UNIVERSITY OF MISSOURI
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BOARD OF CURATORS

Minutes of the Board of Curators Meeting
Thursday, April 21, 2022

A Board Committee meeting was held April 14, 2022 in conjunction with the April 21, 2022 Board meeting.

BOARD OF CURATORS MEETING – PUBLIC SESSION

A meeting of the Board of Curators was convened in public session at 9:00 A.M. on Thursday, April 21, 2022, in St. Pat's A&B of the Havener Center on the Missouri University of Science and Technology campus, Rolla, Missouri, pursuant to public notice given of said meeting. Curator Darryl M. Chatman, Chair of the Board of Curators, presided over the meeting.

Present
The Honorable Julia G. Brncic
The Honorable Darryl M. Chatman
The Honorable Todd P. Graves
The Honorable Gregory E. Hoberock
The Honorable Keith A. Holloway
The Honorable Jeffrey L. Layman
The Honorable Robin R. Wenneker
The Honorable Michael A. Williams

Also Present
Dr. Mun Y. Choi, President, University of Missouri
Mr. Mark A. Menghini, General Counsel
Ms. Cindy S. Harmon, Secretary of the Board of Curators
Mr. Remington Williams, Student Representative to the Board of Curators
Dr. C. Mauli Agrawal, Chancellor, University of Missouri – Kansas City
Dr. Richard Barohn, Executive Vice Chancellor for Health Affairs
Ms. Beth Chancellor, Vice President for Information Technology and MU Chief Information Officer

Dr. Mohammad Dehghani, Chancellor, Missouri University of Science and Technology
Ms. Kamrhan Farwell, Chief Marketing and Communications Officer
Ms. Marsha Fischer, Vice President for Human Resources and Chief Human Resources Officer
Ms. Michelle M. Piranio, Chief Audit and Compliance Officer
Mr. Ryan D. Rapp, Executive Vice President for Finance and Operations, Chief Financial Officer and Treasurer
Dr. Kristin Sobolik, Chancellor for University of Missouri-St. Louis
Dr. Marshall Stewart, Vice Chancellor, Extension and Engagement
Mr. Christian Basi, Director of Media Relations
Media representatives

General Business

University of Missouri Board Chair's Report – presented by Chair Chatman (slides on file)

Chair Chatman recognized Curators' Distinguished Teaching Professor, Dr. Henry Pernicka for his excellent teaching in engineering. Chair Chatman also recognized the work of outstanding researchers from each university:

- Dr. Ron Mittler, College of Agriculture, Food & Natural Resources, MU
- Dr. Viviana Grieco, History, Latin America, Latinx Studies, UMKC
- Dr. Jagannathan Sarangapani, Electrical and Computer Engineering, Missouri S&T
- Dr. Bettina Casad, Psychology, UMSL

University of Missouri System President's Report – presented by President Choi (slides on file)

President Choi presented a report that included:

- Recognized faculty for fellowships and awards; Stephen Karian, Ph.D., James Mobberley, Ph.D., Anthony Convertine, Ph.D., and Jerome Ellis Morris, Ph.D.
- Student Success Compact Updates:
    - Undergraduate and graduate admissions
    - US News and World Report best graduate school rankings
    - NSF graduate research fellowship program awardees
- Government relations update
- Research and Creative Works Compact Updates:
    - Federal R&D proposals and awards by university

  - Federal and total R&D expenditures
  - Major grants and awards at each university
- Philanthropy update for each university

Student Representative to the Board of Curators Report – presented by Remington Williams (slides on file)

Student Representative to the Board of Curators presented student highlights from each university.

Board of Curators Executive Committee and Standing Committees Appointments, 2022

It was recommended by Chair Chatman, moved by Curator Wenneker and seconded by Curator Hoberock, that the following Board of Curators Executive Committee and Standing Committees appointments be approved for 2022:

Executive Committee
Darryl M. Chatman, Chair
Greg E. Hoberock
Jeff L. Layman

Academic, Student Affairs, Research and Economic Development Committee
Todd P. Graves, Chair
Greg E. Hoberock
Jeff L. Layman
Robin R. Wenneker

Audit, Compliance and Ethics Committee
Keith A. Holloway, Chair
Julia G. Brncic
Jeff L. Layman

Finance Committee
Greg E. Hoberock, Chair
Todd P. Graves
Jeff L. Layman
Michael A. Williams

Governance, Compensation and Human Resources Committee
Michael A. Williams, Chair

Julia G. Brncic
Keith A. Holloway
Robin R. Wenneker

Health Affairs Committee
Robin R. Wenneker, Chair
Keith A. Holloway
Jeff L. Layman
Michael A. Williams
Ronald G. Ashworth (non-curator)
John R. Phillips (non-curator)

The motion carried unanimously (7-0) by voice vote with no abstentions. Curator Graves was absent for the vote.

