The University of Rhode Island  
Strategic Budget and Planning Council  
February 21, 2013  
9:00 am – 10:30 am  
Thomson Board Room, Ballentine Hall

Members in Attendance:
Chair Don DeHayes, Faye Boudreaux-Bartels, Ray Wright, Peter Larsen, Cheryl Foster, Patricia Morokoff, Linda Barrett, Ann Morrissey, Tom Dougan, Mark Higgins (via phone), Ellen Reynolds, Naomi Thompson, Scott Martin, Steve D’Hondt, Stephanie Segal, Michael Smith, Thorr Bjorn

Members Absent:
Vice Chair Bob Weygand, Sharon Bell, Peter Alfonso, Ken Kermes, Gigi Edwards

See the complete list of member information at the Strategic Budget and Planning Council website at http://www.uri.edu/budget/sbpc/Membership%202010-2012.pdf

Meeting Minutes
1. Chair called meeting to order at 9:07am
2. Announcements
   a. J-Term experiential learning is on the agenda for the upcoming Faculty Senate meeting. Effective use of the J-Term can present additional opportunities for students and an additional revenue stream for the University. The concept seems to have general support from the Senate.
   b. The interface between the AMRC and SBPC is nearly finalized. One decision the AMRC has made is to look into the possibility of reorganizing the various Health Education programs on campus to bring greater visibility to a piece of the University which looks at a segment of society which is rapidly changing, especially in the face of the Affordable Healthcare Act. URI has expertise in Health Studies, but the expertise is hidden within various departments.
   c. If the General Assembly approves the Governor’s allocation, URI will be facing about a $5 million shortfall from what it proposed for FY2014. At one time URI thought a very modest tuition increase may have been possible for the next fiscal year. This would have generated an extra $1-2 million, but this increase now seems unlikely. If there is no tuition increase, the University will advertise the tuition freeze as a benefit for both returning and incoming students and their families.
3. Approval of January 24 minutes
   a. Revision: first sentence of section 5D should read - "The looming budget deficit may be a time to ask for increased degrees of freedom from the State of Rhode Island in terms of administering the University to allow for greater efficiencies."
   b. Minutes approved after the one alteration.
4. Fundraising Review from URI Foundation (Presentation by Michael Smith)
   b. Michael Smith reported the following:
i. On Foundation and alumni relations Mike Smith reported the following: Right now just under 10% of URI alumni donate money to the University. The national average for public institutions of higher education is about 13%. To improve this statistic, current URI students need to be educated on how philanthropy impacts their collegiate experience. Foundation is working to challenge Alumni to increase gifting. Part of this is educating students while they are on campus, part of this is thanking donors properly, and part of this is getting alumni back to campus to see how donations improve the campus experience over time. All of this will increase donations 15 years down the road and beyond.

ii. On Foundation and the State of Rhode Island: Foundation and Alumni have put together plans for an Economic Impact Study to be conducted within the next month. An Economic Impact Study for URI has not been done since 2004. URI will be able to report concrete data on the economic impact the University has on the State of Rhode Island. URI Foundation is making a concerted effort to improve relations with the State of Rhode Island. Foundation is growing its Board and number of trustees. The board is full of successful people from the private sector working on URI’s behalf.

iii. On current levels of gifting and future levels of gifting: $11.4 million represents total documented gift activity. This amount does not reflect any "write-off" for reneged pledges. When pledges are written, most often the gift does come to the University. Foundation has goals set in place to increase total gift activity. These goals are mandated from the University. Foundation representatives are required to come up with 25 "major" gift proposals per year, with anything exceeding $25,000 over a five-year period qualifying as major. These representatives must "close" (get either a "yes" or "no" answer) on half of these proposals each year. This policy promotes creativity in gifting and it has an obvious impact on the volume of proposals Foundation evaluates each year.

iv. On identifying new donors and scholarships: Giving scholarships is the most passionate way to get donors back involved. Scholarships are a way to engage potential donors for a first time gift. These types of potential donors may not be comfortable giving a seven-figure gift as a first donation. Building comfort and trust ensures long and healthy relationships with donors. The URI Alumni database identifies about 3,500 households capable of giving a philanthropic gift of up to $1 million over a five-year period. When the gift amount is reduced to $500,000 over a five-year period, the number of households goes way up. The work URI has to do is in making the University a philanthropic priority of these households. Most of these households already have a great number of causes they are donating to.

v. On the composition of the Foundation staff: Foundation has forty total staff. Foundation has some officers dedicated to specific colleges. Other employees are "Road Warriors" who are out contacting as many potential donors as
possible. Foundation does not yet have an organized effort to connect faculty with potential donors. Tapping into faculty relationships with former students can identify potential donors. This can be used effectively, and it is, by many universities. The College of Arts & Sciences already uses this strategy. It may be time to implement it in other Colleges. Foundation is also beginning to act as a gateway between potential donors in the private sector and the various URI Colleges. Foundation is able to work with these potential donors, gain an understanding of their interests, and facilitate meetings with the appropriate URI personnel.

