

COSCO

EXECUTIVE SUMMARY

- In May of 2004 the UMKC Chancellor and Provost stated that the UMKC Law School is under-funded by between \$1 million and \$2 million dollars as compared to other similarly sized and situated law schools.
- Comparison of pertinent data of other publicly-supported law schools from ABA reports and other qualified sources indicate that our Law School is under-funded by well in excess of \$2 million annually.
- The data cited in the following discussion and exhibits demonstrates that the UMKC Law School is at or near the financial bottom of what we believe to be a list of appropriate schools for comparison in virtually all key categories, including: total expenditures; library expenditures; expenditures per student; faculty salaries; and miscellaneous operating expenditures.
- This is not just a matter of UMKC being under-funded as a whole. The Law School has simply not been allocated an equitable share of UMKC's "General Revenue"--essentially a pool of recurring funds comprised of student fees and the State Appropriation (the latter representing approximately 42% of UMKC's annual general operating fund revenues). This circumstance is supported by the following observations (detailed further below) based on recent financial reports:
 - The Law School generates net fee income well in excess of 90% of its General Revenue Allocation ("GRA"). In fact for FY05, it is approximately 100%. The Medical School also appears to generate net revenue approximating its GRA. The other UMKC professional schools self-generate much lower percentages of their GRA.
 - Over the last four years, UMKC's total General Revenue pool has increased by approximately \$19 million. Based on the beginning FY05 budget, the Law School's direct GRA during such period has been increased by only approximately \$87,000 (or about four-tenths of 1 percent of the increase in the pool). Meanwhile, several other academic and administrative units have received much more significant percentage increases in their direct GRA.
 - As of July 1, 2004, UMKC as a whole had an accumulated operating fund balance of approximately \$ 26 million (nearly 2.5 times the minimum mandated by the UM System). The Law School is the only UMKC Academic Unit that had a *negative* operating fund balance at July 1, 2004. Several academic and administrative units have operating fund balances in the \$1 million to \$ 3 million range.
- In short, the Law School is a fiscally solid income-producing Unit that has been allocated an inequitably low (and moving toward non-existent) percentage of the public subsidy that supports UMKC. While this is happening, the Law School has been criticized for "running at a deficit." That criticism is both patently unfair when viewed in the context of the actual numbers, and a blow to morale that has already contributed to the loss of strong faculty members who left UMKC for other schools. Currently, this treatment of the Law School is undercutting its ability to attract and retain qualified candidates for the Deanship and faculty positions.
- The 2004-2005 Law School budget (GRA) as of July 1, 2004 is **\$6,159,208** and the spending authority is approximately **\$6,900,000**. In contrast, a fair budget (GRA) for the UMKC Law School for 2004-2005 would be approximately **\$10,296,378**. Steps should be taken toward achieving a fair budget. The 2005-2006 fiscal year GRA to the Law School should be no less than \$8,300,000. The 2006-2007 GRA should be no less than **\$10,600,000**.

OBSERVATIONS ON THE LAW SCHOOL BUDGET
AND UMKC RESOURCE ALLOCATION DECISIONS

- In May 19, 2004 correspondence, the UMKC Chancellor and Provost wrote: "The funding gap between UMKC's School of Law and other similar sized and situated schools is between \$1 million and \$2 million per year; those funds provide better salaries, scholarships, and programs. Over the long-term, the School, working with the administration, must solve this problem through fund-raising, growth or other plans." For the fiscal year in which this statement was made, the UMKC Law School expense budget (as submitted to the UM System) was approximately \$6,904,000. Accordingly, the target budget for the Law School suggested by the Chancellor and Provost would be in the \$7,900,000-\$8,900,000 range.

ABA Statistics for the reporting year 2003 support the statement that our Law School is severely under-funded. In fact, the actual statistics indicate that the funding shortfall is in excess of \$2,000,000.

A Comparative Analysis for the 2003 ABA Reporting Period of Total Expenditures Budgets:

- A comparative analysis of total expenditures indicates that UMKC is second from last among regional schools in total expenditures and last in total expenditures per full-time students (FTE), second from last in total expenditures and third from last in total expenditures per FTE among public urban law schools, and, last in both categories among Big 12 law schools.

<u>Sample Schools:</u>	<u>Total Expenditures</u>	<u>Per FTE</u>	<u>Ranking-US News</u>
IOWA	\$26,120,317	\$34,414	23
IND. INDIANAPOLIS	\$12,287,759	\$16,138	63
GEORGIA STATE	\$12,271,804	\$20,237	89
NEVADA-LAS VEGAS	\$ 9,276,621	\$23,780	82
U. OF NEW MEXICO	\$ 9,111,476	\$22,498	99
MU	\$ 9,080,678	\$17,117	63
KU	\$ 9,035,021	\$16,763	63
WASHBURN	\$ 8,362,872	\$18,498	T-3
UMKC	\$ 7,635,016	\$15,487	99
MEMPHIS STATE	\$ 6,334,196	\$13,491	T-3

A more detailed analysis of comparisons on total expenditures can be found in Exhibit A and A-1 attached.

- **A Comparative Analysis for 2003 ABA Reporting Period of Library Budgets**

Statistics further indicate that UMKC was last among the Big 12 law schools in total library expenditures and second from last in expenditures per FTE. Among the 15 regional schools, UMKC was last in total expenditures and third from last in library expenditures per FTE. Finally, among 26 public urban law schools, UMKC was second from the bottom in total library expenditures and third from the bottom in total library expenditures per FTE.

<u>Sample Schools:</u>	<u>Total Library Expenditures</u>	<u>Per FTE</u>	<u>Ranking-US News</u>
IOWA	\$4,529,581	\$5,968	23
IND-INDIANAPOLIS	\$2,239,113	\$2,917	63
NEVADA-LAS VEGAS	\$1,962,310	\$5,030	82
WASHBURN	\$1,915,600	\$4,247	T-3
U. OF NEW MEXICO	\$1,805,425	\$5,572	99
GEORGIA STATE	\$1,656,787	\$2,737	89

KU	\$1,419,666	\$2,634	63
MU	\$1,339,756	\$2,547	63
UMKC	\$1,244,721	\$2,524	99
MEMPHIS STATE	\$1,204,183	\$2,565	T-3

A more detailed analysis of comparative library expenditures can be found in Exhibit B, B-1 and B-2 attached.

o **ABA Report of 2003 Miscellaneous Operating Expenditures**

UMKC's miscellaneous operating expenditures (equipment and expense) is at the bottom of the 15 regional schools compared, second from last among the 26 public urban law schools and last among the Big 12 law schools.

