UNIVERSITY BUDGET COMMITTEE
MINUTES OF APRIL 2, 2013 MEETING

I. Time, Location and Attendance:

- 9:00AM, 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 and Kevin Truman. Absent, 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 March 14, 2013 meeting were approved in the form last circulated before the meeting.

III. Reports on State/System Developments and Financial Implications of Strategic Planning

- Chancellor Morton indicated that the amount of any increase in the State Appropriation for allocation under the performance-based measures has not yet been determined. It appears the “baseline” State Appropriation apart from that pool will likely be set at the same as the FY 2013 State Appropriation, with the 1% cut amount excluded (possibly earmarked as under the recent reversal of the 1% cut for FY 2013). There may be some rules or guidelines on tying some percentage of the State Appropriation to strategic initiatives or matching programs, and the Committee will be updated on any such developments if they occur.

- In response to a question, Chancellor Morton reminded the Committee that the approved tuition rate increase is generally 1.7% for FY 2014 (based on CPI increase), but that some of the professional schools are allowed and are planning to go with a slightly higher rate increases.

- Provost Hackett circulated and discussed (i) an updated list of initiatives/proposed initiatives that help tie elements of UMKC strategic planning to revenue generation (indicating that work is ongoing on prioritizing items on the list), and (ii) material that had been given to the General Officers on potential System criteria for tying new State funding (and perhaps someday some System holdbacks of State money) to strategic initiatives.
III. Preliminary Discussion of General Overhead Assessment

- Vice Chancellor Lindenbaum and Karen Wilkerson provided the Committee with a list of the major categories of line items likely to comprise the FY 2014 General Overhead Assessment, showing some substantial anticipated increases in some categories, primarily of a non-discretionary nature. They stressed that the list was preliminary and there is more work to be done before a proposal is made for UBC advisory input to the Chancellor.

- It was agreed that as part of its ongoing analysis the Committee will be provided with schedules showing what was budgeted for the expenses of each significant unit/function connected to General Overhead Assessment line items in FY 2013 budgeting and where it appears actual expenses will be for FY 2013, highlighting how much of the actual expenses will be funded out of the Assessment and how much from other sources.

IV. Net Tuition “True Up”

- The Committee continued its discussions of efforts to make the budgeted net tuition closer to actual net tuition in UMKC budgeting. After significant discussion, the Committee recommended, and the Chancellor agreed that:
  
  - The customary budgeting methodology on net tuition (i.e., the semesters of SCH used) will not be altered for FY 2014 budgeting.
  
  - The complete “true up” of net tuition, as contemplated by the Budget Model text will be implemented for FY 2014 (with resulting positive or negative fund balance adjustments made in the first quarter of FY 2015); provided, that it was understood that if the effects of implementing this true up fall harshly on particular units in the short term the Chancellor can of course use strategic adjustments along the lines he has been implementing to avoid precipitous adverse financial effects to such units.

V. Other Matters

- The Committee discussed with the Chancellor, Vice Chancellor Lindenbaum and Karen Wilkerson the likely timetable for announcing FY 2014 GRA apportionment to the deans and other unit leaders, and the effects of that timetable on the scheduling of UBC meetings and provision of the Committee’s advisory input to the Chancellor. It was agreed that in view of uncertainties as to the amount of the State Appropriation, and any rules/guidelines that may accompany parts of the State Appropriation, we should not plan on being able to announce the GRA apportionment before early May, and UBC meetings should be planned accordingly.