

## Russell details plans for smaller, more efficient University

In his first report to the Board of Curators as President of the UM System Dec. 5, George Russell outlined his plan to streamline operations and eliminate programs, enabling the University to fulfill its highest priorities with scarce funds.

"Proposition B is now behind us," Russell said. "The message seems to me to be very clear. The citizens of Missouri are not interested in putting more tax money into higher education as it is now operating.

"I believe the time is right for focusing the activity of each campus and making substantial improvements in the administrative efficiency of several of our operations."

Russell cited the work of the Planning Task Force, made up of four curators, two vice presidents, four chancellors, a representative of Extension, four faculty members and the student representative to the Board of Curators. The task force, which met frequently for more than a year, submitted a final report in September. They identified the need to rebuild the core assets of the University as the highest priority, Russell said.

The task force also identified a set of university-wide priorities which were based on the distinctive role of the UM System within public higher education in the state.

These are:

- Research/Graduate education
- Professional education
- General education
- Teacher education and service to elementary and secondary education

To demonstrate the importance of research and graduate education to the UM System, Russell proposed the creation of a research board comprised of faculty members from each campus and charged to improve these areas. He promised further details on this proposal at future board meetings.

To define the priorities of each campus, Russell asked the chancellors to submit reports

on missions, program priorities, and the costs involved. These priorities (see chart on page 2) were approved by the curators Dec. 6.

Russell said that he has set a deadline of Feb. 1 for each campus to complete specific plans for generating the resources to meet their priorities. Curators will be asked to approve plans to be recommended by Russell at the March board meeting.

The amount of funds that need to be generated to meet the needs of the UM System over a five-year period from 1992-93 to 1996-97 are:

<b>compensation for faculty and staff</b>	<b>\$24.74 million</b>
<b>maintenance and repair of buildings and equipment replacement</b>	<b>22.41 million</b>
<b>library acquisitions</b>	<b>3.80 million</b>
<b>increased financial aid</b>	<b>8.65 million</b>
	<b>\$59.60 million</b>

In addition, the chancellors have identified \$21 million in campus priorities. The total annual, on-going cost to meet these priorities is \$80.6 million, Russell said.

He added that further reductions will be necessary if state appropriations do not cover inflation, or if state support for maintenance and repair is less than \$5 million annually.

In addition, a total of \$31 million for Priority A-1 and Priority A-2 maintenance and repair projects must be completed in the next three years and approximately \$11 million must be spent for equipment replacement over the next five years. To pay for these one-time costs, the board approved the UM System early retirement incentive program, which is outlined in detail on page 2 of this issue.

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## UM System enacts Voluntary Early Retirement Incentive Program

The University of Missouri System Board of Curators approved Dec. 6 a retirement incentive for eligible members of the University of Missouri Retirement, Disability, and Death Benefit Plan.

Eligible employees who choose to retire under the Voluntary Early Retirement Incentive Program (VERIP) will receive a greater retirement benefit, as well as a supplement to the portion of the medical and dental plan premiums paid by the University during retirement.

Jim McGill, UM System vice president for administrative affairs, emphasizes that the cost of the VERIP incentives will be paid from payroll dollars freed up by the retirements. "The retirement account for UM System employees is fully funded," he said. "VERIP costs will in no way diminish retirement benefits for other employees."

"Retirement decisions are among the most important employees will ever make," said Mike Paden, director of UM System Faculty and Staff Benefits. "We strongly advise employees to consult a financial planner or tax adviser before making any final decisions."

"The Voluntary Early Retirement Incentive Program is not a vested, accrued, or new retirement benefit; it is a work force reduction program."

A booklet providing a complete explanation of VERIP was mailed to all those eligible Dec. 11. It contains a Self-Help Guide to Calculating Your Estimated Retirement Benefits under VERIP, and the VERIP Benefit Percentage Schedule. These are meant to provide employees with adequate information to estimate the value of the benefits of participating in this program.

Campus Benefits Representatives can help eligible employees obtain a specific calculation of the benefits to which they would be entitled. Presentations of

VERIP have been arranged at each campus (see schedule).

