

# **KANSAS BOARD OF REGENTS**

## **April 18-19, 2007**

### **2006-2007**

Nelson D. Galle, Chair  
Christine Downey-Schmidt, Vice Chair

### **STANDING COMMITTEES**

#### **Academic Affairs**

Donna Shank, Chair  
Janice DeBauge  
Christine Downey-Schmidt

#### **Fiscal Affairs and Audit Committee**

Jim Grier, Chair  
Frank Gaines  
Dan Lykins  
Janie Perkins

#### **CEO Assessment**

Christine Downey-Schmidt

#### **Retirement Plan**

Janie Perkins, Chair

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April 18-19, 2007

**KANSAS BOARD OF REGENTS  
MEETING SCHEDULE**

April 18-19, 2007  
Curtis State Office Building  
1000 S.W. Jackson, Suite 520  
Topeka, KS

**Wednesday, April 18, 2007**

9:00 – 10:00 a.m.      System Council of Chief Academic Officers – *Suite 530*

10:00 – 11:00 a.m.      Council of Chief Academic Officers – *Suite 530*

11:00 – 12:00 noon      Council of Presidents – *Suite 530*

11:00 – 12:00 noon      Board Academic Affairs Standing Committee – *Kathy Rupp Conference Room*

11:00 – 12:00 noon      Board Fiscal Affairs and Audit Standing Committee – *Board Conference Room*

11:00 – 12:00 noon      Faculty Senate Presidents – *Conference Room A*

12:00 – 1:15 p.m.      **Lunch – Board of Regents and President Robinson** – *Conference Room B*

12:00 – 1:15 p.m.      Lunch – Council of Chief Academic Officers – *Kathy Rupp Conference Room*

1:30 p.m.      **Board of Regents** – *Board Room*

4:00 p.m. or Adjmnt      Council of Faculty Senate Presidents – *Conference Room B*

4:00 p.m. or Adjmnt      Students' Advisory Committee – *Kathy Rupp Conference Room*

6:00 p.m.      **Dinner – Board of Regents, President Robinson, State University Presidents**  
– *Chez Yasu, 2701 S.W. 17<sup>th</sup>, Topeka, KS*

**Thursday, April 19, 2007**

8:00 – 9:00 a.m.      Board Academic Affairs Standing Committee – *Kathy Rupp Conference Room*

9:15 – 11:30 a.m.      **Board of Regents** – *Board Room*

11:30 a.m.      **Lunch – Board of Regents and President Robinson** – *Conference Room B*

**KANSAS BOARD OF REGENTS**

**AGENDA**

April 18-19, 2007  
1000 S.W. Jackson, Suite 520  
Topeka, KS

**WEDNESDAY, APRIL 18, 2007**

**I. CALL TO ORDER**

**Chairman Nelson D. Galle**

- A. Approve Minutes/Board Meeting on March 14-15, 2007

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**II. REPORTS**

- A. Introductions  
B. Report from the Chair  
C. Report from the President and CEO

**Chairman Nelson D. Galle**  
**President Reggie Robinson**

**III. APPROVAL OF CONSENT AGENDA**

- A. *Academic Affairs*  
**Regent Donna Shank**

**Dr. Robert Masters**  
**Vice President for Academic Affairs**

1. Approve Additional Degree Granting for Bellevue University  
2. Approve Community College and Technical School/College Request  
for Approval of Certificate and Degree Programs

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**IV. CONSIDERATION OF DISCUSSION AGENDA**

- A. *Academic Affairs*  
**Regent Donna Shank**

**Dr. Robert Masters**  
**Vice President for Academic Affairs**

1. Approve State Transition Plan for Career and Technical Education  
2. Continue Career and Technical Education Annual Report – Questions  
and Answers

*Page 26*

B. *Other Matters*

**Kip Peterson**  
**Director of Government Relations and Communications**

1. Receive Legislative Report

**President Tom Bryant**

2. Receive Annual Campus Report – Pittsburg State University

**V. EXECUTIVE SESSION – Board of Regents – Personnel Matters Related to Non-Elected Personnel (CEO Assessment) – President Bryant**

**THURSDAY, APRIL 19, 2007**

**VI. REPORTS**

- A. Introductions
- B. Report from Council of Presidents
- C. Report from Council of Faculty Senate Presidents
- D. Report from Students' Advisory Committee

**President Tom Bryant**  
**Dr. Brenda Frieden**  
**PSU Faculty Senate President-Elect**  
**Ginger Niemann**

**VII. APPROVAL OF CONSENT AGENDA**

- A. *Academic Affairs*  
**Regent Donna Shank**

**Dr. Robert Masters**  
**Vice President for Academic Affairs**

1. Approve Bachelor of Integrated Studies (30.999) - PSU *Page 29*
2. Approve Revision of Academic Calendars – Academic Years 2007-2008, 2008-2009, and 2009-2010 - Emporia State University *Page 36*

**VIII. CONSIDERATION OF DISCUSSION AGENDA**

A.	<i>Fiscal Affairs and Audit</i> <b>Regent Jim Grier</b>	<b>Diane Duffy</b> <b>Vice President for Finance and Administration</b>
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1.	Allocate FY 2007 Pay Plan Supplemental to State Universities	<i>Page 40</i>
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B.	<i>Other Matters</i>	<b>Julene Miller</b> <b>General Counsel</b>
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1.	Approve Memorandum of Agreement between KU and KAPE (Representing Graduate Teaching Assistants at the University of Kansas, Lawrence) – KU	<i>Page 41</i>
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<b>Regent Janie Perkins, Chair</b> <b>Retirement Plan Committee</b>	<b>Madi Vannaman</b> <b>Staff Affiliate</b>
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2.	Amend the Investment Policy Statement for the Mandatory Retirement Plan	<i>Page 44</i>
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3.	Adopt a Vendor Management Agreement for the Mandatory Retirement Plan	<i>Page 65</i>
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4.	Limit the Number of Investment Providers for New Participants in the Voluntary Retirement Plan	<i>Page 79</i>
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5.	Extend Appointments of Retirement Plan Committee Members for One Year	<i>Page 83</i>
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**President Don Beggs**

