I. Time, Location and Attendance:

- 10:00AM, Brookside Room at Administrative Center
- UBC members present: Betty Drees (for part of meeting), Curt Crespino, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Provost Gail Hackett (Chair), Tony Luppino, Lanny Solomon, Mel Tyler, and Karen Vorst.
- Others present: Chancellor Leo Morton, Larry Bunce, Carol Hintz, Andry Joswara, John Morrissey, Bob Simmons, and Karen Wilkerson.

II. Preliminary Administrative Matters:

- The minutes of the February 17, 2011 meeting of the Committee were approved in the form last circulated prior to the meeting.

III. Report from Chancellor on State/System Developments

- Chancellor Morton reported on the status of State/System discussions pertinent to the assumptions to be used in running the Budget Model for FY 2012. This information included the following:
  - The waiver of the proposed increases in tuition and fees has been approved, so we can continue to assume those increases in our budgeting.
  - It also remains appropriate to assume in our budgeting a 2% average salary increase, to be allocated among the workforce on a merit basis.
  - UMKC may be in line to receive a share of another round of Caring for Missourians funding, perhaps relating to scholarships; more information should be available on that soon.

IV. Report from Chancellor and Provost on Special Investment in Conservatory

- Chancellor Morton summarized the key components of a commitment to the Conservatory of a special approximately $2.1 million investment in the
Conservatory and the plan for dealing with Conservatory funding issues going forward. In addition to a $500,000 investment from funds available to the Provost, the measure to be implemented include: an upward adjustment in the Conservatory’s SCH weighting factors used in apportioning the bulk of the State Appropriation under the Budget Model; changing the White Recital Hall and some CE space classification from Conservatory space to a common space in the space operating costs formula in the General Overhead Assessment; increasing net tuition through a combination of reasonable tuition and fee increases and careful management of unfunded tuition discounts. He explained that part of the reasoning in the plan for the Conservatory he fashioned with the Provost was that unit’s critical role in UMKC’s status as the UM System’s Campus for the Visual & Performing Arts. He also expressed optimism that the special investment in the Conservatory needed to keep it properly funded and meeting applicable accreditation standards can be substantially reduced in FY 2013 as planning measures take hold.

- Provost Hackett noted that in future years there may be some additional courses, and a consequent increase in SCH and net tuition of the Conservatory as a result of UMKC General Education reform. She also reiterated that the special investment in the Conservatory is a strategic initiative based on thoughtful analysis of its missions and operations in the context of UMKC strategic planning objectives.

V. Report and Action on Study of Undergraduate Unfunded Scholarships and Waivers

- Vice Chancellor Tyler and Karen Wilkerson explained the development by the small working group that studied this subject of two options for revising the attribution of undergraduate tuition discounts among affected academic units. A description of those two options is attached to these minutes as Appendix A. Ensuing discussion took into account, among other things, the projected positive effects on some units and negative effects on the College of Arts & Sciences of modifying previous interpretation of the application of Appendix 2 of the Budget Model to undergraduate tuition discounts to pursue Option A or Option B. After discussion, the Committee recommended to the Chancellor that Option B be implemented to accomplish a better matching of tuition revenue with the expense of discounts, and thus a more equitable approach than prior practice.

- Vice Chancellor Tyler then brought to the Committee’s attention ongoing study of need-based scholarships offered at UMKC, urging that the Committee consider recommending a plan to increase such scholarships. While the Committee supported the reasoning for the call for more need-based scholarships it concluded that at this time there was no clear source of sufficient resources to absorb a multi-million dollar plan along the lines Vice
Chancellor Tyler described. The Committee did recommend that UMKC continue to treat as a high priority efforts to identify means to significantly increase its need-based scholarships.

VI. Discussion of General Overhead Assessment for FY 2012

- Tony Luppino reported on the formation and initial deliberations of the 2020 Task Force’s Administrative & Support Services Committee, into which the UBC’s Support Costs Review Committee has been merged. This report included the following:

  o The Co-Chairs of the Administrative & Support Services Committee (Tony Luppino and Paris Saunders) met with Chancellor Morton, Provost Hackett, Bob Simmons and Karen Wilkerson on March 4 to review the list of line items comprising the General Overhead Assessment and start gauging the capacity of the General Overhead Assessment to absorb a large portion of the anticipated 7% cut in the State Appropriation. During this meeting approximately $2.2 million of what were determined to be unavoidable increases in certain line items were identified. Accordingly, it appears unlikely that the overall amount of the General Overhead Assessment can be reduced to the extent discussed as a target at the last UBC meeting.

  o The initial meeting of the Administrative & Support Services Committee was held on March 11. At that meeting there was discussion of approximately $2.2 million of increases in certain line items within the General Overhead Assessment, during which a question was raised as to whether the line item for Graduate Studies scholarships and waivers should be increased to reflect increases in tuition and student fees (in the same manner as is contemplated to Athletics Scholarships). There were also updates on UMKC “chargebacks” and on the Shared Services initiative. With regard to the objectives and intended operation of the Administrative & Support Services Committee, that group agreed at its initial meeting that it should work closely with the Chancellor and the UBC to explore potential administrative and support functions and costs both centrally and within academic units, and take into account effects on the availability and delivery of services if there are budget cuts at various levels. In particular, the Administrative & Support Services Committee stands ready to provide policy recommendations as data collected and presented creates issues of prioritization.

