

University of Central Missouri
Board of Governors
Work Session
October 27, 2022

The University of Central Missouri (UCM) Board of Governors convened in Work Session on October 27, 2022, at 1:00 p.m. in Union 237B on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President Kenneth Weymuth. Others participating in the meeting from Union 237B were Governors Mary Dandurand, Mary Long, Gus Wetzel II, Stephen Abney, John Collier and Zachary Racy, as well as University President Roger Best; General Counsel Lindsay Chapman; and Assistant Board Secretary Monica Huffman. Governor Marvin E. Wright participated in the meeting by phone. Staff presenters in attendance included Dr. Phil Bridgmon, Mr. Bill Hawley, and Mr. Chris Lang. Mr. Kaleb Lilly and Ms. Jessica Schmidt of RubinBrown LLC were also present.

Call to Order - Agenda Item No. 1

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

External Audit Report - Agenda Item No. 2

Mr. Bill Hawley, Vice President for Finance and Operations, introduced Mr. Kaleb Lilly and Ms. Jessica Schmidt, representatives from UCM's external audit firm RubinBrown, LLC, to present the audit report. Mr. Lilly noted the report is marked "draft" pending receipt of a response from UCM to an inquiry RubinBrown made. He did not expect any changes to the draft report, which currently reflects a clean audit, and anticipates the final report to be completed within a week.

The Board received copies of the draft *Auditor Communications and Financial Statements* prior to the meeting (Attachment). Mr. Lilly reviewed the Auditor Communications noting the report contains a modification as a result of the implementation of GASB 87, Leases. He explained this reflects something significant in the financial statements that the University should be made aware of but does not change opinion. The Single Audit is not yet concluded, which is pending completion of a test. Mr. Lilly anticipates an unmodified clean opinion. Ms. Schmidt stated Student Financial Aid is typically the major program that is reviewed; however, in 2021 and 2022 the University's HEERF expenditures were large enough that Student Financial Aid did not require testing. The Single Audit is instead focused on HEERF expenditures, which if it were to result in a finding it would be noted at the back of the report and would unlikely change the unmodified clean opinion.

At the conclusion of Mr. Lilly's presentation, Mr. Weymuth asked if it is customary for an audit to be presented as a draft and for it to take this length of time to complete. Mr. Lilly explained RubinBrown was waiting for documentation from UCM which has resulted in a two-week delay and noted this is the first time in the firm's 11-year history as UCM's external auditor this has occurred. Mr. Weymuth noted the report would be recommended for approval at the Plenary Session.

Census Date Enrollment Report – Agenda Item No. 2

Provost Phil Bridgmon and Mr. Chris Lang, Assistant Vice Provost for Admissions and Analytics, presented the Census Date Enrollment Report included in the Board meeting materials under Tab 13. Provost Bridgmon reported total enrollment increased by 10.5% over Fall 2021 and is the second highest enrollment since Fall 2017. He added this growth was largely driven by our international graduate enrollment. Other key points taken from the report include:

- A large enrollment boost from Graduate and Dual Credit students
- Decreased undergraduate student enrollment types in areas of continuing education, new freshmen, continuing transfer, and new transfer
- Dual credit increased providing the potential for new freshmen conversion
- Undergraduate enrollment was down 232 students
- Part-time undergraduate increased
- The decrease in undergraduate enrollment was proportional across all demographic areas, with a slight increase in international undergraduate students
- New student enrollment was down 171 students
- Freshmen retention rates increased slightly from fall 2021, with Hispanic student retention increasing to 75.7%. A new stop-out initiative was implemented to reengage those students who are not retained
- Overall graduate enrollment increased for the fourth straight year, with a 45% increase over fall 2021

Provost Bridgmon said nationally there is a 1.1% decline in total enrollment. The context of building enrollment in Missouri is even more challenging because it does not have a strong college-going culture and is now below 50% in the number of Missouri High School graduates who intend to go to college right away. Provost Bridgmon stated for the next enrollment cycle adjustments are being made to boost core enrollment segments and maintain strength in the areas where there is good momentum.

Mr. Lang discussed some of the challenges UCM is facing including a shift in high school demographics, where the number of high school students enrolling in a four-year institution has declined. A downward trend from 2017 to 2021 reflects the number of high school seniors has remain unchanged, and in 2021, for the first time ever more Missouri high school graduates enrolled in a two-year institution rather than a four-year institution.

