



RHODE ISLAND COLLEGE

Finance Town Halls



November 21 & December 2



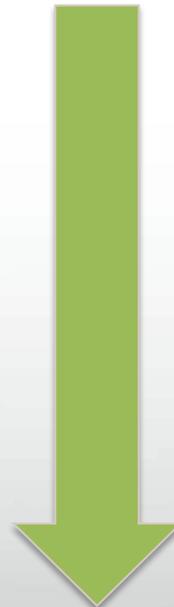
Overview

- Rhode Island College (RIC) is a component unit of the State of RI and under the aegis of the RI Council on Postsecondary Education and the RI Board of Education
- The college's fiscal year runs July 1st through June 30th. The title of the fiscal year (FY) is based on the June calendar year (i.e. FY 2020 is the fiscal year that runs July 1, 2019 through June 30, 2020 and would be academic year 19/20)
- The college has a centralized budget management system with the Budget Office annually allocating budgets to departments, which are then managed by their respective department managers
 - (i.e. Chairs, Deans, Directors, Assistant Vice Presidents, Vice Presidents, etc.)
- Departments submit budget requests annually every spring to their respective Dean, Assistant Vice President, and Vice President. This process includes a meeting with the Budget Office to review current year issues and potential requests for the coming year(s)
- Vice Presidents review these requests, which may be submitted to the President for review. The President reviews and approves/rejects with input from the Cabinet to be included in the college's request submitted to the RI Council on Postsecondary Education in August or September



Overview of Budget Development Process

Order	Governing Body	Capital Improvement Plan (5-Year Plan)	Annual Operating Budget
1	Rhode Island College (RIC)	May-June RIC Submits Request to Council	August-September (Approx.) RIC Submits Request to Council
2	RI Council on Postsecondary Education	October Council Recommends to Board	
3	RI Board of Education	November Board Recommends to Governor	
4	Governor of RI	January Governor Recommends to General Assembly	
5	RI General Assembly	June Enacts Annual Appropriations Bill (Capital & Operating Budget)	
6	Governor of RI	July Signs Annual Appropriations Bill into Law for Fiscal Year Beginning July 1st	





Operating Budget vs. Capital Budget

- Annual Operating Budget: general operations of the college funded by tuition and fee revenues and State of Rhode Island general revenues
 - This includes academic departments and administrative support
 - Based on Government Auditing Standards from GASB (Government Accounting Standards Board) funds cannot carry-forward to following fiscal year
- Capital Improvement Plan (or known as the Capital Budget): large construction, renovation, and asset protection-type projects over \$50,000 (as defined by the State of RI)
 - Funded by bonds, RICAP (RI Capital Funds from State of RI), and auxiliary enterprise funds
 - Funds can only be used for capital projects, but can carry-forward to following fiscal year



Biology Department
(Annual Operating Budget)



Gaige Hall Renovation
(Capital Budget)



Operating Budget Terms

Operating Budget Term	Explanation
General Education Fund	Also known as the "General Fund," which supports the general academic mission of the college and is funded through tuition and fee revenue and State of RI General Revenue
Tuition and Fee Revenue	Funds raised through assessment of tuition and fees on enrolled students that support the cost of education and general education fund
State of RI General Revenue	Funds appropriated to RIC by the State of RI on annual basis that support the general education fund. These funds are generated by RI taxpayers
Appropriation	An annual allocation of funds by the State of RI enacted by the General Assembly and Governor
Auxiliary Enterprise Fund(s)	Auxiliary operations to academic mission, which includes Residential Life, Dining, and Student Union. These operations are self-sufficient with revenues generated by student fees

Operating Budget Term	Explanation
Sponsored & Research Funds	Funds raised through grants and programming by outside third-party organizations, which could include other state agencies or the federal government
FTE	"Full-Time Equivalent" position
FTE Authorization	RI General Assembly limits the number of FTE positions that each state agency can have on its payroll at any given time. This authorization is annually approved as part of the budget process
PeopleSoft (PS)	PeopleSoft - Shared Financial System, the RIC accounting system
Agency Account	A separate account created for the purposes of holding funds for programs related to college operations, but not part of ongoing operations; funds not allowed to carry-forward



