

UNIVERSITY BUDGET COMMITTEE
MINUTES OF FEBRUARY 26, 2015 MEETING

I. Time, Location and Attendance:

- 9:00AM, Gillham Park Room at Administrative Center
- UBC regular members present: Wayne Vaught (Interim Chair), Curt Crespino, Dave Donnelly, Lyla Lindholm, Tony Luppino, Russ Melchert, Marsha Pyle, Kevin Sansberry, and Susan Sykes-Berry. Absent: Mel Tyler and Peggy Ward-Smith.
- UBC ex-officio members present: Larry Bunce, Sharon Lindenbaum, Karen Wilkerson.
- Others present: Chancellor Leo Morton, Cindy Pemberton, and Buddy Pennington (for Peggy Ward-Smith).

II. Preliminary Administrative Matters

- The minutes of the February 19, 2015 Committee meeting, in the form last circulated before the meeting, were approved with one correction in the attendance report section.
- UBC Secretary Tony Luppino reminded the Committee of the agreed process to, now that the compilations of faculty and staff feedback on the Budget Model Review Subcommittee's Report & Recommendations had been circulated to the Committee, proceed to deliberations on the revised punch list of issues raised by the Subcommittee that Vice Chancellor Lindenbaum had circulated, in the order in which such issues appear in that punch list.

III. Update on State and System Developments

- Chancellor Morton reported on the status of legislative discussions regarding the State of Missouri budget and the State Appropriation to the UM System for FY 2016. While there is no certainty on the level of FY 2016 State Appropriation at this juncture there is momentum to make decisions earlier than has been done in advance of the last several fiscal years.
- If there is an increase in the State Appropriation it appears such increase would be held back by the System to fund strategic initiatives under the same type of 50-50 match program as was administered over the last few years.

- Interim Provost Pemberton briefly described the ongoing UM System-wide discussions about the ERP Student pillar, explaining that it could have significant implications.

IV. Presentation by Dean Postlethwaite Re: Libraries Collections Budget

- UMKC Dean of Libraries Bonnie Postlethwaite circulated a written “Library Collections Budget Proposal” and discussed it with the Committee. She explained relevant trends and inflationary costs, and answered questions regarding cost-cutting measures and collaborations with the other UM System campuses. Her proposal requests an inflationary increase of 6% (which would be an increase of approximately \$120,000) in the Libraries share of the General Overhead Assessment attributable to the Collections Budget. The Committee agreed to deliberate on this request at an upcoming meeting focused on the General Overhead Assessment.

V. Committee Deliberations on Net Tuition Issues

- The Committee then turned its attention to deliberations on Issue #s 1 through 7 (relating to net tuition attribution) in the above-described punch list. In the course of its discussions the Committee made the following recommendations or suggestions:
 - Recommended that the core principle of the Budget Model that each principal academic unit should be allocated the net tuition it generates should be retained to incentivize growth in enrollment and retention.
 - Recommended that the “default rule” on sharing tuition from cross-unit undergraduate instruction (80% at the general undergraduate tuition rate goes to the instructional unit) be retained.
 - After much discussion and lack of consensus, suggested that a study be done of the costs and benefits of the options of having negotiated deals among deans (with Provost Approval) overriding the default rule, as permitted under Appendix 2 of the Budget Model, implemented by (1), outside of Budget Model cash transfers among the affected units, or (2) automatic adjustments within the Budget Model (which it was noted might require changes in current systems and complex work with the Registrar’s Office.
 - Similarly, without reaching a firm recommendation, suggested that the Provost’s office follow through on the study of whether special tuition sharing rules ought to be put in place for the General Education Program, and report the Provost’s recommendations in that regard to the UBC, as contemplated by the Subcommittee’s Report & Recommendations.

- After much discussion, recommended that the Chancellor arrange for a study of the debate about whether Medical School undergrads taught by SBS and A & S place special demands and costs on the instructing units and whether the payment to the instructing units at only the general undergraduate rate, as opposed to either using 80% of the rate charged to S.O.M. undergrads, or a rate somewhere in between those two rates.
- Recommended that the Subcommittee's recommendation of using the most recent semester's SCH in the annual calculation of tuition under the Budget Model be adopted. During this discussion the Committee also recommended that absent extraordinary circumstances use not be made of the following sentence from the existing Budget Model: "However, adjustments may be made to these figures consistent with a specific new program or enrollment growth plan presented by a Dean, to the extent projected increases are based on reasonable assumptions."
- Recommended that the net tuition "true up" be implemented for FY 14 in keeping with the decision previously recommended by the Committee and adopted by the Chancellor at the Committee's April 2, 2013 meeting, which, per the approved minutes of that meeting, was as follows: "The complete 'true up' of net tuition, as contemplated by the Budget Model text will be implemented for FY 2014 (with resulting positive or negative fund balance adjustments made in the first quarter of FY 2015); provided, that it was understood that if the effects of implementing this true up fall harshly on particular units in the short term the Chancellor can of course use strategic adjustments along the lines he has been implementing to avoid precipitous adverse financial effects to such units."
- Suggested that the net tuition true up be computed for FY 12 and 13 and that the Chancellor consider implementing corresponding adjustments to fund balances, and that the net tuition true up be done for 2015 and future years, in each case with the same proviso as is quoted above with respect to FY 14.
- Chancellor Morton appeared to be in general agreement with all of those recommendations and suggestions, except that he intends to direct that the computation of the net tuition true up for FY 12 and FY 13 be deferred until after he make decisions on modifications to the Budget Model, and considers whether to make any GRA adjustments for FY 15 (in addition to adjustments from the FY 14 net tuition true up), and after budgeting is completed for FY 16.