

KANSAS BOARD OF REGENTS

MINUTES

February 16-17, 2011

The February 16, 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
Ed McKechnie, Vice Chairman
Jerry Boettcher
Christine Downey-Schmidt
Mildred Edwards
Tim Emert
Dick Hedges
Dan Lykins
Janie Perkins

APPROVAL OF MINUTES

Regent Perkins moved that the minutes of the January 19-20, 2011 meeting be approved. Following the second of Regent Edwards, the motion carried.

INTRODUCTIONS

President Hammond introduced Professor Richard Packauskas and Ryan Shofner, a senior at Fort Hays State University. Mr. Shofner recently discovered a new insect species and named it forthaysi.

GENERAL REPORTS

REPORT FROM CHAIR

Regent Sherrer reported he had dinner with the Fort Hays State University students who attended the Higher Education Day at the Statehouse, and this morning he had breakfast with the Citizens for Higher Education. He stated he enjoyed speaking with both groups. Regent Sherrer also reminded everyone the Capitol Graduate Research Summit will be held tomorrow, February 17, 2011.

REPORT FROM PRESIDENT AND CEO

President Tompkins stated the report on the Economic Impact Study, which is on Thursday's agenda, will need to be moved to the March Board meeting. He also announced the Transfer and Articulation Task Force will meet at 12:30 p.m. on Thursday, February 17, 2011.

REPORT FROM COUNCIL OF PRESIDENTS

Chancellor Gray-Little presented the Council of Presidents' report. The Council received a report from the Council of Business Officers (COBO) on the State health insurance plan and stated a letter will be sent to the Kansas Health Policy Authority asking for claims data. The data will help evaluate the costs and benefits of creating an insurance plan for the state universities. COBO also reported on the Educational Building Fund and recommends for FY 2013 (the next budget request cycle) requesting all the funds in the EBF for the rehabilitation and repair allocation to the campuses.

Chancellor Gray-Little reported the Council approved the creation of a Council of Research Officers. This group will report directly to the Council of Presidents. The Council also approved Kansas State University's Professional Master of Technology program (CIP 15.9999). This program will be forwarded to the Board for consideration in March. The proposal to move EPSCoR to the Board Office and transfer and articulation issues were also discussed.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Barbara Phipps presented the Council of Faculty Senate Presidents' report. The Council discussed transfer and articulation. The members have concerns regarding the fairness of the transfer process and maintaining the quality of programs. However, the Council does support the centralized web portal to increase transparency of transferability of courses. The Council is also supportive of additional studies to isolate the real problems. The Council will share their ideas with the Transfer and Articulation Task Force.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Michael Smith, Chair of the Students' Advisory Committee, reported Higher Education Day at the Statehouse was last week. Fifty students attended and every state university campus was represented. The message conveyed by the students was higher education equals economic development. Further, Mr. Smith reported the SAC will be speaking with local businesses about the value of higher education and asking them to support higher education by placing a poster in their windows. Mr. Smith also stated the students at the University of Kansas will participate in community service projects on March 31, 2011.

REPORT FROM CLASSIFIED AND SUPPORT STAFF COUNCIL

Becki Bohnenblust presented the Classified and Support Staff Council (CSSC) report. The CSSC participated in the annual Day on the Hill event held at the Statehouse. Members spoke with Legislators about funding the undermarket salary adjustments, longevity bonuses, and the existing KPERs retirement system. Ms. Bohnenblust also reported the CSSC is discussing a future proposal to bring to the Board of Regents regarding a health care bridge for classified and support staff interested in retiring, but who choose to remain employed due to the cost of health insurance premiums.

AMEND AGENDA

Regent Sherrer amended the agenda to move the State Budget Director's report up, before the Standing Committee Reports.

CONSIDERATION OF DISCUSSION AGENDA*Other Matters***STATE BUDGET DIRECTOR**

State Budget Director, Steve Anderson, spoke with the Board about the state budget and revenue and expenditure projections. He also noted the three major challenges the State must address are funding for K-12 schools, the KPERS system, and Medicaid.

(PowerPoint filed with Official Minutes)

BREAK

Regent Sherrer called for a short break at 2:43 p.m. and resumed the meeting at 2:50 p.m.