To receive the benefits, a properly completed Notice of Intent to Retire form must be received by the appropriate Campus Benefits Representative by February 28, 1992. The University does not intend to offer a similar incentive program in the future. This will be the only opportunity to participate in this program. Participation in VERIP is totally voluntary.

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Persons who are eligible and choose to retire under VERIP will receive the greater benefit, subject to IRS limitations, of:

- the basic retirement benefit plus three additional years of service credit under the UM Retirement, Disability, and Death Benefit Plan, with appropriate reductions for early retirement, or

- the basic retirement benefit, without a reduction applied for early retirement. Without VERIP, when an employee chooses to retire prior to age 65 under the UM Retirement Plan, the benefit calculation for normal retirement at age 65 is subject to a reduction factor which decreases the benefit.

For coverage under the UM Medical and Dental Benefits Plans, the greater of the value of three additional years of service credit, or elimination of the age reduction factor, will be used in the calculation of the

portion of premiums to be paid by the University during retirement.

To be eligible for VERIP an employee must meet the following criteria:

- Be a vested member of the University of Missouri Retirement, Disability and Death Benefit Plan and currently employed in a status which entitles them to benefits from the University.

- Be at least 55 years of age on the day of retirement and have at least 10 years of service credit—or at least 60 years of age with at least 5 years of service credit—under the University of Missouri Retirement, Disability and Death Benefit Plan. Should an eligible employee elect to participate and subsequently die before the retirement date, participation is rescinded. Eligible survivors and/or contingent annuitants of an employee who dies prior to retirement are not eligible to receive the incentives under this program.

- Civil Service Retirement System or Federal Employee's Retirement System participants will qualify for an incentive benefit under the UM Retirement, Disability, and Death Benefit Plan if they have at least 10 years of University of Missouri service and are at least age 55 or are at least age 60 and have at least 5 years of service.

- To retire under VERIP, an employee must submit a completed Notice of Intent to Retire form to the Campus Benefits Representative by February 28, 1992 and retire no earlier than December 6, 1991 and no later than August 31, 1992. Faculty members who satisfy the requirements must retire on August 31, 1992.

For full time administrative, service, and support staff, unused sick leave is converted to service credit upon retirement. This service credit is used in the benefit calculation and, accordingly, may increase the monthly benefit.

Section 415 of the Internal Revenue Code limits the total benefit amount payable from qualified retirement plans. Section 415 limits generally affect members who are younger or have extremely long service credit, or relatively high salaries, or both. Campus Benefits Representatives can advise employees regarding the applicability of Section 415 limits.

An employee who retires under the provisions of VERIP and returns to employment with the University in a position that would allow the employee to be eligible for service credit will have VERIP benefits suspended.

Employees interested in VERIP are encouraged to consult the booklet sent to them. It will provide information concerning other benefits to which UM retirees are entitled.

### VOLUNTARY EARLY RETIREMENT PROGRAM MEETING SCHEDULE

DATE	CAMPUS	LOCATION	TIME
January 21	St. Louis	J.C. Penney Bldg., Room 126	10:30 a.m. and 1:30 p.m.
January 22	Columbia	Jesse Wrench Auditorium Memorial Union South	1:30 p.m. and 3:00 p.m.
January 23	Rolla	University Center, Mark Twain Room	10:30 a.m. and 1:30 p.m.
January 24	Kansas City	University Center, Westport Room	10:30 a.m. 1:30 p.m.

## Haskell Monroe announces resignation, Brouder named interim chancellor

Dr. Haskell Monroe, chancellor and professor of history at the University of Missouri-Columbia, announced his resignation as chancellor effective Dec. 31. Monroe, 60, will assume duties as a full-time tenured professor in the department of history starting with the 1992 winter term.

UM System President George Russell announced Dr. Gerald T. Brouder, provost at UM-Columbia, will serve as interim chancellor effective January 1, 1992.

"My dream for this University has not been to reduce its scope," Monroe said. "It is for that reason that I have offered my resignation to UM System President George

Russell, and he has accepted it."

Monroe became chancellor at UM-Columbia in July 1987. He served as president of the University of Texas at El Paso from 1980 to 1987.

