

KANSAS BOARD OF REGENTS

MINUTES

May 15-16, 2013

The May 15, 2013, meeting of the Kansas Board of Regents was called to order by Chairman Tim Emert at 12:28 p.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

EXECUTIVE SESSION

At 12:28 p.m., Regent Logan moved, followed by the second of Regent Wilk, to recess into executive session for 25 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board and President Tompkins. At 12:53 p.m., the meeting returned to open session. Regent Logan moved to extended for 20 minutes, and Regent Lykins seconded. The meeting returned to open session at 1:13 p.m.

BREAK

Chairman Emert called for a break at 1:13 p.m. and resumed the meeting at 1:30 p.m.

APPROVAL OF MINUTES

Regent Moran moved that the minutes of the April 12, 2013 special meeting and the April 17-18, 2013 regular meeting be approved. Following the second of Regent Downey-Schmidt, the motion carried.

INTRODUCTIONS

Vice Provost for Undergraduate Studies, Steve Dandaneau, introduced the Kansas State University students who were awarded the Barry M. Goldwater Scholarship, the Morris K. Udall Scholarship, the Benjamin A Gilman International Scholarship, the Ernest F. Hollings Scholarship, the Boren Fellowship, the National Science Foundation Graduate Research Fellowship, and the Fulbright Grant.

Chancellor Gray-Little introduced the University of Kansas' new Student Body President, Marcus Tetwiler; Vice-President, Emma Halling; the Director of Government Relations for the Student Senate, Eric Hurtt; and Faculty Senate President, Chris Steadham.

GENERAL REPORTS**REPORT FROM CHAIR**

Chairman Emert stated the Regents will be attending commencements at the universities.

REPORT FROM PRESIDENT AND CEO

President Tompkins reported Joseph Sopcich was selected as Johnson County Community College's new president and N. Clark Williams was selected as Cowley County Community College's new president.

REPORT FROM COUNCIL OF PRESIDENTS

President Scott presented the Council of Presidents' report. The Council received a report from the Council of Chief Academic Officers regarding program review, the universities' academic calendar approval process, and inter-state reciprocity. The Council of Business Officers reported on their meeting with the Kansas Budget Director, Steve Anderson, regarding the two-year budget process, audits of the state universities, and cash reconciliation. The Council of Government Relations Officers gave a legislative update and the Council of Research Officers presented an update on their strategic plan. Additionally, the Council of Presidents approved a Professional Science Masters in Applied Science (CIP 52.0210) for the University of Kansas. This item will be forwarded to the Board for consideration.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

The Council of Faculty Senate Presidents' report was presented by Peter Chung. The Council met with the incoming faculty senate presidents and discussed the post-tenure review process and the legislative budget. Dr. Chung stated Dr. Sheryl Lidzy, Faculty Senate President at Emporia State University, will be next year's chair and will present the June report to the Board.

Chairman Emert thanked Dr. Chung for his leadership and presented a certificate of appreciation to him.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

The Students' Advisory Committee met with the incoming student body presidents. They discussed interest rates for student loans, concealed carry on campuses, and eliminating sales tax on text books. The SAC elected Chris Roberts, Fort Hays State University, as the Chair for next year and Darren Beckham, Wichita State University, as the Vice-Chair for next year.

STANDING COMMITTEE AND OTHER REPORTS**ACADEMIC AFFAIRS**

Regent Edwards reported the Board Academic Affairs Standing Committee reviewed performance agreements.

FISCAL AFFAIRS AND AUDIT

Regent Wilk presented the Fiscal Affairs and Audit Standing Committee report. In addition to the regular agenda items, the Committee discussed the capital improvement budgeting process for the state universities and wants to continue to look at this process next year. Staff gave an

overview of the University Ending Balances Reports produced by the Kansas Legislative Research Department, and the Committee discussed the possibility of a legislative interim study on higher education funding.

GOVERNANCE

The Governance Committee report was presented by Regent Emert. The Committee met with President Scott, President Hammond, and President Shonrock to discuss the suggested and aspirational peers selected for each regional institution. The Committee discussed the proposed resolution regarding concealed carry on the campuses of the state universities, which is on Thursday's Board agenda. Additionally, the process for bringing policy amendments through the councils was discussed.

APPROVAL OF CONSENT AGENDA

Regent Moran moved, with the second of Regent Logan, that the Consent Agenda be approved. The motion carried.

Fiscal Affairs & Audit

RAZING OF BUILDING – KU

The University of Kansas received approval to raze the old University Relations Building, formerly Oread Training School. The estimated cost of abatement and demolition is \$200,000, which will be funded with reallocated Educational Building Funds.

