UNIVERSITY BUDGET COMMITTEE

MINUTES OF NOVEMBER 5, 2009 MEETING

I. Time, Location and Attendance:

- 10:00 AM, Provost’s Conference Room in Administrative Center
- UBC members present: Gail Hackett (Chair) (by speaker phone), Curt Crespino, Betty Drees, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Tony Luppino, Lanny Solomon, Mel Tyler, and Karen Vorst.
- Others present: Rick Anderson, Margaret Brommelsiek, Larry Bunce, John Morrissey, and Karen Wilkerson.

II. Preliminary Matters

- The UBC conditionally approved the minutes of its October 16, 2009 meeting in the form last circulated by UBC Secretary Tony Luppino, with the understanding that a correction would be made to the attendance section, that a statement would be added about the October 16 recommendation that the “Institutional Offset” be delivered to the University Reserves and Incentives Fund as contemplated by the budget model, and that two minor wording changes be made.

III. Update from Chancellor Morton

- Chancellor Morton updated the Committee on State of Missouri and UM System developments, with particular emphasis on the State’s revenue situation and ongoing discussions and considerations regarding the relationship between potential FY2011 reduction in the State Appropriation and the setting of tuition rates.
- Chancellor Morton also described a significant potential new project that could yield multiple benefits to UMKC. The Committee agreed that it makes sense to budget for associated costs in the General Overhead Assessment, as reflected in Section IV below.

IV. Four-Year Projections and Relationship to Salary Increases Initiative

- Tony Luppino summarized the key assumptions and Karen Wilkerson presented the 4-year projections she prepared pursuant to recommendations made at the October 16, 2009 Committee meeting. In this connection, it was noted that the latest guidance from the UM System continues to suggest that there may be a 2% unfunded salary increases mandate for FYE 2011.
• Ensuing discussion resulted in the following recommendations/decisions:

  o The 4-year projections should continue to include an off-the-top of State Appropriation holdback for a 1% salary increases pool. The working assumption for the time being would be that the units would have to find the other 1% (if there is a 2% mandate) in their budgets.

  o The full $1 million special subsidy for the UMKC Institute for Entrepreneurship & Innovation should be taken from off-the-top of the State Appropriation.

  o The special Bloch School support treated as an off-the-top subsidy in the FYE 2010 application of the budget model should be eliminated in the same fashion as previously decided for the Conservatory subsidy (but with the same understanding that such special support will be addressed in the transition support mechanism to be applied after initial GRA allocations under full implementation of the model, as discussed at the October 16, 2009 Committee meeting and again at this meeting).

  o Dean Karen Vorst will coordinate with Karen Wilkerson on review and verification/reconciliation of the new information about separation of regular A & S tuition revenues from its CE, PACE and ALI tuition revenues (per Appendix 2 of the budget model) that essentially caused A & S to become a GRA “negative variance” school under the 4-year projections presented at the meeting.

  o The Provost’s Office, in conjunction with Student Affairs, will continue to study various scenarios and possibilities regarding tuition rates and the use of scholarships/waivers and keep the Committee informed of developments in those areas.

  o The Provost’s Office will also look into the possibility of pursuing modification of the ALI arrangements to free up at least some of the “profits” from that operation for use in a less restricted manner than is allowed under the current arrangement.

  o Taking into account anticipated increases in utilities expenses and the potential new project described by Chancellor Morton, the General Overhead Assessment will be set in the 4-year projections at $69 million for FYE 2011, $70 million for FYE 2012, $71 million for FYE 2013 and $71 million for FYE 2014.

  o Karen Wilkerson will re-run the 4-year projections (one set assuming $84 million annual State Appropriation, and another assuming an
annual $79.8 million State Appropriation) consistent with the discussions at the meeting.

○ The Provost’s Office will organize a joint session of the Committee and the Deans’ Council to review and discuss those revised 4-year projections, and discuss transition measures and net revenues growth plans in the context of UMKC and unit strategic planning.

V. Additional Staffing

• Tony Luppino reported that he and Lanny Solomon would be meeting with Rick Anderson and Karen Wilkerson to continue work on engaging a part-time consultant to help design modeling approaches to assist the Committee and its Support Cost Review (Sub)Committee, and hiring an assistant for the Finance Office who will spend an appropriate amount of his/her time on such modeling.

VII. Administrative Matters

• The Provost’s office will schedule the joint meeting of the Committee and the Deans’ Council described in IV above.

• The next regular UBC meeting is scheduled for 10:00AM-11:30AM on Thursday, December 3, in the Provost’s Conference Room. The agenda will include, among other things, a report on the results of the Summer 2009 enrollment increases incentive program endorsed by the Committee at its May 7, 2009 meeting, per the follow-up study requested at the October 16, 2009 Committee meeting.