

Magrath urges 'further efficiencies'

President C. Peter Magrath sent the University's chancellors and vice presidents home from the December Board of Curators' meeting with a list of assignments for the new year and the new decade.

Responding to a charge from the board last spring at a meeting at Kansas City International airport, Magrath recommended seven steps for "improvements and further efficiencies." At the same time, he urged that board limits on tuition

increases be lifted and restated his conviction that Missouri "needs to increase its investment in higher education."

With unanimous support from the board, the president asked campus and system administrators to:

- Increase the long-range goal for private fund raising to 150 percent by 1994 (the curators' long-range plan called for a 100 percent increase over 1985 totals) and produce a five-year prospectus on in-

creases in private giving. The increase will yield approximately \$3 million more per year, he said. Magrath also recommended that the curators work with the state to develop a program in which private and corporate gifts are matched by state dollars and are tied to specific programs and activities.

- Review all vacancies that occur in executive and administrative units to determine whether those positions should be refilled or eliminated, with duties assigned to other staff members. He told the curators earlier that "administrative costs throughout the University, adjusted for inflation, have decreased by 27 percent in the past 14 years."

- Develop plans and recommendations for budgetary cuts, consolidations and possible eliminations that could be implemented in fiscal year 1992.

- Examine course and degree offerings to make sure that all programs listed are needed. Some, he added, already have started this review.

- Consider establishing an in-

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President C. Peter Magrath engaged in "crystal flask gazing" for the Board of Curators, envisioning a University where "faculty and staff are joyous in their work, because they know it is appreciated, and because they know they are contributing to the quality of our social and economic life."

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Magrath's message:

'Real issue is Missouri's well-being'

Excerpts from President C. Peter Magrath's report to the Board of Curators, Dec. 7, 1989:

It is again time to remind ourselves and our fellow citizens that creative, exciting education is the fundamental purpose of the University of Missouri System, its four campuses and our extension programs. That type of education, while rooted in a historic past of accomplishment and often attained in the face of adversity, is simply prologue to the future. There is a vision for that future, and I want to share it with you.

Well before the end of the decade that we will enter next month, I want people all over the United States to recognize Missouri higher education and our University as a leading example of education of the highest possible academic quality, of research that pays off in social, economic and intellectual ways that directly improve the quality of Missouri life, and of first-rate educational service that responds to the practical needs of our citizens.

I look for a University where students come to our campuses because they and all other citizens know that education of the highest academic standards, with a tough competitive edge, is to be found. I look for a University where faculty and staff are joyous in their work, because they know it is appreciated and because they know they are contributing to the quality of our social and economic life. And I look for a University that is envied and emulated because it is providing significant answers to the needs and interests of all Missourians.

I see in the next decade a University of Missouri-Columbia that personifies the highest quality residential education available in the United States, in a school where research and professional programs are models that other universities aspire to achieve.

I see a University of Missouri-Rolla that reflects a nationally recognized set of accomplishments as a leading technological university meeting state and national needs, while also providing excellent education in the arts and humanities and basic sciences for its students.

I see a University of Missouri-Kansas City that anchors the great western urban region of our state with arts and sciences programs for undergraduate students of the highest quality,

while concurrently leading the Kansas City region in the implementation of cutting-edge professional programs and graduate and research programs in technology, telecommunications and the basic life sciences.

I see a University of Missouri-St. Louis serving as the pivot of quality public higher education in the greater St. Louis region. I look to its undergraduate programs providing superb education to students of all ages so that they can conquer the challenges of the 21st century. I see this campus also participating as a leading partner through its graduate, professional and research programs in the growth and development of St. Louis and its region to new heights of accomplishment.

I see our University Extension, our fifth campus, as the national model in meeting the agricultural, youth-related and community economic development challenges of tomorrow.

That, in a few sentences, is my vision. I hope it is one that you can share with me. But, it is a vision that can become reality *only* through hard work, careful investment of resources and an increased effort to strengthen our unswerving quest for excellence in education.

The real issue is not the narrow, though legitimate, interest of any campus or university program. The real issue is the well-being of Missouri and its

citizens. The resources are needed not for our sake, but for the sake of having the best possible higher education system available to meet the needs of Missouri.

There are ways to accomplish our vision of academic excellence in higher education — with the University of Missouri being the centerpiece of our state's public higher education system. We can move forward with our state. We need the tools to do a job motivated by a vision of a state that is economically and socially of the highest quality.

Nothing that's worthwhile is ever easy, but I am convinced we can move forward toward our highest educational ideals of academic excellence and service to our state. I pledge to work with you to fulfill this vision of excellence without qualification in Missouri higher education.

We can do it! And I think we will.



C. Peter Magrath

Turner: Alarm has sounded to awaken state

The farewell remarks of 1989 Board President Edwin S. Turner, delivered to the Board of Curators at its Dec. 8 meeting:

In preparing these remarks, I took out the appointment book that I have had right by my side this past year and counted the number of appearances that I have made, and been privileged to make, on behalf of this University because of the kindness of my fellow board members. I counted 85 times that I have appeared on behalf of this University.

That gives me a very close and yet a very broad perspective of this state. It is the Show-Me State and it has shown me a lot.

I can tell this board, from this past year, that the president, his general officers and his staff have shown me that they are true professionals who work extremely hard and are dedicated and loyal servants for this state. This University is most fortunate to have the benefit of their services.

I can tell you that this state has shown me that our faculty have the very best interests of the University at heart and continue to work extremely hard to provide the best possible education, research and service for the citizens of this state with less than even an average level of resources to perform those duties.

