

## Spectrum

Volume 26, Number 4, July 1999

### Board of Curators asked to consider new strategic plan

UM President Manuel Pacheco July 16 asked members of the Board of Curators for their questions and suggestions related to a new long-range Strategic Plan developed by him, the UM vice presidents and the campus chancellors.

Since the completion of UM's five-year plan in June, 1997, the University has operated without a system-wide long-range plan, even though campus plans have been created and implemented.

In December of that year, Pacheco appointed a Strategic Planning Steering Committee consisting of the president, the chancellors and the vice presidents. Since then, the Steering Committee "has worked diligently to formulate" a comprehensive strategic plan for the University of Missouri System, Pacheco said.

In presenting the report for review and comment, Pacheco noted that, in September, he will offer a final plan for the Board's approval. (The final plan will be introduced at the Sept. 2-3 meeting of the Board in Portageville.)

Pacheco noted that, also in September, he will present a Resource Plan to the Board that will be based on the planning assumptions presented on pages 23 and 24 of the draft Strategic Plan. (The draft may be found on the internet at <http://www.system.missouri.edu/urel/main/second/ur/sp799.htm>).

The plan outlines a set of strategic objectives that can be accomplished within the next three to five years, Pacheco said, and is structured around four priorities critical to the University's success:

- Student learning and achievement
- Program access and quality
- Research and scholarship
- Response to state, national and international needs

The draft Strategic Plan is consistent with campus planning efforts, Pacheco said, and is fully consistent with the University's Mission Enhancement priorities.

The Strategic Plan is essentially an "action performance plan," Pacheco noted, and, as such, it identifies action steps and performance measures of progress in the four priority areas. "Most of the performance measures are already available and the measurement tools are already in place," Pacheco reported. In some cases, the relevant data are already being collected, he said.

The chancellors, as members of the Steering Committee, have been heavily involved in the formulation of the Strategic Plan and have had the opportunity to link campus strategic planning

to system-wide planning. Every effort has been made to mesh campus and system planning, he noted, and, following approval of the final draft of the Strategic Plan, "I will ask the chancellors to review campus plans to ensure they are consistent."

Pacheco said the draft Strategic Plan has been discussed with the Intercampus Faculty Council and has been shared with student representatives on each campus, "though this should not be taken to imply endorsement of the draft plan by either faculty or students."

The plan is viewed as a dynamic document that will evolve and change in response to shifts in the internal and external environments. "As we implement the plan, it will be important to ensure that opportunities are provided for all stakeholders to become engaged," Pacheco said.

Curator John Mathes complimented Pacheco for the "excellent" planning effort and emphasized the importance of integrating technology in curricula to enrich the teaching and learning experience, one of the teaching goals. The University's planning efforts are "timely," he said, and necessary if the University is to compete successfully with other providers who are using technology to deliver educational services throughout the world.

Pacheco suggested that the UM System is "best prepared" to serve all Missourians because of the University's statewide presence, including Outreach and Extension staffs in each of the state's 114 counties.

UM Vice President for Academic Affairs Steve Lehmkuhle described the competitive situation as a "motivator for cooperation." He said faculty and administrators recognize that institutions no longer have a geographical monopoly. "Brand-name institutions will be in our back yard," he said, which will require thinking about "how we can cooperate across the UM System. This is one way technology is changing the education landscape."

Curator Malaika Horne observed that one of the performance indicators would measure the number of undergraduate courses taught by regular full-time faculty members.

Lehmkuhle said that such efforts are already underway as part of the University's Mission Enhancement initiative and provide an example of coordinated planning. Board President Paul Combs lauded the planning initiative, but emphasized that the more difficult step of implementation will require the Board's support.

## **Report examines UM fee structure**

Fee increases in the 1990s have significantly raised the real cost of attending the University of Missouri despite heavy discounting across the four-campus system, according to a report reviewed by the Board of Curators at its meeting July 16 in Columbia.

The report prepared by the UM System's Office of Budget and Analytical Studies is the most comprehensive study of fee structures since 1991. That report led curators to adopt a five-year plan to increase fees and direct new revenue to faculty salaries, financial aid, and physical facilities.

The curators' current policy is to raise fees only by the rate of inflation. Curator Malaika Horne of St. Louis said the fees report "raises a lot of interesting issues for us to think about." None of the curators has advocated a change in the policy of limiting increases to the cost of inflation.

