

Rhode Island Council on Postsecondary Education
Finance & Facilities Committee
Wednesday, November 29, 2023



**Meeting of the Council on Postsecondary Education
Finance and Facilities Committee**

**Wednesday, November 29, 2023
RI Nursing Education Center
Room #325
350 Eddy Street,
Providence, RI 02903
5:30 PM**

Meeting Minutes

Chair Dennis Duffy called the meeting to order at 5:30 pm and acknowledged that a quorum was present.

Finance & Facilities Committee members present:

Dennis Duffy, Chair, Finance & Facilities Committee
Thomas Izzo

Finance & Facilities Committee members absent:

Marcy Reyes

Rhode Island Office of the Postsecondary Commissioner (OPC) staff present:

Zachary Saul, Chief Financial Officer
Ronald Cavallaro, General Counsel
Jackie Xiong, Executive Assistant to the Commissioner and Council Liaison

Rhode Island College (RIC) participants:

Sara Enright, Interim Vice President of Administration and Finance
Nelia Kruger, Controller

Community College of Rhode Island (CCRI) participants:

Richard Sullivan, Vice President of Administration and Finance
David Rawlinson, Controller

1. Acceptance of the Agenda

Chair Duffy called for a motion that the Finance & Facilities Committee accept the agenda for the meeting of November 29, 2023.

On a motion made by Thomas Izzo and seconded by Dennis Duffy, it was:

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| VOTED: | THAT | The Finance and Facilities Committee accept the agenda for the meeting of November 29, 2023. |
| | VOTE: | 2 members voted in the affirmative and 0 members voted in the negative. |
| | YEAS: | Dennis Duffy and Thomas Izzo |
| | NAYS: | 0 |
| | ABSTAINS: | 0 |

2. Approval of the Minutes from October 4, 2023 Meeting

Chair Duffy asked for a motion to approve the minutes from the October 4, 2023 meeting.

On a motion duly made by Thomas Izzo and seconded by Dennis Duffy, it was:

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| VOTED: | THAT | The Finance and Facilities Committee accept the minutes for the meeting of October 4, 2023. |
| | VOTE: | 2 members voted in the affirmative and 0 members voted in the negative. |
| | YEAS: | Dennis Duffy and Thomas Izzo |
| | NAYS: | 0 |
| | ABSTAINS: | 0 |

3. Action Items

- A. Approval of the recommendation to the Council on Postsecondary Education for its approval of the audited financial statements for Rhode Island College, the Community College of Rhode Island, and the Rhode Island Office of the Postsecondary Commissioner's Division of Higher Education Assistance for the fiscal year ending June 30, 2023.

Chair Duffy introduced the audit firm of Clifton Larson Allen, LLP (CLA), who conducted the audit of Rhode Island College, the Community College of Rhode Island, the Rhode Island Division of Higher Education Assistance. Michael Johns and Andy Lee, Principals with Clifton Larson Allen, LLP, presented the 2023 audit results for RIC, CCRI, and RIDHEA. Mr. Johns explained that the audit was conducted in accordance with U.S. generally accepted auditing standards using a risk-

based approach. The areas that were considered high risk were internal controls and information technology, revenue recognition, debt and long-term liabilities, federal awards, unrecorded liabilities, operation expenditures, significant estimates, and new accounting standards. Each set of financial statements received an unmodified opinion. The report on internal controls over financial reporting noted no internal control issues for CCRI and RIDHEA. A significant deficiency in internal controls over financial reporting was noted for RIC related to lease receivables not recorded in fiscal year 2022. Also, CLA provided management recommendations for RIC and CCRI. There was discussion by the Committee members regarding the results of the audit and the audit findings. RIC and CCRI each addressed their findings and responses to mitigate future risks. The Committee requested CLA provide more explanation to the Single Audit process and how the State of Rhode Island will provide direction on which programs CLA will be required to audit. CLA concluded their presentation by providing an update on the current issues affecting higher education nationally and new changes to the auditing standards.

Chair Duffy asked for a motion for the approval of the recommendation to the Council on Postsecondary Education for its approval of the audited financial statements for Rhode Island College, the Community College of Rhode Island, and the Rhode Island Office of the Postsecondary Commissioner's Division of Higher Education Assistance for the fiscal year ending June 30, 2023.

On a motion duly made by Thomas Izzo and seconded by Dennis Duffy, it was:

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| VOTED: | THAT | The Finance and Facilities Committee approve the recommendation to the Council on Postsecondary Education for its approval of the audited financial statements for Rhode Island College, the Community College of Rhode Island, and the Rhode Island Office of the Postsecondary Commissioner's Division of Higher Education Assistance for the fiscal year ending June 30, 2023. |
| | VOTE: | 2 members voted in the affirmative and 0 members voted in the negative. |
| | YEAS: | Dennis Duffy and Thomas Izzo |
| | NAYS: | 0 |
| | ABSTAINS: | 0 |

- B. Approval of the recommendation to the Council on Postsecondary Education for its approval of the Facilities Use and License Agreement by and among the Community College of Rhode Island, the Rhode Island Council on Postsecondary Education and the Boys and Girls Clubs of Newport County for the exclusive use and non-exclusive use of space at the Community College of Rhode Island's Newport County Campus Building.

