

Public Higher Education

FY 2019 Revised,
FY 2020 Budgets and Capital Budget
Staff Presentation
April 10, 2019

Public Higher Education

- \$1,250.3 million budget
 - 13% of state budget
 - 6% of general revenue budget
- 4,396.3 FTE positions
 - 29% of state total
- \$1,089.7 million capital budget
 - Majority of state's physical property

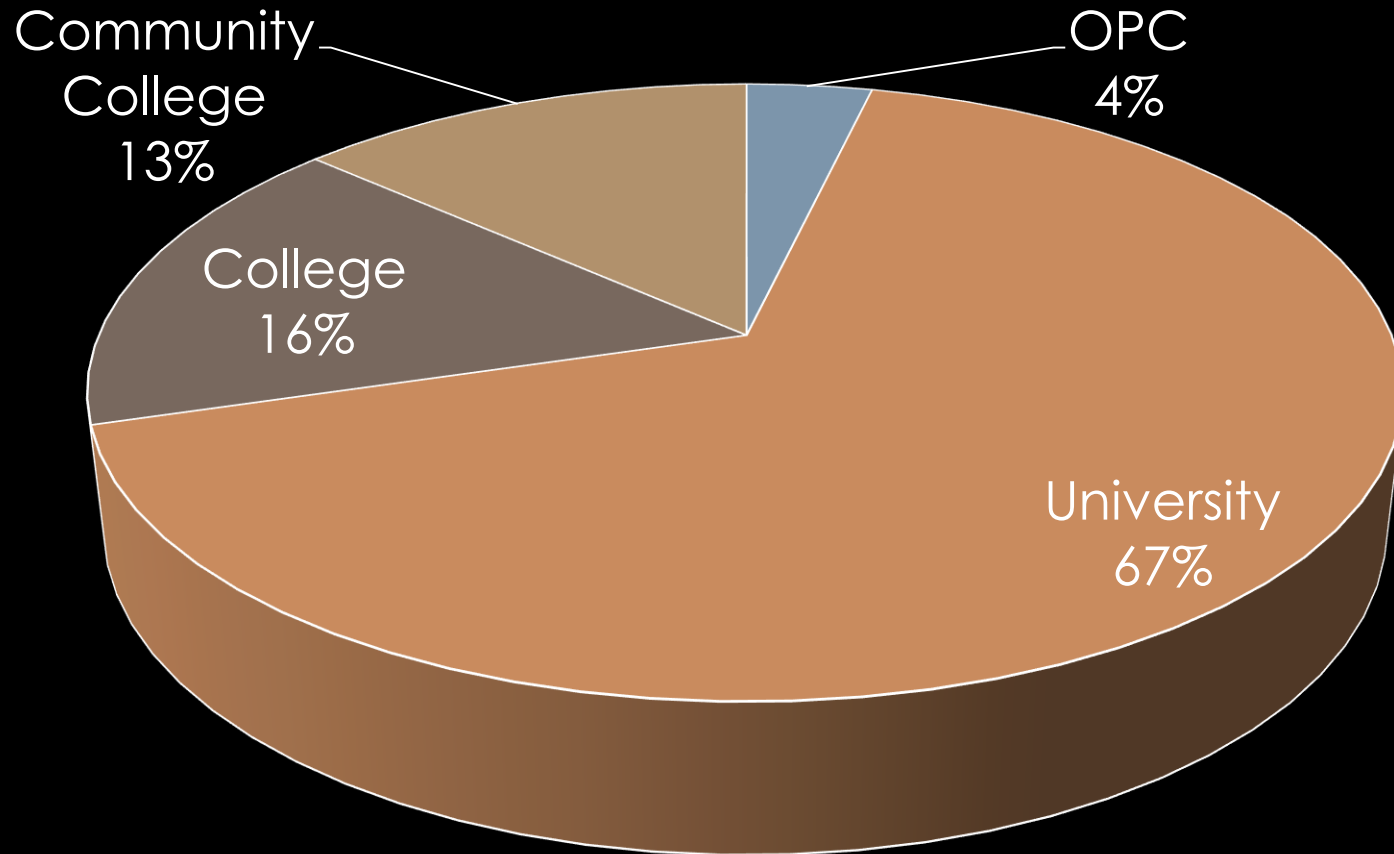
Board of Education

- 2014 Assembly restructured the Board of Education
 - 17 members
 - Members also serve on one of two councils
- Councils have most of the statutory authority & responsibility previously held by Board of Education
- Eight members on each council appointed by the Governor

Board of Education

- Full Board
 - Advice and consent on hiring commissioners
 - Elementary and Secondary Education
 - Postsecondary Education
 - Budget review and consent
 - Develop a performance funding formula for public higher education

FY 2020 Summary by Institution



About Year to Year Comparisons

- Schools re-evaluate tuition, enrollment & spending projections & adjust current year budget accordingly
- Revisions to current year become basis for budget year
 - Governor adds \$3.8 million more from general revenues than enacted for FY 2019
 - Excluding debt service, the Governor reduces general revenues by \$1.8 million
 - Higher education's share of statewide savings
 - Statewide benefit and turnover savings

FY 2020

Funding Source	Request	Governor	Gov. Chg. to Request	Gov. Chg. to Enacted
General Revenues	\$250.3	\$244.3	\$(6.0)	\$14.2
Tuition & Fees	469.4	482.1	12.8	27.4
Other Unrestricted	53.8	53.8	-	5.7
RICAP	39.6	34.1	(5.5)	(2.3)
Other Restricted	432.2	436.0	3.8	(2.2)
Total	\$ 1,245.2	\$1,250.3	\$5.1	\$42.7

\$ in millions

Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
 - 2018 Assembly included costs in user agency budgets
 - Final FY 2018 & FY 2019 budget

Centralized Services

IT	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
All Funds	\$222,576	\$232,924	\$(652)	\$233,724	\$11,148
General Revenues	\$105,756	\$107,376	\$(652)	\$107,729	\$1,973

Statewide Savings Initiatives

- Governor distributes statewide general revenue savings enacted for FY 2019 in the Department of Administration
 - Prompt Payment - \$0.4 million
 - Vendors voluntarily offer a discount if payments are received within an agreed upon date
 - Contracts - \$3.0 million
 - Effort to reduce costs of certain commodities
 - Food, maintenance, office equipment, telecommunications
 - Insurance - \$0.5 million
 - Reductions in policies for property & crime

Statewide Savings Initiatives

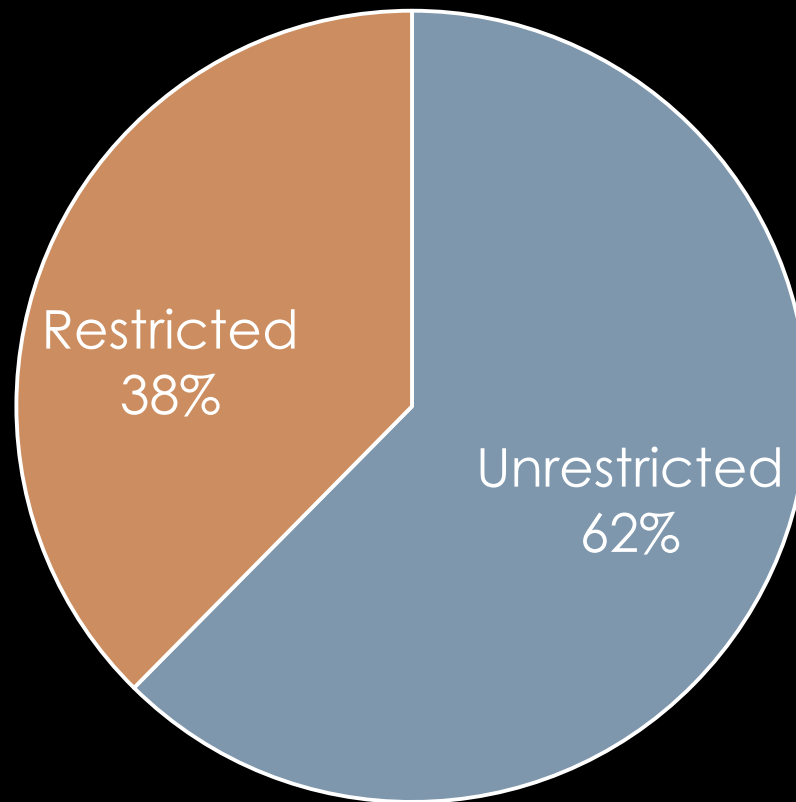
Initiative	FY 2019 Revised	FY 2020
Prompt Payment	\$(808)	\$(808)
Contract	(44,629)	(45,797)
Insurance	(13,397)	(13,405)
Total	\$(58,834)	\$(60,010)

- Contract savings based on all operating costs
 - Includes Shepard Building parking contract

FY 2020 General Revenues

- Governor's budget is \$14.2 million more than enacted
 - \$1.9 million more for Promise
 - \$1.8 million more for URI's online expansion
 - \$6.9 million more for GO bond debt service
 - \$0.2 million more for SNAP Scholarship
- \$6.0 million less than requested

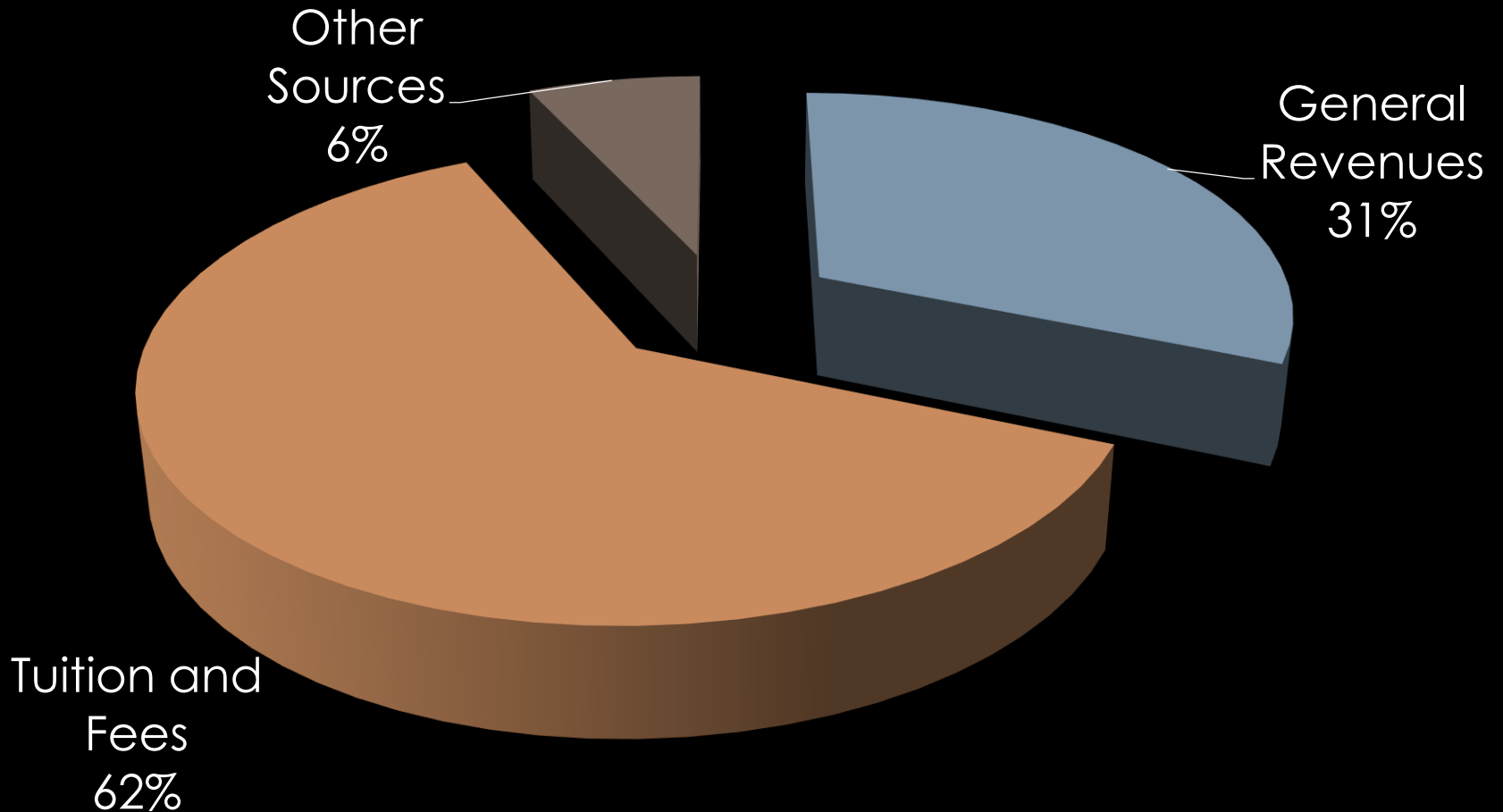
Unrestricted and Restricted Sources



Unrestricted Budget

- Funds used for any legitimate purpose: education & general operations
 - State general revenues
 - Tuition & general fees
 - Auxiliary indirect costs
 - Similar to *general revenue* budget of other agencies

