

Spectrum

Volume 30, Number 5, November 2003

Board approves revised financial planning assumptions

"We must continue to make the case for increased state support if the University of Missouri is to fulfill its missions."

The University of Missouri System Board of Curators has approved a revised set of financial planning assumptions for fiscal years 2004-2008.

During a report to the board Oct. 17, UM Vice President for Finance and Administration Nikki Krawitz said the University's core state appropriation has been cut 15.5 percent, or \$68.3 million, over the last two years, with additional extraordinary withholdings totaling \$89.9 million.

While the national and state economies seem to be improving, Krawitz said perceived structural problems in the state budget make it difficult to predict when state funding will improve. She said that University planning assumptions must continue to encompass a range of possible funding scenarios.

Krawitz described three planning scenarios—optimistic, pessimistic and middle. She said that under an "optimistic" scenario, the University would complete FY04 with no additional withholdings, and appropriations for FY05 would be flat. In FY06 through FY08, the University would receive increases in the 2 to 3 percent range.

Under the "pessimistic" scenario, the University would experience an additional state withholding this fiscal year of 3 percent above the 2.5 percent announced in July. In FY05, there would be another 10 percent core cut; in FY06, a 5 percent core cut; in FY07 and FY08 appropriations would be flat.

Under the "middle" scenario, there would be no additional withholdings in FY04. However, the 2.5 percent withholding announced by the state in July would become a permanent core cut in FY05. Appropriations for FY06 and FY07 would be flat, and the University wouldn't see an increase until FY08.

Krawitz stressed that the optimistic scenario is only optimistic in the context of the state's current budget situation. "It does not reflect the resources needed to maintain access to an affordable education at the state's land-grant university," she said. "It does not reflect the investment needed to continue to build a world-class research university, and it falls short of providing the support needed to fuel the University as the state's economic development engine. We must continue to make the case for increased state support if the University of Missouri is to fulfill its missions."

Krawitz said future possibilities for increasing tuition beyond the rate of inflation would be limited due to large increases over the last two years. Tuition is the University's other major revenue source besides state appropriations.

The revised financial planning assumptions recognize the possibility of extending board-approved special course charges for certain high-cost graduate courses to selected undergraduate courses as well. The assumptions also include conservative estimates of enrollment growth because double-digit fee increases may have a dampening effect on future enrollment growth.

Krawitz said expenditure assumptions also acknowledge the need to manage the workforce in light of declining state support and the fact that 75 percent of the University's operating expenditures are for salaries and benefits.

"However, in order to remain competitive in recruiting and retaining quality faculty and staff, we have continued to include a 4 percent salary pool for FY05FY08 while acknowledging that budgetary constraints might dictate a smaller pool," Krawitz said.

Krawitz said that strong net asset balances are the foundation of prudent financial management. Strong net asset balances/reserves are a key factor in high credit ratings in the financial markets. High credit ratings are associated with lower costs of capital, lower costs associated with financing such projects as student housing, student recreation centers, hospital renovations, and athletic facilities.

"Conservative fiscal management and solid operating results over the past five years have enabled the University to maintain its strong credit rating," Krawitz said. "Our reserves have protected our ability to fulfill our missions in spite of abrupt declines in state support, additional with-holdings, shifts in enrollment, and lower interest rates on investments. Because we are an on-going operation, our reserves position the University to take advantage of unexpected opportunities."

Knorr promoted to vice president of government relations



The University of Missouri System Board of Curators approved the promotion of Stephen C. Knorr to the position of UM System vice president for government relations at its special meeting Sept. 18 in Columbia.

In his new position, Knorr will oversee all state and federal relations efforts for the UM System and its campuses. The board authorized UM System President Elson S. Floyd to establish the position of vice president of government relations at its July 2425 meeting in Columbia.

Floyd praised Knorr's track record of attracting federal funding to the University of Missouri. "I am pleased to appoint Steve Knorr to the position of vice president of government relations," Floyd said. "The University has benefited from his exceptional leadership in federal relations. I look forward to working with Steve as we develop our legislative agenda for the coming year and pursue our long-term goal to be a world-class research university."

Knorr, 37, graduated from the University of Missouri-Columbia in 1988 with a bachelor's degree in agricultural economics. From 1994-1998 he served as director of development for the UM-Columbia College of Agriculture, Food and Natural Resources.

