I. Time, Location and Attendance:

- 8:30AM, Plaza Park Room at Administrative Center
- UBC members present: Provost Gail Hackett (Chair), Dave Donnelly, Gary Ebersole, Carol Hintz, Lyla Lindholm, Tony Luppino, Marsha Pyle, Kevin Truman, Mel Tyler, and Wayne Vaught. Absent: Maureen Hannoun and Michael Plamann.
- 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 5, 2013 meeting were approved in the form last circulated before the meeting.

III. Report on State/System Developments

- There were no significant State/System developments directly affecting UMKC budgeting since the March 5 meeting for the Chancellor to report to the UBC.
- There was some discussion with the Provost of the latest understandings on how any increase in the State Appropriation would be allocated at the State (performance-based measures), System (strategic initiatives), and UMKC (strategic initiatives) levels.

III. Approximately $5.75 Million State Money Holdback

- The Committee engaged in extensive discussion with the Chancellor regarding both components of the approximately $5.75 million of State Appropriation to UMKC for FY 2013 that was not allocated to the academic units in the April 30, 2012 GRA apportionment—(1) the approximately $750,000 representing the “1% cut” from the FY 2012 level recently reversed by the Governor (but with restrictions on its usage), and (2) the approximately $5,000,000 representing the difference between a 1% cut and a previously contemplated 7.8% cut from the FY 2012 level (which does not have the same type of restrictions but was in a more general sense understood to be linked to an understanding that those funds should be used for strategic purposes).
• With regard to the approximately $750,000 described in (1) above, the Chancellor and the Finance and Budget Planning Office will keep the Committee informed as to usage consistent with the restrictions accompanying its release.

• With regard to the approximately $5 million described in (2) above, it was first observed by way of background that during the Spring of 2012 the Committee had recommended that if that “holdback” became available for UMKC use, it should be applied to three priority items: a discretionary fund for strategic initiatives, salary increases, and funding of maintenance and repairs. A report circulated by Karen Wilkerson at the March 5 Committee meeting, and recirculated at this March 14 meeting, indicated that approximately $2.3 million had been spent or firmly committed to date, and it was observed that much of that represents one-time investment to seed important strategic initiatives identified in the report. It was also observed that some of the items listed as not yet funded, but intended, were not necessarily in line with the Committee recommendations from Spring 2012, and that, while the UBC’s role is merely advisory, it would seem in order for the Chancellor, Provost and Vice Chancellor of Administration to put together for UBC review and comment an updated list of how they propose the remaining approximately $2.7 million be applied for FY 2013. It was agreed that such a list would be prepared and presented to the UBC for its advisory input. Some members asked that the Chancellor, Provost and Vice Chancellor of Administration to consider in compiling the list whether some portion of the $2.7 million in question might be allocated to the academic units under the weighted student credit hours formula for apportioning the bulk of the State Appropriation under the UMKC Budget Model (as would have been the case if not held back in the April 30, 2012 setting of GRA and not specially allocated by the Chancellor to specific purposes).

• The Committee also discussed with the Chancellor the matter of how this same $5 million of “base amount” State Appropriation would be handled for FY 2014 if, as currently expected, it is “restored” in the base State Appropriation for the coming fiscal year. The Chancellor indicated that determinations in that regard will have to take into account the extent to which the State and System direct that such funds be applied toward strategic investments. It was agreed that determining how much of the $5 million will be apportioned under the Budget Model’s weighted SCH formula and how much specially allocated to strategic investments will be a high priority issue as we approach FY 2014 budgeting.

IV. Institutional Offset/Full Cost Recovery

• The Committee briefly discussed a list circulated by Vice Chancellor Lindenbaum and Karen Wilkerson at the March 5 meeting, and recirculated at this March 14 meeting, listing various operations in various academic
units that do not currently pay the so-called “Institutional Offset” (also known as full cost recovery) assessment, indicating some of the historic rationales for such exclusions from that assessment. There was agreement that Vice Chancellor Lindenbaum and Karen Wilkerson’s office should examine each of the operations closely and report back to the Committee as to the extent, if any, to which each such operation already generates an assessment on the academic unit involved under the Budget Model’s “General Overhead Assessment”—the general consensus being that the presumption should be that none of the operations in question should be either “overhead tax free” or “double taxed,” and that unless some special circumstance for exception to that general policy becomes apparent, there does not at this juncture appear to be an issue for UBC advisory input.

V. Budgeted versus Actual SCH

- Dean Truman and Dave Donnelly reported on their study, as a subcommittee, of recent practices under application of the Budget Model with respect to budgeting SCH and then reconciling actual to budget figures. The ensuing discussion raised three primary issues: (1) whether to try to use more current SCH data in budgeting with a view toward narrowing the differences between budgeted and actual; (2) whether to fully implement the net tuition true up originally contemplated in the Budget Model for FY 2014; and (3) whether to revisit the rolling average approach being taken with respect to use of SCH data in apportioning the bulk of the State Appropriation under the Model. It was agreed that:

1. Dean Truman, Dave Donnelly and Karen Wilkerson will continue to explore the possibility of using more current data to project SCH for FY 2014, but at the same time recommending steps to prevent abuse in that connection.

2. The question of whether to fully implement the “true up” on net tuition will not be decided now, but will be considered in the context of comprehensive review of the Budget Model under current circumstances.

3. The question of revisiting the rolling average approach to SCH data in the State money apportionment will also be deferred for inclusion in a more comprehensive and updated review of the operation of the Budget Model.

VI. Tuition Generated By Graduate Studies

- The Committee considered a letter submitted by the Office of Research Services regarding the allocation of tuition from certain research integrity courses formerly taught in the School of Medicine and now being taught, or proposed to be taught, through Graduate Studies. It was decided that it was
premature for the Committee to consider the financial issues on this item, as the threshold issue would seem to be one for Academic Affairs and relevant curriculum committees—i.e., to consider who should optimally be teaching the courses in question. The Provost agreed to look into this as a matter of academic/curriculum policy, with the UBC deferring review of financial implications until after that examination is concluded and associated decisions made.

VII. Updating Major Support Costs Benchmarking Study/Report

- Larry Bunce and Tony Luppino summarized how the 2008-2009 benchmarking study on major support costs was handled by the then Support Costs Review Committee, with the heavy lifting done by Larry in the Office of Institutional Research, combined with guidance from consultant Becky Sandring. They agreed to send the Committee members, many of whom were not UBC members in 2008-2009, a copy of that report. Larry and Tony proposed to have an updated report prepared using the same data source (IPEDS) and comparator schools groupings as in the 2008-2009 report, but with more recent IPEDS data, and the Committee and the Chancellor agreed with that approach.

VIII. Medical School SCH “Weighting Factors”/State Appropriation

- Following up on prior discussion, the Committee agreed that Karen Wilkerson’s office should assist the Committee in gathering data and reviewing the Medical School’s SCH weighting factors used in apportioning the bulk of the State Money under the Budget Model. It was also suggested that the Deans of the various academic units be given an opportunity to have reviews of their units’ weighting factors done as well. The general consensus among the Committee and the Chancellor was that such revisiting can be done in the context of comprehensive and updated review of the operation of the Budget Model.