

University of Missouri System
Centers and Institutes
Criteria for Reductions

According to Chapter 50 of the University of Missouri *Collected Rules and Regulations*, an official center or institute “is a formally organized unit within the university addressed primarily, but not exclusively, to the conduct of multidisciplinary research, teaching, extension, or service.” It must meet several criteria:

- Have “a separately identifiable budget;”
- Have “professional staff representing more than one academic department or discipline.” These staff “shall hold full-time or fractional appointments to the center, which may provide a portion or all of their salaries.”
- Have an “appointed director who has a defined task as administrative head of the center.”

The titles of “center” or “institute” are not exclusive to Chapter 50 organized centers; there may be other entities with the name “center” including those that refer to a building or place, e.g., the Millennium Student Center at UMSL, the Reynolds Alumni Center at MU, computer centers on all campuses, etc. These “centers” are not the subject of Chapter 50, and are not included in this analysis. Similarly, some Chapter 50 organized units may have other titles, as identified in Chapter 50, such as “unit, institute, consortium, program, organization,” or other synonyms to “center.” The criteria discussed here are proposed to apply to units that meet, or are attempting to meet, the criteria of chapter 50, regardless of name.

Teaching Centers

Centers and institutes serve a variety of purposes, one of the most important of which is to support the research and teaching programs of the university. To the extent that a center or institute is primarily a teaching unit, supported by general operating funds to offer undergraduate majors or minors, graduate degrees, or undergraduate or undergraduate certificate programs, it should be evaluated as a teaching unit similar to an academic department. Generally, when a center is a teaching unit, it offers interdisciplinary degrees or certificates and acts like an academic department, except that its faculty tends to be comprised of faculty members who hold appointments both in the center and in an academic department. In these cases, like the budget of an academic department, the center budget tends to include mostly the salaries, benefits and other costs of instruction of the academic program. The first criterion proposed for center review for budget reductions is the following:

For a center identified primarily as a teaching unit with a budget consisting primarily of full or fractional salaries of faculty who teach in the academic programs, it should be treated as an academic program for budget evaluation purposes.

Using program audit criteria, the center should be evaluated on the basis of cost of instruction relative to the number of students enrolled in its classes, the number of student majors, the number of student minors, and/or the number of certificate students, where applicable. These centers would be expected to be supported mostly or entirely by general operating funds. In most cases, if the cost of instruction is reasonable in relation to the number of majors according

to those criteria, the center would be treated as an academic unit, and any budget reductions would be applied on the same basis as academic departments on the campus. Although there are a few of these types of units, most centers and institutes do not fall into this category.

Research Centers

Most Chapter 50 centers and institutes are research units. Their missions and purposes are to conduct research and, in most cases, to generate external grant (and sometimes gift) funding for their research. Research centers also play an important role in educating and training students, both undergraduate and graduate students. In this role, centers may be supported by instructional or general operating funds, since not all aspects of this educational function can be supported by funded research grant. Centers also provide access to specialized facilities to conduct interdisciplinary research, scholarship, technology transfer, and economic development. While it is desirable for research centers to be nearly self-supporting from grants, contracts and gifts, most centers cannot be entirely self supporting because of the educational, interdisciplinary, and scholarly roles they play. In addition, the process of developing proposals and applying for grants, developing responses to RFPs and, where appropriate, developing cases for gifts, cannot be supported by grant, gift, or contract funding. Writing a grant proposal (and conducting the preliminary research for the proposal in many cases) cannot be supported by another grant. Similarly, providing training for undergraduate or graduate students may not be fully supported by grants. It is necessary, therefore, to define a threshold for campus/university support for centers that allows for those activities. Beyond this threshold, the center should be supported by the research funding received to support the center's mission. In most cases, support for a portion of the salaries of the director and some staff who are involved in grant development will be required for these purposes. If necessary, general operating funding beyond this threshold could then be phased out over some period of time that would minimize disruption of the research programs of the center. This threshold will vary with the particular purpose of the center and probably cannot be generalized across one campus or all four campuses.

Long term funding for research centers that constitutes this threshold will need to include funding for:

- a. The Center director's time to oversee and advance the center activities;
- b. Administrative staff to help faculty with administration of their grants and contracts, and general secretarial and other clerical support;
- c. Technical staff to help faculty with their lab work in many cases;
- d. Operating funding (E&E) for miscellaneous office supplies not covered by grants;
- e. Travel to meet with funding agencies; and
- f. Graduate student support for generating preliminary results to write proposals and give graduate students appropriate education and training.

Funding for a, b, d, e, and f, for future and some current grants cannot be supported by current grant and contract funds. Support for technical staff should be included in proposals in many cases, hence, costs for c may be partially or fully recovered, which would provide additional support to the center. Costs for f are critically important in order to sustain and increase our external funding, and ensure a healthy pipeline of technology necessary to meet the aggressive UM System goals for licensing revenue. Some universities are funding from internal sources the initial research needed to apply for DOE Innovation Hub grants, for example, which can put them ahead of UM System campus if we do not fund this sort of developmental research, prior to

applying for grants. Research centers are well positioned to lead UM System campuses in the efforts to obtain these grants and engage in potential technology transfer, but initial investments will be needed to do this.

