



President's Bulletin

University of Missouri

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TO: MEMBERS OF THE UNIVERSITY FACULTY AND STAFF
FROM: C. BRICE RATCHFORD, PRESIDENT

STATUS OF THE UNIVERSITY'S 1974-75 APPROPRIATIONS REQUEST

The University's request for state funds for 1974-75 is awaiting action by both House and Senate Appropriation Committees. A brief assessment and review of our situation at this time may be helpful to you.

The University has presented its case for increased funding to the Commission on Higher Education, the governor, the House Appropriations Committee and the Senate Appropriations Committee. In addition, many University personnel and organizations, alumni, members of the Board of Curators, chancellors and others interested in the future of the University have assisted in communicating our budget needs.

The governor made his recommendations on January 16. Those for physical facilities, if approved by the General Assembly, will enable the University to make several plant improvements which are badly needed, even critical in some instances to the continued success of certain areas of the University.

The prospects for increased operating budget support are not as bright. Standstill operating costs we face next fiscal year total more than \$10 million. The increase of \$5.7 million proposed by the governor would mean another year of trimming existing programs in order to meet inescapable new expenditures detailed in the University's budget publications.

Quite possibly there may be increases in the University's appropriations which are not available for what we have indicated as existing needs and priorities. These stem from responsibilities we have been asked to assume or which have been assigned to us as a branch of the state government. As a public agency, we have

an obligation to respond to requests and to carry out assignments in the public interest.

For example, the reorganization legislation places with the University the responsibility for operating the Missouri Institute of Psychiatry. The reorganization legislation also transfers to the University the state poultry experiment station. In response to the governor's request, the Board of Curators indicated a willingness, under certain conditions, to operate the Independence Residence Center. Suggestions have been made that a school of optometry be added to the University.

The Board of Curators has not encouraged any of these actions, but if and when they occur, we must be aware that the funds added to our total budget for them are virtually earmarked.

In discussing our financial situation, I want to make particular reference to salaries and wages.

The governor recommended for all state agencies a five per cent cost-of-living increase and one per cent for merit.

The University requested a six per cent increase in our salary and wage base, which is within the Governor's guidelines. In the past the University has endeavored to develop appropriate salary and wage guidelines for the administrative, service and support staff, and teaching and research personnel within available funds for this purpose.

In my testimony, I said that I regarded six per cent as minimal. I pointed out that anyone who received the average of six per cent would suffer a purchasing power loss. The Consumer Price Index is now approaching a nine per cent increase over the past year.

Although we requested an increase of six per cent on our existing salary and wage base, which would amount to \$7.3 million, the governor recommended that the total increment to the University's budget be \$5.3 million.

Thus, the governor's recommended appropriation would not cover even his recommended salary and wage improvement, to say nothing of higher costs for non-salary items, additional fixed costs for such things as opening new buildings coming on line, an anticipated enrollment increase and some very modest program improvements.

You can see that we face some serious questions.

What would we do if the \$5.7 increase in appropriation for operations recommended by the governor should prevail? We could not fund the recommended salary and wage base increase. Do we propose fee increases? If so, how much? We have substantial unavoidable operating

cost increases quite apart from salary and wage considerations. Should we continue to try to reward outstanding merit or longevity within whatever salary and wage resources we may have? To what extent should we attempt to cushion the inflationary impact we all have experienced? What do we do about costs of any possible new requirements on employee benefits such as medical and insurance plans?

These and other imponderables must be faced in the weeks ahead as our 1974-75 financial situation becomes more clear.

Let me remind you, on the subject of faculty salaries and wages, that adjustments are determined largely at the departmental levels within broad guidelines and dollars available.

We are all hoping, I am sure, that the budgeting decisions, which hinge upon legislative action, can be made more quickly this year than they were last year.