

Report of the University Senate Planning and Resources Committee

Date: April 29, 2020

Members:

Chair: Kirk McClure, Urban Planning (2020)	<mcclure@ku.edu> ;
Faculty: Meredith Schnug, Law (2021)	<mschnug@ku.edu> ;
Faculty: Sara Morris, Libraries (2021)	<semorris@ku.edu> ;
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Staff: Robert Waller, Budget Mgmt/Fiscal Services (2021)	<rawaller@ku.edu> ;
Staff: Jason O'Connor, Business (2021)	<joconnor@ku.edu> ;
Voting, Student: Zach Thomason	<zthomason@ku.edu> ;
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Ex-officio:

Chief Data Officer, Analytics & Institutional Research, Nick Stevens [<nickstevens@ku.edu>](mailto:nickstevens@ku.edu)
Senior Associate Vice Provost for Finance, Jason Hornberger [<jfh@ku.edu>](mailto:jfh@ku.edu)

Charges to the Committee

FY2020 Standing charges:

1. Participate in the University's planning processes by communicating with the Provost and the Provost's senior staff on matters of capital strategic planning, infrastructure, IT resources, and sustainability, and examine how current financial circumstances (the health of the state economy, current university indebtedness, school-specific fees and charges, etc.) will influence such projects. Report issues and any recommendations for action to Sen Ex.
2. Provide committee representation at budget meetings held by the Provost and the Provost's senior staff to review planning reports and budgetary submissions made by the various units. Report issues and any recommendations to SenEx for consideration.
3. Monitor enrollment trends and changes in tuition plans and their potential effects on enrollment and revenue generation.

FY2020 Specific charges:

1. Report on the cost and benefit of offering in-state tuition to residents of border states. Include data regarding current schools that offer in-state tuition to residents of border states. Due **February 1, 2020.**
2. Monitor the implementation of the new Budget Model. Report to SenEx regularly, how the new budget model is working.
3. Review and report on the impact of unexpected revenue sources including but not limited to the sale of Oldfather Studio and the state budget.
4. Work with the KS Union Director, David Mucci, requesting information regarding long term partnerships between the KS Union and outside contractors and consultants.
5. Obtain and review Information regarding shared advertising with the various university affiliates.
6. Review changes of graduate travel and research funding from the budget cuts. (See Governance Office for additional information)

Responses to Charges

FY2020 Standing charge 1:

Participate in the University's planning processes by communicating with the Provost and the Provost's senior staff on matters of capital strategic planning, infrastructure, IT resources, and sustainability, and examine how current financial circumstances (the health of the state economy, current university indebtedness, school-specific fees and charges, etc.) will influence such projects. Report issues and any recommendations for action to Sen Ex.

Report:

Jason Hornberger, Senior Associate Vice Provost, Administration and Finance and ex officio member of the Committee communicated the following to the Committee:

Capital Planning – Following a period of significant growth, we do not have any major capital investments planned in the next several years. However, we are taking advantage of historically low interest rates and are in the process of refinancing some of our existing debt that will yield interest expense savings.

The Committee sought information from CIO Mary Walsh asking what, if any, major investments are planned in the IT area? Specifically, Walsh was asked about the decision to invest in Wireless First. What are the costs of this investment to date? What will be the costs into the future? What are the benefits of this investment? Walsh promised to address these questions but, to date, has not responded.

Jason Hornberger informs the Committee, via email message, that the:

Total cost of the wireless first investment with HP Aruba over 5 years is \$10,977,596.33. We also spent some additional money internally to get campus ready for this new wireless initiative."

Thus, the WiFi system is costing KU over \$2,000,000 per year.

Concerning the costs of prior capital plans, the Committee sought information on the debt service costs of the Central District, especially Integrated Sciences Building?

Jason Hornberger informs the Committee, via email message, the KU portion, excluding affiliated corporation (housing, the Union, parking) is about \$10,000,000 per year, debt service plus KU's share of the site development costs.

