

Public Higher Education

FY 2012 Revised and
FY 2013 Budgets, Capital Budget
Staff Presentation
March 22, 2012

Public Higher Education

- Board of Governors & Office of Higher Education
- University of Rhode Island
- Rhode Island College
- Community College of Rhode Island

Public Higher Education

\$1,062.1 million budget

- 13.2% of state budget
- 5.2% state GR budget

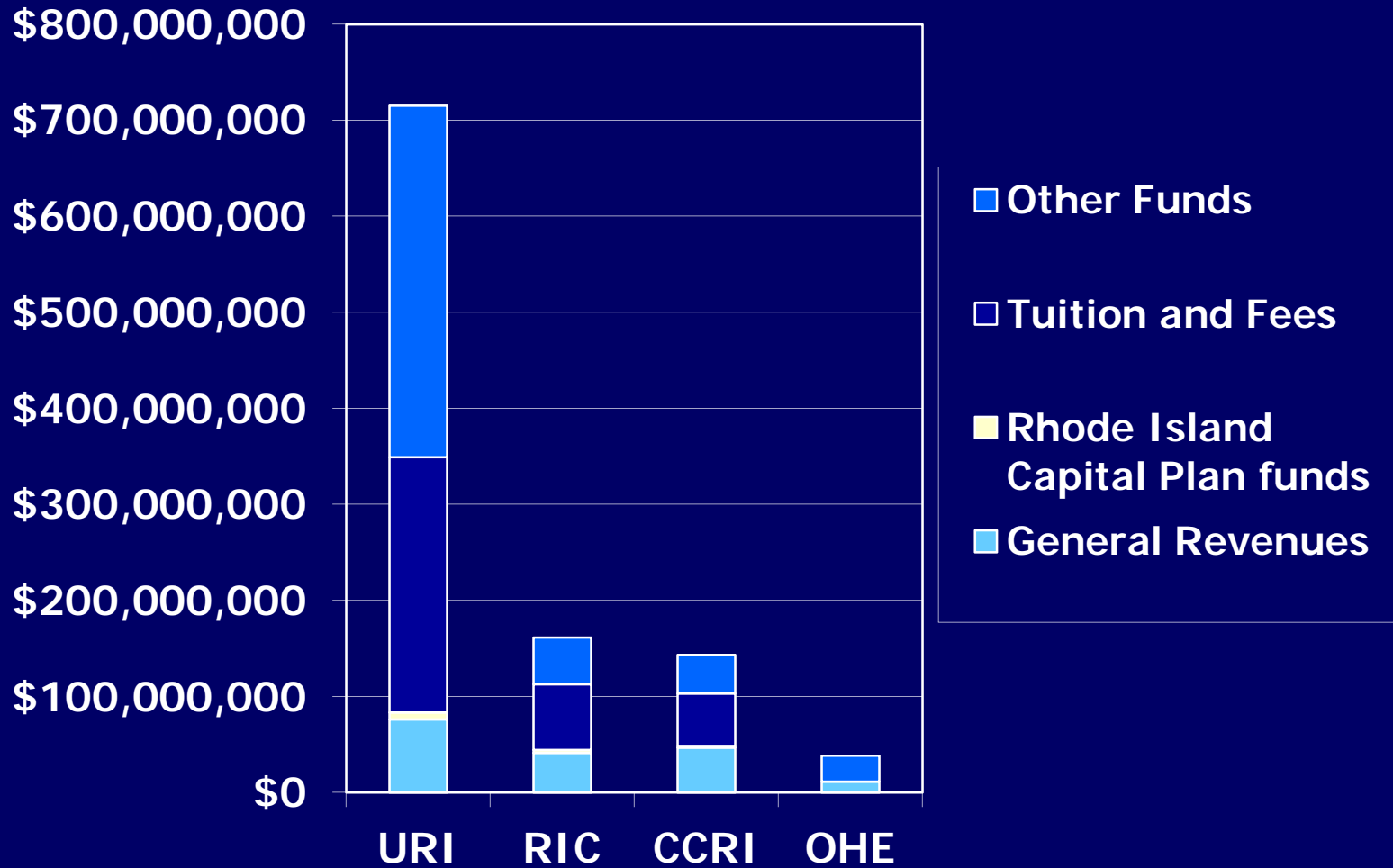
4,280.6 FTE positions

- 29.1% of state total

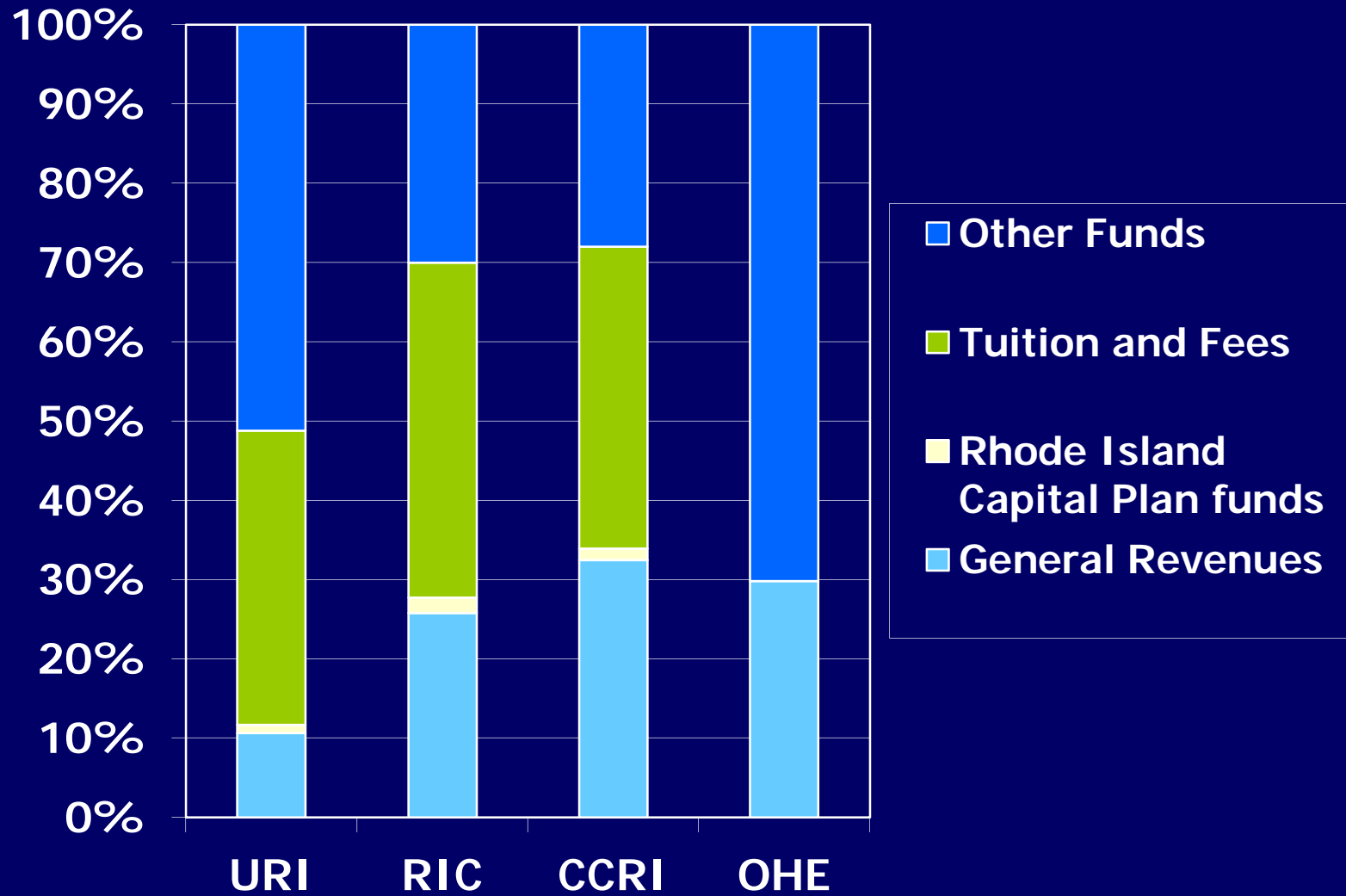
\$1,074.6 million capital budget

- Majority of state's physical property

Public Higher Education Funding



Public Higher Education Funding



FY 2013 Summary

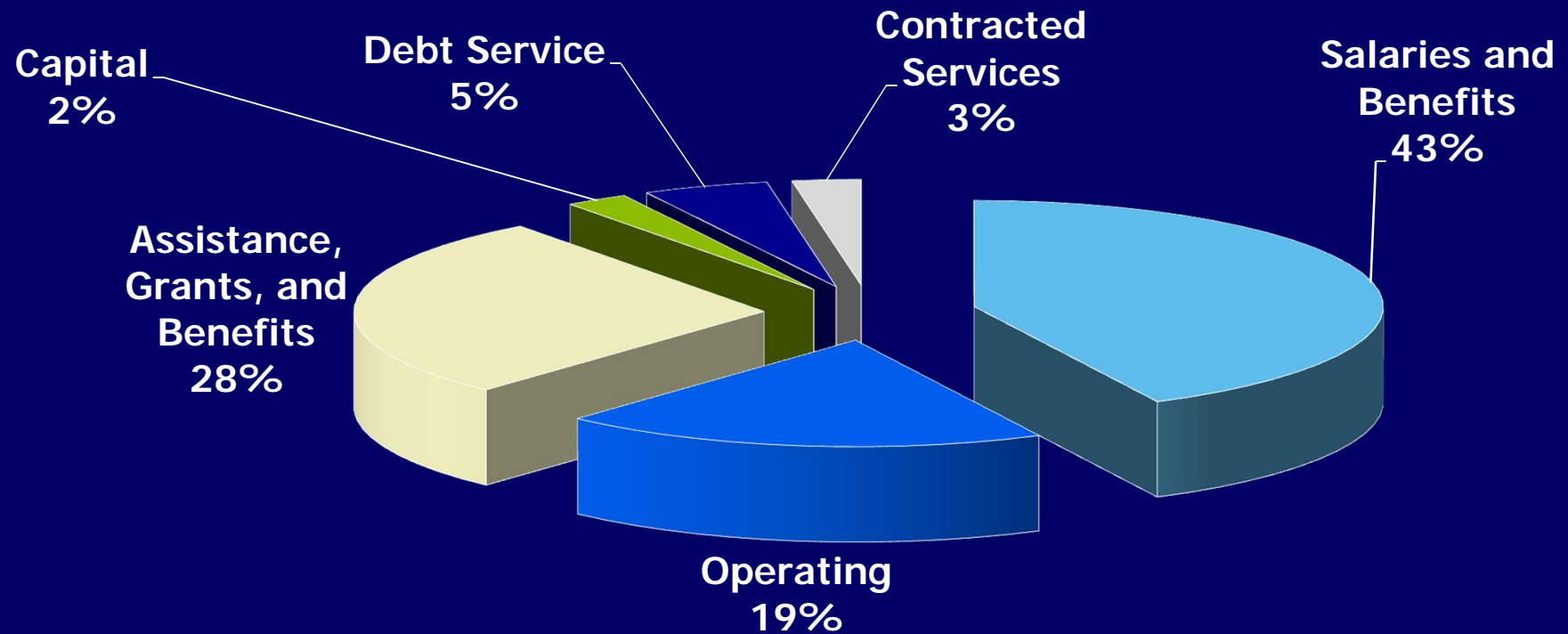
Governor recommends \$1,062.1 million

- \$65.2 million above enacted from all sources
- \$177.6 million from general revenues
- Excluding transfer of RIHEAA
 - \$5.5 million more than enacted
 - \$1.4 million more than requested
- Article 4 merges RIHEAA with the Office of Higher Education
- Tuition and Fee increases
 - University – 9.5% resident & 2.0% nonresident
 - College – 4.0% resident & nonresident
 - CCRI – 7.5% resident & 7.8% nonresident

