

University of Central Missouri
Board of Governors
Finance and Administration
Committee of the Whole
Minutes
April 25, 2024

The University of Central Missouri (UCM) Board Committee on Finance and Administration convened as a Committee of the Whole on April 25, 2024, at 2:15 p.m. in Room B108 at the Missouri Innovation Campus (MIC) in Lee's Summit, Missouri. Presiding over the meeting was Board President Kenneth Weymuth. Others participating in the meeting from MIC Room B108 were Governors Stephen Abney, John Collier, Mary Dandurand, Gus Wetzel II, Phyllis Chase, Stu Rogers, and Hadley Oden, as well as University President Roger Best; General Counsel Lindsay Chapman; Assistant Board Secretary Kristen Plummer; Vice President for Finance and Operations Bill Hawley; and Director of Budget and Planning Kristi Harms.

The meeting was called to order, and it was determined a quorum was present to conduct business.

Fiscal Year 2025 Operating Budget – Agenda Item No. 1

Mr. Hawley and Ms. Harms presented the Fiscal Year (FY) 2025 Operating Budget found on Tab 15 of the meeting materials. Mr. Hawley provided an overview of the five-year history of state appropriations and tuition, and President Best noted the importance of the information as when the allocation of incremental funding is discussed for the next fiscal year, the difference between the forecasted and realized tuition plays a key part in the forecast. Mr. Hawley stated \$9.6 million was expected in new revenue coming from tuition revenue based upon the expected enrollment numbers and tuition rate that was approved by the Board in March 2024 (\$7.5 million); Governor Parson's budget recommendation for state appropriations (\$1.9 million); and a small increase in investment income. From FY 2024, \$3 million in one-time projects will continue into FY 2025 for different initiatives, which provides a budget of \$12.7 million for FY 2025. Mr. Hawley noted the \$.9 million from new fees that were approved by the Board are not included in the calculation as they go to specific areas.

The budget plan also includes:

- More than \$4.2 million to fund faculty and staff salary increases, including a minimum \$1,560 per full-time employee across-the-board salary increase (or 2% if higher), market pay adjustments for faculty market-pay disciplines, targeted staff market adjustments, a reset of the university's minimum wage to \$15.00 per hour from the current \$14.00 per hour for full-time employees, all inclusive of benefits, and a reset of the student employee minimum wage from \$12.75 to \$13.50 per hour;
- \$290,000 for faculty promotions and lower limit increases;
- \$1.5 million in new faculty lines, inclusive of benefits for 10 faculty within the Computer Science and CIS programs due to the demand that has exceeded the capacity of current faculty;
- Approximately \$600,000 in new staff positions, inclusive of benefits for four positions;

- More than \$1.4 million to invest in maintenance, repair, capital projects, and facilities enhancements through the general fund;
- \$950,000 allocated to account for increased health insurance;
- Approximately \$845,000 for expected property insurance and contractual increases;
- \$384,000 for additional utilities expenses;
- \$180,000 for institutional aid enhancements;
- Targeted operating budget enhancements and an increase in institutional contingency;
- Fee revenue distribution to select, general-fund fee-based areas; and
- Approximately \$2.2 million in further budget allocations to be made prior to June 2024.

Mr. Collier asked for clarification regarding whether the allocations for health and property insurance were increases over what we currently have, which Mr. Hawley confirmed was correct. President Best noted the \$845,000 for property insurance has built into it the unfunded increase from FY 2024 due to the actual cost not being available until very late in the cycle last year. Seventy percent of the increase for FY 2025 includes what was not funded in the budget line for FY 2024. He also noted this increase is a forecast as the actual amount of property insurance for FY 2025 is not available. President Best and Mr. Hawley shared that the process is underway to obtain the property insurance quote for the upcoming year.

Related to the new faculty positions, Mr. Abney asked if they would be at the MIC. President Best noted they can be deployed as needed to either the Warrensburg campus or MIC; however, the deficit for the programs is currently at the MIC. The funding for the 10 faculty positions includes one tenure track position for CIS and six tenure track and three nontenure track positions for Computer Science. Mr. Rogers inquired about the four staff positions, and Mr. Hawley explained they would be for two staff positions in Accounting and Finance, one for Integrated Marketing and Communications, and one for the Associate Vice President for Operations.

Mr. Hawley noted Exhibit 2 provides information related to the auxiliary enterprises which have a small increase in both revenues and expenses. President Best clarified that the \$4.2 million in raises for faculty and staff are for general fund faculty and staff positions and explained that the auxiliary units have to fund the additional salary increases through their own budgets.

In response to questions from Mr. Abney, President Best provided an overview on the budget process highlighting how priorities are determined and revenues forecasted for the next fiscal year. He also shared how the budget is monitored throughout the year to ensure departments do not overspend and how requests for additional funds are managed.

Mr. Rogers asked what the fringe benefit percentage is, and Ms. Harms responded that it is 43.5% for FY 2025. President Best noted that MOSERS is a big driver in increases to the fringe rate and will make up 28.75% of the rate for FY 2025.

Ms. Oden asked why there was not more of an increase in the scholarship allotment. President Best shared that the budgeted amount for institutional scholarships is the tuition rate that is being discounted and noted that the discount rate is much heavier on the undergraduate side. He explained that if the budgeted amount for institutional scholarships is not used, it tends to be moved forward to the next fiscal year, and as long as we remain on or under budget, the amount

allotted tends not to be increased. Since the forecast for credit hours for undergraduates for FY 2025 is up a little but not dramatically, it was not increased by much.

Mr. Collier moved that the Fiscal Year 2025 Operating Budget be forwarded to the Plenary Session for approval. The motion was seconded by Mr. Abney and passed unanimously.

There being no further business to discuss, the meeting adjourned at 2:46 p.m.