

The New York State Higher Education Capital Matching Grant (“HECap”) Board Meeting was held in person and by videoconference technology among DASNY’s Offices in New York City, 28 Liberty Plaza, New York, New York and 515 Broadway, Albany, New York on Wednesday, September 27, 2023.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Michael Smingler at 1:00p.m. and a quorum was declared present. Mr. Smingler welcomed the Members, DASNY Staff and Members of the Public to the Meeting. The following Board Members and Staff were present:

HECap Board Members Present

Michael Smingler, Board Member
Honorable Patricia Fahy, Board Member
Honorable Toby Anne Stavisky, Board Member

DASNY Staff Present

Karen Hunter, Director of Grants Administration
Ann Shaw, Assistant Director, Grants Administration
Deanne DiPace, Senior Grant Administrator
Sean Rosney, Grant Administrator II
Danielle DiSorbo, Grant Administrator II
Ryan Brooks, Grant Program Assistant
Michaela Mullen, Grant Program Assistant

Various Members of DASNY and the public also were present and via Zoom

Election of the Chair of the HECap Board and Adoption of Minutes of the July 14, 2022 Meeting

Assemblymember Fahy made a motion to elect Michael Smingler as Chair to the HECap Board. Senator Stavisky seconded the motion and the following entitled resolution was unanimously adopted:

A RESOLUTION OF THE NEW YORK STATE HIGHER EDUCATION CAPITAL MATCHING (HECap) GRANT PROGRAM BOARD ELECTING THE CHAIR

The minutes of the July 14, 2022 Board Meeting were reviewed and unanimously approved by the Members.

Adoption of by-Laws

Chair Smingler asked the members if there were any questions or concerns regarding the by-laws.

Senator Stavisky stated she may have some comments in two of the succeeding parts of the agenda she may have comments that reflect upon the bylaws, but thinks the bylaws, as presented, should be approved.

Chair Smingler acknowledged Senator Stavisky's statement and asked for a motion to approve the by-laws.

Upon a motion from Assemblymember Fahy and a second from Senator Stavisky, the HECap by-laws were adopted unanimously.

Summary of the Previous Non-Competitive and Competitive Rounds

Chair Smingler asked Ms. Hunter to provide a status update on the previously awarded grants and a summary of the applications received in the fifth request for grant applications.

Ms. Hunter summarized the HECap program, stating ahead of Round 1 all eligible projects have been paid in full and Round 1 is officially closed. For Round 2, approximately \$67 million dollars was awarded to 39 institutions in 2018, and of those projects 25 have fully executed Grant Disbursement Agreements (GDA's), 12 grantees withdrew their projects from the program, and 2 are still in process.

Ms. Hunter stated that for Competitive Round 3, approximately \$21.2 million dollars was awarded to 35 institutions in 2019 and of those projects, 10 have fully executed GDA's, 8 have withdrawn, and 17 are still in process.

Ms. Hunter advised for Competitive Round 4, approximately \$57.2 million dollars was awarded to 35 institutions in 2021 for projects to be completed between September 1, 2020 and September 1, 2024, and noted that the end date for those awards was extended due to COVID. She added that of those projects, 7 have fully executed grant disbursement agreements, 9 have withdrawn, and 19 are still in process.

Ms. Hunter stated this brings us to our Competitive Round 5, which the Board is considering today and reported that we have \$65 million dollars available from this request for grant applications, which was issued September 16, 2022, with projects to be completed between September 1, 2022 and September 1, 2025,

Ms. Hunter reported that we received 34 applications totaling \$66.8 million dollars. A team of 5 DASNY grant unit staff reviewed those project applications for eligibility and financial readiness. She informed the members that applications that receive a minimum score of 70 were to be awarded grants and that there were 30 applicants who achieved a 70 or above, with projects totaling approximately \$63.6 million dollars, and these awards are for the board's consideration today.

Award of HECap Grants – Resolution

Mr. Smingler addressed the members stating before us is a resolution to award HECap grants to the institution set forth in the resolution before the members for their consideration and if there were any questions regarding this resolution.

Assemblymember Fahy inquired about the numbers that were withdrawn in previous years, if that was due to COVID complications, with supply chain delays, or was that somewhat expected.

Ms. Hunter responded stating there is a variety of reasons why they might choose to withdraw. In some cases it was COVID, projects that were envisioned prior to COVID just were not going to be going forward as envisioned, and those institutions made the decision to make that withdrawal. We also have some institutions that decide not to utilize the funds because of the prevailing wage requirement. Just a variety of reasons.

Assemblymember Fahy added it has always had the prevailing wage requirement correct.

Ms. Hunter stated that is has and it adds financially so they have decided they are not going to go forward. She added that they also have to meet the MWBE requirements, that is something we can help them with, and we do offer waivers if they make best efforts and prove to us what they have tried to do. We have had withdrawals over each round, and those funds go back into the program for subsequent awards.

