



University of Missouri

Budget Forum

May 2017

Agenda

Short Term

- Current Situation
- Compressed Budget Timeline
- Overview of Short Term Proposed Plans

Long Term

- Case for Re-imagining Mizzou
- Process Framework
- Pre-Identified Areas Targeted for Review

Questions & Answers



How to Submit Questions

1. Online Form at
**[chancellor.missouri.edu/
question](https://chancellor.missouri.edu/question)**

2. Note Card*

- Role (e.g. student, graduate student, staff, faculty, etc.)
- School/College/Unit/Division Affiliations (*e.g. CAFNR, Athletics, Operations, Student Affairs, etc.*)
- Topic of Interest
- Question

**No name necessary*



Short-Term

2017-18



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Current Situation – Revenue Outlook

Campus needs to reduce general revenue budget by 12%.

- Two primary sources of revenue are expected to be down
- Unavoidable expenses will be incurred
- Critical investments will need to be made



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2017-18 Budget Revenue Outlook

- Academic year 2018 total enrollment expected to be down ~7.4%
- Tuition will be raised by 2.1% which we estimate will yield \$7.3M.
- State appropriations have declined 6.4% which is about \$14.7M.

REVENUES		
Tuition		
Enrollment	(2,499)	(\$16.6M)
Tuition Rates	2.1%	\$7.3M
State Appropriation	-6.4%	(\$14.7M)
Total Revenues		(\$24.0M)



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2017-18 Budget Expenditures

- Unavoidable expenses result in about \$7.7 M
Specifically: financial aid, tuition share, liability insurance, maintenance, repairs, and utilities
- Critical strategic investments result in approximately \$23.7M
Specifically: enrollment, graduate student stipends, graduate health insurance, faculty promotion, diversifying faculty, and others — which total \$23.7M

EXPENDITURES	
Unavoidable Expense Increases	(\$7.7M)
Strategic Investments	(\$23.7M)
Total Expenditure Increases	(\$31.4M)



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Compressed Budget Timeline

DATE	ACTION
April 3	MU was asked to reduce academic year 2018 budget
April 3–May 9	Unit leaders sought input & assembled budget proposals**
May 10	Initial budget proposals submitted
May 10–19	Additional campus input is sought
May 19	Finalized budgets are due to UM System
May 26	President Choi discusses plans with MU Leaders
June 2	Plans are finalized with all MU Community Members



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Overview of Immediate Short Term Proposed Plans

- Consolidate operations space to decrease overhead
- Deferral of expenses that can be postponed
- Administrative & academic re-organizations
- Position reductions — ~350-400 positions are affected*
 - Vacant position elimination ~175-200
 - Retirements, non-contract renewals & other personnel reductions ~175-200

**Best estimates at this time as plans are not finalized*



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Unit Highlights of Proposed Plans

- Balance between transparency and respecting affected personnel
- Final budget details cannot be shared until after June 2
- After Tuesday, leaders will provide summaries of:
 - Safeguarded initiatives
 - Opportunities for additional revenue
 - Proposed reductions
 - Will be available online



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Long-Term Framework & Process Steps



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A Case for Re-imagining Mizzou

- We need to be more forward-looking.
- We need to ensure our brand is understood and appreciated.
- We need to ensure our core values are reflected in all we do.



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Proposed Process Framework

- Gather input on what should be under review
- Review feedback and prioritize
- Leverage existing committees or establish new committees who will conduct reviews and make proposals to campus
- Post our results along the way, keeping you informed



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Pre-Identified Areas Targeted for Review

- Administrative organization structure
- Buildings and facilities
- Academic programs
- Graduate student tuition waiver review
- Research center and institute review
- Research incentive and rewards



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Active Committees

- Resource Allocation Committee
- Strategic Enrollment Management Committee
- Capital Financing Committee
- and Engagement Council



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Thank you.

Q&A



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Submit Your Questions:
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Appendix



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Where do the resources go?

