

**From:** Russell, David  
**Sent:** Wednesday, March 02, 2011 4:54 PM  
**To:** Owens, Stephen  
**Cc:** Krawitz, Nikki  
**Subject:** UM Request for Waiver of Penalty

President Owens:

I am in the process of reviewing the University of Missouri System's request for waiver of the penalty for a tuition increase in excess of the CPI. I would appreciate it if your staff could provide some additional information to assist me in my review.

In your request you address the growing need for funds to address accumulating maintenance and repair projects. I believe that you indicate that Maintenance and Repair is being treated as a mandatory cost increase on the order of \$31.2 million for FY12. This is driven in part by a decision to increase the investment in M&R from 1.0% to the policy level of 1.5% of plant replacement value in FY12. Was any consideration given to phasing in the ramp-up from 1.0% to 1.5% over more than one year, thus reducing the funds needed by several millions of dollars and enabling you to reduce tuition rates below the 5.5% threshold? An explanation of the dynamic between the two areas would be helpful.

In your request you state that, "campuses are committing 20% of new revenue from tuition and fee increases to additional financial aid for our neediest students." Could you provide more detail to support this statement? Specifically, I am interested in whether or not this additional aid is going solely to these neediest students; how you determine which students are the neediest; and what mechanism is in place to track these funds to ensure that they are distributed on the basis of need.

Thanks in advance for any additional insight you can provide me in these two areas.

Regards,

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