

Minutes of the University Budget Committee Meeting

1/24/2017, Plaza Room, Administrative Center

Members Present: Curt Crespino, Diane Filion, Carol Hintz, Mark L. Johnson, Sharon Lindenbaum, Russ Melchert, Chancellor Leo Morton, Roger Pick, Bonnie Postlethwaite, Kevin Sansberry, Susan Sykes Berry, Ted White, Karen Wilkerson, Gerald Wyckoff.

Members Absent (excused): Barbara Bichelmeyer

Guest: Ali Korkmaz (new IR Director)

The meeting was called to order at 8:01 PM by UBC Secretary Dr. Mark Johnson, who chaired the meeting in the absence of Provost Bichelmeyer who had a unanticipated conflict and was not able to attend.

Agenda Items (see attachment)

Approval of Minutes of January meeting: Gerald Wyckoff moved approval of the Minutes of the December meeting submitted by Secretary Mark Johnson. Susan Sykes Berry seconded. The minutes were unanimously approved.

State Updates: Chancellor Leo Morton spoke regarding the situation with cuts made by the State to the budget. He indicated that at present we do not know how much more in the way of cuts may be forthcoming. In the past any cuts or increases were bundled in a lump sum or as in the past few years, cuts were targeted on a campus by campus basis. How this will play out in the upcoming year is unclear. He then posed the question: What do we do given the uncertainty of State funds? His response was that we have to manage what we can control, which means controlling expenses and finding new sources of revenue. 80% of expenses is in salary and 20% is "other". In the short term we will focus on the "other" side of this equation. He stated that at present we have no plans to make reductions in head count, but asked are there things we can stop doing that not essential to our mission. Chancellor Morton called for suggestions for controlling expenses. There is a suggestion box for ideas to be submitted. He put out an email requesting suggestions, but had only received one comment so far. Several suggestions were discussed ranging from the level of support for the athletic program, to pooling of resources to buy equipment and avoid duplication, to management of sabbatical leaves. Gerald Wyckoff asked about the Governor's statement that seems to translate to ~\$28 million reduction in the next 1-3 years for UMKC (~\$700 million in next 30 months to higher education). Uncertain at this point. This led into the presentation by Vice Chancellor Sharon Lindenbaum.

Planning for Response for State Withholding: Sharon Lindenbaum made a presentation on the UMKC response to the State cuts. There are a number of changes at the Federal and State government level that create uncertainty along with 5 of the 9 Curator's will be new and we have a new MU System President. Our challenges include 1) cuts at the state level, 2) bleak fiscal picture in the state, 3) competition and 4) affordability to name a few. Sharon then detailed the specifics of the cuts (see attachment). She indicated that we needed to come up with an UMKC solution. The Unit CFO's have been tasked with developing a sustainable long-term plan and guidelines are also being developed at the system level. Key UMKC Pillars include 1) leveraging scale and efficiency, 2) improving and better utilization of resource allocation, 3) revenue enhancement models and 4) academic portfolio review. VC Lindenbaum indicated that Provost

Bichelmeyer wants to hold a “hiring retreat” with units to look and plan for strategic hires. Also a tentative timeline for financial review is being developed.

In the Brainstorming session that followed the following questions were discussed:

- 1) What can we do to build engagement?
 - 2) How can we collaborate better?
 - 3) How can we best position ourselves for success?
- The question was asked if offering an early retirement package might be helpful? The Chancellor indicated that this is a yes/no problem and some discussion resulted about the past history of this approach.
 - What about possible changes in the retirement system? It was urged that we move slowly and deliberately for any number of reasons that might impact future growth.
 - Should the next capital campaign have an Endowment Option or focus? Chancellor Morton indicated that giving tends to be successful if targeted at moving the University forward, not so much “keeping the lights on” or to “build buildings”. We are considering renewable funds however such as endowments as appropriate.
 - What might or is Kansas City doing to help? Curt Crespino indicated that there is a lot of advocacy going on behind the scenes Chancellor Morton stated that the concept of matching funds should/is being pursued.
 - Dean White asked that in terms of collaborative efforts, what about equipment sharing and creating virtual cores? Mark Johnson indicated that strategic hiring across units has worked to varying degrees in the past and should be considered in future hires. Dean White suggested that joint hiring with MRI and industry partners should be considered.

Dean White commended VCR Lindenbaum for looking at the big picture and soliciting input. Dean Melchert seconded this acknowledgement.

Resource Allocation Model Data Team update: Mark Johnson gave a quick overview of the Data Template being developed for the academic portfolio review and indicated that the Data Team along with the rpk GROUP consulting firm had spent a lot of time developing this template and definitions for every term in template. He indicated that several surprises were encountered during the development and vetting of this template such as programs of study that occasionally differed between the Registrar’s Office and what the Deans thought. Also, definitions of different faculty categories/titles were also very convoluted between units, which necessitated some condensing of faculty categories. At present the population of data into the template is beginning.

The meeting was adjourned at 9:04 AM.

Respectfully submitted,



Mark L. Johnson, Ph.D.
Secretary
University Budget Committee