

BUDGET PROCESS OVERVIEW

JULY 11, 2016

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THE UNIVERSITY'S BUDGET

Unrestricted

- Tuition & Fees
- State Appropriation
- General Obligation Debt Service

Restricted

- Federal Student Grants & Loans
- Auxiliaries/Enterprises
- Sponsored Research
- RI Capital Fund (RICAP)

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FUND DEFINITIONS

Fund 100,103,104: Unrestricted Revenue (i.e. Tuition and Fees, State Appropriation)

Fund 100,103,104: Unrestricted Expense - Allocations to departments (i.e. Textiles, Economics, Electrical Engineering). Source: Unrestricted revenue

Fund 103 is Legislative “Mandated” programs*

Fund 104 is Endeavor

Funds 100, 101, 103, 104, 105 included in unrestricted budget

*Sometimes referred to as “Community Service Grants”

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FUND DEFINITIONS

Fund 101,105— Revenue and Expense. Self-supporting accounts such as Summer Orientation, Theatre Productions, & Printing Services (105=Service Center)

Fund 110—Indirect Cost (Overhead):

Revenue and Expense; Overhead recovery allocated to the Colleges/Departments

Fund 125 – Shepards – facilities support funded from Fund 100 and from State through OHE

Funds 100, 101, 103, 104, 105 included in unrestricted budget

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FUND DEFINITIONS

Fund 210-331 Auxiliary & Expense

Auxiliary Units: Health Services, Memorial Union, Bookstore, Residential Life and Dining Services

Enterprise Units: W. Alton Jones, Parking Services, Ryan Center/Boss Ice Arena.

Fund 500—Sponsored Research: Federal and State Grants awarded to the University. This may include special federal allocations such as Stimulus Funding.

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FUND DEFINITIONS

Fund 400—Private Funds: Private funds with a restricted intent indicated by an outside entity. These are included in the University's budget (i.e., NCAA \$ for Academic Advisor for Athletics)

Plant Funds: General fixed asset accounts, general long-term debt accounts, and bond funds.

Fund 401: URI Foundation; separate 501c3; not included in University budget

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FUND DEFINITIONS

Fund 900—Agency Funds: Funds held by URI as custodian for sponsor or University related organization. Money is deposited with the URI for safekeeping to be used or withdrawn by the depositor at will. (Not included in University budget)

Budget Transfers: Only permitted *within* each fund.

FUND DEFINITIONS

Unrestricted – Separate State Appropriation
from URI Fund 100, 103, 104
– RI State Crime Lab (Fund 102)

Restricted
– RI State Crime Lab

BUDGET CATEGORIES

- Unrestricted
Fund 100, 101, 103, 104, 105
- RI State Crime Lab
- Auxiliary
Housing & Residential Life, Bookstore, Dining Services, Memorial Union, Health Services
- Enterprise
W. Alton Jones, Parking Services, Ryan Center & Boss Arena
- Sponsored Projects
Federal, State, Municipalities
- Overhead
- External Student Aid
- RI Capital Funds
- Other

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BUDGET PROCESS CALENDAR

	<u>FY17 MYR</u>	<u>FY17&18 Allocation</u>	<u>FY18&19 Request</u>	<u>Fund Balance</u>	<u>Fund Balance Notes</u>
July 2016		✓	✓		
August 2016		✓	✓	✓	Allocation of 80% fund balance non fund 100; allocation of balances for previously approved Fund 100 projects
September 2016		✓	✓	✓	Fund 100 carryforward analysis
October 2016	✓	✓	✓	✓	Fund 100 carryforward analysis to senior team
November 2016	✓		✓	✓	Fund 100 carryforward notifications
December 2016	✓		✓	✓	Allocation of remaining 20% fund balance non fund 100
January 2017	✓		✓		
February 2017	✓	✓	✓		
March 2017		✓	✓		
April 2017		✓	✓		
May 2017		✓	✓		
June 2017		✓	✓		

BUDGET PROCESS

Spring 2016	FY18 Request	SBPC review of new strategic requests from divisions
Spring 2016	FY17 Allocation	College Budget Hearings; Senior Team Budget Mtgs; Allocations to all colleges/areas
Spring 2016	FY17 Allocation	Legislative Budget Hearings; Enacted Budget
May 2016	FY17 Allocation	Final Senior Team Budget Meeting; Alloc. Finalized
July 2016*	FY17 Allocation	Fund 100 budgets distributed to colleges/areas
July 2016*	FY17 Allocation	Analysis by BFPO of Fund 100 budget; incorporation of late guidelines
July 2016	FY18 Request	SBPC recommendations to President
July 2016	FY17 Allocation	Uploaded to financial system

