

University of Central Missouri
Board of Governors
Plenary Session
February 23, 2012

The University of Central Missouri (UCM) Board of Governors convened in Plenary Session on Thursday, February 23, 2012, at 8:30 a.m. in Union 237B on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President Walter Hicklin. Also in attendance were Governors Weldon Brady, Mary Dandurand, Gus Wetzel II, Marvin E. Wright, and Darren Doherty. Governor Edward Baker participated in the meeting via conference call. Governor Mary Long was unable to attend the meeting and was excused. University President Charles Ambrose; General Counsel Henry Setser; and Assistant Secretary to the Board Monica Huffman were also present at the meeting.

Plenary Session

Call to Order – Agenda Item No. 1

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

Remarks by the Board President – Agenda Item No. 1

Mr. Hicklin welcomed everyone to the meeting. He acknowledged many good things occurring on campus and commended *The Muleskinner* for the nice job it does in recognizing student accomplishments. Mr. Hicklin remarked on the current economy and the challenges it presents for higher education. He commended the University for the leadership it has demonstrated as higher education works to address the loss of State appropriations. Mr. Hicklin also noted Governor Nixon's inclusion of UCM's Innovation Campus initiative in his State of the State Address.

Remarks by the University President – Agenda Item No. 2

President Ambrose discussed activities occurring in the past month with regard to the Governor's recommendation to reduce state funding for higher education by 12.5% in FY 2013, and with regard to the Innovation Campus. As a result of work by both the House and Senate and a \$141 million settlement that the State recently received related to a mortgage lending matter, Governor Nixon will restore \$40 million to the appropriations bill for higher education. Governor Nixon stated two priorities for the State are to identify (1) State resources necessary to fund higher education along with the ability of institutions to keep costs down; and (2) future innovations needed to meet the budget challenges.

Dr. Ambrose said with the restoration of the \$40 million, universities and colleges have committed to keeping the costs affordable for students; however, he noted if the base of state funding were to drop below a 40% threshold, the ability to resource higher education would become increasingly, or totally dependent, on our ability to generate tuition revenue and enrollment dollars. This budget amendment represents a 20% loss in appropriations and an annualized rate of tuition increase that averages 1.8% over last three years. Despite

this, the University has for the past 18+ years produced a 90% or better placement rate of graduates; become more efficient; reduced overhead costs; and remained concerned that the outcomes and value proposition that our degree represents is maintained at levels going back at least two decades.

President Ambrose stated there is consensus among two- and four-year institutions that the current trend may well lead to fundamental changes in the way Missouri funds public colleges and universities. He believes UCM is well positioned to meet these challenges, and made particular note of the Missouri Innovation Campus that Governor Nixon referenced in his State of the State Address and which he encouraged other higher education institutions across the State to replicate. Governor Nixon and the Department of Economic Development have worked to provide \$500,000 in direct grant support for the start-up of the Missouri Innovation Campus, and Governor Nixon has utilized this concept to stimulate \$10 million to reproduce these opportunities across the State of Missouri.

President Ambrose said that the Missouri Innovation Campus initiative was officially launched last Thursday, when Governor Nixon traveled to Lee's Summit, Missouri to discuss the idea with students of the R-7 Lee's Summit School District and to hold a press conference where he announced the initiative and the related funding. President Ambrose expressed appreciation to UCM faculty for their openness and willingness to do things differently. He also expressed gratitude for all of the elements that have provided the University the opportunity to meet the challenges of today and tomorrow.

General Session

Approval of the Minutes for January 25, 2012, Work Session and January 26, 2012, Plenary Session – Agenda Item No. 4

Mr. Brady moved that the Board of Governors approve the minutes of the January 25, 2012, Work Session and January 26, 2012, Plenary Session. The motion was seconded by Dr. Wetzel and carried unanimously.