The report examined five factors relating to the structure of educational fees: market comparisons, the reliance on fees for operating revenue, growth in fee discounting, complexity, and rate of increase. Its conclusions:

- Comparisons show that the University's educational fee rates, in general, are now moderately high in comparison to peer institutions and that the comparative cost difference between the University and its less expensive regional competitors is widening.

For example, UM-Columbia, with an annual "sticker price" of \$4,439 for resident undergraduates, is above the mean price of \$3,978 for selected public AAU peer institutions. Similarly, UM-Rolla's \$4,950 fee is above the average of \$4,255 among AAU institutions with engineering programs. UM-Kansas City (\$4,421) and UM-St. Louis (\$4,636) were compared with a peer group of urban universities that had a mean sticker price of \$3,639. At the undergraduate level, prices at the UM campuses were generally in the top half of their respective peer groups, while graduate level sticker prices were generally in the middle.

- The University has seen a dramatic increase in its reliance on student fee revenue and a proportional decrease in reliance on state appropriations. At UM-Columbia, state appropriations accounted for 64 percent of general operating revenue in Fiscal Year 1988, but that percentage dropped to 54 percent by FY1998. The other three campuses saw similar decreases in percentage of operating revenue provided by the state.
- The University's rate of discounting is relatively high compared to its peers and has increased dramatically in the recent past. The discount rate—the average difference between what is charged and what students actually pay—is now 26 percent at UM-Columbia and UM-Rolla; 23 percent at UM-Kansas City; and 10 percent at UM-St. Louis. The AAU average rate is 15 percent. Overall, UM campuses average 23 percent.

The large increase in the discount rate is attributable partly to the University's five-year financial plan. From FY1993 to FY1997, the University sharply increased educational fees and directed 20 percent of additional fee revenue to financial aid.

- The number of supplemental fees has increased sharply, creating more complex billing statements, and the adoption of a linear (per credit hour) fee schedule might have reduced enrollment at residential campuses. In 1979, the University charged no supplemental fees; in 1999, however, it charges nine different ones. Additionally, since the University adopted a per-credit hour system in 1985, switching from a "plateau" system that charged the same fee for a range of hours (such as 12 to 17), the percentage of undergraduates enrolled in 15 credit hours or more has dropped at all campuses.
- The Higher Education Price Index has increased more rapidly than the Consumer Price Index, primarily because of increased costs for library acquisitions, professional salaries, and benefits. More than half of HEPI is derived from salaries and benefits.

Because HEPI increased more rapidly than the CPI, the University has become relatively more expensive for the average Missouri family. From 1974 to 1990, resident undergraduate fees amounted to about 4 percent of a Missouri family's income. Today, they are about 8 percent of median income.

"The discounted price on average has increased by only 1 percent, but, of course, not all of the discounts are based on need," said Steve Chatman, a UM System analyst who co-wrote and presented the report.

UM President Manuel Pacheco said possible changes in the University's fee structure are "very much under discussion" and will be presented to the Board in September as part of a resource allocation plan. For a copy of the full report, contact UM System University Relations, (573) 882-4591.

### **UM Budget for FY 2000 confirmed, request approved for FY 2001**

The FY2000 operating budget, which was approved by the UM Board of Curators at its May meeting and which took effect July 1, was confirmed when Gov. Mel Carnahan signed the funding legislation June 22, UM President Pacheco reported to the Board July 16.

The operating appropriation signed by the Governor totals \$417.87 million in recurring funds for general operations of the University. It includes \$15 million for the second year of Mission Enhancement and \$7.8 million for inflation. The General Assembly added \$835,000 for other improvements, including \$460,000 for benefits for employees of county extension councils, \$225,000 for the Sue Shear Institute at UM-St. Louis, \$100,000 for the Greenley Center for UM-Columbia and \$50,000 for the Optometry School Eye Clinic at UM-St. Louis.

The increase in state appropriations for general operations is \$23.6 million, or approximately six percent, most of which is "earmarked" and the remainder of which will be distributed largely as across-the-board \$400 salary increases and in support of the University's share of increased health care premiums.

The Board also approved the University's appropriations request for operating funds for FY2001, which will be submitted to the Coordinating Board for Higher Education, the Governor and the 2000 session of the General Assembly.

The request is for \$43.45 million more in recurring state funding—an increase of 10.4% on this year's base budget of \$417.87. It assumes a \$37.4 million increase, to cover the cost of inflation, estimated at 4.18 percent. (That request includes four percent for salaries, an eight percent increase in the cost of related staff benefits and a three percent rise in the cost of equipment and operating expenses.) The state would be asked to provide \$24.2 million of that amount.

