

KANSAS BOARD OF REGENTS

MINUTES

November 17-18, 2010

The November 17, 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
Jerry Boettcher
Christine Downey-Schmidt
Mildred Edwards
Tim Emert
Dick Hedges
Dan Lykins

MEMBERS ABSENT: Ed McKechnie, Vice Chairman
Janie Perkins

APPROVAL OF MINUTES

Regent Lykins moved that the minutes of the October 20-21, 2010 meeting be approved. Following the second of Regent Hedges, the motion carried.

GENERAL REPORTS

REPORT FROM CHAIR

Regent Sherrer reported that the CEO visits with the community colleges, technical colleges, and universities have been very valuable and productive for the Regents. Regent Sherrer also reported that he and President Tompkins met with the Legislative Education Planning Committee (LEPC) earlier this month. They presented Foresight 2020 (A Strategic Agenda for the State's Public Higher Education System), which was well received by the LEPC.

REPORT FROM PRESIDENT AND CEO

President Tompkins reported that minor changes will be made to the office of the Kansas Board of Regents to create more work space. He also stated that the appeal of the Division of Budget's recommendations is next week.

STANDING COMMITTEE REPORTS

Academic Affairs

Regent Hedges presented the Academic Affairs Standing Committee report. The Committee reviewed nine performance agreements at its meeting.

APPROVAL OF CONSENT AGENDA

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

*Academic Affairs***ADDITIONAL DEGREE GRANTING AUTHORITY FOR CAPELLA UNIVERSITY**

Capella University received approval to offer a Master of Science in Studies in Human Behavior.

CERTIFICATE PROGRAM SUBMITTED BY HIGHLAND COMMUNITY COLLEGE

Highland Community College received approval to offer a Certificate B, with an Associate of Applied Science option, in Medical Coding (51.0713). The program will be conducted in an on-line format and existing facilities and equipment at Highland Community College will be utilized. The Carl D. Perkins program improvement grant will be used to implement the program. The on-going costs will be funded by tuition and other college resources.

CONSIDERATION OF DISCUSSION AGENDA*Academic Affairs***CORRECTIONS ALIGNMENT**

Blake Flanders, Vice President for Workforce Development, presented the proposed Corrections Program Alignment. Five community colleges offer a corrections program, which prepares individuals to serve as correctional officers. The Secretary of the Kansas Department of Corrections (KDOC), Roger Werholtz, stated that the KDOC has reviewed the curriculum and supports the alignment. Following discussion, Regent Hedges moved to approve the Corrections Program Alignment. Regent Downey-Schmidt seconded and the motion carried.

(Corrections Alignment Map filed with Official Minutes)

WELDING ALIGNMENT

Vice President Flanders presented the proposed Welding Program Alignment. Nineteen technical and community colleges offer a welding program. Following discussion, Regent Emert moved to approve the Welding Program Alignment. Regent Edwards seconded and the motion carried.

(Welding Alignment Map filed with Official Minutes)

Fiscal Affairs and Audit Report

Regent Downey-Schmidt presented the Fiscal Affairs and Audit Standing Committee report. The State Universities Campus Safety and Security Status Reports had been reviewed by members prior to the meeting and there was no discussion about the information contained in

those reports. The Committee discussed format and whether additional information needs to be covered in the reports. This topic will be sent to the Council of Business Officers for more discussion and recommendations will be sent back to the Committee. Additionally, the Committee discussed the requested legislative changes to the scholarship programs and the Federal US Department of Education Desk Audit on ARRA/SFSF.

Fiscal Affairs and Audit

REFUNDING BOND RESOLUTION – IF SAVINGS OF AT LEAST 3%, ADVANTAGEOUS RESTRUCTURING OF DEBT SERVICE REQUIREMENTS, OR ELIMINATION OF BURDENSOME COVENANTS CAN BE ACHIEVED – STATE UNIVERSITIES

Rebecca Floyd, Executive Vice President/General Counsel of the Kansas Development Finance Authority (KDFFA), presented a proposed Refunding Bond Resolution. The Resolution will authorize KDFFA to issue refunding revenue bonds for any of the state universities when the economic conditions are right (savings of at least 3% or more, advantageous restructuring of debt service requirements, or elimination of burdensome covenants can be achieved). Following discussion, the Board amended the Resolution to include the language that each series of proposed Refunding Bonds shall be presented to and approved by any two of the following Board Officers: the Chair, the Vice-Chair or the President and CEO prior to issuance. Additionally, the Board removed the language “and instructs” in Section 2 of the Resolution. Regent Emert moved to adopt the Resolution as amended. Following the second of Regent Boettcher, the motion carried.

