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*State of New Hampshire*  
OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
State House, Room 102  
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA  
Director, Audit Division  
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March 25, 2015

To the Members of the Capital Budget  
Overview Committee

The Capital Budget Overview Committee, as established by RSA 17-J, of which you are a member, will hold a special meeting on Thursday, March 26, 2015, at 12:30 p.m. in Room 201 of the Legislative Office Building regarding the University System of New Hampshire request (CAP-010) tabled March 19, 2015.

Please find attached information to be discussed at this meeting.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey A. Pattison".

Jeffrey A. Pattison  
Legislative Budget Assistant

JAP/pe  
Attachments

CAPITAL BUDGET OVERVIEW COMMITTEE  
SPECIAL AGENDA

Thursday, March 26, 2015 at 12:30 p.m. in Room 201 of the Legislative Office Building

(1) **Old Business:**

**RSA 195-D:5, XVIII, General Grant of Powers:**

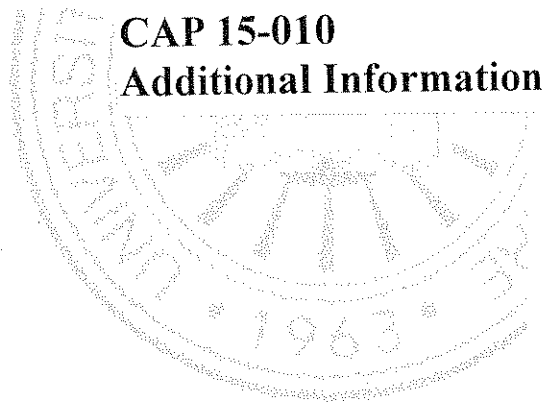
**CAP 15-010 Additional Information University System of New Hampshire** – dated March 20, 2015, in response to questions of the Committee at the March 19, 2015 meeting pertaining to **CAP 15-010 University System of New Hampshire** – request approval of each project intended to be financed by the University System of New Hampshire (“USNH”) through any and all transactions relating to the issuance, sale and delivery by the New Hampshire Health and Education Facilities Authority (“NHHEFA”) of its “University System of New Hampshire Issue, Series 2015 Bonds” in a principal amount not to exceed \$85,000,000 from time to time in one or more series to finance (1) construction, renovation, demolition, property acquisition and related costs of the Keene State College (“KSC”) Pondsides IV; the University of New Hampshire (“UNH”) Holloway Commons Expansion and Hamel Recreation Expansion; and the Plymouth State University (“PSU”) ALLWell North, as approved by the USNH Board of Trustees, and as may be amended or approved by the by the USNH Board of Trustees in the future, consistent with the terms of the issue, (2) planning, design, construction and related costs associated with other student-related facilities that may be approved by the USNH Board of Trustees, and (3) such related issuance, capitalized interest, bond insurance and other costs as may be required; and further, under no circumstances will the State be obligated, directly or indirectly, for the payment of, or interest on, any obligation issued to finance such constructions and acquisition, as specified in the request dated February 12, 2015. **Tabled 03/19/15**

(2) **New Business:**

**RSA 9:26-a, Prohibited Changes:**

**CAP 15-013 New Hampshire Liquor Commission** – request authorization to amend CAP 15-003, originally approved March 19, 2015, and request approval to change the plan for utilization of funds appropriated for the Computer Software-Credit Card (Chapter 195:1, XII. G, Laws of 2013) capital fund for the amount of \$664,000, as specified in the request dated March 23, 2015

(3) **Date of Next Meeting and Adjournment:**



March 20, 2015

Senator David Boutin  
Legislative Office Building  
Concord, NH 03301

Dear Senator Boutin:

As requested at the March 19 meeting of the Capital Budget Overview Committee (CBOC), below I provide fees and related increases projected to fund the projects for which the University System seeks CBOC approval. Our Board and our campuses believe the Hamel Recreation Center and Holloway Commons at UNH, AllWell North at Plymouth State (PSU) and Pondsides IV at Keene State (KSC) are critically important to our continued competitiveness in the higher education market and to our providing the quality educational experience that our students expect and deserve. For purposes of background, I add that the University System does not issue bonds for new projects on a regular basis, as does the State. The last time new project bonds were issued was in 2009.

Importantly, students from all USNH campuses are involved in the process of setting fees. On each residential campus, the Student Senates deliberate, interview and query campus employees and make resulting recommendations to the respective campus presidents who then make recommendations to the Board of Trustees for appropriate levels of fees, room and board. Student representatives then present those recommendations to the Board of Trustees for approval. As you suggested, we will ask students who have participated in these deliberations on each of our campuses to attend the next CBOC meeting on March 26 to help inform the discussion.

