

Spectrum

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Curators hear plans for program budgets

The UM Board of Curators, in its meeting Dec. 14 in Columbia, heard how the four campuses and University Outreach and Extension plan to focus dollars on specific objectives over the next few years.

UM-Columbia Chancellor Charles Kiesler revisited the campus' "unique niche" strategy, in which Mizzou over the next five years will realize \$6.3 million through reallocation of tenure-track positions, gain \$12.6 million in indirect cost recovery, and aim for \$1.7 million in new endowed professorships, for a total of \$20 million in recurring income. The chancellor reviewed enhancements of the mathematics, history, English, chemistry, law, engineering, veterinary medicine, journalism, biological sciences and Afro-Romance languages.

UM-St. Louis Chancellor Blanche Touhill said the campus will reallocate \$2 million during a three-year period, with enhancements for nursing, optometry, psychology, master's program in music, bachelor's program in fine arts, honors college, education, political science, criminology, biology, joint engineering, and mathematics.

UM-Rolla Chancellor John Park said the campus' \$18.5 million in non-recurring and \$2.8 million in recurring reallocations would focus on the institution's core missions: instructional technology, manufacturing, infrastructure engineering, environmental science and technology, materials science and technology, and geotechnical science and engineering.

UM-Kansas City Chancellor Eleanor Schwartz identified three initiatives for her campus during the next five years. The first would dedicate \$1 million in recurring funds and \$5.5 million in non-recurring funds for an interdisciplinary Ph.D., structural biology and molecular genetics, and oral biology. The second refocuses \$1.3 million in recurring costs for the doctor of pharmacy program and the multi-campus nursing Ph.D. program. The third dedicates \$3.7 million in recurring dollars and \$3.1 million in non-recurring funds for development of the Missouri Institute for Information Technology and to improve legal education technology.

Ronald Turner, vice president for outreach and extension, said he would reallocate \$2 million annually toward youth development, community infrastructure, citizen education and leadership development, value-added agriculture, commercial agriculture, water quality, and waste management.

Russell: UMC Hospital to proceed alone

Approximately one month following his announcement that negotiations with Tenet Healthcare Corporation had been terminated, UM President George Russell reported to the Board of

Curators that "The problem we must face is still with us. It will not go away...." He suggested, however, that the University and the Board can "forge a solution for the problem if we have the courage and tenacity to do so and if we keep an open mind to all possible options that arise."

The problem, he said, results from a need to spend \$165 million to \$215 million on University Hospitals and Clinics in the next five years and the concurrent consolidation of healthcare services. In a society shifting to managed healthcare costs, inpatient services are giving way to outpatient care, resulting in an overabundance of hospitals, he said.

He reviewed data showing that hospital capacity in the University of Missouri's primary service area Boone County and the counties abutting it is higher than other rural areas in Missouri, about 50 percent higher than in St. Louis and nearly double the Kansas City capacity.

If University Hospitals and Clinics is to maintain a client base sufficient to support its teaching and research missions, Russell said, it must compete successfully as managed care accelerates and penetrates outstate Missouri. Already, other providers are attracting people from UMCHC's traditional base of clientele, he observed.

UMCHC is not alone. Academic medical centers, he said, are especially vulnerable in such circumstances because they are more expensive, they have been given special federal funding and they traditionally provide more indigent care. The present trends, he warned, are beyond any one hospital's control.

Both the University of Minnesota and Oklahoma University recently announced mergers of their teaching hospitals with larger hospital systems, Russell noted. "The report from Minnesota is that to 'save' University Hospital they are merging with a Twin Cities not-for-profit chain. The University of Oklahoma is selling 60 percent of its interest to the for-profit Columbia/HCA system," he said.

Within the next few months, Russell said, investments must be made to upgrade the 40-year-old UMCHC facility. Referral networks must be expanded, nursing facilities and home healthcare programs must be added and a sophisticated information system must be installed. By whatever means, he said, many millions of dollars will be needed in a relatively short time.

