UNIVERSITY BUDGET COMMITTEE
MINUTES OF SEPTEMBER 3, 2013 MEETING

I. Time, Location and Attendance:

- 10:30AM, Gillham Park Room at Administrative Center

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

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

II. Preliminary Administrative Matters:

- The minutes of the July 18, 2013 meeting were approved in the form last circulated before the meeting.

III. Report on Ongoing Budget Challenge:

- Vice Chancellor Lindenbaum reported on the history of expense budgeting for FY 2014 and the circumstances that led to the “budget challenge” recently given to unit leaders, and summarized the basic structure and timetable for the budget challenge. Ensuing questions, answers and discussion yielded the following principal points of information and observations for the Committee to consider in its work going forward:

  o UMKC needs to promptly respond (by the end of October) to questions and concerns from the System regarding our ability to (i) stay on track with pro forma projections presented a few years ago in connection with approval of some major construction projects, and (ii) move toward increase rather than decrease in UMKC’s Operating Fund balance. On the latter, the System has changed its rules/guidelines for minimum fund balances. UMKC needs to work toward having a minimum Operating Fund balance equal to at least 60 business days of its operating expenses.

  o The target numbers in the budget challenge given to the unit leaders—i.e., the positive change in currently projected ending Operating Fund balance for the unit for FY 2014—in general average approximately 7% of operating expenses, though they were derived in a tailored unit-by-unit basis and not as one across-the-board percentage.

  o The study of escalating payroll expense indicates a need to more carefully manage payroll. Although some units have increased payroll at
a much higher amount than others, the projected excess of overall UMKC operating expenses over operating revenues for FY 2014 is substantial and a very serious matter, and with a “one university” perspective all units are being asked to help meet the current challenge.

IV. Small Working Group for Study of Possible Budget Model Modifications

- The Provost proposed and the Committee agreed that a “small working group” should be assembled to (a) explore possible modifications of the Budget Model to take into account developments and circumstances since phase-in of the Model began in FY 2009, and (b) report back to the Committee as a whole with observations and recommendations.

- The Provost asked Committee members if they wanted to volunteer to serve on the small working group. Many members of the Committee volunteered, and the consensus was that the group would be too large if all were selected for it. It was agreed that the Chancellor and Provost would consider the self-nominations and get back to the Committee with the designation of the members of the small working group.