7.	Receive Annual Campus Report – Wichita State University
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**IX. EXECUTIVE SESSION – Board of Regents – Personnel Matters Related to Non-Elected Personnel (CEO Assessment) – President Beggs**

**X. ADJOURNMENT**

**WEDNESDAY, APRIL 18, 2007**

**I. CALL TO ORDER**

- A. Approve Minutes of March 14-15, 2007

**KANSAS BOARD OF REGENTS  
MINUTES  
March 14-15, 2007**

The March 14, 2007, meeting of the Kansas Board of Regents was called to order by Vice Chair Christine Downey-Schmidt at 1:35 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 PARTICIPATING: Christine Downey-Schmidt, Vice Chair  
Frank Gaines  
Jim Grier  
Dan Lykins  
Janie Perkins  
Donna Shank

MEMBERS ABSENT: Nelson D. Galle, Chair  
Dick Bond  
Janice DeBauge

**AMEND AGENDA**

President Robinson proposed amending the agenda by changing IV.A. to Other Matters; deleting B. Other Matters; deleting the Continuation of the Career and Technical Education Annual Report; inserting in its place a Report from the Citizens for Higher Education Regarding the Higher Education Funding Implications of State Tax Policy Decisions by Bill Hall; and adding 5. Update and Discussion re KUMC/KU Hospital Affiliation Issues. Regent Shank moved, with the second of Regent Grier that the proposed agenda change be authorized. The motion carried.

**APPROVAL OF MINUTES**

Regent Perkins moved that the minutes of the February 14 and 15, 2007, meeting be approved. Following the second of Regent Shank, the motion carried.

**REPORTS**

**REPORT FROM VICE CHAIR**

Regent Downey-Schmidt reported that she recently attended the annual meeting of the Association of Governing Boards (AGB). One of the sessions she attended was on presidential and board assessment, which identified the growing need for accountability. She noted that the university chief executive

officers have received information for this year's assessment. Included in the process this year is a request for evidence of the quality of the CEO's relationship with institutional faculty and/or staff, students, and alumni. Since the current process is self-reporting, CEOs are asked to supply information, articles, and evidence to help Regents make a determination. Regent Downey-Schmidt also attended a Roundtable session where former WSU faculty member, Dr. John Bardo, spoke about the connection between economic development and higher education, and the engagement process taking place beyond ordinary internships, apprenticeships, etc. She expressed interest in looking in the future at whether we are doing the right thing for higher education in Kansas, who is doing it, is it enough, and how well is it being done.

Regent Downey-Schmidt will be attending the Wichita State University reaccreditation site visit on March 26 and plans to speak at the first annual Women's Leadership Conference in Hays, Kansas, on March 30.

#### REPORT FROM PRESIDENT AND CEO

President Robinson also attended the recent AGB Conference. In addition, he has been busy with legislative commitments, which will be highlighted in the legislative report later on the agenda. He plans to attend a higher education summit next week that will be hosted by U.S. Secretary of Education Margaret Spellings. He anticipates the purpose of the summit will be to follow-up on her report and look to future federal policy.

Julene Miller was introduced by President Robinson. She will assume the role of General Counsel on April 2. President Robinson expressed his heartfelt thanks to Interim General Counsel Robin Kempf for her service during the interim period.

President Robinson also announced that Eric King has been asked to serve in a leadership role for the Association of University Architects. His service will lead to another term as president of this national organization.

#### REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

David Reist, Co-Chair of the System Council of Presidents, reported on the Council meeting. SCOPs received a report from the System Council of Chief Academic Officers on the following topics: teacher licensure requirements, course transferability issues, and the Kansas Core Competency project. Dr. Ron Wasserstein, Washburn University, briefed SCOPs on the Kansas Core Outcomes Report, a ten year project that will be revisited in the fall. President Robinson updated the Council on House Bill 2556, initiated by the Technical Education Commission. SCOPs discussed the Kansas Sports Hall of Fame and the status of the athletic ticket surcharge, as well as deferred maintenance and a possible revenue stream.

Regent Downey-Schmidt thanked Washburn and Dr. Wasserstein for providing the leadership in the Kansas Core Outcomes discussion. Dr. Wasserstein will hand off that role to Dr. Gary Miller, Wichita State University, when he leaves Washburn for a new position.

**APPROVAL OF CONSENT AGENDA**

Regent Shank moved, with the second of Regent Perkins, that the Consent Agenda be approved. The motion carried. The following request was approved:

*Academic Affairs***APPOINTMENT TO ADVISORY COMMISSION ON PRIVATE AND OUT-OF-STATE POSTSECONDARY EDUCATIONAL INSTITUTIONS**

Ms. Tunya Carr, Executive Director of National American University, was named to complete the unexpired appointment of Mr. Richard Thome. Her term will expire December 31, 2008.

