



Finding Flexibility in RISD's Operating Budget

Budget Advisory Group Recommendations | FY20 and Beyond

“Rethinking the way we budget,” is a foundational strategy within our proposed strategic plan, [Next: RISD 2020–2027](#), to help us achieve our long-term goal of becoming less proportionately reliant on tuition and able to provide our students with greater financial access.

To that end, over the spring semester more than 200 RISD faculty, staff and students attended six open forums and town halls to learn more about our current financial situation, ask questions, and offer suggestions for cost savings or revenue generation. The Budget Advisory Group (BAG)—made up of faculty, staff and students—vetted these ideas and put forward 16 recommendations for implementation in fiscal year 2020 for a savings of \$2.7 million.

| FY20 Budget Strategies | Target Amount |
|--|----------------------|
| 1) Introduce employee dining plan RISD Dining will introduce discounted dining plans for employees to incentivize use of the on-campus dining facilities. Based on data from Dining Services, there is demand for this service and the program will be introduced to the RISD community for the fall 2019 semester. The program will consider the needs of staff and faculty, and payroll deduction is being reviewed as a payment option. | \$ 40,000 |
| 2) Consolidate institutional subscriptions and memberships RISD currently spends more than \$250,000 on subscriptions (newspapers, electronic media, magazines) and memberships. A review will be undertaken with an aim to consolidate where possible and departments will be asked to re-evaluate subscriptions and membership costs they may incur in their budgets. | \$ 10,000 |
| 3) Allocate Infosys proceeds to fund RISD operations RISD has contracted with Infosys, Inc. to provide access to RISD programming in India and in Providence to their management and employees. In return, Infosys provides funding for direct and indirect costs. This proposal will direct funding to the indirect costs of supporting this work. | \$ 350,000 |
| 4) Eliminate four to six staff positions through attrition RISD leadership is working with departments to review vacant positions and analyze whether the work can be accomplished differently. The Position Review Committee will also be reviewing all requested re-hiring of vacant positions to identify potential savings. Through this work, we anticipate identifying between four to six open positions that will be eliminated. | \$ 400,000 |



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| 5) Review and revise cell phone funding policy Currently RISD spends more than \$150,000 on cell phones, mobile devices and related voice/data plans for 300 devices annually. Over the summer, Cabinet will review our distribution of devices and plans and work with managers to identify and implement criteria for cell phone support. More information will be forthcoming. | \$ | 90,000 |
| 6) Insource vending operations RISD currently contracts with an external vendor to provide drink and snack machines. After analysis by Auxiliary Services, RISD can provide this service in house for a lower cost. RISD currently generates a commission of \$83k on \$318k of total sales. By insourcing vending, we expect to net a larger commission, which will grow over time. | \$ | 35,000 |
| 7) Launch 20 Washington Place Café Currently, more than 1,900 people pass through the lobby of 20 Washington Place every day. That number is expected to increase with the opening of the new mailroom. This proposal places a vending cafe in the lobby to provide beverages, snacks and fresh, house-made food and meet the current demand for drinks and food in a central location at RISD. | \$ | 12,000 |
| 8) Reduce non-personnel budgets by 3% for Finance and Administration, Media Group, Museum, President's Office and Enrollment Overall, RISD spends over \$35 million annually on non-personnel items and services. For FY20, all non-academic areas are being asked to reduce their non-personnel budgets by an average of 3%. Likely areas for reduction will be travel, business meals, supplies, furniture, equipment, contracted services and others. These reductions may result in some extended replacement cycles, but the aim is for implementation with as little disruption as possible. | \$ | 300,000 |
| 9) Limit new furniture purchases to critical situations RISD does not currently have reliable data to identify total furniture expenses. However, based on equipment line items the estimated cost is more than \$200,000 per year. RISD will develop policies and guidelines for furniture purchases to ensure that they are needed to support the work of departments. We will also encourage the use of the furniture recycling program located in 15 West. | \$ | TBD |
| 10) Require competitive bidding for purchases above \$7k RISD does not currently have reliable data on purchases above \$7,000 that do not go through a competitive bidding process. A competitive bidding process will help us achieve the best price possible while meeting the needs of the department or individual. RISD will be updating its policies in this area and implement a stronger bidding and procurement process, managed by RISD Procurement Services. | \$ | TBD |



11) Require adherence to computer purchasing guidelines

\$ 20,000

RISD currently provides desktops/laptops to employees on a 3 year cycle for laptops and 4 year cycle for desktops. RISD has set standards for laptops/desktops as follows:

Windows HP EliteOne Desktop = \$1,191.07

iMac Desktop = \$1,486.08

There is also a Windows HP Laptop and a Apple MacBook Air which is fully covered under the CWP lease budget. Actual unit costs (with warranty) for those units are:

Windows HP EliteBook = \$1,206.12

Apple MacBook Air = \$1,480.32

RISD departments currently spend more than \$70,000 from their budgets over and above these standard machines for enhanced machines. RISD ITS will work with RISD leadership and departments to review and minimize exceptions.

