

KANSAS BOARD OF REGENTS

MINUTES

January 19-20, 2011

The January 19, 2011, 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
Mildred Edwards
Tim Emert
Dick Hedges
Dan Lykins
Janie Perkins

MEMBERS ABSENT: Ed McKechnie, Vice Chairman
Christine Downey-Schmidt

APPROVAL OF MINUTES

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

INTRODUCTIONS

President Hammond introduced Greg Panichello as the new Director of the Kansas Small Business Development Center Network, which is located at Fort Hays State University. President Hammond also thanked outgoing Director Wally Kearns for his years of service.

GENERAL REPORTS

REPORT FROM CHAIR

Chairman Sherrer reported that members of the Board attended the Governor's State of the State address and staff will report on the Governor's budget recommendations later in the agenda. Regent Sherrer stated the Board will keep advocating for the Kansas Commitment. Additionally, Regent Sherrer recently visited Emporia State University's campus. He really enjoyed interacting with the students and speaking to different leadership classes on campus.

REPORT FROM PRESIDENT AND CEO

President Tompkins reported that he met with the community college presidents earlier in the day and discussed issues that are important to the presidents including the recent campus visits by the Board members.

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

Chancellor Gray-Little presented the System Council of Presidents report. The Council discussed the Net-Price Calculator (NPC), which is a tool all universities and colleges are required to offer to comply with the 2008 Higher Education Opportunity Act (HEOA). The NPC is a web based tool that will help prospective students estimate the cost of attending a specific university or college. The Council recommended that each institution or clusters of institutions (universities/community colleges/technical colleges) be allowed to design a NPC that fits their needs, but also complies with the HEOA requirements. The NPC must be made available to the public by March 18 for state universities and October 29, 2011 for other institutions.

STANDING COMMITTEE REPORTS**Academic Affairs**

Regent Hedges reported the Academic Affairs Standing Committee will review the Midwest Student Exchange Program at its next meeting. The Committee will look at the enrollment caps and programs offered.

Fiscal Affairs and Audit

The Fiscal Affairs and Audit Standing Committee report was presented by Regent Boettcher. The Committee spoke with internal auditors from the University of Kansas and Kansas State University about general audit standards and current audit plans. The Committee also reviewed the Board's audit and conflict of interest reporting requirements.

CONSIDERATION OF DISCUSSION AGENDA**Fiscal Affairs and Audit****GOVERNOR'S BUDGET RECOMMENDATIONS**

Diane Duffy, Vice President for Finance and Administration, presented a summary of the Governor's budget recommendations. The Governor recommended no reduction in the Board's State General Fund (SGF) budget for FY 2011, and for FY 2012, he recommended a \$5 million net SGF reduction for the Board of Regents' budget and the state universities' budget. Vice President Duffy highlighted some of the other budgetary recommendations and reviewed the Governor's research expansion initiatives for the University of Kansas, Kansas State University, and Wichita State University.

(Handout filed with Official Minutes)

ALLOCATION OF THE CY 2011 TAX CREDIT PROGRAM FOR STATE UNIVERSITIES AND WASHBURN UNIVERSITY

Vice President Duffy presented the proposed allocation of the calendar year 2011 Tax Credit Program for the state universities and Washburn University. The tax credit allocations are made using the "adjusted square footage" formula, which takes into consideration the square footage, age, and complexity of the buildings and infrastructure. Regent Boettcher moved to approve the allocations. Following the second of Regent Emert, the motion carried. The following allocations were authorized:

<i>University of Kansas</i>	\$ 4,108,177
<i>University of Kansas – Medical Center</i>	1,569,255
<i>Kansas State University</i>	4,331,681
<i>Wichita State University</i>	1,477,011
<i>Emporia State University</i>	865,281
<i>Pittsburg State University</i>	989,093
<i>Fort Hays State University</i>	989,922
<i>Washburn University</i>	669,580
<i>TOTAL</i>	<u>\$15,000,000</u>

UPDATE ON NEW TIERED FUNDING DISTRIBUTION MODEL

Vice President Duffy stated last month the Board received an update on the issues regarding the implementation of the new funding distribution model. Since then, Board staff and the community and technical college presidents have continued to discuss implementation issues related to future distribution of the two proposed funds, one for tiered technical credit hours and the other for all other credit hours. Based on this dialogue, the following recommendations were made:

