

UNIVERSITY OF MISSOURI
Columbia . Kansas City . Rolla . St. Louis



BOARD OF CURATORS

Minutes of the Board of Curators Meeting
June 25-26, 2015
University of Missouri
Columbia, Missouri

BOARD OF CURATORS MEETING – PUBLIC SESSION

A meeting of the University of Missouri Board of Curators was convened in public session at 11:30 A.M., on Thursday, June 25, 2015, in Columns Ballroom C, D & E of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator Donald L. Cupps, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable Ann K. Covington
The Honorable Donald L. Cupps
The Honorable Maurice B. Graham
The Honorable Pamela Q. Henrickson
The Honorable John R. Phillips
The Honorable Phillip H. Snowden
The Honorable David L. Steelman
The Honorable David L. Steward

Also Present

Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy Harmon, Secretary of the Board of Curators
Miss Tracy H. Mulderig, Student Representative to the Board of Curators
Dr. Gary K. Allen, Vice President for Information Technology
Dr. Brian D. Burnett, Vice President for Finance
Dr. Henry “Hank” Foley, Executive Vice President of Academic Affairs
Dr. Thomas F. George, Chancellor for University of Missouri-St. Louis
Mr. Stephen C. Knorr, Vice President for University Relations
Dr. R. Bowen Loftin, Chancellor for University of Missouri-Columbia
Mr. Leo E. Morton, Chancellor for University of Missouri-Kansas City

Dr. Betsy Rodriguez, Vice President for Human Resources
Dr. Cheryl B. Schrader, Chancellor for Missouri University of Science and Technology
Ms. Zora Z. Mulligan, Chief of Staff, UM System
Mr. John Fougere, Chief Communications Officer, UM System
Media representatives

General Business

A moment of silence was observed for President Emeritus Elson Floyd and remarks given by Vice President Knorr.

Review Consent Agenda – No discussion.

Approval, Board Executive and Standing Committee Appointments

It was recommended by Chairman Cupps, moved by Curator Steward and seconded by Curator Graham, that the following Board of Curators Executive Committee and Standing Committees appointments be approved for 2015:

Executive Committee

Donald L. Cupps, Chairman
Pamela Q. Henrickson
David L. Steward

Academic, Student and External Affairs Committee

David L. Steward, Chairman
Ann K. Covington
Maurice B. Graham
Phillip H. Snowden
Tracy Mulderig, Student Representative

Audit Committee

Pamela Q. Henrickson, Chairwoman
Maurice B. Graham
John R. Phillips
David L. Steelman
David L. Steward

Compensation and Human Resources Committee

John R. Phillips, Chairman
Ann K. Covington

Maurice B. Graham
Pamela Q. Henrickson

Finance Committee

Ann K. Covington, Chairwoman
John R. Phillips
Phillip H. Snowden
David L. Steelman
Tracy Mulderig, Student Representative

Governance, Resources and Planning Committee

David L. Steelman, Chairman
Pamela Q. Henrickson
Phillip H. Snowden
Donald L. Cupps, ex officio
Tim M. Wolfe, ex officio

Roll call vote:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

Resolution for Executive Session of the Board of Curators Meeting

It was moved by Curator Steward and seconded by Curator Phillips, that there shall be an executive session with a closed record and closed vote of the Board of Curators meeting June 25-26, 2015 for consideration of:

- **Section 610.021(1), RSMo**, relating to matters identified in that provision, which include legal actions, causes of action or litigation, and confidential or privileged communications with counsel; and
- **Section 610.021(2), RSMo**, relating to matters identified in that provision, which include leasing, purchase, or sale of real estate; and

- **Section 610.021(3), RSMo**, relating to matters identified in that provision, which include hiring, firing, disciplining, or promoting of particular employees; and
- **Section 610.021(12), RSMo**, relating to matters identified in that provision, which include sealed bids and related documents and sealed proposals and related documents or documents related to a negotiated contract; and
- **Section 610.021 (13), RSMo**, relating to matters identified in that provision, which include individually identifiable personnel records, performance ratings, or records pertaining to employees or applicants for employment; and
- **Section 610.021 (17), RSMo**, relating to matters identified in that provision, which include confidential or privileged communications between a public governmental body and its auditor.

Roll call vote of the Board:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

The public session of the Board of Curators meeting recessed at 11:37 A.M. on Thursday, June 25, 2015.

Board of Curators Meeting – Executive Session

A meeting of the University of Missouri Board of Curators was convened in executive session at 11:45 A.M., on Thursday, June 25, 2015, in the Donrey Media Room 211 of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator Donald L. Cupps, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable Ann K. Covington
The Honorable Donald L. Cupps
The Honorable Maurice B. Graham
The Honorable Pamela Q. Henrickson
The Honorable John R. Phillips

The Honorable Phillip H. Snowden
The Honorable David L. Steelman
The Honorable David L. Steward

Also Present

Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy S. Harmon, Secretary of the Board of Curators
Miss Tracy Mulderig, Student Representative to the Board of Curators

General Business

Chancellor Loftin, MU Athletic Director Mack Rhoades, Mary Austin and Mitzi Clayton joined the meeting.

Legal and Compliance Briefing – NCAA Rules – presented by Mr. Owens, Mr. Rhoades, Ms. Austin and Ms. Clayton.

No action taken by the Board.

President's Report on Personnel – presented by President Wolfe.

The Executive Session of the Board of Curators meeting recessed at 1:30 P.M.

PUBLIC SESSION

A meeting of the University Of Missouri Board of Curators was reconvened in public session at 1:35 P.M., on Thursday, June 25, 2015, in Columns Ballroom C, D & E of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator Donald L. Cupps, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable Ann K. Covington
The Honorable Donald L. Cupps
The Honorable Maurice B. Graham
The Honorable Pamela Q. Henrickson
The Honorable John R. Phillips
The Honorable Phillip H. Snowden
The Honorable David L. Steelman
The Honorable David L. Steward

Also Present

Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy Harmon, Secretary of the Board of Curators
Miss Tracy H. Mulderig, Student Representative to the Board of Curators
Dr. Gary K. Allen, Vice President for Information Technology
Dr. Brian D. Burnett, Vice President for Finance
Dr. Henry “Hank” Foley, Executive Vice President of Academic Affairs
Dr. Thomas F. George, Chancellor for University of Missouri-St. Louis
Mr. Stephen C. Knorr, Vice President for University Relations
Dr. R. Bowen Loftin, Chancellor for University of Missouri-Columbia
Mr. Leo E. Morton, Chancellor for University of Missouri-Kansas City
Dr. Betsy Rodriguez, Vice President for Human Resources
Dr. Cheryl B. Schrader, Chancellor for Missouri University of Science and Technology
Ms. Zora Z. Mulligan, Chief of Staff, UM System
Mr. John Fougere, Chief Communications Officer, UM System
Media representatives

Approval, Revised 2016 Board of Curators Meeting Calendar – (information on file)

It was recommended by Chairman Cupps, endorsed by President Wolfe, moved by Curator Henrickson and seconded by Curator Steward, that the proposed revised 2016 Board of Curators meeting calendar be approved as follows:

PROPOSED 2016 BOARD OF CURATORS MEETING CALENDAR – **REVISED**

<u>DAYS</u>	<u>DATES</u>	<u>LOCATION</u>
Thursday-Friday	February 4-5	UM - Columbia
Thursday-Friday	April 14-15	Missouri S&T
Thursday-Friday	June 16-17	Columbia, Missouri
Friday	July 22	4 hour TelePresence
Thursday-Friday	October 6-7	UM – Kansas City
Thursday-Friday	December 8-9	UM – St. Louis

Roll call vote:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman was absent for vote.

Curator Steward voted yes.

The motion carried.

Information Technology Annual Report – presented by Vice President Allen (slides on file)
Board of Curators standing committee meetings were convened at 2:18 P.M. and concluded at 4:45 P.M. on Thursday, June 25, 2015. Committee actions were presented to the full Board for action following each Committee vote.

Compensation and Human Resources Committee

Curator Phillips provided time for discussion of committee business.

Information

1. Retiree Medical Study (information and slides on file)

Action

1. Amendment, Collected Rules and Regulations 520.010, Benefit Plans
2. Amendment, Collected Rules and Regulations 530.010, Retirement, Disability and Death Benefit Plan Distribution Changes
3. Approval, New Medical Plan Administrator

Amendment, Collected Rules and Regulations 520.010, Benefit Plans – presented by Vice President Rodriguez (information on file)

The recommended language was presented for approval and included amendments approved by the Board at the April 2015 meeting.

It was recommended by Vice President Rodriguez, endorsed by President Wolfe, recommended by the Compensation and Human Resources Committee, moved by Curator Phillips and seconded by Curator Covington, that the following action be approved:

that Section 520.010 of the Collected Rules and Regulations is amended to include Sections E.1. through E.4. regarding delegation of authority and annual reporting.

Roll call vote of Board of Curators:

Curator Covington voted yes.

Curator Cupps voted yes.

Curator Graham voted yes.

Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman abstained.
Curator Steward voted yes.

The motion carried with seven votes in favor and one abstaining.

Chapter 520: Benefit Programs

520.010 Benefit Programs

Bd. Min. 04-10-15; Amended Bd. Min. 06-25-15.

- A. **Introduction** – The University's benefits include the medical, dental, long term disability plans and various other insurance benefits available to faculty and staff, retirees, former employees, and their dependents (hereafter “Participants”) as described in the respective benefits plan documents. The following sections of the Collected Rules and Regulations are being replaced by this new policy statement: Sections 500.010, 510.010, 540.010 and 550.010. The voluntary and defined contribution retirement plans previously contained in Sections 530.030, 570.010, 580.010 and 590.010 of the Collected Rules and Regulations are being replaced by this new policy statement. However, the University’s Retirement, Disability and Death Benefit Plan contained in Section 530.010 of the Collected Rules and Regulations is not being replaced or otherwise affected by this policy statement. The cost for the covered benefit plans, various other insurance benefits and the covered voluntary and defined contribution retirement plans are funded with contributions by the University and contributions and/or premiums paid by Participants. The University determines the contribution and premium amounts on an annual basis considering the costs required to provide and administer the benefits. The University also provides other benefits programs on a voluntary participation basis including educational assistance, employee assistance program, and leave benefits to support the work-life balance and other needs of eligible Participants. Together, all of these benefits are considered the Total Rewards offered by the University. This benefits policy provides direction for the provision, selection and administration of the covered benefits programs.
- B. **Objectives** – It is the University’s intention to provide competitive benefits programs that are valued by current and prospective faculty and staff. The definitions pertaining to benefit eligibility are contained in Section 320.050 of the Collected Rules and Regulations or in the respective benefit plan documents.
- C. **Faculty, Staff and Retiree Involvement** – An advisory committee, appointed by the Vice President of Human Resources (“Vice President”), shall serve in an advisory capacity in matters related to benefits programs and in the treatment of

pay and benefits as interrelated parts of the University's overall Total Rewards. The advisory committee shall be comprised of at least 12 members. Committee membership shall consist of a faculty and a staff member from each campus, a hospital representative and a retiree representative appointed by the Vice President from nominations by the campuses, retiree associations and self-nominations. The Vice President may appoint additional at large members and the Committee Chair at his/her discretion. In making the committee appointments the Vice President will strive to appoint members to represent the various University constituencies. The Committee may study, consider and make recommendations to the Vice President regarding proposed revisions to, modifications of, additions to, or deletions from benefits programs covered by this policy statement. This advisory role does not include the selection or management of vendors, plan investments or other administrative responsibilities; however, members may provide input on program design as related to the needs of Participants, provide feedback on communication and education, and advise in other areas.

D. University Financial Support of Benefits Programs – The University will contribute to the cost of the covered benefit programs (medical, dental, disability, and life) as well as covered voluntary and defined contribution retirement plans and leave programs. The University may develop, administer and support other benefits programs that are not contributed to by the University but that provide competitive, affordable and accessible programs valued by faculty and staff.

E. Responsibilities and Authorities:

1. The Board of Curators hereby delegates management of these covered benefits including, without limitation, overall financial management, cost and administration, plan design, and selection of vendors to the President of the University. For purposes of the preceding sentence, the term “plan design” shall include calendar year deductibles, coinsurance, Participant contributions or premiums, copays, covered charges, covered services, out-of-pocket maximums and exclusions, but shall not include any modification of the University's and/or Participant's contribution percentages, eligibility requirements, or vesting requirements. The President may further re-delegate all or a portion of these delegated management responsibilities at his/her discretion in the manner, and documented in accordance with, applicable University policies.
2. The Board of Curators hereby delegates to the President the authority to amend the plan documents for these covered benefits when such amendments are required by law, as determined by the General Counsel.
3. For all other proposed amendments to the plan documents for these covered benefits other than the foregoing delegated management responsibilities described in Section 520.010 E.1. above and the foregoing delegated authority for amendments required by law described in Section 520.010 E.2. above, the Board of Curators hereby delegates to the President the authority to amend the plan documents for these covered benefits; provided, however, that such

amendments shall be provided to the Board of Curators so that it has an opportunity to reject any such amendments prior to their effective date.

4. Under the direction of the Vice President, the covered benefits programs will be audited and/or evaluated as appropriate to ensure efficient and effective administration, service and pricing. An annual benefits report will be provided to the Board of Curators and will include:
 - Any action taken pursuant to the authority delegated hereby including, but not limited to, changes in the University's cost of and contribution to the covered benefit plans and/or the individual Participant's cost of and contributions to the covered benefit plans;
 - Current trends and developments in the strategic direction of Total Rewards both within higher education and in the market as a whole (market review);
 - A comparative peer analysis of the University's benefits;
 - The University's strategic direction in regard to ensuring a competitive benefits offering; and,
 - The financial status and projected financial impact of the benefits programs; and other data related to the programs.

