UNIVERSITY BUDGET COMMITTEE
MINUTES OF MAY 3, 2012 MEETING

I. Time, Location and Attendance:

- 10:00AM, Plaza Room at Administrative Center
- UBC members present: Betty Drees, Lawrence Dreyfus, Gary Ebersole, Provost Gail Hackett (Chair), Maureen Hannoun, Tony Luppino, Michael Plamann, Kevin Truman, and Mel Tyler. Absent: Carol Hintz and Lanny Solomon.
- Others present: Chancellor Leo Morton, Larry Bunce, Andry Joswara, Sharon Lindenbaum, John Morrissey, and Karen Wilkerson.

II. Preliminary Administrative Matters:

- The minutes of the April 24, 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 24 meeting to report.

IV. Discussion of Finalization of FY 2013 GRA Apportionment

- The Committee agreed that the only known matter remaining in order to finalize GRA apportionment for FY 2013 is to address the application of any excess of the ultimate State Appropriation over the amount assumed in the Budget Model run on which the preliminary GRA was announced April 30.

- It was noted that with the new legislatively-designated $1,940,000 for a Pharmacy satellite program properly treated as a separate item, legislative action to avoid a cut to UMKC’s carryover State Appropriation could mean up to an additional approximately $5.8 million of State money in excess of the amount assumed in the April 30 GRA apportionment (whatever amount, “Additional State Money”). Ensuing Committee discussion produced the following observations and recommendations:

  Salary Increases. Salary increases, implemented not in an across-the-board fashion, but, rather, strategically to bring salaries closer to market (for both faculty and staff), and to address equity and compression issues and strategic objectives, should be a top priority in the use of Additional State Money. Further, regarding salary increases:
--The results of the recent cuts exercise support the conclusion that all units are able to implement the previously targeted 1% salary increase.

--Depending on the ultimate amount of Additional State Money, it makes sense to try for an additional 1% or 2% increase.

--It also makes sense to implement such additional increases on a decentralized basis rather than trying to maintain a central, recurring salary increases fund. This means that details would have to be worked out to accomplish such decentralized approach by using Budget Model mechanisms such as the sharing of the bulk of the State Appropriation under the Appendix 4 metrics and adjusting the General Overhead Assessment, with possible special adjustments needed to allow each unit to implement whatever percentage increase is generally prescribed.

**Provost’s Strategic Fund.** A second priority identified for use of Additional State Money is replacing the Institutional Offset with a recurring special allocation off the top of the State Money to fund the Budget Model’s University Reserves & Incentives Fund, with a view toward the Provost directing such Fund to strategic investments. A discussion figure of $2 million for this special allocation was suggested, but it was agreed that recommendation of an exact amount should be deferred pending (i) review of the existing strategic investments the Provost has made with available funds that need to recur; (ii) the ultimate amount of the Additional State Money; and (iii) consideration after determination of (i) and (ii) of the relative priority of additional salary increases and needed reserves for Maintenance and Repairs (“M&R”).

**M&R Reserves.** A third priority identified for use of Additional State Money was much-needed increases in M&R reserves. The Chancellor suggested that a list of specific needs within this category also be prepared and discussed with the Committee, with items relating to health and safety listed as top priorities.

V. **Planning for Strategic Review of Budget Model Features and Performance**

- UBC Secretary Tony Luppino presented a first draft of possible discussion topics/questions (“Draft Review Items”) for a Committee review, as called for by the Budget Model text, of the performance of the Budget Model to date and the extent to which it is or is not well-aligned with current and anticipated circumstances and strategic objectives. It was agreed that for the time being the Committee would endeavor to conduct such review through a series of Committee meetings over the summer, rather than a UBC retreat.

- At the meeting two items were added to the Draft Review Items (one regarding Recovery F&A, and one regarding better predictability on scholarships). Committee members were encouraged to continue to review the Draft Review Items and to suggest additional items.