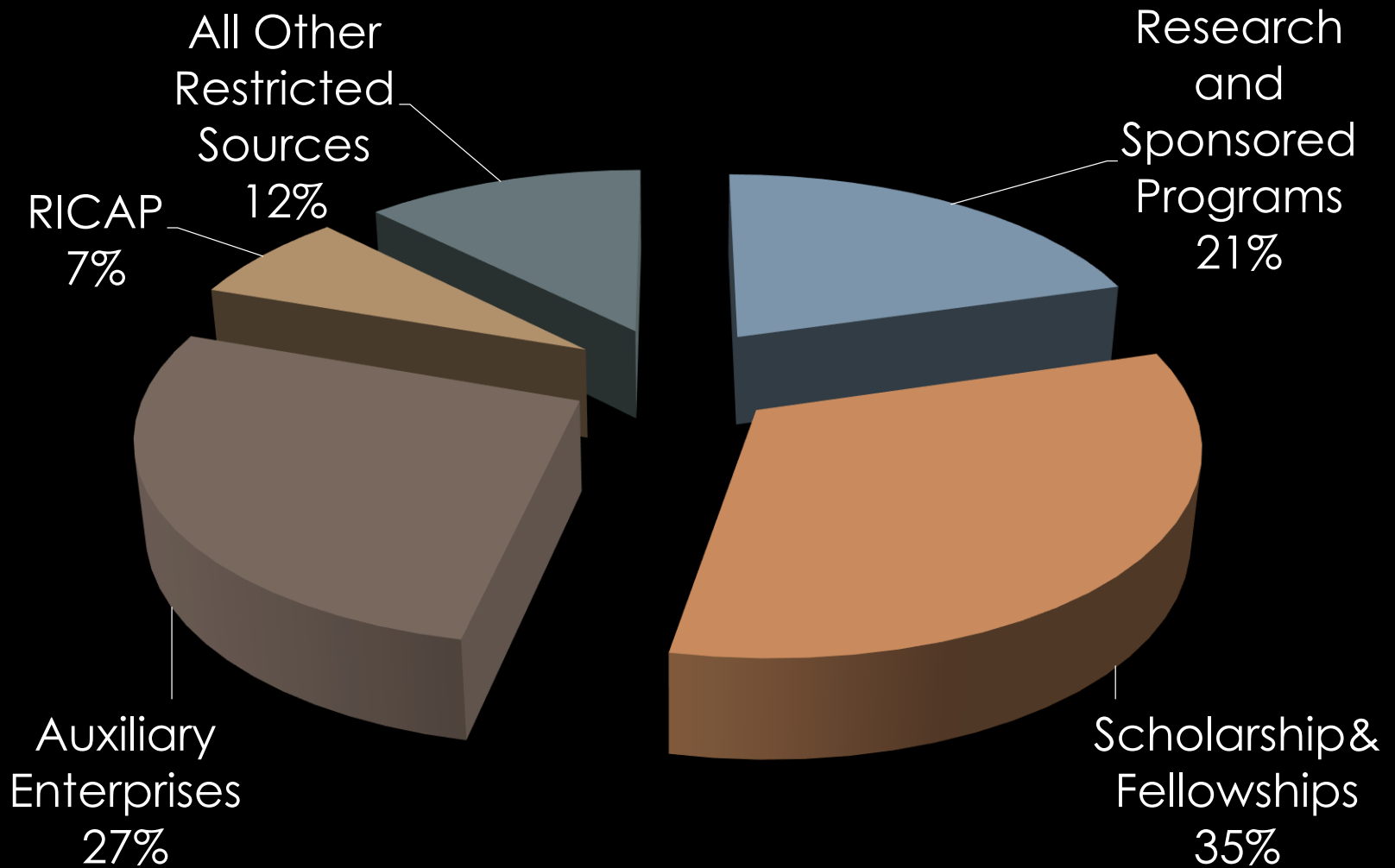
Unrestricted Sources



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

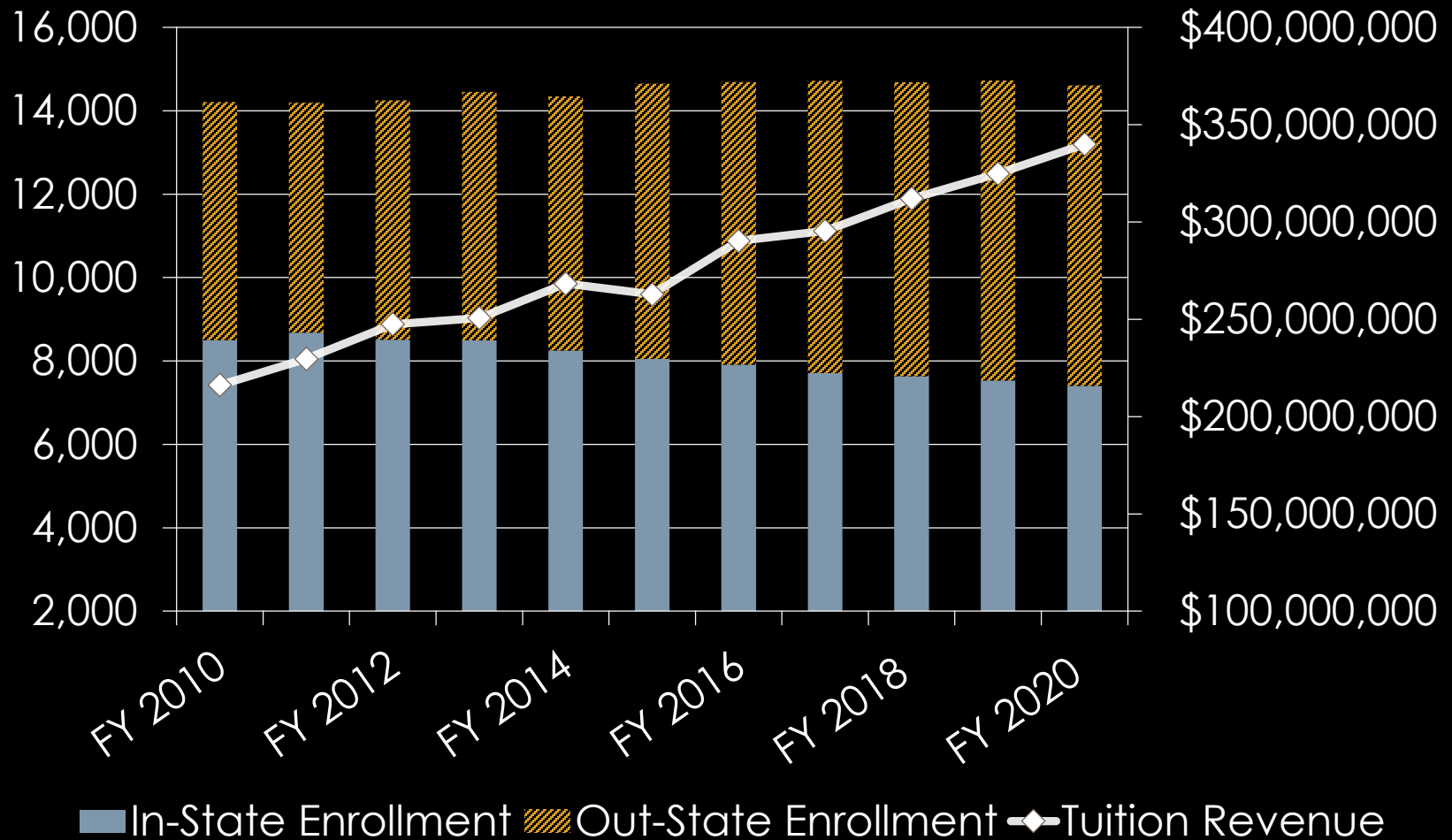
Restricted Sources



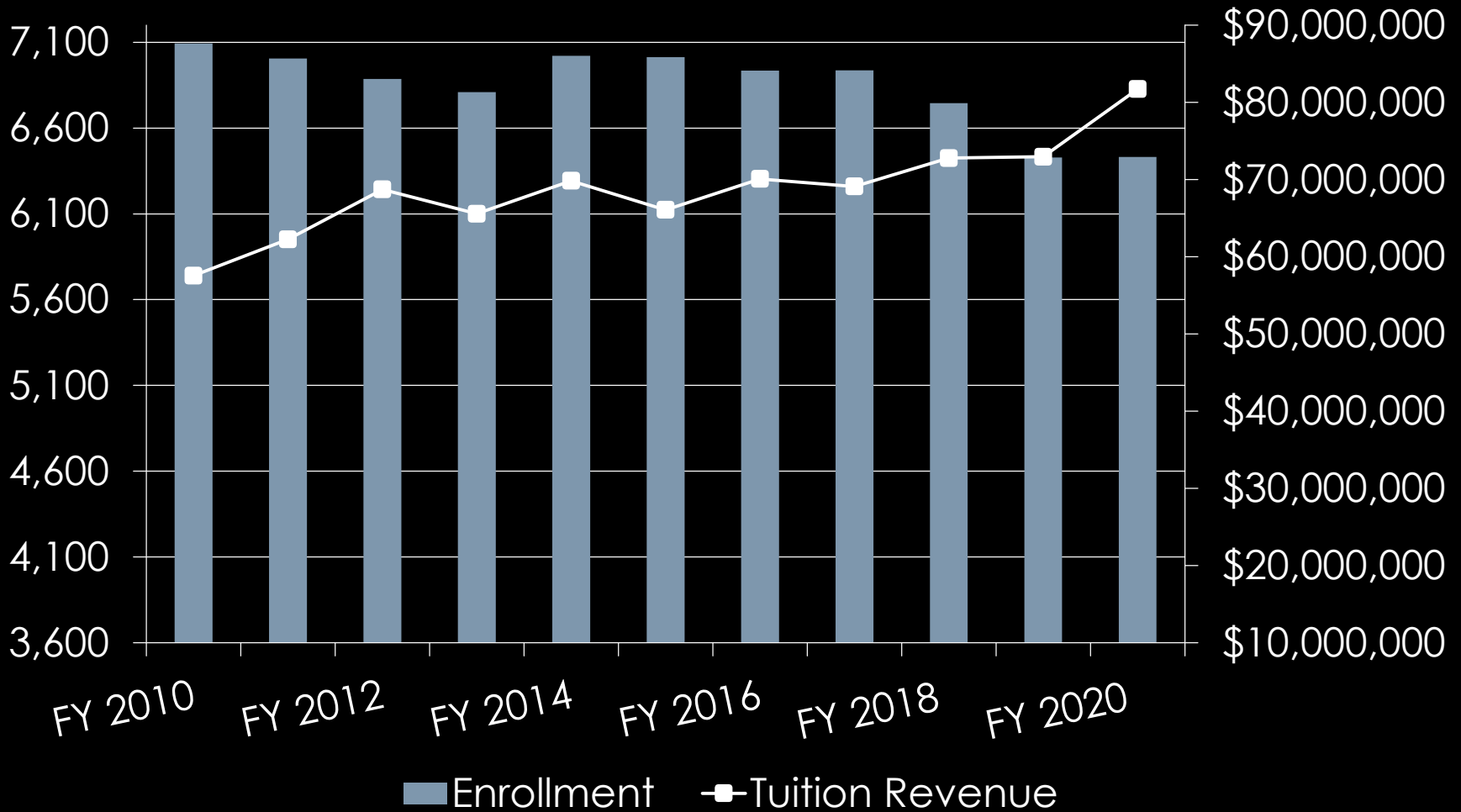
Enrollment

	URI	RIC	CCRI	Total
FY 2019 Enacted	14,705	6,859	9,051	30,615
FY 2019 Revised	14,724	6,429	9,051	30,204
Change	19	(430)	-	(411)
% Change	0.1%	-6.3%	-	-1.3%
FY 2020 Estimate	14,611	6,432	9,135	30,178
Chg. to FY 2019 Rev.	(113)	3	84	(26)
% Chg to FY 2019 Rev.	-0.1%	0.0%	0.1%	-0.0%

