

## **Minutes of the University Budget Committee Meeting**

4/19/2018, Brookside Room, Administrative Center

Members Present: Barbara Bichelmeyer, Kelli Cox, Curt Crespino, Sheri Gormley, Dave Fulk, Carol Hintz, Mark L. Johnson, Ali Korkmaz, Sharon Lindenbaum, Dea Marx, Linda Mitchell, Bonnie Postlethwaite, Cameron Roark, Nancy Stancel, Kevin Truman, Karen Wilkerson.

Members Absent (excused): Tamara Murdock, Roger Pick, Ted White, Gerald Wyckoff

UBC Secretary Mark Johnson called the meeting to order at 10:03 AM.

### **Agenda Items** (see attached Agenda)

Cameron Roark introduced Dave Fulk who will be replacing him as SGA President and as the newest member of the UBC. Dave is majoring in Mechanical Engineering.

Approval of Minutes of March 1, 2018 meeting: Edits to the March 1, 2018 meeting minutes were submitted via email to Mark Johnson and approval of the revised minutes were put to motion for approval. Kevin Truman moved approval of the revised Minutes as submitted. Bonnie Postlethwaite seconded. The minutes as revised were unanimously approved.

State Updates: Provost / Interim Chancellor Bichelmeyer noted that the Senate version of the budget would restore funding levels to last years budget amounts. The legislature version of the budget was smaller. Budget bill now goes to a conference committee. It is unclear what the Governor will do, but if he vetoes the budget bill there is a chance the Legislature will call a special session to override the veto. We are being conservative in our budgeting and basing our budgets on the original numbers proposed by the Governor. If we get more money from the Legislature, then excess money would be used to build up our reserve and fund strategic priorities. Sharon Lindenbaum noted that we have a lot of work to do to get right sized to meet our budget challenges. Sharon encourage everyone to listen to the audio for the Curators Meeting, especially the presentation by Ryan Rapp (the link for the meetings on April 12 & 13 is: <https://www.umsystem.edu/curators/audio/>). Curt Crespino noted that our plan is to work with all of our stakeholders to support whatever version of the budget goes forward. Barb noted that despite the potential for increased funding (above the Governor's proposed budget) we have pressures to bear that still remain in terms of lower State revenues, so it is prudent to be cautious in our budget planning. Linda Mitchell noted that she also attended the Curator's meeting and highlighted the comment from Ryan Rapp that there has been a \$160 M difference (decline) in State higher education budgets over the last 5 years. Barb then asked for other feedback on how the Curator's reacted? Sharon noted that she thought for the first time the Curator's seemed to be understanding the importance of fees and they matter. As long as SB389 exists in its current form we have major challenges. She also thought the slide showing that Missouri now ranks 50<sup>th</sup> (bottom) in the nation in terms of State support for higher education was a surprise to the Curators. Barb stated that she feels the Curators fully understand that we have significant budget challenges. She noted that one of our goals is to make the Curators understand what it is we are protecting in of our teaching, research and service missions. This is a moment of change and these changes need to be handled with informed decision making and in the best interests of UMKC.

## Implementing New Budget Rules and Responsibility (see handout) and Reframing UBC Purpose

Barb began by saying that the previous budget model had issues that needed to be addressed. Some of these issues were related to the formulas being used and some were related to implementation. The new rules define a new and specific role for the UBC in the budget process. An updated version of the budget rules is coming soon with edits from President Choi and Chancellor Agrawal (anticipated July 1, 2018). Sharon noted that some additional alignment with System was needed. Mark noted that from the faculty side that Jerry Wyckoff, Tony Luppino and he had a substantial hand in drafting these new budget rules. Mark also noted the calendar for UBC/FSBC roles in the budget process. Barb stated that we are building more mechanisms for budget planning that will create more transparency and clearly define the roles of the Chancellor, Provost, Deans, Financial Officers and budget committees in the process. Much of the document codifies and formalizes the activities that have been going on previously, but this details the who, how and when expectations going forward.