Revised 2022 Board of Curators Meeting Calendar

It was recommended by Chair Chatman, endorsed by President Choi, moved by Curator Holloway and seconded by Curator Williams, that the revised 2022 Board of Curators meeting calendar be approved as follows:

REVISED 2022 BOARD OF CURATORS MEETING CALENDAR

DAY(S)	DATE(S)	LOCATION
Thursday	February 3	UM – Columbia
Thursday	April 21	Missouri S&T
Thursday	June 23-24	Columbia, Missouri
~~Thursday~~ Wednesday	September ~~8~~ 7	UM – Kansas City
Thursday	November 17	UM – St. Louis

The motion carried unanimously (8-0) by voice vote with no abstentions. Curator Graves was absent for the vote.

2023 Board of Curators Meeting Calendar

It was recommended by Chair Chatman, endorsed by President Choi, moved by Curator Williams and seconded by Curator Hoberock, that the proposed 2023 Board of Curators meeting calendar be approved as follows:

PROPOSED 2023 BOARD OF CURATORS MEETING CALENDAR

DAY(S)	DATE(S)	LOCATION
Thursday	February 9	UM – Columbia
Thursday	April 20	Missouri S&T
Thursday	June 29	Columbia, Missouri
Thursday	September 7	UM – Kansas City
Thursday	November 16	UM – St. Louis

The motion carried unanimously (8-0) by voice vote with no abstentions. Curator Graves was absent for the vote.

Review of Consent Agenda – No discussion.

Consent Agenda

It was endorsed by President Choi, moved by Curator Wenneker and seconded by Curator Williams, that the following items be approved by consent agenda:

CONSENT AGENDA

Action

A. Minutes, February 3, 2022 Board of Curators Meeting
B. Minutes, February 3, 2022 Board of Curators Committee Meetings
C. Minutes, March 4, 2022 Board of Curators Special Meeting
D. Minutes, March 15, 2022 Board of Curators Special Meeting
E. Minutes, March 22, 2022 Board of Curators Special Meeting
F. Minutes, March 25, 2022 Board of Curators Special Meeting and Committee Meeting
G. Degrees, Spring Semester 2022 for all Campuses

H. Approval, Collected Rules and Regulations, 140.012, Investment Policy for General Pool, UM
I. Naming Opportunity, UMSL

A. Minutes, February 3, 2022 Board of Curators Meeting – as provided to the Curators for review and approval.

B. Minutes, February 3, 2022 Board of Curators Committee Meetings – as provided to the Curators for review and approval.

C. Minutes, March 4, 2022 Board of Curators Special Meeting – as provided to the Curators for review and approval.

D. Minutes, March 15, 2022 Board of Curators Special Meeting – as provided to the Curators for review and approval.

E. Minutes, March 22, 2022 Board of Curators Special Meeting – as provided to the Curators for review and approval.

F. Minutes, March 25, 2022 Board of Curators Special Meeting and Committee Meeting – as provided to the Curators for review and approval.

G. Degrees, Spring Semester 2022 for all Campuses

that the action of the President of the University of Missouri 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 Spring Semester 2022, 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.

H. Approval, Collected Rule and Regulation 140.012, Investment Policy for General Pool, UM

Existing investment policy of Collected Rules and Regulations, Section 140.012, be amended, as noted in the attached documents (and as on file with the minutes of this meeting:

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; Amended Bd. Min. 10-1-15; Amended Bd. Min. 10-7-16; Amended Bd. Min. 11-15-18; Amended Bd. Min. 9-24-20; Amended Bd. Min. 4-21-22.

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 cyclicality, 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 as follows:

	Investment Portfolios		
	Liquidity	**Core**	**Strategic**
Management	Internal/External	External	External
Minimum Allocation	20%	20%	0%
Maximum Allocation	100%	60%	45%
Liquidity Objective	High	Moderate	Moderate/Low
Volatility Tolerance	Low	Moderate	Moderate/High
Return Expectation	Low	Moderate	Moderate/High

1. **Liquidity Portfolio**
   The Liquidity portfolio is expected to have very low volatility and low (cash-like) returns. It is the primary source of liquidity for the University's operating cash flow needs, constructed utilizing securities and investment vehicles that primarily have same day liquidity with minimal day-to-day

price fluctuations. Exposures will be obtained by investing in the following:

a. Bank deposits covered by FDIC insurance or otherwise 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 Rating Organizations.

c. Commercial Paper which has received a rating of at least A1 / P1 / F1 by two of the Nationally Recognized Statistical Rating Organizations

d. Repurchase Agreements collateralized by the U.S. Government and U.S. Government Agency securities.

e. Yield Enhancement Strategies that seek returns higher than, or comparable to, traditional cash investments, while diversifying the risk inherent in traditional cash investments. To implement these strategies, liquid non-cash-like securities are often purchased in conjunction with a hedge instrument that substantially hedges away the non-cash-like attributes of the securities. Instruments that may be part of such transactions include: U.S. Treasury securities, sovereign bonds issued by G10 countries, other fixed income securities and precious metals. To hedge away the non-cash like attributes, the following instruments may be used: futures contracts, asset/interest rate swaps, currency forwards, securities lending agreements, and repurchase agreements.

f. Other short-term investment vehicles of similar quality, with an average duration of one year or less.

g. 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.

h. Internal short-term loans at market interest rates to the University's Central Bank as a substitute for commercial paper which could otherwise be issued externally by the Central Bank under the University's Commercial Paper Notes program. Such short-term loans must be approved by the Vice President for Finance.