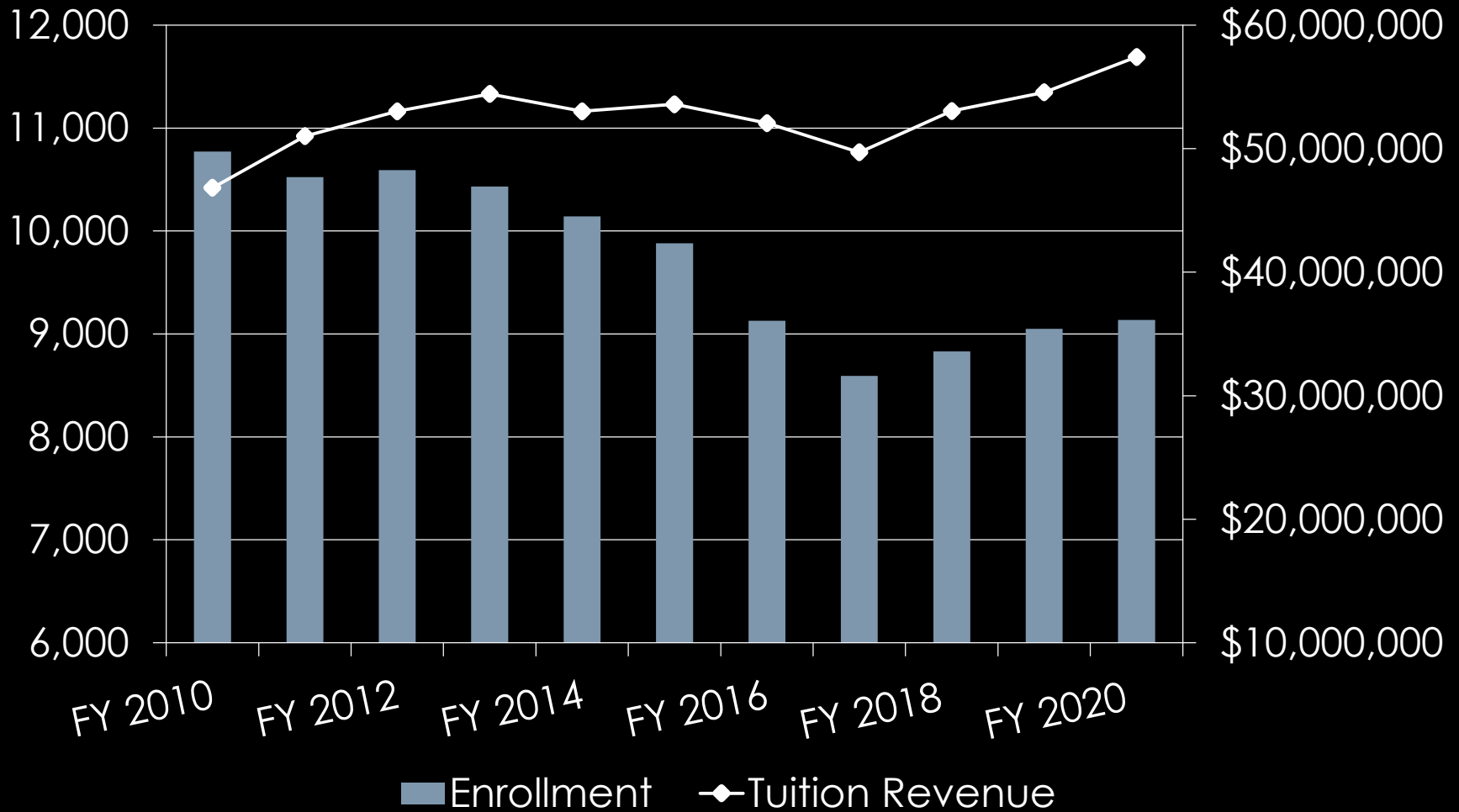
URI Enrollment/Tuition Revenue



RIC Enrollment/Tuition Revenue



CCRI Enrollment/Tuition Revenue



Council Approved Tuition & Fees

- Tuition and fee rates for FY 2020 approved at November 2018 meeting
 - 3.0% increase at University
 - 7.3% increase at College
 - 3.0% increase at Community College

Council Approved Tuition & Fees

URI	FY 2019	FY 2020	Chg. to FY 2019	
Resident				
Tuition	\$12,248	12,590	\$342	2.8%
Fees	1,890	1,976	86	4.6%
Total	\$14,138	\$14,566	\$428	3.0%
Nonresident				
Tuition	\$28,972	\$29,710	\$738	2.5%
Fees	1,890	1,976	86	4.6%
Total	\$30,862	\$31,686	\$824	2.7%
Avg. Room/Board	\$12,528	\$12,688	\$160	1.3%
Enrollment				
In-State	7,531	7,406	(125)	-1.7%
Out-of-State	7,193	7,205	12	0.2%
Total	14,724	14,611	(113)	-0.8%

Council Approved Tuition & Fees

RIC	FY 2019	FY 2020	Chg. to FY 2019	
Resident				
Tuition	\$7,790	\$8,218	\$428	5.5%
Fees	1,139	1,360	221	19.4%
Total	\$8,929	\$9,578	\$649	7.3%
Nonresident				
Tuition	\$20,553	\$21,683	\$1,130	5.5%
Fees	1,139	1,360	221	19.4%
Total	\$21,692	\$23,043	\$1,351	6.2%
Avg. Room/Board	\$11,877	\$12,388	\$511	4.3%
Enrollment				
In-State	5,416	5,358	(58)	-1.1%
Out-of-State	1,013	1,074	61	6.0%
Total	6,429	6,432	3	0.0%

Council Approved Tuition & Fees

CCRI	FY 2019	FY 2020	Chg. to FY 2019	
Resident				
Tuition	\$4,148	\$4,284	\$136	3.3%
Fees	416	416	-	0.0%
Total	\$4,564	\$4,700	\$136	3.0%
Nonresident				
Tuition	\$11,740	\$12,128	\$388	3.3%
Fees	416	416	-	0.0%
Total	\$12,156	\$12,544	\$388	3.2%
Enrollment	9,051	9,135	84	0.9%

Tuition and Fees

- National average: in-state public 4-yr college for FY 2019 is \$10,230
 - 2.5% increase from FY 2018
- Rhode Island is 12th highest
- Lower than Vermont, New Hampshire, Connecticut and Massachusetts
- Higher than Maine & New York

Source: <http://trends.collegeboard.org/college-pricing>

Tuition and Fees

- New England average: in-state public 2-yr college for FY 2018 is \$5,583
- Rhode Island - \$4,560 which is 3rd out of 6 New England states
- Lower than Massachusetts, Vermont and New Hampshire
- Higher than Connecticut and Maine

Source: <http://trends.collegeboard.org/college-pricing>

Waivers

- 4% of all tuition will be waived for FY 2020
- Who is eligible for waiver?
 - Unemployed
 - Disabled vets
 - National Guard members
 - Senior citizens
 - Dependents of some employees (in CBAs and Board policy)

Unrestricted Student Aid and Waivers – FY 2020

	URI	RIC	CCRI
Student Aid & Waivers	\$125.0	\$18.7	\$4.1
Tuition and Fees	\$331.6	\$78.5	\$56.2
Student Aid % of Tuition & Fees	31.4%	8.8%	3.7%

\$ in millions

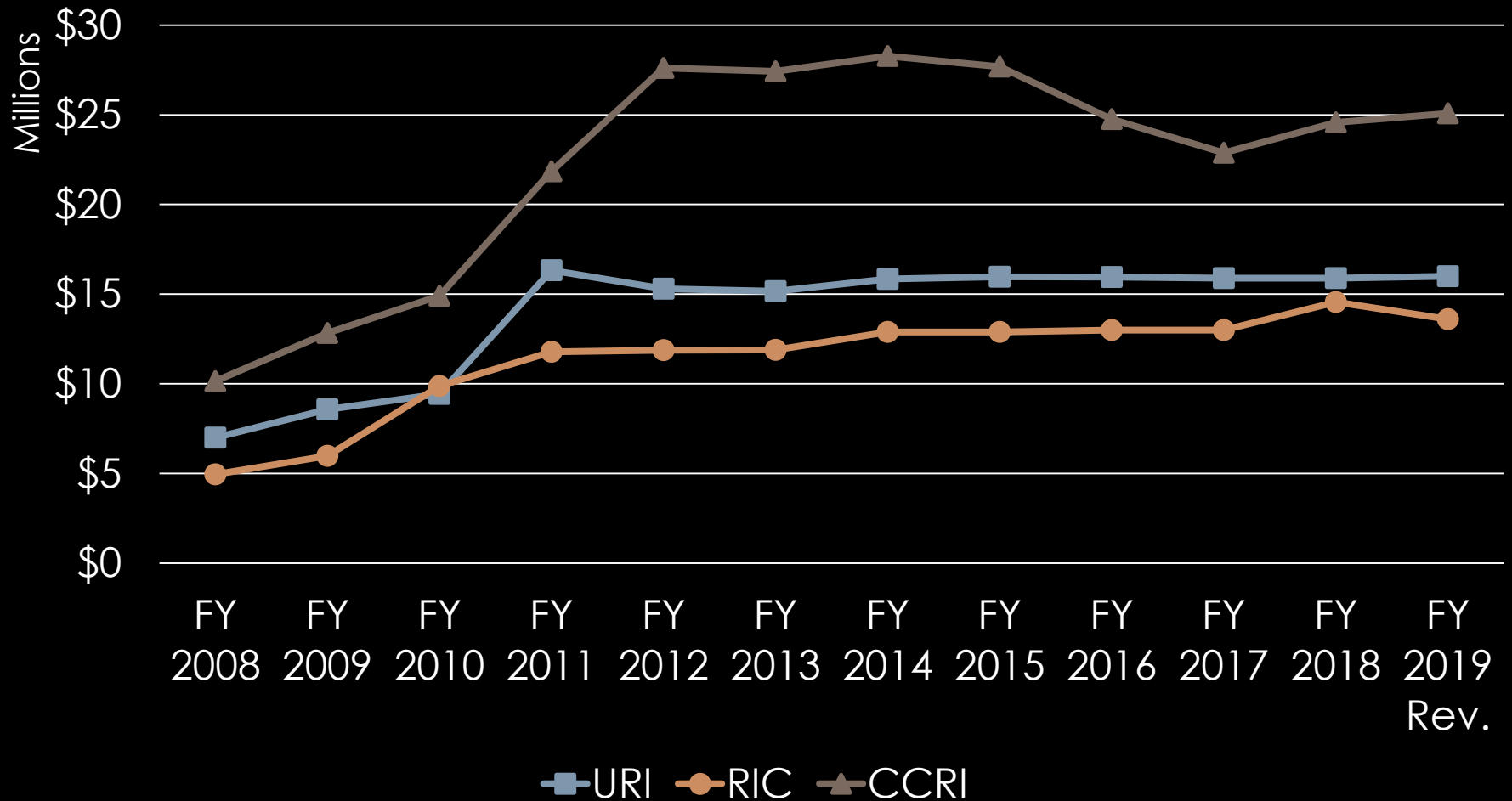
- Includes financial based and academic scholarships and tuition waivers

Pell Grants – FY 2020

	URI	RIC	CCRI
Pell Grants	\$16.0	\$15.0	\$25.1
Pell % All Aid	10.7%	43.0%	60.4%
All Federal % All Aid	16.8%	46.4%	62.9%

\$ in millions

Pell Grants - History



Graduation Rates

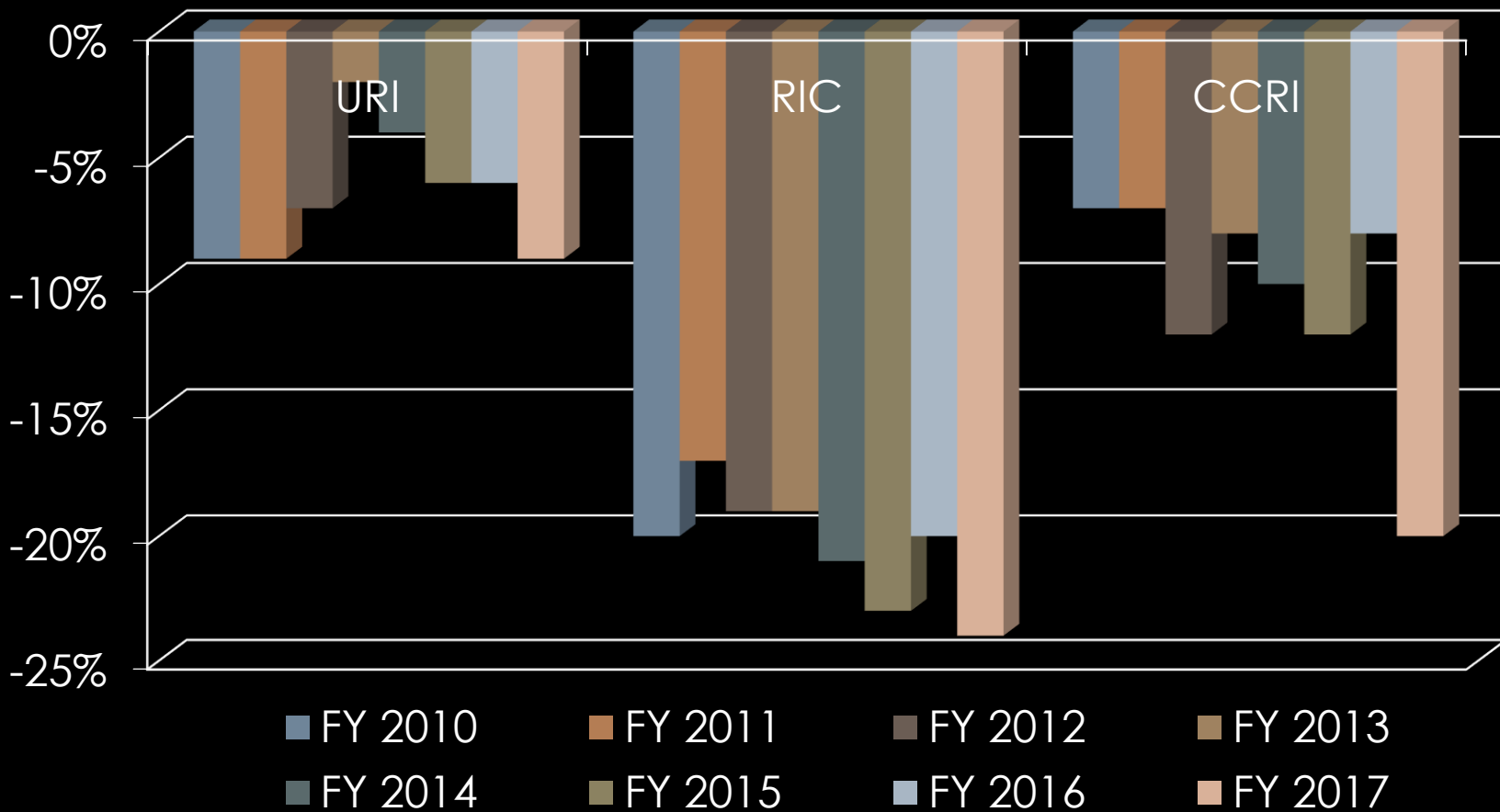
	6-Year		3-Year
	URI	RIC	CCRI
2013	63.4%	42.9%	13%
2014	58.9%	42.6%	12%
2015	63.2%	44.0%	14%
2016	62.8%	47.4%	17%
2017	65.6%	46.2%	18%
2018	67.3%	50.0%	19%

