

University of Central Missouri
Board of Governors
Finance and Administration Committee of the Whole
Meeting
April 22, 2021

The University of Central Missouri (UCM) Board of Governors Finance and Administration Committee convened as a Committee of the Whole to review and discuss the proposed FY 2022 Operating Budget, on April 22, 2021, at 9:45 a.m. in Union 237B on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Committee Chair John Collier. Others participating in the meeting from Union 237B included Governors John Collier, Mary Dandurand, Gus Wetzel II, Kenneth Weymuth, and Zachary Racy. Governors Marvin E. Wright and Mary Long participated by phone. Staff participating from Union 237B were University President Roger Best; General Counsel Lindsay Chapman; Vice President for Finance and Operations Bill Hawley; and Assistant Board Secretary Monica Huffman.

Note: Due to the restriction on the number of people permitted in the meeting room, the Committee meeting was livestreamed.

FY 2022 Operating Budget – Agenda Item No. 1

Mr. Hawley presented the proposed FY 2022 Operating Budget. Details of the budget were included in a briefing paper included under Tab 8 of the Board meeting materials and in a Power Point (attached) presented at the meeting. Highlights of the proposed budget include:

- A \$258.25 per credit hour blended rate for resident undergraduate on-campus and online courses (Board approved rates are subject to HESFA waiver approved by the Commissioner of Higher Education. Mr. Hawley noted that if the HESFA waiver is approved, UCM's current ranking among other institutions in the state for tuition and fees is expected to remain the same) and a graduate tuition increase ranging from 1.4% to 5.7%;
- A FY 2022 budget recommendation from Missouri's Governor, that would return funding to pre-pandemic levels;
- An additional \$1.4 million yield in mandatory fees;
- A \$400,000 decrease in budgeted investment income for unrestricted general funds due to the planned use of financial reserves for FY 2021 and 2022 to bridge the gap between revenues and expenditures related to the pandemic and lower expected investment yields;
- Institutional scholarships and waivers will increase by \$750,000, with approximately one-third of the increase attributed to expansion of the current waiver of non-resident portion of tuition and fees to border states in the Mid-America Intercollegiate Athletic Associate Conference;

- Allocation of approximately \$2 million for faculty, staff, and student employees' compensation which includes mandatory increases for MOSER's contribution rate, insurance premium increases, and other changes;
- An increase to the hourly minimum wage from \$10.50 to \$11 per hour effective July 1, 2021; and
- Allocation of new funds totaling \$136,689 to cover ongoing operating costs associated with the new airport terminal building construction and improvements to Crane Baseball Stadium;
- Allocation of \$230,000 to Operations' budget for capital projects and \$200,000 for maintenance and repair;
- Reduction of unrestricted general fund dollars for Athletics (\$344,953) and Facilities/Library (\$768,062) given the additional fee income forecasted for FY 2022.

Mr. Hawley noted the unrestricted budget plan of \$147.4 million requires \$5,575,000 in reserve spending for FY 2022, and is contingent upon approval by the Missouri Legislature of the Governor's proposed increase to State Appropriations for higher education, and the Commissioner of Higher Education's HESFA tuition waiver. Additionally, should there be any further changes in projected revenue, adjustments will be made to ensure a balanced budget (excluding the \$5,575,000 in reserve spending).

Mr. Hawley reviewed other contributing budgetary factors including UCM's actual appropriations vs. CPI adjusted values; distribution of tuition revenue; recent fiscal challenges; FY 2022 enrollment projections; expected changes in revenue and expenditures for FY 2022; and budget surplus (deficit).

Mr. Hawley stated that Exhibit 4 of the briefing paper shows only a modest change in the Auxiliary budget for FY 2022, which totals \$28 million.

Dr. Wetzel noted a decrease in the number of credit hours projected for the FY 2022 budget. Mr. Hawley said UCM had a larger number of graduates in 2021, adding that Dr. Langston would speak about this as part of his presentation on enrollment and recruitment during Work Session. Mr. Racy remarked that additional funding (\$90,000) for the Center for Multiculturalism and Inclusivity was added to the budget and asked what the funding would be used for. President Best responded the level of support for the Center is insufficient, and UCM plans to increase its support by transitioning the half-time director position to full time. The Center's director, Dr. Lover Chancellor currently splits her time between the Center and teaching responsibilities. The additional funding, which will come from the University's General Fund, will cover the cost of moving the director position to full-time, as well as cover the cost for the part-time teaching position.

Mr. Abney noted a recruitment fee of \$1 million for international students and asked how the cost is determined. Mr. Hawley responded the cost is determined on a per student basis. As the international enrollment increases, the recruitment cost goes up proportionally. The recruitment cost is a fraction of the tuition received from these students. Mr. Abney surmised the \$16.5 million reduction in spending reflected in the FY 2022 budget is for a three-year period and asked when this reduction is expected to decrease. Mr. Hawley responded the University is working to decrease over the next year so the reduction is even lower in the next year.

Mr. Abney thanked Mr. Hawley and his staff for all of their hard work. Mr. Wright added his appreciation for all the work that went into preparing the budget, noting that everything is reliant on enrollment. The final budget will be provided at the June meeting.

Adjournment

There being no further business to discuss, Mr. Weymuth moved for adjournment. Mr. Wright seconded the motion and the meeting concluded at 11:05 a.m.