



TO: President Mun Choi and  
Interim Vice President for Finance Ryan Rapp

FROM: MU Interim Chancellor Garnett Stokes

RE: Information for June 2 budget message

DATE: May 31, 2017

On behalf of the University of Missouri-Columbia, I am submitting the information you requested regarding MU's 2018 budget. While we anticipate that in the long term, the re-budgeting process will enable Mizzou to sustain the excellence for which we are renowned – and enhance our ability to grow in strategic ways – in the short term, there are painful consequences for some of MU's loyal community members. I appreciate all those across campus who engaged in these crucial discussions.

### **Financial Summary Documents**

Attached you will find a financial summary and detail with narrative regarding the following:

- FY 2018 Total Revenue Shortfalls and Cost Increases by Category (MU General Operating Campus Budget & Auxiliary Units of Student Affairs and Athletics Budget), including:
  - a. Centrally Supported Strategic Investments by Category
  - b. FY 2018 University of Missouri Faculty Hiring Plan
- FY 2018 Short-Term Cuts and Revenue Enhancements by Category (MU General Operating Campus Budget & Auxiliary Units of Student Affairs and Athletics Budget)
- Long-Term Plans to Meet the Reoccurring Reductions Currently Addressed By One Time Funds (MU General Operating Campus Budget & Auxiliary Units of Student Affairs and Athletics Budget)

In addition, below we are providing brief highlights by sections, per your request. Please note these are not holistic, but do reflect some of our most important opportunities.

## **Centrally Supported Strategic Investments**

To maintain exceptional teaching, research, service and economic development, we have identified specific areas in which we will invest. We plan to:

- Aggressively pursue intentional enrollment growth through a larger recruitment team, new and enhanced scholarship programs (e.g., Land-Grant Pell Grant Scholarship Program and National Merit Scholarship Program), and other efforts.
- Increase the academic excellence and intellectual diversity of the university via hiring a more diverse faculty.
- Increase graduate student stipends and offer a superior health care coverage package to ensure MU is competitive and attractive to the highest quality graduate students –comparable to other prestigious AAU institutions.
- Bolster support for the strongest research institutes, centers and strategic faculty research hires that are highly productive and generate additional revenue in the most critical strategic focus areas. In addition, we will invest in emerging technologies that will impact faculty research in molecular imaging, genetic manipulation of animal models and tissue engineering, among others.
- Enrich Missouri outreach efforts through the establishment of an engagement council, conducting a Missouri needs assessment that allows us to build our collective future together, and develop an innovative, transformative technology that streamlines web design and offers e-commerce, e-marketing, online learning, and event management.
- Maintain our campus safety by continuing to invest in the campus security workforce.
- Establish a Teaching for Learning Center to nurture high quality, innovative teaching. The center will support both faculty and graduate students and will serve as an umbrella organization focused on maximizing student learning and success.

## **University of Missouri FY 2018 Faculty Hiring Plan**

Without dedicated, creative thought experts leading the university's research and teaching missions, Mizzou cannot maintain the record of excellence that has led to its numerous top rankings and designations. Therefore, faculty hiring remains a crucial priority.

- The University of Missouri is recruiting for and hiring 161 new faculty for the upcoming academic year. These outstanding faculty will be instrumental in the future success of the institution.

- Fifty-eight (58) faculty members are expected to contribute to research in the university's previously identified strategic areas represented by Mizzou Advantage (MA).
  - As background, the Mizzou Advantage is an innovative, interdisciplinary strategic investment program designed to bolster MU's identified areas of excellence, enhance our position in the AAU, and further our land grant mission.
  - The initiative builds on campus strengths in four areas: Food for the Future, Media of the Future, One Health/One Medicine, and Sustainable Energy.
  - As reported by the principal investigators, the initiative's investments have netted more than \$41 million in competitive extramural grants, brought in more than \$4 million in gifts, and led to the publication of nearly 400 high-quality academic articles.
  - Although many of these hires may cross MA areas, they have been grouped into single categories most closely associated with their research and position. For example, Big Data analytics hires are grouped under Media of the Future, but may cut across multiple MA areas including social media; plant, animal and human genetics; machine learning; marketing; and more. Hires by MA strategic areas include
    - 29 in One Health/One Medicine,
    - 22 in Media of the Future,
    - 5 in Sustainable Energy,
    - and 2 in Food for the Future.
    - Collectively, hires within and across MA areas of strength will be made in every school and college at MU.
- Additionally, thirty-four (34) faculty members will be filling critically needed tenured or tenured-track positions.
- All 161 faculty hires will be of value for their teaching and service to the campus.

