

*University of Central Missouri*  
*Board of Governors Plenary Session*  
*Wednesday, February 21, 2007*

The University of Central Missouri's (UCM) Board of Governors convened in Plenary Session on Wednesday, February 21, 2007, at 9:00 a.m. in Union 237B on the campus of the University of Central Missouri, Warrensburg, Missouri. Presiding over the meeting was Board President Lawrence Fick. Other Board members present were Deleta Williams, Jennifer Nixon, Palmer Nichols II, Delores Hudson, Richard Phillips, Michelle Wimes and Anthony Arton. Also in attendance were University President Aaron Podolefsky, General Counsel Judith Siminoe, and Assistant Secretary to the Board Monica Huffman.

**Call to Order** – Agenda Item No. 1

Board President Fick called the meeting to order at 9:00 a.m.

**Remarks by the Board President** – Agenda Item No. 2

Mr. Fick remarked on a number of activities that he and other Board members had an opportunity to participate in since the last Board meeting in December. Of particular note was the winter Commencement, the *Freedom Scholarship Dinner*, an open house for the expansion of UCM's Central Summit Center, and the *Athletic Hall of Fame* Induction event. Mr. Fick also acknowledged and congratulated several UCM students, faculty, and staff, who recently received awards and recognitions through professional organizations. These included members of UCM's Department of Theatre, Flight Team, and the Office of University Relations staff.

Mr. Fick stated that the Criminal Justice Department is hosting *The Miscarriages of Justice* Conference this week on campus, and attendance includes people from around the nation and the world. He closed his remarks by announcing that Governor Wimes would represent the Board at the upcoming Association of Governing Boards Annual Meeting in Phoenix, Arizona next month.

**Remarks by the University President** – Agenda Item No. 3

President Podolefsky added his congratulations to the faculty, staff and students who recently received awards and recognitions. He noted that former Board members have been invited to campus today to participate in a *Day on the Campus of UCM*. As part of the day's events, former and current Board members will attend the Jennies and Mules last home games of the season tonight.

President Podolefsky gave a recount of some of his recent travels to Austin and Houston, Texas that included visits with friends of the university; Aramco representatives who are interested in creating partnerships with UCM; and attendance at a Mules game and an alumni event in Houston.

President Podolefsky also provided a brief account of a recent trip to Washington, D.C., where he, Provost Shah, and Ann Pearce visited several members of the university's congressional delegation. Proposals were presented for consideration of federal earmarks. An alumni event was also held in Washington during this time and 45 alumni attended.

The President noted that there is an omnibus bill being discussed by the Senate in Jefferson City that could create many difficulties for the university's FY 2008 budget planning. He said more detail would be given under the Legislative Update.

Next month, President Podolefsky will travel to Phoenix for the AGB Conference, and while there visit with a potential donor and attend an alumni event. The President announced that the university is in the final stages of selecting an executive search firm to assist in the search for a Vice President for University Advancement; UCM will implement a new student e-mail system in March; and consideration is being given to establishing a one-stop student center that would provide greater convenience to students.

In closing, President Podolefsky said that the American Council on Education has created some television media spots in an effort to help citizens realize the value of education. The theme of these spots is, "We Train the People Who Educate People who Solve the Problems and Change the World." The spots that have appeared on UCM's KMOS station, were viewed with the Board

### *General Session*

**Minutes of the December 15, 2006, Board of Governors Meetings** – Agenda Item No. 4

Mr. Phillips moved that the Board of Governors approve the minutes of the December 15, 2006, meetings. The motion was seconded by Mr. Nichols and carried unanimously.

### *Reports*

**Governance Groups Written Reports** – Agenda Item No. 5

Mr. Fick noted that the governance groups' reports were included under Tab 4 of the meeting materials (Attachment 1)

President Podolefsky noted that on October 17, 2001, the Board of Governors approved a Faculty Compensation Policy. Item number 10 of the policy specifies that the salary components of annual across-the board increases, market, and merit are to be included in the faculty compensation system. There has been no further progress in implementing this since 2001. He noted that the Faculty Senate Report states that the Faculty Senate passed and submitted a proposal to the President that includes these three components. President Podolefsky said he has accepted the proposal, but that it will be important to implement the proposal carefully to ensure everyone has confidence in the fairness of the

policy. He commended the Faculty Senate on its work. He also commended the Support Staff Council for their work in establishing a scholarship program for their colleagues.