2. **Core Portfolio**
The Core portfolio is expected to have moderate volatility with moderate returns, invested primarily in public debt securities and related investment vehicles. It will serve as a secondary source of liquidity, built utilizing excess operating funds not expected to be needed for purposes of funding the operational needs of the University under normal circumstances. This portfolio will be expected to generate higher returns than the Liquidity portfolio through the use of some combination of credit risk, interest rate risk, illiquidity risk and idiosyncratic (active) risk.

a. Public Debt
Specific types of debt include, but are not limited to, sovereign, corporate, inflation-linked, high yield, emerging market, commercial mortgage-backed securities, and residential mortgage-backed securities.

Exposure will be obtained primarily through physical securities, however, from time to time derivative instruments commonly accepted by other institutional investors such as futures, swaps, options, forward contracts, and reverse repurchase agreements may be utilized. Exposures may include long/short positions.

Legal account structures will primarily be in the form of separately managed accounts and institutional commingled funds, however, from time to time limited partnership agreements or other similar forms may also be utilized.

3. **Strategic Portfolio**
The Strategic portfolio will be built utilizing excess operating funds that should not be needed for liquidity purposes. As compared to the Core portfolio, the Strategic portfolio will have higher return expectations and a higher level of expected volatility. These are truly long-term funds and should be thought of similarly to retirement and endowment funds.

a. Risk Balanced
It is expected that this portfolio will be meaningfully balanced across traditional risk factors including equities, real interest rates, inflation (both actual and expected), commodities and credit. Additionally, non-traditional risk factors including value, momentum, carry, defensive and trend may be included. It is also expected that idiosyncratic (active) risk will be taken in this portfolio from time to time.

Exposure will be obtained through physical securities and/or conventional derivative instruments commonly accepted by other institutional investors such as, futures, swaps, options, forward contracts and reverse repurchase agreements.

Legal account structures will primarily be in the form of separately managed accounts, institutional commingled funds and limited partnership agreements.

b. Real Estate/Infrastructure
Specific types of fund investments may be structured as equity and/or debt and include categories broadly defined as core, value added, and opportunistic. In addition, investments may be made in real estate investment trusts and master limited partnerships from time to time.

Legal account structures will primarily be in the form of limited partnership agreements with average tenure of 10-12 years. Separately managed accounts and institutional commingled funds may also be utilized from time to time.

c. Private Debt
Specific types of long-only and long/short strategies including, but are not limited to, distressed debt funds, distressed for control funds, whole loans and pools, levered loans and pools, and mortgage servicing rights.

Legal account structures will primarily be in the form of limited partnership agreements.

d. Venture Capital
Investments shall be consistent with the University's mission to

foster innovation in support of economic development. Maximum allocation shall be $5 million.

Investments require unanimous approval by the Executive Vice President for Finance and Operations and the Chief Investment Officer in consultation with the President.

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

e. Endowment Pool
As part of its Strategic Portfolio, the General Pool may invest in the University's Endowment Pool, as established and governed by CRR 140.013, *"Investment Policy for Endowment Pool."*

E. **Risk Management**

1. The Chief Investment Officer shall establish and implement procedures to:

   a. Regularly monitor the University's cash flow forecasts.

   b. Maintain minimum daily liquidity (securities or investment vehicles which can be liquidated on a same-day basis) equal to 30 days operating cash outflows for the University.

   c. Maintain minimum weekly liquidity (securities or investment vehicles which can be liquidated within 5 business days) equal to 60 days operating cash outflows for the University.

   d. As applicable, maintain overall liquidity sufficient to satisfy credit rating agency guidelines for any self-liquidity needs of the University's debt portfolio.

   e. Maintain a contingency funding plan to address unanticipated market / liquidity events, with the objective of having ready access to cash to meet the University's operating cash flow needs at all times.

   f. Based on the level of projected risk within the General Pool, as modeled by the University's Investment Consultant, maintain appropriate reserves within the General Pool to mitigate drawdown

risk, allowing the University to better manage through periods of market volatility.

F. **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*."

I. Naming Opportunity, UMSL

that the new Welcome and Alumni Center at the University of Missouri – St. Louis be named the Richter Family Welcome and Alumni Center.

The motion carried (7-0) by voice vote with no abstentions. Curator Graves was absent for the vote.

Board of Curators standing committees meetings were convened at 9:27 A.M. and concluded at 10:59 A.M. on Thursday, April 21, 2022. Committee actions were presented to the full Board for action following each Committee vote.

Finance Committee

Curator Hoberock provided time for discussion of committee business.

