

University of Central Missouri
Board of Governors
Plenary Session
February 14, 2014

The University of Central Missouri (UCM) Board of Governors convened in Plenary Session on Friday, February 14, 2014, at 8:30 a.m. in UN 237B on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President Marvin E. Wright. Also in attendance were Governors Gus Wetzel II, John Collier, Mary Dandurand, Weldon Brady, and Kyle Shell. Governor Walter Hicklin participated via conference call, and Governor Mary Long who was unable to attend was excused. Others present included University President Charles Ambrose; General Counsel Henry Setser; and Assistant Secretary to the Board Monica Huffman.

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 welcomed everyone to the first meeting of the year. He expressed appreciation to the faculty and staff that put forth additional time and effort during the recent periods of inclement weather to ensure that our students were safe and that services remained available to them during school closure days. He noted that preparations are being made for the upcoming Higher Learning Commission Accreditation visit, which Board members will participate. Mr. Wright closed by saying that several Board members had the privilege of attending the first lecture of the Servant Leadership Lecture Series in January where Brigadier General (BG) Richard B. Myers presented as part of the *Ike Skelton Lecture*.

Remarks by the University President – Agenda Item No. 3

President Ambrose added his appreciation to the faculty and staff who worked so hard during the recent periods of inclement weather to ensure a safe campus and to ensure that our students continued to be served. He noted that during his recent week at home spent recovering from a medical procedure, he had the opportunity to engage with students through *Twitter* where there was a lot of the communication centered on the weather and school closings. Related to the inclement weather and road conditions, President Ambrose said that the University will have conversations with the City of Warrensburg about certain property owners who neglected to clear walkways and paths, making it unsafe for our students to walk to and from campus.

President Ambrose highlighted some of the recent activities of the campus related to UCM's Military and Veteran's Success Center including Brigadier General Richard B. Myers' presentation as part of the Servant Leadership Lecture Series. The series was established as a legacy to Brigadier General Thomas Bussiere, who was instrumental in strengthening the partnership among Whiteman, UCM and the Warrensburg community, and whose legacy of selfless, community-focused leadership provides the foundation for the Series.

President Ambrose will attend a Change of Command Ceremony in a couple of weeks as BG Bussiere transfers leadership of Whiteman Air Force Base to BG Glen Vanherck.

President Ambrose recently hosted a dinner for the Global Strike Command leadership and members of a civic leaders group that serve in an advisory capacity to the 509th Bomb Wing Commander. President Ambrose called on Mr. Brady who serves as a member to describe the group's main objective.

On Sunday, February 16, UCM hosted the Welcome Home Ceremony for the 1-135 Attack Reconnaissance Battalion. President Ambrose said it was an extraordinary event and a great experience for UCM to be able to provide the venue. He expressed appreciation to Jeff Huffman, Delilah Nichols and Jerry Hughes and his staff for all they did to plan for the event and to make it special.

President Ambrose highlighted some of the recent accomplishments of faculty and students including new partnerships in Aviation; the *Talking Mules'* participation in a debate competition; and our pre-law students in a regional mock trial competition, noting that one of the judges said it was like watching third-year law students.

President Ambrose noted that an enrollment report will be provided later in the meeting and reflect a large increase in international students. He said that all indications are that these numbers could continue to grow. UCM will meet with the Warrensburg Chamber of Commerce about the opportunities this presents to the community and businesses.

In closing, President Ambrose said that House Speaker Pro Tem Denny Hoskins and Senator David Pearce would provide a legislative update to the Board and that at the end of the meeting Governor Nixon will address the Board. He shared that earlier in the week, he along with the other university presidents in the state, appeared before the Senate Appropriations Committee to answer questions related to college completion, retention, enrollment, and other related matters.

General Session

Approval of the Minutes – Agenda Item No. 4

Dr. Wetzel moved that the Board of Governors approve the minutes of the November 21, 2013, Work Session; November 22, 2013, Plenary Session; December 13, 2013, Special Plenary Session; and January 30, 2014, Special Teleconference. The motion was seconded by Mr. Collier and carried unanimously.

Written Governance Groups Reports – Agenda Item No. 5

Mr. Wright noted that written governance groups reports were included under Tab 8 of the meeting materials (Attachment 1). He thanked the leadership of the groups for the reports that help keep the Board informed of their different activities.

