

KANSAS BOARD OF REGENTS

MINUTES

November 19-20, 2008

The November 19, 2008, meeting of the Kansas Board of Regents was called to order by Chairman Donna Shank at 1:30 p.m. The meeting was held in Board offices located in the Curtis State Office Building, 1000 S.W. Jackson, Suite 520, Topeka. Proper notice was given according to law.

MEMBERS PRESENT:

- Donna Shank, Chairman
- Jill Docking, Vice Chairman
- Jerry Boettcher
- Christine Downey-Schmidt
- Dick Hedges
- Dan Lykins
- Janie Perkins
- Gary Sherrer
- Bill Thornton

APPROVAL OF MINUTES

Regent Docking moved that the minutes of the October 15-16, 2008, meeting be approved. Following the second of Regent Thornton, the motion carried.

REPORTS

REPORT FROM CHAIR

Regent Shank reported that she and several other Regents recently attended the KU/KSU football game. She, Regent Downey-Schmidt, Regent Hedges, and President Robinson attended the George H. W. Bush speech and awards ceremony at the University of Kansas. Following the Thursday Board meeting, Regents Shank and Sherrer and President Robinson will make presentations to the Legislative Educational Planning Committee. Board members will host a breakfast meeting with members of the Students' Advisory Committee on Thursday morning.

REPORT FROM PRESIDENT AND CEO

President Robinson reported that four working lunches were held since the October Board meeting and political candidates were among the attendees. Pittsburg State University, Wichita State University, Washburn, and the University of Kansas Edwards Campus hosted the events.

The P-20 Council has met three times and Mr. Robinson reported that the Council has been reviewing information regarding K-12 performance and Regents' data. At the next meeting, the Council is expected to focus on the key benefits related to alignment of the two systems by reviewing outcomes of the K-12 system and expectations of the postsecondary system.

President Robinson attended the Southeast Kansas legislative event held at Neosho County Community College and was pleased to hear testimonies from students who reported successful experiences transitioning from community college settings to state universities.

Mr. Robinson closed his report by calling attention to special recognition for Butler Community College President Jacki Vietti. She was honored as the Outstanding Chief Executive Officer of a community college in the western region of the United States.

REPORT FROM OTHER REGENTS

Regent Downey-Schmidt attended the recognition and accreditation reception for Wichita Area Technical College and the retirement reception for KUMC-Wichita Dean Ed Dismuke. She also attended the Kansas Arts Commission meeting where the art gallery at Pratt Community College was showcased.

Regent Sherrer attended a Cancer Center update given by Dr. Roy Jensen, University of Kansas Medical Center. Plans are underway for KUMC to submit an application in September 2011 with a goal of receiving the designation of Comprehensive Cancer Center in the spring of 2012 from the National Institute of Cancer.

Regent Perkins attended a legislative dinner hosted by Garden City, Dodge City and Seward County community colleges.

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

Dr. Richard Burke, Co-Chair of the System Council of Presidents, briefed the Board on the Council meeting held earlier in the day. SCOPs received a report from the System Council of Chief Academic officers regarding community college students transferring to universities. Vice President Flanders presented a policy amendment to SCOPs concerning approval of programs for community colleges and technical colleges. SCOPs heard from President Robinson about the forums held prior to the election.

AMEND AGENDA

Chairman Shank announced that the agenda would be amended to add a budget update from Secretary of Administration Duane Goossen.

APPROVAL OF CONSENT AGENDA

Regent Perkins moved, with the second of Regent Lykins, that the Consent Agenda be approved. The motion carried. The following item received approval:

Academic Affairs

COMMUNITY COLLEGE REQUEST FOR NEW DEGREE PROGRAM FOR HUTCHINSON COMMUNITY COLLEGE ASSOCIATE OF APPLIED SCIENCE IN RESPIRATORY THERAPY

Approval was given to Hutchinson Community College to offer an Associate of Applied Science (A.A.S.) in Respiratory Therapy consisting of 64 credit hours.

The budget of \$164,600 will be allocated through institutional funds, tuition, and Carl D. Perkins funds.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

PERFORMANCE AGREEMENTS

Vice President Gary Alexander reported that thirteen institutional Performance Agreements covering the calendar years of 2009, 2010, and 2011, were reviewed. Members of the Board's Academic Affairs Standing Committee shared comments on the various programs.

