June 2, 2017

Dear President Choi:

We have made tremendous progress toward crafting a budget strategy to help UMKC meet the challenges it faces today and for the foreseeable future. Our plan is to execute this strategy over the next two years to produce the estimated $20-$30 million in savings that will be required by recent cuts to state funding and other pressures we face in the highly competitive environment of higher education. This new approach will require sacrifice and compromise in the short term, but holds the promise of a more sustainable financial path in the future that will allow us to invest in our top priorities and transform ourselves in ways that will create a better future for us all, especially for our students.

To that end we have been building a foundation from which we can further develop and begin execution of our plans. As evidence of that work we have attached the budget plan and two of the primary documents that have evolved from many meetings and discussions. These principles represent transformative changes to the UMKC budget process and have been shared broadly in a variety of campus meetings including stakeholders from senior administrative leaders and deans to the Faculty Senate and academic unit chairs and department heads to the University Budget Committee to Staff Council. We have invited feedback and suggestions along the way and have in fact received some wonderful ideas from our campus community. Our campus plans reflects this input and more.

We understand that this is an iterative journey and one that is just beginning. We are confident that this work, while very difficult, will allow us to take bold action and thereby realize our potential for excellence.

Respectfully,

Leo E. Morton   Barbara A. Bichelmeyer   Sharon Lindenbaum
Chancellor   *Provost*   *Vice Chancellor, Finance and Administration*

2018 KANSAS CITY Budget Tracking Worksheet

Revenue Shortfalls & Cost Increases

	State Appropriations	(6,320,637)
	Tuition and Enrollment	3,247,330
	Unavoidable Cost Increases	(4,747,000)
	Strategic Investments	(7,586,663)
Total Beginning Shortfalls		**(15,406,970)**

Short-term Cuts & Revenue Enhancements

	Item #1	Reduction in capital expenditures	2,000,000
	Item #2	Shift of capital expenses to auxiliary fund	900,000
	Item #3	Reduction in minor renovations	200,000
	Item #4	Reduction in minor renovation at School of Medicine	100,000
	Item #5	Removed air handler purchase at School of Dentistry	220,000
	Item #6	Reduction in FTE from layoffs - staff	657,000
	Item #7	Reduction in FTE - non-renewal of academic contracts	528,000
	Item #8	Reduction in subsidy to Athletics Program	1,300,000
	Item #9	Elimination of vacant positions	2,500,000
	Item #10	Attrition pools added to unit budgets	750,000
	Item #11	Reduction of graduate assistants in Student Affairs	105,600
	Item #12	Resignations, retirements, future actions	1,032,000
	Item #13	Other reductions - adjuncts, salary reserve	550,000
Total Realized from Short-term Cuts			10,842,600

Total Shortfall included in FY 18 Budget	**(4,564,370)**

Additional Annual Impact of Short-Term Cuts	(6,853,600)

Minimum Target for Long-Term Cuts	**(11,417,970)**

Long-term Plans

Academic Mission Realignment

Item #1	Academic Portfolio Review & Efficiency Review	2,500,000	(for all items in this pillar)
Item #2	Faculty retention; workload and productivity	-	
Item #3	Improved student experiences - Gen Ed 2.0; bridge programs; academic support; workforce ready; Access to Success; flexible instruction formats		
Item #4	Strategic academic hiring		
Item #5	Roles and responsibilities - adjuncts, Gas, GTAs, GRA		
Item #6	MyVita and data review		
Item #7	Online opportunities		
Item #8	Academic organizational structure and realignment		
Item #9	Interdisciplinarity and interprofessional programs and research		

Revenue Enhancement

Item #10	Non-credit bearing programs; continuing education	2,500,000	(for all items in this pillar)
Item #11	Promote and market certain masters level programs	-	
Item #12	Summer session-promote; target and focused management		
Item #13	Research		
Item #14	Academic conference and event hosting		
Item #15	Tuition and pricing review		
Item #16	Financial aid and scholarship review		
Item #17	Enrollment- Recruitment (AXIs); Community college (AXIs); Transfer students (AXIs); Dual High School students		
Item #18	International Affairs		
Item #19	Auxiliary fund - activity review		
Item #20	Marketing spend and promotion in support of strategic needs		
Item #21	Development		
Item #22	Intellectual property and commercialization		
Item #23	UMKC in the City		

Resource Allocation

Item #24	New resource allocation model; including policy for reserves	2,000,000	(for all items in this pillar)
	New internal costing models: those services which are funded by		

Item #25	operative funds; those which receive no operative funds		
Item #26	Space utilization		
Item #27	Centralized scheduling		
Item #28	Maintenance and long-term funding plan		
Item #29	Asset management plan: land and buildings leases and sublease opportunities; disposition		
Item #30	Asset management plan - accounts receivable		
Item #31	Data review and management		
Item #32	Equipment management		
Item #33	Athletics review		

