

Regular UMKC Faculty Senate Meeting (MINUTES)
May 2nd, 2017
Plaza Room, Administrative Center
3-5P

Present: Gerald Wyckoff, Kathleen Kilway, Linda Mitchell, Viviana Grieco, Nancy Stancel, Ken Novak, Greg Vonnahme, David Van Horn, Jerzy Wrobel, Dee Anna Hiatt, Nancy Weatherholt, Marilyn Taylor, Leo Dobens, Ed Gogol, Deb Chatterjee, Ceci Halmen, Melanie Simmer-Beck, Jack Nelson, Michelle Maher, Jacob Maszalek, Christopher Holman, Irma Russel, Jennifer Allsworth, Ed Abreu, Margaret Brommelsiek, Bi-Botti Youan, Nara Newcomer, Jen Salvo-Eaton, Navya Sane

Also Present: Provost Bichelmeyer, Sheri Gromley, Bridget Koan, Wayne Vaught, Tom Mardikes, Tony Luppino, Kenneth Ferguson, Chris Popoola, Beci Edmundson, Ryan Rapp, Marilyn Turbush, Carla Wilson

Excused: Kathy Krause, Valerie Ruether, Dale Morehouse

Absent: Phil Byrne, Sybil Wyatt

1. Welcome and introductions (Wyckoff)

Meeting called at 3:03 pm. Chairperson Wyckoff reminds senators that their academic units should be holding elections to place senators on the Faculty Senate. Also, the Faculty Senate still is soliciting nominations for IFC representative and Chair-Elect.

2. Approval of Draft Agenda (Wyckoff)

Senators approve of the amended agenda as well as the minutes from the last meeting with one abstention.

3. Staff Council Request (Staff Council) 5 minutes

Marilyn Turbush, chair of the Staff Council Events Committee, Staff Council requests that faculty write thank you notes for Staff Appreciation Day.

4. CIE Athletics Task Force (TF Chair Luppino) 30 minutes

a. Update – 20 minutes

Presentation materials are currently posted on the Faculty Senate website. The Athletics Taskforce has about 8 members. Luppino reports on three initiatives that resulted from CIE Taskforce meetings with the Faculty Senate Executive Committee on April 7 and April 26:

- Task Force Project Plan for report and Recommendations re: long-term role and funding of Intercollegiate Athletics in the context of UMKC's missions and strategic planning.

- Coordination of that Task Force work with a study of UMKC Intercollegiate Athletics funded by private donation.
- Immediate (FY17-18) cuts in expense budget of Intercollegiate Athletics and reduction of the amount of subsidy to Intercollegiate Athletics from General Revenues.

The Project Plan addresses the following questions:

- Should UMKC continue to have Intercollegiate Athletics and, if so, why and with what approximate level of institutional subsidy, if any, from UMKC's General Revenues?
- If the answer to the first question is yes, should UMKC stay in NCAA Division I or drop down to a lower Division—and, if the latter, which conference(s) might be a good fit, and why?
- If the answer to the second question is stay in Division I, should UMKC endeavor to switch to a different conference and, if so, which conference(s) should it explore and why?

The approach is data-driven. The taskforce has created a Box site with information and data already collected. Faculty members are invited to submit materials to the taskforce and Faculty Senate will circulate instructions on how to submit them. The deadline for the taskforce report is August 15, 2017 and it will be presented at the first Faculty Senate meeting in the upcoming academic year. The privately funded study will be following the same timetable as the taskforce report.

The taskforce and the Faculty Senate Executive Committee met for nearly four hours on April 26. The principal focus of the meeting was on exploration of cuts in expenses for FY 2018 and FY 2019 that would reduce the subsidy from General Revenues for Athletics Tuition Scholarships and Intercollegiate Athletics Operations. For FY 2017 those two items were budgeted at approximately \$2,700,000 for the Tuition Scholarships piece and \$7,100,000 for the Operations piece, for a total General Revenues subsidy of approximately \$9,800,000 (does not include student fees). Carla Wilson states that the Expense/Operating budget is about \$14.5 million and \$2.7 million for Tuition Scholarships. Revenue is about \$1.3 million. Direct subsidy is \$7.1 million, \$1.1 million for student fees, \$2.7 million for tuition, \$900,000 deficit, which gives a total of \$12 million.