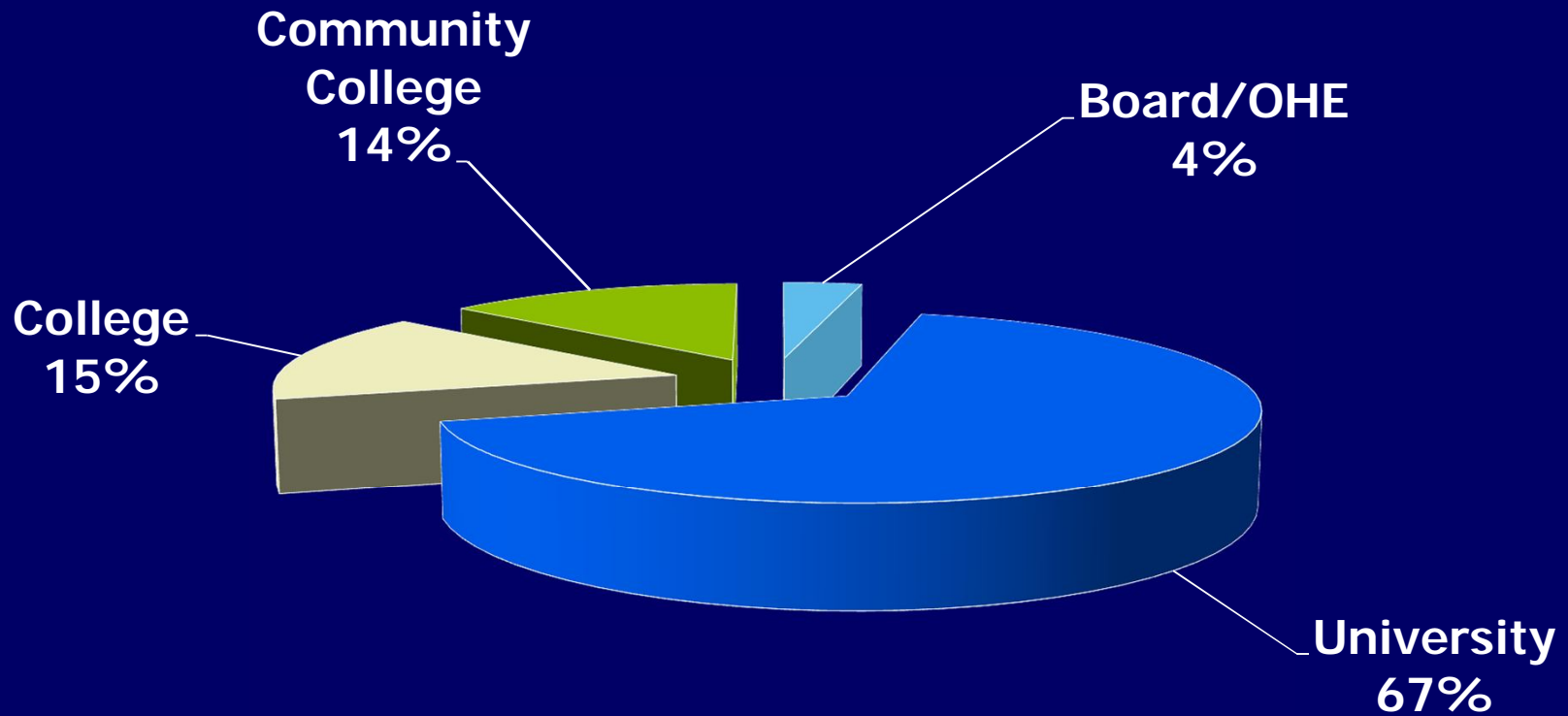
Summary

- \$418.7 million from tuition, fees & other unrestricted sources
 - \$26.5 million more than enacted
 - \$2.6 million less than requested
- \$429.3 million from restricted sources
 - \$27.7 million more than enacted
 - \$9.4 million less than requested

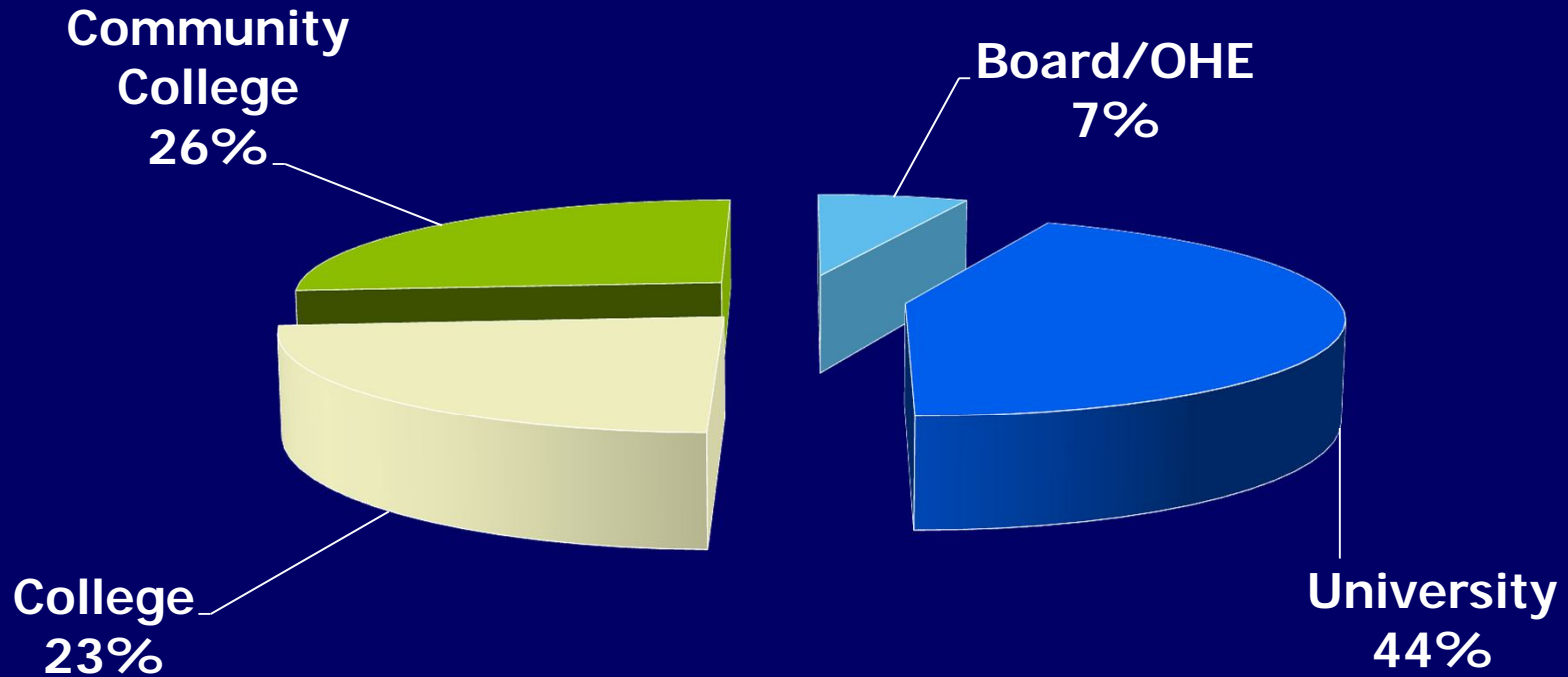
FY 2013 Governor: Summary by Category



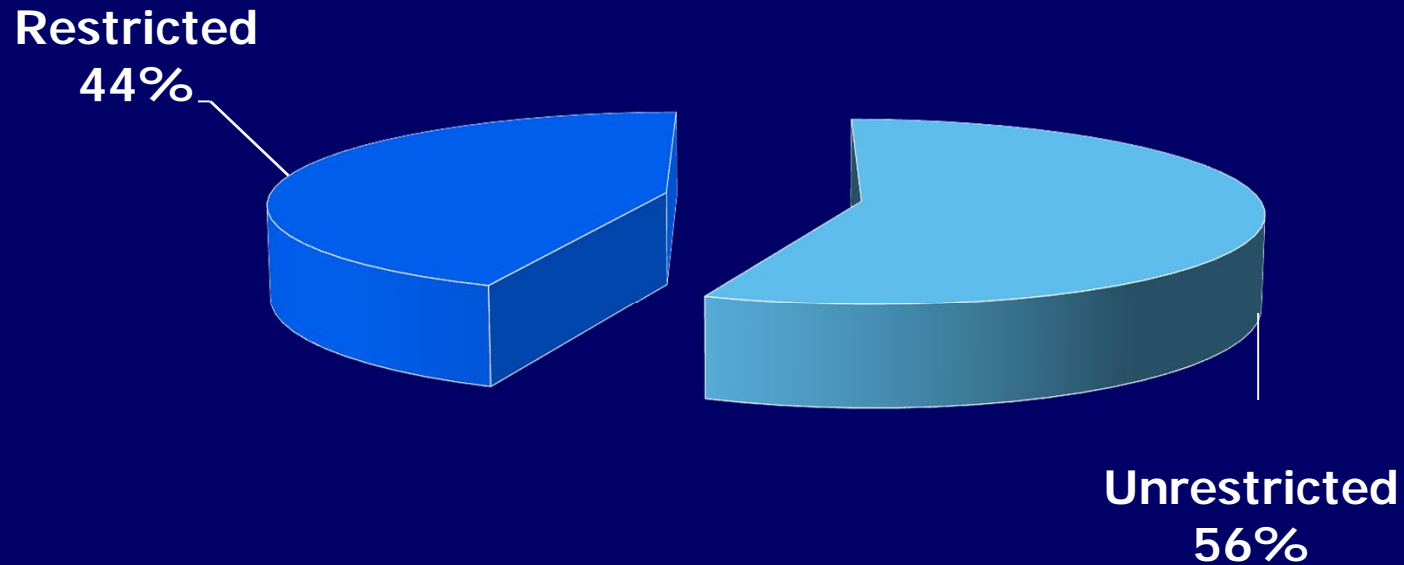
FY 2013 Governor: *Summary by Institution*