Amendment, Collected Rules and Regulations 530.010 Retirement, Disability and Death Benefit Plan Distribution Changes – presented by Vice President Rodriguez (slides and information on file)

It was recommended by Vice President Rodriguez, endorsed by President Wolfe, recommended by the Compensation and Human Resources Committee, moved by Curator Phillips and seconded by Curator Graham, that the following action be approved:

that the Retirement Disability and Death (RDD) Plan distribution options available to participants at retirement be reduced as recommended by Price WaterhouseCoopers (PWC) to minimize the potential for employee confusion while streamlining administration and communication (as below and as on file with the minutes of this meeting).

Roll call vote of the Board of Curators:

- Curator Covington voted yes.
- Curator Cupps voted yes.
- Curator Graham voted yes.
- Curator Henrickson voted yes.
- Curator Phillips voted yes.
- Curator Snowden voted yes.

Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.J.2.e.	
Current with Changes	Proposed
In no event shall a Member who retired on or after December 8, 1989 and elected to receive an <u>A</u> adjusted Retirement Benefit effective September 1, 1990 in accordance with Section 530.010.F. receive Derivative Benefits in accordance with this paragraph subsequent to August 31, 1990.	In no event shall a Member who retired on or after December 8, 1989 and elected to receive an adjusted Retirement Benefit effective September 1, 1990 in accordance with Section 530.010.F. receive Derivative Benefits in accordance with this paragraph subsequent to August 31, 1990.

Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.J.5.c.	
Current with Changes	Proposed
In the event that an Eligible Dependent Child with respect to whom increased benefits are payable to a Qualified Member retired for disability, in accordance with Section 530.010.I.3. (e.) , or to an Eligible Surviving Spouse, in accordance with paragraphs 1. (c.) or 2. (c.) , ceases to be dependent upon the retired Qualified Member or Eligible Surviving Spouse, prior to attaining the age specified in paragraph b.4)(d)(iv) , such Child shall cease to be an Eligible Dependent Child for all purposes hereunder.	In the event that an Eligible Dependent Child with respect to whom increased benefits are payable to a Qualified Member retired for disability, in accordance with Section 530.010.I.3.e., or to an Eligible Surviving Spouse, in accordance with paragraphs 1.c. or 2.c., ceases to be dependent upon the retired Qualified Member or Eligible Surviving Spouse, prior to attaining the age specified in paragraph b.4), such Child shall cease to be an Eligible Dependent Child for all purposes hereunder.

Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.J.9.	
Current with Changes	Proposed
<p>Life Annuity – Payable Tto Aa Member Who Commences Aa Retirement Benefit, Oor Aaan Adjusted Retirement Benefit in Accordance Wwith Section 530.010.F., Oon or Aafter September 1, 1990. – <u>Effective September 1, 1990, A</u> Qualified Member who terminates employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an <u>A</u>adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit or <u>A</u>adjusted Retirement Benefit effective on or after September 1, 1990 in the form of <u>a life annuity (i.e., an annuity payable for such Member's lifetime only that terminates on the Member's death, or a in a reduced amount life annuity providing for the automatic adjustment of such increases in benefit <u>payments</u> at the rate of two percent (2%) or four percent (4%) per year of retirement, such percentage to be elected prior to the commencement of benefit payments. <u>The increasing life annuity shall be the actuarial equivalent of the life annuity payable to the Member. Effective January 1, 2016, for purposes of this Section 530.010.J.9. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a life annuity or an increasing life annuity providing for automatic increases in benefit payments at the rate of two percent (2%) per year of retirement.</u> Benefit adjustments pursuant to the provisions of this paragraph shall be made annually as of the first day of the month following or</u></p>	<p>Life Annuity Payable to a Member Who Commences a Retirement Benefit, or an Adjusted Retirement Benefit in Accordance with Section 530.010.F., on or after September 1, 1990 – Effective September 1, 1990, a Qualified Member who terminates employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit or adjusted Retirement Benefit in the form of a life annuity (i.e., an annuity payable for such Member's lifetime that terminates on the Member's death), or a life annuity providing for automatic increases in benefit payments at the rate of two percent (2%) or four percent (4%) per year of retirement, such percentage to be elected prior to the commencement of benefit payments. The increasing life annuity shall be the actuarial equivalent of the life annuity payable to the Member. Effective January 1, 2016, for purposes of this Section 530.010.J.9. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a life annuity or an increasing life annuity providing for automatic increases in benefit payments at the rate of two percent (2%) per year of retirement. Benefit adjustments pursuant to the provisions of this paragraph shall be made annually as of the first day of the month following or otherwise coincident with the commencement of the Retirement Benefit.</p>

otherwise coincident with the commencement of the Retirement Benefit.	
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Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.J.10.	
Current with Changes	Proposed
<p>Optional Joint and Survivor Annuity Payable in the Event of Death of a Member Who Commences a Retirement Benefit, or an Adjusted Retirement Benefit in Accordance with Section 530.010.F. on or after September 1, 1990</p> <p>a. <u>Effective September 1, 1990, Aa</u> Qualified Member who terminated employment on or after September 1, 1990 and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an <u>Aa</u>adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit <u>effective on or after September 1, 1990 in a reduced amount in the form of a joint and survivor annuity (i.e., an annuity payable for such Member's lifetime with a survivor annuity payable for the lifetime of such Member's joint annuitant)</u> providing a survivor annuity in the amount of fifty percent (50%), seventy-five percent (75%), or one hundred percent (100%) of the amount payable to said Member, to continue to a named joint annuitant upon such Member's death, payable for the remaining lifetime of said joint annuitant. <u>The joint and survivor annuity</u> option shall also provide that:</p> <p>1) in the event said joint annuitant predeceases the Member, such Retirement Benefit shall revert to the unreduced Retirement Benefit</p>	<p>Optional Joint and Survivor Annuity Payable in the Event of Death of a Member Who Commences a Retirement Benefit, or an Adjusted Retirement Benefit in Accordance with Section 530.010.F. on or after September 1, 1990</p> <p>a. Effective September 1, 1990, a Qualified Member who terminated employment on or after September 1, 1990 and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit in the form of a joint and survivor annuity (i.e., an annuity payable for such Member's lifetime with a survivor annuity payable for the lifetime of such Member's joint annuitant) providing a survivor annuity in the amount of fifty percent (50%), seventy-five percent (75%), or one hundred percent (100%) of the amount payable to said Member, to continue to a named joint annuitant upon such Member's death, payable for the remaining lifetime of said joint annuitant. The joint and survivor annuity option shall also provide that:</p> <p>1) in the event said joint annuitant predeceases the Member, such Retirement Benefit shall revert to the unreduced Retirement Benefit the Member would have received had the Member not elected the</p>

<p>the Member would have received had the Member not elected the joint and survivor annuity option, in which event the unreduced Retirement Benefit shall be paid commencing with the payment due immediately following the death of said joint annuitant and ending with the last payment due upon the death of said Member; and;</p> <p>2) in the event that the Member and joint annuitant are legally married and such marriage is legally dissolved, the Member may elect (within 60 days of the date of dissolution), with consent of the joint annuitant, to void the joint and survivor annuity option previously elected. In such cases such Retirement Benefit shall revert to the Retirement Benefit the Member would have received had the Member not elected the joint and survivor annuity option, in which event, such Retirement Benefit shall be paid commencing with the payment due immediately following the date that such election is received by the University of Missouri.</p> <p>In either event described in Section 530.010.J.10.a. 1) and or 2), a Member will, subsequently, have no right to further elect an alternative payment option.</p> <p>b. Effective September 1, 1990, Aa Qualified Member, who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an</p>	<p>joint and survivor annuity option, in which event the unreduced Retirement Benefit shall be paid commencing with the payment due immediately following the death of said joint annuitant and ending with the last payment due upon the death of said Member; and</p> <p>2) in the event that the Member and joint annuitant are legally married and such marriage is legally dissolved, the Member may elect (within 60 days of the date of dissolution), with consent of the joint annuitant, to void the joint and survivor annuity option previously elected. In such cases such Retirement Benefit shall revert to the Retirement Benefit the Member would have received had the Member not elected the joint and survivor annuity option, in which event, such Retirement Benefit shall be paid commencing with the payment due immediately following the date that such election is received by the University of Missouri.</p> <p>In either event described in Section 530.010.J.10.a. 1) or 2), a Member will, subsequently, have no right to further elect an alternative payment option.</p> <p>b. Effective September 1, 1990, a Qualified Member, who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an adjusted Retirement Benefit in accordance with Section 530.010.F.</p>
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<p><u>Adjusted Retirement Benefit</u> in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit effective on or after September 1, 1990 in the form of a Joint and Survivor Annuity in accordance with Subsection (a), however further providing that in the event of the death of the Member and such Member's joint annuitant prior to the payment of sixty (60) or one hundred twenty (120) months of benefit <u>payments</u>, such term period <u>certain</u> to be elected prior to the commencement of benefit payments, the amount which would have been paid to such joint annuitant had such individual survived shall be paid to a Designated Beneficiary for the remainder of the term period <u>certain</u>. <u>Effective January 1, 2016, for purposes of this Section 530.010.J.10.b. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a joint and survivor annuity with one hundred twenty (120) months period certain. Furthermore, prior to the commencement of benefit payments to a Designated Beneficiary, the Designated Beneficiary may elect to receive the present value of the payments remaining in the period certain in the form of a lump sum. For purposes of determining the present value of the payments remaining in the period certain the Plan Administrator will use the interest rate specified in Section 530.010.J.12.b.</u></p> <p>c. <u>Effective September 1, 1990, A</u> Qualified Member who terminated employment and commences a</p>	<p>effective September 1, 1990, may elect to receive the payment of such Retirement Benefit in the form of a joint and survivor annuity in accordance with Subsection (a), however further providing that in the event of the death of the Member and such Member's joint annuitant prior to the payment of sixty (60) or one hundred twenty (120) months of benefit payments, such period certain to be elected prior to the commencement of benefit payments, the amount which would have been paid to such joint annuitant had such individual survived shall be paid to a Designated Beneficiary for the remainder of the period certain. Effective January 1, 2016, for purposes of this Section 530.010.J.10.b. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a joint and survivor annuity with one hundred twenty (120) months period certain. Furthermore, prior to the commencement of benefit payments to a Designated Beneficiary, the Designated Beneficiary may elect to receive the present value of the payments remaining in the period certain in the form of a lump sum. For purposes of determining the present value of the payments remaining in the period certain the Plan Administrator will use the interest rate specified in Section 530.010.J.12.b.</p> <p>c. Effective September 1, 1990, a Qualified Member who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an</p>
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<p>Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an Aadjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit effective on or after September 1, 1990 in the form of a Jjoint and Ssurvivor Aannuity in accordance with subparagraph (a), with or without a period certain option in accordance with subparagraph (b), and further providing for the automatic adjustment of such <u>adjustment of such</u> <u>increases in benefit payments</u> at the rate of two percent (2%) or four percent (4%) per year of retirement, such percentage to be elected prior to the commencement of benefit payments. <u>Effective January 1, 2016, for purposes of this Section 530.010.J.10.c. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a joint and survivor annuity in accordance with subparagraph (a), with or without the one hundred twenty (120) months period certain option in accordance with subparagraph (b), providing for automatic increases in benefit payments at the rate of two percent (2%) per year of retirement.</u> Benefit adjustments pursuant to the provisions of this subparagraph shall be made annually as of the first day of the month following or otherwise coincident with the commencement of the Retirement Benefit and shall at all times reflect the cumulative adjustments to the applicable benefit payment as established upon the commencement of the Retirement Benefit.</p>	<p>adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit in the form of a joint and survivor annuity in accordance with subparagraph (a), with or without a period certain option in accordance with subparagraph (b), and further providing for automatic increases in benefit payments at the rate of two percent (2%) or four percent (4%) per year of retirement, such percentage to be elected prior to the commencement of benefit payments. Effective January 1, 2016, for purposes of this Section 530.010.J.10.c. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a joint and survivor annuity in accordance with subparagraph (a), with or without the one hundred twenty (120) months period certain option in accordance with subparagraph (b), providing for automatic increases in benefit payments at the rate of two percent (2%) per year of retirement. Benefit adjustments pursuant to the provisions of this subparagraph shall be made annually as of the first day of the month following or otherwise coincident with the commencement of the Retirement Benefit and shall at all times reflect the cumulative adjustments to the applicable benefit payment as established upon the commencement of the Retirement Benefit.</p> <p>d. In no event shall a Qualified Member be permitted to elect a joint and survivor annuity payable with a joint</p>
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<p>d. In no event shall a Qualified Member be permitted to elect a Jjoint and Ssurvivor Aannuity payable with a joint annuitant other than such Member's Spouse <u>if the joint and survivor annuity provides</u> ing for a survivor annuity in excess of fifty percent (50%) to continue to said joint annuitant, nor or provides for a period certain in excess of a 60 months.</p> <p>e. <u>Any joint and survivor annuity payable under this Section 530.010.J.10. shall be the actuarial equivalent of the life annuity payable to the Member.</u></p>	<p>annuitant other than such Member's Spouse if the joint and survivor annuity provides for a survivor annuity in excess of fifty percent (50%) or provides for a period certain in excess of 60 months.</p> <p>e. Any joint and survivor annuity payable under this Section 530.010.J.10. shall be the actuarial equivalent of the life annuity payable to the Member.</p>
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Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.J.11.	
Current with Changes	Proposed
<p>Optional Period Certain and Life Annuity Payable in the Event of Death of a Member Who Commences a Retirement Benefit, or an Adjusted Retirement Benefit in Accordance with Section 530.010.F. on or after September 1, 1990</p> <p>a. Effective September 1, 1990, Aa Qualified Member who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an Adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit effective on or after September 1, 1990 in a reduced amount in the form of a life annuity providing that in the event of the death of the Member prior to the payment of sixty (60), one hundred twenty (120), or one hundred eighty (180) months of benefit payments, such term period certain to be elected prior to the commencement of benefit payments, such benefit payment shall continue undiminished to a Designated Beneficiary for the remainder of the term period certain. Effective January 1, 2016, for purposes of this Section 530.010.J.11.a. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a life annuity with one hundred twenty (120) months period certain. Furthermore, prior to the commencement of benefit payments to a Designated Beneficiary, the</p>	<p>Optional Period Certain and Life Annuity Payable in the Event of Death of a Member Who Commences a Retirement Benefit, or an Adjusted Retirement Benefit in Accordance with Section 530.010.F. on or after September 1, 1990</p> <p>a. Effective September 1, 1990, a Qualified Member who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such Retirement Benefit in the form of a life annuity providing that in the event of the death of the Member prior to the payment of sixty (60), one hundred twenty (120), or one hundred eighty (180) months of benefit payments, such period certain to be elected prior to the commencement of benefit payments, such benefit payment shall continue undiminished to a Designated Beneficiary for the remainder of the period certain. Effective January 1, 2016, for purposes of this Section 530.010.J.11.a. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a life annuity with one hundred twenty (120) months period certain. Furthermore, prior to the commencement of benefit payments to a Designated Beneficiary, the Designated Beneficiary may elect to</p>