Administrative Review

Item #34	Co-ordinate work study and student workers - pool of support for key services; includes training and skill development	4,417,970	(for all items in this pillar)
Item #35	Evaluation of shared services with monitoring and service agreements (ADMINISTRATIVE FUNCTIONS) - Advancement and Alumni Support; Equity, Diversity, and Inclusion; Human Resources; Finance; Information Services; International Affairs; Marketing and Communications; Research Services		
Item #36	Evaluation of shared services with monitoring and service agreements (CORE ACADEMIC FUNCTIONS) - Data management; Enrollment management; Academic Support services		
Item #37	Evaluation of shared services with monitoring and service agreements (STUDENT SUPPORT) - Recruiting; Admissions; Scholarship setting and processing; Advising; Career Services		
Item #38	Review need for 37 IT systems		
Item #39	Partner and affiliated organization review		
Item #40	General review of span of control and management layers		
Item #41	Libraries		
		-	

Total Targets for Long-term Cuts	**11,417,970**

2018 KANSAS CITY - Revenue Shortfalls and Cost Increases Detail

State Appropriations Detail:		Amount
Core Reduction		(5,350,637)
Line Item Reduction - Pharmacy satellite program at MSU		(970,000)
Line Item Reduction - Neighborhood Center		-
Line Item Reduction - Dental Satellite expansion		-
Total State Appropriation Changes		**(6,320,637)**

Tuition & Enrollment Detail:		
Enrollment Increases (Decreases)		(2,492,670)
Tuition Increases (Decreases)		5,500,000
Student Aid Program Changes		240,000
Total Tuition Revenue Changes		**3,247,330**

Unavoidable Cost Increases Detail:		
Insurance - Educators Legal Liability		(686,000)
Utilities		(1,117,000)
Compensation increases - e.g. full yr impact of new hires, FLSA, raises in FY17		(2,944,000)
Total Unavoidable Cost Increases		**(4,747,000)**

Strategic Investments		
Item #1	New Pharmacy Scholarship to recruit and increase enrollment	(300,000)
Item #2	Strategic hires for research, start up	(1,000,000)
Item #3	Replace critical teaching & clinical faculty positions	(1,800,000)
Item #4	Shared services, administrative review	(175,000)
Item #5	Strategic reinvestment to support core programs, across-state initiatives	(4,311,663)
Total Strategic Investment		**(7,586,663)**

Total Beginning Shortfalls		**(15,406,970)**

2018 KANSAS CITY - Short-Term Plans

Short-term plans are known actions with known results that will be executed by the campus during FY 2018. Short-term plans have already been identified and will be executed. Actual savings are known, actions are certain, and included in budget.

Name	Description	Reasons	Explanation	Implementation Date	Responsible Party	FTE Reduction Vacant	FTE Reduction Occupied	Savings 2018	Savings Recurring Annualized
Item #1	Reduction in capital expenditures	*Temporary suspension of projects*	Temporary suspension of M&R projects	7/1/2017	CFM	-	-	2,000,000	
Item #2	Reduction in capital expenditures	*Move IT capital project & equip expenses to telecom fund*	Shift expenditures to auxiliary fund	7/1/2017	Info Srvcs			900,000	
Item #3	Reduction in minor renovations	*Need for reallocation of funds*	Downsize or delay renovation of library space for Online	7/1/2017	VP Online Learning	-	-	200,000	
Item #4	Reduction in minor renovation at School of Medicine	*Need for reallocation of funds*	Downsize or delay renovation projects at Medical School	7/1/2017	Medical School	-	-	100,000	
Item #5	Removed air handler purchase at School of Dentistry	*Deferred at this time*	Deferred	7/1/2017	Dental School	-	-	220,000	
Item #6	Reduction in FTE from layoffs - staff	*Opportunities for increased efficiencies*	Increased efficiencies	May-17	Various	-	16.0	657,000	853,000
Item #7	Reduction in FTE - non-renewal of academic contracts	*Variety of reasons*	Various	May-17	Various	-	8.0	528,000	636,000
Item #8	Reduction in subsidy to Athletics Program	*Campus cannot continue to support Athletics at current level*	Campus working toward right-sizing support of Athletics	7/1/2017	Chancellor/AD	-	-	1,300,000	TBD
Item #9	Elimination of vacant positions	*Vacant positions eliminated if not mission critical*	Opportunity for efficiencies	7/1/2017	Various	27.0	-	2,500,000	2,500,000
Item #10	Attrition pools added to unit budgets	*To realize savings from attrition, vacancies throughout year*	Units typically have turnover, original plan included all positions	7/1/2017	Deans	-	-	750,000	
Item #11	Reduction in graduate assistants in Student Affairs	*Opportunities for increased efficiences*	Follows several years of paring down graduate assistantships	7/1/2017	VC Student Affairs		15.0	105,600	
Item #12	Resignations, retirements, future actions	*Savings realized from holding positions vacant*	Savings realized from holding positions vacant	7/1/2017	HR, Campus		-	1,032,000	
Item #13	Other reductions - adjuncts, salary reserve	*Savings realized from other reductions*	Savings realized from other reductions	7/1/2017	Campus			550,000	
						27.0	39.0	10,842,600	3,989,000

The campus will execute long-term plans beginning next year to address shortfalls and to fund future investment. Long-term plans have actions with a current unknown result because not all decisions have been made. Actual savings are unknown, and specific actions are also unknown, so actual results will vary from target. Each action has an associated dollar target and timeframe for plan execution. Campuses are expected to plan for total targets to exceed remaining budget shortfalls due to execution risk.

Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
	Academic Mission Realignment			Range $2.0M-$3.0M net		
1	Academic Portfolio Review and Efficiency Review	6/30/2018	Provost Bichelmeyer	-	Data provided will allow for deeper understanding of opportunities and risks within the academic portfolio	In the context of strategic priorities, will target market to programs with potential; will allow evaluation of all programs
2	Retention of high performing faculty; faculty workload and productivity	6/30/2018	Provost Bichelmeyer Deans	-	Realign workload with updated IFC policy	Need to find ways to incent and reward high performing faculty; improve faculty productivity
3	Improved student academic experience:	6/30/2018	Provost Bichelmeyer (all components)	-	Improved student experience through enhanced support and high impact experiential learning	Work to be done will focus on improving student retention and outcomes; will help build a competitive advantage to aid recruitment
3.1	- Gen Ed 2.0	6/30/2018	VP Pemberton J. Greer J. Waddell	-	Reevaluating the General Education program to identify key elements that are adding value and address the elements that are not optimal for student learning and are undeliverable	Improve student experiences and retention
3.2	- Bridge programs (AXIs)	6/30/2018	TBD	-	Work to provide an opportunity for incoming first-year students to attend a bridge program prior to beginning their Freshman year with the goal of helping students transition from high school, improve retention and degree completion	Improve student experiences and retention
3.3	- Academic Support (AXIs)	6/30/2018	TBD	-	Identify and fill gaps that prevent our students from receiving comprehensive and individualized academic support service experiences; includes information systems, advising, support programs, faculty connections etc.	Improved support will drive greater student success and retention

2018 KANSAS CITY - Long-Term Plans

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Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
3.4	- Workforce ready (AXIs)	6/30/2018	TBD	-	Create a path for students to develop the comprehensive competencies, experiences and connections employers want, to increase the value proposition of our students; build connections with employers in the region	Improved student success through high impact learning experiences; improved recruitment and retention; help to meet the needs of employers
3.5	- Access to Success (AXIs)	6/30/2018	TBD	-	Improve the experience for under-represented minority students as well as low income students to have greater access and be successful	Improved access and experiences will help with both recruitment and retention efforts
3.6	- Flexible instruction formats (AXIs)	6/30/2018	TBD	-	Develop programs in new formats to better meet student needs which include options such as blended, online, weekend and accelerated classes	Opportunity to better meet student needs where they are; improve recruitment and retention
4	Strategic academic hiring (AXIs)	7/31/2017	Provost Bichelmeyer VC Hintz	-	Review hiring practices; improve search committee training; incorporate behavioral assessment; build a best in class hiring process	Improve quality of hiring process to ensure improved hiring outcomes
5	Adjunct/GRA/GTA review	12/31/2017	Deans Faculty Senate Budget Committee Dean Graduate Studies	-	Clarify roles and responsibilities and work to be done; evaluate benefits in light of the competitive landscape	Improved quality of the experience for faculty and students
6	myVita	12/31/2017	VP Cox J. Greer Registrar Swink	-	Review and assess quality of data in myVita e.g. instructor tables; adjust as needed; work with System to realize potential	Data in myVita is being used for many different purposes and the quality of data impacts decision making
7	Online opportunities	6/30/2018	Provost Bichelmeyer VP Cancilla VP Pemberton	-	Faculty and program development to deliver in new formats; supported by marketing	Opportunity to enhance existing efforts and realize greater potential

