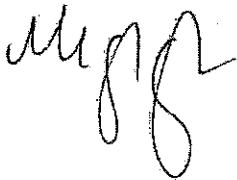




COMMUNITY COLLEGE  
OF RHODE ISLAND

Office of the President

TO: The Council on Postsecondary Education  
FROM: Dr. Meghan Hughes   
DATE: 12 September 2016  
SUBJECT: FY18 Operational Budget Request

**EXECUTIVE SUMMARY**

Please accept this document and attachments as a starting point for the FY18 operational budget planning for the Community College of Rhode Island. In spite of several years of chronic underfunding, CCRI continues to meet the needs of a diverse population of over 15,000 students at our four campuses (Warwick, Lincoln, Newport and Providence), our two satellite campuses (Providence and Westerly) and a number of workforce development initiatives statewide. In FY17 the college faced cost increases of \$2.2M driven by contractual obligations. The college was directed to keep tuition and fees flat, and only received \$1.2M in additional funding in the state allocation. The impact was a budget cut to all other operational areas of the college. The solution to balance the budget was to limit capital investment and redirect personnel services budgets to pay for routine expenses in support of operations. This solution negatively impacts our students by providing them with suboptimal equipment and facilities and limited staff support.

For FY18, guidance issued by the Office of Postsecondary Education requires four versions of the request be submitted for consideration. These versions are differentiated from one another largely from a revenue perspective, i.e., the cost of education to be borne by the community college student versus the percent of the cost of education to be supplemented by the State of Rhode Island. The first to be discussed is the only version submitted by the Community College that we consider to be a viable recommendation – ensuring that the cost to the student is balanced by support from the State of Rhode Island at a level that more closely aligns us to our national peers.

**BUDGET OPTIONS (A, B, C & D)**

**Version A – 5% increase in Tuition combined with increased State Support of \$2,949,585**

**Tuition & Enrollment:**

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The annual cost of a 5% increase in tuition for a full-time Rhode Island student is \$198. In addition, CCRI is requesting a modification of student fees that would eliminate multiple, one-time fees totaling \$100 a year (\$20 college application fee, \$40 Accuplacer testing fee and \$40 graduation fee) in favor of an increase in the registration fee of \$50 each semester for the full-time student and \$5 per semester for the part-time student. The registration fee is covered by financial aid, whereas the two upfront fees are not covered by financial aid and can be a fiscal hardship for some students.

The new annual tuition and fee as proposed at \$4,564 per year is \$1,251 less than the maximum Pell award of \$5,815. Within New England, CCRI continues to be the third lowest in tuition and fee charges; and within the Rhode Island market, CCRI is 48% less than the present cost of RIC, 67% less than the present cost of URI, 83% less than the cost of New England Tech and 6% less than Bristol Community College. Over the coming year, CCRI intends to conduct a robust study of our entire tuition and fee structure and analyze changes that may encourage new regional enrollment while also benefitting students in Rhode Island.

This combined tuition and fee proposal would generate \$1,061,576 additional revenues for the college when applied to a forecasted enrollment next year of 15,000 students. Preliminary Fall 16 numbers indicate a decline in enrollment by less than 5% in headcount and less than 3% in FTE's. In compiling the FY18 Budget Request, the college is responding to the national trend in enrollment decline as cited in the American Association of Community Colleges (AACC) March 2016 report, **Trends in Community College Enrollment and Completion Data:**

*“Following a surge in enrollment for several years during the recession, both the US Department of Education and the National Student Clearinghouse document a continued decline in overall enrollment at community colleges as well as an uptick in enrollment at 4-year institutions. Graduation rates have changed very little. The decline beginning in 2011, the drop at community colleges has not fluctuated more than two percentage points, ranging between 2.4% in the past year and 4.4% in the previous year. Even so, each year the decline in enrollment at 2-year public institutions has exceeded the overall postsecondary enrollment decline.”*

This administration will vigorously challenge our college to exceed these national expectations by focusing on the following:

Graduation

- Launch redesigned Master Schedule being implemented this spring with improved guided pathways to academic success and job readiness.