Regent Downey-Schmidt moved that comments related to the Fort Hays State University Performance Agreement be amended to reflect approval of the three-year agreement, as a result of amendments made by the University. Following the second of Regent Lykins, the motion carried. Regent Docking moved, with the second of Regent Hedges, that the Performance Agreements for the thirteen institutions be approved for three years. The motion carried. Those agreements are for:

Emporia State University
Fort Hays State University
Barton County Community College
Cowley County Community College
Dodge City Community College
Fort Scott Community College
Highland Community College
Johnson County Community College
Labette Community College
Neosho County Community College
KAW Area Technical School
Salina Area Technical College
Wichita Area Technical College

Fiscal Affairs and Audit

POLICY REQUIRING BACKGROUND CHECKS FOR BOARD OFFICE EMPLOYMENT CANDIDATES AND IMPLEMENTATION PLAN

General Counsel Julene Miller presented a policy proposal for new hire background checks for future Board office employees and an Implementation Plan. Regent Boettcher moved that Board policy be amended by adding the policy language related to the Board office and that the Implementation Plan be adopted. Following the second of Regent Thornton, the motion carried. The policy is as follows:

Policy Amendment, new Section II.A.3.h.**h. Criminal Background Checks**

The provisions set forth under the heading of FACULTY AND STAFF, APPOINTMENTS, Criminal Background Checks shall apply to staff hiring for the Board of Regents. The President and Chief Executive Officer may establish rules and procedures to effectuate this policy.

(Implementation Plan Filed with Official Minutes)

Other Matters**ADMISSIONS TASK FORCE RECOMMENDATIONS**

President Robinson restated the recommendations presented by Regent Sherrer from the Admissions Task Force the previous month and compiled them into new categories as follows:

Category One (All but #8 fall within the purview of the Board of Regents)

Implement annual data collection and reporting on the impact of the specific QA criteria, with particular emphasis placed on tracking the success of students once they have enrolled in postsecondary education. (Recommendation 1)

Continue annual data collection and reporting on diversity, in particular data on student enrollment that reflects these changing demographics. (Recommendation 2)

Urge electronic reporting of the pre-college curriculum on all high school transcripts. (Recommendation 8)

Continue the Core Outcomes project in light of the increasing trend of students who come to a university with transfer credits, or are earning transfer credits while enrolled at a university. (Recommendation 9)

Continue study to investigate the concerns and benefits expressed by constituents on concurrent enrollment issues and review existing and future study results and revision to policy, as necessary, to address quality issues. (Recommendation 11)

Category Two (Requires modification to current Qualified Admissions statutes or regulations)

Resident and Non-resident home-schooled and other students from non-accredited schools be admitted with qualifying ACT or GED test scores. (Recommendation 4)

Qualified Admission pre-college curriculum be updated, specifically the technology requirement. (Recommendation 5)

Non-resident students admitted in the conditional admissions category be allowed to continue at the institution as long as they meet the academic requirements of the institution. (Recommendation 6)

Algebra taken in middle school count toward satisfying the Board's QA curriculum requirements. Adoption of a pre-college curriculum that requires successful completion of a math course in the senior year of high school. (Recommendation 7)

Development of an exception window for transfer students. (Recommendation 10)

Category 3 (Requires moving responsibility from Legislature to the Board)

Admissions standards be removed from statute and authority given to the Board to establish admission standards. (Recommendation 3)

Regent Docking moved that the recommendations be approved. Following the second of Regent Boettcher, the motion carried.

President Robinson noted that the proposals in categories two and three will require legislative action to achieve the desired recommendations and added that category two is easily addressed, but he asked for direction on the pursuit of category 3. He proposed using an approach similar to that undertaken when employees were moved out of the State Civil Service system into a new group. Board staff was asked to develop options for Board consideration in December that would address transitioning to new standards and allow current students in the pipeline to qualify for existing standards.

KANSAS BOARD OF REGENTS LEGISLATIVE INITIATIVES FOR 2009

Legislative initiatives for 2009 were presented by Kip Peterson, Director of Government Relations and Communications, for a second reading and action. Questions and comments followed. Regent Sherrer moved that the initiatives be approved for inclusion in the Board's 2009 legislative request. With the second of Regent Docking, the motion carried. The following measures received approval:

- 1) Community College Property Ownership – Permits community colleges to own property outside of the local college taxing district, but within the assigned Service Area.
- 2) Kan-ed Funding – Would amend current statutes to fully-fund Kan-ed from the Kansas Universal Service Fund at \$10 million per year.
- 3) KBOR Mandatory Retirement Plan Amendment – Would amend current statutes to eliminate option for KBOR Mandatory Retirement Plan participants to continue participation in that plan when they are on leave of absence from their educational institution and working for the executive branch of state government.

