

FY2022 UM Operating Budget Update



FY 2022 Planning Assumptions

- Tuition will increase moderately to fund investments in academic excellence
- Tuition alone won't solve competitiveness, we need to do better on our research growth, philanthropy, and public investment
- Each university is expected to submit a balanced budget for approval in June
- Financial outcomes for FY 22 appear to be stabilizing.
- Fall enrollments remain difficult to predict and impact several auxiliary revenue streams
- State Appropriations – stable with additional federal stimulus, long-term challenges remain

Federal Stimulus Has Provided Temporary Relief

\$'s in thousands	FY 2020	FY 2021 (est.)	FY 2022 (est.)
Federal Direct Funding			
Student Aid	\$14,520	\$17,204	\$52,425
Institutional Support	14,520	40,509	51,392
Healthcare	18,246	2,152	
State Stimulus Funding			
Governor's Emergency Education Relief Fund		9,855	
Coronavirus Relief Fund		57,264	
Coronavirus Relief Fund for Remote Learning		3,335	
Federal Budget Stabilization Fund M&R		36,939	
Total	\$47,286	\$167,258	\$103,817

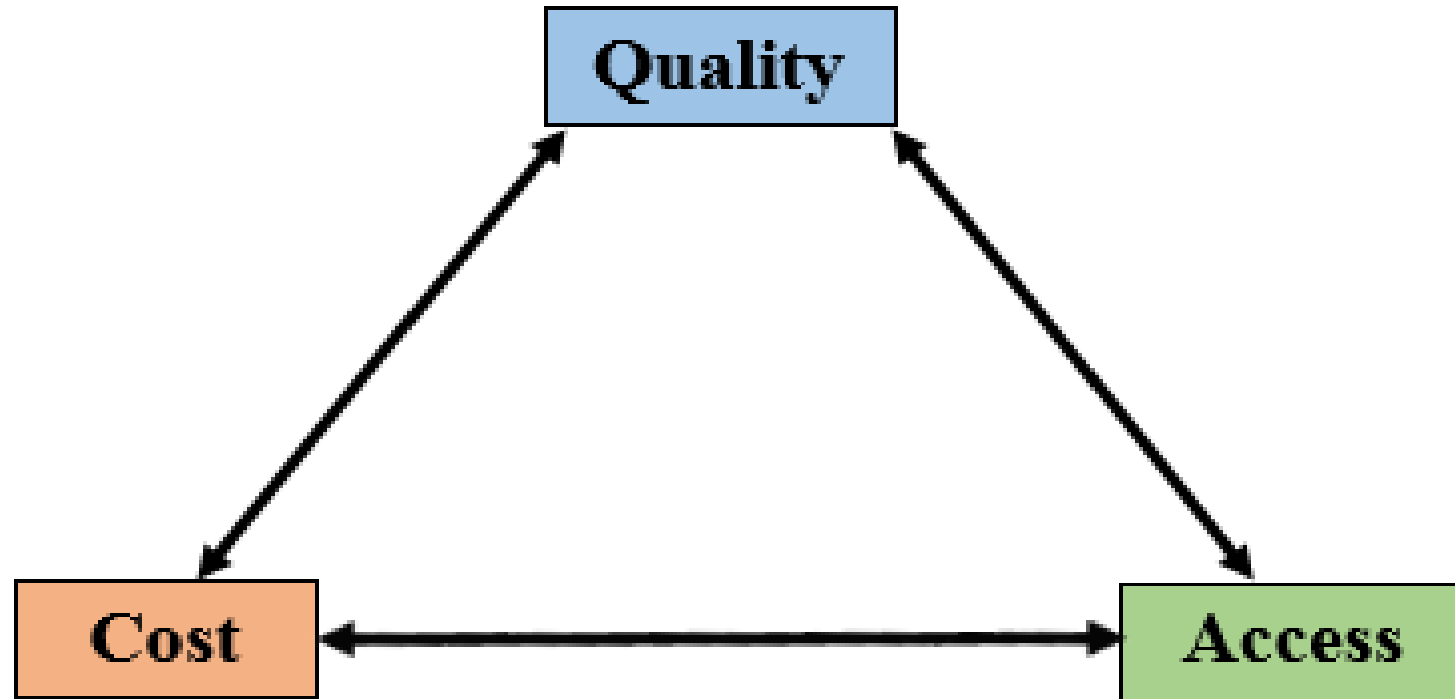
- Support from federal fiscal stimulus has been significant and helped the University
- These funds have been spent on aid to students and increased costs from pandemic
- Even in highest year, funding represents 5% of revenues

