I. Time, Location, Attendance, Purpose, Materials:

- 10:00AM, Provost’s Conference Room at Administrative Center

- **UBC members present:** Curt Crespino, Lawrence Dreyfus, Gary Ebersole, Laura Gayle Green, Provost Gail Hackett (Chair), Tony Luppino, Lanny Solomon, Mel Tyler, and Karen Vorst. Absent: Betty Drees. **Others present:** Chancellor Leo Morton, Margaret Brommelsiek, Larry Bunce, Carol Hintz, Andry Joswara, John Morrissey, Bob Simmons, and Karen Wilkerson.

- The purpose of this Special Meeting was to consider recommending adjustments in UMKC budgeting for the Conservatory, as current application of the Budget Model yields for it GRA in an amount significantly less than its annual operating expenses. This subject had been identified in prior Committee meetings as a high priority matter, and its urgency is underscored by the upcoming accreditation evaluation regarding the Conservatory. Prior to the meeting the Committee members were provided with schedules showing key financial information regarding the Conservatory’s operating revenues and expenses over the last three years. At the meeting they were also provided with a draft document prepared by Conservatory Dean Peter Witte entitled “Executive Summary for UBC Discussion-Conservatory Re-accreditation evaluation by the National Association of Schools of Music (April, 2011).”

II. Summary of Discussion:

- Given the purpose of this Special Meeting, the initial topic discussed was exploration of why the Conservatory’s GRA under the Budget Model falls significantly short of covering its operating expenses.

- General observations included the nature of the Conservatory’s performance-oriented instruction, the consequently low student to faculty ratio, lack of large-enrollment classes, and the magnitude of tuition discounts being used to recruit students. This discussion led to framing the central question of whether the Committee should consider recommending that the Conservatory change its fundamental nature as a “conservatory” to become more of a tuition-producing “school of music.”
It was at this juncture that several attendees who had been at a meeting of another group arrived at the Special Meeting.\textsuperscript{1} The resulting discussion yielded the following observations and recommendations:

- **Fundamental Nature of the Conservatory.** There was consensus that the Conservatory, a Program of Excellence and centerpiece of UMKC’s commitment to the Visual and Performing Arts, should not change its fundamental nature as a conservatory. While it was noted that teaching some larger-enrollment classes at the Conservatory may eventually result from UMKC’s ongoing strategic initiative to develop top-notch General Education curricula, the Committee did not believe the Conservatory should be asked to alter its educational priorities and approach by seeking to teach large classes or significantly increase its enrollment just for the sake of tuition generation. At the same time, it was suggested that the Conservatory continue to explore ways to generate more net tuition than is currently occurring in an environment where (a) its undergraduate tuition rates have been tied to UMKC’s general rates for undergraduates, and (b) its unfunded tuition discounts have been in the 50\% range, which is much higher than any other UMKC academic unit. The sentiment expressed was that the Conservatory’s record of excellence should help it charge commensurate tuition on a net basis, which would inure to its benefit under the Budget Model.

- **Steps to Improve Conservatory Results Under Budget Model.** The Committee identified several possible steps to increase the Conservatory’s funding for FY 2012 to acceptable levels under the Budget Model, including:

  - Increasing its tuition rates (i.e., “decoupling” at the UMKC level)—a topic already under consideration—it was noted that as a practical matter this could not happen in time for FY 2012 budgeting, but should be studied as a possibility that might affect FY 2013 budgeting.

  - Decreasing the amount of unfunded tuition discounts assigned to Conservatory students—a process which is already underway but will take some time to yield significant increase in GRA.

  - Allocating the Conservatory a portion of the University Reserves and Incentives Fund—though, as the Provost noted, this fund is currently not nearly at the level the Committee

\textsuperscript{1} Due to an earlier meeting of another group running long the following joined this UBC Special Meeting at approximately 10:25: Curt Crespino, Gail Hackett, Leo Morton, Bob Simmons, and Mel Tyler.
hoped it would reach, and is needed to provide seed money or other support to a wide range of strategic initiatives.

- Revisiting the Conservatory’s costs-of-instruction-based “SCH weighting factors” used in apportioning the bulk of the State Appropriation under Budget Model Appendix 4 to make sure they are appropriate given the fundamental nature of its educational approach referred to above—though it was noted that an upward adjustment had recently been made. In addition, the Committee confirmed at this meeting that, with respect to Appendix 4 in general, the weighted SCH for the various academic units be recomputed for FY2012 using the most current applicable data, and that the previously discussed three-year rolling average approach commence with FY 2013 budgeting.

- Reinstituting a special “off-the-top” (of State Appropriation) allocation to the Conservatory, reducing the amount of State Appropriation available to all 11 principal academic units, affecting them in proportion to their ratio of weighted SCH under Budget Model Appendix 4.

- Adding an item to the General Overhead Assessment to provide special funding to the Conservatory—it was noted that this might be viewed as in the nature of a UMKC-wide marketing expense, which would presumably be apportioned among the 11 principal academic units under Appendix 5 of the Budget Model in the ratio of their budgeted Current Funds Expenditures (which is a different ratio than the ratio of weighted SCH under Appendix 4 of the Budget Model).

- Revisiting the handling of White Recital Hall under the costs of space portion of the General Overhead Assessment.

- Enhanced efforts to produce gift income.

- Temporary special support from some of the funds the Budget Model would otherwise allocated to the School of Medicine (assuming discussions between the Chancellor and Dean Drees resulted in a reasonable means of doing that as the School of Medicine strategically applies its increased funding under the Budget Model.
III. Planning Going Forward:

- It was agreed that (a) to allow ample time to put the Conservatory’s situation in the context of the overall budgeting circumstances of all units for FY 2012, using the best planning assumptions available, the next Committee meeting should be the one regularly scheduled for February 17; and (b) in the interim, Karen Wilkerson, the Provost and the Chancellor should consult with Dean Witte and explore what combination of the items described in II above might work best, taking into account which measures may need to be of a relatively permanent nature, and which might provide temporary funding that could be reallocated to other units as the Conservatory pursues courses of action more within its control.