



THE UNIVERSITY OF RHODE ISLAND

Budget Updates – Spring 2026 Financial Strategy & Planning

Agenda

- URI Financial Overview – challenges and opportunities
- URI Budget Model – implementation update
- FY2027 Budget Process Updates
 - Preliminary FY2027 allocation timing
 - Fund 100 carryforward guidelines
 - FY2027 position budgeting process
 - Other FY2027 process updates
- Questions/Discussion
- Slide deck and recording to be made available after the meeting

Thank You

- We appreciate the partnership of all our great URI colleagues
- Thank you for collaborating with us on many budget process changes during the last several years, through challenging times
- Your many other contributions to URI are valued!



URI Financial Overview

External Higher Education Budget Landscape

University of Southern California signals layoffs amid \$200M budget gap

By Natalie...

<https://www.chronicle.com/article/heres-the-latest-news-on-campus-finance>



Another Massachusetts College Closes
Budgets across the sector are under strain like never before. Here's the latest.

www.chronicle.com

George Washington University hints at layoffs amid federal policy upheaval

By B...

The
unc
mess

<https://dbknews.com/2026/04/27/umd-hiring-freeze-layoffs-funding-cuts/>



UMD enacts hiring freeze, will begin layoffs amid...
In a campuswide email Monday, university administrators announced that, effective immediately, no new positions...

dbknews.com

Boston University to lay off 120 staffers amid budget challenges

By Ben Unglesbee • July 8, 2025

The private institution faces federal funding uncertainty along with operational headaches such as rising costs. [Read the full article →](#)

University of Connecticut eyes workforce cuts to manage funding shortfalls

By Ben Ung...

Faced w
hiring
measu

East Carolina University plans to cut 44 academic programs

The university launched a review of its offerings last fall along with a push to shed \$25 million from its budget as it wrestles with enrollment pressure.

Published April 27, 2026

Temple University eyes job reductions amid deficit for FY26

Ben Unglesbee • June 20, 2025

The public institution's president said that enrollment is starting to rebound after a steep drop since 2017, but costs have increased much more quickly.

[Read the full article →](#)

University of Nebraska looks to cut another \$20M from its budget

By Ben Unglesbee • June 13, 2025

Amid state and federal funding challenges, the public Midwestern institution has already cut tens of millions of dollars in spending in recent years. [Read the full article →](#)

Current Institutional Budget Overview

- Levers already pulled:
 - Balanced budget initiative (rebaselining) leading into FY2026
 - Cap on discretionary administrative unit budget requests for FY2027
 - Policy on Tuition, Fees, and Charges adopted
 - Detailed analysis to more closely align overall payroll budget with anticipated expenditures
- Budgeted operating shortfall since FY2024, ranging from \$3M to \$11M
 - Anticipated shortfall for FY2027 in the neighborhood of \$5-10M

Focus on Revenue

- URI needs to focus on revenue growth and diversification as the sustainable path forward
- Targeted areas for college/GSO growth: graduate enrollment, online revenue, tuition in non-traditional terms (summer/winter), and research
- Administrative units providing a high level of service will allow colleges/GSO to focus on growth in these areas, which will benefit the entire university
- Administrative units include many support services that directly benefit the students being taught in colleges/GSO

Budget Model Overview

Colleges/GSO and Administrative Units – Funds 100 & 110

Colleges/GSO

As defined for budget model purposes:

Arts & Sciences

Education

Business

Health Sciences

Engineering

Environment & Life Sciences

Graduate School of Oceanography

Nursing

Pharmacy

Administrative Units

All other departments subject to the budget model are considered “administrative units.” Budgets for these units are built incrementally, using the previous year’s budget as a “base.”

Total Unrestricted Budget

Colleges/GSO (activity-based)

Net Tuition Revenue

+

State Appropriation - Formulaic (25%)

+

Direct Revenue (IDC, fees/diff charges)

-

Direct Expenses

-

Proportional Assessments

+

State Appropriation – Subvention (75%)

Administrative Units (incremental)

Direct Revenue

-

Direct Expenses

=

Proportional Assessments
(central allocation)

Tuition & fees, state appropriation, and F&A have always funded administrative units. The difference now is the transparency.