FY 2013 Governor: *Summary by Institution* General Revenues



FY 2013 Governor: Unrestricted and Restricted Sources



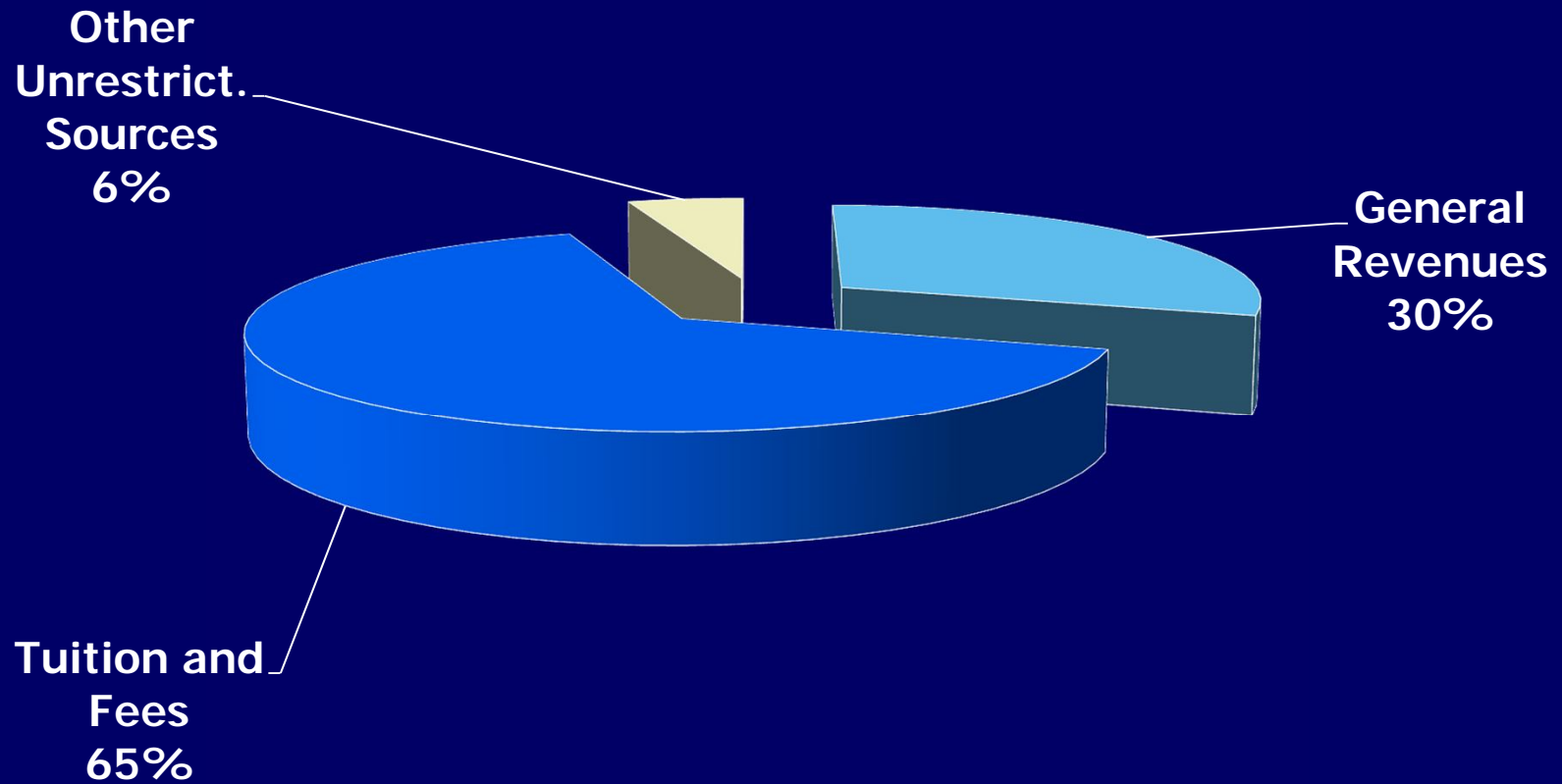
Unrestricted Budget

Funds used for any legitimate purpose:
Education & General Operations

- State General Revenues
- Tuition & General Fees
- Sponsored Research Overhead

Similar to *General Revenue* Budget of Other
Agencies

Unrestricted Budget



Restricted Budget

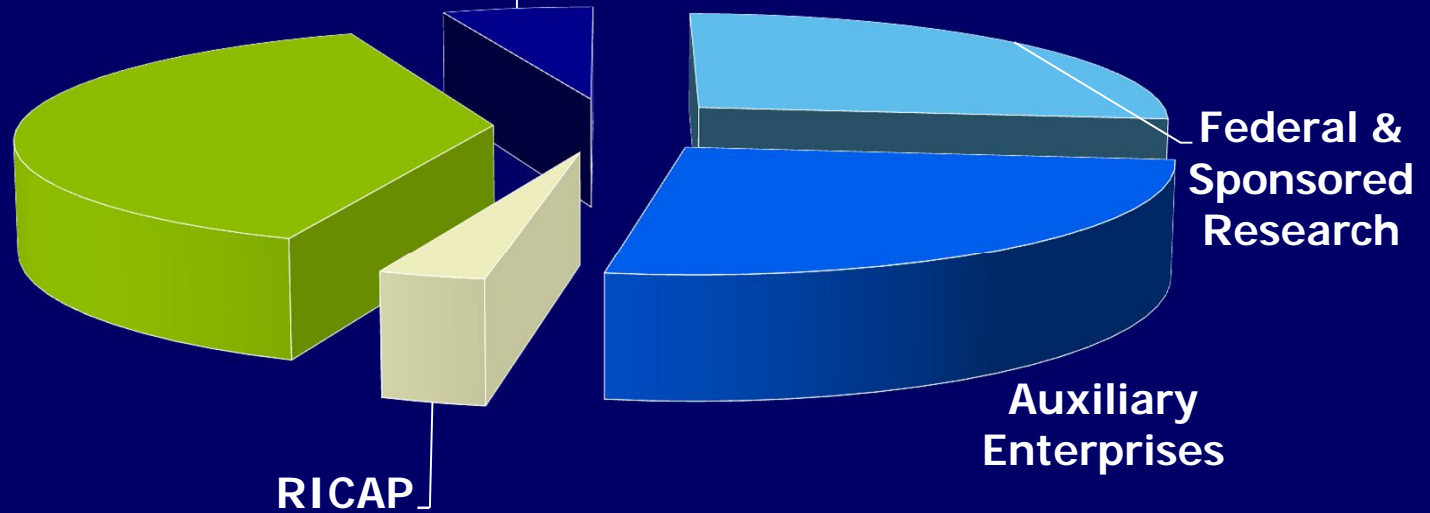
Funds generally considered restricted receipt or enterprise funds

- Residence Hall & Dining Funds
- Other Fund Sources are Limited to Use for Certain Purposes
- Federal Funds & RICAP Considered Restricted

Restricted Budget

Scholarships
& Fellowships

Other



Federal &
Sponsored
Research

Auxiliary
Enterprises

RICAP

Enrollment

- FY 2012 enrollment is 32,507
 - 2.5% more than FY 2011
 - 0.5% more than FY 2012 enacted

- FY 2013 is estimated at 32,257
 - 1.3% above FY 2011
 - 0.8% below FY 2012

Recent Enrollment History

FY	URI	RIC	CCRI	Total
2006	12,274	6,623	9,195	28,092
2007	12,714	6,411	9,641	28,926
2008	13,351	6,710	10,059	30,120
2009	13,702	6,742	10,330	30,774
2010	13,956	7,050	10,330	31,336
2011	14,450	7,080	10,330	31,860
2012	14,818	7,145	10,544	32,507

Board Approved Tuition & Fees : URI

	FY 2012	FY 2013	Change	
<i>Resident</i>				
Tuition	\$ 9,824	\$ 10,878	\$ 1,054	10.7%
Fees	1,542	1,572	30	1.9%
Total	\$ 11,366	\$ 12,450	\$ 1,084	9.5%
<i>Nonresident</i>				
Tuition	\$ 25,916	\$ 26,444	\$ 532	2.1%
Fees	1,542	1,572	30	1.9%
Total	\$ 27,454	\$ 28,016	\$ 562	2.0%
Room/Board	\$ 11,068	\$ 11,424	\$ 356	3.2%

Board Approved Tuition & Fees : RIC

	FY 2012	FY 2013	Change	
<i>Resident</i>				
Tuition	\$ 6,240	\$ 6,530	\$ 290	4.6%
Fees	1,028	1,068	40	0.1%
Total	\$ 7,268	\$ 7,558	\$ 330	4.0%
<i>Nonresident</i>				
Tuition	\$ 16,526	\$ 17,228	\$ 702	4.2%
Fees	1,028	1,068	40	0.1%
Total	\$ 17,554	\$ 18,256	\$ 742	4.0%
Room/Board	\$ 9,256	\$ 9,534	\$ 278	3.0%

Board Approved Tuition & Fees : CCRI

	FY 2012	FY 2013	Change	
<i>Resident</i>				
Tuition	\$ 3,356	\$ 3,624	\$ 268	8.0%
Fees	320	326	6	1.9%
Total	\$ 3,676	\$ 3,950	\$ 274	7.5%
<i>Nonresident</i>				
Tuition	\$ 9,496	\$ 10,256	\$ 760	8.0%
Fees	320	326	6	1.9%
Total	\$ 9,816	\$ 10,582	\$ 766	7.8%

Tuition and Fees

- National average: in-state public 4-yr college for FY 2011 was \$8,024
- Rhode Island: \$10,007
 - 10th highest
- Lower than
 - MA, VT, and NH
 - <http://completionagenda.collegeboard.org/reports>

Tuition and Fees

State	FY 2011 Tuition	Rank
New Hampshire	\$13,507	1
Vermont	13,078	2
Massachusetts	10,179	9
Rhode Island	10,007	10
Maine	9,354	15
Connecticut	9,197	16
U.S. Average	\$8,024	

