

Subject: Difficult decisions

Date: Wednesday, April 15, 2020 at 2:47:22 PM Central Daylight Time

From: UMKC Chancellor

To: UMKC-MCOM-UMKC Faculty (fac, regardless of rank or status), UMKC-MCOM-UMKC Staff (all staff, including UMKC Foundation)



April 15, 2020

Dear UMKC community,

Yesterday, President Choi wrote to us about the urgent need to plan for significant financial challenges facing our university system as a result of the many impacts of COVID-19. We want to share more details and enlist your urgent support in tackling the difficult decisions facing UMKC.

We need to take immediate action to address shortfalls for the remainder of FY20, which ends June 30, 2020. While we don't yet know the precise toll, we anticipate that in the short term we will face \$10 million to \$15 million in net lost revenue. That represents the estimated total loss in three areas:

- Refunds for student housing, dining and selected other fees as students moved to finish the semester online from home.
- A withhold in state funding as leaders grapple with COVID impacts to the state of Missouri.
- Losses due to cancellations of events, conferences and other revenue-generating activities on campus this spring, as well as additional costs to safeguard campus during the pandemic.

We are grateful for the funding provided by the CARES Act, and half of that relief is already included in the net numbers stated above. The other half of this aid is federally directed towards helping our students and cannot be used to offset our losses.

All academic and administrative units will receive specific guidance this week on targets for reducing spending between now and the end of FY20 as we all contribute to the task of solving this financial gap. Our plan for FY20 revisions must be solidified by April 30.

Here are other immediate actions that have been or will be taken:

- The Chancellor's cabinet and all deans have agreed to take a 10% pay reduction.
- We will freeze all hiring, salary increases and reclassifications that do not meet strict, established criteria.
- We will ask unit leaders to identify savings across their divisions, which will include the consideration of furloughs or layoffs.
- We will reduce non-compensation spending through June 30 from all unit operational accounts — including faculty research accounts unless externally grant funded.
- We will continue to limit execution of new leases, contracts or purchase orders. We will review all current contracts for necessity and value.
- We will continue our additional review processes when expending larger amounts.
- Summer courses must generate net revenue; if not, courses may be cancelled or instructor compensation will be pro-rated.
- We will freeze all travel, travel-related expenditures and spending on food.

We know these decisions will not be easy, but they are essential if we are to survive and thrive in the future. With limited reserves to buffer us against the hard times, we must rely on smart decisions and sacrifice within each unit to help us resolve the gap in our revenues for FY20.

That's the first step. We will soon share more details on planning for the expected challenges of FY21 and we'll share a new initiative aimed at boldly restructuring UMKC for future growth, investment and stability.

In closing, we want to acknowledge and recognize your tremendous efforts to guide our campus safely through the many challenges of this pandemic, challenges not only to our health but to our academic mission, our economy and our way of life. This university was founded in response to hard times in the midst of the Great Depression. And throughout our history, our faculty, staff and students have demonstrated tremendous resolve, resilience and, yes, hope. We have never needed those traits more as we continue toward our goal of excellence in the pursuit of learning, research and service despite the trials we face today. We know we can do this. Together.



C. Mauli Agrawal, Ph.D.
Chancellor

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