



Interim Report from Funding Task Force
Prepared for: March 12-13, 2015 Board of Governors Retreat

Goal: To provide input that will be useful to the long range planning steering committee with respect to how to ensure a sustainable university financially.

Meeting Schedule and goals for each meeting

- 12/8/14: Task Force Mtg #1: Divide into subtopics, Overview of tuition & fees
- 2/2/15: Task Force Mtg #2: Guest Speaker, Jack Blair, IBM, on Operational Efficiencies
- 2/27/15: *Open Speaker: Dr. Jillian Kinzie, the Student Experience*
- 3/2/15: Task Force Mtg #3: Subgroups provide oral and written reports
- 3/16/15: Task Force Mgg #4: Group discussion and development of emerging themes
- 3/17/15: *Open Speaker: Susan Grajek, EDUCAUSE*
- 3/27/15: Speaker: Jim Moody on state appropriations
- 4/2/15: *Open Speaker: Mike Downing, Missouri Department of Economic Development*
- 4/23/15: Task Force Mtg #5, Jack Miller on fundraising and private giving
- 4/30/15: Task Force Mtg #6, Final discussion and synthesis of emerging themes

Accomplished to date: We have divided the group up into subtopics, including: 1) tuition and fees, 2) state appropriations, 3) private support, 4) contracts and grants, 5) additional revenue streams, and 6) operational efficiencies. Committee members chose a subtopic group and are now in the process of reading, researching, talking with those knowledgeable in their assigned areas, and in general, becoming quasi-experts at their subtopic. Each group has now reported out on their areas. We have had an expert from IBM in to discuss with us how other universities have used big data techniques to increase enrollment and retention and to show how such efficiencies increase the bottom line for the university. We have also had an excellent overview of tuition and fees from MSU CFO Steve Foucart, which revealed some interesting statistics.

Emerging Themes

- Tuition & Fees
 - An evaluation by the State on public funding of universities in Missouri has determined Missouri State is underfunded by approximately \$14 million relative to the other state of Missouri universities. We are the most affordable institution in the state overall.
 - Our enrollment is up 12.9% over the last 6 years
 - Tuition cannot be raised more than the Consumer Price Index

- Fees are outside the Higher Education Student Funding Act, and are not under the state's constraints on raising of tuition; thus many schools have turned to raising fees to increase revenue in high demand, high paying fields such as business, health fields, and engineering
- State Appropriations
 - 35% of our revenue comes from state appropriations, while 65% comes from tuition and fees – was the opposite 15 years ago
 - It appears state appropriations will modestly increase over the next ten years.
 - The 1980 Hancock Amendment constrains us greatly – limits spending by entities of the state government
- Private Support
 - Will become even more important going forward, as we expect state appropriations to continue to decrease
- Contracts and Grants
 - Will continue to be an important source of revenue in fields such as the sciences, health, and arts and humanities
- Additional revenue streams
 - The Business Affairs Forum of the Education Advisory Board has offered a compendium of 200 proven revenue tactics for “Alternative Revenues in Higher Education,” grouped under 7 areas: New educational revenues; branding, licensing, and affinity; auxiliary services; student fees; campus operations; facilities & real estate; academic entrepreneurship infrastructure
- Operational efficiencies
 - We are already very lean on staff
 - Approximately 70% of our operating costs are salaries and benefits
 - Technology may have the potential to increase student retention and enrollment if additional budget resources can be provided to evaluate opportunities

Worthwhile video: “What U.S. Colleges Must Do to Survive”

<http://knowledge.wharton.upenn.edu/article/what-u-s-colleges-must-do-to-survive/>

Discussion Questions

Throughout recent history, our focus has been on affordability. Should that focus continue? How do we balance that focus against investment in programs, services, and infrastructure?