**CONSIDERATION OF DISCUSSION AGENDA***Other Matters***REPORT FROM CITIZENS FOR HIGHER EDUCATION REGARDING THE HIGHER EDUCATION FUNDING IMPLICATIONS OF STATE TAX POLICY DECISIONS**

President Robinson introduced Bill Hall, President of the Hall Family Foundation, Bill Musgrave, and Bill Taylor, all members of Citizens for Higher Education. He noted that the organization serves as an advocate for higher education in Kansas by promoting public awareness and organizing groups such as the Higher Education Caucus, a legislative entity that includes both Senate and House representation. Mr. Hall was called on to share information regarding state tax policy and the potential implications for higher education funding support.

Mr. Hall indicated that Citizens for Higher Education has been active since 2002 and the group feels strongly that the future of the State of Kansas lies in its institutions of higher education. He presented statistical information indicating that the demand for higher education is uniquely high in Kansas, when compared with the other Big 12 states. While state funding is declining, Kansas has experienced less fluctuation than the other Big 12 states. Kansas moved from being a low tuition state, to an average tuition state. However, faculty salaries in Kansas are low when compared to the other Big 12 states. In summary, he indicated that higher education trends are improving and Kansas is still in the bottom half and should strive to be in the top third of the Big 12.

Mr. Taylor presented statistics on the volatility of Kansas revenue sources and its rising expenses by looking at individual and corporate income taxes, as well as excise and other taxes since 1998. Revenues have dramatically increased during that time period, but higher education has had to compete with K-12 needs and appropriations to human services and public safety services. Increased state spending was directed to K-12, health care, energy, federal mandates, and general inflation. Higher education stands in about fourth place for appropriations.

In conclusion, Mr. Hall reported that fifty percent of the State's revenue is variable so any tax reduction would be difficult for higher education. He encouraged the higher education community to be cautious about proposed tax reductions. Questions and discussion followed.

(PowerPoint Presentation Filed with Official Minutes)

#### UPDATE ON TECHNICAL EDUCATION COMMISSION REPORT

President Robinson provided an update from the Technical Education Commission. A copy of the final report of the Commission was distributed to Board members. Mr. Robinson identified three core elements resulting from the Commission's work. First, the Commission addressed the future of the State's technical schools. Following up on the Board's recommendation that the technical schools pursue affiliation/merger with an appropriate partner, the Commission recommendation paralleled that proposal. Mr. Robinson reported that discussions are underway for technical schools to partner and affiliate.

Funding for technical education was the second element. The Commission looked at how an enhanced appropriation could be constructed and there is broad support for increased funding.

The third component from the Commission report relates to governance. The Commission favored the creation of a new agency with state-level responsibility for the delivery of technical education. The Board of Regents currently functions in that role; the new agency would supplant the Board's performance of that function. However, an informal opinion from the Attorney General concluded that the Kansas Constitution does not permit such responsibilities to be assigned to a separate agency. Thus, the Commission recommended, and legislation was introduced, to create a Technical Education Authority and place it under the Board's auspices. The measure calls for seven people, including two Regents, to oversee technical education and to make recommendations to the Board. The legislation authorizes the Authority to hire an Executive Director, who would answer to both the Authority and the Board of Regents' President and CEO.

Mr. Robinson testified at a legislative hearing last week. He indicated that the provisions of the bill do not reflect the preferences of the Board, but that it would be a workable proposal. Regent Grier, who serves on the Commission, agreed with the comments made by President Robinson.

#### LEGISLATIVE REPORT

Kip Peterson, Director of Government Relations and Communications, provided an update on the status of the Board's legislative initiatives. Those measures are S.B. 21 – Benefits for university support staff and classified staff, S.B. 22 – Teacher education competitive grant program, S.B. 23 – Teacher service scholarship program, S.B. 24 – Medical student loan program amendments, S.B. 25 – Nurse educator service scholarship program, H.B. 2016 – Transfer of devised property to endowment associations, and H.B. 2091 – Amend capital improvements exemption law. He also briefed the Board on the following legislative measures of interest: H.B. 2185 – In-state tuition for persons who return to Kansas within five years, H.B. 2367 – Public benefits; certain undocumented immigrants, H.B. 2556 – Postsecondary technical education authority, S.B. 361 – Surcharge on athletic tickets for Kansas Sports Hall of Fame, and S.B. 369 – Governor's deferred maintenance plan.

Mr. Robinson noted that H.B. 2185 was introduced to respond to situations that arise annually for Kansans who lose residency privileges. In terms of fiscal impact, Mr. Robinson reported that the Council of Business Officers indicated there would be limited financial impact. The language of the bill calls for a review of the policy in three years.

(Legislative Handout Filed with Official Minutes)

#### RECESS

Vice Chair Downey-Schmidt announced a break at 2:55 p.m. The meeting resumed at 3:15 p.m.

#### REPORT ON KANSAS CAMPUS COMPACT

President George Knox, a member of the Kansas Campus Compact, introduced Mary Marston, the Executive Director of the Compact. She provided an overview of the Compact. The Kansas Campus Compact was established in Kansas on October 15, 2003, but it has been in existence in other states for twenty years. Its role is to strengthen civic engagement and service-learning partnerships between students attending the Kansas postsecondary institutions and the communities they serve. Kansas currently has twelve member institutions and is one of 31 state compacts in the national network. Ms. Marston described some of the programs undertaken by the Kansas Compact such as VISTA, AmeriCorps Kansas, WaterLINK, and Alternative Breaks.

