



RHODE ISLAND BOARD OF GOVERNORS FOR HIGHER EDUCATION

A regular meeting of the Board of Governors for Higher Education was held on Monday, September 17, 2007, at the Community College of Rhode Island, Knight Campus, Warwick, Rhode Island. Chair Frank Caprio declared a quorum present and called the meeting to order at 5:12 p.m.

Present: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Robert Flanders, Jr., Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

Absent: Kathrin Belliveau, Sarah Courtemanche, and Pierre LaPerriere

1. ACCEPTANCE OF THE AGENDA

Chair Caprio noted a revision to tonight's agenda under item 7a. The correct fiscal years are FY2009 and 2010 and not FY2008 and 2009 as originally noted.

On a motion duly made by Daniel Ryan and seconded by Brenda Dann-Messier, it was

VOTED: That the Board of Governors for Higher Education accept the revised agenda for the meeting of September 17, 2007.

Vote: 10 members voted in the affirmative, and 0 members voted in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Robert Flanders, Jr., Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

2. APPROVAL OF MINUTES

On a motion duly made by Thomas Rockett and seconded by Kenneth Aurecchia, it was

VOTED: That the Board of Governors for Higher Education approve the minutes of the August 20, 2007 meeting.

Vote: 10 members voted in the affirmative, and 0 members voted in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Robert Flanders, Jr., Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

3. COMMUNICATIONS/ANNOUNCEMENTS

Commissioner Warner announced that Susan LaPanne has joined the Office of Higher Education as the new Associate Commissioner of Finance and Management. Ms. LaPanne previously served as the chief fiscal officer for two health care organizations and has recently worked as a full-time instructor of accounting at a community college in Massachusetts while also acting as the interim director of internal audit at OHE.

The Commissioner also announced that Jessica Geier has joined the Office of Higher Education as Dual Enrollment Coordinator. Dual Enrollment/Dual Credit is a program where students in high school can earn both high school credits and college credits at the same time. The State of Rhode Island recently earmarked \$400,000 for a new effort to recruit lower income students on the path to earn dual credits. Ms. Geier just received her Ph.D. from the University of Texas at Austin.

4. REPORT OF THE CHAIR

Chair Caprio welcomed Susan LaPanne and Jessica Geier to the Office of Higher Education family.

Chair Caprio called upon President Di Pasquale to introduce members of the CCRI faculty for a presentation on foreign language instruction at CCRI.

President Di Pasquale welcomed the Board back to CCRI's Knight Campus at the opening of its 43rd year. This evening the College wanted to showcase CCRI students who have just returned from a trip to Italy, as well as showcase CCRI's women's athletic programs. President Di Pasquale introduced Lela Morgan, Vice President of Academic Affairs.

Vice President Morgan introduced the Chairman of the Foreign Language Department, Deborah Notarianni-Girard, along with the faculty of the foreign language department who travelled to Italy with CCRI students, Maria Mansella, Susan Brown, Michelle Connolly, Anthony DiRuzzo, Hossiri Godo-Solo, Elizabeth Morais, and Jeanne Mullaney.

Dr. Notarianni-Girard distributed a handout that provided a quick overview highlighting the various areas of expertise within the foreign language department at CCRI. The 9 full-time department members are each able to teach at least 2 foreign languages, and in fall 2007 there are 12 foreign language adjunct faculty members employed by the College. CCRI offers courses in 8 languages in levels ranging from the basic spoken to the intermediate advanced. CCRI belongs to the College Consortium for International Studies that allows students the opportunity to study in accredited programs in 1 of 29 different countries for the summer, a semester, or an entire academic year. Dr. Notarianni-Girard indicated that members of the foreign language department collaborate with other academic departments as well as the Division of Lifelong Learning. In addition, members of the foreign language department assist students who are involved with clubs and community outreach.

