

UNIVERSITY BUDGET COMMITTEE

MINUTES OF FEBRUARY 7, 2008 MEETING

I. Time, Location and Attendance:

- 10:30AM, Plaza Room at Administrative Center
- UBC members present: Betty Drees, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Tony Luppino, Paris Saunders, Lanny Solomon and Karen Vorst.
- UBC member absent: Curt Crespino
- Support Costs Review Committee members present for first portion of meeting: Dave Cornell, Paul Cuddy, Dave Donnelly, Ed Ellyson, LaVern Krueger, Bonnie Painter, Paris Saunders, Linda Teater and Wanda Temm
- Others present: Chancellor Guy Bailey, Rick Anderson, Valerie Bennett, John Morrissey and Karen Wilkerson

II. Support Cost Review Committee (“SCRC”) Charge and Priorities:

A. Basic Charge/Mission of SCRC:

- UBC Secretary Luppino circulated a paper copy of an excerpt from the UBC’s latest draft of the text of the proposed new budget model containing the UBC’s description of the tasks it contemplated the SCRC would perform as a subcommittee of the UBC.
- Chancellor Bailey described his perspective on the SCRC charge. He emphasized that its primary mission is to seek and present to the UBC and the Chancellor data on national averages for support functions at comparable universities that might be used as benchmarks and planning tools as we assess the appropriate budgets of UMKC support functions, the organization of such functions and perhaps outsourcing possibilities. He suggested that in its research the SCRC focus on “functions” rather than “units,” and that it endeavor to identify local conditions that might call for adjustment to average figures.
- The Chancellor’s comments and those of various UBC members made it clear that the SCRC is not being charged with making specific policy recommendations (though it should feel free to make suggestions), but is being asked to seek to determine what percentages of the operating budgets of comparable institutions are, in terms of pertinent national averages (adjusted

for local conditions), expended on key support functions reasonably comparable to those provided at UMKC.

- It was also pointed out during this segment of the meeting that a secondary mission of the SCRC contemplated in the UBC recommended budget model is to review “charge-backs” (i.e., charges imposed on academic or other units by support units for particular goods and services) to determine if UMKC charge-backs are (i) necessary; (ii) reasonable in amount and (iii) uniformly charged to all UMKC units consuming the goods/services in question. The Chancellor’s comments and those of Interim Provost Drees and other UBC and SCRC members included identification of the following policy issues the UBC and the Chancellor will want to address once data on charge-backs has been collected:
 - What types of functions should be handled through a charge-back system (as opposed to adjusting the budgets of the units supplying those functions and then having them supply the goods/services with no charge to consuming units)?
 - Should any of the functions currently subject to charge-backs be eliminated or outsourced?
 - How do we insure high quality in the performance of the functions but also avoid unnecessary costs on academic units (as the support units are to perform necessary support functions but are not supposed to be “profit generating” at the expense of academic units)?
 - Are UMKC units currently being subjected to charge-backs in a uniform and equitable manner?
- During the discussion of charge-backs the SCRC was relieved of the task of inventorying all existing UMKC charge-backs and the rates they are charged to various units, as well as notation of any special arrangements with particular units. The Chancellor said he would direct the Vice Chancellors to submit that information so that such inventory can be presented to the UBC and the SCRC for consideration. It was suggested by a UBC member that it seemed the compilation of such an inventory should be something that can be done within 30 days, and no objection to that timetable was voiced.

B. Some Specific Issues/Challenges

- Some concern was expressed as to potential “apples-to-oranges” issues in comparing support functions at other institutions to support functions at UMKC, particularly with respect to Information Services. There was consensus that such comparisons are difficult, but the Chancellor and others commenting urged the SCRC to do the best it can and to try to rely

on data bases that have information that can allow some meaningful comparisons. After some discussion of this approach and the information as to the SCRC's charge/mission described above, some commenting SCRC expressed appreciation that the SCRC's tasks were being clarified, and observed that the type of informational report the Chancellor had described (as opposed to requiring a report with specific recommendations as to the budgets of UMKC support units) seemed a more manageable task at this juncture.

- It was acknowledged that the overall primary mission of the SCRC—to provide helpful benchmarks derived from national data on all key support functions—will likely take over a year to complete. It was suggested that in view of the complexity of research on Information Services, the SCRC consider splitting its current efforts in time and/or among some of its members between the two top priorities previously identified by the UBC with input from the Faculty Senate and other constituencies—Information Services and Facilities Management. The Chancellor noted that with respect to the latter in particular, the SCRC would have to in its research make sure it accounts for differences between institutions subject to collective bargaining agreements and those without a unionized workforce in its applicable functions.
- The discussion then turned to providing some assistance to the SCRC. UBC Member Luppino, who also serves as Chair of the Faculty Senate Budget Committee (“FSBC”) renewed the offer of the FSBC to provide research support to the SCRC upon request, and SCRC Chair Paris Saunders agreed that he would direct any such requests the FSBC Chair.
- In this connection, and with respect to the decentralized nature of the proposed new budget model in general, and the associated need for faculty to have informed and meaningful input on budget-related matters, UBC Member and Faculty Senate Chair Gary Ebersole reiterated his call, previously made at various meetings of the Senate and in other settings, that each School/College have a functioning internal faculty budget committee, with access to the types of data that a transparent approach to budgeting mandates, and that such committees play an active role in information gathering and policy recommendations.

