UMKC Faculty Senate Meeting
April 4, 2006

Major Topics

Administrative Cost Reductions
Parking Fee System
Provost and Advancement Searches
Unified Commencement
Budget Update FY 07
Concept Planning for Budget FY 08
Senate Resolution on COSCO Recommendations

Information Items

The agenda order was changed so that the COSCO resolution would follow the Chancellor’s Report.

Budget Discussion

The Chair distributed two handouts regarding budget issues. The Chair reminded the Senate of the recent request by President Floyd to reduce administrative costs by 10%. It was noted that now is the time to look at these budget issues with the Chancellor and the Budget Advisory Committee.

Since the Chancellor was going to be a few minutes late, the Chair asked Senator Luppino to speak to a handout he distributed to the Senate. Senator Luppino pointed out that there seem to be lots of differences in interpreting how the 10% cuts are to be achieved. Which areas and items are eligible for the targeted cuts is unclear. Senator Luppino is questioning what is being considered as eligible for cuts on this campus and if they are in keeping with President Floyd’s intent. Senator Luppino pointed out item # 6 on his handout which questions how cuts are to be made in administrative expenses in the academic units. Senator Luppino is posing these questions to determine if our campus understands President Floyd’s charges in the same way that the other campuses and the university system understand them. His handout details his concerns. Senator Luppino suspects that the “streamlining of reallocations” on our campus may be deluding or avoiding some of the intent of President Floyd’s charge.
Conversation with the Chancellor

Chancellor Bailey joined the Senate discussion and spoke to questions in Senator Luppino’s statement. Senator Luppino asked if there are amended ground rules for the 10% cut process particularly as regards the timeline for the reductions. Chancellor Bailey felt the timeline was intended to be from July to July. The Chancellor asked the Senate to look at Table 2 of the document called the Preliminary Report of Resource Reallocations. He pointed out that the mandatory expenses in the right hand column were covered by reallocations from the left hand column.

Senator Luppino asked if cuts made in July of 2005 are being considered as meeting the request for 10% cuts made by President Floyd in December of 2005. Chancellor Bailey said yes those July cuts were being counted. The Chancellor said that President Floyd wanted to be sure the campuses were seeking as much efficiency as they could before having to show the curators the needs for tuition increase. He pointed out that the campuses will need to continue to show the curators these efficiencies.

The Chancellor said that President Floyd needed to show the curators we were trying to be very efficient and the President knew we were doing these things anyway. Chancellor Bailey pointed out that even if we made the 2% increase for salaries we were are still falling behind in faculty salary levels and we are not doing enough new hiring of faculty or funding our academic programs adequately. The Chancellor strongly emphasized that we must build revenue. Even with these administrative reductions we still haven’t prevented some negative things from happening. We are using the budget cuts just to cover mandatory expenses.

A Senator asked if reallocations in Provost’s Office came from Information Technologies, and if reductions in Vice Chancellor Gates’ office came from maintenance. The Chancellor pointed out that one great need for increased revenue is the debt service on Twin Oaks. He also pointed out that there have been more FTE position eliminations than are shown in the preliminary report. There will be more efficiency in the administrative divisions by eliminating some positions and by re-structuring the administration. The Chancellor also pointed out that the fund balance money for scholarships was rolled back into scholarships for this year.

A Senator asked how fund balances and cost money fit into a document on reduction of rate monies. The Chancellor acknowledged that this is confusing and offered provide a different presentation format at the next Senate meeting. Senator Luppino said that if we have met the requirements of President Floyd’s mandate and gone beyond it then we don’t have much to be concerned about or study. He pointed out that the Budget Advisory Committee has encouraged more efficient use of cost money but just hadn’t expected the actions to meet President Floyd’s request to go beyond rate money cuts.

A Senator ask why we are seeing new middle management positions when there are eliminations of FTE in central administration divisions. Chancellor Bailey said the intent
is to set a limit on the budget of each of the central administration divisions and then let
the divisions decide how to spend their money to get their work done. The Chair pointed
out we still need to do open searches for any positions with Provost or Chancellor in title.
The Chancellor pointed out that some hiring and searches started last calendar year and
need to be played out. He stated that he favors open searches even at the director level.
The Chancellor explained that he may move Human Resources under the Chancellor’s
office for a while. The Chancellor also observed that there is not a clear difference
between director titles and vice chancellor titles. The Chancellor said that he wants
common understandings and descriptions of job levels and appraisal systems in order to
get salary equity, and he wants to be able to set aside money to raise staff salaries.

A Senator asked about Asst Vice Chancellor positions and the probability of Human
Resources being under the Chancellor’s Office. The Chancellor was asked if he would
have the power to stop the proliferating of those middle management positions. The
Chancellor responded that he would and with Human Resources housed in his office he
would have a better way of knowing what is happening in terms of hiring in the
administrative divisions and could control it better.

A Senator said that faculty is still unhappy about the increase in the number of middle
management positions and the fact that these individuals get significantly higher salaries
than individuals in academic units who do same level of management, often for half the
salary. The Chancellor said that is why he wants common descriptions, clear processes
and appraisal formats. He said there are some basic Human Resources issues that need to
be dealt with and he can do that best by having them report to him for a while. He doesn’t
just want individuals appointed to positions, even at lower levels of management. Even if
interims must be used, searches will be done for every position. He said he would
personally review for approval all requests to fill such positions. The Chair pointed out
that faculty should always have a role in the higher level searches as well.