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Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
8	Academic organizational structures and alignment	6/30/2018	Provost Bichelmeyer Deans Faculty	-	Review organizational structure for optimization of achievement of academic mission	Opportunity to make changes that will drive positive results
9	Interdisciplinarity and interprofessional programs and research	6/30/2018	Provost Bichelmeyer	-	Capitalize on comprehensive curricular offerings to create and collaborate in the development of new programs in the region	Leverage the existing potential
	Revenue Enhancement			Range $2.0M-$3.0M net		
10	Non-credit bearing programs; continuing education	12/31/2017	Provost Bichelmeyer VP Cancilla	-	Opportunity to restructure efforts across campus and promote strategically	Improved revenue through identification of growth opportunities; consolidate administrative support and reduce costs; target market
11	Promote and market certain masters level programs	12/31/2017	Provost Bichelmeyer VC Spenner	-	Early opportunity confirmed by RPK data; supported by other information	Will allow for growth of selected masters programs e.g. MBA, Entrepreneurial Real Estate
12	Summer session - promote; target and focused management	12/31/2017	Provost Bichelmeyer Deans Registrar Swink	-	Opportunity exists to improve the management of course offerings and target market	Evaluate offerings; develop metrics for measurement of financial performance; market to fill classes with capacity
13	Research	6/30/2018	Provost Bichelmeyer VC Dreyfus Dean Kanter	-	A CIE group has conducted a needs analysis; will prioritize and implement changes as appropriate	Opportunity to leverage, support and grow research efforts
14	Academic conference and event hosting	3/31/2018	VC Crespino	-	Opportunity to promote UMKC and utilize university assets and skills to develop this new business auxiliary	Idle assets can be put to good use; will showcase UMKC; net profit can be used to support operations
15	Tuition and pricing review	9/30/2017	Provost Bichelmeyer VC Lindenbaum VC Tyler Deans	-	Review existing pricing and policies; maximize revenue through new pricing strategies; targeted enrollment growth	Opportunity to update pricing strategies and focus on revenue growth

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Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
16	Financial aid and scholarship review	9/30/2017	Provost Bichelmeyer VC Lindenbaum VC Tyler Deans	-	Review existing financial aid and scholarship policies; use funding to strategically align with enrollment goals and access needs; review internal processes	Opportunity to better align resources with strategic goals
17	Enrollment	6/30/2018	Provost Bichelmeyer VC Spenner VP Cox Registrar Swink	-	See below	See below
17.1	- Recruitment (AXIs)	6/30/2018	Provost Bichelmeyer VP Cancilla AVC Morris	-	Need a comprehensive and seamless recruitment process for prospective students across the student lifecycle; build an excellent customer service experience	Opportunity to improve recruitment and student experiences
17.2	- Community college (AXIs)	6/30/2018	TBD	-	Work will include review of existing articulation agreements, as well as possible expansion	Opportunity to improve recruitment
17.3	- Transfer students (AXIs)	6/30/2018	TBD	-	Need a comprehensive and seamless recruitment process for transfer students	Opportunity to better recruit and retain transfer students
17.4	- Dual High School students	7/31/2017	TBD	-	Review program to assess growth opportunities; review pricing and internal structure; UMKC entry point	Opportunity to build UMKC connection; support recruitment efforts
18	International Affairs	12/31/2017	Dean Truman VC Tyler Deans	-	Enhance strategic recruitment efforts and support student success; consolidate support systems and activities	Improve efficiency and effectiveness of international recruiting efforts; operational alignment
19	Auxiliary fund - activity review	2/28/2018	VC Lindenbaum	-	Assess auxiliary activity for opportunities to improve performance and provide additional support to operations; review structure	Could provide additional support for operating fund; or for auxiliary's needs

2018 KANSAS CITY - Long-Term Plans

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Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
20	Marketing spend and promotion in support of strategic needs	6/30/2018	Provost Bichelmeyer VC Spenner	-	With all the work being done and the new data, marketing will be needed to achieve potential	With all the new information, marketing will be needed to achieve potential
21	Development	6/30/2018	Chancellor Morton UMKC Foundation - Steven Norris	-	Maximize development support by prioritizing, planning and preparing for the next campaign	Significant opportunity to build donor base in support of campus priorities
22	Intellectual property and commercialization	6/30/2018	Provost Bichelmeyer VP Dreyfus Maria Meyers -with support from R. Schwartz	-	Work with System to leverage our opportunities	Opportunity to improve our efforts
23	UMKC in the City	6/30/2018	Provost Bichelmeyer	-	Capitalize on our Carnegie Community Classification to capture and sustain our many relationships across the region with research, programs and service	Opportunity to leverage the UMKC brand in meeting community needs
	Resource Allocation			Range $1.5M-$2.5M net		
24	New resource allocation model, including policy for reserves	7/31/2017	Provost Bichelmeyer VC Lindenbaum	-	New model needed as old one was not working	New model will align resources with priorities; build engagement with internal campus community
25	New internal costing models - those services which are funded by operating funds - those which receive no operating funds	6/30/2018	VC Lindenbaum	-	Internal costing models need updating; much of the work will be associated with the consolidation/shared services work	Opportunity to simplify and provide clarity to campus community
26	Space utilization	6/30/2018	AVC Simmons TBD	-	Paulien study and other studies suggest that some of our facilities are under-utilized	Potential to manage our space should drive savings in the long-term