**Legislative Update** – Agenda Item No. 6

Ms. Pearce stated that new legislative sessions began both at the state and federal levels last month. She, President Podolefsky and Provost Shah traveled to Washington, D.C. earlier in the month and met with Missouri’s Congressional delegation including Senator Bond and six of the nine U.S. Representatives. They were also able to meet with staff members from the four remaining representatives’ offices.

Ms. Pearce said the group was well received and the meetings were positive. They were able to share highlights about the university and also share a publication developed by University Relations helped to develop to illustrate how UCM serves the entire state of Missouri, not just certain districts. The publication, *Impact Statement*, was distributed to the Board (Attachment 2). During the meetings, the group was able to talk about some of the university’s needs and share with the representatives a number of proposals UCM would ask to have considered for FY 2008 federal funding. Ms. Pearce distributed a handout that listed the 19 different proposals presented at the meetings (Attachment 3), and circulated a book that included the background on each one.

Ms. Pearce stated that people in Washington are uncertain at this time how or even if, federal project funding will be allocated in FY 2008. Federal appropriations bills are not usually approved until the fall, so it will be several months before the university learns if it will receive any funds for any of the proposals.

Following Ms. Pearce’s update on federal legislation, Mr. Wright gave a very brief overview of the “Priority Tracked Legislation” report that was distributed to the Board (Attachment 4).

Mr. Wright provided a status report of Senate Bill 389 (SB 389), and said that a recently issued summary of the bill would move the list of MOHELA projects previously included to House Supplemental Bill 16 (HSB 16); however, HSB 16 will not go through unless Senate Bill 389 is approved.

SB 389 is being handled by Senator Nodler. There are three to four proposals included in the bill including the consolidation of the Gallagher Grant and the Missouri Guarantee Scholarships. These are being combined into one fund where additional money would be added. The fund would be accessible to both public and private institutions, and would become more of a true needs-based scholarship based on financial need. The bill also makes certain that the established guidelines and requirements are the same for both out-of-state and in-state public institutions. This should help to make things more equitable. The bill includes a provision for the transfer of credits and raises the standards of general education courses. Lastly, the bill adds a higher education focus to the Joint Committee on Education.

The main proposal included in the bill that is creating difficulties for public higher education is the Higher Education Student Funding Act, which links the amount of revenue public institutions are able to take in to the Midwest Consumer Price Index (CPI) rate.

President Podolefsky said that the original bill put a cap on tuition at the Midwest CPI, which is currently 2.5%. The subsequent bill tied the tuition to the appropriation so that the average of tuition and appropriation had to be at Midwest CPI. To demonstrate, President Podolefsky gave an example of an appropriation being 4% and the Midwest CPI 2%. The tuition increase would be 0%, because the average of the 4% and 0% would equal the Midwest CPI of 2%.

President Podolefsky added that the pending bill creates difficulties for the university in planning and developing the institution's FY 2008 budget. The university typically sees the Governor's recommendation for an appropriations increase in the Spring. It then reviews inflation and mandatory cost increases to determine what tuition increase is needed to meet the university's financial obligations. Until a determination is made about SB 389, UCM is unable to predict how its expenses will be met.

Mr. Nichols stated that one of the difficulties is that unless you work in higher education, there are few people that will sympathize and understand the need to increase tuition. Most people want to see the rising costs of higher education contained. Unfortunately, many of the Legislators' constituencies will likely favor any efforts to keep tuition from rising.

Ms. Hudson stated this morning's *Kansas City Star* included an editorial about MOHELA and indicated many past supporters have now withdrawn their support. She asked if there was any validity to this. Mr. Wright stated questions have been raised concerning MOHELA's financial stability that may have caused several of the original supporters to withdraw their support.

President Podolefsky and Ms. Pearce will be in Jefferson City next week to participate in discussions about SB 389. Mr. Nichols asked if the Board needed to take a position on MOHELA or any other bill. Ms. Pearce said that currently university Presidents are having discussions with their Board Chairs to see if they have an interest in meeting via conference call to discuss the various issues before the Legislature this year and to see if as Boards, they may want to start contacting their legislators and making their concerns known. Ms. Hudson stated the bigger issue is that the Legislature should not be a body dictating to the individual institutions what their tuition rates should be. The Legislature needs to be convinced that the bill is bad and universities should not be operating under such constraints. The Legislature needs to be convinced about the value of higher education and trust the organizations already in place such as the Coordinating Board.