- 1) For FY 2012, if funding for tiered technical credit hours (tiers 1-6) and all other credit hours is flat, the distribution to each college would be the same as the FY 2011 base state funding. This is a “forward-looking approach intended to set the current base “as is” and move forward with any new funding flowing through the new formula. However, beginning in FY 2014, a three-year rolling average of each college’s enrollments would be calculated and the college’s FY 2011 base funding would be re-centered; and re-centered every year thereafter using the three-year rolling average enrollment.
- 2) Any new money appropriated for FY 2012 above the FY 2011 base would be distributed based on an institution’s calculated gaps (technical and non-technical) based on the Board’s cost model.
- 3) If the state appropriation for tiered technical credit hours (tier 1-6) and all other credit hours in FY 2012 is less than FY 2011, the reduction would be distributed on a pro rata basis to each of the 26 eligible institutions. If in FY 2013 there is a funding increase, the FY 2012 funding cut would be restored to each college’s FY 2011 base level and the remaining new funds would be distributed through the formula.
- 4) The current community college operating grant formula, which is in statute, would be repealed and replaced with statutory language that authorizes the Board, in dialogue with the college presidents, to determine the method of distributing these funds.

Following discussion Regent Hedges moved to approve the recommendations. Regents Perkins seconded and the motion carried.

AMEND AGENDA

Regent Sherrer announced the Board’s dinner time will be moved from 6:00 p.m. to 5:00 p.m.

BREAK

The Chairman called for a short break at 2:35 p.m. and resumed the meeting at 2:45 p.m.

Other MattersREPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Blake Flanders, Vice President of Workforce Development, reported the Postsecondary Technical Education Authority held its last meeting at Cloud County Community College (CCCC). The TEA discussed the Registered Nurse alignment process and heard from leaders in the wind energy industry. Additionally, the TEA toured the Wind Energy Technology program and met with faculty at the college. Vice President Flanders thanked Dr. Danette Toone and the staff at CCCC for hosting the TEA meeting.

REPORT ON SYSTEM ENROLLMENTS

Dawn Ressel, Associate Vice President of Accountability, Planning, and Institutional Effectiveness, presented the systems' enrollment report to the Board. The report showed the differences between preliminary enrollments, fall census day collections, and academic year enrollments. Preliminary enrollment data is an estimated headcount which occurs on the 20th class day that only has information on resident and non-resident. The census day collections, which occurs in the fall, is data that can be broken down by headcount, full time equivalent, gender, and ethnicity. The academic year collection includes the summer, fall, and spring semesters. Since this data is reported after the close of the year, it gives a total enrollment picture. This data can also be broken down by headcount, ethnicity, average student age, and residency. Associate Vice President Ressel also reported on the population and characteristics of entering students and the trends of public, private, and independent colleges and universities.

(PowerPoint filed with Official Minutes)

UPDATE ON KAN-ED

Brad Williams, Executive Director of Kan-ed, reported nearly 500 Kansas hospitals, libraries, higher education institutions, and K-12 schools are connected to the Kan-ed network. This statewide network provides high-speed internet access, private network access, and video conferencing to its users. The Kan-ed program also provides technology equipment grants and connectivity grant assistance for access to the Kan-ed network and the commercial internet. Executive Director Williams also highlighted the Kan-ed Live Tutor service, which allows members to have live one-on-one tutoring sessions.

(PowerPoint filed with Official Minutes)

UPDATE ON MIDWESTERN HIGHER EDUCATION COMPACT (MHEC)

Lana Oleen, Interim President of the Midwestern Higher Education Compact (MHEC), gave an update on MHEC, which is an interstate compact of 12 Midwest states that is devoted to advancing higher education. It was created in 1991, and its goals are to reduce costs, encourage student access, and provide policymakers with research and analysis of important postsecondary policy issues. Interim President Oleen also stated Kansas was the first member to join the compact and highlighted some of the benefits Kansas has received by participating in it.

(Handout filed with Official Minutes)

EXECUTIVE SESSION

At 4:20 p.m., Regent Emert moved, followed by the second of Regent Edwards, that the Board of Regents recess into executive session for 20 minutes to discuss personnel matters of non-elected personnel. Participating in the executive session were members of the Board and President Tompkins. At 4:40 p.m., the meeting returned to open session.

RECESS

Chairman Sherrer recessed the meeting at 4:40 p.m.

RECONVENE

Chairman Sherrer reconvened the meeting at 8:30 a.m. on Thursday, January 20.

MEMBERS PRESENT: Gary Sherrer, Chairman
Jerry Boettcher
Mildred Edwards
Tim Emert
Dick Hedges
Dan Lykins
Janie Perkins

MEMBERS ABSENT: Ed McKechnie, Vice Chairman
Christine Downey-Schmidt

REPORTS

REPORT FROM COUNCIL OF PRESIDENTS

The Council of Presidents (COPs) report was presented by Chancellor Gray-Little. The Council received reports from the Council of Business Officers (COBO) and the Council of Chief Academic Officers (COCAO). COBO reported on the Educational Building Fund, which currently funds repair projects and property insurance. COBO recommends the fund be used for rehabilitation and repair projects only and that the state universities pay for the property insurance out of their operating budgets. COBO also reported on its preliminary discussion related to the employee health insurance program and the substantial rate increase. COBO will continue to pursue strategies to address this significant cost driver, including recommending the Regents get a “seat at the table” so that the system can more actively engage with the Commission on the Employee Health Care Plan. COCAO reported on the Midwest Student Exchange Program, which will be reviewed by the Board Academic Affairs Standing Committee. Additionally, COPs discussed faculty salaries and the loss of high profile faculty on each campus.