<p><u>Designated Beneficiary may elect to receive the present value of the payments remaining in the period certain in the form of a lump sum. For purposes of determining the present value of the payments remaining in the period certain the Plan Administrator will use the interest rate specified in Section 530.010.J.12.b.</u></p> <p>b. <u>Effective September 1, 1990, Aa</u> Qualified Member who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an <u>A</u>adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such benefit effective on or after September 1, 1990 in the form of a <u>life annuity with a period certain</u> and Life Annuity in accordance with subparagraph (a) and further providing for the automatic adjustment of such <u>increases in benefit payments</u> at the rate of two percent (2%) or four percent (4%) per year of retirement, such percentage to be elected prior to the commencement of benefit payments. <u>Effective January 1, 2016, for purposes of this Section 530.010.J.11.b. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a life annuity with one hundred twenty (120) months period certain providing for automatic increases in benefit payments at the rate of two percent (2%) per year of retirement.</u> Benefit adjustments pursuant to the provisions of this subparagraph shall be made annually as of the first day of the month following or otherwise</p>	<p>receive the present value of the payments remaining in the period certain in the form of a lump sum. For purposes of determining the present value of the payments remaining in the period certain the Plan Administrator will use the interest rate specified in Section 530.010.J.12.b.</p> <p>b. Effective September 1, 1990, a Qualified Member who terminated employment and commences a Retirement Benefit on or after September 1, 1990, or a Qualified Member who elects to receive an adjusted Retirement Benefit in accordance with Section 530.010.F. effective September 1, 1990, may elect to receive the payment of such benefit in the form of a life annuity with a period certain in accordance with subparagraph (a) and further providing for automatic increases in benefit payments at the rate of two percent (2%) or four percent (4%) per year of retirement, such percentage to be elected prior to the commencement of benefit payments. Effective January 1, 2016, for purposes of this Section 530.010.J.11.b. a Qualified Member who terminates employment on or after January 1, 2016 may only elect a life annuity with one hundred twenty (120) months period certain providing for automatic increases in benefit payments at the rate of two percent (2%) per year of retirement. Benefit adjustments pursuant to the provisions of this subparagraph shall be made annually as of the first day of the month following or otherwise coincident with the commencement of the Retirement Benefit.</p>
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<p>coincident with the commencement of the Retirement Benefit.</p> <p>c. <u>Any life annuity with a period certain or life annuity with a period certain providing for increasing payments that is payable under this Section 530.010.J.11. shall be the actuarial equivalent of the life annuity payable to the Member.</u></p>	<p>c. Any life annuity with a period certain or life annuity with a period certain providing for increasing payments that is payable under this Section 530.010.J.11. shall be the actuarial equivalent of the life annuity payable to the Member.</p>
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Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.J.12.b.	
Current with Changes	Proposed
For purposes of determining the actuarial value of a benefit as accrued through the Qualified Member's commencement of an A adjusted Retirement Benefit, retirement or death, subsequent to August 31, 1990, the 1983 UNISEX Group Annuity Mortality Table with interest at seven and one-half percent (7 1/2%) per annum.	For purposes of determining the actuarial value of a benefit as accrued through the Qualified Member's commencement of an adjusted Retirement Benefit, retirement or death, subsequent to August 31, 1990, the 1983 UNISEX Group Annuity Mortality Table with interest at seven and one-half percent (7 1/2%) per annum.

Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.K.8.	
Current with Changes	Proposed
<p>Termination of Derivative Benefits Payable to Surviving Spouse for Eligible Dependent Children -- In the event that an Eligible Surviving Spouse is receiving additional Derivative Benefits on account of the Eligible Dependent Children of the deceased Qualified Member, in accordance with Section 530.010.J.1.c. or 2.c., the final payment of such additional Derivative Benefits, with respect to each such Eligible Dependent Child, shall be the payment immediately preceding the date that such Child attains the age specified in Section 530.010.J.5.b.4)d.(iv) or, if earlier, the payment immediately preceding the date that such Child ceases to be a dependent of such Surviving Spouse.</p>	<p>Termination of Derivative Benefits Payable to Surviving Spouse for Eligible Dependent Children -- In the event that an Eligible Surviving Spouse is receiving additional Derivative Benefits on account of the Eligible Dependent Children of the deceased Qualified Member, in accordance with Section 530.010.J.1.c. or 2.c., the final payment of such additional Derivative Benefits, with respect to each such Eligible Dependent Child, shall be the payment immediately preceding the date that such Child attains the age specified in Section 530.010.J.5.b.4) or, if earlier, the payment immediately preceding the date that such Child ceases to be a dependent of such Surviving Spouse.</p>

Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.K.10.	
Current with Changes	Proposed
Termination of Derivative Benefits Payable to Eligible Dependent Children -- The final payment of Derivative Benefits payable to the Eligible Dependent Child of a deceased Qualified Member shall be the payment immediately preceding the earlier of such dependent Child's attainment of the age specified in Section 530.010.J.5.b.4) d.(iv) , or such Child's death.	Termination of Derivative Benefits Payable to Eligible Dependent Children -- The final payment of Derivative Benefits payable to the Eligible Dependent Child of a deceased Qualified Member shall be the payment immediately preceding the earlier of such dependent Child's attainment of the age specified in Section 530.010.J.5.b.4), or such Child's death.

Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.K.13.b.2)	
Current with Changes	Proposed
<p>A Qualified Member with a Retirement Benefit payable under this Plan in accordance with Section 530.010.F. or 530.010.G. shall, at the time benefits commence, be entitled to elect up to thirty percent (30%) of the actuarial value of such Retirement Benefit be paid to such Qualified Member in a lump sum.</p> <p><u>Effective January 1, 2016, for purposes of this Section 530.010.K.13.b.2) a Qualified Member who terminates employment on or after January 1, 2016 may only elect to receive a lump sum equal to ten percent (10%), twenty percent (20%), or thirty (30%) of the actuarial value of the Retirement Benefits payable under this Plan to the Qualified Member.</u></p> <p>Notwithstanding any other provisions of this plan, a Qualified Member who makes such an election shall be entitled to receive the balance (100% minus the percent elected to be received in a lump sum) of their Retirement Benefits otherwise payable under the provisions of this Plan and agrees to relinquish all rights to current and future benefits for the actuarial value paid in a lump sum. Election under this Subsection must be made prior to the commencement of any benefits to such eligible participant. Payment of the lump sum will be made no later than 180 days after the election is received. In no event shall a Qualified Member who is entitled to benefits pursuant to Section 530.010.H. be entitled to make an election under this Subsection 2 and with respect to a Qualified Member who submits a disability application under the University’s Long Term Disability Program as described in the last sentence</p>	<p>A Qualified Member with a Retirement Benefit payable under this Plan in accordance with Section 530.010.F. or 530.010.G. shall, at the time benefits commence, be entitled to elect up to thirty percent (30%) of the actuarial value of such Retirement Benefit be paid to such Qualified Member in a lump sum.</p> <p>Effective January 1, 2016, for purposes of this Section 530.010.K.13.b.2) a Qualified Member who terminates employment on or after January 1, 2016 may only elect to receive a lump sum equal to ten percent (10%), twenty percent (20%), or thirty (30%) of the actuarial value of the Retirement Benefits payable under this Plan to the Qualified Member.</p> <p>Notwithstanding any other provisions of this plan, a Qualified Member who makes such an election shall be entitled to receive the balance (100% minus the percent elected to be received in a lump sum) of their Retirement Benefits otherwise payable under the provisions of this Plan and agrees to relinquish all rights to current and future benefits for the actuarial value paid in a lump sum. Election under this Subsection must be made prior to the commencement of any benefits to such eligible participant. Payment of the lump sum will be made no later than 180 days after the election is received. In no event shall a Qualified Member who is entitled to benefits pursuant to Section 530.010.H. be entitled to make an election under this Subsection 2 and with respect to a Qualified Member who submits a disability application under the University’s Long Term Disability Program as described in the last sentence</p>

<p>of Section 520.010.I.4, such Qualified Member will in no event be entitled to make an election under this Subsection 2 unless or until (a) such Member's application for benefits under that program is denied, or (b) such Member is no longer qualified for benefit under that program.</p>	<p>of Section 520.010.I.4, such Qualified Member will in no event be entitled to make an election under this Subsection 2 unless or until (a) such Member's application for benefits under that program is denied, or (b) such Member is no longer qualified for benefit under that program.</p>
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Amendment to the Retirement, Disability and Death Benefit Plan	
Section 530.010.L.4.a.6)	
Current with Changes	Proposed
<p>If the annuity is a Life Annuity (or a Life Annuity with a period certain not exceeding twenty (20) years), the amount which must be distributed on or before the Member's required beginning date (or in the case of distributions after the death of the Member, the date distributions are required to begin pursuant to Subsection 5) shall be the payment which is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually.</p>	<p>If the annuity is a life annuity (or a life annuity with a period certain not exceeding twenty (20) years), the amount which must be distributed on or before the Member's required beginning date (or in the case of distributions after the death of the Member, the date distributions are required to begin pursuant to Subsection 5) shall be the payment which is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually.</p>

Approval, New Medical Plan Administrator – presented by Vice President Rodriguez (information on file)

It was recommended by Vice President Rodriguez, endorsed by President Wolfe, recommended by the Compensation and Human Resources Committee, moved by Curator Phillips and seconded by Curator Graham, that the following action be approved:

that the University of Missouri System be authorized to contract Medical Benefit Plan Administrative Services from United Healthcare.

Funding is as follows:

University of Missouri System	U0368 – Medical Plan – Preferred Provider
University of Missouri System	U0369 – Medical Plan – Healthy Savings
University of Missouri System	U0370 – Medical Plan – Custom Network

Roll call vote of Board of Curators:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

Academic, Student and External Affairs Committee

Curator Steward provided time for discussion of committee business.

Information

1. University Relations Report (slides on file)

Finance Committee

Chairman Covington provided time for discussion of committee business.

Information

1. Fiscal Year 2017 State Appropriations Request for Operations, UM (information and slides on file)
2. Fiscal Year 2017 State Capital Appropriations Request, UM (information and slides on file)
3. Project Design for Lafferre Hall – 1935/44 Renovation and Repair, MU (information on file)
4. Project Design, New Softball Stadium, MU (information on file)

Action

1. Approval of Collected Rules and Regulations 140.011 – 140.015 Investment Pool Policies, UM
2. Fiscal Year 2016 Operating Budget, UM
3. Project Approval, Dobbs Group Replacement Project – Phase 2A, MU
4. Project Approval, Benton Hall Renovation, UMSL
5. Project Approval, Spencer Chemistry/Biological Sciences Building Renovation, UMKC
6. Project Approval, Robert W. Plaster Free Enterprise Center, UMKC

Approval of Collected Rules and Regulations 140.011 – 140.015 Investment Pool Policies, UM – presented by Vice President Burnett (information and slides on file)

It was recommended by Vice President Burnett, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Graham, that the:

Existing investment policies of Collected Rules and Regulations, Sections 140.011 – 140.015, be amended as outlined in the attached documents (and as on file with the minutes of this meeting):

Roll call vote of Board of Curators:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward was absent for vote.

The motion carried.

Collected Rules and Regulations

Chapter 140: Investments

140.011 Policy for Investment Manager Selection, Monitoring and Retention

Bd. Min. 12-6-91, Amended Bd. Min. 12-9-93; Amended Bd. Min. 11-14-94; Mended Bd. Min. 12-13-96; Amended Bd. Min. 9-26-97; 1-21-98; Revised 2-1-00; Amended Bd. Min. 7-13-00; Amended Bd. Min. 9-27-02; Amended Bd. Min. 11-22-02; Revised 1-5-04; Amended Bd. Min. 9-9-04; Amended Bd. Min. 1-26-07; Amended Bd. Min. 2-6-09; Amended Bd. Min. 12-11-09; Amended 6-17-11 ; Revised in entirety, Bd. Min. 6-26-12. (Note: Board approval on 6-26-12 replaced previous rules 140.010, 140.011, 140.012 and 140.013 with new language and reissued new rules 140.010 through 140.016.); Bd. Min. 6-25-15.

- A. **Introduction** -- This policy establishes general guidelines for selecting external investment managers, monitoring investment manager effectiveness, identifying

issues of concern, and for making decisions concerning investment manager retention. The external investment managers can be broadly grouped into public and private market investments. Public market investments are widely held, generally liquid in nature, most often traded on exchanges, and typically disclose certain financial information to the public on a regular basis. Private market investments are longer-term, often illiquid investment strategies that are privately held by a limited number of owners and investors. The University shall utilize an Investment Consultant for assistance with the application of this policy. This policy applies to the following investment pools:

- 140.12 General Pool
- 140.13 Endowment Pool
- 140.14 Fixed Income Pool
- 140.15 Retirement, Disability and Death Benefit Plan
- 140.16 Other Postemployment Benefits Plan Trust Fund

B. Responsibilities and Authorities – See CRR 140.010 “*Policy for Management and Oversight of Selected University Investment Pools.*”

C. Active vs. Passive Management – Active managers are used most often, with an expectation of value added in excess of passive implementation. In markets that are generally considered efficient, passive strategies may be used to promote a diversified portfolio, while controlling risk and minimizing costs.

