

Rhode Island Council on Postsecondary Education  
Finance & Facilities Committee  
October 16, 2024



**Meeting of the Council on Postsecondary Education  
Finance and Facilities Committee  
Wednesday, October 16, 2024  
RI Nursing Education Center  
Room 112  
350 Eddy Street,  
Providence, RI 02903  
5:00 PM  
Meeting Minutes**

Chair Dennis Duffy called the meeting to order at 5:00 PM and acknowledged that a quorum was present.

**Finance & Facilities Committee members present:**

Dennis Duffy, Chair, Finance & Facilities Committee  
Thomas Izzo  
Marcy Reyes

**Rhode Island Office of the Postsecondary Commissioner (OPC) staff present:**

Shannon Gilkey, Commissioner  
Zachary Saul, Chief Financial Officer  
Jackie Xiong, Executive Assistant to the Commissioner and Council Liaison

**Rhode Island College (RIC) participants:**

Jack Warner, President  
Sara Enright, Interim Vice President for Finance & Administration/CFO  
Adam Brusseau, Director of Budget & Financial Planning  
Anastasia Rodriguez, Interim Controller

**Community College of Rhode Island (CCRI) participants:**

Rosemary Costigan, Interim President  
Richard Sullivan, Vice President for Finance & Administration/CFO  
Annemarie McMahon, Director of Budget & Financial Planning  
Amy Kempe, Chief of Staff

**1. Acceptance of the Agenda**

Chair Duffy called for a motion that the Finance & Facilities Committee accept the agenda for the meeting of October 16, 2024.

On a motion made by Thomas Izzo and seconded by Marcy Reyes, it was:

VOTED:	THAT	The Finance and Facilities Committee accept the agenda for the meeting of October 16, 2024.
	VOTE:	3 members voted in the affirmative and 0 members voted in the negative
	YEAS:	Dennis Duffy, Thomas Izzo, and Marcy Reyes
	NAYS:	0
	ABSTAINS:	0

**2. Approval of the Minutes from October 2, 2024, Meeting**

Chair Duffy asked for a motion to approve the minutes from the October 2, 2024, meeting.

On a motion duly made by Thomas Izzo and seconded by Marcy Reyes, it was:

VOTED:	THAT	The Finance and Facilities Committee accept the minutes for the meeting of October 2, 2024.
	VOTE:	3 members voted in the affirmative and 0 members voted in the negative
	YEAS:	Dennis Duffy, Thomas Izzo, and Marcy Reyes
	NAYS:	0
	ABSTAINS:	0

**3. Action Items**

- A. Approval of the recommendation to the Council on Postsecondary Education for its approval of the Office of the Postsecondary Commissioner Unrestricted and Restricted Budget Requests and Tables of Organization for FY2026; and the Unrestricted and Restricted Budget Allocations for FY2025.

Chair Duffy introduced the item and called upon representatives from the Office of the Postsecondary Commissioner's Officer to present the FY2026 Operating Budget Request. Zachary Saul, Chief Financial Officer informed the Committee that Commissioner Gilkey was going to be late to the meeting and he would begin the presentation in his absence.

Mr. Saul provided the Committee with an update on the statutory duties of OPC.

OPC's FY2026 Operating Service Level Budget request for all sources of fund is \$55.5 million. \$32.8 million General Revenue, \$6.6 million Federal Funds, \$8.0 million Restricted Receipts, and \$8.1 million Other Funds/Operating Transfers. \$18.1 million to fund operations and \$37.4 million as pass-through funding.

A total of \$32.8 million from general revenue is requested for the OPC unrestricted budget for FY26. This budget includes \$4.7 million for operations for OPC and RILDS. \$28.1 million for non-operating needs, including \$2.3 for dual enrollment, \$4.8 million for the Hope Scholarship, \$8.3 million for CCRI Promise Scholarship, \$6.5 million for Last Dollar (Promise 1.0) scholarship, \$5.5 million for occupancy cost of the RI Nursing Education Center, and \$0.7 million for Legislative Grants.

