

## **UNIVERSITY BUDGET COMMITTEE**

### **MINUTES OF SEPTEMBER 11, 2008 MEETING**

#### **I. Time, Location and Attendance:**

- 1:00PM, Hyde Park 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: Paris Saunders
- Others present: Rick Anderson, Larry Bunce, John Morrissey, Chris Rice and Karen Wilkerson

#### **II. Preliminary Administrative Matters:**

- The minutes of the August 5, 2008 meeting of the Committee, in the form circulated on August 6, 2008 (and again on September 10, 2008), were approved.

#### **III. Provost's Report on Recent Dean's Retreat and Related Committee Discussion:**

- Provost Hackett described the presentations made by two deans from schools with "positive variances" under the latest runs of projections of the new budget model and two deans with "negative variances" under those projections. Committee members Dean Lawrence Dreyfus and Dean Karen Vorst also provided comments on those presentations.
- In general, these reports were viewed by the Committee as very positive developments that are indicative of the need for and potential benefits of coordinating the budget model with UMKC-wide and unit level strategic planning. Among other things, the Committee discussion led to the conclusions that among the critical steps to be taken as soon as possible are: (1) interaction between the University Budget Committee and the Facilities Advisory Committee on such matters as planning for adequate classroom and faculty and staff offices to accommodate enrollment growth; (2) seeking new sources of revenue and expanding existing sources of revenue; and (3) having the Support Costs Review Committee accelerate its work so that any significant possibilities for enhanced efficiencies might be identified.

#### **IV. Possible SCH Weighting Factors Modifications**

##### ***Dental School and Medical School***

- Karen Wilkerson reported on the review of data submitted by the Dental School this summer. Prof. Chris Rice (a member of the Faculty Senate Budget Committee for several years) was in attendance during this portion of the meeting. Prof. Rice commended the Committee for its continued openness to reviewing pertinent data and considering adjustments to the budget model, and provided some perspectives on the costs of dental education generally and the circumstances of the UMKC School of Dentistry.
- The Committee decided that the data on average costs of Dental education across the United States now before it justifies reconsideration of the weighting factors for School of Dentistry student credit hours used in the new budget model. It then asked Karen Wilkerson to prepare for its review illustrations of the effects of raising the Dental Schools weighting factor from 125% of the Pharmacy level to 200% of the Pharmacy level in the 50% of the Appendix 4 formula based on the modified Texas approach.
- At the same time, the Committee noted the need to also consider relationships to the costs of instruction at medical schools, as the new budget model has been applying the same weighting level to the UMKC Schools of Dentistry and Medicine. Karen Wilkerson reported that there is pertinent national data suggesting that costs of instruction of medicine might be on average some 300% of pharmacy costs of instruction. The Committee agreed that before making recommendations to the Provost and Chancellor regarding any modifications to the SCH weighting factors in the model for Dentistry or any other school, it will need to have further discussions of both the current circumstances of and the UMKC strategic goals going forward for the Medical School. In this connection, the Committee asked Karen Wilkerson to prepare illustrations in which the modified Texas approach weights are not only run with Dentistry at 200% of Pharmacy, but are also run, alternatively, with (1) Medicine's weighting factor unchanged, (2) Medicine also at 200% of Pharmacy, and (3) Medicine at 300% of Pharmacy.

##### ***School of Biological Sciences***

- The Committee then addressed a request from Dean Dreyfus for review of the SCH weighting factors used in the budget model for instruction by the School of Biological Sciences. The Committee's small working group reported that it had met with Dean Dreyfus before the Committee meeting to review details of this request, and that it recommends that the Committee consider: (1) recommending modification of the SCH weighting factors for

SBS so that all of its SCH would be based on the factors currently used in the model for its health professional students (thus, all SCH of SBS would be at 2.77 undergraduate at 4.15 upper division), and (2) whether the UMKC decision that SBS be a school separate from other UMKC units justifies a special administration or infrastructure support subsidy off the top of the State Appropriation (i.e., along the lines of the special mandate-related subsidies in the budget model for the Dental School's Kansas Exchange obligations and the School of Education's I.U.E. obligations).