Source: Data provided by each institution

Peer Comparisons

- Council traditionally provides data that compares costs at each RI school to several comparable, or peer institutions
 - 2017 data is most recent available
- Peers include similarly-sized New England and Mid-Atlantic institutions

Percents Above & Below Peers – In-State Tuition and Fees



Target Budget

- Council submitted a current service budget in addition to target budget required by Budget Office
- Target of \$233.2 million
 - Current service adjustments of \$13.0 million
 - 5.0% reduction of \$9.8 million
 - Adjusted for certain exclusions
- \$13.9 million reduction offset by tuition increases
- Gov: \$1.2 million above current service

Staffing

FY 2020 Governor Recommendation		
	PHE	Statewide
Gross Salaries (in millions)	\$407.3	\$1,249.1
Turnover (in millions)	(0.1)	(42.9)
Turnover %	0.0%	3.4%
Turnover FTE	0.8	529.0
FY 2020 FTE recommended	4,396.3	15,413.1
Funded FTE	4,395.5	14,884.1
Filled as of March 30	4,091.7	14,131.4
Funded but not filled	303.8	752.7

Salaries and Benefits

- Institutions negotiated contracts w/ most employee unions during FY 2018
- Contract negotiations with other unions ongoing
 - Budget includes funding set aside pending successful negotiations

Audit of Internal Payroll

- Office of Internal Audit conducted audit of internal payroll at institutions
 - For FY 2018
 - Audit report submitted March 29, 2019
- Full-time staff are paid through state's central payroll department
- Part-time, adjunct, & students paid through institutions' own internal payroll
 - Are internal payroll operations administered in accordance w/, laws, policies, etc.?

Audit of Internal Payroll

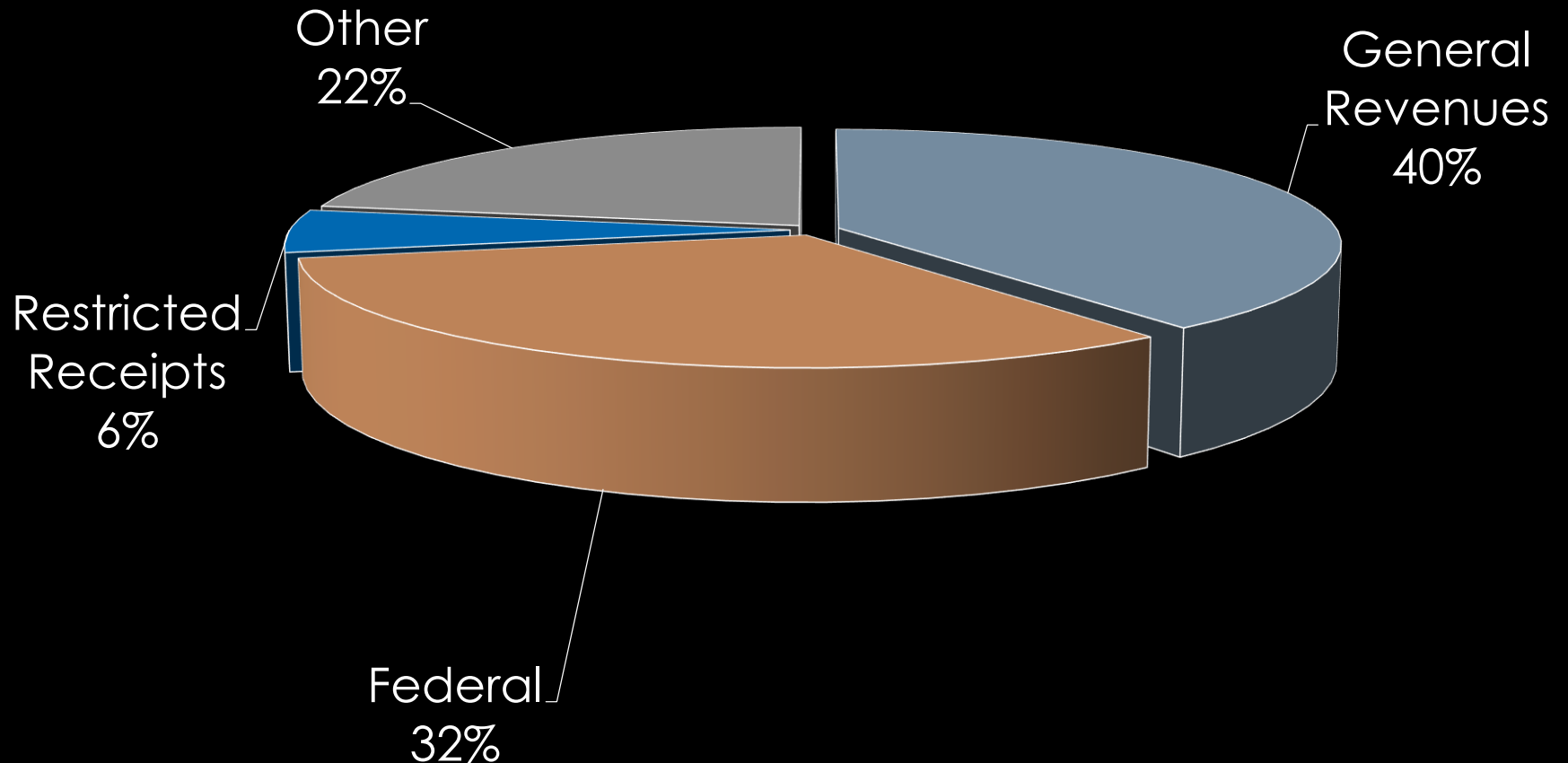
- Findings: to strengthen controls, schools should
 - Advertise internal payroll positions
 - Ensure all approvals are obtained prior to start of employment
 - Ensure employees do not exceed annual part-time hour requirements
 - Increase control over time sheets & forms
 - Require background checks

Office of Postsecondary Commissioner

	FY 2019 Enacted	FY 2020 Request	FY 2020 Governor	Gov. Chg. To Request
General Revenue	\$16.1	\$18.7	\$18.2	\$(0.5)
Federal Funds	7.9	8.0	14.9	6.9
Restricted Receipts	2.0	2.2	2.8	0.5
Other Funds	13.1	13.4	10.2	(3.2)
Total	\$39.3	\$42.3	\$46.0	\$3.6
FTE Authorization	35.0	31.0	37.0	6.0
Third Party Limited	1.0	1.0	1.0	-
Total	36.0	32.0	38.0	6.0

\$ in millions

OPC Sources of Funds



OPC – Unrestricted Budget

Change to Enacted	Request	Governor	Difference
Current Year Revisions	\$344,407	\$(74,696)	\$(419,103)
RI Promise	1,881,425	1,881,425	-
Salaries and Benefits	115,020	13,290	(101,730)
Shepard Building	-	(1,351)	(1,351)
Other Operations	71,000	71,175	175
Nursing Education Center – Debt Service	(2,750)	(2,750)	-
Total	\$2,409,102	\$1,877,093	\$(522,009)

RI Promise

- 2017 Assembly authorized Promise at CCRI
 - 2 years of free tuition & mandatory fees at CCRI for qualifying Rhode Island students
 - “Last dollar scholarship” model
 - After a student exhausts all other aid sources the program covers remainder of tuition bill
 - Other non-mandatory fees not covered
 - Recipients are required to:
 - Maintain a 2.5 grade point average
 - Commit to remaining in RI after graduation
 - Remain on track to graduate

RI Promise

- 4 cohorts of students starting in fall 2017
 - Last cohort entering in the fall of 2020
- Program evaluation by July 1, 2020
 - After 2nd cohort finishes
- FY 2018 enacted budget = \$2.8 million
 - Assumed FY 2019 impact of \$5.9 million
 - Actual costs have fluctuated from original estimates because of higher initial enrollment offset by attrition

Article 11 - RI Promise

- CCRI Promise
 - Article 11 removes sunset – makes program permanent
 - “Last dollar scholarship” model
 - Covers tuition remaining after all other sources of aid are exhausted – not loans
 - Article 11 changes this to exclude DCYF scholarships and College Crusade
- Article heard in Committee March 12

Article 11 – RI Promise

- Current stated purpose
 - Make educational opportunities beyond high school available for all students
 - Increase # of on-time degrees
- Article 11
 - Align degrees & certificates w/ workforce demands
 - Reduce and eliminate achievement gaps for underrepresented groups
 - Increase # of graduates who live, work in RI

Article 11 – RI Promise

- 1,584 first-time, full-time students began
 - 45% fully funded by the Promise Scholarship
 - 57.1% still enrolled for Spring 2019
 - 36.6% of full promise still enrolled & Promise eligible representing 29.2 % of remaining students
 - 285 or 18% expected to graduate by summer

Cohort 1	Fall 2017	Spring 2018	Fall 2018	Spring 2019
Enrollment	1,584	1,319	993	905
Promise \$ Only	721	603	310	264
% Promise \$ Only	45.4%	45.7%	31.2%	29.2%

Article 11 – RI Promise

Cohort 1 - Retention	Fall 2017	Spring 2018	Fall 2018	Spring 2019	Graduates
Enrollment	1,584	1,319	993	905	285
Promise \$ Only	721	603	310	264	
Enrollment	100%	83.3%	62.7%	57.1%	18%
Promise \$ Only	100%	83.6%	43.0%	36.6%	

Promise only in Cohort 1: Total Spend		
FY 2018 & 19	264 Remaining	Difference
\$4,387,416	\$2,409,792	\$1,997,624

Article 11 – RI Promise

- Second cohort included 2,321 first-time, full-time students
 - ~44% students fully funded by the Promise Scholarship

Cohort 2	Fall 2018	Spring 2019	Fall 2019*	Spring 2020*
Enrollment	2,321	1,977	1,209	1,028
Promise \$ Only	1,023	870	532	452
% Promise \$ Only	44.1%	44.0%	44.0%	44.0%

* estimated

Article 11 – RI Promise

- Third cohort funded only from Promise Scholarship expected to be 20% larger than second

Promise \$ Only	Fall 1	Spring 1	Fall 2	Spring 2
Cohort 1	721	603	310	264
Cohort 2	1,023	870	532	452
Change to prior	41.9%	44.3%	71.6%	71.2%
Cohort 3 est.	1,228	1,044	?	?
Change to prior	20.0%	20.0%		

Article 11 – RI Promise

- Article 11 extends promise to full & part time adult learners at CCRI
 - Must be 25 and older
 - Qualify for in-state tuition and fees
 - Complete the FAFSA
 - Minimum GPA of 2.5
 - Remain on track to graduate on time
 - Annual credit accumulation of 18.0
 - Maximum 60.0 credit hours over a 4 year period

Article 11 – RI Promise

- 2,496 adult students aged 25 and older currently enrolled in 9-15 credit hours
- Budget projects need for \$2.0 million for scholarship support
 - Based on 16% increase in eligible enrollment
 - Assumes \$100,000 would be recovered from employers providing tuition reimbursement

Article 11 – RI Promise

Adult Promise Projection	Current	Estimated	Change
Annual Tuition	\$4,700	\$4,700	-
Adult Enrollments (9-15 Credit Hours)	2,496	2,895	399
Total Tuition	\$5.2	\$6.1	\$0.8
Pell Funding	(2.5)	(2.9)	(0.4)
Other Aid	(0.9)	(1.0)	(0.1)
Tuition Reimbursement	(0.1)	(0.1)	-
Estimated Promise	\$1.8	\$2.0	\$0.3

\$ in millions except “Annual Tuition”

Article 11 – RI Promise

- Initial funding supported by guaranty agency reserve funds
 - Future funding from general revenues
 - Includes overall 16% increase in enrollment
 - Potential increase from $\frac{1}{2}$ time to $\frac{3}{4}$ time
 - Unclear how behavior will change with scholarship availability

