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*Student Representative*

**The University of Rhode Island Board of Trustees  
Finance and Facilities Committee Meeting  
Thursday, September 14, 2023 10:30 a.m. EDT**

**The University of Rhode Island  
Beagle Board Room, The Alumni Center  
73 Upper College Road, Kingston, RI 02881**

**OFFICIAL MINUTES**

Committee Chair Vahid Ownjazayeri welcomed everyone to the September 14, 2023, meeting of the University of Rhode Island Board of Trustees Finance and Facilities Committee. The meeting was held in person with some board members participating remotely. Virtual access to the meeting was available via the YouTube video platform and is available for viewing at <https://web.uri.edu/trustees/meetings/>.

Committee Chair Ownjazayeri asked for a roll call. Noting that a quorum of members of the Finance and Facilities Committee was present, he called the meeting to order at 10:31 a.m.

The URI Board of Trustees Finance and Facilities Committee members in attendance:

- Vahid Ownjazayeri, Chair (remote)
- Armand Sabitoni, Vice Chair (remote)
- Maria Ducharme (remote; joined 10:34 a.m.)
- Joseph Formicola (remote)
- Cortney Nicolato (in person)
- President Marc Parlange (ex officio, non-voting) (remote)

The URI Board of Trustees Finance and Facilities Committee members not in attendance:

- Michael Fascitelli
- Melissa Sutherland

URI Board of Trustees Finance and Facilities Committee Meeting  
September 14, 2023

The URI Board of Trustees member in attendance:

- Margo Cook, Board Chair (remote)

Members of the President's Leadership Council in attendance:

- Abby Benson, Interim Vice President, Administration and Finance (remote)
- Alyssa Boss, General Counsel (remote)
- Lil O'Rourke, President, URI Foundation and Alumni Engagement (remote)
- Barbara Wolfe, Provost and Executive Vice President for Academic Affairs (remote)

The URI staff members in attendance:

- Tracey Angell, Assistant Vice President for Strategic Procurement (remote)
- Chelsea Berry, Interim Senior Advisor to the President and Chief of Staff (remote)
- Karl Calvo, Assistant Vice President, Facilities (remote)
- Ryan Carrillo, Director, Planning and Real Estate Development (remote)
- Michelle Curreri, Secretary, Board of Trustees (in person)
- Daniel Moos, Assistant to the Vice President for Administration and Finance (remote)
- Lynn Owens, Associate Secretary, Board of Trustees (in person)
- John Poehlmann, Assistant Vice President for Financial Strategy and Planning (remote)

Committee Chair Ownjazayeri acknowledged that the University of Rhode Island occupies the traditional homeland of the Narragansett Nation and the Niantic People.

## APPROVAL OF THE MINUTES

**a. Minutes of the June 20, 2023 Finance and Facilities Committee Meeting [Enclosure 1.a.](#)**

Committee Chair Ownjazayeri asked for a motion to approve the minutes of the June 20, 2023, meeting of the Finance and Facilities Committee. On a motion duly made by Armand Sabitoni and seconded by Cortney Nicolato, it was

VOTED:	THAT	The Finance and Facilities Committee of the URI Board of Trustees approve the minutes of the June 20, 2023, Finance and Facilities Committee meeting.
	VOTE:	5 members voted in the affirmative and 0 members voted in the negative.
	YEAS:	Maria Ducharme, Joseph Formicola, Cortney Nicolato, Vahid Ownjazayeri, Armand Sabitoni.
	NAYS:	0
	ABSTAINS:	0

## 2. ACTION ITEMS

**a. Recommendation to the Board of Trustees to name the URI Center for Biotechnology and Life Sciences to The Joseph '56 and Ruby DeChristofaro Center for Biotechnology and Life Sciences.**

[Enclosure 2.a.](#)

Lil O'Rourke, President, URI Foundation and Alumni Engagement, discussed a recent gift to be used to rename CBLS (Center for Biotechnology and Life Sciences), pending the approval of the URI Board of Trustees and the State of Rhode Island. Cortney Nicolato asked about the vetting process relative to the gift. Ms. O'Rourke noted that the background check was diligent and found nothing of concern. She noted that, historically, buildings at URI have been named for government officials, but that standard is shifting. In addition, naming opportunities are growing at the University of Rhode Island. After the naming is approved by the URI Board of Trustees, it will be submitted to the legislature for approval. Payments on this irrevocable bequest, will begin from the donor upon approval by the state.

Committee Chair Ownjazayeri called for a motion that the Finance and Facilities Committee of the URI Board of Trustees recommend that the Board of Trustees approve the proposal to rename the Center for Biotechnology and Life Science (Center) at URI to the Joseph '56 and Ruby DeChristofaro Center for Biotechnology and Life Sciences in recognition of the DeChristofaro family's generous donation to the university, as presented in Enclosure 2.a.

