

KANSAS BOARD OF REGENTS
MINUTES OF SPECIAL MEETING
July 17, 2012

The July 17, 2012, meeting of the Kansas Board of Regents was called to order by Chairman Tim Emert at 8:30 a.m. The meeting was held in the Board office located in the Curtis State Office Building, 1000 S.W. Jackson, Suite 520, Topeka. Proper notice was given according to law.

MEMBERS PRESENT:	Tim Emert, Chairman Fred Logan, Vice Chairman Christine Downey-Schmidt Mildred Edwards Dan Lykins Ed McKechnie Robba Moran Janie Perkins Kenny Wilk
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STATE UNIVERSITY BUDGET REVIEW

Diane Duffy, Vice President of Finance and Administration, stated the Board of Regents is statutorily required to develop and present to the Governor and Legislature a unified budget request for postsecondary education by October 1 of every year. Vice President Duffy presented an overview of the current approach to budgeting for higher education and reviewed the following tables from the 2012 State University Data Book: 1) Table 1.10 – total operating expenditures at state universities by funds, state university system totals, for FY 2006 – 2011; 2) Table 1.12 – all funds operating expenditures by programs, FY 2006 – 2011; 3) Table 1.40 – gross general use educational expenditures per student credit hour, FY 2006 – 2011; 4) Table 2.4 – ratio of tuition revenues to educational costs, FY 2006 – 2011; and 5) Table 4.35 – average salaries of instructional faculty compared to peer institutions, FY 2012.

Regent Emert reviewed the timeline for discussing and approving the Board's FY 2014 unified budget request. The Board will continue its discussion of the enhancement proposals at the August retreat, and then will take official action at the September Board meeting.

UNIVERSITY OF KANSAS

Chancellor Gray-Little presented an overview of the University of Kansas' (Lawrence Campus, Edwards Campus, and University of Kansas Medical Center) actual (FY 2011) and operating budgets (FY 2013). The Chancellor noted state funding from 2009 to 2012 has decreased while the University's required expenditures have increased. She also indicated federal funding will be flat or declining. The Chancellor reported KU has and will continue to make operational processes more efficient.

Provost Jeff Vitter and Executive Vice Chancellor/Executive Dean Steven Stites presented KU's FY 2014 program enhancement requests. Provost Vitter stated KU is seeking recurring state

funding in the amount of \$2.5 million to create a Kansas Institute for Translation Chemical Biology. The Institute will be located on the Lawrence campus, and it will promote research and state-of-the-art drug discovery and development. It is part of KU's strategic plan and will help KU's status with the Association of American Universities (AAU). Regent Wilk suggested KU develop a 10 year pro forma to support this request and present more detail on the anticipated outcomes. The Chancellor noted KU is also looking for private funding sources.

Executive Vice Chancellor Stites presented KU's request of \$30 million (SGF) for a new Medical Center Facility at KUMC in Kansas City. The current medical education building does not have the capacity to train more doctors for Kansas, accommodate KUMC's modern curriculum, or meet standards required by KUMC's accrediting body. A new facility will allow KUMC to modernize its classrooms and increase its class size by 50 students, from 175 to proposed 225 students by fall 2016. Dr. Stites stated this year, 100 qualified Kansas applicants were not admitted to the KU School of Medicine because there was no space for a larger class. Additionally, Dr. Stites stated KU is studying ways to increase the stature of the Medical Center including the School of Medicine in Wichita. The Regents discussed approaches to financing the Medical Center Facility including a multi-year appropriation.

BREAK

The Chair called for a short break at 10:05 a.m. and resumed the meeting at 10:15 a.m.

FORT HAYS STATE UNIVERSITY

Vice President Mike Barnett presented Fort Hays State University's budget information. Vice President Barnett also reviewed financials related to FHSU's virtual and China programs. President Hammond stated FHSU will see changes in the China program because of changes in China's government, and he does not expect to see any growth in enrollment.

President Hammond presented Fort Hays State University's FY 2014 program enhancement requests. The University requests \$760,111 for the Information Systems Engineering Program. Graduates of this program will not only contribute to engineering shortages of the state but also fill needs for network systems and data communications analysts and managers. President Hammond stated the Bureau of Labor Statistics Occupational Handbook projected this category as the second fastest growing occupation in the U.S. FHSU's second request is for \$248,000 for a Kansas Summer Academy of Math and Science. This academy would allow 90 students to complete half the KAMS curriculum during the summers before the students graduate from high school. The third request of FHSU is for \$564,000 for the Kansas Academy of Collegiate Studies. This academy will be modeled after the Kansas Academy of Math and Science but the curriculum will be arts, humanities and social sciences. The Southwest Kansas Initiative, which is on hold, was also discussed.

BREAK

The Chair called for a short break at 10:50 a.m. and resumed the meeting at 11:05 a.m.

WICHITA STATE UNIVERSITY

Vice President Mary Herrin presented an overview of Wichita State University's budget. Vice President Herrin stated the FY 2012 budget for WSU was managed well by President Beggs and ended the year with a healthy balance of unencumbered funds for President Bardo to use on some of his initiatives. The Board noted their appreciation to President Beggs for his efforts to leave the University in such a positive fiscal position.