STANDING COMMITTEE REPORTS*Fiscal Affairs and Audit*

Regent Boettcher presented the Boards' Fiscal Affairs and Audit Standing Committee report. The Committee spoke with internal auditors from Emporia State University, Fort Hays State University, and Pittsburg State University about general audit standards and current audit plans. The Committee plans to meet with Wichita State University's internal auditor at next month's meeting.

APPROVAL OF CONSENT AGENDA

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

*Fiscal Affairs and Audit***LEASE AGREEMENT BETWEEN THE UNIVERSITY OF KANSAS AND THE KANSAS UNIVERSITY ENDOWMENT ASSOCIATION – KU**

The University of Kansas received authorization to enter into a lease agreement with the Kansas University Endowment Association for office space at 4125 Rainbow Boulevard in Kansas City, Kansas. The University will use the space to house researchers. The annual lease payment will be \$204,000, which will be funded with unrestricted private funds.

LEASE AGREEMENT BETWEEN THE UNIVERSITY OF KANSAS AND THE KUMC RESEARCH INSTITUTE – KU

The University of Kansas received authorization to execute a lease agreement with the KUMC Research Institute for the renovated Breidenthal Hall on the Medical Center campus. The lease covers 26,394 square feet of office and lab space and requires the building to be used as an incubator facility for 15-years. The KUMC Research Institute is responsible for the operating costs.

GROUND LEASE AND LEASE-PURCHASE AGREEMENT BETWEEN
KANSAS STATE UNIVERSITY AND THE KSU FOUNDATION – KSU

Kansas State University received authorization to enter into a ground lease and lease-purchase agreement with the KSU Foundation to relocate the Grain Science Center Feed Mill, which is currently located on the NBAF site. K-State will lease 1.75 acres in the grain science complex on Kimball Avenue to the KSU Foundation, and the Foundation will build a feed mill using private financing. K-State will also enter a lease-purchase with the Foundation. The ground lease will terminate and the property will be transferred to K-State once the principal and interest are retired. Private funds and Kansas Bioscience Authority funds will be used to retire the obligation early.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

CHANGE ACADEMIC CALENDAR – FHSU

Gary Alexander, Vice President of Academic Affairs, introduced Fort Hays State University's request to change its academic calendar for spring 2012 and spring 2013. The total instructional and examination days will remain consistent with Board policy. Regent Hedges moved to approve. Following a second by Regent Edwards, the motion carried. The following changes were made:

Fort Hays State University		
	Move From	To
Spring 2012		
Classes Begin	Wednesday, January 11, 2012	<i>Tuesday, January 17, 2012</i>
Total Instructional Days	77	<i>74</i>
Spring 2013		
Classes Begin	Wednesday, January 16, 2013	<i>Tuesday, January 22, 2013</i>
Total Instructional Days	77	<i>74</i>

CONTINUANCE OF REGENTS' DISTINGUISHED PROFESSOR – KU

Vice President Alexander presented the request to continue Dr. Blake Peterson's Regents' Distinguished Professorship at the University of Kansas. Dr. Peterson's work contributes to the ongoing innovations in cancer vaccines and design of therapies for neurodegenerative disorders. The Board's Academic Affairs Standing Committee serves as the oversight subcommittee for this program and recommends continuing Dr. Peterson's Distinguished Professor designation. Regent Emert moved, followed by the second of Regent Downey-Schmidt, to continue Dr. Peterson's Distinguished Professorship. The motion carried.

Fiscal Affairs and AuditBOND RESOLUTION – GSP RENOVATION – KU

General Counsel Julene Miller introduced a proposed Bond Resolution for the University of Kansas. The Bonds will be used to finance the costs of renovating Gertrude Sellards Pearson residence hall on the KU Lawrence campus. The amount of the Bonds is not to exceed \$13,075,000 plus costs and reserves. The University of Kansas will use Housing system revenues to fund the bonds and to operate and maintain the buildings. 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)

BOND RESOLUTION – ENERGY CONSERVATION PROJECTS – PSU

General Counsel Miller introduced Pittsburg State University's request to proceed with an energy performance contract with Energy Solutions Professionals and to proceed with issuing bonds to finance energy conservation projects at an estimated cost of \$4.7 million plus costs and reserves. Energy Solutions Professionals guarantee the actual amount of energy savings attributable to the implementation of the agreed to energy conservation measures and the University will repay the bonds with the energy savings. Regent Hedges moved to proceed with the contract and 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 Perkins, the motion carried.