Mr. Nichols asked if state statutes allow the Board to increase tuition as it deems necessary. President Podolefsky said that the SB 389 doesn't change the Board's authority to increase tuition, but states that if any university increases rates in excess of

the prescribed formula, it will be fined 5% of its appropriation budget, which for the university would be \$2.5 million.

President Podolefsky noted that Mr. Wright is representing UCM today at the Senate Appropriations Committee hearing. In closing the legislative update report, President Podolefsky noted that part of the MOHELA issue related to profitability has to do with potential changes at the federal level for federal aid. If these rates change, it would affect MOHELA's profitability.

### ***Board Committee on Academic Affairs***

Mr. Phillips, Chair of the Board Committee on Academic Affairs, stated that the committee met earlier this morning. During the meeting, Provost Shah and his staff outlined a very ambitious five-year Academic Affairs Plan. Mr. Phillips and Ms. Hudson recommended that if the Board holds a retreat in July, that there be time allocated for discussing the plan and the Board's role in the transitions that would occur as a result of the plan. One of the issues discussed as part of the plan was moving the university's average ACT score from 22 to 24. There are consequences on both sides of this issue that the Board should discuss.

Mr. Phillips said the five-year plan also includes a shift in the role of the faculty. The plan requires them to become more involved in the recruitment and retention of students. There was also discussion regarding curriculum and the need to make a move from quantity to quality, and the steps required to make this shift. The committee also heard a report related to spring enrollment. He called on Provost Shah and Dr. Melvin to present the report to the Board.

#### **Spring Enrollment Report** – Agenda Item No. 7

Provost Shah asked Dr. Melvin to give a presentation on spring enrollment. A copy of Dr. Melvin's PowerPoint presentation was distributed to the Board for them to follow along with as the presentation was made (Attachment 5). He noted that much of the data presented in the Spring Enrollment Report is based upon retention initiatives.

Following the Spring Enrollment Report, the Board took a 15 minute recess.

### ***Board Committee on Administration & Finance***

Mr. Nichols, Chair of the Board Committee on Administration & Finance, reported that the committee did not meet this month. It was noted that the Quarterly Investment Report and the Quarterly Statement of Revenues and Expenses that would have been presented to the Board at its January meeting, were mailed following the cancellation of that meeting.

Ms. Hudson noted that the expenditures listed in the report for the quarter ending December 31, 2006, were only at 30%, but that they were at 41% at the same time last

year. Mr. Merrigan explained that last year several equipment purchases were made related to the Banner System which largely explains the difference.

Ms. Williams noted there were a couple of proposed bills listed in Mr. Wright's legislative tracking report that would require the balance of state funds to be transferred and credited to the State General Fund if state revenue does not increase more than 2%. She questioned if this bill or some other were passed, whether the university would lose its carryforward funds. Mr. Merrigan was unfamiliar with the bill. The Board suggested that this is a bill worth tracking.

### *Board Committee on Student Affairs*

Ms. Wimes, Chair of the Board Committee on Student Affairs, reported that the committee met earlier this morning and focused its discussions on five specific areas that the committee is concentrating on for this academic year. She provided the following updates:

- Student Recreation Center Initiative – there are complicating issues with regard to the possibility of a tuition cap that could affect whether a center could be fully funded at this time. Although the students have voted in favor of a fee increase, the revenue generated by this would cover only the basics. Other funds would be needed for such items as staffing, materials, and equipment.
- Student Affairs Reorganization - The Division of Student Affairs is doing some internal reorganization to improve efficiencies.
- Director of Community Engagement Position – The Search Committee reviewed applications that were received from within the region and across the nation and were not pleased with the applicant pool. The search will be reopened, and the committee is hopeful to have someone in place this summer.
- Transportation – Eugene Stillman provided a report to the committee related to a transportation survey given to students. The results showed that students are not interested in a mass transit system, but would like a transportation system that would get them to different places on campus or even to UCM's Central Summit Center. There was some discussion of the Night Rider Program, which has been instrumental in transporting students safely to and from downtown Warrensburg.
- Recycling Program – Funding is not available this year to implement a recycling program; however, Deb Hobson will continue working on this initiative in hopes that the university is able to implement it sometime in the future.
- Residence Halls – Patrick Bradley provided an update on the Residence Halls. It is anticipated that a Housing Master Plan may be ready for presentation to the Board at its May meeting.