FY 2020 Operating Budget

FY20 Budget Distribution by Fund

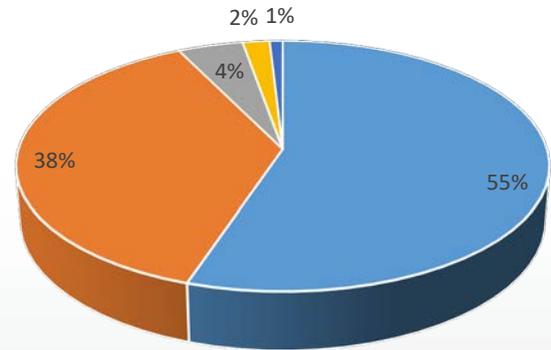
Fund	Amount	% of Total
General Education Fund		
Unrestricted	\$ 137,714,000	70%
Auxiliaries		
Henry Barnard School Fund	\$ 4,265,000	2%
Residential Life	\$ 6,904,000	4%
Donovan Dining	\$ 7,823,000	4%
Student Union	\$ 2,323,000	1%
Other Funds		
Research & Sponsored	\$ 10,921,000	6%
External Student Aid	\$ 14,931,000	8%
RICAP	\$ 12,203,000	6%
Total	\$ 197,084,000	100%





FY 2020 Operating Budget – General Education Fund

Sources of Revenue		
General Education Fund	FY 2020 Revised Budget	% of Total
Revenue		
Tuition and Fees	\$ 75,897,000	55%
State Appropriation	\$ 51,840,000	38%
State GO Bond Appropriation	\$ 6,181,000	4%
Indirect Recovery (Auxiliary & Grants)	\$ 2,563,000	2%
Sales, Service, Miscellaneous	\$ 1,233,000	1%
Total - Revenues	\$ 137,714,000	100%





Capital Budget Terms

Capital Budget Term	Explanation
RICAP	Rhode Island Capital Plan Fund (RICAP) funding is directed towards improvements & renovations to buildings.
RICAP Asset Protection	ASSET PROTECTION involves major renovations or improvements to existing facilities that will extend the useful life and/or add value to the asset by at least ten years; generally at a total cost in excess of \$50,000.
RICAP Infrastructure Modernization	The Infrastructure Modernization project is addressing campus-wide issues relating to basic heat, lighting, cooling, and delivery of critical utility systems.
General Obligation Bond	G.O. Bond - General obligation bonds issued by states are generally based upon appropriations made by the state legislature for the purposes specified secured by a pledge of the issuer's ad valorem taxing power.
COPS	Certificates of Participation (COPS)- is funded by borrowing, COPS projects normally lead to increased revenues or operational savings.



FY 2021 – FY 2025 Capital Improvement Plan

Total Capital Project Funds

<i>Rhode Island Capital Fund</i>	<i>FY 2020 Revised</i>
<i>Adams Library Swing Space (Phase I Renovations)</i>	\$ 1,603,000
<i>Infrastructure Modernization</i>	\$ 4,866,000
<i>Asset Protection</i>	\$ 5,434,000
<i>Feasibility Study: Renovation of HBS, East Campus, and Adams Library</i>	\$ 300,000
<i>RI Capital Fund Total: This is included in Operating Budget</i>	\$ 12,203,000
<i>Other Capital Funds</i>	<i>Multiple FYs</i>
<i>Certificates of Participation (COPS)</i>	\$ 7,500,000
<i>2018 General Obligation Bond</i>	\$ 25,000,000
<i>2020 General Obligation Bond *Placeholder estimate*</i>	\$ 95,000,000

RIC Infrastructure Modernization – includes Sanitary Sewer Improvements, Campus Drainage Upgrade, IT Fiber network improvement, security camera replacement, HBS/College Road Electronic Sign, Deaerating Tank - Emergency Repairs/Boiler, Elevator Control Replacement, and Design Services for Central Falls.