*usually May and June respectively

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BUDGET PROCESS

Sum 2016	FY18 Request FY19 Prel Req	State & Board Guidelines Rec'd; Enroll proj; other revenue and expense projections; request for info from various areas (i.e. utilities, insurance, contractual)
Fall 2016	FY17 Allocation FY18 Request FY19 Prel Req	Board approves budgets including tuition & fee rates
Oct 2016	FY17 Allocation FY18 Request FY19 Prel Req	Budgets forwarded to Governor by Board
Oct/Nov 16	FY17 Mid Year	Fund 101, Crime Lab, Endeavor completed
Oct 2016	FY17 Mid Year	Overhead revenue projections from colleges
Nov 2016	FY17 Mid Year	Overhead revenue projections from ResEconDev & Controller
Nov 2016	FY17 Mid Year	Meetings with division heads as needed
Dec 2016	FY17 Mid Year	Enrollment projections finalized
Dec 2016	FY17 Mid Year	Auxiliary/Enterprise finalized

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BUDGET PROCESS

Dec 2016	FY1876 Request	Meeting w/DOA & OMB (includes Board Chair, President, VPAF, Budget Director, Postsecondary Educ. Fiscal Staff
Dec 2016	FY17 Mid-Year	Meetings w/senior management
Jan 2017	FY17 Mid-Year	Mid-Year budget uploaded to financial system
Jan 2017	FY18 Gov Bud	Governor recommends budget to Legislature
Jan 2017	FY17 Revised	Governor recommends revised budget to Legislature
Jan 2017	FY17 Alloc	Council of Res. Recom. On Research OH FacSen10.72.14
Jan-Mar 2017	FY18 Request FY19 Prel Req FY17 Current Yr	Respond to questions from and provide analysis of specific topics to House Finance Staff and Senate Finance Staff
Mar-Apr 2017	FY18 Request FY19 Prel Req FY17 Current Yr	House Finance Budget Hearings Senate Finance Budget Hearings

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BUDGET PROCESS

Spring 2017	FY19 Request	SBPC review of new strategic requests from divisions & review of selected projects (Capital Plan)
Spring 2017	FY18 Allocation	College Budget Hearings; Senior Team Budget Mtgs; Allocations to all colleges/areas
Spring 2017	FY18 Allocation	Legislative Budget Hearings; Enacted Budget
July 2017	FY18 Allocation	Uploaded to financial system
Sum 2017	FY19 Request FY20 Prel Req	State & Board Guidelines Rec'd; Enroll proj; other revenue and expense projections; request for info from various areas (i.e. utilities, insurance, contractual)
Fall 2017	FY18 Allocation FY19 Request FY20 Prel Req	Board approves budgets including tuition & fee rates and forwards budget to Governor
Fall 2017	FY18 Mid-Year	Mid-Year budget review; Enroll proj; other revenue and expense projections; request for info from various areas (i.e. utilities, insurance, contractual)

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STRATEGIC INVESTMENT & BUDGET PROCESS

ACADEMIC AFFAIRS

- March – All day meeting with Deans
 - Deans highlight
 - Unit's mission
 - Relationship between unit's plan and overall University priorities
 - Summary of unit investment strategies and areas of reduction if necessary
- Ensure transparency across unit. Provide informational basis to encourage cross unit collaboration in education, research, outreach and administrative functions.
- Faculty Senate Leadership Participates

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COLLEGE BUDGET HEARINGS

- STRATEGICALLY PLAN AND MANAGE ACADEMIC AFFAIRS
 - April – Individual meetings with Deans
 - Narrative with strategic priorities for the new year
- Review and discussion including:
- Student data TT Faculty
 - Lecturers Per Course Lecturers
 - Budgets and Actuals Lowest funded item(s)
 - Balances in non-fund 100 accounts
 - Academic Plan

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INDIVIDUAL COLLEGE BUDGET HEARINGS