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- Adopt best practices from programs such as Connect 2 College to support student efforts
- Maximize results from the Board's new Reverse-Transfer policy

Retention

- Work resolutely to improve semester to semester student retention
- Maximize the capabilities of the Degree Works program which combines academic degree progress with the new advising and early alert systems. Future implementations include integration with financial aid applications and awards.

Transfer

- Work with counterparts at RIC and URI to improve the articulation and transfer experience for CCRI students to our sister schools and to communicate these changes to students accordingly. Build on the success of the JAA Program.
- Market to students the significant number of currently available articulation agreements to 4-year institutions – many with discounted tuition incentives.

Efficiency

- Review best practices from across the country to identify ways to become more efficient. The college will leverage scholarship from both the Education Advisory Board (EAB) and the National Association of College and University Business Officers (NACUBO). The goal of this work is to stretch our limited resources to the greatest extent possible.
- Conduct a strategic planning review this fall semester to ensure the college is offering programs that meet the needs of students and employers. The request for proposals for this effort is currently posted and the college staff is reviewing submissions for qualified firms.
- Revitalize the college's marketing efforts to stabilize student enrollment, increase student retention and grow employer and community partnerships. Recruitment of a new Director of Marketing is underway and the position should be filled within the next thirty days.

**State Appropriated Support:**

This version of the FY18 budget submittal requests an increase of \$2,949,585 in state appropriation over the current fiscal year. In order to achieve significantly improved student outcomes, the college will inevitably require more financial support. However, we will maximize its utilization, combined with our requested tuition and fee changes, and our own internal savings initiatives, to improve and sustain the academic and student support systems of this college.

**Other Unrestricted Revenues:**

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Other college revenues reflect a decline totaling \$344,841, most of which is the transfer of the Accuplacer test fee revenue from “Other Revenues” to “Tuition and Fees”.

As a reminder, CCRI is also asked to facilitate a half-dozen state programs such as Motorcycle Training, Commercial Driver Licensing (CDL), Drivers Education and Driver Retraining that require significant time and resources, but that are outside of our primary mission to education students and create a dual pathway to quality employment and a four year college degree. In order to keep these programs on a more fiscally solvent path, three fee increases are requested:

- Increase CDL Re-Test fee from \$50 to \$75, generating \$12,500
- Increase Bus Recertification Test fee from \$10 to \$15, generating \$7,500 and
- Increase Driver Education program fee from \$85 to \$95 to cover contractual obligations

**Expenditure Budget:**

The total increase in the FY18 Budget submittal is \$3,666,320. This breaks down as follows:

Salaries & Benefits – per union contracts	\$1,700,634	46.4% of total increase
Rate Increase for Medical & Board of Education Retiree Health	\$1,544,632	42.1% of total increase
Flexibility to fill more FTE positions	\$229,833	6.3% of total increase
Mainstream Connect 2 College–5 New FTE’s	\$119,899	3.3% of total increase
Overtime, Contract Services, etc.	\$176,466	4.8% of total increase
Operating & Student Aid	(105,144)	-2.9% of total increase
Capital Budget	-0-	N/A

As 82% of the college’s unrestricted budget is devoted to personnel services, the bulk of the college’s increased funding must be directed then to honor our contractual obligations. The operating and capital budgets in this presentation continue to be extremely underfunded and the base budget is inadequate to fully support all of the improvements that the college needs to make in terms of academic equipment improvements, technology initiatives, and continued student support endeavors. The college will continue to rely on sources such as the RICAP budget, grant initiatives such as the Champlin Foundation, and other grant and fund raising activities to help to close these gaps. The college will also continue to look internally at every means of cost saving, cost-sharing, restructuring of expenditures, or revenue enhancements to bolster these underfunded budget lines.