RIC Asset Protection – The funding is been used for Clarke Science Chemistry Labs, Roof replacement, HVAC Improvements, Network, server, and storage upgrades- IT Data Centers Asset, Pool Renovation & Murray Center - Paint & Carpet, Emergency Equipment, Modular Trailer Rental, Sapinsley Hall & Building No. 6- Fire Alarm Upgrades, to mention a few.

RIC Modernization/Renovation of Academic Buildings, Phase III (Feasibility Studies) –to finance a feasibility study of proposed renovations of the Henry Barnard School building, East Campus and Adams Library.

RIC Horace Mann Hall Renovations – 2018 GO Bond Referendum to finance the renovation of Horace Mann Hall.

Science and Technology Buildings /Modernization – Rhode Island College is requesting a \$95.0 million (**placeholder estimate**) general obligation bond via voter referendum on the November 2020 ballot to complete major renovations and /or new construction for its science and technology programs.



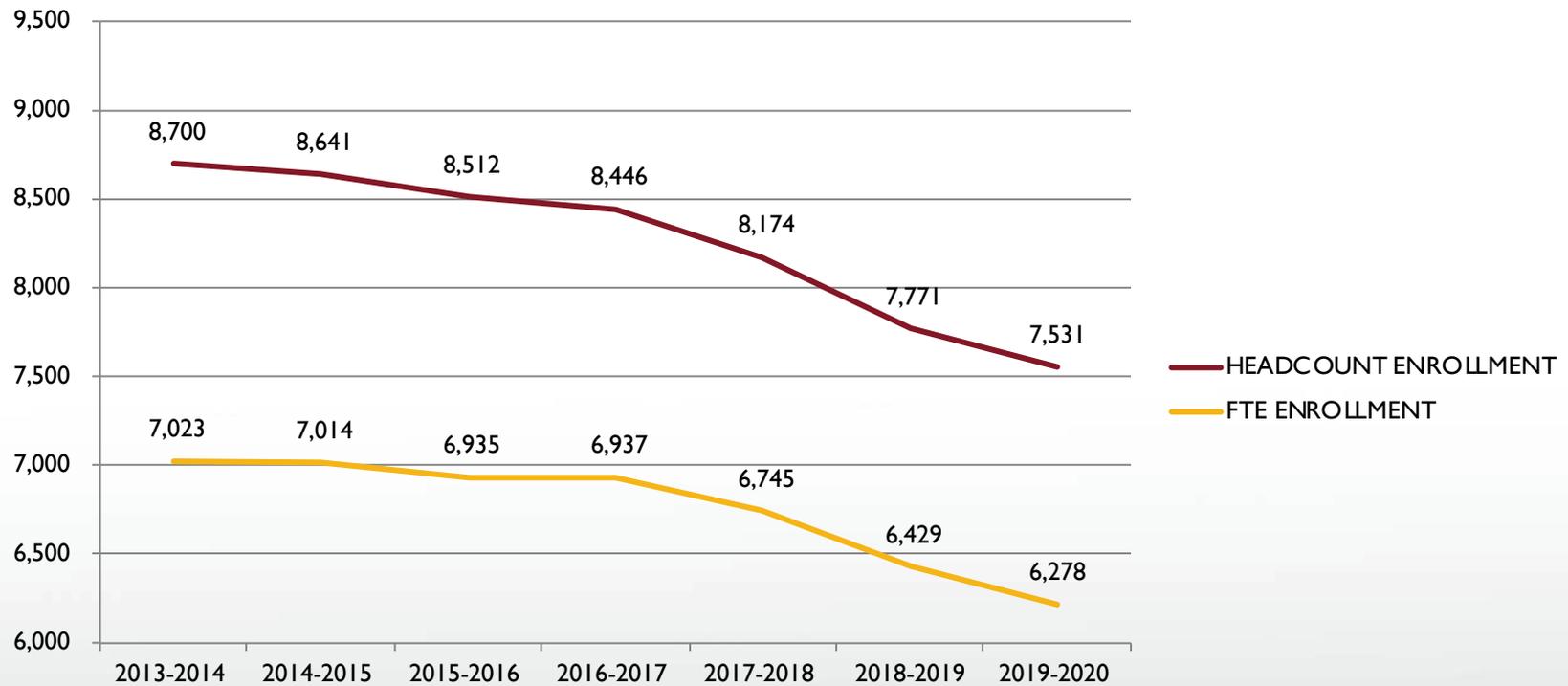
Review of FY 2020 Revised Unrestricted Budget General Education Fund