KUCDC Lease Payments

	ISB	RESIDENCE HALL	APARTMENTS	UNION	PARKING	PLANT & SITE DEVELOPMENT	TOTAL
FY 2016	-	-	-	-	-	-	-
FY 2017	-	408,290.40	-	-	851,291.62	633,040.16	1,892,622.18
FY 2018	2,914,083.32	2,592,045.24	549,393.96	136,368.52	1,197,949.95	3,473,870.06	10,863,711.05
FY 2019	8,741,749.96	2,918,583.33	3,385,405.31	685,017.59	1,196,666.67	3,788,083.33	20,715,506.20
FY 2020	8,741,749.96	2,978,916.67	3,803,000.00	741,083.33	1,196,166.67	3,789,000.00	21,249,916.63
FY 2021	8,742,749.96	3,036,666.67	3,879,500.00	739,833.33	1,196,583.33	3,789,083.33	21,384,416.63
FY 2022	8,741,083.28	3,096,750.00	3,958,666.67	741,333.33	1,197,833.33	3,789,916.67	21,525,583.28
FY 2023	8,741,583.28	3,160,500.00	4,036,750.00	740,416.67	1,196,500.00	3,789,666.67	21,665,416.61
FY 2024	8,742,166.68	3,224,166.67	4,115,166.67	738,833.33	1,197,666.67	3,789,916.67	21,807,916.68
FY 2025	8,744,166.72	3,287,500.00	4,196,916.67	741,583.33	1,197,833.33	3,788,833.33	21,956,833.39
FY 2026	8,743,833.36	3,351,916.67	4,281,500.00	740,083.33	1,197,000.00	3,789,666.67	22,104,000.03
FY 2027	8,742,583.28	3,397,083.33	4,338,416.67	739,500.00	1,196,833.33	3,790,500.00	22,204,916.61
FY 2028	8,743,416.68	3,398,666.67	4,338,666.67	741,416.67	1,198,916.67	3,789,500.00	22,210,583.35
FY 2029	8,744,166.72	3,400,250.00	4,341,416.67	740,666.67	1,198,083.33	3,789,916.67	22,214,500.05
FY 2030	8,742,750.04	3,398,333.33	4,341,333.33	737,333.33	1,196,083.33	3,789,833.33	22,205,666.71
FY 2031	8,742,166.64	3,396,250.00	4,341,666.67	738,166.67	1,197,916.67	3,789,083.33	22,205,249.97
FY 2032	8,741,916.68	3,397,166.67	4,340,500.00	739,583.33	1,196,666.67	3,790,833.33	22,206,666.68
FY 2033	8,741,500.04	3,395,750.00	4,337,666.67	738,166.67	1,197,416.67	3,789,750.00	22,200,250.04
FY 2034	8,742,083.36	3,395,250.00	4,338,000.00	739,000.00	1,196,666.67	3,789,083.33	22,200,083.36
FY 2035	8,743,083.32	3,395,416.67	4,337,750.00	738,583.33	1,196,083.33	3,788,583.33	22,199,499.99
FY 2036	8,740,583.28	3,396,000.00	4,338,333.33	738,583.33	1,197,250.00	3,788,000.00	22,198,749.95
FY 2037	8,740,833.28	3,396,750.00	4,339,416.67	740,583.33	1,196,666.67	3,787,083.33	22,201,333.28
FY 2038	8,741,416.68	3,397,416.67	4,337,333.33	741,083.33	1,196,000.00	3,787,250.00	22,200,500.01
FY 2039	8,741,666.72	3,397,750.00	4,338,583.33	740,083.33	1,196,833.33	3,788,166.67	22,203,083.39
FY 2040	8,744,250.04	3,397,500.00	4,341,000.00	739,250.00	1,197,333.33	3,786,166.67	22,205,500.04
FY 2041	8,743,333.28	3,396,416.67	4,340,833.33	493,500.00	1,199,083.33	3,787,750.00	21,960,916.61
FY 2042	8,743,333.28	3,395,916.67	4,339,500.00	-	1,198,583.33	3,789,083.33	21,466,416.61
FY 2043	8,743,416.68	3,397,333.33	4,340,000.00	-	1,197,500.00	3,788,166.67	21,466,416.68
FY 2044	8,741,083.36	3,396,916.67	4,340,166.67	-	1,197,416.67	3,789,750.00	21,465,333.36
FY 2045	8,742,250.00	3,396,083.33	4,339,583.33	-	1,196,500.00	3,788,333.33	21,462,750.00
FY 2046	5,827,500.00	2,264,500.00	2,894,500.00	-	798,000.00	2,527,000.00	14,311,500.00
TOTAL	244,786,499.88	94,862,085.64	117,550,965.94	16,850,052.78	35,171,324.90	108,934,910.22	618,155,839.36

Combining the Wireless First system and the Central District amounts of about \$12,000,000 in annual expenses while the University was searching for \$20,000,000 in cuts to the base budget, may be leading causes of program cancelation, staff layoffs/termination, and the implementation of the voluntary separation program for faculty members. Concerns were raised that greater governance participation in the discussion and implementation of these initiatives, could have aided in reducing the budgetary crisis.