Article 11 – RI Promise

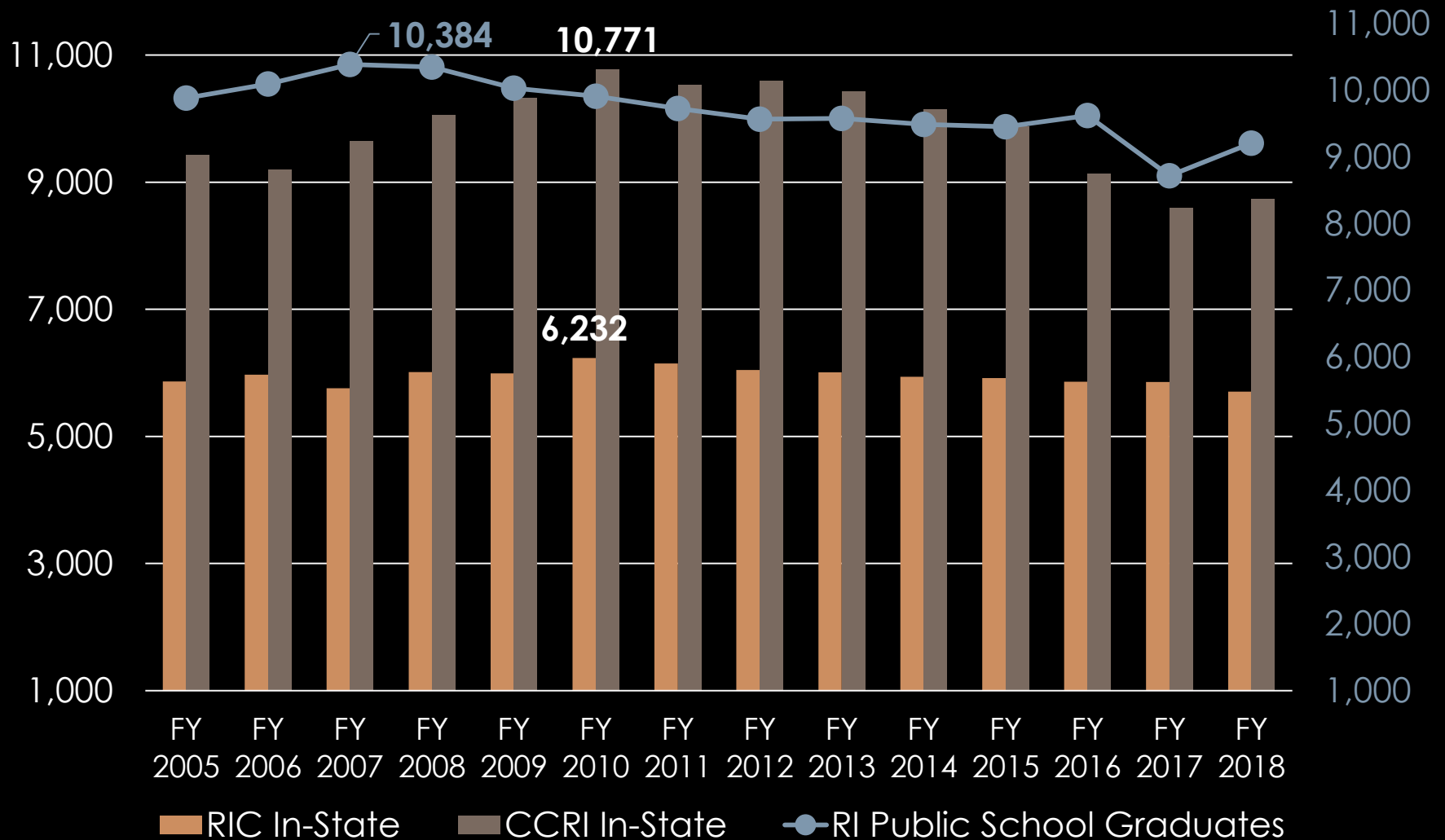
- Article 11 extends promise to full time juniors and seniors at RIC
 - 2017 proposal that was not adopted
 - Must have graduated and enrolled at RIC during the fall semester of 2017 or after
 - Must have completed 60.0 credit hours in a declared major
 - Other requirements same as CCRI
 - Minimum GPA of 2.5 and remain on track to graduate on time

Article 11 – RI Promise

RIC Promise projections	Current Eligible Sophomores	FY 2020	FY 2021
Eligible Students	247	309	618
Annual Tuition	\$9,578	\$9,578	\$9,578
Total Tuition	\$2.4	\$3.0	\$6.0
Pell Funding	(0.4)	(0.5)	(1.1)
Other Aid	(0.0)	(0.0)	(0.1)
Estimated Promise	\$1.9	\$2.4	\$4.8

\$ in millions except “Annual Tuition”

Article 11 – RI Promise



Article 11 – RI Promise

- Degree completion initiatives
 - Series of requirements for Council and “Promise” institutions
 - Codification of some current Council policies
 - Establishment of other new requirements
 - Some of which would be implemented by Council
 - Some extended to URI with nature of the change
 - Articulation issues

Article 11 – RI Promise

- Degree Completion Initiatives
 - Colleges must offer credit-earning courses in summer & winter sessions by January 1, 2020
 - RIC – 3 current sessions
 - December 31 – January 18
 - May 13 – June 21
 - June 24 – August 2
 - CCRI – 3 current sessions
 - January 2 – January 17
 - May 21 – June 29
 - July 2 – August 10

Article 11 – RI Promise

- Transfer Policies
 - Unified transfer agreement by Jan. 1, 2020
 - Common curriculum for all general education coursework by 2020-2021 academic year
 - Eliminate need for students to duplicate courses
 - Common course numbering by July 1, 2021

Article 11 – RI Promise

- Prior Learning Assessments
 - Requires institutions to submit policies for students to earn credits for prior learning to Council by July 1, 2021
 - Must identify acceptable documentation & dates for which prior learning will be accepted for credit
 - Must include appeal process

Article 11 – RI Promise

- Institutions must establish guided pathway program by September 1, 2020
 - To improve student outcomes & reduce time to attain degrees
- Institutions must complete academic prioritization process by Sept. 1, 2021
 - Analyze workforce needs
 - Plan for program expansion, consolidation, & closure

Article 11 – RI Promise

- Article requires Council to adopt policy to reduce “performance incentive funding” by January 1, 2020
 - Discourages earning credits that do not count towards the degree
 - People completing 15 more credits than needed for degree
- Governor’s FY 2020 budget includes
 - \$2.3 million for RIC; \$2.7 million for CCRI
 - Practically speaking operating money

Article 11 – RI Promise

- Proposed revisions under Promise Chapter 16-107 may raise issues of governance structure and overlap with Chapter 16-59 covering powers of presidents and Council
 - Which changes could be adopted by Council at any time?
 - Absent Promise expansion, is there broader value to some of these proposals?

Article 11 – RI Promise

- Related changes – other scholarships
 - Excludes scholarship awards from the College Crusade Scholarship Program and DCYF's Higher Education Opportunity Grant when considering Promise eligibility
 - None of the budget estimates appear to account for the need to replace this funding with state sources
 - Unclear exact impact

Article 11 – RI Promise

- Child Care
 - Article 11 references that eligible students may qualify for child care assistance
 - Related to Article 15
- Article 15 would allow families enrolled at higher education institutions to receive subsidized child care
 - Still must meet 180% income threshold
 - Similar to prior year proposal
 - Prior proposal limited to state schools & appropriation

Article 11 – RI Promise

Out years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Governor	\$7.9	\$15.0	\$15.3	\$15.6	\$15.9
HFAS	\$7.9	\$15.2	\$15.7	\$16.2	\$16.7
Chg to Gov	\$ -	\$0.2	\$0.4	\$0.6	\$0.8

\$ in millions

- Missing from out year estimate
 - Impact of exempting grants received from
 - DCYF Higher Education Opportunity Incentive
 - College Crusade Scholarship
 - Last Dollar Scholarship and related funding

Dual Enrollment Program

- Allows qualified high schoolers to earn college credit at no cost
 - Students can take courses in two ways
 - Concurrent enrollment: courses taken at student's high school for college credit
 - Dual enrollment: courses taken at postsecondary institution's campus
- \$2.3 million for FY 2020
 - From tuition savings fees
- \$1.8 million for FY 2019 revised

Last Dollar Scholarship

- Helps students already receiving financial aid with additional costs
- Funding to all three public institutions
 - \$2.6 million to URI
 - \$2.2 million to RIC
 - \$3.4 million to CCRI
 - Lesser of 20% or \$2.0 million to non-profit private higher education institutions
- \$10.1 million enacted for FY 2019
 - Governor reduces to \$8.0 million for FY 2020

Last Dollar Scholarship

Fall 2018 Semester	URI	RIC	CCRI
Eligibility Criteria	*EFC≤\$12,000, enrolled full or part-time	Pell-eligible, full-time enrolled, complete first year of study, 2.74 cumulative GPA	Pell-eligible, *EFC≤\$5,198, minimum 6 credit enrollment, minimum 2.0 cumulative GPA
Number of Award Recipients	3,300	463	2,649
Average Award per Student	\$787	\$4,675	\$1,245

*Expected family contribution—measure used to determine need-based financial aid eligibility

Last Dollar Scholarship

- Article 11 eliminates set aside for non-profit private higher education institutions
 - Makes funding at discretion of Commissioner
 - Phase out that support along with the funding going to Rhode Island College

Last Dollar Scholarship	FY 2019	FY 2020	FY 2021
URI	\$2.6	\$2.6	\$2.6
RIC	2.2	0.6	-
CCRI	3.3	3.3	3.3
Privates	2.0	1.5	1.0
Total	\$10.1	\$8.0	\$6.9

\$ in millions

Last Dollar Scholarship

- Need-based scholarships funded from CollegeBound fees & federal guaranty loan reserves
 - No new federal funds and reserves declining

Last Dollar Scholarship	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
URI	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6
RIC	0.6	-	-	-	-
CCRI	3.3	3.3	3.3	3.3	3.3
Privates	1.5	1.0	0.5	-	-
Total	\$8.0	\$6.9	\$6.4	\$5.9	\$5.9

\$ in millions

New England Board of Higher Education Compact

- Established in 1957
- Enables students to receive reduced tuition with participating states
 - 1,062 Rhode Islanders participated FY 2018
- \$147,000 annual fee
 - Paid through RIHEAA's budget until FY 2016
 - Paid by OPC with guaranty agency reserves until FY 2018 when loan portfolio was sold
- Funding was not requested or recommended for FY 2019 or FY 2020

Reserve Funds/CollegeBound Cash Flow – Gov Budget

	FY 2018	FY 2019	FY 2020	FY 2021
Opening Surplus	\$21.6	\$17.7	\$11.4	\$1.4
Guaranty Reserves	6.8	-	-	-
CollegeBoundfund Fees	6.6	6.0	6.0	6.0
Total Revenue	\$35.0	23.7	17.4	7.4
Guaranty/OPC Admin	\$5.6	\$0.4	\$0.4	\$ -
Last Dollar Scholarship	10.0	10.1	8.0	6.9
Dual Enrollment	1.7	1.8	2.3	2.3
RI Promise Expansion	-	-	5.3	-
Total Expenses	\$17.2	\$12.3	\$16.1	\$9.2
Closing Balance	\$17.7	\$11.4	\$1.4	(\$1.9)

\$ in millions

Reserve Funds/CollegeBound Cash Flow – Revised

	FY 2018	FY 2019	FY 2020	FY 2021
Opening Surplus	\$21.6	\$17.7	\$11.3	\$1.1
Guaranty Reserves	6.8	-	-	-
CollegeBoundfund Fees	6.6	6.0	6.0	6.0
Total Revenue	\$35.0	23.7	17.3	7.0
Guaranty/OPC Admin	\$5.6	\$0.5	\$0.5	\$ -
Last Dollar Scholarship	10.0	10.1	8.0	6.9
Dual Enrollment	1.7	1.8	2.3	2.3
RI Promise Expansion	-	-	5.3	-
Total Expenses	\$17.2	\$12.4	\$16.2	\$9.2
Closing Balance	\$17.7	\$11.3	\$1.1	(\$2.2)

\$ in millions

Office of Postsecondary Commissioner

- Appropriations to community organizations identified in Article 1
 - \$355,000 to the Rhode Island College Crusade
 - Pursuant to RIGL 16-70-5
 - \$60,000 to Best Buddies Rhode Island
 - Support programs for children with developmental & intellectual disabilities
- Consistent with enacted budget

Nursing Education Center

	OPC	URI	RIC	Total
Operating Costs	\$3.0	\$0.6	\$0.6	\$4.2
Lease	4.2	0.9	0.9	6.0
Debt Service	1.2	-	-	1.2
Total	\$8.4	\$1.5	\$1.5	\$11.4

\$ in millions

- 120,000 square foot building for URI & RIC nursing programs in downtown Providence
- Opened for classes in fall of 2017
- Supported by 10.0 FTE

Westerly Higher Education Center

- \$2.5 million from restricted receipts for operations of center and 8.0 FTE
 - Includes 3.0 new FTE
 - 1.0 to assess student academic & career preparedness
 - 1.0 event coordinator
 - 1.0 to assist with grant applications
- Center is supported by program fees
 - \$0.6 million more than enacted

Northern Rhode Island Education Center

- \$2.0 million from RICAP to replicated Westerly Center in Northern RI
 - Consistent with the enacted budget
- \$0.1 million from restricted receipts & 1.0 new position
 - Operations & facility manager
- Exact site in Woonsocket currently under review
 - 4 possible locations