(Resolution filed with Official Minutes)

Other MattersAMENDMENTS TO STUDENT HEALTH INSURANCE PROGRAM REGULATION

General Counsel Miller presented the proposed amendments to the Student Health Insurance Program regulation (K.A.R. 88-30-1). The amendments include extending the employer premium contribution to graduate assistants and extending coverage to on-campus student employees enrolled solely in on-line courses. Regent Emert moved to adopt the amendments and Regent McKechnie seconded. On a roll call vote, the following Regents voted affirmatively to adopt the motion: Regent Sherrer, Chair; Regent McKechnie, Vice Chair; Regent Boettcher; Regent Downey-Schmidt; Regent Edwards; Regent Emert; Regent Hedges; Regent Lykins; and Regent Perkins. The motion carried.

(Regulation filed with Official Minutes)

General Counsel Miller also presented a proposed policy amendment to correspond with the regulation. Regent Edwards moved to adopt the amendment. Following the second of Regent Perkins, the motion carried. The following policy was adopted:

18. HEALTH PROGRAM AND INSURANCE (9-20-07)

- a. The state of Kansas provides group health, life and long-term disability insurance to eligible classified and unclassified employees.
- b. Pursuant to K.S.A. 2006 Supp. 75-4101, and amendments thereto, the Board has entered a contract and adopted administrative rules and regulations, K.A.R., 88-30-1 *et seq.*, for the provision of a voluntary student health insurance program. Eligible graduate teaching assistants, ~~and~~ graduate research assistants, and graduate assistants may choose to participate in this health insurance program.

UPDATE ON JOHNSON COUNTY EDUCATION RESEARCH TRIANGLE AUTHORITY (JCERTA)

An update on the Johnson County Education Research Triangle Authority (JCERTA) was presented by Chairman Ed Eilert, the Board's appointee. Chairman Eilert stated the Johnson County Education Research Triangle Authority was created when Johnson County residents voted to impose a one-eighth cent sales tax to support research and academic programs at the KU Edwards campus, the medical education and life sciences and cancer research programs at the KUMC in Johnson County, and a new KSU location in Olathe. The Authority (a seven member board) oversees the collection and distribution of the sales tax. Some of the projects the sales tax has impacted include K-State's International Animal Health and Food Safety Institute; the KU Edwards Campus' Business Engineering, Science and Technology Building; and a new Clinical Research Center for KUMC in Fairway, Kansas. Chairman Eilert reviewed the money flow process and stated the Authority is working on a website so people can view the progress of the Authority.

UPDATE ON NATIONAL CANCER INSTITUTE DESIGNATION

Chancellor Gray-Little introduced Dr. Roy Jensen, Director of the KU Cancer Center. Dr. Jensen updated the Board on the progress of the National Cancer Institute designation. He stated that with the assistance of the Kansas Bioscience Authority, 170,000 square feet of new research space is coming on-line, which has been significant for recruiting. Most of the major leadership positions and a number of key research positions have been filled. Dr. Jensen also stated opening the Clinical Trials Research Center in Fairway, Kansas is critical for achieving NCI designations. Additionally, Dr. Jensen reviewed the funding from both public and private sources.

RECESS

Chairman Sherrer recessed the meeting at 3:49 p.m.

RECONVENE

Chairman Sherrer reconvened the meeting at 8:30 a.m. on Thursday, February 17.

MEMBERS PRESENT:

Gary Sherrer, Chairman
Ed McKechnie, Vice Chairman
Jerry Boettcher
Christine Downey-Schmidt
Mildred Edwards

Tim Emert
Dick Hedges
Dan Lykins
Janie Perkins

INTRODUCTIONS

Regent Sherrer recognized Kansas City Kansas Community College President Tom Burke, who plans to retire this summer. Chancellor Gray-Little introduced KU's new Athletic Director, Sheahon Zenger.

CONSIDERATION OF DISCUSSION AGENDA

Academic Affairs

DEGREE GRANTING AUTHORITY FOR COLORADO TECHNICAL UNIVERSITY

Vice President Alexander introduced Colorado Technical University's request for degree granting authority for the following Associate of Applied Science Degrees: 1) Accounting, 2) Business Management, 3) General Studies, 4) Medical Assisting, 5) Radiologic Technology, and 6) Surgical Technology. Colorado Technical University will market these degrees to Kansas residents. Following discussion, Regent Perkins moved to approve. Regent Hedges seconded and the motion carried.