<u>Sample Schools:</u>	<u>Total Misc. Expenditures</u>	<u>Per FTE</u>	<u>Ranking-US News</u>
IOWA	\$1,980,867	\$2,609	23
IND-INDIANAPOLIS	\$1,511,360	\$1,968	63
GEORGIA STATE	\$1,344,022	\$2,216	89
U. OF NEW MEXICO	\$ 866,232	\$2,673	99
NEVADA-LAS VEGAS	\$ 852,109	\$1,284	82
MU	\$ 834,890	\$1,587	63
KU	\$ 815,210	\$1,512	63
WASHBURN	\$ 532,524	\$1,180	T-3
UMKC	\$ 325,430	\$ 660	99
MEMPHIS STATE	\$ 278,503	\$ 593	T-3

A more detailed analysis of comparative misc. operating expenditures can be found in Exhibit C attached.

o **2003 SALT Survey for Law Schools**

This survey indicates why UMKC continues to lose some of its best professors. Of the 12 regional law schools that responded to the survey, UMKC ranked third from the bottom in median salaries for full professors; of the 12 public law schools that responded, UMKC ranked at the bottom; and UMKC ranked second from last among the Big 12 law schools.

<u>Sample Schools:</u>	<u>FULL PROFESSOR MEDIAN SALARY</u>	<u>Ranking-US News</u>
NEVADA-LAS VEGAS	\$130,125	82
IOWA	\$127,100	23
MU	\$125,309	63
GEORGIA STATE	\$124,247	89
WASHBURN	\$120,536	T-3
KU	\$116,000	63
IND-INDIANAPOLIS	\$110,000	63
UMKC	\$100,427	99
TEXAS TECH	\$ 99,881	T-3

A more detailed analysis of salary comparisons can be found in Exhibit D, D-1 and D-2 attached.

- Figures recently provided by the UMKC Vice Chancellor of Administration and Finance show that UMKC's "Total General Revenue Allocation" (which essentially means its allocation from the annual pool of funds from student tuition/fees and the State Appropriation) has increased from approximately \$155 million to approximately \$174 million since FY02 (a year in which the UM System suffered severe cuts in State funding). Some examples of how that increase has been shared among UMKC units per the Vice-Chancellor's figures:
 - o Of that approximately \$19 million "rate money" increase, only about \$1.8 million has been directly allocated to Colleges and Schools (which includes all the

undergraduate schools, professional schools, graduate studies and University Libraries).

- As of the beginning of FY05, the Law School's direct General Revenue Allocation ("GRA") has grown by only \$86,595 since FY02.
- During the same period the figures show that the General Revenue Allocation to the Administration and Finance operations increased by approximately \$3.36 million and the General Revenue Allocation to the Vice Chancellor of Academic Affairs (Provost, Information Services and Cultural Events) increased by approximately \$2.46 million.
- Approximately \$4.41 million of UMKC's approximately \$19 million GRA increase was allocated to Scholarships/Waivers which are then re-allocated back to Colleges and Schools. In addition, it may be that the Provost's office re-allocated some of its funding back to specific units (more information is being sought in that regard)
- A study is underway of the approximately \$26.2 million estimated Operating Fund Balance (cumulative excess of operating funds over operating expenses) as of July 1, 2004. That figure is nearly 3 times the System-mandated minimum balance. The corresponding cash is treated as belonging to individual Units that accumulated balances over the years. The Deans (or other applicable Unit leaders) have recently been asked to report on the currently committed or proposed uses of their positive balances. It does not appear that the leaders of Units with large positive balances have yet been asked to explain how the balances accumulated or the extent to which current commitments or planned uses arose *after* the balances accumulated (leaving open the possibility that Units that over-estimated expenses and obtained an unnecessarily large General Revenue Allocation and, in a sense, experienced a windfall that might not be equitable from a "team" perspective vis a vis the other Units, including the Law School). Some examples of professional schools' shares of the \$26.2 million Operating Fund Balance are as follows:¹
 - Law School: (\$416,151) –the only Academic Unit with a *negative* balance
 - Medical: \$4,106,590
 - Nursing: \$1,165,239
 - Pharmacy \$1,466,970
 - Dentistry \$1,046,654
 - Business \$ 98,106
- A Campus-Wide Budget Advisory Committee ("BAC") has been studying a proposal (called the "Block Grant" proposal) for a new approach to determining the General Revenue Allocations among the UMKC Units for FY06. A key component of the proposal under discussion would be to, as a first step, assign each fee-generating Academic Unit an amount equal to its "Fee Income Earned" (gross fees, less waivers, and less a 10% surcharge for use of University Libraries and Information Technology). Leaving aside the issues of (i) the extent to which the Law School (or perhaps other Units) actually use the University Libraries as much as other Units, and (ii) whether a surcharge should be imposed on other units for use of the Law School Library, the flat 10% might arbitrarily penalize Units who do the best job generating fees unless there is a valid assumption that student fees generation is proportionate to use of University Libraries and IT. For purposes of context, a *preliminary* comparison of FY04 revenues as a percentage of FY05 Budgeted GRA derived from a draft schedule prepared for the BAC shows the following percentage coverage of GRA with self-generated "net" Fee Income Earned by professional schools:

¹ We note that we have been advised on occasion that special contracts with hospitals and physicians sometimes make it difficult to compare the budgeting of other professional schools with the Medical School.

- o Medical School 97%
- o Law School: 90%
- o Pharmacy: 74%
- o Business: 67%
- o Dentistry: 47%
- o Nursing: 38%

It should be noted in this connection that the annual State Appropriation to UMKC as a whole typically represents approximately 42% of UMKC's general operating fund revenues (i.e., when tuition income and public subsidy are aggregated, tuition income is approximately 58% of the total and public subsidy is 42% of the total).