"We intend to move ahead on our own and to garner the resources necessary to compete effectively in the marketplace," Russell said.

Fred L. Hall named Board of Curators president

Fred L. Hall Jr., a Springfield attorney, was elected to a one-year term as president of the University of Missouri System Board of Curators at the board's December 15 meeting.

Hall, 68, was appointed to the nine-member board in 1993 by Gov. Mel Carnahan. He served as vice president and chair of the board's Executive Committee in 1995. He succeeds Adam Fischer of Sedalia as president.

The new board president holds three degrees from UM-Columbia: a bachelor's degree (1955), master of business administration (1959) and law degree (1959). He is the president of the MU Law School Foundation Board of Trustees and also has served on the UM Advisory Committee on the 21st Century and the President's Advisory Council on Extension.

The board also named Curator Malaika Horne of St. Louis as its vice president. Horne, 48, was appointed to the board by Carnahan in 1994. Horne earned a bachelor's degree in sociology from UM-St. Louis, and a master's degree in urban affairs and a Ph.D. in public policy analysis from Washington University. She is managing director of the Narcotics Service Council in St. Louis.

Russell recommends last of five fee increases

UM President George Russell recommended to the Board of Curators at their meeting Dec. 14 that the Board early in 1996 approve resident, under graduate fee increases of \$10 per credit hour for 1996-97 -- a rise of 9 percent.

The increase -- the equivalent of the rise in the Higher Education Price Index (HEPI), estimated at 3 percent, plus \$200 per academic year -- would mark the fifth and final \$200 increase in the University's five-year plan. The effort was aimed at raising fees from levels that had been among the lowest in the Association of American Universities -- the research institutions with which the University of Missouri competes.

At present, financial aid is the fastest-growing item in the University's budget, Russell said, and exceeds the national level by 280 percent. Mean while, the net cost (average educational fees plus other mandatory fees plus room and board costs, less average total financial aid) of attending the University of Missouri has dropped to 4.2 percent of median Missouri family income -- 11.1 percent less than in 1963-64.

Russell offered preliminary figures that would result in overall (fees plus room and board) increases of 7.9 percent at UM-Columbia, 5.9 percent at UM-Kansas City, 6.2 percent at UM-Rolla and 6.1 percent at UM-St. Louis.

Curators approve new strategic plan outline

The Board of Curators approved, in principle, an outline of seven general goals for a new strategic plan and a "Framework for Development of Campus Plans" consistent with the goals.

Curator James McHugh, chair of the Board's Resources and Planning Committee, noted that with the successful completion of the Five-Year Financial Plan by June 30, 1997, a new guide to long-range planning should be in place prior to that time.

By March, 1996, a financial plan, target completion dates and appropriate benchmarks to measure achievement of the goals, will be proposed to the Board of Curators.

The seven goals are:

1. Maintain competitive compensation and competitive performance levels for University employees;
2. Provide appropriate infrastructure for faculty to provide high quality academic programs;
3. Renovate and rehabilitate specific buildings and budget an additional 2 percent of replacement value to fund future major projects;
4. Increase competitive extramural funding for research and scholar ship, especially from major federal agencies;
5. Assist the State of Missouri in the creation of an advanced telecommunications network for the delivery of educational programs, health care assistance, the creation of a virtual library, and the sharing of computing resources across the state;
6. Focus the University's unique expertise on Missouri's needs for objective public policy analysis;
7. Develop a comprehensive University-wide plan for health care education, health care research, and health care services.

Five-year plan at 90 percent of goal

The University of Missouri's five-year financial plan, proposed by President George Russell and approved by the Board of Curators in March, 1992, to "repair the University's physical and human infrastructure," will have accomplished 90 percent of its objectives by June 30, 1996 the end of its fourth fiscal year of operation.

The plan aimed to reallocate and generate \$124 million in University resources and to improve salaries, repair and maintain facilities, replace equipment, improve libraries, enhance student financial aid and meet additional campus-specific priorities with or without additional public support.