The request for state funding also includes \$1.07 million for costs of operating new and renovated buildings, \$5.9 million for the UM-Kansas City School of Medicine, \$11.7 million for the UM-Columbia School of Medicine and \$580,000 for System-wide e-mail services.

The request for Mission Enhancement funding totals \$20.35 million.

The FY2001 operating request also includes \$4.8 million for inflationary and other increases for other Curator programs, including MOREnet, the State Historical Society, the Missouri Kidney Program and the Alzheimer's Research Program.

**FY2001 APPROPRIATIONS REQUEST**

	<b>State Funds</b>	<b>Non-State Funds</b>	<b>Total Funds</b>
<b>FY2000 Recurring Core Budget</b>			
General Operating	\$417.87	\$311.51	\$729.38
Designated	-	164.42	164.42
<b>Total</b>	<b>417.87</b>	<b>475.93</b>	<b>893.80</b>
<b>FY2000 Increase Requested: Core Budget</b>			
Inflation Related Adjustment @ 4.18%	24.20	13.20	37.40
Operating New & Renovated Buildings	1.07	-	1.07
UMKC School of Medicine	5.90	-	5.90
UMC School of Medicine	11.70	-	11.70
System-Wide Email	.58	-	.58
<b>Total Increase in Core Budget</b>	<b>43.45</b>	<b>13.20</b>	<b>56.65</b>
<b>FY2001 Request for Recurring Core Budget</b>	<b>\$461.32</b>	<b>\$489.13</b>	<b>\$950.45</b>
<b>Percent Increase in State Funds</b>	<b>10.40%</b>		

**FY 2001 capital request okayed by Board**

The Board of Curators approved the FY 2001 capital appropriations request at its Sept. 16 meeting.

The request includes \$93.4 million for priority rehabilitation and new construction and \$1.1 million for engineering equipment at UM-Columbia and UM-Rolla. The FY 2001 capital request approved by the Board also includes a special "state issues" request for \$1 million.

This would cover design fees for an addition and renovations to McKee Hall, at UMC, to prepare the building for occupation by the State Historical Society.

**Curators vote one percent pension increases**

The Board of Curators voted July 16 to approve a one percent pension increase for all retirees in pay status as of Aug.1, 1997. The increase will become effective Sept. 1, 1999.

Increases in pension payments are determined year by year by the Board of Curators. The practice has been to compute retiree pension adjustments as the lesser of (1) the cumulative Consumer Price Index or (2) the cumulative two-thirds of increases for active employees.

Because of the modest level of salary adjustments available for active staff in FY2000, Ken Hutchinson, UM Vice President for Human Resources, and UM President Manuel Pacheco recommended a departure from the normal formula.

As a result, the increase for retirees will be roughly equivalent to that for active staff members.

### **Curator Connie Silverstein takes place on UM Board**



Curator Connie Hager Silverstein

Until last December, Connie Hager Silverstein lived a busy, successful life—largely unaware of the University of Missouri System Board of Curators. Then one day she received a call from UM-St. Louis Chancellor Blanche Touhill, who told Silverstein she was being considered for an appointment to the UM Board. A graduate of UMSL, Silverstein was told her service on the UMSL School of Business Administration Advisory Board led to her nomination.

At first she was puzzled by the nomination. "I wasn't politically active - all I've been doing is working at Edward Jones and raising my daughter," Silverstein said.

She made a phone call to Curator Malaika Horne, whom she had not met, to find out what it means to be a member of the Board of Curators. "She said it is a lot of work, but important work, and a great way to give back to the state," Silverstein said.

After enduring the long selection process of personal interviews and background checks by the Governor's office, Silverstein says she was in the dentist's chair when the Governor's office

called to say she had been selected. "The first people I shared my big news with were strangers," she said.

Silverstein, a St. Louis native, has a history of taking on new ventures. An exceptional student who skipped grades, her outstanding record in high school led teachers to recommend she attend a four-year college, something no one in her family had done before.

"My family had no experience with attending college. I didn't know how to approach applying, or how it all worked," Silverstein said. In the end she chose the University of Missouri-St. Louis "because of its value."

She majored in political science and worked full-time at a Schnucks grocery store, but still managed to graduate in three years. She credits faculty members at UMSL with pointing her in the direction of law school. "Law schools in the 1970s were actively recruiting students, especially women," Silverstein said. "I was influenced by many women attorneys, including former state Rep. Sue Shear, who talked to UMSL students about careers." She attended Washington University and she was able to continue working at Schnucks until she graduated in 1979.

