Presidential Update  
November 14, 2008

*Exciting things happen each day on the University of Central Missouri campus. These periodic updates share important news, recognitions, and progress reports regarding ongoing and new initiatives. These campus updates can be found at* [http://www.ucmo.edu/about/president/letters.cfm](http://www.ucmo.edu/about/president/letters.cfm). - Aaron Podolefsky

**Town Hall Meeting – “Progress at UCM”**

An invitation was sent to the campus earlier today announcing a Town Hall meeting planned for 1 to 4 p.m. Monday, Dec. 1, in the Elliott Union Ballroom. I hope that your schedules will permit your attendance at the meeting where a “draft” of the new university Master Plan will be shared by UCM’s consultants. Updates will also be provided on major university initiatives including the Morrow-Garrison/Student Recreation complex and the potential energy services contract.

**Important Budget Information**

As we see in the daily business news, our economy is undergoing historical changes and downturns. Correspondingly, there is no doubt that Missouri’s revenue picture is not good. Tax collections are down this year compared to the same time last year; and, unfortunately, the current state budget is based on a 2.8 percent revenue growth. It seems unlikely at this point that the state will collect as much money this year as was estimated prior to the budget being passed. However, because of a large fund balance with which the state ended FY08, our sources in Jefferson City seem relatively confident that extraordinary withholdings will not be needed this year.

Next year, FY10, is a different story. The state has a structural budget problem, and some continuing needs have been funded with one-time monies. We were probably going to be in a deficit situation even with normal revenue growth, and, now that the economy and state collections are doing poorly, that deficit situation will be worse.

In response, I expect to be asked to submit impact statements for potential FY10 cuts. In fact, I will be surprised if we aren’t. The last time the state was in this situation, the request was for impact statements outlining 5 percent, 10 percent, and 15 percent cuts. A 10 percent cut in UCM’s state appropriation represents approximately $6 million. At least
half of the states in the U.S. are already experiencing such situations. Of course, we have no idea at this point what cuts or increases will actually be recommended by the governor and passed by the general assembly.

In a situation like this, there are two directions we can go. We can prepare for cuts that may not take place, or we can ignore the possibility of reductions, not prepare, and be caught off guard if they happen. Option two is easier, but it makes no sense to me. This is a risk management issue. There is one small advantage now for UCM – our budget is in balance this year for the first time since I arrived at the university. In my first year, I learned that the budget had been built on a projected enrollment increase that did not materialize, and we began the year with a $1.7 million shortage. After that, I implemented the rule that we budget on the previous year’s actual enrollment, and it has taken three years to get the university back in alignment. This year, finally, our revenue is consistent with (actually, slightly exceeds) our budget. So, at least we are not starting in a hole.

The Cabinet and I spent several hours this week discussing the possibilities, and believe now is a good time to prepare for difficulties in FY10. Discussions will take place throughout campus as we review our options and make our decisions. In fact, since some actions take longer to implement than others, soon rather than later is preferable.

Of course, it is always good to begin with some principles and conceptual frameworks. Our first principle is to recognize that we are an academic institution, and we must maintain quality in our core mission. Quality and reputation that are hard won can be lost in an instant. We will have to be smart in our approach. Second, I ask you to imagine a 2x2 table with “opportunity” and “strategy” being the two headings on one axis and “short-term” and “long-term” on the other. The best box for us to be in is the “long-term/strategic.” It is very hard to be strategic in the short term. Sometimes we have to take advantage of short-term opportunities, but we must always come back to our strategic goals, to our vision and to our values. Third, in my experience in this type of situation, perceived fairness is an important principle to move forward as a community.

I wish I could tell you more about the pending budget situation, but it is too early to know specifics. However, it is prudent to plan for the future, and we will begin to identify the process and timeline.

**Additional Opportunity for Communication**

Beginning last spring, I got the feeling that there was not enough communication on campus, and that there was a thirst to know more. This is universally true when the pace of change is fast. You can never communicate enough – but having 1,400 ongoing conversations with faculty and staff members is a challenge. Last summer I began these bi-weekly president’s updates. Admittedly this is one directional, but I hope you find them informative.
To ensure more and better communication, I have asked Jeff Morris, Assistant Vice President for University Relations, to join our Cabinet discussions and to work with us and others across campus to create a culture of communication and enhanced communications mechanisms – but this is just beginning.

As an element of that, we have implemented another tool to assist with communication, and we are calling it “Questions and Suggestions @ UCM.” Basically it is a Web-based instrument that allows you to write in and ask questions or give suggestions regarding a particular issue or perhaps a rumor you have heard. You will find the link to the site on the faculty/staff portal.

The site is monitored by our staff in University Relations, which will forward your questions to individuals suitable to respond, and the replies will be posted. Of course there will be some rules and limits on questions (for instance, identifiable personnel questions are not appropriate). Please be understanding as we learn and develop this tool. Clearly, answers cannot come back in minutes. I hope you use it.