- Outside of the area of professional schools, the Operating Fund Balances and percentages of budget coverage with net revenues generated shows some interesting figures. For example, the administrative units of University Advancement and Administration and Finance have, respectively, ending fund balances as of June 30, 2004 of approximately \$1,424,000 and \$3,275,000. The Conservatory of Music generates net fee revenue of approximately only 41% of its GRA allocation and the School of Biological Sciences generates only approximately 38% of its GRA allocation with net revenues. It may be in these latter cases that there are other sources of grants or support pertinent to analysis of their overall fiscal performance. Nonetheless, a review of the figures indicates that the Law School is clearly one of the least subsidized units on the UMKC campus.
- The second step in the Block Grant proposal appears to be to allocate to each Unit something like 90% or 95% of the excess of its prior year GRA over its prior year net Fee Income Earned. This would obviously (1) provide a larger automatic subsidy to the Academic Units with a smaller self-coverage of GRA through the fees they generate and (2) to automatically give the non-Academic Units 90-95% of their prior year GRA. The GRA remaining after these allocations would then be apportioned among the Units on a multi-factored basis, measured by UMKC goals and objectives. It has been suggested that over time the 90-95% figure would be significantly reduced, freeing up more rate funds to be allocated to cure inequities and reward meritorious Units. In assessing the propriety of the "Block Grant" proposal, the potential for perpetuation of inequitable under-funding of the Law School should be a key issue.

An Analysis of the UMKC Law School Budget

- Tuition Income to UMKC Law School for 2004-2005
 - o **JD Revenue**-\$12,426 in-state tuition for 30 hours times
Estimate FTE of 520 students;
(\$12,426@520=\$6,461,520)
plus estimated additional income from JD's
for out-of-state fees (10 @ \$12,426=\$124,620) \$ 6,586,140
 - o **LLM Revenue**-Estimate FTE from LLM Tax,
Estate planning and General LLM is 23 FTE
(23@ 24 credit hours@482.20 per hour=\$266,174) \$ 266,174
 - o **Total Estimated JD and LLM Revenue** \$ 6,852,314
 - **Proportionate Share of State Subsidy** \$ 5,044,064
 - **Total Budget (Tuition Income and Prop Share of state subsidy)** \$11,896,378
 - o Indirect Expenditure Charge (7 sq. ft. @120,000 sq. ft.) (\$ - 840,000)
 - o Other Indirect Assistance (Financial Aid etc.) (\$ - 760,000)
 - o Total Indirect Expenditures (\$ -1,600,000)

- A Fair Budget for the UMKC Law School in Fiscal Year 2004-2005 Should be: \$ 10,296,378
- Budget Allocated to UMKC for 2004-2005²
 - General Revenue Allocation \$ 6,342,000
 - Spending Authority \$ 6,900,000
- Two Year Plan to Achieve the Fair Budget Set Forth Above:
 - General Revenue Allocation to UMKC Law School
And Spending Authority for FY 2005-2006 \$ 8,300,000
 - General Revenue Allocation to UMKC Law School
And Spending Authority for FY 2006-2007³ \$10,600,000

² Why is General Revenue Allocation Different than Spending Authority?

Budget cuts and no increases in general revenue allocation; (b) Increased tuition but we only got 20% or 197,000 and then were cut \$108,000 because we did not meet revenue projections. In essence they received it all! (c) Promising funding for a full-time professor to diversify the faculty (Person of Color) but then renege on it and telling us that we have to find it out of our existing budget (S & W plus benefits)= \$130,000; (d) Forcing us to pay increased benefits without giving us the funding to cover it= \$300,000; (e) Extra Library positions without funding to support unfulfilled research commitments to the ABA -3 librarians=\$182,000; (f) Additional position for 2004-2005 in the library=\$114,000; (g) Failure to fund summer school=65,000; Total of additional charges=\$731,000. The GRA amount allocated to the law school was \$6,159,208 but was increased to \$6,235,080 on Aug. 31, 2004.

³ The fair budget for 2004-2005 of \$10,296,378 must be increased for anticipated tuition income and state subsidy increases during the next two years.

EXHIBIT A
ABA Reporting Table
Comparative Total Expenditure Budgets —2003 Reporting Period

o **Comparisons made:**

- o Regional Law Schools
- o Public Urban Law Schools
- o Big 12

• **Adjustment Required**

(a) UMKC's total expenditures shown on the ABA Report for 2003 (\$8,845,016), is seventh from last. However, UMKC's total expenditures budget is distorted for two reasons and adjustments are required to be made:

- (1) **CLE Expenses** at UMKC, which has one of the largest law school CLE operations in the country, significantly distorts the total expenditure at UMKC law school. Total CLE Revenue at UMKC for 2003 was \$758,180; the highest revenue reported by all regional schools and by \$588,000 more than the next highest (Drake). Since CLE revenue is largely eaten up expenses, this CLE revenue is hardly a profit center. Consequently it does not result in assisting the law school in meeting its main operating budgets (instructional, administrative, Library and equipment and expense). UMKC's expenses directly related to CLE expenses for 2003 were approximately \$640,000, whereas most law schools CLE expenditures would be closer to \$125,000. Because of this distortion, the total UMKC expenditure budget should be adjusted downward by \$500,000 to reflect the estimated reduction for CLE revenue and offsetting CLE expenses in excess of the more typical CLE expenditures by other law schools in the comparative survey.
- (2) **Tuition Remission Grants**-Because of the unique geographical location of UMKC, and our high tuition fees as compared to KU, it has been necessary to remit out-of-state tuition to many of our applicants on the Kansas side of the metropolitan area. A significant portion of these tuition remission grants are Missouri Tax Scholarship grants. For example, UMKC reported tuition remission grants, etc. in 2003 of \$1,549,576 whereas KU reported \$860,416; MU reported \$860,486 and Washburn reported \$988,112. The revenue generated by out-of-state students with tuition remission nonresident status results in these students paying the same fees as in-state students. In effect, revenue comes in for out-of-state student status but the extra amount for nonresident status immediately is remitted and treated as expenditure in the budget. It would make more sense to only show the net revenue after the dusts settles rather than as an expenditure.
An appropriate downward adjustment for this amount would be approximately \$690,000 which represents the difference between UMKC's tuition remission of \$1,549,576 and MU's tuition remission of \$869,486.
- (3) **UMKC Expenditure As Adjusted**-With these two adjustments a more realistic total expenditure budget for UMKC could be \$7,635,016 (\$8,845,016 less CLE adjustment of \$500,000 and less tuition remission adjustment of \$690,000) which is the figure used in this comparison.

