

KANSAS BOARD OF REGENTS

MINUTES

October 20-21, 2010

The October 20, 2010, meeting of the Kansas Board of Regents was called to order by Chairman Gary Sherrer 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: Gary Sherrer, Chairman
Ed McKechnie, Vice Chairman
Jerry Boettcher
Christine Downey-Schmidt
Tim Emert
Dick Hedges
Dan Lykins
Janie Perkins

MEMBER ABSENT: Mildred Edwards

APPROVAL OF MINUTES

Regent McKechnie moved that the minutes of the September 15-16, 2010 meeting be approved. Following the second of Regent Perkins, the motion carried.

GENERAL REPORTS

REPORT FROM CHAIR

Regent Sherrer reported that he and the other Regents recently visited Emporia State University and Fort Hays State University. The Regents are also continuing their visits to the community and technical colleges. He expressed appreciation to all the campuses for hosting the visits. Additionally, Regent Sherrer reported he attended dedications for Pittsburg State University's Housing Complex and Hutchinson Community College's new Science Technology Building.

REPORT FROM PRESIDENT AND CEO

President Tompkins reported that the Qualified Admissions Task Force is moving forward and that Board staff will meet with the Legislative Education Planning Committee (LEPC) on November 4. President Tompkins also mentioned that efforts to develop promotional materials for Foresight 2020 are underway.

Regent Sherrer announced the Transfer and Articulation Task Force is being formed and Regent McKechnie will chair it.

STANDING COMMITTEE REPORTS**Academic Affairs**

Regent Hedges reported that the Academic Affairs Standing Committee held its monthly conference call meeting. The Committee reviewed and approved the academic items on the agenda for the Board's consideration.

Fiscal Affairs and Audit

Regent Boettcher presented the Fiscal Affairs and Audit Standing Committee report. The Committee adopted a timeline for the newly required audit related reports and reviewed the required annual internal audit of the Board's Alumni Council of Kansas Fund. Additionally, the budget of the Board office and the Legislative Post Audit report on excess credit hours, which resulted in no findings or recommendations, were discussed.

Retirement Plan Committee

The Retirement Plan Committee report was presented by Regent Lykins. After reviewing solicited bids, the RPC selected a new investment consultant, Segal Advisors. The state universities will see a reduced cost for consulting services because of the competitive rate negotiated. Board staff continues to work with Ice Miller, a legal consulting firm, to amend the Voluntary Plan Document to include an after-tax Roth 403(b) option previously approved by the Board. When the document is finalized it will be presented to the Board Chair and the President and CEO for signature.

APPROVAL OF CONSENT AGENDA

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

Academic Affairs**ACT ON REQUEST FOR ADDITIONAL DEGREE GRANTING AUTHORITY FOR WESTERN GOVERNORS UNIVERSITY, ITT TECHNICAL INSTITUTE, UNIVERSITY OF SOUTHERN CALIFORNIA, AND UNIVERSITY OF PHOENIX**

Western Governors University received approval to offer the following degrees: 1) Bachelor of Science in Nursing; 2) Bachelor of Science in Health Informatics; and 3) Bachelor of Science, Sales and Sales Management.

ITT Technical Institute received approval to offer an Associate of Applied Science in Nursing.

Approval was given to the University of Southern California to offer a Master of Social Work.

The University of Phoenix received approval to offer the following degrees: 1) Bachelor of Science in Psychology; 2) Bachelor of Science in Organizational Security and Management; 3) Bachelor of Science in Human

Services/Management; 4) Bachelor of Science in Communications; and 5) Master of Information Systems.

CERTIFICATE PROGRAM FOR LABETTE COMMUNITY COLLEGE

Labette Community College received approval to offer a certificate in Diagnostic Medical Sonography (51.0910). The program will be conducted in an on-line format and existing facilities and equipment at Labette Community College's Division of Allied Health will be utilized. A 2009 Title III grant awarded from the U.S. Department of Education will fund the development of the program and the on-going costs will become fully institutionalized by year four of the program. The program will be capped at 10 students and 7 sites. Any increase in the number of students or sites requires approval by the Kansas Board of Regents.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

MACHINE TECHNOLOGY ALIGNMENT

Blake Flanders, Vice President for Workforce Development, presented the proposed Machine Technology Alignment. Seven community and technical colleges currently offer the Machine Technology program. Following discussion, Regent McKechnie moved to approve the Machine Technology Alignment. Regent Downey-Schmidt seconded and the motion carried.

