

**UNIVERSITY BUDGET COMMITTEE**  
**MINUTES OF FEBRUARY 25, 2016 MEETING**

**I. Time, Location and Attendance:**

- 10:00AM, Gillham Park Room at Administrative Center
- UBC regular members present: Provost Barbara Bichelmeyer, Curt Crespino, Mark Johnson, Tony Luppino, Russ Melchert, Kevin Sansberry, Susan Sykes Berry, Mel Tyler, Wayne Vaught, Theodore White, Peter Witte, and (for Peggy Ward-Smith) Gerald Wyckoff. Absent: Peggy Ward-Smith.
- UBC *ex-officio* members present: Larry Bunce, Sharon Lindenbaum, and Karen Wilkerson.
- Others present: Chancellor Leo Morton, and John Morrissey.

**II. Administrative Matters**

- The minutes of the December 3, 2015 Committee meeting, in the form last circulated before the meeting, were approved.

**III. State and UM System Developments Affecting Budgeting**

- Chancellor Morton noted that, as UM System Middleton reported in a recent email, there has been some discussion of the possibility that the State might cut the appropriation to UM System Central Administration. He expressed concern about this because of many efficiencies for the UM System campuses derived from having System Central Administration. Tony Luppino requested that System Central Administration be asked to provide data/analysis supporting the proposition stated in a document recently handed out to the UMKC Faculty Senate by UM System Vice President for Finance and Chief Financial Officer Brian Burnett that: “It is conservatively estimate that without the UM System, cost to the four campuses and the Health System to replicate these services would more than double.” Chancellor Morton and Vice Chancellor Lindenbaum said they would forward that request to the System. It was also noted that legislators were asking questions about faculty workloads.

#### **IV. Update on Strategic Funding Requests Initiative**

- Provost Bichelmeyer updated the Committee on the status of the Strategic Funding Requests Initiative. She explained that the Review Committee had completed their review and ranked the proposals and recommended that the Provost analyze the extent to which the dollar amounts requested by the top-ranked projects might be funded in whole or part, considering Review Committee input and potentially available resources apart from the \$1 million pool set aside for the Initiative. She also thanked the Review Committee and the staff who supported it for the quality and quantity of work they did in a time-compressed process.
- Several UBC members who serve on the Review Committee complimented the Provost for her leadership in designing and conducting the thoughtful and efficient process involved. They also noted the collateral benefits of raising the awareness level across UMKC of the many innovative projects going on and providing opportunities to connect strategic projects with common or complementary themes/components. It was also reported that the Review Committee had made some suggestions on providing tips to submitters next year on “do’s and don’ts” in fashioning their submissions. Provost Bichelmeyer noted that UBC member Susan Sykes Berry served as an *ex officio* member of the Review Committee specifically designated to observe the review process and prepare a report thereon, and thanked her for her service in that role.

#### **V. Update on the Administrative and Support Functions/Costs Task Force**

- UBC Secretary Luppino, who also serves as the Chair of the Faculty Senate Budget Committee, reported on the status of the four Administrative and Support Functions/Costs Task Forces created from proposals joined in by the Faculty Senate Budget Committee and the Faculty Senate’s Committee on Institutional Effectiveness. He reminded the Committee that the four Task Forces currently operating are on Advancement; Intercollegiate Athletics; Office of Research Services; and Student Affairs and Enrollment Management. He reported that all four are charged with not just analyzing budgets and resource allocations, but also assessing the quality of the services provided by the subject unit, and were working on Brief Evaluation Outlines per process guidelines provided by Provost Bichelmeyer, which will identify agenda questions, data requests, and Task Force objectives and timetable. He also noted that with input from the Provost the Faculty Senate is arranging a rotation system so that all major support functions will have Task Forces assigned to study them, a few each year (similar to review of deans). Luppino also noted that Faculty Athletics Representation Ken Ferguson had recently been added to the Intercollegiate Athletics Task Force.

## **VI. FY 2017 Budgeting Process**

- Vice Chancellor Lindenbaum and Karen Wilkerson reported on budgeting guidelines based on the circumstance that the current working assumption is that UMKC's FY 2017 State Appropriation will be flat (same as FY 2016), though the actual decision on that may not be known until June. Also, the tuition rates for FY 2017 have not yet been approved (that decision is unusually late this year). The inflation rate is only 0.7%, so no significant tuition rates increase is currently contemplated in budgeting assumptions. Unit leaders (of all academic and other units) have been instructed to prepare and submit their FY 2017 budgets on alternate assumptions of flat, 2% increase, and 2% decrease in their General Revenue Allocation.

## **VII. Off-the-top of State Appropriation Discretionary Allocations**

- UBC Secretary Tony Luppino provided background on the "off-the-top" of State Appropriation special allocations under the Budget Model. He explained that some are legislatively designated and others are made in the Chancellor's discretion and noted examples of the latter. Vice Chancellor Lindenbaum and Karen Wilkerson reported that currently no new discretionary off-the-top special allocations have been proposed. Luppino expressed his hope that this off-the-top mechanism not be used again for mandated salary increases, as that both departs from Budget Model principles and causes unit-level problems when the off-the-top allocation is made for a year or two and then stopped (which has happened in the past).

## **VIII. Preliminary Discussion of Upcoming UBC Agenda Items**

- Three upcoming agenda item listed on the agenda for this meeting were briefly and preliminarily discussed at the end of the meeting, as follows:
  - On the Reserves Policies questions that had been sent to the UBC by the Faculty Senate Budget Committee (FSBC):
    - Addressing questions 1, 2, and 4 on FSBC list Vice Chancellor Lindenbaum explained that (i) G.A.S.B. guidelines call for the University to have Operating Fund reserves equal to 90-120 days of Operating Expenses, (ii) both unit-level and Central reserves are counted/combined in determining progress toward the target levels; and (iii) UMKC is currently at about 65 days of Operating Expenses in its operating reserves (and the estimated increase at the end of FY 2016 is now projected to be less than previously projected).

- In response to FSBC question 7 Vice Chancellor Lindenbaum and Karen Wilkerson circulated a schedule listing re-allocations of portions of some fund balances made during or after the end of 2015, under three headings: FY2015 Operating Fund year-end adjustments; Recurring Annual support provided in FY2015; and Other transfers. Some Committee members suggested that the figures on recipients of support listed in the latter two categories be supplemented to also show the source of the transfer, as had been done in the first category, and it was agreed that the schedule would be so revised.
- FSBC questions 3, 5, and 6 were not discussed in detail at the meeting, so are subjects for further discussion at a subsequent meeting.
- On recent trends in ending Operating and Auxiliary Fund Balances, as well and special considerations in budgeting related to the School of Biological Sciences, the Committee began looking at a schedule showing unit-by-unit ending balances for the last four completed fiscal years, but made only a few initial observations; so these are matters for further study and Committee discussion at a future meeting.