Cameron noted that the SGA president should be listed as a member of the UBC in this document. Barb thanked him for catching this omission and this change will be made.

Mark commented that this budget planning and engagement is important for the HLC process that UMKC is currently preparing for in 2019.

Sharon gave a brief update on the latest RIM Calculations. She distributed a set of handouts illustrating sample calculations (attached) for the FY19 budgets. A few tweaks are anticipated, but the model is close to being fully ready. For example, Dual High School Credit calculations need to be made. She also mentioned that the RIM Team had solicited feedback from several individuals and groups and Nikki Krawitz has drafted a response that is now in the final stages of editing by the Team and then it will be posted. The RIM is very fluid at present and the RIM Team is working on communication and messaging to get the RIM public as soon as possible.

Barb stated that the RIM started with the Academic Units as they are the primary revenue generators. We are looking at what strategies can generate cost savings? How do we optimize shared services? Where can we make Unit reductions in areas of programs/faculty/staff and/or other personnel?

## Layoffs at UMKC and Merit Salary Pool

Mark began the conversation by raising the concern that inevitability faculty and staff would link the recently announced layoffs as a means by which Merit raises were being funded. While this linkage is not correct (a true-true, but unrelated problem) how the layoffs were messaged (or not), i.e. they came out of the blue with no context as to why this was necessary or if future layoffs might occur, seemed to be a real problem. This initially created a lot of anxiety amongst faculty and staff and some degree of anger based on conversations he had been a part of in the SOD and other Units. There was general discussion about the issue of linkage and while everyone agrees that it is not a valid conclusion, it is a problem that will need to be addressed.

Mark then read an email he had received from Jerry Wyckoff, who asked that it be read at the UBC meeting for inclusion in the minutes:

Mark-

If you could please, at the appropriate time, read this statement on my behalf into the minutes re: merit raises.

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I stand morally opposed to giving merit raises while we are cutting staff and NTT faculty positions. While I fully understand that our salaries are comparatively low, and that we must consider faculty and staff recruitment and retention, this is not the right way to do it. Either the University should decline to give merit raises, or units should be allowed to opt-out of the merit raise pool. Alternatively, the merit raise pool created should be directed towards addressing salary compression or other forms of pay disparity- particularly for workers with the lowest salaries.

The message from the Interim Chancellor announcing recent layoffs said in part: "I believe I can speak for all of us at UMKC when I say we so greatly appreciate the contributions made by each of these colleagues to our mission of teaching, research and service, and we hate the fact that anyone has been let go." To honor the contributions of those we have laid off, we should invest what their sacrifices have saved us into the most critical needs that support the mission of the University- and let the fruits of such investments pay for increases in all of our salaries in the future. Thank you.

Mark noted that the FSBC had discussed the Merit Raise issue at its last meeting. Mark expressed his concern that a 2% raise for a high income earner dollar-wise could be the equivalent of sum of dollars of 2% raises for 4 low income staff. This exacerbates income disparity. Some guidance and flexibility needs to be built into the process for Merit Raises.

Carol Hintz commented that the process of layoffs has to follow HR Standards, especially with respect to messaging and communication.

Barb stated that the layoffs were a painful process. We need to have good communication and need to have Unit involvement.

Mark commented that it was unclear to many colleagues who spoke with him, how much Unit involvement occurred or who made these decisions. He strongly suggested that if future layoffs become necessary a general communication in advance of layoffs, regarding the budget problems and potential solutions should be considered to "lessen the blow" or "reduce the surprise" of the layoffs, if/when they eventually occur.

Action item:

Barb asked Secretary Mark Johnson to draft a putative calendar for the upcoming year that charts UBC key agenda items tied into the budget process, etc.

There being no further business the meeting was adjourned at 11:03 AM.

Respectfully submitted,



Mark L. Johnson, Ph.D.

Secretary

University Budget Committee