

THE
UNIVERSITY
OF RHODE ISLAND

VICE PRESIDENT,
ADMINISTRATION & FINANCE
BUDGET AND FINANCIAL
PLANNING OFFICE

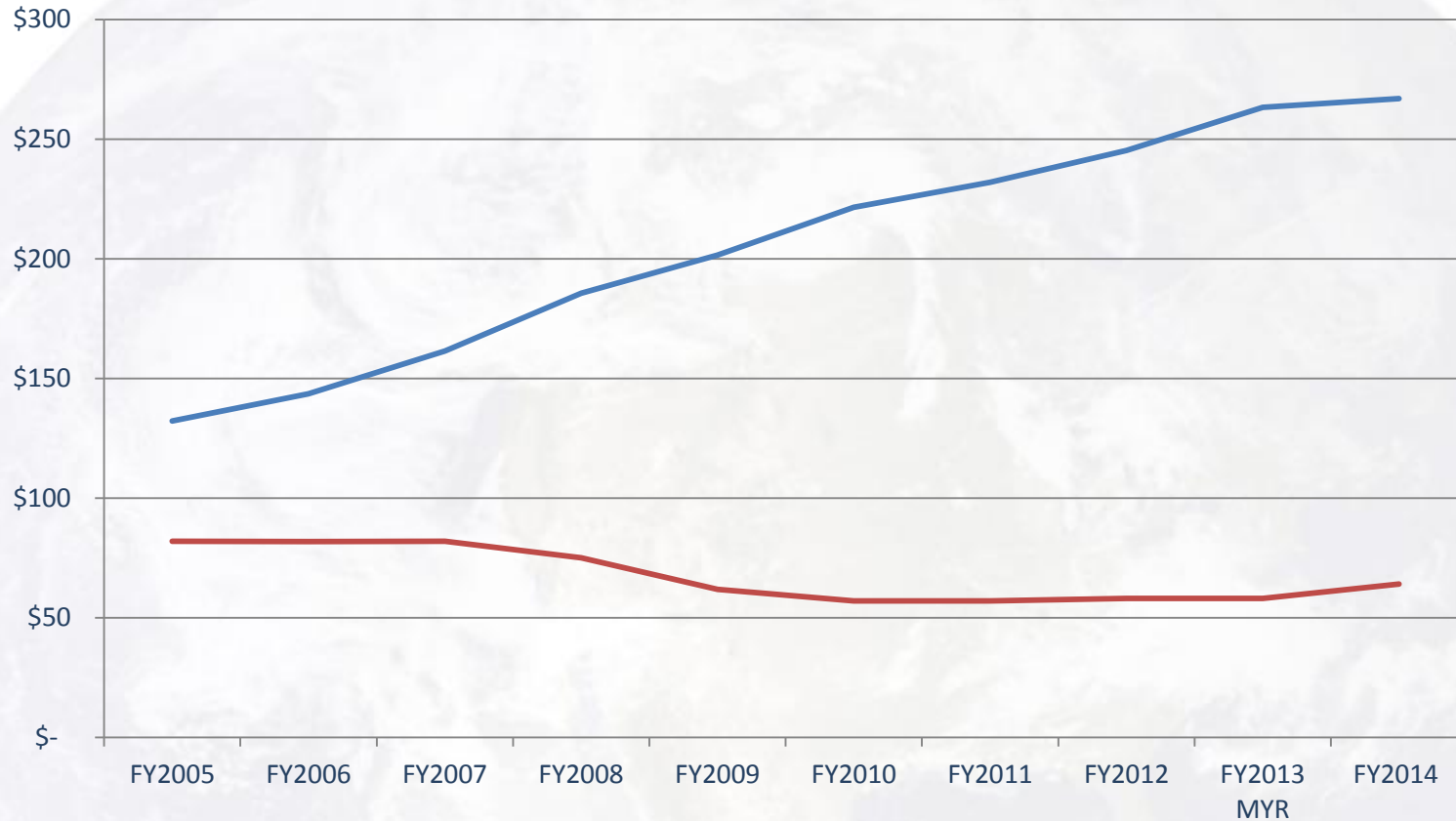
**FY2014 ALLOCATION
FY2015 BUDGET REQUEST**