D. Manager Selection – The manager selection process requires the evaluation of all aspects of a firm’s organization and investment process to assess the probability that the identified firm’s product will successfully meet the objectives of a given investment mandate going forward. A series of quantitative and qualitative factors should be analyzed when evaluating prospective firms. A suitable manager universe for a given mandate should be screened for potential manager candidates. The following, as applicable, should be considered in the manager selection process:

1. Organizational Factors

- a. Structure: Does the ownership structure align the employees’ interests with those of clients?
- b. Stability: Has the firm been able to retain investment professionals and senior management over time?
- c. Strategic direction: Is the firm’s growth rate in assets and personnel appropriate? Is there a clear focus on investment management?
- d. Business viability: Are the firm’s growth prospects, assets under management and capital base sufficient to maintain a healthy business?
- e. Assets under management: Are assets sufficient at the product level to accommodate the University’s portfolio and, at the other extreme, has

excessive asset growth impeded the firm's ability to add value in a given mandate? Generally, the University's combined assets under management across all pools of funds should not exceed 25% of a particular product's total assets under management.

2. Investment Philosophy

- a. Well Defined: Is the investment philosophy clearly defined and consistently applied?
- b. Competitive advantages: Are there any aspects to the investment philosophy that provide a competitive advantage such as information/data sources, unique modeling capabilities, unusual perspectives, depth/quality of analytical resources, and/or experience of investment professionals?
- c. Persistence: Is there something about the investment philosophy that provides conviction that historical performance can be repeated?

3. Investment Professionals

- a. Relevant experience: Are the investment professionals experienced in managing this type of mandate?
- b. Team experience: Is there significant experience among the professionals as a team?
- c. Skills: Do the investment and research professionals bring complementary skills to the portfolio management process?
- d. Resources: Has the firm given the team the proper resources to succeed? Are the investment professionals distracted by other responsibilities including other products, firm management, sales, client service, etc.?

4. Historical Performance (Public Markets)

- a. Performance vs. relevant benchmarks: Has the firm added value on a net basis to the benchmark over market cycles, typically defined as 3-5 year periods? How much value has been added relative to the risk taken?
- b. Performance vs. peers: Has the firm exhibited an ability to outperform peers over market cycles, typically defined over 3-5 year periods?
- c. Consistency: Has the level of performance been consistent and within expectations for the mandate?
- d. Risk metrics: Is the level of absolute and relative volatility appropriate given the mandate? Are the risk metrics of the portfolio over time consistent with expectations given the mandate?
- e. Performance attribution: What are the sources of over or under-performance (e.g. industry bets, stock selection, style biases) and do they match the manager's investment process and philosophy?

5. Historical Performance (Private Markets)

- a. Performance vs. relevant benchmarks/peers: Has the firm or investment team's prior funds performed at or above expectations?
 - b. Consistency: Has the level of performance of the firm or investment team's prior funds been consistent and within expectations for the investment strategy? Has the investment strategy evolved over time and are the reasons for the evolution logical?
 - c. Risk: Has the firm or investment team's prior funds effectively mitigated real and anticipated risk?
 - d. Performance attribution: What are the sources of over or under-performance across investment cycles?
6. Other
- a. Missouri location and/or minority status: The University has an active and ongoing interest in doing business with firms that are owned, controlled, and operated by citizens of the state of Missouri. In addition, the University is committed to supporting the participation of minority and women-owned and controlled asset management firms (as defined in Section 33.750 (3), (4), and (5), RSMo 2000) in the management of its funds. All potential qualified Missouri and/or minority and women-owned candidates under consideration for investment mandates shall meet the University's threshold manager selection criteria.
 - b. Fees: Are fees competitive and appropriate for the mandate?
 - c. Fit: How does the manager fit within the overall portfolio and, when applicable, within the asset class or sector?
 - d. Compliance/Back office: Are compliance and back office systems adequate?
- E. **Manager Concentration** – Careful consideration should be given to concentrations of assets under management across all products with a single asset management firm within an individual investment pool as well as in aggregate across all investment pools. Each circumstance should generally be evaluated on an individual basis, taking into account the asset sectors, type of investment vehicles, custody of underlying assets and the overall size and strength of the investment management firm being considered. Additionally, it is recognized that larger concentrations of assets under management with a single investment management firm can often result in lower negotiated management fees, which benefit the investment pools. In all cases, any such fee savings shall be secondary to the consideration of the safety and soundness of invested assets.
- F. **Manager Monitoring** -- Each manager should be analyzed on an individual basis, taking into account any specific circumstances affecting the particular relationship. At minimum, the University and Investment Consultant shall review all managers on a quarterly basis. The review process should include, while not being limited to, the following factors:

1. Performance
 - a. **Public Markets:** An evaluation of performance should focus primarily on trailing three and five year periods, taking into account the manager's expected tracking error versus the agreed-upon benchmark. Over these time horizons, active manager performance, net of fees, is generally expected to outperform the agreed upon benchmark and fall within the top two quartiles of an appropriate peer group.
 - b. **Private Markets:** Performance is measured on an ongoing basis and is evaluated using several different performance calculation metrics. Funds are monitored for progress of acquisitions, asset management, and disposition of assets. The appropriate time horizon for evaluating private market investments is generally the full term of the fund. At the end of a fund's term, it is expected that it will achieve or exceed its initial performance targets, and fall within the top two quartiles of an appropriate peer group. Investment in subsequent fund offerings will be based, in large part, on actual vs. expected performance of existing fund investments.
2. Adherence to Stated Philosophy, Process and Style: The default expectation would be continued adherence to the manager's stated philosophy, process, and style in existence at the time of hiring.
3. Organizational Matters: Stability is the basic expectation. Any material change in the manager's organizational structure, ownership or personnel should be carefully considered. Ongoing oversight by regulatory agencies should also be monitored, as well as any indications of illegal or unethical behavior.
4. Guidelines: Managers are expected to maintain compliance with guidelines established by the University; exceptions may be granted by the University and Investment Consultant on a case-by-case basis. As circumstances warrant, the manager may provide recommended revisions to the guidelines in writing to the University and Investment Consultant; however, the University and Investment Consultant shall be under no obligation to accept such recommendations.
5. Service and Responsiveness: Managers are expected to be reasonably responsive to the needs of the University and Investment Consultant, including requests for information and/or analysis, requests for periodic meetings to review performance, etc.

To the extent that any significant issues or concerns are identified as part of the review process or at any other time, considering factors including, but not limited to, those noted above, a public markets manager may be classified as "Under Review" or terminated based solely on the determination of the University and Investment

Consultant. The legal structure of most private markets investments makes it impracticable to attempt an early termination.

G. Manager “Under Review” Classification (Public Markets) – Managers who are classified as “Under Review” are not eligible for additional funding and may be subject to asset reductions. If circumstances warrant, based solely on the determination of the University and Investment Consultant, the manager may be terminated immediately or at any time thereafter. Otherwise, the following process must be satisfactorily completed prior to the removal of the “Under Review” classification:

1. The University shall notify the manager in writing of their “Under Review” classification. The notification shall indicate the reason(s) why the manager has been classified as “Under Review,” request information from the manager on relevant issues, and ask for the manager’s input in resolving the concerns identified.
2. Upon notification, the manager shall submit a written response within 15 calendar days of the date of notice. The investment manager’s response should provide the following, as applicable:
 - a. Information specifically requested in the University’s notice
 - b. Substantive reasons for any problems or issues documented in the notice; if performance issues were noted, detailed attribution analysis of underperformance
 - c. Description of corrective actions to be taken
 - d. Expected time horizon for completion of any corrective actions
 - e. Any other relevant information
3. Based on the manager’s written response and any subsequent discussions, the University and Investment Consultant shall determine an appropriate course of action up to and including the termination of the manager. The University and Investment Consultant will carefully monitor the progress of the manager in implementing their plan. As determined solely by the University and the Investment Consultant, the manager’s “Under Review” classification may be removed when issues and concerns have been satisfactorily addressed.

H. Manager Termination (Public Markets) – A manager shall be terminated, based solely on the determination of the University and Investment Consultant, if there has been a failure to correct noted deficiencies or to show improvement, if the deficiencies noted are perceived to be irresolvable within a reasonable amount of time, or if other circumstances warrant.

Managers may also be terminated from time to time based solely on strategic or operational changes with respect to the overall University portfolio including, but not limited to, changes in asset sectors or changes in portfolio allocations among asset sectors.

Nothing in this policy shall be construed to be for the benefit of any manager or other person or to derogate from or affect the University's right to terminate an investment manager as permitted by the terms of their applicable investment management agreement.

Collected Rules and Regulations

Chapter 140: Investments

140.012 Investment Policy for General Pool

Bd. Min. 12-6-91; Amended Bd. Min. 12-9-93; Amended Bd. Min. 11-14-94; Amended Bd. Min. 12-13-96; Amended Bd. Min. 9-26-97; 1-21-98; Revised 2-01-00; Amended Bd. Min.

9-27-02; Amended Bd. Min. 11-22-02; Revised 1-5-04; Amended Bd. Min. 9-9-04; Amended Bd. Min. 1-26-07; Amended Bd. Min. 2-6-09; Amended Bd. Min. 6-5-09; Amended Bd. Min. 6-17-11; Revised in entirety, Bd. Min. 6-26-12. (Note: Board approval on 6-26-12 replaced previous rules 140.010, 140.011, 140.012 and 140.013 with new language and reissued new rules 140.010 through 140.016.) Amended Bd. Min. 1-31-13; Amended Bd. Min. 6-25-15.

- A. **Introduction** – The General Pool represents the University's cash and reserves, both restricted and unrestricted, including, but not limited to, operating funds, auxiliary funds, service operations funds, self-insurance funds, debt service funds, and plant funds.
- B. **Responsibilities and Authorities** – See CRR 140.010 "*Policy for Management and Oversight of Selected University Investment Pools*"
- C. **Investment Objectives** – The General Pool shall be managed in a way that both recognizes and balances the underlying needs of the pool, including, but not limited to, accommodation of University cash flow cyclicalities, satisfaction of various ongoing liquidity needs, maximization of risk-adjusted investment returns, diversification and preservation of capital.
- D. **Authorized Investments** – The General Pool shall be invested both internally and externally, utilizing the following asset sectors:

Sector	Management	Limitations
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Cash and Cash Equivalents	Treasurer's Office	Minimum allocation should be determined by the University's overall liquidity needs, including specific self- liquidity needs (if any) of the debt portfolio. No maximum limitation.
U.S. Government Securities	Treasurer's Office	Minimum allocation should be determined by the University's overall liquidity needs, including specific self- liquidity needs (if any) of the debt portfolio. No maximum limitation.
Fixed Income	External Managers	Fixed income allocations should be sufficiently diversified across underlying fixed income sectors; overall risk exposure of fixed income strategies should be consistent with Investment Objectives outlined in 140.012.C. Maximum allocation shall be 50% of the total General Pool; with respect to the cash and cash equivalents sector of the total General Pool, a 12 month average balance shall be used. For all other sectors, actual ending balances shall be used.
Absolute Return / Risk Parity	External Managers	Maximum allocation shall be 30% of the total General Pool; with respect to the cash and cash equivalents sector of the total General Pool, a 12 month average balance shall be used. For all other sectors, actual ending balances shall be used.

Utilization of external managers shall be consistent with the guidelines established in CRR 140.011 "*Policy for Investment Manager Selection, Monitoring and Retention.*"

E. **Authorized Instruments for Internally Managed Funds** – The University is authorized to use any or all of the following investment instruments for General Pool funds managed internally by the Treasurer's office:

1. Cash and Cash Equivalents

- a. Repurchase agreements collateralized by U.S. Government and U.S. Government Agency securities.

- b. Money market funds which are SEC 2a-7 compliant and have received the highest possible rating by at least two Nationally Recognized Statistical Ratings Organizations.
- c. Commercial paper which has received a rating of at least A1 / P1 / F1 by two of the Nationally Recognized Statistical Ratings Organizations.
- d. Other similar short-term investment instruments of like or better quality.

2. U.S. Government Securities

- a. U.S. Treasury securities, U.S. Government Agency securities and U.S. Government guaranteed securities, including but not limited to: all direct obligations of the U.S. Government, Federal Farm Credit Banks, Federal Home Loan Banks, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

F. Risk Management

- 1. The Treasurer shall establish and implement procedures to:
 - a. Monitor the ongoing risk exposure of the General Pool, which should be consistent with the Investment Objectives outlined in 140.012.C. To the extent risk exposure begins to exceed expectations, given Investment Objectives outlined in Section 140.012.C, the Treasurer shall take steps to reduce risk exposure to tolerable levels.
 - b. Maintain appropriate reserves within the General Pool to adequately manage through periods of market volatility.
 - c. Regularly monitor and forecast the University's cash flows.
- 2. The Treasurer shall establish contingency plans for unanticipated market / liquidity events.

G. Excluded Instruments – The General Pool shall not be deemed to include, and the limitations contained herein shall not be deemed applicable to, any program-related funds, instruments, and assets not held primarily for investment such as interests governed by CRR 70.070 “*Entrepreneurial Activity*.”

Chapter 140: Investments
140.013 Investment Policy for Endowment Pool

Bd. Min 7-22-11. Revised in entirety, Bd. Min. 6-26-12. (Note: Board approval on 6-26-12 replaced previous rules 140.010, 140.011, 140.012 and 140.013 with new language and reissued new rules 140.010 through and including 140.016.) Revised Bd. Min 6-14-13; Revised 9-12-13; Revised Bd. Min 6-25-15.