(Amended Resolution filed with Official Minutes)

REFUNDING BOND RESOLUTION – STUDENT UNION AND ACKERT HALL – KSU

General Counsel Julene Miller introduced a Refunding Bond Resolution for Kansas State University. In 1998, the Kansas Development Finance Authority issued revenue bonds to pay a portion of the Student Union Renovation and Expansion Project and again in 2000 for the Ackert Hall Addition Project. Due to current economic conditions, an opportunity exists to achieve present value interest savings by refunding all or a portion of the bonds. Regent Boettcher moved to adopt the Resolution and 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)

BREAK

The Chairman called for a short break at 2:30 p.m. and resumed the meeting at 2:41 p.m.

Other MattersTIERED FUNDING DISTRIBUTION MODEL FOR TECHNICAL EDUCATION AND TIERED MODEL FOR FUNDING OF ALL OTHER ELIGIBLE CREDIT HOURS

Vice President Flanders presented the Postsecondary Technical Education Authority's (TEA) policy recommendations on the tiered funding distribution model for technical education. The recommendations are as followed:

1. Include postsecondary credit hours earned by secondary students in the cost model calculations.
2. Do not include the credit hours earned by non-residents at this time and charge staff with proposing a way in the future to align community and technical colleges' residency requirements for state funding and report recommendations to the Board in Fall 2011.
3. The State share of the calculated cost should be 80%, but not set in statute.
4. Local taxing authority should be recognized by deducting 30% from the State share, which at 80% would result in 50% State share for those institutions. This deduction would apply only to in-district student credit hours at the community colleges because community colleges have local taxing authority. If taxing authority is granted to technical colleges, they would be treated in the same manner.

Regent Boettcher moved to approve the recommendations and Regent Downey-Schmidt seconded. Following discussion regarding implementation and because the Board still needed to discuss the request by the community colleges to use the model for distribution of all eligible credit hours (not just technical education hours), Regent Boettcher withdrew his motion.

Diane Duffy, Vice President of Finance and Administration, presented the Kansas Association of Community College Trustees' request to repeal the community college operating grant formula, which is in statute, and consider adopting the model of a "tier 0" for general education credit hours. Vice President Duffy stated that by eliminating the community college operating grant statute and by not including a strict formula in statute but granting this authority to the Board, the Board will have more flexibility to make distribution decisions. Following discussion the Board made the following motions:

Regent Boettcher moved to adopt the TEA policy recommendations on the tiered funding model for technical education. Regent Downey-Schmidt seconded, and the motion carried.

Regent Emert moved to adopt the tier 0 concept for community colleges and include in the Board's legislative package a request to the Kansas legislature to repeal the statutory distribution formula related to the community college operating grant and to give the Board the authority to distribute those funds. Following the second of Regent Edwards, the motion carried.

Regent Emert moved to add 20% of the estimated total cost of the new tiered technical education funding formula (\$11.6 million) to the budget request to assist with the implementation and transition to the new tiered funding model. Regent Lykins seconded, and the motion carried.

PENDING SYSTEMWIDE LEGISLATIVE POLICY INITIATIVES

Kip Peterson, Director of Government Relations and Communications, presented the amendments to the two legislative items that were tabled at last month's Board meeting. The Vocational Educational Scholarship proposal was revised to retain the current merit-based aspect rather than changing it to a completely need-based program. The revised Kansas Distinguished Scholarship proposal changed the individual award amount to a dollar limit. Regent Downey-Schmidt moved to include these two items in the Board's 2011 legislative package. Following the second of Regent Lykins, the motion carried.

BOARD APPOINTMENTS TO THE KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

President Tompkins stated that last month the Board adopted a process for appointing members to the Kansas Postsecondary Technical Education Authority. In accordance with that process, the Board needs to appoint persons to represent the community colleges and the technical colleges. Regent Downey-Schmidt moved to reappoint Shelia Frahm as the community college representative and to appoint Steve Kearney as the technical college representative. The period of service will begin on January 1, 2011. Regent Emert seconded and the motion carried.

RECESS

Chairman Sherrer recessed the meeting at 3:55 p.m.

RECONVENE

Chairman Sherrer reconvened the meeting at 9:00 a.m. on Thursday, November 18.

MEMBERS PRESENT: Gary Sherrer, Chairman
Jerry Boettcher
Christine Downey-Schmidt
Mildred Edwards
Tim Emert
Dick Hedges

MEMBERS ABSENT: Ed McKechnie, Vice Chairman
Dan Lykins
Janie Perkins

AMEND AGENDA

Chairman Sherrer announced that the agenda would be amended to add "Receive Update on the School of Business at the University of Kansas." This item will be number 4 under the Fiscal Affairs and Audit Committee's Discussion Agenda.

