



Enclosure 2.  
January 18, 2018

**Minutes of the Finance and Facilities Committee of the  
Council on Postsecondary Education Meeting  
Wednesday, November 1, 2017, 5:30 p.m.  
McKenna Conference Room  
Office of the Postsecondary Commissioner  
560 Jefferson Boulevard  
Warwick, RI 02886**

The Finance/Facilities Committee of the Council on Postsecondary Education met on Wednesday, November 1, 2017, at the Office of the Postsecondary Commissioner at 560 Jefferson Boulevard, Warwick.

At 5:35 p.m., Committee Chair Heather Crosby welcomed the Committee members and thanked everyone for their attendance at this evening's meeting.

**Present:** Timothy DelGiudice, Dennis Duffy, Heather Crosby and Dr. Jeffery Williams.

**Absent:**

**1. ACCEPTANCE OF THE AGENDA**

Chair Crosby entertained a motion to accept the agenda. A motion was duly made by Mr. DelGiudice and seconded by Mr. Duffy.

<b>VOTED:</b>	<b>THAT</b>	The Finance/Facilities Committee of the Council on Postsecondary Education accept the agenda for the meeting of November 1, 2017 as described.
	<b>VOTE:</b>	Four members voted in the affirmative and no members voted in the negative as follows:
	<b>YEAS:</b>	Timothy DelGiudice, Dennis Duffy, Heather Crosby, and Jeffery Williams.

NAYS: 0

ABSTAIN: 0

## 2. APPROVAL OF THE MINUTES

### 2a. Minutes of the Finance and Facilities Committee of the Council on Postsecondary Education's October 11, 2017 meeting.

Chair Crosby asked if there were any edits related to the minutes but none were noted.

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

**VOTED:**            **THAT**            The Finance/Facilities Committee of the Council on Postsecondary Education accept the minutes of the Finance/Facilities Committee meeting of October 11, 2017.

**VOTE:**            Three members voted in the affirmative, no members voted in the negative and one abstained as follows:

**YEAS:**            Timothy DelGiudice, Dennis Duffy, and Jeffery Williams.

**NAYS:**            0

**ABSTAIN:**        Chair Crosby abstained as she had not been in attendance at this meeting.

### 2b. Minutes of the Finance and Facilities Committee of the Council on Postsecondary Education's October 18, 2017 meeting.

Chair Crosby entertained a motion to accept the minutes, which was duly made by Mr. Duffy and Mr. DelGiudice.

Chair Crosby asked if there were any edits related to the minutes. She requested that a March deadline be reflected in the discussion of the budget process and that the report related to the audited financial statements indicate that all four reports had received an unqualified or "clean" opinion from O'Connor and Drew. Chair Crosby also requested

that the chart showing the five-year plan for performance funding is also included in the relevant section of the minutes.

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

**VOTED:**            **THAT**            The Finance/Facilities Committee of the  
Council on Postsecondary Education amend  
the minutes of the Finance/Facilities  
Committee meeting of October 18, 2017 as  
noted.

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

**YEAS:**            Timothy DelGiudice, Dennis Duffy, Heather  
Crosby, and Jeffery Williams.

**NAYS:**            0

**ABSTAIN:**        0

Then Chair Crosby called for a vote. On the motion duly made by Mr. DelGiudice and seconded by Mr. Duffy, it was

**VOTED:**            **THAT**            The Finance/Facilities Committee of the  
Council on Postsecondary Education accept the  
minutes of the Finance/Facilities Committee  
meeting of October 18, 2017 as amended.

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

**YEAS:**            Timothy DelGiudice, Dennis Duffy, Heather  
Crosby, and Jeffery Williams.

**NAYS:**            0

**ABSTAIN:**        0

### 3. CHAIR'S REPORT

Chair Crosby reminded the Committee that this is the last scheduled meeting for this calendar year. This evening will be the continuation of the review of the operating budgets from the three institutions and the Office.

She indicated that she is very pleased that the system will be addressing the first phase of a Comprehensive Five-Year Funding Plan for Postsecondary Education. This is a very important first step in getting a longer range budget plan and the stability that it offers to the system.

Chair Crosby also reminded the Committee that the performance metrics were approved by the Council and the Board last November but that she was aware that the work of refining those metrics was ongoing.

Chair Crosby reported that she has been reading the continuing warnings that upcoming tax revenues for the state are tight and that there will probably be issues with budget appropriations for the new year.

