

Spectrum

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University works to minimize impact of Fair Labor Standards Act

The University of Missouri is working to ease the transition and minimize the impact for those employees affected by recent revisions to the Fair Labor Standards Act.

On April 23, 2004, the U.S. Department of Labor announced key revisions to the FLSA, which determines minimum wage, child labor laws, and regulations for exemption from overtime pay. The DOL mandated employer compliance by Aug. 24, 2004. As a result, the exemption category of some University job titles will change in this short window of time provided by the federal government.

An equally important change also was made to the minimum salary basis test for an exempt employee, increasing the rate to \$455 per week. Exempt employees must be provided salaries that meet or exceed the weekly guarantee, or be made non-exempt and paid for hours actually worked.

The FLSA revisions will immediately affect approximately 450 high level support and computing staff System-wide. These positions will move from exempt to non-exempt status effective Sept. 1, 2004. Specifically, the titles are administrative associate I and II; executive staff assistant I and II; user support analyst – entry, specialist and expert levels; and system support analyst – entry, specialist and expert levels.

Employees who are made non-exempt by changes to the FLSA will be paid hourly instead of salaried; paid bi-weekly instead of monthly; required to complete time sheets; paid overtime for hours over 40 hours per work week; and be eligible for compensatory time, with department approval and employee acceptance. Employees will be allowed to continue their current vacation accruals and earn vacation benefits following the exempt vacation schedule.

Bill Edwards, director of compensation and support services for the UM System, said the full extent of the revised regulations is still being reviewed.

Those employees who are affected by the federal mandates will have the option of making the transition to bi-monthly pay periods at a time of their choosing, but mandated to occur no later than May 7, 2005. The 10 month transition allows employees to make any necessary financial arrangements. It also allows campus Human Resources offices to process appeals from those employees who would continue to be classified as exempt under the new regulations.

"The University hopes to make the transition as smooth as possible," Edwards said. "We encourage employees to take as much time as they need to make the pay period transition."

University employees affected by the changes will be notified by their division head. Employees with questions should contact their campus Human Resources department.

The FLSA changes are expected to have a direct impact on additional job titles now being reviewed by Edwards' office. The review process will be completed and required actions implemented no later than Jan. 1, 2005.

Board approves FY06 appropriations request

The University of Missouri Board of Curators approved the UM fiscal year 2006 state operating and capital appropriations requests at its July 23 meeting in Columbia.

The total FY06 appropriations request for operations is \$481 million, or an increase of approximately \$80 million over the FY05 core appropriation of \$400.8 million. The increase is intended to cover a portion of the cost to continue operations and to support three new initiatives.

The increase includes assumptions of a 4 percent salary and wage pool increase, a total increase in staff benefits cost of approximately 20.7 percent, and an average increase in other expenses and equipment of 3 percent.

In addition, the University is requesting \$1.8 million to offset the cost of operating new and renovated facilities including the Swine Facility and Brewer Field House Expansion on the UM-Columbia campus, and space for Environmental Health and Safety, Human Resources, and Administrative Services at UM-St. Louis.

Three new proposed initiatives

The Student Access Program would be an extension of a program that the University is implementing on a small scale with a portion of the increase in FY05 appropriations. This program leverages state support by attracting private donations to create endowed, need-based scholarships for students from Missouri's neediest families.

Missouri has a current enrollment of 4,500 undergraduate students whose adjusted income is less than or equal to \$40,000 and who have \$20 million in documented unmet need. The access program will assist in keeping the doors to the University of Missouri open to students truly in need of assistance.

The second new request item is for the University's Endowed Chairs Program, also an extension of a program that the University is funding on a limited basis with \$1 million of the current year's increase in state appropriations.

Since 1995 the program has used \$16 million in one-time state funding and \$4 million in recurring funding to leverage over \$90 million from donors, enabling the creation of 44 endowed chairs and 76 endowed professorships. The faculty in those positions have generated \$98 million in external research support, an 800 percent return on the \$4 million annual investment.

Expansion of the endowed chairs program will facilitate additional recruitment of distinguished teachers and researchers to the state and to the University who will promote academic

excellence, perform cutting edge research, and contribute to Missouri's economic development initiatives.

The third new request is to increase the capacity and quality of the University's Health Care Education Programs. The University of Missouri is the primary provider of practicing physicians and dentists, the primary providers of baccalaureate and graduate level nurses, a major provider of pharmacists and allied health professionals, and the only provider of optometrists in the state.

