



Enclosure 2.
_____, 2016

Minutes of the Council on Postsecondary Education Meeting
Wednesday, January 27, 2016 5:30 p.m.
Office of the Postsecondary Commissioner
560 Jefferson Boulevard
Warwick, RI 02886

The Finance/Facilities Committee of the Council on Postsecondary Education met on Wednesday, January 27, 2016, at the Office of the Postsecondary Commissioner at 560 Jefferson Boulevard, Warwick, RI. At 5:31 p.m., Chair Michael Bernstein welcomed everyone. He then took roll call.

Present: Michael Bernstein, Dennis Duffy (arrived at 6:15 p.m.), John J. Smith Jr., and Dr. Jeffery Williams.

Absent:

1. ACCEPTANCE OF THE AGENDA

Chair Bernstein entertained a motion to accept the agenda. On a motion duly made by Mr. Smith and seconded by Dr. Williams, it was

VOTED:	THAT	The Finance/Facilities Committee of the Council on Postsecondary Education accept the agenda for the meeting of January 27, 2016 as presented.
	VOTE:	3 members voted in the affirmative and no members voted in the negative as follows:
	YEAS:	Michael Bernstein, John J. Smith Jr., and Dr. Jeffery Williams.
	NAYS:	0
	ABSTAIN:	0

2. APPROVAL OF THE MINUTES

Minutes of the Facilities Committee of the Council on Postsecondary Education's November 12, 2015 Meeting.

On a motion duly made by Dr. Williams and seconded by Mr. Smith, it was

VOTED: **THAT** *The Finance/Facilities Committee of the
Council on Postsecondary Education accept the
minutes of the Finance/Facilities Committee
meeting of November 12, 2015.*

VOTE: 3 members voted in the affirmative and 0
members voted in the negative as follows:

YEAS: Michael Bernstein, John J. Smith Jr., and Dr.
Jeffery Williams.

NAYS: 0

ABSTAIN: 0

3. CHAIR'S REPORT

Chair Michael Bernstein reported that he wants the Finance Committee to review the upcoming capital projects that have been discussed in the recent Capital Improvement Plan and will be proposed in the upcoming plan scheduled for the early summer. He believes that the negative commentary may not have allowed all of the good work and positive feedback to be heard as clearly as it should. He is thankful for all of the good work and is thinking about the best way for the Committee to immerse itself in these discussions at upcoming meetings.

Chair Bernstein emphasized the need for transparency in all of the projects. His thought includes the possibility of future meetings to be scheduled at the campus whose capital projects may be showcased. He would like for there to be good, positive discussion for the entire community of stakeholders, including the press.

Dr. DeHayes indicated that the University would be pleased to host a meeting on campus for the Finance Committee in the future.

4. ACTION ITEMS.

a) Discussion and recommendation to the Council on Postsecondary Education for the acceptance of the OMB A-133 Compliance Reports for URI, RIC, and CCRI for the Fiscal Year Ended June 30, 2015.

In addition to the completed financial audits submitted to the State Controller by the three institutions for inclusion in the State's Single Audit Report, each institution also undergoes an A-133 audit performed by our external audit firm, O'Connor and Drew. These reports have a required completion date of November 30th which was met during the current year in order to comply with the State Controller's timetable.

The OMB A-133 Compliance Supplement is an extensive federal government guide issued by the Office of Management and Budget (OMB) that is used to audit federal assistance and federal grant programs. In addition to the procedures for the regular annual financial statement audit, our external auditors perform a significant number of tests and procedures needed to obtain an opinion on both the compliance to the granting agencies' requirements and the strength of internal controls over proper financial reporting related to these federal programs. All three institutions have an A-133 audit as a requirement for the participation in the various federal student aid programs as well as other federal grant programs.

Steven Cohen, Principal at O'Connor and Drew, was in attendance to provide the Committee with all of the required disclosures and to respond to questions from its members.

In regard to the GASB 68 implementation, Dr. Williams asked who "owns" the liability for the outstanding pension liabilities at the individual institutions and DHEA. Dr. LaPanne responded that all of these liabilities were tracked via prior records as well as the actuarial reports at each periodic update. However, there was no one who could address the question of "ownership". Dr. LaPanne will seek a legal opinion on this topic.

