

## Spectrum

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### UM leaders opt to trim and defer costs to save raises

The Board of Curators approved revisions to the university's FY2002 budget at its July 19-20 meeting in Chillicothe. The revisions are designed to balance the University's FY02 budget without affecting student fees or a planned increase to the employee salary pool.

Governor Bob Holden recently announced his intention to withhold additional funds from the University's fiscal year 2002 appropriation. The additional 5 percent, added to the 3 percent withholding mandated by state law, meant that \$34.5 million would be cut from the appropriation approved by the state legislature for the University in May.

**" These measures will enable us to honor the commitment we made to our employees to provide a 4 percent salary pool for merit pay raises." - UM President Pacheco**

As administrators hammered out a response to the additional withholding imposed by the governor, the goal was "to make choices that will not rob the University of the momentum that it has achieved in recent years," UM System President Manuel Pacheco told the curators during a joint meeting of the Finance Committee and the Resources and Planning Committee.

"It is imperative that we not permit this withholding to take the wind out of our sails," Pacheco said.

Rather than raising student fees to make up for the shortfall, some expenditures will be deferred or reduced to allow the University to maintain its progress in areas such as faculty compensation.

Pacheco reminded the curators that many state agencies had been warned to expect budget cuts of as much as 15-18 percent. He praised the governor and his staff for sparing public higher education from such dramatic reductions.



Manuel Pacheco

"The governor's decision to minimize the withholding reflects his desire to support higher education, the cornerstone of the state's future economic well-being. The governor has said

repeatedly that he wants to make the UM System one of the strongest in the country," Pacheco said.

Pacheco said that the University's strategic planning process, designed from the start to be responsive to changes in the environment, was helpful in identifying the best way to manage the budget crunch.

"As expressed in the Strategic Plan, the University's long-term vision remains clear — we aspire to be nationally recognized as an eminent, learner-centered research university," Pacheco said. "We must also reaffirm our core values, the most important of which is taking care of our people."

"Our students deserve to be served and inspired by the best teachers and researchers. Retaining our best people in this highly competitive job market will remain one of our top priorities. We must preserve the gains we have made in achieving competitive compensation," he said.

To compensate for the anticipated \$34.5 million shortfall in this year's budget, Pacheco recommended, and the Board approved, four major adjustments.

### **1. Defer the implementation plan for Mission Enhancement.**

The campuses and University Outreach and Extension have been using Mission Enhancement funds to recruit talented faculty, provide operational support, and build research and instructional infrastructure.

Mission Enhancement deferrals will affect about 125 new faculty positions and \$6 million in equipment and operational expenses. Total savings should amount to \$14.5 million.

#### Revisions to FY 2002 Budget

1. Defer implementation of year 4 Mission Enhancement.
2. Eliminate the state appropriation for the Research Board for fiscal year 2002.
3. Post-fund the Faculty Performance Shares Plan.
4. Reduce funding for maintenance and repair from 1.5 percent of plant replacement value to 1.25 percent.

"We will be unable to move as quickly as we would like to fill faculty positions and strengthen programs, but chancellors will have the flexibility to address their highest priority enhancement initiatives," Pacheco said, "either by using funds still 'in the pipeline' from previous years or from other sources."

### **2. Eliminate the state appropriation for the Research Board for fiscal year 2002.**

The Research Board supports research and scholarly activities of faculty from all four campuses in the areas of engineering, humanities and fine arts, life sciences, physical sciences and mathematics, and the social and behavioral sciences. This will save \$1 million.

"While this will diminish the scope of research awards, \$2 million will remain in the budget for this activity," Pacheco said.

### **3. Post-fund the Faculty Performance Shares Plan.**

This faculty incentive program rewards outstanding faculty performance. Funding for the next academic year's awards will come from the concurrent fiscal year's budget, rather than from the previous year's budget. This will create a one-time cost savings of \$1 million.

### **4. Reduce funding for maintenance and repair from 1.5 percent of plant replacement value to 1.25 percent.**

This change will result in a one-time savings of approximately \$4.7 million.