Fiscal Year 2023 Budget Update, UM – presented by Executive Vice President Rapp (slides and information on file for this information only item)

Defined Benefit Plan Financial Management Strategy, UM – presented by Executive Vice President Rapp and Chief Investment Officer Tom Richards (slides and information on file)

It was recommended by Executive Vice President Ryan Rapp, endorsed by University of Missouri President Mun Y. Choi, recommended by the Finance Committee, moved by Curator Hoberock and seconded by Curator Williams, that the:

Defined Benefit Plan Financial Management Strategy be approved, inclusive of the following items: Amendment of existing Collected Rules and Regulations, Section 140.015, *Investment Policy for Retirement, Disability and Death Benefit Plan,* as noted in the attached documents (and as on file with the minutes of this meeting); adoption of new Collected Rules and Regulations, Section 530.020, *Retirement,*

Disability and Death Benefit Plan Financial Management Policy, as noted in the attached documents (and as on file with the minutes of this meeting); and, acceptance of the changes to actuarial assumptions for the University's Retirement, Disability and Death Benefit Plan as recommended by Segal in the attached Report on Actuarial Valuation Assumptions Study (and as on file with the minutes of this meeting):

140.015 Investment Policy for Retirement, Disability and Death Benefit Plan

Bd. Min. 6-26-12, Revised Bd. Min. 6-14-13, Revised Bd. Min. 9-12-13, Revised 6-25-15, Revised 2-4-16; Revised 4-14-16; Amended Bd. Min. 9-28-17; Amended Bd. Min. 4-21-22.

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 three principal sources; the total investment return on Trust assets and the amount of University and employee contributions.

   Trust assets should be managed in a manner that maximizes returns while attempting to minimize losses during adverse economic and market events, with an overall appetite for risk governed by the Plan's liability structure and the need to make promised benefit payments to members over time. This will be accomplished through a more 'risk-balanced' portfolio that seeks meaningful diversification of assets, which necessarily means less equity risk and more long-term bond exposure relative to peers. To offset potentially lower returns from a more risk-balanced portfolio, a key component of this strategy includes a less common, yet prudent, program of return enhancement commonly referred to in the investment industry as portable alpha. These investment objectives seek to prioritize the long-term structural needs of our Retirement Plan over short-term performance comparisons of the investment portfolio relative to peers.

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*" and CRR 140.017,

"*Allowable Investments*," in the following asset classes:

Asset Class	Asset Class Target	Allowable Range
Commodities	*5%*	*0%-15%*
Inflation-Linked Bonds	*9%*	*3%-19%*
Private Debt	*6%*	*3%-9%*
Private Equity	*13%*	*9%-17%*
Public Equity	*34%*	*20%-45%*
Real Estate / Infrastructure	*13%*	*9%-17%*
Risk Balanced	*12%*	*7%-17%*
Treasuries	*8%*	*3%-18%*
Cash and Cash Equivalents	*0%*	*0%-20%*
Total Portfolio	*100%*	

E. **Portfolio Rebalancing**

Asset allocations shall be monitored on an ongoing basis as changes in market behavior may cause 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 rebalance portfolio exposures consistent with targets and allowable ranges established by this policy. In those instances, conventional derivative instruments commonly accepted by other institutional investors, such as futures, swaps, options, forward contracts and reverse repurchase agreements may be utilized.
Actual asset classes 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.

F. **Currency Risk Management**

In the context of a global investment portfolio, currency risk exists to the extent that investments contain exposures to foreign currencies. The desirability of this currency exposure is not necessarily aligned dollar for dollar with the desired exposure to assets denominated in foreign currencies. As such, external managers in any asset class may implement currency strategies to alter the currency exposure of the portfolio when deemed prudent to do so in the context of the particular investment mandate. In addition, the University may utilize external managers to implement currency strategies to alter exposures in an active or passive manner as part of a portfolio or asset class overlay when deemed prudent to do so.

G. **Portable Alpha Program**

Synthetic market exposures across asset classes including equities, sovereign bonds, inflation-linked bonds and commodities may be obtained through derivative instruments commonly accepted by other institutional investors, such as futures, swaps, options, forward contracts and reverse repurchase agreements. These derivative instruments shall be managed by external investment firms with appropriate expertise, experience and depth of resources.

When synthetic market exposures are obtained through derivative instruments, a portion of the resulting cash and cash equivalent balances may be invested by active alpha managers seeking to add returns over the benchmark. These alpha managers will possess broadly diverse strategies/styles and, in the aggregate, are expected to produce returns that show little or no relationship to the economic environment being experienced at any given time. Furthermore, this portfolio of managers will be constructed with a goal of low/no correlation to the synthetic market exposures obtained through the derivative instruments. The risk drivers within the portable alpha portfolio should generally be well-known, empirically-tested, sources of return that can be systematically harvested through dynamic long/short strategies. They can be thought of either as returns that underlie "classic" hedge fund strategies (hedge fund risk premia), such as arbitrage and macro or the returns from "classic" styles (style premia), such as value, momentum, carry, defensive and low volatility.

Legal account structures will be in the form of one or a combination of separate accounts, institutional commingled funds and/or limited partnerships or other similar forms.

The allowable range of the portable alpha portfolio shall be 0-27% of the total Retirement Plan.

Management of liquidity risk is a critical component of the portable alpha program. If not managed appropriately, there is a risk that synthetic market exposures may need to be unwound at undesirable points in time in order to meet margin calls during volatile markets. To help mitigate this risk, prudent balances of cash and cash equivalents shall be maintained as part of the program and monitored daily.