Fiscal Year 2016 Budget

Operating Fund	
Salaries and Wages	61.8%
Benefits	19.0%
Operating Expenses	19.2%



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Recurring vs. One time

Recurring Funds (rate)

- Revenue sources that we anticipate will continue year after year.

One Time Funds (cost)

- Balances that accumulate for a variety of reasons that are not expected to continue year after year



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Funding Sources

Fiscal Year 2017 Budget

Operating Fund	\$594M	25.8%
Targeted Tuition & Student Fees	119M	5.2%
Restricted Appropriations	25M	1.1%
Grants & Contracts	159M	6.9%
Gifts, Endowment & Investment Income	64M	2.8%
Enterprise Operations	1,343M	58.3%
Total Revenue	\$2,305M	100%



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“Enterprise” Operations

Hospitals & Clinics	\$841M	62.6%
University Physicians	191M	14.2%
Athletics	66M	4.9%
University Stores	52M	3.9%
Residential Life	43M	3.2%
Campus Dining	29M	2.2%
Veterinary Medicine	20M	1.5%
Research Reactor	18M	1.3%
Agriculture	9M	0.7%
Parking	8M	0.6%
KOMU	10M	0.7%
Office of Research/Patent & Royalty	2M	0.1%
Other	54M	4.1%
Total	\$1,343M	100%



General Operating Sources

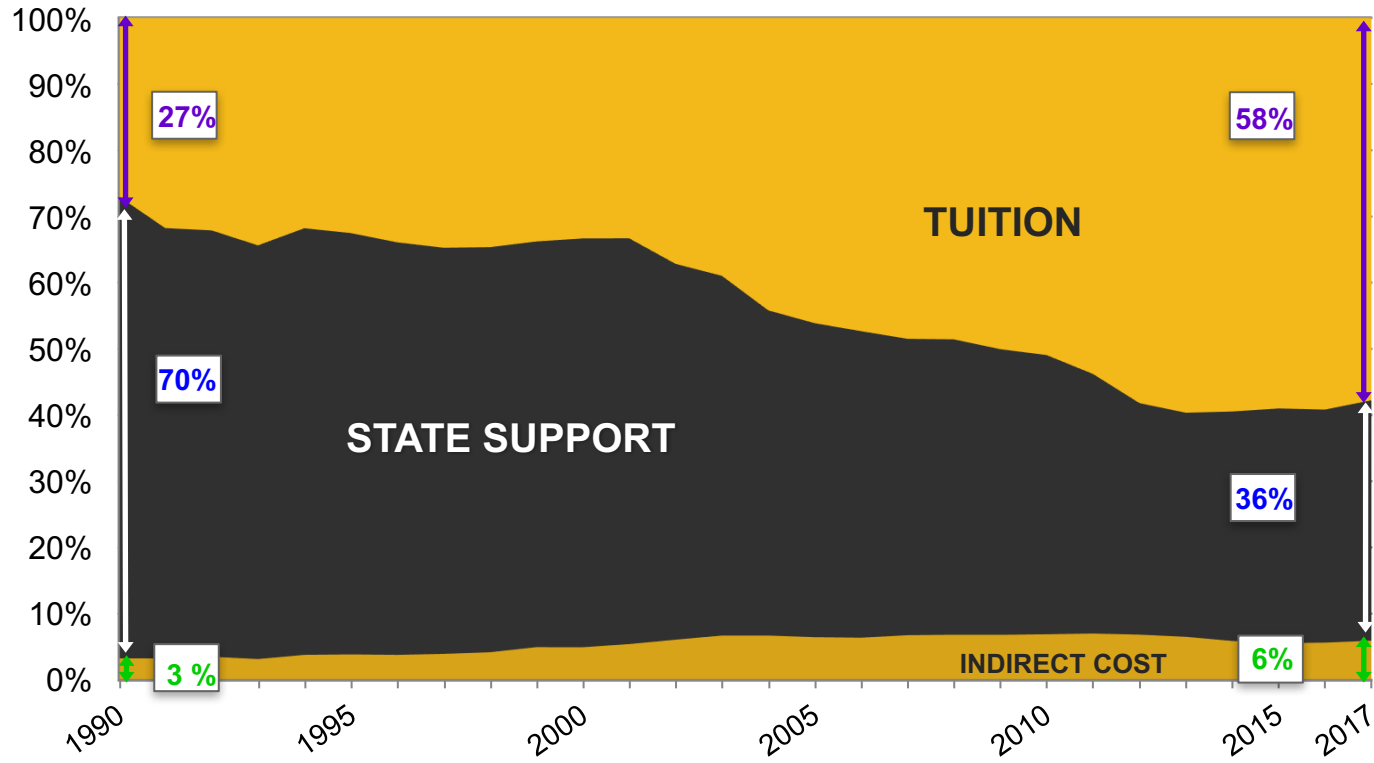
OPERATING FUND	
State Appropriations	\$229M
Tuition	\$331M
Indirect Cost	\$ 34M
Total	\$594M



