Minutes
University of Rhode Island
Strategic Budget and Planning Council
Tuesday, October 17, 2017 9:30-11:00am
President’s Conference Room
Green Hall

Members in Attendance:
Don DeHayes (Chair), Abigail Rider (Vice Chair), Samuel Adams, Linda Barrett, David Bergeron, Faye Boudreaux-Bartels, Kathy Collins, Mark Conley, Kathryn Jervis, John Kirby, Jeffrey Konin, Trish Morokoff, Ellen Reynolds, Kim Stack, Naomi Thompson, Barbara Wolfe, (VPRED member is Don DeHayes)

Members Absent: Thorr Bjorn, Ryan Buck, Oleg Kazakov, Ann Morrissey, Adam Quinlan

Guests: Timothy Walker

See the complete list of member information at the Strategic Budget and Planning Council website at: http://www.uri.edu/budget/sbpc.html

1. Announcements
   ➢ Welcome to continuing and new SBPC members
     Welcomed Mark, Jeff and Oleg
     Introductions of all SBPC members
   ➢ Orientation for members
     Interested members were encouraged to contact the Budget & Financial Planning Office
   ➢ It is hoped all members can attend all meetings; no substitutes are sent if someone is unable to attend a meeting; council members are representing the University and not their department or area
   ➢ Meetings get busy in the spring and the summer (June meetings)
   ➢ NEASC visiting team will be at URI next week; they have requested to meet with SBPC members and a meeting has been scheduled for Tuesday, October 24th @ 10:00 am (location TBD); copies of the charge to the Council will be available at the meeting (it is also on the SBPC website)
   ➢ This model of shared governance has worked well for the institution
   ➢ President Dooley: he oversaw a similar process at Montana State and brought the model to URI; one of impediments was a lack of transparency and an understanding of the budget; with Don’s great assistance, the goal was to change it; it has grown and is in a mature form; suggestions are always welcome; these meetings are public and anyone can attend; candidness is welcomed; as a council member, the President reminded the council members that they represent the University, not their area; the council has created a set of budget principles and budget reduction principles and these serve us well; e.g., protect the revenue streams; must keep student enrollment, or main revenue driver strong
2. FY2019 Budget Request New Initiatives
   - Outcome of SBPC recommendations to the President and CIP Highlights presented by the President

   By President David M. Dooley
   - The Governor’s budget provides a foundation for budget deliberations
   - Higher Education Funding Formula (HEFF) – the expectation is to go forward with performance funding; some metrics are institution specific; the council may want to review; funding formula is now pushed down the road; use performance funding to argue for funding formula; political decision is to freeze tuition for in state residents; a multi-year tuition plan will also be submitted; election year; damaging to the institution; much more so for other schools; all three schools asking for significant increase in state appropriation;
   - The two proposals recommended by the council are included in the FY2019 budget request; the Graduate Teaching Assistantship Allocation Model and the IT Directory Service
   - Fine Arts – phase 1 is stabilization; multi-year funding is requested from RI Capital Funds (RICAP); this will save the state $38M in debt service which would have been required if the funding was from a GO bond
   - GSO Campus – GO Bond Request for inclusion on the 2020 bond referendum; the state has indicated it will not go beyond $250M, so there is competition and we are not assured of approval
   - The President mentioned the possible $20B reduction of student aid at the federal level; if approved, this would impact many students

3. Approval of Minutes
   - June 20, 2017
   - Approved with one correction

3.a. Chair mentioned CIP review by SBPC and their recommendation a few years back to move the Gateway Welcome Center to a higher priority; investment in the Welcome Center is a ~$7.5M investment, paid for with fund balance from the unrestricted and auxiliary/enterprise budgets; there was a time that the cost of operating a new building was not built in; as a result of SBPC recommendations, those costs are now included; URI has set yet another enrollment record; retention is also up; SBPC looking into the fund balance and adopted policy around it; SBPC has done more than vet proposals for new funding