"I believe these actions will enable us to cope with the 8 percent withholding without permanent damage to our academic programs, and without raising fees. At the same time, it gives the chancellors some flexibility to focus on the very highest campus priorities," Pacheco said.

"Further, these measures will enable us to honor the commitment we made to our employees to provide a 4 percent salary pool for merit pay raises. This, too, is consistent with the Board's strategic plan, and it is critical if we are to achieve our goal of attracting and retaining the best people."

While pledging to continue working to keep student fees affordable, the president said these budget revisions represent a short-term solution to what may be a long-term problem if state revenues remain low.

"Should we face further withholdings, we may need to consider raising student fees," Pacheco said. "It has been the Board's policy since 1998 to increase educational fees only to cover inflation (HEPI), but a larger increase may be unavoidable if our appropriation is reduced again."

### **Holden appointees Ream and Atkins join UM Board of Curators**

Two new members of the University of Missouri Board of Curators, Anne C. Ream, O.D., of West Plains, and Thomas E. Atkins, of Columbia, were sworn in at the board's July 19-20 meeting in Chillicothe.



Anne C. Ream, O.D.

Ream, 43, succeeds Paul T. Combs of Kennett. She earned a bachelor's degree in biology and chemistry from Drury College in Springfield in 1980 and a Doctor of Optometry degree from the University of Missouri-St. Louis in 1984. Ream, whose father and brother also are optometrists, was a member of the first graduating class of the UM-St. Louis School of Optometry.

Ream operates an optometry practice with offices in West Plains and in the nearby communities of Mountain View, West Plains and Houston. She is a member of the American Optometric Association and the Missouri Optometric Association and was president of the latter organization in 1995.

Ream served for 12 years on the UM-St. Louis School of Optometry Advisory Board and was the first optometrist to receive a Distinguished Alumni Award from UM-St. Louis.

Atkins, 67, succeeds Hugh E. Stephenson, Jr., M.D. Curator Atkins earned a bachelor's degree in business from the University of Missouri-Columbia in 1959. As an undergraduate he was selected for membership and served as president of the academic honor society, the Mystical Seven.

Long active in Columbia's business community, he has established several successful ventures, including Atkins Building Services & Products. He currently serves as chairman of a residential development company and two commercial development companies.

A member of the Columbia Chamber of Commerce, Curator Atkins served as president in 1977-1978 and received its highest award, the Outstanding Citizen Award, in 1988. He also has held leadership positions in United Way, including president in 1984-1985 and campaign chairman in 1982.



Thomas E. Atkins

Atkins served on the Columbia College Board of Trustees from 1976-2001, and was the Board's chair from 1982-1999. He resigned from the board after being appointed to the UM Board of Curators. He also has served on the boards of Boone County National Bank and GTE Midwest-North.

Atkins is a member of the Jefferson Club and alumni association at UM-Columbia. He also is a member of the Development Council and has served on its executive committee since 1997. For 10 years he has served on the Ellis Fischel Cancer Center's advisory board, which he helped create. UM-Columbia honored him with a Faculty/Alumni Award in 1997 and a Distinguished Service Award in 1999.

With the appointments this year of curators Angela Bennett, Ream and Atkins, Board membership is as follows:

**Paul W. Steele**, president, of Chillicothe (term expires Jan. 1, 2003)

**John A. Mathes**, vice president, of Sunset Hills (term expires Jan. 1, 2003)

**Thomas E. Atkins**, of Columbia (term expires Jan. 1, 2007)

**Angela M. Bennett**, of Kansas City (term expires Jan. 1, 2007)

**Malaika B. Horne**, Ph.D., of St. Louis (term expires Jan. 1, 2003)

**Mary L. James**, of Harrisonville (term expires Jan. 1, 2005)

**M. Sean McGinnis**, of Springfield (term expires Jan. 1, 2005)

**Anne C. Ream, O.D.**, of West Plains (term expires Jan. 1, 2007)

**Connie Hager Silverstein**, of St. Louis (term expires Jan. 1, 2005)

**Student Representative: Stephen T. Sugg**, UM-Columbia, (serves at the will of the governor).

## **Board approves committees**

The following Board of Curators standing committee and ad hoc committee appointments were approved July 19:

### **Standing Committees**

Executive Committee: John A. Mathes, chair; Malaika B. Horne, Ph.D.; Connie Hager Silverstein; Paul W. Steele, ex officio.