The following table outlines the minimum cash requirements with associated replenishing guidelines:

	Cash Margin*	Replenishing Guidelines
Target	30%	n/a
Range 1	29.9% to 20%	Develop action plan to replenish to Target within 12 months
Range 2	19.9% to 10%	Develop action plan to replenish to Range 1 within 60 days, with subsequent plan to replenish to Target within 12 months

Range 3	9.9% or less	Take immediate action to replenish to Range 2 as quickly as possible. Follow with plan to replenish to Range 1 within 60 days, and subsequent plan to replenish to Target within 12 months

**Cash Margin is defined as Portable Alpha Program cash and cash equivalents divided by the total of synthetic market exposures outstanding across all asset classes with the program.*

530.020 Retirement, Disability and Death Benefit Plan Financial Management Policy

A. Introduction - This policy establishes principles for the prudent financial management of the University's Retirement, Disability and Death Benefit Plan ("the Plan").

B. Policy Objectives

1. Recognize the Plan's total pension liability as a significant debt of the University which must be managed accordingly.
2. Prioritize and protect University funding for Plan contributions needed to achieve and maintain full funding of the Plan, utilizing actuarial assumptions and risk levels appropriate for a closed plan.
3. Provide cost stabilization provisions to protect the University's operating budget - to the extent possible – from volatility in Plan contributions.
4. Provide full transparency to internal and external constituents of the Plan and University.

C. Financial Management Principles

While closed to new participants since October 2019, annual benefit payments under the Plan are projected to continue growing through 2043; based on current mortality assumptions, benefit payments by the Plan will continue well past 2090. At the time this policy was adopted, total remaining benefit payments over the life of the Plan were projected to be more than $19 billion. Given the magnitude and longevity of the Plan's liabilities, the following principles have been established:

1. Expected Investment Return / Liability Discount Rate - Current governmental accounting standards utilize the same actuarial assumption for both the expected rate of return on the Plan's investments and the discount rate applied to the Plan's benefit liabilities. This creates tension when managing risk, particularly for closed plans. A higher discount rate results in a lower pension liability with lower required contributions, while the same higher expected investment return often results in a higher level of risk within the Plan's investment portfolio. A lower discount rate results in a higher pension liability with higher required contributions, while the same lower expected investment return often results in a lower level of risk within the Plan's investment portfolio.

   With a pension plan closed to new participants, annual contributions going into the plan will decline over time, leaving a closed plan increasingly reliant on investment income and, ultimately, plan assets to fund the plan's liabilities. As such, reducing the risk and volatility of the plan's investments becomes increasingly important as the plan matures in closure. This represents the ultimate tradeoff in managing a pension plan under current governmental accounting standards – balancing an acceptable level of investment risk against the strain of pension contributions on operating budgets.

   Regardless of the actuarial assumptions used by the Plan, the University remains responsible for the actual benefit payment obligations under the Plan. Any differences between what is assumed and what actually occurs will flow through to impact required Plan contributions, with corresponding impact to the University's operating budgets. As an example, while a higher expected investment return may result in lower Plan contributions initially, if the Plan's realized investment returns are lower than what was expected, future contributions must necessarily increase to cover the shortfall. Given the time value of money and the longevity of the

Plan's liabilities, any underfunding of contributions in the near term will almost always lead to significantly higher required contributions over time.

Consistent with each of the objectives noted above, the following principle should govern the management of the Plan's actuarial expected investment return / liability discount rate:

a. When the actuarily determined funded status of the Plan exceeds 95%, the Executive Vice President for Finance and Operations, in consultation with the Board Finance Committee, should work with the Plan's actuary to evaluate the feasibility of lowering the Plan's expected investment return / liability discount rate by an amount that brings the funded status of the Plan back down to 95%, to the extent this can be accomplished without causing an increase in contributions already being paid into the Plan. As the expected investment return / liability discount rate is lowered, the investment risk of the Plan's investments should be lowered concurrently.

b. At minimum, this practice should remain in place until the expected investment return / liability discount rate drops to a level equal to the FTSE Pension Index + 2%. The FTSE Pension Index is commonly used by corporate plan sponsors and actuaries to establish discount rates used to value private pension liabilities in compliance with SEC and FASB requirements. The University may substitute another standard liability index in accordance with any shifts in common practice of valuing pension liabilities.

2. Plan Contributions – The Actuarily Determined Contribution (ADC) for the Plan is equal to the normal cost payment plus an amortization payment on the unfunded actuarial accrued liability (if applicable). In determining the ADC, the University will follow standard actuarial practices, working in conjunction with the Plan's

independent actuary. Differences between actual and expected experience and their related impact on the amortization payment must be amortized on a closed basis. For purposes of this policy, regardless of actuarial determination, the amortization payment component of the ADC shall not be lowered below the level in existence when this policy was adopted until the Plan is fully funded on an actuarial basis utilizing an expected investment return / liability discount rate as prescribed by Section C.1.b. "*Expected Investment Return / Liability Discount Rate*." With the inclusion of this special provision for amortization payments, the University's required Plan contribution shall be referred to as the Minimum Actuarily Determined Contribution (MADC). The University shall make the MADC into the Plan on an annual basis.

3. Cost Stabilization – Until depleted, the Plan's Stabilization Fund is intended to be the primary means to provide cost stabilization to Plan contributions. The Stabilization Fund can be used to help fund year over year increases to the MADC (as applicable).