(Machine Technology Program Alignment Map filed with Official Minutes)

PHYSICAL THERAPIST ASSISTANT ALIGNMENT

The proposed Physical Therapist Assistant Alignment was presented by Vice President Flanders. The alignment project includes four community colleges and Washburn University. The Letter of Guidance addresses the following four purposes of the Program Alignment Process with respect to the Physical Therapist Assistant program:

1. The identification of a nationally recognized third-party industry credential is satisfied with the Certified Physical Therapist Assistant (CPTA) credential, which is required for employment. CPTA's are registered with the Kansas Board of Healing Arts. All programs are accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE).
2. An industry value-added exit point is prescribed because external accreditation requires an Associate Degree in Physical Therapist Assistant as a minimum for entry into employment.
3. The identification of a few common technical courses to bridge articulation between secondary and postsecondary partners is unnecessary because program candidates must be at least 18 years of age and have obtained a high school diploma or the equivalent to receive admittance into the program.
4. Upon reviewing physical therapist assistant programs offered at colleges across Kansas, staff submits a recommended maximum program length of 76 credit hours be allotted as

eligible for state funding. The 76 credit hours are inclusive of prerequisite, academic support and professional courses.

Three of the four purposes of program alignment are met when external accreditation requirements are applied to the program. Following discussion, Regent Downey-Schmidt moved to approve the Physical Therapist Assistant Alignment. Regent Emert seconded and the motion carried.

Fiscal Affairs and Audit

BOARD MEMBER CONFLICT OF INTEREST DISCLOSURE STATEMENTS

General Counsel Miller presented a summary of the Board Member Conflict of Interest Disclosure Statements. The following disclosures were made:

1. One Regent has reported service on the governing board of an affiliated corporation of an institution that is governed by the Board:
 - Regent Boettcher serves as a member of the Board of Directors of the Kansas State University Alumni Association, Inc. His current term expires June 30, 2011.
2. Two Regents have reported service on the governing boards of affiliated corporations of institutions that are coordinated by the Board:
 - Regent Sherrer serves on the Johnson County Community College Foundation Board, the purpose of which is to raise funds in support of Johnson County Community College.
 - Regent Emert serves on the Independence Community College William Inge Festival Foundation, the purpose of which is to raise and manage funds to support Theater Festival.
3. One Regent has reported service on the governing board of an institution coordinated by the Board:
 - Regent Lykins serves on the Washburn University Board of Trustees. (Regent Lykins has been appointed to this Board as the Kansas Board of Regents representative to the WU Board of Trustees in accordance with K.S.A. 13-13a04; it is an annual appointment by the KBOR with a one year term)
4. One Regent has reported an Interest in an entity that has entered a contract or transaction with an institution coordinated by the Board for the performance of services:
 - Regent Emert is a partner in a law firm (Scovel, Emert, Heasty, Chubb & Gettler) that provides legal services and advice to Independence Community College.

Regent McKechnie moved to approve the continued service of Board members on the boards listed in 1 and 2 above, and for the Regent involved in the transaction listed in 4 to excuse him from participating on behalf of the Board in matters involving or related to that contract or transaction. Following a second from Regent Perkins, the motion carried. Regent Sherrer, Regent Emert, and Regent Boettcher abstained.

Regent McKechnie moved to approve the continued service of the Board member on the board listed in 3. Regent Boettcher seconded and the motion carried. Regent Lykins abstained.