Academic Affairs Committee: Mary L. James, chair; Anne C. Ream, O.D.; Stephen T. Sugg, ex officio.

Finance Committee: Connie Hager Silverstein, chair; Angela M. Bennett; John A. Mathes.

Physical Facilities Committee: M. Sean McGinnis, chair; Thomas E. Atkins; Mary L. James.

Resources and Planning Committee: Malaika B. Horne; Thomas E. Atkins; M. Sean McGinnis.

### **Ad Hoc Committee**

Information and Technology Committee: John A. Mathes, chair; Angela M. Bennett; Connie Hager Silverstein; Stephen T. Sugg, ex officio.

## **Holden releases funds for Life Sciences center**

In a July 12 ceremony at the state capitol, Governor Bob Holden signed a bill reappropriating funds for top priority capital projects in FY02. He announced that the funds would be withheld, however, to help meet the state's worsening budget deficit.

The one exception was to release \$1 million to enable the University of Missouri to begin construction of the Life Sciences Center building at UM-Columbia later this year.

## **Curators approve hiring design firms for projects**

As part of a plan to relocate the women's health programs of University of Missouri Health Care to Columbia Regional Hospital, the UM Board of Curators approved hiring the firm of Simon Oswald Associates, Inc. of Columbia, in association with HDR Architecture, Inc. of Omaha, Neb. The firms will provide design services for a new Birthing Center at Columbia Regional Hospital as well as an Obstetrics and Gynecology clinic to be located in the adjacent Health Pavilion building. The total cost for the birthing center and clinic is estimated at \$5.8 million.

Curators approved hiring the firm of Cannon St. Louis, Inc. of St. Louis, to provide design services for a parking garage adjacent to the Performing Arts Center currently under construction at UM-St. Louis. Included in the preliminary design will be a site study for a new Mercantile

Museum facility on the UM-St. Louis campus. The study will determine if the museum should be located adjacent to the new parking garage.

## **Federal funding for UM research continues to outpace AAU**



"Steve Lehmkuhle"

Vice President for Academic Affairs Stephen W. Lehmkuhle reported to the UM Board of Curators July 19 that the amount of UM federal funding has increased substantially. "Our growth has outpaced our comparator institutions," he said.

Total federal research expenditures for the UM System increased from \$54.9 million to \$87.2 million during the five-year period from fiscal year 1996 through fiscal year 2000. Federal research expenditures increased 37 percent during the first two years of mission enhancement — FY 1999 and FY 2000.

