

System Council of Business Officers
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September 7, 2011

The System Council of Business Officers met at 9:00 a.m. via teleconference. The following university business officers and others were in attendance in the Kathy Rupp Conference room:

Ray Hauke - ESU	Steffani Webb - KUMC
Mike Barnett - FHSU	Rick Anderson – Washburn
Theresa Gordzica - KU	Diane Duffy - KBOR
Bruce Shubert -KSU	Theresa Schwartz - KBOR
John Patterson - PSU	Kelly Oliver – KBOR
Eric King – KBOR	Madi Vannaman - KBOR
Nancy Thompson – Flint Hills Technical College	

Establish Co-Chairs: Bruce Shubert from K-State and Rick Anderson from Washburn will service as co-chairs of the System Council of Business Officers in FY 2012.

FY 2013 Budget Development: Diane shared a draft FY 2013 Unified Budget Request issue paper that is being prepared for the September Board meeting. Proposed inclusions in the request are: a 2.6% SGF increase that is based on the three year average of the Higher Education Price Index (HEPI), \$12 million to begin closing the technical education funding gap, \$2.2 million for student financial aid, the full \$35 million from the EBF for rehabilitation and repair projects at the state universities, \$20 million from the ELARF for deferred maintenance, a change in budgeting of property insurance premiums from the EBF to State University Operating Budgets, required debt service payments from the SGF and institution-specific enhancement requests.

SCOBO adjourned at 9:30 am.

COBO convened at 9:30 am.

The August minutes were approved as written.

Voluntary Retirement Incentive Program: It was noted that the program was extended until October 5. It was also noted that the Universities have been notified that all costs of the program (leave balance payouts, cash payments and future group health insurance contributions) are to be funded by the universities. Kent Olson of the Department of Administration was asked to provide written confirmation that the universities would not lose any funds associated with positions vacated by program participants. Kent was also asked to provide guidance on how the on-going group health insurance contributions are to be transferred to the State. COBO agreed to develop a common format to gather information about the fiscal impact of this program.

Updates to Facilities Legislation and Policies: A meeting was held at the University of Kansas on August 30 to discuss the State Educational Institution Procurement Act. Among the participants were representatives from the universities, the KBOR, the Associated General Contractors of Kansas and the American Institute of Architects of Kansas. There was agreement to remove the sunset provision and to make a number of modifications to 76-7,125. Additionally, there was agreement to modify 75-1253 to increase the threshold at which negotiating committees for engineering and architectural services are required, to modify 75-1264 and 76-786 to increase the threshold at which approval of change orders by the joint committee on state building construction is required and to modify 76-760 to increase the level at which capital improvement are exempted from certain requirements. The final proposed modifications be reviewed by COBO at the October meeting and included in the Board legislative package. Board Policy Manual changes would be made after legislative action is complete.

Deferred Maintenance Tax Credits: Deferred Maintenance Tax Credit Legislation, K.S.A. 79-32,261, provides tax credits through tax year 2012. COBO supports efforts to extend the tax credit opportunity past 2012. The Community Colleges and Technical Colleges need to suggest modifications to section c 1 of the statute. The proposals will be included in the Board legislative package.

Department of Administration: Kent Olson and Cheryl Buxton of the Department of Administration distributed an organizational chart. A number of significant changes have been made and several teams have been formed to improve Department of Administration function. Kent informed COBO that an RFP process to examine how to best meet State printing functions will be complete by November. Kent is also working with the Governor's office on an initiative to allow cell-phone stipends.

FY 2014 budget submittal process: The University budget directors are to meet on September 28th to discuss improving the budget submittal process. The goal is to have recommendations complete by January. Preliminary information will be shared in October. COBO will ask the Budget Directors for an estimated cost to produce the September 15 budget request.

Other Items: It was noted that the FY 2013 SGF target provided to each university was reduced the FY 2012 Death and Disability lapse. The Division of the Budget was contacted and agreed that the FY 2012 SGF appropriation amount (not reduced by the Death and Disability lapse) could be used.

The goals of the Fiscal Affairs and Audit Committee will include: review of the budget process, impact of re-centering on 2 college funding, faculty salaries and the impact of no increased state funding.

A new Board Committee on Governance is being formed. The committee will focus on updating the Board Policy and Procedures Manual.

Each institution is to supply a brief statement of general salary increases to Diane by October 15.

COBO adjourned at 11:15.

The next meeting will be October 5th.