   As another means of cost stabilization, it is possible that the provisions of Section C.2. *"Plan Contributions"* may result in Plan contributions in certain years being higher than what is actuarily required (years in which the MADC is greater than the ADC). Given the objective to help provide cost stabilization for the Plan, it is the explicit intent of this policy that excess contributions in one year (the amount by which the MADC exceeds the ADC) may be used to help offset other years in which the MADC exceeds the level of the prior year MADC. The University can only utilize unused excess contributions from the previous five years towards the current year contribution.

   This policy explicitly acknowledges that efforts to provide cost stabilization may not be effective during periods of financial markets duress. To the extent this (or

any other factors) cause the actuarily determined funded status of the Plan to fall below 75%, the Executive Vice President for Finance and Operations should develop formal recommendations for the Board Finance Committee to improve the funded status of the Plan, which should include a review of investment risk, required contributions and the management of the Plan's liabilities.

4. Plan Benefits – given the magnitude of the Plan's liabilities and the additional risks inherent in managing a closed plan, under no circumstances shall Plan benefits be increased above levels in place at the time of this policy's adoption.

5. Actuarial Review / Transparency – The University shall continue to engage an independent actuary to prepare an annual valuation of the Plan, as well determine the Plan's annual ADC/MADC requirement. The Plan's independent actuary shall also conduct a formal review of the Plan's actuarial assumptions not less than every five years. Actuarial reports shall be made available to the Board on an annual basis as well as other internal and external constituents of the Plan and University.

D. Other Matters

The Board of Curators delegates to the Executive Vice President for Finance and Operations 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.

(NOTE: Section D - Other Matters is currently contained within the Investment Policy for the Retirement Plan (CRR 140.015). These items are being relocated to this new policy.)

The motion carried unanimously (8-0) by voice vote with no abstentions. Curator Layman recused himself.

Five-Year Capital Plans for MU, MU Health Care, Missouri S&T, UMKC and UMSL – presented by Executive Vice President Rapp (information and slides on file)

It was recommended by President Choi, Chancellor Agrawal, Chancellor Dehghani, and Chancellor Sobolik, recommended by the Finance Committee, moved by Curator Hoberock and seconded by Curator Williams, that the:

MU: Capital Plan included in Finance Plan:

- Veterinary Medical Diagnostic Laboratory Addition
- Lottes Health Sciences Library Building – Renovate for Consolidation
- Pershing Hall – Renovate for Student Health Center & School of Medicine/MUHC Offices
- MU Research Reactor – West Expansion
- Medical Sciences Building – Renovations
- NextGen Precision Health- 4th Floor Fit-Out
- Radioisotope Facility at Discovery Ridge
- Swine Facility- South Farm Phase II
- Swine Facility- Middlebush Farm Phase II

Strategic Projects Development Plan:

- Vivarium Facility Expansion
- Bond Life Sciences Center - Phase II
- Facilities Needs and Operations Reduction Project
- Jesse Hall Exterior Masonry/Metal Repairs & Window Replacement
- Medical Science Building Replace Electrical Distribution System
- National Swine Resource and Research Center – Addition for NIH CO6 Grant Funding
- Pickard Hall – Decommissioning and Mitigation

MUHC: Capital Plan included in Finance Plan:

- MUHC Campus Consolidation & Inpatient Services Expansion

UMKC: Capital Plan included in Finance Plan:

- New Health Science Building
- School of Medicine, St Joseph's Facility
- Steam Heating Plant Renewal

Strategic Projects Development Plan:

- Olson Performing Arts Center Renovations and Additions
- UMKC Athletics Performance Center Additions & Renovations
- Spencer Chemistry & Biological Science Renovation Phase II
- New Student Housing
- 4747 Troost Renovation

S&T: Capital Plan included in Finance Plan:

- Missouri Protoplex – Phase One
- Arrival Court
- Subsurface Parking Garage
- Missouri Protoplex – Phase Two
- Welcome Center
- Engineering Research Lab Addition and Renovation
- Schrenk Hall Addition and Renovation - Phase III

Strategic Projects Development Plan:

- Innovation Campus Program Expansion
- University Center West
- McNutt Hall Addition

UMSL: Capital Plan included in Finance Plan:

- Optometry and Honors College Consolidation
- Music and Fine Arts to General Services Building Consolidation
- College of Education Consolidation
- Thomas Jefferson Library/Computer Laboratory Consolidation
- Welcome Center

Strategic Projects Development Plan:

- Stadler Hall Renovation

be approved for further planning and development as described in the following materials (and as on file with the minutes of this meeting).

The motion carried unanimously (8-0) by voice vote with no abstentions.

Governance, Compensation and Human Resources Committee

Curator Williams provided time for discussion of committee business.

2021 Annual Benefits Report, UM – presented by Vice President Fischer (information on file for this information item)

Audit, Compliance and Ethics Committee

Curator Holloway provided time for discussion of committee business.

Internal Audit, Compliance and Ethics Quarterly Report, UM – presented by Chief Audit and Compliance Officer Piranio (information and slides on file)

The only other business to come before the committee was an action to move into executive session later in the afternoon, which passed unanimously by the committee.

Academic, Student Affairs, Research and Economic Development Committee

Curator Graves provided time for discussion of committee business.