I can tell you that this state has shown me that our students

are very mature, thoughtful and articulate and hard-working members of the University community who have been represented so very, very effectively by (student representative to the board) Michael Dodig.

I can tell you that our state legislators have shown me that they really do care about this University, but many have also stated to me that their constituents do not understand what our needs really are.

Likewise, the citizens of this state — literally thousands of them that I have had the privilege to meet and talk with this past year — have shown me that they, for the most part, are not aware of the status of the totally inadequate funding levels for the University and how it directly impacts literally every citizen of this state.

But these same citizens have shown me that, upon learning of the University's needs and how satisfying those very needs will directly impact their future, they are very supportive of our efforts to improve the quality of our higher education system.

The above circumstances that I have just described to you have shown me, without a shadow of a doubt, that we as curators need to be very outspoken about our needs and how this system can directly impact literally every citizen of this state.

To take the attitude that this vital educational process throughout the state is not our job, but is in fact the job of our elected officials, is to me unbelievably naive and totally unrealistic in this democratic society of which we are a part.

If we, as the public's representatives on a governing board, will not speak out and be assertive, how could we possibly expect others to aid and assist us? We must, lady and gentlemen, lead by example.

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Edwin S. Turner

Gilmore: Board should develop cohesive policy

The following remarks by Webb R. Gilmore are part of Spectrum's series of reprints of the curator's perspective presented at each Board of Curators meeting.

As the last curator this year to present a curator's perspective, I thought it would be appropriate to discuss the significance of individual curator perspectives as opposed to the board perspective. It's nice to allow each curator an opportunity to express his or her individual views and perspective; however, let us not lose perspective and attach too much importance to this.

‘We cannot allow our buildings to deteriorate, our classrooms and laboratories to be ill-equipped, our computing equipment and libraries to lag, our faculty to be underpaid and the quality of our programs to decline.’

What is much more important is the board perspective. The Board of Curators is not merely a forum for individuals to express their individual views. It is important for each of us to express our views, our analysis and our judgment, but only as part of a deliberative process toward the end of forging a single board perspective and policy on the important issues for which we are responsible. This is our purpose and our duty.

Today I want to speak some about how we function effectively as a board, as well as my ideas and views on certain policy issues. I am going to make a number of statements about how I think things should be and work. These statements should not be construed as criticism or insinuations as to how things are, but merely statements of my beliefs as to how things should be.

When I became a curator 11 months ago, I asked myself what this board can do and what I can do as a member of this board that will truly make a difference. The answer to this question must be in the context of an understanding of the basic role and nature of the Board of Curators.

We spend much time discussing resources of the University. It is important that we recognize that the board is one of those resources. As a board, we must consider many

issues, but we have limited time, talents and energy, and therefore we must be wise and selective in allocating those resources to be most effective as a board.

We must be mindful not only of what we should do, but what we should not do. There are certainly a lot of things we can do that will not make much difference. We must avoid wasteful discussion on less significant matters that results in a neglect of more significant matters. We should always be asking the question, "Will this really make a difference?" Judgment is knowing the difference.

All of the work of the University is important. The issue here is one of role and who does what.

It is obviously not the role of the Board of Curators to run the nuts and bolts operation of the University. I believe that there are certain key policy matters with which the board should primarily be concerned, and it is important that we allot ample time during our meetings to discuss these issues.

There are three main areas with which the board should concern itself: selection of the chief executive officer; formulation of major policy in such areas as mission, resources, and allocation and management of resources; and accountability for the implementation of policy.

• The first task of the Board of Curators is to hire an outstanding president to act as the board's chief executive and principal agent in carrying out the board's policies in managing the University of Missouri System.

Although I was not involved in the decision, I firmly believe the board has fully and completely carried out this first and most important task. Peter Magrath is recognized as one of the nation's most effective leaders in public higher education. From my own observations, I concur with this assessment. The state of Missouri is indeed fortunate to have someone of his ability as its University president.

However, regardless of how capable, for the president to be most effective, the board must give him clear direction in the important policy areas. The president works for the Board of Curators, not for individual curators. The president, from time to time, hears the various preferences of individual curators, but he cannot base his course of action on these individual preferences.

• It is our duty and responsibility to develop policy as a board and clearly communicate that policy to the president. If the president does not receive clear direction from the board as a whole on policy matters, that is our shortcoming, not his.

It is also crucial once board policy is made for the board as a whole and for each individual curator to support the president in carrying out that policy regardless of individual views. Again, we are not merely individuals licensed to espouse our individual curator perspectives. We are a board and we must function as a board to be effective and for the president to be effective.

There are a number of levels of policy matters that come before the board ranging from major institutional policies to the review of administrative recommendations and adoption of rules and regulations for everyday conduct. The board's major time and effort should focus on key policy issues and to a lesser extent on secondary policies.

The key policy issues all center around defining the mission of the University and allocating the University's resources to most effectively carry out that mission. These issues are complex and they are mutually dependent. Although a difficult task, it is the board's responsibility to address these issues and hammer out the policy of the board.

In approaching these issues, the board must simultaneously look at mission and available resources in determining how we can best ac-



Webb R. Gilmore

complish the following objectives:

1. Maintain the financial soundness and solvency of the institution, which has been done.
2. Preserve and maintain the physical plant and facilities of the University at a high level of physical integrity, which has not been done. Many of our buildings are in a serious state of deterioration and need of repair. Classrooms and laboratories are ill-equipped.
3. Attract and maintain top-quality faculty. This is a struggle when salaries are not competitive.
4. Provide high-quality programs. This is also difficult when resources are insufficient or spread too thin.
5. Determine what programs and services can be provided consistent with the first four.