- Maximization of teaching/learning & co-curricular activities and research/scholarship activities
- Significant and very high level of focus on highest strategic priorities in colleges/units
- Continue efforts to relate vision, strategic planning and budget processes in Academic affairs to the University's strategic priorities and budget
- Follow basic budget process and budget principles used for four years

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ACADEMIC AFFAIRS: PRINCIPLES FOR A STRATEGIC AND SUSTAINABLE BUDGET PROCESS

The principles displayed in the next seven slides apply to the management, allocation, and investment of general revenue funds including funds derived from State Appropriation and tuition and fees. These principles apply to budget increments and decrements. While there may be occasional justifiable exceptions relative to the management, allocation, and investment of non-general fund revenues, these principles should also apply to all university and unit budgeting and fund allocations.

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ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

1. For a budgeting process to be strategic institutional strategic priorities must influence resource allocation and resource allocations must represent investments in priorities and essential programs. As such, the budget becomes a visible manifestation of academic priorities and strategic plan.

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ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

2. For budgets to be sustainable revenue potential and costs over time must coincide and mechanisms are needed to insure budget stability, despite annual increases in costs associated with salaries and benefits of personnel. Centralized budget recovery mechanisms need to be established to adjust budgets and create potential for reallocation. Capturing funds associated with vacated positions is one such mechanism and is preferable to annual budget recovery (usually 1, 3, or 5% recovery) approaches.

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ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

3. Funds and lines associated with vacated positions (retirements and departures) will be recaptured centrally and strategically allocated, in most cases, at entry level salary. Lines vacated because of denied tenure decisions will remain in the college/unit, but should be used to fill priority needs in concert with the strategic plan of the college.

4. Investments in new initiatives within units should include non-central resources from the units or internal reallocations. Central co-investment reflects mutual support of programs.

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ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

5. Resource allocations, including new and replacement positions and both increments and decrements, will be guided by unit performance, which will consider unit productivity, cost-effectiveness, and innovation as well as strategic priority and the specific role of the position. Across-the-board budget alterations will usually be avoided. Indicator metrics for these variables will be defined and unit targets may need to be established because different units may have different productivity measures.



ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

6. The budget process needs to be relatively simple (i.e., based on a few understandable metrics), consistent, and transparent and should ensure an open mechanism of communication between the responsible unit (e.g., colleges), budget managers, and departments and faculty within units

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ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

7. An effective budget process encourages innovation and efficiency, and aligns incentives for behavior in support of strategic priorities, productivity, and cost effectiveness.

8. A formalized budget process, including annual submission of a budget document and a budget hearing, will ensure that budget needs and requests from all units reflect unit priorities broadly, are considered at the same time, and reflect a multi-year budget planning horizon within units.

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ACADEMIC AFFAIRS

FUNDAMENTAL BUDGET PRINCIPLES

9. Once allocations are made, units are expected to operate within the framework and constraints of their annual budget, unless emergency situations (e.g., mid year state appropriations reductions, sudden dramatic enrollment shifts, etc.) occur during the year.

10. If possible within financial constraints, the Provost should maintain a contingency fund to be used for budget protection and/or for short-term strategic investment.

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2016-2021 ACADEMIC PLAN

INNOVATION WITH IMPACT

Theme 1: Enhancing Student Success

Goal 1 Transform undergraduate and graduate student learning and academic support with a firm commitment to student success and the development of knowledgeable, skilled, and engaged citizens prepared for an ever-changing world

- Pedagogy to Engage Students
- Expand Experiential learning
- Expand modes of course delivery and assessment by leveraging space & time in new ways
- Faculty development and incentives to promote new learning approaches
- Advancing liberal education
- Access & Affordability, credit completion for all populations

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2016-2021 ACADEMIC PLAN

INNOVATION WITH IMPACT

Theme 2: Expand Research, Scholarship, and Creative Work

Goal 2 Achieve high-impact, translational, and innovative research, scholarship, and creative work that addresses state, regional, and world challenges to improve health, environmental sustainability, economic development, and the human experience

- Broaden resources and support growth in research opportunities and demonstrate value and recognition for multiple forms of scholarship
- Foster inquiry-based interdisciplinary knowledge and the Scholarship of Teaching and Learning (SoTL), and build greater connections across disciplines and academic units
- Target research initiatives that impact economic & workforce development
- Involve undergrad and grad students in rich & varied research, creative projects & other opportunities
- Develop high-performance research computing initiatives to facilitate research & advance big data analyses & applications across all disciplines

2016-2021 ACADEMIC PLAN INNOVATION WITH IMPACT

Theme 3: Grow a Global Presence

Goal 3: Advance the internationalization of the University, develop students as engaged global citizens, and create meaningful international strategic partnerships.

