



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
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MEMORANDUM

**To:** The Honorable Marvin L. Abney  
Chairman, House Finance Committee

The Honorable Daniel DaPonte  
Chairman, Senate Finance Committee

**From:** Thomas A. Mullaney *Thomas A. Mullaney*  
Executive Director/State Budget Officer

**Date:** February 23, 2017

**Subject:** Amendments to Article 3 of the FY 2018 Appropriations Act  
(17-H-5175)

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The Governor requests that the original Article 3 entitled "Relating to Rhode Island Promise Scholarship" be replaced with the attached version. The new version includes a few technical clarifications and sets forth a means of gathering additional enrollment data but makes no changes to the fundamental structure and policy intent of the original Article 3. Changes from the original article are indicated by grey-shading, and are as follows:

**SECTION 1**

**Section 16-107-3:** Reference to "a restricted receipt account at each postsecondary institution" is removed and new language allowing (but not requiring) supplementary financing of the RI Promise program beyond actual scholarship expense(s) is added. This amending language eliminates confusion regarding the potential establishment of bona-fide "restricted receipt" accounts at each school (there was no such intent) and allows for state appropriations in support of RI Promise that are not specifically targeted toward tuition/fee subsidies. The Governor's FY 2018 recommendation that \$7.0 million in general revenue be allocated toward RI Promise preparedness efforts and outreach activities is one example of this type of adjunct financing.

**Section 16-107-4:** For completeness and consistency, definitions of the terms "good academic standing" and "recipient-student" are added as subsections (c) and (g), respectively. Further, the definition of "mandatory fees and tuition" is expanded to specifically exclude program fees for certain majors and course fees for specific courses, as was originally intended. Lastly, the definition of "on track to graduate on time" is expanded to include a provision recognizing that certain courses of study (such as double majors, professional programs, and developmental education) may require additional time beyond the 2-year and 4-year limitations designated in the original article.

**Section 16-107-6:** Modifications to this section are largely technical in nature, including a re-assignment of subsection numbers and additional language further clarifying the conditions of eligibility for the Scholarship. New subsection (5) replaces original subsection (v), replacing the eligibility condition requiring a recipient-student to maintain a 2.0 grade point average with “good academic standing,” as was the original intent. Presently, “good academic standing” at the institutions is a 2.0 grade point average, which is why it was originally worded this way. However, making the reference “good academic standing” will allow for differing and/or shifting “good standing” criteria among the three eligible postsecondary institutions, as is common within some specific degree programs. The intent of this requirement was to make sure that a student met the academic requirements of earning a degree at each of the institutions. This change will better enable that policy intent.

**New Section 16-107-7:** This new section, entitled “Reporting and Disbursement”, replaces original Section 16-107-7 (now Section 16-107-8). This section establishes a biannual reporting process whereby RI Promise enrollment statistics and associated financial estimates for the both current fiscal year and the budget year are transmitted from each eligible postsecondary institution to the Office of Management and Budget, the House Fiscal Advisor, the Senate Fiscal Advisor, the Commissioner of Postsecondary Education, and the chair of the Council on Postsecondary Education. Submission of these reports will coincide with the Revenue and Caseload Estimating Conferences held in both early November and early May.

If you have any questions regarding this amendment, please feel free to call me or my staff at 222-6300.

TAM:sma 18-Amend-7

cc: Sharon Reynolds Ferland, House Fiscal Advisor  
Stephen Whitney, Senate Fiscal Advisor  
Michael DiBiase, Director of Administration  
Kevin J. Gallagher, Office of the Governor  
Jonathan Womer, Director, Office of Management and Budget  
Gregory Stack, Supervising Budget Analyst  
Daniel R. Orgel, Supervising Budget Analyst



1 meanings:

2 (a) “Eligible postsecondary institution” means the University of Rhode Island, Rhode Island  
3 College or the Community College of Rhode Island;

4 (b) “FAFSA” means the Free Application for Federal Student Aid form;

5 (c) “Good academic standing” means meeting satisfactory academic progress as defined by each  
6 eligible postsecondary institution;

7 (d) “Mandatory fees and tuition” are the costs that every student is required to pay in order to enroll  
8 in classes at the eligible postsecondary institutions, and does not include room and board, textbooks,  
9 program fees that may exist in some majors, course fees that may exist for some specific courses, meal  
10 plans or travel;

11 (e) “On track to graduate on time” means the standards determined by the applicable eligible  
12 postsecondary institution in establishing the expectation of a student to graduate with an associate’s degree  
13 within 2 years of enrollment and a bachelor’s degree within 4 years of enrollment (recognizing that some  
14 students, including students who require developmental education, are double majors, or are enrolled in  
15 certain professional programs may require an extended time period for degree completion);

16 (f) “Scholarship program” means the Rhode Island promise scholarship program that is established  
17 pursuant to § 16-107-3;

18 (g) “Recipient-student” means a student attending an eligible postsecondary institution who  
19 qualifies to receive the Rhode Island promise scholarship pursuant to § 16-107-6; and

20 (h) “State” means the State of Rhode Island and Providence Plantations.