• **Regional Law Schools**

- (a) Of the Regional Law Schools in the survey, UMKC's adjusted total expenditures budget (\$7,635,016) is second from the bottom in the total expenditures and last in total expenditures per FTE student (\$15,487)
- (b) Other Sample Schools

	<u>Total Expenditures</u>	<u>Per FTE Student</u>
KU	\$ 9,035,021	\$16,763
MU	\$ 9,080,678	\$17,117
Washburn	\$ 8,362,872	\$18,498
Nebraska	\$ 8,387,505	\$19,918
Iowa	\$26,120,317	\$34,414
Private U. # 5	\$23,940,561	\$28,872

- **Public Urban Law Schools**

- (a) Of the public urban law schools, UMKC is second from last in total expenditures and third from last in total expenditures per FTE.
- (b) Other Sample Schools

	<u>Total Expenditures</u>	<u>Per FTE Student</u>
California-Hastings	\$30,766,861	\$24,496
Cincinnati	\$ 9,159,967	\$25,165
Georgia State	\$12,271,804	\$20,237
Nevada-Las Vegas	\$ 9,276,621	\$23,780
Indiana-Indianapolis	\$12,387,759	\$16,138
U. Of New Mexico	\$ 9,111,476	\$22,498

- **Big 12 Law Schools**

- (a) UMKC was last among the Big 12 schools at \$7,635,016 and per FTE student at \$15,487
- (b) Other Sample Big 12 Law Schools

	<u>Total Expenditures</u>	<u>Per FTE Student</u>
Colorado	\$11,369,037	\$23,283
Oklahoma	\$10,470,966	\$19,983
Nebraska	\$8,345,629	\$19,919
Texas-Tech	\$11,768,963	\$16,872

EXHIBIT A-1
Table F-6
Average Direct Expenditures Per FTE

	A	B	C	D	E
1	Regional Law Schools	02-03 Actual Direct Expenditure	F 02 Dir Expend FTE Enrollment	Avg Dir Expend per FTE	Rankings USNEWS
2	Private U. # 1	\$8,433,384	479.2	\$17,599	T-3
3	Private U. # 2	\$7,979,059	422.3	\$18,894	T-3
4	Fayetteville, Arkansas, University of	\$8,264,220	416.3	\$19,852	99
5	Iowa, University of	\$26,120,317	759.0	\$34,414	23
6	Kansas, University of	\$9,034,971	539.0	\$16,763	63
7	Little Rock, Arkansas, University of	\$6,090,482	347.8	\$17,511	T-4
8	Nebraska, University of	8,345,629	419.0	\$19,918	89
9	Oklahoma, University of	\$10,470,966	524.0	\$19,983	67
10	Private U #3	\$16,235,262	742.1	\$21,878	20
11	Private U #4	\$11,437,147	507.6	\$22,532	T-4
12	University of Missouri-Columbia	\$9,003,358	526.0	\$17,117	63
13	University of Missouri-Kansas City	\$7,635,016	493.1	\$15,487	99
14	Washburn University	\$8,342,400	451.0	\$18,498	T-3
15	Private U # 5	\$23,940,561	829.2	\$28,872	20
16					
17	Public Urban Law School	02-03 Actual Direct Expenditure	Dir Expen FTE Enrollment	Avg Dir Expen Per FTE	Rankings USNEWS
18	California-Hastings, University of	\$30,766,861	1,256.0	\$24,496	38
19	Cincinnati, University of	\$9,159,967	364.0	\$25,165	59
20	Cleveland State University	\$12,970,948	733.3	\$17,689	T-3
21	Georgia State	\$12,271,804	606.4	\$20,237	89
22	Illinois Institute of Technology	\$22,542,752	947.4	\$23,794	63
23	Indiana University-Indianapolis	\$12,387,759	767.6	\$16,138	63
24	Louisiana State University	\$13,446,151	643.9	\$20,882	89
25	Louisville, University of	\$8,132,131	359.0	\$22,652	82
26	Memphis University	\$6,334,196	469.5	\$13,491	T-3
27	Minnesota, University of	\$24,224,159	807.0	\$30,018	19
28	Nevada-Las Vegas, University of	\$9,276,621	390.1	\$23,780	82
29	Ohio State University	\$17,384,732	684.0	\$25,416	42
30	Pittsburgh, University of	\$18,216,452	742.0	\$24,551	47
31	Rutgers University-Camden	\$14,119,060	694.4	\$20,333	72
32	Rutgers University-Newark	\$14,675,138	688.3	\$21,321	72
33	State University at NY Buffalo	\$17,787,913	745.9	\$23,848	82
34	Temple University	\$24,050,166	1,072.6	\$22,422	59
35	Texas-Austin, University of	\$39,206,077	1,477.0	\$26,544	15
36	Toledo, University of	\$9,921,600	420.4	\$23,600	94
37	UCLA	\$32,259,000	983	\$32,817	16
38	University of Missouri-Kansas City	\$7,635,016	493.1	\$15,487	99
39	University of New Mexico	\$9,400,692	324.0	\$29,015	99
40	Utah, University of	\$9,111,476	405.0	\$22,498	47
41	Washington, University of	\$13,943,329	647.4	\$21,537	34
42	Wayne State, University of	\$11,256,753	748.0	\$15,049	T-3
43					
44	Big 12	02-03 Actual Dir Expen	F 02 Dir Expen FTE Enrollment	Avg Dir Expend per FTE	Rankings USNEWS
45	Private U. #6	\$10,268,113	438.0	\$24,265	50
46	Colorado, University of	\$11,369,037	488.3	\$23,283	50
47	Kansas, University of	\$9,034,971	539.0	\$16,763	63
48	Nebraska, University of	\$8,345,629	419.0	\$19,918	89
49	Oklahoma, University of	\$10,470,966	524.0	\$19,983	67
50	Texas at Austin, University of	\$39,206,077	1,477.0	\$26,544	15
51	Texas Tech University	\$11,768,963	698.0	\$16,872	T-3
52	University of Missouri-Columbia	\$9,003,358	526.0	\$17,117	63
53	University of Missouri-Kansas City	\$7,635,016	493.1	\$15,487	99