4) KUMC Tort Claims – Would enact statutory, as opposed to budgetary proviso, inclusion of medical students enrolled at the University of Kansas Medical Center for purposes of the tort claims act.

5) State University Privately-Funded Construction – Would modernize and improve the current method of constructing and renovating buildings on state university campuses by eliminating the bureaucracy and restrictions involved in the process of hiring architects, engineers, and contractors.

6) State University Reimbursement of Moving Expenses – Would update K.S.A 76-727 related to moving expenses for new employees by eliminating the 12,000 pound weight maximum for moving expenses in this section.

7) State University Student Financial Assistance – Would amend current statutes to allow state universities, as authorized by the Board of Regents, to provide scholarships, fellowships, and tuition and fee waivers to undergraduate students, as well as to graduate students for their educational programs.

8) Technical Education Authority Amendments – Would amend current law to (1) codify appropriations bill proviso language regarding the development of a funding model for postsecondary technical education; (2) update references regarding the state plan for career and technical education and the federal Carl D. Perkins Act; (3) replace outdated "vocational education" terminology with currently-used "career technical education" where possible; and (4) repeal wording and/or statutes no longer needed or obsolete.

RECESS

Chairman Shank recessed the meeting at 2:50 and resumed the meeting at 3:05 p.m.

UPDATE RE STATE BUDGET ISSUES

Secretary of Administration/Budget Director Duane Goossen provided an update on the current budget outlook as it relates to State General Fund receipts and expenditures. He noted that the overall picture has worsened since his report to the Board at its August retreat. Rather than a 2 percent cutback, he noted that a 3 percent cut will be necessary for FY 2009. Further, he noted that the Division of Budget is recommending an additional 4 percent reduction for higher education in FY 2010, along with a list of specific programmatic and capital cuts. Budget appeals are being scheduled and work on the Governor's budget recommendation will begin after Thanksgiving.

Questions and discussion followed. One area of concern noted was the issue of the new pay plans and the ability to implement the five year effort to make the recommended market adjustments. Mr. Goossen confirmed that the budget decisions will be in two phases with initial consideration of the current year reductions and then action for FY 2010 appropriations.

RECESS

The Chairman called for a recess at 3:35 p.m. and resumed the meeting at 3:40 p.m.

DISCUSSION OF BUDGET IMPLICATIONS

Preliminary comments were made by Regents about addressing the budget situation. President Robinson noted that there are three categories of recommended cuts: 1) reduction of 3 percent from FY 2009 budget and the KAMS program; 2) FY 2010 budget reduced by additional 4 percent; and 3) reduction for specific program and capital expenditures such as deferred maintenance, pharmacy program, and the Wichita medical education program. Institutional representatives commented on the impact of reduced funds for KAMS, classified salary market adjustments, and being able to meet the educational needs of individuals dealing with layoffs. Additionally, increased health insurance and utility costs will strain the budget.

The Board will consider a position on budget appeals when the meeting resumes on Thursday.

STRATEGIC AGENDA FOR HIGHER EDUCATION IN KANSAS: FIVE QUESTIONS

Due to time constraints, the discussion will be held at a later date.

RECESS

Chairman Shank recessed the meeting at 4:00 p.m., to resume the following day at 9:15 a.m.

RECONVENE

The meeting was reconvened at 9:20 a.m. on Thursday, November 20.

MEMBERS PRESENT:

- Donna Shank, Chairman
- Jill Docking, Vice Chairman
- Jerry Boettcher
- Christine Downey-Schmidt
- Dick Hedges
- Dan Lykins
- Janie Perkins
- Gary Sherrer
- Bill Thornton

REPORTS**REPORT FROM COUNCIL OF PRESIDENTS**

President Beggs reported that the Council of Presidents received a report from the Council of Business Officers. COBO provided the following briefing: budget appeal letters have been submitted for the Board's consideration; amended policy language has been drafted working with General Counsel Julene Miller to modify the Board's Faculty of Distinction policy to reflect action taken by 2008 Legislature; discussion continued on the health care bridge; received update from Vice President Diane Duffy on the tax credit plan and impact on deferred maintenance; heard report on a draft proposal from a KU staff member regarding an increased rebate received on a business procurement card; heard information about three state universities (KSU, WSU and PSU) being selected to be part of 400 institutions participating in an IRS survey; and received an update from KU and FHSU on the pilot purchasing program