- A. **Introduction** -- The University's Endowment Pool contains gifts, bequests and other funds directed to be used to support a University program in perpetuity. Some donors require such a commitment as a condition of their gift ("true endowments"). Also, funds may be assigned to function as endowments by the Board of Curators or by University administration ("quasi endowments").
- B. **Responsibilities and Authorities** – See CRR 140.010 “*Policy for Management and Oversight of Selected University Investment Pools.*”
- C. **Investment Objectives** -- The Endowment Pool must be managed to provide ongoing support of endowed programs in perpetuity, in conformance with donor stipulations. To accomplish this, investment returns, net of inflation, should be sufficient over time to cover annual spending distributions while maintaining or growing the underlying purchasing power of each endowed gift.
- D. **Authorized Investments** – The Endowment Pool shall be invested in externally managed funds, consistent with the guidelines established in CRR 140.011 “*Policy for Investment Manager Selection, Monitoring and Retention,*” in the following asset sectors:

Sector	Target Asset Mix	Allowable Range
Global equity	43%	33% - 53%
Private equity	10%	6% - 12%
Global fixed income	4%	2% - 8%
Emerging markets debt	5%	3% - 8%
Opportunistic debt	7%	4% - 10%
Hedge funds	6%	4% - 9%
Risk parity	10%	7% - 14%
Real estate / infrastructure	10%	6% - 12%
Inflation-linked bonds	3%	1% - 6%
Commodities	2%	0% - 5%
Total	100%	

Portfolio Rebalancing

Sector allocations shall be monitored on an ongoing basis as changes in market behavior may result in variations from the target asset mix. Rebalancing of the portfolio shall be considered at least quarterly, and more often if necessary to maintain allocations within the allowable ranges. The need to rebalance shall take into account any logistical issues associated with fully funding a particular asset sector, as well as any tactical decisions to overweight or underweight a particular asset sector based on current market conditions. The University may utilize external managers to synthetically rebalance portfolio exposures consistent with targets and allowable ranges established by this policy. Synthetic market exposures can be obtained through the use of conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements.

Actual sector allocations shall not fall outside of the allowable ranges, with the exception of violations caused solely by periods of extreme market distress, when it may not be possible or advisable to immediately bring such allocations back to within the allowable ranges.

Global Equity Portable Alpha Program

Within the global equity sector, market exposures may be obtained through the use of passive investment vehicles, traditional long-only active management, active long/short strategies and conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements. Equity market exposure obtained through active long/short strategies and derivative instruments shall not exceed 15% and 35% of the total global equity allocation, respectively.

To the extent that equity market exposure is obtained using derivative instruments, a portion of the underlying cash and cash equivalent balances may be managed in an active fashion by external managers as an additional tool to add excess returns above the global equity benchmark. To maximize the probability of consistently positive returns within the portable alpha portfolio, appropriate alpha strategies should exhibit low correlations to one another, and manage effective equity market beta to target levels. The allowable range of the portable alpha portfolio shall be 0-10% of the total Endowment Pool.

The Global Equity Portable Alpha Program shall be managed in accordance with prudent risk management practices established by the Treasurer, Vice President for Finance and Investment Consultant. Such risk management practices shall include a requirement to maintain appropriate levels of margin collateral. Derivative instruments and associated cash and cash equivalent balances shall be

managed by an external investment firm with appropriate expertise, experience and depth of resources.

E. Spending Policy – To provide ongoing support to endowed programs in perpetuity, the spending policy must be managed in conjunction with investment objectives and other factors in compliance with applicable law, such that the spending rate plus an inflationary assumption shall not exceed expected investment returns over time. At minimum, the spending policy should be reviewed in conjunction with asset/liability studies performed by the Investment Consultant not less than once every three years.

1. The formula used to determine the Endowment Pool spending distribution for each fiscal year shall apply a rate of 4.5% to a base equal to the 28-quarter trailing average of market values as of December 31st of the prior fiscal year. Endowment spending distributions shall be paid on a monthly basis. The transition of the rate from 5.0% to 4.5% shall be accomplished in a methodical manner over a period not to exceed the seven years ended June 30, 2019. In no case shall the transition from 5.0% to 4.5% cause the actual spending distribution to decrease from one year to the next during the transition phase.
2. In addition to the spending distribution noted above, the President shall have the discretion to distribute from the Endowment Pool an administrative fee each fiscal year to be used for support of internal endowment administration and development functions. Such administrative fee shall be calculated by applying a rate of up to 1% to a base equal to the 28-quarter trailing average of market values as of December 31st of the prior fiscal year. The administrative fee shall be paid on a monthly basis.
3. The spending policy, spending distribution formula and administrative fee may be adjusted over time by the Board to respond to general economic conditions and other factors as appropriate and in compliance with applicable law.
4. Implementation of the spending policy is delegated to the Vice President for Finance and Administration or her/his designees.

Chapter 140: Investments

140.014 Investment Policy for Fixed Income Pool

Bd. Min 6-26-12; Revised Bd. Min. 6-25-15.

- A. Introduction** -- The University's Fixed Income Pool endowment fund includes gifts, bequests and other funds directed to be used to support a University program in perpetuity. Donor restrictions limit the investment of these funds to fixed income securities.

- B. **Responsibilities and Authorities** -- See CRR 140.010 “*Policy for Management and Oversight of Selected University Investment Pools.*”
- C. **Investment Objectives** -- The primary investment objectives of the Fixed Income Pool are capital preservation and the maximization of earned income.
- D. **Authorized Investments** -- The Fixed Income Pool shall be invested in an externally managed fixed income fund. Specific guidelines for externally managed funds are contained in CRR 140.011 “*Policy for Investment Manager Selection, Monitoring and Retention.*”
- E. **Spending Policy** – All earned income shall be distributed monthly.

Chapter 140: Investments

140.015 Investment Policy for Retirement, Disability and Death Plan

Bd. Min. 6-26-12, Revised Bd. Min. 6-14-13, Revised Bd. Min 9-12-13; Bd. Min. 6-25-15.

- A. **Introduction** -- The University's Retirement, Disability and Death Benefit Plan (“Plan”) was established to provide retirement income and other stipulated benefits to qualified employees in amounts and under the conditions described in the plan. A Trust was established in 1958 and is being funded to provide the financial security of those benefits.
- B. **Responsibilities and Authorities** – See CRR 140.010 “*Policy for Management and Oversight of Selected University Investment Pools.*”
- C. **Investment objectives** -- The primary objective to be achieved in the active management of Trust assets is to provide for the full and timely payment of retirement, disability and death benefits to qualified employees. In order to fulfill this objective the University must maintain a prudent actuarially sound funding of the Plan's liabilities. This funding requirement is derived from two principal sources; the total investment return on Trust assets and the amount of University contributions. In order to minimize the University's required contributions it is imperative that total investment returns be maximized.
- D. **Authorized Investments** – The Plan shall be invested in externally managed funds, consistent with the guidelines established in CRR 140.011 “*Policy for Investment Manager Selection, Monitoring and Retention,*” in the following asset sectors:

Sector	Target Asset Mix	Allowable Range
Global equity	37%	27% - 47%
Private equity	10%	6% - 12%
Global fixed income	4%	2% - 8%
Emerging markets debt	6%	4% - 9%
Opportunistic debt	12%	9% - 15%
Hedge funds	6%	4% - 9%
Risk parity	10%	7% - 14%
Real estate / infrastructure	8%	4% - 10%
Inflation-linked bonds	4%	2% - 7%
Commodities	3%	0% - 6%
Total	100%	

Portfolio Rebalancing

Sector allocations shall be monitored on an ongoing basis as changes in market behavior may result in variations from the target asset mix. Rebalancing of the portfolio shall be considered at least quarterly, and more often if necessary to maintain allocations within the allowable ranges. The need to rebalance shall take into account any logistical issues associated with fully funding a particular asset sector, as well as any tactical decisions to overweight or underweight a particular asset sector based on current market conditions. The University may utilize external managers to synthetically rebalance portfolio exposures consistent with targets and allowable ranges established by this policy. Synthetic market exposures can be obtained through the use of conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements.

Actual sector allocations shall not fall outside of the allowable ranges, with the exception of violations caused solely by periods of extreme market distress, when it may not be possible or advisable to immediately bring such allocations back to within the allowable ranges.

Global Equity Portable Alpha Program

Within the global equity sector, market exposures may be obtained through the use of passive investment vehicles, traditional long-only active management, active long/short strategies and conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap

agreements. Equity market exposure obtained through active long/short strategies and derivative instruments shall not exceed 15% and 35% of the total global equity allocation, respectively.

To the extent that equity market exposure is obtained using derivative instruments, a portion of the underlying cash and cash equivalent balances may be managed in an active fashion by external managers as an additional tool to add excess returns above the global equity benchmark. To maximize the probability of consistently positive returns within the portable alpha portfolio, appropriate alpha strategies should exhibit low correlations to one another, and manage effective equity market beta to target levels. The allowable range of the portable alpha portfolio shall be 0-10% of the total Retirement Fund.

The Global Equity Portable Alpha Program shall be managed in accordance with prudent risk management practices established by the Treasurer, Vice President for Finance and Investment Consultant. Such risk management practices shall include a requirement to maintain appropriate levels of margin collateral. Derivative instruments and associated cash and cash equivalent balances shall be managed by an external investment firm with appropriate expertise, experience and depth of resources.

E. **Other** – The Board of Curators delegates to the President of the University the following responsibilities with respect to the Plan:

1. Recommend contributions to the Plan.
2. Recommend annuity, mortality and other tables as may be useful in actuarial determination.
3. Recommend actuarial valuations made by experts retained for that purpose.
4. Maintain data necessary for actuarial valuations of the assets of the Plan.
5. Maintain accurate records for the Plan.

Fiscal Year 2016 Operating Budget, UM – presented by Vice President Burnett (information and slides on file)

It was recommended by the respective Chancellors, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Phillips, that the following recommendations be approved:

- that the President of the University System be authorized to develop the FY2016 budgets in accordance with the attached planning assumptions and financial summaries which include the allocation of FY2016 recurring state appropriations less 3.0% statutory withholdings and spending restrictions imposed by the Governor as follows:

FY2016 Gross Appropriations

General Operations	\$428,800,516
UMKC MSU Pharmacy Doctorate Program	2,000,000
MU Medical School Expansion	10,000,000
Funding for Improved Outcomes – Performance Funding	5,736,056
UMKC Neighborhood Initiative Program	500,000
UMSL International Collaboration	300,000
Missouri Kidney Program	1,750,000
Missouri Telehealth Network	1,937,640
Spinal Cord Injury Research	1,500,000
State Historical Society	2,210,855
Seminary Fund (reinvestment and earnings)	3,275,000

- that the President of the University System be authorized to allocate one-time or recurring line-item state appropriations, net of anticipated withholdings;
- that the President of the University System be authorized to: (a) make required changes to working capital and reserve funds and (b) make supplemental allocations within the funds available to the several campuses and programs, such allocations to be made on the basis of priority and need. The President will report periodically to the Board of Curators any material changes in sources and uses of current funds;
- that the operating budget for FY2016 and allocation as stated herein can be modified as necessary by the President to bring the same into harmony with the state appropriations as finally approved by the governor and any withholdings in excess of those shown above.

Roll call vote full Board:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.

Curator Steelman voted yes.

Curator Steward voted yes.

The motion carried.

Project Approval, Dobbs Group Replacement Project – Phase 2A, MU – presented by Vice President Burnett (information on file)

It was recommended by Chancellor Loftin, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Graham, that the following action be approved:

the project approval for Dobbs Group Replacement Project – Phase 2A for the University of Missouri-Columbia.

Funding of the project budget is from:

Revenue Bonds	\$42,850,000
Residential Life Reserves	<u>2,000,000</u>
Total Funding	\$44,850,000

Roll call vote Full Board:

Curator Covington voted yes.

Curator Cupps voted yes.

Curator Graham voted yes.

Curator Henrickson voted yes.

Curator Phillips voted yes.

Curator Snowden voted yes.

Curator Steelman voted yes.

Curator Steward voted yes.

The motion carried.

Project Approval, Benton Hall Renovation, UMSL – presented by Vice President Burnett (information on file)

It was recommended by Chancellor George, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Phillips, that the following action be approved:

the project approval for Benton Hall Renovation project for the University of Missouri-St. Louis.

Funding of the project budget is from:

State Appropriation	\$13,625,415
Campus M&R Funds	3,686,585
University of Missouri Central Bank	<u>8,000,000</u>
Total Funding	\$25,312,000

Roll call vote Full Board:

Curator Covington voted yes.

Curator Cupps voted yes.

Curator Graham voted yes.

Curator Henrickson was absent for vote.

Curator Phillips voted yes.

Curator Snowden voted yes.

Curator Steelman voted yes.

Curator Steward voted yes.

The motion carried.

Project Approval, Spencer Chemistry/Biological Sciences Building Renovation, UMKC – presented by Vice President Burnett (information on file)

It was recommended by Chancellor Morton, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Phillips, that the following action be approved:

the project approval for Spencer Chemistry – Biological Sciences Renovation project for the University of Missouri-Kansas City.

Funding of the project budget is from:

State Appropriation	\$18,285,638
UM Bank	3,000,000

Campus Funds	<u>250,000</u>
Total Funding	\$21,535,638

Roll call vote Full Board:

- Curator Covington voted yes.
- Curator Cupps voted yes.
- Curator Graham voted yes.
- Curator Henrickson voted yes.
- Curator Phillips voted yes.
- Curator Snowden voted yes.
- Curator Steelman voted yes.
- Curator Steward voted yes.

The motion carried.

Project Approval, Robert W. Plaster Free Enterprise Center, UMKC – presented by Vice President Burnett (information on file)

It was recommended by Chancellor Morton, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Phillips, that the following action be approved:

the project approval for Robert W. Plaster Free Enterprise Center for the University of Missouri-Kansas City.

Funding of the project budget is from:

State Appropriation	\$7,400,000
Private Gifts	<u>7,400,000</u>
Total Funding	\$14,800,000

Roll call vote Full Board:

- Curator Covington voted yes.
- Curator Cupps voted yes.
- Curator Graham voted yes.
- Curator Henrickson voted yes.
- Curator Phillips voted yes.
- Curator Snowden voted yes.
- Curator Steelman voted yes.

Curator Steward voted yes.

The motion carried.

The Finance Committee recessed at 4:32 P.M. and will reconvene on Friday, June 26, 2015.

Audit Committee

Chairwoman Henrickson provided time for discussion of committee business.

Information

1. Internal Audit Quarterly Report, UM (slides and information on file)

The public session of the Board of Curators meeting recessed at 4:45 P.M.