Division of Higher Education Assistance

- December 2013, federal budget significantly reduced guaranty agency revenue by approximately 50%
- 2014 Assembly required administration to include a plan to allocate HEAA programs to other agencies as part of the FY 2016 budget because of declining resources

Division of Higher Education Assistance

- FY 2016 budget dissolved HEAA & transferred duties, authority & resources
 - Authority & corporate existence ended on July 1, 2015
 - Replaced by new Division of Higher Education Assistance in OPC's budget
- Guaranty agency operations transferred to a successor agency at end of FY 2018
 - New revenues to support this work ended with the portfolio transfer

Division of Higher Education Assistance

- Currently 4 FTE partially supported by guaranty agency reserves
- 2018 Assembly restricted general operating support to \$0.4 million
 - Preserve balance for assistance programs
- Governor's budget removes restriction
- Governor's proposed budget would use remaining reserves
- Issue for FY 2021

University of Rhode Island

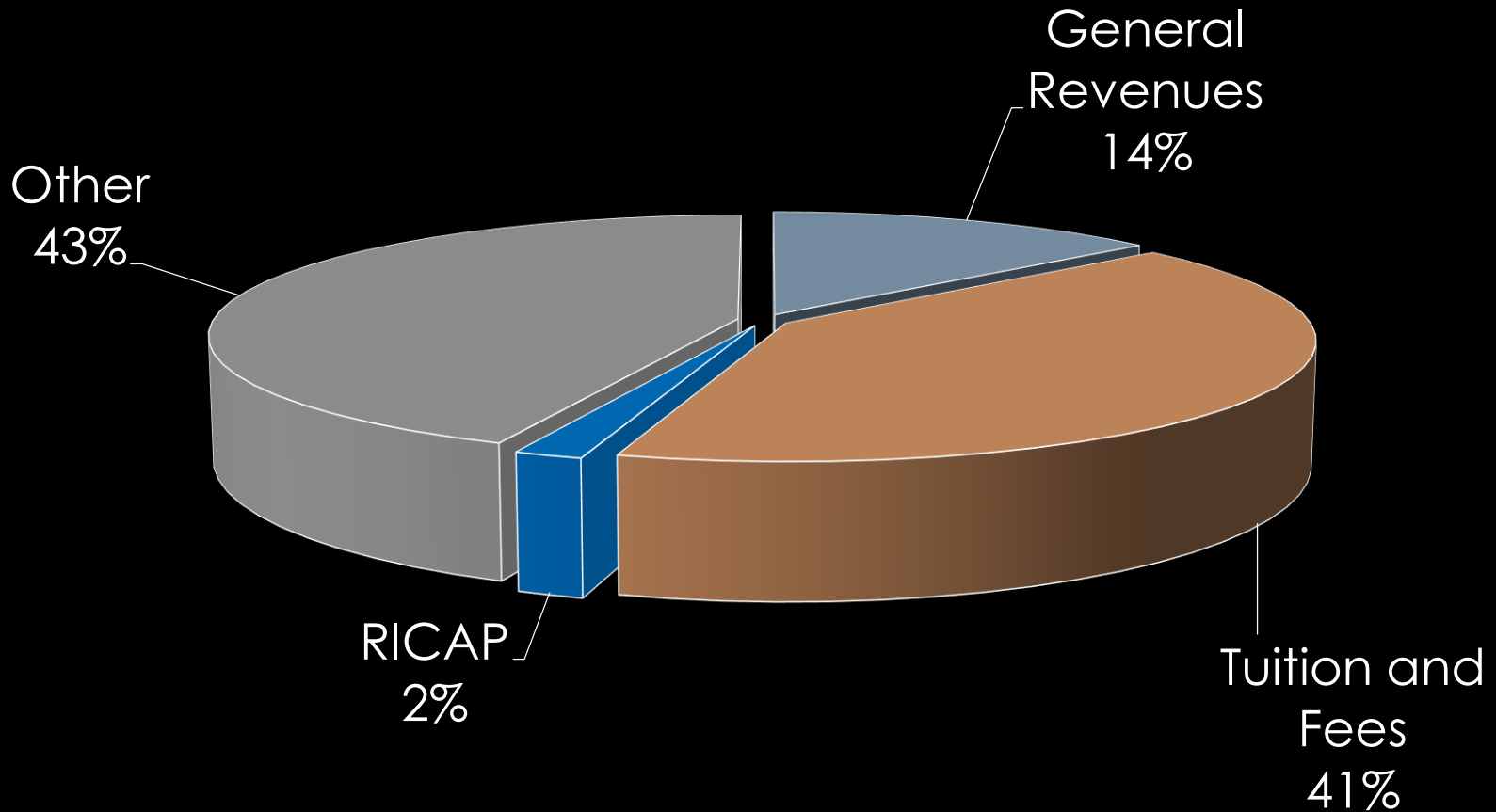
(In millions)	FY 2019 Enacted	FY 2020 Request	FY 2020 Governor	Gov. Chg. to Request
General Revenue	\$105.1	\$114.9	\$115.2	\$0.4*
Tuition and Fees	321.2	331.6	340.0	8.4
Other Unrestricted	34.4	38.0	38.0	-
Restricted	342.1	349.5	341.0	(8.5)
Total	\$802.8	\$834.0	\$834.2	\$0.2
FTE Authorization	1,932.2	1,946.2	1,670.0	(276.2)
Auxiliary Enterprises	-	-	440.0	440.0
Third Party Limited	622.8	622.8	445.0	(177.8)
Total	2,555.0	2,569.0	2,555.0	(14.0)

*\$6.7 million less than requested excluding debt service; Governor's budget assumes availability of \$8.4 million beyond current projections

URI Staffing

Position	FTE	Budget
Student Wellness	1.0	Unrestricted
Institutional Research	2.0	
Procurement	2.0	
NCAA Compliance	1.0	
Welcome Center	1.0	
Security Officer	1.0	
College of Engineering Complex	1.0	
Brookside Apartment Operations	5.0	Restricted
Total	14.0	

URI Sources of Funds



URI – Unrestricted Budget

Change to Enacted	Request	Governor	Difference
Current Year Revisions	\$5,873,114	\$11,412,039	\$5,538,925
New Positions (9.0 FTE)	888,521	888,521	-
New Grad. Teaching Assistants	481,753	481,753	-
Nursing Education Center	36,416	36,416	-
Online Education Expansion	-	1,800,000	1,800,000
Other Salaries & Benefits	9,131,651	9,425,754	294,103
Utilities	1,290,965	1,290,965	-
Debt Service	1,126,208	2,672,256	1,546,048
Student Aid	2,644,993	2,644,993	-
State Crime Lab	198,575	46,210	(152,365)
URI Foundation	995,550	995,550	-
Other Operations	1,042,836	751,609	(291,227)
Total	\$23,710,582	\$32,446,066	\$8,735,484

University of Rhode Island

- Current Year Revisions
 - General revenues are \$4.9 million more than enacted and requested
 - \$5.6 million more for general obligation bond debt service based on issuance for the College of Engineering Complex
 - \$0.4 million less for statewide benefit adjustments
 - Savings from non-general revenue sources not taken
 - \$0.3 million less for distribution of statewide turnover savings

University of Rhode Island

- New Student Wellness Position -1.0 FTE
 - \$0.1 million
 - New case manager
 - Provide intervention strategies, counseling services & promote mental health awareness
- Student wellness expanding to include after-hours call service
 - Available nights, weekends & holidays

University of Rhode Island

- New Institutional Research - 2.0 FTE
 - \$0.3 million
 - 1.0 data analyst & 1.0 director of institutional research
 - Provide leadership and increase productivity
 - Complies reports for accreditations, national surveys, common data sets and Integrated Postsecondary Education Data System (IPEDS)
 - Currently completed by 2.5 analysts

University of Rhode Island

- New Procurement Positions -2.0 FTE
 - \$0.2 million
 - 1.0 procurement specialist & 1.0 data clerk
 - Purchasing processes all purchase orders & maintains vendor registrations
 - Over 3,000 requisitions
 - Delegated purchasing authority of \$1.0 million
 - Currently has 9 staff members & contracted director

University of Rhode Island

- New Welcome Center position -1.0 FTE
 - \$0.1 million
 - New housekeeper
- 12,000 sq.ft. Center recently opened
 - Large presentation room
 - Multiple smaller classroom-like spaces
 - Small meeting rooms
 - Event space for conferences and meetings

University of Rhode Island

- New NCAA Compliance Position -1.0 FTE
 - \$0.1 million
 - Assist students in maintaining compliance with NCAA standards
- New Graduate Teaching Assistants
 - Part of a plan to add 10 assistants per year for 5 years
 - \$0.3 million for tuition waivers
 - \$0.2 million for stipends & benefits

University of Rhode Island

- Online Education Expansion - \$1.8 million
 - Current on-line courses limited to select nursing, dietetics, education, cyber security, digital forensics, digital literacy
 - Expands offerings over 3- year period
 - 11 new graduate programs
 - 4 new undergraduate programs
 - 8 new post-baccalaureate certificates
 - Programs identified by degree program market opportunity study completed in June 2018

University of Rhode Island

- Other Salaries and Benefits
 - \$261.4 million
 - \$9.4 million more than FY 2019
 - Current service adjustments consistent w/ settled contracts
 - Funding set aside for ongoing contract negotiations
- Debt Service
 - \$37.6 million
 - \$2.7 million more than FY 2019

URI Unrestricted Debt Service

	GO	RIHEBC	ESCO	Total
FY 2016	\$8.5	\$3.0	\$1.7	\$13.3
FY 2017	\$15.5	\$3.4	\$2.0	\$20.9
FY 2018	\$22.8	\$3.5	\$1.8	\$28.0
FY 2019	\$29.0	\$3.9	\$2.0	\$34.9
FY 2020	\$30.6	\$4.9	\$2.1	\$37.6

\$ in millions

- GO debt paid solely from general revenues
- RIHEBC debt paid from general revenues, tuition & fees
- ESCO – form of debt where energy savings are used to pay back capital investment
 - General revenues, tuition, fees

University of Rhode Island

- Student Aid – \$118.6 million
 - 2.5% more than FY 2019; 5.4% more than FY 2018
 - Estimated as 37.7% of tuition & fee revenue
- Crime Lab - \$1.3 million, 10.0 FTE
 - \$28,669 more than enacted
 - \$0.2 million less than requested
 - Funding for new equipment not included in recommendation

University of Rhode Island

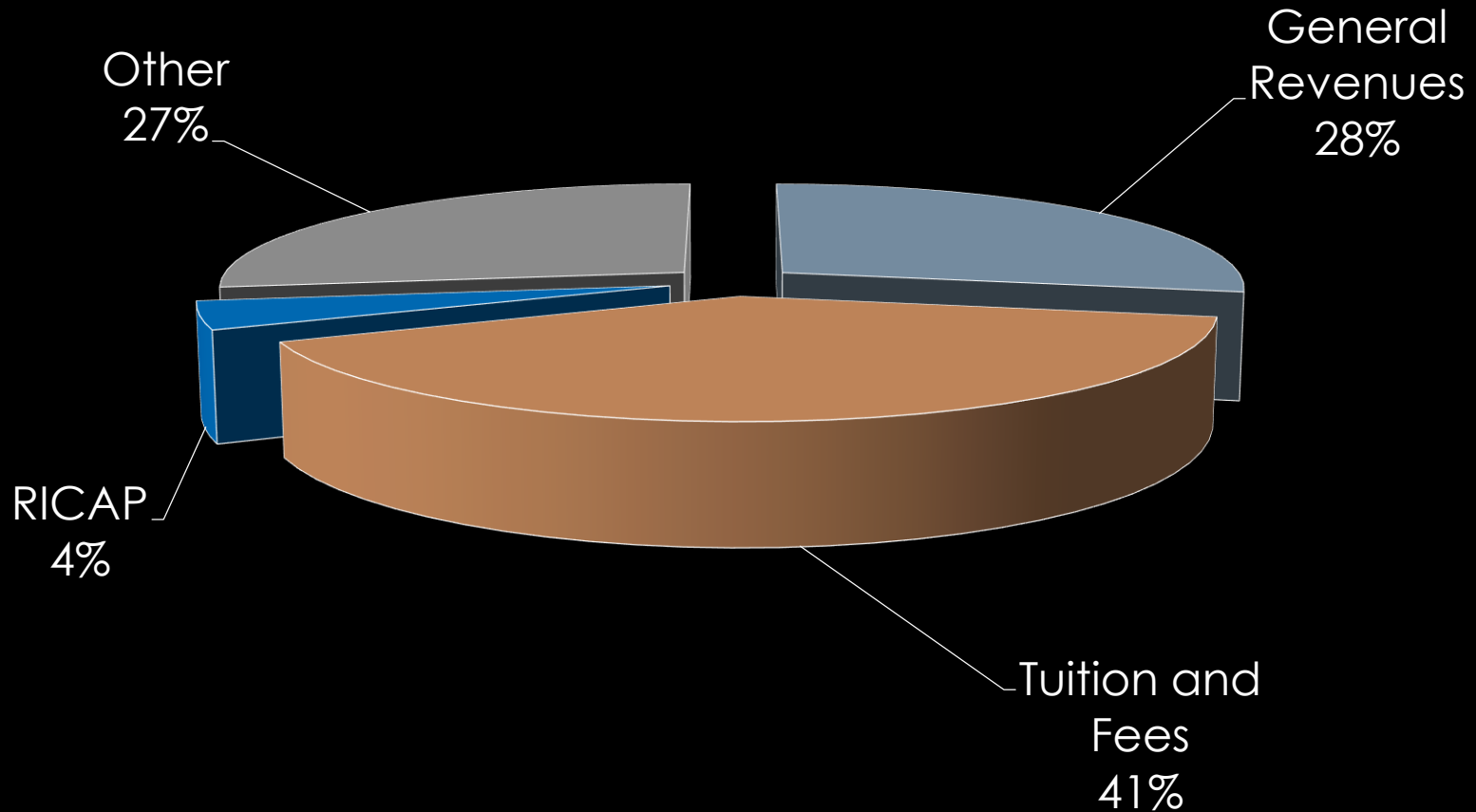
- Appropriations to community organizations identified in Article 1
 - \$350,000 to the Small Business Development Center
 - In order to leverage federal funding & support economic development
 - \$50,000 to Special Olympics Rhode Island
 - Provide athletic opportunities for individuals with intellectual & developmental disabilities
- Consistent with enacted budget