President Bardo presented Wichita State University's FY 2014 enhancement requests. He stated three of the requests are key programs in the College of Health Professions and one is a capital improvement request. The request for a two-year Advanced Education in General Dentistry (AEGD) program is for \$3.75 million, which will fully fund both years of the program. The program will facilitate the placement of qualified dentists in under-served areas across the state. This program also supports the Oral Health Task Force recommendations. Following discussion, the Board asked for more details on supply and demand, figures, and location of internships. WSU's second request for \$750,000 is to increase the students in the Physician Assistant Program by 25%. WSU has the only Physician Assistant Program in Kansas, and employment of physician assistants is expected to increase 30% from 2010 to 2020. WSU's third request is for \$750,000 to increase the students in the Physical Therapy Program by 50%. Employment of physical therapists is expected to increase 39% from 2010 to 2020. WSU's final request is for the Central Power Plant Improvements Project. The estimated cost for the entire project is \$12,265,000. There was discussion on bonding and finding alternatives to finance this project.

BREAK

The Chair called for a short break at 12:09 p.m. and resumed the meeting at 1:00 p.m.

PITTSBURG STATE UNIVERSITY

Vice President John Patterson presented Pittsburg State University's budget details. There was discussion on enrollment trends and decreases in state funding.

President Scott presented Pittsburg State University's FY 2014 budget enhancements. PSU is asking for \$500,000 to complete the funding of the Polymer Chemistry Program. The first half of the Program (\$500,000) was funded in FY 2013. PSU is requesting \$500,000 to create the Kansas Center for Career and Technical Education (CTE) Instructor Development and Innovation. The Center will train and educate high-quality teachers for CTE programs. Additionally, PSU is requesting \$15 million for the Kansas Technology Center Expansion. The facility expansion will provide space for the School of Construction's programs and the newly formed Kansas Center for Construction Advancement. The Board discussed the possibility of a phased approach. Dr. Scott noted that the University has decided not to request funding for the Doctorate of Nursing Practice program at this time.

BREAK

The Chair called for a short break at 1:45 p.m. and resumed the meeting at 2:00 p.m.

KANSAS STATE UNIVERSITY

Vice President Bruce Shubert presented an overview of the budgets for Kansas State University – Main Campus, Kansas State University – Veterinary Medicine, and Kansas State University –

ESARP (Extension Systems & Agriculture Research Programs). He noted that these are separate state agencies for budgeting purposes.

President Schulz presented Kansas State University's FY 2014 budget enhancement proposals. KSU is requesting \$5 million per year to strengthen the College of Architecture, Planning and Design. All of KSU's design programs were ranked in the top 10 nationally in 2012. The monies will be used to attract highly-qualified students and faculty, upgrade facilities, and increase enrollment. KSU's second request is for \$5 million per year to ESARP to expand its Agriculture Research Programs. The programs include enhancing the Great Plains Sorghum Improvement and Utilization Center, the Wheat Genetic and Genomic Resources Center, and the Kansas Center for Agricultural Resources. The goals of the Centers are to increase sorghum and wheat technology, expand the use of sorghum as a grain and forage feed for cattle, and increase water use efficiency through improved irrigation and production technologies. KSU's final request is for \$5 million per year for a new Research Synergy Center. The Center would expand KSU's research capacity. The Board discussed a possible alternative financing proposal.

BREAK

The Chair called for a short break at 3:12 p.m. and resumed the meeting at 3:25 p.m.

EMPORIA STATE UNIVERSITY

Vice President Ray Hauke reviewed Emporia State University's operating expenditures, state funds, and tuition and fees. Additionally, Vice President Hauke reviewed ESU's enrollment.

President Shonrock presented Emporia State University's FY 2014 program enhancement requests. ESU is requesting \$484,300 for development of an ERP (Enterprise Resource Planning) Certification Program. The ERP certificate is for undergraduates and can be added to a variety of degrees. ESU's second request is for \$253,000 to develop a Center for P-12 Leadership Diversity. The Center is for on-line graduate students, and its mission is to attract and encourage individuals of color to pursue positions as principals, central office staff, and superintendents. This Center would operate within the Teachers College. ESU's third request is for \$598,000 to develop a Center for Undergraduate Research. This Center would increase ESU's ability to recruit and retain high quality undergraduates. ESU's fourth request is for \$1,000,000 to establish an Honors College. The College would be a tool to enhance ESU's image as a scholarly institution of interest to honors students. President Shonrock stated ESU has one capital improvement request for \$10.4 million to remodel the Stormont Building that houses the Art Department. Following discussion, the Board asked for more information on the number of students who would participate in the ERP Certification Program and the Center for P-12 Leadership Diversity.

BOARD COMMITTEES

Regent Emert presented the proposed Board committee assignments for FY 2013. Regent Wilk moved to approve, and Regent Logan seconded. The motion carried.

(Committee Assignments Filed with Official Minutes)

ADJOURNMENT

Chairman Emert adjourned the meeting at 4:30 p.m.

Andy Tompkins, President and CEO

Tim Emert, Chair