On a motion duly made by Joseph Formicola and seconded by Armand Sabitoni, and hearing no further discussion, it was

VOTED: THAT the Finance and Facilities Committee of the URI Board of Trustees recommend that the Board of Trustees approve the proposal to rename the Center for Biotechnology and Life Science (Center) at URI to the Joseph '56 and Ruby DeChristofaro Center for Biotechnology and Life Sciences in recognition of the DeChristofaro family's generous donation to the university, as presented in Enclosure 2.a

VOTE: 5 members voted in the affirmative and 0 members voted in the negative.

YEAS: Maria Ducharme, Joseph Formicola, Cortney Nicolato, Vahid Ownjazayeri, Armand Sabitoni.

NAYS: 0

ABSTAINS: 0

**b. Review of the University of Rhode Island Total Budget Request for FY 2025 and recommendation to the URI Board of Trustees. [Enclosure 2.b.](#) (updated 9.14.23)**

Committee Chair Ownjazayeri introduced Abby Benson, Interim Vice President, Administration and Finance, and John Poehlmann, Assistant Vice President, Financial Strategy and Planning, who provided a review of the FY25 Budget. The presentation can be found in [Enclosure 2.b.](#) (updated 9.14.23)

Interim Vice President Benson reviewed the FY24 budget, noting the differences between the FY24 Budget Request and the FY24 Enacted Budget. She noted a 16% increase in FY24 Budget over FY23 Budget.

Interim Vice President Benson thanked the state legislature and the Governor for their support on the FY24 request, noting that this support allowed the University to increase strategic investments, particularly in Research and Economic Development, Human Resources, Communications and Marketing, additional faculty lines, Information Technology Systems, and financial and administrative areas.

Interim Vice President Benson noted a change in the budget approval process. Historically, the administration presented an all-funds budget in September for a September 30th submission to the state, with a particular focus on the state appropriation request and tuition and fees. Going forward, the administration would like to continue to submit an all-funds budget that includes tuition and fee *assumptions* at the September meeting but present specific tuition and fee scenarios at the February meeting. This process allows the Board to make a more informed decision on tuition and fees, allows the University to have more information on peers' costs, and a better picture of enrollment for the following year. She noted that URI historically has approved tuition and fees well before the University's peers, which puts the University at a competitive disadvantage.

Committee Chair Ownjazayeri noted that he had discussed the proposal previously with Interim Vice President Benson, and he found it to be a sensible change in process.

John Poehlmann, Assistant Vice President for Financial Strategy and Planning, discussed the FY25 budget. John Poehlmann's presentation covered expected revenues, noting all sources and uses/expenses. John Poehlmann noted that there is a labeling error on the publicly available materials linked to the meeting agenda, on the "FY25 Request: Revenue/Sources" slide where Rhode Island Capital Plan Fund (RICAP) percentage (5%) and General Obligation (GO) Debt Service (3%) were accidentally swapped.

Board and Committee Vice Chair Armand Sabitoni asked about the level of GO Debt Service, noting what appears to be a low level. Interim Vice President Benson noted that the GO debt service is funded through the state while the other debt service is relative to revenue bonds which is carried by the University. She noted that historically these figures have not always been included in the budget presentations because of the flow-through, net-zero nature of the GO Bonds transactions with the state.

John Poehlmann discussed the current assumptions regarding tuition and enrollment, which include an increase in graduate enrollment (and shift to include Research Assistants), increased persistence, and a 3.0% tuition increase. John Poehlmann also noted that the publicly available materials linked to the meeting agenda included FY24 year-over-year changes that showed increases of 3.3% and 4.2% for in-state and out-of-state, however those percentages were inclusive of mandatory fee impacts that were

approved last year, not only tuition. Tuition alone increases 3.9% and 4.5% as noted on the materials presented at the meeting. John Poehlmann also provided detail on assumptions relative to undergraduate mandatory fees, noting a total mandatory fee increase of less than 1% or \$10 per semester.

John Poehlmann then provided detail on the FY25 state appropriation request, showing the FY25 request against the FY24 request.

Interim Vice President Benson provided a review of the “strategic initiative” component of the state appropriation request, noting the four areas that make up this \$14.3 million request, each related to the Strategic Priorities found in the current URI Strategic Plan.

Interim Vice President Benson closed the presentation by noting the principles for future year operating budget strategy, including using fund balances only as a bridge to new revenues and costs savings, the maintenance of healthy reserves, identifying strategic revenue streams, and reducing administrative burdens and expenses through process improvement and Information Technology modernization.

