

# UNIVERSITY ASSEMBLY BUDGET AND PLANNING COMMITTEE REPORT

February 24, 2009

The University Assembly Budget and Planning Committee has met four times since the beginning of the Spring 2009 Semester: January 21, February 2, February 9, and February 16.

At the January 21 meeting, the administration briefed the committee on the several potential budget scenarios for Fiscal Year 2009 (the current fiscal year) and Fiscal Year 2010 (July 1, 2009 to June 30, 2010). Subsequent events have narrowed significantly the number of possible scenarios. The most consequential event is the tentative agreement between Governor Jay Nixon and the public university and college presidents to appropriate for FY 2010 the same FY 2009 state funding for each public university and college in exchange for the institutions maintaining the same tuition and fees. This appropriations part of this agreement must be passed by the Missouri General Assembly.

Under this scenario, assuming no change in enrollments, UM-St. Louis still needs to reduce its rate budget for FY 2010 by approximately \$2,753,000. These rate funds are required for the following purposes:

(1) A 1% compensation pool for special cases:	\$943,000
(2) Covering FY 2009 rate-type expenditures temporarily being paid by cost (i.e., one-time) dollars:	\$557,000
(3) Increase in maintenance and repair fund because of added replacement costs:	\$100,000
(4) Conversion of buildings from auxiliary services to academic purposes (utilities, custodial services, etc. paid by general operating dollars rather than by users of the auxiliary services):	\$670,000
(5) Increase in utility costs (assumes 6% increase):	\$243,000
(6) Year 3 of five-year library acquisitions agreement:	\$240,000

On February 2, the committee received the administration's recommendations on funding criteria for selected centers and institutes including an analysis of these entities conducted by the Program Audit Committee. The administration recommended that a major (but not sole) criterion for assessing these entities should be that each generate \$3 in external funds (e.g., grants, contracts, gifts, fees) for every \$1 of university rate support. The committee endorsed this criterion. The administration also signaled its intention to reduce the modified rate dollar FY 2010 budgets for those entities currently not meeting the 3-to-1 ratio by 5%. The committee decided that it would react to this proposal at a later meeting.

On February 9, UM Vice President for Human Resources Betsy Rodriguez briefed the committee on the retirement, disability, and death plan changes proposed by the UM administration the

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previous week and adopted by the UM Board of Curators at its February 6 meeting. Joining the committee for this briefing were the UM-St. Louis Intercampus Faculty Council delegates and the UM-St. Louis faculty and staff representatives to the UM Benefits Committee. As a result of the information provided at this meeting, a resolution was drafted and distributed to the committee on February 13.

At the February 16 meeting, the committee unanimously adopted the resolution about the retirement, disability, and death plan changes. A copy of this resolution is included in the agenda for the February 24 meeting as an action item for the entire University Assembly. The remaining agenda items for this meeting were a plan for up to \$3,000,000 in cost cuts for the FY 2009 budget, proposed permanent rate cuts of \$380,000 beginning with the FY 2010 budget, and further rate cuts topics for the committee's next three meetings. The UM administration is requiring each campus to submit its rate dollar cut plan (\$2,753,000 for UM-St. Louis) by early April.

The administration's plan for up to \$3,084,000 in cost cuts for FY 2009 (currently, no cost cuts have been required by UM) are:

(1) Recouping unpaid compensation from frozen positions:	\$1,000,000
(2) Delaying major maintenance and repair projects originally scheduled for FY 2009:	\$1,000,000
(3) Delaying desk top computer replacement for the remainder of FY 2009:	\$130,000
(4) Cancelling internal small grants program for Spring 2009 Semester:	\$100,000
(5) Across-the-board cut (approximately 2.8%) in E&E:	\$854,000

The committee endorsed this plan with the understanding that, if there is no withholding, the \$100,000 for the small grants program would be carried over to FY 2010.

The administration's proposed the following permanent rate cuts totaling \$380,000:

(1) Reduce selected centers/institutes budgets (those not meeting the 3-to-1 ratio criterion) by 5%:	\$100,000
(2) Reduce outsourcing contracts for grounds care:	\$125,000
(3) Eliminate printed bulletin:	\$10,000
(4) Eliminate CD versions of bulletin:	\$30,000
(5) Eliminate printed student planner:	\$35,000
(6) Change replacement cycle for desk top computer replacements from 3 years to 4 years:	\$70,000
(7) Reduce number of August commencements from two to one:	\$10,000

The committee endorsed #1, #2, #3, #4, #6, and #7. It requested that the University Assembly's Student Affairs committee be consulted before the committee takes action on #5.

The administration still will need to propose approximately an additional \$2,400,000 in rate cuts. The committee will review these yet-to-be-announced proposals at its next three meetings: March 2 (1 pm to 3 pm, JC Penney 75), March 9 (1 pm to 3 pm, JC Penney 126), and March 16 (1 pm to 4 pm, JC Penney 126). The administration reported that the areas being considered include teaching loads, continuing education, engineering, graduate assistantships, library acquisitions, economic development, academic administration including student affairs administration, managerial and technology services, and university advancement.

Respectfully submitted,

E. Terrence Jones  
Chair