EXHIBIT B
ABA Reporting Table F-9
Library Budget Comparisons —2003 Reporting Period

- Comparisons made in the following categories:
 - Regional Law Schools
 - Public Urban Law Schools
 - Big 12
- **Regional Law Schools**
 - (a) Of the 15 regional law schools, UMKC was last in total library expenditures at \$1,244,721 and third from last at \$2,524 in total library expenditures per FTE student. Our clearest competitors MU = \$1,339,756 and \$2,547; KU = \$1,419,666 and \$2,634; Washburn = \$1,915,600 and \$4,247
 - (b) The only school in the Top 50 in this category is Private U # 5, which has a total library budget of \$2,479,701 and a per FTE student of \$2,990
- **Public Urban Law Schools**
 - (a) Of the 26 public urban law schools, UMKC was 2nd from the bottom in total library expenditures at \$1,244,721 and 3rd from the bottom in total library expenditures per FTE student at \$2,524.
 - (b) Other sample schools in this category include: Georgia State = \$1,656,787 and \$2,732; Indiana University-Indianapolis = \$2,239,113 and \$2,917 and Nevada-Las Vegas = \$1,962,310 and \$5,030; and University of Louisville = \$3,196,879 and \$6,119.
 - (c) Five public urban law schools are in the top 50 law schools. Their library budgets were:
 - California Hastings = \$3,199,369 and \$2,547
 - University of Texas - Austin = \$4,633,084 and \$3,137
 - University of Utah = \$1,748,035 and \$4,316
 - Washington = \$3,139,009 and \$4,849
- **Big 12 Law Schools**
 - (a) Of the 9 Big 12 law schools, UMKC was last at \$1,244,721 and \$2,524
 - (b) Big 12 Schools in the Other Top 50 schools
 - Private U # 6 = \$1,515,351 and \$3,460
 - Colorado = \$1,929,598 and \$3,952
 - University of Texas-Austin = \$4,633,084 and \$3,137

EXHIBIT B-1
Table F-9
Average Library Operations Expenditure Per FTE

	A	B	C	D	E
1	Regional Law Schools	Total Lib Expenditures	F 02 Lib Exp FTE Enrollment	Tot Lib Exp per FTE	Rankings USNEWS
2	Private U #1	\$1,796,142	479.2	\$3,748	T-3
3	Private U #2	\$1,352,133	422.3	\$3,202	T-3
4	Fayetteville, Arkansas, University of	\$1,362,866	416.3	\$3,274	99
5	Iowa, University of	\$4,529,581	759.0	\$5,968	23
6	Kansas, University of	\$1,419,666	539.0	\$2,634	63
7	Little Rock, Arkansas, University of	\$1,290,722	347.8	\$3,711	T-4
8	Nebraska, University of	\$1,517,361	419.0	\$3,621	89
9	Oklahoma, University of	\$1,250,247	524.0	\$2,386	67
10	Private U #3	\$1,838,680	742	\$2,478	82
11	Private U #4	\$1,799,970	507.6	\$3,546	T-4
12	University of Missouri-Columbia	\$1,339,756	526.0	\$2,547	63
13	University of Missouri-Kansas City	\$1,244,721	493.1	\$2,524	99
14	Washburn University	\$1,915,600	451.0	\$4,247	T-3
15	Private U #5	\$2,479,701	829.2	\$2,990	20
16					
17	Public Urban Law School	Total Library Exp	F 02 Lib Exp FTE Enrollment	Tot Lib Exp per FTE	Rankings USNEWS
18	California-Hastings, University of	\$3,199,369	2547	\$2,547	38
19	Cincinnati, University of	\$2,249,471	364.0	\$6,180	59
20	Cleveland State University	\$2,370,332	733.3	\$3,232	T-3
21	Georgia State	\$1,656,787	606	\$2,732	89
22	Illinois Institute of Technology	\$2,241,503	947	\$2,366	63
23	Indiana University-Indianapolis	\$2,239,113	767.6	\$2,917	63
24	Louisiana State University	\$2,610,247	643.9	\$4,054	89
25	Louisville, University of	\$2,196,879	359.0	\$6,119	82
26	Memphis University	\$1,204,183	470	\$2,565	T-3
27	Minnesota, University of	\$3,865,555	807.0	\$4,790	19
28	Nevada-Las Vegas, University of	\$1,962,310	390	\$5,030	82
29	Ohio State University	\$2,842,088	684.0	\$4,155	42
30	Pittsburgh, University of	\$2,707,097	742.0	\$3,648	47
31	Rutgers University-Camden	\$1,931,602	694.4	\$2,782	72
32	Rutgers University-Newark	\$2,447,096	688.3	\$3,555	72
33	State University NY at Buffalo	\$2,314,297	745.9	\$3,103	82
34	Temple University	\$2,324,706	1073	\$2,167	59
35	Texas-Austin, University of	\$4,633,084	1,477.0	\$3,137	15
36	Toledo, University of	\$1,424,850	420	\$3,389	94
37	UCLA	\$4,138,000	983	\$4,210	16
38	University of Missouri-Kansas City	\$1,244,721	493.1	\$2,524	99
39	University of New Mexico	\$1,805,425	324.0	\$5,572	99
40	Utah, University of	\$1,748,035	405.0	\$4,316	47
41	Washington, University of	\$3,139,009	647.4	\$4,849	34
42	Wayne State, University of	\$2,923,044	748.0	\$3,908	T-3
43					
44	Big 12	Total Library Expenditures	F 02 Lib Exp FTE Enrollment	Tot Lib Exp per FTE	Rankings USNEWS
45	Private U #6	\$1,515,351	438.0	\$3,460	50
46	Colorado, University of	\$1,929,598	488.3	\$3,952	50
47	Kansas, University of	\$1,419,666	539.0	\$2,634	63
48	Nebraska, University of	\$1,517,361	419.0	\$3,621	89
49	Oklahoma, University of	\$1,250,247	524.0	\$2,386	67
50	Texas at Austin, University of	\$4,633,084	1,477.0	\$3,137	15
51	Texas Tech University	\$2,566,905	698.0	\$3,678	T-3
52	University of Missouri-Columbia	\$1,339,756	526.0	\$2,547	63
53	University of Missouri-Kansas City	\$1,244,721	493.1	\$2,524	99
54					
55					
56					
57					
58					