Rhode Island College

(In millions)	FY 2019 Enacted	FY 2020 Request	FY 2020 Governor	Gov. Chg. to Request
General Revenue	\$55.7	\$61.4	\$56.5	\$(4.9)*
Tuition and Fees	75.3	78.5	81.7	3.2
Other Unrestricted	8.1	9.6	9.6	-
Restricted	60.7	53.3	54.2	0.9
Total	\$199.9	\$202.8	\$202.0	\$(0.8)
FTE Authorized	873.2	873.2	873.2	-
Third Party Only	76.0	76.0	76.0	-
Total	949.2	949.2	949.2	-

*Excluding debt service, general revenues are \$3.2 million less than requested; Governor's budget assumes availability of \$3.2 million in revenues beyond current projections

RIC Sources of Funds



RIC - Unrestricted Budget

Change to Enacted	Request	Governor	Difference
Current Year Revisions	\$(2,405,188)	\$(2,405,188)	\$ -
Nursing Education Center	92,998	92,998	-
Salaries and Benefits	5,543,051	5,264,648	(278,403)
Student Aid	3,218,453	3,218,453	-
Degree Program Enhance.	1,321,929	1,321,929	-
Vehicles	105,000	105,000	-
Debt Service	1,422,465	(219,656)	(1,642,121)
Technology	600,000	600,000	-
Recruitment	293,500	293,500	-
Other Operations	130,000	408,403	278,403
Total	\$10,322,208	\$8,680,087	\$(1,642,121)

Rhode Island College

- Current Year Revisions
 - Governor's budget is \$0.5 million less than enacted & requested from general revenues
 - \$0.3 million less from statewide benefit savings
 - Savings from non-general revenue sources not taken
 - \$0.2 million less from statewide turnover savings

Rhode Island College

- Salaries and benefits - \$97.5 million
 - \$5.3 million more than revised allocation
 - Current service adjustments consistent w/ settled contracts
 - Funding set aside for ongoing contract negotiations
- Student Aid - \$18.7 million
 - \$3.2 million more than FY 2019 revised
 - Funding shifted to auxiliary fund balances to balance budget
 - \$0.2 million over FY 2019 enacted level

Rhode Island College

- Degree Program Enhancements - \$1.3 million
 - Supported through program fees
 - Shifting from out-of-pocket student costs
 - Fees are eligible for financial aid & allow for efficiencies w/ direct payment to vendors
- Updating & replacing technology
 - Education & Human Development
 - Social Work
 - Business
 - Nursing

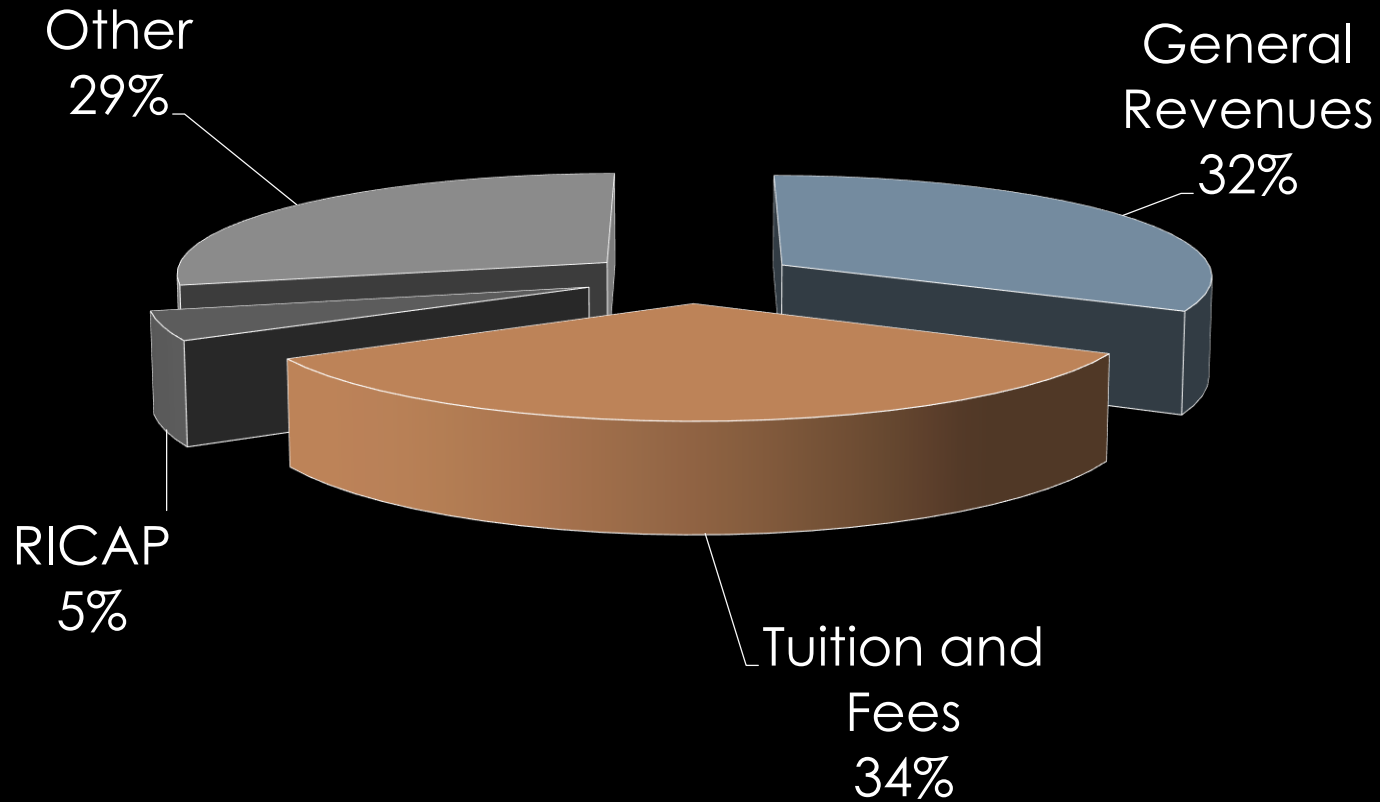
Rhode Island College

- Recruitment - \$0.3 million
 - Effort to rebrand to increase appeal and expand enrollments
 - Modifications to enrollment & application and mailing systems
- Technology - \$0.6 million
 - New client/customer relations system
 - Expansion of on-campus cloud based digital storage
 - Improvements to network accessibility

(In millions)	FY 2019 Enacted	FY 2020 Request	FY 2020 Governor	Gov. Chg. to Request
General Revenue	\$53.0	\$55.3	\$54.4	\$(1.0)*
Tuition and Fees	55.0	56.2	57.4	1.2
Other Unrestricted	5.6	6.2	6.2	-
Restricted	52.0	48.3	50.1	1.8
Total	\$165.6	\$166.1	\$168.2	\$2.0
FTE Authorized	765.1	765.1	765.1	-
Third Party Only	89.0	89.0	89.0	-
Total	854.1	854.1	854.1	-

*Excluding debt service, general revenues are \$1.0 million less than requested; Governor's budget assumes availability of \$1.2 million in revenues beyond current projections

CCRI Sources of Funds



CCRI - Unrestricted Budget

Change to Enacted	Request	Governor	Difference
Current Year Revisions	\$(564,642)	\$(564,642)	\$ -
Rhode Island Promise	-	-	-
Student Aid	195,966	195,966	-
Debt Service	1,437	(4,563)	(6,000)
Salaries and Benefits	3,532,746	3,762,576	229,830
SNAP Scholarship	-	235,000	235,000
Other Operations	1,043,974	814,144	(229,830)
Total	\$4,209,481	\$4,438,481	\$229,000

- Current Year Revisions
 - Governor's budget is \$0.5 million less than enacted & requested from general revenues
 - \$0.3 million less from statewide benefit savings
 - Savings from non-general revenue sources not taken
 - \$0.2 million less from statewide turnover savings

CCRI

- SNAP Scholarship - \$0.2 million from general revenues
 - New scholarship/work study opportunities for SNAP eligible adults
 - Transportation
 - Course materials
 - Intent is for state money to be matched by federal funds
 - Through the Supplemental Nutrition Assistance Program's Employment & Training Program

CCRI

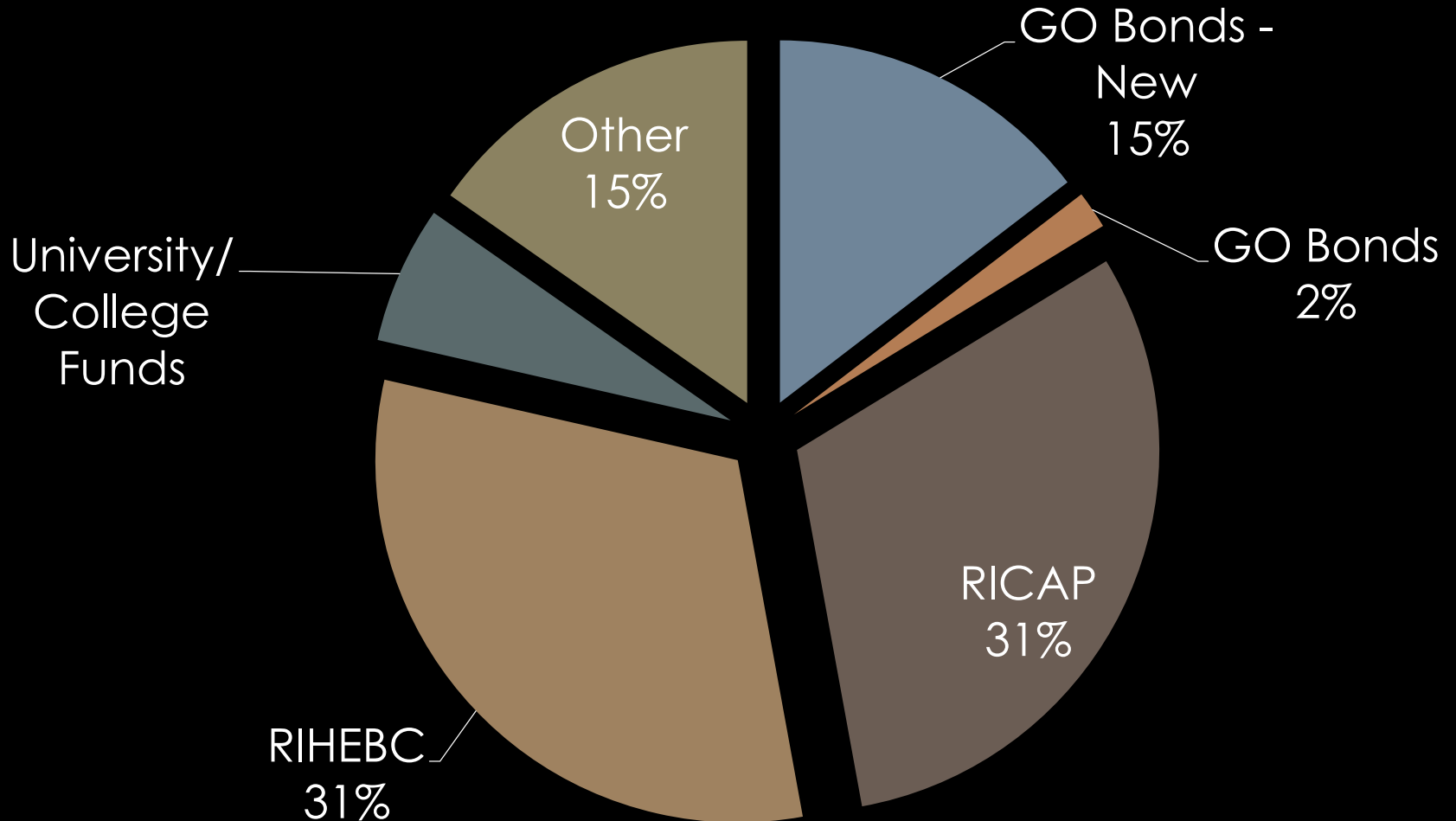
- Salaries and Benefits - \$91.9 million
 - \$3.8 million more than FY 2019
 - Current service adjustments
 - Funding set aside pending successful contract negotiations
- Student Aid -\$4.1 million
 - \$0.2 million more than FY 2019
 - \$0.2 million or 6.4% more than FY 2018