New Collected Rule and Regulation 600.090, Digital Accessibility Policy – presented by Amber Cheek (information and slides on file)

It was recommended and endorsed by President of the University of Missouri Mun Choi, recommended by the Academic, Student Affairs, Research & Economic Development Committee, moved by Curator Graves, and seconded by Curator Brncic, that the following action be approved:

that Section 600.090, Digital Accessibility Policy, be added to the Collected Rules and Regulations of the University of Missouri, as attached (and as on file with the minutes of this meeting).

600.090 Digital Accessibility Policy

Adopted by the Board 4-21-22.

A. Definitions

1. Digital Accessibility is the ability of a website, mobile application, or electronic document to be easily navigated and understood by a wide range of users, including those users who have visual, auditory, motor, or cognitive disabilities.
2. Assistive Technology is an adaptive device or software which assists persons with disabilities with interacting with technology. Examples include magnification software, screen-reading software, captioning, and speech to text or text to speech programs.
3. Accessible Information Technology is information technology that has been designed, developed, or procured to be usable by people with disabilities, including those who use assistive technology.
4. Disability means a physical or mental impairment that substantially limits one or more of the major life activities of an individual; a record of having such an impairment; or being regarded as having such an impairment.

B. UM System's Commitment to Accessibility

1. The UM System is committed to providing and supporting information technologies and digital communications that are accessible to all users, including those with disabilities, and to meeting or exceeding the requirements of state and federal law, including the Americans with Disabilities Act and Sections 508 and 504 of the Rehabilitation Act.
2. We seek to implement information technologies that are accessible to all users, including those who use assistive technologies. An accessible IT environment enhances inclusion and usability for everyone, helping to ensure that as broad a population as possible is able to access, benefit from, and contribute to our programs and services.
3. Our core goal is to ensure that users with disabilities will have equal opportunity to acquire the same information, engage in the same interactions, and enjoy the same services as a person without a disability in an equally effective way, with substantially equivalent ease of use.
4. Technology and communications accessibility is an institution-wide responsibility that requires commitment and involvement from leaders across all units of the University.

C. Policy

1. Scope: All communications and information technologies operated by the University, including – but not limited to -- web-based communications, software, applications and services, mobile applications, videos and OPEN – ASARED – 1-4 April 21, 2022 multimedia, instructional materials and online learning modules, telecommunications, computers and computing devices, digital content and files, services, and other applicable and emerging systems or technologies. This scope generally encompasses all technology products used to deliver academic programs and services, student services, information technology services, and public- facing programs and services.
2. Requirements: We will seek to deploy to the extent feasible information technologies that have been designed, developed, or procured to be accessible to all users, including those who use assistive technologies. Under this policy, all UM locations must:
3. Develop, purchase, and/or acquire, to the extent reasonable, hardware and software products that are accessible.
4. Promote awareness of this policy to all members of the University community, particularly those in roles that are responsible for creating, selecting, or maintaining electronic content, communications, or applications.

D. Implementation

1. Each University's Chancellor, Provost, and CIO will facilitate implementation of the policy on each campus according to the unique goals, needs, and resources of their campus.
2. Implementation of digital accessibility will be a continuous and iterative process over the course of decades, and the approach will evolve as technology evolves. Thus, guidance on current accessibility standards, shared resources, prioritization guidelines, and training materials will be created and regularly updated to support the integration of digital accessibility into each University's daily processes and IT environments.
3. A UM System Digital Accessibility Committee will be created to advise the President, steer long-term implementation of the policy, and foster collaboration and shared resources across the UM System. The committee shall be composed of faculty, staff, and student members, with representation from each of the four campuses. Members shall be appointed by the Chancellor of each University, and each University will designate at least one committee member as a primary contact for their campus community.

The motion carried unanimously (8-0) by voice vote with no abstentions.

The only other business to come before the committee was an action to move into executive session later in the afternoon, which passed unanimously by the committee.

Health Affairs Committee Chair Report

Curator Wenneker provided an overview of committee business.

Executive Vice Chancellor Report – presented by Richard Barohn, MD (slides on file for this information item)

The minutes for the January 27, 2022 Health Affairs Committee meeting were approved at the April 14, 2022 committee meeting.

General Business

Missouri University of Science and Technology Campus Highlights – presented by Chancellor Dehghani (slides on file for this information only item)

11:30 AM – Luncheon for the Board of Curators, President, University of Missouri System Leaders and Missouri University of Science and Technology Faculty and Student Leaders
Location: St. Pat's Ballroom C, Havener Center

12:30 PM Reconvened Public Session

General Business

Governance and Professionalism – presented by General Counsel Menghini (slides on file for this information only item)

Good and Welfare of the Board

Draft June 23, 2022 Board of Curators meeting agenda – no discussion (on file)

Resolution for Executive Session of the Board of Curators Meeting April 21, 2022

It was moved by Curator Hoberock and seconded by Curator Williams, that there shall be an executive session with a closed record and closed vote of the Board of Curators meeting April 21, 2022 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; and

- **Section 610.021(20), RSMo**, relating to matters identified in that provision, which include records that identify the configuration of components or the operation of a computer, computer system, computer network, or telecommunication network, and would allow unauthorized access to or unlawful disruption of a computer system.