EXHIBIT C
ABA Reports – Table F-10
Comparative Budgets Average Miscellaneous Operating Expenditures*
(Equipment and Expense Does Not Include Library or CLE)

- Comparisons made:
 - Regional Law Schools
 - Public Urban Law Schools
 - Big 12
- **Regional Law Schools**
 - (a) Of the Regional Law Schools, UMKC is at the bottom with total misc. expenses of \$325,430. The next lowest is Private U # 2 at \$519,380 and then Washburn at \$532,524. MU's misc. operating expense budget is \$834,890 and KU's is \$815,875.
 - (b) Average miscellaneous expense per FTE (full-time equivalent law student) for UMKC is \$660. the next lowest is Creighton at \$1,111. Our clear competitors: KU = \$1,512; MU = \$1,587 and Washburn is \$1,180.
- **Public Urban Law Schools**
 - (a) Of the 26 public urban law schools, UMKC ranked 2nd from last in total miscellaneous expenses at \$325,430 and a per student FTE at \$660. Only Memphis University was lower at \$278,503 and \$593, respectively.
 - (b) Other sample schools: Georgia State (\$1,344,022 total expenses and \$2,216 per FTE student). Nevada, Las Vegas (\$852,109 total expenses and \$1,284 per FTE student); University of Texas-Austin (\$5,445,136 total expenses and \$3,686 per FTE student) and State University at New York-Buffalo (\$1,187,763 total expenses and \$1,592 per FTE student)
- **Big 12 Law Schools**
 - (a) Of the 9 Big 12 law schools, UMKC was last at \$325,430 total misc. expenses and a per student FTE of \$660
 - (b) Other sample schools:
 - MU = \$834,890 and \$1,587
 - Nebraska = \$554,423 and \$1,323
 - Colorado = \$814,210 and \$1,667
 - Oklahoma = \$1,186,146 and \$2,263

EXHIBIT D

- **SALARY COMPARISONS —2003 Reporting Period From Salt Survey**
- **Comparisons made in the following categories:**
 - Regional Law Schools
 - Public Urban Law Schools
 - Big 12
- **Regional Law Schools**
 - (a) 12 out of 15 law schools responded to the Salt Survey
Of the 12 regional law schools that responded to the survey, UMKC (a Tier 1 school, ranked 99th) ranked 9th (or 3rd from the bottom) in median salaries for full professors. Only Private U # 1 (Tier 3), Private U # 2 (Tier 3) and Arkansas-Little Rock (Tier 4) had lower median salaries for full professors. The same ranking held true for the median salaries of associate professors.
 - (b) Of the regional law schools which are UMKC's clearest competitors (Washburn, MU and KU), the median salary for full professors at the UMKC law school (\$100,427) is \$20,000 lower than Washburn (120,536), which is a Tier 3 law school, \$25,000 lower than MU (\$125,309), a Tier 1 school that is ranked 63rd, and approximately \$16,000 below KU (\$116,000).^{*}
- **Public Urban Law Schools**
 - (a) Of the twelve public urban law schools responding to the Salt Survey, UMKC had the lowest median salary for a full professor, which was approximately \$10,000 lower than Indiana University at Indianapolis which had the next lowest out of the 12 reporting schools. UMKC's median salary was \$62,000 lower than the school with the highest median salary, University of Texas-Austin. It was approximately \$30,000 lower than the University of Nevada at Las Vegas, a relatively new law school on the horizon. UMKC also had the lowest median salary for associate professors.
- **Big 12 Law Schools**
 - (a) 7 out of 9 schools responded. One of the non-responders was KU, which as noted earlier had a median salary \$16,000 higher for full professors than UMKC. Again UMKC was near the bottom (2nd from last). Of the remaining Big 12 schools that responded to the Salt Survey, the school with a median salary for a full professor that was third from the bottom was the University of Oklahoma, which had a median salary of \$121,062 (\$21,000 higher).
 - (b) The Strategic Plan adopted by the UMKC law school and approved by the Chancellor included as one of its goals a ranking for the law school in the top 50 law schools in the country. Only two schools in the Big 12 are in the top 50 schools, University of Texas-Austin (median salary \$162,594 and ranked 15th) and the University of Colorado (median salary \$142,899 and ranked 50th).

^{*} note KU did not respond to the Salt Survey. We were able to access salary information on line (See Exhibit B) for professors whose salaries exceeded \$100,000 (21 out of 26 of KU law professors). The salary of the 13th person (the median) was \$116,000.

EXHIBIT D-1
02-03 SALT Survey
Median Salaries

	A	B	C	D	E	F
1	Regional Law Schools	Asst Prof	Assoc Prof	Full Prof	Fringe Benefits	Rankings USNEWS
2	Private U # 1	70,700	72,669	103,841	25.7	T-3
3	Private U # 2		75,014	92,391	30.0	T-3
4	Fayetteville, Arkansas, University of	81,100	90,844	117,560	22.7	99
5	Iowa, University of		92,000	127,100	25.0	23
6	Kansas, University of	N/A				63
7	Little Rock, Arkansas, University of	61,000	63,300	89,191	21.0	T-4
8	Nebraska, University of	77,600	86,700	125,000	24.0	89
9	Oklahoma, University of		74,200	121,062	32.0	67
10	Private U # 3	N/A				82
11	Private U # 4	75,000	79,300	102,200	31.0	T-4
12	University Missouri, Columbia		83,129	125,309	21.0	63
13	University of Missouri, Kansas City		76,805	100,427	22.0	99
14	Washburn University		81,852	120,536	25.0	T-3
15	Private U # 5	N/A				20
16						
17	Public Urban Law School	Asst Prof	Assoc Prof	Full Prof	Fringe Benefits	Rankings USNEWS
18	California-Hastings, University of	N/A				38
19	Cincinnati, University of	N/A				59
20	Cleveland State University	N/A				T-3
21	Georgia State	77,142	95,031	124,247	28.8	89
22	Illinois Institute of Technology	N/A				63
23	Indiana University-Indianapolis	83,073	88,578	110,744	37.3	63
24	Louisiana State University	84,999	89,225	111,236	18.5	89
25	Louisville, University of	77,470	84,041	112,297	21.5	82
26	Memphis University	N/A				T-3
27	Minnesota, University of	N/A				19
28	Nevada-Las Vegas, University of	79,394	88,400	130,125	20.0	82
29	Ohio State University	95,004	99,252	145,086	24.5	42
30	Pittsburgh, University of	92,100	93,400	120,400	26.9	47
31	Rutgers University-Camden	83,659	100,423	136,076	24.0	72
32	Rutgers University-Newark	97,425		141,225	24.0	72
33	State University NY at Buffalo	N/A				82
34	Temple University	N/A				59
35	Texas-Austin, University of	115,000		162,954	26.0	15
36	Toledo, University of		88,502	113,481	31.6	94
37	UCLA	N/A				16
38	University of Missouri, Kansas City		76,805	100,427	22.0	99
39	University of New Mexico	N/A				99
40	Utah, University of	N/A				47
41	Washington, University of	N/A				34
42	Wayne State, University of	85,681	93,809	120,107	23.7	T-3
43						
44	Big 12	Asst Prof	Assoc Prof	Full Prof	Fringe Benefits	Rankings USNEWS
45	Private U # 6	N/A				50
46	Colorado, University of		89,700	142,899	20.0	50
47	Kansas, University of	N/A				63
48	Nebraska, University of	77,600	86,700	125,000	24.0	89
49	Oklahoma, University of		74,200	121,062	32.0	67
50	Texas-Austin, University of	115,000		162,954	26.0	15
51	Texas Tech University		70,714	99,881	24.0	T-3
52	Columbia, University of Missouri		83,129	125,309	21.0	63
53	Kansas City, University of Missouri		76,805	100,427	22.0	99