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Dr. Larry Spurgeon, Chairman of the Council of Faculty Senate Presidents reported that the Council discussed the financial climate and the role that the Council might play in facilitating the sharing of information with their home campus faculty senate members. Council members shared experiences from their respective campus such as the intellectual property policy, the crisis management process to alert students, and returning to the COFSP theme for the year, discussed non-salary recruitment and retention.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Lydia Peele, Students' Advisory Committee Chair, elaborated on the students' breakfast discussion with the Board earlier that morning. Among the topics addressed were the need for scholarships to offset educational costs, the language barrier with professors and Graduate Teaching Assistants, Higher Education Day and lobbying efforts in Topeka, and students' interest in more communication with Board members and opportunities to share concerns.

AMEND AGENDA

Chairman Shank announced that the agenda would be amended to add discussion about the budget appeal to the Fiscal Affairs and Audit agenda as item number 2.

APPROVAL OF CONSENT AGENDA

Regent Docking moved, with the second of Regent Lykins, that the Consent Agenda be adopted. The motion carried and the following items were approved:

*Academic Affairs***MASTER OF ART IN TEACHING – WSU**

Wichita State University received approval to offer a Master of Arts in Teaching. The program will be funded through internal reallocation.

MASTER OF SCIENCE IN COMPUTER NETWORKING – WSU

Approval was given to Wichita State University to offer a Master of Science in Computer Networking. The program will be funded through internal reallocation.

MASTER OF SCIENCE IN ATMOSPHERIC SCIENCE – KU

The University of Kansas was authorized to offer a Master of Science in Atmospheric Science. The program will be funded through internal reallocation.

BACHELOR OF SCIENCE IN ENTREPRENEURSHIP – KSU

Kansas State University received approval for its request to offer a Bachelor of Science in Entrepreneurship. The program will be funded through internal reallocation.

Fiscal Affairs and Audit

FY 2009 REHABILITATION & REPAIR LIST – KSU

Kansas State University received approval to amend its FY 2009 Rehabilitation and Repair plan to include a project to finish 3,700 square feet of shell space that was left unfinished when Pat Roberts Hall was constructed. The estimated total cost of the project is \$510,000 and will be funded by private funds on deposit at the KSU Foundation.

Retirement Plan CommitteeINVESTMENT POLICY STATEMENT FOR THE MANDATORY RETIREMENT PLAN

Approval was given to amend the Investment Policy Statement for the Mandatory Retirement Plan by adding peer groups and benchmarks for new funds approved by the Board in April 2008 (ING's PIMCO Real Return and PAX World Balanced), updating benchmarks for the ING Lifecycle Investment Options and the CREF Social Choice Account, and adding a peer group for the CREF Treasury Inflation Protected Bond.

CONSIDERATION OF DISCUSSION AGENDAAcademic AffairsSPOKEN ENGLISH LANGUAGE COMPETENCY OF FACULTY AND GRADUATE TEACHING ASSISTANTS (SPEAK/TSE)

Vice President Alexander introduced a policy amendment to the Spoken English Language Competency of Faculty and Graduate Teaching Assistants. A new internet Based Test of the Test of English as a Foreign Language has been created but it is too soon to determine a desired standard. The proposed policy provides for the new test and permits Board staff in collaboration with the Council of Chief Academic Officers to establish a minimum test score on a regular basis until adequate data are available to include a specific minimum score in the policy. Regent Hedges moved that the policy amendments be adopted. Following the second of Regent Perkins, the motion carried. The amended policy is as follows:

1. Proposed Policy

To modify Chapter II, Section F, 3 of the KBOR Policy Manual as follows:

3. SPOKEN ENGLISH LANGUAGE COMPETENCY OF FACULTY AND GRADUATE TEACHING ASSISTANTS**a. Faculty**

All prospective faculty members of ~~Regents institutions-state universities~~, except visiting professors on exchange for one year or less, must have their spoken English competency assessed prior to employment through interviews with not fewer than three institutional personnel, one of whom shall be a student. Faculty shall include all full-time or part-time

personnel having classroom or laboratory instructional responsibilities and/or direct tutorial or advisement contact, other than for courses or sessions conducted primarily in a foreign language. An oral interview shall be conducted either face-to-face or by mediated means. To be eligible for an appointment without spoken English language remediation conditions, prospective faculty found to be potentially deficient in speaking ability shall be required to achieve a minimum score of 50 on the Test of Spoken English (TSE) or the Speaking Proficiency English Assessment Kit (SPEAK), or equivalent, or a minimum score, set by Board staff in consultation with the Council of Chief Academic Officers and with the approval of the Board Academic Affairs Standing Committee, on the Speaking section of the Test of English as a Foreign Language internet Based Test (TOEFL iBT). ~~to be eligible for an appointment without spoken English language remediation conditions.~~ A report detailing the process for interviewing prospective faculty, including the composition of the interview team and scores from the TSE or SPEAK for each candidate, will be submitted to the President/CEO of the Board every other year.