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STATE OF THE BUDGET ADDRESS
FACULTY SENATE
OCTOBER 17, 2013



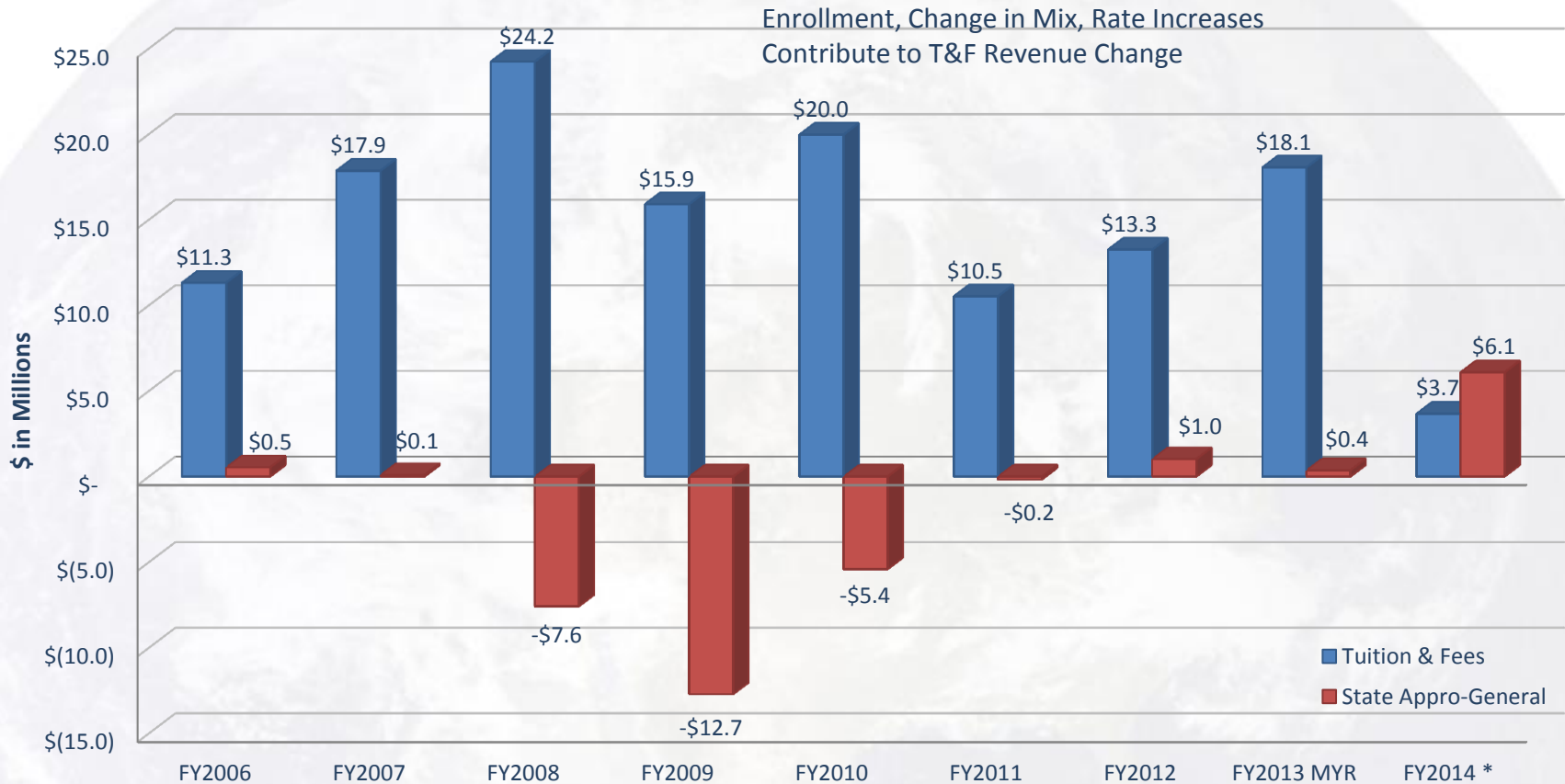
STATE APPROPRIATION VS. TUITION & FEES



— Tuition & Fees — State Appro-General

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TUITION & FEE; STATE APPROPRIATION ANNUAL REVENUE CHANGE 2006-2014



* FY14 State Appropriation at Allocation

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REVENUE/EXPENSE SUMMARY FY2014

