UNIVERSITY BUDGET COMMITTEE

MINUTES OF MARCH 13, 2008 MEETING

I. Time, Location and Attendance:

- 10:00AM, Provost’s Conference Room at Administrative Center
- UBC members present: Curt Crespino, Betty Drees, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Tony Luppino, Paris Saunders, Lanny Solomon and Karen Vorst
- Others present: Chancellor Guy Bailey, Rick Anderson, Valerie Bennett, John Morrissey and Karen Wilkerson

II. Preliminary Administrative Matters:

- The minutes of the March 10, 2008 meeting of the Committee, in the final form circulated on March 12, 2008, were approved.

III. FY09 Budgeting and New Budget Model Transition Plan:

- **High-Level Assumptions for FY09 Projections.** The Committee explained to Chancellor Bailey the key high level assumptions it was making in having projections run for FY09 resource allocation recommendations. These included a 3% increase in tuition rate, flat enrollment, a 4.2% increase in the State Appropriation, and the establishment of a 3% pool related to salary increases to be apportioned among all academic, administrative and support units. The Chancellor indicated that he felt these assumptions were appropriately conservative, but noted that the latest legislative developments suggested the State Appropriation might be slightly less than 4.2%. It was ultimately decided to use an assumption of 4% increase in State Appropriation in a revised projection. Dean Vorst also raised a concern about tracking through the handling of the Rep in the A & S budget and it was agreed that she should get with Karen Wilkerson and John Morrissey to make sure that is being properly accounted for in the model projections.

- **Approach to FY09 GRA Allocations.** The Committee discussed with the Chancellor two alternative approaches to making FY09 General Revenue Allocations: (1) setting a formula-based minimum GRA for each unit (to be announced to unit leaders as soon as possible) and establishing a “Transition Pool” out of which the Chancellor and Provost, with advice from the Committee, could make (over the next 30 days or so) individualized increases for units based on their specific needs, plans and other available resources, and (2) a more fully mechanical assignment of GRA that would allocate out all of the projected General Revenue based on formulae. The
Chancellor expressed his preference for the latter method, as he felt that it is best to be consistent with the mechanical and predictable nature of the new budget model itself, which has some discretionary special allocations off the top of the State Appropriation for a few units, but otherwise for the most part relies on formula funding. He indicated that he was having Karen Wilkerson prepare illustrations of a mechanical approach to FY09 GRA apportionment on a few different assumptions that would be circulated to the Committee by e-mail. The Committee agreed to review those illustrations and to then meet on Thursday, March 20 to make a final FY09 GRA apportionment recommendation. During this discussion, the Committee and the Chancellor also addressed the issue of what to do if General Revenues in excess of the projection materialize. There was consensus among the Committee and the Chancellor that any such excess general revenues should be allocated to only the 5 academic units with “positive variances” under the new budget model “full implementation” projection, in the ratio of those positive variances (which ratio will appear in Karen Wilkerson’s forthcoming illustrations). This was viewed as appropriate since the salary mandates pressure and other circumstances were, under the current projections, severely limiting the percentage of implementation of those positive variances in FY09, and since any such excess attributable to enrollment and/or tuition rate increases with respect to the other 6 academic units (who are not being asked to absorb any significant negative variances in the FY09 commencement of the phase-in of the new budget model) would, as the Chancellor pointed out, inure to their benefit in future years as the model is phased in.

- **Development of Comprehensive Transition Plan.** The Chancellor reiterated his commitment to have the new budget model fully implemented by FY12 at the latest. He emphasized the importance of working out new revenue generation plans with each academic unit and using revenue growth as a major element of a successful transition plan. After the Chancellor left the meeting, the Committee reached the following conclusions regarding the development of a comprehensive transition plan:

  - It should be completed by the end of this Summer, through a collaboration of the Committee, the Chancellor, the Provost, unit leaders and consultant Bruce Bublitz.

  - The Transition Questionnaire drafted by Lanny Solomon (which was praised by several members of the Committee and, as reported by Tony Luppino, by several members of the Faculty Senate Budget Committee as well) will not be required of all deans, but will be recommended to them as a useful tool in their planning. The Committee similarly endorsed presenting such a questionnaire to the administrative/support units as a suggested planning tool.
The unit-by-unit summary report of all current funds resources (not just GRA) should be used in the development of the comprehensive transition plan.

IV. Status of Support Costs Review Committee Work:

- Paris Saunders reported that the work of the Support Costs Review Committee is proceeding. During this status report he indicated that the SCRC has assembled some information on UMKC “charge-backs” which would be shared with the Committee shortly. He also indicated that the SCRC is working on a list to be presented to the Faculty Senate Budget Committee to take it up on its offer to provide research support to the SCRC.

V. Administrative and Procedural Matters Going Forward

- The next meeting of the Committee will be at 10:00AM on Thursday, March 20.

- At the March 20 meeting the Committee will address: (1) the finalization of its recommendation to the Provost and Chancellor as to the assignment of FY09 GRA to be announced to the unit leaders as soon as possible and (2) establishing a meetings schedule consistent with the above-described recommendations on the development of a comprehensive plan for transitioning to full implementation of the new budget model.