Budget Model Allocations to Colleges/GSO

Proportional Assessments

Amount Allocated to Colleges/GSO	Driver % Split	College/GSO Proportion of Driver
Academic Support cost pool	100%	Faculty & student headcount
Information Technology cost pool	100%	Total Headcount (faculty, staff, students)
Facilities and Public Safety cost pool	100%	Net assignable square footage
General Administration cost pool	100%	Total direct expenditures
Research Support cost pool	50%	Sponsored research expenditures, net of sub-contracts
	50%	Grant/Contract proposals

Cost Pools by URI Department

General Administration	Academic Support	Facilities & Public Safety
Athletics	Enrollment Management	Facilities Group
Communications & Marketing	Faculty Affairs	Public Safety
Community Equity & Diversity	Fannon Institute	Research Support
Controller (excl. SCA)	Global Strategies & Acad Part	Sponsored Cost Accounting
Enterprise Risk Management	Graduate Studies	VP Research & Econ Dev
Financial Strategy & Planning	Honors	Information Technology
General Counsel	Provost	Information Technology Svcs
Human Resources	University Library	
President's Office		
Strategic Procurement		
VP Admin & Finance		
VP Student Affairs		

Service Level Agreements

- Six (6) service level agreements (SLAs) were finalized between colleges/GSO and administrative units during FY2026
- Several additional SLAs will be developed during FY2027
- All SLAs are managed by the Office of the Vice President, Administration & Finance in close partnership with FSP and other university departments
- College/GSO feedback on needs for enhanced service delivery may inform future resource allocation decisions
 - FTE cap constraints have the potential to impact service delivery in FY2027

Implementation Timeline

FY2026 served as a one-year transition period in which central funding was provided at a level that balanced college/GSO budgets

Full implementation in FY2027 will be paired with budget process updates, including a fund balance carryforward mechanism

	FY2025				FY2026				FY2027			
Phased Implementation Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Budget Model Development/Design				Model Year 1: Transition Year				Model Year 2: Fully Implemented			

Budget Model resources on FSP website

<https://web.uri.edu/fsp/budget-model/>

URI Budget Model

DETAILED BUDGET MODEL
INFORMATION URI SSO REQUIRED

Purpose for Budget Model Transition

Transitioning from an incremental to an activity-based philosophy ensures the long-term financial sustainability of URI through the diversification of revenue streams, alignment of resources and decision-making authority, and establishment of incentives to reward operational efficiencies. This ensures that URI is well positioned to remain a leading research flagship university.

Budget Model Overview

Overview of the philosophy and mechanics driving URI's Budget Model

BUDGET MODEL OVERVIEW →

ASK A QUESTION

FY2027 Budget Process Updates

Annual Budget Development Process

Administrative Units (incremental)

- Budgets built incrementally using previous year's budget as "base"
- Budget hearings in late fall* to discuss requests for new funding
- Focus on service delivery and connection to FOCUS URI plan

Colleges/GSO (activity-based)

- Budgets based on model results and subvention decisions
- Rigorous subvention justification undertaken by colleges/GSO
- Budget hearings in early spring to discuss unit-specific financial plans

*Conversations about admin unit budgets, which inform proportional assessments and therefore affect college margins, need to happen early in the annual budget cycle

Annual Budget Timeline Summary

Annual Planning and Budgeting Process

1. Budget Modeling & Scenario Planning

2. Admin/Academic Unit (AU) Budgeting

3. College Budgeting

4. Subvention & Strategic Initiative Pool Review

5. Ongoing Budget Management

Aug – Sept

Office of FSP

- Develop scenarios for review by FSP and senior leadership
- Create projections for university-wide revenues (e.g., tuition, state appropriation)
- Budget request submitted to State OMB by 9/30 annually