b. Graduate Teaching Assistants

All prospective graduate teaching assistants of the ~~Regents institutions~~ state universities shall have their English competency assessed prior to being considered for any employment having classroom or laboratory instructional responsibility and/or direct tutorial responsibilities. The following shall be used to implement this policy:

(1) All prospective graduate teaching assistants, whose first language is not English, must be interviewed and have their competency in spoken English assessed by no fewer than three institutional personnel, one of whom shall be a student. An oral interview shall be conducted either face-to-face or by mediated means.

(2) ~~Any~~ To be eligible for an appointment without spoken English language remediation conditions, all prospective graduate teaching assistants, whose first language is not English, shall be required to achieve a minimum score of 50 on the Test of Spoken English (TSE) or the Speaking Proficiency English Assessment Kit (SPEAK), or equivalent, or a minimum score, set by Board staff in consultation with the Council of Chief Academic Officers and with the approval of the Board Academic Affairs Standing Committee, on the Speaking section of the Test of English as a Foreign Language internet Based Test (TOEFL iBT) ~~to be eligible for an appointment without spoken English language remediation.~~

(3) All prospective graduate teaching assistants who do not meet the above requirements shall not be assigned teaching responsibilities nor other tasks requiring direct instructional contact with students.

(4) An exception will be made for courses taught in sign language.

(5) A report detailing the process for interviewing graduate teaching assistants, whose first language is not English, including the composition of the interview team and scores from the TSE or SPEAK for each candidate, will be submitted to the President/CEO of the Board every other year.

c. General

~~Regents institutions~~ State universities shall develop implementing policies and procedures for the administration of this policy and shall report to the Board as to the effectiveness of such policy; and may adopt standards that exceed or are additional to those contained herein.

REQUEST TO SEEK ACCREDITATION OF THE CERTIFICATE PROGRAM IN
ADVANCED EDUCATION IN GENERAL DENTISTRY – WSU

Regent Downey-Schmidt moved that Wichita State University be authorized to seek accreditation of the Certificate Program in Advanced Education in General Dentistry. Following the second of Regent Lykins, the motion carried.

QUALIFIED ADMISSIONS REPORT

Vice President Alexander reviewed the Qualified Admissions Report for the seventh cohort of students admitted to universities in the 2007-2008 academic year. Regent Hedges moved, followed by the second of Regent Docking, that the Report be accepted. The motion carried.

Fiscal Affairs and Audit

FY 2010 HOUSING AND FOOD SERVICE RATE ADJUSTMENTS SUBMITTED BY
STATE UNIVERSITIES (FIRST READING)FY 2010 HOUSING AND FOOD SERVICE
RATE ADJUSTMENTS SUBMITTED BY STATE UNIVERSITIES (FIRST READING)

Proposed rates for housing and food service for FY 2010 were introduced by Vice President Duffy. Discussion followed. Institutions were asked to provide information on the percentage of operating expenses that are going to salary and benefits as part of the operating costs. The Board will act on the rate adjustments at its December meeting.

DISCUSSION REGARDING BUDGET PROPOSALS FOR FY 2009 AND FY 2010

President Robinson briefly summarized the message received from Secretary Goossen the previous day related to anticipated budget reductions. He proposed that categories for discussion on the position of the Board's appeal of the Budget Director's recommendations be: 1) budget cuts for current year, FY 2009; 2) general budget cuts for FY 2010; 3) additional cuts for FY 2010 for specific program/capital expenditures; and 4) whether or not to seek a moratorium on salary enhancements connected to classified staff upgrades.

Regent Boettcher moved that the FY 2009 budget reductions not be appealed. Regent Thornton seconded the motion. Discussion followed in which President Hammond reported that FHSU has incurred costs related to the KAMS program and has already spent \$238,000 of the FY 2009 appropriation. Regent Boettcher moved to amend the motion to add that an appeal be pursued for the FY 2009 budget for \$238,000 of the fund appropriated to KAMS. Following the second of Regent Downey-Schmidt, the amendment carried. A vote was called and the amended motion passed.