She said she originally planned to be a criminal lawyer, but decided she was not comfortable with the prospect of representing clients regardless of their guilt.

After graduating from law school she worked for a small real estate consulting firm for four years before accepting a position with Edward Jones in 1983. She started out doing legal work in the Limited Partnerships department, and after five years she became a principal, or director of the department. Edward Jones is a partnership, not a corporation, Silverstein explains. "It's a flat organization." Managers are called principals and employees are associates.

In 1994 she became the first woman named to the firm's management committee, a group of 15 principals who serve as key advisers to the managing principal.

From 1988 to 1993, Silverstein's primary responsibilities were in the Product Development and Customer Segments departments. She expanded the firm's customer base by creating and implementing investment products and services and marketing them to particular segments of the population.

She also developed and promoted a program that delivered continuing education courses to CPAs in small towns, which she said allowed her to experience a lot of Missouri. "I've been to many, many Missouri towns—places like Shelbina and Chillicothe—to give presentations," she said. Under her direction, training and continuing education courses are now broadcast to Edward Jones offices using a satellite system.

In 1993, Silverstein moved from Customer Segments to lead the firm's recruiting and sales hiring areas, and in 1994 she became responsible for all of the firm's market development efforts. As principal of the department, she was responsible for recruiting, interviewing, hiring, placing and

training Edward Jones investment representatives to run the firm's branch offices across the country.

Silverstein's latest challenge at Edward Jones came in 1997 when she was asked to create Edward Jones' new Banking Services division. This area will offer a wide range of banking services from overdraft protection, electronic bill paying and credit cards to full service accounts, customer loans and first mortgages.

Silverstein says although it is one the biggest financial services organizations in the U.S., Edward Jones now operates differently from most Wall Street powerhouses. Founded in 1871, until the 1950s the firm was largely typical of most New York Stock Exchange firms — representatives based in a St. Louis office traveled the countryside looking for business.

In 1948 Edward D. "Ted" Jones Jr., son of the firm's namesake, returned to work in the family business after studying agriculture at the University of Missouri-Columbia, and doing a stint on Wall Street. While working his territory in rural Missouri and Illinois, he began experimenting with the concept of locating branch offices in communities outside St. Louis.

In 1955, he hired a representative for Mexico, Mo., and with the opening of the first branch office, began bringing "Wall Street to Main Street" in communities across the country. Edward Jones now has 300 branch offices in Missouri, each with a broker and assistant and 4,000 offices in all 50 states. The firm also has 150 branch locations in Canada and eight in the United Kingdom — with 30 locations expected to be opened in England this year.

"I have been at Edward Jones for 16 years, but it seems like 16 months," Silverstein said. "It's been fun, I get to wear a lot of different hats, and do a lot of interesting things." As a member of the firm's management committee, she says, she has faced many of the same issues facing the University of Missouri System — health care costs and expanding technology, for example.

She also points out that her experience with Edward Jones leads her to consider the University from an employer's point of view - and causes her to be aware of how UM policy influences the work force in Missouri. As a major employer in St. Louis and the state, Edward Jones hires a large number of UM graduates.

"The connections between Edward Jones and the University of Missouri are extensive," she says. "UM graduates work in all parts of the business."

Ranked number 11 in January in *Fortune Magazine's* 100 best companies to work for in America, Edward Jones and the management team Silverstein serves on apparently have established successful operating policies that could enhance Silverstein's role on the University's governing board.

Silverstein is the working mother of a daughter, Brittany, age 13. She said Edward Jones is very supportive of families, enabling her to be fully involved in her daughter's life while at the same time accepting more responsibility for the company. "Whenever I've had a conflict between an important meeting and an important event for my daughter, it was no problem for me to get away



from work to be there for her. My colleagues know and agree that Brittany is my number one priority," she said.

Silverstein says the firm has a long record of involvement in the community and giving back to the state. Ted Jones was a major player in developing the Katy Trail, and John Bachmann, current managing principal of Edward Jones, encouraged her to accept the appointment as UM curator.

In fact, Bachmann suggested to Gov. Carnahan's staff that Edward Jones remove itself from consideration for University business during Silverstein's six-year term on the Board. "John thought it was more important that there would be no conflict of interest or appearance of conflict, despite the significant amount of money that is worth," Silverstein said.

