

# Town Hall Meeting

University of Missouri

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# Financial Challenges

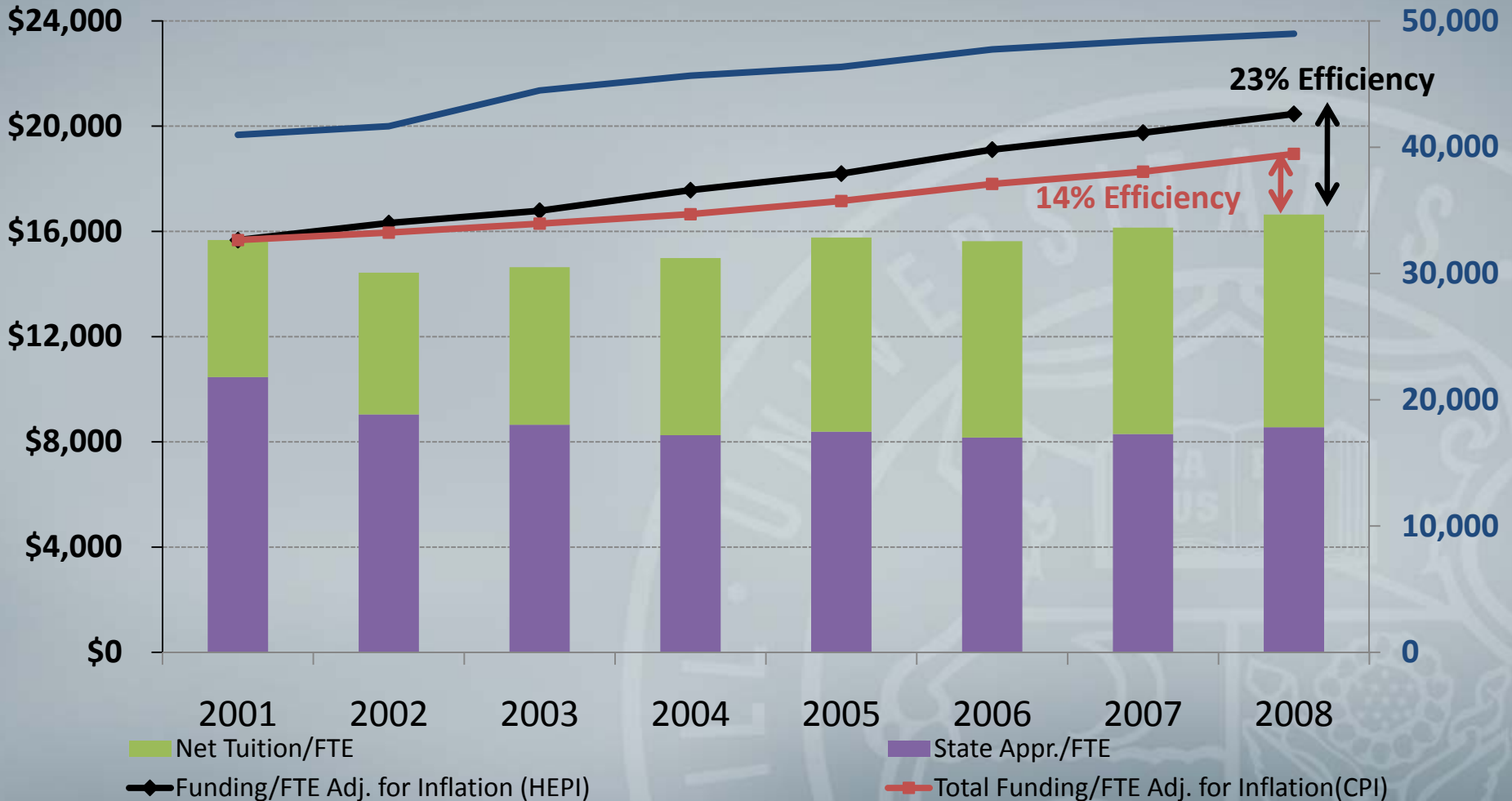
## The “Perfect” Storm



# Complexity of the Numbers

Funding/FTE Student

FTE Enrollment



# Short-Term and Long-Term Actions

Short-term actions to mitigate '09-'10 budget issues	Long-term actions to enhance mission, take on strategic imperatives, protect key resources
Tuition constant in exchange for equal or greater state appropriations	Forecast incremental funding over next 5 years <ul style="list-style-type: none"> <li>•Salary gap</li> <li>•Mission support</li> <li>•Core operations</li> </ul>
Cut 5% to core '09 budget “run rate” as we go into '10	Actions to preserve pension funding
Hiring freeze	Prioritize within mission <ul style="list-style-type: none"> <li>•i.e., support state’s priorities of job creation, economic development, P-20 initiatives</li> </ul>
Salary freeze for 2010 <ul style="list-style-type: none"> <li>•Reviewed, vetted</li> </ul>	Look for areas of longer term reform, restructure, reinvention
Budget revised and actions netted by 3/1	
Contingencies <ul style="list-style-type: none"> <li>•Furloughs</li> <li>•Transition support</li> </ul>	

# Pension Plan Update

- Required contributions calculated annually, projected 5 years ahead
- University contributions have averaged 7% for 30 years
  - Fluctuations ranged from 2-9%
- Plan assets decreased significantly Oct. '07-Sept. '08; decrease continues
  - Current value: \$2.1B vs. \$2.9B
- Situation not a short-term issue – magnitude of decrease will take years to recover
- **Actual and projected contributions:**
  - FY10                      6.12%
  - FY11                      8.80%
  - FY12                      10.70%
  - FY13                      12.20%
- At least **\$50M** in new contributions required

# 5 Actions For Shared Engagement

1. Focus on “outside-in”
2. Ensure the P-20 pipeline is strong, seamless
3. Audit accountability and measurement plans
4. Grow revenue derived from tech transfer
5. Deploy shared service center concept across four campuses, extend offer to higher education colleagues