Professor Maria Mansella presented a power point presentation on CCRI's Summer Travel Program to Italy. CCRI formally started this program in 2003 and the program's objective is for complete immersion in the language in culture. This year CCRI received financial support from NIAF (National Italian American Foundation). Professor Mansella indicated that CCRI is well known in central Italy, and this year the students and Professor Mansella received special recognition in the form of a special medal and crest presented by Ten. Carabinieri Aldo Papa, President of the Associazione C. Ugolini of Terni. Ten. Papa commended the CCRI students for their hard work, perseverance, and genuine interest in the

Italian language and culture. Board members were given the opportunity to view up close the medal and crest. Professor Mansella introduced the members of this year's group who were in the audience, and indicated that each student is required to submit a summary of daily activities at the conclusion of the program.

President Di Pasquale believes that amongst all of the community colleges in the nation, CCRI has one of the broadest array of foreign language offerings of any community college. President Di Pasquale thanked the Foreign Language Department for their presentations.

President Di Pasquale introduced CCRI's Interim Associate Vice President of Enrollment Services (and former Athletic Department Director), Lou Pullano. Mr. Pullano applauded CCRI's successful athletic history, including outstanding national success in both the men's and women's basketball programs. Mr. Pullano introduced Joe Pavone as Interim Director of Athletics at the Community College of Rhode Island.

Mr. Pavone summarized the successful history of athletic competition, which includes 7 regional championships last year; 2 district championship teams; 8 individual regional champions; 5 individual district champions; and 6 teams that made it to the nationals. He reported that last year CCRI student athletes achieved 46 all-region selections, 9 all district selections, 13 all-Americans (9 women/4 men), and 1 national tournament/all tournament team member. Although NJCAA requires student athletes to carry 12 credits per semester, CCRI student athletes carry 15 credits per semester and are followed in a Student Athletic Academic Support Program which closely monitors their performance. Mr. Pavone noted that the CCRI team GPA is 2.61. Mr. Pavone acknowledged those in attendance from CCRI's athletic staff and also introduced CCRI student athletes from the women's soccer and volleyball teams and the men's basketball and tennis teams. Mr. Pavone also noted that members of the CCRI women's soccer team recently raised \$700 for participating in the Make-A-Wish community service program.

Chair Caprio expressed his gratitude for tonight's music, arts, foreign language, and athletic presentations. Chair Caprio congratulated the student athletes in attendance, as well as their teammates, for their extraordinary accomplishments. Chair Caprio thanked President Di Pasquale and the members of CCRI's food services department for the excellent dinner presented this evening.

[Governor Robert Flanders, Jr. departed from the meeting]

5. OPEN FORUM

Chair Caprio indicated that the Board is in receipt of a letter from Steve Brown of the RI ACLU regarding 17-year olds in the justice system.

Amy Vitale of the RI ACLU appeared before the Board to bring to its attention a new law that went into effect on July 1, 2007 that requires all 17-year olds be treated as adults for criminal justice purposes. As a result, teenagers now face the adult courts (and an adult criminal record) for minor offenses that used to be handled in the Family Court. Ms. Vitale indicated that this law is tied to higher education in that many of these 17-year olds are very likely to be applying for college and financial aid funding. There is a provision through the higher education act that would deny students financial aid based on drug convictions that took place when they were charged as an adult. Ms. Vitale further indicated that there are several agencies throughout the state working towards getting this new law repealed, and she urged the Board to take a stance on this issue.

6. REPORT OF THE COMMISSIONER

Commissioner Warner indicated that the major item of business tonight is the adoption of the budget request for FY 2009 and remarked that the Board is faced with a dilemma in submitting a budget request in the current fiscal climate while trying to balance tuition and fee increases. Commissioner Warner referenced two fundamental obligations that the Board has to students. The Board's first obligation is to provide the highest quality educational experience possible and produce graduates who are capable of functioning in a society. The Board's second obligation is to keep the public system as affordable as possible for those Rhode Island residents seeking an education at higher levels and then find ways to keep them in the state in good jobs. The Commissioner believes that the proposed budget is somewhere between quality and affordability; however, tuition rates remain higher than what some of Rhode Island's lowest-income students may be able to afford. Commissioner Warner noted that the state has not allocated the necessary funds to the state financial aid program that it should for a state that has relatively high tuition rates.