For FY 2018 A.D. Wilson first presented cuts to certain items in the Intercollegiate Athletics Operating Expense Budget that UMKC can make without having to eliminate any UMKC sports for the time being. Based on additional information provided by A.D. Wilson since the April 26 meeting, those combined measures would reduce the subsidy from General Revenues

by approximately \$1,300,000. That is 13.3% reduction in the two-part (Operations and Tuition Scholarships) combined subsidy from General Revenues that was budgeted at approximately \$9,800,000 for FY 2017. The cuts in the I.A. Operating Expense Budget represent an approximately 9% decrease in that Budget as compared to FY 2017 (\$1,300,000 divided by I.A. Operating Expense Budget of approximately \$14,500,000), and are a mixture of: Eliminating or not refilling 5 full-time positions, reducing travel expenses (team, business, training and development), reduction in various venue expenses, reduction in equipment, miscellaneous expense reductions (cell phones, desk phones, supplies), reduction in scholarships (\$250,000) apart from Tuition Scholarships (such nontuition scholarships being part of the I.A. Operation Expense Budget) by moving that \$250,000 to donor-funded account.

With respect to FY 2019, in addition to the \$1,300,000 reduction from FY 2018 continuing, A.D. Wilson has reported since the April 26th meeting that additional revenue generation (i.e. ticket sales, corporate sponsorships and donor gifts) along with scholarship reductions and maintenance of other expense reduction measures will be required to produce further reduction in institutional support—based on her analysis and discussions with Chancellor Morton a further reduction of approximately \$500,000 in FY 2019 seems feasible.

Although there are pros and cons with cutting sports, a final decision will not be made until the results from the internal and external funded studies are given. The projected/potential effects of cutting sports are:

- Expense savings apart from Athletics Scholarships.
- Savings from having fewer Athletics Scholarship, but only after honoring obligations to students with previously awarded Athletics Scholarships.
- Title IX considerations.
- Loss of UMKC revenues from NCAA payments associated with having certain sports.
- Potential loss of net tuition and fees revenues if student athletes on less than a full scholarship transfer to other colleges/universities because their sports are eliminated at UMKC.
- Effects on diversity.
- Potential for unmet financial need of student athletes of eliminated sport(s).
- Contract obligations to various parties.
- The fact that such some of the foregoing considerations can result in differences between short-term effects (i.e., in year of elimination of the sport and for a few years thereafter) and long-term effects.

b. Discussion – 10 minutes

UMKC has not been invited to the MO Valley Conference to replace Wichita State. A baseball team is not necessarily required because a school needs five out of the seven core sports. Joining the MO Valley Conference could be desirable, but costs-benefits need to be weighed before a decision is made. Moreover, to be a part of Division I, UMKC must have 14 sports (we currently have 16). If we cut two sports, it can be very risky financially in remaining in Division I.

After the Faculty Senate meeting, Tony Luppino has now confirmed that the Athletics Tuition Scholarships are NOT included in the Operating Expenses Budget in UMKC Accounting, even though they are included in a different format of presentations in other contexts. There was a miscommunication about the relationship between the \$2.7 million in budgeted Athletics Tuition Scholarships for FY 2017 and the budgeted Intercollegiate Athletics Operating Expenses. Similarly, UMKC Operating Fund accounting does not include internal “in kind” contributions that may be included in presentations in other contexts. Accordingly, the UMKC budgeting for Intercollegiate Athletics for FY 2017 consisted of an Operating Expenses Budget of approximately \$10,757,000 plus \$2,700,000 for Tuition Athletics Scholarships, for a total of approximately \$13,457,000 (These changes are reflected on the Faculty Senate website). Questions about the sources of revenue posed at the Faculty Senate meeting have reviewed and the following information has been provided:

- For FY 2016, the *actual* Operating Expenses for Intercollegiate Athletics exceeded *budgeted* by approximately \$743,000. In other words, I.A.’s cash operating expenditures exceeded its cash operating revenues by that amount. Since those expenditures were paid out of Central funds, and were in addition to the budgeted General Revenues subsidies for I.A., the total “Institutional Support” for I.A. for FY 2016 was approximately \$10.5 million (sum of budgeted Operating Expenses from General Revenues + Athletics Tuition Scholarships from General Revenues + that \$743,000 of deficit coverage).
- As for more detail on the types of cash revenues I.A. gets besides General Revenues (before determining whether it has a deficit to be covered by Central funds), the typical types of cash revenues involved (which aggregated approximately \$2,914,000 for FY 2016) include: Student Fees, Private Donations, Corporate Sponsorships, Ticket Sales, Game Guarantees, NCAA/Conference Distributions, Sports Camps Revenue, Endowment/Investment Revenue, and Other Miscellaneous Operating Revenues.
- For FY 2017, we do not have actual figures yet as the year has not ended. As reflected in the attached notes, budgeted support from