(PowerPoint Presentation Filed with Official Minutes)

#### UPDATE AND DISCUSSION REGARDING KUMC/KU HOSPITAL AFFILIATION ISSUES

President Robinson provided an overview of the discussion to date regarding the University of Kansas Medical Center's goal to attain the NIH cancer center designation and expand the teaching and research opportunities available in the Kansas City area. He noted the support of the Governor and Legislature by appropriating \$5 million toward the project, and the Board's previous endorsement of the proposal. As outlined in an earlier update from Executive Vice Chancellor Barbara Atkinson, the University believes that affiliation agreements with area hospitals will enhance the effort to achieve the cancer center designation and has proceeded to enter into such agreements. At the same time, the Medical Center has been negotiating with the Kansas University Hospital to develop a Master Affiliation Agreement. Because of the competition with area hospitals, the University Hospital has been concerned about the risk to its business; however, the Master Affiliation Agreement is intended to define the relationship between the two entities in order to protect the interest of the Hospital. If agreement is reached, the Master Affiliation Agreement will establish the framework for arrangements made with area hospitals. A third party team has been employed by both the Medical Center and the Hospital to help in the negotiation process.

To follow up on questions raised by legislators, Mr. Robinson compiled a complete list of questions and sent them to Chancellor Hemenway and Vice Chancellor Atkinson. Mr. Robinson reported that the University's response to the questions was very comprehensive. Additionally, Mr. Robinson pursued conversations with Hospital Board Chairman, George Farha, and the Hospital President, Irene Cumming. He then spoke with Chairman Galle and Vice Chairman Downey-Schmidt to consider the University responses. He said it is apparent that representatives of both the Hospital and the Medical Center have sought the best interest of their respective entity, as they see it, throughout the detailed negotiation process.

Dr. Atkinson was called on to update the Board on the progress of recent negotiations. She reported that as of the previous day, agreement in principle has been reached between the Medical Center and the Hospital and precise language is being fine-tuned by legal staff. She explained the goal to form partnerships to establish a life science facility for the State of Kansas and the Kansas City region. Affiliation with other hospitals has been pursued to increase the number of patients for clinical trials, increase the number of residency programs, and expand research opportunities. Additionally, medical students will be exposed to a community hospital experience, in addition to the current urban experience.

Dr. Atkinson explained that "branding" has been a concern for the Hospital since competing hospitals would benefit from identifying their facility with the University of Kansas name. Reaction to affiliations has been positive in Wichita, and the Medical Center is looking for a possible funding stream for research in that area.

Questions followed. Dr. Atkinson noted that the School's focus on primary care physicians will continue, in spite of increased emphasis on research.

Regent Shank moved that the Board endorse the continuing movement toward the goals and objectives that KU and Dr. Atkinson outlined and also that the Board applaud the successful completion of negotiations with the KU Medical Center, the KU Hospital, and KU Physicians Incorporated. Following the second of Regent Grier, the motion carried.

Dr. Atkinson closed by noting that in regard to the designation of National Cancer Institute (NCI), an external scientific board recently visited KUMC for its annual visit and assessment. The assessment was very positive, and there is a possibility that KUMC might be able to move up the timeframe to apply for the NCI designation.

(PowerPoint Presentation Filed with Official Minutes)

### **RECESS**

Vice Chairman Downey-Schmidt recessed the meeting at 4:35 p.m. Board members were reminded of the 6:00 p.m. legislative reception. The meeting will resume the following day at 9:15 a.m.

### **RECONVENE**

The meeting was reconvened on Thursday, March 15, at 9:20 a.m. by Vice Chair Downey-Schmidt.

MEMBERS PARTICIPATING: Christine Downey-Schmidt, Vice Chair  
Frank Gaines  
Jim Grier  
Dan Lykins  
Janie Perkins  
Donna Shank

MEMBERS ABSENT Nelson D. Galle, Chair  
Dick Bond  
Janice DeBauge

**INTRODUCTIONS**

President Wefald introduced Lisa Kitten, Plains, Kansas, as a recent winner of a Marshall Scholarship. Lisa graduated from Kansas State University and will continue her studies at Oxford University.

**REPORTS****REPORT FROM COUNCIL OF PRESIDENTS**

President Tom Bryant, Chair of the Council of Presidents, briefed the Board on the Council's meeting the previous day. COPs received the following report from the Council of Chief Academic Officers. COCAO discussed whether Physical Science should be permitted in the Regents curriculum criteria for Natural Science. COCAO reaffirmed that it should not. The Council approved the Academic staff recommendation that the Program Review moratorium be continued for one more year due to continued data clean-up. The next report will be due in February 2008. At the Board's request, COCAO reviewed the Regents Distinguished Professors program, and action was postponed until next month to allow time for deliberation. COCAO agreed to discontinue use of the Regents Online Catalog (ROC) because the information is now available online through each university. Two degree proposals were approved, a Bachelor of Science in Data Security at ESU, and a Bachelor of Science in Supply Chain Management at KU. COCAO heard a first reading on two degree program requests, a Master of Arts in Interaction Design and Master of Arts in Design Management, both at KU. Consideration of a request from ESU to remove geographic jurisdiction in the Kansas City metropolitan area was tabled until after the outcome of the legislative session.

The Council of Business Officers provided the following report to COPs. Budget Director Duane Goossen met with COBO recently and provided an update on deferred maintenance and campus facilities, information on the study of a new pay structure for classified employees, and a report on the potential impact on state agencies if the Taxpayer Transparency Act were to pass. Mr. Goossen also discussed the implementation of the new financial management system. The final contract language for student health insurance is almost in place, and COBO approved a draft of proposed regulations and an initial plan for ongoing management of the plan. COBO also discussed status of boiler insurance at each university.

