

University of Central Missouri
Board of Governors
September 20, 2013
Plenary Session

The University of Central Missouri (UCM) Board of Governors convened in Plenary Session on Friday, September 20, 2013, at 8:30 a.m. in UN 237B on UCM's main campus in Warrensburg, MO. Presiding over the meeting was Board President Marvin E. Wright. Also in attendance were Governors Gus Wetzel II, Walter Hicklin, John Collier, Weldon Brady, and Kyle Shell. Others present included University President Charles Ambrose; General Counsel Henry Setser; and Assistant Secretary to the Board Monica Huffman. Board members Mary Long and Mary Dandurand were unable to participate in the meeting and were excused.

Plenary Session

Call to Order – Agenda Item No. 1

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

Remarks by the Board President – Agenda Item No. 2

Mr. Wright congratulated Dr. Ambrose on receiving the Governor's Economic Development Advancement Award. He commended the University on a number of recent outstanding events including *Get the Red Out* and Air Show at Skyhaven, and on this weekend's upcoming *Family Weekend* activities. Mr. Wright thanked everyone who contacted their legislator to voice opposition to House Bill 253. The outcome of a vote to overturn the Governor's veto of House Bill 253 failed, which is good for higher education and for UCM. In closing, Mr. Wright expressed appreciation to everyone involved with UCM's enrollment growth.

Remarks by the University President – Agenda Item No. 3

President Ambrose described the excitement and participation levels of several events and activities that recently occurred including *Get the Red Out*, the Sawyer Brown concert, the Air Show at Skyhaven, and an alumni event held last week in Dallas. President Ambrose also gave a recap of some of the past year's activity related to *Complete College* including the establishment of UCM's Learning to a Greater Degree Contract and the state's efforts to identify ways to provide adequate resources for higher education in order to keep student debt down.

In closing, he introduced and welcomed nine students that were in attendance at the meeting from the Governance and Finance in Higher Education class.

General Session

Approval of the Minutes – Agenda Item No. 4

Dr. Wetzel moved that the Board of Governors approve the minutes of the August 22, 2013, Work Session and August 23, 2013, Plenary Session. The motion was seconded by Mr. Hicklin and carried unanimously.

Reports

Written Governance Groups Reports – Agenda Item No. 5

Mr. Wright said the written governance groups reports were included under Tab 8 of the meeting materials (Attachment 1) and expressed the Board's appreciation for these informative documents.

Legislative Update – Agenda Item No. 6

President Ambrose reported that the Missouri Legislature held a Veto Session the week of September 15. During this time a vote was taken to override the Governor's veto of House Bill 253. The vote to do so failed with 253 members voting in support of the Governor's veto and 15 members voting to overturn it. He noted that following the vote, Senator Pearce stated there are some things that could be done to improve tax structures in the state. Additionally, there are reforms that could be considered to impact tax credit reform that could generate some savings. The Governor has expressed his interest in working towards shared objectives. As the Legislature prepares to move into the next session, there is a strong likelihood that a tax bill will be introduced and placed on a ballot for the people to decide. President Ambrose anticipates it will be a rather intense process moving forward. He extended appreciation to the Board for taking a formal position on House Bill 253.

President Ambrose an agreement was reached by all 13 public colleges on a formula funding model that takes into consideration two institutions within the state that grew substantially when there was no money available and whose per student appropriation is lower than each of the other institutions. The agreement also takes into consideration the expansive growth of the University of Missouri (particularly in Columbia). President Ambrose anticipates the formula will include 80% of new monies allocated on the basis of performance; 10% to base; and 10% to equity right-sizing of resources. The goal is to move the education committee of the Senate to a place where it would adopt the concept and the amounts of the formula and not place the formula into statute. President Ambrose said this underlines the importance of the performance funding component of the base and how we would receive it. He said presently, the State has an approximate \$400 million surplus. There is some initial thought that this could possibly result in the allocation of new money

next year. However, if an increase is provided to higher education, it would come with a requirement that institutions continue to keep tuition increases as low as possible. UCM's enrollment growth would make this very possible.

Missouri Innovation Campus Update – Agenda Item No. 7

President Ambrose provided an overview of some of the different meetings and events that have occurred recently related to the Missouri Innovation campus including a steady flow of site visits from various campus organizations; a meeting with the Kansas City Missouri School District Superintendent who is enthusiastic about finding ways to engage students from the urban core; and the scheduling of two campus forums to help further educate people about the Missouri Innovation Campus in early October.

