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EVERY SPRING DURING HIS EIGHT years as MU chancellor, Richard L. Wallace could look out the window of his Jesse Hall office, past beds of bright pink azaleas that frame Francis Quadrangle, and observe the passing parade that is Mizzou:

Sidewalks jammed with students lugging book-filled backpacks to their next lecture. Frisbee-flipping students enjoying the feel of grass on bare feet. Proud parents snapping graduation photos of sons and daughters standing in front of the Columns with sheepskins in hand.

All those comings and goings were the background of Wallace's professional and personal life for nearly four decades. He retired Aug. 31 after a 38-year career at MU as an economics professor, researcher and academic administrator.

One of the sights that made Wallace proudest when he looked out his Jesse Hall window was a bronze plaque near the Columns that names four values MU has embraced as an academic community: respect, responsibility, discovery and excellence.

Soon after he was named interim chancellor in July 1996, Wallace launched a campuswide discussion about Mizzou's core values. He tapped Mel George, University of Missouri System president emeritus and a longtime colleague, to lead a task force of faculty, staff, students and alumni who debated what MU's values should be.

That focus on values wasn't new, but early on it sent a clear message about Wallace's priorities as chancellor.

Richard Wallace's eight years as chancellor capped a 38-year career at the University that began when he was hired as an assistant professor of economics and community health in 1966.

A committed family man, Wallace, shown here with daughter Lisa in the late 1960s, always stressed the values that would help build a stronger academic community among University family members.



PHOTO BY ELIN GAEDNER
INSET PHOTO COURTESY OF PATRICKA WALLACE

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STORY BY
JOHN BEAHLER

AFTER NEARLY FOUR DECADES OF SERVICE AT MU,
CHANCELLOR RICHARD L. WALLACE GRADUATES
TO YET ANOTHER ROLE WHERE HE'S NEEDED MOST.

"I think what sends an even stronger message is the extent to which he actually refers to the values statement, uses it and lifts it up for people to think about," George says.

"The task force feared that this would disappear into the void, and instead it's posted all over campus. When he makes a speech or writes an article, there is almost always a reference to the values statement. I think that reflects the very principled basis for his own life and for his actions."

THE COLUMBIA CONNECTION

After nearly four decades at Mizzou, Wallace still remembers driving into Columbia for the first time at the wheel of a rented moving van, with his wife, Patricia, and his daughters, Sandra and Lisa, following in the family car. "We thought we might be here for three or four years," he says, "but we just fell in love with the University and with Columbia."

Wallace had earned his undergraduate degree in journalism with an emphasis in advertising from Northwestern University. That means he had to take a good dose of economics and business courses. "I just got fascinated with economics," Wallace says. "In the end, I got enamored with the notion of being a college professor, though I didn't really know what that meant. I put the two together, made a career choice, and I've never regretted either decision."

He went on to earn a doctorate in economics from Vanderbilt University. Wallace landed his first teaching job at Florida State University and then made the move to Mizzou in 1966 as an

assistant professor of economics and of community health. His academic interests were in public utility regulation and health economics.

His first MU boss, business Dean Pinkney Walker, quickly spotted Wallace's administrative talent and asked him to become chair of the economics department. Wallace still remembers his shock, as a junior professor, at being selected for a job usually reserved for veteran faculty members. "I could have fallen off the chair," he says. "I gulped hard, and I said 'OK, I'll try it.' I did, and I enjoyed it. I learned a lot."

In part, Wallace credits his background in economics for his focus on strategic planning. "I think economics provides a unique perspective that prepares you for budgetary priority setting," he says. "It led me naturally into a focus on strategic planning before I even knew what that meant. Strategic planning is really just a natural set of questions that one asks in order to make rational decisions about resources."

He was vice president for academic affairs in July 1996 when a divided Board of Curators, after several months of sometimes contentious debate, dismissed Chancellor Charles Kiesler by a one-vote margin. UM System President George Russell named Wallace interim chancellor before he himself stepped down the next month.

Wallace was a popular choice among the campus community. He was a familiar face, known for his commitment to the University's academic success. Perhaps even more important, he also had a

reputation for integrity and fairness, a reputation as a straight shooter who listened to all sides of an issue before making a decision. His appointment had a calming influence on the potentially explosive campus atmosphere that followed Kiesler's firing.