The most difficult and probably most important policy matter for the board is to develop a clear definition and understanding of the missions of the University System and its components. Mission is inherently difficult to define with specificity because the University has such a diversity of functions. Mission is not something that, once decreed, never changes.

When you consider transitions in our society and the economy, increasing reliance on public education in our country and state, and demands on taxpayer money to support higher education and other services, it is understandable that mission can become blurred and confused.

I believe that we are at one of those critical points in the

history of our great University when mission must be re-examined, redefined and brought back into clear focus. This process must begin with an assessment of needs that necessarily involves a recognition of resources as well. We must determine the scope of needs that can most appropriately be served by the University through quality programs and services.

We cannot allow our buildings to deteriorate, our classrooms and laboratories to be ill-equipped, our computing equipment and libraries to lag, our faculty to be underpaid and the quality of our programs to decline. We have a responsibility to preserve, maintain and develop this institution and to formulate policies that will assure the optimum definition of mission and utilization of resources.

Since I have been on the board I have seen two basic positions on the issue of allocation of resources. The board must overcome what I see as differences in emphasis and come together on a common ground. It is reasonable to expect that we can do this because both positions have merit and weakness and, when each is tempered with practical realities, the two positions merge.

One group sees the all-pervasive mission of the University rooted in the origin and history of our great land-grant institution. They believe the University's mission is to be a great, vibrant public educational institution that aggressively addresses the needs of the people of the state of Missouri through teaching, research and service; that is the single, greatest public asset dedicated to economic development of our state and well-being of our people; that opens the doors to all Missourians to a better quality of life. A very noble objective. One to which, if the resources

‘Is it reasonable to conclude we will never obtain increased funding? No.’

‘Is it reasonable to expect that we will obtain increased funding at whatever level we desire? No.’

were available, no person of good will could object.

The other group, equally noble and objective, is grounded in a commitment to excellence and recognition of the harsh reality of inadequate funding. They say it is too bad that we don't have unlimited resources, so, recognizing that

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Of pigs and cattle

Curators differ on 'starvation' cure

President C. Peter Magrath's report to the board met with lively discussion from the curators. In the end, members of the board unanimously endorsed the president's report. Following are excerpts from the curators' comments:

Sam B. Cook: "I was pleased to hear that you have asked each chancellor to review their course and degree offerings. While I have some doubts as to the ability of *anyone* for truly effective self-examination, I agree that we must begin with such an exercise. It may well be necessary for us to provide them with some outside expert assistance in this endeavor.

"I realize that educational matters, unlike many business matters, cannot be done quickly and that the process moves necessarily rather slowly. But it seems to me that we have continued to delay this process and that we need to be moving to define exactly where we're going to concentrate and exactly what we're going to do to achieve the great vision that you espouse for strengthening, particularly, the academic essential features of this great University. ... It would seem to me to be a helpful first step if we would identify those programs that we consider central to our future academic mission. I agree with the *vision*, but I think we need to redefine the *mission*."

Peter H. Raven: "I consider the plan that the president has just announced an entirely responsible plan for action, reflecting an enormous amount of work over the past months, carried out as rapidly as it can be.

"If finding \$29 million of the \$144 million that we have judged that we need to promote excellence for this University is not a significant step and not significant progress for six months, I don't know what is a significant step or significant progress or how else we could address the problem.

"I really plead with my fellow board members to regard these two first statements (Magrath's and Curator Webb Gilmore's) as excellent manifestos about where we are and where we're going, as charting a blueprint for what I hope will be a highly productive year in 1990."

Curator James C. Sterling: "He taught the pig to live on less and less food as he went along, and he said the pig just about had a handle on the thing when he up and died."

James C. Sterling: "It's clear that we've got to have more money — all we're really asking for is something to bring us up to average among the states. Being average really isn't satisfactory, as far as I'm concerned.

"Curator Raven made a point when I was talking to him the other day about a man who had a pig. He taught the pig to live on less and less food as he went along and said the pig just about had a handle on the thing when he up and died. And I don't want us to get to that point, because I think in many places within this University System today, we are at a point where we can't go much farther without cutting quality. I think we probably are past that point to some extent."

Webb R. Gilmore: "I wrote down and count nine separate points of action that President Magrath raised and to me, that's good management.

"It is frustrating dealing with these types of complex problems — it's *difficult* — and we have to recognize that, but focusing on extremes has a stagnating effect and progress is what's important. And to make *progress*, you have to come together and be realistic. I want to see things move forward."

John P. Lichtenegger: "I think one of the most significant things about Peter Magrath's presentation this morning is that it is the only

time that I have seen words in print on that screen of cuts and consolidations. Although he did mention a \$5 million reallocation plan for this coming year, I think the focus that he has tried to project here is that, yes, we will have some cuts and consolidations — as opposed to continuing academic reallocation — so we don't reallocate a particular department out of existence. ... I think the policy that's been formulated here is excellent."

Curator Fred S. Kummer: "If we've got to ship some cattle, we've got to go in, and we've got to ship some cattle."

Fred S. Kummer: "I don't have any hogs, but I do have cattle. And I raise them out in the mountains. When we have a good year, we raise a lot of hay, we keep a lot of our animals there and we feed them out. And when we don't have enough hay, we ship 'em. That's what many of us here are really asking this University to do. If we've got to ship some cattle, we've got to go in and we've got to ship some cattle."