President Ambrose asked Mr. Setser to provide an update on the MIC facilities proposal. Mr. Setser said the Request for Proposals will be issued to prospective bidders on October 30. He anticipates a recommendation of a developer will be presented to the Board at its November meeting for consideration. President Ambrose noted there has been a great amount of support from the Lee's Summit School District, and said that Carrow & Associates, the property management company for the leased space at the Summit Center, is permitting us to place signage for the Missouri Innovation Campus in high profile areas while will provide further exposure of the Campus near Chipman Road and facing Interstate-470.

Learning to a Greater Degree Contract Update – Agenda Item No. 8

President Ambrose reported that earlier in the month UCM hosted the Summit on Access, Persistence and Completion. The coordinator for the event was Robert Page of Metropolitan Community Colleges. Mr. Page has coordinated the event for the past three years and has always done a very nice job of bringing the community colleges and other higher education partners together. Dr. Curtis added that through networking with other attendees, she discovered that UCM is on the cutting edge of a number of things. She added that UCM had broad representation at the Summit that were able to engage in a number of the different sessions. Included in the Summit was a powerful presidents' panel that President Ambrose participated in as one of the panelist. With regard to other Learning to a Greater Degree Contract initiatives, Dr. Curtis said that things off and running. President Ambrose said it is invigorating to see students here and eager to learn. It is also exciting to see how all other elements are working together with regard to retention data and persistence opportunities.

Board Committee on Student Experience & University Advancement

Mr. Hicklin reported that Ms. Dandurand was unable to attend the Board Committee on Student Experience & University Advancement's meeting yesterday afternoon; however, outstanding reports were provided by Alumni and Development. He brought attention to

Jason Drummond's monthly report that was recently distributed to the Board and noted the many good things that are happening in the area of Advancement. In closing, Mr. Hicklin asked the Board to take time to review a list of activities within the Student Experience & Engagement area that he distributed (Attachment 2).

Board Committee on Academic Affairs

Dr. Wetzel, Chair of the Board Committee on Academic Affairs, reported that the Committee met yesterday afternoon. He asked Dr. Curtis to present the following agenda items:

Faculty Emeritus Recommendation – Agenda Item No 9

Dr. Curtis referred the Board to Tab 9 of the meeting materials (Attachment 3) that included a recommendation to award faculty emeritus status to Joanne Reinke, who retired December 31, 2012. *Dr. Wetzel moved that the Board of Governors award faculty emeritus status to Joanne Reinke. The motion was seconded by Mr. Hicklin and carried unanimously.*

Masters of Science in Elementary Education, Elementary Mathematics Specialist – Agenda Item No. 10

Dr. Curtis asked Dr. Ann McCoy of the department of Mathematics and Computer Science to present this agenda item. She also invited Deans Michael Wright and Alice Greife to join Dr. McCoy for the presentation, noting that their two colleges collaborated to establish the recommended program. Dr. McCoy reviewed the background information contained in a briefing paper under Tab 10 of the meeting materials (Attachment 4). Following Dr. McCoy's presentation, Dr. Greife stated that this is one of the best examples on campus of faculty working together across colleges to develop a program. *Dr. Wetzel recommended that the Board of Governors approve implementation of a Master of Science in Elementary Education, Elementary Mathematics Specialist program. The motion was seconded by Mr. Collier and carried with a unanimous vote.*

Census Date Enrollment Update – Agenda Item No. 11

Dr. Rick Sluder presented a Census Date Enrollment Report through the presentation of a Power Point (Attachment 5). Of particular note are an increase of 5% in headcount and a 3.9% increase in credit hours. The Census student count is 12,494 and total enrollment for undergraduate students has increased by 2.8%. Additionally, international enrollment has increased by 55.7% and graduate enrollment by 15.7%. Dr. Sluder attributed the increased enrollment to several things including a significant rise in international, military and veteran, and online enrollments. Additionally, retention is good. Dr. Wetzel commended Dr. Sluder and his staff for all of their good work.

Note: The Board took a short recess from 9:30 a.m. to 9:40 a.m.