Written Governance Groups Reports – Agenda Item No. 5

Mr. Hicklin noted that written governance groups reports were included under Tab 9 of the meeting materials (Attachment 1)

Legislative Update – Agenda Item No. 6

President Ambrose provided a legislative update noting that a lot of attention has been given to education, particularly as it relates to K-12 and the Kansas City, Missouri School District. Additionally, there has been activity surrounding House Bill 1042 and Senate Bill 455 which are linked to helping more students complete college. Other bills we are monitoring include those related to universities and colleges entering into leases; digital recordings in the classroom; CURP, a 401(a) defined contribution plan; and the FY 2013 appropriations process. President Ambrose said that Senator Pearce has offered to provide a legislative update at the March Board meeting via videoconference, which the Board was appreciative of.

Master Plan Update – Agenda Item No. 2

Mr. Dennis Strait, consultant with Gould Evans Architects, presented a Power Point that provided an update on the Master Plan (Attachment 2). It was noted that a more extensive presentation was made during a work session the previous afternoon and that the Board held an in depth discussion of the plan during the meeting.

As part of the Master Plan Update, studies were conducted related to the fraternity housing site; mixed-use residence hall (Holden Village); Stadium District Improvements; Pertle Springs; and a Campus Arts Gateway (included as part of Attachment 2). President Ambrose stated that these studies represent visions and aspirations of where the University would like to go.

President Ambrose noted that development of the Stadium District and the Campus Arts Gateway projects would be reliant on private support. The Holden Village project is the most complex because it requires the relocation of the General Services Building and the development of new student housing and retail space. President Ambrose said these studies provide the necessary tools for resource development, as well as the opportunity to proceed with the planning portion of the projects and to cultivate and identify donor support.

Following the presentation, *Dr. Wetzel moved that the Board approve the integration of the fraternity housing site; Holden Village; Stadium District Improvements; Pertle Spring, and a Campus Arts Gateway into the Master Plan. The motion was seconded by Mr. Brady and carried unanimously.*

Mr. Brady encouraged the University to consider moving forward quickly with the Holden Village project noting today's lower interest rates and construction costs. The Board concurred.

UCM Student-Centered Program – Missouri Innovation Campus – Agenda Item No. 8

President Ambrose provided an update on the Missouri Innovation Campus, which includes a partnership with the Lee's Summit R-7 School District Summit Technology Academy, Metropolitan Community Colleges, UCM, and private industry. These entities are working to implement a pilot project that will start with 30 students in Fall 2012, and gradually increase to 100 students in the next three years. UCM will coordinate an application for a \$1 million grant through the Community Development Block Grant program and may apply for additional funds from \$10 million recently made available to higher education in Missouri for initiatives such as the student-centered program. The deadline for applying for these funds is May 15. Mr. Setser provided a summary report related to space planning for the facility.

Board Committee on Student Experience & Engagement and Alumni Relations

Ms. Dandurand, Chair of the Board Committee on Student Experience & Engagement and Alumni Relations, reported that the Committee met the preceding afternoon and received several updates related to this area. Dr. Bax provided an overview of the information which included guest speaker Stan Pearson; student participation in a Camp Palestine leadership event; an all-day sustainability workshop; the University Store being featured in *Money Magazine* for its book rental program; the Habitat for Humanity community service project; co-curricular transfers; and an update on an assessment and co-curricular inventory that is being conducted within Student Experience & Engagement.

Board Committee on Academic Affairs

Mr. Wright, Chair of the Board Committee on Academic Affairs, reported that the Committee met the preceding afternoon. He called on Provost Wilson to present the following agenda items.

Amendment to Charter – Academie Lafayette – Agenda Item No. 9

Provost Wilson referred the Board to Tab 10 of the meeting materials which contained background information pertaining to an amendment to the charter agreement for Academie Lafayette (Attachment 3). *Mr. Wright moved that the Board of Governors approve an amendment to the charter of Academie Lafayette Contract and Attachments C and E, allowing the lease/purchase of a second building to provide additional instructional space for teachers and students. The motion was seconded by Ms. Dandurand and carried unanimously.*