21 **16-107-5 Administration of scholarship program.** – (a) The financial aid office in conjunction  
22 with the office of enrollment management, or their respective equivalent offices, at the applicable eligible  
23 postsecondary institution, under the supervision of the Council on Postsecondary Education, shall  
24 administer the scholarship program for state residents seeking associate and bachelor degrees at eligible  
25 postsecondary institutions who meet the eligibility requirements in this chapter.

26 (b) An award of the scholarship program shall cover the cost of two years of tuition and mandatory

1 fees at the eligible postsecondary institution less federal and all other financial aid monies available to the  
2 recipient-student.

3 (c) The scholarship program is limited to one award per student as described in 16-107-5(b).

4 **16-107-6 Eligibility for scholarship.** – (a) Beginning with the students who enroll at an eligible  
5 postsecondary institution in fall of 2017, to be considered for the scholarship, a student:

6 (1) Must qualify for in-state tuition and fees pursuant to the *Residency Policy* adopted by the  
7 Council on Postsecondary Education, as amended, supplemented, restated or otherwise modified from time  
8 to time (“residency policy”); *provided, that,* the student must have satisfied the high school  
9 graduation/equivalency diploma condition prior to reaching 19 years of age; *provided, further, that in*  
10 addition to the option of meeting the requirement by receiving a high school equivalency diploma as  
11 described in the residency policy, the student can satisfy the condition by receiving other certificates or  
12 documents of equivalent nature from the state or its municipalities as recognized by applicable regulations  
13 promulgated by the Council on Elementary and Secondary Education;

14 (2) (i) In the case of a recipient-student with regard to the Community College of Rhode Island,  
15 must be admitted to, and must enroll to attend the institution on a full-time basis by the fall immediately  
16 following high school graduation or the semester immediately following receipt of a high school  
17 equivalency diploma; or

18 (ii) In the case of a recipient-student with regard to Rhode Island College or the University of  
19 Rhode Island, must be a currently enrolled full-time student in good academic standing who has declared a  
20 major and earned a minimum of 60 credit hours towards a bachelor’s degree within their first two years as  
21 a first-time, full-time student at their current institution;

22 (3) Must complete the FAFSA and any required FAFSA verification by the deadline prescribed by  
23 the applicable eligible postsecondary institution for each academic year in which the student seeks to  
24 receive funding under the scholarship program;

25 (4) Must continue to be enrolled on a full-time basis;

26 (5) Must remain in good academic standing at the applicable eligible postsecondary institution;

1 (6) Must remain on track to graduate on time at the applicable eligible postsecondary institution;

2 and

3 (7) Must not have already received an award under this scholarship program.

4 (b) Notwithstanding the eligibility requirements under §§ 16-107-6(a) (“specified conditions”):

5 (i) In the case of a recipient-student who has an approved medical or personal leave of absence  
6 from an eligible postsecondary institution and is unable to satisfy one or more specified conditions because  
7 of the student’s medical or personal circumstances, the student may continue to receive an award under the  
8 scholarship program upon resuming the student’s education at the eligible postsecondary institution so long  
9 as the student continues to meet all other applicable eligibility requirements; and

10 (ii) In the case of a recipient-student who is a member of the national guard or a member of a  
11 reserve unit of a branch of the United State military and is unable to satisfy one or more specified conditions  
12 because the student is or will be in basic or special military training, or is or will be participating in a  
13 deployment of the student’s guard or reserve unit, the student may continue to receive an award under the  
14 scholarship program upon completion of the student’s basic or special military training or deployment.