- The Committee asked Karen Wilkerson to include in each of the three new illustrations described above the assumption that all SCH of the School of Biological Sciences would be at 2.77 for undergraduates and 4.15 for upper level, regardless of whether or not the students are health professional students. No decision as to a recommendation to the Provost and Chancellor was yet made in this regard, as the Committee wants to first review and consider such illustrations (taking into account its above-described interest in further study of relationships to the Medical School).
- With respect to the possibility of a special off-the-top subsidy for SBS to support infrastructure/administration costs associated with being a separate unit, various Committee members saw pros and cons, and the matter was deferred for further consideration at a later date.

#### **V. Plan for Completion of Budget Model Phase-In by FY12**

- After a general description of working assumptions, detailed discussion of the schedules illustrating a hypothetical transition plan for GRA apportionment that Karen Wilkerson had circulated to the Committee members prior to the meeting was deferred in view of the new illustrations with varying SCH weighting factors for Dentistry, Medicine and SBS called for as described above.
- The Committee briefly discussed the need to develop individualized transition plans for each School/College and identified several possibilities of relief for schools facing significant financial pressures (whether “negative variance” schools facing GRA cuts or “positive variance” schools continuing to be financially stressed pending realization of the increased GRA due them under the model). Such possibilities included special allocations during FY10 and FY11 of increases in tuition and/or State Appropriation over the levels currently projected; draws on funds balances; and loans from units in a position to make them.
- One specific issue discussed was the need to maintain the current approach of assigning to the grant-generating school 50% of the associated Recovery F & A. The Committee and the Provost expressed approval of continuing that allocation.

- The Committee agreed that work on the transition plan will be continued at the next UBC meeting.

## **VI. Report Regarding Support Costs Review Committee**

- Committee member Tony Luppino, who, along with Committee member Paris Saunders, is now serving as Co-Chair of the Support Costs Review Committee, reported on the status of that subcommittee's work. He described the ongoing tasks of the SCRC as (1) a relatively straightforward short-term project of inventorying the "charge-backs" imposed by UMKC administrative and support units on other UMKC units; and (2) the much more complex study of the revenues and expenses of UMKC's key support operations and comparison of their budgets to national benchmarks and to a group of approximately a dozen "comparator" universities.
- Luppino indicated that he expected the charge-backs project would be completed in time for a full report thereon at the next scheduled UBC meeting. On the second project, he described the current approach under which various members of the SCRC have been designated "Principal Reporters" regarding specific key support functions. The Principal Reporters will study and ultimately prepare reports summarizing (a) the financial data being submitted by leaders of UMKC's key administrative and support functions (the deadline for which has been extended to September 22 to accommodate some Q & A exchange as to specifics of what information is being sought); (b) national benchmark data being collected with the assistance of the UMKC Office of Institutional Research; and (c) information on the handling of the key support functions at the comparator institutions being compiled by members of the Faculty Senate Budget Committee. A status report on this time-consuming second project will be delivered to the UBC at its next scheduled meeting.

## **VII. Administrative Matters Going Forward**

- The next Committee meeting is scheduled to occur at 1:00PM-2:30PM on Thursday, October 2, 2008 in the Provost's Conference Room in the UMKC Administrative Center. Agenda items for that meeting are to include: (1) a report from Athletics Director Tim Hall on plans for UMKC Athletics for the next few years and associated resource allocation needs and commitments; (2) reports from the Co-Chairs of the Support Costs Review Committee on the projects described above; (3) further consideration of possible recommendations on modifications of the budget model's SCH weighting factors after review of the new illustrations to be prepared as described above; and (4) continued work on the development of a plan to have the new budget model fully phased-in by FY12.