LEASE WITH THE KSU FOUNDATION – KSU

Kansas State University received authorization to enter into a twenty-five year land lease with the KSU Real Estate Fund, LLC (KSUREF). The KSUREF will construct a building and sublease it to the Kansas Department of Agriculture. The real property is described as:

Tract A, Kansas State University Addition, an addition to the City of Manhattan, Kansas located in Section 7, Township 10 South, Range 8 East of the 6th Principal Meridian in the City of Manhattan, Riley County, Kansas, as set forth in Plat Book K, page 677 in the office of Register of Deeds of Riley County, Kansas consisting of approximately 0.838 acres.

CONSIDERATION OF DISCUSSION AGENDA

Fiscal Affairs and Audit

CAPITAL IMPROVEMENT REQUESTS FOR FY 2015 – UNIVERSITY SYSTEM

Eric King, Director of Facilities, presented a summary of the requested capital improvement projects submitted by the state universities (Table 1) and a staff recommendation (Table 2). The state universities also submitted additional information on how the projects are connected to the campus strategic plans, master plans, and Foresight 2020. The staff recommendation (Table 2) includes the following: 1) approving the request for additional funding for deferred

maintenance, 2) approving state university system request for spending authority for Rehabilitation & Repair projects from the Educational Building Funds (EBF), 3) approving the request for all projects funded by non-state tax funds, 4) continuing to request state funding for “enhancement” projects previously approved by the Board, and 5) seeking legislation to allow short-term (three to five years) bonding of selected state university projects to be repaid from the EBF. Following discussion, Regent Wilk moved to approve staff recommendation (Table 2). Regent Lykins seconded, and the motion carried.

(Table 1 and Table 2 filed with Official Minutes)

GENERAL REVENUE PLEDGE FOR BONDS ISSUED IN THE NAME OF THE WICHITA STATE UNIVERSITY UNION CORPORATION FOR THE NEW STUDENT HOUSING FACILITY ON THE WSU CAMPUS – WSU

General Counsel Julene Miller presented the university’s proposed general revenue pledge for bonds for the new student housing facility on the Wichita State University campus. At the February 13, 2013 meeting, the Board authorized Wichita State University to enter a contract with EdR, Memphis, Tennessee, to develop a new student housing facility on campus. The Wichita State University Union Corporation will serve as the primary obligator on revenue bonds to fund the project. The revenue bonds will be issued through the Kansas Development Finance Authority. General Counsel Miller stated WSU is seeking to additionally secure the bonds through a pledge of legally available revenues of the University. This will provide the additional security needed to obtain a favorable interest rate to keep the housing rate charged to students as low as possible. Regent Wilk moved to approve the revenue pledge. Following the second of Regent Logan, the motion carried.

JOHNSON COUNTY RESEARCH TRIANGLE (JCERT) FY 2014 BUDGETS – KU AND KSU

Diane Duffy, Vice President of Finance and Administration, introduced the proposed FY 2014 Johnson County Research Triangle (JCERT) budgets for the KU Edwards, KU Medical Center, and K-State Olathe campuses. The budgets were reviewed and approved by the Board’s Fiscal Affairs and Audit Standing Committee and the JCERTA Board. Regent Logan moved to adopt the budgets. Following the second of Regent Perkins, the motion carried.

NAMING OF BUILDING – KU

Chancellor Gray-Little requested the new building to house the School of Engineering’s EcoHawks research program be named in honor of Ron and Sue Hill. Regent Perkins moved to approve, and Regent Edwards seconded. The motion carried. The building will be named the Hill Engineering Research and Development Center.

Academic Affairs

ANNUAL PROGRAM REVIEW REPORT

Gary Alexander, Vice President of Academic Affairs, presented the Program Review Report. The six state universities are required to review approved programs at least once every eight years to ensure academic quality. For the 2011-2012 program review cycle, the universities

reviewed a total of 142 academic programs at the baccalaureate, masters, and doctoral levels. Regent Moran moved to accept the report, and Regent Edwards seconded. The motion carried.

Legislature

LEGISLATIVE AND BUDGET UPDATE

Mary Jane Stankeiwicz, Director of Government Relations and Communications, provided an update on the Board's legislative initiatives and budget. The ESU Apartment Sale/Transfer (HB 2021/2396) and the KU land exchange (HB 2071/2396) had a hearing in Senate Ways and Means. Ms. Stankeiwicz stated the Senate passed the NBAF bonding authority, and she provided an update on the budget.