Board Committee on Finance & Administration

Mr. Brady, Chair of the Board Committee on Finance and Administration, reported the Committee met the previous afternoon. He noted that the 2014 Health Care Insurance Plan was not discussed in the committee meeting; however it was discussed extensively by the full Board during its September 19 Work Session. He asked John Merrigan to present the following agenda items.

2014 Health Insurance Plan – Agenda Item No. 13

Mr. Merrigan introduced Rick Dixon and UCM's health care consultant Bob Charlesworth of Charlesworth & Associates. Mr. Dixon reviewed the plan that was outlined in detail in a briefing paper under Tab 11 of the meeting materials (Attachment 6). He stated that educational meetings to explain both plan options to employees will be held following the Board's approval of the 2014 plan. Mr. Dixon noted that originally there were three recommendations included with the briefing paper and said that the last recommendation to approve a modest per month increase to employees' premiums that elect not to participate in the Annual Health Risk Assessment, would be deferred for a year in order to provide adequate time to roll out the concept to the campus.

Mr. Dixon noted significant changes to the plan include 1) A contribution of \$35,000 to UCM to be used for wellness activities; 2) Inclusion of domestic partners on the plan; and 3) Raising the Max Out of Pocket in plan A from \$2,000 to \$2,750. This is because in 2014 all medical copays will be applied to the maximum out-of-pocket amount in compliance with the ACA, which helps to keep the plan cost neutral.

Mr. Brady moved that the Board of Governors (1) accept Blue Cross/Blue Shield of Kansas City's renewal offer of a 1.6% increase from last year's rate that includes continuation of Plan A, discontinuance of the current Plan B and implementation of a \$2,500 deductible Health Savings Account (HSA) plan in its place; and (2) approve a one-time \$600 contribution to the HSA account of each employee that elects this plan. The motion was seconded by Dr. Wetzel and carried unanimously.

Choose Red Grant – Agenda Item No. 14

Dr. Sluder reviewed the background information included in a briefing paper under Tab 12 of the meeting materials (Attachment 7) that recommends approval of the Choose Red Grant for students from contiguous states for new graduate and undergraduate students beginning their studies in the fall 2014 semester.

Mr. Brady asked how many out-of-state students not residing in the contiguous states would still be responsible for paying out-of-state tuition. Dr. Sluder did not have the information at the meeting, but said he would look into it. He noted that 89% of students are from Missouri and the remaining 11% are out-of-state and international students. Mr.

Hicklin asked at what the break-even point is for the University as it relates to revenue. Dr. Sluder said it would take 66 additional students from the contiguous states to break even. Mr. Hicklin expressed concern that the University not be placed in a position of losing revenue. Dr. Wetzel asked if competitor schools offer this same program. Dr. Sluder said that some do. President Ambrose said that marketing for the program would be targeted.

Mr. Brady moved that the Board of Governors approve the Choose Red Grant for students from contiguous states for new graduate and undergraduate students beginning their studies in the fall 2014 semester. The motion was seconded by Dr. Wetzel and carried unanimously.

Leased Aircraft Proposal – Agenda Item No. 15

Mr. Tony Monetti presented background information contained in a briefing paper under Tab 13 of the meeting materials (Attachment 8) related to the proposed leasing of two Cessna 172S or equivalent aircraft from Christiansen Aviation, Inc. of Tulsa, Oklahoma. The recommendation also included an option for four additional one-year renewal periods. It was noted that there was only one responder to an Invitation for Bid released on August 12, 2013.

Mr. Brady asked how we can know if the rates quoted by Christiansen Aviation are reasonable. Mr. Monetti said even though there was only one bid, he did research the rates of three companies and found Christiansen Aviation's rates to be competitive. Mr. Brady also asked if an option to purchase is available. Mr. Monetti said the request was made and that Christiansen Aviation declined the request. The intent is to lease the planes for one year. There is an interested donor who may provide funding at a future date that would allow the department to purchase a plane. Mr. Monetti said that a new Director of Maintenance began employment with the University earlier this week and that he expects the results to be improved maintenance effectiveness and efficiency that will allow our current aircraft to be used at maximum capacities. Five aircraft are needed; however, the request for only two was intentional in an effort to be economical and profitable.