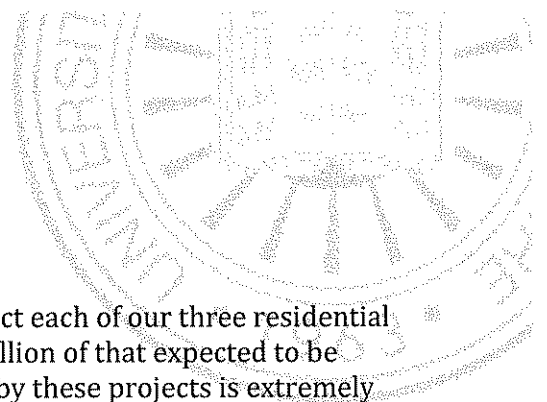
UNH FY 16 Approved Mandatory Fees	\$2,936
Projected Increase in FY 17 Attributable to Hamel Rec	\$230
<i>(Note that this is maximum/highest case scenario. UNH continues to look at other strategies to mitigate increase.)</i>	

Projected Increase Attributable to Holloway Commons	\$0
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PSU FY 16 Approved Mandatory Fees	\$2,428
Included in FY 16 fees to support AllWell North	\$137

KSC FY 16 Housing for Double Room	\$6,372
Projected Increase in FY 17 Attributable to Pondsides	\$380
<i>(Note that this is maximum/highest case scenario. KSC continues to look at other strategies to mitigate increase. Also note, this increase will bring KSC housing cost in line with PSU and UNH.)</i>	

# University System of New Hampshire



Lastly, the projects discussed at the CBOC meeting that impact each of our three residential campuses have a total projected cost of \$110 million, \$81 million of that expected to be bonded. Obviously, the economic impact of the jobs created by these projects is extremely important to those regions of our State.

Please don't hesitate to contact me should you have further questions.

Respectfully,

A handwritten signature in cursive script, reading "Catherine A. Provencher", is displayed on a light gray, textured background.

Catherine A. Provencher  
Vice Chancellor of Financial Affairs and Treasurer

Cc: Michael Kane, LBA and members of CBOC

VICE CHANCELLOR FOR FINANCIAL AFFAIRS & TREASURER'S OFFICE

25 Concord Road  
Durham, NH 03824-2334  
Phone: (603) 862-0954

February 12, 2015

Representative Gene Chandler, Chair  
Capital Budget Overview Committee  
Room 201-Legislative Office Building  
Concord, NH 03301

Dear Representative Chandler,

The University System of New Hampshire respectfully requests, pursuant to the provisions of RSA 195-D:5, XVIII, that the Capital Budget Overview Committee approve each project intended to be financed by the University System of New Hampshire ("USNH") through any and all transactions relating to the issuance, sale and delivery by the New Hampshire Health and Education Facilities Authority ("NHHEFA") of its "University System of New Hampshire Issue, Series 2015 Bonds ("Series 2015 Bonds") in a principal amount not to exceed \$85,000,000 from time to time in one or more series to finance (1) construction, renovation, demolition, property acquisition and related costs of the Keene State College ("KSC") Pondsides IV; the University of New Hampshire ("UNH") Holloway Commons Expansion and Hamel Recreation Expansion; and the Plymouth State University ("PSU") ALLWell North, as approved by the USNH Board of Trustees, and as may be amended or approved by the USNH Board of Trustees in the future, consistent with the terms of the issue, (2) planning, design, construction and related costs associated with other student-related facilities that may be approved by the USNH Board of Trustees, and (3) such related issuance, capitalized interest, bond insurance and other costs as may be required; *and further*

Under no circumstances will the State be obligated, directly or indirectly, for the payment of, or interest on, any obligation issued to finance such construction and acquisition.

Capital Budget Overview Committee

February 12, 2015

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The bonds will be repaid by revenue from student room and board fees and other revenue associated with auxiliary (self-supporting) operations. The State does not guarantee NHHEFA bonds and is not liable for the payment of principal or interest on the bonds, nor is the State directly, indirectly or contingently obligated to levy or pledge any form of revenue whatsoever for such payments.

The purpose of the proposed bonds is to complete the construction of the above four projects at Plymouth State University, Keene State College and the University of New Hampshire as summarized on the attachments. The proposed projects and the issuance of the bonds have been approved by the USNH Board of Trustees. Summary information regarding these projects is attached and additional information will be provided at the Committee meeting.

Sincerely

A handwritten signature in cursive script that reads "Catherine A. Provencher". The signature is written in black ink and includes a long horizontal line extending to the right of the name.

Catherine A. Provencher, CPA  
Vice Chancellor for Financial Affairs and Treasurer, USNH

Cc: Dr. Todd Leach, Chancellor, USNH  
Michael Kane, Office of the Legislative Budget Assistant, State of New Hampshire

**University System of NH  
 Projects Funded in Whole or in Part with HEFA Issued Bonds  
 Approval by Capital Budget Overview Committee Requested  
 February 12, 2015**

	UNH Durham		Plymouth State	Keene State
	Hamel Recreation Center	Holloway Commons	AllWell North	Pondside IV
Type of Project	Recreation	Dining	Advanced Academic/ Athletic	Housing
Gross Square Feet	66,000	11,000	112,000	81,500
Construction Dates	May 15 to Jan 17	May 15 to Jan 16	Jun 14 to Oct 15	May 15 to Aug 16
<b>Financing</b>				
HEFA bonds	\$ 29,500,000	\$ 10,500,000	\$ 8,000,000	\$ 33,000,000
Internal Borrowing	3,440,000		16,000,000	
Campus Reserves	2,560,000		4,500,000	500,000
State Capital Appropriation			2,000,000	
Gifts/Grants			1,500,000	
	<b>\$ 35,500,000</b>	<b>\$ 10,500,000</b>	<b>\$ 32,000,000</b>	<b>\$ 33,500,000</b>

