**Faculty Senate Budget Committee**

Minutes of the September 10th, 2018 Meeting, Gilham Park Room, Administrative Center

**Members Present:** Mark L. Johnson (Chair), Eduardo Abreu, Paul Cuddy, Kelli Cox (ex officio), Anil Kumar, Tony Luppino, Erik Olsen, Sully Read, Leigh Salzsieder, Melanie Simmer-Beck, Steve Stoner, Ronald Tice, Jennifer Waddell

**Members Excused:** Sharon Lindenbaum (ex officio), Linda Mitchell (Past Chair, Faculty Senate), Buddy Pennington, Provost Barbara Bichelmeyer (ex officio).

Dr. Johnson called the meeting to order at 4:00 PM.

1. **Approval of Previous Meeting Minutes:** Dr. Johnson asked if there were any corrections/additions to the minutes of the May 2018 meeting. None were made. Sully Read moved to accept as submitted, Leigh Salzsieder seconded. The minutes were unanimously approved.
2. **Discussion on what things the FSBC needs to know to make budget recommendations.**

Tony Luppino began by summarizing his email to Chair Mark Johnson. Contents of email included below.

In your meeting invite you mentioned that “Chancellor Agrawal would like to know what information the FSBC would like to have in order to make its recommendations regarding the RIM and other budgetary matters.”

To reiterate the primary information I have been looking for with specificity:

* For FY 2019, per the latest budgeting what are:
  + (1) Separately stated, (A) the total UMKC “State Appropriation” (operating, not capital fund), (B) “Net Tuition” (gross tuition less unfunded scholarships/discounts), and (C) Net Student Fees (again, gross less any unfunded scholarships/discounts)
  + (2) The amount of those “General Revenues” allocated to Central Administrative and Central Support Units/functions (i.e., not allocated to academic units/programs)
* For each of FY 2017 and FY 2018, the “actuals” for each of the items described in (1) and (2).

I note that I believe all of the figures requested should be readily available without Vice Chancellor Lindenbaum, Budget Director Wilkerson, or their staff having to spend a lot of time to pull them together. If you are told it’s not that simple, I would like to know why, as my experience tells me they work with these figures regularly and we should have a good system to quickly pull them up—if we don’t, then we should discuss that. Moreover, I seem to recall Vice Chancellor Lindenbaum saying at a spring FSBC meeting that this information can be assembled for the FSBC.

If anyone asks why I feel the information I have been requesting, laid out above, is important, you can tell them that per my experiences over approximately 16 years on the FSBC (about 12 as FSBC Chair), and about 11 years on the University Budget Committee (from its inception in 2006 to 2017), I found that UMKC faculty care a lot about how much of the General Revenues are spent on Administrative and Support Overhead, and I assume the Missouri Legislature does as well. So, we should monitor and manage it.  During most of the years the UBC-developed Budget Model was in phase-in (though never fully implemented as written), the UBC and FSBC had access to figures on the “General Overhead Assessment” and opportunities to study it year-by-year and ask questions.  A sample of the General Overhead Assessment I’ve shared before (showing the main line item categories) is attached (FY14-FY16). Also see the attached schedule on the year-by-year State Appropriation and the growth in the dollar amount of the General Overhead Assessment from the first year of partial UBC Budget Model phase-in through the last year on which I had figures from schedules provided to me by Karen Wilkerson while I was on the UBC and chairing the FSBC. In comments I submitted on drafts of the RIM model I expressed my concern that it seemed the RIM’s approach to allocating General Revenues to Central Admin/Support may be less transparent to faculty representatives that was the case under the UBC Budget Model. I hope that’s not the case.  I think the FSBC should get to see the Central Admin/Support line items to which General Revenues are being allocated as had been the case under the UBC Budget Model.

Importantly, I understand that Finance & Administration may report that they no longer have an item called “General Overhead Assessment” since the UBC Budget Model is being replaced.  However, the substance of what that term stood for—the line items in the attached General Overhead Assessments “components” list—still exist. Regardless of what they may be called now/renamed, or added to, the point is to tell the FSBC how much of the General Revenues have been allocated to Central Administration and Central Support (budgeted for FY 2019 and actual for FY18 and FY17), and hopefully with a line items breakdown showing for what functions, and how that relates to the figures for State Appropriation, Net Tuition, and Student Fees for those years.  I also note that I have asked for a separately stated breakout of those three items because (i) the State Appropriation amount trending is important for context; and (ii) in my experience some reports in the past have treated Student Fees as part of the General Revenues, and others have treated them as outside of the definition of General Revenues, so to avoid confusion I find it important to see the figures for Net Tuition and Student Fees separately reported for clarity.