Funding from this request will be used to purchase state-of-the-art equipment or upgrade existing equipment and to attract and retain top health care educators and researchers. The funds also would be used to increase the number of Missouri students graduating as health-care professionals, while striving to keep the programs accessible through additional scholarship support.

University of Missouri Hospitals

The request for the University of Missouri Hospitals includes core appropriations for the University Hospitals, including Ellis Fischel Cancer Center, and for the Missouri Rehabilitation Center. The \$1.5 million request for cost to continue is based on the composite cost to continue rate for operations applied to the Hospitals' state appropriations base.

Other curator programs

Requests for funds include the core appropriation, cost to continue operations, and new funding initiatives. Programs included in this request include Missouri Institute of Mental Health, Missouri Kidney Program, MOREnet, MOBIUS and the State Historical Society of Missouri.

MOREnet is requesting recurring funds for new initiatives including \$530,000 for increased Internet access capacity, \$1.2 million for increased costs of public education telecommunication connections, and \$180,000 for telecommunications infrastructure support of the Missouri TeleHealth Network.

Requests also will be made for the Seminary Fund, Alzheimer's Research Fund, and the Spinal Cord Injury Fund as specified by legislative statute. Requests for these programs for FY06 are: Seminary Fund, \$3.2 million; Alzheimer's Research Fund, \$391,280; Spinal Cord Injury Fund, \$400,000.

Also included is a request for the Missouri TeleHealth Network. This request would roll the estimated June 30, 2005 balance of the expiring state appropriation from tobacco settlement monies for TeleHealth into a one-time line item for FY06.

State Capital Appropriations Request, FY06

Rehabilitation & New Construction	\$237,580,000
Benton Stadler Renovation/Master Plan III, UM-St. Louis	\$52,255,000
Chemical & Biological Engineering & Sciences, UM-Rolla	\$51,551,000
Health Sciences Research Building, UM-Columbia	\$81,075,000
Health Sciences Phase I & II, UM-Kansas City	\$52,699,000
Engineering Equipment Replacement	\$1,024,800
UM-Columbia	\$333,600
UM-Kansas City	\$32,400
UM-Rolla	\$627,600
UM-St. Louis	\$31,200
State Issues	\$16,380,000
McKee Gymnasium Addition & Renovations, UMC	\$16,380,000
Total Capital Appropriations Request	\$254,984,800

Board hears presentation on program audits

The University of Missouri Board of Curators heard a presentation on program audits at its July 23 meeting in Columbia. Each campus reported on the program audits conducted on their respective campus.

Steve Lehmkuhle, UM System vice president for academic affairs, noted that the program audits allow the campuses to manage their degree program inventory in order to best deploy faculty and other resources to accommodate shifting enrollment patterns and changing state and national needs.

As part of the management effort, it is necessary to modify, merge, inactivate, or discontinue programs that generate low enrollments, provide little service instruction, receive substantial University subsidy, and no longer are central to the University's mission. The resources thus freed up are redirected to support high priority academic areas.

"The University must grow programmatically, even during tight budget times, if it is to remain viable and meet changing state needs and student demand," Lehmkuhle said. "However, we cannot grow only through the infusion of new resources. We must also grow by substitution and by deploying existing resources to high priority and high demand areas. The purpose of the program audit is to provide a recurring, disciplined, and participative process to make these decisions."

The program audit process was implemented this past year. The first step was to analyze the entire degree program inventory in the summer of 2003 using several critical performance indicators: cost per credit hour; amount of state subsidy; relative instructional costs; grant and instructional productivity relative to national norms; percentage of instruction that serves other academic programs; and historical trends in enrollment and degree production.

Based on the analysis and following consultation with the chief academic officers, 48 degree programs (8 percent of the total degree program inventory) were considered candidates for a campus program audit. As permitted in Executive Guideline No. 25, the campuses discarded some audit candidates and added others. A total of 49 degree programs were subjected to a campus review using the following criteria: quality of faculty and students; outcomes of instruction, research, and outreach activities; student demand and state need for the program; centrality to the mission; comparative advantages or uniqueness of the program; and adequacy of resources to support the program and other financial considerations.

Ten of the 49 audited programs were maintained in their current configuration. Six programs were given notice with pending decisions based on future performance, eleven were modified, six were merged, ten were inactivated (no longer admit students), and six were discontinued. The University of Missouri-St. Louis postponed the implementation of three new approved programs.

