

University of Central Missouri
Board of Governors
Finance and Administration
Committee of the Whole Meeting
April 28, 2016

The University of Central Missouri (UCM) Board Committee on Finance and Administration convened as a Committee of the Whole on Thursday, April 28 2016, in Union 237A at 10:00 a.m. on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Committee Chair Weldon Brady. Other Board members present included Governors Marvin E. Wright, Mary Dandurand, Gus Wetzel, Mary Long, Walter Hicklin, John Collier and Mathew Martinez. Also present were University President Charles Ambrose; Interim General Counsel Hayley Hanson [Husch Blackwell LLC]; Assistant Secretary to the Board Monica Huffman; Provost and Chief Learning Officer Deborah Curtis; and Interim Vice President for Finance and Administration Ron Core.

Board President Wright called the meeting to order and determined a quorum was present to conduct business. He then turned the meeting over to Committee Chair Brady.

Proposed FY 2017 Salary Increases – Agenda Item No. 1

Dr. Core presented information contained in a briefing paper (Attachment 9 of the April 28, 2016, Plenary Session Minutes) regarding the proposed salary increase for FY 2017 -- 2% across-the-board or \$600, whichever is the greater of the two. Dr. Wetzel asked if a decision should be delayed pending the known impact of any changes to the Fair Labor Standards Act. President Ambrose recommended the Board proceed with acting on this item.

Increase in Hourly Minimum - Agenda Item No. 2

Dr. Core presented information contained in a briefing paper (Attachment 10 of the April 28, 2016, Plenary Session Minutes) regarding a proposed increase to the hourly minimum wage rate to \$10 per hour for regular full- and part-time employees, and an increase in hourly wage rate to \$10.50 for regular staff whose pay is \$10.01-\$10.49 per hour, after application of other Board approved increases. This change would result in a projected total increase of \$150,000 to salaries and benefits.

Dr. Wetzel and Mr. Brady questioned the cost savings of hiring more quality skilled employees in lieu of contracting services out. President Ambrose answered doing so would benefit both employees and the University.

FY 2017 Operating Budget - Agenda Item No. 3

President Ambrose stated the Budget Advisory Group, comprised of Ron Core, Deborah Curtis, Susan Brockhaus and Robin Terrell, has worked hard over the past few months to review more than 200 strategic funding proposals submitted under the newly

implemented Strategic Resource Allocation Model. He added there is collective enthusiasm across campus for everything the Strategic Resource Allocation Model is intended to do – sustain growth with quality; invest in student success; and drive the business model.

Dr. Core gave an overview of the institutional priorities for the initial utilization of the Strategic Resource Allocation Model and Dr. Curtis reviewed the Focus KPIs that include UCM's performance funding criteria that UCM submitted to the State. Both were outlined in the Power Point presentation included with the meeting materials. (Attachment 11 of the April 28, 2016, Plenary Session Minutes). Mr. Brady asked what happens to the funds when an institution fails to meet all of its performance funding criteria. President Ambrose stated that the funds remain with the State and are not allocated.

Dr. Core stated that of the 200+ strategic funding proposals received (totaling more than \$40 million) 68 were funded for a total of \$5.6 million.

Dr. Core then reviewed the proposed FY 2017 operating budget. He noted that at the time the briefing paper was distributed, the State's budget had not been approved; therefore, three different scenarios were included in the paper based on the discussions around the budget in Jefferson City. Since that time, the Governor has approved a budget that appropriates a 4% increase to higher education with a provision that public higher education institutions do not increase tuition (Scenario 3 of the briefing paper).

There was discussion pertaining to UCM's growing enrollment and its designation as a moderately selective institution. Mr. Brady also asked about the status of graduate enrollment. Dr. Curtis answered that the number of applications has increased, however, enrollment remains the same as where it was this time last year. Dr. Core presented highlights of the proposed budget that included a 0% tuition increase; a 2% across-the-board salary increase or \$600 minimum, whichever is greatest; and an increase in the minimum wage floor to \$10 per hour. President Ambrose said that the President's Cabinet has asked that particular attention be given to employees whose family income falls below the poverty line. Dr. Core is studying banded salaries and looking for greater operational efficiencies that would allow UCM to do more for its lower paid employees.

Dr. Core reiterated that the FY 2017 proposed operating budget represents the SRAM in its totality and is a comprehensive global approach for how resources are handled. President Ambrose stated that there are anticipated changes coming as a result of changes to the Fair Labor Standards Act. Ms. Hanson said that the final regulation is expected to be released by May 16 with an implementation date of September 5. The changes will create a shift in all employment.

Request for Closed Session – Agenda Item No. 4

Dr. Long moved pursuant to the Missouri Revised Statutes, Section 610.021, that the Board of Governors meet in closed meeting, with closed record, and closed vote for the purpose of considering real estate matters, legal actions, and personnel matters. The motion was seconded by Mr. Collier and carried with the following roll call vote:

<i>Gus Wetzel</i>	<i>aye</i>	<i>Mary Long</i>	<i>aye</i>
<i>Walt Hicklin</i>	<i>aye</i>	<i>Weldon Brady</i>	<i>aye</i>
<i>Mary Dandurand</i>	<i>aye</i>	<i>Marvin E. Wright</i>	<i>aye</i>
<i>John Collier</i>	<i>aye</i>		

The meeting concluded at 11:05 a.m.