Regent Downey-Schmidt moved to appeal the FY 2010 general portion of the budget proposal. The motion was seconded by Regent Lykins. Following discussion, a vote was taken and the motion carried.

Discussion moved to the specific program and capital expenditures of the FY 2010 budget and whether to pursue an appeal. Regent Hedges moved to appeal the elimination of specific program and capital expenditures. Following the second of Regent Downey-Schmidt, the motion carried. The program and capital projects impacted are as follows:

- \$15 million for deferred maintenance projects on state university campuses (eliminates the third year of state university funding from the 5-year comprehensive deferred maintenance program which was signed into law in 2007).
- \$15 million for the KU Pharmacy expansion in Lawrence and Wichita.
- \$2.5 million for Wichita Aviation Infrastructure funding.
- \$2.5 million for Graduate Medical Education programs in Wichita.
- \$713,000 in funding for the Kansas Academy of Mathematics and Science.

It was noted that some of the deferred maintenance projects have already begun and will not be able to continue without adequate funding.

Regent Downey-Schmidt moved that the Board's appeal include the suggestion that the Governor consider delaying implementation of the market adjustment of the classified pay plan for FY 2010. Following the second of Regent Lykins, the motion carried.

RECESS

The Chairman announced a recess at 11:10 a.m. The meeting resumed at 11:20 a.m.

SALE OF REAL PROPERTY – KSU-Salina

Regent Boettcher moved that Kansas State University-Salina be authorized to sell 8.29 acres of land to the Adjutant General's Office/Military Board at the appraised value of \$148,500, and that the Chair and President of the Board be authorized to execute related documents. Following the second of Regent Perkins, the motion carried. The property is located in Block 8, Saline County, as re-platted in 1998 and formerly designed as Block 10.

MEMORANDUM OF AGREEMENT BETWEEN WICHITA STATE UNIVERSITY AND SERVICE AND MAINTENANCE UNIT/KANSAS ASSOCIATION OF PUBLIC EMPLOYEES – WSU

The provisions of the amended Memorandum of Agreement between Wichita State University, the Board, the Kansas Department of Administration, and the Kansas Association of Public Employees Service and Maintenance Physical Plant employees were outlined by General Counsel Miller. She called attention to the carryover provision from the previous Agreement in which Wichita State University agreed to provide tuition assistance to all classified unit members who hold at least half-time, permanent appointments and are benefits eligible. Board policy authorizes tuition assistance with specifics of such a program being approved by the Board each spring. This provision received approval prior to the previous Agreement and continues in the amended Agreement.

Regent Perkins moved, followed by the second of Regent Hedges, that the amended Memorandum of Agreement be approved for execution by the Board Chair. The motion carried.

BOND RESOLUTION/JAYHAWKER TOWERS - KU

Regent Boettcher moved that the proposed bond resolution for the University of Kansas Jayhawker Towers be approved and that the Board's Chair and President and CEO be authorized to execute the Resolution, a Pledge of Revenues Agreement or a supplement to a prior pledge agreement and various other documents, as approved by the Board's General Counsel. Following the second of Regent Sherrer, the motion carried.

NAME BASEBALL CLUBHOUSE FACILITY - KU

Regent Sherrer moved, with the second of Regent Boettcher, that the new baseball clubhouse at the University of Kansas be named the McCarthy Family Clubhouse to honor Kent McCarthy and his family. The motion carried. Maintenance on the facility will be handled from revenues derived from the facility's proceeds.

Retirement Plan Committee

AMEND MANDATORY PLAN DOCUMENT, VOLUNTARY PLAN DOCUMENT
RETIREMENT PLAN POLICY

Staff Affiliate Madi Vannaman briefed the Board on the proposals recommended by the Board's Retirement Plan Committee (Committee). She noted that Internal Revenue Service (IRS) regulations related to 403(b) retirement plans that become effective January 1, 2009, impact the Board's Mandatory Retirement Plan. To address the requirement for plan documentation, Ice Miller was hired to revise the Mandatory Plan Document and to draft the Voluntary Plan Document. Deloitte Consulting reviewed the documents and the Committee voted to approve them. The Committee's recommendation for major changes to the Mandatory Plan Document were highlighted as follows: 1) eliminate the loan provision in the Mandatory plan, authorize distribution of funds when the participant terminates employment from KBOR (state universities and Board office), even if going to another non-KBOR state job; 3) stop authorizing distribution of funds when the participant takes a KBOR student or temporary position and is no longer eligible to participate in the 403(b) plan; and 4) remove the provision that permits an employee to take a leave of absence to serve in the Executive branch of State government while continuing to participate in the KBOR Mandatory Retirement plan.