FY2020 Standing charge 2:

Provide committee representation at budget meetings held by the Provost and the Provost's senior staff to review planning reports and budgetary submissions made by the various units. Report issues and any recommendations to SenEx for consideration.

Report:

Representing the Committee, McClure observed the budget presentations made by deans of units producing student-credit hours on February 14, 2020.

Notes:

Presentations Scored by Administrators but not by Faculty

The deans of the student credit hour academic units made presentation to the collected deans and administrators with a few observers allowed in the room. The attendees were categorized between those who would score the presentations and those who would simply observe. Those scoring included administrators without faculty rank. No line faculty were included among the scorers.

Data from Academic Analytics were used to inform the presentations

Each presentation contained a ranking of the units against a set of peers along several metrics. It appears that the metrics were developed using data from Academic Analytics. The data from Academic Analytics have been shown to be highly flawed. While the data may be accurate for some disciplines (e.g. the hard science funded by specific federal agencies), the data are known to be very inaccurate for other disciplines (e.g.: humanities, social sciences, etc.) At no time during the presentations were the limitations of the Academic Analytics data discussed.

The presentations were closed to the larger university community

Access to the presentations was restricted. Only the deans, the administrators and a small number of observers from Governance were allowed in the room. Notebooks containing the PowerPoint slides of each presentation were made available to the attendees during the meeting, but the notebooks had to be surrendered at the end of the meeting.

FY2020 Standing charge 3:

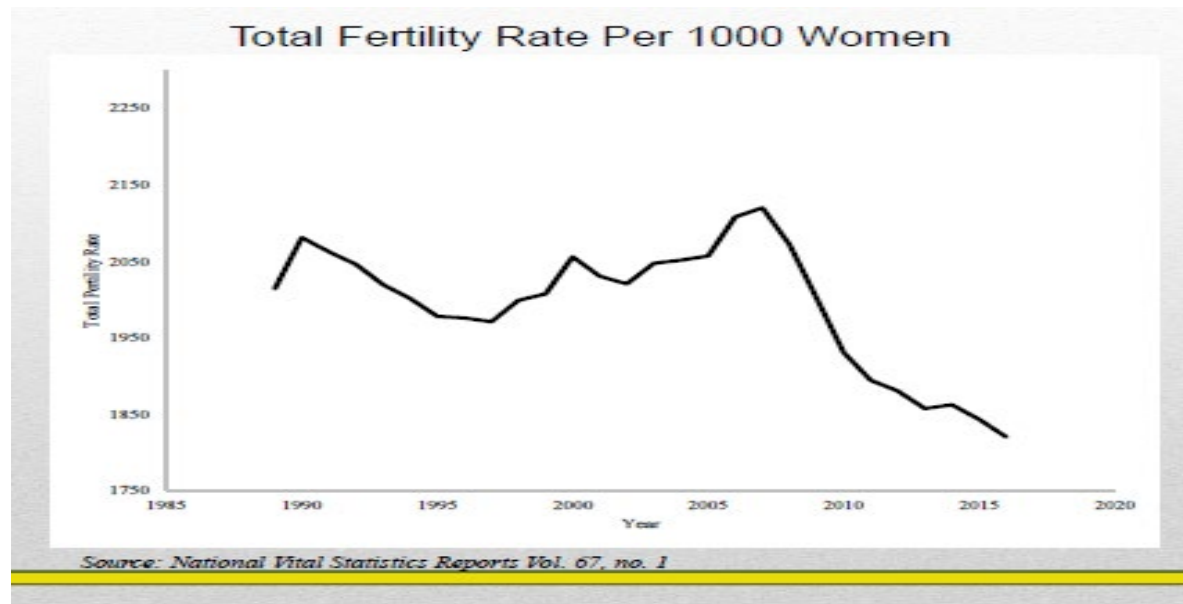
Monitor enrollment trends and changes in tuition plans and their potential effects on enrollment and revenue generation.

Report:

McClure sent an email message to Matt Melvin asking about the University’s expectations concerning enrollment, especially the concern about an expected drop in enrollment as a function of the reduced fertility rate during the great recession. The projected loss in enrollment is sometimes called the “enrollment cliff.” In addition, Melvin was asked to comment upon the practice of admitting students under the exception provisions, which admits students who do not normally meet KU’s minimum entrance requirements.

