



COMMUNITY COLLEGE
OF RHODE ISLAND

Office of the President

October 24, 2018

To: Brenda Dann-Messier, Commissioner for Higher Education

From: Meghan Hughes, President, Community College of Rhode Island

RE: Transmittal of FY20 Budget Request

UNRESTRICTED FY'20 REQUEST

To arrive at the current service level (CSL) needs of the Community College for FY20, investments made to achieve the strong performance gains over the last two and half years must be considered. Important performance indicators including improved year-to-year student retention, increased credit hour accumulation and higher pass rates for gateway courses document that CCRI is dramatically improving.

In fact, CCRI is on track to double our 2-year graduation rate in May of 2019 and nearly double our 3-year rate the following spring. With these achievements, CCRI will have the highest three-year graduation rate of any New England community college.

These milestones have required strategic investment to strengthen personnel and technological support in key areas of the college focusing on admissions and retention, support of the RI Promise initiative, academic program review and assessment, as well as data analytics to evaluate performance and determine where improvement and reallocation of resources is required.

A summation of CCRI's unrestricted 2020 expenditure needs breaks down as follows:

Cost of Living Allowance (COLA's):

- | | | | |
|------------------------------------|--------|--------------|--------|
| • State Employee Contracts | \$300K | | |
| • Board Employee Negotiations | \$1.5M | | |
| • Faculty Overload & Adjunct Union | \$600K | Total COLA = | \$2.4M |

Knight Campus

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Personnel Savings:

- Fringe Benefit rate changes (\$485K)
- Retirement Incentive net savings (\$850K) Total Savings = (\$1.3M)

Annualized Personnel Investments:

- Academic Affairs \$400K
- Business Affairs & Technology \$900K
- Student Services \$500K
- Workforce Partnerships \$250K
- Steps, Longevity, New Hires \$200K Total Investment = \$2.2M

Operating Budget Increase \$400K

Scholarships & Student Aid \$200K

Technology Investment \$890K Total New Expenses = \$4.8M

This \$4.8M increase reflects a 4.2% increase over the 19 Allocation base – a base which includes only a \$1M increase in state appropriated funding and no increase in tuition or fee rates.

The State Budget Office has calculated that the state’s roughly 50% proportionate share of the college’s current service level needs for FY20 would be \$1.5M. With the success of the RI Promise program and student retention initiatives, the college anticipates a growth in enrollment of 158 headcount students or an 84 FTE student equivalent. This growth generates \$600K in new tuition and fee revenues. These combined new revenues of \$2.1M would leave the college short of our total current service level by \$2.7M. CCRI proposes that this gap be resolved as follows:

- 3% Increase in Tuition and Fees \$1.6M
- Increased Workforce Program Fees \$.2M
- Additional State Monies \$.87M Total New Revenue = \$2.7M

Generating \$1.6M in new revenues, a 3% increase in tuition and fees results in an additional \$136 per year for a full-time, in-state student. At an annual total of \$4,700, CCRI would still be in the middle of our New England peers and nearly \$1,500 less than the new Pell maximum of \$6,195. This would be the college’s first tuition increase since 2017. Unlike URI and RIC, we did not increase tuition or fees

for the current fiscal year. A less than \$200K impact is projected on the state's cost for the RI Promise program by this proposal.

The revenue derived from fee changes requested under Workforce Partnership programs, generating \$180K, will be directed toward the implementation of new software designed to automate the registration process for all workforce programs – a process that differs dramatically from the registration process for CCRI credit programs. These changes include:

Increase in the general registration fee from \$5 to \$10 per registrant.

A \$60 increase in the Motorcycle program Fee

A \$5 increase in the Driver Education Fee

An increase in the Commercial Driving (CDL) Re-Test fee from \$75 to \$90

Finally, an additional increase in state appropriation is being requested in the amount of \$870K, for a total state investment in 2020 of \$2.3M. These additional dollars are earmarked for the reinstatement of the technology budget base. As you may recall, in FY18, the college was advised to reduce our unrestricted Technology funding base by \$500K and reallocate these monies to support the first year initiative of the RI Promise program. These monies were offset by a one-time transfer of a line-item in the OPC budget, which no longer exists.

In FY 19, as the General Assembly was only able to approve \$1M of the \$2.3M increase advanced by the Postsecondary Council, CCRI was unable to restore the \$500K in Technology funding in our 19 Allocation. Thus, in FY20, CCRI is requesting a state appropriation increase totaling \$872,421 for the Technology funding line as a permanent increase to our base budget, an increase that restores the \$500,000 in FY 18 cuts, and reflects the college's need to rapidly accelerate our technology infrastructure investment. This annual budget is dedicated to acquiring and implementing new software for academic, student and administrative purposes, as well as maintaining an appropriate replacement cycle for computers, lab updates, network servers, promoting on-line education and cyber security measures.

With respect to the original intent of the transfer of the \$500K from OPC, the college continues to invest in support of RI Promise and other important student support initiatives, to the degree that \$1.5M in new monies have been allocated within the base budget over the last two years.

RESTRICTED FY20 REQUEST

The Restricted Budget for CCRI is composed of five major areas: Auxiliary Services, federal, state and private grants, externally-funded scholarships such as Pell, Drivers Education and RICAP funding for facility-related projects.

- Auxiliary Services - Consist primarily of the Bookstore – a \$7.3M per year operation. This entity is self-supporting and generates a small profit on an annual basis. There continues to be a balance in the Auxiliary Enterprise fund that is supporting aspects of the Warwick Renewal that are directly linked to auxiliary services
- Grants - In FY20 CCRI is projecting a continuation of nearly \$5M in federal, state and private grants.
- Restricted Financial Aid – totaling \$29.5M per year, the largest component of which is Pell aid at \$25M. In addition, OPC reimburses the college for the tuition for eligible RI Promise students. The FY18 actuals total \$2,981,086, the FY19 Allocation was reduced from our request of \$6.350M to \$5.995M and the fiscal need for FY20 is estimated at \$8,373,050. As these funds are reported by OPC in their budget submittal, CCRI includes these totals for informational purposes only.
- Drivers Education – is a restricted receipt account total \$633K per year serving Rhode Island in the training of those wishing to acquire a RI driver's license.
- RICAP Funding – is an integral budgetary method to address the deferred maintenance needs of CCRI's four campuses as well as a source of funding for special projects such as the Warwick Renewal. Funding for FY20 is expected in excess of \$7.7M. Additional projects for both RICAP monies and ITIF (technology fund) monies have been submitted separately under the college's Capital Improvement Plan.

TABLE OF ORGANIZATION

CCRI's table of organization remains unchanged from the Legislative cap limit of 854.10, of which 765.10 are designated for unrestricted and auxiliary FTE's, and the remaining 89 are designated for third-party funded FTE's.

The college has been able to manage within the FTE cap through the benefit of the Retirement Incentive Program over the last two years. This program has saved the college monies that have been re-deployed in a more strategic manner, reduced the annual cost of faculty replacements, and provided short-term flexibility to reallocate FTE's to those areas of strategic need.

SUMMARY

I look forward to the Council meeting on November 8th when I have the opportunity to present CCRI's request in more detail and answer any questions.

Cc: T. DelGiudice, Chair, Council for Postsecondary Education