Commissioner Warner indicated that the flat (and in the case of the University, sharply declining) funding, has forced the Board to seek tuition and fee increases for the coming year. The reasons behind this increase are very well documented in the remarks from the Chair of Finance and the Chair of the Board. The Commissioner stated that in this point in time, in fiscal 2008, the system's general revenue support is approximately \$177 million; however, there is another \$9.1 million that the state is holding back to allocate to state agencies. In addition, there will be further cutbacks since an earlier proposal to furlough state employees did not go into effect and the savings still need to be made. The Commissioner noted that these allocations tend to land unfairly on higher education and provided a summary on the budget. He further explained that when the system is assessed the portion of the state budget that is to be returned for savings, it is charged 18%, or \$1.7 million of the \$9.3 million that is already allocated, rather than the 5.7% of the total general revenue of the state. The Commissioner is advocating very forcefully that if the system has to endure yet another rollback in resources, that its fair share should be about 6% of that total rather than 18%. One of the challenges that the system has faced over the last several budget years is that we think we have a certain number and then the number gets steadily reduced over the course of the year, making it very difficult to plan. It is under these circumstances that the Board is faced with a budget request that is relatively modest, about a 4.3% increase in general revenue for next year, combined with 6% tuition increases which are designed in some ways to make up for the loss in funding in recent years.

7. NEW BUSINESS

Chair Caprio indicated that Item 7a, approval of the unrestricted and restricted budget requests, tuition & fee rates, and tables of organization for FY2009 and 2010 for the University, Rhode Island College and the Community College, and the Office of Higher Education, was approved by the Facilities and Finance Committees at their September 5, 2007 meeting. However, due to the significance of this item, all Board members should understand and be able to voice their opinions on this matter.

Vice Chair Ryan reported that the FY08 Appropriation Act has delineated the state appropriation funding by each institution of higher education. However, the Board still maintains the authority and responsibility to produce a system budget request, to make funding recommendations, and to establish tuition and fee rates.

Vice Chair Ryan reported that the FY09 budget request that the Facilities and Finance Committees are recommending to the Board is what the Committee believes to be the minimal amount needed to maintain system needs, produce modest enrollment growth and keep the price affordable for students and families.

FY 2009 Request

The unrestricted budget request for fiscal 2009 totals \$527.6 million, an increase of \$37.3 million or 7.6 % over the current-year budget. State appropriations of \$205.7 million would comprise only 39% of that total. Institutional revenues with increases in student-paid tuition and fees would fund the remaining 61% or \$321.9 million.

Included among the major expense drivers in this budget are salary and wage requirements including steps and longevity for classified and non-classified staff, increases in fringe benefit rates, and an estimated provision for the system funding of the Retiree Health Benefits included as a consolidated line item in the Office of Higher Education's Budget.

The restricted budget, including the RI Capital Fund, auxiliaries, research, and federal and other financial aid totals \$314.3 million, an increase of \$17.4 million or 5.9%.

The proposed tuition and fee increases for in-state students for FY 2009 at the undergraduate level would add \$494 or 6.0% to the cost of attending the University, \$296 or 5.6% for Rhode Island College, and \$154 or 5.4% to the cost of attending the Community College. For out-of-state students, the increases would be \$1,738 or 7.5% at the University, \$788 or 5.8 % at the College, and \$450 or 5.4% at the Community College.

Enrollment

The Committee is recommending that enrollment as a system grow to 30,487 full-time equivalent (FTE) students in FY 2009. This represents an increase of 815 students or 2.7% over the current year. The University would increase by 376 students, a 3.0% increase; Rhode Island College enrollment would increase by 150 students or 2.2%; while the Community College would increase by 289 or a 3.0% increase.

While this is the budget that the Committee is recommending to the Board, the institutions were also required to produce a target budget scenario. The State Budget Office required a "target budget" which equates to a 10% reduction for all state agencies. This drastic reduction would create serious problems for each institution and the system, especially given the recent history of continuously declining state support. Governor Ryan emphasized that the budget to be voted on tonight is the budget highlighted by Governor Ryan and not the target budget.