Proposed B.S. in Business Administration – Economics – Agenda Item No. 10

Provost Wilson referred the Board to Tab 11 of the meeting materials which contained information related to a proposed B.S. in Business Administration – Economics (Attachment 4). *Mr. Wright moved that the Board of Governors approve a new Bachelor of Science in Business Administration – Economics program, which replaces the Bachelor of Science in Economics degree. The motion was seconded by Dr. Wetzel and carried unanimously.*

Proposed Education Specialist Degree – Human Services – Agenda Item No. 11

Provost Wilson referred the Board to Tab 12 of the meeting materials which contained information related to a proposed Education Specialist Degree – Human Services/Educational Technology (Attachment 5). *Mr. Wright moved that the Board of Governors approve the proposed Education Specialist Degree – Human Services/Educational Technology contingent upon approval of the Missouri Coordinating Board for Higher Education. The motion was seconded by Ms. Dandurand and carried unanimously.*

Revisions to Photography Program – Agenda Item No. 12

Provost Wilson referred the Board to Tab 13 of the meeting materials which contained information related to proposed revisions to UCM's Photography Program (Attachment 6). *Mr. Wright moved that the Board of Governors approve program revisions including a program title change from "Photography" to "Professional Photography" and a change in course descriptions within this program to better describe and reflect the content of the classes. The motion was seconded by Dr. Wetzel and carried unanimously.*

Spring Enrollment Report – Agenda Item No. 13

Dr. Rick Sluder provided a Spring Enrollment Report (Attachment 7), which concluded with three highlights – (1) For 18 consecutive years, UCM's job placement rate for graduates has been 90% or better; (2) UCM's retention rate of students for Fall 2010 CAP was 74%; and (3) UCM's Military and Veteran Services Center established three primary goals of student recruitment; educational success of students; and successful transition of graduates after degree completion. Mr. Wright acknowledged the extraordinary efforts that Dr. Sluder and his staff have placed into recruitment and retention and expressed appreciation to the entire campus for the personal attention it have given to these efforts.

Following the Academic Affairs report, the Board took a short break. When the meeting resumed, President Ambrose introduced Mr. Paul Wagner of the Department of Higher Education and Mr. Brian Long of the Council on Public Higher Education. Governor Nixon has encouraged other colleges and universities across the State to consider replicating the Missouri Innovation Campus initiative, and Messrs. Wagner and Long will meet with President Ambrose to learn more about the project so that they can share the information with other higher education institutions.

Board Committee on Administration & Finance

Mr. Brady, Chair of the Board Committee on Administration & Finance, reported that the Committee met the preceding afternoon. Mr. Rick Dixon presented an annual personnel report during the Committee's meeting and a preliminary report was made on the renovation of Nickerson Hall, which will be presented to the Board at a future meeting. He asked Mr. Merrigan to present the following agenda items.

Furniture Replacement for Residence Halls – Agenda Item No. 14

Mr. Merrigan referred the Board to Tab 14 and reviewed the information contained in a briefing paper (Attachment 8). *Mr. Brady moved that the Board of Governors approve the award of contracts to KLN Furniture of Overland Park, KS, in the amount of \$492,176.88, and to Sauder Education, Archbold, OH, in the amount of \$26,445.15, for the purchase and installation of new furniture to refurbish and upgrade the furniture in Nickerson, UCC, and Hosey residence halls. The motion was seconded by Mr. Baker and carried unanimously. This item, scheduled for presentation to the Board in January, was deferred so that additional information could be obtained related to the bids. This resulted in a savings of \$68,000.*

Refinancing of Revenue Bonds – Agenda Item No. 15

Mr. Merrigan presented information included in revised briefing papers (Series 2002 – Library Bond and Series 2009 – Student Recreation Center Bond) related to the refinancing of revenue bonds (Attachment 9). Following his presentation, the following motions were made and passed.

