UNIVERSITY BUDGET COMMITTEE

MINUTES OF MARCH 23, 2010 MEETING

I. Time, Location and Attendance:

- 10:30AM, Provost’s Conference Room at Administrative Center
- UBC members present: Gail Hackett (Chair), Betty Drees (by phone), Curt Crespino, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Tony Luppino, Lanny Solomon, Mel Tyler and Karen Vorst.
- Others present: Chancellor Leo Morton, Rick Anderson, Margaret Brommelsiek, Larry Bunce, Carol Hintz, Jake Kupiec, John Morrissey and Karen Wilkerson.

II. Preliminary Administrative Matters:

- The minutes of the March 11, 2010 meeting of the Committee, in the form last circulated prior to and presented at the meeting, were approved.

III. Provost’s Report on Deans’ Council Meeting

- Provost Hackett reported that there was productive discussion at the March 22, 2010 Deans’ Council meeting of issues relating to tuition rates (at all levels and possibilities for expanded use of metro rate and the development of regional rates) and management and attribution of tuition discounts discussed at the March 18 joint UBC/Deans’ Council session. She explained that a new subgroup has been established to work with Vice Chancellor Tyler and others on further study of those issues and the development of associated recommendations. Matters pertaining to review and possible restructuring of UMKC’s approach to General Education and initiatives for more on-line education will also be under consideration.

- Pending completion of such study, and thus with respect to the impending setting of GRA for FYE 2011, no changes in current tuition rate assumptions and no recommendations as to any changes to the existing rules in the budget model for the attribution of unfunded scholarships and waivers among academic units came out of the March 22 Deans’ Council meeting.

IV. Process for FYE 2012 Budgeting and Long-Term Planning

- Citing information from a recent Missouri statewide CEOs meeting, Provost Hackett underscored the Committee’s recent discussion of the severity of the financial challenges facing the state and the UM System for FYE 2012. She
indicated that estimates from that meeting placed the potential reduction in our State Appropriation for FYE 2012 at the high end of the range discussed at the Committee’s March 11 meeting.

- Chancellor Morton then presented a detailed proposal for a process to both respond to the System’s call for a two-year plan based on study of potential impacts of varying levels of possible reduction in the State Appropriation and position UMKC to have the kind of financial stability that will allow it to carry out its teaching, research and service missions with less annual financial pressure in the long term.

- After presenting some key high-level planning numbers and targets, Chancellor Morton described details of his proposal, which included the following principal elements to be completed within the next approximately twelve months:
  - Rigorous study and tracking of monthly revenues and expenses
  - Continuation of actions that have been working over the last two years (such as the soft hiring freeze, enrollment increase and retention initiatives, streamlining of administrative operations and support cost reductions, energy efficiency measures, and, for the time being, forgoing of salary increases)
  - Development by a Provost-directed team of academic program optimization plans, and achievement of teaching load compliance and classroom utilization objectives
  - Engagement of all relevant constituencies in collaborative exploration of reorganization and realignment, shared services, and, if necessary, hard hiring freeze possibilities
  - Establishment of “best in class” goals for academic programs and support functions to guide UMKC strategic planning

- Chancellor Morton also presented as a component of the proposed process a chart for describing and monitoring each initiative and the status of the work of various constituencies as the lead group or advisory group on such initiatives, as well as monetizing related revenue and expense effects of implementing such initiatives.

- UBC Member Tony Luppino reported as Chair of the Faculty Senate Budget Committee (FSBC) that the Chancellor’s plan was consistent with input from a March 15 FSBC meeting that had been passed on to the Chancellor. He and Faculty Senate Chair Gary Ebersole offered suggestions on steps for continued active involvement of the FSBC, the Faculty Senate, and academic
unit budget committees throughout the planning process, including during the summer months. Similarly, Committee members supported the Chancellor’s suggested hands-on inclusion of the Deans’ Council, Staff Council, Student Government Association and other UMKC constituencies in the comprehensive planning process he outlined.

- Upon motion, the Committee unanimously endorsed the Chancellor’s plan and agreed with the Chancellor’s suggestion that he and the Provost commence describing it in meetings with governing bodies and units as soon as possible.

V. Discussion of Steps to Complete FYE 2011 GRA Apportionment

- Karen Wilkerson circulated an updated projection of GRA apportionment under full implementation of the budget model for FYE 2011, explaining the most recent changes in assumptions.

- Ensuing Committee discussion, with input from the Chancellor, produced the following recommendations in further refining the projections with a view to setting the FYE 2011 GRA assignments to academic units by March 31, 2010:

  o Continue to assume a 7% cut in the State Appropriation.
  o On the off-the-top (of State Appropriation) special allocations.
    - Set the IEI allocation at $1,000,000
    - Set the Dental School’s Kansas Exchange allocation at the slightly increased (from FYE 2010) level computed by Karen Wilkerson
    - Leave the I.U.E. scholarships allocation at $575,000 for the time being, but consider further special funding of I.U.E. scholarships before finalizing FYE 2011 GRA apportionment
    - Eliminate the $1,400,000 salary increases pool
  o Adopt the upward adjustment of the Conservatory’s weighting factors for State Appropriation apportionment under budget model Appendix 4 that Karen Wilkerson developed after reviewing data from Dean Witte, unless on review the Chancellor and Provost see reason to do otherwise.
  o Set the amount of the General Overhead Assessment at $67,000,000.
  o Implement the changes to the treatment of HSCP students, certain part-time nursing students and Medical Residents under the budget model Appendix 5 General Overhead Assessment apportionment measures recommended by Karen Wilkerson, John Morrissey and
Tony Luppino in a spreadsheet circulated to the Committee members on March 14, 2010.

- Wrap up the study of the IS apportionment measures and the questions raised by Dean Vorst on certain categories of part-time faculty and staff within the next few days.

- Meet on Monday, March 29, 2010 to develop final recommendations on the General Overhead Assessment apportionment measures and make recommendations on short-term or long-term subsidies to academic units in need of them in their overall financial circumstances.

VI. Administrative Matters Going Forward

- The next Committee meeting will be Monday, March 29, at 10:00AM in the Provost’s Conference Room, and will focus primarily on recommendations from the Committee on final decisions for FYE 2011 GRA apportionment.