Other Matters

TIERED FUNDING MODEL FOR TECHNICAL EDUCATION

Vice President Flanders reviewed the statutory charge and the proposed policy options related to the proposed approach to technical education funding. To inform the TEA as it prepares its final recommendations to the Board on this issue, the Board was asked for guidance on the following policy options:

1. Currently, technical colleges and some community colleges do not receive state aid for student credit hours generated from secondary students enrolled in postsecondary courses. The TEA preference would align the system and provide state support for all postsecondary credit hours including those delivered to secondary students, regardless of which type of two-year institution delivers the technical education course.
2. Currently, students qualify for immediate residency if enrolling in technical college courses and those credit hours are submitted for state aid. A six month residency requirement exists for community colleges (K.S.A. 71-406). The TEA prefers aligning residency requirements and allowing immediate residency for state aid purposes for students enrolled in postsecondary tiered technical courses.
3. The TEA discussed a state share of the calculated course cost in the range of 70%-80%. The TEA prefers a state share of the calculated course cost to be 80 percent.
4. Recognizing that local effort/benefit exists for some institutions, the TEA prefers deducting 30% from the state share, which if 80% would result in 50% state share for in-district student credit hours at the community colleges. If taxing authority is granted to technical colleges, they would be treated in the same manner.

The Board agreed that secondary students receiving Postsecondary credit at both community colleges and technical colleges be included in eligible enrollments for state funding. The Board discussed residency requirements and the majority agreed that only resident students at both community colleges and technical colleges should be included in eligible enrollments for state funding at this time. The Board asked staff to propose a way to align community and technical colleges' residency requirements for state funding.

BREAK

The Chairman called for a short break at 2:52 p.m. and resumed the meeting at 3:11 p.m.

State share of the course costs was discussed. The majority of the Board preferred that the proposal include an 80 percent state share but a 30 percent local contribution for institutions with local taxing authority. The Board asked staff to share this feedback with the Technical Education Authority (TEA) and asked that the TEA present a final recommendation at the November Board meeting.

Vice President Flanders noted that Board members received a letter from the Kansas Association of Community College Trustees with suggestions related to implementation. Board staff will

coordinate with the community and technical colleges and bring forward information to the Board in November.

GENERAL REPORTS

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

President Masterson presented the System Council of Presidents' report. The Council discussed the status of the Transfer and Articulation Task Force and Foresight 2020.

CONSIDERATION OF DISCUSSION AGENDA

Other Matters

SYSTEMWIDE LEGISLATIVE POLICY INITIATIVES

Kip Peterson, Director of Government Relations and Communications, presented the second reading of the proposed legislative policy initiatives. Following discussion, Regent McKechnie moved to 1) table the Kansas Distinguished Scholarship Program, the Vocational Education Scholarship Program, and the Funding Model for Technical Education State Aid until the November meeting, 2) remove the Funding for Postsecondary Educational Institution Infrastructure Program item because it is being handled through the budget request, and 3) accept the remaining items. Following the second of Regent Downey-Schmidt, the motion carried. The following items will be included in the Board's 2011 legislative package:

1. Extend Authority for new Private and Out-of-State Postsecondary Fees (submitted by Board staff)
2. Expand Kan-ed Membership and Clean-Up Statutes (submitted by Kan-ed)
3. Clean-Up Technical Education Statutes (submitted by Board staff and as approved by the TEA)
4. Reinstate Community College Tax Credits (submitted by Kansas Association of Community College Trustees)
5. Amend State University Information Technology Threshold (submitted by the University of Kansas)
6. Amend State Universities Housing Suspense Fund Statute (submitted by the University of Kansas)
7. Amend JCERTA Earned Interest Retention for State Universities Statute (submitted by the University of Kansas)
8. Support Aviation Industry's Funding Request for NIAR (submitted by Wichita State University)
9. Authorize Revenue Bonds for WSU's Rhatigan Student Center Expansion (submitted by Wichita State University)

PROCESS AND APPOINTMENTS TO THE KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

The proposed process for Board appointments to the Postsecondary Technical Education Authority was presented by President Tompkins. Following discussion, the Board directed staff to amend the process so an individual appointed cannot serve more than two 3-year periods, for a total of 6-years. Regent Emert moved to adopt the process as amended. Regent McKechnie seconded and the motion carried. Below is the process as amended:

- All four Board appointments should continue to serve at the will and pleasure of the Board, with the expectation of a period of service not to exceed 3 years, or until the particular appointee's successor is named.
- An individual should not be appointed to serve more than two 3-year periods, for a total of 6 six years.
- Board appointments should be staggered, to preserve continuity.
- Of the Board's four appointments, the periods of service should be as follows:
 - Board members, or designees, July 1 through June 30
 - Community college rep, January 1 through December 31
 - Technical college rep, January 1 through December 31
- When naming a Board member, or designee, the Chair and Vice Chair of the Board will work with the Board of Regents to identify two individuals to serve.
- When naming a community college representative, the Board President and CEO shall work with a representative of the Kansas Association of Community College Trustees to identify one or more individuals meeting the statutory criteria, and the Board President and CEO will then submit an individual's name to the Board for consideration.
- When naming a technical college representative, the Board President and CEO shall work with a representative of the Kansas Technical College Association to identify one or more individuals meeting the statutory criteria, and the Board President and CEO will then submit an individual's name to the Board for consideration.
- The Board should generally make appointments to the TEA in the time frame of its regular meetings in September or October (for January appointments) and March or April (for June appointments).

RECESS

Chairman Sherrer recessed the meeting at 4:02 p.m.

RECONVENE

Chairman Sherrer reconvened the meeting at 9:00 a.m. on Thursday, October 21.

MEMBERS PRESENT:

Gary Sherrer, Chairman
Ed McKechnie, Vice Chairman
Jerry Boettcher
Christine Downey-Schmidt
Tim Emert
Dick Hedges

Dan Lykins
Janie Perkins

MEMBER ABSENT: Mildred Edwards

REPORTS

REPORT FROM COUNCIL OF PRESIDENTS

Chancellor Gray-Little briefed the Board on the Council of Presidents' October meeting. The Council received a report from the Council of Business Officers (COBO). COBO recommended the Student Health Insurance regulations be changed to extend the employer's contribution to the student-only cost of health insurance to Graduate Assistants, a benefit which is currently limited to Graduate Teaching Assistants and Graduate Research Assistants. COBO also recommended a regulation change to allow Graduate Assistants, Graduate Research Assistants, and Graduate Teaching Assistants who are physically on campus and otherwise meet the eligibility requirement, but are enrolled in on-line courses, to be eligible to participate in the student health insurance program. COPs approved both recommendations and will forward them to the Board for consideration in November. Additionally, COBO recommended adoption of a Resolution authorizing universities to act more quickly when there is an opportunity to refinance bonds. COPs endorsed the proposed Resolution and will forward it to the Board for consideration in November.

The Council of Presidents also received a report from the Council of Chief Academic Officers. COPs approved a Master of Art and Ph.D in Women, Gender and Sexuality Studies for the University of Kansas, which will be forwarded to the Board for consideration. COPs also discussed salary increases for faculty and staff, the need to develop broad research initiatives, and the potential overlap in the Comprehensive Grant Program and the Kansas Commitment goals.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

The Council of Faculty Senate Presidents' report was presented by Barbara Phipps. The Council supports the Foresight 2020 goal to revise admission standards. The Council also supports the Transfer and Articulation Task Force and the work the Chancellor and Presidents are doing to increase salaries for faculty and staff.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Michael Smith presented the Students' Advisory Committee report. Mr. Smith reported that the SAC is compiling the student testimonial videos from the campuses, which will be presented to the Board in November. To help spread the message of the Kansas Commitment, opinion pieces are being written on each campus, a website (kansascommitment.net) was created, and letters were sent out to candidates running for state offices. Additionally, Mr. Smith reported that the SAC will bring its formal plan of action for this year to the Board in November.

TRANSFER AND ARTICULATION TASK FORCE

Regent McKechnie announced that the first meeting of the Transfer and Articulation Task Force will be Thursday, November 18, 2010, from 1:00 p.m. to 4:00 p.m. Regent McKechnie stated that the Task Force will meet each Thursday after the Board meetings in December and January.