Mr. Saul explained OPC's areas of investment continue to focus on the Longitudinal Data System, College Readiness and Postsecondary Completion, Strategic Initiatives and Policy, Higher Education Finance and Efficiency, and Administrative Operations. Mr. Izzo inquired if all pass-through dollars were reflected in the presentation. Mr. Saul explained that the slide pertaining to managed resources was reflecting areas of the budget that were receiving increases. He stated that dual enrollment and designated grants were not included on the slide because OPC is requesting level funding. Mr. Izzo also inquired if the Shepard Building expenses were still a pass-through. Mr. Saul explained that the FY2025 Revised Budget and FY2026 Operating Budget reflect the occupancy cost for the Shepard Building in operating expenses and that the State Department of Administration (DOA) will allocate the occupancy cost via the Internal Service Fund. These expenses are managed by DOA and charged to the OPC budget. Chair Duffy inquired about the terms for the debt service on the RI Nursing Education Center how much time remained on the payment schedule. Mr. Saul indicated that he would follow up with the Chair and provide an updated schedule.

Mr. Saul explained to the Committee that the budget instructions from the Office of Management & Budget (OMB) requested a Current Service Level Budget (CSL) Request and a Constrained Budget Request that contained a 7.5% reduction of general revenue based on the FY2026 OMB Target Base Budget. The result would be a \$360,053 reduction of general revenue. Mr. Saul explained that the 7.5% reduction of a Constrained Budget would not be ideal and would have a significant impact on the Office and its ability to meet the needs of the Council and its statutory responsibilities. OPC proposed adjustments to personnel, operating expenses, and grants to comply with OMB's constrained budget requests.

Mr. Saul presented a Table of Organization that is requesting an additional 12.0 FTEs for FY2026. The FY2025 authorized FTE positions is 46.0. These positions would be supported by third party funds and have neutral impact on the operating budget because of the availability of funding and the term limited nature of the positions. The positions would be available to provide research, delivery of programs, support services, and operations management. Chair Duffy inquired as to the potential sources of funds. Commissioner Gilkey provided examples of foundation and non-profit organizations that may be available in the near term. Ms. Reyes questioned if additional FTEs were hired would there be a positive impact to the operating budget due to the ability to charge an indirect cost rate on projects. Commissioner Gilkey and Mr. Saul explained that there may be a potential for increasing amount of indirect overhead charged on projects or grants awarded, but the request in the FY2026 budget is to first receive authorization to have the FTEs available to be able to complete the work of any potential projects or grants.

On a motion duly made by Thomas Izzo and seconded by Marcy Reyes, it was:

VOTED:	THAT	The Finance and Facilities Committee approve the recommendation to the Council on Postsecondary Education for its approval of the Office of the Postsecondary Commissioner Unrestricted and Restricted Budget Requests and Tables of Organization for FY2026; and the Unrestricted and Restricted Budget Allocations for FY2025.
	VOTE:	3 members voted in the affirmative and 0 members voted in the negative
	YEAS:	Dennis Duffy, Thomas Izzo, and Marcy Reyes
	NAYS:	0
	ABSTAINS:	0

- B. Approval of the recommendation to the Council on Postsecondary Education for its approval of the Community College of Rhode Unrestricted and Restricted Budget Requests, Tuition and Fee Rates, and Tables of Organization for FY2026; and the Unrestricted and Restricted Budget Allocations for FY2025.

Chair Duffy introduced the item and called upon President Rosemary Costigan to present the FY2026 Operating Budget Request for the Community College of Rhode Island.

President Costigan framed CCRI's budget request and its alignment with the Community College's strategic plan. The impact of COVID on CCRI has resulted in a 15% decline in enrollment between the periods of Fall 2019 to Fall 2023 and generated a \$4.3 million dollar loss for the Community College. The FY2026 Operating budget was prepared with four assumptions (1) approval for the FY2025 revised budget, (2) Current Service Level Planning values for COLA and fringe benefits, (3) increase in online class caps from student size of 20 to 28, and (4) position control/float management.