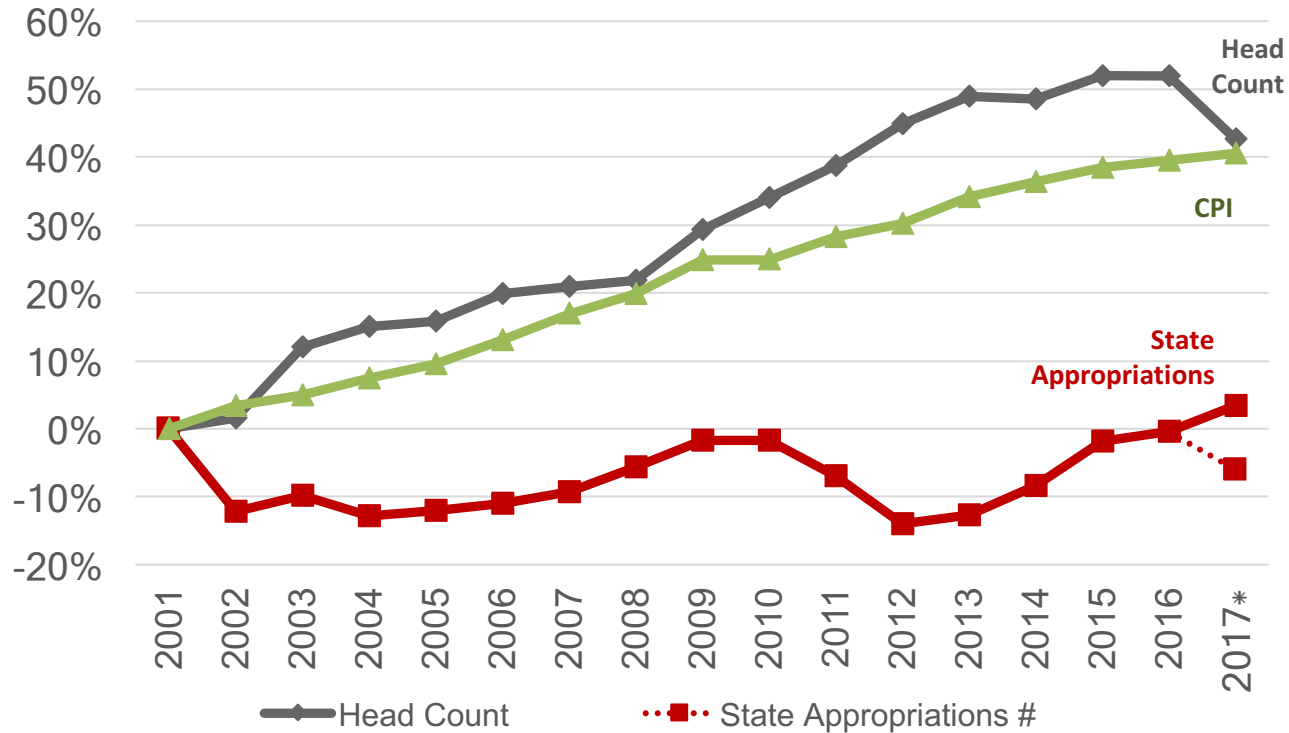
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Change in General Operating Funding Sources