4. FY2018 Allocation Update; FY2019 Budget Request & FY2020 Preliminary Budget Request Highlights
   By Linda Barrett
   - FY2018 allocation unrestricted budget is $446.5M; includes a $7.2M increase for GO debt service, for which the state provides payment
   - URI requested an annual increase of $4.6M in state appropriation and received $1.8M
   - The Nursing Education Center in Providence will be fully operational this year; URI’s budget includes lease payments and operating expenses; the Office of Postsecondary Education includes the state’s portion of the lease payment
   - The total unrestricted, restricted, and state crime lab budget is $776.2M
FY2019 budget request for the unrestricted budget is $461.2M, reflecting an annual increase of $14.7M; $6.2M from tuition and fees and a request of $8.3M for state appropriation

Per budget guidelines received from the Commissioner, instate undergraduate tuition has been held level; out-of-state reflects an increase of 2.5% and graduate instate an increase of 4.1%. Of the New England Land Grant institutions, URI remains the least expensive for out-of-state and is five out of six for instate; good market place to be in

The annual expense increase consists of $2.7M for fringe rate increases, contracts and expenses related to fee increases (e.g. Nursing fee); $2.8M in student aid; $2.8M in strategic initiatives; $0.9M in utilities and insurance; $5.5M of inflation adjustments which equates to 1.2% of the total unrestricted budget

URI has increased the total degrees awarded by ~1,500 from 2003 to 2016

IPEDS data for 2015 (the latest available) reflects URI as the most efficient in instruction by 50% and in most other categories

URI consistently reallocates funding as evidenced by the faculty positions that revert to the Provost each year and that funding is reallocated to support student demand, and targeted areas of research and development

Student fees have been reduced when bond refinancing has provided relief for debt service payments

The Graduate Tuition Research Differential program continues with $1M from the unrestricted budget and $150K from overhead (which provided $300K at one time)

Overhead revenue is projected at $13.5M for FY2019

5. Discussion of benefits/challenges of a university-wide funding initiative proposal to SBPC

- Possible approaches/process, if determined beneficial and appropriate
- Discussion: last year restricted proposals to one per division and one university wide proposal (turned out to be IT item); the Council had a brief discussion last June; do we want to continue this university-wide proposal? Do we want to restrict the number of proposals?
- Discussion of what was determined at prior Council meetings relative to how the university-wide, IT and divisional proposals were defined. It was agreed that the prior meeting minutes would be referenced to determine what was previously agreed to by the Council. (note this was done and the information was sent to Council members on October 17, 2017)
- Some proposals are transformative and strategic and some are tactical; the council finds a way to ensure that they are transformative and strategic; this council tries to ascertain this; additional guidance for proposals? How to fundamentally change? Process for tactical expense? Like to see budget stability where all faculty positions do not revert to the Provost
- Positions back to Provost allows for strategic reallocation of resources
- SBPC principle recommends reallocation for smaller items
- Tuition revenue drives the budget; must strategize during the year
- Advantage if all divisional needs are identified
- Things do change; should reallocate
- Our charge is more expansive than requests for new proposals

Chair: discussed challenges, such as, declining demographic, federal funding constraints, good management penalty.
6. Division update on the past proposals that have been funded
   - Brief discussion regarding past proposals and process
   - President pushed FY2018 approved requests to FY2019
   - Council should begin to strategize early

Chair: Continue the discussion for the next SBPC meeting regarding the process for divisional, IT, and university-wide proposals.

Meeting Adjourned at 11:10 am

Next Meetings:

November 14, 2017 from 2:30-4:00 pm, Thomson Boardroom, Ballentine Hall
December 19, 2017 from 9:30-11:00 am, Thomson Boardroom, Ballentine Hall

Minutes Submitted by:
Lisa Fiorio and Linda Barrett, Budget & Financial Planning