"I have high personal and professional regard for Chancellor Monroe, who has been a dynamic force in promoting MU and its qualities throughout the state, the nation and beyond," said UM System President George Russell in a prepared statement. "I will ask him to continue to work with the campus and me to raise private support."

Monroe was instrumental in

organizing and enacting UM-Columbia's first capital campaign. Since the campaign began in 1987, \$114 million has been raised. Research funding also has increased under Monroe's leadership, surpassing \$30 million for the first time in UM-Columbia's history. In addition, while Monroe was chancellor, MU reported its highest freshman retention rate ever.

Brouder, 48, has served as provost since March. He earlier served as deputy chancellor and interim provost for the campus. He came to the University in 1977 as director of senior nursing in the School of Nursing.

# Russell details plans for UM System reductions

continued from front cover

"To generate internally the funds necessary to repair and maintain the University's assets and to fulfill the high-priority needs for new programs and services, there needs to be a reduction of between 500 and 750 existing positions," Russell said.

"It is important that the University respect the lives and careers of the people who are affected. The early retirement incentive program is one such approach. I am also recommending the use of a transition assistance program to help those people who will lose jobs as a result of the reductions we will be making.

"We absolutely must streamline our administrative and support services, and this process has already begun and will continue in University-wide operations."

Russell announced he will implement the following eliminations and reductions in the UM System administration:

- Elimination of the Sinclair Comparative Medicine Research Farm by September 1992.
- Elimination of the Environmental Trace Substance Research Center by September 1992.
- Elimination of 12 positions in Academic Affairs and Administrative Affairs.
- Transfer of archival responsibility to the campuses.
- Transfer of responsibility for compliance with the Nuclear Regulatory Commission to each campus.
- Transfer of financial aid programs and salary and wage administration from the UM System administration to the campuses.

Russell said these and other actions will eliminate 60 to 70 full-time positions in the UM System administration, resulting in a net savings for higher priority activities of \$1.5 million.

On the income side of Russell's financial plan, he said increased student fees will generate \$44.10 million on a recurring basis, if the policy adopted by the board in May is fully implemented. He anticipates the state will appropriate \$5 million annually for maintenance. Increased gifts, grants and other sources of self-generated funds are expected to produce more than \$15 million.

"In addition, approximately \$15.8 million is required in

recurring eliminations and reductions of administration, services and academic programs," Russell said. "This restructuring of our activities will call upon the existing Board of Curators' policy on academic and service program discontinuance."

Russell said University Extension and professional programs are areas which will receive his particular attention in considering possible eliminations and reductions.

"We cannot afford sheltered programs," he said, "Every program must compete with every other program through systematic comparisons of marginal benefits and marginal costs. In this regard, I suspect that some of our extension programs have been too sheltered."

He said continuing professional education should be conducted on a no-subsidy basis through the University's academic departments and divisions. "It makes no sense to me, even in a richer resource environment, for the University to subsidize individuals in professions such as medicine, law, and dentistry," he said.

High-cost professional programs will also receive special scrutiny from Russell. "Do we really need two medical programs, two law programs, a veterinary medicine program, two engineering programs, three schools of education and three schools of business? These are questions which must be raised and answered carefully."

Russell said he was shocked by the apparent duplication in computing operations, especially in Columbia. "It is my intuitive feeling that we are more people-expensive and equipment-expensive than I believe necessary for the services delivered," he said.

He says a study currently underway by a private consulting firm could lead to options for improving computer services at lower cost.

Russell also said he is preparing a proposal for restructuring the way design and construction are currently administered throughout the UM System.