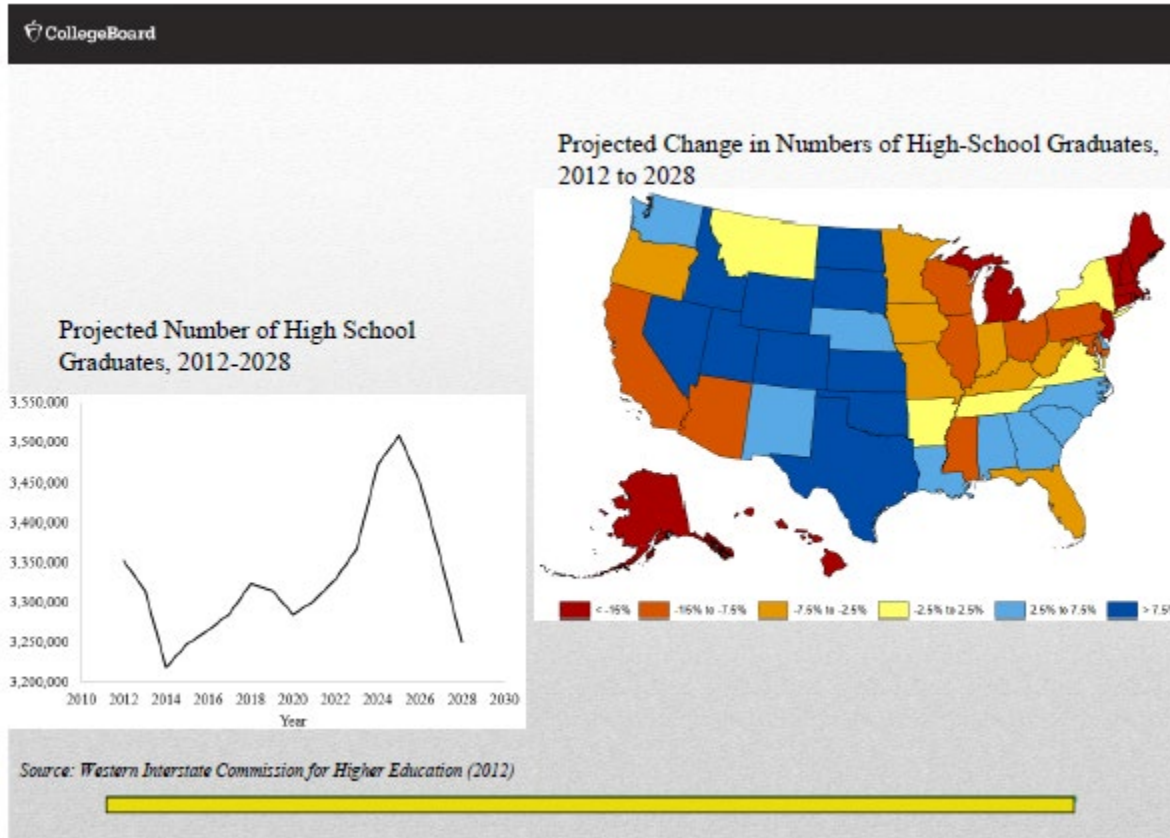
Matt Melvin, Vice Provost - Enrollment Management wrote:

The enrollment cliff term was popularized by the author of a 2018 book entitled *Demographics and the Demand for Higher Education*. I have attached a copy of a presentation he did for the College Board which provides an overview of a Higher Education Demand Index (HEDI) which predicts a significant cliff effect in 2026. The deck includes expected declines based on his analysis as well as a link where you can access the raw data files.



Determining the impact specifically at KU is difficult considering our existing market position and demographic profile of students. As you are already aware, we typically attract students from broader geographic regions, from those whose parents have higher levels of educational attainment and greater wealth. Chart below was provided by our outside research counsel and provides some insight into potential impact using CBSA as the unit of analysis. In terms of core population (defined as one parent with a BA or more), we see only slight decreases in some markets and actual growth in other markets. I

think we will continue to struggle to meet mission-based aspirations associated with attracting more first-generation, rural and students of color given the expected changes. However, believe the existing academic, demographic, financial profile of the current KU population should serve to mitigate some of the cliff effects.



Efforts will continue to balance the enrollment portfolio by diversifying the enrollment mix with dual credit, transfer, graduate, adult, on-line students. Graduate program enrollments have declined so I would anticipate more work being undertaken to create more market-centric academic programs. . . .