Legislative Update – Agenda Item No. 6

Senator David Pearce noted that the 2014 Legislature has completed six of an 18-week session and is scheduled to go on Spring break in four weeks. Senator Pearce serves as the Senate Education Committee chair, which continues to work on a bill sponsored by Senator Pearce - SB 742 related to performance funding. He said it was voted out of the Senate Education Committee unanimously with a 10-0 vote, and that a spirited debate followed on the Senate Floor pertaining to performance funding. The Senate Appropriations Committee Chair, Senator Kurt Schaefer from Columbia, supports the bill but has greater expectations with regard to higher education that he hopes to include as part of SB 742. He is interested in changing the entire scope of higher education in the State of Missouri to include limiting open enrollment to community colleges, and eliminating governing boards across the state with the exception of the University of Missouri governing board and have one central board for all other institutions. Senator Pearce said that fundamentally, Senator Schaefer has good intentions of ensuring that universities are doing what they are asked to do and that they are being as efficient as possible. He added that all of this cannot be accomplished in one session.

Senator Pearce said that last week Senator Schaeffer met with all 13 university presidents and asked questions related to three specific matters – graduation rates, retention rates, and loan default rates - at their respective institutions. President Ambrose was the last one to speak and UCM did well in all areas. Senator Pearce said he hopes to revisit the issue of performance funding during this session, which is happening in 30 states. Under performance funding, universities are rewarded for their performance in specific areas. Missouri may establish a performance funding policy based on factors considered to be important such as graduation, retention, and job placement. Realizing that every institution is unique, they can propose how to evaluate themselves for performance. He expects much time will be spent discussing this issue during the Legislative Session. SB 742 doesn't include performance funding for community colleges; however, there is a similar bill in the House sponsored by Representative Mike Thomson.

Senator Pearce shared that the Joint Committee on Education is working with another bill related to scholarships, and that three specific scholarships are being reviewed – Access Missouri (needs-based for both public and private schools), Bright Flight, and A+. In total, approximately \$117 million is expended through these scholarships. The Joint Committee is reviewing the graduation and drop-out rates of those students receiving state scholarships. The Committee will review ways to make scholarships more incentive-based.

Mr. Brady asked if the performance funding criteria are outlined in the bill. Senator Pearce said that all institutions are unique, and therefore, all should not necessarily be measured in the same way. It would be the institution's responsibility to develop standards specific to their school. The Committee would require that graduation and/or retention be one or two of the standards. The performance criteria would then be submitted to the

Department of Higher Education who would then write the parameters and later conduct the evaluation. Senator Pearce said that actually this process is occurring now; however, there is nothing in state statute that requires it. The Governor has demonstrated through his appropriations process that he does believe in performance funding, and the Department of Higher Education is enforcing it.

President Ambrose said that he is a strong advocate for independent institutional governing boards. Senator Pearce noted that during last week's questioning by the Senate Appropriations Committee, President Ambrose pointed out that the University does not rely solely on state funding, but that 60% of funding for the University comes from tuition, private funding, and other sources.

Following Senator Pearce's update, Speaker Pro Tem/Representative Denny Hoskins provided an overview of how Consensus Revenue Estimates (CRE) are established and their current status. The process involves University of Missouri-Columbia economists, House and Senate Appropriations and Budget staff, and budget staff from the Governor's Office meeting to discuss and establish what the next year's CRE should be. This year, the group was unable to reach consensus on what the CRE should be. Each group had a different number, with the Governor's being an increase of 5.9%. Representative Hoskins stated his disagreement with the Governor's CRE and speculated how he arrived at it. The House and Senate have decided on a 4.2% CRE increase, and the Governor has made his recommendations based on a 5.9% increase. He anticipates that higher education and other agencies will receive more funding in the next fiscal year; however, it will not be at the level that the Governor has stated it will be. Debates continue in both the House and Senate related to different budget bills.

Representative Hoskins discussed tax cut bills and said that Governor Nixon has reached agreement with Senator Krause on Senator Krause's tax cut bill. Passage of the bill is still a long way off because it still has to pass out of the Senate and go to the House for consideration. From what Representative Hoskin's read in today's paper, the agreement would require that in order for the first tax cut to occur, there would have to be a \$200 million increase in general revenue, and elementary and secondary education would have to be fully funded. The second tax cut could only take place after caps are placed on tax credits for historic preservation and low-income housing. Representative Hoskins has filed an alternate bill – HB 1453. It also has a \$200 million general revenue increase requirement, however, it would require that 40% of the \$200 million go towards funding elementary and secondary education and the school foundation formula, and 20% would go towards higher education. For every \$200 million increase, there would be a .1 decrease in individual corporate income tax rate and an increase of the business deduction of 5%. Two tax cut bills will be debated in the House next week, and Representative Hoskins will offer the provisions related to elementary and secondary education and higher education in his bill as an amendment to Representative Koenig's bill.