Oct – early Dec

Administrative Units

- Admin/Academic Units prepare budgets and supplementary documentation
- Admin/Academic Units submit/present to Executive Budget Committee
- Q2 forecast (beginning in Fall 2026) by units

Feb – early Apr Academic Units

- Colleges receive allocated revenues and Admin/Academic Units net expenses, then build budgets for direct revenues and expenses
- Deans to present financial plans to the Executive Budget Committee
- Governor's Recommended Budget is released (Feb)
- Board of Trustees approve tuition & fee rates (Feb)

Apr – Jul

Exec Budget Committee

- Decisions are made on subvention and strategic initiatives funding
- Eligible performance funds are calculated
- Financial plan is updated to reflect decisions and any iterations are performed
- Budgets are finalized and communicated back to units

Year-Round

All Units

- Updated forecasts for allocated revenues and generated and shared with units
- Units leverage all-funds reports to understand budget to actuals variances
- Quarterly engagement sessions between central and unit leadership

Key Activities:

Jan
FSP

Consolidate initial AU budgets and determine allocations to colleges

Apr
FSP

Consolidate University financial outlook ahead of the final budget allocations in June

Q2 Forecast

- New annual budget process beginning in FY2027
- Units will complete a mid-year financial projection in Excel based on year-to-date results and plans for the remaining months
- Information will be pre-populated by FSP for units to reference
- More detailed information to follow in the fall

Modified FY2027 Allocation Timing

Preliminary FY2027 Allocation schedule:

- May-early June: budget decisions for FY2027 made and communicated
- June: PBCS budget inputs
- July: FSP review
- August: load budgets to PeopleSoft

More information will be communicated around exact dates once known

Fund 100 Carry Forward

- Definition: the un-expended balance at the end of a prior fiscal year that has been rolled forward to the next fiscal year for use and is added to the reserve balance held in the unit.
- Calculation:
 - Colleges: Budget Model Resources + Direct Revenues – Actual Expenses
 - Administrative Units: Central Allocation + Direct Revenues – Actual Expenses

Fund 100 Carry Forward – Key Facets of Guidelines

- Colleges/GSO will retain 100% of their Fund 100 year-end balance, if positive
 - Colleges/GSO will be expected to cover any negative year-end balances from existing reserves (i.e. fund 101, 110, 401 balances)
 - Subvention amounts will not be altered in-year
- Administrative Units will be able to carry forward some percentage of their Fund 100 year-end balance
 - The percentage will be approved by the EBC and communicated annually by the VPAF based on the financial condition of the institution
 - Balances will be retained at the VP/AVP level
- Carry forward funds should be directed toward one-time costs

Fund 100 Carry Forward - Benefits

- Enhanced ability to self-solve and make timely, strategic investments at the local level
- Shift away from the Q4 “use it or lose it” mindset
- Will streamline procurement business processes
- Will align with carry forward rules applicable to other university funds (i.e. fund 101, fund 110, auxiliaries, etc.)
- Reminder: all balances are University funds

Fund 100 Carry Forward – Anticipated Timing & Next Steps

- Goes into effect in FY27 (7/1/26) and will be applied in advance of FY27 year-end close (June 2027)
- FSP and the Controller's Office will reach out to financial leads during the fiscal year to create local fund 111 (fund balance) chartfield strings at the appropriate level
- Guidelines will be posted on FSP website prior to 7/1/26

High Level Examples – Administrative Units

Unit generates more revenue, fully spends budget

	Budget	Actual	Net Margin
Revenue	\$500,000	\$600,000	\$100,000
Central Alloc	\$1,000,000	\$1,000,000	\$0
Expense	\$1,500,000	\$1,500,000	\$0
Total	\$0	\$100,000	\$100,000

Expense budget of \$1.5M is the result of an incremental budgeting process, using the previous year's expense budget as a "base."

