 5 years to support the residence halls.

Dr. Sanchez highlighted the need to upgrade the Adams Library to make it suitable to the high demand for technology. Students are coming to campus with multiple digital devices and require access and support.

The Horace Mann Hall houses the Education School. This facility has structural and access challenges that will be addressed through a renovation. A request for \$24.5M over 5 years will be used to maintain and upgrade the infrastructure of the campus, with a focus on IT (60%) in the classrooms and dorms.

Chair Crosby asked for Dr. Sanchez's projections for the future. President Sanchez stated that, in addition to the upgrades needed in residence halls, other department buildings also need attention. The development of a consolidated student services building and a commuter center is extremely important to the campus in order to create a space where commuter students can develop a relationship with the college. Dr. Sanchez spoke about the relationship between RIC and the Community emphasizing that only 15% of RIC students live on campus. A sense of belonging is very important to the students who do not reside on campus. He noted that RIC athletes are retained and graduate at a higher rate while other commuter graduation rates are significantly lower. He wants to improve that sense of belonging to a community in order to increase that retention and completion rate as he reminded the Committee members that 80% of RIC grads stay in Rhode Island after graduation.

4c.) **Overview of Capital Improvement Plan vision for the Community College of Rhode Island - Dr. Hughes**

Dr. Hughes spoke about the 5-year plan that includes renovations and upgrades to assets, and accessibility improvements for the campuses. The CCRI plan includes a proposed \$57m for renovation and refreshment as well as \$13m over the course of five years in asset protection funding.

Mr. Patten provided an overview of the campuses and the age of the facilities. Due to the age and condition of the campuses, continuing upgrades and improvements are being made to the facilities. He introduced the Institutional Master Plan and the Strategic Facility Master Plan which will be used to inform the future asset protection plan campus wide.

Dr. Hughes spoke about the improvements being planned for the Knight Campus in Warwick. The campus is an example of the School of Brutalist Architecture and changes to the interior are in development to make the campus more student/visitor friendly, focusing on visible features and surface materials improvements. CCRI will continue to streamline the architectural and engineering process by consolidating the projects under oversight of one firm.

Dr. Hughes also reported that CCRI has received support from the Champlin Foundation to support the upgrade of the lecture hall on the Flanagan Campus in Lincoln.

Chair Crosby asked about the need for and desirability of multiple campuses. Dr. Hughes will be using the results of the strategic plan to answer many questions including the efficacy of the multiple campuses in order to make smart decisions regarding the various locations. As an example, Dr. Hughes pointed out that the Flanagan Campus is the health science campus and it is an important part of the investment in the health sciences.

Dr. Hughes also stated that, due to the nature of the student body, they are working on improving the commuter student experience as an echo of Dr. Sanchez' concern related to RIC. The large expanse in the middle of the Knight Campus building will be transformed to energize visitors and students and to enhance recruitment.

Mr. Bernstein asked about the CTE programs. Dr. Hughes shared that CCRI is working with the Kennedy Center and that the TAACCTT Program (Trade Adjustment Assistance Community College Training Grant Program) has assisted with understanding what Rhode Island employers need for the future.

**4d.) Overview of Capital Improvement Plan vision for the Office of the Postsecondary Commissioner – Dr. Jim Purcell**

Dr. Purcell explained that the system office is requesting \$2m for the on-going Westerly Higher Education Center buildout that has already been appropriated in the FY 2017 budget. Because this is a funded project, there is no decision required by the Council and only the mandated state reporting as funds are expended. In addition, the Office is requesting \$250,000 to replace the roof at 560 Jefferson Boulevard, Warwick, as well as repairing the parking lot and the sidewalk structures around the building.

**4e.) Review of the Capital Improvement Plan for FY 2018-2022 with follow up discussion.**

Dr. LaPanne provided a brief overview of the Council's duties in regard to facilities as the stewards of the physical assets which totals 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.

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 now but will be revisited in each of the upcoming years prior to funding and implementation. Many of them have been included in the plan for many years and their anticipated dates have been delayed as other priorities take their place.

**5. ADJOURNMENT**

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

**VOTED:**                    **THAT** *The Finance/Facilities Committee of the Council on Postsecondary Education adjourn its meeting.*

**VOTE:** 3 members voted in the affirmative and 0 members voted in the negative as follows:

**YEAS:** Michael Bernstein, Heather Crosby, and Dennis Duffy.



NAYS: 0

The meeting adjourned at 7:05 p.m.