

**University of Central Missouri**  
**Board of Governors**  
**Finance and Administration Committee of the Whole**  
**April 21, 2022**

The University of Central Missouri's (UCM) Board of Governors convened as a Finance and Administration Committee of the Whole on April 21, 2022, at 11:00 a.m. in Union 237B on UCM's main campus in Warrensburg, Missouri. Participating in the meeting from UN 237B were Board President Stephen Abney and Board members Mary Long, Gus Wetzel II, Kenneth Weymuth, Mary Dandurand, John Collier, and Zachary Racy. Governor Marvin E. Wright participated by phone. Staff participating from Union 237B were University President Roger Best; General Counsel Lindsay Chapman; Assistant Board Secretary Monica Huffman; Vice President for Finance and Operations Bill Hawley; and Associate Vice President for Finance and Administration Sondra Moore.

**Call to Order** - Agenda Item No. 1

Mr. Abney called the meeting to order and determined a quorum was present to conduct business. He then turned the meeting over to Finance and Administration Committee Chair John Collier. Mr. Collier asked Mr. Hawley to present the following agenda items.

**2023 Health Insurance Rates** – Agenda Item No. 2

Mr. Hawley referred the Board to the briefing paper included under Tab 10 of the meeting materials related to UCM's health insurance plan for Calendar Year 2023. He said the Board would be asked to approve a contract for UCM's medical insurance plan that includes the carrier, rates, plans and cost share options for January 1, 2023, through December 31, 2023.

Mr. Hawley reviewed the information in the briefing paper, noting that two vendors submitted responses to the Request for Proposals – Blue KC and United HealthCare. Both proposals offered similar plans with a few notable exceptions. After comparing the exceptions related to copays and prescriptions as well as other factors that could negatively impact employees, it was determined that Blue KC's proposal offered the least amount of disruption to employees. Additionally, Blue KC later returned with a lower rate offer resulting from UCM's improved claims experience over the past few months. Blue KC's rate increase from 2022 to 2023 is \$1,098,031 or 9.9 percent, going from \$11,095,784 to \$12,193,815. Management proposed that UCM fund most of the increase while increasing the percentage of premium paid by enrolled employees by 2.95 percent across all levels of coverage. Mr. Hawley noted that for Plan Year 2022, UCM funded 76 percent of total premiums and enrolled employees covered 24 percent. For Calendar Year 2023 UCM's funding of the plan's premium would increase to 78 percent.

Mr. Weymuth addressed the variance in the percentage rate of the premium cost the University has paid the past two years and asked if it is sustainable for the University to continue assuming the greater share of the cost. He suggested it might provide greater stability for the University to establish a fixed percentage rate for future years. President Best agreed it is not sustainable for the University to continue assuming the greater cost share of premiums and said we need to rethink how to split the cost with enrolled employees. Mr. Wright suggested President Best

bring a recommendation to the June or August Board meeting for what that might be. President Best said different scenarios would be prepared and presented in a Work Session to show how each would financially impact the University and employees for plan years beyond 2023.

*Mr. Weymuth moved that the Finance and Administration Committee of the Whole approve moving the proposed 2023 Health Insurance Rates forward to the Plenary Session for the Board's consideration and approval. The motion was seconded by Dr. Wetzel and carried unanimously.*

## **FY 2023 Operating Budget** – Agenda Item No. 2

Mr. Hawley referred the Board to Tab 11 of the meeting materials which contained a briefing paper and the proposed FY 2023 Operating Budget. Mr. Hawley reviewed the proposed budget noting it requires no reserve spending and includes the Governor's recommendation to increase funding for higher education 5.4 percent, which would result in a \$58.9 million state appropriation for UCM, after the three percent withholding the Governor makes each year. Other highlights of the proposed budget included:

- A contingency equal to 2.25% of forecasted tuition and general fees;
- More than \$5.6 million net increase in changes to compensation and benefits costs as well as investments in new positions across campus with a reset of the campus minimum wage for all full-time employees to \$13.00 per hour from the current \$11.50 per hour;
- More than \$1 million in additional investment in maintenance, repair, capital projects and facilities enhancements through the general fund;
- An increase in the student worker minimum wage to \$12.00 per hour with a \$545,800 general fund allocation;
- A net increase of 7.9% in the JCKL materials budget;
- A \$950,000 allocation to account for increased international student recruitment fees;
- Approximately \$460,000 in expected contractual and property insurance increases;
- More than \$500,000 allocated for strategic and other initiatives;
- \$228,000 for additional utilities expenses; and
- Other internal reallocations to facilitate strategic initiatives and restructuring activities.

Following Mr. Hawley's presentation of the proposed budget, Mr. Wright asked if it includes funds to help rebuild reserves used as part of the planned deficit spending in FY 2021 and FY 2022. President Best answered no and explained the FY 2021 budget included \$10 million for deficit spending; however, after receiving HEERF funding that year we were able to replace all monies used for deficit spending back into the reserves. For FY 2022, the variance on tuition received was higher than what was budgeted which prevented the need for deficit spending and use of reserves.

Regarding new positions in the proposed budget, Mr. Wright asked how these relate to the University's recent retrenchment. President Best explained the retrenchment was a reduction of faculty in programs that had exceptionally low enrollment. The new positions added in FY 2023 will help support programs that are growing. Mr. Hawley added we have also identified areas on

campus that use contracted services and will hire employees for this work which will save money. President Best offered to provide a list of the positions being added, as well as their respective areas. The Board thanked President Best and said it would appreciate receiving this information.

*Dr. Wetzel moved that the Finance and Administration Committee of the Whole approve moving the proposed FY 2023 Budget to Plenary Session for the Board's consideration and approval. The motion as seconded by Mr. Weymuth and carried unanimously.*

**Other** – Agenda Item No. 3

There was no other business to discuss.

**Adjourn**

The meeting adjourned at 11:40 a.m.