Long-term Challenges Remain:

Low financial resources, High access and High quality cannot be sustained

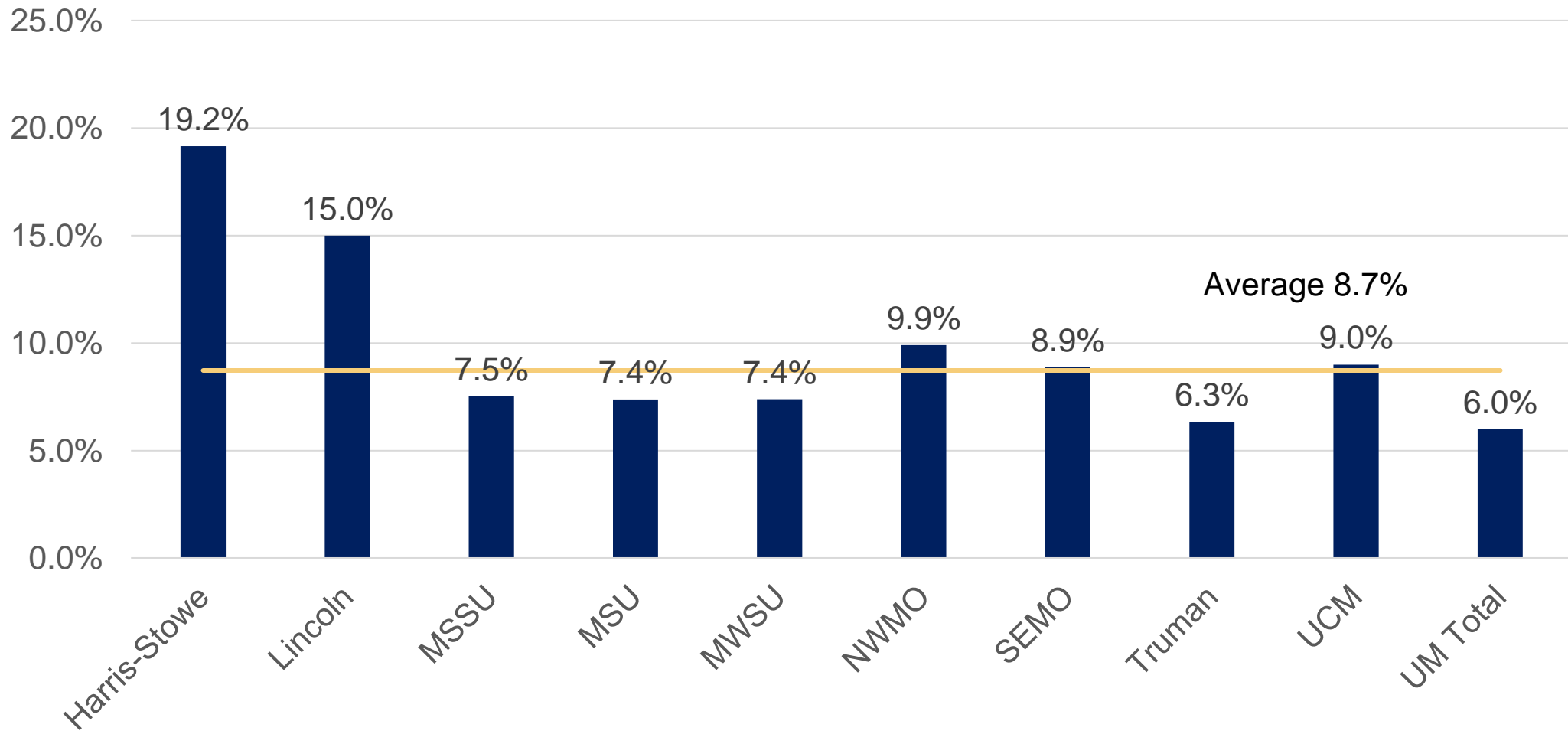
- Missouri has not followed the national narrative, and has hurt competitiveness with surrounding states
- Quality of degree offered cannot degrade as we support access and research missions
- The University has focused on Operational Excellence to solve budget problems, but in the future we must:
 - Grow Top Line Revenues
 - Optimize Pricing
 - Academic Productivity