AMEND THE MIDWEST STUDENT EXCHANGE PROGRAM POLICY

Vice President Alexander presented a proposed amendment to the Midwest Student Exchange Program (MSEP) Policy. The proposed policy would eliminate restrictive criteria for program participation and eliminate enrollment caps stipulated in existing policy. Following discussion, the Regents requested more information on what programs incoming and outgoing students are taking through MSEP. Regent Lykins moved to table the proposed amendment until the March meeting. Regent Edwards seconded and the motion carried.

APPROVE THE ASSOCIATE DEGREE NURSING PROGRAM ALIGNMENT

Blake Flanders, Vice President of Workforce Development, presented the proposed Associate Degree Nursing Program Alignment. Eighteen technical and community colleges offer an Associate Degree Nursing program and the Kansas State Board of Nursing, which regulates the practice of nursing in the state, supports the proposed alignment. Regent Perkins moved to approve the alignment, and Regent Lykins seconded. The motion carried.

(Nursing Program Alignment Map filed with Official Minutes)

Other Matters

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Vice President Flanders introduced the vice chair of the Technical Education Authority, Kathy Howell. Vice Chair Howell spoke about the critical role community colleges play in educating nurses and the importance of continuing nursing education to the university level. Additionally,

Vice Chair Howell thanked Cloud County Community College (CCCC) for hosting the last TEA meeting and noted CCCC is committed to going green with the use of wind turbines and a geothermal system. Finally, Vice Chair Howell expressed appreciation for the Board's support of the new tiered technical education funding distribution proposal and the request for \$11.6 million to begin its implementation.

AMENDMENTS TO PRIVATE AND OUT-OF-STATE POSTSECONDARY EDUCATION REGULATION ON MINIMUM REQUIREMENTS FOR BACCALAUREATE DEGREE

Theresa Schwartz, Associate General Counsel, presented the proposed amendments to the Private and Out-of-State Postsecondary Education regulation (K.A.R. 88-28-1). The proposed amendment redefines a "Bachelor's degree" and "baccalaureate" to include a requirement of 120 semester credit hours rather than 124. Regent Hedges moved, and Regent Edwards seconded, that the amendment be approved. On a roll call vote, the following Regents voted affirmatively to adopt the motion: Regent Sherrer, Chair; Regent Boettcher; Regent Downey-Schmidt; Regent Edwards; Regent Emert; Regent Hedges; Regent Lykins; and Regent Perkins. Regent McKechnie, Vice Chair, was absent and did not vote. The motion carried.

(Regulation filed with Official Minutes)

AMEND AGENDA

Regent Sherrer amended the agenda, tabling item 4 (Receive Report on Economic Impact Study) until the March meeting.

LEGISLATIVE UPDATE

A status report on the Board of Regents legislative initiatives was provided by Kip Peterson, Director of Government Relations and Communications. Those initiatives include: SB 8 – State University Information Technology Threshold; SB 13 – Technical Education Statutory Clean-Up; SB 28 – State Universities, JCERTA Earned Interest Retention; SB 41 – Private and Out-of-State Postsecondary Fees; SB 143 – Tiered Technical Education Funding Approach; HB 2011 – Reinstate Community College Tax Credits; HB 2020 – State Universities, Housing Suspense Fund; and HB 2021 – Kan-ed, Expand Membership and Statutory Clean-Up. Other higher education items that were not part of the Board's initiatives include HB 2006 – In-State Tuition for Certain Undocumented Immigrants and SB 189 – KBA Membership. The Board discussed its position on SB 189, which would add three new voting members (KU Chancellor, KSU President and WSU President) to the KBA. Regent Lykins moved to oppose SB 189 as written, but would support amending it so the two Board appointees could become voting members. Following the second of Regent Edwards, the motion carried. Additionally, Diane Duffy, Vice President of Finance and Administration, briefed the Board on the Current Year Adjustment Bills (HB 2014 and Senate Sub for HB 2014).

(PowerPoint and Handout filed with Official Minutes)

ADJOURNMENT

The Chairman adjourned the meeting at 9:59 a.m.

Andy Tompkins, President and CEO

Gary Sherrer, Chair