

**Board of Higher Education
Fiscal Affairs and Administrative Policy Committee Meeting**

The October 4, 2016 meeting of the Fiscal Affairs and Administrative Policy (FAAP) Committee was held in the conference on the 21st floor of One Ashburton Place, Boston, Massachusetts.

Committee Members Present: Committee Chair Tom Hopcroft; Board Members Dani Monroe, Paul Toner, Paul Materra, Jasson Alvarado Gomez; Tom Moreau (for EOE Secretary Jim Peyser)

Committee Members Absent: Chris Gabrieli, Don Irving, J.D. LaRock

Special Guests Representatives from Massachusetts State College Building Authority: Karol Ostberg and Ed Adelman

Department Staff Present: Sean Nelson; Nate Mackinnon; Dena Papanikolaou; Elena Quiroz-Livanis; Jonathan Keller; Patricia Marshall; Clantha McCurdy; Joe Wallerstein

I. CALL TO ORDER

The meeting was called to order at 1:05 p.m.

II. ACCEPTANCE OF MINUTES

On a motion duly made and seconded, the minutes from the June 7, 2016 committee meeting were unanimously approved.

III. REMARKS & REPORTS

A. Committee Chair's Remarks

No remarks were offered by the Committee Chair. The Chair invited Deputy Commissioner Sean Nelson to make introductory remarks. Deputy Commissioner Nelson spoke about the Campus Safety and Violence Prevention (CSVP) Conference held on September 28, 2016, noting that there were nearly four hundred attendees and that presenters included the Lieutenant Governor and the Attorney General, as well as national representatives from the Vice President's Office and the Department of Justice. He expressed his hope that, following the conference, the Board and the Department will be able to build on the CSVP Committee's work into fiscal year 2018.

B. Commissioner's Remarks:

No remarks were offered following Deputy Commissioner Nelson's remarks.

IV. MOTIONS

Following Deputy Commissioner Sean Nelson's remarks, Chair Hopcroft turned the meeting over to Ed Adelman and Karol Ostberg from the Massachusetts State College Building Authority (MSCBA) for a discussion of the expansion of housing at the nine state university campuses, as well as an update on MSCBA's Strategic Plan for the Spring 2018. The chair explained that the Committee would be voting on all of the motions presented by Mr. Adelman and Ms. Ostberg at the end of their entire presentation on a consent agenda.

A. FAAP 17-01 MSCBA: Approval of Fitchburg State University New Residence Hall Acquisition and Renovation Project

Mr. Adelman provided the Committee with an update on Fitchburg State University's plan for a multi-phase building renovation. The renovation will include updating the building's boilers as well as the exterior envelope. With no additional questions or comments, discussion continued to FAAP 17-02.

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY RESIDENCE HALL NEW CAPACITY

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
RESIDENCE HALL ACQUISITION AND RENOVATION
FITCHBURG STATE UNIVERSITY

1. The Commissioner of the System of Public Higher Education (the "Commissioner") is authorized and directed in the name and on behalf of the Board of Higher Education (the "Board") to make a written request to the Massachusetts State College Building Authority (the "Authority") that the Authority initiate the projects described in EXHIBIT A attached hereto.

2. Bonds issued by the Authority to finance the projects for which a request is hereby authorized may be issued together with or separately from bonds issued to carry out other projects of the Authority for which the Board authorizes a request.