Regent Emert moved to authorize staff to ask for an appropriation change to take the insurance language out of the Educational Building Fund. Regent Edwards seconded and the motion carried.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Barbara Phipps presented the Council of Faculty Senate Presidents report. The Council met with the Council of Chief Academic Officers and Gary Alexander, Vice President of Academic Affairs, to discuss the draft transfer and articulation document. The Council will review the document and provide feedback to Board staff.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Jonathan Rivers presented the Students' Advisory Committee report. Mr. Rivers reported SAC discussed what message the students want to present at the State Higher Education Day, which is February 8. Mr. Rivers also reported members of the SAC will participate in after school service projects.

REPORT FROM CLASSIFIED AND SUPPORT STAFF COUNCIL

Due to the weather, Becki Bohnenblust was unable to attend the Board meeting. However, she did provide a written report to the Board, which is attached to the official minutes.

REPORT FROM UNCLASSIFIED STAFF COUNCIL

The Unclassified Staff Council report was presented by Phillip Wilke. Mr. Wilke thanked the Board and Dr. Tompkins for supporting the formation of the Unclassified Staff Council. Currently, the Council is contacting each campus to determine the number colleagues they will be representing. Mr. Wilke stated that the first full-scale meeting of the Council will be held this summer.

APPROVAL OF CONSENT AGENDA

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

Academic Affairs

BACHELOR OF SCIENCE IN EXERCISE SCIENCE

Pittsburg State University received approval to offer a Bachelor of Science in Exercise Science (CIP 31.0505). This program will not impact PSU's current budget.

Fiscal Affairs and Audit

LIBRARY ANNEX EXPANSION PROJECT – KU

The University of Kansas received authorization to construct a 9,600 square foot expansion to the Library Annex on the West Campus of the Lawrence campus. The expansion will allow an additional 1.6 million volumes of research materials to be housed. The estimated project cost is \$4 million, which will be funded with

funds on deposit at the University of Kansas Center for Research, Inc. The maintenance for the addition will be funded by general university operating funds.

FY 2011 CAPITAL IMPROVEMENT PLAN – KSU

Kansas State University received approval to amend its FY 2011 Capital Improvement Plan to include the project to update the John C. Pair Center in Wichita. The project cost is \$550,000, which will be funded by private and research and extension funds.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

ANNUAL REPORT ON QUALIFIED ADMISSIONS

Gary Alexander, Vice President of Academic Affairs, presented the annual report on qualified admissions, which will be submitted to the Legislature. The report included data from the 2009-2010 academic year for the following three categories of student admissions: 1) the number and percentage of freshman class admitted as exceptions; 2) the number and percentage of resident transfer students admitted as exceptions; and 3) the number and percentage of non-resident transfer students admitted as exceptions. Vice President Alexander stated the exceptions to the minimum admissions standards are established in statute. He also noted the regulation process for changing the admission standards, which were adopted by Board at its December meeting, has begun.

Fiscal Affairs and Audit

REPORT ON INVENTORY OF PHYSICAL FACILITIES AND SPACE UTILIZATION – FALL 2010

Eric King, Director of Facilities, presented the report on Inventory of Physical Facilities and Space Utilization for Fall 2010. Mr. King reported on the number, age, and condition of buildings on the state university campuses. He stated 75% of the buildings are more than 30-years old. Mr. King also reported on the utilization of space for classrooms and laboratories.

(Report filed with Official Minutes)

REPORT ON STATE UNIVERSITY DEFERRED AND ANNUAL MAINTENANCE – FALL 2010

The report on State University Deferred and Annual Maintenance for Fall 2010 was presented by Eric King. Mr. King stated facilities condition audits were conducted this past summer, and the current estimate of the deferred maintenance backlog is \$876 million, which has increased by approximately 6% from the Fall 2008 estimate of \$825 million. Mr. King noted that to prevent further backlog and to adequately maintain the buildings on the university campuses, it would cost \$92 million each year.

(Report filed with Official Minutes)

Other Matters

UPDATE ON NATIONAL CANCER INSTITUTE DESIGNATION

Dr. Roy Jensen was unable to attend the Board meeting due to the weather. The Board will receive an update on the National Cancer Institute Designation at a future meeting.

ADJOURNMENT

Chairman Sherrer adjourned the meeting at 9:57 a.m.

Andy Tompkins, President and CEO

Gary Sherrer, Chair