UNRESTRICTED BUDGET

	FY2014 Tent. <u>Allocation</u>	FY2014 Final <u>Allocation</u>	<u>Change</u>
Revenue Budget			
Tuition & Fees	\$264.00	\$267.00	\$3.00
State Approp.* Request = \$70.1M	\$64.10	\$64.10	\$0.00
GO Debt Service	<u>\$20.60</u>	<u>\$20.60</u>	<u>\$0.00</u>
Total Appropriation	\$84.70	\$84.70	\$0.00
All Other	<u>\$23.00</u>	<u>\$23.63</u>	<u>\$0.63</u>
Total	\$371.70	\$375.33	\$3.63
Expense Budget			
Personnel	\$205.20	\$204.20	(\$0.98)
Operating/Capital/Fund 101,3	\$54.25	\$53.08	(\$1.17)
Student Aid Discount	\$94.40	\$94.30	(\$0.10)
Debt Service - RIHEBC	\$3.25	\$3.18	(\$0.07)
Debt Service - GO	<u>\$20.60</u>	<u>\$20.60</u>	<u>\$0.00</u>
Total	\$377.70	\$375.33	(\$2.32)
Projected Shortfall	(\$6.00)	\$0.00	
Addn Enroll & Other Budget Adjustments			\$6.00

\$ in millions

* (incl. \$0.8M Leg Mandates & \$0.5M Endeavor)

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FY2014 ALLOCATION PROGRESSION

Increase in State Appropriation in Budget Request
(needed to balance with frozen tuition and fees) +\$12M

\$12M required for: Promotions & Plan A,
Fringe Rate Increases, Student Aid, Utilities,
Insurance, Contractual Items, New Initiatives
(rec. by SBPC and approved by President),
New Building Requirements, Bad Debt,
Audit Fees, GO Debt Service.

Increase in State Appropriation in final budget +\$6M

Shortfall before Enrollment & Other Rev/Exp Chgs (\$6M)

Shortfall after Other Changes (\$5M)

Shortfall after Enrollment Changes (\$2M)

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FY2014 STRATEGIC PROCESS

MAY 13, 2013 FINAL DECISIONS

	<u>Budget Adjustments</u>	<u>% of Budget</u>
➤ Athletics	\$0.2M	1.9%
➤ Administration and Finance	\$0.6M	1.8%
➤ President	\$0.1M	1.2%
➤ Student Affairs (contribution from auxiliaries)	\$0.5M	0.5%
➤ Academic Affairs	\$0.5M	0.3%
➤ Student Aid (while preserving revenue stream)	\$0.1M	0.1%

➔ ***Consistent with new Budget reduction process adopted by Senior Team & SBPC***

➔ ***Different from past A-T-B cuts and protecting strategic priorities***

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CONTRIBUTING TO POSITIVE ENROLLMENT OUTCOMES

Investment in programming showing positive results:

- Community-wide effort to recruit, attract, yield & retain students
- Competitive financial aid packages
- New residence halls
- Contributions from auxiliaries/ aid to TD Scholarships
- Condition of campus
- Map Works Retention Program
- Streamlining curriculum - > graduation rates
- Exceeding freshmen target
- Create Community on campus
- Help students see “where they fit in”

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FY2014

FALL 2013 FRESHMEN CLASS HIGHLIGHTS

Increases in each of the following areas:

Avg SAT: 1104, Avg HS GPA: 3.36, Students of Color: 633 (20%)

