

President's Report

Board of Curators Meeting

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Friday, October 23, 2009

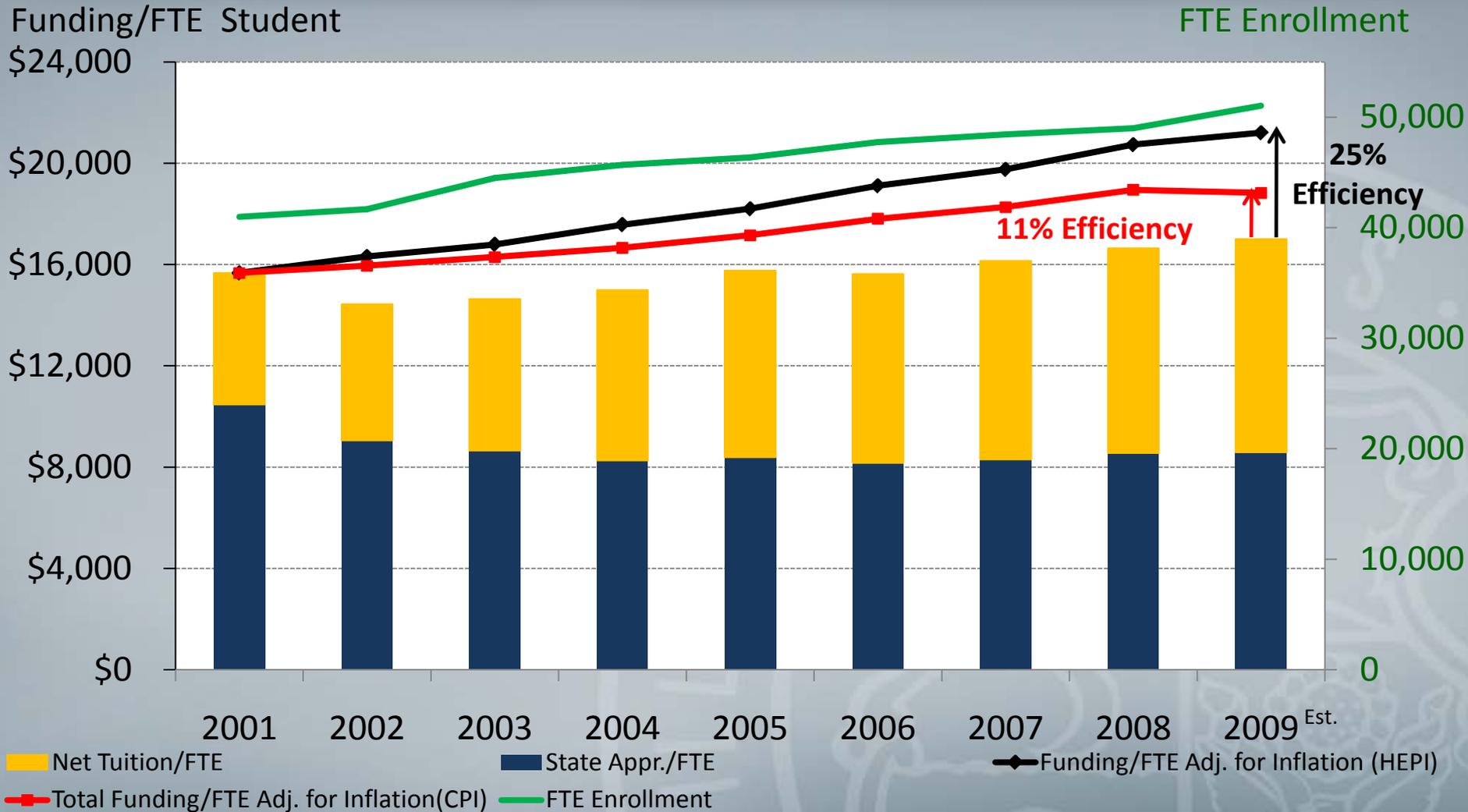
Budget & Upcoming Legislative Session

- 2010 use of ~\$50M in federal stimulus to keep operating budget flat to '09 levels
 - Tuition held flat
 - Cost-reduction measures in place
 - Real savings estimated at \$64M
- 2010 risk—appropriations 'outside of core'
 - Caring for Missourians (one-time funds)
 - Other curator programs (e.g., hospitals, State Historical Society, MOREnet, etc.)

