Minutes  
University of Rhode Island  
Strategic Budget and Planning Council  
Monday, February 25, 2019, 11:00am-12:30pm  
Ballentine Hall, Thomson Boardroom

Members in Attendance:  
Don DeHayes (Chair), Abigail Rider (Vice Chair), Samuel Adams, Linda Barrett, David Bergeron, Faye Boudreaux-Bartels, Kathy Collins, Tracey Dalton, Gitahi Gititi, Ann Morrissey, Brian Quilliam, Ellen Reynolds, Jen Riley, Kim Stack, Barbara Wolfe

Members Absent:  Thorr Bjorn, Nick Constant, Hillary Leonard, Adam Quinlan, Peter Snyder, Adriana Wilding

Guests:  Chris Boettger, Ryan Carrillo, Dulce Ilgenfritz, Dean Libutti, Jayne Pelletier

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  
   • Will inform the Council about the potential challenges with the FY2020 budget  
   • President Dooley, last year, reported on how the new Facilities Committee will work and also their interaction with the SBPC Council  
   • Document was compiled by URI Marketing which gave an overview of many national recognitions that URI has received; we will share this document with the SBPC Council; even though we have day to day struggles, it is important to talk about the successes; this helps to educate our own community  
   • A graduate student in Physics passed away yesterday; recently an undergraduate student passed away as well as a College of Business faculty member  
   • Senate and House Finance Budget Hearings will be scheduled in March/April  
   • URI earns national recognition; the Chair mentioned one area:  
     ➢ Top five for retention and degree completion  
     (not announced at meeting; listed here for info):  
     ➢ 11th for Hollings Scholarships  
     ➢ 10th fastest accelerated MBA Program  
     ➢ Top 50 underrated schools in America  
     ➢ Internet security program ranked in top 28  
     ➢ 5th in the nation for Boren Scholars  
     ➢ Biotech program ranked 4th nationally  
     ➢ 21st for producing Peace Corps volunteers  
     ➢ URI designated New England’s only Green Ribbon college or university

2. Approval of January 8, 2019 minutes (copy attached)  
   ➢ Approved as presented

3. Facilities Committee Update (Abbi Rider); Chair referenced the President’s report to the Council last April about this new committee; overview of what the committee is doing; kinds of projects and issues  
   • Projects/process/questions/discussion  
   ➢ Business services is in the Facilities group; business services enterprises and others will be a bottom line oriented group; how do we generate revenue and minimize costs?; the Facilities group is focused on four campus facilities
Reorganization was a result of improving the capital improvement process; subject to the state procurement regulations that limit us; everything is subject to bidding process; other goals for the capital process is transparency and communication to the client; set expectations and the execution times are more in line with the project; seeking ways to lower costs; given regulations, the overhead is high, especially on small projects; clarify difference between capital and maintenance;

URI has increased enrollment, student quality, applications, and faculty while the state appropriation today is less than the amount in 2007; one resource from the state is the general obligation bonds which allowed the north campus science quad; proposed projects compete for resources; certain projects can affect our competitiveness and our borrowing capacity; we have a good presence in the bond market; but, the last time, they cautioned against another big bond issuance or the rating might be downgraded; doing one project could affect another project.

Created Facilities Committee; four Vice Presidents, Dean, faculty member, and student member

How does a project get approved? Changes get approved by this committee

Charge was distributed and a one-page summary of the CIP process

Large projects are in CIP and bid competitively at least twice, owners project manager and bid for an architect, design and then bid construction; is time intensive and can take a long time; either a new building or major renovation; great deal of state regulations

URI has autonomy up to $1M, so we can process in less time

Small projects can be done via Master Price Agreements; faster process

In a perfect world, $1M+ capital projects must follow CIP process, can take 6-12 months

A medium project is <$1M and must be bid, can take 3-4mths to bid, evaluate and award

Small projects should take a shorter time

Organized the facilities group from left to right (see attached Capital Project Process), some request with regard to space comes into the planning group; the first question asked is if it is capital or repair and maintenance? Goes directly to facilities services if it is maintenance; if capital, the group may send to the space committee, if not space, do we need to build, lease or renovate? Advanced planning to determine how much will this cost; funding is usually provided by the program; then it comes to facilities committee; communications to client

After design approval, allocates funds for design, when ready to go to bid, resources must be identified for the next phase; agree on scope

Small projects number about 50; this is a separate unit; has design built into it

Improvements to come: architectural standards must be set which will speed up RFPs, over time maintenance and repair will be simplified;

Who does what in the building? Who monitors? Reports? Pays? Does the work? The more complicated the building, the more complicated the spreadsheet

Wider network of service providers on MPA; e.g. need a bigger inventory of trade/skilled workers; trying to make this system more efficient

