UNIVERSITY BUDGET COMMITTEE

MINUTES OF NOVEMBER 4, 2010 MEETING

I. Time, Location and Attendance:

• 9:30AM, Brookside Room at Administrative Center

• UBC members present: Curt Cespino, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Provost Gail Hackett (Chair), Tony Luppino, Lanny Solomon, and Karen Vorst. Absent: Betty Drees and Mel Tyler.

• Others present: Chancellor Leo Morton (for first part of meeting), Larry Bunce, Bob Crutsinger, Carol Hintz, Bob Simmons (for latter part of meeting), and Karen Wilkerson.

II. Preliminary Administrative Matters:

• The minutes of the October 7, 2010 meeting of the Committee were approved in the form last circulated prior to the meeting, with one correction—deletion of the name of Jake Kupiec from the list of attendees, as she did not attend the October 7 meeting..

III. Report from Chancellor

• Chancellor Morton briefly updated the Committee on the following matters which had been discussed at prior meetings:

  o **Capital Projects/Bonding.** UMKC has been continuing to study the assumptions underlying the projections of how debt service from the major capital projects under consideration in the System bonding initiative would be handled. The Chancellor noted that although those assumptions were thought to be pretty conservative, UMKC is continuing to test the enrollment increase projections in the context of the tuition “elasticity” study Vice Chancellor Tyler has been leading.

  o **Monthly Tracking of Revenue and Expenses.** First quarter FY 2011 operating fund results indicate that UMKC is ahead of plan on revenue, but the incurring of expenses seems to be happening at a faster rate than had been targeted. Chancellor Morton has been meeting with applicable UMKC personnel to refine the monthly monitoring processes, and will report on progress in that regard at the next Committee meeting.
IV. Update on Shared Services Initiative

- Bob Crutsinger reported on the status of the UM System’s Shared Services Initiative. Significant points he covered included:

  - For the time being, the System is not engaging the consultants for “Phase II.”
  
  - Instead, each campus, and the System campuses collaboratively, are reflecting on the Phase I results and looking at ways to achieve more efficiencies. This includes, in particular, following up on the theme of the Phase I report of looking to reduce handling of paper and extra levels of people-intensive processes with more use of software and electronic processes.
  
  - In general, the Phase I study suggested that HR and IT processes looked pretty good. More significant room for improvement in efficiency has been suggested with respect to the procurement, accounts receivable and travel reimbursement functions.
  
  - Enhanced use of programs such as Hyperion and more e-delivery are being considered regarding procurement and accounts receivable.
  
  - With respect to travel expenses, the “TRIP” project is exploring a much more electronically, rather than paper-based, system, and the possible use of more of a per diem approach to eliminate many of the current inefficiencies.

V. Composition and Selection/Rotation of Members of UBC

- Provost Hackett and Larry Bunce initiated discussion of the draft description of the UBC they had prepared, per discussion at the last Committee meeting, along the lines of the template used for many other significant UMKC committees and task forces.
  
- The draft was well received by the Committee, with the only significant suggestions focusing on the number of members and possible representation from a few addition groups, and the need to clarify the processes and timing of appointments.
  
- It was agreed that the Provost’s office would prepare a revised draft incorporating the Committee’s input, and then have the revised draft vetted with other UMKC governance bodies.
VI. Review of Certain FY 2012 Budgeting Assumptions

Karen Wilkerson walked the Committee through several of the key planning assumptions currently in place for FY 2012 GRA budgeting. Ensuing Committee discussion led to the following recommendations:

- Provost Hackett will study the off the top of State Appropriation special allocations for the Kansas Exchange and the I.U.E. scholarships and report back to the Committee regarding related planning assumptions.

- More discussion about net tuition should occur once ongoing studies of tuition elasticity and the use of discretionary discounts are completed. Lanny Solomon suggested, and the Committee agreed, that study and discussion should also occur with respect to non-tuition student fees.

- A question was raised as to whether the $1 million off the top of State Appropriation special allocation to the Institute for Entrepreneurship & Innovation is meant to be permanent. It was suggested that was a question to direct to the Chancellor (who had left the meeting before discussion of this item arose).

- Deans Dreyfus and Vorst provided a brief report regarding the preliminary suggestions of a small group working with Vice Chancellor Tyler on scholarship attribution issues. That group has been following up on the September memo Vice Chancellor Tyler and UBC Secretary Luppino presented to the Committee on issues emanating from Dean Blanchett’s question regarding attribution of unfunded scholarships in situations where the determination of the appropriate “home unit” may be difficult. The small group’s preliminary suggestions were scheduled for discussion with the Deans’ Council at its November 15 meeting. One of the possibilities mentioned included off the top treatment of automatic scholarships. UBC member Luppino suggested that possibility might be inappropriate on a cost-benefit or matching revenue to expense basis once the financial effects of an off-the-top allocation on all 11 principal academic units are taken into account. No Committee recommendations were made at the meeting regarding the scholarship-related suggestions by the small working group, as it was agreed that would be premature until after input is obtained from the Deans Council.

- Also, earlier in the meeting the off the top allocation to pay the old Twin Oaks debt service was also identified as an item that might merit further study in budget planning.

VII. Next Meeting

- The next Committee meeting is scheduled for December 2, 2010.