

THE
UNIVERSITY
OF RHODE ISLAND

DIVISION OF
ADMINISTRATION
AND FINANCE



OFFICE OF THE VICE PRESIDENT

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Christina L. Valentino
Vice President

August 26, 2016

Via Facsimile (ATTN: Amanda Lucas 401-462-7695)

The Honorable Seth Magaziner
General Treasurer and Chair of the Public Finance Management Board
Office of the Rhode Island General Treasurer
50 Service Avenue, 2nd Floor
Warwick, RI 02886

Re: Proposed Changes to Public Finance Management Board Regulations

Dear Treasurer Magaziner,

As Vice President for Administration and Finance of the University of Rhode Island, I respectfully request a public hearing regarding the proposed changes to the Rules and Regulations of the Public Finance Management Board that were recently posted in accordance with Public Notice requirements (attached). Representatives of the University would like the opportunity to speak to and learn more about the impacts of proposed changes to the regulations.

The University of Rhode Island, through the Rhode Island Council on Postsecondary Education, periodically utilizes revenue bond financing to support construction, renovation, and improvement projects at its multiple Campuses and prudently monitors opportunities to refinance such bonds when such actions will significantly reduce debt service obligations supported by student tuition and fee revenues. As such, the University and its constituents have benefited from the language under Regulation 10. (a) Fees that has provided relief from fees on refinancing transactions via a credit that is currently proposed for elimination.

The University would also appreciate the opportunity to learn more about whether the proposed changes might alter the process by which the University seeks State-level approvals to secure bond financing to fund capital improvements on its campuses.

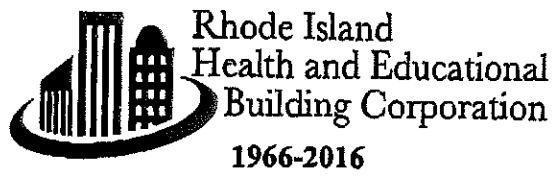
On behalf of the University of Rhode Island, I appreciate your consideration of this request for an oral hearing on this matter.

Sincerely,

Christina L. Valentino

Attachment

c: David M. Dooley, President, URI
J. Vernon Wyman, Assistant Vice President, Business Services, URI



Financing Facilities for a Better Future

Memorandum

To: RIHEBC Clients
From: Bob Donovan
Date: August 15, 2016
Re: Proposed Changes to Public Finance Management Board Rules and Regulations

It has come to the attention of RIHEBC that the Public Finance Management Board (PFMB), which is part of the General Treasurer's Office, is proposing several rule changes which will have an impact on bonds issued by RIHEBC for your institution.

The PFMB was originally created by the General Assembly to allocate the State's share of private activity bonds authorized by the Federal Government for purposes such as economic development, student loans, housing, and sewer and water projects

While bond issued for non-profit institutions do not fall under the approval process of the PFMB, a fee of 1/40% has been charged to the underwriter who is paid from bond proceeds on all RIHEBC bond issues.

The fee has only been on the par amount for bonds used for new projects and there was no fee paid on refunding bond issues.

The proposed change would eliminate the exemption for refunding bonds and impose the 1/40% of the Par amount fee on all bond issues.

The PFMB analysis of the fee to be imposed on refunding bond issues is to increase revenue to enhance PFMB staffing (attached). It also provides the section of the General Laws (42-10.1-5) which allows them to impose a fee for their services.

Under the proceeding for the adoption of Rules and Regulations, a public hearing can be requested within 30 days of the posting of the notice.

Attached is a copy of the proposed changes for your review and a link to the General Treasurer's Office website for the proposed rules.

<http://www.treasury.ri.gov/public-finance-management-board/>