General Revenues for FY 2017 was \$7.1 million for Operating Expenses + \$2.7 million for Athletics Tuition Expenditures = \$9.8 million. It is possible there will also have to be another additional Central funds/Institutional Support payment as there was in FY 2016.

5. Changing Fiscal Environment (Interim VP Ryan Rapp) 30 minutes

a. Presentation – 20 minutes

President Choi will be on campus on May 8th. State appropriations received is important because this is the first cut not tied to the recession. Cost problems include Medicaid budget rise, which is 37% of the state budget. Higher education is viewed as discretionary. SB 509 Income tax cut will lead to reduced revenue because of low growth. General revenue needed is 4.5%, but 3.8% will suffice if necessary. There exists a \$109 million gap between other states and MO support. For two decades, there was a flat enrollment growth in which it was secured in a flat allocation era. There will not be enrollment increases in the future. Structural challenges over the next three to five years, flat enrollments, and lack of growth in tax revenues will most likely lead to another recession. The best-case scenario involves holding on to whatever state appropriations we receive in 2018 (the probable case will be a 2-3% decline).

UMKC is headed to unsubsidized tuition. The difference between in-state and out-of-state tuition is growing less significant. Revenue growth is supremely needed. Four main pillars to help combat this changing fiscal environment includes:

- Academic excellence
- Revenue growth
- Asset utilization
- Administration efficiency

Defined maintenance and support of staff is a growing problem. The UM system is in better shape than other state institutions outside of the system. The long-term plan is more like a three-year plan. June 2nd begins the journey in this new financial climate.

b. Questions – 10 minutes

Senators ask what efforts will be pursued to convince legislation to change their minds about state appropriations. The state wants to see a reduction in admin costs. Also, senators raise questions about the two-years free tuition at community colleges and whether legislation will address this.

The provost shares that UMKC needs to provide the best student support possible especially during this financial climate. Leadership will be meeting with the deans May 3rd. As a university, we must provide a different and

better experience for students because completion is much more important than growth. Although the marketing message is important, delivering the promise is the most important. There are 14 four-year institutions in Missouri and the perception is that only two (S&T and Truman State) have an independent persona.

6. UM “Commitment to Free Expression” Document (Chairperson Wyckoff) 15 minutes

This document will be in the business manual and not a CR&R. The University of Missouri “Commitment to Free Expression” document is currently on the Faculty Senate website. Senators’ comments include: what is defined as “reasonable”, the importance of supporting freedom of expression, unless the UM system sees it as too restrictive, and the fact that although the document is not a policy document, it can be construed as legalistic. Senators would like the document to be sent to experts or legal to get more insight. The course of action proposed is not to change the essential nature of a document adopted by 100 universities.

7. Budget Discussion (FSEC) 15 minutes

The numbers given to deans were guidelines and Sharon Lindenbaum has stated that final numbers for tuition increases, resource allocation, and state appropriations have not yet been decided upon. Senators discuss the budget and discuss what our guiding principles are. Faculty members believe that they should have a voice in decisions. Last Friday, the School Education Budget Committee was told that they had to cut \$350,000 from the budget by the end of the day. There is a problem that “preliminary” becomes “actual” without consultation. There should be a checks and balances person/system. The budget process lacks a faculty voice. Moreover, there are issues with differing statements about cuts and numbers. UMKC needs to articulate comprehensive priorities. UMKC has a mission statement that emphasizes STEM, arts, research, and being urban servicing. UMKC must support this mission even if it is not revenue generating.

The provost shares that the Faculty Senate needs to provide guidance for faculty. Timeline and discussion points should be communicated in the annual budget cycle. The May 16th Faculty Senate meeting will address the budget.

8. Adjourn to Executive Session

Meeting adjourned at 4:57 pm.