The University of Rhode Island
Strategic Budget and Planning Council
May 5, 2010
9:00am - 11:00am
Galanti Lounge - Library

Members/Staff in Attendance:

Members Absent:
David Bedard, Linda Barrett

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

Meeting Minutes:

1) Meeting called to order at 9:11 am by Council Chair Don DeHayes.
   a) Divisional Presentations: postponed a few weeks in order to understand FY11 (Fall 2010) enrollment.
   b) Divisional reports: due a week prior to the first presentation date.
   c) Models for distributing financial aid in the future, in and out-of-state tuition rates compared to other institutions, and total cost of attendance will be researched and reviewed; analysis will be provided to the Council when available. A consultant will be engaged to review financial aid strategies; including tuition discounting with an environment of decreasing State Appropriation.
   d) Discussion ensued on value and quality. Will focus on the scholarships, awards, and success stories of our students in all University communications.

2) Chair DeHayes called for any additions or corrections to the Minutes from the April 26, 2010 SBPC meeting.
   a) The Enrollment presentation will not be posted, so the link should be removed in 4a.
   b) The third item under 4f should read "...with general scholarships we are spending less than 1/2 of the student aid budget on less than 1/3 of our students."
   c) The third sentence under 4e should read "Total cost to an out of state student is approximately $40,000 a year."
   d) A request was made to post the FTE data and add the link to the information to item 5.
   e) A motion was made, seconded, and passed to approve the amended minutes.

3) Overhead Policy and Overhead Distribution
   a) The overhead policy approved by the Board of Governors was distributed, including the tentative FY11 Allocation overhead projection.
   b) According to the policy, the full cost of SPA is covered; full cost being defined by the President. The current SPA procedure to determine the upcoming year budget includes adjusting the current year base budget by items such as salary and fringe changes. Major changes such as new items require the President's approval. Peter Alfonso indicated that Fund 110 will run in parallel with Fund 100, with meetings to discuss Fund 110. In the future, modifications to SPA will be
more transparent. SPA covers administrative costs, such as Accounting, Payroll, Purchasing, and Controller functions, including post-award for research, under the division of Administration and Finance, and pre-award and post award support under the division of Research and Economic Development.

c) Winnie Brownell initiated a discussion on the lack of Dean's resources related to start up funds. The only place that start-up funds are addressed in the current policy is in the distribution to the colleges. Peter Alfonso indicated a report due out this summer will recommend a plan for Federal Agencies to revise the overhead scheme.

d) Discussion ensued on the portions allocated for the building funds, Provost, Partnerships, and President. Approximately 8-9 years ago, the Board approved funds to be dedicated to paying off the debt service for the Costal Institute and CPRC buildings. The 5% that goes to the President is accumulated. The first sum of $250K was accumulated under Dr. Robert L. Carothers and was dedicated to the Learning Commons. Any changes to these distributions would require approval by the President and the Board of Governors. Details of the FY09 expenditures will be provided to the Council.

e) Chair DeHayes reinforced that all overhead dollars returned to the colleges should be used entirely in support for research.

f) Peter Alfonso emphasized the projections are expectations for future years. Recently, overhead dollars have increased. Prior to the increase, the SPA budget was growing every year so the Deans were receiving a smaller portion. The increase in overhead dollars has reduced SPA funds from 51% to 40%.

4) FY2010 Auxiliary/Enterprise Mid Year Budget

a) Summary of FY10 MYR revenue/expense projections for the Auxiliaries and Enterprises was distributed.

b) Expenditure totals may exceed revenue if accumulated fund balance is being used for capital improvements. Fund balance will be used by the Bookstore for fixture and equipment upgrades; HRL for alarm and bathroom upgrades; and the Memorial Union to build a climbing wall structure for the leadership challenge course. Tom Dougan indicated that approximately $9M of fund balance from some of the Auxiliaries will be used for renovations related to the Roger Williams Commons Wellness Center. It was noted that net assets are usually a combination of cash and inventory.

c) A discussion ensued on the Ryan Center and Boss Arena deficit, which is driven by reduced event revenue, debt service, and cost of utilities. Private funds and accumulated fund balance will be used to offset the deficit in FY10. In FY11, the student fee will be increased to support operations. Boss will operate under a reduced schedule this summer due to a lack of summer camps. Sponsor opportunities could help offset the cost of utilities. The two Ice Techs from Boss will be moved to Global Spectrum's payroll.

d) It is important to look at the value, research, and reputation an Enterprise brings to the University.
e) Tom Dougan indicated there is a state law that forbids state funds to be used to support Auxiliaries and Enterprises. The Auxiliaries and Enterprises contribute indirect cost to Fund 100. The indirect cost covers administrative salaries that are paid by the general fund. There is a formula that determines the rates that get charged to the Auxiliaries and Enterprises. The above (4e) was amended at the June 8, 2010 meeting to read as follows: There is a state law that forbids state funds to be used to support Auxiliaries. The Auxiliaries pay indirect cost to Fund 100 for services received from Fund 100. The indirect cost covers operation and maintenance expenses such as security, landscape, snow removal, etc and services provided by general and administrative offices such as Payroll. There is a formula that determines the rates that get charged to the Auxiliaries.

5) SBPC Meetings: Budget Presentations and post-Commencement meeting dates
There will be a Divisional Presentation meeting on June 2nd from 9AM - Noon. A meeting wizard request will be sent out to confirm a second date. The date for the second meeting will be determined by the majority.

Meeting Adjourned at 11:01 am.

Information Requested:

1) Overhead distribution to the colleges including the time frame for the building funds; the FY09 expenditures for the President, Provost, and Partnerships.

2) The Audited Financial statements, which include the Net Asset Balances for Auxiliaries and Enterprises.

Required Action:

1) A meeting wizard request will be sent to confirm the second date for the Divisional Presentations in June.

Next Meeting Date:

June 8th from 8:00am to 11:00am in the Club Room, University Club

Next Meeting Agenda: Divisional Budget Presentations

1) Research

2) Academic Affairs

3) Advancement

Minutes by: Kelly Slocum, Budget Analyst, Budget & Financial Planning 5/5/2010