*Mr. Brady moved that the Board of Governors (1) approve a resolution authorizing UCM to issue Educational Facilities Refunding Revenue Bonds Series 2012 for the purpose of refinancing and redeeming the University's outstanding **Series 2002 – Library/Student Housing Bonds**; and (2) authorize the Board President to sign the resolution, provided market interest rates are at a yield that would generate sufficient savings to the University. The University will not refinance the Series 2002 Bond if the market interest rates increase to a point which reduces savings below parameters set forth in the briefing paper. The motion was seconded by Mr. Wright and carried unanimously.*

*Dr. Wetzel moved that the Board of Governors (1) approve a resolution authorizing UCM to issue Educational Facilities Refunding Revenue Bonds Series 2012 for the purpose of refinancing and redeeming the University's outstanding **Series 2009 – Student Recreation Center Bonds**; and (2) authorize the Board President to sign the resolution, provided market interest rates are at a yield that would generate sufficient savings to the University. The University will not refinance the Series 2009 Bond if the market interest rates increase to a point which reduces savings below parameters set forth in the briefing paper. The motion was seconded by Mr. Wright and carried unanimously. The motion was seconded by Mr. Brady and carried unanimously.*

Mr. Merrigan noted that the University did close on the Bank of America refinancing for the ESCO lease, which will result in a net present value cumulative savings of \$3.7 million over the life of the loan or \$330,000 annually.

Tax Compliance Policy and Procedure – Agenda Item No. 16

Mr. Merrigan referred the Board to Tab 17 of the meeting materials which contained information related to a proposed tax compliance policy and procedure, which is required by the Internal Revenue Service for the refinancing of bonds (Attachment 10). *Mr. Brady moved that the Board of Governors approve Board of Governors Policy 4.1.060- Tax-Exempt Financing Compliance and its accompanying procedure. The motion was seconded by Dr. Wetzel and carried unanimously.*

Fiscal Year 2013 Student Instructional and General Fees

Mr. Merrigan referred the Board to a briefing paper related to proposed Fiscal Year 2013 Student Instructional and General Fees (Attachment 11). Following Mr. Merrigan's presentation, *Mr. Brady moved that the Board of Governors approve the recommended FY 2013 rates for instructional and student general fees as itemized in Attachments I and II of the briefing paper (see Attachment 11). The motion was seconded by Mr. Wright and carried unanimously.*

Board Business

Special Naming of Utt Rehearsal Room 102B – Agenda Item No. 17

President Ambrose presented information contained in a briefing paper under Tab 18 of the meeting materials related to the special naming of Utt Rehearsal Room 102B

(Attachment 12). Mr. Wright moved that the Board of Governors approve the naming of Utt Rehearsal Room 102B the “Russell Coleman Rehearsal Hall.” The motion was seconded by Ms. Dandurand and carried unanimously. Dr. Russell is one of three Music Department leaders spanning the last 69 years whose portrait hangs in the Utt Music Building, honoring his exceptional service and dedication to UCM musicians.

Adjournment – Agenda Item No. 18

There being no further business to discuss, the meeting adjourned at 10:30 a.m.

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Plenary Session Minutes
Attachments Listing

<u>Attachment No.</u>	<u>Attachment Description</u>
1	<i>Written Governance Groups Reports</i>
2	<i>Power Point – Master Plan Update</i>
	<i>Studies - fraternity housing site; Holden Village; Stadium District Improvements; Pertle Springs; and Campus Arts Gateway</i>
3	<i>Briefing Paper – Amendment to Charter Agreement – Academie Lafayette</i>
4	<i>Briefing Paper – Proposed Bachelor of Science in Business Administration - Economics</i>
5	<i>Briefing Paper – Proposed Education Specialist Degree – Human Services/Educational Technology</i>
6	<i>Briefing Paper – Revisions to Photography Program</i>
7	<i>Power Point - Spring Enrollment Report</i>
8	<i>Briefing Paper – Furniture Replacement for Residence Halls</i>
9	<i>Briefing Papers – Series 2002 – Library Bond and Series 2009 – Student Recreation Center Bond</i>
10	<i>Briefing Paper – Tax Exempt Financing Compliance Policy and Procedure</i>
11	<i>Briefing Paper – Fiscal Year 2013 Student Instructional and General Fees</i>
12	<i>Briefing Paper – Special Naming of UTT Rehearsal Room 102B</i>