Representative Hoskins said there has been much disparity regarding the 5% increase for four-year institutions vs. a 4% increase for two-year institutions. The Governor recently proposed to higher education institutions that if they would not increase tuition, he would provide a 5% appropriations increase. The two-year institutions that did not agree to this feel they were penalized and offered only a 4% increase. Representative Hoskins disagrees with this and feels there should be parity between the two-year and four-year institutions. He said there are four-year institutions that are trying to get around holding tuition flat by increasing or assessing other fees. He noted that the University of Central Missouri has not done this.

Representative Hoskins reported that HB 1237 passed out of committee yesterday. This bill extends the allocations of tax revenues collected from the nonresident entertainer and athlete tax to the Missouri Arts Council Trust Fund, the Missouri Humanities Council Trust Fund, and other funds from December 31, 2015 to December 31, 2020. UCM has been the recipient of grant monies from the Missouri Arts Council Trust Fund.

The last item that Representative Hoskins discussed was the school transfer issue with the Normandy School District in St. Louis, Missouri. He talked with the School District, which is unaccredited, about UCM's Missouri Innovation Campus and encouraged staff to contact UCM to learn more about it. President Ambrose said that the School District has been in contact and that Elaine Metcalf has met with staff twice.

President Ambrose said it is both encouraging and discouraging that the consensus for revenue estimates are so far apart that there is some conversation about tying tax cuts to funding opportunities. He noted the importance of UCM communicating that there is a finite pool of funds and there have been some articulated priorities made over the last four years. With the Governor's appropriations tied to performance, the base funding increase to state appropriations in this environment is a good thing. President Ambrose said that the STEM funding that the Governor has proposed would be a tremendous investment. UCM has already targeted any funding received from STEM funding for expanding instructional resources and lab seats that would not only impact STEM majors, but also on our ability to manage the enrollment growth that UCM has experienced in cross-generalized education. President Ambrose noted that four-year institutions had consensus regarding *Caring for Missourians* for mental health. UCM doesn't benefit in the same way as some of its sister institutions just by virtue of the number of health-related majors that specifically put people in mental health careers, but it recognizes there is a strong need.

With regard to the 50/50 match for capital, the most significant gift UCM has subject to this moving forward, is \$1 million for Skyhaven's Airport terminal. Senator Pearce said the 50/50 capital match was the number two recommendation of the Interim Committee on Capital Improvements for funding, which would help leverage a lot of private dollars. He noted also that Senator Mike Parson has a bonding bill that considers capital improvement projects (not new construction) that could possibly be tied to STEM related projects. President Ambrose noted that higher education has changed over the years, and investment innovation is important.

President Ambrose noted the impact the Normandy transfer issue has had on the Kansas City, Missouri School District. Senator Pearce shared that the Kansas City, Missouri District has filed a law suit to challenge the Department of Elementary and Secondary Education's ruling that it is unaccredited. It's currently tied up in court. If the lawsuit is settled and the ruling is that Kansas City's School District is unaccredited, then those students could transfer to an adjoining district or county. If things were to result as they did with the Normandy School District, which is now broke, the Kansas City School District could experience a deficit of up to \$120 million. Senator Pearce said the money would have to come from the general revenue or from the foundation formula which would take money from all of the other 523 districts in the State. There are a lot of questions that need to be answered, and a lot of work is being done to try to mitigate the number of students that transfer.

Mr. Wright thanked Senator Pearce and Representative Hoskins for attending today's meeting and for providing a legislative update. He also expressed appreciation for all that they do for the University and for the State.

Missouri Innovation Campus – Agenda Item No. 7

President Ambrose reported on three significant initiatives occurring this Spring related to the Missouri Innovation Campus (MIC). First, a planning team is working on the introduction and application design for the third discipline of the MIC which will result in new corporate partners and new internship opportunities for students. The curriculum is nearly complete. The second initiative is a new recruitment season with a lot of interest from the 19 sending high schools. Three students from the Kansas City School District (KCSD) will participate in the MIC at Summit Technology Academy, making the KCSD a new sending high school. This is just a start and hopefully next year there will be more students participate from this school district, and perhaps one day a feeder system will be established in the urban core that would provide programs like those at the Summit Technology Academy. President Ambrose said that with the recruitment of these new students, the number of students in the program is close to doubling, which will require additional resources to ensure individual care is provided related to advising and internship placements. The third initiative is active engagement in a new facility partnership with the R-7 Lee's Summit School District and Townsend Capital LLC. Mr. Setser provided a general outline of the Request for Proposals process that resulted in the selection of Townsend Capital. An examination is under way and will continue over the next 60 days to determine where the building should be located, as well as what the space needs and operating costs are. A report will be made to the Board in April.

