

University of Central Missouri
Board of Governors
Work Session (Open)
February 23, 2010

The University of Central Missouri's Board of Governors convened an open Work Session at 4:00 p.m. on Tuesday, February 23, 2010, in Union 237B on the main campus of the University of Central Missouri, Warrensburg, Missouri. Presiding over the meeting was Board President Richard Phillips. Other Board members present included Governors Walter Hicklin, Weldon Brady, Mary Long, Edward Baker, Mary Dandurand, Marvin Wright, and Ryan Sanders. Also present were University President Aaron Podolefsky; General Counsel Henry Setser; and Assistant Secretary to the Board Monica Huffman.

Call to Order

Mr. Phillips called the meeting to order. It was determined that a quorum was present to conduct business. Mr. Phillips called on President Podolefsky to present information related to the FY 2011 budget.

FY 2011 Budget

President Podolefsky asked Provost Wilson to give the report for this agenda item. Provost Wilson referred the Board to Tab 5 of the meeting materials, which contained a briefing paper and other supporting documents (Attachments). Provost Wilson stated that the briefing paper summarizes a FY 2011 budget shortfall of \$5.1 million, and that the purpose of the presentation was to obtain the Board's guidance on how the university should proceed in planning the FY 2011 general operations budget.

Provost Wilson reviewed the FY 2011 Budget Planning Worksheet which assumes a zero across-the-board salary increase for university employees; no increase in tuition; an enrollment projection based on the current year's expected enrollment; and a reduction of 5.2% in state funding. The total reallocation or revenue enhancement needed in order to ensure a FY 2011 balanced budget is \$5,089,260.

Provost Wilson also reviewed the Revenue Enhancement and Expenditure Reductions Items list that was proposed for FY 2011. He said the list was vetted by the Strategic Planning and Resource Council (SPRC), and that the SPRC recommended a modest increase for employees earning \$25,000 or less. The President's Cabinet recommended that the Board give some consideration to across-the-board increases, but did not specify a dollar amount. Mr. Hicklin expressed concern about not giving salary increases for a second straight year and suggested providing a flat rate of money to each employee regardless of their current salary. This would be a one-time offering and not considered a salary increase. He noted that all employees are experiencing the same rising costs of daily living due to a poor economy, regardless of what their rate of pay may be. President Podolefsky said the Cabinet could discuss this further, but noted that when he testified last week before the House of Representatives one state representative made negative remarks about universities that gave salary increases last year. The view of some

legislators is that universities should not be giving salary increases. Mr. Wright expressed concern about giving a one-time offering because it makes it more difficult for employees when it is taken away in the next year. He suggested it may be better to provide a small increase to each employee. Mr. Sanders voiced concern about giving any salary increase when the university is proposing to increase graduate tuition and online fees. He acknowledged that times are difficult for employees, but noted that times are also financially difficult for students.

Mr. Brady noted there are salary elements built into the proposed FY 2011 budget including faculty promotions; faculty base salary range minimum; staff salary adjustments for people earning \$25,000 or less; and adjustment in benefits. Provost Wilson noted that the Board could make adjustments in these items. Mr. Wright asked if university policies mandate salary increases with promotions. Provost Wilson responded that yes, there is a salary range model created under Board policy and approved by the Board.

Mr. Phillips asked for clarification of the language included throughout Attachment 3 of the briefing paper where it states the “SPRC made no change . . .” Mr. Brady added that in reviewing the SPRC meeting minutes concerning this same matter that it was noted in several instances that “SPRC took no action.” Provost Wilson said the SPRC discussed each item and were invited to take action on each. On those items where the SPRC disagreed, it took action and is so noted in Attachment 3. Where the SPRC agreed or had no particular opinion, they left the recommendation as is and took no action. In these instances, it is noted throughout Attachment 3 as the “SPRC made no change.”

The Board had an in depth discussion concerning the process that was used to arrive at the proposed revenue enhancement and expenditure reduction items for FY 2011, and those processes used in past years. There was also considerable discussion concerning whether the budget shortfall should be addressed using a combination of base budget cuts and carryforward funds as presented today, or some other combination. President Podolefsky stated that today’s presentation was prepared based on a discussion at the November 2009 Board meeting where the Board indicated preference for a mixed approach using base budget cuts and carryforward funds. Mr. Hicklin expressed appreciation and commended the staff on their good work. He noted that the work done thus far has provided the Board a basis for discussion in considering what it must do to best address the FY 2011 budget shortfall.

Mr. Phillips asked members of the Administration and Finance Committee to meet with Provost Wilson following the meeting to review today’s discussion and to make any necessary modifications. The Committee was also asked to be prepared to make a recommendation to the Board at its February 24, 2010, Plenary Session.

Adjournment

The meeting adjourned at 5:00 p.m.