5. Budget Reduction Process

a. The SBPC previously endorsed a budget reduction process and it received the approval of the President. The approved processes of the subcommittee on Budget Reinvestment, Contingency Fund and Capital Expenditures can be found at: [http://www.uri.edu/budget/sbpc/RRC%20Model%205-16-11%20for%20SBPC.pdf](http://www.uri.edu/budget/sbpc/RRC%20Model%205-16-11%20for%20SBPC.pdf). The process continues to maintain SBPC as a protector of strategic investments even as divisions trim budgets. A major role of the Council is to ensure that cuts are strategic and protect priorities. The Chair remarked that $1M for new investments was recommended to the President for the FY14 Budget Request. The council went through a lengthy process to determine places where investment would add value and those investments should be protected. In facing a potential @$5M deficit, there are strategies that could easily cut the deficit, but may negatively impact the priorities the Council has worked so hard to invest in. Non-strategic budget cutting, such as leaving vacant positions unfunded, is the easiest way to meet budget reduction goals, but, not strategic. This type of strategy can have dire long-term consequences. The Council needs to decide if it has a responsibility to protect the investments it has made in highly strategic priorities over the past few years. These priorities are fairly new to the University, so cutting them may be easy, if not necessarily beneficial to the University in the long-term.

b. The Provost stipulated that in preparing for potential budget reductions within Academic Affairs, the deans have been asked to identify their lowest funded priorities. This year they have been asked to submit how they would address a 2% and 4% reduction. This exercise should help to identify areas in colleges that are currently funded but of lesser priority and possibly could be re-assessed for in future funding. Strategic plans (the College plans and the Academic plan) define the priorities for the future.

c. Academic Affairs will not implement across the board budget cuts as this would not be strategic. The Admissions Office serves to provide the greatest revenue stream to the University. Budget cuts in this area would need to be carefully considered so as not to negatively impact any revenue.

d. The Council could ask the division heads to submit budget summary or report and for it to include their lowest priority item(s).
e. There was a discussion about whether or not to go forward with a process to consider new items for FY15. Some FY14 new items were recommended to be included in FY15 by the President. The role of the Council will be discussed in the next two months relative to a budget reduction and/or new item submission process. Would the Council want to urge that the new strategic investments they recommended be protected? Concern was raised about new investments relative to other worthy consideration. Discussions relative to budget decreases will be for FY -14. The Council decided that it will not entertain new investment proposals for FY ’15 at this time, given budget predictions. Instead, its focus will be on the useful role of how to most strategically define a process for budget reductions with an emphasis on the protection of strategic investments and disinvestments.

f. A draft recommendation of a potential process will be presented to SBPC for further discussion.

g. A suggestion was to consider some form of zero-based budgeting, which would require each division to build their budget from scratch with attention to line-by-line strategic allocations. Doing this identifies parts of the budget with the least value. Discussion about the recognition of the limitations for this with regard to State laws and personnel regulations. Possibly a modified process of zero-based budgeting might work in this environment.

h. The divisional budget presentation process may need to change this year. A lot of time goes into preparing these presentations. Going through this lengthy process to present and vet proposals for budget supplement request may not be prudent given the likely prospective shortfall situation.

i. The University should have legal counsel explore the options URI has with properly utilizing staff with statutory status. Knowing these options may help as the divisions analyze budgets. SBPC will ask Legal Counsel for opinion on the University’s options regarding statutory status. Staff will follow up with Legal Counsel on this request.

j. Each division has not yet been asked to identify dollar amounts for cuts. The SBPC could reach out to each VP to see how each division may approach budget cutting. With this feedback, a draft on how each Division plans to approach the FY14 budget can be prepared for distribution to the entire council.

k. Sequestration cuts could have an impact on the FY14 budget. Right now enrollment figures are up and this could create an increase in revenue in FY14 to partially negate the projected shortfall. At this time, these variables are highly unknown.

6. Update from Subcommittee on Budget Submission Process (Trish Morokoff)

   a. The subcommittee is still meeting to finalize the revised additional budget request submission process. The framework of the new process is as follows: Each Vice President could give a 15 minute presentation on their budget request. A two person committee would give a critique of the presentation and the budget items requested. There would then be thirty minutes allowed for questions and discussion. The write-up of the request will also be less cumbersome.

7. Meeting adjourned at 10:51am / Minutes by: John Olerio