So did his consensus-building approach to setting priorities. If you could describe Wallace's management style in one word, it would be "teamwork."

"I'm not a loner; I don't work well if I have to just go into the library, close the

Chancellor Richard L. Wallace

Vital Statistics: Born Feb. 27, 1936, in Sturgis, Ky.

Leadership Roles: Appointed interim MU chancellor in July 1996; served as chancellor from Nov. 14, 1997, to Aug. 31, 2004

Family Ties: Married for 48 years to Patricia Wallace; has two daughters, Lisa Evans, BS Ed '84, and Sandra Wallace, BA '81, JD '84; and grandchildren Bradley Evans, 17, and Brittany Evans, 13

Education: Bachelor of journalism degree from Northwestern University; doctorate in economics from Vanderbilt University

Research and Teaching Interests: Public utility regulation and health economics

Mizzou Service: Professor of economics and community health and medical practices, economics department chair, director of the Business and Public Administration Research Center, associate dean and interim dean of the Graduate School, interim dean of arts and science, associate vice president and vice president for academic affairs at the UM System

door and be on my own," Wallace says. "I'd rather be part of a team that can discuss things and work together. I'm convinced that's the only way you get anything done in higher education administration."

To expand that team, one of his first initiatives as chancellor was to appoint advisory committees that make campus budget and planning issues more open and transparent. Those advisory groups helped develop a strategic plan that targets MU's strengths and challenges, identifies goals the institution is committed to, and serves as a road map to make tough budget allocations among sometimes-competing interests. Every year since 1996, the plan has been updated as circumstances and budgets have changed.

FACING CHALLENGES HEAD-ON

During the mid-'90s, some of the toughest choices MU planners had to make involved deciding how to invest a relatively healthy campus budget in programs that would make the institution even stronger. At the time, student enrollment was growing, and so was revenue from tuition and fees. Missouri's economy was flush, and the state was providing the University with millions in new money through its statewide mission-enhancement program for higher education.

Then the bottom dropped out of the higher education budget. When the dot.com boom turned bust, the investment windfalls it generated, and taxes on those windfalls, dried up. The Sept. 11 terrorist attacks slowed the economy even more. Like many states, Missouri's economy headed south, and tax revenue plunged along with it.

At the same time, the price tag for a number of state programs — elementary and secondary education, Medicaid, and prisons, among others — climbed steadily. Higher education was one of the few areas in the state budget where legislators had the flexibility to make cuts.

Cut they did. From fiscal years 2002 to 2004, the state cut or withheld its

appropriations to MU by \$63 million.

"I'm an economist; I believe in business cycles," Wallace says. "So I knew the wonderful economic conditions of the '90s had to be interrupted at some point, but the interruption was sharper, deeper and longer than I had anticipated. It's been a challenge that none of us has enjoyed."

Faced with those deep cuts in state support, Wallace's earlier emphasis on strategic planning helped MU continue providing a first-class educational experience for its students and building its research base, especially in the life sciences, while improving its graduate and professional programs.

To be successful, MU has had to take a new approach to replace those state dollars, Wallace says. The campus worked hard to raise additional money from research grants, contracts and private fund raising.

AS CHANCELLOR, WALLACE

FACED CHALLENGES OTHER THAN

THE SAGGING BUDGET.

Wallace is guardedly optimistic about the future of state funding for Mizzou.

"Do we need the state support?

Absolutely," he says. "There is no real substitute for it, and we could be further along if we'd had more state support. I think with time, when the state recovers, it will make the investments that will truly pay off — not just for us, but for the state, too."

His prediction of more state support for higher education is showing some promise. Thanks to an economic turnaround in Missouri, for the fiscal year that began July 1, 2004, lawmakers approved a \$12 million state funding increase for the UM System.

As chancellor, Wallace faced challenges other than the sagging budget. One of his responsibilities was to oversee Mizzou's

Wallace and MU staff member Tim Wilson pitched in at a local food pantry during the Martin Luther King Jr. Day of Caring in January 1998.

PHOTO BY BOB HILL

high-profile intercollegiate athletics program. "It's been simultaneously fun at times and more of a challenge than I've liked at times," he says. At a May 11 news conference, Wallace joined other University officials to announce an NCAA investigation report that alleged recruiting and other rule violations in the men's basketball program.

