

University of Missouri System

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Curators OK investment in South Africa

Following a brief discussion at its Dec. 10 meeting, the University of Missouri System Board of Curators voted 9-0 to rescind its 6-year-old policy barring investment in corporations that do business in South Africa.

The policy was established by the board in December 1987. It called for the UM System to divest about \$75 million over a five-year period. The divestment was completed on schedule in December 1992.

"We have discussed the issue with a variety of South African leaders, and we met with the unanimous agreement that we should reinvest as soon as possible," said board President John Lichtenegger of Jackson. Lichtenegger visited the University of the Western Cape during a trip to South Africa in November.

"This is an issue that is still being debated in South Africa, just as the original move toward divestment was and is hotly debated," Lichtenegger said. "But the people we talked to at Western

private industry. The U.S. move toward reinvestment followed African National Congress President Nelson Mandela's call for the end of international economic sanctions in September.

anti-apartheid, we felt it was the time to recommend the change in policy," said Jim McGill, vice president for administrative affairs.

McGill said that the University's investment managers have offered a variety of opinions about the prospects for investments in companies that do business in South Africa.

"Most are saying they would begin to invest some — but not a lot — of money," McGill said. "My best guess would be that over the next few years, only a few percentage points of our total portfolio would be in companies with South African ties."

The UM System has about \$1.2 billion in its retirement and endowment funds.

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Cape urged us to begin reinvesting immediately."

The board president said he and other UM officials met with UWC student and faculty representatives, members of its board of trustees, and representatives from

President Clinton also has called for an end to sanctions, and asked state and local governments to take the lead.

"With elections scheduled in South Africa in April, and a provisional constitution in place that is

Exchange program receives support

The University's highly successful exchange program with the University of the Western Cape may soon be expanded to allow increased participation by faculty, students and staff. Board President John Lichtenegger, who visited UWC in November, told the curators the exchange helps recruit high-quality faculty and enriches the academic programs of both universities.

"We had many intriguing discussions with faculty and deans at the University of the Western Cape," Lichtenegger said. "UWC is terribly short of professors, and everyone we talked to stressed the importance of this program."

Since the UM South Africa Education Program was established in 1986, 176 faculty exchanges in 29 academic areas have taken place. The program has been recognized as a model by the U.S. Information Agency and by the Institute for International Education, according to Ron Turner, the President's chief of staff and interim vice president for outreach. Turner, who has staffed the program since its inception, described UWC and the exchange project in a presentation to the curators.

"There is no doubt in my

mind that the affiliation had indeed been one of very great importance and value to UWC," said Jakes Gerwel, rector, University of the Western Cape. "It served as the spur that made UWC create the necessary infrastructure for its international relations operation, and it was handled in such a way that UWC was afforded the dignity to develop the confidence to take its place in the international academic arena. Missouri's decision to forge the UWC link was also a very brave and principled one."

UM has had to overcome the intellectual isolation imposed by apartheid, UWC's lack of policy and experience to support international programs, faculty resistance on both sides, an international academic boycott and distrust of U.S. institutions.

While the number of faculty applications for the program currently exceeds the available funding, recently lifted economic sanctions could result in increased government grant support.

In the meantime, Curator Lichtenegger recommended the University extend the length of faculty exchanges, begin exchanging students and staff and identify permanent funding for the program.

McHugh and Fischer elected Board president and vice-president for 1994



James L. McHugh



Adam B. Fischer

James L. McHugh, a lawyer from Webster Groves, was elected Dec. 10 to a one-year term as president of the University of Missouri System Board of Curators.

McHugh graduated from St. Louis University and earned a juris doctor degree from Washington University Law School. After retirement from the Hussmann Corporation in 1989, he went into private practice as a partner in the St. Louis law firm of Baine & McHugh.

Adam B. Fischer, a lawyer from Sedalia, was elected vice-president. Fischer also attended St. Louis University, earning both a bachelor degree and a juris doctor degree. He is a former member of the UM Extension Council for Pettis County.

1994 Board Meetings

February 3-4	St. Louis
March 31-April 1	Kansas City
May 19-20	Rolla
July 14-15	Columbia
September 1-2	Springfield
October 20-21	Columbia
December 1-2	Columbia

Advisory committee recommends University plan for 2020

The Board of Curators, at its December meeting, unanimously accepted the report of its Advisory Committee on the 21st Century — the "2020" Committee.

The report features summaries of the findings of its six task forces — on demographics, technology, university programming, university faculty, university structure and university funding. The report indicates that trends in the first two areas will directly affect the others. It also identifies four related, overlapping and recurring trends: (1) the changing student (2) the changing teacher (3) the changing economy and (4) changing technology.

The report suggests:

- That the University must prepare for a different mix of students, many of whom will insist on learning when and where they happen to be earning a living.
- That teachers will have to be flexible enough to adapt to a technological environment in which information will be freely available.
- That the University will be relied upon even more to aid and abet the state's economic health.
- That advances in technology will plunge the University into wide-open global competition for those who seek its services.

The report also urges a greater state investment in higher education.

The Committee, comprising more than 50 individuals from throughout the state and representing a variety of ethnic and occupational backgrounds, was chaired by David Lipman, former managing editor of the *St. Louis Post-Dispatch* and now chair of the Pulitzer/2000 project.