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Name	Description		Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
27	Centralized scheduling		12/31/2017	Provost Bichelmeyer Registrar Swink	-	Component of better management of our facilities	Student and university needs could be better met
28	Maintenance and long-term funding plan		6/30/2018	VC Lindenbaum AVC Simmons	-	Need to develop a plan to be able to adequately maintain the campus assets	Currently M&R is underfunded; need to find other ways to fund needs; will require co-ordination with any System efforts
29	Asset management plan - land and buildings leases and sublease opportunities; disposition	-	12/31/2017	VC Lindenbaum AVC Simmons	-	Significant resources are invested in our land and buildings; goal is to ensure best use of all assets	Potential for cost savings and/or new revenue
30	Asset management plan - accounts receivable		12/31/2017	VC Lindenbaum	-	Accounts receivable represent a sizeable asset; ensure best collection policies to meet student needs and minimize bad debt	Review for best practices in charging of tuition and collections of accounts receivable
31	Data review and management		6/30/2018	VP Cox	-	Prioritize needs; identify metrics; develop dashboards to monitor progress; review peer data	Need quality data to help inform quality decision making
32	Equipment management		11/30/2017	VC Lindenbaum VC Dreyfus	-	Opportunity to identify equipment and avoid duplicate purchases; leverage purchasing power and better maintain equipment	Opportunities for cost savings around equipment purchasing and maintenance
33	Athletics review		8/31/2017	AD Carla Wilson	-	Goal is to ensure appropriate amount of institutional support for the programs delivered by Athletics; CIE work has commenced	Better align the value of the Athletics programs with the investment

Administrative Review	Range $4.0M-$5.0M net

2018 KANSAS CITY - Long-Term Plans

The campus will execute long-term plans beginning next year to address shortfalls and to fund future investment. Long-term plans have actions with a current unknown result because not all decisions have been made. Actual savings are unknown, and specific actions are also unknown, so actual results will vary from target. Each action has an associated dollar target and timeframe for plan execution. Campuses are expected to plan for total targets to exceed remaining budget shortfalls due to execution risk.

Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
34	Co-ordinate work study and student workers - pool of support for key services; includes training and skill development	6/30/2018	VC Tyler VC Hintz	-	Improved deployment of work study and student worker to help meet University needs	Fewer fulltime employees will be needed; Will also provide a benefit to students and supervisors through additional training
35	Evaluation of shared services with monitoring and service agreements - ADMINISTRATIVE FUNCTIONS	6/30/2018	See below	-	Functions are scattered across the campus and services are inconsistent and duplicative	Cost savings and better service can be achieved by implementing shared services; supported by service level agreements; bi-monthly monitoring and review of agreed upon metrics
35.1	- Advancement and Alumni Support		VC Crespino	-	See above	See above
35.2	- Equity, Diversity and Inclusion		VC Wilson	-	See above	See above
35.3	- Human Resources		VC Hintz	-	See above	See above
35.4	- Finance		VC Lindenbaum	-	See above	See above
35.5	- Information services		VP Fritts	-	See above	See above
35.6	- International Affairs		VC Tyler Dean Truman	-	See above	See above
35.7	- Marketing and communications		VC Spenner	-	See above	See above
35.8	- Research services		VC Dreyfus	-	See above	See above
36	Evaluation of shared services with monitoring and service agreements - CORE ACADEMIC FUNCTIONS	6/30/2018	See below	-	Functions are scattered across the campus and services are inconsistent and duplicative	Cost savings and better service can be achieved by implementing shared services; supported by service level agreements; bi-monthly monitoring and review of agreed upon metrics
36.1	- Data management		VP Cox	-	See above	See above
36.2	- Enrollment management		VP Cox	-	See above	See above
36.3	- Academic Support services		VP Pemberton AVC DeHaemers	-	See above	See above
37	Evaluation of shared services with monitoring and service agreements - STUDENT SUPPORT		See below	-	Functions are scattered across the campus and services are inconsistent and duplicative	Cost savings and better service can be achieved by implementing shared services; supported by service level agreements; bi-monthly monitoring and review of agreed upon metrics

2018 KANSAS CITY - Long-Term Plans

The campus will execute long-term plans beginning next year to address shortfalls and to fund future investment. Long-term plans have actions with a current unknown result because not all decisions have been made. Actual savings are unknown, and specific actions are also unknown, so actual results will vary from target. Each action has an associated dollar target and timeframe for plan execution. Campuses are expected to plan for total targets to exceed remaining budget shortfalls due to execution risk.

