

University of Central Missouri
Board of Governors
Work Session
October 24, 2024

The University of Central Missouri (UCM) Board of Governors convened in a Work Session on October 24, 2024, at 10:05 a.m. in Union 237A on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President John Collier. Others participating in the meeting were Governors Stephen Abney, Phyllis Chase, Mary Dandurand, Stu Rogers, Gus Wetzel II, and Ken Weymuth and Student Governor Hadley Oden, as well as University President Roger Best; Ms. Hayley Hanson of Husch Blackwell, representing the General Counsel; and Assistant Board Secretary Kristen Plummer. Presenters included Mr. Bill Hawley, Vice President for Finance and Operations; Dr. Tim Crowley, Interim Provost and Vice President for Academic Affairs; Mr. Chris Lang, Assistant Vice Provost for Admissions and Analytics; and Forvis Mazars representatives Mr. Matt Cash and Mr. Kyle Miller.

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 Mr. Cash and Mr. Miller to present the external audit report to the Board. Mr. Cash distributed the communication with governance letter and full audit report to the Board, noting this is Forvis Mazars' second year conducting the university's financial statement audit. Mr. Cash announced that Mr. Miller will now serve as the university's engagement executive and will be the primary individual presenting to the Board next year.

Mr. Cash referred the Board to the communication letter, in which he provided an overview of the audit timeline and stated an unmodified, or clean, audit opinion had been issued on the university's financial statements for the fiscal year ending June 30, 2024. The audit was conducted in accordance with governmental auditing standards due to the federal awards received by the university. In addition to the financial statement audit, Mr. Cash noted that Forvis Mazars was also providing audit services for KMOS-TV, as required by the Corporation for Public Broadcasting, and the NCAA Division II procedure review, which is required every three years. Mr. Cash stated they were thankful to be able to present the report to the Board during the October meeting this year instead of December like last year, noting the addition of Rex Vanatta, UCM Controller, and Darrel Krook, UCM's outside consultant, and their contributions allowed for the ability get through the audit in a timelier manner.

Mr. Cash referenced the proposed and recorded adjustments identified by the audit that were required to get the financial statements into a materially correct form. He stated the goal is to have zero adjustments required, but this report is better than last year. Of the seven items listed, two items rose to the level of a material weakness over internal control over financial reporting because of their impact on the overall financial statements, and one item was deemed a significant deficiency related to construction and progress. These matters led to two findings in the audit report. Four items were deemed deficiencies, and while they did not rise to the finding

level, they were adjustments that were needed to properly state the financial statements. Mr. Cash mentioned there are new accounting standards issued by the Governmental Accounting Standards Board that have been discussed with the university finance team and will be applicable to the university for FY 2025 and FY 2026.

Mr. Miller presented the schedule of findings and questioned costs that is required for any audit that includes major federal programs. He reported there were no compliance findings under federal awards in the two major programs that were tested, which were the Student Financial Assistance Cluster and COVID-19 - Coronavirus State and Local Fiscal Recovery Fund, for which the ARPA Humphreys Building funds were pulled and tested due to size.

Mr. Cash expanded on the two findings, 2024-001 and 2024-002 found on pages 92-93 of the audit, that were raised to the material weakness level. The cause for the adjustments were explained in the document in addition to management's response to the issue and plan of corrective actions to keep a similar issue from recurring in the future. In response to Mr. Abney's questions, Mr. Cash stated the adjustments that were needed this year were different from last year. The six matters that were listed as findings for the prior year were marked as resolved. Mr. Cash expressed his appreciation to the finance team for their assistance in getting the necessary information. Going forward, Mr. Abney requested that the report be received further in advance of the meeting to allow more time for review.

Enrollment Census Report - Agenda Item No. 3

Dr. Crowley and Mr. Lang reviewed the Enrollment Census Report included in the Board meeting materials under Tab 15. Overall enrollment was up .5%, or 69 students, compared to Fall 2023. Credit hours were down 2.8%. In response to Mr. Rogers' question, Mr. Lang explained that growth in the dual credit population has increased enrollment, but since dual credit students take fewer hours on average than full-time first-time freshmen, credit hours are down. Mr. Lang shared dual credit students take an average of four credit hours, and in Fall 2023, entered their first year of college with an average of 20 credit hours completed. Mr. Lang shared that out of the high school seniors who took dual credit with UCM last academic year, 12.3% enrolled. Out of those who applied to UCM, the conversion rate for those with dual credit is about 50%, which is almost double of what the overall freshman yield rate is. Ms. Oden requested additional information about which schools contract with UCM for dual credit. Mr. Lang shared there are about 300 schools, noting the top 10 sending school districts are from the local or Kansas City area, including Raymore-Peculiar, Lee's Summit (all three schools), Warrensburg, Harrisonville, Holden, Pleasant Hill, Grain Valley, and Lone Jack. In response to Dr. Chase's question, Mr. Lang confirmed teachers are required to have a master's degree to teach dual credit, and Dr. Crowley explained in most cases, the university contracts with the high school teacher to teach the class as an adjunct.

Referencing the key enrollment drivers, Mr. Lang noted an increase in continuing and new transfer students for the fall semester. Mr. Weymuth expressed his appreciation for the efforts that increased in the number of transfer students. Mr. Lang responded that Dr. Crowley has led the effort to put several concurrent enrollment agreements in place with community colleges that have helped build relationships needed to increase this population.

Mr. Lang stated a direct admissions program was launched this year, resulting in a large increase in applications and admits. There was also an increase in transfer applications by 28.8% and admits by 17.7%. For Fall 2024, the yield rate for transfer students was 74.9%. The yield rate for freshmen decreased to 24.6%, mostly due to issues with the FAFSA. Mr. Lang provided an overview of the direct admission program through Niche that launched in January 2024 and yielded 3.6%. The FAFSA and program launch timing led to the lower yield rate. Mr. Weymuth asked about the cost of the direct admit program, and Mr. Lang explained it is a flat contract cost for two years; however, the number of students yielded this year through the program covered the contract cost. Mr. Lang shared that the goal is to increase the direct admit program yield rate to 15-20%.

Mr. Lang shared there was an increase in retention for first-time in college freshmen to about 73%. He also noted that this was the first year that the effectiveness of the Mule Grant on retention could be calculated for the first cohort of students, which began in Fall 2023. All of the students receiving the Mule Grant were retained at a higher percentage than those receiving only the Pell Grant.

Mr. Lang provided an overview of the focus areas for the current recruitment cycle. He shared the Department of Education is currently conducting beta testing with selected groups to identify any issues in filling out the FAFSA. The FAFSA is on track to open to all students on December 1, 2024. Dr. Chase asked if life experience was taken into consideration by the university for the adult (25+) and non-traditional students, and Mr. Lang confirmed that there is credit for prior learning.

Mr. Abney asked about the recruitment plan for domestic students in the computer science and cybersecurity programs. Mr. Lang shared that they try to develop a personalized outreach plan with the faculty in those programs with prospective students, such as setting up a campus visit, virtual meetings with the faculty members, or more personalized outreach from the faculty members. Mr. Lang shared the information received through the top-of-funnel contract and the direct admit program includes the program of interest to the student, which allows them to be placed on a special recruitment list.

One- and Three-Year Program Updates - Agenda Item No. 4

Dr. Crowley provided an overview of the report for one- and three-year programs on Tab 16 of the Board packet. Ms. Dandurand expressed appreciation for the report as it affirms the Board's decisions in approving the programs.

Other - Agenda Item No. 5

There was no other business to discuss. The meeting adjourned at 11:04 a.m.