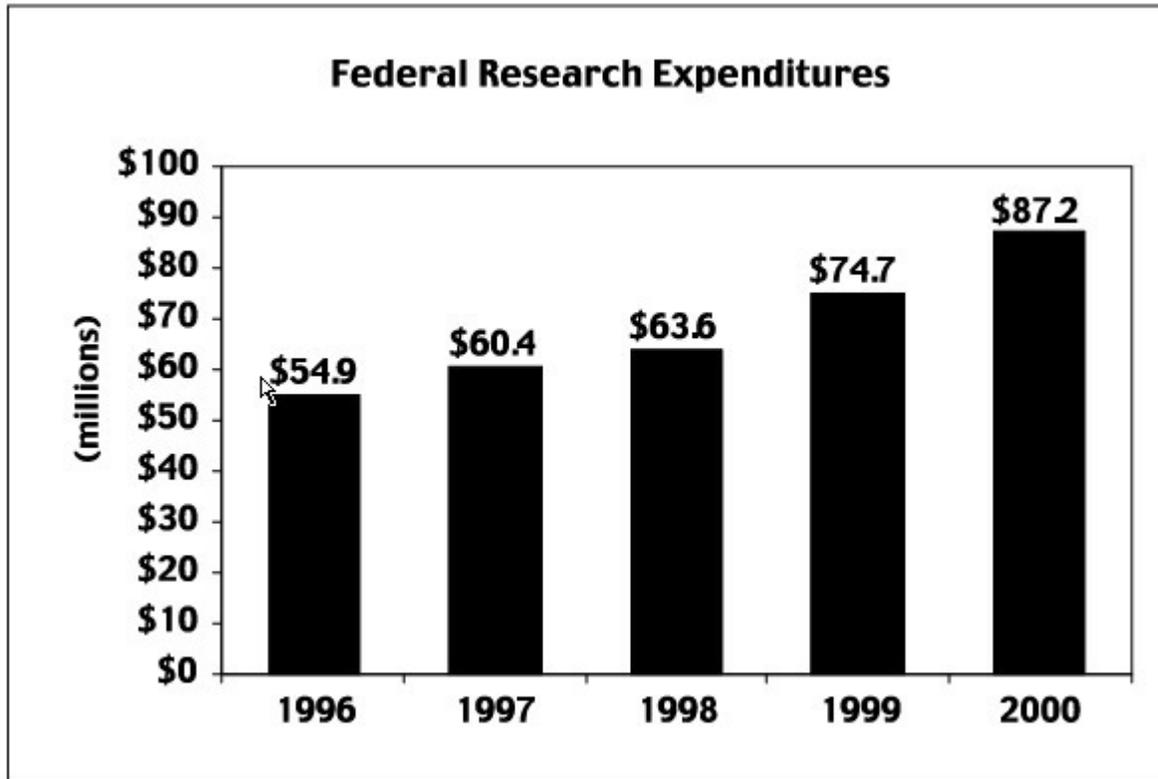
The research expenditure for a fiscal year is the measure of how much of the grant proceeds was actually spent by the investigator and the University on the research project during the fiscal year. Federal research expenditure, the most conservative measure of research funding, is the value used by the data exchange of the National Science Foundation (NSF). UM administrators use this source to compare the University's federal funding with other institutions.

"Using federal research data from FY 1995 to FY 1999, which is the latest fiscal year provided by NSF, we compared our percentage growth in federal expenditures against the growth reported for the public AAU institutions," Lehmkuhle said. "The average growth for the public AAU was 18 percent, whereas our average growth was 64 percent."

Of the top ten public AAU universities ranked by percentage increase between FY 1995 and FY 1999, the University of Missouri exhibited the highest percentage growth.

Another way to compare increases in research expenditures is to monitor the shift in market share. Market share is computed by calculating the percentage of the total federal research expenditures for the public AAU institutions. From FY 1990 to FY 1995, the market share for UM remained constant at 1.11 percent despite there being an increase in federal research expenditures during these years. In FY 1999, UM's market share increased to 1.54 percent.

"The main point for showing the comparisons on percentage growth and market share is to demonstrate that the increases in federal research expenditures are exceeding the pace set by public AAU institutions," Lehmkuhle said. "It is also interesting to examine these data to determine the disciplinary areas that accounted for federal research expenditures."



In FY 1999, the majority of federal research expenditures at public AAU institutions was in the life sciences (52 percent), followed by engineering (16 percent), the physical sciences (13 percent), and environmental sciences (7 percent). The remaining disciplines accounted for 12 percent of the expenditures.

Eighteen of the 32 AAU institutions relied on one disciplinary area — life sciences — to provide the majority of the funding. The UM System was no exception with 59 percent of its federal expenditures dedicated to life sciences.

The pattern varies across the four campuses. Sixty-nine and 77 percent of the federal research expenditures were in the life sciences for UM-Columbia and UM-Kansas City, respectively. Seventy percent of the expenditures were in engineering for UM-Rolla. At UM-St. Louis the expenditures were more evenly distributed.