President Ambrose said that UCM has been in discussion with the Kauffman and Lumina Foundations, and he is hopeful that this time next month there will be more solid engagement in work force development and perhaps a partnership with the Kansas City Area Development Council, that positions the MIC to be a feeder for work force. In closing, President Ambrose said that he would like to hold a joint meeting of the R-7 Lee's Summit School District Board and UCM Board of Governors in April.

Learning to a Greater Degree Contract Update – Agenda Item No. 8
The Crossing Project Update – Agenda Item No. 9

President Ambrose reviewed UCM’s commitment to its students as part of the Learning to a Greater Degree Contract. Included as part of this commitment is the Crossing Project that further strengthens and enhances the University’s commitment to provide a two-year residence hall experience. President Ambrose said that we have used “The Crossing” as a working title, but in March a formal recommendation to name the facility will be brought to the Board after it has had an opportunity to review a list of potential names including The Crossing. President Ambrose described the thought behind the title (see Attachment 2), noting that we are not just naming real estate, but describing what that facility represents – the *Reasons to Believe*. He commended UCM’s University Relations’ staff for their creativity. Mr. Krause noted the “greater advance” imagery used with The Crossings name and its relationship to the *Reasons to Believe*.

With regard to the relocation of the General Services Building (GSB), the move will begin on Monday, February 17. Demolition of the current GSB facility is expected to begin at the end of March or beginning of April.

Board Committee on Finance & Administration

Mr. Brady, Chair of the Board Committee on Finance and Administration, reported that the Committee met the preceding afternoon. He asked Mr. Merrigan to present the following agenda items.

FY 2015 Instructional & General Fees – Agenda Item No. 10

Mr. Merrigan reviewed the contents of the briefing paper included under Tab 9 of the meeting materials (Attachment 3), which recommends no increase in FY 2015 instructional and general fees. He also distributed a Tuition Benchmark Comparison (included with Attachment 3) that reflects UCM ranks seventh in the state out of the 13 institutions. *Mr. Brady moved that the Board of Governors approve the FY 2015 rates for instructional and student general fees as itemized in Attachments 1 and II of the briefing paper, contingent upon the Missouri Legislature approving the Governor’s proposed higher education budget. The motion was seconded by Mr. Collier and carried unanimously.*

Quarterly Investment Report – Agenda Item No. 11

Mr. Merrigan reviewed the Quarterly Investment Report included under Tab 10 of the meeting materials (Attachment 4).

Quarterly Statement of Revenues & Expenses – Agenda Item No. 11

Mr. Merrigan reviewed the Quarterly Statement of Revenues and Expenses included under Tab 11 of the meeting materials (Attachment 5).

Board Committee on Student Engagement & University Advancement

Ms. Dandurand, Chair of the Board Committee on Student Engagement & University Advancement, reported that the Committee did not meet this month.

Board Committee on Academic Affairs

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

Proposed Title Change for Master of Science in Rural Nursing – Agenda Item No. 12

Dr. Curtis invited Dr. Julie Clawson, Chair of the Nursing Department, to join her. Information contained in a briefing paper under Tab 12 of the meeting materials to change the name of the Master of Science in Rural Nursing, was reviewed (Attachment 6). Following an explanation that would change the name to Master of Science in Nursing, Dr. Clawson shared that there are currently 192 undergraduate students in the prelicensure program; 220 students in the RN to BS program; and 221 Masters students. *Dr. Wetzel moved that the Board of Governors approve the proposed name change of the Master of Science in Rural Nursing to "Master of Science in Nursing." The motion was seconded by Mr. Collier and carried unanimously.*

Career Services Annual Report – Agenda Item No. 14

Ms. Amber Goreham and Mr. Ken Schueller of the Career Development Center distributed and reviewed the Center's Annual Report Executive Summary (Attachment 7). Of particular note was the 94.4% employment rate of UCM graduates (highest rate in past five years), with 84% of those working in their field of study, and 90.4% in the state of Missouri. Ms. Dandurand asked how this compares to our peer institutions. Ms. Goreham answered that UCM is very comparable, with some peer institutions at 95%-96%.

Ms. Goreham and Mr. Schueller discussed the Center's recent move from the University Student Union to Ward Edwards, which has been much better for the students. They also shared that 700-800 students are expected to interview during the Spring Career Expo next week. Mr. Schueller also shared information about the *Mules4Hire* system, which has provided a centralized location for all student employment opportunities. In closing Mr. Schueller stated that the full Annual Report will be posted to the Center's web page sometime next month.