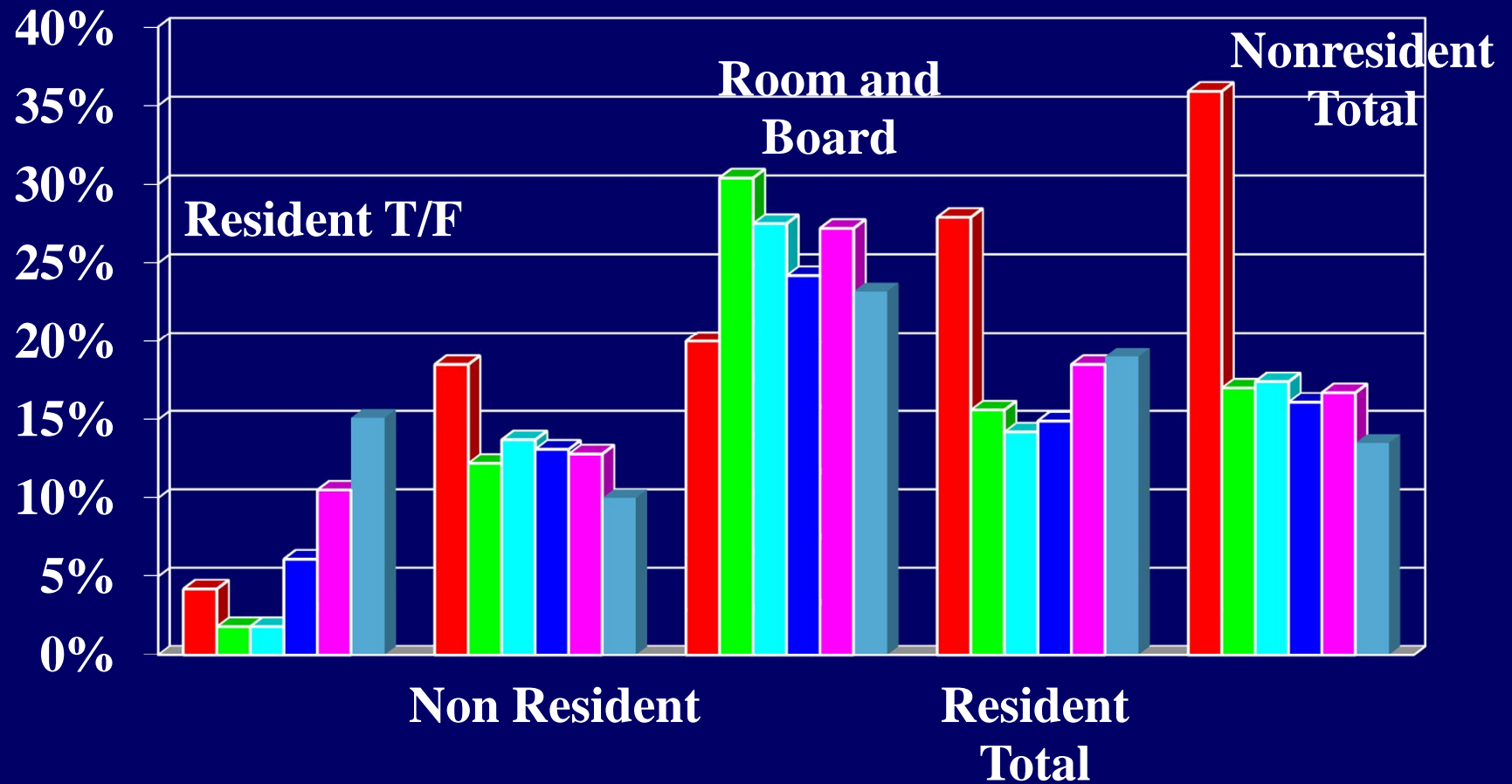
Tuition and Fees

State	Change from FY 10 to FY 11	Change from FY 09 to FY 10
New Hampshire	18.8%	6.1%
Rhode Island	15.8%	8.3%
U.S. Average	14.3%	4.9%
Mass	10.1%	10.5%
Maine	9.3%	4.8%
Vermont	9.1%	4.5%
Connecticut	8.4%	5.0%

Peer Comparisons

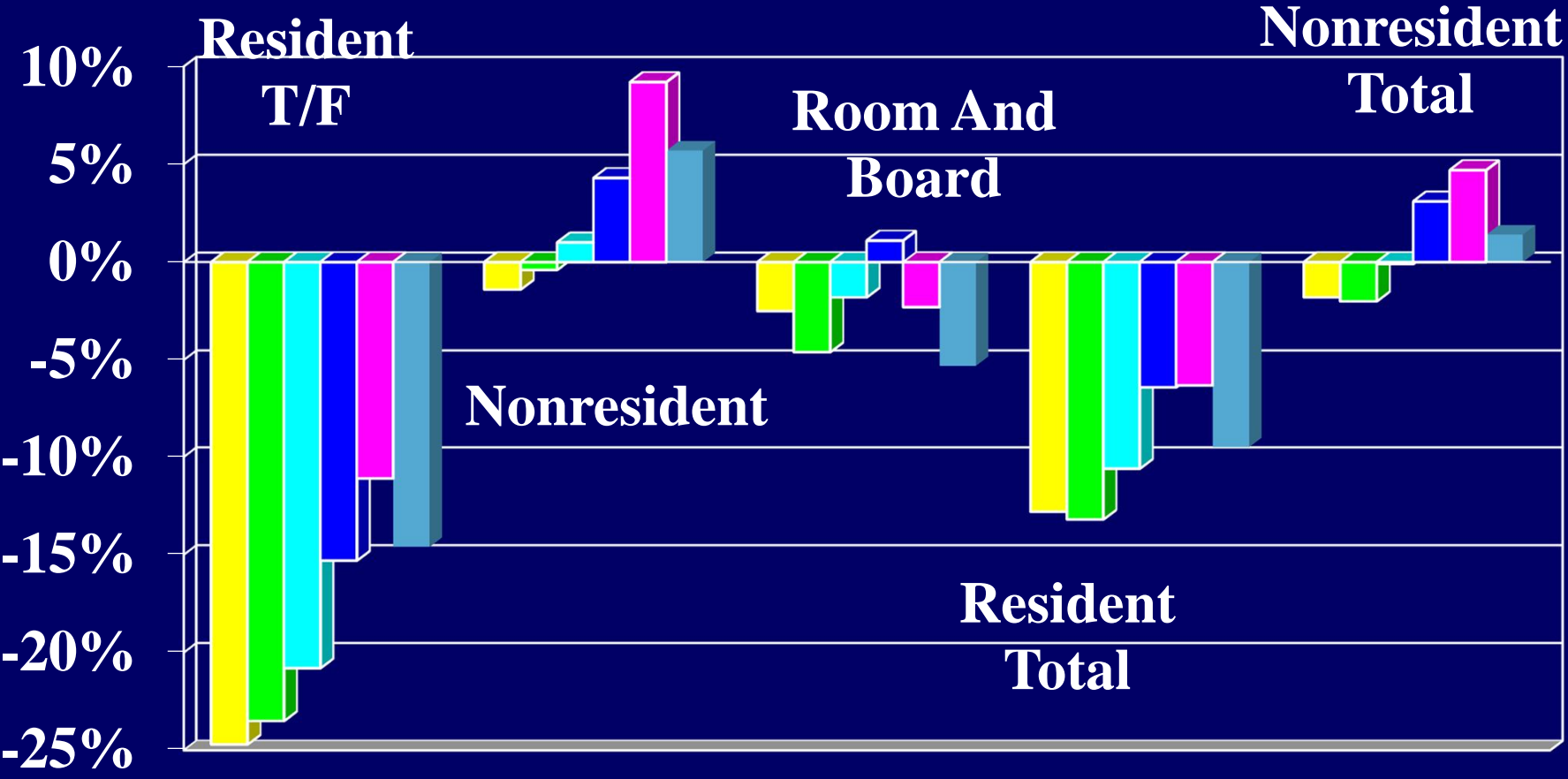
- Board traditionally provides data that compares costs at each RI school to several comparable, or peer, institutions

Comparisons: University - *Percents Above & Below Peers*



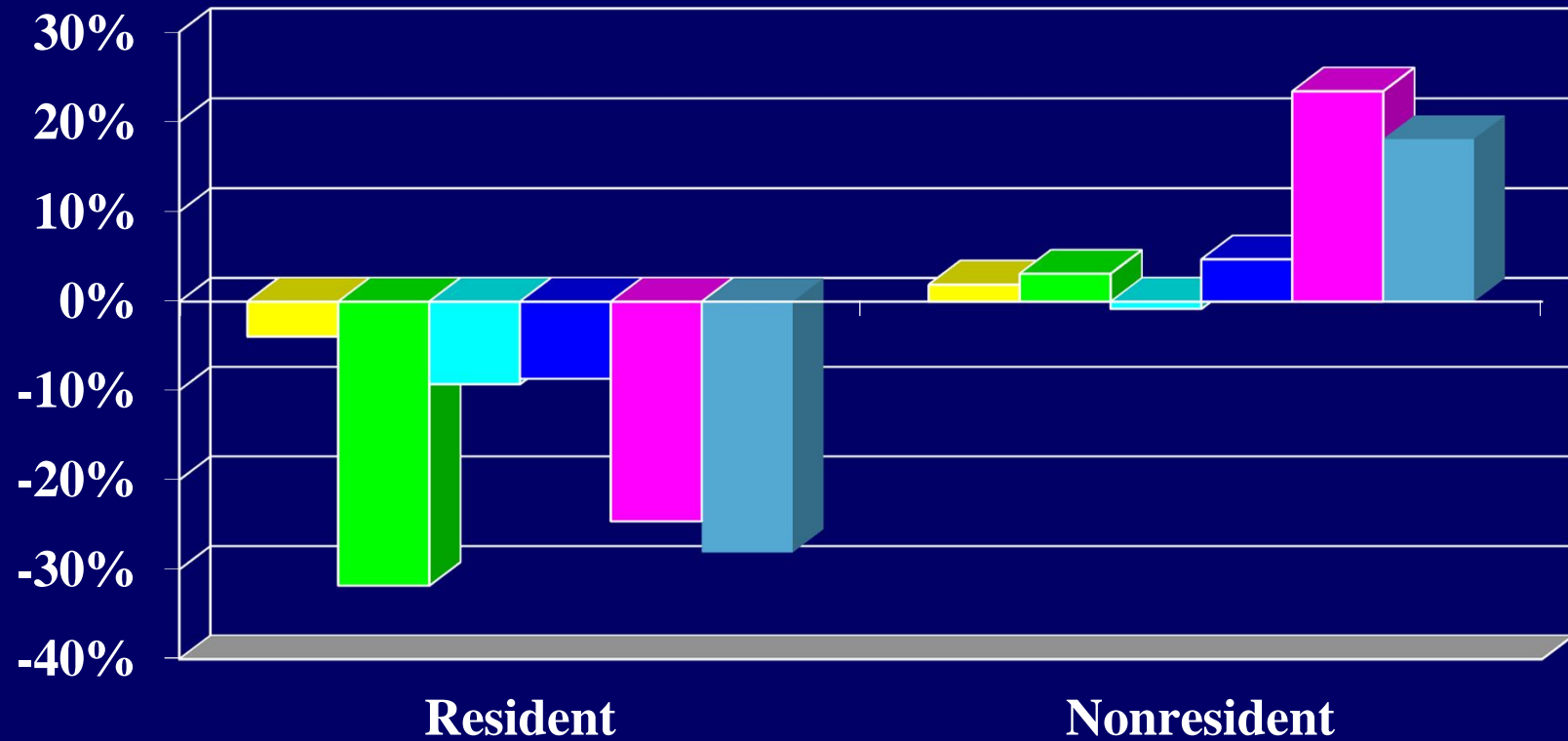
■ FY 2007
 ■ FY 2008
 ■ FY 2009
 ■ FY 2010
 ■ FY 2011
 ■ FY 2012