President Robinson asked a question about COCAO's discussion on the inclusion of physical science vs. natural science in the Regents' Qualified Admissions curriculum. He noted that it was his understanding that physical science courses have changed since the decision was made a number of years ago not to consider it in the Qualified Admissions curriculum, and he asked whether fresh consideration by science faculty was provided to COCAO. Mr. Robinson will follow up with Vice President Masters.

**PROPOSAL FROM SENATOR CHRIS STEINEGER**

Senator Chris Steineger presented his proposal to generate funds for deferred maintenance at the State universities. He outlined his plan to sell the University of Kansas Hospital at a minimum price of \$800 million with half the proceeds going to an endowment for deferred maintenance needs and the other half going to fund the KPERS liability. Responding to a question, the Senator indicated that he understands there are other hospitals with public/private ownership. President Robinson clarified that in the event of a sale, KUMC would be a major teaching hospital of a state university school of medicine tied to a hospital that would be a privately owned facility.

Vice Chair Downey-Schmidt referred the Senator to a recent article in The Chronicle of Higher Education about selling state assets. She also thanked the Senator for his interest in the problem and his willingness to seek a solution.

(Proposal Filed with Official Minutes)

#### REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Dr. Tim Bailey, Council of Faculty Senate Presidents Chairman, reported on the Council's discussion of the previous day. He also thanked the Board for taking time to meet with the Council during breakfast the previous month. The Council began its meeting with campus reports on governance and academic issues at each university.

The Council discussed three areas of collective concern. First, the Council will continue to focus on teaching evaluations by preparing a draft policy statement to submit to Board staff for possible inclusion in the Board Policy Manual. The timeline for completion is planned for late April. A second discussion topic was how to raise awareness about recruitment and retention problems connected to faculty salaries. The third subject was how to raise awareness about the importance of academic quality and what that means for faculty responsibilities and doings, inside and outside the classroom.

#### REPORT FROM STUDENTS' ADVISORY COMMITTEE

Due to the absence of Students' Advisory Committee Chair, Ginger Niemann, the report was given by Courtney George. She noted that elections have begun for new university student officers and SAC plans to elect new student leadership at its May meeting. The Committee heard a report from KU on their legislative initiatives.

#### APPROVAL OF CONSENT AGENDA

Regent Grier moved that the Consent Agenda be adopted. He then requested that in the future, Board staff include information about similar degrees offered at other institutions when forwarding a request to the Board for a new degree approval. Following the second of Regent Perkins, the motion carried. The following measures were approved:

##### Academic Affairs

#### BACHELOR OF SCIENCE IN EDUCATION-EARLY CHILDHOOD UNIFIED (13.1202) – PSU

Pittsburg State University received approval to offer a Bachelor of Science in Education-Early Childhood Unified (13.1202). The program will be funded through internal reallocation.

#### MASTER OF SCIENCE IN BIOENGINEERING (BIOE) (14.0501) – KU

The University of Kansas was authorized to offer a Master of Science in Bioengineering (BIOE) (14.0501). Funding for the degree program will be through internal reallocation.

Fiscal Affairs

MEMORANDUM OF AGREEMENT WITH KAPE/UNIVERSITY POLICE OFFICERS  
- PSU

The Board's Vice Chair was authorized to execute the Memorandum of Agreement between the Kansas Association of Public Employees and the Pittsburg State University Police Officers' unit on behalf of the Board.

(Changes Proposed in Memorandum of Agreement Filed with Official Minutes)

**CONSIDERATION OF DISCUSSION AGENDA**

Academic Affairs

DOCTOR OF PHILOSOPHY IN BIOENGINEERING (BIOE) (14.0501) - KU

Vice President Bob Masters presented the request of the University of Kansas to offer a Doctor of Philosophy in Bioengineering. Dr. Stuart Bell and Dr. Carl Luchies, University of Kansas faculty members, were introduced to respond to questions that the Board might have. Dr. Masters reported that the University has met the Board's program requirements and funding will be through internal reallocation. The degree could lead to specialization in one of five areas: Bioinformatics, Biomechanics and Neural Engineering, Biomaterials and Tissue Engineering, Biomedical Products Design and Development, and Biomolecular Engineering.

Questions and discussion followed. In response to the question about a focus on engineers for the local K-10/I-70 corridor, Dr. Bell responded that the program is expected to attract Kansas students, students throughout the United States, and international students. Dr. Bell also addressed a question related to how internal reallocation will occur. The program is interdisciplinary, and faculty from other departments will be involved. Ten Ph.D. students are expected to start in the fall, and it is anticipated that it will take three to four years to establish trends for growth and needs. With the research component in the degree, students will have occasion to use facilities at KUMC, especially the new biomedical research building.

Regent Grier moved, with the second of Regent Gaines, that the University of Kansas be authorized to offer a Doctor of Philosophy in Bioengineering beginning in the Fall 2007. The motion carried.

Fiscal Affairs and Audit

NAME RESEARCH CENTER – PSU

Eric King, Director of Facilities, provided background information on the request of Pittsburg State University to name its polymer research center. Mr. King noted that a private matching gift of \$2.7 million has been committed, along with \$3 million from the Scientific Research and Development Bond Initiative, to construct the state-of-the art facility. Completion date of the facility is expected to be June 22, 2007. Maintenance, rehabilitation, and repair of the building will be funded through the University operating grant and other resources. The University will not seek state funds.

President Bryant recommended that the facility be named the Tyler Research Center to recognize Robert D. Tyler, President of Winfield Consumer Products, a 1975 graduate of Pittsburg State University in plastics technology. Dr. Bryant noted that through the Robert and Gwendolyn Tyler Charitable Foundation, Mr. Tyler has provided significant support to the polymer research center. Regent Gaines moved that the polymer research center be named the Tyler Research Center. With the second of Regent Perkins, the motion carried.