- New e-mail system – The university will implement a new student e-mail system on March 19.
- Student Governor Voting Privileges – Governor Arton prepared a position paper related to this issue. A copy was distributed to the Board (Attachment 6). The committee has tried to be responsive to the issues brought forward by the students. On October 17, 2006, the Student Government Association unanimously passed a resolution expressing that the Student Governor be afforded full voting privileges on the Board of Governors. The committee decided that this matter should be brought forward to the Board for discussion.

Ms. Wimes said this is an issue that has resurfaced at various times and suggested that the Board may wish to discuss it at greater length during its July retreat. Mr. Phillips expressed concern regarding the magnitude of discussions that have already occurred prior to being discussed by the Board. He stated the Board has been placed in a difficult position and questioned if it should consider taking a position on this matter prior to other discussions being held by other constituencies. Mr. Nichols said that there is legislation now being reviewed by the Legislature and the question has been raised whether to add the University of Central Missouri to the legislation authorizing the student governor to vote. He said it might be in the Board's best interest to take a position one way or another so that the Legislature is certain of what its position is and not leave it to question.

Mr. Nichols moved that the Board of Governors not support any legislation or initiative that would require one voting member of the governing board of the University of Central Missouri be a full-time student. The motion was seconded by Mr. Phillips. Mr. Fick called for discussion.

Ms. Hudson concurred with Ms. Wime's suggestion that the Board discuss the issue at the Board's summer retreat. She understands that the current legislation does not include UCM. In order to add UCM, the bill would have to be amended and go through several iterations. UCM's lobbyist and President Podolefsky would also have to spend time supporting or opposing such an inclusion. Ms. Hudson stated there are many issues of higher priority that require the Board's attention at this time and also suggested waiting until the Board's retreat to discuss it at length. She expressed concern about the language in the paper provided by Mr. Arton that states, "The Student Governor would become a voting member of a board member rotating off." She reminded Mr. Arton that Board members continue to serve past their term expiration date until such time that a replacement is appointed by the Governor. Therefore, there is no opportunity to have those members' voting privileges assumed by a Student Governor. Mr. Arton clarified that the Student Governor would gain and replace the vote of the member who is rotating off. Ms. Hudson said there are many ramifications to the proposal and much more discussion will be needed for the Board to make a decision.

Mr. Nichols called for the question. Mr. Fick asked for a roll call vote on the motion that the Board of Governors not support any legislation or initiative that would require one voting member of the governing board of the University of Central Missouri be a full-time student.

Lawrence Fick	aye	Richard Phillips	aye
Delores Hudson	no	Deleta Williams	no
Jennifer Nixon	aye	Michelle Wimes	no
Palmer Nichols II	aye		

The motion passed with a majority vote. Ms. Pearce was asked to convey the Board’s position to Representative Pearce.

***Board Business Items***

**Proposed Revisions to Bids and Contracts Approval Policy** – Agenda Item No. 8

Ms. Siminoe referred the Board to Tab 5 of the meeting materials which contained a briefing paper, proposed revisions to the policy, and accompanying procedures (Attachment 7). She noted that the policy would assume a new heading of “Approval of Contracts, Real Estate and Capital Projects Policy.”

Ms. Siminoe reviewed the proposed changes to the policy, which in large declares the authority the Board is retaining for itself. She reminded the Board that during its July 2006 retreat, it delegated decision-making authority to the President, because the policy at the time required Board approval for any expenditures exceeding \$100,000.

Ms. Hudson stated that her understanding of the discussion during the July 2006 retreat, was that the Board wanted to give the President greater flexibility and latitude in signing and negotiating contracts that exceeded \$100,000, for which she is agreeable. The revised policy presented today extends beyond this. She referenced paragraph IIA1. which “Authorizes the University President to delegate contract and decision-making authority to direct reports . . .” and paragraphs IIB1. and IIB3., which she feels are in direct conflict with one another. Ms. Hudson said that paragraph IIB1. gives the Board total authority, whereas, paragraph IIB3. gives the Board authority only when certain provisions are met.

Ms. Hudson asked what ½ of one percent of the budget would be. President Podolefsky said approximately \$500,000. Ms. Hudson said she fully favors giving President Podolefsky and future Presidents latitude higher than \$100,000; perhaps \$200,000. However, the proposed policy revisions gives the administration a flexibility that should be reserved for the prerogative, authority, and obligation of the Board of Governors to decide. She believes this would set an unfavorable direction for the institution, and that any expenditure costing as much as \$500,000 should be decided by the Board.