EXHIBIT D-2
Salary Comparison
Law Faculties
UMKC, UMC, KU

	A	B	C	D	E	F	G	H
1	UMKC Law School	Title	Salary		UMC Law School	Salary	KU Law School*	Salary
2		Professor	156,070		Dean	198,800	Dean/Professor	\$185,500
3		Professor	154,450		Professor	183,872	Professor	\$154,375
4		Professor	145,000		Assoc. Dean	161,389	Professor	\$153,078
5		Professor	135,784		Professor	154,000	Professor	\$150,706
6		Professor	122,824		Professor	146,449	Professor	\$150,054
7		Professor	119,826		Assoc. Dean	145,000	Professor	\$147,548
8		Professor	113,783		Professor	135,200	Professor	\$144,459
9		Professor	109,903		Assoc. Dean	135,000	Associate Dean/Pro	\$139,089
10		Professor	100,927		Professor	133,054	Professor	\$135,000
11		Professor	99,800		Professor	121,766	Professor	\$132,744
12		Professor	94,921		Professor	117,564	Professor	\$122,500
13		Professor	94,724		Professor	109,200	Professor	\$122,477
14		Professor	94,528		Professor	99,600	Professor	\$120,200
15		Professor	91,800		Professor	89,319	Professor	\$116,000
16		Professor	90,000		Professor	86,073	Professor	\$114,000
17		Professor	89,710		Professor	New	Professor	\$108,500
18		Professor	83,500		Professor	New	Professor	\$108,000
19		Professor	83,500				Professor	\$106,000
20							Professor	\$106,000
21							Professor	\$106,000
22		UMKC	UMC	KU *			Professor	\$102,500
23	Median Salary (Professor)	\$100,364	\$135,000	\$122,500				
24	Mean (Professor)	\$110,058	\$134,419	\$129,749				
25	# of Professors over \$100K	9	12	21				
26		Assoc. Prof Lib	105,000		Asc. Prof	Not Available		
27		Assoc. Prof	97,875		Asc. Prof	New		
28		Assoc. Prof	85,767		Asc. Prof	New		
29		Assoc. Prof	80,500		Asc. Prof-Lib	95,613		
30		Assoc. Prof	77,246		Asc. Prof	95,532		
31		Assoc. Prof	76,864		Asc. Prof	88,400		
32		Assoc. Prof	75,000		Asc. Prof	87,000		
33		Assoc. Prof	74,192		Asc. Prof	80,061		
34		Assoc. Prof	73,593		Asc. Prof	80,000		
35		Assoc. Prof	71,000		Asc. Prof	78,000		
36					Asc. Prof	77,877		
37					Asc. Prof	74,880		
38					Asc. Prof	73,008		
39								
40		UMKC	UMC					
41	Median Salary (Assoc. Professor)	77,055	91,966					
42	Mean (Assoc. Professor)	81,704	86,372					
43								
44								
45								
46								
47								
48								

* Note- The only information available for KU professors consisted of professors over \$100K.
This represents approximately 80% (21 out of 26) of the KU full professors

State of the
UMKC Law School Budget
October 27, 2004
By Friends of the
UMKC Law School

Executive Summary

- May 2004 - Chancellor & Provost state UMKC Law School Under-funded by 1 to 2 million annually in Comparison to Peer Law Schools.
- Comparison of data of other publicly - supported schools from ABA Reports indicates under-funding well in excess of 2 million.

Executive Summary (con't)

- ABA Reports indicate that UMKC Law School
 - ◆ At or near financial bottom in all key categories
 - ★ Total Expenditures
 - ★ Library Expenditures
 - ★ Expenditures per student
 - ★ Miscellaneous Operating Expenditures

Executive Summary (con't)

- Over last four years, UMKC total GRA pool has increased by about 19 million
- Based on the beginning FY05 Budget, law school direct GRA during same period increased only by about \$87,000 or about a .04% increase

Executive Summary (con't)

- Several other academic & administrative units, received much larger percentage increases during the same period.

