Members in Attendance:
Chair: Don DeHayes, Vice Chair: Christina Valentino, Faye Boudreaux-Bartels, Ray Wright, Patricia Morokoff, Ann Morrissey, Mark Higgins, Ellen Reynolds, Kim Washor, Sharon Bell, Linda Barrett, David Byrd, Thorr Bjorn, Tom Dougan, Naomi Thompson, Steve D’Hondt, Gerald Sonnenfeld

Members Absent:
Michael Smith, Annu Matthew, Ken Kermes, Matt Kilduff, Scott Martin

See the complete list of member information at the Strategic Budget and Planning Council website at http://www.uri.edu/budget/sbpc/Membership%2010-2012.pdf

Meeting Minutes

1) Chair called meeting to order at 1:07pm
   a) Chair welcomed new members Vice Chair of the SBPC & Vice President for Administration and Finance, Christina Valentino, and Vice President for Research & Economic Development Gerald Sonnenfeld. Annu Matthew is also a new member of the SBPC.
   b) The Chair acknowledged that members of the Council have turned over during the past three years. Linda Barrett and Ann Morrissey will hold a new member orientation session that all are welcome to attend. This Council has worked to follow the charge of President Dooley. The Council was reminded that the members are expected to act on behalf of the "whole" University rather than as a representative of; or for a particular University constituency. Committee members, even when there is difference of opinion, have done an excellent job of putting the interest of the University, as an institution, above the interest in any one division or department on campus.

2) Approval of September meeting minutes
   a) Minutes approved unanimously

3) FY14 and FY15 budget update (Presented by Linda Barrett)
   a) Chair: In May a presentation of the FY2014 Allocation budget reflected incoming freshmen deposits of 3,442. The target for October 15th was previously set at 3,100; the number as of October 8th is 3,123. The University has a successful orientation program and data shows that if a student attends orientation, there is a very good chance they will ultimately enroll in the fall. Despite this, there is still always a melt on the deposits, due to a number of factors.
   b) Chair (on faculty hiring and retention): Faculty compensation is a critical aspect of why faculty pursue positions at other institutions. Faculty also leave to pursue positions at institutions with better facilities and labs. This issue is not specific to just one college on campus. The main reason cited for faculty leaving relates to professional growth. The University has made strides in faculty hiring in the past few years. For many recent searches, URI has hired the top choice of the search committees. URI needs to work to retain these great hires. As the national economy recovers, more universities are hiring
again and the competition for the best faculty is increasing. The problem of retaining faculty is a national phenomenon. The faculty contract is another issue at URI. The URI salary raises for young faculty are not competitive in the market and this is hurting retention. There should be a great effort to retain the faculty who are given competitive startup packages upon hiring, to ensure URI sees a return on these startup investments.

c) Chair (on tuition increases): Last year, the State of Rhode Island mandated that URI cannot increase tuition or reduce the financial aid given to students. The State has not increased state appropriation to offset the fact that tuition rates did not increase. These measures by the State make it very difficult for URI to raise revenue. There is a new economic impact statement, which details how significantly the University impacts the economy in Rhode Island.

d) The financial aid provided by URI is anticipated to equilibrate in FY 2015. When URI actually attains equilibrium depends upon the ability to increase tuition after FY2014.

e) Linda presented the annual change in State Appropriation and Tuition and Fees from 2006 through 2014. The institution is heavily dependent upon tuition and fee revenue. The FY2014 Budget request reflected a $12M increase in State Appropriation with a directive to hold tuition level. The final increase in State Appropriation was $6M; resulting in a projected $6M shortfall. A technical rate change reduced the $6M shortfall to $5M. Enrollment revenues exceeded original estimates and reduced the $5M shortfall to $2M shortfall. Process to address the $2M shortfall included the budget reduction principles (previously adopted by senior management and SBPC) and the process adopted by SBPC calling for less reliance on across the board reductions and allocation of target reductions correlating to the size of the divisional budget. Rather, targets are assigned differentially and informed by both strategic priority and comparative position based on available data. To address the last $2M shortfall, reductions/increased revenue were incorporated into the budget as follows: President $100K; Administration & Finance $600K; Athletics $200K; Student Affairs $500K; Academic Affairs $500K; Student Aid $100K.

