The University of Rhode Island  
Strategic Budget and Planning Council  
September 20, 2012  
9:00 am – 11:00 am  
Thomson Board Room, Ballentine Hall

Members in Attendance:
Chair Don DeHayes, Vice Chair Bob Weygand, Peter Alfonso, Faye Boudreaux-Bartels, Ray Wright, Peter Larsen, Cheryl Foster, Patricia Morokoff, Thor Bjorn, Trish Casey, Ron Jordan, Winnie Brownell, Tom Dougan, Ken Kermes, Scott Martin, Linda Barrett, Ann Morrissey,

Members Absent:
Jeff Johnson, Stephanie Segal, Michael Smith, Abu Bakr, Steve D’Hondt,

See the complete list of member information at the Strategic Budget and Planning Council website at [http://www.uri.edu/budget/sbpc/Membership%209-2012.pdf](http://www.uri.edu/budget/sbpc/Membership%209-2012.pdf)

Meeting Minutes

1. Chair called meeting to order at 9:05am:
   a. The Provost provided a recap of the council’s last meeting (June 22). The Provost reiterated concerns raised by the Council regarding the amount of work by the division heads to prepare the FY14 budget request. A sub-committee of the council will review the process and recommend a more efficient process that continues to allow for all requests to be properly vetted.
   b. The President is considering a change in the composition of the Council. The Provost and the President will be meeting on this issue in the near future. Once the membership is finalized, the council’s role may expand. There will be future discussion on expanding the context by which SBPC will conduct its work.

2. Review and Approval of minutes from June 13 & June 22, 2012 meetings:
   a. After a friendly amendment, the June 13 and June 22 meeting minutes were approved.

3. Vice President Weygand spoke about the role of SBPC for creating a larger context for strategic budgeting:
   a. URI needs to develop a 3-5 year strategic financing plan. A discussion needs to occur whereby potential revenue enhancements and cost reductions would be examined. Increased support from the State seems unlikely in the near future. Increasing online enrollment, increasing international student enrollment, and changing the in-state/out-of-state student ratio need to be discussed.

4. Highlights including New Items in the FY14 and FY15 Budget Requests (Presented by President David M. Dooley):
   a. President Dooley indicated that URI was directed by the Commissioner of Higher Education to submit a budget without any tuition and fee increases. The President reminded the Commissioner of fiduciary responsibilities related to HRL and Dining. As a result, a modest increase in those fees was approved. A budget
with no tuition increase can only be balanced in one of two ways, dramatically reducing operating costs or increasing state appropriation.

b. Given the outlook for FY14 and the uncertainty of the FY14 budgets, the President made a partial commitment to the priorities while not losing sight of the fact that a lot of work was involved in framing the recommendations to the President. Some items were included in the FY14 request and others in the FY15 preliminary request. The Council does not have to go through the process again for FY15. However, this does not preclude the Council from recommending a change in FY15 priorities.

c. FY14 Items included in the request: 1. Three tenure track faculty positions; two lecturer positions; 2. Increase to the Graduate Assistant Differential Program; 3. Legal Counsel and associated expenses; 4. Two Fitness-Wellness Coordinators; 5. Liaisons (1.00 FTE) for Office of Experiential Learning; 6. Coordinator, Disability Services.

d. FY15 Items included in the preliminary request: 1. Three tenure track faculty positions; two lecturer positions; 2. Assistant to the Provost for Global Strategies; 3. Liaisons (1.00 FTE) for Office of Experiential Learning.

e. Capital Projects: An increase in the asset protection budget is required to address the deferred maintenance costs; $15M is required to address a portion of the deferred maintenance. The University will seriously consider if older buildings being vacated should be renovated or replaced. Large deferred maintenance can be a deterrent to renovation and lead to other considerations.

f. It is not fiscally prudent or responsible to open new buildings while older buildings remain online. The increased operating costs associated with these types of decisions need to either be met by increased state support or increased tuition. URI is largely done with adding square footage, which will increase the general fund operating budget. Adding auxiliary space with supporting and independent revenue streams will still be an option.

g. Anne Marie Coleman, Assistant Vice President will be the chair of the Administration and Management Review Committee. (AMRC) The Vice Presidents will not be members of the committee.

i. This Committee will review the administrative, academic and management structures, business practices, HR practices for all areas of the University. The focus will be on promoting appropriate synergies across related units and minimizing any existing administrative redundancies. Savings that are achieved can be reinvested in priority areas, such as teaching, research, scholarship and student services.

ii. As appropriate, compare and benchmark URI organizational structures, policies, and processes to peer institutions. It will be an objective and analytical review. Structures put in place in the 1950’s may not work today. Challenging moments can be expected.

iii. The timeframe for accomplishing this work is expected to occur by spring ‘13 with draft recommendations. Discussion on aspects of implementation will occur prior to summer to allow the academic
community a chance to participate fully. The President explained it is his intention to implement recommendations as much as possible. The URI community will remain informed and have opportunities to provide feedback in this process.

iv. A member of the SBPC will serve on the committee and as liaison to the SBPC. The AMRC will be required to meet with the SBPC. SBPC will be apprised along the way by the AMRC. Communication is expected to be rich between SBPC and the review committee.