Discussion followed concerning UCM's efforts to compete with two-year institutions and student success rates when attending a two-year school. Mr. Lang said the primary concern for high school graduates is the cost of a college education. UCM has taken steps to maximize its financial aid strategy that includes making changes to the Red and Black Scholarship, UCM's largest incoming freshmen scholarship, so that students taking advantage of test optional admission status can still qualify for additional financial aid. This helps to make UCM more affordable for students and ensures the success of the standardized test does not restrict them from receiving additional scholarship dollars. In order to compete for students with an A+ option who are able

to attend community college for free, UCM recently announced it would pay the remainder of a student's general tuition and fees for the academic year if they are a Missouri resident who is Pell eligible. However, despite these offerings, there are students who will still opt for A+ at community college. Recognizing this, UCM has developed strong partnerships with community colleges in an effort to capture these students when they become transfer students.

Mr. Collier asked about the success rate of students attending a two-year institution over a four-year school. The Board received data in years past reflecting students attending two-year colleges were not as successful. Provost Bridgmon said this has not changed, adding it is difficult to measure student success at a community college because many students leave college ahead of earning their degree. Once they have completed their general education requirements, they are anxious to begin their four-year experience. Dr. Bax shared IPEDS data reflecting the retention rate at a two-year institution was significantly lower than UCM's.

Mr. Weymuth expressed concern that high school graduates may choose to attend two-year technical schools where it possible for them to graduate without debt and earn a higher starting wage vs. attending a four-year traditional school where students may incur more college debt and earn a lower starting wage. President Best acknowledged enrollment at State Technical College of Missouri in certain vocational/technical programs has increased, and that many of the wages earned by graduates from these programs are high, and higher than some of the wages that result from UCM's bachelor's degree programs. However, he does not anticipate UCM will onboard technical programs to compete. Provost Bridgmon said UCM's Workforce Development and Professional Education offers a strong portfolio of shorter-term certificate programs that are skilled-based and have credentials recognized by industry. We are competing in some respects, but we are unable to fully compete with places such as State Technical College.

Dr. Long had concerns related to (1) the absence of gender information in the report; (2) a 22% decrease in White undergraduate demographics and a 45% decrease in Black/African American demographics over the past five years; and 3) the stability of the Graduate Program where the composition of students is currently 60% international and 40% domestic. Mr. Weymuth shared Dr. Long's concern, noting a period not so long ago when international enrollment was similarly high only to experience a deep decline a few years later. He encouraged the University to remain flexible in our program offerings and in their delivery. With regard to Dr. Long's first concern, Mr. Lang said he would ensure future reports include gender information. Regarding her second concern, Provost Bridgmon said as we work to increase the demographics within certain groups, it is important to stress to students that college is affordable and necessary. And regarding Dr. Long's last concern about the Graduate Program, Provost Bridgmon said with the internet people from across the globe are learning about UCM and are able to see how valuable the University can be to their future, which has contributed to the increased international enrollment. He agreed UCM should continuously look for ways to increase enrollment in all areas and not be reliant on any one student population. To Mr. Weymuth's point, Provost Bridgmon noted we have seen an increase in the mix of hybrid classes.

Mr. Abney asked how the University is preparing for high school graduates who chose not to go to college right after graduation and now want to. Mr. Lang said each semester following Census, this population of students are identified and placed into a reengagement campaign that honors scholarships, financial aid, and space availability. UCM is working to streamline the reapplication process and make it easier for these students to return to school. This process will start in the next week or so for Fall 2023 semester for those students admitted for the Fall 2022 semester but that did not enroll or go elsewhere and UCM students who were not retained.

Mr. Racy asked if the institution's contribution to scholarships has remained steady or increased over the years consistent with increases to student population and tuition revenue. President Best responded that despite putting more money into the institutional scholarship budget, as a percentage of tuition revenue, the amount is lower today due to the shift in the number of graduates vs. undergraduates. The majority of graduate students are not on scholarship and receive no tuition discounts. He added the cost of tuition has increased over the past couple of years, and we have tried investing more in the institutional aid budget to account for this. We also discount some of the tuition increase back out for undergraduates and some targeted scholarship programs. Scholarship Programs are evaluated regularly, and if they appear to not be working well, the dollars are redirected to the Red and Black Scholarship or some other scholarship model.

Mr. Weymuth thanked Provost Bridgmon and Mr. Lang for their report and closed by reminding everyone that enrollment is the responsibility of every employee.

Other – Agenda Item No. 3

There was no other business to discuss.

Adjournment

Ms. Dandurand made a motion to adjourn Work Session. The motion was seconded by Mr. Abney and carried unanimously. The meeting concluded at 2:00 p.m.