

UNIVERSITY BUDGET COMMITTEE
MINUTES OF SEPTEMBER 24, 2015 MEETING

I. Time, Location and Attendance:

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

II. Administrative and Process Matters

- The minutes of the August 27, 2015 Committee meeting, in the form last circulated before the meeting, were approved subject to modifying the attendance report to list Provost Bichelmeyer as having attended the August 27 meeting as a Committee member.
- The Chancellor reported that he has received suggestions, but not yet made a decision of filling the “at large” position on the Committee (replacing Dean Dave Donnelly, whose term expired). He indicated that he plans to make that decisions soon.
- The Chancellor, Provost Bichelmeyer, and Dean Wayne Vaught reported their agreement that as a transition matter Dean Vaught will continue as Interim Chair of the Committee until Provost Bichelmeyer assumes the Chair position. The UBC website (maintained as part of the Provost’s website) will be modified to reflect that transition circumstance.
- The Chancellor reported that the Provost had suggested that the agenda for each future Committee meeting quote at the outset the UBC’s purpose statement. There was consensus to follow that procedure.
- During discussion of the Chancellor’s description of the importance of transparency and the recommendations of the UBC, as an advisory committee to him, being well-informed and data-driven, UBC Secretary Tony Luppino noted that such approach has been pursued since the inception of the UBC and is reflected in the statement of Goals at the outset of the

Budget Model.¹ Luppino further noted that he regularly reports to faculty that the Central Administration produces requested data well, though sometimes, given workload constraints and other pressing matters, not as rapidly as might be ideal. He requested that stepped-up efforts be made to provide pertinent data/materials to the Committee members at a reasonable time in advance of each meeting so that they will have the opportunity to study them in preparation for the meeting. There was consensus that such efforts should be undertaken.

III. UBC Mission/Purpose

- The Chancellor reviewed the mission statement/purpose of the UBC with the committee, after handing out the profile of the UBC document attached hereto as Appendix A.
- UBC Secretary Luppino noted that the view has been that the UBC fulfills a specific requirement in the UM System Collected Rules & Regulations,² which calls for Resource Committees with significant faculty involvement, is not limited to providing input on just General Revenues Allocations—but rather is to consider the entire fiscal planning and resources allocations landscape—and is to have access to “all relevant data” in such committee work.

IV. UBC Process Timetable

- The Chancellor then walked through a UBC Preliminary Timetable - 2015/2016 that was in accord with the one discussed at the July 30 UBC meeting and attached to the minutes thereof as an appendix, but with an added preamble. The updated version circulated at the September 24 meeting is attached hereto as Appendix B.
- Ensuing discussion among the Chancellor and Committee members produced the following information, observations and suggestions:
 - As reflected in minutes of recent UBC meetings, it is critical that clear statements of process, timetable and decision-making criteria be circulated to all relevant stakeholders with regard to the submission of proposals/requests for strategic funding for FY 2017 from each of: (i) UM System strategic fund pools; Chancellor discretionary special allocations from off the top of UMKC’s State Appropriation; and, if and when available, strategic investments from the new approach to central reserves in the plan announced this summer (with the Chancellor noting that the latter are not currently in play).

¹ See Budget Model text Section I.A. at <http://www.umkc.edu/provost/committees/university-budget/FY%202009%20docs/committee-recommendations-2009.pdf> .

² See CR&R 140.020B at http://www.umsystem.edu/ums/rules/collected_rules/financial/ch140/140.020_financial_planning .

- The items in Appendix B regarding “Establishment of GRA by Chancellor – April/May/June 2016” and “Final amount of state appropriation – May/June 2016” should be supplemented with language indicating what resource allocations process will be followed if the ultimate dollar amount of the State Appropriation is higher or lower than the amount assumed when the Chancellor initially sets the GRA, and the extent to which the Chancellor will seek the advice of the Committee on how to deal with the difference between the initially assumed and ultimately set State Appropriation.