Other Matters

THE BOARD'S UNIFIED BUDGET PREPARATIONS

Vice President Duffy reviewed the Board's unified budget development process. She stated Governor Brownback proposed a two-year budget, and it appears the Legislature will authorize appropriations for both FY 2014 and FY 2015. She asked the Board for guidance on the process for the June Board meeting. Following discussion, the Board directed the two-year institutions to bring their recommendations in June. The state universities are to look at targeted investments. The universities are to bring their institutional enhancement requests and identify their top priority at the June meeting. The Board also wants to review the Oral Health Taskforce recommendations.

EPSCoR PROPOSAL

Blake Flanders, Vice President of Workforce Development, presented the proposed EPSCoR proposal. The University of Kansas is seeking state matching funds for a grant proposal to the Federal Aviation Administration to create a Center of Excellence. The Program Review Committee is recommending an award of \$622,980 over a five-year period (\$117,500 in FY 13; \$120,875 in FY 14; \$124,419 in FY 15; \$128,140 in FY 16; and \$132,047 in FY 17), which provides almost a 1:1 leverage for state funds (federal:state). Regent Perkins moved to approve the recommendation. Regent Moran seconded, and the motion carried.

BREAK

The Chairman called for a short break at 3:06 p.m. and resumed the meeting at 3:15 p.m.

UPDATE FROM THE COUNCIL OF CHIEF RESEARCH OFFICERS

Blake Flanders, Vice President of Workforce Development, introduced the Council of Chief Research Officers' report. He stated the research and development enterprise is significant at the research universities in Kansas. These universities are focusing on moving research and capabilities into the marketplace. Julie Goonewardene reported on leveraging drug discovery at the University of Kansas. To strengthen the impact of drug discovery research, the University is striving to expand commercialization, secure a significant industry partner, and engage more KU talent. Kent Glasscock reported on Kansas State University's animal health research. K-State envisions being the university partner of choice for global animal health and is focusing on leveraging capability for equity, increasing corporate sponsored research, and sharing risk by co-

developing market-ready technologies. John Tomblin stated Wichita State University strives to be an economic driver for the state of Kansas in aviation. WSU is concentrating on attracting new transportation industry jobs to Kansas, increasing university-driven patents, and creating applied learning opportunities for students. Vice President Flanders noted the universities will continue to look at other research areas open to commercialization.

(PowerPoint filed with Official Minutes)

EXECUTIVE SESSION

At 4:15 p.m., Regent Logan moved, followed by the second of Regent Wilk, to recess into executive session for 60 minutes starting at 4:20 p.m. in the Kathy Rupp Conference Room to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board, President Tompkins, and President Schulz. At 5:20 p.m., the meeting returned to open session.

RECESS

The Chairman recessed the meeting at 5:20 p.m.

RECONVENE

Chairman Emert reconvened the meeting at 8:45 a.m. on Thursday May 16.

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

AMEND AGENDA

Regent Logan moved to remove the "University Presentation and Discussion of University Tuition and Fee Proposals" from the agenda. Regent Edwards seconded and the motion carried.

Chairman Emert announced the tuition discussion will be conducted at a special Board meeting on Thursday, June 6 at 9:00 a.m. in the Board room.

REPORTS

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

President Heilman presented the System Council of Presidents' report. The System Council of Chief Academic Officers updated the Council on transfer and articulation and performance agreements. Jean Redeker, Director of Academic Affairs, presented an overview of the new performance agreement calendar options, and General Counsel Julene Miller reviewed the requirements of the amendments to the concealed carry law. Additionally, Gary Alexander, Vice

President of Academic Affairs, gave an update on interstate reciprocity for authorization of academic programs.

APPROVAL OF CONSENT AGENDA

Regent Edwards moved, with the second of Regent Lykins, that the Consent Agenda be approved. The motion carried.

Academic Affairs

ADDITIONAL DEGREE GRANTING AUTHORITY FOR PINNACLE CAREER INSTITUTE AND ARGOSY UNIVERSITY

Pinnacle Career Institute received approval to offer additional degrees at its Kansas City, MO campus, North Kansas City, MO campus, and Lawrence, KS campus. The following degrees were approved:

Kansas City, MO Campus

- 1) Associate of Occupational Studies in Medical Billing and Coding
- 2) Associate of Occupational Studies in Health Information Management

North Kansas City, MO Campus

- 1) Associate of Occupational Studies in Medical Billing and Coding

Lawrence, KS Campus

- 1) Associate of Occupational Studies in Medical Billing and Coding
- 2) Associate of Occupational Studies in Radiation Protection Technician

Approval was given to Argosy University to offer a Master of Science in Management. The program will be offered online.