**Budget Version B:** As directed, this option would assume that state appropriation is level funded with the current fiscal year and that tuition is increased to close the gap between revenues and expenses. As it is assumed that business is continued as usual, that



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COLA's and fringe benefit increases will be funded, that other contractual obligations will be met, that students will continue to be served in safe and academically sound learning environments, that technology investments will continue to be protected, the tuition and fee increase necessary to support this would be a total of 18.7 percent. This alternative would set the total annual cost of tuition and fees for a full time, CCRI Rhode Islander at \$5,062 per year, \$796 per year more than the current cost. Scholarships and waivers would be increased to account for the tuition differential bringing the unrestricted total request to \$111,629,801.

**Budget Version C:** The unrestricted FY18 total is the same in this option at \$111,126,045, however, in lieu of any increase in tuition, the cost of funding the increase in the expenditure budget is added to state appropriation. This would require an increase over the current year of 12% or \$5,857,132.

**Budget Version D:** This is a budget scenario advised by the State Budget Office for all agencies to assume a "what-if" scenario whereby State funding is dramatically decreased. Under this budget scenario the State Budget Office has advised the college that an 8% Target Budget would underfund the college by \$6,404,760. To close this gap by tuition alone would require at least a 15% increase over the current 5% tuition proposed for a total increase in excess of 20%. Other measures that the college would need to consider at the least restrictive end would be to employ one-time adjustments in technology, capital and library acquisitions and improvements. These steps are neither favorable in the long nor short term nor would they be sustainable. At the other extreme would be the lay-off of personnel and/or closures of campus locations. Given that the colleges and the university are self-generators of revenue by virtue of our clients – **students** – it is neither prudent to over-charge them nor to reduce their services, safety and academic programming to a level where they would seek their education elsewhere.

## TABLE OF ORGANIZATION

The Table of Organization in FY18 requests the redistribution of 5 FTE's from third-party funding to unrestricted funding while still in keeping within the total Legislative FTE cap total of 854.10 positions. These FTE's represent the conversion of 5 positions formerly funded through a grant from the Office of Postsecondary Council creating the Connect 2 College advisory model. The success of this program has been proven in supporting the academic, social and student service needs of under-represented populations at the Providence Campus. It is the intent of the college to continue to adapt and grow this model within additional cohorts of the institution. The funding from OPC ends October of this year and the college has committed to maintaining the program until June 30, 2017 but would like to mainstream the program into the unrestricted budget in FY18.

## RESTRICTED RICAP, GRANTS, AUXILIARIES AND FINANCIAL AID

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CCRI's four campuses, both internally and externally, require a large proportion of the operational budget each year to maintain our facilities. CCRI is grateful for the opportunity to submit several important projects subject to RICAP funding as part of the Capital Improvement Plan (CIP) recently submitted to the Postsecondary Council. Such funding would alleviate the necessity of allocating all support funds from the unrestricted budget.

In addition to annual Asset Protection funding, which is vital to maintaining our campus facilities, there is continued funding of \$4M for the Warwick Renewal project in the current fiscal year and a request for \$5M in FY18 as part of the Capital Improvement Plan. The college is formally requesting that the unspent Warwick Renewal funds from FY16 in the amount of \$1,223,902 be re-allocated to the college in FY17. There was an unfortunate delay in acquiring an Architect and Engineering service contract last year which delayed the project, however, a 5-year contract has since been conveyed to the firm of Brewster Thornton to collaborate with the college until the end of the project. CCRI is also committing funds made available through the redeeming of the 1977 auxiliary bond toward appropriate direct student service projects of the Warwick renewal project such as improvements to auxiliary services within the student union, dining services and the bookstore.

The college has also procured the services of a facility planning firm to engage all campuses to project and plan for future facility needs as well as an up-to-date plan for addressing deferred maintenance needs. Integral to the conversation will be strategic and academic plans needed for the future renewal of the Lincoln Campus, which is also included in the college's CIP.

CCRI continues to be successful in the obtainment and sustainment of state, federal and private grants. The Champlin Foundation has been a supportive friend to the Community College and we are awaiting word from them this fall on a proposal that we submitted to renovate several large lecture hall spaces at the Lincoln Campus including bringing these rooms into ADA compliance and improving the educational technology aspects of the rooms. The Multi-Disciplinary Simulation Lab in Lincoln that was co-constructed with assistance from Champlin monies has just opened this fall semester. This hands-on learning environment would be utilized across nursing and allied health disciplines and is a state of the art training and support center for an important source of health care workers for the state.