REPORTS**REPORT FROM COUNCIL OF PRESIDENTS**

Chancellor Gray-Little presented the Council of President's report. COPs approved a Bachelor of Science in Interdisciplinary Computing (CIP 11.0101) for the University of Kansas and the request to organize the Preventive Medicine, Biostatistics and Health Policy and Management

Programs into a School of Public Health for the University of Kansas Medical Center. Both items will be forwarded to the Board for consideration. Additionally, COPs discussed salary increases for faculty and staff, sustainability reports, and the overlap in the Comprehensive Grant Program and the Kansas Commitment goal “Kan-Help.” Chancellor Gray-Little stated that there is little overlap between the two items.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Barbara Phipps thanked the Board for hosting breakfast for the Council of Faculty Senate Presidents earlier in the day. Ms. Phipps reported that the Council nominated two representatives to serve on the Transfer and Articulation Task Force and discussed the differences of the faculty governance structure on each university campus.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Michael Smith presented the Students' Advisory Committee report. Mr. Smith played the student testimonial videos from the campuses for the Board. These videos can be viewed on the Kansas Commitment website. Mr. Smith reported that the State Higher Education Day for students is tentatively set for February 8 and that the SAC received an update from Kansas Corps. Additionally, Mr. Smith reviewed the SAC's Kansas Commitment Student Advocacy Plan.

(Handout filed with Official Minutes)

APPROVAL OF CONSENT AGENDA

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

Fiscal Affairs and Audit

LEASE AND TRANSFER OF PROPERTY – KU

The University of Kansas entered into a lease with the KU Endowment Association for the purchase of a 67,250 GSF industrial building in the East Hills Business Park. The lease was paid in full at the end of Fiscal Year 2010 and the property is being transferred to the University.

SALE OF REAL PROPERTY – KU

The University of Kansas received authorization to sell the real property located at Lots 7, 8, and 9 in Block 13 in Lane's Second Addition to the City of Lawrence.

EXECUTION OF LEASE AGREEMENT – TRANSIT AUTHORITY KU

The University of Kansas received approval to enter into a ten (10) year lease with the City of Lawrence for the bus transit facility. The City will pay rent, which is contingent on the procurement of buses. The University and the City will share the utilities and other operational costs.

CONSIDERATION OF DISCUSSION AGENDA*Academic Affairs***EXTENSION PROGRAM IN KC METRO AREA – ESU**

Gary Alexander, Vice President of Academic Affairs, presented Emporia State University's (ESU) request to offer a Bachelor of Science in Education with an elementary education major in the Kansas City metropolitan area. The program is a partnership between ESU and Johnson County Community College (JCCC). Students will be able to take education course work taught by ESU faculty on the JCCC campus. Following discussion, Regent Downey-Schmidt moved to approve. Regent Hedges seconded and the motion carried.

MASTER OF ARTS AND PH.D IN WOMEN, GENDER AND SEXUALITY STUDIES (CIP 05.0207) – KU

Vice President Alexander reported that the University of Kansas requested approval for a Master of Arts and Ph.D in Women, Gender and Sexuality Studies (CIP 05.0207). The program will use existing facilities and equipment. Financing will be within the College of Liberal Arts and Sciences and no new funding is required. Following discussion, Regent Emert moved to approve. Regent Edwards seconded and the motion carried.

*Fiscal Affairs and Audit***HOUSING AND FOOD SERVICE RATE ADJUSTMENTS SUBMITTED BY STATE UNIVERSITIES (FIRST READING)**

Proposed rates for housing and food service for FY 2012 were introduced by Vice President Duffy. Discussion followed on the fund balances. Board staff will work with the Council of Business Officers to provide additional information in response to Regent Sherrer's request regarding the fund balances. The Board will act on the proposed rate adjustments at its December meeting.

KU REPORT ON TUITION AND FEE WAIVER PROGRAM (JAYHAWK GENERATIONS SCHOLARSHIP PROGRAM) AND REQUEST TO MAKE THE PILOT PROGRAM PERMANENT

Chancellor Gray-Little presented the Jayhawk Generations Scholarship Program report. Since the start of the pilot program in the Fall of 2009, applications have increased. Currently 123 students are receiving the scholarships waivers. Chancellor Gray-Little stated that compared to other nonresident scholarships, the Jayhawk Scholarship yields a higher student enrollment and retention rate. The scholarship waiver has also increased the academic standing of students. Chancellor Gray-Little requested to make the pilot program permanent and asked for the University of Kansas to have authority to set waiver amounts on an annual basis and those amounts for academic year 2011-2012 are as shown on the attached handout. The goal is for the program to be revenue neutral or better. Nonresident tuition would not go below 150% of the resident rate and would be at least 100% of the cost of the education. Following discussion, Regent Emert moved to approve making the program permanent and giving KU the authority to set waiver amounts. Regent Boettcher seconded and the motion carried.