Based on BOR guidelines, we have a 10% exceptions window which allows us to admit up to 10% of our total admits through an exceptions window. Historically, we utilize less than 2% of the window so typically have 150 or so admitted under the exceptions window that enroll. Based on BOR requirements, any student admitted under an exceptions window must have an individual plan of success. These plans have been administered with existing resources in Undergraduate Studies. No new resources have been developed to serve this student population. ...

Specific charge 1

Report on the cost and benefit of offering in-state tuition to residents of border states. Include data regarding current schools that offer in-state tuition to residents of border states. Due February 1, 2020.

The Committee approved a report in response to this charge at its meeting on January 27, 2020. The report was sent to the University Senate Executive Committee and is included here.

**Report to
The University Senate Executive Committee**

from

**The University Senate Committee on Planning and Resources
Addressing Specific Charge 1 For Academic Year 2019-2020**

January 27, 2020

Specific charge 1: Report on the cost and benefit of offering in-state tuition to residents of border states. Include data regarding current schools that offer in-state tuition to residents of border states. Due February 1, 2020.

1. *What is the cost of tuition and fees for an entering freshman in the College of Liberal Arts and Sciences?*

Data from the College is used to represent the typical student so as to avoid the issues of additional fees and higher costs for students in the various professional schools.

Annual tuition and fees paid by entering student:

	<i>Tuition</i>	<i>Fees</i>	<i>Total</i>
<i>In-state student</i>	\$10,182	\$984	\$11,166
<i>Out-of-state student</i>	\$27,050	\$984	\$28,034

Takeaway: The ratio of in-state to out-of-state tuition and fees is 2.51, i.e.: out-of-state students pay 251% of the tuition and fees paid by in-state students.

2. *What are the costs of instruction of the typical KU student?*

Nick Stevens provided an estimate of cost of instruction for the typical undergraduate student in the College.

Calculation Details:

Total Instruction Cost:	\$ 323,480,561
Credit Hour Total (Sum 17, Fall 17, Sprint 18):	640,545
Cost Per Credit Hour:	\$ 505/hour
FY18 Resident Rate:	\$ 327/hour
150% of Resident Rate:	\$ 491

Conclusion: Using FY18 data, KU's cost of instruction is 154% of its resident tuition rate.

Disclaimer: There are many nuances with this approach in terms of residency, student level (graduate versus undergraduate), accurate coding of instructional costs, etc. This

is a reasonable approximation of KU's instructional cost and is accurate enough to answer the question. The results can be shared with governance as appropriate but should not be quoted as an official number.

Instructional Cost Details:

Cost Included: Academic Instruction, Academic Support, Student Services, Institutional Support, Physical Plant, Utilities.

Costs Excluded: Research, Public Service, Scholarships/Fellowships, Auxiliaries, Debt Service, Capital Improvements, Course Fees, Other General Use Funds Not Related to Instruction.

While we can identify certain instructional costs specific to the College, I am unable to identify a proportional cost of utility, student services, etc. for just the College. As a result, the figures I provided use data from ALL students, but would only include cost and revenue for pure tuition/state appropriations by excluding course fees/differential tuition. This allows us to make a reasonable estimate for the "cost to educate a student in the College" but using data for all students.

Note: Course fees were removed from the cost side, so the comparisons are between resident tuition rates only.

Takeaway: The cost of instruction is approximately 150% of the resident tuition rate.

3. *How does KU compare to other regional schools in terms of out-of-state tuition?*

KU has the highest out-of-state tuition among public universities in the Big 12 athletic conference, which serves as a regional comparison group.

Takeaway: KU's out-of-state tuition is high, but it must contribute to covering the cost of instruction which is greater than the tuition charged to in-state students.

4. *What is the price elasticity of demand for KU among prospective out-of-state students? Specifically, would a 10% reduction in the price of KU to out-of-state students result in enrollment increases of more than 10%?*

KU's out-of-state tuition is high, at 250% of the in-state tuition, and it is high relative to other Big 12 schools. This suggests that out-of-state tuition might be lowered as long as the cost of instruction is covered and as long as there is a net increase of revenue due to increased enrollment.

KU operates a scholarship program for students with high academic promise as indicated by combined ACT scores and high school grade point average. The enrollment responses to this scholarship program provide the opportunity to estimate the price elasticity of demand for KU among out-of-state students.

Data from the scholarship program offer a way to estimate the price elasticity for out-of-state students. For the Excellence students a 62% drop in tuition through the program generates a

32% increase in student enrollment compared to out-of-state students with no scholarship. This suggests that the elasticity is about 0.5. For the Distinction students the elasticity is about 0.6, and for the Achievement students the elasticity is about 0.7.