On a motion duly made by Mr. Smith and seconded by Dr. Williams, it was:

VOTED: THAT *The Finance/Facilities Committee recommends to the Council on Postsecondary Education the acceptance of the A-133 reports for the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island for the fiscal year ended June 30, 2015.*

VOTE: 3 members voted in the affirmative and 0 members
voted in the negative as follows:

YEAS: Michael Bernstein, John J. Smith Jr., and Dr. Jeffery
Williams.

NAYS: 0

ABSTAIN: 0

4b.) Update regarding the Solar Array Project being solicited in conjunction with the Towns of South Kingston and Narragansett.

Mr. J. Vern Wyman, URI's Assistant Vice President of Business Services, presented an update on this project that is currently underway at the University in conjunction with both South Kingston and Narragansett. His initial presentation was at the Finance Committee meeting of September 30th when he presented this potential collaborative for a strategic energy purchase.

Since that meeting, the University and the towns have formed the South County Solar Consortium and have undertaken a public request for proposal (RFP) solicitation for the development of privately-owned photovoltaic arrays on three sites and the direct purchase and/or receipt of credits from the generation of sustainable electricity from those sites.

As the RFPs that were issued jointly by the members of the South County Solar Consortium gather responses, Mr. Wyman will return to update the members of the Finance Committee on these findings and results.

No action is necessary.

4c.) Consideration and approval of a Lease Agreement between the Council on Postsecondary Education and the Cambridge Education Group Holdings, Inc.

The University of Rhode Island is looking to strengthen its international student recruitment efforts and has identified a potential partner to supplement the institution's efforts and to broaden the reach to countries around the globe. The University has identified The Cambridge Educational Group and its wholly owned U.S. subsidiary, Cambridge Education Group Holdings Inc., as an entity that offers a good match of services for the University.

The Lease Agreement that is the subject of this request for approval is associated with the University's interest in entering into an Affiliation Agreement and engaging the Cambridge Education Group's services and programs prior to the start of the Fall 2016 semester.

The lease is for a 358 square foot, three-room office suite (Rooms 201, 201A, and 201B) in Chafee Hall adjacent to a suitable 369 square foot classroom (Room 202) that would be dedicated for the Group's use, to include a total of 737 square feet. The proposed rental rate is \$14.00 per square foot per year or \$10,318 annually.

The initial term of the lease will be coincident with and dependent upon the execution of an Affiliation Agreement that is presently under negotiation. This is expected to be for a period of five years beginning on September 1, 2016, with options for one-year extensions subject to approval of the University and the terms and conditions deemed appropriate and agreeable for the extension period.

Both Dr. DeHayes and Mr. Wyman were in attendance to provide additional information and respond to any questions from the members of the Finance Committee.

Dr. Williams asked when the first of the students would be coming to the University. Dr. DeHayes indicated that the anticipation is that they may start to arrive for the Fall 2016 term. They will be quasi-URI students at that time with their focus on becoming undergraduate candidates at the University after a period of time with the Cambridge group addressing college-readiness with the foreign language and cultural issues that these students face. Dr. DeHayes noted that this group has offered the University cohorts of students who will be more diverse in nationality with no more than 30% coming for any one country.

Dr. Williams asked if this item will come back for a second time to the Committee as he is interested in an update on this project. There was general agreement with that sentiment.

On a motion duly made by Mr. Duffy and seconded by Mr. Smith, it was:

VOTED: THAT *The Finance/Facilities Committee recommends that the Council on Postsecondary Education approves the lease between the Council on Postsecondary Education/University of Rhode Island and the Cambridge Education Group Holdings, Inc. for office space located in the Chafee Building on the Kingston Campus upon execution of an Affiliation Agreement.*

Upon approval of the lease and execution of the Affiliation Agreement, the lease will be brought to the State Properties Committee for its review and approval as required.

VOTE: 4 members voted in the affirmative and 0 members voted in the negative as follows:

YEAS: Michael Bernstein, Dennis Duffy, John J. Smith Jr., and Dr. Jeffery Williams.

NAYS: 0

ABSTAIN: 0

5. ADJOURNMENT

On a motion duly made by Dr. Williams and seconded by Mr. Smith, it was:

VOTED: **THAT** *The Finance/Facilities Committee of the Council on Postsecondary Education adjourn its meeting.*

VOTE: 4 members voted in the affirmative and 0 members voted in the negative as follows:

YEAS: Michael Bernstein, Dennis Duffy, John J. Smith Jr., and Dr. Jeffery Williams.

NAYS: 0

The meeting adjourned at 6:31 p.m.