Projections/Estimations subject to change at anytime in the current environment

FY2021
State of the Budget Address

FY2022 Budget Request
Highlights

FY 2021 Allocation
FY2022 Budget Request
Faculty Senate
November 19, 2020
**OVER RIDING UNIVERSITY-WIDE GOAL:**

To protect the health and vitality of the URI community, sustain the financial viability of the institution, and ensure academic progress of our students, while maintaining the University workforce at or near full capacity, if possible, under all scenarios.
The University’s Budget

Unrestricted
- Tuition & Fees
- State Appropriation
- General Obligation Debt Service

Restricted
- Federal Student Grants & Loans
- Auxiliaries/Enterprises
- Sponsored Research/Overhead
- Service Centers, Revenue Generating Units, External
- RI Capital Fund (RICAP)

State Crime Lab – separate State Appropriation

Per RIGL 16-59-9, auxiliary units must be self-supporting; thus, they are charged an Auxiliary Indirect Cost ~6% for services provided by the unrestricted budget.
FY2021 BUDGET ALLOCATION

Restricted
$337.3

Unrestricted
$474.4

Total = $813

Tuition & Fees of $344M account for > 70% of the revenue to support the academic core mission – it is critical to not only yield; but to retain students.

*Includes Veterans Programs, A10, NCAA funds, Alumni Scholarships

~$112M institutional aid
~$12M Grad Assistantship stipends, waivers & fellowships
10 GTA 3rd yr of 5 yr 50 GTA init Salaries/Fringe Benefits
Utilities/Insurance/KFD
URI Online $1.8M
Expenses associated w/fee areas
RIHEBC & GO Debt Service
New Strategic Initiatives

In millions

RI Capital Fund, $2.6  CARES Act, $6.8
Use of fund balance (Restricted), $12.8
Sponsored Research/OH, $97.6
Auxiliaries/Enterprises, $91.5
External Federal Student Grants & Direct Loans, $102.6
RI State Crime Laboratory, $1.3
All Other, $15.8
State Appropriation - GO Debt, $30.6
Other*, $23.3
State Appropriation, $77.8
Use of fund balance (Unrestricted), $6.5
Tuition & Fees, $343.8

*Includes Veterans Programs, A10, NCAA funds, Alumni Scholarships
## FY2021 Strategic Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Fund 100</th>
<th>Co-Share</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing Teaching Assistants to Enhance Graduate &amp; Undergraduate Education (3rd year of 5 year initiative)</td>
<td>$463,664</td>
<td>$50,000</td>
<td>$513,644</td>
</tr>
<tr>
<td>IT Software &amp; Maintenance costs One-Time-Only (OTO)</td>
<td>$135,000</td>
<td></td>
<td>$135,000</td>
</tr>
<tr>
<td>*Sports Media Coordinator</td>
<td>$103,264</td>
<td></td>
<td>$103,264</td>
</tr>
<tr>
<td>*Installation of fiber lines, graphic package, video cameras, fiber send box, etc., One-Time-Only (OTO)</td>
<td>$319,000</td>
<td></td>
<td>$319,000</td>
</tr>
</tbody>
</table>

*strategic partnership – joint position - Athletics and Harrington School of Communications & Media
### FULL-TIME FACULTY LINE CHANGES

Since 2011, 411 new full-time faculty were hired

<table>
<thead>
<tr>
<th>College</th>
<th>Vacated FTE Lines FY20</th>
<th>Allocated FTE Lines FY21(1)</th>
<th>Searches in Progress for Lines From Previous Years FTE Allocated Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts &amp; Sciences</td>
<td>13.5</td>
<td>14.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Business</td>
<td>5.0</td>
<td>6.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Environment &amp; Life Sciences</td>
<td>2.0</td>
<td>4.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Engineering</td>
<td>2.0</td>
<td>4.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Health Sciences</td>
<td>4.5</td>
<td>4.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Nursing</td>
<td>0.5</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Graduate School of Oceanography</td>
<td>1.0</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>1.5</td>
<td>2.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Library</td>
<td>2.5</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>College of Education &amp; Prof.</td>
<td>1.0</td>
<td>2.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Studies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>33.5</td>
<td>37.5</td>
<td>3.0</td>
</tr>
</tbody>
</table>

(1) Strategically allocated full-time faculty lines (e.g., tenure-track, clinical & lecturer – includes new faculty initiative and reinvestments)

In addition, 4 filled positions moved from HS to CEPS
BUDGET CHALLENGES & OPPORTUNITIES

➢ URI received $5.6M in institutional funding from CARESAct HEERF (Higher Education Emergency Relief Funding) in FY2020

➢ In mid-June 2020, two weeks before the end of the fiscal year, URI’s FY2020 state appropriation was cut by $5.6M (From $83.4M to $77.8M)