Lipman, who was scheduled to make the presentation to the Board, was injured in an auto accident en route to the meeting. The vice-chairman of the Committee, former Curator Jim Sterling, of Bolivar, made the presentation to the Board with the help of David Bodde of the Midwest Research Institute in Kansas City.

Sterling suggested that the Committee's purpose was to outline a map of the future as best it can be discerned. "It is up to you," he told the Curators, "to draw in the roads."

Curator James McHugh, who suggested the creation of the Committee, emphasized that its 40-page report does not recommend policy, which is the responsibility of the Board of Curators.

The Board subsequently adopted a long-range planning cycle and a set of five planning strategies.

The planning cycle will begin in the third and fourth quarters of the calendar year with the Board's Planning and Resources Committee reviewing the external environment — including issues reflected in external documents such as the "2020" report — and confirming long-range planning goals and strategies.

In the first quarter, the University Planning Committee, including Curators and general officers, will develop campus plans. In the second quarter, the University Planning Committee will consolidate campus plans and develop the University's appropriations request. Finally, in the third and fourth quarters, the University's request will be presented to the legislature.

The five strategies adopted by the Board:

1. **People:** The University should focus on people—a commitment to recruiting and retaining the very best minds.
2. **Programs:** The University should continue to develop a management philosophy based on continuous improvement of programs and budgeting to resources.
3. **Cooperation:** The University should maximize the collective strengths of the four-campus system and, in order to do so, the

University should encourage and facilitate projects that involve two or more campuses. The University, focusing on its areas of unique strength, should intensify its efforts to develop partnerships with the private sector, governmental agencies and other academic institutions.

4. **Technology:** The University should move aggressively to apply information technology within its classrooms, in outreach, across the campuses, and to interact with industry and government. This will require appropriate support and training programs as well as appropriate incentives for faculty and others.

5. **Funding:** The University must increase its effectiveness in generating public understanding and support for its mission and program.

University President George A. Russell said he disagreed with various statements and perspectives reflected in the report, but respected the fact that they were expressed by Missourians with outstanding credentials who are devoted to the state's only public research university.

"If some of their perceptions are in error, we must assume such perceptions are broadly held and we must work to correct them," he said. "If other perceptions are correct, we have changes to make in what we are doing."

Financial aid funding increases 66 percent over last four years

While the cost of attending the University of Missouri has risen 36.3 percent over the last 30 years, after adjusting for inflation, financial aid per student has risen nearly 1,000 percent, UM System President George Russell told the Board of Curators last week. As a result, in 1992-93 the average net cost of undergraduate tuition and fees and room and board for two semesters at UM represented 6.5 percent of the median family income in Missouri, compared with 15.3 percent in 1963-64.

The greatest increase in financial aid has come from sources other than federal and state programs, Russell said. These include private donations as well as University support. Nationally, since

1989, federal support has risen 27 percent, state aid has increased 34 percent and private and University funding have grown 75 percent.

Since 1989, the amount of financial aid to UM students has increased 66 percent. In 1989, the University invested \$13.5 million of its own funds in financial aid. That rose to \$26.5 million in 1993, an increase of 96 percent. "We are doing as well as the best institutions in making the University accessible," Russell said.

While the mean for spending on student financial aid at Association of American Universities institutions is \$39.5 million, UM is spending \$44 million. Missouri ranks low among the public AAU universities in costs to attend — 20th of 29.

"If you look at the public AAU institutions over the past few years, you'd receive a major shock," Russell said.

California, which used to be a high-state-support, low-tuition state, has become exactly the opposite, moving to the top of the list in cost. "They've had to increase tuition about 300 percent over the last four years," Russell said.

Russell also pointed out that only 13.7 percent of the University's budget comes from student tuition. "Including fee waivers and employment, total university financial aid comes to about \$181 million, which well exceeds the \$131 million total fee income of the University. In other words, our students receive more finan-

cial aid than we collect fees, and by a wide margin."

Tuition and financial aid were also the main topics of a meeting of curators, administrators, and students held before the Board of Curators meeting.

Board President John Lichtenegger told students that the five-year plan to raise tuition grew out of "a massive amount of need" the university faced in the wake of the failure of Proposition B, an education tax referendum, in 1991.

One of the choices curators were forced to make, Lichtenegger said, was to make a major change in the university's fee structure, with the aim of bringing the amount of student contribution to about a third of the cost of education.

Most UM employees choose managed health care insurance

Almost 90 percent of the University of Missouri's eligible employees chose a form of managed-care health insurance, Jim McGill, vice president for administrative affairs, told the Board of Curators Dec. 10.

Of the 11,033 employees who had the option, 9,810 chose to enroll in either a health-maintenance organization or a point-of-service plan. The remaining 11 percent chose either the catastrophic plan or the \$250-deductible option. The

deadline for signing up was Dec. 1.

McGill said UM's move toward managed care is in step with national trends, and that more employees are establishing HMOs in particular.

"It's clear that the University of Missouri is far from alone in terms of getting its arms around how it handles health insurance," McGill said.

McGill also said that the new health care plan, which takes effect Jan. 1, 1994, should save the UM

System more annually than the \$3 million projected earlier.

The percentages of employees opting for managed care was consistent across all four UM campuses. At UM-Columbia, 87 percent chose a managed care option; at UM-Kansas City, 79 percent; at UM-Rolla, 85 percent; and at St. Louis, 85 percent. (The overall percentage rises to 89 percent when UM administration and Extension employees are added.)

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