Budget & Upcoming Legislative Session (continued)

- Current state revenue through September off 11% to budget
- Will adequate stimulus dollars be available in 2011?
 - What will final fiscal 2010 revenues be?
 - For planning purposes, assuming \$25M of stimulus (~ half 2010 level) plus 5% revenue decline—a decline of 10% or greater

Stewardship—Access & Affordability



10-Year Profile for UM System

- Dramatic enrollment increase
 - Maintain selective admissions standards
 - Outcomes (e.g., graduation rates, research grants) show improvements
- Requirement for significant ‘productivity’ increase
- Decline in state support offset by shift of burden to tuition

What We *Have* Done to be More Relevant, 'Part of the Solution'

Teaching	Research	Service	Economic Development
•P-20 Task Force	•Federal applicants' grants up 40%	•Researched Missourians' expectations, attitudes	•Intellectual property: new targets
•Re-accreditation	•Energy Summit	•Role of Extension	•New jobs, companies created; new focus
•Enrollment growth with quality	•Life Sciences Summit	•UM health sciences •Tiger Institute	•Research park incubators
•Faculty/staff salary/benefit analysis examined	•Technology enablers •MOREnet •TelePresence •Shared services	•Outside-In Task Force	•Incremental resources added
•E-learning investment	•Goal: Increase licensing revenue to \$50M/yr by 2014	Caring for Missourians	•Economic Development Council established
•Community college agreements			
System and campus strategic plans, accountability measures			
Faculty Staff Students			

What *Else* Do We Need to Do?

Actions:

Manage Costs-Cash	Capital Projects, Maintenance and Repair	Sources of Revenue— Research and Economic Development
<ul style="list-style-type: none">•Cost-management activities in place<ul style="list-style-type: none">•More needed for 2011-2012•Further 5% reduction off 2010 run rate	<ul style="list-style-type: none">•Conduct regional capital project forums to engage:<ul style="list-style-type: none">•Campuses•Communities•Investors•Developers•State	<ul style="list-style-type: none">•Seek additional partnerships
<ul style="list-style-type: none">•Fund salary requirement		<ul style="list-style-type: none">•IP & commercialization— new companies, jobs
		<ul style="list-style-type: none">•Tuition variable by four campuses
		<ul style="list-style-type: none">•Invest in S.T.E.M. disciplines, research mission<ul style="list-style-type: none">•Establish state match program

Significant National Discussion Underway...



Newsweek, October 26, 2009



BusinessWeek, October 19, 2009

Public Higher Education Issues

- Accountability for student learning (e.g., outcomes)
- Access and student success
- Price of tuition
- Budgets and funding (states' fiscal crisis)
- Student aid policy
- Aligning the P-20 education system
- Tax policies, benefits
- e-learning
- Diversity
- Competition from for-profit institutions

Sources: Association of Governing Boards of Universities and Colleges; Association of Public Land-Grant Universities; Institute of Government and Public Affairs; National Education Association; American Association of State Colleges and Universities; JBL Associates; James Duderstadt

Missouri-Specific Issues

- Missourians' attitudes about support for higher education (2008 survey)
- Dramatic funding and enrollment growth at community colleges
- State economy lagging behind national recovery?
- No capital or M&R funding mechanisms
- Not 'producing' enough S.T.E.M. or health care professionals

Our Challenge

- How we manage the unprecedented level of change will determine our continued success
- Partnering with key stakeholders will be in the context of:
 - Our unique role and mission
 - Research
 - Quality and outcomes focus
 - Access and affordability
 - Ability to deal with these national/state trends and issues

Leading the Change Through Challenging, Uncertain Times

- We are engaged at every level
 - Shared governance
 - Existing plans, key initiatives
- We must respond, we must anticipate and we must be innovative in our solutions
- Our university of 2020 will require us to examine all we have done historically to support our mission
- It will require a fundamental re-examination at the heart of what we do—the interaction of students and faculty in learning process
- This is at the heart of the national discussion

In the Next Year...

- We will evaluate and examine the following key elements of that historic paradigm shift and report back to the board with our conclusions:
 - Bachelor's degree completion programs
 - Requirements for e-learning
 - Requirement for hybrid learning (classrooms, e-learning, distance learning)
 - Clearer pathways from high school to college, community college to university
 - 3-year and 'no-frills' degrees
 - Year-round cycles
 - Clarity around credit hour requirements (bachelor's and advanced degrees)

In Summary

- Budget challenge remains:
 - **2011-2012 are of great concern**
- Actions to date support our relevance to the state and our desire to be part of the solution
- More is required
 - Call for regional capital forums
 - Call for investment/match in S.T.E.M. and research
 - Call for revenue sources to be explored
 - Call for cost diligence
- Comprehensive review of ‘national discussion’ areas