FY 2020 - FY 2024

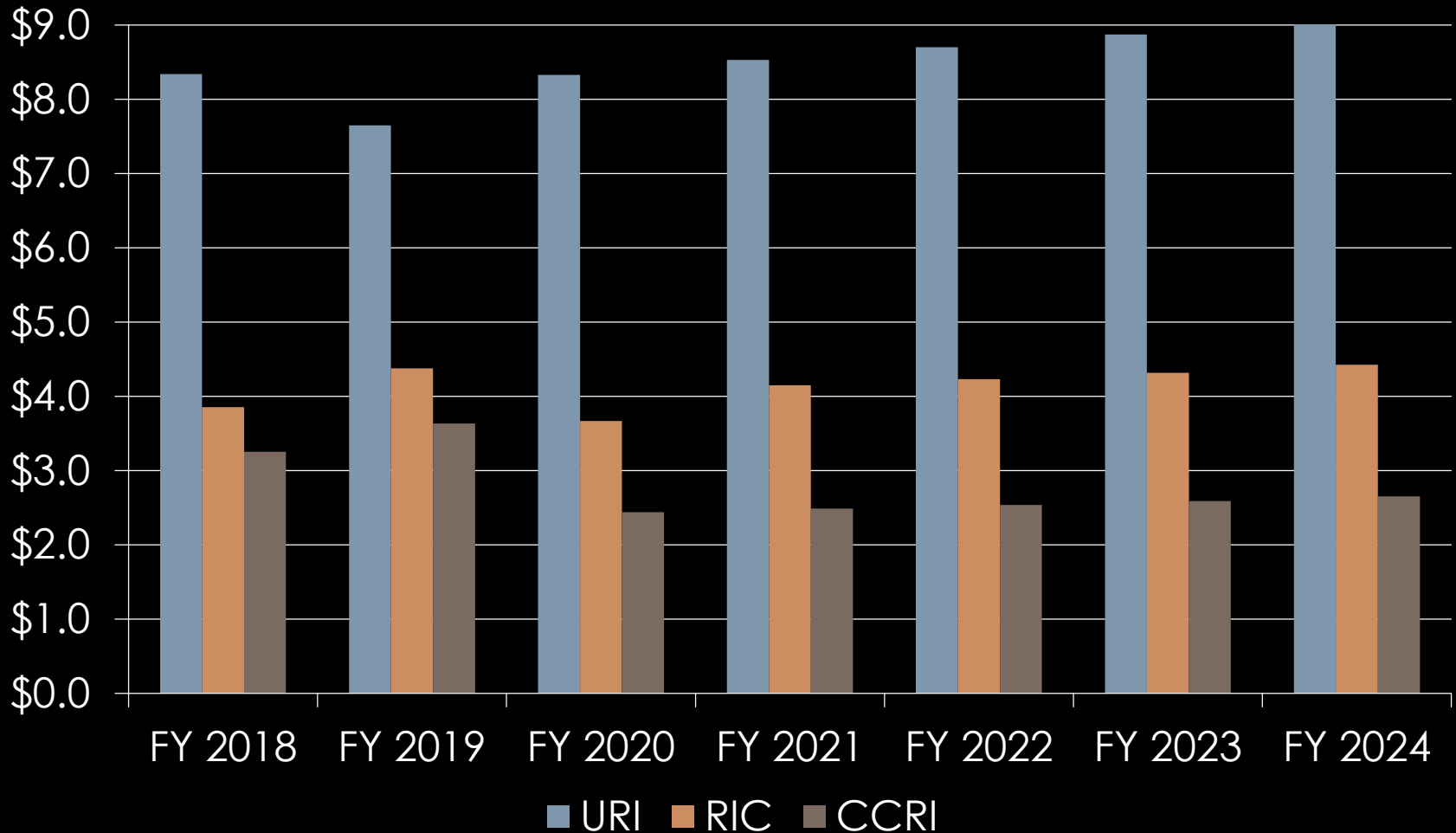
Capital Budget

- \$445.4 million of new & ongoing projects
- Plus dozens of asset protection projects at each institution
- Campuses contain majority of state's physical property

FY 2020 - FY 2024 Capital Budget



Asset Protection by Fiscal Year



FY 2020 - FY 2024

Capital Budget

Excluding Asset Protection	OPC	URI	RIC	CCRI	Total
New Projects	1	5	2	3	11
Approved Projects	2	27	4	4	37
Total Projects	3	32	6	7	48
Cost (In millions)	\$2.3	\$235.2	\$93.9	\$36.9	\$368.3

New Projects of Note

- CCRI: Data, Cabling & Power Infrastructure - \$15.0 million
 - \$13.7 million from RICAP beginning in FY 2020
 - \$1.3 million from College funds
 - Assessment, design, & construction of a new data cabling & power infrastructure across all 4 campuses
 - Timing of project was changed since budget submission because budget overstated available resources from RICAP funds

New Projects of Note

- CCRI: Master Plan - \$0.6 million
 - From College funds
 - Master facility plan to shape future space and facility decisions
- URI: Meade Stadium - \$1.4 million
 - From private funds and URI auxiliary balances
 - Renovation and revitalization
 - Installation of synthetic turf and stadium lighting to increase & diversify stadium utilization

Article 6 - Debt Management Act Joint Resolution

Project	Amount	Annual Debt	Source – Terms
<i>URI Revenue Bonds</i>			
Memorial Union	\$51.5	\$3.7	Fees, retail leases – 30 yrs., 6%
Fraternity Circle	2.1	0.2	General Revenues, tuition, fees – 20 yrs. 6%
Health & Counseling Center	26.9	2.0	Fees - 30 yrs., 6%
URI Total	\$80.5	\$5.9	

\$ in millions

Heard in Committee on March 5

Article 6, Section 2

- URI Memorial Union
 - Authorizes borrowing \$51.5 million
 - Part of a new \$62.5 million project
 - Renovate and expand the student union
 - Bring up to current code
 - Enhance event and collaborative spaces

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Revenue Bonds	\$ -	\$3.9	\$17.3	\$24.0	\$6.3	\$51.5
University Funds	3.5	7.5	-	-	-	\$11.0
Total	\$3.5	\$11.4	\$17.3	\$24.0	\$6.3	\$62.5

\$ in millions

Article 6, Section 2

- Annual debt service of \$3.7 million
 - Total cost of \$112.3 million
 - Assumes 30 years and 6% interest
 - Supported by student union fees & retail leases for vendors occupying the space
 - Assumes new leases would also help defray cost of new debt
 - Specific information on assumptions not provided

Article 6, Section 2

- URI Memorial Union
 - Built in 1953, with additions in 1963 & 1991
 - Home to over 180 student groups
 - Retail space is occupied by Dunkin Donuts, RI Credit Union, Total Image Hair Salon, the Campus Store and an optometrist
 - Auxiliary Enterprise – RIGL 16-59-9 requires auxiliary operations to be self-supporting
 - Operating budget of \$5.6 million for FY 2020 and a staff of 32.2 FTEs

Article 6, Section 2

Memorial Union	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$5.5	\$5.7	\$5.4	\$5.6
Personnel	\$3.3	\$3.4	\$3.6	\$3.7
Operating	\$1.4	\$1.5	\$1.4	\$1.5
Debt Service	\$0.3	\$0.3	\$0.3	\$0.3
Expenses	\$5.0	\$5.2	\$5.3	\$5.5
Operating Balance	\$0.5	\$0.5	\$0.1	\$0.1
Debt Service as % of Expenses	6.4%	5.4%	6.1%	5.6%

\$ in millions

Article 6, Section 2

- URI Memorial Union
 - Supported primarily by student fees and retail leases
 - Total FY 2020 revenues of \$5.6 million
 - FY 2020 budget assumes \$350 student fee
 - Up \$12 from FY 2019
 - Every \$10 increase equates to ~ \$130,000 in revenue

Revenues	FY 2019	FY 2020
Student Fees	\$4.5	\$4.6
Leases/Other	0.9	0.9
Total	\$5.4	\$5.6

\$ in millions

Article 6, Sections 2

- Issues
 - How will debt service costs be covered?
 - How much would come from fees?
 - Current fee yield suggests an increase of \$285 or 81% if there are no other revenues assumed
 - What info does RIHEBC require regarding this?
 - What other revenues are assumed?
 - How many new leases?
 - What are operating costs for new building?
 - Assumes \$11.0 million from auxiliary funds
 - Are balances sufficient for schedule presented?

Article 6, Section 3

- URI Fraternity Circle Master Plan Implementation
 - Authorizes borrowing \$2.1 million
 - Improvements to fraternity & sorority houses
 - Walkways; site lighting; recreational amenities
 - Annual debt service of \$0.2 million
 - Total cost of \$3.7 million
 - Assumes 20 years and 6% interest
 - Supported by general revenues, tuition & fees
 - 2nd phase of improvements to Fraternity Circle

Article 6, Section 3

- First phase authorized by 2015 Assembly
 - Utilities, storm water mgmt. systems, street/parking lot improvements
 - \$5.4 million from revenue bonds supported by general revenues, tuition & fees
 - Annual debt service of \$0.4 million
 - Final terms were 20 years and 2.6% interest
 - Planned completion in FY 2020

Article 6, Section 3

- URI is planning a new fee for fraternities & sororities with houses on campus
 - Difference would be from general revenues, tuition & fees
 - At least 16 houses would be assessed
 - Suggests need for approx. \$10,000 assessment
 - Could be lower if debt service is lower or if fee is spread among more entities

Article 6, Section 4

- URI Combined Health & Counseling Center
 - Authorizes borrowing \$26.9 million
 - Part of a \$32.9 million project
 - Construct new 49,000 sq. ft. centralized location for physical, mental, & emotional health

	FY 2019	FY 2020	FY 2021	Total
Revenue Bonds	\$-	\$7.8	\$19.1	\$26.9
University Funds	2.2	3.8	-	\$6.0
Total	\$2.2	\$11.7	\$19.1	\$32.9

\$ in millions

Article 6, Section 4

- Annual debt service of \$2.0 million
 - Total cost of \$58.7 million
 - Assumes 30 years and 6% interest
 - To be paid from student fees and billings to insurances
 - FY 2020 budget assumes \$542 student health fee
 - Up \$18 from FY 2019
 - Every \$10 increase equates to ~ \$130,000 in revenue

Health Services Revenue	FY 2019	FY 2020
Student Fees	\$6.9	\$7.1
Insurance Billing	1.2	1.8
Other	0.2	0.2
Total	\$8.2	\$9.1

\$ in millions

Article 6, Section 4

- University Health Services
 - Currently in Potter Building
 - Primary care, emergency services, health education and wellness programs
- Counseling Center
 - Currently in Roosevelt Hall
 - Emergency & referral services, group counseling and outreach

Article 6, Section 4

- Both operations have staffing & medical record responsibilities
 - Operating budget of \$9.1 million for FY 2020 with a staff of 51.3 FTE
- Efficiencies across operations expected
 - Anticipated completion in FY 2021
- Value of these efficiencies not known
 - Will this help defray debt service?

Article 6, Section 4

Health & Counseling	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$8.2	\$8.8	\$8.2	\$9.1
Personnel	\$6.0	\$6.0	\$6.5	\$6.6
Operations	\$1.4	\$1.3	\$1.6	\$1.7
Debt Service	\$0.1	\$0.1	\$0.1	\$0.8
Expenses	\$7.4	\$7.4	\$8.2	\$9.1
Operating Balance	\$0.7	\$1.4	-	-
Debt Service as % of Expenses	1.4%	1.5%	1.2%	8.8%

\$ in millions

Article 6, Sections 4

■ Issues

- How will debt service costs be covered?
 - How much would come from fees?
 - Current fee yield suggests an increase of \$154 or 28%
- Are other revenues assumed?
 - What info does RIHEBC require regarding this?
- What are operating costs for new building?
- Assumes \$6.0 million from pay-go aux sources
 - Are balances sufficient for schedule presented?

Article 6, Sections 2-4

URI Aux Debt Service	Dorms	Ryan/ Boss	Dining	Parking	Other	Total
FY 2014	\$10.9	\$2.8	\$1.1	\$1.0	\$0.6	\$16.4
FY 2015	\$10.6	\$2.8	\$1.1	\$0.9	\$1.4	\$16.8
FY 2016	\$10.6	\$2.8	\$1.1	\$0.9	\$1.4	\$16.8
FY 2017	\$10.8	\$2.7	\$1.1	\$0.9	\$1.2	\$16.7
FY 2018	\$7.9	\$2.0	\$0.8	\$0.9	\$1.0	\$12.6
FY 2019	\$9.6	\$2.4	\$1.0	\$1.1	\$1.1	\$15.1
FY 2020	\$12.9	\$2.4	\$1.1	\$1.1	\$1.7	\$19.2

\$ in millions

Public Higher Education

FY 2019 Revised and
FY 2020 Budgets, Capital Budget
Staff Presentation
April 10, 2019