Assemblymember Fahy thanked Ms. Hunter for clarifying.

Chair Smingler asked if there were any further questions.

Senator Stavisky stated in the past she has ascertained the fact that the unappropriated funds are reappropriated for future awards, adding it was previously stated that of a \$65 million dollar award amount, approximately \$62 million was awarded so the difference is to be reappropriated for next year's matching group HECap money.

Ms. Hunter explained that the difference that was not utilized for Round 5 is included in the Round 6 amount that we will be offering.

Senator Stavisky advised there were two points that troubled her. Number one being the number of round 2 approvals where the contract is not closed. And for a variety of reasons, in round 2 and round 3 there are institutions, some of whom are receiving grants today if so approved, and that is a concern because it seems to me once they are appropriated and there is an expiration date, that is it. She added in Albany, she understands it is called "Pencils down" which seems appropriate and feels we should make an effort to clean up the round 2 and round 3 appropriations even if they have been spent, the book should be able to be closed on that.

Senator Stavisky stated her second point which was more troublesome referred to a story in today's New York Times, about how two institutions dealt with property taxes. Her concern is about one of the statements in the Times which said that a reduced percentage of the applicants are from New

York State and she feels we should take a look and include need as well as the other points in the formula for awarding the funds in the future.

Senator Stavisky added that if legislation is necessary, if it is in the statute, she would be happy to work with DASNY and others as she believes we can help the smaller institutions and Independent Colleges with smaller endowments from going under, as some are on the brink of closure and she feels they deserve the same opportunity and stated she has raised this concern on many occasions.

Assemblymember Fahy asked to clarify if this applies to the terms of some of the grant awards, or giving a special consideration when there is financially a college that has a smaller endowment proportion.

Senator Stavisky agreed and stated that was one way of dealing with. There must be other ways as well. In the way we award TAP, it is a “needs based” award based on family income, etc. and that concept, not the specifics but the idea that institutions have special needs and she feels that needs to be addressed. She added she is not in any way attacking the two institutions at all as she is a big fan of both institutions, but she is a bigger fan of trying to help the smaller institutions survive who may have a problem meeting the 3 to 1 match, or even those that are not in financial difficulty adding we need to even out the score so to speak.

Assemblymember Fahy inquired if that is something that is legislated in terms of scoring criteria or is there any consideration given to the strength of the institution or the size of the institution.

Ms. Hunter stated there would need to be a statutory change.

Assemblymember Fahy added that Senator Stavisky has raised some excellent points and she would be happy to follow up with her as well.

Assemblymember Fahy stated she may need to recuse herself on some items adding her husband is on the faculty at RPI, Rensselaer Polytechnic Institute. She indicated she did not see RPI on this list and was not certain if that was a moot point or not.

Ms. Hunter advised it was a moot point for this round.

Assemblymember Fahy moved the adoption of the following entitled resolution:

A RESOLUTION OF THE HIGHER EDUCATION CAPITAL MATCHING GRANT PROGRAM (HECap) BOARD AWARDING HECAP GRANTS

Senator Stavisky seconded the motion, and the Resolution was unanimously adopted.

HECap Request for Grant Application Competitive Round 6 – Resolution

Chair Smingler asked Ms. Hunter to provide a summary of process for the sixth competitive request for grant applications.

Ms. Hunter addressed the members stating the Board is being asked to authorize a Request for Grant Applications (RGA) to solicit and award HECap grants for the sixth competitive round. The draft RGA was provided to members for their review and it is substantially similar to prior request for grant applications just with changes to reflect the amounts available.

Ms. Hunter advised this RGA will be up to \$50 million in available funds for HECap projects to be completed between September 1, 2023 - September 1, 2026. She stated that the funding available is comprised of the \$40 Million HECap funds authorized in this year's enacted state budget, as well as rollover amounts from prior rounds. This resolution is before you for your consideration and asked if there were any questions.

Senator Stavisky asked if that takes into account the Institutions who have withdrawn.

Ms. Hunter advised in the affirmative.

Mr. Smingler stated the next item of business is to adopt the sixth request for grant applications and the process.

Assemblymember Fahy moved the adoption of the following entitled resolution:

A RESOLUTION OF THE OF THE NEW YORK STATE HIGHER EDUCATION CAPITAL MATCHING (HECap) GRANT PROGRAM BOARD APPROVING THE HECap REQUEST FOR GRANT APPLICATIONS FOR COMPETITIVE ROUND 6

Senator Stavisky seconded the motion, and the Resolution was unanimously adopted.

Chair Smingler stated this concludes the new business before the Board and asked if there was any other business to come before the Board today.

Assemblymember Fahy announced she did not have any questions but is happy to follow up on the Senators recommendations if possible.

Chair Smingler thanked the Board Members and DASNY Staff for their work done to date.

Assemblymember Fahy moved to adjourn the meeting, Senator Stavisky seconded the motion, and the meeting was adjourned at approximately 1:20 p.m.

Respectfully submitted,