



# Office of the Auditor General

State of Rhode Island - General Assembly

**David A. Bergantino, CPA, CFE – Auditor General**

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## VIA ELECTRONIC MAIL ONLY

Representative Marvin L. Abney, Chair  
Members of the House Finance Committee  
Room 35, State House  
Providence, RI 02903

Dear Chair Abney and Members of the House Finance Committee:

I write in opposition of certain proposed legislative changes that have been incorporated into House Bill No. 5747, *An Act Relating to Education – University of Rhode Island*. I write specifically in opposition of the following two modifications proposed in House Bill No. 5747:

- Modification to Section 16-32-2 (e)(1) which would eliminate the University of Rhode Island's (University) requirement to follow State Purchasing law (Chapter 2 of Title 37), except for projects funded by General Obligation Bond proceeds.
- Modification to Section 16-32-34(d) which would exempt the University from complying with RI General Law requirements Sections 35-7-13 and 22-13-6.

My opposition to the modification proposed to Section 16-32-2(e)(1) is principally based on the importance of ensuring that State of Rhode Island (State) quasi-public agencies, receiving significant funding by the State, comply with its policies and procedures over procurement. These centralized policies provide vital control over procurements funded by public funds. In fiscal 2024, the University received State appropriations and RI Capital Plan funding of \$112 million and \$28 million, respectively, to provide context on the significance of public funding the University receives annually. Adopting this modification would set a precedent for other quasi-public agencies looking for less oversight on the expenditure of public funds which, in my opinion, undermines public accountability.

My opposition to the modification to Section 16-32-24(d) is principally based on the University's inclusion in the State's financial reporting entity. All quasi-public agencies included in the State's financial reporting entity must comply with the financial reporting and related financial audit requirements outlined within Sections 35-7-13 and 22-13-6. Those statutory requirements were adopted to ensure that the State can administer required financial reporting and a statewide Single Audit (audit of federal assistance) that meet the requirements of the Governmental Accounting Standards Board and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. If adopted, this modification would significantly impact the State's ability to meet its financial and federal reporting requirements. As the Auditor General, the lead auditor responsible for the State's financial statement and Single Audit engagements, I would be unable to exercise my oversight responsibilities for quasi-public agency auditors, as required by generally

accepted auditing standards, if this modification were to be adopted. Such limitations within our audit could impact our ability to issue unmodified opinions on the State's financial statements.

The State of Rhode Island provides significant funding to quasi-public agencies including the Colleges and the University, and has adopted statutory requirements over time to ensure that proper oversight is maintained and necessary administrative requirements are met. I urge the House Finance Committee to not approve House Bill 5747, as currently proposed, due to the reasons indicated above and the harmful precedence that would be set for other quasi-public agencies.

Thank you for your consideration of my opposition to House Bill No. 5747.

Sincerely,

A handwritten signature in black ink that reads "David A. Bergantino". The signature is fluid and cursive, with the first name "David" being the most prominent.

David A. Bergantino, CPA, CFE  
Auditor General

C: Joint Committee on Legislative Services  
Sharon Reynolds Ferland, House Fiscal Advisor