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

Members in Attendance:
Chair Don DeHayes, Vice Chair Bob Weygand Faye Boudreaux-Bartels, Ray Wright, Peter Larsen, Patricia Morokoff, Linda Barrett, Ann Morrissey, Tom Dougan, Mark Higgins, Ellen Reynolds, Naomi Thompson, Scott Martin, Steve D’Hondt, Thorr Bjorn, Ken Kermes, Sharon Bell

Members Absent:
Peter Alfonso, Gigi Edwards, Cheryl Foster, Stephanie Segal, Michael Smith

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
   a. Opening Announcement from Provost: The projected budget reduction is $4.9 million shortfall for FY14. He reminded the Council that total enrollment includes the incoming freshman class, and retention of upperclassmen. The final enrollment numbers may increase or decrease the projected shortfall. A tuition increase will not occur during FY14. Had there been a very modest tuition increase, the URI budget would be in a much better financial position. The University will promote the “no tuition increase” to positively impact enrollment and student retention.

2. Budget Reduction Process and FY2014 Tentative Allocation (Linda Barrett)
   a. Provost: The strategic premises put forth in Linda’s presentation, that we, as a council, retain FY 2014 strategic initiatives built into the budget by the President and retain the student aid budget are important considerations for this Council. There are many ways to trim a budget, we need to be sure we are doing it in the most strategic way possible.
   b. Vice Chair: This Council needs to look at the various strategic initiatives in the budget totaling $1.2 million in the FY14 as endorsed by the President, based largely on the recommendation of the SBPC. All initiatives as well as the other parts of the budget should be considered in a holistic view. Current service levels and the student aid budget should be reviewed. The new budget being proposed for student aid could be presented to this council. Student aid discount is the most significant increasing cost we have. As a strategic budget council, SBPC should examine the student aid budget on an annual basis. In ensuing discussion, it was noted that the consultant brought in by the AMRC recommended that AMRC not look at student aid as part of the purview of the committee’s University-wide review.
   c. A health education reorganization committee has been convened and is chaired by Ruby Dholakia, a faculty member from the College of Business. The committee is not
mandated to find budget savings, but cost savings could be generated as the committee seeks to improve the organization, exposure, and efficiency of our health-related programs. There are many factors driving the need to analyze the structure of health education at URI. The Intention of this effort is to take advantage of an opportunity to explore the best possible leveraging of the University’s resources to promote and advance education and research related to health and wellness.

d. Vice Chair: There are three ways to raise revenue when you are customer based, as our institution is: 1) you can raise your enrollment, but unfortunately URI may have reached its enrollment saturation point in terms of undergraduate enrollment. 2) You can change the in-state to out-of-state student ratio. 3) You can be given more support from the state of Rhode Island. Comment followed as to the very limited opportunity to further increase out-of-state enrollment beyond the efforts to already do so.

e. Student aid is extremely complex and the SBPC needs to trust the experts we have on campus in enrollment services who are consistently looking at all kinds of data to arrive at the optimal discount rate and net enrollment revenue. Although it is important for the Council to understand the student aid budget, it needs to focus its limited time on strategic investments, revenue generating opportunities, and budget reductions or operating efficiencies.

f. Student retention is an important budget factor as well as an indicator of quality. The University needs to continue its focus on improving student retention.

g. The Provost proposed an idea that might allow the University to realistically disinvest in its lowest priorities involving the use of one-time-only money to bridge the gap during the transition away from the function over a 12-15 month span. Between April and June departments often expend remaining budget funds on less-than-strategic items. The University could develop a way to incentivize saving end-of-the year balances and allow a unit to retain some portion of those funds past the fiscal year with the remainder going toward a University reserve fund. It was noted that a potential risk might be that departments/units would fear that by not spending, they are perceived as not actually needing the same base budget in future fiscal years. The President's potential involvement in this type of campaign would hopefully assuage concerns within the URI community.

h. The Vice Chair cautioned that using one-time only money to fund operational activities may create ramifications in future fiscal years. Utilizing this practice ineffectively could leave URI facing greater budgetary deficits in the future, perhaps as early as FY15. The political reality is next year could be another year with little to no tuition increase. There are some departments perennially overspending, but as an institution, we live within our budget.

i. VP Dougan proposed that freezing budgets could be an option. This would grow the fund balance and help us bridge as we phase-out unneeded functions and departments. Obviously, the personnel costs make this difficult to navigate.

j. The idea for borrowing against the $12 million 101 fund was raised. Borrowing strategically from Fund 101 so as not put in jeopardy the various departments on
k. SBPC will be involved in planning the FY14 budget although it is yet to be determined in what manner. With the lack of a tuition increase and no increased state support, the variables left in balancing the budget are limited. There is also concern about the sequester and its impact. Fortunately, it is not expected to impact Pell grant funding, important to the University. The perception of families in Rhode Island as they hear about sequester cuts on the news is of concern for the University so that it does not impact negatively on enrollment prospects.

3. Update from Subcommittee on Rubrics (Patricia Morokoff)
   a. The Provost commended the subcommittee for addressing the Council’s previously expressed concerns, about the process with their new proposed process. There are some minor changes to be made, but the new process is nearly finalized.
   b. The idea of having the new investment process used for reduction principles, with minor linguistic changes was explored. The process would entail more than $4.9 million worth of cuts being brought to the table for the request system to be applicable to the reduction process.
   c. The Provost reiterated that the main issue holding back strategic cuts will be the needed time it takes relative to phasing out something that is no longer aligned strategically with the University.
   d. SBPC meetings are public and we need to be cognizant and sensitive to the privacy of individuals who could be affected by various budget cut prospects. A process to assure confidentiality needs to be framed prior to any such discussion.

4. Approval of February 21 minutes
   a. Minutes approved unanimously without alteration.

5. Announcements
   a. SBPC will request Michael Smith to follow-up on his previous presentation to the council. The next presentation would need to include more specific budgetary related information as it relates to revenue projections and goals, and recent (past 5 years) data related to Foundation revenue and fund raising goals.

6. Meeting adjourned at 10:30am / Minutes by: John Olerio