(Handout filed with Official Minutes)

AMEND STUDENT HEALTH INSURANCE PROGRAM REGULATION TO EXTEND THE EMPLOYER PREMIUM CONTRIBUTION TO GRADUATE ASSISTANTS AND TO FURTHER CLARIFY STUDENT EMPLOYEE COVERAGE

General Counsel Julene Miller presented the proposed regulation amendments to the Student Health Insurance Program (K.A.R. 88-30-1). The proposed amendments include the following: 1) extending the employer's contribution to the student-only cost of health insurance to eligible Graduate Assistants, and 2) allowing an otherwise qualified student employee whose official work station is on the main campus, but who is enrolled only in on-line courses, to be eligible for the university employer contribution. Regent Boettcher moved to adopt the changes and asked staff to move forward with the regulation process. Regent Edwards seconded and the motion carried.

UPDATE ON THE BUSINESS SCHOOL USE OF DIFFERENTIAL TUITION – KU

Chancellor Gray-Little and Provost Jeffrey Vitter presented an update on the University of Kansas Business School's differential tuition expenditures. The Chancellor stated that after a group of students questioned some of the expenditures, the University had an external review conducted by BKD, LLP. The BKD report found that 99.8 percent of the school's differential tuition funds were spent in accordance with the DT (Differential Tuition) Proposal. Additionally, BKD reported that there could be differences of opinions on whether or not the remaining .2 percent conflicted with the expenditure guidelines.

Provost Vitter stated that the School of Business has re-established the Student Differential Tuition Advisory Committee. This committee is responsible for ensuring that the Business School is accountable for the use of differential tuition funds. Provost Vitter also stated that since differential tuition was adopted, the School of Business has expanded curriculum and programs.

BREAK

The Chairman called for a short break at 10:35 a.m. and resumed the meeting at 10:46 a.m.

Other Matters

STATE UNIVERSITY SUSTAINABILITY REPORTS

The following are the sustainability reports from the universities:

Emporia State University

Emporia State University's Sustainability Report was presented by President Lane. President Lane stated that the actions the University took last year by moving the thermostats up, improving facilities, and closing the University on Fridays in the summer resulting in a combined savings of \$175,000. ESU will continue to work on improving facilities and its recycling efforts. President Lane also reported that the Sustainability Committee is working on a sustainability curriculum.

Fort Hays State University

President Hammond presented the Fort Hays State University's Sustainability Report. FHSU has a three part commitment to sustainability: 1) Administration and Finance, 2) Student Affairs, and 3) Academic Affairs. One project that Administration and Finance is working on is the Build Wind Project, which includes the construction of two wind turbines on campus. The Sustainability Committee in Residential Life in the Student Affairs division is seeking ways to promote recycling, and the Academic Affairs division received an Energy NET grant for sustainability.

Kansas State University

President Schulz reported that Kansas State University will incorporate sustainability into its 2025 strategic plan. K-State held its statewide sustainability conference earlier in the year. The theme of the conference was the development of a statewide higher education sustainability network. Additionally, K-State created a new Gameday Recycling program.

Pittsburg State University

President Scott reported that Pittsburg State University updated its Strategic Plan to include sustainability. PSU is a participant in the Association for the Advancement of Sustainability in Higher Education's Sustainability Tracking Assessment and Rating System (STARS). PSU's Sustainability Committee will be creating a sustainability plan and begin gathering data for STARS.

University of Kansas

Chancellor Gray-Little presented the Sustainability Report for the University of Kansas. The Chancellor stated that sustainability is being incorporated into classes and research on campus. Outside the classroom, student housing has conducted a sustainability challenge, which has saved 97,810 gallons of water and 8,940 kilowatts of electricity.

Wichita State University

President Beggs presented the Sustainability Report for Wichita State University. WSU has updated its recycling operations in Rhatigan Student Center and installed a geothermal heating system in Brennan residence hall. President Beggs stated that 52 courses in four Colleges have a sustainability focus and that the College of Engineering is holding a sustainability summer camp for high school students.

Regent Sherrer directed President Tompkins to have the Board office report on its sustainability efforts.

PRESIDENTIAL EVALUATION SUBCOMMITTEE

Regent Sherrer announced that the presidential evaluation subcommittee members are Regent Edwards, Regent Sherrer, Deb Teeter from the University of Kansas, and Julene Miller. The committee will work with a consultant on the multi-rater feedback process.

EXECUTIVE SESSION

At 11:45 a.m., Regent Downey-Schmidt moved, followed by the second of Regent Emert, that the Board of Regents recess into executive session for 45 minutes to discuss personnel matters of

non-elected personnel. Participating in the executive session were members of the Board and President Tompkins. At 12:30 p.m., the meeting returned to open session. Regent Hedges moved, followed by the second of Regent Emert, to extend the executive session for an additional 15 minutes. Open meeting resumed at 12:45 p.m.

ADJOURNMENT

Chairman Sherrer adjourned the meeting at 12:46 p.m.

Andy Tompkins, President and CEO

Gary Sherrer, Chair