Mr. Brady moved that the Board of Governors approve a one-year lease of two Cessna 172S or equivalent aircraft with Christiansen Aviation, Inc. of Tulsa, Oklahoma, at a base monthly cost of \$6,000 for the two planes, for a total annual cost of \$72,000, with an option for four additional one-year renewal periods for a total cost of \$360,000 over the life of the lease. Management will make a determination at each renewal year as to the need and appropriateness of continuing the lease without additional Board approval. The motion was seconded by Mr. Collier and carried unanimously.

Mr. Hicklin asked if the two additional planes will accommodate the increased enrollment. Mr. Monetti said he anticipates that the improved maintenance model recently implemented will allow for planes to be serviced in a timelier manner and allow for continued usage of other University aircraft. Mr. Monetti noted that often the delay in repairing a plane is in getting the needed parts. He is also hopeful that the interested donor will soon donate the funds for an additional plane.

President Ambrose said UCM has been approached with some really exciting employment opportunities for students if they are willing to remain in the program and obtain Certified Flight Instructor (CFI) status. The demand is going to be so great for CFIs that donor gifts and corporate partnerships for equipment could become available in the not-too-distant future. Mr. Hicklin asked if the current fleet is only able to accommodate 57% of the projected flight hours, how will the remaining 43% will be handled. Mr. Monetti said CFIs are needed to expand the training window. The CFIs, which UCM is preparing from within, take time to create and they need a specific type of aircraft called RGs. In order to meet the demand using and maximizing our current aircraft, we are hiring additional CFIs which will allow training to start earlier and end later in the day, and to also be conducted on weekends if necessary.

Residence Hall Furniture – Agenda Item No. 16

Mr. Merrigan reviewed information contained in a briefing paper under Tab 14 of the meeting materials (Attachment 9) for the purchase and installation of new furniture in South Yeater, South Todd, Diemer, UCC and Fraternity Complex residence halls. *Mr. Brady moved that the Board of Governors approve the purchase and installation of new furniture from KLN Furniture in the amount of \$430,780, for use in South Yeater, South Todd, Diemer, UCC and Fraternity Complex residence halls. The motion was seconded by Mr. Collier and carried unanimously.*

Tuition Update – Agenda Item No. 17

Mr. Merrigan distributed and reviewed the tuition results for the fall semester, noting a \$2.4 million increase in tuition from the prior year-to-date (Attachment 10).

Annual Investment Report – Agenda Item No. 18

Mr. Merrigan reviewed the Annual Investment Report for Fiscal Year 2013 that was included under Tab 15 of the meeting materials (Attachment 11).

Annual Debt Service Report – Agenda Item No. 19

Mr. Merrigan reviewed the Annual Debt Service Report for Fiscal Year 2013 that was included under Tab 16 of the meeting materials (Attachment 12). Mr. Brady asked if the Mixed-Use Facility debt cost can be determined by December 1. Mr. Merrigan said he hopes to report this amount to the Board in November and obtain Board approval for the funding in December. He is anticipating a 3.14% rate on a bond for the new facility.

President Ambrose suggested that the Board be provided an opportunity to review and discuss its current bonds with Piper Jaffray during the Board's October Work Session. The Board was in agreement and Mr. Merrigan will make the necessary arrangements. Mr. Merrigan said that he hopes to reduce the maturity of the Student Recreation and Wellness

Center by three years and discussed various types of bonds that could be used to finance the Mixed-Use Facility in order to obtain better interest rates. President Ambrose commended Mr. Merrigan and his staff for the good work they do.

Board Business

Adjournment – Agenda Item No. 20

There being no further business to discuss, the meeting concluded at 10:40 a.m.

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Attachments Listing

<u>Attachment No.</u>	<u>Attachment Description</u>
1	<i>Written Governance Groups Reports</i>
2	<i>Student Experience & Engagement Update</i>
3	<i>Briefing Paper – Emeritus Status for Retiring Faculty</i>
4	<i>Briefing Paper – Masters of Science in Elementary Education, Elementary Mathematics Specialist</i>
5	<i>Fall 2013 Census Update</i>
6	<i>Briefing Paper – Selection of Health Care Provider Plan</i>
7	<i>Briefing Paper – Choose Red Grant</i>
8	<i>Briefing Paper – Aircraft Brokerage Lease</i>
9	<i>Briefing Paper – Residence Hall Furniture</i>
10	<i>Fall 2013 Tuition Results</i>
11	<i>FY 2013 Annual Investment Report</i>
12	<i>FY 2013 Annual Debt Service Report</i>