UNIVERSITY BUDGET COMMITTEE
MINUTES OF APRIL 24, 2012 MEETING

I. Time, Location and Attendance:

- 2:00PM, Plaza Room at Administrative Center
- UBC members present: Betty Drees, Lawrence Dreyfus, Provost Gail Hackett (Chair), Carol Hintz, Tony Luppino, Michael Plamann, Kevin Truman, and Mel Tyler. Absent: Gary Ebersole, Maureen Hannoun, and Lanny Solomon.
- Others present: Chancellor Leo Morton, Larry Bunce, Carol Hintz, Andry Joswara, Sharon Lindenbaum, John Morrissey, and Karen Wilkerson.

II. Preliminary Administrative Matters:

- The minutes of the April 11, 2012 meeting were approved in the form last circulated before the meeting.

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

- Chancellor Morton indicated that there were no specific significant System level budget-related developments since the April 11 meeting to report.

IV. Discussion of General Overhead Assessment Sharing Metrics

- Karen Wilkerson described a proposal developed since the April 11 meeting to reduce the system for the sharing of the General Overhead Assessment among the 11 principal academic units to a system of just 4 metrics. There was some initial discussion of the relative weighting of simplicity and logic in terms of tracking usage of services to tax, and the suggestion was made that the proposal wouldn’t cause large swings in the support tax burdens of the academic units.

- When a schedule was then circulated showing the differences between the Budget Model Appendix 5 metrics and the proposal under consideration it was noted that some units would experience increases well in excess of $600,000 each in their support tax (including increases of over 16% or 17% in the taxes for a few units) from the proposed changes in sharing metrics. A Committee member questioned whether this represented too large a price to impose on some units in a restructuring of the assessment metrics that seemed to that member to be based predominantly on simplicity rather than on demonstration of improved tracking for all significant line item changes, and questioned whether too many support functions had been included in the current total funds (actual based on prior fiscal year) category of measure.
Extended ensuing discussion reflected varying opinions about the extent to which the current total funds metric was appropriate for all of the items listed in the proposal to be governed by that measure. There was some sense that at least one of the functions—Human Resources—might better be treated under a people count metric. There were also differences of opinion on whether a phase-in of adoption of revised metrics would be in order if significant increases in some units support tax would result from the change.

It was ultimately decided that some prompt further study be done of the significant line items proposed to be included in the current total funds metric, and final Committee input be provided to the Chancellor so he can make final decisions in time for an April 30 announcement to unit leaders of their unit’s preliminary GRA.

V. Discussion of Amount of General Overhead Assessment

Karen Wilkerson walked the Committee through a schedule that showed additions to last year’s $67 million of General Revenues allocated to central support, many of which had been previously discussed at Committee meetings and supported by the Committee. The largest additional increase on the schedule was $2 million for Athletics, which the Committee agreed was in order as Athletics had been running at an annual deficit of that approximate amount and it was found appropriate to provide recurring money instead of annual “cost money” for this item.

The schedule also reflected a 3% decrease in the overall amount of the General Overhead Assessment, applied after addition of the specific increases discussed. It was explained that one-time savings from the Oak Place project can be used to eliminate the $979,000 Miller Nichols Classroom debt service item that had previously been identified as a necessary increase in central support from General Revenues. The net result of the ultimately proposed increases and the 3% overall reduction after those showed a proposed Assessment of $69,648,925.

VI. Administrative Matters Going Forward

It was reiterated that that it would be important both for unit planning and to keep on pace with System budgeting deadlines that unit leaders be advised of their preliminary GRA by April 30. It was stressed that the “preliminary” nature of the figures would be emphasized to the unit leaders as, among other things, the budget model run at this point would continue to assume a 7.8% reduction in the State Appropriation.

The Provost reminded the Committee that it was also very important, and time-sensitive that recommendations and decisions be made soon as to whether, to what extent, and under what parameters an increase in the State
Appropriation above the level assumed in the preliminary GRA announcement would be used for salary increases. No decisions were made at the meeting, but it was noted that the Committee’s next meeting was scheduled for May 3.