In order to meet the target, the University of Rhode Island is proposing that reductions would be made from personnel and all other areas of the budget. Rhode Island College would make reductions in personnel, operating and capital areas, along with a proposed tuition and fee increase of 10-15% above the recommended 5.6% increase, and the Community College has identified specific line items that would be reduced along with a proposed increase in tuition and fees of 15-20% above the 5.4% recommended increase. The Office of Higher Education would eliminate the provision for retiree health benefits, reduce the reimbursement for Shepard's building expenses and PeopleSoft/Banner implementation expenses, and reduce the dual enrollment program.

Regarding the provision for Retiree Health Benefits, Effective July 1, 2007, the three institutions and the office are required by the Governmental Accounting Standards Board to

disclose the liability for Other Post Employment Benefits. An actuarial study has been performed on behalf of the state of RI and legislation to establish a trust fund for this liability has been drafted. It is estimated that the state general revenue portion of the provision for this liability for FY 2009 for the **system** is \$2.5 million and this amount is reflected in the FY 2009 budget request for the Office of Higher Education.

Chair Caprio expressed concern with the disturbing trends in the state funding for our public higher education system and the resulting tuition and fee increases being proposed for Board approval today. Chair Caprio commented as follows:

- College in Rhode Island has become far less affordable, particularly for low-income families.
- The data tell the story of how Rhode Island lost ground in its effort to keep a college education affordable: To understand this, we should go back to gain some perspective as to what has happened over the last 25 years. In 1981, nationally, states invested \$10.25 per \$1,000 of personal income in their public higher education systems. At that time, Rhode Island's investment was \$10.33 per \$1,000 which meant RI was higher than the national average 25 years ago. By 2006, nationally, states' investments declined 31% to \$7.08 per \$1,000. Rhode Island's investments dropped even more dramatically, however, declining by 53% to \$4.87 per \$1,000 in support from the state. That amount ranked Rhode Island 45 out of the 50 states. If this trend continues, RI investment in higher education will reach zero in 2024.
- In 1993 state appropriations comprised 42% of URI's operating budget; 15 years later in 2008, it is 27%. If we include restricted revenues, it is only 15%. During the same period, RIC went from 52% to 43% and CCRI from 55% to 64%. As a result, Rhode Island ranks 6th highest in the country in net tuition as a percent of public higher education total educational revenue.
- In a recent report, Rhode Island ranked second most expensive nationally in percent of family income needed to pay for tuition and fees at a public college or university. The effect of this is that in Rhode Island a comparatively greater percent of students are locked out of higher education for financial reasons.
- We all know that there are currently more young people from very low income families in our schools than at any time in the past.
- Rhode Island has received an "F" for affordability on a recent national report card, and our performance on this measure continues to decline. In 1992 it required 32% of a family's income to pay for a public 4-year college or university. In 2007 it takes nearly 40% of a family's income. This trend is not sustainable if we are to succeed in achieving the Board's major goal of educating and graduating more Rhode Islanders.
- General revenue support for higher education has grown on average at a rate of only 0.3% per year since FY2002. Higher Education in 2002 received \$174.5 million. This year we received \$177.9 million for operations, just \$3.4 million more than 6 years ago.
- Unlike many other state agencies, the Board does not seek or receive supplemental funding at mid-year. We are most likely to have to give up more money at mid-year.
- Funding support is especially a problem for CCRI, which is the primary point of access for many Rhode Islanders. CCRI's total operating support (including tuition and fee revenue) is about \$9,000 per FTE student, over \$2,000 less per student than the average per student funding of our K-12 schools. How can we expect CCRI to fulfill its mission and even remediate student skill deficiencies at \$2,000 less per student than the public schools?

