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University of Missouri

MIZZOU

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Around the Columns

Budget set for fiscal 2012

Over the past several years, as state appropriations have declined, Mizzou managed to save about \$18 million through a combination of spending cuts and a soft hiring freeze. Some of that savings will now be used to balance the campus's budget.

MU had already figured out how to cover a projected \$20 million deficit for fiscal 2012, which started July 1, largely through increases in tuition and enrollment. Then, on June 10, Gov. Jay Nixon, BA '78, JD '81, trimmed another \$4.4 million from the University of Missouri System, forcing the flagship campus to come up with an additional \$2 million in cuts.



Individual units will cover reductions by cutting positions and reallocating other expenses within their own budgets.

Almost \$1 million will be covered by the UM System's decision to cut by nearly half the Enterprise Investment Program, a \$5 million fund to support the creation of new businesses. The balance of Mizzou's shortfall will come from the savings, which MU Budget Officer Tim Rooney says were held in case of "an unexpected withholding of state funds."

Despite the last-minute scramble to balance the books, Mizzou faculty and staff are poised to receive their first pay raises in three years. A 2 percent merit-based salary increase, approved by the UM Board of Curators to help the university retain and recruit the best faculty and staff, will cost the MU campus about \$10 million. The campus will fund \$3.1 million of the increased salary and benefit costs, while department managers will have to work with their

existing budgets to cover the remaining \$6.9 million.

“The units will be asked to cover most of it by cutting positions and reallocating other expenses within their own budgets,” Rooney says.

Meanwhile, Mizzou expects another full house for the 2011–12 school year. Although the actual numbers of new students won’t be known until later this fall, recruiters expect an increase of about 1,000 students overall. Total enrollment for fall semester 2010 was 32,415.

Budget concerns were also at the heart of the UM System’s decision this summer to create a new “hybrid” retirement plan for future employees. The new plan, which will apply only to faculty and staff hired after Sept. 30, 2012, will include elements of the current defined-benefit plan, which guarantees employees some level of retirement income, and a defined-contribution plan, which requires employees to invest on their own for retirement.

Current employees and retirees will not be affected by the changes, which will likely be presented to the board in October.

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