"The strategy to focus mission enhancement investments on the life sciences seems to be positioning UM to move up the ladder in the relative research rankings of AAU institutions," Lehmkuhle said.

"Our ranking has improved marginally since 1995, and we still are ranked in the lower tier. But we are gaining on similarly ranked institutions and are positioned to reach the average of the AAUs if we can sustain the strategy and build on our successes of mission enhancement."

## **Board approves UM capital projects request**

At its July 19-20 meeting in Chillicothe, the UM Board of Curators approved a capital projects appropriations request of \$98.5 million for fiscal year 2003, which begins July 1, 2002. The request will next be considered by the Coordinating Board for Higher Education and then will be presented to the General Assembly during the next legislative session.

The request includes \$84.3 million for priority rehabilitation and new construction throughout the four-campus UM System. Another \$1.2 million is included for engineering equipment and replacement at UM-Columbia, UM-Kansas City and UM-Rolla. Also incorporated in the appropriations request is \$13 million to renovate and expand the McKee Gymnasium at UM-Columbia to house the State Historical Society.

The request approved by UM curators includes \$10 million for the renovation of Benton and Stadler halls at UM-St. Louis, the highest priority project listed for FY 2003. The second highest priority project is \$11 million for an addition to and renovation of the Mechanical Engineering Building at UM-Rolla. Next on the list is \$19.4 million to renovate 92,200 square feet in the Engineering East complex at UM-Columbia.

Other projects included in the appropriations request are:

- \$17.9 million for renovations to the 51st Street Annex, 215 Volker and the Administrative Center both at UM-Kansas City
- \$11 million for Phase 3 of the Master Plan at UM-St. Louis
- \$4.1 million for a review of capital needs at UM libraries and an addition to the UM Libraries Depository
- \$562,000 for Agriculture Experiment Station Teleconference Centers for UM-Columbia
- \$10.4 million for a new Freshman Engineering and Student Services Building at UM-Rolla

In other business at the July 19-20 meeting in Chillicothe, the Board:

- Approved the FY2002-2003 appropriations request for operations. The request includes an inflation-related increase of \$40.8 million; a cost for operating new and renovated facilities of \$3.4 million; a \$7.6 million investment in life science research; \$10.5 million to specific health science programs at UM-Columbia, UM-St. Louis and UM-Kansas City; and \$4.3 million to enhance the capacity of on-line and distance education. The request includes increases for various Curator programs as well as a \$21.5 million increase for indigent care at UM-Columbia hospitals and clinics.
- Approved an internal fund transfer of \$50 million from the University of Missouri to University of Missouri Health Care. The board further agreed to advance additional funds

to the health system as needed to maintain no less than 85 days' cash on hand, so long as it is deemed by the Board to be in the best interest of the University.

- Approved a revision to the Collected Rules and Regulations concerning parental notification of alcohol and controlled substances violations. The revisions were made to provide greater clarity of the recently approved parental notification policy. The revision clarifies that the student conduct code is violated if the student operates a vehicle on University property, or on streets or roadways adjacent to and abutting a campus while under the influence of alcohol or a controlled substance.
- Approved forwarding the following degrees to the Coordinating Board for Higher Education for approval: Bachelor of Educational Studies, UM-St. Louis; Bachelor of Health Science and Master of Health Science in Diagnostic Medical Ultrasound, UM-Columbia; Ph.D. in Agricultural Education, UM-Columbia.
- Approved the appearance design of a planned pedestrian bridge over Providence Road. Students and visitors cross Providence Road for access to sports park facilities. Several options have been considered for the project, including a tunnel. The Project is funded primarily by a \$1.1 million federal grant. Administrators expect to award the construction contract in January 2002. Construction is expected to be completed by spring of 2002.
- Approved the procurement of a radiology equipment strategic alliance for MU Health Care. The contract will allow the health center to replace and upgrade imaging equipment using one supplier, Siemens Medical Systems. The contract will encourage the vendor to maximize price discounting in exchange for the long-term commitment. Total expenditures will not exceed \$29 million.
- Approved hiring a consultant for services related to the UM-St. Louis campus master plan update. The updated master plan will evaluate current space needs; identify linkages among the updated master plan, physical development of the University and the University's strategic plan; provide the rationale and justification for capital appropriations requests; and address the role of the University in North County revitalization. The Board approved hiring the consulting firm Sasaki Associates.