- We face continual erosion of state support. Yet we have kept our tuition and fee increases under the national average for the last 5 years. We live within our means; we don't seek supplemental funding; and we have to endure even more cuts.
- That being said, higher education is not seeking resources at the expense of other agencies that provide needed human services. We know, however, that we offer in higher education is the answer to the state's long-term future well-being and for the quality of life for individual Rhode Island Islanders.
- The links between a highly education work force and the strength of the state's economy is clearer now than at any time in the nation's history.
- We know that the majority of job growth in Rhode Island over the next five years will occur in jobs that require high levels of educational attainment. The ability of the state to attract and retain these types of jobs will rely on our producing a highly educated work force.
- Public higher education can and must play a prominent role in developing a skilled work force since the majority of our students remain in Rhode Island after graduation.
- We also know that significant benefits accrue to individuals who earn college degrees.
- Lifetime earnings of graduates are nearly doubled that of residents with no college experience.
- These higher incomes benefit the state through higher tax revenues.
- There are many other long term benefits of education: better health, better parenting, greater civic engagement, lower unemployment, and a greater sense of individual control over one's future.
- To accomplish these purposes, we must have greater state investment, even as the state seeks a way out of its fiscal troubles.

Since the strength of our state's economy relies on a highly educated workforce, and we know that the majority of our graduates remain working in Rhode Island after they graduate, Chair Caprio believes that the system of public higher education is an investment rather than an expense. He further stated that in order to accomplish the purposes of higher education, we must have greater state investment, even as the state seeks a way out of its fiscal troubles. In conclusion, Chair Caprio stated that the system of higher education has already been cut far more than its fair share. The system of higher education is not part of the problem; it is part of the solution, and Chair Caprio strongly believes that it is time to reverse this trend.

Chair Caprio invited comments and questions on the submission of the budget request.

Governor Hagan agrees with Chair Caprio's comments and believes Rhode Island is in bad trouble. Rather than making progress, it is going backwards. Yet, at the same time Rhode Island maintains a wonderful system of public higher education. Governor Hagan believes that unless we come up with an answer to address this problem soon, Rhode Island will find itself in a crisis.

Governor Rockett seconded the Chair's remarks and noted that some things really need attention. The system of public higher education in Rhode Island is wonderful, in spite of the budget shortfalls. To date the institutions have coped with budget cuts by increasing the number of students that they handle. Governor Rockett suggested that before the system reaches a crisis level every effort should be made to establish a new funding strategy for the schools and hopes we can convince the state legislature and the Governor's office to reverse this disastrous trend.

Governor Daniel Ryan reiterated and endorsed the Chair's comments and noted that 70% of all the budgets are personnel related for the faculty, administration, and staff that serve the three institutions. Governor Ryan is appalled that OHE has to submit a target budget requesting a 10% decrease.

Vice Chair Ryan thanked the fiscal staff at OHE, along with the presidents, the institutions, and their staffs for working so hard on a timely basis to come up with the budgets presented this evening. It is never an easy time, and the staff worked very hard to ensure everything was submitted on time and presented to the Board in a professional manner.

Chair Caprio noted that notwithstanding the budget situation, each of the three institutions are still maintaining the highest level of instruction and graduating the highest caliber of students. All three institutions should be congratulated.

Dr. Brenda Dann-Messier echoed the comments made by the Chair and fellow Board members. She urged the Board to come up with an action plan to ensure that the neediest students, low-income adults, have access to higher education.

Governor Solomon asked whether the prison budget has decreased or increased over the years. Commissioner Warner commented that during his tenure at OHE, the budget for the prisons began to exceed the budget for higher education. In fact, the per student costs overall are \$15,000 to \$16,000 range, whereas the cost per prison is in the \$50,000 to \$100,000 range, depending on the nature of incarceration.

Governor Aurecchia echoed President Carothers' comments that if something is not done soon, Rhode Island's investment in higher education will reach \$0 by 2024. He would like to see the formation of a subcommittee to press the legislature and Governor to change this trend.

Governor Coleman endorsed the remarks made by Chair Caprio and asked for clarification of the budget process going forward. Chair Caprio explained that the budget will next go to the Governor, who will then submit his budget to the legislature for review. At that point the Office of Higher Education will have an opportunity to plead its case before the House Finance Commission. Commissioner Warner noted that he will have a hearing before the State Budget Office on the budget before the Governor submits it.

