

State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2016

Volume III – Education

Gina M. Raimondo, Governor

Agency

Rhode Island Higher Education Assistance Authority

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) requires the Governor's FY 2016 budget to include a proposal for the "transfer of higher education assistance programs to appropriate agencies of state government." For FY 2016, the Governor recommends merging RIHEAA into the Office of the Postsecondary Commissioner and replacing the current RIHEAA Board governance structure with the Council on Postsecondary Education.

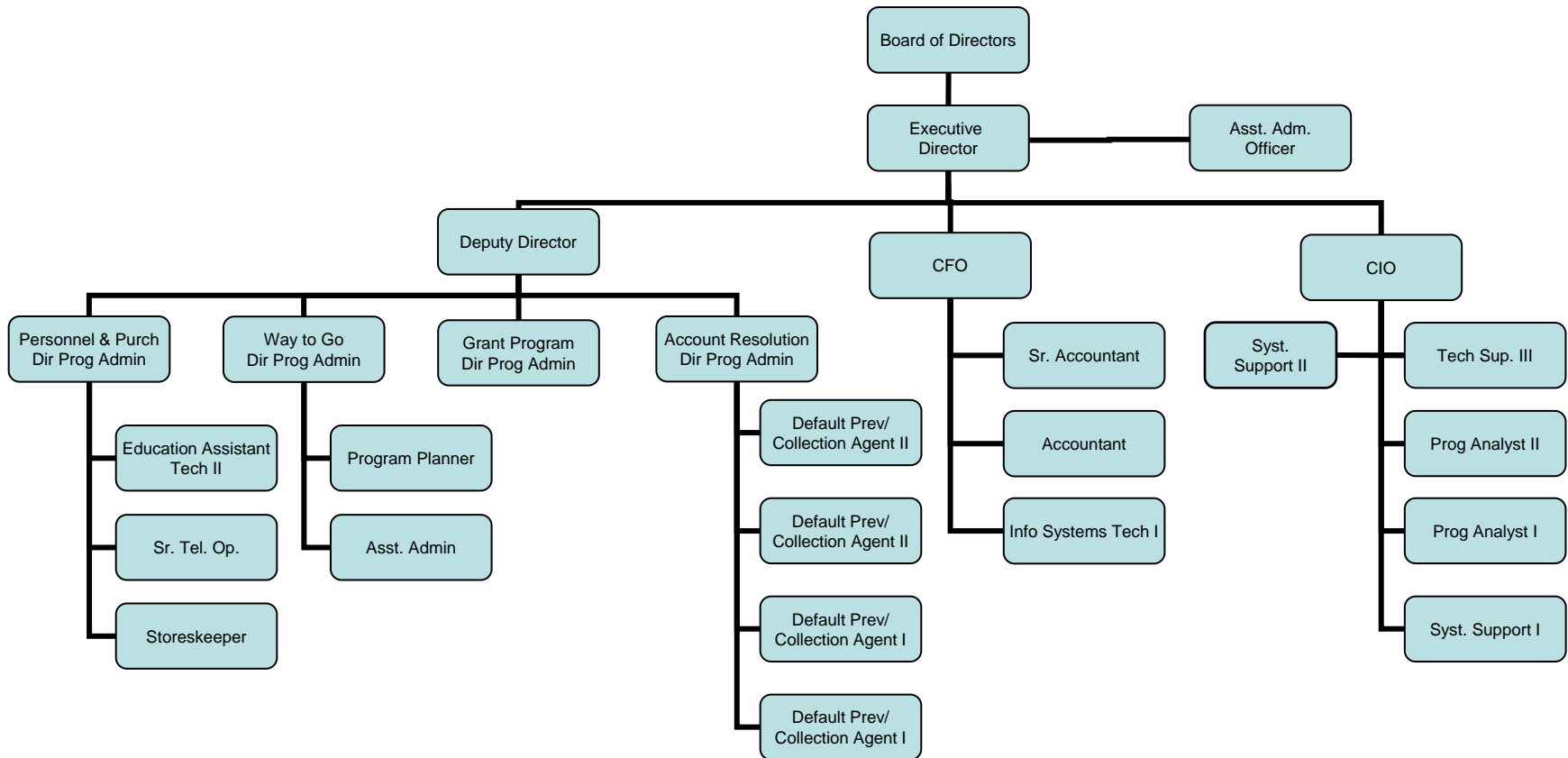
Budget

Rhode Island Higher Education Assistance Authority

	FY 2013 Audited	FY 2014 Audited	FY 2015 Enacted	FY 2015 Revised	FY 2016 Recommend
Expenditures By Program					
Central Management	25,054,892	22,873,672	23,946,961	15,832,630	-
Total Expenditures	\$25,054,892	\$22,873,672	\$23,946,961	\$15,832,630	-
Expenditures By Object					
Personnel	9,602,229	8,694,754	9,740,235	5,961,130	-
Operating Supplies and Expenses	1,900,010	1,595,595	1,925,000	1,724,500	-
Assistance and Grants	13,552,653	12,333,323	12,281,726	8,147,000	-
Subtotal: Operating Expenditures	25,054,892	22,623,672	23,946,961	15,832,630	-
Operating Transfers	-	250,000	-	-	-
Total Expenditures	\$25,054,892	\$22,873,672	\$23,946,961	\$15,832,630	-
Expenditures By Funds					
General Revenue	5,693,317	4,333,323	147,000	147,000	-
Federal Funds	10,977,121	10,244,455	15,465,693	7,293,103	-
Other Funds	8,384,454	8,295,894	8,334,268	8,392,527	-
Total Expenditures	\$25,054,892	\$22,873,672	\$23,946,961	\$15,832,630	-
FTE Authorization	36.0	23.0	22.0	22.0	0.0

