UNIVERSITY BUDGET COMMITTEE

MINUTES OF APRIL 11, 2012 MEETING

I. Time, Location and Attendance:

- 9:00AM, Gilham Park Room at Administrative Center

- UBC members present: Lawrence Dreyfus, Gary Ebersole, Provost Gail Hackett (Chair), Maureen Hannoun, Carol Hintz, Tony Luppino, Michael Plamann, Kevin Truman, and Mel Tyler. Absent: Betty Drees, Lanny Solomon, and Kevin Truman.

- Others present: Chancellor Leo Morton, Larry Bunce, Andry Joswara Sharon Lindenbaum, John Morrissey, and Karen Wilkerson.

II. Preliminary Administrative Matters:

- The revised minutes of the March 1, 2012 meeting and the minutes of the March 13 meeting were approved in the forms last circulated before the meeting.

III. Report on State/System Developments and Context for UMKC Budgeting

- Chancellor Morton indicated that there were really not any specific significant System level budget-related developments since the March 13 Committee meeting.

- He and Provost Hackett then noted that there is still uncertainty as to the ultimate amount of the State Appropriation to the UM System for FY 2013, with some legislative proposals being discussed that might yield a higher State Appropriation than what we have been assuming in budgeting discussions.

- Ensuing discussion yielded the recommendation that the Committee continue to focus on developing recommendations for GRA apportionment without altering its working assumption on the size of the cut in the State Appropriation, but also advise the Chancellor as to possible alternative ways to apply any additional State money that might materialize. Preliminary discussion of the latter included identifying as one priority funding the University Reserves & Incentives Fund to facilitate strategic investments.

IV. Discussion of General Overhead Assessment

- Vice Chancellor Lindenbaum and Karen Wilkerson described an ongoing project regarding the metrics being used under Appendix 5 of the Budget
Model to apportion the General Overhead Assessment among the 11 principal academic units. This included circulating schedules describing some alternatives that might be discussed.

- Extended discussion of this subject by several participants in the meeting included the following:

  o Clarification that the metrics were being revisited for two primary reasons: (i) to try to simplify the current system by eliminating some of the many variables/formulae involved with a view toward making it easier for a unit leader to project the unit’s share of the Assessment for planning and decision-making purposes; and (ii) to explore why the share of the Assessment paid by some units represents a rather high percentage of their net tuition and/or pre-Assessment GRA and determine if those results reflect flaws in the policies underlying the current apportionment metrics that should be corrected or reflect other circumstances.

  o There was some debate about the relative merits of simplicity and accurate implementation of policy, following citation of reports of some other universities with RCM-type budget models consciously sacrificing some accuracy for simplicity as they reviewed the results of their budget models after several years of implementation. There was consensus that it was desirable and consistent with the UMKC Budget Model’s provisions for continual review of the relationship between the Model’s mechanics and UMKC strategic objectives to continue the study the Assessment sharing metrics to determine if there might be improvements to the methodology that achieve some simplification while retaining acceptable levels of sound policy/equity and appropriate incentives for actions in line with UMKC’s strategic planning.

  o The Provost suggested, and the Committee agreed that a small group would explore the details with Vice Chancellor Lindenbaum and Karen Wilkerson and report back to the Committee with alternatives for it to consider recommending to the Chancellor. The reports back to the Committee are also to include information on how much of the operating expenses totals for the central support units/functions are funded by the General Overhead Assessment and how much from other sources.

- Turning to the question of the dollar amount of the General Overhead Assessment, it was reported that the amount had not yet been determined but is being worked on. It was suggested, and the Chancellor agreed, that given the expense reduction measures the academic units were planning to implement in view if the anticipated State Appropriation cuts, the $2 million UMKC Shared Services would not be included as a separate assessment on the academic units in FY 2013, but the support costs funded by that $2
million in FY 2012 would be taken into account in setting the General Overhead Assessment.

VI. Administrative Matters Going Forward

- The shared desire to be in a position to announce the GRA apportionment among units soon, and on pace with System budgeting requirements, was acknowledged, with the understanding that a run of the Budget Model would be prepared for UBC review and comment as soon as reasonably possible.