The Commissioner commented that one of the problems is that the system of higher education has the ability to charge tuition. This tool has been used to cut the general revenue portion of its budget, because it generates its own income; however, that income is regulated as if it were general revenue. As a result, when a cut in funding comes, higher education takes a disproportionate hit because tuition is viewed as general revenue and counts in the total percentage cut that we take. Commissioner Warner would like to file legislation to hold tuition institutionally in a form of trust that is protected from state regulation and, therefore, allow the institutions to use it in the same way they do dedicated revenue streams that support housing, dining, etc. The Commissioner stated that most institutions around the country carry a certain robust balance of unrestricted net assets that cushion against downturns and allow institutions some protection against unfavorable circumstances; however, our institutions have virtually no unrestricted net assets because they are not in the habit of carrying money from one year to the next, because they know if they carry a balance it will be scooped, especially in challenging budget times.

Chair Caprio indicated that the Office of Higher Education is working on a joint effort with Elementary and Secondary Education and will be submitting their comments in a letter to the Governor and legislature.

President Carothers is very appreciative of the support and sentiment from all of the Board members and the commitment to make changes to this process; however, it will be a very challenging thing to do in a time when the legislature is facing substantial structural deficits. As was mentioned in the last Finance Committee meeting, this is a time that calls out for a different way of funding higher education - a different strategy and philosophy. President Carothers agrees that the Commissioner's initiative on creating a trust fund is a very important step; however, a great deal more needs to be done. He commented that a great deal of the dollars that come to the institutions go to students in terms of institutional financial aid. The costs are going up and the institutions themselves are funding financial aid to drive the cost down for the students. As a result, the institutions are using their revenues to compensate for the tuition increases for the neediest students.

On a motion made by Michael Ryan and seconded by Joseph Hagen, Solomon A. Solomon, and Kenneth Aurecchia, it was

VOTED:

(Item 7a)

That the Board of Governors for Higher Education approves the system of public higher education budget request for the 2008-2009 fiscal year as recommended for current services, and further

That the Board of Governors for Higher Education approves the tuition, mandatory fees, and auxiliary enterprise fees for the 2008-2009 fiscal year as presented for current services, and further

That the Board of Governors for Higher Education approves the system of public higher education Tables of Organization for the 2008-2009 fiscal year as presented.

Vote: 9 members voted in the affirmative, and 0 members voted in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

8. COMMITTEE REPORTS

a. Facilities and Finance/Management Committees

Vice Chair Ryan reported on Item 8a1 - approval to revise the indirect cost recovery policy for the University of Rhode Island. The current Board of Governor's policy regarding the distribution of indirect cost reimbursements does not address the allocation of these funds to the key division responsible for acquiring the external funding sources. The University is proposing a revision to the current policy that will add the Division of Research and Economic

Development as a recipient of the reimbursements, and also change the allocation percentages to include this department. This division has been added as a recipient of the reimbursements, since its goal is to increase awards and grant expenditures. Adding this allocation to the policy will provide future financial benefits. An allocation to the president's discretionary fund has also been added that will allow for a discretionary allocation as needs and priorities dictate.

Vice Chair Ryan next reported on Item 8a2 - approval to expand the Providence Metropolitan Area for the University of Rhode Island. The University of Rhode Island is requesting to offer a discounted tuition rate for part time, out of state MBA students who live in the greater Providence area, in order to attract more students and remain competitive with MBA programs in New England. In August of 1982, the Board adopted a reduced tuition policy at Rhode Island College for students residing in an area called the "expanded Providence metropolitan area," consisting of cities and towns in a 20-mile radius. This policy has been periodically reviewed and revised. The latest revision, done in October, 2005 provides for undergraduate tuition at 150% of the in-state undergraduate tuition rate. In a similar fashion, the University is requesting a tuition rate of 125% of the graduate in-state rate for MBA students residing in the expanded Providence metropolitan area.

Representatives from the University will be available to provide any additional information that the Board may require.