f) Relative to enrollment revenues, contributing factors were noted: competitive financial aid packages, new residence halls, contributions from auxiliaries, condition of campus, map works retention program, streamlining the curriculum resulting in increased graduation rates, helping students to see where they fit in, engaging students and creating community on campus. Enrollment projects are complex and involve a number of factors such as categories of students, retention, graduation rates, diversity, acceptance, yield, program capacity, international students, finish what you started program.

g) Applications for Fall2013 were 20,883, an increase of 251 from the prior year. The University's acceptance rate has improved by over 6% from 2009 through 2013. Freshmen class reflects quality with increased SAT scores and high school GPA's.

h) Enrollment from last three years is highest in history and most likely unsustainable. Budget has been balanced on enrollment growth, budget reductions and increased contributions from the auxiliaries.

i) During FY2013 lost 12 faculty to positions elsewhere, more than in the last four (4) years.

j) FY2015 Budget Request reflected the following submissions: Unrestricted Current Service level; Restricted; Target Submission; RI State Crime Lab and Restricted RI State Crime Lab.

k) State Appropriation increase required at various tuition rates were shown. For example, a 1% increase in tuition rates would be $108 and $264 increase for in and out of state students respectively. This would have generated $2.5M and allowed the State Appropriation request to go from $10M and 16% to $7.5M and 12%.
l) The FY2015 Budget Request reflects an increase of $13.1M, of which $10.3M is requested from State Appropriation. State Appropriation is requested at $74.4M, which is $8.1M less than the FY2007 State Appropriation of $82.5M. The $13.1M annual increase include promotions and Plan A for faculty, fringe benefit rate changes, strategic initiatives, utilities and contractual obligations. The new initiatives include three tenure track faculty positions, 2 Lecturers, Assistant to the Provost for Global Strategies and Liaison, office of Experiential Learning.

m) Enrollment projections for FY15 reflect a decrease of 99 FFTE.

4) SBPC Agendas Discussion: Follow up
   a) Chair: In Rhode Island, there is a projection of~ 1,500 high school graduates in Rhode Island during the next few years and a reduction of ~50,000 high school graduates in the northeast during the same timeframe. These numbers are important as the University considers long range budgetary planning.
   b) The subcommittees looking at long range planning and a carry-forward policy within major units need to look at the benefits of each and at the potentially associated; but, unintended consequences.
   c) Each member of the committee will be on a subcommittee, unless someone does not have the time to serve on either. Provost DeHayes will chair one group and Vice President Valentino will chair the other. Each subcommittee will have a mix of faculty, staff and deans. Ann Morrissey will email all committee members asking for preference on subcommittee membership.

5) AMRC Update (Presented by David Byrd and Steve D'Hondt)
   a) A summary of the committee's work is being prepared. The summary report could be produced by the end of this fall. The committee will be making recommendations in IT, academics, administrative processes, and research processes. The lengthiest recommendations will be related to IT. The committee has sixty PowerPoint slides containing the major recommendations. A report incorporating recommendations is being compiled.
   b) There are a number of recommendations which may not realize cost savings, but do increase efficiency on-campus. The increases in efficiency can boost morale and a boost in morale can lead to increased revenue in indirect ways.
   c) The report will include recommendations and priorities are identified within the document. The document will explain that implementing the recommendations will be an ongoing process and there may need to be another committee, or structure, in place to oversee implementation.
   d) Chair: The SBPC would benefit from the recommendations of the report being sorted in groups of recommendations, which might involve cost savings and those which may not. This sorting will have to be done by someone, eventually.

6) Carry forward policy within major units
   a) Chair: This initiative could help develop a responsible way to fund one-time investments on campus. A contingency fund must also continue to be designated. It is important to develop best practices for a contingency fund. Determining a percentage of the budget to set aside for contingencies and the contingencies the fund can be used for are very important ideas to consider. There are inefficient uses of budget that come up each year because of the current budget practices. This hurts the university on multiple levels because strategic priorities continue to go unfunded. A carry forward policy within major units could alleviate these issues.

7) Meeting adjourned at 2:42pm.