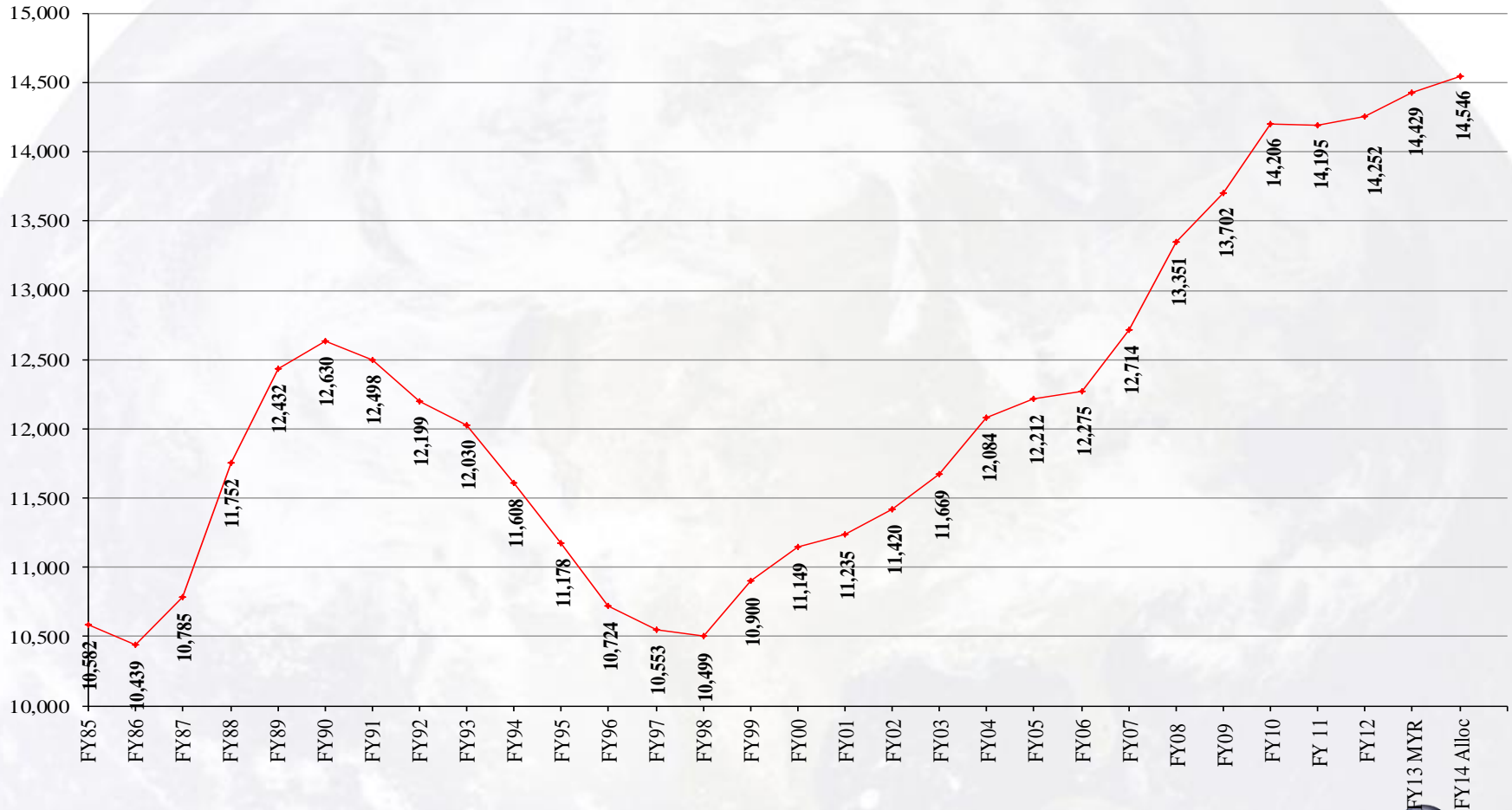
	<u>Target</u>	Prelim. Oct 15 <u>Enrolled</u> *	Over/(Under) <u>Target</u>
In-State:	1,418	1,374	(44)
Out-State:	1,587	1,656	69
Regional:	95	93	(2)
Total:	3,100	3,123	23