Regent Docking moved to adopt the Mandatory Retirement Plan Document to be effective January 1, 2009, and to authorize execution by the Board Chair and Board President. Following the second of Regent Thornton, the motion carried.

Ms. Vannaman continued by providing background on the Voluntary Plan Document. She noted that in 2007, the Board voted to reduce the number of companies under the Board's voluntary program from 32 to 16, although employees who were contributing to the companies removed from the list were permitted to continue contributions. Furthermore, earlier this year the Board addressed new 403(b) regulations by selecting ING's Planwithease.com (PWE) as a third party administrator to help comply with the IRS regulations. Due to the new regulations, some

companies are leaving the 403(b) business and some companies among the 16 currently on the Board's approved voluntary company listing will not comply with the PWE provisions, including electronic sharing of data; consequently, additional restrictions are needed in the Plan Document for funds remaining with a non-approved company if a participant, while actively employed, wants to take a loan or make a hardship withdrawal. Ice Miller drafted the Voluntary Retirement Plan Document to be in compliance with the new 403(b) regulations and the document was reviewed by Deloitte Consulting and approved by the Committee. The Plan Document incorporates the following restrictions on participants who are actively employed and who have funds in an account with a non-approved company:

- a. accumulations can remain with the non-approved companies;
- b. accumulations can be moved from a non-approved company only to a KBOR approved 403(b) company;
- c. distributions based on separation from service from the state universities/Board office, age 59½ or older, Qualified Domestic Relations Orders or disability status will be permitted; and
- d. loans and hardship withdrawals are prohibited under the KBOR Plan Document, but will be permitted if the participant's individual contract explicitly provided for those types of distributions and the non-approved company agrees to share requisite information with KBOR and the state universities.

Regent Boettcher moved that the Voluntary Retirement Plan Document be adopted effective January 1, 2009, that the Board Chair and President be authorized to execute the document, and that Board staff be authorized to perform the ministerial functions needed to finalize the listing of approved and non-approved companies no later than December 31, 2008. Following the second of Regent Perkins, the motion carried.

As a result of the approved Mandatory and Voluntary Retirement Plan Documents, amendments were proposed to the Board's Policy Manual. Regent Perkins moved, with the second of Regent Boettcher, that the Policy Manual be amended as recommended. The motion carried and the following changes will be incorporated into the Board's Policy Manual:

➤ Amend **Chapter II, Section A “The Board and its Staff” § (3)** as follows:

a. Retirement and Insurance Benefits

(1) (a) Eligible classified employees are covered by the Kansas Public Employees Retirement System as determined by law.

(b) Unclassified employees are covered by and/or eligible for those retirement benefits which are set forth in detail under the heading of FACULTY AND STAFF, Retirement.

(c) ~~Subject to K.S.A. 74-4925 and 4925b, K.A.R. 88-10-1 through 12, and K.A.R. 88-11-1 through 12, eligible~~ Eligible classified and unclassified employees may participate in a 403(b) voluntary tax-sheltered annuities retirement program. ~~Details are set forth in Appendix E of this manual. The~~

provisions of the Kansas Board of Regents Voluntary Plan Document shall control the terms of the plan.

➤ Amend **Chapter II, Section F “Faculty and Staff, § (17)** as follows:

17. RETIREMENT

a. Retirement Benefits

(1) Eligible classified employees are covered by the Kansas Public Employees Retirement System as determined by law.

(2) Unclassified employees are covered by and/or eligible for those retirement benefits under the Mandatory Retirement Plan that are set forth in detail as follows:

(A) The provisions of the Kansas Board of Regents Mandatory Plan Document control the terms of the plan.

(B) The provisions of the Investment Policy Statement control the Board’s oversight and the role of the Investment Providers.