3. The Commissioner and all other officers of the Board, each acting singly, are authorized to request the Commissioner of Administration to approve in writing the initiation by the Authority of the projects for which a request is hereby authorized, and to do such other things and to take such other action as the officer so acting shall, as conclusively evidenced by the taking of such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

4. The Board and the Commonwealth of Massachusetts, acting by and through the Board, declare their official intent under §1.150-2(d)(1) and (e) of the Treasury Regulations as follows:

The Board reasonably expects that there shall be reimbursed from the proceeds of bonds issued by the Authority, expenditures (including expenditures made within the last 60 days) temporarily advanced by the Commonwealth (including within such term the Board and the State Universities) for the projects for which a written request is hereby authorized, the maximum principal amount of such bonds expected to be issued, all or a portion of the proceeds of which are reasonably expected to be used for such reimbursement purposes, being **\$10,110,000**.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sean P. Nelson, Deputy Commissioner for Administration & Finance

B. FAAP 17-02 MSCBA: Approval of Fitchburg State University Landry Arena Renewal and Adaption Project

Mr. Adelman explained that the City of Fitchburg had transferred the Landry Arena to Fitchburg State University about 7-8 years ago and that the bond measure was intended for renovations to the arena. With no additional questions or comments, discussion continued to FAAP 17-03.

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY STUDENT ACTIVITY PROJECT

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
LANDRY ARENA, RENEWAL AND ADAPTION
FITCHBURG STATE UNIVERSITY

1. The Commissioner of the System of Public Higher Education (the "Commissioner") is authorized and directed in the name and on behalf of the Board of Higher Education (the "Board") to make a written request to the Massachusetts State College Building Authority (the "Authority") that the Authority initiate the projects described in EXHIBIT A attached hereto.
2. Bonds issued by the Authority to finance the projects for which a request is hereby authorized may be issued together with or separately from bonds issued to carry out other projects of the Authority for which the Board authorizes a request.
3. The Commissioner and all other officers of the Board, each acting singly, are authorized to request the Commissioner of Administration to approve in writing the initiation by the Authority of the projects for which a request is hereby authorized, and to do such other things and to take such other action as the officer so acting shall, as conclusively evidenced by the taking of such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.
4. The Board and the Commonwealth of Massachusetts, acting by and through the Board, declare their official intent under §1.150-2(d)(1) and (e) of the Treasury Regulations as follows:

The Board reasonably expects that there shall be reimbursed from the proceeds of bonds issued by the Authority, expenditures (including expenditures made within the last 60 days) temporarily advanced by the Commonwealth (including within such term the Board and the State Universities) for the projects for which a written request is hereby authorized, the maximum principal amount of such bonds expected to be issued, all or a portion of the proceeds of which are reasonably expected to be used for such reimbursement purposes, being **\$4,730,000**.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sean P. Nelson, Deputy Commissioner for Administration and Finance

C. FAAP 17-03 MSCBA: Approval of Fitchburg State University Townhouses Renewal and Adaption Project

Mr. Adelman presented a plan to convert an old industrial building acquired by Fitchburg State University in 2012 into a townhouse residence hall. He explained that this renovation fit with the University's plan to increase on campus housing. Most of the bedrooms would be single bedrooms which would be designed to promote student interaction. He also remarked that the University had been in a position to acquire the building at a low price.

With no additional questions or comments, discussion continued to FAAP 17-04.

D. FAAP 17-04 MSCBA: Approval of Massachusetts College of Liberal Arts Berkshire Towers Renewal and Adaption Project

Mr. Adelman continued on to a discussion of the renovations of residence halls at the Massachusetts College of Liberal Arts. He noted briefly that the building were almost 50 years old having been built in the 1960s. The plan called for \$3M renovation budget.

With no additional questions or comments, discussion continued to FAAP 17-05.

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY RESIDENCE HALL RENEWAL AND ADAPTION PROJECT

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
BERKSHIRE TOWERS RENEWAL AND ADAPTION
MASSACHUSETTS COLLEGE OF LIBERAL ARTS

1. The Commissioner of the System of Public Higher Education (the "Commissioner") is authorized and directed in the name and on behalf of the Board of Higher Education (the "Board") to make a written request to the Massachusetts State College Building Authority (the "Authority") that the Authority initiate the projects described in EXHIBIT A attached hereto.
2. Bonds issued by the Authority to finance the projects for which a request is hereby authorized may be issued together with or separately from bonds issued to carry out other projects of the Authority for which the Board authorizes a request.
3. The Commissioner and all other officers of the Board, each acting singly, are authorized to request the Commissioner of Administration to approve in writing the initiation by the Authority of the projects for which a request is hereby authorized, and to do such other things and to take such other action as the officer so acting shall, as conclusively evidenced by the taking of such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.
4. The Board and the Commonwealth of Massachusetts, acting by and through the Board, declare their official intent under §1.150-2(d)(1) and (e) of the Treasury Regulations as follows:

The Board reasonably expects that there shall be reimbursed from the

proceeds of bonds issued by the Authority, expenditures (including expenditures made within the last 60 days) temporarily advanced by the Commonwealth (including within such term the Board and the State Universities) for the projects for which a written request is hereby authorized, the maximum principal amount of such bonds expected to be issued, all or a portion of the proceeds of which are reasonably expected to be used for such reimbursement purposes, being **\$2,245,000**.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sean P. Nelson, Deputy Commissioner for Administration & Finance

E. FAAP 17-05 MSCBA: Approval of Mount Wachusett Community College Student Center Improvement Project

Mr. Adelman provided an update on the Mount Wachusett Community College Student Center improvement project. He explained that the initiative was designed to compliment DCAMM's improvements to the College's science center, with an emphasis on improving student interaction and socialization. One of the chief objectives of the project was to design the space in such a way as to give students a reason to remain on campus. Mr. Adelman also explained that the project was an opportunity to refund some bonds that should give the school a present value savings of 10 percent.

With no additional questions or comments, discussion continued to FAAP 17-06.

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY STUDENT ACTIVITY PROJECT

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
STUDENT CENTER IMPROVEMENTS PROJECT
MOUNT WACHUSETT COMMUNITY COLLEGE

1. The Commissioner of the System of Public Higher Education (the "Commissioner") is authorized and directed in the name and on behalf of the Board of Higher Education (the "Board") to make a written request to the Massachusetts State College Building Authority (the "Authority") that the Authority initiate the projects described in EXHIBIT A attached hereto.
2. Bonds issued by the Authority to finance the projects for which a request is hereby authorized may be issued together with or separately from bonds issued to carry out other projects of the Authority for which the Board authorizes a request.
3. The Commissioner and all other officers of the Board, each acting singly, are authorized to request the Commissioner of Administration to approve in writing the initiation by the Authority of the projects for which a request is hereby authorized, and to do such other things and to take such other action as the officer so acting shall, as conclusively evidenced by the taking of such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

4. The Board and the Commonwealth of Massachusetts, acting by and through the Board, declare their official intent under §1.150-2(d)(1) and (e) of the Treasury Regulations as follows:

The Board reasonably expects that there shall be reimbursed from the proceeds of bonds issued by the Authority, expenditures (including expenditures made within the last 60 days) temporarily advanced by the Commonwealth (including within such term the Board and the State Colleges) for the projects for which a written request is hereby authorized, the maximum principal amount of such bonds expected to be issued, all or a portion of the proceeds of which are reasonably expected to be used for such reimbursement purposes, being **\$3,930,000**.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sean P. Nelson, Deputy Commissioner for Administration & Finance

F. FAAP 17-06 Approval of FAAP Motions 17-01 through 17-05 on a Consent Agenda

Following the presentation from Mr. Adelman, Chair Hopcroft called for a bundled vote on FAAP motions 17-01 through 17-05. The motion to approve FAAP motions 17-01 through 17-05 and place them on a consent agenda was duly made and seconded, and passed unanimously.

G. FAAP 17-07 Approval of MSCBA Revenue Bond Refinancing

Chair Hopcroft called for vote on the motion, which was duly made and seconded, and passed unanimously. Mr. Adelman had previously noted during discussion after FAAP 17-05 that the bonding refunding is a net savings proposal that requires BHE approval.