Eva Louise Frazer: "The most important thing that's come out of this entire discussion is a unified approach as to how to deal with our current situation. I strongly endorse and support the view that you've presented this morning and the answers or solutions that you're projecting. I think everyone has essentially expressed that same support, in that they feel you are headed in the correct direction, and you have taken our concerns to heart and addressed those issues with a reflection of each member's views in a unified manner, reflecting the entire board's position on these issues."

Michael Dodig: "Anybody who has looked at the battle from the trenches can't help but be convinced that it (budget tightening) is being done, day-to-day, week-to-week, semester-to-semester. All you have to do is talk to professors, department chairs and deans to see that it's being done. And those people are sitting in this audience and hearing curators saying that nothing's being done — and talk about frustrating!

"I think \$30 million of reallocation speaks for itself and I would consider that to be a rather conservative estimate, since there are so many things that are done at the college level, at the department level, that just simply can't be quantified, that are done as natural entailment of a tight budget.

"I'm also a little bit worried about Fred Kummer's metaphor. I'm afraid the college students are going to end up being the cattle that are shipped to other places and I'm not sure that the Illinois system and the Kansas system aren't ready to take our cattle."

Motion, passed unanimously: "The curators affirm their support for the proposed courses of action outlined by President Magrath's report for meeting the critical educational and resource challenges before the University of Missouri. We affirm the president's vision of a quality University responding to the competitive and changing world in which Missouri must be a participant and providing academic excellence and service to our state.

"And we further affirm the report's position that the University of Missouri must work both to identify resources through its own internal efforts and to seek an increased state investment, and the report's endorsement of the forthcoming statewide study on the government, structure and needs of Missouri higher education.

"Finally, the board will expect the president to vigorously pursue these actions and provide periodic recommendations and progress reports on the various elements of the report."

For the full text of President Magrath's report to the board, write to University Relations, 828 Lewis Hall, UM System, Columbia, MO 65211, or call (314) 882-4591.

New UM System benefits plan



Health insurance

Effective as noted.

- Increase basic medical insurance deductible from \$100 to \$250. New deductible options: \$250, \$500 or \$1,000. University contribution, based on \$250 deductible, applies to all three options. However, the deductible within the University preferred provider organization increases from \$0 to \$100. Employees will be able to establish a pre-tax account to cover deductibles and co-payments (see Flexible Spending Accounts). The increased deductible will reduce the premium percentage increase forecast for 1990 from 9 percent to 3 percent (for employees currently enrolled in the \$100 deductible plan).

(Effective Jan. 1, 1990. Employees can elect new deductibles until Dec. 31, 1989. The deductible will automatically increase to \$250 for those enrolled in the \$100 deductible plan, unless another option is selected.)

- Require employees with two or more children to pay a higher premium than an employee with only one child. (Effective Jan. 1, 1991.)

- No change in dental deductible or coverage.

Post-retirement medical & dental benefits:

(Effective Sept. 1, 1990*)

- Reduce the fraction of current premium support for employees retiring before age 65 or with less than 30 years service.
- Reduce subsidy for medical premiums for retirees' dependents to 50 percent of the retiree subsidy
- Equalize the amount the University will pay in medical benefits for future retirees (after Medicare payments) and active employees

* All employees retiring between Dec. 8, 1989, and Aug. 31, 1990, will be subject to the new provision beginning Sept. 1, 1990.

Life insurance

(Effective no later than Jan. 1, 1991)

- Augment current plan with optional group whole-life and other permanent and term insurance plans. This change would allow the employee to build cash value and to continue the plan after employment ends and after age 70. Options to be fully employee-funded.

Committee's wish list

The Faculty and Staff Benefits Planning Committee also proposed five additional changes, which will require additional study:

- **Educational Assistance:** If a course is not available to an employee (or does not correlate with his or her "free time") the University would reimburse 75 percent of the equivalent educational fee for the course at another college or university. (This change mainly would affect UMC and UMR campuses, where evening class offerings are limited.)
- **Dependent Care:** Continue to study the need for child care facilities on a campus-by-campus basis.
- **Parental Leave:** Establish a formal leave of absence policy for parents after the birth or adoption of a child.
- **Wellness Program:** The University should develop, implement and subsidize formal wellness programs to encourage employee health and fitness, including such factors as dietary control and smoking cessation.
- **Long-Term Care:** Establish a program that offers insurance protection against the cost of long-term care, including expenses for home health care, adult day care and nursing home care.

Retirement

Effective Sept. 1, 1990.*

- Upgrade retirement program to 2.133 percent of the average of the last five years' salaries (example: increase income replacement from 45 percent to 64 percent for a 30-year employee at age 65)
- Include shift differential pay in salary base used to compute pension pay (affects "night shift" employees)
- Eliminate 35-year service maximum in retirement computation formula (service years X 5-year average salary X percentage)
- Reduce early retirement "penalty" to 3 1/3 percent per year for each year of early retirement prior to age 65
- Allow a vested employee who leaves the University prior to retirement to withdraw the actuarial value of accrued benefits, up to \$20,000
- Provide options to retiree to reduce his or her own retirement benefit to purchase one of several annuities (annual payments) for a surviving spouse
- Replace most disability benefits in the retirement program with an employer-funded long-term disability program
- Allow vested employees under age 65 to continue to accrue retirement service credits while disabled
- Pre-retirement death benefit: Provide the spouse of the employee a death benefit of two times annual pay plus, in the form of an annuity, the actuarial present value of the lifetime pension that is in excess of two times pay (mainly affects long-term employees) If the vested employee has no spouse at death, beneficiary will receive a death benefit equal to two times the employee's pay.
- Provide cost of living adjustments for future retirees based on retirement trust fund performance. The obligation to current retirees remains the same.