Name	Description	Target Date	Responsible Party	Targeted Savings	Reasons	Explanation
37.1	- Recruiting		Provost Bichelmeyer VC Tyler T. Byland	-	See above	See above
37.2	- Admissions		Provost Bichelmeyer VC Tyler T. Byland	-	See above	See above
35.3	- Scholarship setting and processing		Provost Bichelmeyer VC Lindenbaum VC Tyler	-	See above	See above
37.4	- Advising		K. McNeley	-	See above	See above
37.5	- Career Services		VC Tyler	-	See above	See above
38	Review need for 37 IT systems	6/30/2018	CIO Fritts A. Goodenow	-	Support for so many systems is costly and inefficient; define a path for the future that meets our data needs and is less costly	Opportunity to better serve campus needs; has potential for cost savings
39	Partner and affiliated organization review	12/31/2017	VC Crespino VC Lindenbaum	-	Review partner relationships in context of investment and value	Opportunity to evaluate and assess the relationships
40	General review of span of control and management layers	6/30/2018	VC Lindenbaum VC Hintz	-	As part of all of the restructuring work and evaluation of administrative support, both central and within the units, review for efficient new structures	Opportunity for efficient organizational structure
41	Libraries	6/30/2018	Provost Bichelmeyer Dean Postlethwaite	-	Explore opportunities to leverage three libraries at UMKC, as well as those on the other campuses; work with System	Identify additional operational efficiencies, especially regarding purchasing

2018 KANSAS CITY - Strategic Investments Detail

Please provide details of strategic investments included on the tab "Detail of Increases & Shortfall". Under the investments columns identify the one-time funding separately from the recurring investment. Also, please indicate how much of the investment will be made in FY18.

Name	Description	Desired Outcome	Explanation	Implementation Date	Responsible Party	FTE Faculty	FTE Staff	Investment FY18 Impact	Investment One-time Funding	Investment Recurring Funding
Item #1	New Pharmacy Scholarship to recruit students to UMKC	*Increase enrollment for Pharmacy*	Scholarship offered to non-resident students to recruit and increase enrollment; does not waive all non resident fees	7/1/2017	Pharmacy Dean	-	-	(300,000)	-	(300,000)
Item #2	Strategic hires for research, startup funds	*Strengthen research activities*	Critical research hires for SOM, Dental, Biological Sciences	7/1/2017	Deans	8		(1,000,000)	(270,000)	(730,000)
Item #3	Replace critical instructional faculty positions	*Restore core teaching mission*	Replacements of vacant faculty positions that are core to instructional mission	Fall 2017	Deans, Provost	17	-	(1,800,000)	-	(1,800,000)
Item #4	Shared services, administrative review	*Develop strategic work plan for shared services*	Support for execution of strategic work plan around shared services and administrative review	10/1/2017	Provost, VC Lindenbaum	-	-	(175,000)	(175,000)	
Item #5	Strategic reinvestment to support core programs, across-state initiatives	*Reserve for shortfalls in revenue*	Funds have been set aside should revenue fall short of target; will be used for strategic reinvestment to support core programs and across state initiatives; any remaining funding not needed may be available for strategic reinvestment	7/1/2017 and ongoing	Chancellor, Provost, VC Lindenbaum			(4,311,663)	-	(4,311,663)
						25	-	(7,586,663)	(445,000)	(7,141,663)

UNIVERSITY OF MISSOURI – KANSAS CITY

Operational Strategy and Budget Plan

Version Authors: Bichelmeyer, Lindenbaum, Morton
Version Date: May 19, 2017

UMKC Vision

UMKC's vision is to be a model public urban research university with signature graduate and professional programs, a dynamic undergraduate population, a highly diverse faculty, staff and student body, and active engagement with our city and region.

Mission of the University of Missouri System

UMKC is one of four universities that make up the University of Missouri System. The mission of the UM System, as a land-grant university and Missouri's only public research and doctoral-level institution, is to discover, disseminate, preserve, and apply knowledge. The university promotes learning by its students and lifelong learning by Missouri's citizens, fosters innovation to support economic development, and advances the health, cultural, and social interests of the people of Missouri, the nation, and the world.

UMKC Goals

As articulated in our 2010-2020 Strategic Plan, UMKC's Goals are to:
- Place student success at the center
- Lead in life and health sciences
- Advance urban engagement
- Excel in the visual and performing arts
- Embrace diversity
- Promote research and economic development

Pressures to Change

While we at UMKC continue to be as committed as ever to achieving our vision, mission and goals, we are now experiencing significant pressures to change. These pressures include shrinking revenues, heightened focus on workforce development, greater expectations for return on investment, changing expectations about personalization and engagement, more aggressive competition, and greater accountability. First movers to address these pressures will benefit most, while those slow to change will experience significant negative consequences.

Shrinking Revenues. The total dollars appropriated annually to the University of Missouri System from the State of Missouri remained flat from 2001 to 2016. With only five months remaining in the FY17 fiscal year, the State responded to lower than expected revenues by rescinding approximately $37 million in appropriations designated for the UM System. The UM System rescission included cuts to UMKC of $7.3 million in appropriations ($5.8M to base and $1.4M to line items) and a cut to capital expenditures of $3.3m that had been designated for the Free Enterprise Center. In February 2017, the Governor introduced a budget that, if passed, will decrease the State's FY18 appropriation to the UM System by approximately $60 million from the previous year, which is likely to involve a cut of $10.6

million from the previous year for UMKC. Budget negotiations are still underway with little expectation that cuts in state support will be restored. At the same time, UMKC's ability to raise revenues through increasing tuition has been capped since 2008 by the State's Higher Education Student Funding Act (SB 389), which ties tuition increases to increases in the consumer price index. Constraints on appropriations and tuition are further exacerbated by shrinking dollars available to universities from federal and state agencies for research funding and service grants.

