

DATE: May 26,2011
TO: Academic Deans/Directors
FROM: Linda A. Barrett
Director, Budget and Financial Planning
SUBJECT: FY 2012 Tentative Unrestricted Budget Allocation

Returns Due to Budget & Financial Planning Office by Thursday, June 9, 2011

In accordance with the FY 2012 Budget Request, senior management recently approved the FY 2012 Tentative Allocation. An estimate of revenue based on the latest available data has resulted in a tentative \$354.5M revenue and expenditure budget for FY 2012 resulting in a balanced budget at this time. The enrollment is on target and in some categories exceeds the target. This is the result of efforts from many areas, including your colleges and departments. These efforts have contributed greatly to a balanced budget for FY 2012. Your commitment is very much appreciated. The revenue includes State Appropriation (excluding General Obligation Debt Service) at \$59.7M, \$3.1M more than the FY 2011 Mid Year Budget.

The FY 2012 estimate for State Appropriation is based on the Governor's recommendation to the Legislature and with the assumption that the Legislature will not be able to add any funding. However, given the state of the FY 2012 projected shortfall for the state of Rhode Island, the possibility exists that the Legislature could reduce the FY 2012 State Appropriation to the University of Rhode Island; thus, future reductions are possible as the Legislature works to finalize the budget.

For the second year, budget hearings were held and each college was provided the opportunity to present their challenges, opportunities, primary budget priorities, and the strategic emphasis of the college. They were also provided the opportunity to share their future vision of their college and the University. After the completion of all hearings, I joined the Provost and his staff to review all related information.

The information in the attached packet reflects decisions by the Provost relative to funding for your college. Your bottom line budget for FY 2012 as approved by the Provost is reflected in this packet. In addition, you will see the estimated fringe benefits for your college area. This allows you to see the estimated total Fund 100 resources dedicated to your college/area.

The FY 2012 Tentative Allocation establishes the projection for each area and includes adjustments. An example of an adjustment is: reversals of all one-time only budget allocations, such as start-up transfers from the Provost Office.

The FY 2012 projected expenditure does not automatically project filled and vacant positions beyond the FY 2011 Mid Year level. ***It is important that you review the file provided to you and determine the exact amount you must budget for each filled and vacant position. You may also access payroll distribution data. Please verify all salaries as the amounts provided are estimated. Please refer to the separate guidelines for more information.***

Please be assured that neither the Provost nor the Budget & Financial Planning Office has made a decision to project or not project expenditures relative to a specific position or a portion of a specific position. Rather, as referenced above, all positions are projected at the FY 2011 budget with the responsibility for the level of funding required in FY 2012 resting with the Dean/Director. This is consistent with the current process of filling positions. Although the following was removed from the RF-1 form, we are still operating according to the following:

Please note that for positions filled after the beginning of the fiscal year or the academic year, the Dean's/Director's signature or authorization on this form indicates that the Dean/Director understands that he/she is fiscally responsible for fully funding this filled position in the next fiscal year.

It is also important to remember that any position funds you may have transferred to other categories currently remain in those categories in the FY 2012 tentative projected expenditures you receive. (i.e., if you transferred vacancy dollars to operating because a position was filled for six months in FY 2011, and the position will be filled for twelve months in FY 2012, you can reallocate the dollars from operating back to the position line.)

In accordance with the budget principles established within Academic Affairs, the Provost is continuing the process whereby new vacancy dollars related to faculty will be captured for reallocation by the Provost. These funds will be allocated based on criteria developed by the Provost. These criteria include consistency with strategic priorities, unit productivity, cost effectiveness, and innovation as discussed in the Council of Deans meetings.

The budget includes the latest available data for revenue and expense items such as utilities and insurance and reflects the Governor's recommended State Appropriation. If the Legislature changes the Governor's recommendation, this could result in revised projections to all areas.

If your returns reflect unfunded vacancies for which there is a current search, please notify Human Resources and Affirmative Action that you have elected to cancel that search.

