UNIVERSITY BUDGET COMMITTEE

MINUTES OF MARCH 13, 2012 MEETING

I. Time, Location and Attendance:
   - 3:00PM, Brookside 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 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 March 1, 2012 meeting were approved, subject to correcting the attendance list and adding description of the recommendation on the handling of “promotion bumps” made at the March 1 meeting.

III. Report on State/System Developments and Context for UMKC Budgeting
   - Chancellor Morton indicated that there were really not any specific significant State/System level budget-related developments since the March 1 Committee meeting.
   - He did indicate that he had met with System President Wolfe about UMKC’s budgeting and that President Wolfe understands and is supportive of our rigorous approaches to budgeting.

IV. Preliminary Reports on Cuts Exercise and General Overhead Assessment
   - Vice Chancellor Lindenbaum and Budgeting Director Wilkerson reported that the first round of submissions by many units was very helpful, but that some units were asked to submit additional information.
   - With respect to academic units they intend to collect and analyze the additional data and prepare for an upcoming Committee meeting summaries of the budget planning of each school, emphasizing forecasts on headcount, revenues, and plans to make expense reductions and judicious use of reserves. In the course of this discussion it was noted that there is reason to believe that FY 2014 will be another difficult year in terms of the State Appropriation, so it is important that our planning take into account both short-term and long-term views.
With respect to heading toward a determination of the General Overhead Assessment for central support units it was noted that, in addition to other previously discussed necessary expense increases, it is being recommend that there be an increase in spending on UMKC marketing.

The Committee supported the proposed investment in marketing. At the same time, Vice Chancellor Lindenbaum and Budget Director Wilkerson were encouraged to continue to analyze possibilities to cut other line items of expense comprising the General Overhead Assessment, including, among others, possible savings by not filling a significant percentage of unfilled positions and by seeking to reduce consulting and professional fees spending. They indicated they are undertaking that type of analysis and will provide an update on the likely size of the General Overhead Assessment proposal at an upcoming Committee meeting.

V. Old Twin Oaks Debt Service

The Committee, Vice Chancellor Lindenbaum, and the Chancellor discussed the recent System-aided developments regarding the Oak Place facilities. It was acknowledged that the enhanced prospects for positive cash flow from Oak Place in the future might support leaving the expense burden of the old Twin Oaks debt service (approximately $560,000 annually) with the Housing Auxiliary.

No final recommendation was made on this item, however, as it was agreed that would be deferred pending further confirmation of new arrangements and projections for Oak Place and analysis of Housing’s fund balance (which includes a large negative amount from the old Twin Oaks operations, but an overall positive balance).

VI. Discussion of Policies on Financial Aspects of Capital Projects

The Committee discussed concerns many faculty had expressed about whether some academic units were required to pay for renovations to their space out of their own budgets while others were getting central financial support for similar renovations. It was noted that these situations are fact-specific and there are often apples-to-oranges issues and misconceptions. The Committee recommended that Bob Simmons be asked to explore this topic and report to the Committee on the standards being applied in determining which types of projects should be unit-funded.

The Committee discussed, and the Chancellor supported, the proposition that costs of constructing new facilities for a given academic unit should not be funded in any part by taxing the fund balances of other academic units, even in the event of cost overruns.
VII. Administrative Matters Going Forward

- It was recommended, and the Chancellor agreed, that the Committee would have at least 10 days to comment on the proposed GRA apportionment for FY 2013 before the Chancellor makes final decisions and announces the GRA to the various units.