APPROVAL OF CONSENT AGENDA

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

*Fiscal Affairs and Audit***FY 2012 CAPITAL IMPROVEMENT PLANS – FHSU**

Fort Hays State University received approval to amend its FY 2012 Capital Improvement Plan to add two projects. The University will replace the windows and exterior doors to McMIndes Hall. The total cost of the project is estimated to be \$1.3 million and will be funded from housing revenues. The University will begin construction on an indoor practice facility for the athletics programs. The total cost of the project is approximately \$4 million, which will be funded by private donations. Utilities will become a normal part of the university's operating budget and no additional state funds will be requested to support the building.

LAND LEASE TO VERIZON WIRELESS FOR CONSTRUCTION OF WIRELESS EQUIPMENT – FHSU

Approval was given to Fort Hays State University to enter a land lease with Verizon Wireless for the construction of an equipment shelter and monopole antenna. The term of the lease is for 5 years with the possibility of 4 renewal terms of 5 years each. This equipment replaces the Verizon Wireless equipment that was located at Agnew Hall, which was razed in July, 2010.

NEW STUDENT HOUSING COMPLEX (CRIMSON COMMONS) – PSU

Pittsburg State University received approval to accept five new buildings in the new student housing project (Crimson Commons). The Division of Facilities Management inspected the entire project and a Certificate of Project Completion is anticipated to be issued and signed by the end of October or early November.

FY 2012 CAPITAL IMPROVEMENT PLANS – PSU

Authorization was given to Pittsburg State University to amend its FY 2012 Capital Improvement Plan to add the University House Project. The project includes demolition of the existing President's Home and replacement with a new University House. The Total project cost is estimated to be \$2 million and will be funded through private gifts to the Pittsburg State University Foundation. Future operating and maintenance costs will be paid from existing operations budget and no additional state funds will be requested for such.

FY 2012 CAPITAL IMPROVEMENT PLANS – KSU

Kansas State University received approval to modify its FY 2011 Capital Improvement Plan to add four projects. The four projects are listed below:

- 1) K-State is upgrading West Hall. This project is estimated to cost \$1.2 million and will be funded by Housing System funds.
- 2) A 12,000 sq.ft. Southeast Research-Extension Center will be constructed on university owned land in Parsons. This project will be funded with a combination of restricted fees and private gifts and the estimated cost is \$2 million.
- 3) K-State is replacing the greenhouse at the Agricultural Research Center in Hays. Private gifts will fund the project, which is estimated to cost \$600,000.
- 4) The Chemical Engineering lab space in Durland Hall will be renovated. The estimated cost of the project is \$2 million. K-State will fund the project with a \$1.6 million NSF-ARRA award, and the remaining \$400,000 will come from sponsored research overhead.

CONSIDERATION OF DISCUSSION AGENDA*Academic Affairs*MODIFY REGENTS POLICY ON MINIMUM CREDIT HOUR REQUIREMENTS FOR A BACCALAUREATE DEGREE

Gary Alexander, Vice President of Academic Affairs, introduced a proposed policy amendment to the minimum requirements for a baccalaureate degree. The amendment changes the minimum of 124 to 120 semester credit hours for a bachelor's degree in liberal arts, science or professional fields. This proposed amendment will make Kansas' requirements consistent with the majority of other states across the country. Regent Perkins moved to adopt the amendment. Following the second of Regent Lykins, the motion carried.

The following policy amendment was approved in Chapter IV, Section 14:

- (i) Requiring the equivalent of at least four academic years of full-time postsecondary study consisting of courses totaling a minimum of ~~124~~ 120 semester credit hours in the liberal arts, sciences or professional fields.

