

*University of Central Missouri*  
*Board of Governors*  
*Special Plenary Session*  
*November 16, 2009*

The University of Central Missouri Board of Governors convened in a Special Plenary Session on Monday, November 16, 2009, in Union 237B at 9:00 a.m. Presiding over the meeting was Board President Richard Phillips. Other Governors in attendance were Walter Hicklin, Weldon Brady, Mary Long, Marvin Wright, and Mary Dandurand. Also present was University President Aaron Podolefsky; General Counsel Henry Setser; and Assistant Secretary to the Board Monica Huffman. Governors Edward Baker and Ryan Sanders were unable to attend the meeting and were excused.

**Call to Order**

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

**Oath of Office for New Board Members** – Agenda Item No. 1

Mr. Phillips introduced Judge Mark D. Pfeiffer of the Missouri Court of Appeals of the Western District, who attended the meeting to administer the Oath of Office to UCM's two new Board members. Ms. Mary Dandurand of Warrensburg, Missouri was appointed to the UCM Board of Governors to replace Ms. Deleta Williams; and Mr. Marvin Wright of Columbia, Missouri was appointed to replace Mr. Lawrence Fick. Ms. Dandurand and Mr. Wright were introduced to the Board and then administered the Oath of Office by Judge Pfeiffer. The Board welcomed the new members and presented them each with a briefcase for use in their work on the Board of Governors.

**Presidential Search Update** – Agenda Item No. 2

Mr. Phillips stated that the presidential search is now underway and that Mr. Hutchinson, the consultant for the presidential search, will be on campus this week to meet with different constituent groups.

**Budget Process Presentation** – Agenda Item No. 3

President Podolefsky reminded the Board that his State of the University address for the 2009-2010 academic year was titled "The Perfect Storm." His presentation described how the issues of a state shortfall, stabilization funds, and a decrease in the number of high school graduates in the State of Missouri over the next several years could potentially come together to form the perfect storm.

Although UCM freshmen enrollment has decreased modestly, retention and graduate and online student enrollment has increased, resulting in a five-year enrollment growth despite trends within the state.

President Podolefsky reported that as of October 2009, Missouri state revenues were down by 14% and there are presently no signs of this changing. Also, the state spent three-fourths of its stabilization funds last year, leaving very little dollars for the next fiscal year. UCM could potentially face a 10% or larger budget cut for the next fiscal year, which is significantly more than what was projected when the President gave his State of the University address in August 2009.

President Podolefsky said two basic approaches to addressing a potential budget cut is to (1) make base budget cuts, which would have to be done to permanently solve the problem; or (2) use one-time reserves to carry the university through the year. President Podolefsky said this basic policy decision should be made by the Board.

President Podolefsky presented a Power Point (Attachment 1) that gave an overview of the current budget situation. It included different "Crisis vs. Moderated Decline" situations that use one-time funds and base fund reductions respectively. He also provided strategic options to the Board for consideration in addressing the university's future budget situation.

Mr. Brady asked when UCM will know what its state appropriation is for the next fiscal year. President Podolefsky said he should know within a week or two; however, it will not be formally announced until the Governor makes his State of the State address in January 2010. Mr. Brady asked if the \$1.7 million estimated mandatory costs increases include the contribution increase to MOSERS. The \$1.7 million does include the increased contribution to MOSERS as well as other employee benefit increases. President Podolefsky distributed a FY 2011 Budget Planning Worksheet that listed mandatory costs increases for the next fiscal year (Attachment 2).

President Podolefsky noted that if this year's enrollment continues to grow through the Spring, UCM will have approximately \$500,000 of net increase due to enrollment growth.

Following the presentation, Board members voiced their thoughts. Mr. Hicklin said his preference would be to avoid making permanent base reductions and take a more mixed approach to see what savings could be found in the base budget. Mr. Wright asked if there is a listing of UCM programs. President Podolefsky said there is and that an academic review is conducted regularly to determine the viability of programming at UCM. Mr. Hicklin said a very careful review of any program considered for possible elimination will be needed to determine the real value of the program and what is lost if it is eliminated.

Mr. Wright asked how much UCM has in carryforward reserves. President Podolefsky said centrally, there are approximately \$3 million to \$4 million in carryforward reserves, and there are approximately \$5 million in carryforward reserves within different units on campus. He noted that approximately \$993,000 remains in the institutional contingency fund and that the university recently received a \$200,000 asbestos settlement.

Following discussions, the Board asked that a budget update be provided during the Administration and Finance Committee of the Whole meeting in December. It was determined that this committee would meet on Thursday, December 10. President Podolefsky will provide an update on the budget process and UCM's external auditor will give its report.

**Request for Closed Session** – Agenda Item No. 4

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

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

**Adjourn**

There being no further business to discuss, the meeting adjourned at 9:50 a.m.

***University of Central Missouri  
Board of Governors  
November 16, 2009  
Plenary Session Minutes  
Attachment Listing***

<u><i>Attachment No.</i></u>	<u><i>Attachment Description</i></u>
<i>1</i>	<i>Power Point – Current Budget Situation</i>
<i>2</i>	<i>FY 2011 Budget Planning Worksheet</i>