A Senator asked about re-structuring Budget Advisory Committee. Senator Luppino
observed that the Budget Advisory Committee has 19-20 people from all areas of the
university. He suggested to Vice Chancellor Gates that the Budget Advisory Committee
be left as is, but a subcommittee of 8 people be established within the Budget Advisory
Committee to study some issues for 2007 budget including the RCM. Senator Luppino
did not suggest the Budget Advisory Committee be made smaller. The Chancellor
observed that we can do better with smaller committees if others have confidence in the
committee, and he suggested that the Senate Budget Committee could perhaps do all of
the work. The Chair pointed out that the RCM discussions will require very broad input.
The Chancellor agreed and said that some of the discussions need to take place in
academic units. Senator Luppino asked the chancellor to think about the proposal to
shrink Budget Advisory Committee. He suggested that the Budget Advisory Committee
could be left in place and meet occasionally while the small subcommittee can do the
heavy work.

Chancellor Bailey suggested that there are too many committees meeting too often on our
campus and he believes the same amount of work can be done by smaller dedicated
groups. He wants to change our campus culture to reflect this confidence in fewer, smaller committees because he believes that the more meetings and committees the less work actually gets done.

The Chancellor again pointed out that the most important challenge for us as a campus is the generation of new revenue. We are a tuition driven institution now, and state appropriations will decrease more in the coming years. We have got to build revenues. We must find how we can generate as much revenue as possible. We can’t just keep raising tuition. To build academic programs and expand faculty we must find ways to generate revenue, and the Chancellor will establish a committee to explore this in the near future. The critical reason for changing budget processes is to maximize revenues. The Budget Advisory Committee needs to look at budgeting for the perspective of revenue generation, and the new committee can look at other ways to get revenue. The Chancellor asked the Senate to take up the issue of a committee on revenue generation. Revenue generation is very do-able for this campus. A Senator asked for an example and the Chancellor pointed out that some units could grow enrollment for new revenue, and also mechanisms could be developed for offloading scholarship debt.

A Senator asked for a continuation of the faculty co-chair of the Budget Advisory Committee. The Chancellor said that Vice Chancellor Gates’ division should not really be involved in the Budget Advisory Committee other than providing staffing. The Chancellor also said we need better institutional data. We aren’t getting enough correct data on this campus to make good decisions.

A Senator said that the Senate wants Senator Luppino to remain involved in the budget review, because we need someone other than the fox watching the chickens. The central administration needs outside oversight continually. The Provost’s Office still has some inefficiency we want cleared up. The Chancellor said all central administration units will be re-examined and made more efficient, and if the right set of values is in operation the things you want to have happen will happen.

A Senator asked about the search for the Vice Chancellor for Advancement. The chancellor said an offer is out to a candidate. The candidate has a record of raising money and of managing advancement well. The Advancement Office needs management that keeps the institution out of trouble. The chancellor also stated that he wants to have the new Provost named by the end of the week.

The Chair asked Chancellor Bailey about putting a parking fees system in place that is graded or graduated. The Chancellor said one proposal had been sent to him but it had some problems and he sent it back for further work. He will try to get a proposal done soon, and it should be in effect for the fall semester. A Senator suggested exploring satellite parking and shuttle buses. Chancellor Bailey added that it would be good to reduce the number of cars on campus and lessen the need for parking which is expensive and uses up our debt capacity.
Chancellor Bailey closed his conversation with the Senate by asking for about an hour of time for a full budget presentation at the Senate meeting in two weeks from now.

**Interim Provost’s Report**

The Chair asked if each academic unit has chosen a faculty member to represent the unit on stage at the up-coming unified commencement ceremony.

**Resolution of Senate on COSCO Recommendations**

A Senator distributed a copy of the resolution and presented the background on the proposed resolution regarding the new budgeting model being considered. It is called Resource Centered Management (RCM). It was pointed out that several other universities are using this model and we can learn from their experiences. It was noted that the model has created some problems on these other campuses which we need to examine since our Budget Advisory Committee has been asked to study this model. A Senator observed that this model doesn’t work unless there is full understanding of how it is designed to work. The point was made that central administration doesn’t have much incentive to be efficient. (See copy of resolution) The COSCO group is questioning whether or not there is a more efficient way to operate the divisions of our central administration. These divisions need the oversight committee which is proposed in this resolution. A Senator reviewed the content of the resolution. The COSCO group also wants Chancellor Bailey to provide some resources to hire outside consultants who will check on efficiencies in the central administration divisions. Several senators agreed and pointed out that this model needs careful study and the need for oversight is great. The Budget Advisory Committee is studying the books written about the RCM model and the other universities currently using it. The Chancellor has asked the Budget Advisory Committee to have a position on the adoption of the RCM by fall. It was suggested that one other approach is to cut 10% from budgets and see how well the unit functions. The Senate will hold off on a vote on the resolution until we have heard from the Chancellor and until the Senate has had a chance to study it. The Chair suggested that we vote on the resolution at the next Senate meeting.

The proposed policy for Non-Tenured Track categories will be discussed at next meeting.

**Adjournment**

**Senators Present:** Waterborg, Murphy, Loncar, Stancel, Ebersole, Luppino, Jones, Pennington, Adler, Neau, Driever, Hood, Bame, Ward-Smith, Potts, Igwe, Honigberg, Murphy, Joy, Knopp, Mitchell, Mardikes, Green, Krause, Stein, Durig

**Excused:** Cole, Crossland, Fieldman, Foxworth