

# Academic Council Meeting

January 19, 2006

**Strategic Planning, Budgetary Issues,  
Administrative Expenditure Reductions,  
and Capital Campaign Update**

John F. Carney III

# Strategic Planning

**TO: UMR Campus Community**  
**FROM: John F. Carney III**  
**SUBJECT: DRAFT Strategic Plan**  
**DATE: December 16, 2005**

**A starting point.**

# Strategic Planning

## Introduction

The University of Missouri-Rolla, founded in 1870 as the University of Missouri School of Mines and Metallurgy, was the first technological institution west of the Mississippi, and one of the first in the nation. In 1964, **in recognition of [recognizing]** its expanded nature and role, the name of the institution was changed to the University of Missouri at Rolla, soon to be altered to University of Missouri-Rolla or UMR. While originally a mining school and subsequently an engineering school, the University of Missouri-Rolla has become a nationally **recognized [know]** technological research university.

# Strategic Planning

Action 3.1.c. Ensure at least **??%****[20%]** of undergraduate students have a research experience **prior to** **[by]** graduation by 2010.

Fall Semester					
2005	2006	2007	2008	2009	2010
?	?	?	?	?	?

# Strategic Planning

- **Feedback may be sent to [chancellor@umr.edu](mailto:chancellor@umr.edu)**
- **I will work with the Academic Council, Staff Council, and Student Council to organize a series of open meetings during this Spring semester.**
- **The Academic Council has developed a systematic review process.**
  - **Each department should develop their own strategic planning document to complement the campus Strategic Plan**

# Budgetary Issues

- **UMR has a systemic general revenue deficit.**
- **In FY06 the budgeted revenue base is ~\$81M. The budgeted expenditure base is ~\$87M.**

# Budgetary Issues

## ■ Cost adjustments to deal with the projected deficit of ~\$6M are:

➤ Chancellor's reserve	\$1.5M
➤ Reduce maintenance and repair from 1.25% to 1.0% of replacement value of buildings	\$0.9M
➤ Reduce indirect return	\$1.0M
➤ Assign cost reductions	\$2.4M
➤ Other adjustments	\$0.2M
	<hr/>
	\$6.0M

# Budgetary Issues

- **Primary reasons for increased deficit over the last 5 years:**
  - decrease in State support > \$7M
  - increase in faculty/staff benefit costs ~ \$5M
    - In FY07 it is estimated that faculty/staff benefit costs will increase by \$1.8M
  - increase in fuel and utilities expense ~ \$1M
    - In FY07 it is estimated that fuel and utilities expenses will increase by \$0.6M



# Budgetary Issues

- **Fact: Business as usual is not an option.**
- **Goal: To get our financial house in order without layoffs.**

# Budgetary Issues

- **In November 2005, the State Office of Administration, Budget and Planning called for a budget reduction plan of 10-12%.**
  - For UMR a 10-12% cut would have been ~\$5M
  
- **On 1/11/06 Governor Blunt proposed that the State increase its support for higher education by 2%.**
  - For UMR a 2% increase is \$0.9M
  
- **Issues to be resolved for FY07:**
  - percentage of tuition increase
  - additional fees

# Budgetary Issues

- **Solution to our financial problem:**

- **decrease expenses**

- increase revenues

# **Administrative Expenditure Reductions**

- **In December 2005, President Floyd directed the Chancellors to engage in comprehensive reviews of their administrations.**
- **The reduction target for UMR is \$1.1M.**
- **My preliminary report to President Floyd is due in April 2006.**

# Administrative Expenditure Reductions

- **The charge is to reduce administrative expenditures by \$1.1M and focus on the following priorities:**
  - Elimination of unnecessary academic and non-academic administrative redundancies and duplication
  - Enhanced efficiency and productivity
  - Reduction in cost of administrative service areas
  - Enhanced use of technology without increasing cost

# Administrative Expenditure Reductions

- **Complying with President Floyd's directive will address ~ 1/5<sup>th</sup> of our budgetary challenge.**
- **It took years for this financial problem to develop, and it will take years for us to correct it.**
- **Let's begin now**

# Administrative Expenditure Reductions

- **Breakdown of administrative units:**
  - Academic Affairs
    - Enrollment Management
    - Information Technology
    - Institutional Research
    - Library
    - Office of Undergraduate and Graduate Studies
    - Schools/College
    - Sponsored Programs
  - Administrative Services
  - Office of the Chancellor
  - Student Affairs
  - University Advancement
  
- **All administrative units must participate in cost reductions.**

# **Administrative Expenditure Reductions**

## **Guiding Principle**

**Maintain the high quality  
and diversity of  
our academic programs**



# Administrative Expenditure Reductions

## ■ Timetable

- provost search is underway with a target starting date of 9/1/06
- all units will be directed to reduce administrative expenditures in response to President Floyd's directive
- faculty and staff feedback is welcome
  - comments and suggestions should be sent to [chancellor@umr.edu](mailto:chancellor@umr.edu) by February 28, 2006
- I will present the details of our \$1.1M reduction in administrative expenditures to the UMR community in March.