On a motion made by Daniel Ryan and seconded by Brenda Dann-Messier, it was

VOTED:

(Item 8a1) That the Rhode Island Board of Governors for Higher Education approves the revision to the Indirect Cost Recovery Policy for the University of Rhode Island

(Item 8a2) That the Rhode Island Board of Governors for Higher Education approves the Expanded Providence Metropolitan Area graduate tuition rate proposal for the University of Rhode Island

Vote: 9 members voted in the affirmative, and 0 members voted in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

b. Personnel Committee

Governor Dan Ryan reported that the Personnel Committee, made up of Solomon A. Solomon, Pierre LaPerriere, and Daniel Ryan, met on August 23, 2007. The Committee is in receipt of the management letters submitted by the three presidents, as well as Commissioner Warner, and is scheduled to meet again at the end of October to conduct annual evaluations. At its August meeting the Committee reviewed new methods for a more inclusive annual review process for executives by implementing web-based surveys, instruments, and other technology-based tools as recommended by Governor LaPerriere

Governor Ryan stated that the Personnel Committee also discussed transcript and degree verification procedures, which is currently under review by the Committee and will be reported on at a later date.

Governor Ryan reported that the Committee considered and discussed the termination of existing Retirement Incentive Programs at URI, RIC, CCRI and the Office of Higher Education. When the Board adopted these plans, it provided flexibility for their periodic review to determine whether they should be continued, modified, or eliminated. Governor Ryan summarized the Retirement Incentive Plan in place at each institution. Each institution submitted to the Committee an analysis as to the cost of continuing the program, as well as other relevant data. All three institutions indicated to the Committee that they could deal with the original issues for which the retirement incentive plans were implemented in better and more efficient ways today and have recommended that we bring before you today a request that this policy be terminated effective June 28, 2008.

Commissioner Warner felt it was very important to provide adequate notice of the termination. In addition, the institutions have been asked to provide any eligible individuals with individualized work-ups. It should be noted that the original motion set forth under Enclosure 8b1 has been amended as to the date of termination from June 30, 2008 to June 28, 2008, the end of the last pay period for the 2007-2008 fiscal year.

On a motion made by Thomas Rockett and seconded by Daniel Ryan, it was

VOTED:

(Item 8b1) That the Rhode Island Board of Governors for Higher Education discontinue the system's current Retirement Incentive Plans at Rhode Island College, the Community College of Rhode Island, the University of Rhode Island, and at the Office of Higher Education as of June 28, 2008.

Vote: 9 members voted in the affirmative, and 0 members voted in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

9. ADDITIONAL CONSENT AGENDA

Vice Chair Ryan indicated that there is one additional consent item on tonight's agenda – Enclosure 9a – recommendations from the Personnel Review Committee.

Commissioner Warner reported that the Personnel Review Committee classifies various positions, and they are then posted on the Consent Agenda as a summary.

On a motion made by Kenneth Aurecchia and seconded by Thomas Rockett, it was

VOTED:

(Item 9a) That the Rhode Island Board of Governors for Higher Education approves the Personnel Review Committee's recommendations as follows:

At the University of Rhode Island:

1. Request to establish a new classification – **Director, Public Programming and Events**, BOG, grade 14, (\$51,281-\$100,743).
2. Request to establish a new classification – **Director, Rhode Island EPSCoR Academy**, BOG, grade 13 (\$47,592-\$93,040).
3. Request to reclassify the position, **Assistant Director, Budget**, BOG, grade 15 (\$55,397-\$108,790) to **Associate Director, Budget and Financial Planning**, BOG grade 16 (\$59,801-\$118,188).

Vote: 9 members voted in the affirmative, and 0 members voted in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman, Brenda Dann-Messier, Joseph Hagan, Thomas Rockett, Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

10. UNFINISHED BUSINESS

None

11. PRESIDENTS' REPORTS

a. Community College of Rhode Island

President Di Pasquale reported that CCRI has achieved record enrollment this fall of 16,826, which represents an increase of 453 students. President Di Pasquale noted that CCRI's faculty and staff continue to provide quality education despite less funding and additional budget cuts.

President Di Pasquale introduced Walter Crocker as the interim Director of CCRI's Providence campus. He indicated that CCRI is lucky and fortunate to have a former URI employee and former dean assisting the Providence campus.

b. University of Rhode Island

President Carothers reported that the NEASC team will be visiting the University on October 21 – October 24. The University has been preparing for this visit for well over a year. An accreditation report will be distributed to Board members early next week. President Carothers feels very confident about the accreditation visit.