These estimates suggest that a tuition reduction would not benefit the University. A 10% reduction in out-of-state tuition would result in only a 5% to 7% increase in enrollment.

These estimates could be wrong because they are drawn from the behavior of students identified as having high academic promise. These students may have more educational options than do students in general. It is possible that the elasticity could be higher in the general population of out-of-state students. There is some evidence of this higher response as the estimated elasticities increase as the level of academic promise falls. However, it seems unlikely that the elasticity would rise to a level significantly greater than 1.0 which would be necessary for the tuition reduction to result in a revenue increase.

Estimates of Price Elasticity for Out-of-State Students from KU Enrollment Scholarship Data

<i>Program</i>	<i>Award as percent of gap between in-state and out-of-state</i>	<i>Net Tuition Revenue</i>	<i>Price Change</i>	<i>Awards Offered</i>	<i>Awards Accepted</i>	<i>Yield Rate: Percent Accepting</i>	<i>Enrollment Increase</i>	<i>Estimated Elasticity</i>
KU Excellence 30 ACT or 1360 SAT and 3.75 GPA	100%	\$ 10,092	62.6%	1,258	251	20.0%	31.9%	0.51
KU Distinction 28 ACT or 1300 SAT and 3.50 GPA	85%	\$ 12,615	53.2%	1,072	211	19.7%	30.1%	0.57
KU Achievement 24 ACT or 1160 SAT and 2.35 GPA	70%	\$ 15,138	43.9%	2,634	522	19.8%	31.0%	0.71
Out-of-State full pay	0%	\$ 26,960		4,171	631	15.1%		

5. *Do other universities in the region have success with tuition discounts?*

Three universities in the region have discount programs, but none may be schools sufficiently comparable to KU to provide models for beneficial tuition discount programs.

Wichita State University: WSU offers tuition discounts to students from surrounding states with some success. However, WSU does not draw a significant share of its students from outside of the Wichita metropolitan area. Thus, it risks little in offering discounted out-of-state tuition as the students probably would not have come to WSU. The KU student body is 40% from out-of-state. There is a significant risk that any student from a nearby state who is eligible for a tuition discount may have come to KU without the discount which could result in a net loss of tuition.

University of Missouri, Kansas City: UMKC offers discounts of Kansas students from counties in close proximity to Kansas City. About 1,400 students from Johnson County, Kansas participate in this program, suggesting that students in the metropolitan area are price responsive. However, UMKC’s primary draw is to working students who seek to complete their coursework on a part-time, night-time basis. KU is built around educating full-time, day-time students. It is

unclear that discounts of this type would work for KU given the different type of student it is seeking to attract.

University of Arkansas: The University of Arkansas has been aggressively recruiting students from nearby states through significant tuition discounts. These discounts have successfully attracted students from Kansas. However, Arkansas may have been motivated by a desire to boost its total enrollment from its prior level of about 12,000 students to its current level of about 20,000 students. Having increased its enrollment to its current level, the University of Arkansas is reducing its tuition discounts. It seems unlikely that the University would discontinue these discount programs if they were both attracting students and increasing revenue beyond costs.

End of report to the University Senate Executive Committee on Specific Charge 1.

Specific Charge 2

Monitor the implementation of the new Budget Model. Report to SenEx regularly, how the new budget model is working.

Report:

The Committee received a report from Jason Hornberger on the impact of the budget cuts and setting baseline for implementation of the new budget model.

Hornberger distributed two tables listing the 2019 fiscal year assessable base budget, first for the major areas of KU-Lawrence, and second for the departments of the college. (Attached.) The tables also list each unit's share of the \$20,000,000 budget cut as well as the total reduction absorbed. The reduction was also listed as a percent of the base.

Issues raised and findings:

1. Which departments were cut significantly more than 5.8%?

It appears that the Chancellor's office and the Provost's office absorbed more than 5.87% cuts. However, components of their offices did not absorb full cuts, leave both offices with 5.87% cuts. McClure noted that this falls short of the promise given by the administration that it would absorb greater cuts than were being asked of the faculty and staff.

2. Which department were cut significantly less than 5.8%?

As noted on the table, the School of Law has been engaged in a planned contraction which permitted to it absorb a smaller cut this year as it has been cutting for some time. The Business school absorbed no cuts because of its growth in enrollment.

3. Was the aircraft moved to an independent affiliate?

The Operating Budget for FY2020 continues to show the aircraft as costing \$1.2 million dollars. Hornberger indicated that the administration is working on a solution to the aviation services problem.

