University of Central Missouri
Board of Governors
Plenary Session
January 21, 2010

The University of Central Missouri Board of Governors convened in Plenary Session on Thursday, January 21, 2010, at 8:30 a.m. in Union 237B on the main campus of the University of Central Missouri, Warrensburg, Missouri. Presiding over the meeting was Board President Richard Phillips. Other Board members in attendance were Governors Walter Hicklin, Weldon Brady, Edward Baker, Mary Long, Mary Dandurand, Marvin Wright, and Ryan Sanders. Also present were University President Aaron Podolefsky; General Counsel Henry Setser; and Assistant Secretary to the Board Monica Huffman.

PLENARY SESSION

Call to Order – Agenda Item No. 1

Mr. Phillips called the meeting to order and determined that a quorum was present to conduct business.

Remarks by the Board President – Agenda Item No. 2

Mr. Phillips said that a new Board orientation was held yesterday for Governors Dandurand and Wright, UCM's two newest Board members. Following the orientation, several Board members toured the residence halls and later the Board held a work session and received a status report on the presidential search from consultant Ken Hutchinson. Mr. Phillips said that several Board members attended the *MLK Freedom Scholarship Dinner* last evening. He congratulated Dr. Sonny Castro and the planning committee on a successful event.

Remarks by the University President – Agenda Item No. 3

President Podolefsky said the university was notified yesterday that the Harmon College of Business was reaccredited for an additional six years by the Association to Advance Collegiate Schools of Business. The next site visit will be 2014-2015. He congratulated Dean Mansfield and the staff on this achievement. President Podolefsky said that the university also received notification that the Harmon College of Business's accounting program was reaccredited for an additional six years.

President Podolefsky said Dr. Steve Boone, Associate Dean for the College of Arts, Humanities and Social Sciences notified him that UCM received award money from the Electronic Frontier Foundation for Central's contribution to the search for the 10 million digit prime number. He reminded the Board that Dr. Steve Boone and Dr. Curtis Cooper discovered mersenne prime numbers 43 and 44. Drs. Boone and Cooper will distribute the award monies among different campus units.

President Podolefsky said a reception would be held for University Director and Chief Communications Officer Jeff Morris tomorrow afternoon. Mr. Morris accepted a position at Kansas State University. President Podolefsky advised that University Director and Chief Development Officer Joe Kremer has accepted another position and will leave UCM in early March.

Governor's Excellence in Education Award – Agenda Item No. 4

Provost Wilson introduced the 2010 recipient of the Governor's Excellence in Education Award Dr. Shari Bax. Dr. Bax joined UCM's faculty in 1997 and is an associate professor in Political Science. She will join college and university educators from across the state for a special award ceremony on February 10 in Jefferson City, Missouri. The Board extended its congratulations.

Employee of the Quarter – Agenda Item No. 5

Dr. Roberts introduced Employee of the Quarter Gary Schmidt. Officer Schmidt began his employment in August 1991 as a part-time police officer, and in 1992 became full-time. He was recognized for going above and beyond the normal scope of his duties, including leading the *Drive Safe Drive Smart* campaign and applying for a grant that resulted in the award of more than $112,000 to UCM for the placement of Mobile Data Terminals in UCM's patrol vehicles. The Board extended its congratulations to Officer Schmidt. President Podolefsky also congratulated him and presented him with a plaque.

GENERAL SESSION

Approval of December 10, 2009, Work Session and December 11, 2009, Plenary Session Minutes – Agenda Item No. 6

Mr. Baker moved that the Board of Governors approve the minutes of the December 10, 2009, Work Session and December 11, 2009, Plenary Session. The motion was seconded by Dr. Long and carried unanimously.

REPORTS

Legislative Agenda – Agenda Item No. 7

Ms. Pearce said that Governor Nixon delivered his State of the State address last night and presented the FY 2011 budget. As a result there is a great deal of activity at the Capitol where UCM's legislative consultant Phil Wright is today.

Ms. Pearce reminded the Board that on December 11, 2009, a draft of UCM's 2010 legislative agenda was presented to the Board. A copy of the legislative agenda was included under Tab 4

of the meeting materials (Attachment 1). Ms. Pearce said that last week, Representative Chris Kelly introduced the measure shown in the second bullet of the agenda as House Joint Resolution 77. This is a proposed constitutional amendment that if approved by the voters, would allow the General Assembly to issue up to $800 million in bonds for the construction of higher education capital projects, as well as other state building projects. Ms. Pearce said there was not a specific construction projects list tied to the bill. However, Representative Kelly worked with the Department of Higher Education on a listing that contains the top capital priority of every university and college in the state, as well as the projects that have not yet been funded through the Lewis and Clark Discovery Initiative. The list includes a new $55 million science and math facility for UCM.

Mr. Hicklin moved that the Board of Governors accept UCM's 2010 Legislative Agenda. The motion was seconded by Mr. Wright and carried unanimously.

Ms. Pearce reported that the Missouri Department of Higher Education puts out a weekly e-mail that provides a link to higher education and legislative updates. Ms. Pearce offered to register Board members for this and asked that they let Ms. Huffman know of their interest.