Comprehensive Digital facilities platform to track project during its process;

An example is one where we were discussing if advanced planning was needed; is it feasible? May need structural analysis; does advanced planning mean we are proceeding with the project? Difficult since no budget line for the advanced planning, so client funds advanced planning; having the stakeholder provide the funds shows their seriousness

Chair: should there be a joint commitment, could have very worthy projects without a pool of resources; when we do a small project, we are in actuality, taking maintenance off the books, so should recognize reduced deferred maintenance

This council will review the CIP before it is submitted to the state

Annual operational costs will also be presented with the CIP
4. **Bond Ratings for the University (Abbi Rider)**
   - Two bond issuances for which URI is responsible for the debt service; a portion by Fund 100 and a portion by auxiliaries
   - Met with rating agencies; they reaffirmed our AAA rating which keeps interest down; we monitor it closely; the ratio that is critical is the operating income or cash to debt service; that enables us to maintain our rating and borrow more in the future; we try not to have huge operating swings; must manage to the ratio
   - Given all the debt we have, we must ensure by doing this project we are not going beyond our capacity for debt; we have done well at managing it; the state has supported us with GO Bonds and that makes a difference
   - Can we afford it in a way that does not adversely affect our ratings? The timing of projects relates to this
   - It is important to remember who is paying for the bonds and how it impact’s tuition and fees? Regardless of funding, if fees increase, it may implicate how far our financial aid investment can take us to meet our target enrollment
   - The source of the debt service is important and a consideration

5. **FY2020 Governor’s Recommended Budget (Linda Barrett)**
   - Includes increase of $1.9M from $6M to $7.9M for CCRI continuation of RI promise as part of state appropriation; $2M for Adult RI Promise at CCRI from a reserve account; (noted that URI has an adult program - Finish What You Started); RIC promise program offers promise scholarship for students in their junior and senior years, students there now will receive that, governor recommends $3.3M from a reserve account, thus it is not a continuing source of funds
   - FY2020 reflects a $1.2M increase for URI, noted that this is the same amount that debt service is increasing, so technically, all of the increase supports this line;
   - FY2020 request did not include URI online, however, the Governor recommended $1.8M for this program in a separate state appropriation; Chair: willing to ramp up URI online, venture capital, URI submitted a separate proposal with a request for $6.1M in FY2020, currently have a one-year recommendation for $1.8M, have to market and provide online services, our goal and potential is for a self-sustained program
   - URI, CCRI, and RIC Performance Funding is $1M, next year URI $2.6M, RIC $2.3M, and CCRI $2.7M, PSE approved a policy of distributing performance funding based on the percentage of each schools appropriation to the total of all schools appropriation, unless it is specifically appropriated by the Governor, which is what she has done in her recommendation; thus undermining the policy
   - Chair: Performance funding is not accurate, on proportional basis, giving other schools much more money
   - Chair: We have to go through a whole array of performance indicators; look at retention and graduation rates, Pell population, closing the achievement gap on campus; doesn’t translate to dollars
   - We get 45% of state funding; if given 45% of performance funding, URI would receive $3.4M, instead, the recommendation is for $2.6M since it was appropriated by the governor in her recommendation
   - FY2019 revised budget for all schools includes a reduction; URI decreased by $700,000, decrease in health premiums, other half Governor assumed would be made up by efficiencies; RI capital funds $19.5 M with carry forward of $2.6M from FY2018 related to unfinished projects; Governor’s recommendation for FY2019 revised State Appropriation is $79.7M FY2020 Requests: CCRI $9.9M less than requested; recommendation includes $2.1M for RI Adult Promise from reserves, RIC $3.3M less than requested, however received $3.3M for RI promise; URI $8.4M less for operations that we requested, $1.8M for online, separate from request; the Crime Lab requested equipment which governor did not recommend
The governor recommended an increase in GO debt related to the Engineering complex. Governor’s budget creates an incentive for RI students not to come to URI. Chair: this is governor’s proposal, general assembly can modify and tweak it, if this plays out there will be financial implications in FY2020.

6. Potential Implications of FY2020 Governor’s Budget (Dean Libutti)

- Chair: RI Promise program at RIC and CCRI will impact URI’s revenue; the proposal could create an incentive for Rhode Island students not to enroll at URI; the legislature can change the Governor’s recommendation; if this plays out, there may be financial implications.
- Dean Libutti presented the following: current year’s loss this year was 104 students due to CCRI RI Promise. Worked to offset that this year, continuing students, transfer students, and out of state students, therefore, mitigated it this year;
- We will do everything we can; we have had 7 record years; this puts us in a tough place and the gap for future years seems challenging.
- Does impact FWYS that brings us in $500K annual revenue; program was given to another institution.
- We have best likelihood for starting students to finish; it is much lower when they start at CCRI or RIC.