Comparisons: College – *Percents Above & Below Peers*



■ FY 2007
 ■ FY 2008
 ■ FY 2009
 ■ FY 2010
 ■ FY 2011
 ■ FY 2012

Comparisons: Community College *Percents Above & Below Peers*



■ FY 2007 ■ FY 2008 ■ FY 2009 ■ FY 2010 ■ FY 2011 ■ FY 2012

About Year to Year Comparisons

- Schools re-evaluate tuition, enrollment & spending projections & adjust revised budget accordingly

FY 2012 Revisions

General Revenue Changes

- Debt service adjustments
 - \$0.9 million more at the University
 - \$1.4 million less at the College
- Medical Benefit Holiday Savings
 - \$0.4 million in general revenue savings
 - Centrally budgeted in DOA
- Tuition and fees as requested

FY 2012 Revisions

At the March 19, 2012 mid-year Board meeting, schools reported changes to the current year revenues for tuition and fees not reflected in the Governors Budget

Schools	T/F Revenue (millions)	Enrollment (change)	Percent
URI	(\$8.9)	(485)	(3.3%)
RIC	(\$0.9)	(175)	(2.4%)
CCRI	\$2.2	82	0.8%

FY 2013 Budget

- Governor recommends \$1,062.1 million
 - \$65.2 million over enacted
 - \$13.7 million under request
 - \$177.6 million General Revenue
 - \$11.1 million over enacted
 - \$7.0 million over request
 - Excluding transfer of RIHEAA
 - \$5.5 million more than enacted
 - \$1.4 million more than requested

Article 4 Higher Education

- Hearing held on February 15, 2012
- Transfers all powers, duties, authority from RIHEAA to the Board of Governors
- Transfer \$27.7 million and staffing of 39.6 positions
- Corporate existence will be terminated on September 1, 2012

Retirement Savings

- Agencies used pre-reform retirement rates when preparing their budgets
 - Governor's budget adjusts rates to reflect new, lower costs and reduces general revenues expenses
 - Savings from other sources shifted to unidentified operating expenses
 - For Public Higher Education these total \$6.9 million
 - This should be available to offset state or student costs

Retiree Health Benefits

- In 1998, Board established plan under its authority to provide health benefits to its employees participating in the Board's Alternate Retirement Plan
- Plan scaled back in 2008 and now provides same health care benefits as participants of the state retirement system for post-65 retirees only
- Effective FY 2011, this expense is funded on an actuarial basis
 - \$2.8 million for FY 2013

Personnel

- \$452.7 million
- \$24.7 million more than enacted
- \$5.3 million less than requested
 - 39.6 RIHEAA FTEs transferred to OHE
 - 14.0 new FTEs at URI
 - 10.0 new FTEs at RIC

Operating

- \$203.8 million
- \$2.1 million increase to enacted
- \$4.7 million more than requested
- Appears Gov intent is to retain all non-general revenue available resources by providing funds from retirement savings for other unidentified uses
- Drivers are utilities, buildings and grounds services and repairs

Office of Higher Education: FY 2013 Summary

(millions)	12 enact	12 rev	13 req	13 Gov
General Revenue	\$6.1	\$6.1	\$6.5	\$11.5
Federal Funds	4.6	5.3	4.9	18.2
*Other Funds	-	-	-	8.8
Total	\$10.7	\$11.4	\$11.6	\$38.5
FTE	14.4	14.8	14.4	56.4
Avg Filled	-	12	-	-

*CollegeBound Fund revenues

Office of Higher Education: FY 2013 Summary

- \$2.6 million: Office Operations
- \$2.1 million: Shepard Building
- \$60,254: Dual Enrollment
- \$0.4 million: College Crusade
- \$0.2 million: Community Service Grants

Office of Higher Education: FY 2013 Summary

- \$0.9 million: PeopleSoft Implementation
- \$13.2 million: Need Based Scholarships and grants
- \$0.7 million: Academic Promise Scholarship Program
- \$8.8 million from RIHEAA merge
 - \$5.0 million for loan servicing contracts from RIHEAA

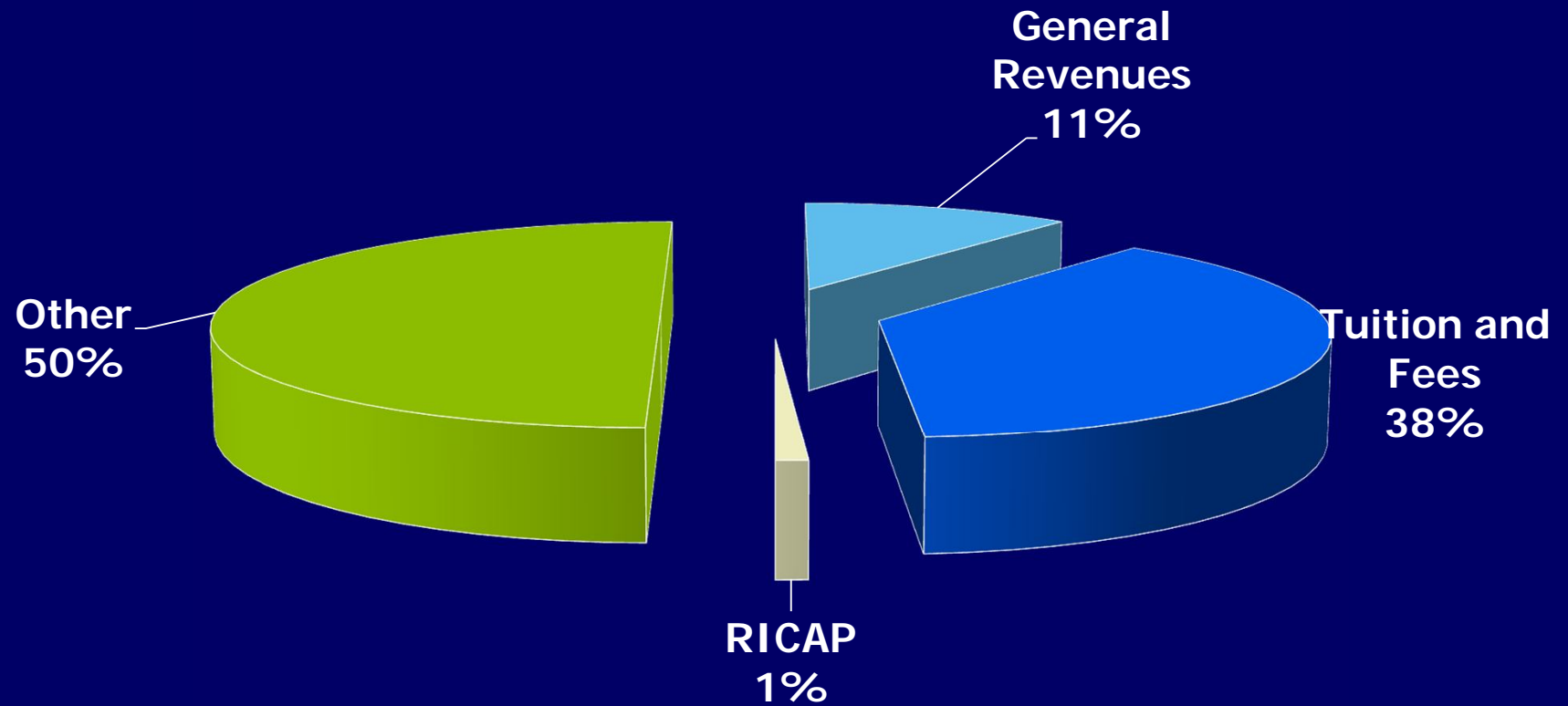
College Access Challenge Grant

- Governor recommends \$1.5 million
 - Final expenditures in FY 2011 included \$4,385
- Increase the number of low-income students who are prepared to enter post secondary education
- \$0.2 million from general revenues to provide maintenance of effort from HEAA budget in FY 2012
 - \$0.6 million was provided in FY 2011

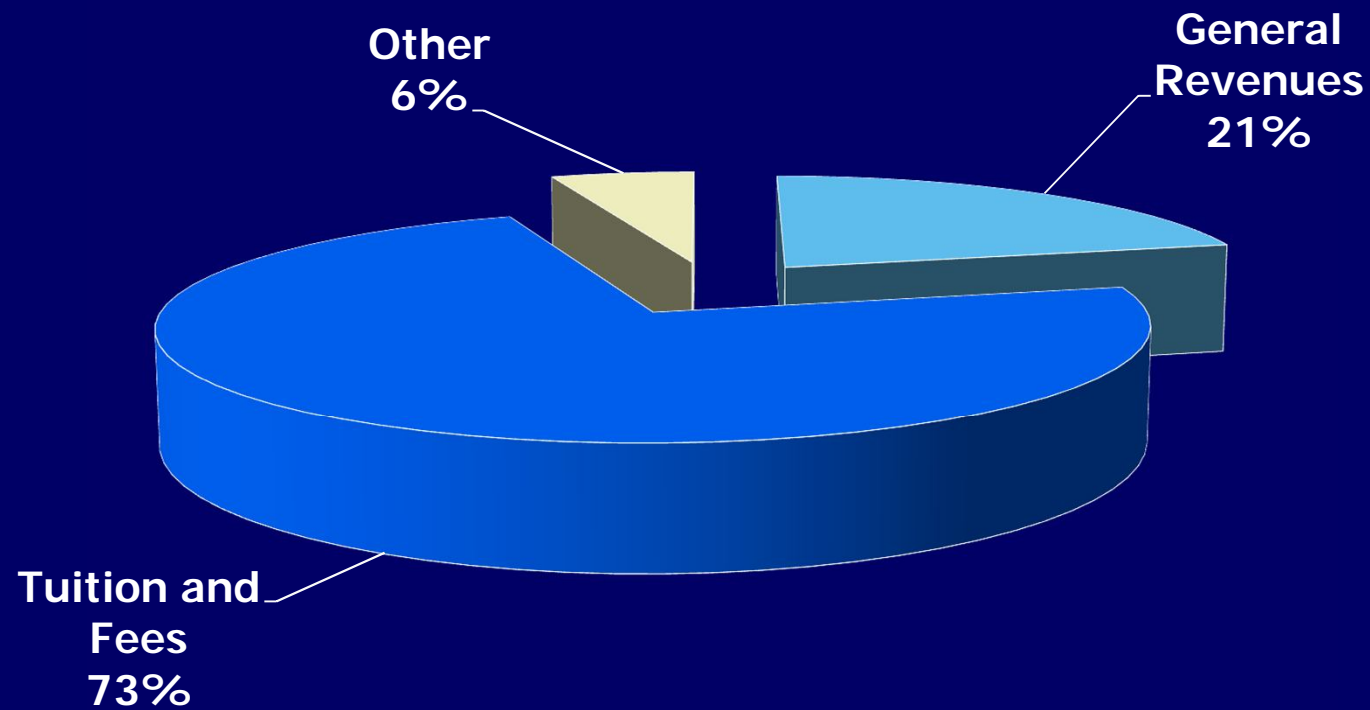
URI: FY 2013 Summary

(millions)	12 enact	12 rev	13 req	13 Gov
General Revenue	\$73.7	\$74.7	\$76.4	\$77.6
Tuition and Fees	245.6	256.0	265.6	265.6
Other Restricted	23.5	21.0	22.0	20.2
Restricted	349.8	352.8	366.3	350.2
Total	\$692.7	\$705.1	\$730.3	\$713.7
FTE Auth	1,843.3	1,843.3	1,857.3	1,857.3
Third Party	593.2	593.2	593.2	593.2
Total	2,436.5	2,436.5	2,450.5	2,450.5
Avg Filled	-	2,291.6	-	-