Roll call vote of the Board:

Curator Brncic voted yes.
Curator Chatman voted yes.
Curator Graves voted yes.
Curator Hoberock voted yes.
Curator Holloway voted yes.
Curator Layman voted yes.
Curator Wenneker voted yes.
Curator Williams voted yes.

The motion carried.

The public session of the Board of Curators meeting recessed at 1:30 P.M. on April 21, 2022.

Board of Curators Meeting – Executive Session

A meeting of the University of Missouri Board of Curators was convened in executive session at 2:05 P.M., on Thursday, April 21, 2022, in the Silver and Gold Conference Room of the Havener Center on the Missouri University of Science and Technology campus, Rolla, Missouri, pursuant to public notice given of said meeting. Curator Darryl M. Chatman, Chair of the Board of Curators, presided over the meeting.

Present
The Honorable Julia G. Brncic
The Honorable Darryl M. Chatman
The Honorable Todd P. Graves
The Honorable Greg E. Hoberock
The Honorable Keith A. Holloway
The Honorable Jeffrey L. Layman
The Honorable Robin R. Wenneker
The Honorable Michael A. Williams

Also Present
Dr. Mun Y. Choi, President, University of Missouri
Mr. Mark A. Menghini, General Counsel
Ms. Cindy Harmon, Secretary of the Board of Curators
Mr. Remington Williams, Student Representative to the Board of Curators
Ms. Kamrhan Farwell, Chief Marketing and Communications Officer
Ms. Marsha Fischer, Vice President for Human Resources and Chief Human Resources Officer
Mr. Ryan Rapp, Executive Vice President for Finance and Operations and CFO
Ms. Valerie Slayton, Senior Executive Assistant, Board of Curators Office

General Business

General Counsel's Report – presented by General Counsel Menghini

No action taken by the Board.

Audit, Compliance and Ethics Committee – Executive Session

2021 Information Security Report – presented by Beth Chancellor and Becky Fowler (information on file)

No action taken by the Board.

Audit/Investigation Update – presented by Chief Audit and Compliance Officer Piranio

No action taken by the Board.

Academic, Student Affairs, Research and Economic Development Committee – Executive Session

Curators' Distinguished Professor Emeritus, Dr. Jeremy Taylor, MU – presented by Steven Chaffin (information and slides on file)

It was recommended and endorsed by President of the University of Missouri Mun Choi, recommended by the Academic, Student Affairs and Research & Economic Development Committee, moved by Curator Graves, and seconded by Curator Brncic, that the following action be approved:

> that upon the recommendation of President Choi, the Provost, and the University of Missouri System Office of Academic Affairs, it is recommended that Professor Jeremy Taylor be named to the position University of Missouri Curators' Distinguished Professor Emeritus, effective 04/21/2022.
>
> Roll call vote of the Board:
>
> Curator Brncic voted yes.
> Curator Chatman voted yes.
> Curator Graves voted yes.
> Curator Hoberock voted yes.
> Curator Holloway voted yes.
> Curator Layman voted yes.
> Curator Wenneker voted yes.
> Curator Williams voted yes.
>
> The motion carried.

Curators' Distinguished Teaching Professor Emerita, Dr. Diana Ahmad, Missouri S&T - presented by Steven Chaffin (information and slides on file)

It was recommended and endorsed by President of the University of Missouri Mun Choi, recommended by the Academic, Student Affairs and Research & Economic Development Committee, moved by Curator Graves, and seconded by Curator Layman, that the following action be approved:

> that upon the recommendation of Chancellor Dehghani, the Provost, and the University of Missouri System Office of Academic Affairs, it is recommended that Professor Diana Ahmad be named to the position University of Missouri Curators' Distinguished Teaching Professor Emerita, effective 08/31/2022.
>
> Roll call vote of the Board:
>
> Curator Brncic voted yes.
> Curator Chatman voted yes.
> Curator Graves voted yes.
> Curator Hoberock voted yes.
> Curator Holloway voted yes.
> Curator Layman voted yes.
> Curator Wenneker voted yes.
> Curator Williams voted yes.
>
> The motion carried.

Reports on personnel, contracts and real estate matters – presented by President Choi, Executive Vice President Rapp and Mr. Kevin Hogg

No action taken by the Board.

President's Report on personnel and contract matters – presented by President Choi

No action taken by the Board.

Curators' Only Report – No action taken by the Board.

Adjourn, Board of Curators Meeting and Committee Meetings, April 21, 2022

It was moved by Curator Brncic and seconded by Curator Wenneker that the Board of Curators meeting and committee meetings, April 21, 2022, be adjourned.

Roll call vote of the Board:

Curator Brncic voted yes.
Curator Chatman voted yes.
Curator Graves voted yes.
Curator Hoberock voted yes.
Curator Holloway voted yes.
Curator Layman voted yes.
Curator Wenneker voted yes.
Curator Williams voted yes.

The motion carried.

There being no other business to come before the Board of Curators, the meeting was adjourned at 5:30 P.M. on Thursday, April 21, 2022.

Respectfully submitted,

Cindy S. Harmon

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

Approved by the Board of Curators on June 23, 2022.