For the FY2025 Revised Operating Request CCRI is seeking additional State appropriation of general revenue funding of \$650,000 to cover the negotiated COLAs and fringe benefits for classified employees and adjustment for changes in fringe benefit planning values provided by OMB that exceeded the planning values in the FY2025 Enacted Budget. The request will cover the State's share of CCRI's unrestricted revenue (48.17%). CCRI will have to cover the balance with other revenue sources, position float, and use of fund balance.

For FY2026 CCRI presented a Current Service Level Budget Request and a Constrained Budget Request to comply with the request from OMB. President Costigan explained that the FY2026 OMB Targets did not account for the same targets or planning values that are being included in the FY2025 revised budget request. The increase necessary for FY2026 to cover the State's share is \$2.1 million. The OMB target did provide funding for changes in planning values, but they did not adequately fund the State's negotiated COLAs and fringe benefit for classified employees. The OMB targets did not include adjustments for Board of Education employees, whose contracts are being renegotiated in FY2026.

President Costigan explained the Community College manages its budget in three key areas (1) tuition and fees, (2) operating expenses, and (3) position control to provide for the difference in between the Community College's total need and the State appropriation. The FY2026 Current Service Level Budget request is \$136.3 million. This budget would be supported by \$63.9 million in State

appropriations (exclusive of \$1.1 million in General Obligation debt service), \$59.9 million in tuition and fee revenue, \$7.8 million in other institutional resources, and \$3.6 million from prior year fund balance surplus. The FY2026 State appropriation represents an increase of \$2.1 million or 3.3% over the FY2025 Revised Budget. Tuition and Fees for in-state students will increase 5.7% to \$5,868 (\$318 increase over FY2025). CCRI will remain the fourth lowest tuition in New England. FY2026 CCRI will carry \$10.3 million in position float to account for vacant or unfilled FTEs. This is an increase of 2.5% over the FY2025 Revised Budget Request. The Community College will be strategic about hiring for vacancies and will review all position requests before they are filled.

President Costigan presented the FY2026 Constrained Budget for CCRI, in accordance with the OMB instructions, to reflect a 7.5% reduction of general revenue funding. The Constrained Budget for revenue in FY2026 to reflect the reduction from OMB would be \$130.2 million. The State appropriation would be \$59.1 million, a decrease of \$4.8 million from the FY2026 CSL request. To achieve this target CCRI would need to raise tuition and fees to \$6,096, or 9.9% over the FY2025 tuition and fee rates, reduce operating expenses, and decrease its personnel costs. President Costigan emphasized that this reduction would have an adverse impact on the Community College's ability to operate. There was an extended discussion among the committee members regarding the impact of the Constrained Budget.

On a motion duly made by Marcy Reyes and seconded by Thomas Izzo, it was:

VOTED:	THAT	The Finance and Facilities Committee approve the recommendation to the Council on Postsecondary Education for its approval of the Community College of Rhode Island Unrestricted and Restricted Budget Requests, Tuition and Fee Rates, and Tables of Organizations for FY2026; and the Unrestricted and Restricted Budget Allocation for FY2025.
	VOTE:	3 members voted in the affirmative and 0 members voted in the negative
	YEAS:	Dennis Duffy, Thomas Izzo, and Marcy Reyes
	NAYS:	0
	ABSTAINS:	0

- C. Approval of the recommendation to the Council on Postsecondary Education for its approval of the Rhode Island College Unrestricted and Restricted Budget Requests, Tuition and Fee Rates, and Tables of Organization for FY2026; and the Unrestricted and Restricted Budget Allocation for FY2025.

Chair Duffy introduced the discussion item and called upon President Jack Warner to present the FY2026 Operating Budget Request for Rhode Island College.

