UNIVERSITY BUDGET COMMITTEE

MINUTES OF AUGUST 5, 2008 MEETING

I. Time, Location and Attendance:

- 8:00AM, Provost’s Conference Room at Administrative Center
- UBC members present: Gail Hackett (Chair), Betty Drees, Lawrence Dreyfus, Laura Gayle Green, Tony Luppino, and Karen Vorst. Absent: Curt Crespino, Gary Ebersole, Paris Saunders and Lanny Solomon
- Others present: Karen Wilkerson

II. Preliminary Administrative Matters:

- The minutes of the June 9, 2008 meeting of the Committee, in the final form circulated on June 12, 2008 (and again on August 4, 2008), were approved.

III. Provost’s Report on Certain Pending Matters and Related Committee Discussion:

Salary Increases Initiatives

- Provost Hackett explained that the only recent development of substance to report on the FY09 salary increase initiatives is that, having received no timely justification to do otherwise, the $75,000 pool previously held back has been allocated out to the 5 “positive variance” schools in accordance with the previously determined ratio among them.

Unit Strategic Planning

- Provost Hackett reported that the Deans are working on academic unit strategic plans and more information will be available in that regard after the upcoming Deans retreat. She also reported that a UMKC-wide Strategic Planning Committee is being assembled and that she will be discussing with the Faculty Senate and other bodies procedures to make sure it has an appropriate cross-section of representation of various constituencies.
- The Committee expressed support for the development of useful strategic plans and the coordination of resource allocation policies with such plans.
Handling of The Repertory Theater Subsidy

- The Provost reported that in view of recent changes in the governance structure for The Repertory Theater, the Chancellor had reversed his prior decision to have the College of Arts & Sciences absorb 50% of the approximately $1 million annual subsidy for The Rep.

- Acknowledging that the previous decision had, with UBC input, been predicated on assumptions about the governance structure for The Rep that have now been changed, the Committee decided to recommend that: (1) for FY09, the 50% of the subsidy that would have been funded by A & S now be funded by the Provost’s Office (with the other 50% still funded through assessments on the academic units under Appendix 5 of the new budget model); (2) continuing efforts be made to obtain new sources of financial support and greater financial self-sufficiency for The Rep, so as to reduce the size of the subsidy currently paid out of General Revenues; and (3) starting for FY10, the budget model be modified to have 100% of the subsidy for the Rep be paid through assessments on the academic units per the formula already being applied to 50% under Appendix 5.

IV. Dental School Costs of Instruction/Possible Weighting Factors Modification

- Provost Hackett, Tony Luppino and Karen Wilkerson reported that they had met with School of Dentistry Dean Reed and Prof. Chris Rice (a member of the Faculty Senate Budget Committee for several years) to discuss costs of dental instruction data that may have a bearing on possible modifications to the Appendix 4 “weighting factors” to be used to apportion the bulk of the State Appropriation among the UMKC Schools/College from FY10 forward. At the meeting the Dental School was encouraged (as it had been in the past) to present to the UBC through the Finance Office meaningful national data on the costs of dental education in the U.S. Accordingly, it was suggested to Dean Reed and Prof. Rice that they and others at S.O.D. focus on working with Karen Wilkerson to analyze the available and potentially quite helpful American Dental Association reports on costs of dental education.

- Karen Wilkerson reported to the Committee that those discussions have commenced and are ongoing. The Committee encouraged that dialogue and agreed that a presentation of the implications of the ADA data should be made at a future Committee meeting, in the context of both (1) relationships of costs of instruction at the UMKC School of Dentistry to the costs at other U.S. dental schools; and (2) the reality that many UMKC academic units may be currently funded at levels lower than comparable schools in the U.S., so that in considering possible modifications to the weighting factors in UMKC’s present financial circumstances, the goal may need to be to equitably narrow the size of such gaps across many UMKC academic units.
and avoid unusually large gaps for the Dental School or any other academic unit.

V. Plan for Completion of Budget Model Phase-In by FY12

- Karen Wilkerson circulated at the meeting schedules on each of the Schools/College regarding their GRA, other revenue sources and fund balances for FY09. She reported that she is working on projections illustrating for Committee discussion a possible plan for completion of phase-in of the new budget model by FY12 on relatively conservative projections suggested by the small working group for discussion purposes.

- The Provost and the Committee discussed the need to, as previously promised to all pertinent constituencies, (1) look to promote efficiencies and fairness in support costs borne by academic units (as discussed further below) and (2) constantly monitor the model (during and after the transition phase) to make sure it is operating well and without undue adverse effects on any unit, and is taking into account developments in UMKC strategic planning. The latter might include, for example, consideration of how to best use discretionary funding mechanisms already built into the model to support research initiatives and diligence in identifying areas that might merit special “off-the-top” support (particularly areas involving significant “unfunded mandates” that might be uniquely assigned to specific units).

- In view of the upcoming Deans retreat at which the coordination of budgeting with strategic planning will be a major theme, the Committee reviewed the major themes/goals in the new model, which might facilitate the fullest possible understanding of its intended operation. These included:

  - transparency and fairness in how tuition is attributed and applied;
  - a more predictable and more clearly policy-driven approach to apportioning the State Appropriation across the academic units;
  - review of support costs to make sure the budgets of administrative/support units are in appropriate amounts and that associated costs to be borne by academic units are allocated among the Schools/College based on reasonable measures of relationships to particular support functions; and
  - the inclusion of mechanisms for appropriate and transparent policy-based discretionary resource allocations designed to avoid having “formula funding” aspects of some components of the model and the assignment of a substantial amount of budgetary responsibility to unit leaders undermine the goal of cohesiveness and a team approach
to reasonable sharing of our available financial resources across all UMKC units.

- To further facilitate widespread understanding of the objectives and intended operation of the new budget model, the Provost is arranging for UBC members who can attend to participate in a presentation/information session for UMKC chairs in late August or early September.

VI. Matters Pertaining to Support Costs

- The Committee discussed the issue of establishing clear and reasonable policies for renovations to physical facilities and the broader context of the overall mission of the Support Costs Review Committee (“SCRC”).

- As for physical space planning and funding recommendations, the Committee recommended a more regular and meaningful meetings and deliberation schedule for the Facilities Planning Committee, and interaction of that committee with the UBC (facilitated by the Facilities Planning Committee publishing minutes of its meetings). The Provost indicated that she will be discussing this re-invigoration of the Facilities Planning Committee with the Faculty Senate.

- As for the broader issue of review of administrative support costs, the Committee decided to ask its small working group to meet with the Provost and the Chair of the SCRC (Paris Saunders) as soon as possible to: (1) get a report on the work done to date by the SCRC and its current plans for the upcoming academic year; (2) discuss the previously-requested cataloguing of all “charge-backs” imposed on academic units by administrative/support units; (3) develop a plan for coordination of research on support costs at comparable institutions, taking advantage the service of personnel in the UMKC Office of Institutional Research and the members of the Faculty Senate Budget Committee, along with members of the SCRC; and (4) establish a timetable for completion of various information gathering and presentation tasks being asked of the SCRC by the Committee.

VII. Administrative Matters Going Forward

- The Committee decided to schedule monthly meetings for the upcoming academic year at 1:00PM-3:00PM on the first Thursday of each month (starting with September).