Please refer to the technical guidelines for specifics regarding salary adjustments. You must fund all filled and committed position lines in your returns. You must also fund commitments made to any other personnel, operating, and student aid or capital lines. You may reallocate among account codes and departments except where noted (i.e. Legislative Mandates, course fee). If you reallocate to fund a position that was not funded in FY 2011, you must also provide a budget transfer for the associated fringe benefits. In order to expedite the process after returns are received by the Budget & Financial Planning Office, if known commitments are not funded, the Analyst will contact the fiscal staff to resolve the issue in a timely fashion. If the issue cannot be resolved quickly, the Budget Analyst will reallocate funds to cover the commitments and the fiscal staff can elect to re-allocate at a later date.

The Legislative mandated accounts must include a specific bottom line budget by account code excluding fringe benefits which are budgeted centrally. The budget for these specific programs cannot be reallocated to any other chart field strings. There is a specific allocation in the CCE,

Pharmacy and Human Science and Services packets for each of the programs listed below.

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| Hope High School (CCE) | 100-2909-0000 |
| Italian Cultural Heritage (CCE) | 100-2900-2503 |
| Ocean State Ctr. Law & Ed (CCE) | 100-2905-0000 |
| Minority Outreach (CCE) | 100-2904-0000 |
| LEAP(CCE) | 100-2910-0000 |
| Senior Standard Medical Info. System (PHM) | 100-2602-0000 |
| Special Olympics | 100-2400-7158 |

The course fee budgets should match the totals sent to the Business Managers on March 14th. Business Managers can access the following query in PeopleSoft HR to obtain the course fee detail by subject: U_SSF_KELLY_LAB_DETAIL. In accordance with the revised Course Fee Procedure, adjustments for FY2012 will be made after the add period for the Spring 2012 semester. Per the CAC Chair, in addition to purchasing consumable supplies, the course fee can be used to support graduate and undergraduate students who support course fee offerings. Any questions related to the course fee base should be directed to the Provost's Office.

The Faculty Development Funds will be distributed to the colleges by the Provost's Office after the start of the fiscal year.

All Graduate Assistant positions have been budgeted in account code 5252. Graduate Research Assistant positions have been budgeted in account code 5253.

Start up and other transfers from the Provost's Office are not reflected in your FY 2012 Tentative Projections. These transfers were reversed before calculating the FY 2012 Tentative Projections. Start up dollars and any other Provost transfers will be distributed by the Provost after July 1, 2011.

FY 2012 Allocations for new match dollars, which are budgeted in Fund 110, will be distributed by the Vice President for Research & Economic Development after July 1, 2011.

Your returns (due in the Budget & Financial Planning Office by Thursday, June 9, 2011) must reflect the total budget as authorized by the Provost. If it does not, the Budget & Financial Planning Office will be forced to adjust (in the Deans' Office if possible) budget returns that exceed the authorized amount.

If there are any structural or organizational changes that are imminent, please reflect this in your returns along with an explanation and any relevant documents. (i.e. departments reporting to a different area) as these items must be addressed prior to the start of a fiscal year. This is critical as it will not be possible to combine departments after July 1, 2011.

There is a final review tab that must be completed by all areas. If not completed, we will not be able to accept your return.

You should be aware that there are risks and uncertainties in both the revenue and expense

portions of the FY 2012 projections. If we do not receive the anticipated revenues from State Appropriation, tuition and fees or other areas or have unanticipated expenditures, we will be required to revisit the FY 2012 budget and make further decisions based upon our final mid-year review projection. Thus, it is expected that all areas will adhere to their FY 2012 allocation since no additional funds are anticipated at this time.

The allocation package for your area has been e-mailed to you. It is important that complete and accurate data be returned in the designated format to the Budget & Financial Planning Office no later than Thursday, June 9, 2011 to ensure that the data can be entered into the University's financial system for the new fiscal year.

Please feel free to contact your budget analyst if you have any questions concerning the completion of the budget forms.

A separate letter from the Provost may reflect specific college information not contained in this memorandum.

Cheryl Hinkson and I will make ourselves available to any unit that would like to review the detail backup of the steps taken to arrive at the tentative allocation for your unit and/or to discuss any questions you may have concerning the allocation. Please email me at lindab@uri.edu to schedule a meeting as soon as possible.

It is important that all areas utilize the Excel spreadsheets provided. They must be returned to the Budget & Financial Planning Office in the same format. Please e-mail your return to Caroline Natale at cnatale@uri.edu by Thursday, June 9, 2011.

Thank you for your prompt attention to this matter.

cc: Donald DeHayes, Cliff Katz, Cheryl Hinkson, Michelle Curreri