12) Consolidate RISD Store and RISD Works

\$ 50,000

RISD recently announced the move of RISD Works to the RISD Store. This consolidation has occurred. We anticipate that by consolidating the two stores we will be able to reduce overhead and increase revenue margins beginning in FY20.

13) Promote use of tax-exempt ID

\$ TBD

RISD is a charitable, tax-exempt entity in the State of Rhode Island and is exempt from payment of state sales tax on the goods and services it purchases in both Rhode Island and New York. RISD will take steps to remind employees to obtain and use the exemption when possible and will work with local restaurants and hotels to remind them to honor our exemption.

14) Reduce overtime costs by 10%

\$ 100,000

RISD spends \$1 million in overtime expenses, 25% over our budget of \$800,000. Every department will be asked to analyze its use of overtime and supervisors will be required to pre-approve overtime to minimize its use.



15) Reduce temp employee costs by 20%

\$ 300,000

RISD currently spends \$1.4 million on temporary help, 180% over our budget of \$500k. RISD is currently reviewing its policies and procedures and will require all proposed use of temporary help be reviewed by the Position Review Committee prior to committing to the expense. At a minimum, departments will be required to budget expected use of temporary help as accurately as possible or to distribute workload among existing employees for short term absences.

16) Additional net tuition revenue above budgeted levels

\$ 1,000,000

Due to student demand, RISD is in a position to increase enrollment by approximately 30 students in FY20 in undergraduate and graduate areas. RISD has experienced a less than 2% increase in total enrollment over the past five years. Total revenues are expected to yield in excess of \$1.3 million with part of that revenue directed to academic departments to offset increased costs from the additional students.

Total

\$ 2,707,000

Items to be Studied for Long-Term Implementation

BAG has also recommended 30 additional ideas to be studied over the course of the next nine months to find further financial flexibility, which are also included in the document. These strategies will be studied to determine the feasibility and benefit for RISD, and to determine which ones we move forward; no implementation decisions will be made until December 2019. Updates will be provided over this period through email, the Budget Office web page, department/division meetings and open forums.

1. Consolidate medical plans to offer only one or two, instead of three
2. Evaluate potential new graduate programs and delivery methods, such as low residency, fifth year, growing fields, etc.
3. Assess outsourcing opportunities
4. Evaluate shared service opportunities
5. Assess feasibility of a museum storage facility to meet internal needs and external demand for art storage
6. Assess early retirement incentive program for staff
7. Consolidate visiting speakers/artists budget to maximize impact and efficiency
8. Review computer labs use and learning management systems
9. Evaluate Workday savings impact
10. Minimize computer/printer purchasing
11. Find facilities/energy savings opportunities
12. Implement space use maximization



13. Review the costs of Commencement and other special events
14. Implement more robust travel policies, such as pre-approvals and cost minimization
15. Evaluate the feasibility of a RISD press
16. Evaluate the feasibility of in-house printing and merchandising
17. Review fringe benefits program for all employees
18. Review transportation costs, including RISD Rides, parking, RIPTA, etc.
19. Expand the RISD Store
20. Conduct a full review of all RISD costs and benchmark against other institutions
21. Revamp purchasing practices, e.g. contracts, discounts, purchasing cards
22. Review use of consultants
23. Review sabbatical planning, sequencing and coverage
24. Look to share resources with other institutions
25. Provide RISD credit-bearing summer courses for student "catch up"
26. Look into revenue sharing agreements, such as voluntary faculty speaking and consulting opportunities
27. Review possibility of a prorated employee contribution to Continuing Education courses
28. Review water and coffee purchases and install water stations
29. Reduce support to external entities

Ongoing Initiatives Committed to in [NEXT: RISD 2020-2027](#)

- 1) Implement Institutional Engagement Plan
- 2) Expand Executive Education Programming
- 3) Grow Continuing Education
- 4) Centralize Conference and Events Management
- 5) Maintain/Grow Partnered Programs