### 4. ACTION ITEM.

#### 4a) **Discussion and recommendation to the Council on Postsecondary Education for the approval of the Unrestricted and Restricted Budget Requests, Tuition and Fee Rates, and the Tables of Organization for FY 2019 and 2020 and the Unrestricted and Restricted Budget Allocations for FY 2018 and Recommendation to the Board of Education.**

Dr. Dann-Messier began this evening's discussion with a review of the performance funding rationale. She recognized that more investment is needed to support the missions of the three institutions as well as the overall system wide attainment goals. Dr. Dann-Messier believes that this plan promotes transparency and alignment with the state priority areas that include:

- Improving graduation and persistence
- Increasing graduates in high demand/high wage fields
- Advancing institutional missions

She also stated that this comprehensive plan will create predictability and stability for both the institutions and the State. Dr. Dann-Messier then reviewed the performance funding timeline:

- **August 2016** – Performance-based funding legislation signed into law

- **October 2016** – Request granted to delay implementation for one year
- **November 2016** – PBF metrics passed by Council
- **September 2017** – Institutions instructed to prepare performance reports
- **October 2017** – PBF proposal included with OPC budget submission for FY 2019
- **November 2017** – Council then Board to approve system budget submission

The Commissioner then reviewed the performance funding proposal for the upcoming five years. The plan includes increases in each of the upcoming budget years with all new money linked to performance as follows:

Fiscal Year	Increased Appropriation over Prior Year	Total System Appropriation
FY18 (Current)	-	\$175,495,574
FY19	\$9M*	\$184,495,574
FY20	\$10M*	\$194,495,574
FY21	\$10M*	\$204,495,574
FY22	\$10M*	\$214,495,574
FY23	\$11M*	\$225,495,574
<b>Five-Year Total</b>	<b>\$50M*</b>	<b>(28.5% increase)</b>

In order to provide a clear view of the effect of the FY 2019 proposal for the budget request of each of the institutions, the Commissioner discussed the percentage increase that each would receive with the implementation of the first year’s plan for the \$9 million increase:

	PBF Amount	To be appropriated	Increase over FY 2018
URI (excludes Crime Lab)	\$ 4,400,000	\$ 81,771,073	5.7%
RIC	\$ 2,300,000	\$ 50,488,791	4.8%
CCRI	\$ 2,300,000	\$ 52,235,710	4.6%
TOTAL	\$ 9,000,000		

The Commissioner also reviewed the requests included in the FY 2019 funding for the Office of the Postsecondary Commissioner. Her six key priorities have been presented to the Committee and to the Council are as follows:

- To reach 70% postsecondary attainment by 2025.
- To close equity gaps.

- To make postsecondary education more affordable.
- To increase graduates in high-demand, high-wage fields.
- To implement innovation and effectiveness models.
- To align work across systems.

The OPC budget has a small number of funding requests associated with them to support these initiatives and they include the following:

- Equity Incentive Fund - \$150,000
- Accelerating Attainment Fund - \$150,000
- Attainment Research Fund - \$150,000
- Student Contingency Fund - \$50,000

Dr. Dann-Messier also discussed the work that had been done to date involving the dual and concurrent enrollment program. She reminded the Committee members that the Office had been required under statute to provide a plan for the containment of costs in this program. She credited her Chief of Staff, Kim Bright, with the results that have allowed a reduction in the cost overrun for FY 2017 to be reduced from \$900k to \$460k. In addition, the work of this group under Ms. Bright's leadership has also resulted in a significant reduction in the anticipated costs of the FY 2018 to \$880k in addition to the original appropriation of \$1.3 million. Finally, the work of this group has also resulted in a reduction of the full cost for FY 2019 to \$2.5 million with additional reductions anticipated as their work continues.

The Commissioner also reported that the Rhode Island Promise Scholarship program will be seeking \$6.35 million to support this year's cohort into their second year and the incoming first year cohort. CCRI has prepared the projected costs on which this request is based.

With the Commissioner's report complete, Chair Foulkes pointed out that the University's budget was still showing an increase that was higher than the \$4.4 million included in the plan as well as showing increases in tuition and mandatory fees that need to be amended. He indicated that the University's budget needs to align with the directions received from the Commissioner. He asked Vice President Abigail Rider to be sure that this is what the Council will be receiving at its meeting next week. He added that this budget is probably the healthiest appropriation possible with approximately 5% increase where UConn is taking a \$140 million reduction to their base. Chair Foulkes also pointed out that the metrics are a very strong argument for this increase to the system's budget.



YEAS: Timothy DelGiudice, Dennis Duffy, Heather Crosby, and Jeffery Williams.

NAYS: 0

ABSTAIN: 0

## 5. ADJOURNMENT

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

**VOTED:**           **THAT** The Finance/Facilities Committee of 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: Heather Crosby, Timothy DelGiudice, Dennis Duffy, and Dr. Jeffery Williams.

NAYS: 0

The meeting adjourned at 6:17 p.m.