*Fiscal Affairs and Audit*FY 2011 BUDGET FOR WICHITA/SEDGWICK COUNTY MILL LEVY – WSU

Diane Duffy, Vice President for Finance and Administration, presented the FY 2011 budget proposed by the WSU Board of Trustees totaling \$7,338,566 for expenditures from levies of property taxes in Wichita and Sedgwick County. Following discussion, Regent McKechnie moved to approve. Regent Emert seconded and the motion carried. The budget is as followed:

Wichita State University
City of Wichita/Sedgwick County Mill Levy Budget Request (FY 2011)
Approved by the Board of Trustees

	FY 2010 Budget	FY 2011 Budget	Amount Change
Revenues			
Revenue	\$7,170,082	\$7,038,566	(\$131,516)
Contingent Revenue	200,000	300,000	100,000
Total Revenues	\$7,370,082	\$7,338,566	(\$31,516)
Expenditures			
<u>Capital Improvement</u>			
Debt Service	\$1,614,353	\$1,613,603	(\$750)
National Center for Aviation Training Support	800,000	800,000	0
Building Insurance	16,500	16,500	0
Total Capital Improvements	\$2,430,853	\$2,430,103	(\$750)
<u>Student Support</u>			
Undergraduate Scholarships	\$1,750,000	\$1,750,000	\$0
Sedgwick County Scholars	1,791,479	1,791,479	0
Undergraduate Student Programs	98,915	0	(98,915)
Urban Assistantships	58,422	50,557	(7,845)
Graduate Research Assistantships	214,156	214,156	0
Graduate Fellowships	\$100,133	100,133	0
Total Student Support	\$4,013,105	\$3,906,325	(\$106,760)
<u>Economic and Community Development</u>			
Interns-City/County	\$136,000	\$136,000	\$0
Business & Economic Research	150,000	150,000	0
City Government Services	60,000	60,000	0
County Government Services	60,000	60,000	0
Total Economic & Community Development	\$406,000	\$406,000	\$0

<u>University Research and Support Services</u>			
Organization and Development	\$57,000	\$57,000	\$0
Total Univ. Research and Support Serv.	\$57,000	\$57,000	\$0
Contingency	\$463,124	\$539,138	\$76,014
Total Expenditures	\$7,370,082	\$7,338,566	(\$31,516)

REFUNDING BOND RESOLUTION – MAIZE PUBLIC BUILDING COMMISSION – WSU

General Counsel Miller introduced a refunding bond Resolution for Wichita State University. In 2005, Maize Public Building Commission (PBC) issued revenue bonds to pay the costs of constructing a satellite campus for Wichita State University in Maize, Kansas. Due to current economic conditions, PBC has advised that a refunding opportunity exists to achieve present value savings on the outstanding 2005 Bonds of at least 3%. Regent Boettcher moved to adopt the Resolution and to authorize the Chair and the President and CEO to execute the Resolution and related bond documents. Following the second of Regent Lykins, the motion carried.

(Resolution filed with Official Minutes)

Other Matters

NATIONAL BIO AND AGRO-DEFENSE FACILITY (NBAF) UPDATE

President Schulz updated the Board on the National Bio and Agro-Defense Facility (NBAF). He reviewed the site preparation and presented an updated timeline for the construction and completion of NBAF. President Schulz stated that if the federal government continues regular appropriations, NBAF should be fully operational by 2018. President Schulz also updated the Board on the Biosecurity Research Institute (BRI). He stated that multiple federal inspections have taken place and that research has started on several selected pathogens.

(PowerPoint filed with Official Minutes)

UPDATED RESOLUTION TRANSFERRING BOARD'S AUTHORITY TO EXERCISE MANAGEMENT CONTROL OVER SECURITY OF CERTAIN BIOSECURITY RESEARCH INSTITUTE (BRI) RELATED CLASSIFIED INFORMATION TO A SECURITY EXECUTIVE COMMITTEE

General Counsel Miller introduced an updated Resolution related to the Biosecurity Research Institute. A resolution of this nature was first adopted by the Board at its March 2009 meeting. It is now being updated to include the names of the new Board members and new administration at K-State. This Resolution will exempt members of the Board from exercising management control and supervision over the security of certain classified information, and will transfer that management control to a University Security Executive Committee comprised of the KSU President, Provost, Vice Provost for Research and Facility Security Officer, and their successors. Regent Emert moved to adopt the Resolution. Regent Boettcher seconded, and the motion carried.

(Resolution filed with Official Minutes)

ADJOURNMENT

Chairman Sherrer adjourned the meeting at 10:07 a.m.

Andy Tompkins, President and CEO

Gary Sherrer, Chair