An avid quilter who enjoys hand-piecing traditional patterns, Silverstein also spends what spare time she has between frosts working in her cottage garden.

Although the UM curatorship came as a surprise to her, she is pleased and enthusiastic about the possibilities it holds for her.

"My mother died when she was 49," Silverstein said. "She was a teacher and she

made it clear to me that time here is limited and precious. I knew that taking on this curatorship could possibly hurt or enhance my relationship with my daughter, and I have chosen to use it as a way to expose her to more things."

Brittany, who plans to be a veterinarian someday, has accompanied her mother to Board meetings, and has listened to presentations on many facets of University business an experience Silverstein considers enlightening.

"There is so much going on within the University of Missouri for the state to be proud of," she says. "The University is kind of an epicenter. There are vital programs and research projects going on in every part of it."

Doug Durand, dean of the UMSL School of Business Administration, says Curator Silverstein contributed "timely, insightful and high quality suggestions and comments" as a member of his school's advisory board.

"She has the uncommon ability to delve into the essential aspects of an issue, to raise the most helpful and fundamental questions, and to resolve or address them," Durand said. "She does this while remaining positive, direct, and charming. I would expect similar results from her contributions to the Board of Curators. It is our very good fortune to have someone of her caliber as a curator."

## Pacheco lauds Sunrayce contestants from UMR, MU



UMR's Solar Miner II crosses the line to win Sunrayce 99



UM-Columbia's Sun Tiger IV takes sixth place in Sunrayce '99

UM System Manuel Pacheco complimented the teams from UM-Rolla and UM-Columbia for their first- and sixth-place finishes, respectively, in the fifth biennial "Sunrayce" competition in his report to the Board of Curators at their meeting Sept. 16 in Columbia.

This year's intercollegiate solar-powered car race ended in Orlando, FL, Wednesday, June 30. The race covered five states—Virginia, North Carolina, South Carolina, Georgia and Florida—under consistently cloudy and often rainy skies. This year's 1,452-mile route was the most difficult because of the terrain and inclement weather conditions.

Awards include cash prizes, trophies and an invitation for UMR to compete in the World Solar Challenge in October in Australia. This was UMR's fourth Sunrayce competition and its first win.

Pacheco noted that the race attracts competitors from the finest technological and engineering schools in the nation, some of which have greater resources than does the University of Missouri.

Pacheco saluted the energy, ingenuity and scientific know-how demonstrated by team members "who have attracted such constructive national attention to not just one, but two of our University's campuses.

"Both teams have seen their performance improve through the years," Pacheco said.

"Perhaps two years from now, the University of Missouri will place first and second."

(More details and photos from Sunrayce may be found on the internet at [www.sunrayce.com](http://www.sunrayce.com)).

## **University employees reminded to use sales tax exemption**

UMemployees who stay overnight in Missouri hotels/motels solely for University purposes, and who conform with University travel regulations, may request that Missouri and local sales taxes not be added to their bills. The procedure at the time of check-in is for the employee to present to the hotel/motel management the following three items:

1. A copy of the Missouri Sales and Use Tax Exemption Certificate.

This Certificate can be printed from the web at <http://www.system.missouri.edu/uminfo/trv/tr105.htm>).

The certificate should be signed by a supervisor or department chair and then can be carried with the employees as they travel. This Certificate verifies that the employee is a University employee and is traveling officially on University business.

2. A copy of the State of Missouri Tax Exemption Letter.

This is a copy of the actual tax exemption letter that is issued by the State of Missouri to the University. The letter is available at the web site listed above or, for convenience, laminated business card size duplication is available from campus travel coordinators.

3. University identification card

Employees who travel outside the state of Missouri and stay in hotels/motels may also be exempt from certain federal, state and local taxes. The procedure is the same, to present a copy of the Tax Exemption Certificate, a copy of the Tax Exemption Letter, and the University ID card. In most cases the tax will be removed but there are some facilities that will not waive these charges. In any case, employees should ask for this exemption.

Whether traveling in-state or out-of-state, the exemption from hotel taxes is more likely to be granted to those employees who are using the University MasterCard corporate card. This card clearly states the holder is a University employee and alerts the facility to the University tax ID number. Employees who do not have a corporate card should contact a campus travel coordinator about obtaining one.

Also available is a pocket size booklet containing information on the MasterCard program and University policies. Travel information, including the Missouri sales and use tax exemption and the MasterCard program, is available on UMINFO located at:

<http://www.system.missouri.edu/uminfo/trv>).