## Financial Summary for University Planning (In Millions of Dollars)

### REQUIREMENTS

	UMC	UMKC	UMR	UMSL	UM	TOTAL
<u>I. University Priorities</u>						
A. Human Assets	\$10.52	\$ 7.23	\$ 2.30	\$ 2.99	\$1.70	\$24.74
B. Physical Assets	11.88	3.35	3.60	1.98	1.60	22.41
C. Libraries	0.80	1.00	1.40	0.60	0	3.80
D. Student Aid	3.75	2.25	1.40	1.25	0	8.65
Subtotal	\$26.95	\$13.83	\$ 8.70	\$ 6.82	\$3.30	\$59.60
<u>II Campus Priorities</u>	\$ 9.55	\$ 5.25	\$ 2.90	\$ 3.33	0	\$21.03
TOTAL FUNDING REQUIRED	\$36.50	\$19.08	\$11.60	\$10.15	\$3.30	\$80.63

### REVENUE SOURCES

TOTAL NEW FUNDING:	\$29.12	\$17.44	\$ 8.50	\$ 9.57	\$0.15	\$64.78
Required Reductions In Lower Priority Programs	\$ 7.38	\$ 1.64	\$ 3.10	\$ 0.58	\$3.15	\$15.85
TOTAL REVENUE SOURCES:	\$36.50	\$19.08	\$11.60	\$10.15	\$3.30	\$80.63

### REQUIRED EXPENDITURES FOR PRESENT NON-RECURRING M/R AND EQUIPMENT DEFICIENCIES

TOTAL DEFICIENCY	\$27.75	\$ 2.40	\$ 5.00	\$ 6.45	\$0.70	\$42.30
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## UM System plans transition assistance for employees

The UM System Board of Curators approved Dec. 6 a transition assistance program for employees who will lose their jobs as a result of workforce reductions.

The program will offer employees terminated by the University because of workforce reductions severance pay, extended insurance coverage and outplacement services.

All full-time permanent administrative, service and support employees who are classified at least .75 FTE and have worked for the University at least six months, are eligible for transition assistance.

"The University will make every reasonable attempt to transfer employees to open positions in the University for which they are eligible," UM System President

Russell told the board. However, employees who refuse to accept assignment to a comparable position will not be offered transition assistance.

According to the new policy, employees must be given a minimum of 30 days notice of termination, but departments are encouraged to give as much notice as possible. Transition assistance benefits are effective with the date of termination. To qualify, employees must continue to satisfactorily perform their duties.

Transition assistance benefits for those eligible are:

- One week of pay for every year of continuous service at the effective termination date, in a full-time, benefit-eligible position. Employees with less than four years of continuous service will receive one month of transition pay. Payments will be

made on a lump sum basis unless the employee requests to be paid on a salary continuation basis.

- A leave of absence for one year from the termination date, during which the employee can participate in the UM System staff benefit programs (medical, dental, life, accidental death and long-term disability). The University will continue to pay its portion of the benefit premiums during the leave period. However, this will discontinue if the employee becomes eligible for coverage under other benefit programs as a result of employment outside the University.

- Outplacement services including resume preparation, help in job search strategies and interview skills through Human Resource Services or other departments at each campus.

## Curator G. Andy Runge dies at 61

University of Missouri System Curator G. Andy Runge died Saturday, Nov. 23 of a heart attack in Grundy County, Missouri.

"Andy Runge had a unique capacity to harmonize differing perspectives," Gov. John Ashcroft said in a prepared statement.

"He greatly contributed to Missouri during his productive but much too short lifetime."

Runge, 61, was quail hunting with fellow Curator Woody Cozad on the University Extension farm near Spickard when he died.

A Mexico attorney and UM-Columbia School of Law graduate, Runge was

appointed to the Board of Curators in August 1989. He succeeded Carrie Francke, who died in May 1989.

Runge was associated with the law firm of Seigfreid, Runge, Leonatti and Pohlmeier. He earned a bachelor's degree from Central Methodist College in Fayette in 1952 and a law degree from the UMC School of Law in 1957.

Runge was named the 1978 Missouri Conservationist of the Year by the Conservation Federation of Missouri. He was active in Republican politics in such roles as chairman of the Republican 9th District Convention and regional coordinator for Ashcroft for Governor campaigns in 1984 and 1988.



## Briefs • Briefs • Briefs • Briefs • Briefs

### Board elects Lichtenegger president for 1992

At the Dec. 5-6 board meeting, Curator John Lichtenegger, of Jackson, was unanimously elected president of the board for 1992 and Curator Sam Cook, of Jefferson City, was unanimously elected vice president.