"From the fans' perspective, college sports are wonderful, but I've grown increasingly concerned about the business of intercollegiate athletics and the way they are being driven by markets nationwide," he says.

Have college sports become one more example of the tail wagging the dog? For alumni and boosters, winning athletic teams are cause for celebration, a way to showcase a university's successes. At the same time, critics ask if the cost of success on the playing field might be too high — taking the emphasis away from academics while rewarding winning coaches with sky's-the-limit salaries and perks.

Wallace says there's been a total revolution in the business of intercollegiate athletics during his higher education career. "In my view, a lot of that



took place through the '90s. With the growing discretionary income of the U.S. public, there was a demonstrated willingness to spend more of that on athletics," he says.

"It's not just happening at the collegiate level. Look at school-age soccer leagues, the equipment kids show up with, and the time and energy they spend on sports. It goes all the way to pro sports, where in our lifetime we've seen an absolute explosion in the number of professional sports teams across the nation."

Wallace understands the nature of college sports in relation to the market. Consumers and alumni alike demand the spectacle of bowl games and the thrill of Final Four appearances.

"It has brought extraordinary pressures to bear on higher education from a business perspective," he says. "It's raised important questions of what's right and what we are here for."

Many Universities around the country are asking those same questions. Last year Mizzou faculty formed a committee to look at ways to ease what they describe as the "arms race" that fuels big-time college sports. MU's Faculty Council, at Wallace's

urging, is taking the lead in the Big 12 Conference by sponsoring meetings to discuss ways to steer the focus away from an open-pocketbook approach to athletics.

Wallace has seen a lot of other changes during his four decades in higher education. For one thing, more and more people are getting university degrees. The financing of public higher education has changed tremendously, too. A lot of that goes back to the level of state support.

"When I came to MU, about 50 cents out of every MU budget dollar was a state tax dollar; now that's 15 cents," Wallace says. "Everybody points a finger at somebody else, but unfortunately the political reality is that compared with other states, we're not getting a whole lot from the state to educate our students.

"That's forcing us to turn to the students for higher and higher fees. That's new. It's striking, and it's national in scope," Wallace says. "As a society, we have to be increasingly concerned about the accessibility of higher education for students who are qualified — who can make it, and with a college degree can make even greater contributions to society — but simply come from families or backgrounds where they can't pay the bill."

MU has dedicated a larger share of its operating budget to student financial aid. This year, Mizzou will spend \$27.3 million on undergraduate student scholarships, and MU's \$600-million For All We Call Mizzou comprehensive campaign targets \$115 million for student support, including scholarships.

Wallace expects to stay at Mizzou on a part-time basis and help with the campaign after he retires. As chancellor, Wallace often met with potential donors. To his delight, he discovered that he enjoyed his private fund-raising role.

"It's just totally fun. We have so many alumni and friends out there. Many alumni look at their time here as having shaped an important part of their lives and their careers. They tell me that MU is



PHOTO BY BOB HILL

As chancellor, Wallace led a strategic planning process that helped steer the University through an era of declining state support. He enjoyed telling Mizzou's story by talking with the media and reaching out in the community.

where they learned what they needed to know to get a start in life, and they've done extraordinarily well. Or they'll say it's where they met their wife or husband.

"Many of them have kind of been waiting for us to get serious about development. When we come knocking, they ask, 'Where have you been?' I guess the surprising thing is that it was just waiting for us to step into it on a larger scale. It was time to do that."

Surprisingly, this administrator who was known for his careful and inclusive planning strategies doesn't have any strategic plan for his own retirement. He hopes to travel more, to find more time for his woodworking and to indulge his passion for music.

"The chancellor who is next appointed will be able to achieve even greater things for this institution," Wallace says. "In five or 10 years it should be a significantly stronger public higher education institution, more firmly placed within the Association of American Universities and with a secure place at the table for federal research funding. You build on the foundation built by those that preceded you.

"I feel very good about the progress we've made. We didn't let a shortage of state funds get us depressed and down in the mouth. We could have tucked our tails in and run away from it. We could have concluded that we just couldn't get anything done in that economic climate, but we found ways to get things done." ❁