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY REVENUE BOND REFUNDING

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY

1. The Massachusetts State College Building Authority is hereby authorized to issue refunding bonds to refund certain of its outstanding bonds, as described on the attachment, provided the aggregate net present value savings achieved from the refunding is no less than four percent (4%) of the par amount of refunded bonds, and the Commissioner is hereby authorized and directed, in the name and on behalf of the Board of Higher Education, to approve in writing the issuance by said Authority of bonds for such refunding purpose.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sean P. Nelson, Deputy Commissioner for Administration & Finance

H. FAAP 17-08 Building Naming: Mt. Wachusett Community College Science Building in Honor of Dr. Daniel M. Asquino

Following the vote, Deputy Commissioner Nelson presented a proposal from the Mt. Wachusett Community College (MWCC) Board of Trustees to name the new science building on campus after MWCC President Dr. Daniel Asquino, in recognition of his 50 year career in public service, 30 years as MWCC's President. Committee Member Materra asked how common it was to name a building after a college president. Deputy Commissioner Nelson replied that it was fairly common and cited several buildings in both segments of the public higher education system that were named after presidents over the last 18 months. Committee Member Materra followed up by asking if there was a relationship between the length of a president's service and the decision to name a building in his or her honor. Deputy Commissioner Nelson replied that, based on recent building namings, there is a connection with length of service; however, he noted that Commissioner Santiago is interested in linking naming rights to a fundraising commitment in the future. Chair Hopcroft asked Deputy Commissioner Nelson whether the Commissioner supported this motion as it relates to MWCC, and Deputy Commissioner Nelson replied that the Commissioner did.

Following the conclusion of the discussion, the Chair called for vote on FAAP Motion 17-08, which was duly made and seconded, and passed unanimously.

NAMING OF MOUNT WACHUSETT COMMUNITY COLLEGE'S SCIENCE BUILDING IN HONOR OF DR. DANIEL M. ASQUINO

MOVED: The Board of Higher Education hereby approves the request of the Mt. Wachusett Community College (MWCC) Board of Trustees to name the college's new science building the "Daniel M. Asquino Science Center" in honor of outgoing Mt. Wachusett President Daniel Asquino.

Authority: Section 9(m) of Chapter 15A of the Massachusetts General Laws

Contact: Sean P. Nelson, Deputy Commissioner for Administration & Finance

I. FAAP 17-09 Building Naming: Springfield Technical Community College "Building 19" in Honor of Dr. Ira Rubenzahl

Deputy Commissioner Nelson described a capital campaign to raise money to repurpose Building 19 on the Springfield Technical Community College (STCC) campus. Building 19 was to be renamed for former STCC President Ira Rubenzahl. Deputy Commissioner Nelson noted that the naming had been approved by the STCC Board of Trustees under the existing BHE policy.

Committee Member Toner asked that there be more conversation in FY17 on the Board's building naming policy. Both Deputy Commissioner Nelson and Chair Hopcroft expressed a commitment to revisit this policy before the conclusion of the fiscal year.

Following the conclusions of the discussion, the Chair called for vote on FAAP Motion 17-09, which was duly made and seconded, and passed unanimously.

NAMING OF SPRINGFIELD TECHNICAL COMMUNITY COLLEGE'S BUILDING 19 IN HONOR OF DR. IRA RUBENZAHL

MOVED: The Board of Higher Education hereby approves the May 25, 2016 request of the Springfield Technical Community College (STCC) Board of Trustees to name the presently-designated "Building 19" the "Ira Rubenzahl Student Learning Commons" in honor of former STCC President Dr. Ira Rubenzahl.