4. Was the funding for Kansas Athletics Inc. cut by 5.8% or more?

Yes. Athletics continues to be funded by the Chancellor's office, but at a lower level of spending. McClure noted that the in February 2019, the Chancellor indicated that he hoped to wean KAI off of University funds in 18 to 24 months.

5. What is the debt service on the Central District, especially Integrated Sciences Building?

McClure requested this information.

6. What were significant changes in the College?

The College did not meet its goals, falling over \$2 million short of the expected \$6.3 million in cuts. Much of the variation in percentage of reduction between departments can be explained by differences in faculty and staff attrition. See the attached table.

7. Is the University reducing its use of consultants?

The University made very heavy use of consultants in the past. It appears that spending on consultants has fallen over recent years.

Fiscal Year	FY13	FY14	FY 15	FY16	FY17	FY18	FY19
Total Expenditures on Consultants	25,027,628	12,695,059	6,536,604	2,123,918	2,265,695	8,041,272	581,952

Huron was, by far, the consultant with the largest contract. In excess of \$11,000,000 of consulting services were purchased from Huron during FY13 and FY14. Expenditures on this firm have now fallen to a negligible amount.

KU-Lawrence Base Budget Reduction Summary - FY19

Major Areas	Assessable Base	Reduction Target	Reduction Adjustment	Total Reduction	Reduction %
1000 OFFICE OF THE CHANCELLOR	\$ 5,034,171	\$ 295,491	\$ 83,055	378,546	7.52%
1010 PUBLIC AFFAIRS	4,447,940	261,081		261,081	5.87%
1100 PROVOST OFFICE	6,060,090	355,709		422,494	6.97%
1130 OFFICE OF RESEARCH	12,872,983	755,605		755,605	5.87%
1140 STUDENT AFFAIRS	2,161,905	126,897		126,897	5.87%
1150 INFORMATION TECHNOLOGY	25,458,889	1,494,349		1,494,349	5.87%
1160 ENROLLMENT MANAGEMENT	7,444,645	436,978		436,978	5.87%
1210 ACADEMIC AFFAIRS	4,606,406	270,382		270,382	5.87%
1220 FACULTY DEVELOPMENT	1,229,191	72,150		5,365	0.44%
1230 DIVERSITY AND EQUITY	1,324,843	77,764		77,764	5.87%
1250 INTERNATIONAL PROGRAMS	578,840	33,976		33,976	5.87%
1260 UNDERGRADUATE STUDIES	5,281,219	309,992		309,992	5.87%
1980 BUSINESS AND FINANCIAL PLANNING	2,523,752	148,137		65,082	2.58%
2010 EDWARDS CAMPUS	193,717	11,371		11,371	5.87%
2200 SCHOOL OF ARCHITECTURE DESIGN	6,151,048	361,048		361,048	5.87%
2300 SCHOOL OF BUSINESS	13,129,920	770,687	(770,687)	-	0.00%
2350 SCHOOL OF EDUCATION	14,594,876	856,675		856,675	5.87%
2400 SCHOOL OF ENGINEERING	23,776,947	1,395,635		1,395,635	5.87%
2450 SCHOOL OF MUSIC	7,457,486	437,732		437,732	5.87%
2500 SCHOOL OF JOURNALISM	4,822,208	283,049		283,049	5.87%
2550 SCHOOL OF LAW	7,969,735	467,800	(300,000)	167,800	2.11%
2600 COLLEGE OF LIB ARTS AND SCIENCES	107,197,777	6,292,188		6,292,188	5.87%
2700 SCHOOL OF PHARMACY	8,278,136	485,902		485,902	5.87%
2750 SCHOOL OF SOCIAL WELFARE	4,623,970	271,413		271,413	5.87%
2800 LIBRARIES	12,932,394	759,093		759,093	5.87%
4000 FINANCE	25,497,841	1,496,634		1,496,634	5.87%
4100 OPERATIONS	25,082,001	1,472,262		1,472,262	5.87%
Grand Total	\$ 340,732,930	\$ 20,000,000	\$ (1,070,687)	\$ 18,929,313	5.56%

Handwritten notes:
 - + MORE FROM BUDGET - LESS FROM FINANCE
 - COURSE
 - COURSE
 - (83,055)
 - (770,687) BEAT GROWTH 2019
 - (300,000) THIS BUDGET WAS MADE

The Chancellor and Provost Offices reduced budgets more than prescribed to cover other smaller Units.
 The School of Business enrollment has grown for the last several years. Investments have been required to acknowledge the additional revenue generated and ensure continued accreditation.
 Due to intentional reductions of Law School enrollment over the last several years, the reduction was decreased to acknowledge prior budget adjustments.