Discussion:

- Have you looked at how can attract more out of state students? Can we bring in 105 more?
- We needed a significant number of full paying out of state students that is already in addition to a strong cohort;
- Also looking at graduate students and retention
- Financial aid leveraging, access to programs
- No savings on expense side, e.g. all students not in same classes

Additional Item: very early projections for FY2020 and being conservative, along with the fixed cost increases; COLA’s, etc. could enter FY2020 with a significant shortfall. If continues, need a robust conversation in this council; we must submit a balanced budget, minimize damage to the institution; cannot inhibit the delivery of the curriculum.

Still should entertain proposals for FY2021; but, may want to limit discussion time due to challenges for FY2020.

Reminder: New Funding Request Proposals for FY2021
Templates/Instructions at:
http://web.uri.edu/sbpc/supporting-documents/
Due: April 19, 2019 (no proposals accepted after due date per Council)
Submissions to lindab@uri.edu
Subject to change due to the number of divisional submissions

*UPCOMING MEETINGS:
The following SBPC meetings are from 11:00am – 12:30pm:

Monday, March 25, 2019 (Location: Memorial Union, Atrium 2)
Monday, April 29, 2019 (Location: Thomson Boardroom)
Wednesday, May 22, 2019 (Location: Thomson Boardroom)

The following are SBPC Divisional Presentation Meetings (time: tbd):

Tuesday, June 11, 2019 (Location: Thomson Boardroom)

Wednesday, June 12, 2019 (Location: Memorial Union, Atrium 2)

The following SBPC meeting to identify top proposals and determine the final recommendations to the President is from 1:00-4:00pm:

Tuesday, June 18, 2019 (Location: Thomson Boardroom)
Capital Project Process

**Major** (TPC Greater than $1MM)
- **Identification Phase**
  - Divisional Leader identifies Programmatic need
  - Facilities Committee approves
    - Adv. Planning Budget if in excess of $100k
  - Programming
  - Siting & Massing
  - MPRT Review
  - Scope, Budget, & Schedule Estimated
    - (Facilities Committee Approval Advanced Planning Report)
  - CIP Process
    - (Council, Board, Executive & Legislative Process Approvals)
  - Design Phase Approval
    - (Facilities Committee Approval to Proceed to Design)
    - IF FC NO
      - SD Estimate & FC Approval
        - Budget, Schedule, Scope & Design
  - DETAILED DESIGN
    - DD Estimate & FC Approval if change in Budget, Scope, or Schedule
  - CONSTRUCTION DOCUMENTS
    - 50% CD Estimate & FC Review of Budget, Scope & Schedule for Approval to proceed to bid
    - Handoff to OCP at Code Review
- **Construction Phase**
  - BIDS
    - Through State Purchases
  - Construction
    - Managed by OCP
  - Client Move In

**Medium** (TPC less than $1MM but Construction Requires Separate Public Bid)
- **Identification Phase**
  - User identifies Programmatic need
  - Project Intent signed off by Director/Dean
  - Facilities Committee approves
    - Adv. Planning Budget if in excess of $100k
  - Programming
  - Location determined
  - SCHEMATIC DESIGN
    - IF NO
      - SCHEMATIC DESIGN
        - Scope, Budget, & Schedule Estimated
  - DETAILED DESIGN
    - DD Estimate & FC Approval if change in Budget, Scope, or Schedule
  - CONSTRUCTION DOCUMENTS
    - 50% CD Estimate & FC Review of Budget, Scope & Schedule for Approval to proceed to bid
    - Handoff to OCP at Code Review
- **Construction Phase**
  - BIDS
    - Through Utility Purchasing
  - Construction
    - Managed by OCP
  - Client Move In

**Small** (Construction does not require Separate Public Bid)
- **Identification Phase**
  - User identifies Programmatic need
  - Project Intent signed off by Director/Dean
  - Facilities Committee approves
    - Adv. Planning Budget if in excess of $100k
  - Programming
  - Location determined
  - SCHEMATIC DESIGN
    - IF NO
      - SCHEMATIC DESIGN
        - Scope, Budget, & Schedule Estimated
  - DETAILED DESIGN
    - DD Estimate & FC Approval if change in Budget, Scope, or Schedule
  - CONSTRUCTION DOCUMENTS
    - 50% CD Estimate & FC Review of Budget, Scope & Schedule for Approval to proceed to bid
    - Handoff to OCP at Code Review
- **Construction Phase**
  - BIDS
    - Through Small Projects
  - Construction
    - Managed by Small Projects
  - Client Move In