III. Finalization of New Budget Model and Transition Plan:

At the conclusion of the discussions described in II. Above the SCRC members who were not also members of the UBC left the meeting and the UBC addressed the following agenda items:

- ***Projected FY09 General Revenues Increase.*** The Chancellor reported that based on the most recently available information he estimates that the total new UMKC General Revenue for FY09 from increased State Appropriation and anticipated approved increases in tuition rates will be between \$7.5 and \$8 million. He cautioned that final decisions by the applicable governing bodies have not yet been made, so this estimate is by necessity subject to adjustment.
- ***Tuition Attribution—Use of 80% of Undergraduate Rate.*** UBC Member Luppino reported that members of the FSBC were concerned that the proposed rule for cross-unit instruction whereby the instructing unit gets 80% of tuition based on the undergraduate rate even where the student is paying at a higher graduate or professional rate did not seem equitable. It was noted that this issue appears to be most significant for the College of Arts & Sciences and the School of Biological Sciences, with some faculty from SBS having estimated that the change to 80% of the undergraduate from the UBC’s March 26 proposal (100% of undergraduate rate) might cause a decrease in funding of as much as \$1 million for SBS. The Chancellor confirmed that he feels strongly that 80% of the undergraduate rate is appropriate as a means to reduce temptation on the part of the home units to teach the courses themselves—he felt that the UBC’s recommendation that such “course poaching” be policed by the Undergraduate Council and Graduate Council was, as a practical matter, inadequate to address that issue. It was agreed that Karen Wilkerson would look into the numbers estimate of the effect on SBS of the 80% of undergraduate rate provision (as \$1 million sounded too high to many at the meeting). It was noted that SBS is getting an increase in the weighting factors for some of the courses it teaches (thus increasing its share of the State Appropriation under the new budget model), but also pointed out that such circumstance was a separate issue from tuition attribution.
- ***Summer School.*** There was brief discussion with the Chancellor of the UBC’s January 18 memorandum regarding Summer School. That memo essentially recommended (1) no Summer School-related change in the proposed new model for FY09 forward, as the allocation of tuition to the generating unit per Appendix 2 of the model should provide ample incentive to grow Summer School enrollment, and (2) that for FY08 Summer School enrollment growth incentive be handled in the way the UBC previously proposed for FY08 enrollment increases generally (that incentive payments be made out of overall UMKC tuition increase (net of scholarships/waivers) for FY08, without reducing any unit’s FY08 GRA, based on a reasonable conclusion as to relative contributions to such growth by the various Schools/College). The Chancellor did not express objection to these recommendations, but did say that he had not had an opportunity yet to discuss them with Interim Provost Drees and others, and wanted to do so before reaching a final decision.
- ***Finalization of New Model/Transition Plan.*** The Chancellor and others reported that individual meetings had been held with all of the deans except the

Deans of the Bloch School and SCE (which should happen shortly). It seemed the meetings with deans about the new budget model were going reasonably well. After the Chancellor left the meeting for another appointment, the Committee discussed the current status of final adjustments to the model and the development of a transition plan for its phased implementation, starting with FY09. The Committee was informed that Bruce Bublitz is working on a transition plan proposal. As a result of these discussions, the Committee decided that:

- A UBC meeting with Bruce Bublitz should be scheduled for sometime in the next two weeks so that the Committee has an opportunity to provide its input on the transition plan proposal.
- At least a few days before that meeting, the Committee is to be given the following written materials: (1) a “full implementation” projection of the effects of the new budget model, adjusted for certain recently discussed items¹; and (2) a draft of the Mr. Bublitz’ transition plan proposal. Committee members emphasized the importance of having time to study these written presentations in advance of the meeting.
- ***Debate, Mock Trial and Similar Items with Shared Funding with Student Government Controlled Funds.*** Near the end of the meeting, Dean Karen Vorst and Paris Saunders noted that it appears the current Student Government Association may not be approving the funding of portions of Debate, Mock Trial, and perhaps some other activities traditionally receiving some funding from allocations of the Student Activity Fee. The Committee briefly discussed this circumstance, but called for further study before making any associated recommendations. It was agreed in this connection that Dean Vorst and Paris Saunders would work on and in due course present to the Committee recommendations as to the proper “housing” of such activities that were previously funded, or partially funded, by the College of Arts & Sciences, with the understanding that management aspects of such recommendations apart from resource allocations might then have to be referred to other UMKC governing bodies.

¹ These include: insertion of the \$186,000 specially designated State Appropriation for the Nursing School’s Joplin Program; the increases in the SBS “weighting factors” for certain upper level courses; the Chancellor’s decision to adopt the 50/50 blend of the weighting factors he had proposed and the “COPHE approach”; the shift of \$682,178 of expenses for certain UMKC-wide programs and functions from the budget of the College of Arts & Sciences to the general overhead assessments governed by Appendix 5 of the proposed model (to be assessed among the Schools/College in the ratio of Total Current Fund Expenditures); the exclusion of certain School of Education employees working with the “Regional Professional Development Center” from headcounts in the Appendix 5 assessments determinations; and some modifications regarding Graduate Studies (eliminating it from the Appendix 4 list of units sharing the State Appropriation, with corresponding increase in the Appendix 5 assessment for Graduate Studies Funding, and modifying its tuition attribution under Appendix 2 to fairly treat its instructional functions).

IV. Administrative Matters and Procedural Matters Going Forward:

- The language inserted into the minutes of the December 13, 2007 meeting called for at the January 7, 2008 meeting, and circulated prior to this February 7, 2008 meeting, was approved, and the December 13, 2007 minutes, as so modified, were approved as final.
- The minutes of the January 7, 2008 meeting, as circulated prior to this February 7, 2008 meeting, were approved without change.
- Interim Provost Drees reported that the Chancellor was in agreement that she would remain as UBC Chair through the end of the current fiscal year, with incoming Provost Gail Hackett then becoming UBC Chair as of July 1, 2008 and Dean Drees continuing as a UBC member.
- The next UBC meeting will be scheduled for a time that is within approximately two weeks of February 8, 2007.