Board of Curators Meeting – Executive Session

A meeting of the University of Missouri Board of Curators was reconvened in executive session at 4:50 P.M., on Thursday, June 25, 2015, in the Donrey Media Room 211 of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator Donald L. Cupps, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable Ann K. Covington
The Honorable Donald L. Cupps
The Honorable Maurice B. Graham
The Honorable Pamela Q. Henrickson
The Honorable John R. Phillips
The Honorable Phillip H. Snowden
The Honorable David L. Steelman
The Honorable David L. Steward

Also Present

Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy S. Harmon, Secretary of the Board of Curators
Miss Tracy Mulderig, Student Representative to the Board of Curators

General Business

Dr. Steve Graham joined the meeting.

Curators' Professor, Anil Kumar, UMKC – presented by Dr. Graham

It was recommended by Chancellor Leo E. Morton, endorsed by President Timothy M. Wolfe, recommended by the Academic, Student and External Affairs Committee, moved by Curator Henrickson, and seconded by Curator Steward, that the following action be approved:

that upon the recommendation of Chancellor Morton, the Interim Provost, and the Executive Vice President for Academic Affairs, it is recommended that Professor Anil Kumar be named to the position University of Missouri Curators' Professor, effective September 1, 2015. Professor Kumar will receive a \$10,000 annual stipend as long as he holds this position. \$5,000 will go to increased compensation (salary and benefits less applicable taxes) with the remaining \$5,000 available for professional expenses associated with his teaching, research, or creative activities. In accordance with Collected Rules and Regulations, 320.070, this appointment is for a period of five years which may be renewed at the discretion of the Chancellor.

Roll call vote of Board:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

Dr. Graham excused himself from the meeting.

Audit Committee Executive Session

Vice President Burnett and Chief Audit Executive Rapp joined the meeting.

Annual Performance Goals, Chief Audit Executive Ryan Rapp – presented by Curator Henrickson

It was recommended by the Audit Committee, moved by Curator Henrickson and seconded by Curator Steward, that the performance goals for Chief Audit Executive Ryan Rapp for the period July 1, 2015 through June 30, 2016 be approved as presented at the June 25-26, 2015 meeting.

Roll call vote of Board of Curators:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

**Fiscal Year 2016 Chief Audit Executive Goals & Objectives
Internal Audit & Consulting Services
UM**

Outline of Goals & Objectives

1. Establishing the Authority and Scope of Internal Audit
 - a) Review and revise the Audit Committee Charter - July 2015
 - b) Establish an Internal Audit Department Charter – September 2015
 - o Set the scope and responsibilities of the department
 - o Establish mission statement and strategic plan
 - o Ensure alignment with key stakeholder expectations and the University's Strategic plan

2. Getting the Department Operational

- a) Conduct Enterprise-Wide Risk Assessment - August 2015 – April 2016
 - o Identify key risks and owners (Compliance, Financial, Operational, Strategic or Business)
 - o Develop key risk management plan (accept, mitigate, share, or eliminate)
 - b) Define Audit Methodology & Acquire Tools - June – September 2015
 - c) Identify Interim Audits from Nov 2015 – June 2016 – August 2015
 - d) Develop Annual Audit Plan for FY 2017 (Based on result of Risk Assessment) - February – April 2016
 - e) Develop Organizational Structure and Team - May – September 2015
 - o Hire managers/directors
 - o Hire staff (at least one present on each campus)
 - o Develop guest auditor and rotational auditor programs
 - o Implement internship program on each of the campuses
 - f) Promoting the Department – On-Going
 - o Website development
 - o Campus visits
 - o Establishing a physical presence on each campus
3. Reporting to the Audit Committee and Senior Management
- a) Report Writing and Communication Protocol - July 2015
 - b) Audit Committee Reporting Protocol - July 2015
 - c) Annual Report to Audit Committee - June 2016
 - o Results of Prior Year

- Plan for Upcoming Year

Vice President Burnett and Mr. Rapp excused themselves from the meeting.

General Business

Chancellor Loftin, Dr. Harold Williamson, Jr., Mr. Robert Hess and Mr. Blake Schofield joined the meeting.

Approval, Extension of Tiger Institute Contractual Relationship with Cerner Corporation through Execution of Amended and Restated Cerner Preferred Client Relationship Agreement and Related Agreements – presented by Dr. Williamson

It was recommended by Chancellor Loftin, endorsed by President Wolfe, moved by Curator Steward and seconded by Curator Snowden, that the following action be approved:

that the President be authorized to execute the following contracts substantially in the form presented to the Board of Curators: Amended and Restated Cerner Preferred Client Relationship Agreement (“Master Agreement”), Research Initiative Agreement, Iconic Status Initiative Agreement, Population Health Initiative Agreement and Amended and Restated Living Lab Agreement and to negotiate and execute such additional amendments and agreements as may be appropriate in order to allow University of Missouri to update and extend its contractual collaboration with Cerner Corporation with respect to software, services and certain joint activities in accordance with the terms of the Master Agreement, subject to approval of the agreements as to legal form by the Office of the General Counsel. The foregoing authority may be delegated, in whole or in part, by the President to appropriate officers of the University pursuant to a written authorization to be filed with the offices of the President, Vice President for Finance and Administration, and Secretary of the Board of Curators.

Roll call vote Full Board:

- Curator Covington voted yes.
- Curator Cupps voted yes.
- Curator Graham voted yes.
- Curator Henrickson voted yes.
- Curator Phillips voted yes.
- Curator Snowden voted yes.
- Curator Steelman voted yes.
- Curator Steward voted yes.

The motion carried.

Dr. Loftin, Dr. Williamson, Mr. Hess and Mr. Schofield excused themselves from the meeting.

President's Report on Contract Issues – presented by President Wolfe.

The executive session of the Board of Curators meeting recessed at 5:50 PM on Thursday, June 25, 2015.

University of Missouri System Awards Reception, Dinner and Program

6:00 – 8:30 P.M.

Thursday, June 25, 2015

Hosted by the University of Missouri System Board of Curators and President Timothy M. Wolfe

Location: Stotler Lounge, Memorial Student Union, University of Missouri campus, Columbia, Missouri

System Honorees (program on file)

Thomas Jefferson Award – Henry R. Frankel, University of Missouri-Kansas City

Student Entrepreneur of the Year – Dustin Stanton, University of Missouri-Columbia

C. Brice Ratchford Memorial Fellowship Award – Fritz Cropp, University of Missouri – Columbia

President's Award for Community Engagement – S. David Mitchell, University of Missouri – Columbia

President's Award for Cross-Cultural Engagement – E. Wendy Saul, University of Missouri-St. Louis

President's Award for Leadership – Mary Troy, University of Missouri-St. Louis

President's Award for Service – Joel G. Burken, Missouri University of Science and Technology

President's Award for Early Career Excellence – Gavin McLean King, University of Missouri-Columbia

President's Award for Sustained Career Excellence – James A. Birchler, University of Missouri – Columbia

President's Award for Innovative Teaching – Michael F. Smith, University of Missouri – Columbia

President's Award for Economic Development – David J. Patterson, University of Missouri – Columbia

President's Award for Intercampus Collaboration – David L. Albright (MU), Dale K. Fitch (MU), Sharon D. Johnson (UMSL), Lois H. Pierce (UMSL), Marjorie R. Sable (MU)

BOARD OF CURATORS MEETING

University of Missouri System Administration Breakfast with the Board of Curators
8:00 – 8:45 A.M.

Friday, June 26, 2015

Location: Columns Room A&B, Reynolds Alumni Center

Panel Discussion was held with Dr. Steve Graham, Ms. Kelley Stuck, Dr. Gary Allen and Dr. Brian Burnett, moderated by Chief of Staff Mulligan regarding System efficiencies.

Public Session

A meeting of the University of Missouri Board of Curators reconvened in public session at 9:00 A.M., on Friday, June 26, 2015, in Columns Ballroom C, D & E of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator Donald L. Cupps, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable Ann K. Covington
The Honorable Donald L. Cupps
The Honorable Maurice B. Graham
The Honorable Pamela Q. Henrickson
The Honorable John R. Phillips
The Honorable Phillip H. Snowden
The Honorable David L. Steelman
The Honorable David L. Steward

Also Present

Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy Harmon, Secretary of the Board of Curators
Miss Tracy H. Mulderig, Student Representative to the Board of Curators
Dr. Gary K. Allen, Vice President for Information Technology
Dr. Brian D. Burnett, Vice President for Finance
Dr. Henry “Hank” Foley, Executive Vice President of Academic Affairs
Dr. Thomas F. George, Chancellor for University of Missouri-St. Louis
Mr. Stephen C. Knorr, Vice President for University Relations
Dr. R. Bowen Loftin, Chancellor for University of Missouri
Mr. Leo E. Morton, Chancellor for University of Missouri-Kansas City
Dr. Betsy Rodriguez, Vice President for Human Resources
Dr. Cheryl B. Schrader, Chancellor for Missouri University of Science and Technology
Ms. Zora Z. Mulligan, Chief of Staff, UM System
Mr. John Fougere, Chief Communications Officer, UM System
Media representatives

Finance Committee

Chairman Covington provided time for discussion of Committee business.

Fiscal Year 2017 State Appropriations Request for Operations, UM – presented by Vice President Burnett (information on file)

It was recommended by Vice President Burnett, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Graham, that the following recommendations be approved:

The President is authorized to file a request for state appropriations for operations as follows:

- (1) Funding for Core Operations of \$447.3 million;
- (2) New Requests of \$31.9 million;
- (3) Other Curator Programs Requests which includes core funding of \$5.9 million and new requests of \$1.8 million; and
- (4) Requests in Accordance with Legislative Requirements of \$10.4 million.

Roll call vote full Board:

Curator Covington voted yes.

Curator Cupps voted yes.

Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

Fiscal Year 2017 State Capital Appropriations Request for Capital Improvements (including HECF projects), UM – presented by Vice President Burnett (information on file)

It was recommended by Chancellor Loftin, Chancellor Morton, Chancellor Schrader and Chancellor George, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Covington and seconded by Curator Phillips, that the following action be approved:

That the President be authorized to submit to the appropriate state offices the University's Fiscal Year 2017 State Capital Appropriations Request and the Higher Education Capital Fund Projects, as shown on the schedule presented to the Board of Curators as information on June 25, 2015.

Roll call vote Full Board:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

The Finance Committee of the Board of Curators adjourned at 9:05 AM on Friday, June 26, 2015.

General Business

Board Chairman's Report – Anticipating and Attacking Bottlenecks to Graduation (presented by campus representatives - slides on file)

University of Missouri Strategic Plan Highlights – presented by Chancellor Loftin (slides on file)

Consent Agenda

It was endorsed by President Wolfe, moved by Curator Henrickson and seconded by Curator Covington, that the following items be approved by consent agenda:

CONSENT AGENDA

1. Minutes, April 9-10, 2015 Board of Curators Meeting
 2. Minutes, April 9-10, 2015 Board of Curators Committee Meetings
 3. Degrees, Summer Semester 2015 for all campuses
 4. Approval of Spinal Cord Injuries and Congenital or Acquired Disease Processes Research Program Proposals
 5. Amendment Collected Rules and Regulations 300.040, Faculty Bylaws of the University of Missouri – St. Louis
 6. Amendment Collected Rules and Regulations 460.020, University of Missouri-Kansas City Faculty Dental Practice Plan
-
1. Minutes, April 9-10, 2015 Board of Curators Meeting – as provided to the curators for review and approval.
 2. Minutes, April 9-10, 2015 Board of Curators Committee Meetings - as provided to the curators for review and approval.
 3. Degrees, Summer Semester 2015 for all campuses –

That the action of the President of the University of Missouri System in awarding degrees and certificates to candidates recommended by the various faculties and committees of the four University of Missouri System campuses who fulfill the requirements for such degrees and certificates at the end of the Summer Semester 2015, shall be approved, and that the lists of said students who have been awarded degrees and certificates be included in the records of the meeting.

4. Approval of Spinal Cord Injuries and Congenital or Acquired Disease Processes
Research Program Proposals –

Proposal Recommended For Funding
2015

I. Unveiling therapeutic mechanism(s) of *H. Procumbens* (Devil's Claw) for
chronic pain associated with spinal cord injury

Zecong Gu
Assistant Professor
University of Missouri-Columbia

Total funding recommended \$250,000

II. Therapeutic Delivery of E1-ASO into large animal model of Spinal
Muscular Atrophy

Monique A. Lorson
Associate Research Professor
University of Missouri-Columbia

Total funding recommended \$245,948

III. Resorting Motor Activation Following Spinal Cord Injury Utilizing
Regenerative Sieve Electrodes

Matthew MacEwan
Assistant Professor
Washington University

Total funding recommended \$250,000

5. Amendment, Collected Rules and Regulations 300.040, Faculty Bylaws of the
University of Missouri-St. Louis

Collected Rules and Regulations
Faculty Bylaws and Tenure Regulations
Chapter 300: Faculty Bylaws

300.040 Faculty Bylaws of the University of Missouri-St. Louis

Bd. Min 3-19-71; Amended 10-12-73, 2-18-77, 12-15-78, 6-18-82, 2-11-83, 6-24-
83, 5-4-84, 5-3-85, 7-29-88, 3-10-89, 6-22-90; 5-3-91; Revised 1-29-92; 5-8-92,

5-6-93; 3-29-94; 3-24-95; 4-25-96; 5-29-97; 10-16-98; Amended 5-27-99; Bd. Min 3-23-00; Revised 9-28-01, 12-01-05. Amended Bd. Min. 12-15-06; 06-06-08, 12-10-10; 11-21-13; 4-10-15; 6-26-15.