- Projected current year (FY 2020) \$5.7 million deficit with general education fund vs. FY 2020 enacted budget; key reasons:
 - Fall 2019 enrollment projected 263 fewer students than estimated in the enacted budget (7,817 projected versus 7,554 revised)
 - FY 2020 enacted budget included increased state appropriation to \$51.8 million, but was \$1.7 million less than requested (\$53.5 million) and assumed by Council
 - Governor's Recommended FY 2020 Budget assumed additional 3% enrollment retention increase (\$1.2 million) from RI Promise at RIC and included savings (\$1.5 million) from Early Retirement Program that will not be achievable (not executed)



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RIC Enrollments FY 2014 - FY 2020 (Projected)



Source: RIC Budget Office & Institutional Research Office



Review of FY 2020 Revised Unrestricted Budget General Education Fund

Rhode Island College General Education Fund	FY 2020 Budget Impact vs. Request
Projected FY 2020 Deficit vs. Request	\$ (5,785,813)
Preliminary Adjustments	
Revenue Adjustments	\$ 100,000
Personnel Adjustments	\$ 1,325,000
Operating Adjustments	\$ 483,500
Financial Aid Adjustments	\$ 1,450,000
Vice President Target Adjustments (2.5%)	
Academic Affairs	\$ 1,544,374
Administration and Finance	\$ 826,953
Student Success	\$ 323,323
Advancement and College Relations	\$ 69,152
President	\$ 161,942
Final Reconciliation Items	\$ (498,431)
Total FY 2020 Adjustments	\$ 5,785,813



Summary of FY 2021 Budget Request

- FY 2021 request highlights:
 - Of 28.0 positions held vacant in FY 2020, we will re-purpose 12.0 aligning with strategic priorities; funding eliminated for the remaining 16.0 positions
 - Invests in new and continuing strategic initiatives, including Professional Advising, key infrastructure for Information Technology, and financial aid
- Proposed in-state tuition and fee rate of \$10,260 annually, which is a \$681 increase (7.5%) over FY 2020. This will generate approx. \$5.0 million gross revenue. Even with this increase, RIC would still have one of the the lowest and most affordable in-state tuition among all its New England and regional peers
- The request includes an increase in state appropriation of \$5.0 million over FY 2020 (not including GO bond debt service)



Rhode Island College Tuition vs. Regional Peers

FY 2021 Proposed Rhode Island College		In-State	Non-Resident	Northeast Neighbors	
2020-2021 (FY 2021) Tuition and Fees - Proposed		\$ 10,260	\$ 24,735	\$ 14,677	
2019-2020 (FY 2020) Tuition and Fees - Approved		\$ 9,578	\$ 23,043	\$ 13,688	
Variance FY 2021 vs. FY 2020		\$ 682	\$ 1,692	\$ 989	
FY 2020 Approved Tuition and Fee Rates		State	In-State	Non-Resident	New England Regional Rate
Plymouth State University		NH	\$ 14,440	\$ 23,330	\$ 20,330
University of Massachusetts-Dartmouth		MA	\$ 14,358	\$ 30,103	\$ 19,506
Eastern Connecticut State University		CT	\$ 11,846	\$ 24,806	\$ 14,138
Southern Connecticut State University		CT	\$ 11,446	\$ 24,406	\$ 13,738
Salem State University		MA	\$ 11,284	\$ 18,065	\$ 12,380
Framingham State University		MA	\$ 11,100	\$ 17,180	\$ 11,585
Central Connecticut State University		CT	\$ 11,028	\$ 23,988	\$ 13,320
Westfield State University		MA	\$ 10,849	\$ 16,929	\$ 11,334
Bridgewater State University		MA	\$ 10,732	\$ 16,872	\$ -
Fitchburg State University		MA	\$ 10,505	\$ 16,585	\$ 10,990
Worcester State University		MA	\$ 10,161	\$ 16,241	\$ 10,646
University of Southern Maine		ME	\$ 9,850	\$ 23,590	\$ 15,340
Rhode Island College		RI	\$ 9,578	\$ 23,043	\$ 13,688
<i>*Tuition and Fees for Full-time Undergraduate Students</i>					