The Agency

Rhode Island Higher Education Assistance Authority



Personnel

Rhode Island Higher Education Assistance Authority Agency Summary

	Grade	FY 2015		FY 2016	
		FTE	Cost	FTE	Cost
Classified		21.0	1,334,358	-	-
Unclassified		1.0	49,798	-	-
Subtotal		22.0	\$1,384,156	-	-
Cost Allocation from Other Programs		-	291,022	-	-
Cost Allocation to Other Programs		-	(\$291,022)	-	-
Turnover		-	(\$187,878)	-	-
Subtotal		-	(\$187,878)	-	-
Total Salaries		22.0	\$1,196,278	-	-
Benefits					
Payroll Accrual			6,348		-
Retiree Health			70,502		-
Health Benefits			275,175		-
FICA			91,256		-
Retirement			255,320		-
Subtotal			\$698,601		-
Total Salaries and Benefits		22.0	\$1,894,879	-	-
Cost Per FTE Position (Excluding Temporary and Seasonal)			\$86,131		-
Statewide Benefit Assessment			\$51,251		-
Payroll Costs		22.0	\$1,946,130	-	-
Purchased Services					
Management & Consultant Services			3,900,000		-
Legal Services			115,000		-
Subtotal			\$4,015,000		-
Total Personnel		22.0	\$5,961,130	-	-
Distribution By Source Of Funds					
Federal Funds		22.0	\$5,598,603	-	-
Other Funds		-	\$362,527	-	-
Total All Funds		22.0	\$5,961,130	-	-

Performance Measures

Rhode Island Higher Education Assistance Authority Central Management

Grant Recipients

Each year, the Rhode Island Higher Education Assistance Authority (RIHEAA) awards grants and scholarships to more than 12,000 students. Eligibility for state grants is determined using a calculation of financial need, which includes family resources, tuition, room and board and fees, and other forms of financial aid available to the student. The figures below represent the percentage of eligible students receiving state grants. Data reported annually.

	2012	2013	2014	2015	2016
Target	70%	70%	70%	70%	--
Actual	52.2%	53.4%	52%	--	--

Performance for this measure is reported by state fiscal year.

Grant Awards

The figures below represent the average award made to Rhode Island students. Data reported annually.

	2012	2013	2014	2015	2016
Target	\$1,128	\$1,128	\$1,128	\$1,128	--
Actual	\$599	\$607	--	--	--

Performance for this measure is reported by state fiscal year.

WaytoGoRI Web

Rhode Island's Higher Education Assistance Authority provides and funds the WaytoGoRI portal as part of its Guaranty Agency operations. It provides education and financial planning information free of charge to all Rhode Island students, families and schools. The figures below represent the total number of views users have made in the WaytoGoRI portal during the year.

	2012	2013	2014	2015	2016
Target	--	--	4,200,000	4,200,000	--
Actual	3,925,588	2,861,139	2,521,514	--	--

Performance for this measure is reported by calendar year.

Guaranty Agency Collections

Guaranty Agencies are required to collect on defaulted student loans on behalf of the US Department of Education. The figures below represent the total amount collected by Rhode Island's Higher Education Assistance Authority as a percentage of beginning calculated inventory.

	2012	2013	2014	2015	2016
Target	--	47.5%	47.5%	47.5%	--
Actual	48.3%	24.3%	--	--	--

Performance for this measure is reported by federal fiscal year.

Performance Measures

Rhode Island Higher Education Assistance Authority Central Management

Total Collections

Guaranty Agencies are required to perform collections on defaulted student loans on behalf of the US Department of Education. The figures below represent Rhode Island's Higher Education Assistance Authority's ranking among the 33 Guaranty Agencies based upon statistics published by the US Department of Education. Data reported annually.

	2012	2013	2014	2015	2016
Target	--	--	3	3	--
Actual	3	1	--	--	--

Performance for this measure is reported by federal fiscal year.

Loan Rehabilitations

Loan rehabilitation is the preferred type of collection method. It allows the borrower to clear his/her credit rating for the defaulted loan. The figures below represent Rhode Island's Higher Education Assistance Authority's ranking among the 33 Guaranty Agencies based upon statistics published by the US Department of Education. Data reported annually.

	2012	2013	2014	2015	2016
Target	--	--	3	3	--
Actual	5	1	2	--	--

Performance for this measure is reported by federal fiscal year.

CollegeBoundfund Assets

CollegeBoundfund is Rhode Island's IRS section 529 Tuition Savings Program. The figures below represent the total assets under management, much of which is held by out-of-state participants. Data reported annually.

	2012	2013	2014	2015	2016
Target	--	\$7,500,000,000	\$7,875,000,000	\$7,890,000,000	--
Actual	\$7,260,000,000	\$7,450,000,000	\$7,558,699,005	--	--

Performance for this measure is reported by state fiscal year.

Revenue from Out-of-State Accounts

Rhode Island's Higher Education Assistance Authority derives revenue from out-of-state participants in CollegeBoundfund. The figures below represent the total of out-of-state revenue in each fiscal year. Data reported annually.

	2012	2013	2014	2015	2016
Target	--	--	\$8,000,000	\$8,000,000	--
Actual	\$8,005,000	\$8,050,000	--	--	--

Performance for this measure is reported by state fiscal year.

Performance Measures

Rhode Island Higher Education Assistance Authority HEAA - Loans Program

Rhode Island Scholarship and Grant Programs

The figures below represent the amount of revenue that is used to fund student financial assistance programs that benefit Rhode Island students and families. Data reported annually.

	2012	2013	2014	2015	2016
Target	--	\$8,800,000	\$6,500,000	\$7,500,000	--
Actual	\$8,341,000	\$8,250,000	--	--	--

Performance for this measure is reported by state fiscal year.
