

University of Central Missouri
Board of Governors
Work Session Minutes
October 24, 2019

The University of Central Missouri (UCM) Board of Governors convened in Work Session on Thursday, October 24, 2019, in Elliott University Union, Room 237A, at 1:00 p.m. on UCM's main campus, Warrensburg, Missouri. Presiding over the meeting was Board President John Collier. Other Board members present included Stephen Abney, Mary Dandurand, Mary Long, Walter Hicklin, Marvin E. Wright (via teleconference), Gus Wetzel and Casey Short. University President Roger Best; General Counsel Lindsay Chapman; Assistant Board Secretary Monica Huffman; Provost Phil Bridgmon; Vice President for Finance and Operations Bill Hawley; Kaleb Lily, Graham Ryan, and Jessica Schmitz of RubinBrown (external audit firm); and Don Flower of Johnson Controls were also in attendance.

Call to Order – Agenda Item No. 1

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

External Audit Report – Agenda Item No. 2

Mr. Hawley introduced members of the RubinBrown team who conducted UCM's external audit. This included Partner Kaleb Lilly; Manager Graham Ryan; and Audit Supervisor Jessica Schmitz. The Board was referred to Tab 19 which included the audit, Auditor Communications, and New Accounting Pronouncements. Mr. Lilly reviewed the audit that reflected:

- An unmodified opinion of the University's financial statements for years ending June 30, 2019 and 2018, without any findings;
- A report on compliance and an internal control over financial statements in accordance with Government Auditing Standards; and
- An unmodified opinion on compliance and a report on internal controls over federal financial assistance in accordance with OMB Uniform Guidance.

Other items noted included:

- Implementation of GASB Statement No. 89 Accounting for Interest Costs Before the End of a Construction Period for 2019; and
- Pronouncement of GASB Statement No. 87, Leases, effective FY 2021. Mr. Lilly stated under GASB 87, operating leases such as the facility lease for UCM-Lee's Summit, are no longer recognized and going forward the lessee will recognize a lease liability and an intangible asset. Disclosures will have to be made not just for the property, but for other items as well. RubinBrown will work with management to ensure all relevant information is captured.
- Pronouncement of GASB Statement No. 91, Conduit Deb Obligations, which UCM does not currently have.

In relation to GASB Statement No. 89 Accounting for Interest Costs Before the End of a Construction Period for 2019, President Best asked if there are specific communications UCM should provide to our rating agency. Mr. Lilly suggested full transparency on all matters.

In closing, Mr. Ryan commended UCM on a clean opinion and expressed appreciation to UCM's management team, and more specifically to Susan Brockhaus and Sondra Savage-Moore for the assistance they provided throughout the audit.

Residential Life Esco Results – Agenda Item No. 3

Don Flower of Johnson Controls provided a summary (Attachment 1) of a 15-year energy savings project for UCM's residential facilities that was a collaborative partnership between UCM and Johnson Controls. The project summary reflected a total savings of \$14,690,042 which exceeded the guaranteed savings of \$10,089,018. In closing, UCM was presented with The Johnson Controls Environmental Stewardship Award.

Census Date Enrollment Update – Agenda Item No. 4

Provost Bridgmon reviewed data included in the Fall Census Enrollment Report (Attachment 2) included under Tab 2 of the meeting materials. He noted a 5% decrease in credit hours, a 2.2% decrease in headcount, and an 11% decrease in total enrollment.

Provost Bridgmon noted enrollment numbers for most underrepresented groups are lower than the regional average. Efforts to address this in the future will be made through the Hispanic Development Fund, KC Scholars, and other organizations. Additionally, UCM will bring more students to campus providing transportation and a meal.

Other report highlights included:

- The number of students receiving Pell grants was down 150 due to other higher education institutions in the state offering gap funding;
- Graduate enrollment increased 6.3% which helped enrollment significantly;
- International enrollment increased 16.4%. The top five countries represented are India (535), Saudi Arabia (55), Japan (20), Kenya (17), and South Korea (16);
- Retention increased 3.9%, placing UCM's retention rate at its highest in school history;
- Transfer three-year graduation rate increased 10.2% over a six-year period;
- Freshmen four-year graduation rate increased 7.2%, which is the highest in UCM's history;
- Average ACT score for first-time freshmen is 22 (national average is 23-24); and
- Average g.p.a. increased to 3.69

The Board was advised the *15-to-finish* scholarship would be sunset and those funds would be used for other scholarships.

Mr. Griffin presented the remainder of the report. Mr. Collier asked if the success of students choosing to attend those schools offering gap funding could be tracked. President Best stated Missouri's land grant institution increased enrollment by offering the gap funding; however, retention has remained flat.

Dr. Long raised questions related to the establishment of targets and goals and indicators showing forward movement. Additionally, Mr. Abney asked if the Board could expect to see a short- or long-term plan for the next enrollment year. Mr. Griffin responded that a Strategic Enrollment Plan Committee is working to develop a plan.

President Best said specific targets were not established for enrollment management last year; however, this year's goals will have greater focus on graduate and international students and general strategies and outcomes will be prepared. Mr. Abney would like to see some initiatives planned to increase enrollment. Provost Bridgmon said strategies for how we can increase enrollment will be presented to the Board in December. Mr. Abney suggested more initiatives be made within the local high schools in the region where there are a higher number of UCM alumni who are teachers and guidance counselors. It was noted UCM is hosting an event on campus in November specifically for counselors and teachers and further efforts will be made to engage with these professionals. Mr. Abney expressed appreciation and stated the Board would like to hear more about these initiatives once they are planned.

New Marketing Initiatives – Agenda Item No. 5

Ms. Smedley provided an overview of UCM's new marketing initiatives (Attachment 3) that includes 20 new billboards located in the Kansas City, Springfield and St. Louis areas. She commended the talents and skill sets of Integrated Marketing and Communication staff who helped to design them. Ms. Smedley said UCM's media buyer, Walz Tetrick Advertising, advised UCM on the best placement of the billboards.

Other marketing initiatives include commercials appearing on cable television, Hulu, YouTube, and KMOS-TV. Ms. Smedley showed the different commercials now airing.

Ms. Smedley noted UCM is also doing advertising spots on Spanish language radio in Kansas City and other Hispanic markets. Additionally, the University is in the process of identifying other very specific markets.

Other – Agenda Item No. 6

There was no other business to discuss.

Request for Closed Session – October 24, 2019 – Agenda Item No. 7

Dr. Long made a motion 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, contractual matters, personnel matters, and other matters included under Section 610.021 of the Missouri Revised Statutes. The motion was seconded by Mr. Hicklin and carried with the following roll call vote:

<i>Walter Hicklin</i>	<i>aye</i>	<i>Stephen Abney</i>	<i>aye</i>
<i>Gus Wetzel II</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Mary Long</i>	<i>aye</i>	<i>John Collier</i>	<i>aye</i>
<i>Marvin E. Wright</i>	<i>aye</i>		

The Work Session concluded at 2:15 p.m.

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Attachments Listing

<u>Attachment No.</u>	<u>Attachments Description</u>
1	<i>Residential Life Esco Results</i>
2	<i>Census Date Enrollment Report</i>
3	<i>New Marketing Initiatives</i>