DEGREE AND CERTIFICATE PROGRAM SUBMITTED FROM HIGHLAND COMMUNITY COLLEGE

Highland Community College received approval to offer an associate of applied science (63 credit hours) and two technical certificates (45 credit hours/18 credit hours) in Precision Agriculture (01.0308). The cost of the program will be funded by a Title III grant, if available, Perkins grant, Capital Outlay, and tuition/fees. If the Title III grant funds are not available, the College will support the program through its operational budget.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

ANNUAL ADULT EDUCATION REPORT

Susan Fish, Director of Adult Education, presented the annual Adult Education report. The mission of Adult Education is to promote better quality of life for individuals and communities and prepare adults for achieving industry recognized credentials and college certificates. The

Board's Foresight 2020 aspiration for Adult Education is to increase, to 60%, the number of Kansas adults who have a certificate/credential, an associate, or bachelor degree by 2020. Ms. Fish reported that Adult Education served 7,642 learners in FY 2012 and 8,488 learners in FY 2013. Without increasing capacity and funding, Adult Education will not reach its goal of serving 13,000 students. However, Ms. Fish noted Adult Education is aiming to serve about 9,000 students. Additionally, she reviewed strategies for reaching enrollment goals including the Accelerating Opportunity Initiative and the performance-based funding formula. Following discussion, the Board directed staff to draft a budget proposal for Adult Education, which will be reviewed at the June Board meeting.

(PowerPoint filed with Official Minutes)

Fiscal Affairs and Audit

NEW FORMULA FOR ANNUAL ALLOCATION/DISTRIBUTION OF FEDERAL AND STATE ADULT BASIC EDUCATION FUNDS TO PROVIDERS

Susan Fish, Director of Adult Education, presented the proposed new formula for annual allocation/distribution of federal and state Adult Basic Education funds to providers. Kansas was the first in the nation to implement performance-based funding under Title II of the Workforce Investment Act in 2000. In order to stabilize funding from year to year, remove disincentives for access and innovation, strengthen the emphasis on learner outcomes, and encourage progress on Foresight 2020 goals, a committee of local Adult Education directors and Board staff initiated a process to revise the formula. The proposed revisions adjust the percentages of funding assigned to some existing factors and add several new factors including need, enrollment, student demonstration of college readiness, and double weighting for transition to higher education. Ms. Fish noted the proposed formula would be implemented in FY 2015. Regent Downey-Schmidt moved to approve, and Regent Wilk seconded. The motion carried.

Diane Duffy, Vice President of Finance and Administration, asked the Board to consider delegating to the Director of Adult Education the authority to distribute the funds in accordance with the new formula. Regent Logan moved to approve. Following the second of Regent Perkins, the motion carried.

DISTRIBUTION OF FY 2013 FOR SB 155 TECHNICAL EDUCATION APPROPRIATION

Vice President Duffy introduced the proposed distribution for FY 2013 of the SB 155 technical education appropriation. Vice President Duffy stated there will be a supplemental state appropriation titled "Tuition for Technical Education" for FY 2013. The Technical Education Authority recommends distributing the appropriation to individual institutions based on the KBOR cost model and estimated enrollments, subject to any changes made to the final appropriation, and that credit hours be verified by the KHEDS certified AY 2013 data collection in the Fall with reconciliation adjustments made, if necessary, as part of the FY 2014 distribution. Vice President Duffy stated staff recommends the FY 2013 distribution of this new state funding not be subject to the performance agreement process because the current performance agreements were developed and evaluated prior to the establishment of this new initiative. FY 2013 will then serve as the base year and beginning in FY 2014 any new funding in this line-item will be subject to the Board's performance agreement process. Regent

McKechnie moved to approve both recommendations. Regent Logan seconded, and the motion carried. The following distributions were approved:

Institution	FY 2013 Estimate*
Allen County Community College	\$123,925
Barton County Community College	378,809
Butler Community College	271,061
Cloud County Community College	148,935
Coffeyville Community College	557,839
Colby Community College	106,415
Cowley County Community College	264,473
Dodge City Community College	265,195
Flint Hills Technical College	290,633
Fort Scott Community College	298,647
Garden City Community College	249,776
Highland Community College	789,946
Hutchinson Community College	1,686,593
Independence Community College	166,423
Johnson County Community College	545,168
Kansas City Kansas Community College	927,096
Labette Community College	140,163
Manhattan Area Technical College	60,766
Neosho County Community College	390,386
North Central Kansas Technical College	211,528
Northwest Kansas Technical College	139,853
Pratt Community College	317,276
Salina Area Technical College	280,061
Seward County Community College	451,278
Washburn Institute of Technology	1,871,614
Wichita Area Technical College	816,141
Total	11,750,000

*Subject to any changes in the final state appropriation. Also, student credit hours will be verified per the KHEDS certified AY 2013 data collection, and reconciliation adjustments made, if necessary.