15 **16-107-7 Reporting and Disbursement. -** (a) On or before November 10 and May 10 of each  
16 fiscal year following fiscal year 2017, each eligible postsecondary institution shall submit a report to the  
17 Director of the Office of Management and Budget, the State Budget Officer, the House Fiscal Advisor, the  
18 Senate Fiscal Advisor, the Commissioner of Postsecondary Education, and the chair of the Council on  
19 Postsecondary Education detailing the number of students eligible to participate in the scholarship program,  
20 the amount of federal and Institutional financial aid anticipated to be received by recipient-students, the  
21 aggregate tuition and mandatory fee costs attributable to recipient-students, and the resulting total cost of  
22 the scholarship program to the state. The report shall contain such data for both the current fiscal year and  
23 the most up-to-date forecast for the following fiscal year. Data reported by each eligible postsecondary  
24 institution shall be subdivided by student year cohort and shall be accompanied by a written explanation  
25 detailing the estimating methodology utilized and any impact(s) the forecasted data may present to  
26 institutional capacity, operational costs, and the tuition/fee revenue base of the institution.

1           (b) The Office of Management and Budget, in consultation with the Office of the Postsecondary  
2 Commissioner, shall oversee the apportionment and disbursement of all funds appropriated for the purpose  
3 of the scholarship program.

4           **16-107-8 Rules and procedures.** – The Council on Postsecondary Education is hereby authorized  
5 to promulgate rules to effectuate the purposes of this chapter and each institution shall establish appeal  
6 procedures for the award, denial or revocation of funding under the scholarship program. The rules shall  
7 be promulgated in accordance with § 16-59-4.

8           SECTION 2. Section 16-59-9 of the General Laws in Chapter 16-59 entitled “Board of Governors  
9 for Higher Education” is hereby amended to read as follows:

10           **16-59-9 Education budget and appropriations.** - (a) The general assembly shall annually  
11 appropriate any sums it deems necessary for support and maintenance of higher education in the state and  
12 the state controller is authorized and directed to draw his or her orders upon the general treasurer for the  
13 payment of the appropriations or so much of the sums that are necessary for the purposes appropriated,  
14 upon the receipt by him or her of proper vouchers as the council on postsecondary education may by rule  
15 provide. The council shall receive, review, and adjust the budget for the office of postsecondary  
16 commissioner and present the budget as part of the budget for higher education under the requirements of  
17 § 35-3-4.

18           (b) The office of postsecondary commissioner and the institutions of public higher education shall  
19 establish working capital accounts.

20           (c) Any tuition or fee increase schedules in effect for the institutions of public higher education  
21 shall be received by the council on postsecondary education for allocation for the fiscal year for which state  
22 appropriations are made to the council by the general assembly; provided that no further increases may be  
23 made by the board of education or the council on postsecondary education for the year for which  
24 appropriations are made. Except that these provisions shall not apply to the revenues of housing, dining,  
25 and other auxiliary facilities at the University of Rhode Island, Rhode Island College, and the Community

1 Colleges including student fees as described in P.L. 1962, ch. 257 pledged to secure indebtedness issued at  
2 any time pursuant to P.L. 1962, ch. 257 as amended.

3 (d) All housing, dining, and other auxiliary facilities at all public institutions of higher learning  
4 shall be self-supporting and no funds shall be appropriated by the general assembly to pay operating  
5 expenses, including principal and interest on debt services, and overhead expenses for the facilities, with  
6 the exception of the mandatory fees covered by the Rhode Island Promise scholarship program as  
7 established by § 16-107-3. Any debt-service costs on general obligation bonds presented to the voters in  
8 November 2000 and November 2004 or appropriated funds from the Rhode Island capital plan for the  
9 housing auxiliaries at the University of Rhode Island and Rhode Island College shall not be subject to this  
10 self-supporting requirement in order to provide funds for the building construction and rehabilitation  
11 program. The institutions of public higher education will establish policies and procedures that enhance the  
12 opportunity for auxiliary facilities to be self-supporting, including that all faculty provide timely and  
13 accurate copies of booklist for required textbooks to the public higher educational institution's bookstore.

14 (e) The additional costs to achieve self-supporting status shall be by the implementation of a fee  
15 schedule of all housing, dining, and other auxiliary facilities, including but not limited to, operating  
16 expenses, principal, and interest on debt services, and overhead expenses.

17 (f) The board of education is authorized to establish a restricted-receipt account for the Westerly  
18 Higher Education and Industry Center (also known as the Westerly Job Skills Center or Westerly Higher  
19 Education Learning Center) and to collect lease payments from occupying companies, and fees from room  
20 and service rentals, to support the operation and maintenance of the facility. All such revenues shall be  
21 deposited to the restricted-receipt account.

22 SECTION 3. This article shall take effect upon passage.