

Despite interruption, UM System Board of Curators discusses credit outlook, presidential search

COLUMBIA — The UM System Board of Curators Finance Committee meeting had only been in session for about 30 minutes when the door swung open and about 18 black rights activists marched into the Reynolds Alumni Center.

Kendrick Washington, an MU senior and Black Studies major, read a list of demands issued in October by the civil rights group, Concerned Student 1950. The curators and UM System staff listened intently while the group talked about why they stood with recently suspended MU assistant professor Melissa Click and why they were concerned for the future of MU.

The protesters left, and the meeting continued.

"I appreciate the opportunity to hear from those folks," curator David Steelman said. "I don't consider that an interruption."

After a pause, he said, "All right, I think there were questions."

The questions were in regard to the Standard and Poor's AA+ credit rating outlook, which came up negative for the system Tuesday. The finance committee explained the negative outlook but remained optimistic about the future of the system's credit.

The Standard and Poor's rating system, which has a maximum rating of AAA, measures an institution's capacity to pay for the debt they have incurred. A higher rating means lower interest rates — similar to a high credit score for a personal loan. At this time, the UM System is about \$1.6 billion in debt because of investment in projects such as the MU Power Plant, the geothermal plant, housing, expansion at the Missouri University of Science and Technology and the health care system.

At the beginning of January, Standard and Poor's adopted new criteria for measuring credit outlooks, specifically in higher education institutions. Thomas Richards, UM System treasurer and chief financial officer, said the change in the S&P system was likely the cause for the negative outlook.

"They adopted a methodology that was much more formula-driven, ratio-driven and trying to be more objective," Richards said. "We think that might have played a role in this, ... just know we were one of the first institutions to be rated with the new methodology."

Richards indirectly dismissed a notion that the negative outlook was due to the recent resignations of the UM System President Tim Wolfe and MU Chancellor R. Bowen Loftin, saying the financial officers had talked to Standard and Poor's, who had assured them the rating was due to the new

methodology. But the report from Standard and Poor's did touch on the departures of Wolfe and Loftin amid student protests over the handling of racial issues MU's campus.

"The rating has not been changed, the outlook has been changed, but the rating is still the same," Richards said. "Even if we were to move at some point into the AA category, it still is at the very top tier of higher education institutions."

The curators unanimously approved other Financial Committee items including renovations for Stewart Hall at MU's campus, a \$25 million project for a replacement for McKee Hall, also on MU's campus, and a 63,000 square-foot Applied Learning Center for the Trulaske College of Business.

"And that concludes one of the more interesting Finance Committee meetings," Steelman said, referring to the protests earlier in the meeting.

After the Finance Committee, the Compensation and Human Resources Committee presented reports on updated health insurance benefits for MU retirees. But the board didn't take any action on the item.

The curators also unanimously approved a composition and nomination process for the presidential search committee in the wake of the resignation of former UM System President Tim Wolfe.

They agreed to an expanded presidential search committee. The previous group's membership were curators, an advisory committee and a student representative to the curators.

Curator John Phillips said in the last search the advisory committee "didn't really sit at the table and didn't really participate in the search." This time, the advisory committee will have voting power to narrow the search and "equal input" in the process.

The representatives for the advisory committee will be drawn from three categories: intercampus faculty, student and staff advisory councils.

The curators on the search committee are Maurice Graham, Phillips and Steelman.

The board asked for one nomination in each category from each of the four UM System campuses. The board will then select two representatives from the faculty and staff advisory council nominations, and they will select one member from the student council representatives, since there is already one student representative on the Board of Curators.

"Diversity and campus representation will be taken into consideration," Phillips said. "The board reserves the right to request additional nominations."

Phillips said the curators hope to have selected additional members for the selection board by late February. In early April, the presidential search committee plans to conduct public forums to discuss the presidential search process and potential qualifications for the candidates. Curator Donald Cupps asked if it would be possible to somehow televise the forums and provide a phone-in line so those who couldn't physically go to the event could still provide input.

The board could vote on search terms by the next curators meeting in mid-April, according to a draft of the selection process timeline.

Supervising editor is Jack Witthaus.

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