BREAK

Chairman Emert called for a short break at 9:36 a.m. and resumed the meeting at 9:50 a.m.

GovernanceAMENDMENTS TO THE BOARD'S POLICY MANUAL – APPENDICES G AND K AND CHAPTER IV COORDINATION

General Counsel Julene Miller presented the proposed amendments to Appendix G – Policies and Procedures for the Approval of New Academic Programs, Appendix K – Collaborative Program/Degree Procedures, and Chapter IV – Coordination and Supervision Policies and Procedures Adopted after July 1, 1999. Since the first reading in April, cleanup changes were made in Section 8 of the Academic Affairs policies and Section 12 of Chapter IV. Regent McKechnie thanked everyone who worked on updating the Board's Policy Manual and moved to approve. Regent Moran seconded, and the motion carried.

(Policies filed with Official Minutes)

RESOLUTION TEMPORARILY EXEMPTING STATE UNIVERSITIES' BUILDINGS FROM APPLICATION OF THE PROVISIONS OF SECTION 2 OF 2013 SENATE SUBSTITUTE FOR HOUSE BILL 2052

General Counsel Miller presented a proposed Resolution that temporarily exempts state universities' buildings from application of the provisions of Section 2 of 2013 Senate Substitute for House Bill 2052. She noted the word "facilities" was removed from the Resolution because it is not used in House Bill 2052. Regent Logan moved that the Board adopt the proposed Resolution to temporarily exempt all of the buildings located on the grounds of or leased by any of the state universities from application of the provisions of Section 2 of 2013 Senate Substitute for House Bill 2052, and direct staff to complete and file any necessary paperwork with the Attorney General so long as it is consistent with the Resolution. Regent McKechnie seconded, and the motion carried.

(Resolution filed with Official Minutes)

Other MattersREPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Vice President Flanders presented the Kansas Postsecondary Technical Education Authority (TEA) report. The Marketing subcommittee gave an update to the TEA on the marketing campaign to support Governor Brownback's CTE initiative. There are additional activities planned to support and increase awareness of this initiative. Vice President Flanders reported the TEA discussed potential recommendations for the FY 2015 Tiered Technical Education State Aid distribution and potential funding scenario options addressing the recentering of appropriated funds for FY 2015.

ANNOUNCEMENT

President Tompkins announced that Regent Emert received a Distinguished Alumni Award from the University of Kansas Law School and Regent Perkins received the Friend of Education Award from the University of Kansas School of Education.

FY 2014 BOARD CHAIR AND VICE CHAIR ELECTION

Regent Moran stated that in order to allow for Board officer elections at the May meeting, she moved that the Board's By-laws be temporarily amended as follows:

“The Board shall elect a Chair and Vice-Chair for one-year terms at the regular June meeting of each calendar year (or at the regular May meeting for calendar year 2013), such terms of office to begin on July 1 immediately following election.”

This amendment shall be effective for the remainder of this fiscal year and the new underscored language shall no longer be effective and shall be stricken on July 1, 2013. The motion is only to change the month in which the election is held this fiscal year, and does not alter the terms of the offices involved. The current Chair and Vice Chair shall remain in office until midnight on June 30, 2013, and the newly elected Chair and Vice Chair will not take office until 12:01 a.m. on July 1, 2013.

Written notice of this proposed amendment was sent to every Regent on April 30, 2013, in accordance with the By-laws' 10-day notice requirement. Regent Perkins seconded, and the motion carried.

Regent Perkins moved to elect Regent Fred Logan as Chairman of the Board for FY 2014. With the second of Regent Lykins, the motion carried. Regent Emert moved to elect Regent Kenny Wilk as Vice Chairman. Following the second of Regent Perkins, the motion carried. The term of office for the new chair and vice chair will begin July 1, 2013.

EXECUTIVE SESSION

At 10:10 a.m., Regent Logan moved, followed by the second of Regent McKechnie, to recess into executive session for 90 minutes starting at 10:20 a.m. in the Kathy Rupp Conference Room to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board, President Tompkins, Chancellor Gray-Little (for a portion), and President Shonrock (for a portion). At 11:50 a.m., the meeting returned to open session.

ADJOURNMENT

Chairman Emert adjourned the meeting at 11:50 a.m.

Andy Tompkins, President and CEO

Tim Emert, Chair