- Karen Wilkerson and John Morrissey discussed follow up on the changes in some people and space counting issues relating to the College of Arts & Sciences discussed at the last meeting. The Committee recommended that the changes identified in discussions among Dean Vorst, Karen Wilkerson
and John Morrissey be implemented. Those changes are described in Appendix B to these minutes. In general they relate to operations which are subject to the “Institutional Offset” overhead charge.

- The Committee agreed that finalization of the amount of the General Overhead Assessment is a high priority and that, to keep budgeting of FY 2012 on track efforts should be made to collect sufficient data for the UBC to make recommendations on finalizing the General Overhead Assessment at its next meeting.

VII. Discussion of Chargebacks

- Tony Luppino reported that the updating of all chargebacks imposed by UMKC administrative and support units to other UMKC units being done by with the assistance of Karen Wilkerson should be soon completed. He noted that so far only two issues had surfaced during this updating: (i) whether Facilities Management has increased academic unit costs by having them pay third-party vendors amounts that were previously absorbed by Facilities Management, and (ii) whether units should be charged for criminal background checks for new hires.

- On the first issue, Bob Simmons explained that the charges in question in substance do not represent an increase in the amounts paid by units for construction-related services. Rather, units are paying a charge to third parties for services that used to be performed “in house”, but for which the recipient units were also charged. The Committee was satisfied with this explanation.

- On the second issue, Carol Hintz explained the history of the background checks issue, and that recent experience shows an annual cost of approximately $36,000. After some discussion the Committee recommended that $36,000 be added to the starting place figure for HR’s share of the General Overhead Assessment for FY 2012 and that the chargeback approach to this item be eliminated.

VIII. Discussion of Funding Needs of School of Biological Sciences

- Tony Luppino noted that in recent Committee meetings both the Conservatory and SBS were identified as units that might need special transition assistance in connection with continued implementation of the Budget Model. As the Committee and the Chancellor and Provost have now addressed the Conservatory’s financial situation, he suggested that Dean Dreyfus update the Committee on the SBS financial situation.
• Dean Dreyfus reported the following:
  
  o Dealing with the cut in prior GRA funding experienced by SBS under the Budget Model has now nearly depleted available SBS reserves that could be applied to coverage of operating expenses without impairing its ability to meet Research Incentive Funds commitments to its faculty.

  o Other measures to deal with its financial pinch adopted by SBS include: enrollment increase initiatives; reducing unfunded scholarships and waivers in its doctoral program; foregoing replacement of a few faculty who have left.

  o SBS may need some additional transition help as the process of experience the positive financial effects of enrollment increases and cost saving measures ramps up. This might include, for example, revisiting its weighting factors to determine if previous upward adjustments reached appropriate levels and considering whether it is receiving appropriate amounts of credit for instruction provided to other units (both issues he acknowledged had been previously discussed by the Committee).

• The Committee recommended that the next run of the Budget Model for GRA apportionment for FY 2012 be run with no special adjustments for SBS, but that the SBS funding needs be discussed and re-assessed after that run is made available to the Committee.

IX. Administrative Matters Going Forward

• The next meeting of the Committee is scheduled for April 5, 2011.
Appendix A

Options on Attribution of Undergraduate Unfunded Scholarships/Waivers

- **Option A** allocates scholarships for freshmen and sophomores to all units based on the percentage of student credit hours taken in a particular unit, regardless of the student’s home unit. The allocation is not a distinct assignment of scholarships expense by specific student; rather it is based on overall percentage of student credit hours taken in various academic units. Additionally, this method applies only to scholarships in the in the University Initiative and University Agreement categories (as designated by Student Affairs). Scholarships for all other student levels and academic unit selected scholarships are borne by the home unit of the student.

- **Option B** assigns scholarships using the same methodology as described in Option A; however, only 80 percent of the scholarship expense is assigned to units providing instruction. This more closely matches the budget model which assigns tuition in the same fashion. The difference is assigned to the home unit. As in Option A, all other scholarships are assigned to the home unit.

Appendix B

Changes in Appendix 5 Measures Relating to A & S

- Eliminate as employees of A & S for Appendix 5 measures involving employee counts personnel from: ALI, CE, Debate, Theater Night Managers, New Letters, UNews and Writing Center, on the understanding that the personnel in those areas do no significant work for A & S outside of those areas;

- Increase space treated as A & S space in view of a move of an A & S operation from 4825 Troost to Cherry Street; and

- Exclude from space treated as A & S space (and move to common space) spaces associated with the following operations: Adult Education; Writing Lab; SPARK; CE; Communications Studies; New Letters; New Letters / BKMark Press; HS / College Program; and Theatre (Genessee Rented Space), with the understanding that A & S makes no use of such spaces outside of those listed operations.