Heightened Focus on Workforce Development and Expertise. Over the past several decades, new technologies have spurred the creation of entirely new companies and industries in the Kansas City Region. This is an unprecedented economic development opportunity that challenges employers to find enough people capable of succeeding in new, complex, and highly technical positions. Employers express frustration with higher education institutions such as UMKC because we are not preparing enough graduates who are "workforce ready" to meet their needs. At UMKC, we have historically been organized in the same way as all higher education institutions, in "academic disciplines" where we "deliver knowledge." Employers are calling on us to recognize that, as information is now ubiquitous on the Internet, expertise is now less defined by "what we know," and more by "what we can do with what we know" (skill and competency). While our mission to advance knowledge means that we at UMKC will continue to organize by academic discipline, we must also provide graduates with the skills and competence they need to succeed in work and life.

Greater Variation in Preparation, and Expectations for Return on Investment. As it becomes clearer to people from all socioeconomic levels that the positions created by the new economy provide the greatest opportunities for a decent quality of life and a fulfilling career, more people with less disposable income are also recognizing that they need some type of post-secondary credential in order to be qualified for these positions. As more people come to UMKC from a greater variety of backgrounds, we (like other institutions of higher education) must ramp up to provide more support services that address the wider range of gaps our students have in their college preparation. Additionally, because these students expend large percentages of their income and incur significant debt to pursue degrees, they want assurances of a "return on investment" for their college education, generally in the form of job placement.

Changing Expectations about Personalization, Engagement, and Mass Customization. The education we provide at UMKC is the most highly personal period of growth and change our students will ever experience throughout their lives. The higher education model we inherited to facilitate our students' development involves normative assessment (comparing students to others) rather than measurements of their own growth; and we deliver education using assembly-line schedules that hold instructional time constant while allowing student success to vary. There was a time when this was the best model available for mass education. Fortunately, that time is past. The coupling of the Internet with new technologies provides the means for mass customization of a variety of programs and services. Students now expect us to provide more interactive and engaging experiences (high impact learning practices). Our competitors offer students many types of personalization: Some online institutions allow students to apply, enroll and begin a program with only a few days between time of application and start of program. Blended programs allow students to work through courses when and where it's convenient for them. Competency-based programs allow students to test out of courses they have already mastered, and provide resources, mentors, and advisors to help students achieve learning goals that are clearly articulated with measurable outcomes. At traditional universities,

students access online dashboards to check their progress through courses and programs. We must recognize students are our most reliable source of revenue and treat them as such while understanding that these new modalities allow for greater student success.

The "Business" of Higher Ed and More Aggressive Competition. We at UMKC, like our peers in other institutions, have historically labored under the assumption that higher education is not a business. In fact, higher education may be viewed as the opposite of business – where businesses use people to make money, we use money to make people. Yet, we are an economic enterprise: because we take money from students and from the State, they have certain rights to assume their needs and expectations will be addressed. When we take money, it is more than a contract – it is a sacred trust that we will lead, guide and support students as they work to achieve their goals for personal and economic success and engaged citizenship. If we do not honor this commitment, students will rightfully choose other institutions that better serves their interests. UMKC now has more, and more aggressive, competition than ever before. Colleges and universities from across the State are setting up operations in Kansas City to deliver workforce development programs. Online providers from other states now deliver courses and programs through a variety of new formats (StraighterLine delivers a menu of General Education courses for $59 each that transfer to public institutions, Western Governors University delivers competency-based mentoring programs, and Coursera and EdX deliver open education programs). This increased competition comes at a time when the number of high school graduates is flat or declining and sensitivity to the affordability of college is increasing.

Greater Accountability. Because of the increasing demand for higher education, our accreditors and State and Federal regulators are calling on all institutions of higher education, including UMKC, to show evidence of our quality, the value we add to our students' educational experiences, and our efficient use of resources. Our constituents are telling us they will no longer tolerate the traditional "gatekeeping" model of higher education, in which we take students' tuition, construct barriers and obstructions that allow them to fail, and then blame them for the result. We have a new social contract with our constituents, one in which they expect us to "build a better bridge" – to provide a quality education that continues to hold high expectations for learning while doing more to reach students where they are, to provide stronger supports along the way, and to better ensure our students achieve the goals and futures to which they aspire.