Knorr held the position of assistant to the president for federal relations from its inception in 1998. During his tenure, the UM federal relations effort facilitated federal funding for more than 150 projects totaling more than \$200 million across the UM System's four campuses.

Educational fee reduction program

The newly established educational fee reduction program for University of Missouri employees' spouses and dependents is off to a strong start in its first semester, with a total of 499 students enrolled for the fall semester at one of the four UM campuses.

The UM System Board of Curators approved the new program at its May 2003 meeting. The program provides a 50 percent reduction of educational fees, based on undergraduate resident fee, for an eligible spouse or eligible dependent child of eligible employees, up to a maximum of 140 credit hours per eligible spouse or dependent.

The benefit is an incentive to aid recruitment and retention of faculty and staff. The Intercampus Faculty Council presented a resolution in support of the benefit to UM System President Elson S. Floyd at the October board meeting. Andrew McAllister, chair of the UM System Staff Advisory Council, noted that the benefit has been on the agenda of many, if not all, of the University's staff councils for almost as long as they've existed.

"The feedback from UM staff has been overwhelmingly supportive, and we are grateful that the administration has added it to our package of benefits," McAllister said.

Prior to the pre-registration deadline, individuals currently participating in the program will receive an email with instructions on how to continue their enrollment with the benefit. To save additional forms processing, the benefit will be posted to each student's account for the upcoming semester. The Cashiers Office will automatically credit the benefit to the student's account. Each student must continue to meet eligibility requirements to receive the benefit.

For eligibility questions, employees should contact their campus Human Resources Office. For billing questions, contact the campus' Cashiers Office where the student attends school.

UM faculty and staff benefits announce 2004 plan changes

For more information, visit the [Faculty and Staff Benefits website](#).

Fall is here, and it's time for University of Missouri employees to review and update their insurance and benefits programs. Medical insurance premiums will increase next year, and minor changes will be made in the medical benefits plan. University employees have until Nov. 19, 2003, to change their benefits during the enrollment change period.

All changes elected during the enrollment change period will become effective Jan. 1, 2004. No action is required on the employee's part unless he or she wishes to make a change in his or her benefits plans.

Employees who wish to initiate or continue participation in the Flexible Spending Account Program (FSA) with a health care or dependent care spending account must re-enroll for 2004.

Detailed information about benefits programs will be sent to employees and retirees beginning in late October. For more information, contact your campus benefits representative or visit www.umsystem.edu/ums/departments/hr/benefits/.

Medical premiums

Monthly medical premium rates for a UM employee will be \$83.22 for the UM Choice Plus POS Program; \$48.34 for the Catastrophic Plan; \$76.26 for the UM Managed Health Care Program (Columbia); and \$137.56 for Humana HMO (Kansas City). For an employee and spouse, monthly medical premiums will be \$242.32 for the UM Choice Plus POS Program; \$102.92 for the Catastrophic Plan; \$223.32 for the UM Managed Health Care Program (Columbia); and \$284.38 for Humana HMO (Kansas City).

The effective date of rate increases is Jan. 1, 2004. Since payroll deductions are made during the month prior to the coverage month, these new rates will be reflected in the Dec. 2003 payroll deductions.

Changes in medical benefits plan

- **New Express Scripts option:** Prescription drugs currently excluded by the University's plan may be obtained through Express Scripts either through mail order or retail pharmacies at discounted prices, effective Jan. 1, 2004. Although employees will be responsible for the full cost of any such drugs, the availability of discounted pricing may be advantageous.
- **Mental health/chemical dependency benefits:** Effective Jan. 1, 2004, United Behavioral Health (UBH) will replace Value Options as the administrator of mental health and substance abuse benefits under the UM Choice Plus POS Program. Information on UBH can be found online at www.myuhcprovidirect.com. For faculty, staff and dependents currently in the course of a treatment program that has been authorized by Value Options, arrangements have been made for those authorizations to be transferred to UBH.

- Effective Jan. 1, 2004, there will be no limit on the number of outpatient visits allowed for mental health and substance abuse services under the UM Managed Health Care Program. However, authorizations for mental health and substance abuse services must be provided by United Behavioral Health in advance.
- **United HealthCare System changes:** Effective Jan. 1, 2004, UM Managed Health Care Program and UM Choice Plus POS Program will be changing to a new systems platform with United HealthCare. United HealthCare's nationwide system of providers will now be available to faculty and staff enrolled in the POS Program. An employee using any United provider in its national network will receive the highest level of benefits offered by the program.
 - In conjunction with this change, new identification cards, which will no longer display an employee's social security number, will be issued to all faculty and staff prior to Jan. 1, 2004.
- **90-day prescriptions:** Employees in the Columbia area may now obtain, from a University Health Care Pharmacy, up to a 90-day supply at the co-payment and coverage level applicable to mail order prescriptions.
- **Other benefit plan premiums:** There will be no change in the premium rates of other programs, such as the University's dental plan.