Strategic Planning & Resource Council Budget Update – Agenda Item No. 8

Provost Wilson reported that the Strategic Planning & Resource Council (SPRC) met on January 14 to continue discussions concerning budget reduction recommendations. He distributed and reviewed a FY 2011 Budget Planning Worksheet (Attachment 2). He noted that nothing was added or removed from the list since it was last shared with the Board. While there has been much discussion, the only motion made concerned a reduction in the number of colleges. The SPRC voted to remove this item from consideration for the FY 2011 budget, but to begin now to plan for an administrative reorganization of Academic Affairs to become effective in FY 2012. Provost Wilson said the objective is to reduce the administrative structure in order to preserve the academic structure including programs and quality of programs.

Mr. Hicklin said removing this item from consideration in the FY 2011 budget will provide more time to assess how well the five colleges are working and the advantages/disadvantages of having five colleges. Provost Wilson said that he would like direction and guidance from the Board before the SPRC begins planning for a reduction. Mr. Phillips suggested that the Board reserve time in February to review the budget reduction recommendations in greater detail.

President Podolefsky said he provided a draft timeline to Messrs. Phillips and Hicklin. If UCM is to accomplish the approval of the budget in April, clear Board guidance will be needed prior to that time. Mr. Wright said the Board needs to know what it is giving guidance on, and asked that a report summarizing the recommendations with supporting reasons be provided to the Board.

President Podolefsky distributed and reviewed a preliminary draft timeline for the budget process (Attachment 3). Mr. Brady asked if the SPRC is working off of the original set of recommendations prepared by the President's Cabinet. President Podolefsky said yes, that this was done as a basis for discussion, and added that the SPRC has added additional recommendations.

Mr. Brady suggested that the Board hold a work session to review the proposed reductions. The Board agreed to hold a work session on February 24 to review and discuss the proposed reductions. (*Note: This meeting date was later changed to February 23.*)

BOARD COMMITTEE ON STUDENT AFFAIRS & ALUMNI RELATIONS

Dr. Long, Chair of the Board Committee on Student Affairs & Alumni Relations, reported that the Committee met yesterday afternoon. Prior to the business portion of the meeting, the Committee along with other Board members toured the residence halls. Although some of the halls are in good condition, others are in need of repair/reconfiguration. Dr. Long noted that when students and parents consider a college choice, they not only look at the educational standards, but at the living conditions as well.

Dr. Long said that the Committee had one item to present to the Board for action, and asked Dr. Morrell to present it.

Todd Hall Renovation – Agenda Item No. 9

Dr. Morrell introduced Director of Housing Patrick Bradley, who reviewed the background information included in the briefing paper under Tab 1 of the meeting materials (Attachment 4). The proposal would convert Todd Hall from double occupancy rooms to efficiency apartments. All of the work would be completed by UCM's Facilities, Planning & Operations.

Dr. Long moved that the Board of Governors authorize the conversion of double occupancy rooms to efficiency apartments in Todd Hall. The motion was seconded by Mr. Hicklin and carried unanimously.

Information Security at UCM – Agenda Item No. 10

Dr. Long asked Dr. Russell Helm, UCM's Chief Information Officer, to provide an update on information security. Dr. Helm distributed and discussed a handout pertaining to recent data disclosures, and UCM's response to the disclosures (Attachment 5).

Mr. Phillips asked if UCM has done everything it can to reduce any future threat of data theft. Dr. Helm said UCM has been very aggressive in taking every step it can to protect student data

given the environment that is needed for the university to conduct business. He stated that steps could be taken to make all information safe and secure, but in doing so, the university would not be able to function. Dr. Helm stated that UCM regularly reviews options to see where improvements can be made.

Dr. Helm concluded by saying that UCM's primary weakness for data theft is at the individual user and individual computer level. The technical solutions are in place to prevent attacks from the world in general, but human solutions are needed to prevent attacks closer to the university. He said a balance must be found between ease-of-access/use and security of systems and data, and that UCM will continue to work to find that balance.

BOARD COMMITTEE ON ACADEMIC AFFAIRS

Preliminary Spring Enrollment Update – Agenda Item No. 11

Provost Wilson stated that a preliminary spring enrollment update prepared by Dr. Matt Melvin was included with the meeting materials under Tab 5 (Attachment 6). Dr. Melvin provided a brief overview of the information. Committee Chair Hicklin said that more concrete information would be presented at a future meeting.

BOARD COMMITTEE ON ADMINISTRATION & FINANCE

Mr. Brady, Chair of the Board Committee on Administration & Finance, reported that the Committee met the preceding afternoon. He asked Dr. Roberts to present the following agenda items.

Electronic Research Administration Software System – Agenda Item No. 12

Dr. Roberts referred the Board to Tab 6 of the meeting materials which included background information about this proposed purchase (Attachment 7).

Mr. Hicklin asked Dr. Roberts to explain the funding source -- "UCM's Cost Recovery Budget" – referred to in the briefing paper. Dr. Roberts said that when preparing a grant application, a percentage of the cost for the institution to operate and manage the grant is included, which allows the university to recover funds.