President Warner explained the FY2026 Operating Budget Request for Rhode Island College continues to prioritize investments that are supportive of the goals outlined in the College's strategic plan. The College is focused on improving student outcomes and performance, investing in faculty and staff, and modernizing the operational practices and core systems of RIC.

President Warner noted that enrollment trends are moving in a positive direction. Total headcount for Fall 2023 is 5,768 and Fall 2024 and 2025 are forecasted to be 6,158 and 6,336, respectively.

For the FY2025 Revised Operating Request RIC is seeking additional State appropriation of general revenue funding of \$568,518 to cover the negotiated COLAs and fringe benefits for classified employees and adjustment for changes in fringe benefit planning values.

For FY2026 RIC presented a Current Service Level Budget Request and a Constrained Budget Request to comply with the request from OMB. The FY2026 Current Service Level Budget request is \$153.9 million. This budget would be supported by \$70.6 million in State appropriations (exclusive of \$7.9 million in General Obligation debt service), \$70.7 million in tuition and fee revenue, and \$4.7 million in other institutional resources. The FY2026 State appropriation represents an increase of \$2.1 million or 3.1% over the FY2025 Revised Budget. This will cover the increases for the collective bargaining units, fringe/healthcare benefit cost increases, and operating expenses. This increase will minimize the increase of tuition and fees. Tuition and Fees for in-state students will increase 3.6% to \$11,709 (\$409 increase over FY2025). The FY2026 tuition of \$11,709 is still below the FY2025 rates of regional peers before any of these schools release their FY2026 tuition rates.

President Warner provided an update on the Auxiliary Enterprises. Residency Hall occupancy has increased. Fall 2024 occupancy is 866, an increase of 20% compared to Fall 2023. RIC is projecting a balanced budget for FY2025 and FY2026. Due to the increase in residence hall occupancy the Donovan Dining fund is projected to have a balanced budget in FY2026. The Student Union continues to project a deficit in FY2026. RIC is incrementally increasing the fees over multiple budget years and the projected growth in enrollment is anticipated to reduce or eliminate the deficit.

President Warner presented the FY2026 Constrained Budget for RIC, in accordance with the OMB instructions, to reflect a 7.5% reduction of general revenue funding. The Constrained Budget for revenue in FY2026 to reflect the reduction from OMB would be \$149.4 million. The State appropriation would be \$63.5 million, a decrease of \$70.6 million from the FY2026 CSL request. To achieve this target RIC would need to raise tuition and fees to \$12,148, or 7.5% over the FY2025 tuition and fee rates, reduce operating expenses, and decrease its personnel costs. President Warner emphasized that a reduction of this size would have an adverse impact on the College's ability to operate and would significantly slow down the momentum over the past two years. There was an extended discussion among the committee members regarding the impact of the Constrained Budget.

On a motion duly made by Thomas Izzo and seconded by Marcy Reyes, it was:

VOTED:	THAT	The Finance and Facilities Committee approve the recommendation to the Council on Postsecondary Education for its approval of the Rhode Island College Unrestricted and Restricted Budget Requests, Tuition and Fee Rates, and Tables of Organization for FY2026; and the Unrestricted and Restricted Budget Allocations for FY2025.
	VOTE:	3 members voted in the affirmative and 0 members voted in the negative
	YEAS:	Dennis Duffy, Thomas Izzo, and Marcy Reyes
	NAYS:	0
	ABSTAINS:	0

#### 4. Adjourn

Chair Duffy asked for a motion to adjourn the meeting.

On a motion duly made by Thomas Izzo and seconded by Marcy Reyes, it was:

VOTED:	THAT	The Finance and Facilities Committee adjourn the meeting of October 16, 2024.
	VOTE:	3 members voted in the affirmative and 0 members voted in the negative
	YEAS:	Dennis Duffy, Thomas Izzo, and Marcy Reyes
	NAYS:	0
	ABSTAINS:	0

The meeting adjourned at 7:19 PM.