

University of Missouri System

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Board News

The following resolution was approved at the Board of Curators' July 18-19, 2002 meeting.

RESOLUTION

WHEREAS, the University of Missouri acknowledges that the State of Missouri has had to make tough choices in balancing the state's budget due to a struggling national economy and declining general operating revenues in Fiscal Year 2002 and foresees the possibility that the fiscal situation may continue in Fiscal Year 2003 and beyond; and

WHEREAS, Missouri's public colleges and universities contribute significantly to the state's long-term economic health and the standard of living of all of the state's citizens and prepare highly educated, technologically competent individuals to lead the growth of Missouri's economy; and

WHEREAS, public higher education's share of the state budget declined from approximately seventeen percent in Fiscal Year 1989 to less than twelve percent in Fiscal Year 2003; and

WHEREAS, the people of Missouri have been disadvantaged by disproportionate withholdings and vetoes of state funding for public colleges and universities amounting to thirty-seven percent of the state budget shortfall in Fiscal Year 2002 and resulting in a \$154.3 million funding reduction to the University of Missouri System; and

WHEREAS, total reductions to public four-year institutions' operating budgets in Fiscal Year 2002 amounted to \$153 million, plus \$133 million in capital withholdings; and

WHEREAS, the state has reduced the higher education core budget by ten percent for Fiscal Year 2003, amounting to a \$46 million reduction in funding for the University of Missouri System; and

WHEREAS, state funding reductions have slowed progress in achieving educational excellence, caused damage to Missouri's public colleges and universities, and jeopardized the long-term economic health of the state; and

WHEREAS, state funding reductions have impaired the University's ability to carry out its unique statewide teaching, research and outreach missions and forced the University to initiate a voluntary early retirement program which will result in the elimination of more than 400 faculty and staff positions, freeze employee salaries, suspend or reduce academic programs, reduce reserves below prudent levels, and curtail essential medical and other services to Missourians (see addendum for additional consequences); and

WHEREAS, state funding reductions have required the University to increase undergraduate educational fees by 14 percent in the new academic year in order to make up a portion of the overall reduction in state appropriation; and

WHEREAS, further state withholdings and reductions in Fiscal Year 2003 may necessitate further educational fee increases, lead to enrollment caps in high priority programs, require significant program elimination and reduction, and jeopardize the University of Missouri's efforts to prepare the state's future workforce, advance the state's economic development goals, and elevate the state to national leadership in the Life Sciences; and

WHEREAS, the University has accelerated its efforts to sustain critical programs by seeking alternative sources of income such as private gifts and federal grants and contracts, building the endowment, employing technology to achieve greater efficiency and productivity, reviewing organizational structures, cutting costs through consolidation and outsourcing where feasible, increasing instructional productivity, and creating strategic public/private partnerships:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Curators urges the Governor and the Missouri General Assembly to avoid further withholdings and reductions in Fiscal Year 2003 that could further damage the viability, quality and excellence of Missouri's public colleges and universities; and

BE IT FURTHER RESOLVED, that the Board of Curators urges the Governor and the Missouri General Assembly to act on behalf of the future of higher education by approving funding for higher education in Fiscal Year 2004 to repair the damage that has been sustained because of Fiscal Year 2002 withholdings and reductions and Fiscal Year 2003 reductions; and

BE IT FURTHER RESOLVED, that the Secretary to the Board of Curators cause this resolution to be spread upon the minutes of this meeting and that a duly inscribed copy thereof be provided to the Governor and the General Assembly.

ADDENDUM

Consequences of the current fiscal situation for the University of Missouri:

1. The University's capacity to build a 21st century life sciences program in concert with the state's effort to become a leader in the life sciences has been severely damaged. UM will be unable to hire outstanding faculty/researchers for the new life sciences center at UM-Columbia and will be forced to delay plans to construct or renovate laboratory space on all UM campuses.
2. Access to UM programs delivered off campus throughout the state is threatened. These programs meet clear state needs for educational programs and services required by Missouri citizens.
3. Further cuts will require the University to cap enrollment in selected programs at a time when enrollments are reaching record levels.
4. Faculty and staff positions are being reduced through an early retirement program designed to shrink the size of the work force. As a result, fewer class sections will be available and students will have limited access to courses needed in order to graduate.
5. The University will lose valued faculty members to universities in other states that can offer competitive compensation.
6. The University may have to continue to raise student fees over a period of years just to make up a portion of the budget shortfall. Higher fees restrict student access to their own state's university.
7. The University will reduce basic student services at a time when student enrollment is growing and students need increased support to complete their academic goals.
8. The University's mission to prepare health care professionals to practice in Missouri has been reduced during a time of high demand. The demand for well-trained medical professionals will only become more acute as time passes.
9. Inadequate funding is having a serious impact on the capability of University Hospitals and Clinics to provide safety net services and specialty medical care throughout Missouri.
10. The University has reduced its maintenance and repair budget by 17 percent for two straight years. Failure to keep up with maintenance and repair will make it more expensive to catch up. The University is losing the ground made up in the 1990s when we wiped out our backlog of projects.
11. If the University has to reduce reserves below prudent levels to meet budget shortfalls, the effect could be to adversely affect our ability to issue bonds for major construction projects at favorable rates.