Finally, I am well aware that there are Administrative and Support costs within academic units too and have for consistent said that we need to study and manage both. I support shared services initiatives to promote efficiencies and help us control all overhead, and indeed, tried to co-organize such an effort in 2011 and again in 2015.  As I have said in prior requests, if recent centralization of support services has caused some payroll to leave academic units and land in the expense budgets of Central units (and I imagine a goodly amount has), and that has pulled with it more General Revenue Allocation to the Central units, that should be noted, with corresponding figures, so we avoid “apples to oranges” comparisons in studying how our overhead is trending as we collectively provide input to help manage it.

Thanks for considering this. You can share this with the Chancellor, Provost, Vice Chancellor Lindenbaum, and Budget Director Wilkerson if you find that appropriate and helpful.  I think they know me well enough to know that I appreciate how complex these matters, that I try not to create unnecessary work for an already stretched Admin & Finance operation (I’ve actually advocated increasing the staffing on budgeting and accounting), and that I am asking these questions in good faith because I believe transparency on the requested figures will increase trust across the faculty, and provide a better, more informed opportunity for faculty to provide meaningful input on management of overhead.  And I assure you that I believe faculty should study and provide input on the overhead within their units as well—I serve on the faculty committee that does that at the Law School, and we have a solid, well-informed collaboration with our Dean and Associate Deans on that.

Tony

Erik asked about the status of the Administrative Review? He asked when the results and recommendations would be available for FSBC review? This is important for the FSBC to review and make comment.

Anil asked is there is a framework for Central Administration as to how they spend their allocation?

Tony asked where the money for the subventions comes from?

Sully wanted to know what is the distribution of responsibility for how much each Unit supports towards these subventions? Is it spread evenly or is there a formula that drives how much each Unit supports for these subventions?

Mark brought to the attention of the Committee an issue regarding RIF that he participated in the Research Advisory Committee (RAC) meeting he just attended. The concerns arise from the inclusion of the RIF in the General Revenue fund and then how it is budgeted, which varies tremendously across Units. Under the RIM if all RIF is budgeted, but not spent and this creates a surplus, then under the RIM a percentage of that surplus would go back to Central Admin, which effectively reduces the RIF available to PIs. Many PIs cannot accurately determine how much RIF they may spend , especially when something unforeseen occurs, such as an equipment repair or new hire that needs to be made, or use of RIF for bridge funding a lab between grants. The RAC was drafting a letter supporting the separation of RIF from the General Revenue fund and not including it in the RIM calculations.

Tony suggested that the FSBC make a joint recommendation with the RAC regarding the use and accounting of RIF. Jennifer supported Tony’s idea. Sully stated that this is especially important for those PIs who use RIF as a “rainy day” fund to support their labs. Eduardo asked why there wasn’t a uniform RIF policy across all Units. Anil commented that this was one of the main recommendations of the Senate ORS Task Force and wondered where those recommendations stand? Jennifer asked who decides at the Unit level regarding RIF distributions and who has oversight on how RIF is being used?

Sully raised a concern about the loss of our Biosafety Officer and that a replacement has not been hired. He wondered if this was a budget cut to save money or what was the justification? He noted that there are likely a number of grants pending that will need Biosafety approval.

Mark noted the shortfall in enrollment and that he asked the question of how this will be absorbed in the budget?

Tony asked if there was better way to make projections, perhaps looking at current enrollments?

Sully asked if we can see what the Units should get and what they got to solve budget shortfalls?

Leigh stated that the RIM allocates before subvention numbers to the Units.

1. **APR Feedback and “White Paper”**

Mark reminded the Committee about the need to begin drafting how their Units used the APR data to make changes in programs, inform budget decisions, etc. that will be part of a FSBC report.

1. **Other Business**

No other business. The meeting was adjourned at 5:05 pm.

Respectfully submitted,



Mark L. Johnson, Ph.D.

Chair, FSBC