

**Missouri House Appropriations – Education Committee
Legislative Hearing, February 16, 2011**

**Comments from Northwest Missouri State University
President Dr. John Jasinski and Vice President of Finance Stacy Carrick**

Committee Chair Lair and Committee Members,

You have requested leaders of state public higher education institutions to briefly address five issues:

- Steps already taken to deal with funding shortfalls
- The results of the academic program review process
- The impact to each institution of a 7% cut to their state appropriation
- The impact to each institution of a 10% cut to their state appropriation
- The impact to each institution of a 15% cut to their state appropriation

At Northwest Missouri State University we are proud of our performance, and a brief review of some key performance indicators can help provide context as we speak to funding shortfalls, program reviews and future appropriation decreases.

- Northwest's freshman success rate is 74 percent, compared to 68 percent statewide and 65 percent at other moderately selective Missouri institutions.
- Northwest's 58 percent graduation rate is 13 percent higher than the national average. Ninety-five percent of Northwest graduates responding to a recent employment survey found employment or continued their education within six months of graduation.
- The Northwest student-athlete success rate is 83 percent, compared to the Division II national average student-athlete success rate of 70 percent.
- Included in their tuition and fees, all full-time students receive a laptop computer complete with current software.
- Northwest's tuition and fees also include a \$6/credit hour textbook rental fee that provides a primary textbook in undergraduate classes, which saves an individual student on average \$900 per year. The National Association of College and University Business Officers reports textbook rentals on campuses nationally increased from 300 institutions in 2009 to about 2,200 in 2010. Northwest? We've been providing this service for more than 100 years and saving our students real money all along the way.
- Northwest's student loan default rate is 4.4 percent, well below the 5.8 percent rate for all Missouri colleges and universities and the national average of 6.7 percent.
- Our student to faculty ratio is the highest in the state.
- We continue to realize savings due to the use of alternative fuel sources compared to purchasing natural gas and oil. These add up to about \$13 million since the early 1980s.
- As I reported to this committee last year, we have realized significant enrollment growth over a four-year period – 16% specifically – through a managed growth plan. We have repositioned and prepared ourselves for funding shortfalls (decreased state appropriations of 12% per student FTE over the four year growth period) by aggressively identifying efficiencies, continuing our heritage of innovation and focusing on new revenue opportunities.
- And all of this comes in support of a newly approved set of mission, vision and values that serve as our centering points, along with the MDHE's dashboard and strategic goals, the governor's four goals for higher education and our own Board of Regents' four goals.

Regarding each of the committee's five exploration topics, let us address each specifically.

The committee's first question asks what steps has Northwest Missouri State University already taken to deal with funding shortfalls.

We have taken many. We asked for voluntary budget giveback contributions from the entire campus last year and froze spending at the end of the last fiscal year. We also realized the following savings:

- \$1.4 million due to policy changes regarding sick and vacation leave reducing future liabilities
- \$500,000 due to renegotiated contracts with Northwest suppliers
- \$429,000 by Northwest's Division of Environmental Services by making in-house improvements over this past six-month period
- \$415,000 realized over the last six months as a result of position attrition and non-replacement, position rehiring pauses and administrative reorganization
- \$402,000 as a result of refinanced bonds in Fall 2010
- \$276,000 from reducing the number of land-line telephones throughout campus
- \$250,000 due to reorganizing operations and streamlining processes in the finance area

These are just a few of the bigger ticket savings items. Other specific measures we have enacted, to name a few, are as follows:

- We have partnered with a regional business to offer a master's degree to fit the needs of its staff scientists and in doing so, have provided new enrollment growth opportunities.
- We are partnering with numerous state institutions in offering programs designed to increase access, affordability, efficiency and effectiveness.
- Our faculty and staff have garnered nearly \$2.7 million in applied research and program and public service grants and applied for another \$1.2 million in grant funding over the last six months.
- Environmental Services staff members designed and constructed an in-house sealer for parking lots, saving \$72,000.
- By redesigning the parking configuration, we added an additional 100 parking spots on campus.
- We just entered into a recycling agreement with the City of Maryville and are using our glass crusher/recycler to create glass particles as aggregate in concrete, ice melt and other products.