Ms. Siminoe provided some points of clarification of the policy and procedures. She noted that the \$150,000 noted in the procedures is the amount delegated by the President to the Vice Presidents and University Directors. Paragraph IIB1. refers to authority related to real estate; whereas, in Paragraph IIB3., the Board retains authority to approve any agreement to purchase property (e.g. equipment) and services. The last point of clarification is that the proposed procedure is subject to the Board policy, which has precedence. Ms. Hudson thanked Ms. Siminoe for the points of clarification and reiterated that she believes it is the Board's prerogative and obligation to approve expenditures in amounts as high as \$500,000.

Mr. Nichols moved that the Board of Governors approve the revised policy with its new title of "Approval of Contracts, Real Estate and Capital Projects." The motion was seconded by Mr. Philips.

Mr. Phillips asked President Podolefsky for his thoughts on the proposed policy changes. President Podolefsky reiterated that the added language on page 2 of the policy was intended to make a distinction between real estate properties from other types of property as explained earlier by Ms. Siminoe. The essential issue is that the Board retains authority for all real property, which gives the Board authority over construction projects regardless of the funding source, and actually tightens existing policy. The difference comes down to the dollar amount for which the Board is willing to give the President the discretion to spend. The amount was left as a percentage in the policy to avoid having to bring the policy back to the Board each time the total budget amount changed. President Podolefsky said that his understanding from the retreat discussions was that the Board did not want to have to worry about having to approve things it had already approved as part of the budget. He said he believes the 0.5% limit is reasonable and one that he is comfortable with.

Mr. Phillips recalled the Board's discussion at the July retreat was about streamlining organizational functions and keeping the Board from bogging down and delaying appropriate decision-making activity. Ms. Hudson noted that the policy's purpose is to "ensure the best possible use is made of funds available to the university." She added that policy is set not for a person but for the direction of the institution. She believes that the way the manner in which the budget is approved each year leaves a lot of room for decision-making that should rest at the Board level. Mr. Nichols reminded the Board that it is the Board's role to govern and not to manage.

He called for a vote of the motion. The motion passed with a majority vote of the Board. Ms. Hudson voted no.

### **Summer Board Retreat** – Agenda Item No. 9

Mr. Fick said the Board would hold an annual summer retreat. After a brief discussion, it was determined that Saturday, July 14, 2007, was a good date for Board members. (*Note:* Following the meeting, the date was changed to Saturday, July 28, 2007.)

**Request for Closed Session, May 4, 2007** – Agenda Item No. 10

Ms. Hudson moved that pursuant to RSMO 610.021, that the Board of Governors of the University of Central Missouri meet in closed meeting, with closed record and closed vote, following the Plenary Session on May 4, 2007, in Union 237B on the campus of the University of Central Missouri, Warrensburg, Missouri, for the purpose of considering:

- a. Lease, purchase, or sale of real estate pursuant to RSMO Sec. 610.021 (2);
- b. Pending legal actions, litigation pursuant to RSMO Sec. 610.021 (1);
- c. Hiring, firing, disciplining, or promotion of personnel pursuant to RSMO Sec. 610.021 (3); and
- d. Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment pursuant to RSMO Sec. 610.021 (13).

The motion was seconded by Mr. Phillips and carried with the following roll call vote:

Lawrence Fick	aye	Richard Phillips	aye
Delores Hudson	aye	Deleta Williams	aye
Jennifer Nixon	aye	Michelle Wimes	aye
Palmer Nichols II	aye		

*Attachment Listing  
University of Central Missouri  
Board of Governors  
February 21, 2006  
Plenary Session Minutes*

<u><i>Attachment No.</i></u>	<u><i>Attachment Description</i></u>
1	<i>Governance Groups Reports</i>
2	<i>Impact Statement</i>
3	<i>FY 2008 Federal Funding Proposal Listing</i>
4	<i>Madsen &amp; Wright's Priority Tracked Legislation</i>
5	<i>Spring Enrollment PowerPoint Presentation</i>
6	<i>Memorandum from Anthony Arton to the Board re: Student Governor Voting Privileges</i>
7	<i>Briefing Paper, Proposed Policy Revisions and Proposed Procedures for Approval of Contracts, Real Estate and Capital Projects Policy (formerly Bids and Contracts Approval Policy)</i>