In his closing remarks as president of the board for 1991, Webb Gilmore said the unification of the board was his biggest accomplishment, and that hiring George Russell as president of the System was the board's most important task.

"I hope this year will be remembered for our efforts to improve undergraduate education requirements, and for focusing on undergraduate curriculum," Gilmore said. "I also am proud of the work of the Curators Academy Committee and the Telecommunications Technology Committee."

In other action, the board tabled a proposal to amend the UM System sick leave policy. The amendment would have allowed UM employees to use up to 12 of their accrued days of sick leave each year for family sick leave.

A limit of four days may now be used for family sick leave. After discussing the proposal, the board directed the UM System administration to conduct a review of all staff benefits and report back at a future meeting.

The board approved an enrollment management policy for the University, enacting higher entrance standards than are currently required.

Richard Wallace, UM vice president for academic affairs, told the curators that the move would allow campuses to "restrict enrollment levels that make possible quality instruction."

"It is literally like robbing people to have them come to the University with expectations of success, and leave frustrated," said Curator John Lichtenegger. "I think there is a tremendous human cost to a student who does not succeed, and a tremendous financial cost."

The dates and locations for UM System Board of Curators meetings:

January 29-30, Jefferson City

March 19-20, St. Louis

May 7-8, Rolla

June 18-19, Kansas City

July 30-31, Columbia

September 17-18, Poplar Bluff

October 22-23, Columbia

December 3-4, Columbia

### Thomas Hart Benton film to be televised in January

The film "Tom Benton's Missouri" produced and directed by James Bogan, professor of Art at UM-Rolla, and Frank Fillo, executive producer for film and television, UM System University Relations, will be aired by television stations across Missouri on the following channels:

**KQTV in St. Joseph, Sunday, Jan. 5, 4:30 p.m.**

**KTVO in Kirksville, Sunday, Jan. 5, 4 p.m.**

**KETC, in St. Louis, Sunday, Jan. 19, 5:30 p.m.**

The film is also available on VHS videotape, and would make an excellent gift for anyone interested in Missouri art and history. Copies can be obtained by calling (314) 882-7794 or by writing Benton, 9 Clark Hall, Columbia, MO 65211. Home copies are priced at \$30.00, including shipping and handling.

## Legislators pleased with Russell's proposed changes

Members of the House Education and Transportation Appropriations Committee responded very favorably to testimony given by UM System President George Russell at a Dec. 4 hearing, said Jim Snider, assistant to the president for state governmental relations.

Russell told the committee that there will be fundamental changes in how the University appears today and how it will appear one year from today, Snider said. Russell presented to the committee a preview of his report to the Board of Curators, and he outlined his plan and the process he intends to use to make changes.

"I was very pleased with the reaction of the Committee to President Russell's presentation," Snider said. "I don't anticipate the General Assembly cutting the University's budget, but I do expect minimal

growth in the University's budget."

Both houses and Gov. Ashcroft are currently working on budget revenue targets for the next fiscal year. The state's tight financial situation, combined with minimal expected growth, will create the most pervasive influence on the next legislative session, Snider said.

He says there are three other possible complications for the UM System in the next session. Court-ordered desegregation in Kansas City and St. Louis is likely to receive attention from legislators. Costs for reverse revenue sharing programs — services the state and the federal government jointly pay — are expected to increase for indigent medical care, and for adding services the state must provide. Reform of the basic School Foundation Formula also may affect the University in the legislative process, Snider says.

In order to rewrite the Foundation Formula and insure that each school district receives at least the same level of funding as the previous year, the state needs \$80 million in new funds, Snider said.

To provide revenues for this, the state will have to create new taxes, experience economic growth or cut programs and reappropriate funds.

In any case, Snider says, he does not anticipate the General Assembly will object to the changes outlined by UM System President Russell. Legislators were particularly impressed with the University's early retirement program, he said.

"The legislative leadership has been briefed on President Russell's plans," Snider said. "I expect brush fires but not a forest fire during the upcoming legislative session."

## SPECTRUM

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