#### REHABILITATION AND REPAIR PROJECTS-DELP (F) FACILITY – KUMC

Regent Gaines moved, followed by the second of Regent Downey-Schmidt, that the University of Kansas be authorized to amend its Rehabilitation and Repair Projects list to renovate 8,000 square feet on the ground floor of Delp (F) at KUMC for Facilities Management at an estimated cost of \$370,936. The motion carried. The renovation will correct non-code compliant conditions and replace deficient infrastructure components and system with an estimated cost of \$265,000, using the Rehabilitation and Repair funds. The project also includes additional space for offices and maintenance at an estimated cost of \$105,936, with funding being provided from restricted fee funds. The entire project will be constructed by KUMC in-house construction crews. Facilities Director Eric King confirmed that in-house crews are permissible when the project is within their capability and there is no limit on the project cost when those crews are used.

#### LEASE AGREEMENT WITH KSU FOUNDATION-REPUBLIC COUNTY – KSU

Interim General Counsel Robin Kempf briefed the Board on the request from KSU to enter into a lease agreement with the KSU Foundation for the use of 39.9 acres of farm land located in Republic County, Kansas, for use by K-State's Extension System and Agricultural Research Programs. She reported that the University had a long-term lease for use of the land, but the owner sold the land to the Foundation, requiring the new lease. Regent Perkins moved that the lease request be approved. Following the second of Regent Shank, the motion carried. The lease will be for a period of fifteen years.

#### ACCEPT TWO UNIVERSITY RESEARCH AND DEVELOPMENT ENHANCEMENT CORPORATION BUILDINGS AND CERTIFY THAT BOND PAYMENTS MAY BEGIN – KUMC AND KSU

Counsel Robin Kempf advised the Board that formal action was necessary to accept two buildings constructed pursuant to bonding authority in the University Research and Development Enhancement Act. Regent Perkins moved that the Board accept the staff recommendation to accept the Biomedical Research Building at KUMC and the Biosecurity Research Institute building at KSU, to request that Eric King monitor the few remaining uncompleted items on the projects' punch list, and to authorize the Board's President and CEO to act on behalf of the Board to certify the debt service to the Director of Accounts and Reports. Following the second of Regent Lykins, the motion carried.

#### BOND RESOLUTION-STUDENT RECREATION AND FITNESS CENTER – KU

The University of Kansas received legislative approval in 2005 to construct an addition to the student recreation and fitness center. The University has now requested bonding authority to finance the costs of construction and equipping the addition. Counsel Robin Kempf reported that a statement has been drafted for inclusion in the Resolution to address the ongoing maintenance of the facility. Regent Perkins moved that the Board adopt the Resolution, as amended, to permit the University to pursue revenue bonds through the Kansas Development Finance Authority in an aggregate amount not to exceed \$6,200,000 plus costs and reserves and authorize the Board's Vice Chair to sign the Resolution. With the second of

Regent Lykins, the motion carried. The bonds will be secured and debt serviced with a pledge of the current \$62 per semester student fee, program fees, and revenue from an agreement with the Athletic Corporation. The following Resolution was adopted:

Gilmore & Bell, P.C  
02/09/2007

### RESOLUTION

**A RESOLUTION OF THE KANSAS BOARD OF REGENTS APPROVING THE ISSUANCE BY THE KANSAS DEVELOPMENT FINANCE AUTHORITY OF ITS KANSAS DEVELOPMENT FINANCE AUTHORITY REVENUE BONDS, (KANSAS BOARD OF REGENTS - UNIVERSITY OF KANSAS - STUDENT RECREATION AND FITNESS CENTER PROJECT) TO PROVIDE ALL OR A PORTION OF THE FUNDS NECESSARY TO CONSTRUCT AND EQUIP AN ADDITION TO THE STUDENT RECREATION AND FITNESS CENTER AT THE UNIVERSITY OF KANSAS; AND AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL PLEDGE OF REVENUES AGREEMENT BETWEEN THE KANSAS BOARD OF REGENTS AND THE KANSAS DEVELOPMENT FINANCE AUTHORITY WHICH CONTAINS CERTAIN COVENANTS AND PROVISIONS WITH RESPECT TO THE PLEDGE OF REVENUES DERIVED FROM STUDENT FEES AND OTHER FUNDS THAT WILL PROVIDE FOR THE PAYMENT OF SUCH BONDS.**

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**WHEREAS**, the Kansas Board of Regents (the "Board") is vested under the Constitution and laws of the State of Kansas with jurisdiction and control over the University of Kansas (the "University") and is authorized under such laws to adopt this Resolution and perform, execute and carry out, or cause to be performed, executed and carried out, the powers, duties and obligations of the Board under this Resolution in connection with the construction of an addition to the student recreation and fitness center (the "Recreation Center") located on the Lawrence campus of the University and the revenues derived from certain student fees imposed by the Board in conjunction with the University's operation thereof; and

**WHEREAS**, the Board has heretofore determined that it is advisable to construct and equip the additions to the Recreation Center substantially as described in the "Architectural Program for Student Recreation Fitness Center - Gymnasium Expansion" dated September 29, 2004 (the "Project"); and

**WHEREAS**, the Board has adopted a requirement that state universities will fund annual maintenance, repair and rehabilitation from either gifts or existing university resources, and the Board has verified that the University has a plan to do so for the Project; and

**WHEREAS**, the Project has been authorized by Section 164(c), Chapter 174 of the 2005 Kansas Session Laws (the "Act"); and