* All employees retiring between Dec. 8, 1989, (board approval date) and Aug. 31, 1990, will receive the new retirement benefit beginning Sept. 1, 1990.

Special concerns

Representatives from two groups made special requests to the Board of Curators: current retirees and civil service employees (through University Extension).

The board decided that "with the exception of the increased deductibles for medical insurance, none of the 'take-aways' apply to current retirees. Further, it was approved that all spouses of deceased retirees will begin to receive a University medical subsidy of 33 1/3 percent of the \$250 deductible premium." (Previously, when the retired employee died, the University stopped all medical premium subsidy to the survivor.)

The University said it would study civil service issues further but agreed to continue medical and dental subsidy (at the active employee rate) for current employees who are on the civil service retirement plan at the time they retire.

Long-term disability

(Effective Sept. 1, 1990)

- Expand basic long-term disability program to include all full-time equivalent employees, with full cost covered by the University. (The previous program was optional for employees.) The expansion will be offset by reducing the basic benefit from 66 2/3 percent of an employee's salary to 60 percent and by deleting disability benefits from the retirement program. Options will be provided to supplement the program with other plans, at added employee cost.



Flexible spending

(Effective no later than Jan. 1, 1991)

- Expand current pre-tax salary benefits to include flexible spending accounts. These accounts, established at employee's option, could cover medical deductibles and co-payments, orthodontia, vision care and child care expenses. The University's cost of implementation would be offset by reduced Social Security insurance payments.

Retirement program enhanced with new benefits

The Board of Curators delivered a mixed bag of blessings this holiday season in the form of substantive changes in the UM System faculty/staff benefits program.

The new package includes:

- An enhanced retirement program that will withstand competition in the recruitment market and will encourage employee longevity in a labor force that is shrinking in significant areas
- An expanded life insurance plan
- A switch to 100 percent employer-paid long-term disability insurance for all employees
- The addition of flexible spending accounts to cover some medical, vision and orthodontic costs and child care.

A less positive change in the newly structured benefits program is a medical insurance deductible schedule that keeps premiums lower but raises the lowest deductible from \$100 to \$250. (The deductible within the University preferred provider organization increases from \$0 to \$100.)

Details on all of the benefits changes are outlined on page 4 of this issue of *Spectrum*. The UM System benefits office also will mail a

benefits update bulletin to all retirees and full-time employees. More information can be obtained from campus benefits offices.

"This is the most significant change in the University benefits

program in the last 30 years," said R. Kenneth Hutchinson, associate vice president for human resource services. "In fact, it's one of the most significant recommendations I've seen in higher education."



Staff benefits were substantially enhanced at the Board of Curators' meeting, with specific attention paid to retirement and disability benefits.

President C. Peter Magrath established a special Faculty and Staff Benefits Planning Committee a year ago to make recommendations to the administration and, ultimately, the board. The 18-member committee included faculty, staff and administrators from the four campuses.

The committee strove to develop a competitive benefits package that would contain escalating medical insurance costs, make efficient and equitable use of available resources and maximize the tax efficiency of compensation expenditures.

"In addition to basic objectives, an overriding factor played directly in the proposed restructuring: recruiting and retaining faculty and staff," James T. McGill, vice president for administrative affairs, told the board's finance committee. "Especially bothersome is the forthcoming shortage of faculty, certainly in the science, engineering and business disciplines, but also apparently in most arts and humanities areas.

"We believe that the proposed changes make us fully competitive in our retirement program," he added.

Curator Cook disputes removal of 35-year cap

The only lengthy discussion about the benefits plan at the curators' meeting was initiated by Curator Sam B. Cook, who was concerned about eliminating the 35-year service cap for retirement benefits.

He said the new policy would create a financial incentive to employees to continue working after the usual retirement age and would make it more difficult for administrators to persuade unproductive employees to retire.

"What do you do about people who become less productive who want to literally retire on the job or who are not pulling their weight?" he asked. "As people become older, frequently they become less effective and less productive."

However, he noted, some older faculty members are "very productive — you have Nobel Prize winners who are 75 and 80 years old and the guy or lady's doing a terrific job. I suggest that those people can very easily be encouraged to pursue their process on an individual basis and not discriminate on the basis of age."

If competition with the Big Ten is the issue, he said, "I'm not so sure that if we have a policy that

doesn't encourage people to stay forever, that we might become a more vital and aggressive University than others."

Responding to Cook, James T. McGill, vice president for administrative affairs, said that of the University's current 12,600 employees, approximately 125 have more than 35 years of service. Of those, 23 are faculty; the remainder are staff. "So, right now, the numbers aren't large," he concluded.

Mark A. Burkholder, associate vice president for academic affairs and chairman of the special benefits committee that recommended removal of the cap, said the committee considered removal of the 35-year cap an equity issue: "You have faculty members coming in at age 26 or 27, who stay at the University their entire careers. Why should they not get the benefit of 35-plus years of service?"

Curator Peter H. Raven supported the policy, saying the University's ability to terminate unproductive employees is a separate issue that applies to all employees, regardless of age.

He also cited studies that show universities with good retirement programs "have excellent re-

sults in getting people to retire" and universities with "lousy retirement plans have a lot of trouble getting people to retire because they're hanging on and trying to

keep earning their salaries."

The benefits package was approved with the retirement plan's 35-year service requirement uncapped.