Medical Premium Rates, 2004

	UM Choice Plus POS	Catastrophic Plan	UM Managed Health Care(Columbia)	Humana HMO(Kansas City)
Employee	\$83.22	\$48.34	\$76.26	\$137.56
Employee & Spouse	\$242.32	\$102.92	\$223.32	\$284.38
Employee & Children	\$161.82	\$65.48	\$151.70	\$154.82
Employee, Spouse, Children	\$288.68	\$124.10	\$266.52	\$443.64

Campus Benefits Representatives

UM, Retired & UM-Columbia

114 Heinkel Building

Columbia, MO 65211-1330

(573) 882-2146

benefits@umsystem.edu

Hospital

DC230

Columbia, MO 65212-0001

(573) 882-9086

JeneyM@health.missouri.edu

UM-Kansas City

5100 Rockhill Road

Kansas City, MO 64110-2446

(816) 235-5515

benefits@umkc.edu

UM-Rolla

1202 North Bishop

Rolla, MO 65409-1050

(573) 341-4241

benefits@umr.edu

UM-St. Louis

8001 Natural Bridge Road

St. Louis, MO 63121

(314) 516-5639

joann_westbrook@umsl.edu

Walsworth continues service to state and University as curator



For Don Walsworth, serving on the Board of Curators is just the latest step in a lifetime of service to the University of Missouri.

Upon graduating from the University of Missouri-Columbia in 1957 with a bachelor's degree in education, Walsworth enrolled in printing management courses at Carnegie Tech in Pittsburgh. He then returned home to Marceline to work for the family business, Walsworth Publishing Company, Inc., where he serves as president and chief executive officer. "I always wanted to go back to rural Missouri. That's where my roots were," Walsworth said. "I had fond memories of my boyhood in Marceline."

Today the company is the only family-owned company in the yearbook industry. In addition to yearbooks, the company's commercial division prints medical textbooks, children's books, and books for all the major publishers, including McGraw-Hill. The company has been aggressively promoting the commercial division to allow full-time employment for the company's 1,500 employees, with offices in Kansas City, Brookfield, Marceline and Edinburgh, Scotland.

Walsworth attributes the company's success to its workforce. "People really do make a difference," he said. "We're now on our fourth generation of families working for us. Our competitors can all buy the same equipment we have, build the same type of buildings, and buy the same raw materials. So what makes us different? It has to be the people."

The company, in turn, gives back to its workforce, and has contributed over a million dollars to college scholarships for employees. "We want to be a good neighbor to our people and also the communities where we have our plants, sales and marketing offices," he said.

The company's philosophy also reflects its goals of service and quality. "We're not selling printing, per se, we're selling security," Walsworth said. "By that I mean our product has to be delivered on time, at the price we quoted, at the customer's expectations as far as quality is concerned."

Although new to the board, Walsworth has been an active alumnus, donating time, advice and support to various programs and departments, including major contributions to the School of Business and the Athletic Department. In 1980 Walsworth was awarded the University of Missouri Faculty/Alumni Achievement Award. And, in 1989 he received a Distinguished Service Award from the alumni association at UM-Columbia, where he also was a founding member of the Herbert J. Davenport Society. "The University has always been very important to me and to my family," he said. "It's something that I enjoy doing."

He also served on committees that selected the UM-Columbia Athletic Director, Mike Alden, and the men's head basketball coach, Quin Snyder. "I had the pleasure of meeting Don during my first interview for the then vacant head basketball position at Mizzou," Snyder said. "He expressed curiosity regarding many of the drills we did with our Duke players prior to the game—a line of questions that I had never before experienced in an interview setting. This is a telling example of the innovative spirit with which he resonates and the attention to detail demonstrated in all his business dealings, as well as his love for young people and passion for their development."