**Healthcare Alternatives Task Force is Reconvening**

We currently have an interesting opportunity regarding our healthcare benefits. Through our negotiated contract with Blue Cross/Blue Shield of Kansas City, we’ve received some reimbursements from our healthcare provider. Each year, Blue Cross/Blue Shield makes a judgment regarding how much we need to pay in premiums. The company then holds 10 percent in reserve as insurance against our claims. Fortunately, our claims over the past two years have been lower than projected, and we have received a refund each year. We now have nearly $1.8 million in a healthcare reserve fund.

These monies were paid primarily by the institution on behalf of our employees, but I feel it should be used to benefit our faculty and staff. Therefore, in the spirit of shared governance, I am reconvening the Healthcare Alternatives Task Force to review the data, consider our options, and make recommendations regarding the use of these funds. There are a number of alternatives to consider, as well as some recommendations from our healthcare consultant. These options include:

- setting up a health reimbursement account to pay for some portion of faculty/staff/family out-of-pocket expenses;
- paying a portion of premiums;
- promoting wellness initiatives – such as smoking cessation programs – that in the long run would lower our healthcare costs; and
- setting the money aside in an account that would allow the university to become self insured. This was considered last time, but the university would have needed a $2 million reserve to cash flow the plan.

I am going to ask those who served last time to provide us with continuity in our efforts, and am soliciting names from campus constituencies to replace those former members who are no longer with the university.
President’s Commission for a Positive Workplace Environment

I believe it’s important that we have a comprehensive approach to ensuring a positive workplace environment on campus. Therefore, I plan to establish a presidential commission that will develop a strategic plan that focuses on a range of ways to maintain and improve a healthy working environment. I will ask the commission to explore five main areas:

- respect;
- communication;
- physical working environment (small and large);
- organizational working environment (flextime, work schedule, time to volunteer, etc.); and
- salaries/benefits, awards and recognitions.

I will establish the commission at the earliest opportunity, and ask it to focus on what we can do, not those things we cannot. I will solicit names from all constituent groups on campus to ensure everyone is represented.

Campus Security Initiatives

The following is a progress report of the approved campus security recommendations.

**Priority 1: Campus-wide Communication System** - Contractor proposals were submitted from two potential bidders providing Public Safety alternatives to consider in the technical specification preparation of the bid. Public Safety personnel will attend an exposition of similar products later this month and identify and consider technical specifications from additional sources before preparing final bid documents.

**Priority 2: Modifications to Academic Buildings for Shelter-in-Place** - Access Control is currently surveying all academic buildings to determine the number of classroom and office doors that should be fitted with inward swinging doors that can be locked without a key from the inside. This would allow doors to be locked automatically once closed, either when not in use or during an armed intruder incident. Personal safety and property security should be greatly improved with the recommended changes.

**Priority 3: Campus Lighting Improvements** - Sergeant Dan Othic, University Police, is working with a group of students to schedule a night walking tour of the campus to identify additional areas of lighting concerns around academic buildings, residence halls, and in parking lots. The campus lighting project started approximately four years ago, and includes areas of concern that have been identified and placed on the improvement list. Once all the areas are identified, a work order will be submitted to Facilities, Planning and Operations to complete the project.
**Priority 4: Critical Area Security** – Public Safety is in the process of identifying critical areas on campus and the number of doors to install electronic access locks. The locks will be purchased and installed by Access Control.

**Job Outlook for Class of ’09**

The economic turmoil experienced during October, the first month of the 2008-09 college recruiting season, may well have an impact on placement prospects for the UCM 2009 graduating class. The preliminary results of a quick poll of Job Outlook respondents found that approximately one-third of reporting companies (nationally) have changed their hiring plans since August as a result of the negative economic news. Almost all of these have reassessed their hiring needs downward, although a small number of employers expect to hire more graduates than they originally projected according to the National Association of Colleges and Employers.

Although the number of jobs posted with the Office of Career Services dropped 50% during the month of September, the number of employers recruiting on campus has not declined compared to this same time last year. This is likely to be a more challenging year for our graduating students. Students are being encouraged to start the search process earlier and look at all opportunities available.

**Harmon College of Business Accreditation**

UCM received notice that the Association to Advance Collegiate Schools of Business (AACSB) will send a reaffirmation team to UCM Oct. 4-6, 2009. AACSB is the accrediting body for the Harmon College of Business Administration.

**Community Service**

For employees who participated in Homecoming activities, I hope you had an enjoyable time. You may or may not know that UCM’s Campus Activities Office incorporated a community service component to the weekend for our students. Results of the projects are the collection of 4,500 pounds of canned goods for the local food pantry; 400 students each donating four hours of labor to 15 different agencies in Warrensburg; and a blood drive resulting in 361 pints of blood being collected.

**Lambda Alpha Epsilon**

UCM’s Lambda Alpha Epsilon (LAE) recently participated in the 2008 LAE Region III Conference of the American Criminal Justice Association. Of the 29 students participating, 27 students received at least one award. Congratulations to all who participated!
Missouri Department of Transportation Signage

In my last update, I advised that MoDOT notified UCM that the signs reflecting the University of Central Missouri’s new name were finally done and should be installed soon. The new signage has now been installed along Highway 50 and Interstate 70.