***REMINDER:** These are preliminary October 15th numbers and are subject to change.

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FFTE ENROLLMENT

HIGHEST ENROLLMENT IN HISTORY



FFTE = Financial FTE

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FULL-TIME FACULTY HIRES

<u>College</u>	<u>Vacated FTE Lines FY13</u> ⁽¹⁾	<u>Allocated FTE Lines FY14</u> ⁽²⁾	<u>Positions Being Searched From Previous Years FTE Allocated Lines</u>
Arts & Sciences	8.0	8.0	1.0
Business administration	2.0	2.0	0.0
Environment & Life Sciences	0.5	2.0	1.0
Engineering	3.5	3.0	2.0
Human Science & Services	3.0	4.0	1.0
Nursing	0.0	1.0	1.0 ⁽³⁾
Graduate School of Oceanography	1.0	1.0	3.0
Pharmacy	2.0	2.0	1.0
Cluster Hires	<u>0.0</u>	<u>3.0</u>	<u>1.0</u>
Total	20.0	26.0	11.0

Source: Provost Office

(1) Vacancies effective June 2013.

(2) Strategically allocated full-time faculty lines (e.g., tenure-track, clinical & lecturer).

(3) Budget dependent

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CHALLENGES FOR URI

- URI has grown by > 4,000 FTE students over the past 14 years
- URI is at its highest enrollment in history each of the last 3 years
- URI has been balancing the unrestricted budget on enrollment growth, budget reductions and increased contributions from auxiliary enterprises
- Reduction in the number of High School Graduates from 2011 to:

<u>State/Region</u>	<u>2019-2020</u>	<u>2027-2028</u>
Rhode Island	(1,867)	(3,126)
Northeast U.S.	(44,039)	(67,308)

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CONCERNS

- Given demographic decline and intense competition for students, balancing budget based on annual record-breaking enrollment growth is not sustainable.
- Continuation of annual budget reductions limits the University's ability to strategically reinvest funds in concert with the mission, the Academic Plan and the President's Transformational Goals.
- Increased annual contributions from auxiliary/enterprises is not sustainable and may lead to increased fees.
- Need to grow TT faculty numbers to ensure quality academic experience for students, robust research and economic development opportunity.
- During FY2013, lost 12 faculty to positions elsewhere; more than in last four (4) years.

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FY2015 TOTAL BUDGET SUMMARY

	FY2014	FY2015	\$	%
	<u>Allocation</u>	<u>Request</u>	<u>Change</u>	<u>Change</u>
RICAP	\$19.9	\$29.1	\$9.2	45.9%
Auxiliary/Enterprise	\$101.9	\$102.4	\$0.5	0.5%
Sponsored Research	\$98.6	\$99.0	\$0.4	0.4%
External Scholarships & Loans	\$130.9	\$131.0	\$0.1	0.1%
Other	<u>\$4.7</u>	<u>\$4.7</u>	<u>\$0.0</u>	<u>0.0%</u>
Restricted Total	\$356.1	\$366.2	\$10.1	2.9%
Unrestricted Total	\$375.3	\$388.5	\$13.1	3.5%
RI State Crime Lab Unrestricted	\$1.0	\$1.1	\$0.1	10.4%
RI State Crime Lab Restricted	<u>\$0.0</u>	<u>\$0.7</u>	<u>\$0.7</u>	-----
Grand Total	\$732.4	\$756.6	\$24.1	3.3%