➢ It is not known when State Appropriation for FY2021 will be finalized (enacted); latest information indicates that Legislature will meet in November/December to begin budget discussions; final budget could be approved in January or later

➢ No one can predict with any sense of assurance what will transpire in Spring 2021/Fall 2021 semesters

Relates to Overall Goal on Slide 2:

➢ URI’s unrestricted budget reflects a drawdown of $6.5M of one-time-only funds from fund balance in FY21; the restricted budget reflects a drawdown of $12.8M

➢ When one-time-only funds are used as bridge funding for ongoing expenses, all else being equal, the following year, new revenues and/or decreased expenses are required to replace the bridge funding

➢ Opportunity to help students academically and the university financially – first time all on-line summer session; with J Term generated $10M; summer 2020 revenue increased by $1.8M
The ongoing implications of a $5.6M base cut in mid-June 2020 to URI’s state appropriation:

1. Decreased by $5.6M the amount able to be added to fund balance on 6.30.2020
2. A permanent base reduction impacts not only the year in which the reduction was made, but the following year (FY2021) and all future years
3. Over two years, FY20 & FY21, the impact to the base budget because of the state appropriation reduction is $11.2M. In FY20, we lost the ability to add the $5.6M to the fund balance and in FY21, we anticipate using $5.6M of fund balance as bridge funding
4. The $5.6M cut in FY20 resulted in a FY21 base budget reduction that resulted in a FY21 $6.5M shortfall
5. If the $5.6M cut did not happen, the requested annual increase in FY22 State Appropriation would be $2.8M instead of $8.4M

URI has reserves; but they will only carry the institution for a short period of time if all revenue ceased; URI reserves may serve as “bridge funding” for all or part of FY2021
T&F revenue increase due to enrollment increase, retention of students, change in mix of students and rate increases; university vitality built around enrollment – student success

During the period FY2007-FY2021, net T&F revenue increased 94.3% or $106.7M, or an avg of $7.6M/yr; State Appro* during the same period decreased by 7.9% or $6.5M or $464K/yr

Enrollment increased by ~2,400 during this period

*excluding $1.8M URI Online
FY2022 Budget Request

Total = $844.9

Restricted
$357.6

Unrestricted
$486

~$114M institutional aid
~$13M Grad Assistantship stipends, waivers & fellowships
10 GTA 4th yr of 5 yr 50 GTA init
Salaries/Fringe Benefits
Utilities/Insurance/KFD
URI Online $1.8M
Student Help
Expenses associated w/fee areas
RIHEBC & GO Debt Service

Tuition & Fees of $352M account for > 70% of the revenue to support the academic core mission – it is critical to not only yield; but to retain students

~10% of total budget
State Appropriation, $86.3

Request to increase state appropriation by $8.4M
## FY2022 Strategic Initiatives

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<th>Co-Share</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing Teaching Assistants to Enhance Graduate &amp; Undergraduate Education (4th year of 5 year initiative)</td>
<td>$474,680</td>
<td>$50,000</td>
<td>$524,680</td>
</tr>
</tbody>
</table>
OVERHEAD REVENUE

Millions ($)

- 2.0 4.0 6.0 8.0 10.0 12.0 14.0 16.0 18.0 20.0

FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

Annual Overhead  Overhead excluding ARRA

9.3 9.3 9.2 9.3 9.8 10.6 10.7 12.2 14.0 14.6 14.5 14.3 13.9 13.4 13.0 13.4 13.8 14.3 14.9 15.7

15.9 16.8 16.4 16.5

17.3

Request

FY2021 ALLOCATION
FY2022 BUDGET REQUEST
FACULTY SENATE
NOVEMBER 19, 2020
## FY2022 RI Capital Funds (RICAP) Request

<table>
<thead>
<tr>
<th>Description</th>
<th>FY20</th>
<th>FY21*</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Protection**</td>
<td>$8.4</td>
<td>$0.0</td>
<td>$14.93</td>
</tr>
<tr>
<td>Fire/Safety Upgrades Acad Bldgs Ph2</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1.59</td>
</tr>
<tr>
<td>Mech, Engr, Plumbing Upgrades</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1.64</td>
</tr>
<tr>
<td>Fine Arts Bldg Renovation</td>
<td>$9.2</td>
<td>$2.6</td>
<td>$0.0</td>
</tr>
<tr>
<td>Vivarium</td>
<td>$4.4</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Total</td>
<td>$21.9</td>
<td>$2.6*</td>
<td>$18.16</td>
</tr>
</tbody>
</table>

*result of less state resources for capital due to COVID-19; $2.6M is carryforward

**Asset Protection has been consistently funded by the state at $7.5-$8.5M annually

Gov has recommended $2.4M for FY21
Currently $2.5M has been approved by SLT to be spent from fund balance for Asset Protection

* in millions
THANK YOU