

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

5/11/2017, Gilham Park Room, Administrative Center

Members Present: Barbara Bichelmeyer, Kelli Cox, Curt Crespino, Diane Filion, Sheri Gormley, Carol Hintz, Mark L. Johnson, Sharon Lindenbaum, Roger Pick, Kevin Sansberry, Susan Sykes Berry, Ted White, Karen Wilkerson, Gerald Wyckoff.

Members Absent (excused): Ali Korkmaz, Russell Melchert, Leo Morton, Bonnie Postlethwaite,

The meeting was called to order at 1:04 PM by Provost Bichelmeyer.

### **Agenda Items** (see attachment)

Approval of Minutes of April meeting: No edits to the April Meeting minutes were brought forward. Susan Sykes Berry moved approval of the Minutes of the April meeting submitted by Secretary Mark Johnson. Roger Pick seconded. The minutes were unanimously approved.

State Updates: Curt Crespino summarized the current status of the Legislative Budget process (Executive Summary from a handout provided by Curt):

Legislators completed work on the state's FY18 budget with cuts to the UM System of 6.58%. The Governor can still make line item cuts. The budget included:

- \$3 million for a satellite dental school partnership between UMKC and Missouri Southern State University in Joplin; UM would receive \$1 million of the \$1.5 million needed.
- \$1 million for the ongoing Pharmacy program between UMKC and Missouri Southern State University
- \$400,000 for continuation of the UMKC Neighborhood Initiative

The Legislature also completed work on the capital bills to provide funding for:

- UMKC Downtown Arts Campus – added \$1 as a statement of intent for the issuance of bonds
- Re-appropriated all other ongoing UM System 50-50 and maintenance and repair capital projects, which includes the Free Enterprise Center funding that was originally cut by the Governor.

The HB 758 legislation that supports UM System and all other public 2- and 4-year institutions was ready to be voted on by the Senate. SB 355 will also be voted on before the Legislative session ends. This bill includes the Dental Teaching Permit Language.

### *Discussion and Questions:*

Sharon asked if the Governor has 45 days to act on these bills. Curt responded that this is correct.

Jerry asked if we have a sense of how the Governor is reacting to all of this, what are his operational expectations? Curt indicated that this is still a largely unknown, not fully understood issue. Sharon noted that Ryan Rappe has been working really hard on promoting our needs.

### Budget Planning

Provost Bichelmeyer began a discussion of the process planning documents and the confidential draft of the 3 documents. She gave a quick review of the 3 documents that have been extensively discussed at various meetings this past week or two. Key elements:

1) There is a fundamental transformation in higher education. We have to do we do, but do it differently

2) Need to define critical success factors. Need to be thinking more about outcomes based academic programing

Mark noted that the accredited programs have competencies that are clearly stated and measured against. A similar approach might be considered for other programs, especially at the undergraduate level.

3) The third document defined Operational Strategies and Budget Rules (still a work in progress). The over-arching principle is with Units that make money can they be empowered to make more money, and in Units that lose money can we figure out ways to lose the least amount possible?

### *Discussion and Questions:*

Sue asked a question about why some schools lose money and why this allowed? Can't we charge tuition that meets of the cost of operations?

Barb replied that there are lots of reasons why some schools lose money and unfortunately the State limits tuition increases to the CPI.

Ted noted that some schools have a large service component in their teaching of students

Sharon commented that it will be important to look at each School with the right lens and context.

Jerry stated that part of our mission is to provide and support programs for our constituents that in some cases cannot meet expenses and therefore need to be supported and as a result will cost dollars.

Barb discussed the consequences of not delivering a balanced or positive budget sheet at the end of the fiscal year that are part of the Operational Strategies document.

Roger noted that is a much kinder approach than many other Universities

Sue noted that the Provost should get a Gold Star for this if we achieve nothing else in these documents.

Barb next discussed the process sections to create efficiencies and economies of scale to reduce redundancies and work-arounds that need to be eliminated.

Sue commented that we need to make sure these processes that are run centrally actually work. Several others added similar comments about insuring that current services being provided at the Unit or Department level are not lost if they become centralized and that special needs are considered that may be unique to a given Unit.

Barb agreed and indicated that if/when it's not working then we need to acknowledge this and have the conversation about how to fix and make it work.

Roger asked about how we will deal with future hires when the budget is not known.

Barb stated that the Dean's will have a lot of input on strategic planning for future hires.

Sharon indicated that ultimately we need better numbers of students enrolling.

Ted noted that retirements can have a big impact on the personnel costs.

Barb stated that we need to plan better across Units for mutual hires.

Jerry stressed the point that 100% grant funded hires need to be excluded from some (most) of the restrictions.

Barb commented that preventing bad hires is something we really need to work on as it wastes valuable resources and leads to a whole host of other problems.

Jerry suggested that perhaps we need to think about cluster hiring and having cross Units committees for hiring.

Barb indicated that ultimately the UMKC Budget Plan will need to solve for 20-30 million dollars in reductions in revenue. Part of this solution will be to ramp up student recruitments.

Sue asked what's the "carrot" to positively incentivize Units to be fiscally responsible?

Ted commented that one "carrot" would be to move us off of the backroads and moving us on to a "super highway" for our students.

Mark indicated that along with Tony Luppino and Jerry Wyckoff, they have added a lot of language to involve the faculty in the budget process and provide checks and balances in the budget process and management.

#### Academic Portfolio Financial Data presentation

Barb reminded the UBC that on May 17<sup>th</sup> the rpk GROUP would present the initial phase of its' financial data findings and stressed the importance of attending the schedule meetings.

There being no further business the meeting was adjourned at 2:12 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mark L. Johnson, Ph.D.".

Mark L. Johnson, Ph.D.

Secretary

University Budget Committee