

**University of Central Missouri**  
**Board of Governors**  
**Work Session**  
**June 15, 2017**

The University of Central Missouri (UCM) Board of Governors convened in Work Session on Thursday, June 15, 2017, at 10:00 a.m. in Room 122-124 of UCM-Lee's Summit Center, 850 NW Chipman Road (Door 54), Lee's Summit, Missouri. Presiding over the meeting was Board President Gus Wetzel II. Others in attendance were Governors John Collier, Mary Dandurand, Marvin E. Wright, Mary Long, Weldon Brady and Walter Hicklin. Also present was University President Charles Ambrose; General Counsel Hayley Hanson; Assistant Secretary to the Board Monica Huffman; Provost Deborah Curtis; Associate Vice Provost for Enrollment Management Mike Godard; Associate Vice President for Finance/Chief Financial Officer Toni Kreke; and Associate Vice President for Human Resources Ranea Taylor.

**Call to Order** – Agenda Item No. 1

Dr. Wetzel called the meeting to order and determined that a quorum was present to conduct business.

**FY 2018 Budget Update** – Agenda Item No. 2

President Ambrose stated the FY 2018 budget will go into effect in two weeks. The Missouri Legislature recommended a 6.6% reduction in state appropriations for higher education that would take UCM back to a period of 2000-2001 when similar cuts were made. Ms. Kreke provided an overview of legislative activity, stating that Governor Greitens has until June 19 to take action to either sign, withhold, or veto any budget bill. State revenues are trending at 3.1%, and lawmakers have developed a FY 18 spending plan based on estimated growth of 3.8%.

President Ambrose shared Governor Greitens tasked his Chief Operating Officer, Drew Erdman, to identify efficiencies across all state government. Missouri State University and Springfield Chamber of Commerce representatives met with Mr. Erdman yesterday, where it was noted few mechanisms are in place to improve Missouri revenue growth anytime in the near future. UCM is preparing itself for a withhold in the event one is made early in the FY 18 budget. A withhold would result in further reductions to state appropriations for UCM and potentially major changes for the University.

Dr. Mike Godard provided an enrollment update (included with Attachment 1) pointing out that admits are up 5.3% and likely to exceed 4,000, which is the greatest number UCM has experienced with the start of a new school year. Academic programs chairs were asked to do reachout to admitted students that haven't registered for orientation. President Ambrose stated as state appropriations are reduced, it becomes even more important for UCM to be enrollment driven.

With regard to the Voluntary Retirement Incentive Benefit (VRIB), 110 eligible employees elected for the benefit, which amounts to approximately to \$8.4 million in salaries and benefits. President Ambrose stated it's unlikely staff positions vacated through the program will be filled. A waiver process is currently in place and a process is in development for a hard firing freeze with possible exceptions for life, safety, and strategic resource positions. The other exception relates to faculty positions. Provost Curtis and the college deans are reviewing class offerings and fill rates in each of the departments to determine faculty positions that will need to be filled. Additionally, Provost Curtis has been meeting with the Deans and department chairs separately, and both are

enthusiastic to identify growth. She also commended Dr. Hogue, who has been working diligently to identify growth opportunities for UCM-Lee's Summit.

Mr. Collier asked if the University knows how far it will have to go into reserves. President Ambrose said the exact amount has not been determined; however, a recommendation will be made to the Board once it is known. Mr. Collier asked how the campus has responded. President Ambrose said people are aware of the budget situation, and departments are working to identify savings; however, there are still some that don't understand the potential impact on their area(s).

President Ambrose acknowledged neither quarterly, or annual operating budget reports offer a clear picture of annualized budget savings. Related to reserves, Mr. Brady stated the nearly \$30 million shown as unrestricted funds causes confusion, when this may not actually be the case. President Ambrose acknowledged this and said we are working towards a net revenue model. Another objective for FY 18 is to make sure the operating budget reflects growth in revenue along with annual costs to operate the University. Mr. Wright asked how the VRIB is being paid for. Response was given that of the \$4 million cost, \$2.6 million incentive pay will come from institutional reserves; the balance of \$1.4 million for insurance, longevity, and vacation pay will be paid out of the benefit accrual line. Ms. Kreke noted nearly half of those retiring under the Voluntary Retirement Incentive Benefit are not planning to do so until May 2018, so any budget savings would not be realized until FY 19.

President Ambrose provided an overview of the FY 2018 budget, and stated that we will continue to look for savings. He noted there is potential for savings in the health care area and possibly MOSERS, which requires a statutory change. One-time monies will be used to help get the University through FY 18, which will result in a decreased reliance on carryforwards and greater reliance on operating funds. President Ambrose anticipates the budget will be balanced by late October or early November, at which time resources will be realigned based on a growth strategy. Provost Curtis added the October/November timeframe will provide budget managers time to determine how they will address necessary reductions. Mr. Collier asked if departments are communicating with one another about best practices for addressing budget reductions. Provost Curtis answered they are and offered an example.

In closing, the Board will continue to receive updates on the status of the FY 18 budget.

### **Calendar Year 2018 Ancillary Insurance Benefits** – Agenda Item No. 3

Ms. Kreke reported that Blue Cross Blue Shield is reviewing offerings for UCM's 2018 health insurance plan and working to identify savings. A proposed benefit plan will be presented to the Board at its August meeting for consideration. Ms. Taylor then made a presentation related to ancillary benefits for 2018 that included dental, life/disability, and vision care insurance. A Request for Proposals for 2018 ancillary insurance benefits resulted in seven responses. Following evaluation of the proposals, a recommendation will be made to the Board to contract with Delta Dental of Missouri, Standard Insurance (life and long term disability) and VSP Vision Care for 2018 ancillary insurance benefits. Ms. Taylor reviewed the offerings under each of the plans.

Of particular note, is expansion of benefits offered to employees under Delta Dental. President Ambrose stated that enhancement of benefits is important for the retention of employees, particularly in a budget year when salary increases will not be included. Also noted was a rate decrease in the basic life insurance, which is based on past claims.

Dr. Wetzel asked if the ancillary benefits are included as part of the health insurance. Ms. Taylor explained ancillary benefits are independent of the health insurance plan. Mr. Collier asked if most providers in Lee’s Summit and Warrensburg accept the recommended insurances. Ms. Taylor responded there are providers in Lee’s Summit and Warrensburg that accept the plans; however, the number of providers that employees have access to depends on the plan level they subscribe to. The number of providers has increased by 30 to 60 this year, which again is dependent upon the plan subscription.

**Board Governance** – Agenda Item No. 4

President Ambrose said plans are being made for a fall Board retreat and suggested in preparation for the meeting, the Board consider current best practices for Board governance, noting it’s been seven years since the Strategic Governance for Student Success Model was implemented. Ms. Hanson distributed handouts related to committee and meeting structures and explained the intent of the handouts is to initiate discussions about effective and strategic board meetings. President Ambrose expressed appreciation for the Board’s commitment to UCM, and stated he wants to ensure meetings are meaningful and structured for Board members to have time for deeper discussion.

**Request for Closed Session – June 15, 2017** – Agenda Item No. 5

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