CCRI has just received notification that two of our long-term federal TRIO grants recently received 5-year renewals. The Educational Opportunity Center (EOC) and Educational Talent Search (ETS) are part of the TRIO family of US Department of Education programs that provide assistance and support to low income and/or first generation college bound students (first generation meaning neither parent graduated

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from a four year college or university before the student reached eighteen) so they will succeed with their educational plans.

This fall is the first year for a private grant initiative sponsored by Goldman Sachs – a first in Rhode Island. The Goldman Sachs *10,000 Small Businesses* is a program that helps small businesses grow and create jobs by providing them with greater access to education, financial capital and business-support services. Through the program, small business owners will gain practical skills in topics such as negotiation, marketing and employee management that can immediately be put into action. In addition, they will receive the tools and professional support needed to develop a strategic and customized growth plan to take their business to the next level of entrepreneurial success.

Last fiscal year, CCRI students benefitted from nearly \$25M in Pell aid. For the last two years Pell aid has been coupled with the RI Promise Scholarship fund of \$3.3M to bring greater individual financial aid to the neediest of students. Fifty-four percent of all students attending CCRI in academic year 2016 received some form of financial aid. The success of modifying the funds made available through the RI Promise Scholarship into a block grant administered at the college level has been of substantial benefit to students and a much easier process to administer on a case-by-case basis as needed.

**DEFERRED INITIATIVES**

The college seeks to improve student outcomes related to persistence, completion and transfer. Administration at the college has crafted several initiatives designed to achieve desired student outcomes. Naturally, these initiatives require funding. The following initiatives have been identified, but are deferred until such time that appropriate funding can be identified, either through additional state aid or through efficiencies.

Pilot ASAP advising model	\$4,000,000
Provide robust Guided Pathways options for students	525,000
Explore technology options to enhance student services	200,000
Perform a study of faculty and staff salary	100,000
Expand co-requisite course models in Math	140,000
Expand co-requisite course models in English	96,000
<b>TOTAL:</b>	<b>\$5,061,000</b>

**SUMMARY**

CCRI fully respects the state’s fiscal condition and the difficult decisions that must be made every year. The budget submitted by the college for your support in FY18 is a conservative one, keeping in mind the fiscal dynamics of both our students and our state,



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but the support requested is very much needed to keep this institution at the forefront of affordable access to high quality public education in Rhode Island.

My vision for the college will require significant investment of time, energy, and yes, fiscal resources. The college's core mission and strategic vision is to continue to produce an ever increasing number of community college graduates – nearly 69,000 alum - and transfer students who contribute substantially to the Rhode Island economy. As ever we request the state's support and investment in Rhode Island's entry access to higher education.

CCRI represents the most affordable and accessible option for 15,000 to 16,000+ students *every* semester and our non-credit and public service programs serve another 35,000 Rhode Islanders annually. This takes an enormous toll on our facilities, on the equipment and labs serving students, even on the faculty and staff when we are forced to be under staffed to meet budget expectations. At 38%, CCRI'S reported minority student population is the highest in Rhode Island yet the diversity of our faculty and staff does not reflect this figure – a strategic goal for this institution is to improve this representation in spite of great competition for such faculty and staff. With a very high percentage of part-time enrollees, these students take longer to graduate – but the persistence rate of these students and our full-time students indicate that they do meet their goals to graduate and transfer beyond those timeframes suggested by national data sets. It is a primary goal of my administration to see these figures improve. Improved staffing, additional technological tools, and improved analytics, must be employed by the college to facilitate student persistence and retention and reduce their time to completion.

The college looks forward to collaborating with the Council in a shared strategic vision. Approval of this budget proposal will help ensure that the college remains a strong institution contributing to the academic excellence and the ongoing economic recovery of Rhode Island. My staff and I would be happy to discuss this matter with you at your convenience.

c: S. LaPanne  
D. Patten  
R. Barrington