\$ in millions

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FY2015 REQUEST

UNRESTRICTED BUDGET

	<u>FY2014</u> <u>Allocation</u>	<u>FY2015</u> <u>Request</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Revenue Budget				
Tuition & Fees	\$267.0	\$269.3	\$2.3	0.8%
State Appropriation *	\$64.1	\$74.4	\$10.3	16.1%
GO Debt Service	<u>\$20.6</u>	<u>\$20.6</u>	<u>\$0</u>	<u>0.0%</u>
Total Appropriation	\$84.7	\$95.0	\$10.3	12.2%
All Other	<u>\$23.7</u>	<u>\$24.2</u>	<u>\$0.5</u>	<u>2.1%</u>
Total	\$375.3	\$388.5	\$13.1	3.5%
Expense Budget				
Personnel	\$204.2	\$209.5	\$5.3	2.6%
Operating/Capital/Fund 101,3	\$53.0	\$55.4	\$2.4	4.5%
Student Aid Discount	\$94.3	\$99.8	\$5.5	5.8%
Debt Service - RIHEBC	\$3.2	\$3.2	\$0.0	0.0%
Debt Service - GO	<u>\$20.6</u>	<u>\$20.6</u>	<u>\$0.0</u>	<u>0.0%</u>
Total	\$375.3	\$388.5	\$13.1	3.5%

➔ **State Appropriation increase of \$10.3M brings total to \$74.4M;
\$8.1M < State Appropriation of \$82.5 in FY2007**

\$ in millions

* (incl. \$0.8M Leg Mandates & \$0.5M Endeavor)

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FY2015 UNRESTRICTED BUDGET REQUEST

\$388.5; INCREASE OF \$13.1 FROM FY2014

State Appropriation increase necessary to fund anticipated additional items = \$10.3

Increases/(Decreases):

Promotions/Plan A/Steps/Holiday Pay	\$0.8
Fringe Benefits	\$2.5
Student Aid Discount*	\$5.5
Utilities/Insurance/KFD/Fundraising & Alumni Contracts	\$0.7
Strategic Initiatives	\$0.8
(3TT Fac; 2 Lect; 2 Staff – Global Strat.; Coord.; Exp. Learn.)	
Bad Debt	\$0.4
Expenses related to increased revenue from fees, Athletics, etc.	\$2.5
End of Lease**	<u>(\$0.1)</u>
TOTAL	\$13.1

*Student Aid Discount: Undergraduate (Access & Diversity; Athletics; Attraction and Retention); Graduate Aid; National Guard Tuition Waivers (increased by 135% or \$700K in last 3 years-from \$500K to \$1.2M; reimbursement received is ~\$50K); Other Waivers per RIGL and Board Policy

** BOG approved original Tibbits Lease 5/22/06

\$ in millions

ANNUAL ENROLLMENT PROJECTIONS

	<u>FY2014 Allocation</u>	<u>FY2015 Request</u>	<u>Request vs. Allocation</u>
Undergrad			
In-state	7,683	7,503	-180
Out of State & Regional	<u>5,394</u>	<u>5,448</u>	<u>54</u>
Total	13,077	12,951	-126
Graduate			
In-state	786	795	9
Out of State & Regional	<u>683</u>	<u>701</u>	<u>18</u>
Total	1,469	1,496	27
Grand Total	14,546	14,447	-99
Total In	8,469	8,298	-171
Total Out	6,077	6,149	72

*FY2015 Projections for UG & Grad as of 8.27.13 and 8.13.13, respectively
Excludes summer and winter*

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STATE APPROPRIATION INCREASE REQUIRED AT VARIOUS TUITION RATES

OHE
Guidelines
↓

Tuition Inc	0%	1%	2%	3%
State Appr Inc \$	\$10M	\$7.5M	\$5M	\$2M
State Appr Inc %	16%	12%	8%	3%

1% increase = \$108 per IS student & generates \$1M;

1% increase = \$264 per OS student & generates \$1.5M

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THANK YOU

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BUDGET REDUCTION PRINCIPLES

ADOPTED BY SENIOR TEAM AND STRATEGIC BUDGET & PLANNING COUNCIL

- Ensure a quality education and experience for all students
- Protect our primary general revenue streams by ensuring quality in the timely delivery of the curriculum and by ensuring quality in all student services, i.e. housing, dining, bookstore
- Ensure the safety of students, staff, and faculty
- Minimize across the board reductions
- Sustain diversity initiatives, including Talent Development
- Sustain our financial aid investment as a key element of attracting students
- Invest in initiatives that enhance our ability to generate other income and resources

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