Spring Census Enrollment Update – Agenda Item No. 15

Dr. Rick Sluder presented information related to the Spring Census Enrollment (Attachment 8). Enrollment has increased from 11,879 for Spring 2013 to 12,864 for Spring 2014, an increase of 8.3%. A further breakout shows that from Spring 2013 to Spring 2014, undergraduate enrollment has increased 1.4%; graduate enrollment has increased 37.4%; and international enrollment has increased 1.7% for undergraduates and 361.4% for graduates.

President Ambrose said that Dr. Sluder and his staff have done a lot of work to identify and qualify the prospect pool. With the declining number of traditional high school students in the coming years, UCM will have to work even harder to attract these students. Mr. Brady asked what the anticipated decrease in traditional high school students graduating. Dr. Sluder did not have an exact number; however, President Ambrose estimated it at 7%. He said students are making decisions using a different timeline and decision factors. They are taking nearly two months longer to decide where they will go, and could very well change their minds at the last minute.

Provost Curtis said Enrollment Management is employing some just-in-time measures including scholarships. Often a student's decision to attend or not attend UCM in any given year is a financial decision. It could be a matter of needing an additional \$500 or \$1,000 to continue on. The Foundation has been very helpful in providing scholarship monies, that would allow a student to remain at UCM another year. President Ambrose noted that last year the Foundation provided support that exceeded \$1 million and is looking to increase this amount in the coming year.

President Ambrose asked what the impact has been of the *Choose Red Scholarship* on enrollment. Dr. Sluder said that there are some students that have come to UCM who may not have otherwise. There is a greater volume of students as a result of the scholarship; however, concrete data has not been collected to date.

Board Business

Special Honors and Awards – Agenda Item No. 16

President Ambrose presented information for the nomination of *Team Physicians of Central Family Medicine* for UCM's Distinguished Service Award (Attachment 9). Following a review of the information, *Mr. Brady moved that the Board of Governors approve awarding the Distinguished Service Award to Team Physicians of Central Family Medicine at an upcoming Commencement Ceremony. The motion was seconded by Mr. Collier and carried unanimously.*

Governor Jay Nixon Address to Board – Agenda Item No. 17

Governor Jay Nixon addressed the Board commending it and the University for taking action to keep college affordable by freezing tuition for FY 2015. He said that UCM is a national model for academic excellence and innovation, and that the Board's measures will help maintain the quality and affordability of a college degree for its students. Governor Nixon noted that competition for jobs of the future is a critical concern for the state, and that education is essential to economic strength.

Governor Nixon stated that Missouri is a national leader in education innovation and affordability. In fact, during the last five years, while other states experienced double digit tuition increases and the amount of college loan debt in America surpassed the amount of credit card debt, Missouri universities have led the nation in holding down tuition increases. He added that a college education puts a strain on family budgets, so it's

important to make it as affordable and accessible as possible, while also doing what we can to lessen the amount of debt students graduate with.

Governor Nixon discussed his proposed FY 2015 Budget, noting a basic increase of \$36.7 million for higher education in the state, and a call for public universities to once again freeze tuition for Missouri's undergraduates so those students won't pay more for their education in the 2014-2015 school year. He said through UCM's Learning to a Greater Degree Contract initiative, the University continues to demonstrate its strong commitment to student success and college affordability, and again expressed appreciation for the Board's vote to hold tuition flat for FY 2015.

The Board and President Ambrose commended the Governor for his willingness to make a significant investment in higher education to help hold the line on tuition next year. Doing so will help UCM put a college degree within reach of many more students.

(Note: President Ambrose distributed to the Board a document that was provided to Governor Nixon prior to his visit titled *Maintaining College Affordability for Students at UCM [Attachment 10]*)

Adjournment

There being no further business to discuss, *Dr. Wetzel moved that the meeting adjourn. The motion was seconded by Mr. Collier and carried unanimously.* The meeting concluded at 11:00 a.m.

**University of Central Missouri
Board of Governors
Plenary Session
February 14, 2014
Attachments Listing**

<u>Attachment No.</u>	<u>Attachment Description</u>
1	Governance Groups Reports
2	PPT – The Crossings
3	Briefing Paper – FY 2015 Student Instructional and General Fees
4	Quarterly Investment Report
5	Quarterly Statement of Revenues & Expenses
6	Briefing Paper – Proposed Title Change for MS in Rural Nursing
7	Career Services Center – 2012-2013 Annual Report
8	PPT – Spring Enrollment Census Report
9	Briefing Paper – Special Honors & Awards Team Physicians of Central Family Medicine (Distinguished Service Award)
10	Maintaining College Affordability of Students at UCM