**WHEREAS**, the Act authorizes the Kansas Development Finance Authority (the "Authority"), on behalf of the Board, to issue its revenue bonds in one or more series to provide for the payment of the costs of the Project in an aggregate principal amount of not to exceed \$6,200,000, plus all amounts required for costs of issuance, costs of interest on such revenue bonds during the construction of the Project and any required reserves for the payment of principal and interest on such revenue bonds (the "Project Bonds"); and

**WHEREAS**, at the request of the Board, the Authority has heretofore issued its Kansas Development Finance Authority Revenue Bonds (Kansas Board of Regents - University of Kansas Student Recreation and Fitness Center Project) Series 2002A-2, dated as of April 1, 2002, in the principal amount of \$15,330,000 (the "Series 2002A-2 Bonds") to finance the construction of the Recreation Center; and

**WHEREAS**, in conjunction with the issuance of the Series 2002A-2 Bonds, the Board and the Authority entered into a Pledge of Revenues Agreement, dated as of April 1, 2002 (the "Pledge Agreement"), which contains certain covenants and provisions with respect to the pledge of revenues derived from the Student Recreation and Fitness Center Fee imposed on students enrolled at the Lawrence campus of the University (the "Student Recreation Fee") which will secure and provide for the payment of the Series 2002A-2 Bonds and Additional Bonds (as defined therein) (collectively, the "Recreation Center Bonds"); and

**WHEREAS**, the Board hereby finds and determines that it is advisable that the Project Bonds be issued by the Authority on behalf of the Board pursuant to K.S.A. 74-8901 *et seq.* for the purpose of financing the Project and related costs as hereinbefore set forth; and

**WHEREAS**, the Authority has received a request by the Secretary of Administration to issue the Project Bonds to finance the costs of the Project on behalf of the Board; and

**WHEREAS**, in conjunction with the issuance of the Project Bonds, it is necessary to authorize the execution of a First Supplemental Pledge of Revenues Agreement between the Board and the Authority (the "Supplemental Pledge Agreement"), which supplements the Pledge Agreement and contains certain covenants and provisions with respect to the pledge of revenues derived from the Student Recreation Fee and certain other available funding sources to the payment of the Recreation Center Bonds; and

**WHEREAS**, it is recognized that the Authority has and will incur additional expenses in relation to the issuance of the Project Bonds and subsequent administration and enforcement of the Supplemental Pledge Agreement; and the Board desires to reimburse the Authority for said additional expenses through the execution of an Administrative Service Fee Agreement (the "Administrative Agreement").

**NOW THEREFORE, BE IT RESOLVED BY THE KANSAS BOARD OF REGENTS, AS FOLLOWS:**

**SECTION 1.** The Board hereby approves the issuance of the Project Bonds by the Authority on behalf of the Board, in one or more series to finance all or a portion of the costs of the Project in

an aggregate principal amount not in excess of the limitations described in the Act. The Project Bonds and the shall be issued substantially in the form and with the repayment terms and provisions contained in the information presented to the Board this date by the Authority and the University, all as may be approved by the Chair or his/her designate and the General Counsel to the Board.

**SECTION 2.** The Board hereby authorizes and instructs the Chair and President and CEO of the Board to execute the Supplemental Pledge Agreement and the Administrative Agreement, in such form as is approved by the General Counsel to the Board and to execute any and all other documents and certificates necessary to accomplish the purposes set forth in this Resolution and the issuance of the Project Bonds.

**SECTION 3.** This Resolution shall be in full force and effect from and after its adoption.

**CERTIFICATE**

We, the undersigned Chair and President and CEO of the Kansas Board of Regents (the "Board"), hereby certify that the foregoing Resolution was lawfully adopted by the Board at its meeting held on March 15, 2007.

**KANSAS BOARD OF REGENTS**

(SEAL)

By \_\_\_\_\_  
Nelson D. Galle, Chair

**ATTEST:**

By \_\_\_\_\_  
Reginald L. Robinson, President and CEO

UPDATE ON STATE UNIVERSITY MAINTENANCE ISSUES

President Robinson briefed the Board on State university maintenance issues. He suggested a label change from deferred maintenance to maintenance because in addition to working to solve the backlog, there is a need for increases in the annual funding made available for rehabilitation and repair. He distributed a list of priority projects the Board had earlier identified to receive funding if the proposed \$200 million down payment materializes. He also provided charts showing the impact of two proposals introduced to address the maintenance problem, one developed by the Senate Higher Education Task Force, and the other developed by the Governor.

Mr. Robinson reported that there are several other funding streams being discussed as part of the Senate Task Force effort, including a tuition surcharge, athletic ticket surcharge, a mill levy assessment in counties that house a state university, a tuition surcharge for out-of-state students, and access to unclaimed property resources. He noted that the proposals fail to adequately resolve the maintenance needs.

A legislative hearing was held the previous week, and Steve Weatherford, Kansas Development Finance Authority, spoke in favor of the Governor's Plan. Mr. Robinson testified in support of a funding stream such as the Governor has proposed, noting that the Board is not in a position to effectively assess whether the turnpike is an appropriate funding source. A number of individuals testified in opposition.

Mr. Robinson reported that members of the House of Representatives have expressed support for identifying a plan to address the maintenance needs. Discussion followed.

**ADJOURNMENT**

Vice Chair Downey-Schmidt adjourned the meeting at 11:15 a.m.

