

## Minutes of the University Budget Committee Meeting

1/17/19, Brookside Room, Administrative Center

Members Present: Kelli Cox, Sheri Gormley, Viviana Grieco, Roland Hemmings Jr., Carol Hintz, Mark L. Johnson, Brian Klaas, Ali Korkmaz, Sharon Lindenbaum, Michelle Maher, Sandra Miles, Bonnie Postlethwaite, Leigh Salzsieder, Kevin Truman, Karen Wilkerson.

Guests: Sean Castle

Members Absent (excused): Mauli Agrawal, Barbara Bichelmeyer, Stephen Dilks, David Fulks / Jaelon Brooks,

UBC Secretary Mark Johnson called the meeting to order at 10:00 AM. He welcomed everyone to the 2019 Academic Year.

### Agenda Items (see attached Agenda)

Approval of Minutes of the December 13<sup>th</sup>, 2018 meeting: Secretary Mark Johnson asked if there were any edits to the December 13<sup>th</sup>, 2018 meeting minutes? Mark noted that he had made a few typo corrections since the minutes were distributed electronically. No additional corrections were made. Kelli Cox moved approval of the Minutes as amended. Carol Hintz seconded. The minutes were unanimously approved.

Chancellor Updates: Mark informed the committee that Chancellor Agrawal was meeting with an accrediting site visit team for the School of Pharmacy. Mark then introduced the membership of Search Committee for the Vice Chancellor for Research, which the Chancellor has asked that he Chair. Mark noted that the search would be conducted in conjunction with the UM Recruitment Team headed by Tim McIntosh with the assistance of Tracy Fuemmeler. Carol indicated that the position description had been drafted and the Chancellor had reviewed it. The Search committee would review it at its kick-off meeting on January 24<sup>th</sup> and the final draft would be ready for posting in a week or so.

State Updates: Mark mentioned the Governor's Address on the 16<sup>th</sup> and asked if anyone had comments. No comments from the committee as most had not yet had time to review the address.

RIM High Level Projections and Budget Planning Updates: Sharon Lindenbaum began the discussion by stating that the process would be similar to last year. The VSP impact will be tricky to fully integrate. Beginning in February they will begin the process used last year of 15 minute presentations by the Deans regarding essential elements of the budget for their Unit. Currently her office is working on Tuition and Fees for next year with their proposal going to the Curators for initial review in mid-February. The Curators meeting after the next one is when they hope to get final approval for increases in tuition and fees. Sandra asked about the student referendum on the Library. Sharon indicated that this would be included in the next Fees meeting.

Sharon indicated that the tentative timeline is mid-March for preliminary RIM calculation and in May would be final release of numbers for GRA.

Viviana asked if the F&A policy be the same for next year. Sharon indicated that she thought it would be the same. We need the new VCR in place before making any major changes.

Sharon indicated that the current CPI is 1.9% and it may be possible to increase tuition to overall 2.9%, although technically we could increase by 5-6%, but this is limited by student affordability and so we hope that a 2.9-3.0% increase would be approved. Enrollment numbers remain a concern. Kelli indicated that the most recent numbers are trending positive and retention seems a little bit better. Sharon noted that the non-credit bearing side is a work in progress and not if full implementation at this point in time. Scholarshipping has major new programs with the KC Scholars partnership and matching funds from System. Scholarshipping looks to be dramatically different from last year and the hope is that this will improve student numbers. Sharon mentioned that a lot of work is also going on with regard to Auxiliaries to make them self-sustaining. Athletics is not yet a diminishing need, but a lot of work is being done. Housing is another area of significant need. There are changes in research and support for research that are needed also. The search for a new Foundation President is underway. The foundation faces challenges, it has set lofty goals and some staffing changes are going to be necessary.

Sharon discussed some of the issue relating to the expense side of the budget. She noted that raises are yet to be determined and although the minimum wage laws have changed, we already pay above the new minimums. Mark asked about the student wage of \$10/hr. Sharon noted that this is above the new minimum so that rate should not change. Other factors impacting the expense side of the budget include:

- Benefits- increase of 1.4%
- VSP- unknown impact (may not know for 2-3 years)
- Payroll sector- work ongoing
- Athletics investment- unknown at this time
- Student success investments; shoring up enrollment process- unknown at this time

Mark asked if the time from student application to acceptance has been reduced. Kelli stated that this has improved, but has not yet reached the target of 48 hrs. There have been 2 new hires to help in the applications area.

Roland asked about Staff benefit changes (increase). Sharon indicated that there are two factors related to accounting method changes that affect benefits and at present we are not able to provide numbers until the end of the budget season. Each Unit will see the 1.5% increase in Benefit changes and some rebalancing across Units will/may need to be done.

Sharon noted other potential impacts on the budget:

- The marketing budget will need some additional funding
- Maintenance and renovation will likely see increased costs
- Expecting increased insurance costs on UMKC property
- Sweeney Rec had a gift to cover Durwood Soccer debt service, but that is ending and so those costs will come back to us
- The Chemistry move to new facilities will likely have some additional costs

Karen mentioned that the FY20 RIM calculations were initially done with a baseline that kept Chemistry and Theatre in their current Units, but they plan to do a re-run once the restructuring takes place. Brian asked about the RIM and Gen Ed 2.0. Sharon indicated that they have had an initial look, but this is not a current priority since this won't be implemented until FY2020.

Sharon indicated that System has retained Coffman-Hall to develop a 5 yr financial plan. This is not 5 years of budgets, but is designed to integrate the strategic plan into our budget so we can be forward looking.

Sheri indicated that they would be working with Unit Deans to develop strategic plans and asked if that work should be slowed down until this 5 yr plan is vetted. Sharon felt there was no need to slow down.

Bonnie asked if this was for all 4 campuses? Sharon said yes and also includes System.

Mark mentioned his department's annual retreat and stated that this type of 5 year planning should be brought down to the department level wherever feasible, not just Unit level.

Sharon indicated that this planning will be done in the next 5 weeks or so.

FSBC Report: Mark indicated that the FSBC will be providing some feedback regarding the APR, comments are currently being collected.

Other: Kelli noted that the Data Governance Council kick-off was on Tuesday, January 15<sup>th</sup> and the 2018 data set was being finalized.

There being no further business the meeting was adjourned at 11:00 AM.

Respectfully submitted,



Mark L. Johnson, Ph.D.

Secretary

University Budget Committee