UM SYSTEM MEDICAL BENEFITS PLAN

New premium rates, effective Jan. 1, 1990:
(Replaces chart printed in October *Spectrum*)

	\$250 Deductible (Formerly \$100 Deductible)		\$500 Deductible		\$1,000 Deductible	
	Emp. ¹	UM	Emp.	UM	Emp.	UM
Employee	37.20	74.44	25.10	74.44	8.20	74.44
Employee & Child ²	50.36	100.74	34.04	100.74	11.14	100.74
Employee & Spouse	79.20	158.44	53.50	158.44	17.48	158.44
Employee, Spouse & Child ²	95.48	191.04	64.60	191.04	21.14	191.04
Widow(er)	74.44	37.20	62.34	37.20	45.44	37.20
Widow(er) & Child	100.74	50.36	84.42	50.36	61.52	50.36

¹Emp. = Employee cost, in dollars

²Increased premiums for more than one child will not go into effect until Jan. 1, 1991.

Premium increase reduced

Employees enrolled in the \$100 deductible University health insurance plan will find some good news in their December paychecks. Instead of the 9 percent premium increase, which *Spectrum* forecast in October, they will find a mere 3 percent increase.

However, the new year news is not as good. The University held premium increases at bay by changing the deductible schedule. They have increased the base-line deductible from \$100 to \$250; maintained the

\$500 deductible; and added a \$1000 deductible. (The deductible within the University preferred provider organization increases from \$0 to \$100.) So, paycheck savings will be offset as early medical expenses mount in 1990.

Employees can elect new deductibles until Dec. 31, 1989. Employees' current \$100 deductibles will automatically increase to \$250 unless another option is selected. Contact your campus benefits office for more information.

MRAA, Missouri Research Assistance Act awardees will be announced in the January issue of *Spectrum*, because of the volume of material from the December Board of Curators' meeting.

1990 Curators' meetings

Jan. 24-25, Jefferson City
March 22-23, St. Louis
May 3-4, Rolla
June 21-22, Springfield

Aug. 2-3, Kansas City
Sept. 6-7, Columbia
Oct. 18-19, Columbia
Dec. 6-7, Columbia

Missouri Ingenuity assists local entrepreneurs

By Karon Speckman

University Relations

The following is a continuation of a Spectrum series on the four incubation/innovation centers funded by Missouri and affiliated with the UM System. The other three centers will be featured in subsequent issues.

"The Columbia campus has an important asset for developing a center for entrepreneurs — a high concentration of biotech, engineering and agricultural research," says Greg Wolff, executive director of Missouri Ingenuity in Columbia. "When the faculty becomes more comfortable with ties between University research and the industrial world, our center will have people knocking at the door."

A consultant's study completed in fall 1989 showed the Columbia area is ripe for development of a technology-based incubator. That incubator, Wolff says, would be dependent on UMC's technology and would help foster economic growth by creating jobs and diversifying the economy.

Science Park Associates was hired to do a study of the feasibility of such an incubator by Missouri Ingenuity, the Columbia Regional Economic Development Inc. (REDI) and the University. The report was positive.

Because the Columbia community already has Missouri Ingenuity, REDI and UMC, it has the necessary resources to make a technology-based incubator work, the

report says. Organizational changes in the University over the last few years indicate a serious commitment to economic development, including UMC's involvement in Missouri Ingenuity and REDI and the appointment of a UM System director of research parks and economic development.

Science Park Associates recommended a task force with Missouri Ingenuity, REDI and University representatives to develop a plan for a regional economy that is technology-based and supports the long-term welfare of the University. Wolff is enthusiastic about Missouri Ingenuity's inclusion in that strategic plan.

"Some successful businesses already have spun off from the University, such as Datastorm, ABC



Greg Wolff

Labs, Applied Coating Technologies and IMM VAC," Wolff says.

Although the present double-wide trailer facility overlooking Research Park doesn't have enough room for many companies to lease space, the center provides business services to 10 clients not housed on the premises. Those services include product evaluation, research and development, securing patents, business structuring, business plans, market research, advertising and accounting. The center also provides secretarial and desktop publishing support.

Following are active clients supported by the center:

Heatway Inc. has patented a radiant-heat technology for commercial and residential facilities. Missouri Ingenuity assisted them in evaluating their product, patent pursuit, financial analysis and funding. "Heatway is the most successful company assisted by Missouri Ingenuity," Wolff says. "It's on track to become a multimillion dollar company."

Gib-BAR Wall, "with its patent-pending wall design for commercial buildings, plans to take the 1990 construction season by storm," Wolff says. The new wall design is quicker to install and more energy-efficient than conventional wall construction. Two facilities already have been constructed using the materials. The center is aiding the firm with market planning, advertising assistance and contacts within the architectural

and construction communities.

Cascade Technologies Inc. specializes in the supply of materials and services to the rapidly expanding aquaculture or fish-growing industry. "With proper planning and advertising, 1990 should be a banner year for them," Wolff says. Missouri Ingenuity is supplying rental space, clerical and desktop publishing services, and business management and planning support. The center also was involved in product development before the first major order arrived in September 1989.

ChemChar Research Inc. was established by UMC and UMSL faculty members to develop a hazardous waste disposal technology. The research company's goal is to better handle radionuclear resin wastes. Wolff says: "Missouri Ingenuity has helped them secure a \$50,000 Phase I Department of Energy grant and is acting as the business management arm for the company. The center also is actively pursuing Phase II funding — approximately \$500,000. Their ultimate goal is to commercialize the technology."

Wolff, who became director in May 1989, is a former Westinghouse district operations center manager. He also has several years of technical sales/marketing experience and is an engineering graduate of Iowa State University.

Missouri Ingenuity is located at T-16 Research Park, Columbia, MO 65211, phone (314) 882-2822.