It would be desirable to agree on a university-wide upper threshold for general operating support and a target date for reduction of support to that level on all campuses. The proposed threshold criterion, which should be discussed and modified, if necessary, by the president and chancellors (and possibly provosts), and agreed among all the campuses, would be as follows:

Centers identified as primarily research centers should be largely self-supporting by grant, gift, contract or other external sources of funding. Such sources, based on a three-year running average, should meet or exceed a ratio of 3:1 with respect to general operating funds in the center. F & A or other indirect funds can be considered in this calculation.

We would propose that centers be given a three-year period to meet this criterion, if the university general operating budget situation permits this, with reductions in the center general operating funds budgets each year until the threshold is met in three years. It should be noted that where the primary general operating budget of a center or institute includes the salaries of tenure track and/or tenured faculty, the fraction of the faculty member's time devoted to the center should be used in these calculations, rather than full salaries.

Outreach/Service/Extension Centers

Some centers and institutes on each campus have missions that are primarily service, extension or outreach oriented. They are interdisciplinary and often conduct research and/or do contract work, but they also have a definite mission to serve the state of Missouri. Legislators and citizens of Missouri have expectations that these units will provide service, often at no or minimal charge, and will be supported by the general operating budget of the university in order to do this. As a result, requiring these centers to have a minimum level of external funding could be counterproductive to the mission of the University of Missouri. It would be desirable, however, to expect external support for those activities that are not primarily extension, outreach or service to the state of Missouri or the campus's local or regional location. In these centers, we should expect that the service/extension/outreach activities would be supported either by extension funds or general operating funds, depending on the activity, and that other activities be self supporting within three years, and remain self supporting, as with primarily research centers. This leads to the following criterion for extension, service and outreach centers:

Centers identified primarily as extension, outreach or service centers should be supported with extension or general operating funds for those purposes, and should be subject to budget reductions at the same level as other academic units to the extent allowed by relevant legislation, especially in relation to extension.

This criterion will require analysis of the budgets of such centers to determine the categories of funding/activity, but this is generally done for external funding purposes anyway so should not be overly burdensome in most cases. If the external funding received by a unit is relatively trivial, it should be treated as a fully extension/outreach/service center, so as not to have the budget analysis be more costly than the potential savings.

Academic Support Centers

Academic support centers are those, such as advising centers, math and writing centers, and other units that are created and supported to assist our students in their academic programs across the campuses, not specific to any particular major or discipline. These are likely to be supported with general revenue funds, but may also receive support from grants, gifts, or student fees. These centers in most cases should not be self supporting, unless they are intended to be fully grant or fee-based.

Fee-Based Centers

Some centers provide services to the public for fees and may also receive grants or contracts to provide some of these services. If a center is primarily fee based, it should be self supporting. If a center's funding is based on both fees and external grants and contracts, then that portion of the center's activities should be treated like a research center. The criterion for a fee-based center would be similar to a service/extension center:

Centers identified primarily service centers supported by fees should be self supporting. That portion of the budget of these centers that is supported by fees and other external funding should meet or exceed a ratio of 3:1 with respect to general operating funds, as with research centers.

This criterion may similarly require budget analysis, and if the external funding received by fee-based centers is relatively trivial, it should be treated as a fully fee-based center and be self-supporting, so as not to have the budget analysis be more costly than the potential savings.

All Centers

Some centers may not fall clearly into one of the above categories. The general criteria for budget reductions related to these centers build on the criteria above:

- If a center fits into more than one center type, that portion which is externally funded should generally follow the 3:1 ratio guideline mentioned above.
- All centers should support the mission of the university and the campus. If a center's mission does not support the campus and university strategic plans, any general operating funds received by the center should be phased out over a reasonable period of time, not to exceed three years, based on its activities and funding. If a center in this situation revises its mission and activities in order to meet this criterion within six months, at the discretion of the campus leadership, it could then be treated as a center of the appropriate type above.

Summary of Criteria

- A center identified primarily as a teaching unit with a budget consisting primarily of full or fractional salaries of faculty who teach in academic programs should be treated as an academic program for budget evaluation purposes.
- Centers identified as primarily research centers should be largely self-supporting by grant, gift, contract or other external sources of funding. Such sources, based on a three-year running average, should meet or exceed a ratio of 3:1 with respect to general operating funds in the center. F & A or other indirect funds can be considered in this calculation.

- Centers identified primarily as extension, outreach or service centers should be supported with extension or general operating funds for those purposes, and should be subject to budget reductions at the same level as other academic units to the extent allowed by relevant legislation, especially in relation to extension. As with research centers, external funds should meet or exceed a ratio of 3:1 with respect to general operating funds.
- Centers identified primarily service centers supported by fees should be self supporting. That portion of the budget of these centers that is supported by external funding should meet or exceed a ratio of 3:1 with respect to general operating funds, as with research centers.
- If a center fits into more than one center type, that portion which is externally funded should generally follow the 3:1 ratio guideline mentioned above.
- All centers should support the mission of the university and the campus. If a center's mission does not support the campus and university strategic plans, any general operating funds received by the center should be phased out over a reasonable period of time, not to exceed three years, based on its activities and funding. If a center in this situation revises its mission and activities in order to meet this criterion within six months, at the discretion of the campus leadership, it could then be treated as a center of the appropriate type above.

A comment should be made in regard to the 3:1 ratio criterion. There can be cases where the educational, economic or social benefits of the center are such that the 3:1 ratio could be adjusted appropriately. Such an adjustment would require approval at the level of the chancellor.