Campus Actions

	Maintain Program	Program Alterations					Total Impacted
		Notice, Pending Decision	Modify	Merge	Inactive	Discontinue	
UMC	2	1	4	3	0	0	8
UMKC	3	1	4	0	7	6	18
UMR	2	1	2	3	2	0	8
UMSL*	3	3	1	0	1	0	5
UM Total	10	6	11	6	10	6	39/49

* *UMSL postponed the implementation of three approved programs*

Wallace honored with emeritus title



University of Missouri-Columbia Chancellor Richard Wallace was named chancellor emeritus in an unanimous vote of the Board of Curators at its July 23 meeting in Columbia. Wallace will retire Aug. 31, 2004.

Wallace joined UM-Columbia in 1966 as an assistant professor of economics and community health and medical practice. He served in a variety of academic and leadership positions, including professor of economics, chair of the department of economics, associate dean of the graduate school and associate provost.

Wallace also served as associate vice president and vice president of academic affairs at the UM System from 1985 to 1996. He was named interim chancellor of UM-Columbia in 1996 and was appointed chancellor in 1997.

During Wallace's tenure, UM-Columbia experienced record-breaking enrollment, sharply increased federal research support, and received national awards for the quality of its undergraduate programs.

The recipient of numerous honors, Wallace has received the Faculty Service Award from the National Continuing Education Association and the J. Rhoads Foster Award for outstanding contributions to the public utility regulatory process. He has been honored as Communicator of the Year by the Mid-Missouri Chapter of the Public Relations Society of America and awarded an honorary doctor of philosophy degree by Chonnam National University in Korea. In 1998, he was inducted into Northwestern University's Medill School of Journalism Hall of Achievement.

Wallace has been an advocate for public higher education as chair of the Missouri Council on Public Higher Education and the Council on Academic Affairs Committee on the Economics of Higher Education of the National Association of State Universities and Land-Grant Colleges.

Board approves University's new strategic plan

The University of Missouri approved the new strategic plan at its July 23 meeting in Columbia. The plan can be found at www.umsystem.edu/ums/about/strategic.

University of Missouri System briefs

Board names distinguished and curators' professors

The University of Missouri Board of Curators approved the appointments of a distinguished teaching professor and two curators' professors at UM-Kansas City.

Carla L. Klausner, professor of history, was designated a distinguished teaching professor. Paula Spencer, professor of dentistry, and Khosrow Shoraby, professor in the school of interdisciplinary computing and engineering, were named curators' professors.

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

New degree proposals approved for UMC, UMR, UMSL

The board approved proposals for new degrees for a master of occupational therapy at UM-Columbia, a bachelor of science degree in interdisciplinary engineering at UM-Rolla, and a bachelor of liberal studies 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.

UMR names mechanical & aerospace engineering building

The board approved a proposal to name the Mechanical & Aerospace Engineering Building at UM-Rolla "Toomey Hall for Mechanical and Aerospace Engineering." John and Mary Toomey will donate \$5 million for the Mechanical & Aerospace Engineering Building addition.

John Toomey is the chairman and founder of Starr Management Corporation in Lorton, VA. He earned his bachelor's degree in mechanical engineering from the Missouri School of Mines (UMR) in 1949 and his master's degree in mechanical engineering from UMR in 1951. The campus awarded Toomey with professional and honorary doctorate degrees in 1977 and 1985, respectively.

Board forms corporation to compete for federal contract

The board approved the formation of a limited liability corporation with the Shaw Group in order to compete for a federal contract estimated to bring \$2.6 million per year to the University in management fees. The new corporation will submit a proposal to the U.S. Department of Energy to manage and operate the Idaho National Laboratory.

The Shaw Group, with headquarters in Baton Rouge, LA, would manage the laboratory. The University would oversee on-going research and day-to-day operations.

The laboratory's research mission builds on the nuclear science and research reactor programs of both the UM-Columbia and UM-Rolla campuses. If awarded, the contract would provide opportunities to the campuses for extensive and collaborative research.

The University would invest the management fee in programs to support graduate fellows, faculty exchanges, faculty enhancement, sponsored chairs, and facilities and equipment upgrades and other infrastructure to support research.

2005 Board meeting calendar

- February 3–5: UM-Columbia
- April 7–8: UM-Rolla
- May 25–26: Columbia
- July 21–22: Columbia
- October 6–7: UM-St. Louis
- December 1–2: UM-Kansas City