A. **FACULTY**

1. **Membership** - The Faculty of the University of Missouri-St. Louis shall consist of the President, the Chancellor, all persons with regular full-time academic appointments, and others elected by the Faculty. Elected members so designated by the Faculty shall be non-voting members of the Faculty.
2. **Functions** - The Faculty of the University of Missouri-St. Louis, together with appropriate administrative officers, shall bear responsibility for recommending and implementing educational policy, particularly in areas of curriculum, degree requirements, methods of instruction, research, requirements for admission, student affairs, and faculty status. The Faculty may make recommendations to the Chancellor concerning general policy matters affecting the University. Where appropriate, the Faculty may delegate its responsibility to separate schools, colleges, or such other parallel units as may be created from time to time, to the Faculty Senate, and the University Assembly within the University of Missouri-St. Louis.
3. **Meetings** - The Faculty of the University of Missouri-St. Louis shall meet at least twice each year and at such additional times as the President, Chancellor, or the Faculty itself may determine. Upon written request of twenty-five members of the Faculty, the Chancellor shall call a meeting within two weeks.
 - a. The President, or in the President's absence, the Chancellor, or in the Chancellor's absence, a member of the Faculty designated by the Chancellor shall preside at each faculty meeting.
 - b. A quorum shall consist of ten percent of the voting members of the Faculty.
 - c. Proceedings in Faculty meetings shall be in accordance with the rules set forth in the most recent edition of Robert's Rules of Order except where otherwise provided for in these Bylaws or the regulations of the University of Missouri-St. Louis.
 - d. The Chancellor shall appoint each year a Secretary of the Faculty who shall keep an official record of the proceedings of each meeting and shall transmit copies of the minutes to each member of the Faculty. A

copy of the official minutes shall be kept on file in the offices of the Registrar and the Vice Chancellor for Academic Affairs and shall be available to each member of the Faculty.

4. **The Intercampus Faculty Council** - Three campus representatives will serve on the Intercampus Faculty Council. Two of the three shall be elected by the University of Missouri-St. Louis Faculty to serve three-year staggered terms so that no more than one of the two elected members will be replaced or reelected in any year. The Senate Chairperson shall serve as the third member of the Intercampus Faculty Council.
5. **Campus Standing Committees** -
 - a. **Grievance Resolution Panel (GRP)** - The Panel shall perform the responsibilities prescribed by the Collected Rules and Regulations of the University of Missouri (370.010.C.1), "Academic Grievance Procedure." The role of the GRP is to address grievances brought by faculty members. The panel should consist of a senior administrator appointed by the Chancellor and two tenured faculty members, and two alternate faculty members. The faculty members will be chosen by the Faculty Senate after consultation with the Chancellor or the Chancellor's designee. Members shall serve two-year staggered renewable terms.
 - b. **Degree Revocation Committee** - In accordance with 220.025, this committee shall have jurisdiction to consider any case in which revocation of a degree, diploma and/or certificate is proposed. The Committee shall be called the Campus Degree Revocation Committee. Four (4) members of the Campus Degree Revocation Committee and an alternate to serve in the event one of the four (4) members cannot serve, shall be appointed annually by the Chancellor after consultation with the Faculty Council or Faculty Senate. Each of the members of the Committee and the alternate shall be a faculty member on continuous appointment at the rank of Professor or Associate Professor. In the event that the Chancellor approves the initiation of the procedures for revocation of a degree, diploma and/or certificate, the Chancellor shall appoint a fifth member of the Campus Degree Revocation Committee, who shall also be a faculty member at one of the campuses of the University of Missouri System on continuous appointment at the rank of Associate Professor or Professor and who shall be from the same

discipline or a related discipline as the department faculty who recommended the award of the degree, diploma and/or certificate, but who shall not be a faculty member in such department. The Campus Degree Revocation Committee shall elect a Chair from among its five (5) members.

B. STUDENT BODY

1. **Membership** - The student body of the University of Missouri-St. Louis shall consist of all persons who are officially enrolled as regular full-time or part-time students in the University of Missouri-St. Louis.
2. **Functions** - The student body shall have the responsibility to participate in the recommending and implementing of educational policy, particularly in the areas of academic and student affairs. The student body may, through its official representatives, make recommendation to the Vice Provost for Student Affairs or the Chancellor concerning general policy matters affecting the University of Missouri-St. Louis.

C. FACULTY SENATE OF THE UNIVERSITY OF MISSOURI-ST. LOUIS

(Hereinafter referred to as Senate)

1. **Functions** - It shall be the responsibility of the Senate to exercise those functions of the Faculty (see Section 300.040 A.2) not reserved by the Faculty as a body or specifically delegated to the University Assembly (Section 300.040 D).
2. **Committees of the Senate** - In their deliberations the committees shall, when appropriate, consult with the Chancellor or other administrative officers; with representatives of the separate schools, colleges, and other parallel units which may be created from time to time; with departments and concerned faculty; and with students and student organizations. Committee recommendations shall be made to the Senate or to the appropriate administrative officer.

The Senate shall establish the following standing committees:

- a. **Committee on Committees** - The Committee on Committees shall be responsible for nominating for election all faculty members of the committees of the Senate and the University Assembly. The chair of the Committee shall be a faculty Senator.

b. Steering Committee of the Faculty Senate and University

Assembly (hereinafter referred to as the Steering Committee) - The Steering Committee shall consist of the Senate Chairperson, who shall serve as Chairperson of the Steering Committee, the Chancellor, the Secretary of the Senate, and three elected Senators. Chairs of Senate and Assembly Committees will be asked to attend Steering Committee meetings when their committees have items for the agenda of the next Senate or Assembly meeting. It shall be the responsibility of the Steering Committee:

- (1) To call regular and special meetings of the Senate and Assembly and to prepare the agenda prior to each meeting.
- (2) To coordinate the work and activities of the Senate and Assembly and of Senate and Assembly committees.
- (3) To meet regularly and frequently with the Chancellor to discuss matters of policy concerning the University of Missouri-St. Louis.
- (4) As an agency of the Senate and Assembly, to maintain avenues of communication with the Faculty and student body of the University of Missouri-St. Louis, with campus administrative officers and the governing board of the University.
- (5) To establish all guidelines for elections for membership in the Senate and Assembly and to supervise said elections.

c. Committee on Curriculum and Instruction - The Committee shall have general responsibility for recommending to the Senate policies and procedures in the area of curriculum and instruction. It shall also recommend policies regarding graduation requirements, special honors programs, and academic publications such as catalogs and schedules of courses.

- (1) The Committee also shall regularly recommend to the Senate the calendar of the University. It shall recommend policies relating to schedules of classes and final examination schedules. Departures from calendars and examination schedules will be recommended by this Committee.
- (2) New degrees and degree programs proposed by the separate schools, colleges, and such other parallel units as may be created from time to time, shall be submitted by the appropriate dean or equivalent to the Committee for recommendation to the Senate.

- (3) Curricular additions and changes will be sent by the appropriate dean or equivalent to the Committee to be examined for overlap and duplication. In the absence of overlap and/or duplication, such proposals will be reported to the Senate.
- d. **Committee on Appointments, Tenure, and Promotion** - The Committee shall consist of full professors holding a tenure appointment. There shall be one member on the Committee elected from each of the following units: Humanities, Natural Sciences/Mathematics, Social Sciences, Fine Arts & Communication, Business Administration, Education, Nursing, Optometry, and such parallel units as may be created from time to time. There shall also be two members elected at large from the campus. The Committee shall elect a chairperson from among its members.
- (1) Initial academic appointments to the University of Missouri-St. Louis recommended as tenure appointments shall be submitted by the Department or Division concerned through the Dean or equivalent of the appropriate school, college, or other parallel unit. The Dean or equivalent shall forward the Department's or Division's recommendations with the Dean's or equivalent's own recommendations for approval or disapproval. After consideration, the Committee on Appointments, Tenure, and Promotion shall submit its recommendations to the Chancellor.
 - (2) Tenure recommendations for Faculty holding term appointments, and recommendations for promotion above the rank of assistant professor, shall be made in accordance with the procedure outlined above.
 - (3) It shall be the responsibility of this Committee together with the appropriate administrative officers, to establish, develop, and maintain in all areas of the University the highest standards of faculty quality.
- e. **Committee on Promotion of Non-Tenure Track Faculty** – **The Committee shall consist of eligible faculty holding the rank of Teaching Professor, Clinical Professor, Extension Professor, or Research Professor and at least one full professor. There shall be one member on the Committee elected from each of the following units: Humanities, Natural Sciences/Mathematics, Social Sciences, Fine Arts & Communication, Business Administration, Education, Nursing, Optometry, and such parallel units as may be created from time to time. There shall also be two faculty members elected**

at large from the campus. The Committee shall elect a chairperson from among its members.

- (1) The Dean or equivalent shall forward the Department's or Division's recommendations with the Dean's (or equivalent) own recommendation for approval or disapproval of promotion to the Committee. After consideration, the Committee shall submit its recommendation to the Chancellor.**
 - (2) Promotion recommendations will be made in accordance with procedures determined by the Committee, consistent with the *Collected Rules and Regulations of the University of Missouri*.**
 - (3) The committee shall use standards created by the academic units and shall not create additional campus-wide standards.**
 - (4) It shall be the responsibility of this Committee, together with the appropriate administrative officers, to establish, develop, and maintain in all areas of the University the highest standards of faculty quality.**
- f. **Committee on Research** - The Committee shall consist of two panels, one meeting in the fall semester and the other meeting in the spring semester.
- (1) The Fall and Spring panels shall meet jointly in the fall to elect a committee chairperson, to clarify program objectives, to coordinate deadlines, to set guidelines for research proposals and awards, and to recommend policy to the senior campus research administrator. The panels shall meet separately to elect their respective panel leaders in the fall. Thereafter, the panels shall meet during their semester of service to advise and make recommendations on:
 - (a) Competitions for internal grant funds, including financial support during the summer and during research leaves, support for research assistants, grants for equipment and supplies, and funds for travel to research locations, and
 - (b) Nominations for campus, University, and external research awards that are available campus-wide.
 - (2) The panels shall also meet jointly after the Spring Panel has completed its work in order to review procedures and develop recommendations for the following year's committee to consider.

- (3) The committee chairperson shall vote only as a member of the panel to which he/she has been elected.
 - (4) Panel members are ineligible to receive funding and awards under the jurisdiction of the panel on which they serve during the period of their service on the panel. The committee chairperson is ineligible to receive funding and awards under the Committee's jurisdiction during the entire year of his/her service as chairperson.
- g. **Committee on University Libraries** - The Committee shall advise the Dean of Libraries on policy issues, including budgetary issues; serve as liaison between the libraries and the University community via the Senate; advise the University administration about policies and recommendations adopted by the Senate or the Committee; and consider any matter referred by the Senate, the Dean of Libraries, or any member of the campus community.
 - h. **Committee on Faculty Teaching and Service Awards** - The Committee shall formulate and publish guidelines for campus-wide teaching and service awards; solicit nominations for these awards as well as University and external teaching and service awards; and recommend candidates to the Chancellor.
Members of the Committee are ineligible to receive awards under the Committee's jurisdiction during the entire period of their service on the Committee.
 - i. **Committee on the Assessment of Educational Outcomes** - The Committee shall have the general responsibility of making recommendations concerning policies in the area of assessment of educational outcomes and related matters. The Committee shall also regularly review and advise on policies and procedures in this area and recommend changes when appropriate.
 - j. **Committee on Research Policy - The Committee on Research Policy shall be responsible for recommending and reviewing policy in the areas of research and research administration and for advising the Vice Provost for Research.**
 - k. **Academic Advisory Committee** - The Committee shall have the general responsibility of making recommendations to the Vice Chancellor for Academic Affairs on academic issues affecting the University, including recommending general policies and procedures governing the evaluation of academic instruction and advisement.

1. **Committee on Bylaws and Rules for the Faculty Senate and University Assembly** - The Committee shall:
 - (1) Receive all proposals for Bylaws changes, review proposed Bylaws changes, and initiate the process of Bylaws changes as smoothly and infrequently as possible.
 - (2) Recommend interpretation of the Bylaws upon the written request of the Senate Chairperson, and report its conclusions to the Senate.
 - (3) Compile and maintain a current set of Senate and Assembly Operating Rules, consider changes in Operating Rules, and report recommendations regarding Operating Rules to the Senate.
- m. **Committee on Research Misconduct** - The Committee shall perform the responsibilities prescribed by the Collected Rules and Regulations of the University of Missouri (420.020), "Procedures Governing the Disposition of Charges of Research Dishonesty by Academic Faculty and Staff."
- n. **Committee on Issues of Tenure Removal** - The Committee shall conduct hearings in removal cases or in disputed cases involving tenure rights and status as provided for in the Academic Tenure Regulations of the University of Missouri. This committee is that referred to as the Campus Faculty Committee on Tenure in the Academic Tenure Regulations. Grievances by faculty members shall be handled through the Academic Grievances Procedure.
- o. **Oversight Committee** - The Committee shall perform the responsibilities prescribed by the Collected Rules and Regulations of the University of Missouri (370.010.C.11), "Academic Grievance Procedure." The role of the Oversight Committee is to monitor the grievance process as neutral observers and provide feedback on the process to the Faculty Senate, the faculty, and the Provost's and Chancellor's offices.
- p. **Ad hoc Committees** - As the need arises, the Senate shall establish or recommend to the Chancellor establishment of ad hoc committees. Ad hoc Senate Committees shall be established through Senate approval of nominees selected by the Senate Committee on Committees or by nomination from the floor of the Senate. The faculty composition for each ad hoc committee shall be determined by the Senate.
- q. **University-Wide and Statewide Committees** - Reports from University-wide and statewide committees may be presented to the Senate. Whenever possible, representatives of the University of Missouri-St. Louis serving

on University-wide and/or statewide committees should advise the Senate Steering Committee if a report to the Senate is necessary.