Summary. Scholars such as Bill Bowen, William Massy and Jon McGee argue that the historical models of higher education are no longer sustainable, and that we are currently in a moment of fundamental transformation. We at UMKC are experiencing the effects of this transformation through a number of challenges we simply must acknowledge and address: we are receiving less funding to do our work, at a time when more people and organizations need our programs and services, while expectations for how we deliver our programs and services are changing radically, as competition is ever more aggressive, and we are experiencing greater accountability. These pressures force us to reconsider our strategies, refocus our priorities, and fundamentally reorganize our operations. We must offer innovative academic programs that are both high quality and in flexible formats. We must re-engineer our infrastructure and processes to provide mass customization of the student experience. We must do away with traditional silos and remove obstacles to students' progress. We must rethink every aspect of our academic strategy and operations in order to deliver on our promise and honor the sacred trust of our students in this new era of greater expectations and more numerous, and more aggressive, competition.

UNIVERSITY OF MISSOURI – KANSAS CITY

Operational Strategy and Budget Plan

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Critical Success Factors

While the challenges we face at UMKC are significant, they can also be seen as an unprecedented opportunity to build a model public urban research university for the 21st Century. Our academic strategy must develop and/or strengthen the elements of our organizaton and operations that are critical to enabling UMKC to achieve its mission and vision in this new reality. We must also remove infrastructure and improve processes that are currently barriers and obstacles to our success. We must recognize that our students value autonomy, flexibility, experiential learning, and innovation. The critical success factors for UMKC's academic strategy are:

1. *Our People* – Our greatest strength is in our faculty, staff, and administration, in our commitment to equity, diversity, and inclusion, engaged together and productively working in a united effort to achieve our mission and vision.

2. *Community Engagement* – We respond to relevant needs of our broad community by providing programs and services that build from our core enterprise and that only we can deliver.

3. *Research and creative activities* in which faculty model the varied processes and modes of learning and discovery for our students, meeting students' needs for growth and development over the course of their lives.

4. *Data-driven decision-making* that clarifies our progress on goals, guides our work on improving processes and services, and informs our communications with each other and our constituents.

5. *Outcomes-based academic programs* that clearly identify the baseline knowledge and skills we intend for our students to learn in courses and programs, in transparent and measurable statements that enable all learners access to success.

6. *Innovative curricula* that introduce the latest advancements in discipline-specific knowledge and skills to address workforce and economic development opportunities, students' interests, and social needs while fulfilling their diverse ambitions and life goals.

7. *High impact practices* – highly interactive, feedback-rich, and engaging classroom and co-curricular activities to facilitate deep learning, retention, and completion.

8. *Flexible instructional formats* that meet each and all of our students where they are, address the wide variety of reasons students have for learning, and facilitate students'

development (such as stackable credentials, transfer agreements, competency-based programs, online programs, blended programs, weekend programs, non-credit programs, conferences, and university-sponsored academic events).

9. *Personalized academic support services* that address differences in students experiences and abilities and support their success, whether they need computer support, library resources, guided pathways, advising, supplemental instruction, or more.

10. *Student-centered communications and administrative services* that take advantage of new technologies, big data, cloud services, and mobile connections to create the best possible experiences for students with recruitment, admissions, orientation, registration, payments, and interactions with staff throughout their time at UMKC.

11. *Dynamic and vibrant campus life* - a positive campus environment that attracts students, faculty, staff, alumni and community members from diverse backgrounds through interesting, engaging and exciting activities which foster discourse, growth, and development (invited speakers, movies, open-mic, student organizations, e-game competitions, intramurals, club sports, athletics, sponsored trips, outdoor activities, etc.

Guiding Principles

Our academic strategy is to ensure that we maintain a strong connection to our community, position our research as a competitive advantage and a unique value-added for our students, offer innovative educational programs in flexible formats, create more personalized learning experiences for our students, and to attract our community to our campus through vibrant and dynamic activities and events.

As important as re-focusing our strategies is to re-address **how** we go about implementing them. As we work to implement our strategy, in the face of significant change, the following principles will guide our work. We will:

- Protect UMKC's mission and academic core, in service to one another, to our students, and to society.

- Act in accordance with our core values:
  learning, diversity, integrity, accountabilty, respect, collaboration.

- Find and support our unique value proposition by aligning resources with strategic priorities.

- Work together as a team of teams, influencing and resolving issues with sensitivity and respect, recognizing that the competition we face is outside UMKC.

- Provide innovative ideas that respectfully challenge the status quo to create positive change and deliver on our mission.

- Engage in data-driven decision making, drawing from a single source for valid, reliable data to measure progress, inform planning, and guide action

- Break down silos, eliminate duplicative services, workarounds and waste that improve service models, gain efficiency and to generate savings wherever possible.

- Be accountable by clarifying roles, responsibilities, and baseline accountabilities associated with our work.

- Engage in professional development opportunities to gain new knowledge and skills to support our work and our success.

- Promote transparency by communicating regularly with our stakeholders.

- Serve as stewards of university resources, being ever mindful of the need for financial sustainability now and in the future.