In his progress report on the plan at the Dec. 14 meeting of the Board of Curators in Columbia, President Russell said no other university in the nation has made such massive voluntary adjustments of its resources. Meanwhile, the total adjustment has grown to \$130.6 million, due largely to campus administrators exceeding their campus-specific objectives.

At the end of the current fiscal year, \$117.1 million -- 90 percent of the \$130.6 million goal -- will have been achieved or budgeted (see accompanying chart).

Student fee increases account for 25 percent of the adjustments, timely state support -- much of it aimed at hastening the repair of buildings -- accounted for 24 percent and internally generated resources accounted for 51 percent. The latter came primarily from the Voluntary Early Retirement Plan (VERIP) (\$18.7 million), net savings in benefits (\$5.6 million), indirect cost recovery (\$6.3 million) and reallocation (\$10.1 million).

Describing the improvement in compensation as "perhaps the most significant component of the plan," Russell said the goal for faculty "is to reach the average of the public AAU institutions and to be competitive for new faculty hires." In 1992, the year before the plan was initiated, the market deficiency of faculty salaries at the University of Missouri was \$16.3 million. Last fiscal year, three years into the plan, the deficiency had been reduced about 50 percent -- to \$8.7 million.

"Our faculty salaries are fast approaching the average salary of faculty at public AAU institutions, except full professors," Russell said. "I anticipate eliminating the deficiency at the junior ranks during this year."

Russell said the University of Missouri has outpaced the average percentage increase in faculty salaries at public AAU institutions for the past three years. "I am confident that, at the conclusion of the five-year plan, we will be fully competitive in attracting and retaining the best scholars and researchers."

Status of the Five-Year Plan FY 1993 to FY 1996

First Four Years (\$ Millions)

Recurring	5-Year Goal	Achieved/ Budgeted	Percent Achieved	Balance
Compensation	\$26.0	\$22.9	88%	\$3.1
Physical Plant	21.2	18.6	88%	2.6
Libraries	3.8	3.1	82%	0.7
Financial Aid	8.7	7.4	85%	1.3
Campus Priorities	30.6	25.8	84%	4.8
Subtotal	\$90.3	\$77.8	86%	\$12.5
Non-Recurring				
Physical Plant	\$28.6	27.6	97%	\$1.0
Equipment	11.7	11.7	100%	0.0
Subtotal	\$40.3	\$39.3	98%	\$1.0
Total	\$130.6	\$117.1	90%	\$13.5

\$17 million spent on information technology at UM

More than \$17 million has been directed to information technology needs throughout the University of Missouri in the two most recent fiscal years, UM President George Russell reported at the Dec. 14 Board of Curators meeting in Columbia.

The allocations were made according to the "ambitious targets" set in an Information Technology Plan presented to the Board in October, 1994, he said.

The first goal of the plan was to complete campus networks to the desktop and classroom. UM-Rolla completed this stage in June, 1994. UM -St. Louis, UM-Kansas City and UM-Columbia all expanded and upgraded their campus networks this year, Russell said, and UMSL and UMKC both plan to complete the work by the end of the first quarter of 1996. UMC added 4,400 connections to its network, bringing the campus above the 75 percent completion level with 90 percent of faculty and staff having direct network access. UMC will complete this stage in 1996.

All funding released by UM System has been aimed at upgrading desktop technology, first for faculty and then for staff, implementing the library technology plan and providing classroom technologies.

Educational technology videoconferences to be broadcast

Two videoconferences aimed at helping faculty improve educational technology are planned for early 1996. "Educational Technology, What's New and How You Can Use It," will be held January 25, 1996 from 3 to 4:30 p.m., and "Funding Educational Technology," will be held Feb. 1, 1996 from 2 to 4 p.m.

Faculty who are interested in attending can view the videoconferences at the following locations:

- UMC: Academic Support Center
- UMKC: Fine Arts Building, Room 301
- UMR: Library Building
- UMSL: Lucas Hall, Room 113