President Carothers announced that the opening night for the annual Honors Consortium is scheduled for September 18. This year's event is focused on China and is called "China Rising." A variety of lectures, concerts, plays, and art exhibits have been planned which center around the rise of China as a world power. President Carothers reported that in mid-October URI will dedicate its Confucius Institute that will also include a series of programs on China.

President Carothers also announced that URI opened its second International Engineering House last week. A formal dedication is scheduled to take place on September 29th. This house is dedicated to the teaching of Chinese engineering and international business.

President Carothers indicated that the Central Falls High School: A University of Rhode Island Academy is off to a tremendous start and provided an update on opening week activities. He further indicated that T-shirts were distributed to all students, faculty, staff, and parents that were worn for an outside group photo. A week-long orientation program took place for students and teachers, which included bringing all of the 9th grade students down to the Alton Jones Campus to go through a leadership training program that was directed, in part, by seniors at Central Falls who completed an earlier leadership training program. President Carothers reported that the new principal at Central Falls is a man named Dr. Mario Andrade, who is a 31-year old graduate of Johnson & Wales University. Dr. Andrade has tremendous energy, lots of ideas, and a passionate commitment to the students at Central Falls. The week culminated with the faculty and staff hosting a cookout for everybody at the high school. President Carothers thanked everyone who worked on this endeavor, particularly the faculty at Central Falls, the AFT, and the Board of Trustees.

c. Rhode Island College

President Nazarian announced that Rhode Island College is nearing the end of its second week of classes and noted that the students at the new residence hall are becoming acclimated with their new surroundings, despite some minor finishing touches that are still being completed.

President Nazarian reported that enrollment at the College has topped the 9,000 mark, with 9,050 students, representing an increase in headcount of 1.2% (or an FTE increase of 3%). He indicated that this translates into either more full-time students or part-time students taking more courses. In addition, President Nazarian noted that degree graduates have increased 16.9%, which is a significant trend. He also noted that Commissioner Warner is working with the Commissioner for Elementary and Secondary Education to re-examine the decision regarding certification and graduate degrees for teachers.

President Nazarian is looking forward to a very successful year.

12. EXECUTIVE SESSION

Chair Caprio indicated that he would entertain a motion to enter into executive session to discuss an update on pending litigation and collective bargaining, pursuant to R.I.G.L. §42-46-5(a)(1).

On a motion duly made by Joseph Hagan and seconded by Solomon A. Solomon, it was

VOTED: That the Board of Governors for Higher Education convene in Executive session pursuant to R.I.G.L. §42-46-5(a)(2) for the reasons set forth above.

Vote: 9 members voted in the affirmative and 0 members voted in the negative as follows:

YEAS Kenneth Aurecchia, Frank Caprio, Miriam Coleman,
 Brenda Dann-Messier, Joseph Hagan, Thomas Rockett,
 Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

After a short break, the Board convened in Executive Session at 6:51 p.m.

All non-Board members in the audience were excused with the exception of Ronald Cavallaro, General Counsel for the Board; Anne Marie Coleman, Director of Labor Relations; President Robert Carothers, President John Nazarian; President Ray Di Pasquale; Deputy Commissioner and Chief Academic Officer Nancy Carriuolo, Associate Commissioner Susan LaPanne.

The Board reconvened in open session at 7:00 p.m.

13. NEXT MEETING

Monday, October 22, 2007, 5:00 p.m. at Rhode Island College, Alger Hall, Providence, Rhode Island.

Monday, December 3, 2007, at 5:00 p.m. at the Office of Higher Education, Board Room, Providence, Rhode Island.

14. ADJOURNMENT:

On a motion duly made by Brenda Dann-Messier and seconded by Daniel Ryan, it was

VOTED: That the Board of Governors for Higher Education adjourn.

Vote: 9 members voted in the affirmative, and 0 members
 in the negative as follows:

YEAS: Kenneth Aurecchia, Frank Caprio, Miriam Coleman,
 Brenda Dann-Messier, Joseph Hagan, Thomas Rockett,
 Daniel Ryan, Michael Ryan, and Solomon A. Solomon

NAYS: 0

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Kenneth Aurecchia, Secretary