Low Sticker Prices, Coupled with Low State Support, Limits the Ability for Institutions to Address Both Access and Quality

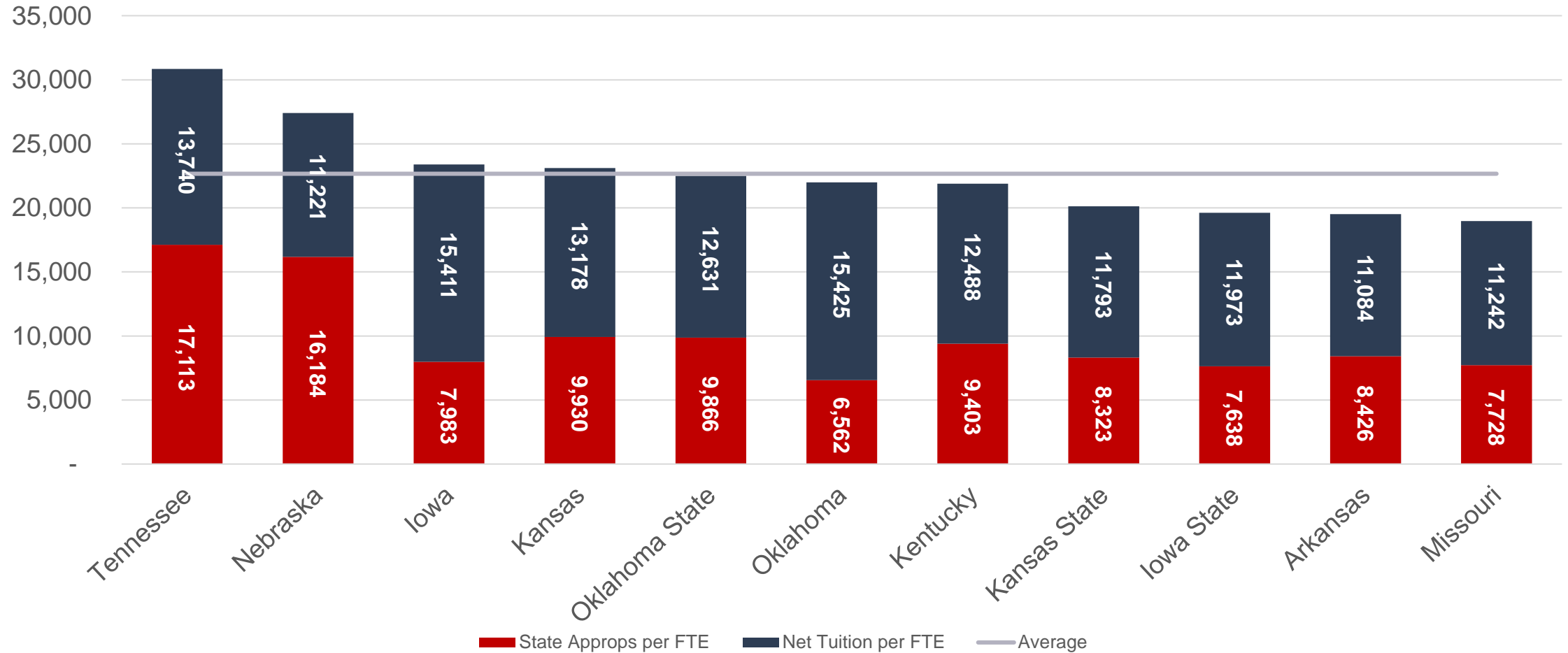


UM Has the Lowest Share of Admin Cost in MO

Administration as a % of Total Spend



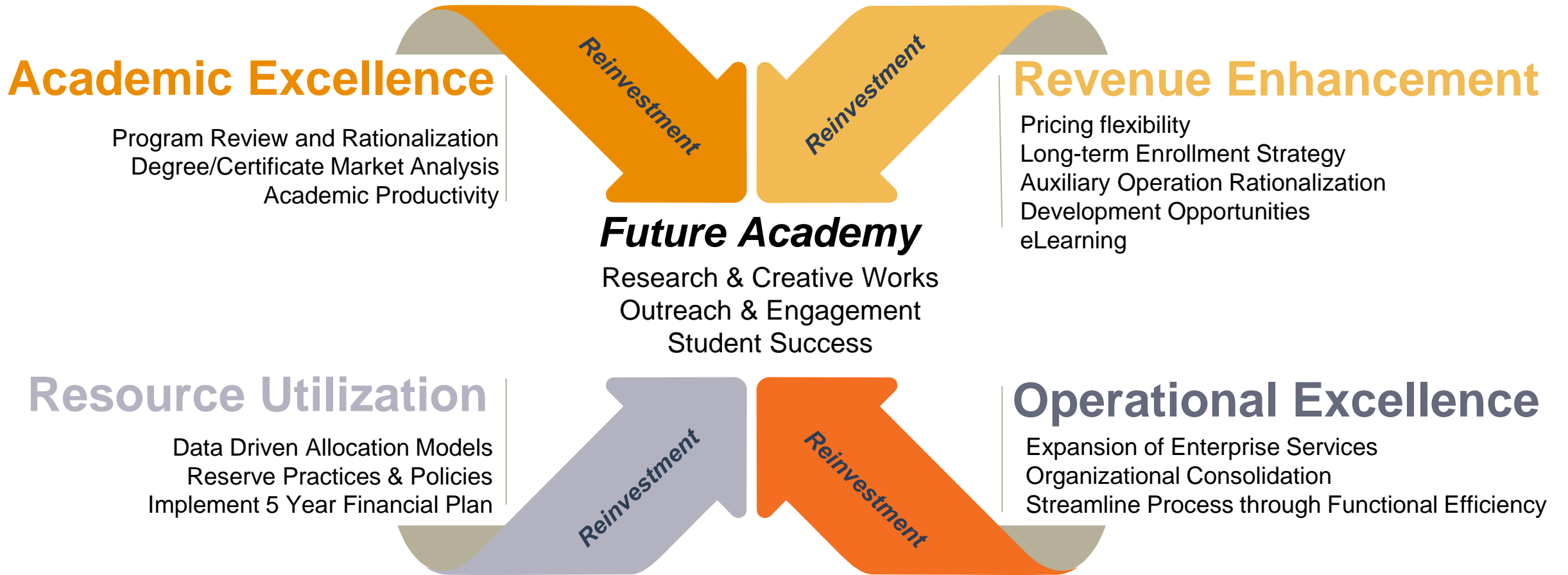
Resources Per Student Lowest Amongst Surrounding States



The Opportunity Cost of the Last Decade

- The last 10 years have kept us from doing what we needed :
 - Grow research
 - Increase production of high value degrees
- The State of Missouri is losing out:
 - More students are leaving the state to pursue these degrees
 - Less research means less economic development, less growth, and less job creation
- We must invest in academic excellence for our four public research Universities, including an AAU institution
 - Our research university and AAU status is critical in attracting the best faculty to MO
 - Better faculty and smaller classes mean better student experience and outcomes

Key Platforms to Achieve Sustainable Excellence



Questions?