Walsworth views serving on the board as "one of the most important things we have at this particular time because of the fiscal constraint we're under." Regarding state funding for the University, he said that "we're going to have to start thinking out of the box. It can't be business as usual. The most important thing this System has is the people—the professors, the staff, the people that make this University System—and those are the people we have to take care of. We have to let them grow in their careers. We have to reward them for their jobs." Despite declining state appropriations, he strongly believes in keeping higher education accessible and affordable. "If we can't do that, we're missing our mission," he said.

The University System is the biggest economic engine the state has, Walsworth said. "We can train our students and do the necessary research that's going to bring industry to our campuses. The Legislature has now seen that research is a very important ingredient of our educational system, and they're funding that research."

His service to the community also includes terms on the Marceline City Council, as the mayor of Marceline, and as the chairman of the Missouri State Highway and Transportation Commission. This public service experience helped Walsworth understand "how the process really works. I understand how Jefferson City works. I think that's an important ingredient." In addition to his public service, Walsworth has been elected to a variety of boards, including that of Citizens Bank and Trust Company of Chillicothe and Citizens Bancshares Company of Chillicothe.

"I think Don's a very passionate person who believes very strongly in the University of Missouri," said Bill Young, president of Citizens Bank and Trust. "With his strong passion and his knowledge about business and industry, as well as the educational system, I think he'll be a tremendous asset to the curators and the school and move it in a forward-moving direction."

Outside of his busy schedule, Walsworth enjoys golfing and wakes up early to run six miles a day. He also enjoys spending time with his wife, Audrey, and their three grown children—son Don Jr. is Walsworth's executive vice president—and grandchildren.

Walsworth's goal for his tenure on the board is simply stated: "I'm trying to make this University System a great System, and what little part I can play in that, that's why I'm here."

University of Missouri System briefs

Board hears report on Missouri's concealed carry law

The University of Missouri System Board of Curators heard a report from UM General Counsel Marvin "Bunky" Wright about recently approved state legislation regarding concealed weapons. Wright said the newly enacted Concealed Carry Law in Missouri will not alter University policy and does not require that the board take any action beyond that specified in current board policies.

It is a violation of current University policy to possess firearms, concealed or not, on University property, except for law enforcement officers who are authorized to carry firearms in the performance of their duties.

Sexual orientation added to non-discrimination policy

At its Oct. 16 meeting in St. Louis, the UM System Board of Curators added the term "sexual orientation" to the list of employees and student classifications protected from discrimination in the Collected Rules and Regulations.

The term "sexual orientation" will be added to all existing employment and student policies of the University that pertain or relate to the subject matter of discrimination and non-discrimination of individuals, whether faculty, staff or student.

Revised policies will specifically state that the University will not discriminate on the basis of "race, color, religion, sex, sexual orientation, national origin, age, disability and status as a Vietnam-era veteran."

UM-St. Louis student & faculty achievement presentations

The UM System Board of Curators heard presentations on UM-St. Louis student and faculty achievements Oct. 16 in St. Louis.

UM-St. Louis faculty presenters included Richard Rosenfeld, professor of criminology and criminal justice; Joseph Polman, assistant professor of education; and Wendy Olivas, assistant professor of biology.

Student presenters included Alexander Mark Kerford of St. Joseph, sophomore in engineering; Charlotte Bergstrom of Normal, IL, senior in music; Lucio Ricardo Malizia of Argentina, graduate student in biology; Emily Trevathan of St. Louis, graduate student in economics; Jeffrey Griesemer of Florissant, senior in biology; Ryan Connor of Belleville, IL, senior in English; and Nikki Dumonceaux of Belleville, IL, psychology major and tutor, Center for Academic Development.

Board approves new degree proposals for UMSL, UMR

The UM System Board of Curators approved proposals for new degrees for a master of engineering in geotechnics and a master of science in biomaterials, both at UM-Rolla. The board also approved proposals for a bachelor of science in biochemistry and biotechnology and a master of science in biochemistry and biotechnology, both at UM-St. Louis.

The new degree programs draw upon existing courses, faculty or facilities on each campus. The proposed degree programs now go to the Coordinating Board for Higher Education for approval.

Distinguished teaching and curators' professors named

The UM System Board of Curators approved the appointments of a distinguished teaching professor and a curators' professor Oct. 17 in St. Louis.

Larry Gragg, professor of history at UM-Rolla, was named a distinguished teaching professor. Lokeswarappa R. Dharani, professor of engineering mechanics and aerospace engineering at UM-Rolla, was appointed a curators' professor.

Each will receive a \$10,000 annual stipend as long as they hold their respective positions. The appointments are effective Jan. 1, 2004.