Committee Chair Ownjazayeri asked about mitigation strategies in the event that the University does not receive the requested increase in state appropriation. President Parlange noted the increased request is not significantly different from the previous year, and the University is continuing to press the state to make the required investment given decades of disinvestment. President Parlange noted that the state has increased its support of the University through multiple streams, including increased RICAP funds and that the investment by the state is a partnership. Interim Vice President Benson noted that if the University did not get the full ask, the President’s Executive Council would assess the critical needs of the University as aligned with the current Strategic Plan. Committee Chair Ownjazayeri noted that he wanted to hear that the administration had scenarios for considering how to balance the University’s budget if under duress, and he declared that he did hear this and felt confident in these plans.

Committee Chair Vahid Ownjazayeri called for a motion that Finance and Facilities Committee of the URI Board of Trustees recommend that the Board of Trustees approve the University of Rhode Island FY2025 Total Budget Request as set forth in the [enclosure](#) and as recommended and presented, and that the University of Rhode Island Board of Trustees approve the shifting of final approval of tuition and fees to the February 2024 meeting, and annually to the February Board of Trustees meetings thereafter.

On a motion duly made by Armand Sabitoni and seconded by Joseph Formicola, and hearing no further discussion, it was

VOTED:

THAT the Finance and Facilities Committee of the URI Board of Trustees recommend that the Board of Trustees approve the University of Rhode Island FY2025 Total Budget Request as set forth in the [enclosure](#) and as recommended and presented, and that the University of Rhode Island Board of Trustees approve the shifting of final approval of tuition and fees to the February 2024 meeting, and annually to the February Board of Trustees meetings thereafter.

VOTE: 5 members voted in the affirmative and 0 members voted in the negative.

YEAS: Maria Ducharme, Joseph Formicola, Cortney Nicolato, Vahid Ownjazayeri, Armand Sabitoni.

NAYS: 0

ABSTAINS: 0

### 3. DISCUSSION ITEMS

#### a. Incentive Based Budgeting (IBB)/Strategic Investment Initiative (SII) Update. [Enclosure 3.a.](#)

Interim Vice President Benson and Assistant Vice President Poehlmann provided updates on the Strategic Investment Initiative (SII) and Incentive Based Budgeting (IBB) initiative. President Parlange provided remarks on IBB, noting that the University's existing budget model is based on an incremental budget model and that incentives for new program activities are not necessarily aligned with the University budget. He noted that the budget-setting process is not necessarily aligned with strategic goals of the University and its proposed investments, particularly those around startups, new faculty, and graduate student support. The University budget should be more clearly linked to programs and results by academic units, recognizing academic success and strong service support. The University budget needs to be predictable and helpful in planning, with a high degree of transparency, clear understanding of revenues and expenses, and an ability to introduce incentives to strengthen the financial health of the University,

John Poehlmann provided a presentation (see [Enclosure 3.a.](#)) discussing the SII, noting that it acts as a kind of precursor to the IBB initiative. He noted that the administration received 60 concept papers for consideration and invested around \$3 million of institutional fund balance in 28 distinct projects. These funds are considered seed funding, and each project is accountable for outcomes as projected in the individual business case. The anticipated outcomes for this investment include 280-330 estimated net new enrollments by FY25 with potential growth to 750-900 net new enrollments by FY28, as well as additional savings through the strategic deployment of financial aid, increased operational efficiencies, and increased compliance.

Interim Vice President Benson noted that this initiative is different from the strategic initiative request from the State of RI. The Strategic Investment Initiative is an internal effort.

John Poehlmann also discussed the IBB initiative, noting that this new model is designed to incentivize behaviors aligned with the University's strategic plan. He noted that there are three new committees to help guide the development and rollout of the IBB (Executive, Steering, and Design). Activities in FY24 will include all committee work, with a preliminary model in place by FY25, which will be considered a "held-harmless" year, with full implementation for FY26.



Upon a question by Vice Chair Sabitoni, Interim Vice President Benson reiterated that the current strategic initiatives, as discussed under the SII, differ from the ask to the state, which was related to the University strategic plan. The SII is related to program development that should specifically bring in new enrollments.

Committee Chair Ownjazyeri noted that the intent of the SII is for these projects to become self-funding, though not all will be successful. He also noted that the University may be able to seek additional support from the state, with the active support of the Board.

**b. PFAS in Drinking Water – New Rhode Island Interim Drinking Water Standard [Enclosure 3.b.](#)**

Interim Vice President Benson and Karl Calvo, Assistant Vice President for Facilities, provided an update on PFAS in drinking water at the University. The presentation can be found [here](#). Karl Calvo discussed current EPA and state standards, the University's water well quality, and the projected changes due to the changes in PFAS regulations. Karl Calvo noted that the quality of the University's drinking water has not recently changed, only the regulatory thresholds required for action.