Mr. Brady moved that the Board of Governors authorize a contract with InfoEd International, Inc. of Albany, New York, for the purchase of an electronic research administration software system in the amount of $205,055, to include software and four one-year renewals for maintenance and support. The motion was seconded by Mr. Hicklin and carried unanimously.

Training Aircraft Purchase – Agenda Item No. 13

A briefing paper related to the purchase of training aircraft was distributed and presented by Provost Wilson (Attachment 8). The proposal was to purchase two aircraft and to sell six existing aircraft and one glider in the UCM fleet. The cost to purchase the two aircraft – a multi-engine Piper Seminole and a Super Decathlon – is $450,750. Proceeds from the sale of UCM's Piper Seneca, three Cessna Cutlass 172RGs, one Piper Super Cub, one Cessna 152, and one glider will be used to help pay for the two aircraft. The balance will be paid from Aviation departmental funds. The sale and purchase of the aircraft will be handled through aircraft broker St. Louis Aircraft Sales. It was noted that the two aircraft to be purchased are approximately three years old.

Mr. Wright moved that the Board of Governors authorize the purchase of two aircraft, one Piper Seminole and one Super Decathlon, for a total cost not to exceed $450,750, and the sale of six aircraft and one glider. The motion was seconded by Dr. Long and carried unanimously.

Quarterly Investment Report – Agenda Item No. 14

Mr. Merrigan reviewed the Quarterly Investment Report included under Tab 7 of the meeting materials (Attachment 9).

Quarterly Statement of Revenues & Expenses – Agenda Item No. 15

Mr. Merrigan reviewed the Quarterly Statement of Revenues & Expenses included under Tab 8 of the meeting materials (Attachment 10).

E-Procurement Update – Agenda Item No. 16

Dr. Roberts and Mr. Michael Sibert presented a Power Point on UCM's E-Procurement System (Attachment 11) that was previously approved by the Board of Governors. Her presentation included information pertaining to the challenges in higher education procurement, customer/procurement/supplier wants, strategic souring through e-procurement, and use of the system.

Internal Auditor Reporting Line – Agenda Item No. 17

Mr. Brady said that in follow-up to a previous Board discussion regarding the reporting line of the internal auditor, the Committee discussed this further at its meeting yesterday. In reviewing data collected by General Counsel Setser, the Committee found that over 60% of internal auditors nationally report functionally to the Board. The Committee discussed a proposal that would amend the internal auditors reporting line, whereby the auditor would report functionally to the Board of Governors and administratively to the University President. This could also entail designating the Administration and Finance Committee to serve also as an Audit

Committee, or establishing a separate Audit Committee to set out the charter of the internal auditor. Mr. Brady suggested that the internal auditor could meet with the Administration & Finance Committee on a quarterly basis and with the full Board semi-annually.

Mr. Brady moved that the Board of Governors amend the internal auditor's reporting line, whereby the position would report functionally to the Board of Governors and administratively to the University President. The motion was seconded by Mr. Wright and carried unanimously.

BOARD BUSINESS ITEMS

Policy/Procedure Clarification Re: Hiring Approval – Agenda Item No. 18

Mr. Phillips said that at the last Board meeting, the Board approved an amendment to the Board of Governors Bylaws that requires Board approval concerning personnel changes related to (1) direct reports to the university president; (2) deans; (3) high profile positions. To clarify questions raised by the president pertaining to the change in policy, the Board stated:

- The change applies to interim and permanent appointments.
- If there is any question about whether a vacant position is considered by the Board to be "high profile," an inquiry of the Board should be made.

Clear dialogue between the Board and the administration will greatly assist in ensuring necessary actions are taken in a timely manner. The Board can easily convene with 24 hours notice.

Request for Closed Session – January 21, 2010 – Agenda Item No. 19

There being no further business to discuss, *Dr. Long moved pursuant to the Missouri Revised Statutes, Section 610.021, that the UCM Board of Governors meet in closed meeting, with closed record, and closed vote, following today's Plenary Session for the purpose of considering real estate matters, legal actions, and personnel matters. The motion was seconded by Mr. Brady and carried with the following roll call vote:*

Walter Hicklin	*aye*	*Mary Dandurand*	*aye*
Weldon Brady	*aye*	*Edward Baker*	*aye*
Marvin Wright	*aye*	*Richard Phillips*	*aye*
Mary Long	*aye*		

The meeting adjourned at 10:25 a.m.

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Attachments Listing

Attachment No.	*Attachment Description*
1	*Briefing Paper – 2010 State Legislative Agenda*
2	*FY 2011 Budget Planning Worksheet*
3	*Preliminary Draft Timeline for FY 2011 Budget*
4	*Briefing Paper – Todd Hall Renovation*
5	*Information Security Update*
6	*Preliminary Spring Enrollment Update*
7	*Briefing Paper – Electronic Research Administration Software System*
8	*Briefing Paper – Training Aircraft Purchase*
9	*Quarterly Investment Report*
10	*Quarterly Statement of Revenues & Expenses*
11	*Power Point – E-Procurement System*