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

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

- Harris-Stowe: 19.2%
- Lincoln: 15.0%
- MSSU: 7.5%
- MSU: 7.4%
- MWSU: 7.4%
- NWMO: 9.9%
- SEMO: 8.9%
- Truman: 6.3%
- UCM: 9.0%
- UM Total: 6.0%

Average 8.7%
Resources Per Student Lowest Amongst Surrounding States

Tennessee: $14,040
Nebraska: $11,211
Iowa: $15,411
Kansas: $9,930
Oklahoma State: $12,631
Oklahoma: $15,425
Kentucky: $12,488
Kansas State: $11,793
Iowa State: $11,973
Arkansas: $11,084
Missouri: $11,242

State Approps per FTE
Net Tuition per FTE
Average
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

**Academic Excellence**
- Program Review and Rationalization
- Degree/Certificate Market Analysis
- Academic Productivity

**Revenue Enhancement**
- Pricing flexibility
- Long-term Enrollment Strategy
- Auxiliary Operation Rationalization
- Development Opportunities
- eLearning

**Future Academy**
- Research & Creative Works
- Outreach & Engagement
- Student Success

**Resource Utilization**
- Data Driven Allocation Models
- Reserve Practices & Policies
- Implement 5 Year Financial Plan

**Operational Excellence**
- Expansion of Enterprise Services
- Organizational Consolidation
- Streamline Process through Functional Efficiency
Questions?