Executive Summary (con't)

Operating Fund Balances

- As of July 1, 2004, UMKC as a whole had fund balances of approximately 26 million (nearly 3 times minimum mandated by UM system)
- Law School –only academic unit with a negative operating fund balance
- Several academic and administrative units 1 to 3 million fund balances

Executive Summary (con't)

- Law School sound income producing unit
- But allocated an inequitable low (almost non-existent) public subsidy
- But criticized for running a deficit
- Morale problems
- Adversely affecting hiring of faculty and Dean

Executive Summary (con't)

- Original 04-05 GRA \$ 6,159,208
- Fair Budget \$10,296,378
- Next year
No less than \$ 8,300,000
- 2006-2007 Goal \$10,600,000

2003 UMKC Law School Budget Numbers

2002-2003 UMKC Law School Expenditures

■ ABA Table F-15

Total of All Direct Expenditures Shown

■ \$8,845,016

- Includes CLE expense & out-of-state tuition remissions which are not available for expenditure

■ ABA Table F-6

Total Direct Expenditures

■ \$8,319,436

- Does not include CLE but does include out-of-state tuition remission (not available for expenditures)

Expenditures Table F-15

- Per FTE student from Table F-15
(only JD of 493 does not include LLM FTE)
 $(\$8,845,016/493) = \$17,941$
- Per FTE student of both LLM & JD for a total of 516
 $(\$8,845,016/516) = \$17,141$

Expenditures Table F-6

- Per FTE of JD ONLY
 - $(\$8,319,436/493) = \$16,875$
- Per FTE of 493 JD and Estimated LLM FTE of 23
 - $(\$8,319,436/516) = \$16,122$

Expenditures Based on Exhibit A Adjusted Figures-All Sources Most Accurate Number*

- Per JD FTE of 493 based on Exhibit A adjusted figures
 - $(\$7,635,016/493) = \$15,487$
- Per JD FTE of 493 & LLM FTE of 23 based on Exhibit A adjusted figures
 - $(\$7,635,016/516) = \$14,796$

*NOTE-Actual out-of-pocket expenses from final UMKC Law numbers = \$7,662,102 (\$31,000 off)
SEE Tom Green

UMKC Law School General Revenue Allocation 2002-2003

- General Revenue Allocation
 - \$6,135,472
- Actual Expenditures from General Revenue Allocation Accounts
 - \$6,286,307
- Total number of students enrolled in 2003 (JD & LLM)
 - 551
- Estimated FTE students in 2003
(493 JDs & 23 LLMs)=516

Expenditures Per FTE Student 2003 – GRA

- Expenditure per total students in 2003
(\$6,286,307/551)
 - \$11,408.91
- Expenditure per FTE student in 2003
(\$6,286,307/516)
 - \$12,182.76

Other Sources of Law School Revenue for 2003

- **CLE Gross Revenue**
- **Gifts & Grants Income**
- **Miscellaneous Income**

2003 Comparative Other Law Schools Budgets

Comparative Budgets –Total Expenditures

- **Regional**
 - ◆ Second from last in Total Expenditures
 - ◆ Last per FTE student
- **Public Urban**
 - ◆ Second from last in total expenditures
 - ◆ Third from last in expenditures per FTE Student
- **Big 12**
 - ◆ Last in total expenditures
 - ◆ Last in expenditures per FTE Student

Comparative Analysis of Budgets ABA 2003 Figures

■ Tables F-6 & F-15

	Total Exp	Per FTE	US News Ranking
Iowa	\$26,120,137	\$34,414	23
MU	\$ 9,085,678	\$17,117	63
KU	\$ 9,035,021	\$16,773	63
Washburn	\$ 8,362,872	\$18,498	T-3
Memphis	\$ 6,334,196	\$13,491	T-3
*UMKC	\$ 7,635,016	\$15,487	99

*UMKC amount equals the Exhibit A adjusted amount.

Regional Schools Library Budget Comparisons

- UMKC
 - Last in total expenditures
- Third from last in expenditures per FTE student

Big 12 Law Schools Library Budget Comparisons

- UMKC
 - Last in total expenditures
- Second from last in expenditures per FTE student

Public Urban Law Schools Library Budget Comparisons

- UMKC
 - Second from last in total expenditures
 - Third from last in expenditures per FTE student

Library Expenditures Sample Schools

	Total Lib Expenditures	Per FTE	US News Ranking
■ Iowa	\$4,529,581	5,968	23
■ KU	\$1,419,666	2,634	63
■ MU	\$1,339,756	2,547	63
■ Washburn	\$1,915,600	4,247	T-3
■ UMKC	\$1,244,721	2,524	99

UMKC is actually worse
-LLM students not included

Comparative Misc Operating Expenditures

- UMKC
 - Last among Regional Schools
 - Last among Big 12 Schools
- Second from last among 26 public urban law schools

Comparative Schools 2003 Misc. Operating Expenses*

	Total Expenditures	Per FTE	US News Ranking
■ Iowa	\$1,980,867	\$2,609	23
■ MU	\$ 834,890	\$1,587	63
■ KU	\$ 815,210	\$1,512	63
■ Washburn	\$ 532,524	\$1,180	T-3
■ UMKC	\$ 325,430	\$ 660	99

Does not include LLM students

UMKC Rank 2003 Salt Survey Median Salaries –Full Professors

- Regional
 - ◆ Third from bottom
- Public-Urban
 - ◆ Last
- Big 12
 - ◆ Last

2003 Salt Survey Salaries-Full Professor Comparative Schools

	Full Profs. Median Salary	US News Ranking
■ Iowa	\$127,100	23
■ MU	\$125,309	63
■ KU*	\$116,000	63
■ Washburn	\$120,536	T-3
■ UMKC	\$100,427	99
■ Did not respond to Salt Survey. Salary taken from U. of Kansas website.		

Comparative Analysis of Budgets (Revisited)

Tables F-6 & F-15

Ranking	Total Exp	Per FTE	US News
Iowa	\$26,120,137	\$34,414	23
MU	\$ 9,085,678	\$17,117	63
KU	\$ 9,035,021	\$16,773	63
Washburn	\$ 8,362,872	\$18,498	T-3
Memphis	\$ 6,334,196	\$13,491	T-3
*UMKC	\$ 7,635,016	\$15,487	99

*UMKC amount equals the Exhibit A adjusted amount.

Annual In-State Tuition of Various Law Schools 2004-2005

■ UMKC	\$13,766
■ MU	\$13, 278
■ Iowa	\$12,348
■ Washburn	\$11,912
■ KU	\$ 9,889
■ Memphis	\$ 8,286

Comparative Analysis of Budgets

- Assume all law schools charge same tuition as UMKC
- Assume all tuition increase back to the school

Comparative Budgets as Adjusted

	Total Expenditures	Per FTE
Iowa	Do they need more?	
MU	\$ 9,080,678	\$17,117
KU	\$11,124,724	\$20,639
Washburn	\$ 9,199,026	\$20,396
Memphis	\$ 8,951,216	\$19,085
UMKC	\$ 7,635,016	\$15,487