FY 2021 Budget Request Summary (Unrestricted) Revenues

Revenue	FY 18 Actual	FY 19 Actual	FY20 Revised	FY 21 Request	FY 21 over FY 20	% Change
Tuition & Fees	\$72.7	\$70.9	\$75.9	\$80.9	\$5.0	6.6%
State Approp.	\$47.9	\$48.8	\$51.8	\$56.8	\$5.0	9.6%
Sales and Service, Indirect, Transfers, Misc.	\$3.6	\$5.0	\$3.8	\$3.2	(\$0.6)	(15.8)%
G.O. Debt	\$6.2	\$6.4	\$6.2	\$6.2	-	-
Total	\$130.4	\$131.1	\$137.7	\$147.1	\$9.4	6.9%

* Figures in millions



FY 2021 Budget Request Summary (Unrestricted) Expenditures

Expenditures	FY 18 Actual	FY 19 Actual	FY 20 Revised	FY 21 Request	FY 21 over FY 20	% Change
Personnel	\$89.3	\$89.8	\$93.9	\$99.8	\$5.9	6.3%
Operating	\$14.1	\$14.4	\$16.0	\$17.9	\$1.9	11.9%
Utilities	\$2.9	\$3.0	\$3.1	\$3.1	\$0.1	2.5%
Student Aid	\$16.6	\$16.1	\$17.0	\$18.6	\$1.5	9.0%
Debt Service	\$7.7	\$7.9	\$7.7	\$7.7	\$0.0	0.2%
Total	\$130.6	\$131.2	\$137.7	\$147.1	\$9.4	6.9%

* Figures in millions



FY 2021 Fixed Costs and Commitments

Item	Budget	Notes
Faculty Salary Adjustment – Year 2 of 3	\$2,750,000	Per AFT Contract
Cost-of-Living-Adjustment (COLA)	\$1,667,984	Per Union Contracts
Fringe Benefit Cost Increases	\$206,457	Healthcare, ESRI costs
Utilities, Debt Service, Insurance, NEC	\$282,329	Projected per contract/agreements
Operating Commitments	\$352,500	IT infrastructure and contracts
Institutional Financial Aid	\$475,000	Offset tuition increase
Total	\$5,734,270	



FY 2021 New Investments

Item	Budget	Notes
Re-purpose 12.0 of 28.0 vacancies	\$1,200,000	Remaining 16.0 not restored
Institutional Financial Aid	\$250,000	Right-size packaging for \$0 EFC
Student Success – Recruitment	\$300,000	Enrollment management needs
Advancement – Branding & Tools	\$271,100	Website overhaul, marketing tools
Admin. & Finance – IT & Training	\$405,000	Police training, IT infrastructure
Community, Equity, Diversity	\$43,758	Interpreter costs; data mgt. coordin.
Academic Equipment Replacement	\$25,000	Establish annual program
Total	\$2,494,858	



2021-2025 Capital Improvement Plan Request

- School of Education and Human Development (Horace Mann Hall) Renovation \$25.0 million from November 2018 general obligation bond underway. Construction commences Spring 2020 with completion in Spring 2022
- Requesting \$95.0 million for November 2020 ballot for Science & Technology Building/Modernization
 - Clarke Science & Fogarty Hall house science programs; buildings have significant deferred maintenance
 - Request aligns with RIC's future in life science, physical science, and technology degree programs to support RI economy
 - \$95.0 m is a placeholder estimate until feasibility study is completed in Fall 2019. Estimate based on sq. ft. cost for science/lab type facility



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Thank You
and
Questions?