FY19 College Base Budget Reduction Summary

Department	FY19 Base Budget	Budget Reduction	Reduction %
African/African American Studies	\$ 890,003	\$ 153,890	17.29%
American Studies	1,346,211	156,073	11.59%
Anthropology	2,202,333	455,732	20.69%
Applied Behavioral Sciences	1,990,757	183,270	9.21%
Chemistry	5,676,467	216,795	3.82%
Child Language Program	179,391	51,332	28.61%
Classics	918,518	155,772	16.96%
Communication Studies	2,894,441	180,722	6.24%
Computational Biology	678,925	49,583	7.30%
Ctr for Research Methods & Data Analysis	163,500	65,642	40.15%
East Asian Languages & Cultures	1,023,394	60,122	5.87%
Ecology & Evolutionary Biology	4,252,198	160,698	3.78%
Economics	2,799,145	382,760	13.67%
English	4,840,548	408,186	8.43%
Environmental Studies	1,056,856	39,291	3.72%
Film & Media Studies	1,391,229	89,773	6.45%
French, Francophone & Italian Studies	1,569,161	29,859	1.90%
Geology	3,564,079	200,634	5.63%
History	3,041,104	38,662	1.27%
Humanities	1,238,430	91,253	7.37%
Molecular Biology	4,133,943	48,803	1.18%
Physics & Astronomy	4,088,322	122,584	3.00%
Psychology	4,386,864	285,283	6.50%
Religious Studies	994,424	131,454	13.22%
Sociology	2,058,985	109,569	5.32%
Spanish & Portuguese	2,294,398	86,658	3.78%
Speech, Language & Hearing	1,879,574	92,651	4.93%
Theatre & Dance	2,456,238	85,017	3.46%
Visual Arts	2,526,649	142,906	5.66%
Remaining to Cut *	40,661,690	2,017,214	4.96%
Grand Total	\$ 107,197,777	\$ 6,292,188	5.87%

EG SOME ARE NOT CONSIDERED AS: SPAR

IMPARTIAL
DUE TO
ACCURACY & TRANSPARENCY

Reductions percentages vary in the College as the cuts were guided by faculty vacancies.

* The College achieved all of the cash cut and about 2/3 of the base reduction in FY19. As of 7/1/19, \$2,017,214 of the base cut remains.

Specific Charge 3

Review and report on the impact of unexpected revenue sources including but not limited to the sale of Oldfather Studio and the state budget.

Report:

Jason Hornberger, Senior Associate Vice Provost, Administration and Finance, informed the Committee that the search for new revenues for the University is an ongoing exercise. Specifically, he stated that. “ We continue to continue down a path to sell Oldfather Studios and invest the proceeds in existing building maintenance.”

Specific Charge 4

Work with the KS Union Director, David Mucci, requesting information regarding long term partnerships between the KS Union and outside contractors and consultants.

Report:

Committee Chair Kirk McClure met with David Mucci, Director of the Memorial Corporation concerning the contract with Chick-fil-A. The meeting was held October 7, 2019. The Committee heard comments from McClure on the meeting, and notes follow.

Notes from the meeting:

- The Kansas Memorial Union has 30 to 50 partnerships at any given time.
- The Corporate Board approved the partnership with Chick-fil-A years ago.
- The contract extends into 2024.
- Moving the Chick-fil-A space to the Kansas Union from the Underground was largely due to problems with mechanical equipment in Wesco Hall that were best remedied by moving the operation to the Kansas Union.
- Mucci asserts that the Chick-fil-A agreement meets all KU and State of Kansas non-discriminatory policies and requirements, including being an equal opportunity employer, nondiscrimination and workplace safety, and anti-discrimination laws which cover prohibiting sexual harassment and retaliation.
- Note that sexual orientation is not now protected nor mentioned.
- For the Union to terminate the contract could cost the Union over \$300,000. If litigated, the cost could go much higher.

Members of the Committee discussed the results and agreed to report back to the Governance leadership without any specific recommendation.

Specific Charge 5

Obtain and review Information regarding shared advertising with the various university affiliates.

A request for information was sent to Diane Goddard for information on the scope of work of the Executive Sponsorship Committee.

Specific Charge 6

Review changes of graduate travel and research funding from the budget cuts.

A request was sent to Zach Thomason for information on these changes.