Authority: Section 9(m) of Chapter 15A of the Massachusetts General Laws

Contact: Sean P. Nelson, Deputy Commissioner for Administration & Finance

V. DISCUSSION

A. FY17 Budget

Upon the completion of the discussion and vote on FAAP 17-09, Chair Hopcroft turned the meeting over to Deputy Commissioner Nelson for an update on the current FY17 Budget. Deputy Commissioner Nelson noted that there had been a decline in current year tax revenues to date against the state's benchmark and that 9C cuts - the Governor's authority to reduce current year spending - was still possible, and that updated revenue numbers available later in October may be the ultimate decision point. Deputy Commissioner Nelson discussed the funding level for several other appropriations, noting that the current funding for the campuses did not include the additional funding necessary to support the negotiated collective bargaining agreements. He said that he expected that the Governor would sign the final FY16 supplemental funding bill which includes the collective bargaining increases for the Massachusetts Community College Council's contract with the community college faculty. Committee Member Moreau requested that future budget discussions include a more detailed analysis of fringe costs carried by the Commonwealth for the campuses. Committee Member Materra asked whether the numbers provided by Deputy Commissioner Nelson were only for discussion purposes. Deputy Commissioner Nelson confirmed the same and added that detailed information on the FY18 budget would be presented at the December FAAP and BHE meetings.

B. FAAP Goals for FY2017

Chair Hopcroft began discussion of the FY17 FAAP goals by noting that during the BHE retreat the board members had developed a list of priorities, and he asked Deputy Commissioner Nelson to highlight them for the committee. Deputy Commissioner Nelson's remarks focused on four areas: campus remittances to the state, paid vacation and sick time, facilities, and accountability. On the subject of remittances, Deputy Commissioner Nelson remarked that there isn't a defined standard on how the campus remits money to the state and that, if the BHE were to recommend tuition retention for the state universities and community colleges, more research and analysis would need to be conducted. Deputy Commissioner Nelson noted that, with regard to paid vacation and sick time policies, FAAP will continue to build upon the FY16 work surrounding non-unit professionals when negotiating upcoming collective bargaining agreements with the Association of Professional Administrators (APA), the American Federation of State, County & Municipal Employees (AFSCME), and the Massachusetts State College Association (MSCA). Deputy Commissioner Nelson noted that, in terms of facilities, the DHE and EOE will continue to work on the ongoing strategic planning process with campus and

community stakeholders. Committee Member Toner recommended that the process between the two agencies be more efficient and collaborative.

For the discussion of accountability, Deputy Commissioner Nelson turned the discussion over to Senior Associate Commissioner for Research and Planning, Jonathan Keller, to discuss the proposed redesign of a Performance Measurement System under M.G.L. Chapter 15A, Section 7A. Senior Associate Commissioner Keller explained that Commissioner Santiago has named enhanced collaboration between higher education and K-12 education as a goal for the DHE, and his responsibility is to improve the understanding of key accountability metrics that would enable the DHE to create peer group benchmarks that could be used to identify where performance may be falling short. Committee Member Toner asked if presidential compensation would be among these benchmarks. Deputy Commissioner Nelson replied in the affirmative, and asked if there were additional thoughts on examining performance measurement. Committee Member Toner replied that the BHE should come up with metrics that hold campuses accountable, and that it should set both realistic and aspirational goals. Senior Associate Commissioner Keller replied that goal-setting would be a collaborative process among the stakeholders, noting that the benchmarks were not part of the original Vision Project. Chair Hopcroft remarked that the goals should include affordability concepts. Committee Member Materra observed that there were a variety of both short- and long-term goals and recommended that FAAP identify the short-term goals. He noted that conversation around Bristol Community College's strategic planning had some difficulty with the issue of measuring success of a long-term ten-year goal in a five-year plan. Senior Associate Commissioner Keller suggested that there were methods that could be used to measure the success of some of these goals. Deputy Commissioner Nelson said that improved transparency around student debit liability would be a good short-term goal. Chairman Hopcroft agreed that transparency was a good short-term goal, and that accountability was a reasonable long-term goal.

VI. OTHER BUSINESS

Following the conclusion of the discussion of FY17 Goals, Chairman Hopcroft asked if there were any additional business for the Committee to consider. None was offered.

VII. ADJOURNMENT

Having no further business the Committee Chair called for a motion to adjourn, which was seconded. The meeting adjourned at 1:54 p.m.