D. UNIVERSITY ASSEMBLY OF THE UNIVERSITY OF MISSOURI-ST. LOUIS (Hereinafter referred to as Assembly)

1. **Membership** - The voting members of the Assembly shall consist of the elected members of the Senate; the President; the Chancellor; the Vice Chancellor for Academic Affairs; the Dean of the Graduate School; the Vice Provost for Student Affairs; the Dean of Continuing Education; student representatives equal in number to one-third of the faculty members of the Assembly; and three staff members, including the President of the Staff Association. Non-voting members shall consist of vice chancellors and vice provosts not already included, deans of all colleges and schools (whether or not their faculties are represented), the Dean of Libraries, and the President of the Student Government Association.
2. **Functions** - It shall be the responsibility of the Assembly to exercise those functions of the Faculty (see Section 300.040 A.2) delegated by the Faculty as a body.
3. **Meetings and Officers** - The Assembly shall meet regularly every other month during the academic year or in special meetings as called by the Steering Committee of the Senate and the Assembly (hereinafter referred to as the Steering Committee). The Steering Committee shall call a special meeting of the Assembly on request of the Chancellor or of any five members of the Assembly. Proceedings in Assembly meetings shall be in accordance with the rules set forth in the most recent edition of Robert's Rules of Order. A quorum shall consist of a majority of elected representatives.
 - a. The elected officers of the Assembly shall be the same as those for the Senate.
 - b. The Chairperson, or in the Chairperson's absence a voting member of the Assembly designated by the Chairperson, shall be the presiding officer at each meeting of the Assembly.
4. **Committees of the Assembly** - All members of the eligible faculty, Administration, and Staff shall be eligible to serve on Assembly committees. Students who satisfy the eligibility requirements for service on the Assembly shall also be eligible to serve on Assembly committees. The standing committees of the Assembly shall be elected each year at the first organizational meeting of the Assembly.
The Assembly shall establish the following standing committees:

- a. **Administrator Evaluation** - The Committee shall annually conduct an evaluation of administrators on the UM-St. Louis campus.
- b. **Budget and Planning Committee** - The Committee shall examine general budgetary allocations and priorities, shall consider questions relating to the development of the University of Missouri-St. Louis and to the University of Missouri as a whole, and shall make recommendations on development and fiscal matters to the Chancellor. The Committee shall report on its work at each Assembly and each Senate meeting.
- c. **Committee on Recruitment, Admissions, Retention, and Student Financial Aid** - The Committee shall:
 - (1) Monitor processes associated with recruitment, admissions, retention, and student financial aid and facilitate reporting to the Assembly.
 - (2) Recommend policies and procedures to the Assembly, the Dean of Enrollment, the Director of Student Retention Services, and the Director of Student Financial Aid regarding recruitment, admissions, retention, and student financial aid.
 - (3) Facilitate discussion with administrators and students on policies and procedures regarding scholarships, advisement and appeals.
- d. **Committee on Student Affairs** - The Committee on Student Affairs shall be responsible for recommending and reviewing policy in the areas of non-academic regulations and student services, and for advising the Vice Provost for Student Affairs. The responsibilities of the Committee may be exercised by subcommittees established in any of the above areas. Faculty and staff members with administrative responsibilities in these areas shall be members of the subcommittees dealing in those areas. This charge does not contradict nor supersede the explicit charge of any of the other standing committees of the Assembly.
- e. **Committee on Student Publications** - The Committee on Student Publications shall be responsible for recommending and reviewing policy concerning student publications which are directly funded by the University. This charge does not contradict nor supersede the explicit charge of any of the other standing committees of the Assembly.

- f. **Committee on Physical Facilities, Space, and General Services -**
The Committee shall have the general responsibility for recommending to the Assembly policies and procedures in the areas of campus facilities and general services. It shall act in an advisory and fact-finding capacity for the planning of physical facilities, review and report priority matters relating to maintenance, construction, and support services to the Assembly, and review and process complaints and suggestions regarding physical facilities and services.
The Committee shall be responsible for formulating long-range space recommendations including the type and amount of space needed, and priorities. Proposals for a long-term or campus-wide nature will be brought to the Assembly for discussion, debate, and ultimate recommendation to the Chancellor.
Allocation of existing unused space will be recommended to the Chancellor by the Committee and reported to the Assembly.
- g. **Committee on Information Technology** – The Committee shall be responsible for general policy issues regarding campus information technology.
- h. **Ad hoc Committees** - As the need arises, the Assembly shall establish or recommend to the Chancellor establishment of ad hoc committees. Ad hoc Assembly committees shall be established through Assembly approval of nominees selected by the Senate/Assembly Committee on Committees or by nomination from the floor of the Assembly. The composition for each ad hoc committee shall be determined by the University Assembly.

E. AMENDMENTS

1. Proposed changes to these Bylaws shall be submitted to, or initiated by, the Bylaws and Rules Committee, which will follow the relevant procedures outlined above (C.4.j) and then provide them in written form to the Senate or Assembly as appropriate. The appropriate body shall then recommend passage or rejection of the proposed amendment(s) by majority vote. Upon passage of an amendment by the Senate or Assembly, the Chancellor shall submit the proposed change in writing to the Faculty of the University of Missouri-St. Louis. Ballots shall be mailed individually to all persons eligible to vote. Bylaw changes recommended by the Senate or Assembly shall be adopted by a majority of votes cast by the Faculty. Any amendments or modifications shall be presented by the Chancellor through the President to the Board for its approval before becoming effective.
2. Senate Operating Rules may be amended by majority vote of the Senate.

3. Assembly Operating Rules may be amended by majority vote of the Assembly.
6. Amendment Collected Rules and Regulations 460.020, University of Missouri-Kansas City Faculty Dental Practice Plan

**Chapter 460: UMKC Dental Faculty Practice Plan (the “Plan”)
460.020 Purposes of the Plan**

Bd. Min. 2-11-83; Revised Bd. Min 4-9-15; Revised Bd. Min. 6-26-15.

Faculty members of the UMKC School of Dentistry may be engaged in one or more of the following employment duties: teaching, research and patient care. Patient care is an integral part of the educational mission of the school for it provides to the instructor and the dental student the clinical laboratory experience essential to dental education.

This plan has been created to provide a means for additional compensation beyond their base salary. All payments to plan participants made pursuant to the provisions of this plan constitute supplemental compensation paid by the employer to the plan participants and is subject to all rules and regulations of the University of Missouri. This supplemental compensation shall not to be used to calculate University retirement benefits or any other University benefit.

All plan income referred to in this section shall be irrevocably assigned to the University by the plan participants. No plan participants shall have any right, title or interest in any such plan income; and the University shall have the unrestricted right to such income and complete control over its disposition. Provisions in this plan for accounting for plan income and expenses and for recommendations from plan participants are not intended to and shall not be construed to confer on plan participants any right, title or interest in plan income, any right to control the disposition of plan income and expenses, or any right to determine salaries.

In addition to a Participation Agreement, each participant will sign a Non-Solicitation Agreement as a requirement of their participation in the Plan. These documents are a part of the Operations & Procedures Manual.

The Plan is created to achieve the following purposes:

- A. To provide a system by which eligible faculty are provided an opportunity to achieve fulfillment of their commitment to high quality patient care;
- B. To recognize that high quality patient care is not only related to faculty participation in teaching and research, but also that high quality clinical teaching is dependent upon the faculty being engaged in active dental practice, as well;

- C. To establish a financial incentive mechanism for faculty compensation which enhances the attainment of the School of Dentistry goals of patient care, teaching and research;
- D. To inhibit the loss of highly qualified faculty to other academic health institutions and private practice because of differences in compensation and to attract qualified faculty for the same reason;
- E. To establish a venue for professional fee generation, compensation, and utilization to accomplish the above purposes.

General Business

President's State of the University Address – presented by President Wolfe (slides on file)

The President reported on the successes and challenges during the past year and that the University should stay true to its' mission and focused.

Good and Welfare

Draft July 24, 2015 Board of Curators meeting agenda – no discussion (on file)

Resolution, Phillip J. Hoskins, Deputy General Counsel

It was endorsed by President Wolfe, recommended by Chairman Cupps, moved by Curator Steward and seconded by Curator Covington, that the following resolution recognizing the dedicated service of Phillip J. Hoskins to the University of Missouri System be approved:

RESOLUTION

WHEREAS, Phillip J. Hoskins served with distinction in the Office of the General Counsel for the University of Missouri System from March 5, 1984 to August 31, 2015; and

WHEREAS, Phil served twice as Acting General Counsel, first from January 7, 2011 to February 14, 2012, and again from November 15, 2013 to January 31, 2014; and, to date, he is the only person to hold the position of Deputy General Counsel in the history of the university; and

WHEREAS, as the eldest of 13 children, he developed early skills in being a compassionate and understanding mentor for others to learn from and look up to, skills he continued to put into practice at the university; and

WHEREAS, as an outstanding athlete in Linneus, Missouri, Phil was given the nickname “My Fault” by his coaches for his willingness to take responsibility for the shortcomings of the team and others; and

WHEREAS, Phil was an outstanding student at Northeast Missouri State University (now Truman State University) and the University of Missouri-Columbia School of Law; and is a veteran of the United States Army, serving his country during the Vietnam War era; and

WHEREAS, during his 31-year tenure at the university, he saw remarkable growth and change, including an increase in students from 53,000 to 77,000, an increase in the university budget from \$497 million to \$3 billion, and the appointments of eleven university Presidents, 33 campus Chancellors and three General Counsels; and

WHEREAS, also during his tenure with the university, his beloved St. Louis Cardinals appeared in six World Series (which does not have anything to do with his service to the university, but we know Phil would want us to mention it); and

WHEREAS, soon after joining the Office of the General Counsel, Phil established himself as “the go-to person” in the office – a lawyer’s lawyer. His ability to handle the most complex issues and provide thoughtful legal advice resulted in a common phrase among fellow attorneys and administrators: “We should ask Phil.”; and

WHEREAS, the period covering his first term as Acting General Counsel is recognized as one of the busiest years in university history, and included MU Athletics’ move from the Big XII to the SEC; reforming the university’s 50-year old retirement program, carefully balancing the need to modernize it with the need to honor commitments to current and retired employees; and the multi-million dollar transfer of a university research enterprise for monetary and organizational enhancement; all while continuing the rigorous duties of Acting General Counsel; and

WHEREAS, while serving as Acting General Counsel, Phil provided legal counsel for the Board of Curators and participated in the search for the 23rd President of the University of Missouri System; and

WHEREAS, Phil has a true love of his job, manifested by the quality of his work, the unselfish way he conducts himself, the long hours he works, and never saying no to a request for help; and

WHEREAS, Phil is recognized as the penultimate gentleman, able to remain calm and reasonable, and make everything appear under control at all times; and

WHEREAS, in appreciation and recognition of Phil's service, General Counsel Steve Owens said, "Few, if any, have contributed more to the welfare of the university or served as a better role model for commitment and service than Phil."; and

WHEREAS, in recognition of his contributions to the UM System, Phil was awarded the 2015 University of Missouri President's Award for Outstanding Service; and

WHEREAS, in everything he has done, Phil tirelessly worked in the best interests of the university. He is a true and ethical professional in all aspects; and

WHEREAS, Phil's wife Terri and children sacrificed time with him as he attended to the business of the University:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Curators, on behalf of the students, faculty, staff and alumni of the University of Missouri, and on behalf of the citizens of the State of Missouri, does hereby adopt this resolution in appreciation of the dedicated and devoted service of Phillip J. Hoskins; and

BE IT FURTHER RESOLVED, that the Secretary of the Board of Curators cause this resolution to be spread upon the minutes of this meeting and a duly inscribed copy thereof be furnished to Phillip J. Hoskins.

Roll call vote:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

It was moved by Curator Graham and seconded by Curator Henrickson, that the public session of the Board of Curators meeting, June 25-26, 2015, be adjourned.

Roll call vote:

Curator Covington voted yes.

Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

The public session of the Board meeting recessed at 11:20 A.M. on Friday, June 26, 2015.

Executive Session

A meeting of the University of Missouri Board of Curators was reconvened in executive session at 11:42 A.M., on Friday, June 26, 2015, in the Donrey Media Room 211 of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator Donald L. Cupps, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable Ann K. Covington
The Honorable Donald L. Cupps
The Honorable Maurice B. Graham
The Honorable Pamela Q. Henrickson
The Honorable John R. Phillips
The Honorable Phillip H. Snowden
The Honorable David L. Steelman
The Honorable David L. Steward

Also Present

Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy S. Harmon, Secretary of the Board of Curators
Miss Tracy Mulderig, Student Representative to the Board of Curators

Compensation and Human Resources – Executive Session

Annual Performance Review, Board Secretary Cindy Harmon – presented by Curator Phillips

It was recommended by the Compensation and Human Resources Committee, moved by Curator Graham and seconded by Curator Henrickson, that based on the review of the performance of Secretary of the Board of Curators, Cindy S. Harmon for the period July 1, 2014 through June 30, 2015, the Board of Curators approves that the base salary of Cindy S. Harmon be increased by 4%, effective September 1, 2015.

Roll call vote of Board of Curators:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

Performance Goals for Fiscal Year 2016, Board Secretary Cindy Harmon – presented by Curator Phillips

It was recommended by the Compensation and Human Resources Committee, moved by Curator Henrickson and seconded by Curator Graham, that the performance goals for Secretary Harmon for the period July 1, 2015 – June 30, 2016 be approved as below.

1. Finalize a Records Management and Retention Policy for the Office of the Board of Curators by June 1, 2016.
2. Finalize a scope and plan for the archiving/digitizing of Board of Curators permanent records by May 1, 2016.
3. Manage the Board of Curators meetings in an efficient and professional manner and research the idea of a Board assessment.

4. Participate in continuing education for Board Professionals and general Board governance. Continuing education may include webinars, conference calls, publications and the annual AGB conference for Board Professionals.

Roll call vote of Board of Curators:

Curator Covington voted yes.
Curator Cupps voted yes.
Curator Graham voted yes.
Curator Henrickson voted yes.
Curator Phillips voted yes.
Curator Snowden voted yes.
Curator Steelman voted yes.
Curator Steward voted yes.

The motion carried.

General Business

General Counsel's Report – presented by General Counsel Owens

President's Report on Personnel and Contracts – presented by President Wolfe

Litigation Report – presented by General Counsel Owens

There being no other business to come before the Board of Curators, the meeting was adjourned at 2:10 P.M. on Friday, June 26, 2015.

Respectfully submitted,

Cindy S. Harmon
Secretary of the Board of Curators
University of Missouri System

Approved by the Board of Curators on July 24, 2015.