# Budgetary Issues

- **Solution to our financial problem:**
  - decrease expenses
  - **increase revenues**

# Increasing Revenue

- **Capital Campaign**
  - **Development Office**
- **Enrollment**
- **Sponsored Research**
- **Distance Education**
- **State Appropriations**
- **Tuition**
- **Fees**
- **Auxiliary Enterprises**

# Administrative Expenditure Reductions

- **Proposed administrative restructuring**
  - **Phase out our schools/college organization**
  - **Investigate synergies among programs/departments**

# Administrative Expenditure Reductions

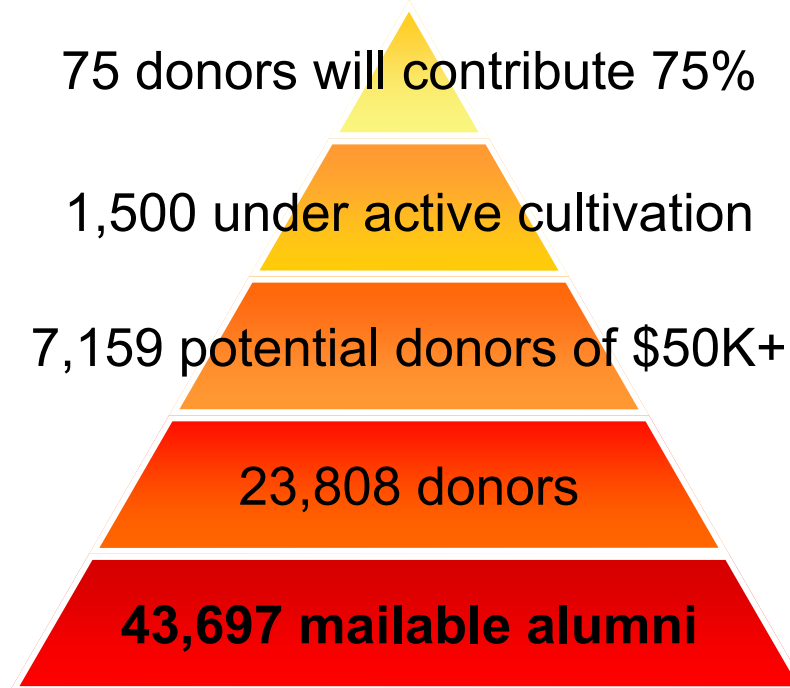
- **Advantages of eliminating our schools/college structure:**
  - eliminates middle administrative layer of university
  - enhances direct interaction between departments/programs and provost/chancellor
  - removes artificial dividing lines between the schools/college
  - encourages interdisciplinary interactions

# Capital Campaign Update

- **Timing**
  - Quiet phase began July 2003
  - Public launch anticipated April 2007
  - Completion anticipated June 2010
- **Campaign Dollar Goal: \$200 million**
- **Campaign Categories**
  - Student Support
  - Faculty Support
  - Facilities & Equipment
  - Program Support
  - Private Grant Support
- **\$65.4M raised as of 1/17/06**

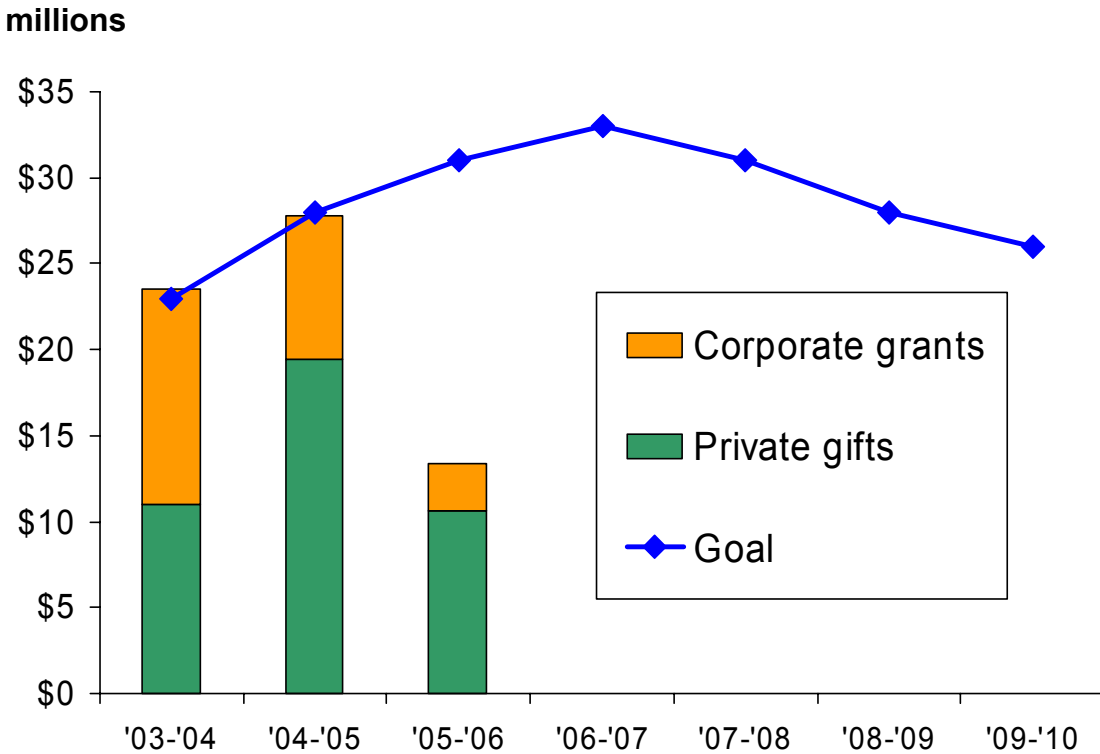
# Fundraising Review

## *Leadership Gifts*



# Campaign Progress

*Preliminary Results as of January 17, 2006*



Year	ACTUAL Annual Campaign Total	TARGET Annual Campaign Goal
03-04	\$23,500,448	\$23,000,000
04-05	27,816,811	28,000,000
05-06	14,102,474	31,000,000
06-07		33,000,000
07-08		31,000,000
08-09		28,000,000
09-10		26,000,000
	<u>\$65,419,733</u>	<u>\$200,000,000</u>



# Discussion