(C) The provisions of the Vendor Management Document shall control the Investment Provider reporting and fund change protocol.
(DATE)(3) Retirement Age. There shall be no mandatory retirement age for eligible employees. For purposes of eligibility for certain statutory retirement benefits, such retirement shall not occur before the fifty-fifth birthday; provided, however, that individuals who seek to retire from age 55 to 59 must have ten years of service in a benefits-eligible position at a Regents institution or with the Board of Regents staff.

b. Phased Retirement Program

Subject to the provisions of K.S.A. 76-746 and K.A.R. 88-12-1 through 8, an unclassified employee aged 55 or older may enter into a written agreement with the employing institution whereby the unclassified employee will accept a position which is less than full-time but at least one-fourth time, and the institution will provide benefits on a full-time basis for up to five years.

c. Tax Sheltered ~~Annuities~~ 403(b) Voluntary Retirement Program

~~Subject to K.S.A. 74-4925 and 4925b, K.A.R. 88-10-1 through 12, and K.A.R. 88-11-1 through 12, eligible Eligible classified and unclassified employees may participate in a 403(b) voluntary ~~tax-sheltered annuities~~~~

retirement program. ~~Details are set forth in Appendix E of this manual.~~ The provisions of the Kansas Board of Regents Voluntary Plan Document shall control the terms of the plan.

- Delete **Appendix E** of the Board's Policy and Procedure Manual in its entirety, as Plan information is captured in the Mandatory and Voluntary Retirement Plan Documents.

Other Matters

REPORT ON UNIVERSITY EFFICIENCY MEASURES – ESU

A report on efficiency measures underway at Emporia State University was provided by President Michael Lane. President Lane identified indicators demonstrating efficiency, leveraged measures that bring a return to the State, including collaborative efforts, cost-cutting measures, negative situations, and closed with the fun/feel good efficiency of ESU faculty and staff assisting students with their move into the university setting.

(PowerPoint Filed with Official Minutes)

REPORT ON UNIVERSITY EFFICIENCY MEASURES – WSU

President Don Beggs shared efficiency measures at Wichita State University. The University has benefited through such actions as reorganization of units, centralized purchasing, infrastructure upgrades, energy efficiencies and recycling, and purchasing through a business procurement card. He identified programs such as Aviation research and TRIO/GEARUP programs in which leveraged resources benefit WSU.

(PowerPoint Filed with Official Minutes)

KANSAS STATE UNIVERSITY PRESIDENTIAL SEARCH

President Robinson reported that applications and letters of interest are currently being received for the presidential search at Kansas State University. Search committee members were recently notified that applicant files can now be accessed on line for evaluation.

PITTSBURG STATE UNIVERSITY PRESIDENTIAL SEARCH

In his update regarding the Pittsburg State University presidential search, President Robinson reported that the Witt-Kiefer search firm has been retained to assist with the search. Lucy Leske, with the assistance of Kate Will, will represent the search firm. The Search Committee recently held its first meeting and is currently focused on developing a position description, which it hopes will be available for Board consideration next month.

JOHNSON COUNTY EDUCATIONAL TRIANGLE (JCET)

A sales tax was approved by Johnson County voters during the recent election to support the Johnson County Educational Research Triangle (JCERT). President Robinson reported that it is the expectation that \$15 million will be generated for educational research efforts based in Johnson County for the University of Kansas Medical Center, Kansas State University National Food Safety and Animal Health Institute, and the University of Kansas Edwards Campus. The

measure coupled with enabling legislation establishes an Authority for oversight of distribution the sales tax proceeds. Membership on the Authority will be established by the appointment of one individual by the Governor, the Johnson County Commission, Johnson County Community College Board of Trustees, Kansas State University, the Board of Regents, and the University of Kansas has two appointments, through consultation with the University of Kansas Medical Center and the Edwards Campus.

Regent Sherrer moved that the Ed Eilert be designated as the Board's appointee to serve on the Authority. Following the second of Regent Docking, the motion carried.

In light of the Board of Regents' role as the governing board for each of the educational entities identified as beneficiaries from the revenue generated as a result of the JCERT legislation and the ballot measure approved pursuant to the legislation, Regent Docking moved, followed by the second of Regent Lykins, that Regent Sherrer be appointed as the "Convening Regent" for purposes of launching the JCERT Authority Board's efforts. The motion carried. As the Convening Regent, he shall have the authority to convene the Authority Board's first meeting (and provide appropriate notice), develop the agenda for the meeting and conduct that meeting, which shall include the election of the Board's Chair. Once those functions have been completed, the Convenor's authority on behalf of the JCERT Authority Board will expire.

ADJOURNMENT

Chairman Shank adjourned the meeting at 12:40 p.m.

Reginald L. Robinson, President and CEO

Donna L. Shank, Chair