Chair Duffy introduced the item and called upon representatives from the Community College of Rhode Island to present the Facilities Use and License Agreement. Ronald Cavallaro, General Counsel for the Community College of Rhode Island, provided the details of the agreement, which included the agreement format, lease term, and fees. He explained the Boys & Girls Clubs of Newport County are in need of temporary space while their existing facility is being renovated.

Amy Kempe, Chief of Staff for the Community College of Rhode Island, provided additional information highlighting the benefits of this proposed partnership and its alignment to the Community College's long term enrollment plan and educational mission.

Chair Duffy inquired if the agreement is a similar format to ones that have been used in the past and would be acceptable for presentation to the State Properties Committee. General Counsel Cavallaro confirmed the agreement format is consistent with what has been presented to the Council in the past and is acceptable by the State Properties Committee.

Chair Duffy asked for a motion to approve the recommendation to the Council on Postsecondary Education for its approval of the Facilities Use and License Agreement by and among the Community College of Rhode Island, the Rhode Island Council on Postsecondary Education and the Boys and Girls Clubs of Newport County for the exclusive use and non-exclusive use of space at the Community College of Rhode Island's Newport County Campus Building.

On a motion duly made by Thomas Izzo and seconded by Dennis Duffy, it was:

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| VOTED: | THAT | The Finance and Facilities Committee approve the recommendation to the Council on Postsecondary Education the approval of the Facilities Use and License Agreement by and among the Community College of Rhode Island, the Rhode Island Council on Postsecondary Education and the Boys & Girls Clubs of Newport County for the exclusive use and non-exclusive use of space at the Community College of Rhode Island's Newport County Campus Building. |
| | VOTE: | 2 members voted in the affirmative and 0 members voted in the negative. |
| | YEAS: | Dennis Duffy and Thomas Izzo |
| | NAYS: | 0 |
| | ABSTAINS: | 0 |

- C. Approval of the recommendation to the Council on Postsecondary Education for its approval of the Fourth Amendment to the Lease Agreement between the Council on Postsecondary Education and CV South Street Landing LLC, regarding the Nursing Education Center located at 350 Eddy Street, Providence, RI.

Chair Duffy introduced the item and called upon General Counsel Ronald Cavallaro to present the Fourth Amendment to the Lease Agreement. General Counsel Cavallaro provided historical context regarding the lease agreement that was originally executed in July 2014. General Counsel Cavallaro introduced Sean Coffey, partner with Burns & Levinson. Attorney Coffey is the Council's outside legal counsel for this real estate transaction. General Council Cavallaro and Attorney Coffey explained the changes proposed in the Fourth Amendment to the Lease. They also explained how Brown University exercised their right to purchase their space in the building. As a result this would create a two-unit condominium regime pursuant to the Condominium Documents. Attorney Coffey and his firm reviewed all of the documents and is working to

finalize the amendment with the landlord. There was discussion by the Committee members regarding the lease structure, change in responsibilities, rent, etc. The Committee members also requested that any outstanding items be resolved and to provide an update to the Council.

Chair Duffy asked for a motion to approve the recommendation to the Council on Postsecondary Education for its approval of the Fourth Amendment to the Lease Agreement between the Council on Postsecondary Education and CV South Street Landing LLC, regarding the Nursing Education Center located at 350 Eddy Street, Providence, RI.

On a motion duly made by Thomas Izzo and seconded by Dennis Duffy, it was:

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| VOTED: | THAT | The Finance and Facilities Committee approve the recommendation to the Council on Postsecondary Education for its approval of the Fourth Amendment to the Lease Agreement between the Council on Postsecondary Education and CV South Street Landing LLC, regarding the Nursing Education Center located at 350 Eddy Street, Providence, RI. |
| | VOTE: | 2 members voted in the affirmative and 0 members voted in the negative. |
| | YEAS: | Dennis Duffy and Thomas Izzo |
| | NAYS: | 0 |
| | ABSTAINS: | 0 |

4. Adjourn

Chair Duffy asked for a motion to adjourn the meeting.

On a motion duly made by Thomas Izzo and seconded by Dennis Duffy, it was:

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| VOTED: | THAT | The Finance and Facilities Committee adjourn the meeting of November 29, 2023. |
| | VOTE: | 2 members voted in the affirmative and 0 members voted in the negative. |
| | YEAS: | Dennis Duffy and Thomas Izzo |
| | NAYS: | 0 |
| | ABSTAINS: | 0 |

The meeting adjourned at 6:26 PM.