V. Chancellor’s Reports on State, UM System and UMKC Budget-Related Matters

- Chancellor Morton and Vice Chancellor Lindenbaum noted the Governor’s proposal to have Missouri higher education refrain from raising undergraduate tuition rates for Missouri residents, and to increase the State Appropriation by 6%--consisting of 1% for STEM initiatives and 5% “core” appropriation.
- There was then extended discussion of the relationships among (i) System holdback of all or part of the core appropriation increase for strategic investments; (ii) the effects on resources available for the academic mission generally of required campus “matching” of such strategic investments; (iii) ability to increase salaries to take into account market conditions, hiring needs, and compensation equity; and (iv) performance metrics that relate to increases in State funding. It was acknowledged that such interrelationships involve complex policy considerations and would be subjects of continuing study and discussions.

VI. Update on FY 2015 Preliminary Results

- Vice Chancellor Lindenbaum and Karen Wilkerson circulated preliminary schedules showing unit-by-unit ending fund balances for FY 2015 and the three preceding fiscal years. It was noted that the FY 2015 fund balances reflect some adjustments the Chancellor made (as he had previously said he might). Vice Chancellor Lindenbaum said that a breakdown of those adjustments can be provided to the Committee. Also, as the audit of FY 2015 is not yet completed the Committee was told this data was not yet ready for distribution, and the Committee members will in due course be given the final schedules which can then be circulated.
- Committee members asked a few questions about some particular items on the preliminary schedules handed out at the meeting. This included a question about the FY 2015 ending fund balance for Continuing Education; on that Vice Chancellor Lindenbaum and UBC Secretary Luppino noted that per prior Committee discussion (and Budget Model Review Subcommittee recommendation) there is an ongoing study of whether CE and certain other

instructional revenues should be run through the Budget Model or continue to be allocated outside of the Budget Model's tuition attribution mechanics.

- There was then some substantial discussion of the need to appropriately balance unit-level considerations regarding a unit's fund balance and UMKC-wide financial needs and strategic planning. UBC Secretary Luppino indicated that he would be proposing to Interim Chair Vaught that reserves policies be an agenda item for a future Committee meeting—Luppino suggested that the Committee members review the reserves policies set forth in the Budget Model³ and noted that he has been asked by the Faculty Senate Budget Committee (which he Chairs) to send the Chancellor a list of questions relating to reserves policies that he will make available.

VII. Administrative and Support Functions/Costs Task Force

- UBC Secretary Luppino circulated a working draft of the proposed membership of four task forces to study the functions, budgets, and level of stakeholder satisfaction with the services of the following four significant administrative/support units: Advancement/Development; Intercollegiate Athletics; Office of Research Services; and Student Affairs & Enrollment Management. He explained that these are an outgrowth of a spring meeting among the Chancellor, Vice Chancellor Lindenbaum and representatives of faculty groups (including two Faculty Senate committees and an *ad hoc* group of faculty), in which there was consensus that working groups including faculty, leaders of the units being studied, and Central Administration officers, would well serve goals of transparency, clear understanding of the operations involved, and collaborative, forwarding-looking planning to promote excellence and efficiencies.
- Suggestions were made as to filling in the names of Central Administration personnel in the placeholders for those names in the working draft, as well as adding some more faculty members to the lists of those in the working draft. That process will continue expeditiously so that the task forces can be formed and commence their work. Chancellor Morton indicated that because of other current projects/reporting matters regarding Advancement and Development that task force should be deferred for the time being, and that Intercollegiate Athletics could be commenced right away. Faculty Senate Secretary Jerry Wyckoff noted that he will recommend to the Faculty Senate that the faculty on the task forces be asked to make regular progress reports to the Senate to help ensure that this important work proceeds with diligence.

³ See "Current Fund Balances Policy" on page 8 of the Budget Model text at <http://www.umkc.edu/provost/committees/university-budget/FY%202009%20docs/committee-recommendations-2009.pdf>.

Appendix A

[UBC COMMITTEE PROFILE TO BE INSERTED]

APPENDIX B

[REVISED UBC TIMETABLE TO BE INSERTED]