UMKC Faculty
Senate
November 16, 2004

Major Topics

Budgeting for Excellence
Fund Balance Information
University System Committee on Tenure

Information Items
The following announcements were made:

- The draft of senate report from 11-2 is available on the Faculty Senate website.

- A handout showing the proposed Resource Allocation Principles for the UM System was distributed. The Curators will act on these principles at the meeting in Rolla later this week. The handout is available on the Faculty Senate website as http://www.umkc.edu/fsenate/.

- The new senator from the School of Law, Edwin Hood was introduced. He is replacing John Ragsdale.

- The Senate received an affirmative response from the Provost on the Senate’s request to delay implementation of the changes in procedures for promotion and tenure processes until the next P&T cycle. An official memorandum to this effect, dated 11/16/2004, was received by senate from Provost Osborne.

- The senate may need to have a meeting on the 3rd Tuesday in December because of the number of important issues needing to be addressed.

- A packet of information in fund balances for academic units was distributed to all senators. This information is available on the Faculty Senate website as http://www.umkc.edu/fsenate/.

- Ballots for the election of a faculty representative to the System Committee on Tenure were distributed, and were to be returned to the Kathy Loncar, the Chair of the Administrative Issues Committee by the close of the meeting today.

Budgeting for Excellence Presentation

Provost Osborne, Vice Chancellor Larry Gates and Asst. Vice Chancellor Nancy Zielke presented the plan for Budgeting for Excellence (abbreviated as BFE). A booklet on the presentation was distributed to all senators. The Budgeting for Excellence document is
also available on the webpage of the Vice Chancellor for Administration and Finance. The full combination of this document with the PowerPoint presentation is available on the Faculty Senate website.

Provost Osborne gave an introductory overview that included these points:

- University budgets are becoming more dependent on student tuition rather than state appropriations.

- The three major sources of revenues have in the past gone into a general revenue allocation and distributed to academic units, campus programs, and support units.

- In BFE, student tuition goes directly to academic units less 10% for campus priorities which include infrastructure items such as libraries and technology. Similarly, of assigned state appropriations 10% is designated for infrastructure.

- Vice Chancellor Larry Gates has agreed to provide the Faculty Senate with a list of those infrastructure items (along with their current GRA budget costs) which would be funded by the 10% set asides.

- Any new state monies will be allocated by the Executive Cabinet.

- Of the state appropriations provided to units to stabilize current budgets, 10% may be allocated based on the meeting of performance goals, but implementation of this and the developing of acceptable performance measures will require much thinking and discussing, so it may not be implemented until fiscal year 2006.

Nancy Zielke, Assistant Vice Chancellor for Fiscal Operations, gave a history of the Budgeting for Excellence development process. The process focused on the alignment of resources to priorities. She explained the make-up and function of the budget advisory committee. She also shared the completed and on-going tasks for the multi-year budgeting process.

Vice Chancellor Zielke explained the new revenue allocation model is enrollment driven, incentive and performance based, and responsibility centered. Charts of FY 2005 budget were shared and explained. The current budgeting model was shown and compared to the BFE model proposed.

There was extensive discussion of the funding priorities and the comparison of the proposed BFE model with the current operating budget’s General Revenue Allocation. The purposes of the capital campaign funds were also explained.

The assumptions and criteria underlying the new revenue allocation model were explained and an example was examined. The means of addressing the funding gap was explored.
Vice Chancellor Zielke stated that the enrollment-based part of the BFE model will probably be implemented in the next fiscal year. There was discussion on the issues around the enrollment model that need to be identified and addressed first. The performance-based aspects of the budget model will be implemented in a subsequent fiscal year. Senators expressed interest and concern about faculty input into the decisions which need to be made.

Committee Reports – None were given at this meeting.

Adjournment


Excused: O. Ukpokodu, C. Tarentino

Submitted by
Kathryn Loncar, Secretary

Addendum

The following addendum to the Faculty Senate minutes of Oct. 19, 2004 is provided for clarification.

The "balance draw down" reported by the Provost may require an explanation for the benefit of faculty who have not been otherwise informed of this administrative decision. The UM System dictates that each campus hold 5% of its operating budget in reserve to the end of each fiscal year, in case of a state recall of some funds allocated to the university. UMKC practice has been for each unit, academic and administrative, to be responsible for its own reserve; if the funds are not recalled, they remain with the unit to be spent as originally budgeted, or otherwise needed, or put toward the next year's reserve. The UMKC administration has decided to centralize the mandated 5% reserve ($8M), removing it from the individual units and putting it permanently under central administrative control. The reserve will be collected by effecting an immediate 5% decrease in the current operating budgets of each unit, on average. One of the major proposed uses of this reserve is building projects. In some cases, such as the Health Sciences building, this use is explained as a "loan" to the building fund, until private donations can be collected; in others, such as the Student Center project, it would be a contribution, presumably to be replaced in the mandated reserve by as-yet unspecified UMKC funds in the future.