Board should define mission, strike balance

(Continued from page 2)

we don't, let's retrench, admit that we can't accomplish all that we would like, reduce the scope of the University's programs and activities and pursue only those of higher priority that can be provided with excellence.

Both of these views have merit. The fallacy of both lies with the underlying assumptions regarding available resources. Surely, if we knew we would never receive a higher level of funding, we would all agree that we need to reduce the scope of our institution in order to maintain physical and financial integrity, competitive salary levels and quality programs. Is it reasonable to conclude we will never obtain increased funding? No.

Surely, if we could obtain funding at whatever level we requested we would all agree that we should strive to identify every relevant educational and economic development need in Missouri that we could serve, and we would strive for excellence in each and all of those endeavors. Is it reasonable to expect that we will obtain increased funding at whatever level we desire? No.

I believe it is the fiduciary duty of the Board of Curators to make every effort to obtain necessary resources for the University from various sources that are available. On the other hand, it is equally our responsibility to allocate the funds resulting from

those efforts on a sound basis that meets as many appropriate needs as possible while maintaining high-quality programs. This requires striking a balance and brings us back to the fundamental and threshold question of defining our mission.

As I said before, the major policy issues of mission and allocation of resources are critically dependent on each other. You cannot simply consider one and then the other; they must be considered together. This is a difficult and painful process.

We must obviously take into account and balance the external factors. We must consider the needs of the people in the state. We must look at the various institutions that could meet those needs, including, in addition to our own system, other state-supported public institutions. Finally, we must consider what our funding levels historically have been, what funding sources and levels are reasonable and what efforts we can and should make to increase funding.

I believe this balanced approach requires a merger of the two positions into a sound, cohesive policy that we can all live with and that will allow us to move forward in a progressive and effective way, serving the state to the maximum realistic extent and achieving quality and excellence in what we do.

Of course, we all have our individual thoughts, leanings and

tendencies on these issues. The main thing I want to emphasize it that we have a responsibility to develop a board policy and then support it.

The board has taken important steps in this process in 1989 beginning with the meeting at Kansas City International airport in April. Another important step will follow today when we receive President Magrath's report requested at that meeting.

• There is another very important issue I want to discuss that is

'I believe we have the team that can move this great University forward.'

not directly within the province of the Board of Curators but which indirectly has great impact on the University and one for which we must be concerned. This is the issue of overall governance and mission of public higher educational institutions in Missouri.

This is the first and most critical issue that must be addressed statewide in achieving proper allocation of state resources to higher

education. This issue has been raised by many of our legislative leaders. Refinement of institutional missions was one of the principal concerns addressed by Gov. Ashcroft at the recent Governor's Conference on Higher Education.

Missouri's current state-supported higher education system is not conducive to rational determination of institutional missions and efficient utilization of resources among institutions. We have 13 state-supported four-year higher education institutions in Missouri with 10 separate governing boards, as well as a number of two-year colleges.

Each institution or system has its own history, tradition, goals and objectives. There is very little external focus or control on mission or accountability for these boards and institutions. Consequently, each is, in effect, defining its own mission, each wanting to be all that it can be — perhaps more than it should be — and each is competing vigorously for scarce state resources.

The critical issue that will require both institutional resolve and careful planning will be the ability of the University to improve the quality of its operations as it realigns its resources and missions. I genuinely believe that anything good usually does not come easy. We have our work cut out for us and the challenges are great, but I believe we have the team that can move this great University forward.

Conflict of interest policy to include public disclosure

Board of Curators adoption of a University conflict of interest policy was tabled at the December meeting to allow General Counsel Robert L. Ross to incorporate an amendment.

Curator G. Andy Runge asked that the policy require public disclosure of an employee's potential conflict of interest.

For example, in a section on grants and contracts, the original document called for "a full disclosure of such financial interest, in writing ... to the official having contract approval authority."

Runge offered the following amendment: "This disclosure shall also be filed in a registry appropriately located for public scrutiny for a period of at least 10 days prior to the approval of the contract."

Otherwise, he said, "the only disclosure that's being made is within the University. The public needs to be able to make a judgment as to whether or not they agree with the internal decision on a conflict of interest."

Ross and President C. Peter Magrath said the amendment would strengthen the policy. Curator Peter H. Raven, chairman of the Academic Affairs Committee, said the policy should be approved in January as a matter of routine.

The proposed policy was written in response to a mandate by the Missouri General Assembly and guidelines proposed by the National Institutes of Health.

In addition to grants and contracts, the policy covers the use of confidential information, overlapping business activities, full-time employment with other employers, teaching courses not connected with the University, faculty-written textbooks and other educational materials, faculty and staff consultation, and use of the University logo and stationery.

The policy was developed over a three-year period. A systemwide task force of seven faculty, five administrators, and the University's general counsel and auditor wrote the initial draft; subsequent drafts were reviewed by faculty governance bodies.

Commenting on the proposal, Ross told the board he has worked in the office of the general counsel for more than 10 years and has been general counsel for six years.

"During that period, the most persistent and continuing headaches have been questions about conflicts of interest and a procedure for dealing with certain transactions in a manner that is fair to the University and fair to the University employee," he said. Current University regulations are based on a Missouri statute enacted in the 1800s.

"The problems that are hard to solve are in the technology transfer area — which is a high priority of the University — with programs such as the innovation centers," Ross said.



A University scientist's expertise is not limited to University laboratories. But, when his or her skills are put to use outside of the UM System, a potential conflict of interest develops. The Board of Curators tabled a proposed conflict of interest policy at its December meeting but is expected to pass it without further debate in January.

UM System toughens admissions standards

The University System will toughen admission requirements for freshmen on all four campuses beginning fall 1991.