h. Q&A with President Dooley:
   i. How will AMRC interact with SBPC? A sub-committee from the AMRC and a sub-committee from SBPC will be charged with meeting regularly and keeping communication channels open between the two groups.
   ii. What resources will be allotted to the AMRC? How will benchmarking be incorporated? The first goal of AMRC is to get the study right; the second goal is to get it done expeditiously. Anne Marie Coleman is reviewing how to accomplish benchmarking. Consultants will be made available to the committee as needed.
   iii. If there is a shortfall in FY14, what is SBPC’s role relative to addressing the shortfall? In a challenging year, SBPC, as leaders on campus, has responsibility to be measured, thoughtful and not to overreact and exaggerate. Must keep an eye on where things are going well. The University is doing splendidly in all aspects under its control; less splendidly in parts controlled by others. URI’s request for increased State support to balance the FY14 budget - It is not probable that URI will get over $12 million in increased support from the State. This may be exacerbated by the dissolving of the Board of Governors on 12/31/12. URI will not have a governing body relative to revised budgets.
   iv. How has URI differed from other land grant Universities, which have seen state support dwindle? URI is fortunate because the Academic Plan reflects a strong plan for how academics should pay out over time. Having such a document in place does make difficult decisions in prioritizing funding a little easier.
   v. Is this review necessary? State after state, when faced with difficult economic times precipitated by national problems, has told universities that they will not get increased funding and cannot raise tuition. URI needs to be prepared for all types of scenarios. Being as efficient as possible is a step in that direction. SBPC has already changed the culture at URI in terms of budgeting and setting priorities.
   vi. How will areas be guided where resources may become available during the same time that the AMRC review is being done? President indicated that there is a need to think whether we should continue the same way.

5. Presentation and discussion of proposed new overhead distribution policy
   a. Presented by Linda Barrett

6. Provost Comments of proposed new overhead distribution policy:
a. As we look at capital projects, we need to look at "full costs". The bricks and mortar costs is not a full picture of the cost of new space. It is irresponsible not to budget for "full costs." The SBPC sub-committee addressed this item. It can be found under Capital Budget Requests on the last page at: http://www.uri.edu/budget/sbpc/RRC%20Model%205-16-11%20for%20SBPC.pdf

b. URI needed to revise its outdated model for overhead. The urgency of refining the model began this past summer. Changing it is important because it was not financially sustainable. URI needs to be agile in order to react to a number of scenarios.

c. The Sponsored Programs Administrations (SPA) budget has always been taken off the top of the overhead budget. The SPA budget has roughly doubled in the last 10 years. The FY13 budget for SPA could have exceeded $70M. In the near future, a reduction in Federal Agencies funding is expected. URI may not get a larger portion of a shrinking budget, making this $70M a more significant piece of the overhead budget.

d. SPA has represented between 40% and 51% of the total overhead over the last several years. Overhead of 15% has been directed to the general fund for years. This is not uncommon, putting overhead money back into the general fund, but 15% was always an arbitrary number put forth by URI.

e. The administrative side of SPA took a voluntary reduction in funding.

f. The recommended changes to overhead policy, which occurred this past summer, made an important difference. The President felt very strongly that this needed to be done quickly. URI wanted to work with the existing board. This proposed policy has been presented numerous times to a number of bodies on campus, including the Faculty Senate Executive Committee, Council of Research, Council of Deans, and SBPC.

g. Chair (Noting programs on campus which are not captured in the normal overhead budget procedure): The Coastal Institute, CPRC, and ICubed have alternative agreements which allow a specific amount of the overhead money generated by these programs to be retained within the programs. Alternative agreements should have limits so they can be renegotiated over time. It would be beneficial for both sides to confer every so often and determine if the alternative agreement requires alteration.

h. Chair indicated that the previous Overhead model allocated 15% of net overhead back to the University, which was about $1.1M last year. This year the University will provide just under $2M under the new policy. The majority of the net increase to the University's unrestricted budget came from SPA, President, Provost and Research and Economic Development. The Chair thanked the Vice Chair for his work on reducing the SPA administrative expenses. In the new model, GSO will receive an additional 5% on the overhead it generates for support of the operations of the Bay Campus. Vice President Alfonso mentioned that the recommended policy is the best version.

i. Discussion ensued about the focus for the Council's work over the coming year. Questions were raised about current allocations and budget reinvestments.
relative to potential prospects for reorganizing within a division. It was asked whether any consideration was given to reorganization considerations given the recent changes in areas that report to Student Affairs and the number of leadership vacancies? This question may relate to the AMRC, but it also seems to be relative to the work of the SBPC as it involves the use of financial resources as it related to requests for new resources at a later time? Question was asked about why URI has the highest room rates of the New England publics? This could be related to the way buildings are financed, but more information is needed. It was mentioned that HRL did not spend $7M of their budget in FY12. Council needs follow up with VP Dougan on these questions. (He had left the meeting prior to this item being discussed).

7. Announcements:
   a. Time was not available to discuss the Role of SBPC for creating a larger context for strategic budgeting. This item was deferred to next meeting.

Meeting adjourned.

Request for Information:
None

Minutes by: John Olerio