We should also mention that we raised our second highest total ever in private support last year, received our largest cash gift ever, and our alumni engagement is at an all-time high.

Finally, with regard to what we have done to address projected funding shortfalls, we need to mention our Organizational Success Task Force – representing constituencies from across campus – designed to address short-term budget issues and long-term strategic funding issues. The group currently is engaging with our executive team in reviewing budgets, programs and processes through the lens of being essential, important and elective. We are addressing budget shortfalls collaboratively and with a long-term focus on multi-year success strategies.

Your second question seeks the results of Northwest Missouri State's academic program review process.

Specifically, we cut six undergraduate programs and one graduate program due to the low number of students graduating from these programs. However, two of these programs are in the high-needs areas of science and math. We also are collaborating with both two-year and four-year institutions to more efficiently provide select undergraduate programs. We encourage the committee to reflect on the importance of a broad and diverse educated citizenry and the role public higher education plays in our economy. The academic program review should not be merely a cost-savings exercise, though please know Northwest will yield about \$65,000 in savings annually due to these moves. Further, by moving those faculty from areas where course enrollments may be low to courses that have higher demand, we will experience increased revenue generation over time.

The committee's third question asks about the impact to Northwest of a 7% cut to our state appropriation.

Just as last year when I testified, we are here to be solution-oriented. We are efficient, but pledge to keep improving what we do. Further reductions in state appropriations will result in one or more of the following:

- The inability to position ourselves for strategic multiyear success relative to funding identified strategic areas of growth, significant deferred maintenance needs and capital improvements.
- Continuing erosion in our ability to attract and retain top-flight and talented faculty and staff.
- Increased tuition and fees.
- Elimination of programs and services and reductions in personnel.

The committee's fourth and fifth questions ask about the impact to Northwest of a 10% and 15% cut to our state appropriation.

A 10%, 15%, or greater reduction would yield significant programming and personnel reductions and a more significant increase in tuition and fees. We are working hard to avoid adding to unemployment issues and we are striving to keep higher education accessible and affordable. We believe the 10-15% markers to not be in the state's best interests.

In closing, Northwest Missouri State University repositioned and prepared in 2009-2010. Even in the face of a 5.2% appropriations decrease, we enhanced our financial position and enhanced our service to the region. We did this through hard work, tough choices and collaboration.

We have been responding and transforming in 2010 and 2011 thus far and will continue to do so. We are seeking further efficiencies, enhancing our signature programming opportunities and articulating our multiyear success strategies.

We are poised to execute and succeed in 2011 and beyond. But we need your help. Your help in gaining a deep and meaningful understanding of higher education's key issues moving forward and our impacts across our great state. Your help in keeping education accessible and affordable, and your help in assisting us in our efforts to drive economic development. Our collective efforts should be focused on producing a talented and skilled workforce to lead Missouri forward.

At a recent conference about jobs for the next generation, the *Chronicle of Higher Education* reports the conference highlighted North Carolina's long-term investment "in educational infrastructure to strengthen the state's competitiveness and attract new industry." My hope is that the State of Missouri and you, as leaders, continue to make the right choice for our state and our youth – just as North Carolina has done for a couple of decades. We in higher education must continue to address our challenges and realities head on and make sure we are laser-focused in what we do and why we do it. Northwest Missouri State University commits to you and the people of Missouri to ensure the public trust of our greatest asset – an educated citizenry.

We will do so through the likes of our Center for Innovation and Entrepreneurship that has helped create 30 new jobs in the last six months and has been selected to represent Missouri the last two years as the winner of the Southern Growth Policies Board Innovator Award as an outstanding initiative that helps communities recover from the economic downturn. We will do so through our historic mission based on agriculture and education as well as through cutting-edge programs such as nanoscale science.

We stand ready to continue the Bearcat legacy of resiliency and innovation.

Thank you for devoting your time to education and for addressing some very difficult issues in this legislative session. We know together we can focus on the future of our great state in part by championing higher education and addressing our state's success through a multiyear and strategic education investment approach – an approach centering on the likes of what Northwest does every day: focus on student success and contribute to the economic development and the greater good of our communities.