President C. Peter Magrath says the new requirements, approved at the December Board of Curators' meeting, are needed to ensure that University freshmen have at least a 50 percent chance of successfully obtaining a 2.0 grade point average during their first semester.

"The present admissions policy was adopted when academic success meant completing the first freshman semester with a 1.6 or better grade point average," Magrath says. "Because the defined standard had been raised to 2.0, the admission requirements had to be increased to provide freshmen with the same probability for success."

"This proposal reflects the widespread, although not unanimous, desire among the campus faculties to raise admission requirements," he adds.

Changes in the policy include:

- Automatic admission to students who rank in the top 25 percent of their respective high school class
- The addition of one high school fine arts credit to the prerequisites list
- Procedures to create tougher admission requirements for specific disciplines
- Additional factors — such as extracurricular activities, outstanding talent, and work experience and/or family responsibilities — for admitting students who do not meet class rank, test score and course credit requirements

Frazer, Sterling elected to chief board positions

Eva Louise Frazer, a 32-year-old physician from St. Louis, was unanimously elected by her colleagues to serve a one-year term as president of the Board of Curators beginning January 1990.

In accepting the position, Frazer said her priorities will be to address the changing role of education in Missouri and to fight for increased state funding for higher education. To this end, she intends to unite the board.

Frazer, who was appointed to the board in 1985 to succeed Marian Oldham, is a 1981 graduate of the UM-Kansas City School of Medicine. Following graduation, she performed her internship and residency at the Mayo Clinic's Graduate School of Medicine in Rochester, Minn. She currently is a practicing physician at St. Mary's Health Care Center in St. Louis.

Since joining the board, Frazer has chaired several committees and

is completing a one-year term as vice president. She is credited with initiating the improvements to the retirement and health benefits programs as chairwoman of the board's Finance Committee. She is the first black president of the board.

Frazer is married to St. Louis businessman and politician Steven Roberts. They have two children.

After her election, Frazer nominated James C. Sterling for vice president, and Curator Fred S. Kummer nominated John P. Lichtenegger. The resulting tie vote, 4-4, was broken by outgoing board president Edwin S. Turner, who voted for Sterling.

A newspaper publisher from Bolivar, Sterling is a 1965 graduate of the UM-Columbia School of Journalism. He is married to the former Jill Phillips, also a graduate of the journalism school at UMC, and has two children.



Eva Louise Frazer



James C. Sterling

Alarm has sounded

(continued from page 1)

In my opinion, this state has been in a state of deep and very sound sleep with respect to higher education and its needs. I think the past two or three years' activities on the part of our state leaders and some outside efforts, including the very untiring efforts of President Peter Magrath, have caused a restless slumber.

Perhaps over the past year an alarm has sounded loud and clear and we as a state are sitting on the edge of our bed ready for a new and challenging day.

Seven steps strengthen UM System support

(Continued from front cover)

structional computing fee, in view of the pressing need to improve the computing resources available to undergraduate and graduate students. Such a fee could generate approximately \$2 million per year, Magrath said.

He recommended continued Systemwide reallocation for more efficient use of resources. He noted that \$30 million had been reallocated during the past four years and another \$5 million goal has been set for this year. "Reallocation of this magnitude has been possible only through increased efficiency and painful decisions," he said. He emphasized that reallocation has been pushed "nearly to its effective limits."

He also recommended that the curators:

- Adopt an improved faculty and staff benefits program that increases its value by \$10 million.

<u>Program</u>	<u>Million \$</u>
Faculty & Staff	
Benefits Changes	\$10
CBHE Formula Revision	9
Increased Private	
Giving	3
Fiscal Year '90	
Reallocation	5
Instructional	
Computing Fee	2
<hr/>	
Total Projected	
UM Contribution	\$29

(The board unanimously adopted this proposal. See staff benefits article elsewhere in this issue.)

- Collaborate "closely and collegially" with the Coordinating Board for Higher Education, "for they are our natural allies in strengthening Missouri higher education." The CBHE has recommended that the state's share of the University budget for the coming

fiscal year be increased from 68 percent to 70 percent, a change that, if fully funded, could represent \$9 million in increased state support.

Magrath said these various actions could add an estimated \$29 million to the University's budget; however, he cautioned, while \$29 million "will strengthen us and enable us to move forward, it is not enough. We must sensitively but firmly examine every alternative."

For this reason, he also asked the curators to rescind their current policy on tuition increases that ties tuition to the higher education inflation index. (The board later voted unanimously to rescind the policy.)

"That will leave us free to set whatever tuition fees you believe to be appropriate — consistent with our great concern for access for the largest number of students who can benefit by the high-quality programs offered by this University," Magrath said. "We must face the possibility of significant increases in our tuition for those students who can afford to contribute more to their education."

In conclusion, Magrath noted that the University already had squeezed its resources about as tightly as it could. "To go much further would destroy the internal fabric of people and programs that makes the University of Missouri System a comprehensive land-grant university."

Big Eight appoints administrator

The Association of Big Eight Universities (ABEU), which includes the University of Missouri System, has appointed an administrator with the U.S. Agency for International Development as its first executive director. Owen Cylke, who currently serves as a deputy assistant administrator in Washington, D.C., will join ABEU in January. He holds a law degree from Yale University.

ABEU was created in June

1989 as a consortium to join the resources of member universities in major cooperative projects.

Cylke is widely recognized for his leadership in assisting developing countries with economic growth, particularly in the agricultural sector. He has held major posts in Cairo, Kabul and New Delhi. His office will be on a Big Eight campus — yet to be determined.

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