

State of Rhode Island and Providence Plantations

# Budget



## Fiscal Year 2017

Volume III – Education

Gina M. Raimondo, Governor

# Agency

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## Rhode Island Higher Education Assistance Authority

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### Agency Mission

The Authority provides a system of financial assistance programs and early outreach/college awareness programs, consisting of the Scholarship and Grant Program, the Tuition Savings Program, and as a guaranty agency in the Federal Family Education Loan Program funds the WaytogoRI.org portal. Together, these programs enhance the aspirations of students and provide tools for educators/administrators in every school district in Rhode Island by: enabling early awareness of the importance and value of college and career planning; promoting access to higher education; supporting the state's workforce needs; providing training and tools that support state elementary and secondary school initiatives; and providing financial assistance to qualified students and parents, many of whom might be discouraged or restricted from participating in post-secondary education because of insufficient financial resources.

### Agency Description

The Higher Education Assistance Authority (RIHEAA) is organized into three divisions which administer respectively: the Scholarship and Grant Program; the Tuition Savings Program (which does business as CollegeBoundfund®), Rhode Island's IRS Section 529 savings program); and the Loan Program. The Scholarship and Grant Program administers various student financial assistance programs funded by general revenue appropriations from the State of Rhode Island, as well as by funds received from the U.S. Department of Education and funds derived from other sources. The Tuition Savings Program administers the activities of the CollegeBoundfund®, including the student financial assistance programs funded by revenues generated by CollegeBoundfund® and the CollegeBoundbaby program. In addition, revenues from CollegeBoundfund® are used to supplement the State Grant Program. The Loan Program administers RIHEAA's activities as the state designated guaranty agency in the Federal Family Education Loan Program (FFELP) assisting students and their parents in financing higher education expenses with federally guaranteed student loans. As part of Loan Program's federally mandated responsibilities to conduct early awareness and college outreach activities, RIHEAA funded the creation of WaytogoRI.org, an online web portal provided free to all Rhode Island residents, all elementary and secondary schools (public, private and parochial) and post-secondary institutions. WaytogoRI.org allows students, parents and educators to explore education and career options, plan and prepare for college and careers and conduct college and career searches. WaytogoRI.org also supports the Individual Learning Plan required for Rhode Island public school student grades 6-12.

### Statutory History

The Authority was created in 1977 to administer the scholarship, grant and loan programs for the State of Rhode Island, replacing a previously existing loan entity and assuming some functions of the Department of Education. Title 16 Chapter 56 and 57 of the Rhode Island General Laws establish and provide for the organization, functions, and statutory award formula of the Authority. In January of 1997, Chapter 57 was amended to authorize RIHEAA to establish a Prepaid Tuition Program and a Tuition Savings Program. The powers of the authority are vested in a board of directors consisting of nine (9) members, five (5) of whom are appointed by the governor from among members of the general public, who are qualified by training or experience in education finance or personal investment consulting; three (3) of whom are appointed by the governor, who shall give due consideration to the recommendations made by the chairperson of the board of governors for higher education and the Association of Independent Colleges and Universities of Rhode Island for those appointments; and the state general treasurer ex-officio or designee from within the office of the general treasurer. The Board of Directors elects its own chairperson and other officers and appoints an Executive Director to head the Authority. Article 14 of the 2015 Appropriations Act (Chapter 145 of PL of 2014) required the Governor's FY 2016 budget to include a proposal for the "transfer of higher education assistance programs to appropriate agencies of state government." In FY 2016, the Governor recommended creation of a Division of Higher Education Assistance in the Office of the Postsecondary Commissioner to replace the current RIHEAA Board governance structure with the Council on Postsecondary Education.

# Budget

## Rhode Island Higher Education Assistance Authority

|   | FY 2014<br>Audited  | FY 2015<br>Audited  | FY 2016<br>Enacted | FY 2016<br>Revised | FY 2017<br>Recommend |
|---|---------------------|---------------------|--------------------|--------------------|----------------------|
| <b>Expenditures By Program</b>          |                     |                     |                    |                    |                      |
| Central Management                      | 22,873,672          | 15,190,541          | -                  | -                  | -                    |
| <b>Total Expenditures</b>               | <b>\$22,873,672</b> | <b>\$15,190,541</b> | -                  | -                  | -                    |
| <b>Expenditures By Object</b>           |                     |                     |                    |                    |                      |
| Personnel                               | 8,694,754           | 6,817,807           | -                  | -                  | -                    |
| Operating Supplies and Expenses         | 1,595,595           | 837,205             | -                  | -                  | -                    |
| Assistance and Grants                   | 12,333,323          | 7,535,529           | -                  | -                  | -                    |
| <b>Subtotal: Operating Expenditures</b> | <b>22,623,672</b>   | <b>15,190,541</b>   | -                  | -                  | -                    |
| Operating Transfers                     | 250,000             | -                   | -                  | -                  | -                    |
| <b>Total Expenditures</b>               | <b>\$22,873,672</b> | <b>\$15,190,541</b> | -                  | -                  | -                    |
| <b>Expenditures By Funds</b>            |                     |                     |                    |                    |                      |
| General Revenue                         | 4,333,323           | 147,000             | -                  | -                  | -                    |
| Federal Funds                           | 10,244,455          | 7,375,001           | -                  | -                  | -                    |
| Other Funds                             | 8,295,894           | 7,668,540           | -                  | -                  | -                    |
| <b>Total Expenditures</b>               | <b>\$22,873,672</b> | <b>\$15,190,541</b> | -                  | -                  | -                    |
| <b>FTE Authorization</b>                | <b>23.0</b>         | <b>22.0</b>         | <b>0.0</b>         | <b>0.0</b>         | <b>0.0</b>           |