UNIVERSITY BUDGET COMMITTEE
MINUTES OF DECEMBER 12, 2013 MEETING

I. Time, Location and Attendance:

- 8:30AM, Plaza Room at Administrative Center
- UBC members present: Provost Gail Hackett (Chair), Dave Donnelly, Maureen Hannoun, Carol Hintz, Lyla Lindholm, Tony Luppino, Michael Plamann, Marsha Pyle, Kevin Truman, Mel Tyler, Wayne Vaught, and Peggy Ward-Smith.
- Others present: Chancellor Leo Morton, Larry Bunce, Sharon Lindenbaum, John Morrissey, Karen Wilkerson, and Athletics Director.

II. Preliminary Administrative Matters and State/System Developments

- The minutes of the November 14, 2013 Committee meeting, in the form last circulated before the meeting, were approved.
- It was noted that it is possible Governor Nixon will be calling for a plan that generally involves essentially the same tuition rates for FY 2015 as are in place for FY 2014, coupled with an increase of 5% in the State Appropriation for higher education.

III. Report on Progress of Budget Model Subcommittee

- Provost Hackett, Vice Chancellor Lindenbaum, and UBC Secretary Tony Luppino reported on the progress of the UBC’s Budget Model Review Subcommittee. They reported that after some preliminary meetings to review updated information on RCM budgeting models generally, and collection of input from the Deans’ Council, Faculty Senate, and Staff Council, the Subcommittee commenced its in-depth study of the UMKC Budget Model at its December 3, 2013 meeting. They explained that: (i) the Subcommittee is taking up in order the major components of the UMKC Model (tuition and scholarships/tuition discounts attribution, apportionment of the State Appropriation, General Overhead Assessment, and Current Unrestricted Funds Balances/reserves policy), and (ii) plans to deliver to the UBC a combination of recommendations (where there is consensus within the Subcommittee) and issues framed for UBC discussion with lists of pros and cons identified in Subcommittee discussion (where there is no consensus recommendation within the Subcommittee). They noted that the December 3 Subcommittee meeting covered a lot of ground on tuition and tuition discounts/scholarships, but there were some remaining agenda items in those categories to be addressed at the next Subcommittee meeting.
IV. Discussion of Financial Planning for UMKC Intercollegiate Athletics

- Following up on discussion at the November 14, 2013 Committee meeting of questions from faculty regarding financial planning for UMKC Intercollegiate Athletics, Chancellor Leo Morton made a presentation to the Committee on that subject. He presented current, short-term and long-term planning information and addressed frequently arising questions, such as: the current financial posture of the Intercollegiate Athletics auxiliary; the amount of General Revenues directed to support of Intercollegiate Athletics; the financial effects of remaining in NCAA “Division I;” the financial aspects of being a member of the WAC conference; the pros and cons of our current list of intercollegiate sports and possibilities for addition of new sports; the role of student fees; and increasing prospects for financial support from community donors. Among other things, he reiterated the plan (previously presented to the Faculty Senate) to reduce the amount of General Revenues directed to Intercollegiate Athletics by 50% over the next 5 years.

- Committee members then asked several questions, which were addressed, depending on the particular subject matter, by a combination of Chancellor Morton, Vice Chancellor Lindenbaum, Vice Chancellor Tyler, Athletics Director Carla Wilson, and Director of Planning and Budgeting Karen Wilkerson. Significant points resulting from that Q & A discussion were:
  - While there is data suggesting that, in comparison to other pertinent universities, UMKC has a low amount of student fees supporting Intercollegiate Athletics, it seems unlikely that a significant increase in such student fees at UMKC will occur in the short term.
  - Given current circumstances there is no guarantee that the amount of General Revenues directed to Intercollegiate Athletics (through the General Overhead Assessment) will not increase (e.g., for FY 2015) before the planned decrease begins to phase in.
  - There is shared concern that the large negative balance of the Intercollegiate Athletics auxiliary (a little over $9 million at the end of FY 2013) must be expressly addressed.
  - While there can and should be ongoing study of the mix of intercollegiate sports pursued by UMKC, and possible additions/changes, significant changes (especially additions) would be difficult to implement in the short term.

V. Administrative Matters Going Forward

- It was agreed that efforts would be made to pre-schedule the Committee meetings for the spring semester, focusing on Thursday mornings.