Revenue Drivers FY 2001 – FY 2017*

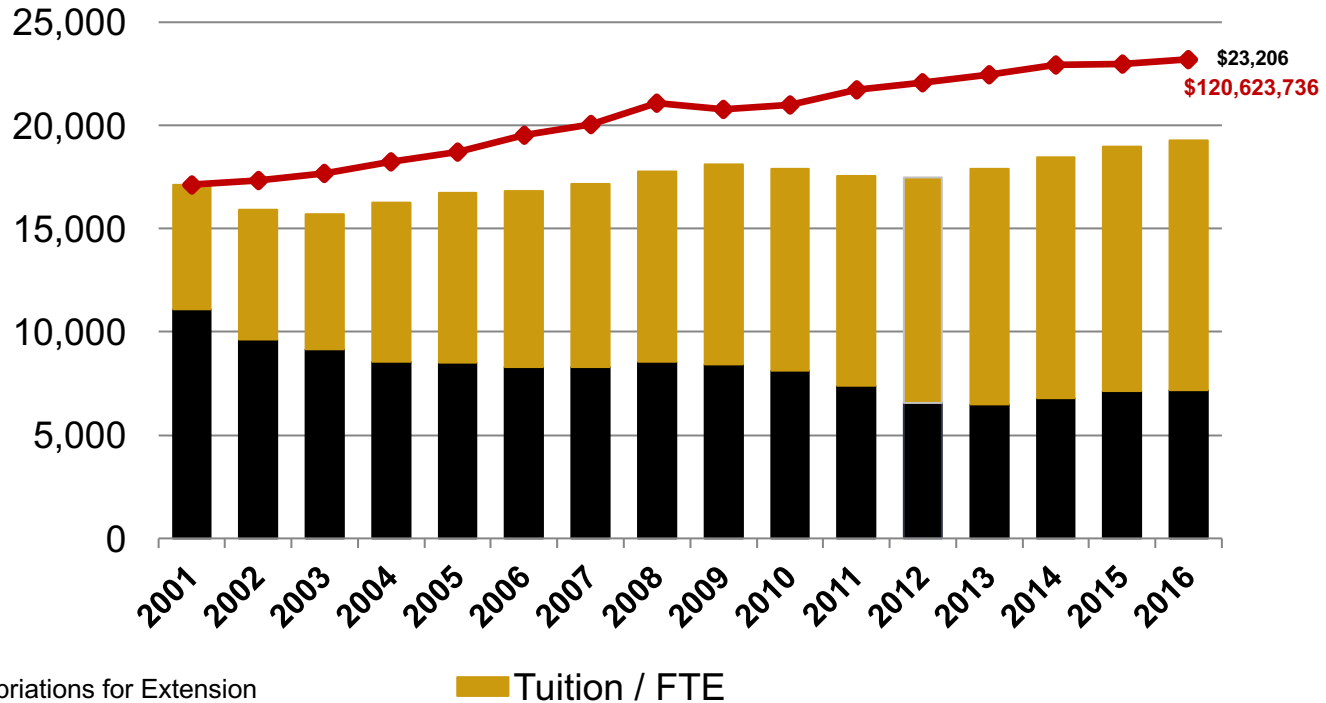


* FY 2017 Projected
Withholdings

Includes FY17



Funding per Student FTE



Estimated Enrollment for Fall 2017

Undergraduate	(2,425)
First Time College (FTC)	(2,425)
Transfers	
Returning	
Graduate	(34)
Professional	10
Total Estimated Change	(2,449)

Estimated Total Enrollment: 30,551



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