UNIVERSITY BUDGET COMMITTEE
MINUTES OF MARCH 5, 2013 MEETING

I. Time, Location and Attendance:

- 8:30AM, Plaza Park Room at Administrative Center

- UBC members present: Provost Gail Hackett (Chair), Dave Donnelly, Gary Ebersole, Maureen Hannoun, Carol Hintz. Lyla Lindholm, Tony Luppino, Michael Plamann, Marsha Pyle Kevin Truman, Mel Tyler, and Wayne Vaught.

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

II. Preliminary Administrative Matters:

- The minutes of the January 29, 2013 meeting were approved in the form last circulated before the meeting.

III. Report on State/System Developments

- Chancellor Morton reported on developments at the State/System level. In terms of the current fiscal year he explained that the recent reversal of the “1% cut” in the FY 2013 State Appropriation does not free up the corresponding UMKC share (about $750,000) for discretionary use, as its use is being restricted in connection with the terms of that reversal.

- With respect to System developments that might significantly impact FY 2014 budgeting, the two notable items cited in discussion with the Chancellor were (1) a likely System guideline or mandate that an average salary increase of 2%-3% be built into such budgeting; and (2) an assumed increase in the benefits rate to approximately 33.5%.

III. Discussion of Long-Term Financial Strategies

- Provost Hackett followed up on discussion at the January 29 meeting by circulating and discussing a list of pending initiatives and suggestions from various units made to do date in connection with linking long-term financial planning to long-term strategic planning for UMKC. The list included many forward-looking and creative measures designed to be both consistent with our academic missions and generate new or additional sources of revenue. The Provost and Committee were supportive of such ideas and of promoting the development over further suggestions and initiatives along these lines.
IV. Report on Recovery F & A

• Vice Chancellor of Research & Economic Development Lawrence Dreyfus presented a report on “Recovery F & A” (also known as “indirects” from research grants), along the lines of a similar report previously made to the Faculty Senate Budget Committee.

• The report covered information about the nature of Recovery F & A, the amounts thereof generated by UMKC in recent years, how the revenues in question are apportioned at UMKC, and data on how they are apportioned at several other universities.

• The Committee was asked to consider a proposal for allocating an increased percentage of UMKC’s Recovery F & A to the Office of Research Services, under policies that would be developed collaboratively with the Provost’s Office and the Deans of the academic units, and perhaps in a phased-in manner over a few years. It was agreed that the PowerPoint slides used in Vice Chancellor Dreyfus’ presentation and related data would be made available to Committee members for review, along with further information about intended policies, prior to the Committee making any recommendation to the Chancellor on such proposal.

• The Committee also discussed concerns about an apparent lack of uniformity on how the portion of Recovery F & A allocated to academic units is used within such units and with respect to the individual principal investigators. The Provost reported that her office is working with Vice Chancellor Dreyfus to develop and circulate rules for uniform practices on key issues in that regard.

V. Other Matters

• The meeting agenda also included items for reports on (1) the utilization of the approximately $5 million of State money previously treated as a holdback (of the difference between a 7.8% cut and a 1% cut in the State Appropriation), and (2) issues relating to the “Institutional Offset” (full recovery tax on auxiliary operations). Time did not permit the contemplated full discussion of these items. Accordingly, some relevant written materials were circulated and it was agreed discussion of these items would be continued at the next Committee meeting.