**University System of NH  
Projects Funded in Whole or in Part with HEFA Issued Bonds  
Approval by Capital Budget Overview Committee Requested  
February 12, 2015**

**AT THE UNIVERSITY OF NEW HAMPSHIRE**

**Hamel Recreation Center**, Board of Trustees Approved February 6, 2015

A \$35.5 million expansion of Hamel Recreation Center. This project is a 66,000 SF addition to the existing facility to provide expanded fitness and indoor play court area. Includes renovations to the existing recreation center facility to update building systems. This project will utilize \$29.5 million of HEFA funding, \$3.44 million Internal Fund Borrowing and \$2.56 million in campus reserves.

**Holloway Commons**, Board of Trustees Approved: April 18, 2014

A \$10.5 million renovation of Holloway Commons. This project is an 11,000 SF addition to increase seating capacity by 356 and includes selected renovations to the existing dining area to reduce congestion and improve circulation. This project will utilize \$10.5 million of HEFA funding.

**AT PLYMOUTH STATE UNIVERSITY**

**ALLWell North**, Board of Trustees Approved: October 24, 2013

A new \$32 million facility for PSU totalling approximately 112,000 SF. The project includes classrooms, an indoor field house incorporating a 200 meter NCAA competition track with related jumping and throwing event venues. The classroom space will support Health and Human Performance academic programming. This project will utilize \$8 million of HEFA funding, \$2 million State Capital Appropriation, \$16 million Internal Borrowing, \$4.5 million campus reserves and \$1.5 million in Grants/Gifts.

**AT KEENE STATE COLLEGE**

**Pondside IV**, Board of Trustees Approved: June 27, 2014 Amended: February 6, 2015

New \$33.5 million residence hall of approximately 81,500 SF. The project will provide 349 beds for first year students. It will also set a new standard for a living/learning community at KSC. It will have formal and informal learning areas including three classrooms. Energy efficient design elements include a geothermal system for hot water and public spaces. This project will utilize \$33 million of HEFA funding and \$500,000 from internal campus reserves.



## New Hampshire Liquor Commission



50 Storrs Street, P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 230-7026

Joseph W. Mollica  
Chairman

Michael R. Milligan  
Deputy Commissioner

Margaret Wood Hassan  
Governor

March 23, 2015

Representative Gene Chandler, Chair  
Capital Budget Overview Committee  
Legislative Office Building, Room 201  
33 North State Street  
Concord, New Hampshire 03301

**REQUESTED ACTION**

In accordance with RSA 9:26-a, the New Hampshire State Liquor Commission respectfully requests to amend the Committee's previous action on CAP 15-003 on March 19, 2015, and requests approval from the Capital Budget Overview Committee to change the plan for utilization of funds appropriated for the Computer Software – Credit Card capital fund for the amount of \$664,000 for the purposes specified below.

**EXPLANATION**

In 2013 the Legislature approved a Capital Budget request Chapter 195:1:XII-G, Computer Software – Credit Card for \$10,000,000 to procure and implement a new point-of-sale (POS) system to support the Liquor Commission retail outlets and supporting back office hardware and software for 77 retail stores.

In order to comply with Payment Card Industry (PCI) and bank requirements that apply to all merchants, the Commission must remove old, non-PCI compliant hardware and software immediately and replace it with compliant hardware and software. This replacement process was included in the original Capital Budget request noted above, but we have not finalized the procurement process, and some hardware and software elements noted below must be procured immediately.

Encryption software to enable credit card data to pass through the payment system in a secure manner to the bank is required to reduce or eliminate a data breach and ensure that consumers' credit card transactions are secure. The current credit card terminals have reached end-of-life and

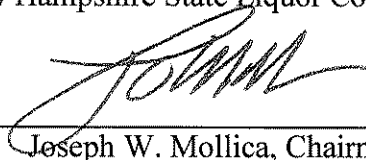
Representative Gene Chandler, Chair  
Capital Budget Overview Committee  
March 23, 2015  
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soon will no longer be supported by the manufacturer. In addition, the Commission has a requirement to deploy EMV credit card terminals to all stores by October 15, 2015 in order to accommodate the new chip credit cards. Professional services will be necessary to assist the Commission in identifying and assisting in the RFP process and contract negotiations.

The above projects are critical to the Liquor Commission retail operations and overall state compliance with PCI requirements. Failure to comply could result in significant fines from the Payment Card Industry and loss of our ability to accept credit cards in our retail stores.

I look forward to addressing any of your committee's questions regarding this request.

Respectfully Submitted  
New Hampshire State Liquor Commission



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Joseph W. Mollica, Chairman