Central Allocation is the difference between budgeted revenue and budgeted expense

Unit generates less revenue, exceeds expense budget

	Budget	Actual	Net Margin
Revenue	\$500,000	\$400,000	(\$100,000)
Central Alloc	\$1,000,000	\$1,000,000	\$0
Expense	\$1,500,000	\$1,600,000	(\$100,000)
Total	\$0	(\$200,000)	(\$200,000)

Year-end net margin amounts eligible for carryforward per annual VPAF guidance are retained at the VP/AVP level and deployed at their discretion

Fund Balance Carryforward

- High level expectation is that units take all actions possible to live within their fund 100 budgets
- Unfavorable balances will be cleared using units' existing reserves when available
 - After the Q2 forecast, FSP will provide an initial recommendation to EBC on how to clear projected negative margins given existing fund balances
 - FSP may be in touch with units for additional information during this process
- Does not apply to 0xxx departments

Personnel Turnover – Definition

- Positive budget to actual variances in payroll accounts – naturally occurs each year as positions become vacant
 - Relatively predictable at the university level
 - Unpredictable at the department level
- FSP uses current and historical data from multiple sources, including Human Resources, to derive estimated turnover rates each year for faculty and staff
- The percentages are applied uniformly to align the overall institutional payroll budget with expected actuals

Personnel Turnover – Budgetary Impact

Current process (FY2026 and prior): expected total turnover in all administrative units is budgeted centrally as a negative number, without unit level visibility

Budget	-5,514,730.00
Expense	0.00
Encumbrance	0.00
Pre-Encumbrance	0.00
Budget Balance	-5,514,730.00
Associate Revenue	0.00
Available Budget	-5,514,730.00

Net Transfers

0.00

Budgeted centrally on behalf of all admin units in FY2026
Will be distributed to individual units beginning in FY2027

Already reflected directly in college/GSO budgets in FY2026

Budget Overview Results

Personalize | Find | View All | First 1 of 1 Last

Details	Budget Transaction Types	Ledger Group	Account	Account Description	Fund	Fund Code Description	Dept	Department Description	Program	Program Code Description	Budget Period	Budget	Expense	Encumbrance	Pre-Encumbrance	Available Budget*	Percent Available
1		ORG	HOLDING_MC	Holding	100	Unrestricted Funds	0000	No Department	0000	None	FY2026	-5,514,730.00	0.00	0.00	0.00	-5,514,730.00	100.00

Return to Criteria *Notes

Personnel Turnover – Budgetary Impact

- Example: if an administrative unit's total budget is \$1M for staff payroll, and an assumption of 9% staff turnover is employed university-wide in FY27, the unit's FY27 budget will reflect a negative adjustment of \$90K
- Important to reflect budgets where activity is happening given the allowance for fund balance carryforward
- More details about how to account for this in PBCS and PeopleSoft will be included in the FY2027 allocation guidelines
- Q2 forecast will be opportunity for us to check in on this

Pooled Fringe Update

Current process:

Fringe budgets are based on pooled rates; expenses are based on individuals' specific benefit categories

Anticipated change:

- Actual expenses reflected in departments' budgets will also be based on pooled rates*
 - Example: if the budgeted fringe rate for a position is 40%, the biweekly fringe expense will be 40% of the employee's salary
- URI will monitor and adjust the pooled rates to ensure alignment with actual expenses from year to year

*Will include new state part-time rate starting in FY27. Additional guidance from Research Office will discuss the impact on grant activity.

In-Year Salary Upgrades

- Colleges/GSO are responsible for funding upgrades from their budget model resources
- FSP reserve will be available for approved contractual (non-COLA) increases impacting administrative units in FY2027. Documentation required.

Other Personnel Budgeting Notes

- Positions will be budgeted 100% in PBCS across all funds to achieve a snapshot of the entire university's personnel budget
- If units rely on fund balance to fully fund a position, those portions of salary and fringe can be budgeted in fund 910 in PBCS
- FSP will reach out to units post-allocation to ascertain more detail regarding the funding plan for positions that were budgeted in fund 910 in PBCS

Questions/Discussion