Karl Calvo discussed the proposed efforts to come into compliance with the new regulations, including the development of a new water treatment plant and a consent agreement with the Rhode Island Department of Health (RIDOH). He noted that the University is not required to provide alternate sources of drinking water at this time. The University received \$20 million in State Relief Recovery Funds (ARPA) to assist in the development of a new water treatment plant. He also noted that the University has provided local filtration in dining halls and residence halls, with plans to install similar filtration in Swan Hall, Chafee Hall, and the Visitor's Center (as high-traffic buildings). For an intermediate solution, the University is installing a temporary well-head filtration system at an estimated cost of \$4.5-5 million; this process is underway with an estimated timeline of 12 months for installation after award of the contract. The permanent solution includes a new permanent treatment plant, with a planned completion of early 2027.

Interim Vice President Benson added that the University has completed community notification as required by RIDOH on PFAS in drinking water, including the development of a website, and people are available to answer any questions from the community.

**c. Approval and Execution of Contracts and Other Binding Documents Policy Implementation [Enclosure 3.c.](#)**

Interim Vice President Benson provided an update on certain contracts and other obligations that require Board notification. She pointed to the enclosure for specifics on certain existing obligations.

Interim Vice President Benson noted, as an interpretation of the University's policy on the *Execution and Approval of Contracts and Other Binding Documents*, that 1) any new obligation over \$5 million will be reviewed by the Board prior to entering into that agreement (per the language of the policy); 2)

that in instances where a change order for a contract that is less than \$5 million pushes that contract over the \$5 million threshold—but where the material nature of the contract is not changed—that the Board will receive notification of that change (rather than require a review and approval), and; 3) that the Board will review and approve any change order to an existing contract where that change order itself is over \$5 million. She noted that there are currently only 13-14 contracts at this dollar level. Committee Chair Ownjazyeri noted that he had discussed this recommendation previously with Interim Vice President Benson.

#### 4. EXECUTIVE SESSION

**a. Discussions or considerations related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the public interest, pursuant to RIGL § 42-46-5(a)(5), including Student Housing and URI Campuses.**

Committee Chair Ownjazyeri called for a motion that the Finance and Facilities Committee of the URI Board of Trustees convene into executive session pursuant to RIGL § 42-46-5(a)(5) for discussions or considerations related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the public interest, including Student Housing and URI Campuses.

On a motion duly made by Armand Sabitoni and seconded by Joseph Formicola, it was

VOTED: THAT the Finance and Facilities Committee of the URI Board of Trustees convene into executive session pursuant to: RIGL § 42-46-5(a)(5) for discussions or considerations related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the public interest, including Student Housing and URI Campuses.

VOTE: 5 members voted in the affirmative and 0 members voted in the negative.

YEAS: Maria Ducharme, Joseph Formicola, Cortney Nicolato, Vahid Ownjazyeri, Armand Sabitoni.

NAYS: 0

ABSTAINS: 0

At 11:59 a.m. the Finance and Facilities Committee entered Executive Session. Virtual public access was paused.

At 12:15 p.m. the Finance and Facilities Committee ended Executive Session and returned to open session. Virtual public access resumed.



Committee Chair Ownjazayeri called for a motion that the Finance and Facilities Committee of the University of Rhode Island Board of Trustees seal the minutes of the Executive Session that took place on September 14, 2023.

On a motion duly made by Armand Sabitoni and seconded by Joseph Formicola, it was

VOTED: THAT that the Finance and Facilities Committee of the URI Board of Trustees seal the minutes of the Executive Session of September 14, 2023.

VOTE: 5 members voted in the affirmative and 0 members voted in the negative.

YEAS: Maria Ducharme, Joseph Formicola, Cortney Nicolato, Vahid Ownjazayeri, Armand Sabitoni.

NAYS: 0

ABSTAINS: 0

## 5. ADJOURN

Committee Chair Ownjazayeri thanked members of the Committee and called for a motion that the Finance and Facilities Committee adjourn the meeting of September 14, 2023.

On a motion duly made by Joseph Formicola and seconded by Joseph Formicola, it was

VOTED: THAT the Finance and Facilities Committee adjourn the meeting of September 14, 2023.

VOTE: 4 members voted in the affirmative and 0 members voted in the negative.

YEAS: Maria Ducharme, Joseph Formicola, Vahid Ownjazayeri, Armand Sabitoni.

NAYS: 0

ABSTAINS: 0

Committee member Nicolato left the meeting prior to the vote.

The meeting adjourned at 12:16 p.m.

## UPCOMING MEETING

The next meeting of The University of Rhode Island Board of Trustees Finance and Facilities Committee is tentatively scheduled for October 2023.