

UNIVERSITY BUDGET COMMITTEE

MINUTES OF FEBRUARY 25 , 2009 MEETING

I. Time, Location and Attendance:

- 3:00PM, Provost's Conference Room at Administrative Center
- UBC members present: Gail Hackett (Chair), Curt Crespino, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green Tony Luppino, Lanny Solomon and Karen Vorst. Absent: Betty Drees, Paris Saunders,
- Others present: Chancellor Leo Morton (for part of meeting), Rick Anderson, Margaret Brommelsiek, Larry Bunce, Karen Wilkerson and John Morrissey.

II. Summer School Enrollment Growth Incentives Plan

- Provost Hackett called for a revisiting of the Committee's recommendation of an enrollment growth incentives program for Summer 2009 as described in the minutes of the Committee's February 12, 2009 meeting. She presented the memorandum attached hereto as Appendix A summarizing her thoughts and her proposed alternative to the February 12 recommendation.
- The Committee discussed the Provost's proposal and agreed to pursue a plan along its lines, but with some clarifications regarding instructional costs to be taken into account, preservation of the offset for drop-off in Fall net tuition contemplated in the February 12 recommendation, and exclusion of summer SCH from calculations under the budget model for the rest of FYE 2010 for participating units. It was noted that the two model approach, decoupling summer net tuition for participating units from Fall and Winter until they can be recombined when the budget model is fully implemented, likely has some complexities not yet identified. The Committee agreed to recommend that those complexities be worked through as soon as possible.

III. Approval of Minutes of Prior Meeting

- The minutes of the February 16, 2009 meeting, in the form last circulated for the meeting, were approved with one modification (correction to show that Gary Ebersole was present at the February 12 meeting).

IV. Chancellor's Report on System Matters/Budgeting Assumptions

- Chancellor Morton reported that the implications of the federal stimulus legislation on the State of Missouri and the UM System have not yet been

determined, but that he hoped to have more information to report about that and other guidance regarding assumptions/guidelines for FYE 2010 budgeting after the February 26 General Officers' meeting.

V. Working Assumptions for FYE 2010 Budget Model Projections

- The Committee agreed to ask Karen Wilkerson to do an updated “run” of the application of the budget model for FYE 2010, acknowledging that the prior transition plan may need revisiting and that other modifications to the model may be in order under current economic circumstances. In that regard, the Committee agreed that for discussion purposes at this juncture this updated run should include the following assumptions:
 - State Appropriation at 95% of budgeted FYE 2009 amount.
 - Increase assumed amount of unfunded scholarships/waivers per best current information on likely actual amounts for FYE 2010.
 - Reduce previously planned Twin Oaks debt service payment to minimum amount required under applicable documents, and combine savings from that reduction with another \$1,000,000 off the top of State Appropriation as an unallocated contingency reserve
 - Add a new 1% salary pool from off the top of State Appropriation. With regard to this item the Committee also agreed to recommend to the Chancellor that he recommend to the UM System that if such a 1% pool is mandated it should be earmarked to give salary increases to employees with salaries of \$50,000 or less.

VI. Instructions to Unit Leaders Re: FYE 2010 Budgeting

- The Committee reiterated the importance of its being provided an opportunity to review and comment on the instructions to be given to unit leaders regarding FYE 2010 budgeting before such instructions are circulated to the unit leaders.

VII. Administrative Matters Going Forward

- The next Committee meeting is scheduled to be held in the Provost's Conference room at 10:00-11:30AM on Thursday, March 12

APPENDIX A
MEMORANDUM

TO: University Budget Committee
FROM: Gail Hackett, Provost
DATE: February 24, 2009
SUBJ: *Summer School Revenue Sharing*

There has been significant discussion of summer school enrollment and tuition revenue and how it should be handled in the campus budget model. I agree that once the budget model is fully implemented, summer school revenue will be part of the campus overall enrollment and units will receive the appropriate revenue generated by summer school through the automatic budget model calculations. However, we are not yet in the position to fully implement the budget model, and the recent economic situation and uncertainty of the state budget allocation makes revenue generation and student enrollment growth all the more important. I think it is important that we accelerate enrollment growth and the revenue generated on this campus and I therefore make the following recommendations for summer school.

- A unified, strategic campus marketing plan will be developed to promote summer school at UMKC.
- Beginning in the summer of 2009 (which is FY2010), units will receive financial incentives outside of the budget model for growth in summer enrollment. Units will share in 50 percent of the revenue generated by summer school, after the campuswide marketing program is taken off the top. The financial incentive/reward to the units will be calculated based on the revenues generated by the summer school program, net of marketing, personnel and financial aid expenses.
- The campuswide marketing expense will be taken off the top of the total campus summer revenue to be shared in the summer budget model. There may be some additional unit-specific marketing strategies this summer and in the future, and those expenses will be borne only by that unit.
- In most academic units, faculty are paid under 9-month contracts. By growing summer school enrollment, the university is providing additional earning capacity to those faculty members who choose to teach during the summer. However, it does not penalize faculty who choose to do research or other endeavors over the summer months. Faculty personnel expenses can be tracked specifically by unit and to summer school.
- The budget model will continue to allocate tuition as previously adopted by the UBC and the campus. That is, units will receive the tuition generated by teaching students net of financial aid and scholarships. However, during the transition period until the budget model is fully implemented, the revenue allocation will be based on fall and spring only, and summer school will be outside the budget model.
- Summer school enrollment growth for some units is either impractical or impossible. In those instances, the budget model will include all three semesters – fall, spring and summer.

I welcome your comments and discussion of this proposed model.