- Articulate & prioritize internationalization of institution-wide strategic plans & faculty hires
- Provide appropriate administrative leadership and structure to promote & coordinate the globalization efforts of the University
- Create opportunities for the internationalization of the curriculum and co-curriculum to ensure that all students are exposed to global perspectives and build global competence
- Create institutional policies and support mechanisms to provide faculty with opportunities to develop global competence to maximize the impact of student global experiences on learning outcomes
- Expand support structures and efforts to increase numbers of domestic students engaging in international education experiences, and successfully recruit, enroll, and retain international students
- Formalize the process of strategic planning and proposal review, approval, tracking, and assessment of international partnerships

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2016-2021 ACADEMIC PLAN INNOVATION WITH IMPACT

Theme 4: Embrace Diversity and Social Justice

Goal 4 Inspire an enlightened community that is characterized by vibrant cultural diversity; that embraces difference; that is built upon a learning environment that fosters respect, understanding, and social justice; and that rejects prejudice and intolerance.

- Develop robust plans for diversifying faculty & staff by employing new & novel approaches that realize & retain greater numbers of diverse faculty
- Increase the recruitment, retention, and graduation of students from underrepresented groups, and provide support for their inclusion & success in the academic environment
- Create an active learning community among students, faculty, staff, and administrators that engages in open discourse and enhanced understanding about what it means to be a diverse and socially just community

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2016-2021 ACADEMIC PLAN INNOVATION WITH IMPACT

Theme 5: Streamline Processes to Improve Effectiveness

Goal 5 Engender a highly professional work culture that celebrates service and is characterized by flexible, effective, and efficient processes and by trust, support, and recognition towards greater institutional effectiveness.

- Develop new strategic & supportive human resource, affirmative action & payroll administrative processes within all divisions of the University that enable efficiency & effectiveness in hiring & retaining excellent employees & in performance mgmnt
- Prioritize and improve information technology to better meet future technology-related needs of the institution
- Explore new business and administrative processes that serve faculty, staff, and students with the highest degree of service and efficiency
- Improve research administrative processes at all levels and within all units
- Develop processes and practices that enable Academic Affairs to more nimbly update curriculum, solve problems, and work collaboratively across disciplines in order to better meet the needs of future learners
- Explore changes in long-range space, facility, and capital improvement planning, including deferred maintenance plans; and assess campus planning efforts with the community to regularly make improvements

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2016-2021 ACADEMIC PLAN

INNOVATION WITH IMPACT

Theme 6: Implement a Bold Advancement Agenda

Goal 6 Elevate the stature of the University through robust and bold strategic advancement initiatives designed to establish a strong and sustainable financial and marketplace position.

- Engender a University culture of philanthropy through strong partnerships
- Maximize the effective working partnership between the URI Foundation and the University, leading to the launch of a comprehensive campaign
- Leverage University relationships to expand the pool of individual, alumni, Foundation, and corporate prospects and donors
- Ensure a cutting-edge infrastructure that supports a robust advancement operation

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ACADEMIC AFFAIRS REDUCTION STRATEGIES

College/unit response to reductions at various levels

- delivery of curriculum
- careful examination of arguments
- class sizes
- protection of academic programs
- preservation of enrollments
- achievement of learning outcomes
- innovative sharing of resources among college
- reconfiguration of staff
- protection of higher priorities
- highlight low priorities

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BUDGET REDUCTION PRINCIPLES

ADOPTED BY SENIOR TEAM AND STRATEGIC BUDGET & PLANNING COUNCIL

- Ensure a quality education and experience for all students
- Protect our primary general revenue streams by ensuring quality in the timely delivery of the curriculum and by ensuring quality in all student services, i.e. housing, dining, bookstore
- Ensure the safety of students, staff, and faculty
- Minimize across the board reductions
- Sustain diversity initiatives, including Talent Development
- Sustain our financial aid investment as a key element of attracting students
- Invest in initiatives that enhance our ability to generate other income and resources

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