URI Sources of Funds



URI Unrestricted Sources



URI - Unrestricted Budget

- Governor recommends \$363.5 million
 - \$20.6 million or 5.5% more than enacted
 - \$3.9 million more from general revenues
 - \$20.0 million more from tuition and fees
 - \$3.4 million less from other sources
 - \$0.5 million less than requested
- Increases in student aid, debt service, and personnel

URI - Retirement Incentive Plan

- Budget assumes savings of \$4.2 million
 - Revised plan includes \$4.5 million in savings
 - Assumes approximately 65 participants
- Allows the realignment of faculty and non-classified staff to better serve the University
- 246 employees, 152 faculty and 94 non-classified staff that are eligible
- Preliminary data from URI shows 18 faculty and 20 staff have opted for the incentive plan

URI - Retirement Incentive Plan

- Eligibility:
 - Age 62 and have completed at least 10 years of contributory service in one of the Board's retirement systems
 - President, Provost, Vice Presidents, Athletic Director, Assistant Vice President of Human Resources and Budget and Finance Director not eligible
 - Receive a one-time payment of 40 percent of current salary with a minimum payout of \$20,000 on day of retirement

URI - Retirement Incentive Plan

- Eligibility Cont.
 - Tuition wavier benefits will be available for retirees and their dependents registered in Fall 2011 and remain enrolled
 - Retiree Health Benefits
 - Eligible – a \$7,000 stipend until age 65 when they covered under retiree health plan
 - Non-eligible – a \$7,000 stipend until age 65 and a \$3,000 annual stipend to offset Medigap health insurance for a max. 5 yrs through age 70

URI - Restricted Budget

- Governor recommends \$350.2 million
 - \$0.4 million or 0.1% more than enacted
- Increases in student aid
- \$16.1 million less than requested almost entirely from Rhode Island Capital Plan funds

University of Rhode Island

(in millions)	FY 09	FY 10	FY 11	FY 12 Gov. Rev.	FY 13 Gov.
GR	\$ 78.0	\$ 71.0	\$ 71.0	\$ 73.7	\$ 77.6
RICAP	12.0	4.7	8.0	13.6	8.2
State Support	\$90.0	\$75.7	\$79.0	\$87.3	\$ 85.8
Unrestricted	\$ 303.8	\$ 318.3	\$ 329.8	\$ 352.8	\$ 363.5
State Share	29.6%	23.8%	24.0%	24.7%	23.6%

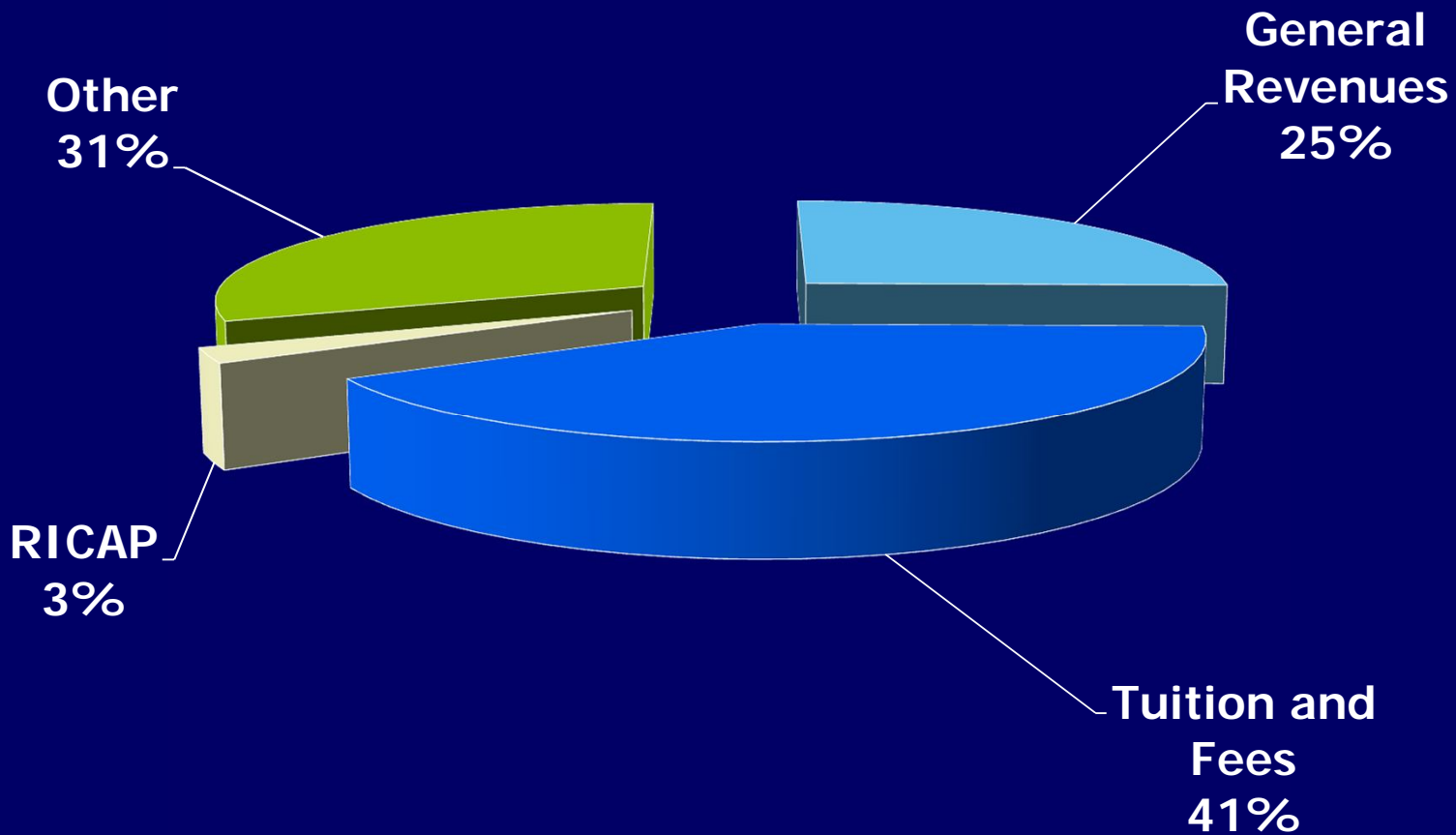
University of Rhode Island

(in millions)	FY 09	FY 10	FY 11	FY 12 Gov. Rev.	FY 13 Gov.
Unrestricted	\$ 303.8	\$ 318.3	\$ 329.8	\$ 352.8	\$ 363.5
State Share	29.6%	23.8%	24.0%	24.7%	23.6%
Total Budget	\$ 563.2	\$ 620.9	\$ 647.9	\$ 703.5	\$ 713.6
State Share	16.0%	12.1%	12.2%	12.4%	12.0%

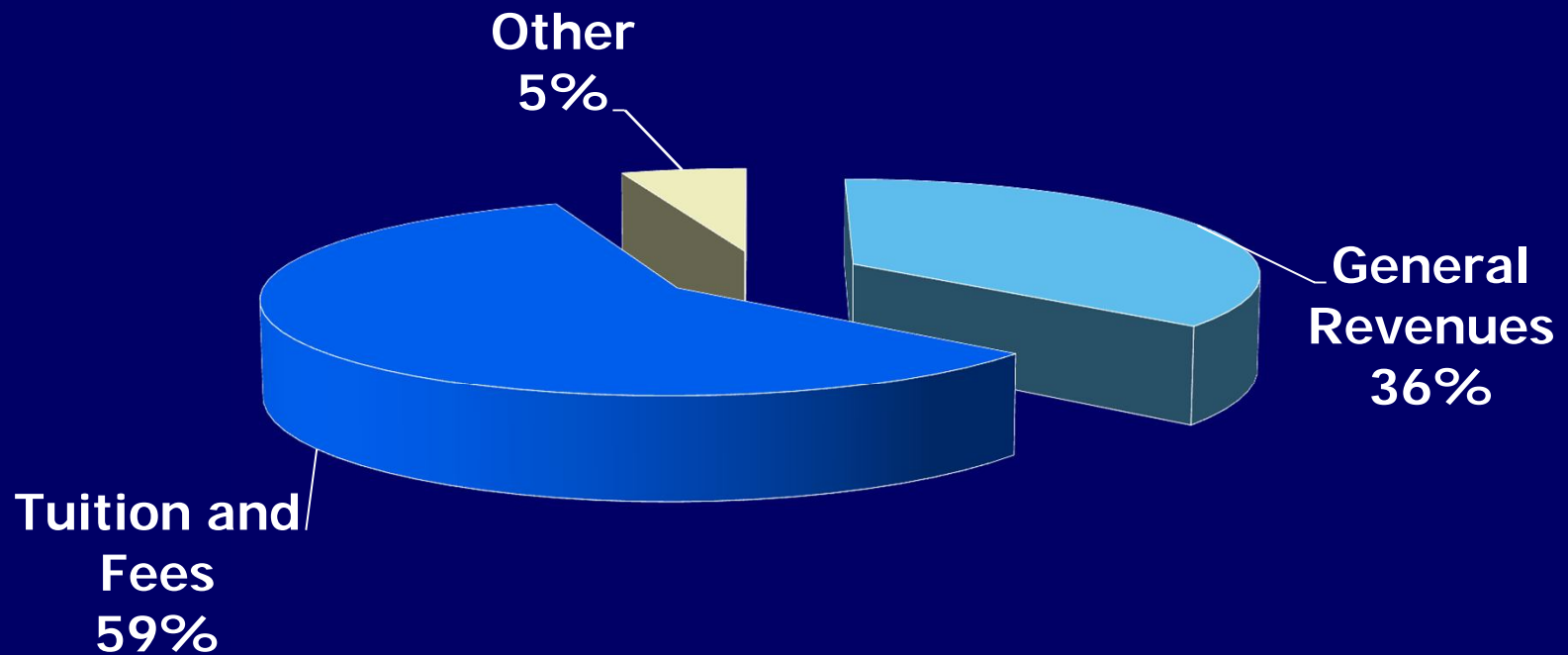
RIC: FY 2013 Summary

(millions)	12 enact	12 rev	13 req	13 Gov
General Revenue	\$40.3	\$38.7	\$40.9	\$41.7
Tuition and Fees	62.5	65.2	68.2	68.2
Other Unrestricted	6.3	6.3	6.4	6.4
Restricted	46.4	55.7	45.8	48.4
Total	\$115.2	\$169.4	\$161.3	\$164.7
FTE Auth	827.6	827.6	840.6	837.6
Third Party	82.0	82.0	82.0	82.0
Total	909.6	909.6	922.6	919.6
Avg Filled	-	854.4	-	-