### **Safeguarded Initiatives from FY2018 Short-Term Cuts**

By their nature, the financial summary documents provided preclude the ability to highlight what Mizzou has chosen to safeguard. I want to take this opportunity to share some priorities that we have identified to protect from cuts.

- Every school, college and division sought to minimize the impact on student academics including, but not limited to

- maintaining the vast majority and wide variety of course offerings for both undergraduate and graduate level degrees,
  - maintaining student academic support services,
  - preserving experiential or embedded learning opportunities for undergraduates,
  - and ensuring current graduate students' academic programs will lead to degree completion in their chosen field.
- Every school, college, and division sought to protect our research investments and capacity to the best of their ability because they are vital to our land-grant and economic development mission components.
- High-performing revenue generating initiatives, programs, and centers were safeguarded.

### **FY2018 Short-Term Cuts & Revenue Enhancements**

Several steps are being taken immediately to address the shortfall in state appropriations. These include permanent cuts to the budget campus-wide, as well as increased streams of revenue.

- The University of Missouri is eliminating approximately 343 full-time equivalent (FTE) positions from its General Operating Campus Budget:
  - approximately 135 FTE faculty positions,
  - approximately 173 FTE staff positions,
  - and approximately 35 FTE graduate positions.
  - Of the 308 faculty and staff FTE positions, 42 are high-ranking administrative positions (at a GGS level 12 or greater).
  - Reductions have been made at every level, and most units have reorganized their structure with additional reorganization planning expected in the long term.
- In addition, the University of Missouri is eliminating approximately 86 full-time equivalent (FTE) positions from its auxiliary units of Student Affairs and Athletics.
- Tuition will be increased by 2.1%.
- Course offerings with low enrollment have been reduced in several schools and colleges.
- The Truman School of Public Affairs will now be located in and administered by the College of Arts and Science.
- Buildings have been taken offline to reduce maintenance and energy costs.
- Several schools and colleges are adding broader online curriculum and training programs to target distant learners as an additional source of revenue.

## **Long-term Plans to Meet the Reoccurring Reductions Currently Addressed By One Time Funds**

Our decision-making work is not completed. In order to permanently meet the new fiscal reality, additional changes will occur over the next two to three years. These will include both cuts in certain areas and continued investments in priorities that enhance our mission. In addition to reorganizations that have already been noted, we have pre-identified several areas for review over the next 12-18 months. Review processes have already been drafted to guide our work in each of these areas. Long-term plans include

- an administrative organization structure review to maximize efficiency,
- a buildings and facilities review to maximize space and reduce maintenance and energy costs,
- a top to bottom academic programs review,
- a graduate student tuition waiver review,
- a research center and institute review,
- and a research incentives and rewards review.

## **Long-Term Visionary Investment Opportunities**

Pending campus, system, and/or board review processes and the identification of funding sources, we see several opportunities for transformative growth. A few possibilities are listed below:

- A Student Experiential Learning Center will establish a destination where students could find hands-on, real world opportunities and experience to supplement their educational efforts.
- A new MU greenhouse facility is expected to enhance nationally recognized plant sciences programs and partnerships with Danforth Plant Sciences Center and Missouri agricultural industries.
- A Translational Precision Medicine Complex will be a center for integration of biomedical innovations research in the colleges of Engineering; Veterinary Medicine; and Agriculture, Food and Natural Resources as well as the School of Medicine that will house 44 research teams (wet lab and informatics) and state of the art imaging facilities, clean rooms, and vivaria.
- Expansion of the Missouri Innovation Center will enhance the partnership between MU, the Columbia and Boone County business community, and the federal Economic Development Administration. The additional laboratory and informatics space is planned to accommodate new biomedical and informatics enterprises created as a result of faculty inventions and innovations.
- The addition of a new cyclotron associated with MU Research Reactor (MURR) will enhance development and production of new radioisotopes for

medical imaging and therapeutics and has strong potential to generate revenue. Public-private partnership funding is being sought to develop this unique resource.

If you have any questions about MU's plans, please don't hesitate to contact me. I look forward to continued partnership with President Choi and the UM System as, together, we take confident steps toward our future.