## **UM receives award for inclusion policy in awarding contracts**



The University of Missouri has been named Institution of the Year by MoKan — the St. Louis Construction Contractors Assistance Center. "The award is given to an institution that has demonstrated a good faith effort to include minority and female contractors in their contracting opportunities," said Eddie Hasan, executive director of MoKan.

"The University of Missouri System is dedicated in its efforts to include historically underrepresented groups in contracting opportunities at its four campuses," said Hasan.

Hasan said the University's outreach effort in awarding contracts for the high-profile Performing Arts Center at UM-St. Louis is one example of the University's commitment to providing minority and women-owned businesses opportunities to compete fairly. "The Performing Arts Center was not merely another project, but a monument to the arts, the citizens of the state of Missouri, UM-St. Louis and the St. Louis area," he said.

Jacqueline Hall Kelly, director of the UM Minority Business Development Program, said the minority and women-owned business participation goals for the \$50 million Performing Arts Center were 18 percent and 7 percent, respectively. Hasan said by working with the St. Louis Minority Supplier Council, mainstream contractors and minority contractors, the University was able to achieve overwhelmingly positive results.

Hasan also commended the University's contract award process used for the Life Sciences Building at UM-Columbia, for "reaching out to minority and women-owned businesses not only in St. Louis, but also in central Missouri and Kansas City."

## **UM awards scholarships for environmental studies**

Seven University of Missouri System students are the 2001-2002 recipients of Trans World Airlines environmental scholarships. Missouri residents attending the University and studying environmental engineering or science, and law students who intend to pursue a career in natural resources or environmental law, are eligible.

The scholarships were established in 1986 through an endowment from TWA. Winners are selected by a committee representing all four campuses and by the law schools on the Columbia and Kansas City campuses. The winners are:

**Elke B. Boyd**, UMC, Civil & Environmental Engineering, \$6,000

**Marcus Thomas Brock**, UMC, Biological Sciences, \$6,000

**Hilary M. Davis**, UMSL, Biology, \$6,000

**Kimberly D. Hoke**, UMC, Geological Sciences, \$6,000

**Jarrett R. Johnson**, UMC, Biological Sciences, \$6,000

**Brian G. Panka**, UMC, Law School, \$5,000

**Angela L. Williams**, UMKC, Law School, \$5,000

## **MOREnet project up for international award**

The eMINTS (which stands for "enhancing Missouri's Instructional Networked Teaching Strategies") project has been named a finalist for the 2001 Stockholm Challenge Awards. The international award program's goal is to help people share knowledge and experience in the field of applied technology and to learn from the accomplishments of others.

The Missouri Research & Education Network (MOREnet), part of the University of Missouri System, provides Internet connectivity, training and technical support to Missouri's K-12 schools, colleges and universities, libraries, state government and other affiliates.

The eMINTS project provides substantial technology to elementary classrooms throughout Missouri. It also helps elementary teachers use teaching methods that are student-centered and inquiry-based by providing a wide range of multimedia technology.

The eMINTS project is one of eight U.S. finalists among the 23 worldwide Stockholm Challenge finalists in this year's Education category. The award is based on creativity, innovation and the desire to stimulate and share knowledge using information and communication technologies.

According to eMINTS evaluation reports, students in eMINTS classrooms score significantly better on standardized MAP (Missouri Assessment Program) tests than students in other classes. Participating teachers also report more focused attention, improved behavior, and greater success for students of all ability levels in eMINTS' classrooms.

During the 2000-2001 academic year, 88 school districts and 237 classrooms participated in this three-year-old project.

For information about MOREnet or eMINTS, see <http://www.more.net/>