RIC Sources of Funds



RIC Unrestricted Sources



RIC- Unrestricted Budget

- Governor recommends \$116.3 million
 - \$7.2 million or 6.1% more than enacted
 - \$1.4 million more from general revenues
 - \$5.8 million more from tuition and fees
 - \$0.7 million more than requested
- Increases in student aid, new staff, and debt service

RIC- Restricted Budget

- Governor recommends \$48.4 million
 - \$2.0 million or 4.1% more than enacted
- Increases in capital expenditures and operating expenses
 - \$2.6 million more than requested from Rhode Island Capital Plan funds and debt service

Rhode Island College

(in millions)	FY 09	FY 10	FY 11	FY 12 Gov. Rev.	FY 13 Gov.
GR	\$ 43.2	\$ 39.4	\$ 41.1	\$ 40.3	\$ 41.7
RICAP	1.9	4.2	1.2	6.2	4.0
State Support	\$45.1	\$43.6	\$42.3	\$46.5	\$ 45.7
Unrestricted	\$ 100.3	\$ 102.3	\$ 108.9	\$ 111.9	\$ 116.3
State Share	45.0%	45.3%	38.8%	41.5%	39.3%

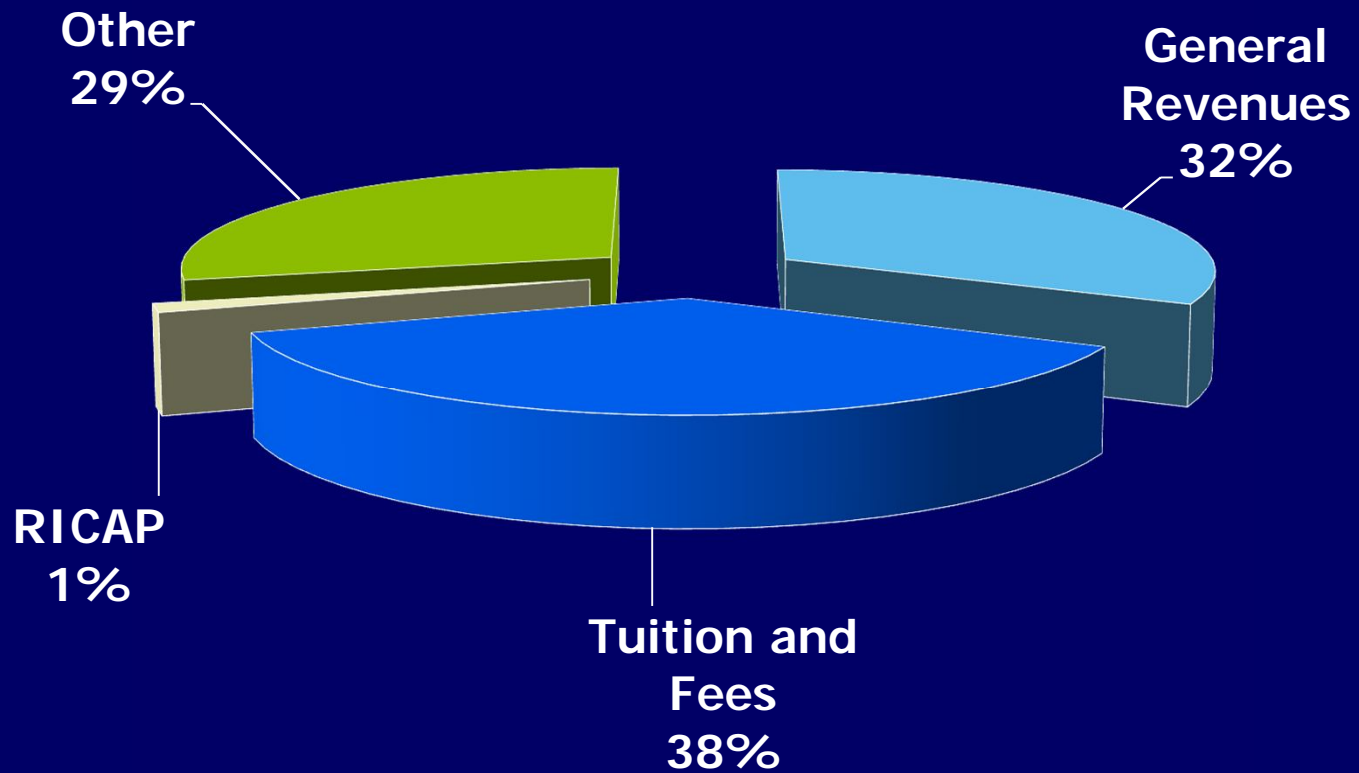
Rhode Island College

(in millions)	FY 09	FY 10	FY 11	FY 12 Gov. Rev.	FY 13 Gov.
Unrestricted	\$ 100.3	\$ 102.3	\$ 108.9	\$ 111.9	\$ 116.3
State Share	45.0%	39.0%	38.8%	41.5%	39.3%
Total Budget	\$ 138.1	\$ 145.1	\$ 152.8	\$ 167.6	\$ 164.7
State Share	32.7%	27.2%	27.7%	27.7%	27.7%

CCRI: FY 2013 Summary

(millions)	12 enact	12 rev	13 req	13 Gov
General Revenue	\$46.3	\$46.2	\$46.9	\$46.8
Tuition and Fees	49.8	49.8	54.8	54.8
Other Unrestricted	100.6	100.6	100.6	100.6
Restricted	37.3	44.7	39.5	40.3
Total	\$137.9	\$145.2	\$145.4	\$145.3
FTE Auth	754.1	754.1	754.1	754.1
Third Party	100.0	100.0	100.0	100.0
Total	854.1	854.1	854.1	854.1
Avg Filled	-	729.3	-	-

CCRI Sources of Funds



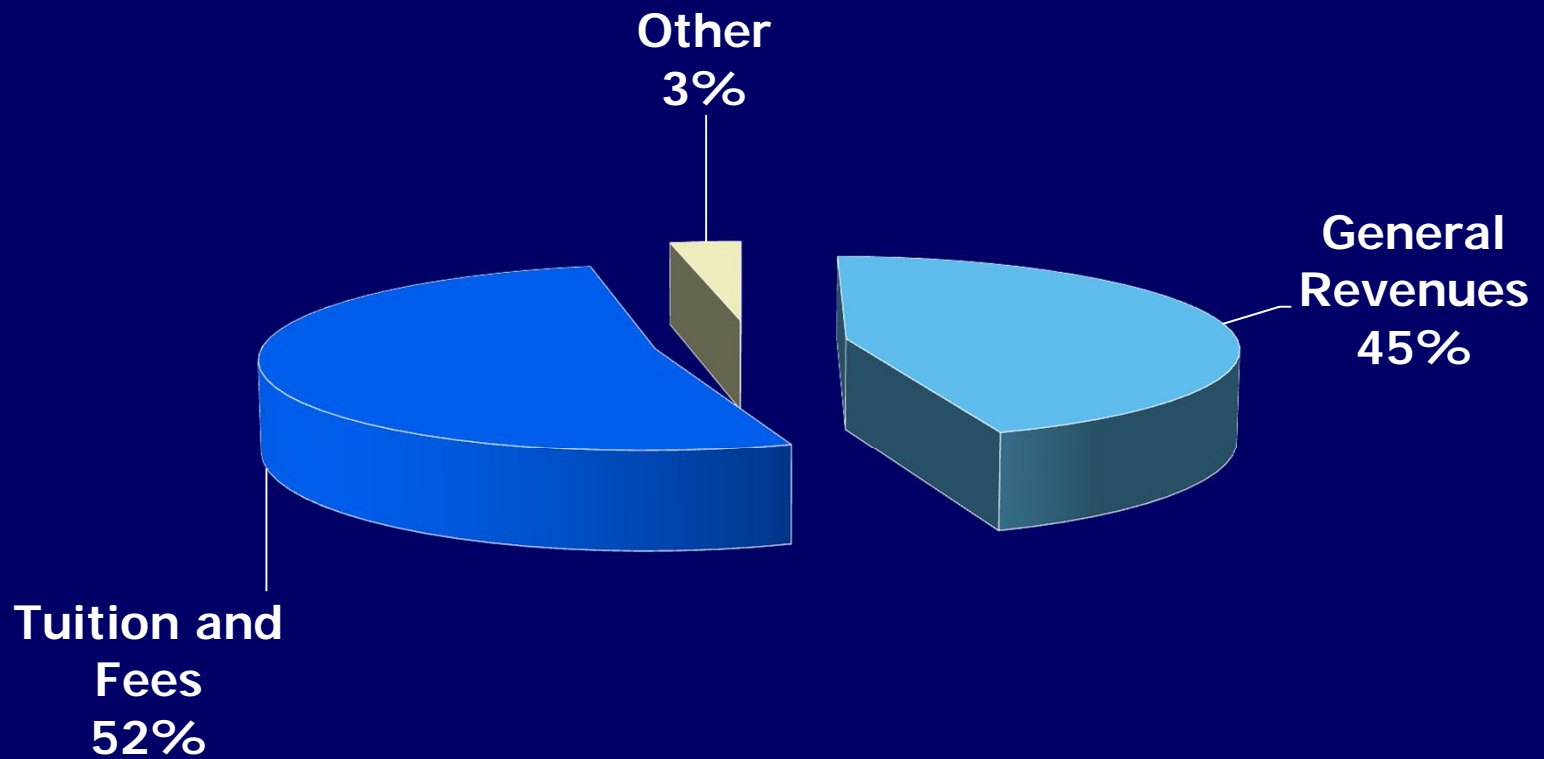
CCRI - Unrestricted Budget

- Governor recommends \$105.0 million
 - \$4.4 million or 4.2% more than enacted
 - \$0.5 million more from general revenues
 - \$5.0 million more from tuition and fees
 - \$0.1 million less than requested
- Increases in personnel and student aid

CCRI - Restricted Budget

- Governor recommends \$40.3 million
 - \$3.0 million or 7.4% more than enacted
 - \$0.8 more than requested
- Increases are in debt service and student aid

CCRI Unrestricted Sources



Community College of Rhode Island

(in millions)	FY 09	FY 10	FY 11	FY 12 Gov. Rev.	FY 13 Gov.
GR	\$ 46.3	\$ 44.1	\$ 44.5	\$ 46.3	\$ 46.8
RICAP	0.4	4.2	4.0	2.8	2.0
State Support	\$49.3	\$48.3	\$48.5	\$49.1	\$ 48.8
Unrestricted	\$ 93.9	\$ 95.4	\$ 96.5	\$ 100.6	\$ 105.0
State Share	52.5%	50.6%	46.1%	48.8%	46.5%

