



RHODE ISLAND COLLEGE

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Rhode Island College Implements Cost-Cutting Measures

College must reduce operating expenses by 15 percent in the face of a projected \$10.4 million deficit for FY 2021

Providence, RI – Rhode Island College (RIC) announced today a raft of cost-cutting measures in response to a projected \$10.4 million deficit for fiscal year (FY) 2021 resulting from the coronavirus pandemic and its fallout on top of existing and ongoing fiscal pressures. In order to close the gap, the college must reduce its overall operating expenses by 15 percent. The extraordinary measures include executive pay cuts, continued hiring freezes, staff reductions, the delay of cost-of-living adjustments (COLA), the closure of the Henry Barnard School at the conclusion of the 2020-21 school year and other austerity measures.

“The pandemic and its unprecedented impacts have triggered one of the biggest fiscal challenges in Rhode Island College’s 166-year history,” said President Frank D. Sánchez. “As president, my job is to make the difficult decisions that will enable the college to continue accomplishing our core mission, which is to provide a high-quality, affordable college education and the opportunity for a better life to generations of students in Rhode Island and beyond.”

The pandemic comes on the heels of budget woes that have been ongoing for several years, due to a regional demographic trend of lower enrollments among first-time, full-time college students and declining investments in public higher education. Until now, through a combination of cost-cutting measures, the college managed to stave off the worst impacts of depleted budgets. The devastating fiscal impact of the coronavirus pandemic, however, forced the college to take more aggressive action.

From FY 2018 through FY 2020, the college faced deficits totaling \$13.7 million, which were addressed each year through reductions in operating costs, lowering financial aid, restricting travel, freezing overtime, limited hiring and raising tuition.

Before the COVID-19 pandemic and ensuing shutdown, the college was projecting a \$4.1 million budget deficit for FY 2021. Because of COVID-19, the college is expecting a 10 percent decrease in enrollments. If that projection holds true as the academic year begins and the college receives no increase in state aid over the governor’s recommended FY 2021 budget, the projected deficit will increase to \$10.4 million. In order to

bridge that shortfall, an unprecedented 15 percent reduction in operating expenses is required.

The measures announced today cover this gap and include implementation of cost-cutting measures across the board, while preserving the academic mission of the college. More than 30 new vacancies have been created since May 2020 through retirements and other attrition. These vacancies will remain unfilled in addition to 28 positions held vacant in the prior year. Since April 1, 2020 the college has been implementing austerity measures, including reductions to discretionary spending, overtime, travel and compensatory time. The college expects to reduce its adjunct faculty budget by as much as 50 percent for the upcoming academic year, after three straight years of declining adjunct faculty employment. As of July 1, 2020, salaries for the president, vice presidents, associate vice presidents and deans were reduced by 10 percent, 7.5 percent, and 5 percent, respectively. Negotiations with the faculty union have resulted in the delay of a 2.5 percent COLA. The college also expects to announce a round of layoffs in September.

Henry Barnard School (HBS), an elementary school operated by the college on the campus, has presented both fiscal and programmatic challenges for RIC. HBS operating losses for the past three fiscal years were \$1.4 million (FY 18), \$1.6 million (FY 19) and \$1.6 million (FY 20). These operating losses are covered directly by the college, drawing funds from other programs that support college students at the core of the institution's mission.

At the same time, the educational model on which HBS was founded in the 1800s, as a laboratory school for the college's teacher candidates, is no longer considered best practice in teacher education. With an entirely redesigned curriculum that is on the cutting-edge of teacher education nationwide, RIC's Feinstein School of Education and Human Development (FSEHD) has shifted its focus to serving urban public schools, and placing teacher candidates in schools with significant ELL and special education populations. This has resulted in a declining number of FSEHD student teacher placements at HBS.

Despite efforts to revitalize HBS enrollment, which has fallen by more than 40 percent since 2017, and facing the prospect of sustained million-dollar-plus deficits at HBS that divert funds from the institution's core mission, the college concluded that continued losses from the operation of HBS cannot be sustained and reached the difficult conclusion that HBS will not reopen in Fall 2021.

"These are the hardest choices I've had to make during my time as president," said Sánchez. "However, they were compelled by the need to continue to serve more than 6,500 college students at the heart of our mission, many of whom are the first in their family to attend college. Every decision I make is guided by my responsibility to them."

About Rhode Island College

Rhode Island College is a regional comprehensive public college that serves approximately 8,500 undergraduate, graduate and doctoral students through its five schools: The Faculty of Arts and Sciences, the Feinstein School of Education and Human Development, the School of Business, the School of Nursing

and the School of Social Work. Established in 1854, it is Rhode Island's first public institution of higher education.

The college is located on a beautiful 180-acre suburban campus in the vibrant city of Providence, and has satellite locations at the Rhode Island Nursing Education Center in Providence's Innovation District and the Rhode Island College Workforce Development Hub in Central Falls, RI. Rhode Island College is known throughout the Northeast for its high-quality academic programs, small class size, personalized, hands-on learning experiences, world class faculty, and high value compared to other four-year institutions. For more information, visit www.ric.edu.

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