UNIVERSITY BUDGET COMMITTEE
MINUTES OF DECEMBER 9, 2008 MEETING

I. Time, Location and Attendance:
   - 10:30AM, Provost’s Conference Room at Administrative Center
   - UBC members present: Gail Hackett (Chair) Betty Drees (by telephone), Curt Crespino, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Tony Luppino. Paris Saunders, Lanny Solomon and Karen Vorst.
   - Others present: Chancellor Leo Morton, Margaret Brommelsiek, Karen Wilkerson and John Morrissey

II. Chancellor’s Updated Report on Department of Higher Education Request

   - Chancellor Morton described developments that occurred subsequent to December 4 Committee meeting regarding the core cuts impact statement request being made of many branches of Missouri State government, and specifically the request made by the Missouri Department of Higher Education to which the UM-System is subject.

   - The Chancellor explained that based on calls/meetings in the afternoon of December 4 and the morning of December 5 a decision had been made to include in the information gathering process for the System’s response to the MDHE request a unit-by-unit hypothetical cuts exercise based on the 15%, 20% and 25% reduction in State Appropriation scenarios. He reported that he held a meeting with the Deans Council on Friday afternoon, December 5 and over the weekend developed a reporting form for the unit level exercise.

   - The Committee discussed with the Chancellor concerns regarding basing unit-level target amounts used in the exercise on a “pro rata” approach to how a hypothetical State money cut might be apportioned among the UMKC units. Committee members noted the Committee’s long-standing view that if a substantial reduction in the State funding actually occurs, associated allocation of such cut across the units should not be automatically pro rata, but should instead be based on rigorous examination of core mission priorities and impacts. The Chancellor agreed that actual apportionment of a State money reduction across UMKC units would have to be based on such a mission-oriented analysis, and explained that the current exercise was using a hypothetical pro rata approach in the interest of time, and merely to facilitate gathering some preliminary information to allow for a more informed high level aggregate report, and not any ultimate decision on unit level cuts. Committee members expressed appreciation for the time pressure involved and acknowledged the lack of time to do other than the pro rata
hypothetical exercise for such information gathering purpose in the short term, and reiterated its agreement that ultimately a targeted, mission-oriented apportionment among the UMKC units of the impact of any actual State money reduction would be in order.

- During these discussions, the Committee reviewed with the Chancellor the relative percentage of UMKC's overall Operating Revenues and the General Revenues subset thereof represented by the State Appropriation after adjusting for the Medical Residents Contract pass-through arrangement and the unfunded scholarships/waivers—i.e., the State money is a greater percentage of such revenues on an actually expendable unrestricted cash basis than would appear to be the case without those adjustments.

- Also in the course of these discussions Chancellor Morton informed the Committee that it appeared UM System President Forsee would soon be circulating to the UM campuses a letter candidly describing the current economic climate and the System's financial challenges. The Chancellor stressed the need to conduct as previously scheduled the December 10 meeting with the Deans Council, the Faculty Senate Budget Committee, Vice Chancellors/Direct Reports and Staff Council representatives in order to update various UMKC constituencies on recent developments, and provide background for President Forsee's letter, and the Committee concurred.

- At the end of these discussions Provost Hackett reminded the Committee of the importance of increased student enrollment and retention in working through these financial challenges. Faculty Senate Chair and Committee Member Gary Ebersole noted the opportunity for UMKC to better publicize its ability to deliver a high quality education at affordable cost and recommended stepping up our recruitment efforts, and various Committee members concurred in these observations.

III. Administrative Matters Going Forward

- The UBC members will participate in the December 10 meeting with the Chancellor, the Deans Council, the Faculty Senate Budget Committee, Vice Chancellors/Direct Reports and Staff Council representatives to provided updated information and discuss the current budget challenges.

- The UBC will meet with Chancellor Morton on Thursday, December 11 to discuss the unit reports from the hypothetical cuts exercise and provide advice to the Chancellor regarding UMKC input on the report to the MDHE due on or about December 18.

- Thereafter a schedule will be established for UBC meetings to occur approximately every two weeks for the next several months.