Community College of Rhode Island

(in millions)	FY 09	FY 10	FY 11	FY 12 Gov. Rev.	FY 13 Gov.
Unrestricted	\$ 93.9	\$ 95.4	\$ 96.5	\$ 100.6	\$ 105.0
State Share	52.5%	46.3%	46.3%	48.8%	46.5%
Total Budget	\$ 122.2	\$ 126.0	\$ 126.0	\$ 145.4	\$ 145.3
State Share	40.3%	35.1%	35.1%	33.7%	33.5%

Program Consolidations/Efficiencies

- At August 30, 2010 Board of Governor's meeting, the Board reported since 2008, it has reviewed 91 programs
- 54 programs were retained, 24 were consolidated and 13 have been eliminated
- Since 2003 Board has reviewed over 108 programs

Program Consolidations/Efficiencies

- URI has reviewed 61 programs since 2008
 - Consolidated 21 programs into other majors and eliminated 7 programs
- In past year, the University has added
 - Multi-disciplinary degree and doctoral program in Neuroscience
 - A bachelor's degree in Environment and Natural Resource Economics
 - Health Studies major

Program Consolidations/Efficiencies

- RIC has eliminated 4 programs and consolidated 3 into other majors since 2008
- In the past year 6 new programs were added
 - Bachelor's degree in Medical Imaging
 - Bachelor's degree in Health Care Admin
 - Graduate level certificates
 - Modern Biological Sciences
 - Math Content Specialist
 - Health Psychology
 - Teacher Leadership

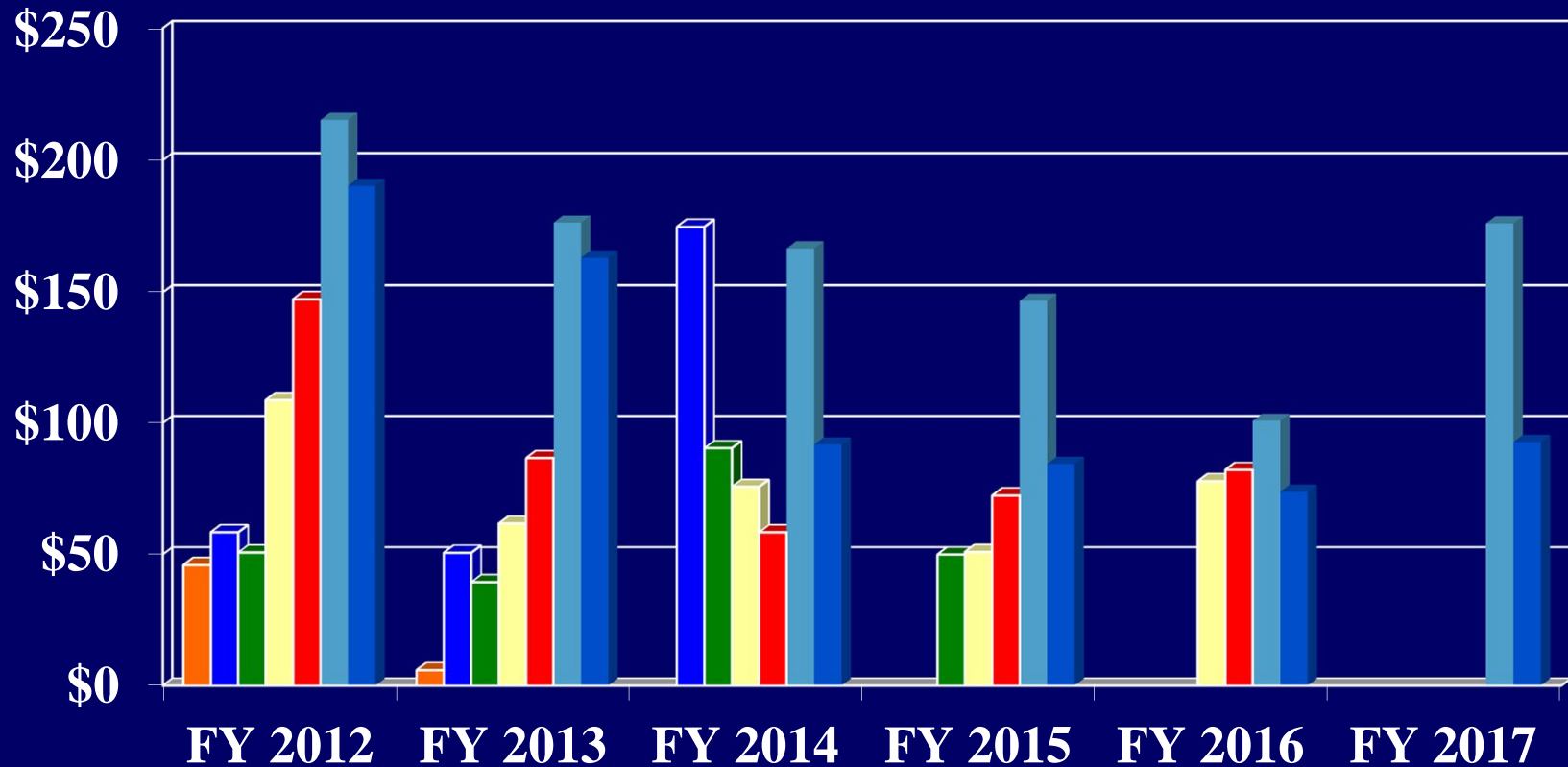
Program Consolidations/Efficiencies

- CCRI has eliminated 2 programs and begun a new certificate program aimed at workers in transition since last year

FY 2013-FY 2017 Capital Budget

- \$509.7 million of new & ongoing projects
- Plus dozens of asset protection projects at each institution
- Campuses contain majority of state's physical property

Capital: Annual Outlays (in millions)



■ FY 2008 Enacted ■ FY 2009 Enacted ■ FY 2010 Enacted
■ FY 2011 Enacted ■ FY 2012 Enacted ■ FY 2013 Request
■ FY 2013 Gov

Asset Protection

- Governor recommends \$64.4 million for projects FY 2013 through FY 2017
- \$12.3 million for FY 2013 growing to \$13.4 million in FY 2017

G.O. Bonds

(in millions)	FY 2012 Ballot	FY 2014 Ballot
URI	\$65.2	\$167.5
RIC	44.7	-
CCRI	-	-
Total	\$109.9	\$167.5

GO Projects

Project	Board's Request	2012 Ballot	2014 Ballot
URI - Fine Arts Center	65.0	-	65.0
URI - College of Engineering	102.5	-	102.5
URI - Historic Quad	58.1	-	-
URI/RIC - New Nursing Bldg	57.9	65.2	-
RIC - Academic Bldgs I	42.3	44.7	-
CCRI – Knight Campus Res Hall	31.6	-	-
CCRI - Athletic Facilities	12.9	-	-
Total	\$370.2	\$109.9	\$167.5

Nursing & Life Sciences

- Article 5 Hearing March 20, 2012
- Board's request includes \$57.9 million on Nov. 2012 ballot for expenditure in FY 2014
- The Board's proposal is for RIC and URI to share:
 - Classrooms
 - Seminar and Lecture Facilities
 - Health Laboratories
 - Computer/Media Labs
 - A simulation center for training in realistic patient care settings

Nursing & Life Sciences

- Governor recommends \$65.2 million
 - Does not include renovations to URI and RIC existing campus facilities as drafted
 - 2010 Assembly provided \$175,000 from RICAP for feasibility study
- Option 2
 - Total project cost assumes that the new facility will be built on state owned land with no funding for land purchase with surface parking
 - The feasibility study indicates that the nursing facility would require approximately 320 spaces

URI Engineering Quadrangle

- Governor recommends placing \$102.5 million on November 2014 ballot
- Includes renovations or additions to classrooms, offices, teaching laboratories, elevators, restrooms, the roofs and HVAC systems
 - Bliss Hall
 - Crawford Hall
 - Gilbreth Hall
 - Kelly Hall
 - Wales Hall

URI Fine Arts Center

- Governor recommends placing \$65.0 million on November 2014 ballot
- Includes a complete renovation and enhancements to the 120,720 square foot fine arts center
- The reconfiguration of interior spaces and enhancements to the performance and studio facilities, parking lot improvements, landscaping and work on the storm water management system

RIC Academic Buildings Phase I

- Article 5 hearing on March 20, 2012
- \$44.7 million for Rhode Island College Academic Buildings
- Includes a full renovation to Craig Lee and Gaige Halls
- Contain forty-six classrooms, which represents over 50 percent of the classrooms on campus

New Capital: URI

Project	Approval	Cost	Funds	Start
Butterfield Hall Dining	Assembly	\$7.6M	Aux. fund balance/dining	FY 12
GLBT Center	Assembly	\$1.5M	University	FY 12
GSO Campus Bldg Expansion	Assembly	\$0.3M	RICAP	FY 13
Roger Williams Complex Adv. Planning	Assembly	\$0.1M	Housing and Res. Life	FY 12

New Capital: URI

Butterfield Hall Dining

- Funded from existing student affairs auxiliary fund balances and dining services
- 5,900 sq ft addition to dining facility
- 1,500 sq ft 2nd floor addition and 950 sq ft of renovations for student lounge and common areas

GLBT Center

- Funded from university funds
- New 2,713 sq ft building
- Includes multipurpose rooms, student lounge, resource areas, kitchen space and offices

New Capital: URI

GSO Campus Building Renovation

- Funded from RICAP
- Planning work for Graduate School of Oceanography facilities

Roger Williams Complex Advanced Planning

- Funded from housing and residential life funds
- Provides a study:
 - Building improvement priorities
 - Develop alternate construction methods
 - Aldrich, Burnside, Coddington, Ellery, Dorr, and Hopkins in housing complex

Other New Debt

- Governor did not submit resolution for Assembly approval for RIHEBC revenue bonds and Certificates of Participation projects
- Set to begin in FY 2013 as programmed in Gov's plan

- URI Facilities Services Sector Upgrade \$8.3M
- URI Biological Resource Lab \$16.9M
- URI Kingston Parking Garage \$15.0M
- URI Utility Infrastructure \$20.0M
- RIC Energy Performance Project \$7.7M
- CCRI Athletic Facilities Renovations \$12.9M

FY 2013 Governor

- Ongoing or revised projects: 39 projects
- URI – 20 projects
 - New Chemistry Building and Biotech Center
- RIC – 14 projects
 - Art Center Facility
- CCRI – 5 projects
 - HVAC Improvements to Flanagan Campus

FY 2013 Governor

- He does not recommend funding for:
 - \$31.6 million at CCRI
 - Knight Campus Residence Hall
 - \$187.2 million at URI for 13 projects
 - Renovations to multiple academic buildings
 - New public safety building
 - Admissions and Welcome Center

Public Higher Education

FY 2012 Revised and
FY 2013 Budgets, Capital Budget
Staff Presentation
March 22, 2012