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Reginald L. Robinson, President and CEO

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Nelson D. Galle, Chairperson

**II. REPORTS**

- A. Introductions
- B. Report from the Chair
- C. Report from the President and CEO

**Chairman Nelson D. Galle**  
**President Reggie Robinson**

**III. APPROVAL OF CONSENT AGENDA**

- A. *Academic Affairs*  
**Regent Donna Shank**

**Dr. Robert Masters**  
**President Reggie Robinson**

**1. APPROVE ADDITIONAL DEGREE GRANTING FOR BELLEVUE UNIVERSITY**

**Summary and Staff Recommendation**

*Staff recommends that Bellevue University be given degree-granting authority for Bachelors of Science in Management of Health Informatics. This degree will be awarded on its Johnson County campus. 3/26/07*

**Background**

The Kansas Private and Out-of-State Postsecondary Educational Institution Act (hereinafter “the Postsecondary Educational Institution Act”) gives the Board of Regents responsibility for conferring degree-granting authority on postsecondary educational institutions with physical presence in Kansas. The scope of this responsibility includes most private institutions located in the state in Kansas and extends to all private and public colleges and universities located outside of Kansas that seek to deliver instruction within the state.

Institutions that apply for degree granting status are reviewed according to a process and set of standards required by the Postsecondary Educational Institution Act. These standards include items such as:

- Courses, curriculum and instruction are of such quality, content and length as may reasonably and adequately ensure achievement of the stated objective for which the courses, curriculum or instruction are Offered
- Institutions maintain written records of the previous education and training of students and applicant students, and that training periods are shortened when warranted by such previous education and training or by skill or achievement tests

Each institution is required to submit a catalog including descriptions of the programs and courses offered. The catalog also contains a listing of instructors and their credentials and a statement of the objectives of this program. Staff reviews the catalog along with resumes of administrators and instructors.

Another standard item is the record of previous training or education. Schools must publish in their catalog the policy that will apply to previous training, methods of testing previous knowledge, or the transfer of credits from another institution.

Bellevue University holds Higher Learning Commission of the North Central Association accreditation, which according to K.S.A. 74-32,168 of the Kansas private and out-of-state postsecondary educational institution act may be accepted as evidence of compliance with the standards for approval. In May 2001, Bellevue University was accepted as a participant in the HLC Academic Quality Improvement Project (AQIP) at which time the current accreditation was extended to 2007-2008.

**Recommendations**

Staff recommends approval. Continued approval is contingent upon a favorable review and action by the Kansas Board of Regents. Any reference in the institution's publications or communication to the Kansas Board of Regents should refer only to the Board's conferral of degree-granting authority for the Bachelors of Science in Management of Health Informatics and this institution must apply annually for its certificate of approval to operate a school and grant this degree in the state of Kansas.

## 2. APPROVE COMMUNITY COLLEGE AND TECHNICAL SCHOOL/COLLEGE REQUEST FOR APPROVAL OF CERTIFICATE AND DEGREE PROGRAMS

### Summary and Staff Recommendation

*Community Colleges and Technical Colleges and Technical Schools request approval for new certificate and degree programs twice per year. Board Office received 27 program requests in February to be implemented Fall 2007. Staff recommends approval.* *03/26/07*

### Background

Community colleges and technical colleges submit requests for new certificate and degree programs twice per year utilizing forms approved by staff. Criteria for new programs include the following:

- Current and projected job openings
- Information from business and industry to be served
- Student enrollment projections based upon student surveys
- Analysis of potential impact on enrollment of any similar programs in the region or state
- Description of facilities and equipment available
- Projected program costs
- Membership of a steering/advisory committee for the program
- Measurable program outcomes
- Identification of workplace basic skills and competency profiles for technical courses

In addition, the local governing board has approved the program application.

### Description of Proposed Programs by Community Colleges/Technical Colleges/Technical Schools

1. Allen County Community College requests a new program in Production Media (CIP 11.0801) at the certificate and Associate of Applied Science degree (A.A.S.) levels. The certificate consists of 33 credits and the A.A.S. consists of 64 credits with an annual budget of \$40,120 funded through grants and internal reallocation. There are four other similar programs in the state.
2. Barton County Community College requests the following new certificate and degree programs:
  - Natural Gas Transmission and Distribution Technician (CIP 15.0903) at both the certificate and Associate of Applied Science (A.A.S.) degree levels. There are two certificate options – one consists of 16 credits and the second consists of 32 credits. The A.A.S. degree consists of 64 credits with a budget of \$54,419 funded through donations, tuition and fees. There are no other similar programs in the state.
  - Cosmetology (CIP 12.0401) at both the certificate and Associate of Applied Science (A.A.S.) degree levels. The certificate consists of 47 credits and the A.A.S. consists of 67 credits. A second certificate, Nail Technician Specialist and Manicurist (CIP 12.0410), consisting of 16 credits is also proposed. A budget of \$139,904 funded through tuition and fees and live-work is proposed for all three programs. There are nine other Cosmetology programs and one other Nail Technician program in the state.
3. Butler Community College requests a new program in Corporate Studies (CIP 52.9999) at the Associate of Applied Science degree (A.A.S.) level consisting of 66 credits with no new budget allocation. There are no other similar programs in the state.

4. Coffeyville Community College requests a new program in Medical Assistant (CIP 51.0801) at both the certificate and Associate of Applied Science degree (A.A.S.) levels. The certificate consists of 46 credits and the A.A.S. consists of 64 credits with no new budget allocation. There are five other similar programs in the state.
5. Cowley County Community College requests the following two new degrees:
  - Interior Design (CIP 50.0408) at both the certificate and Associate of Applied Science degree (A.A.S.) levels. The certificate consists of 36 credits and the A.A.S. consists of 62 credits with an annual budget of \$51,600 funded through internal reallocation. There is one other similar program in the state.
  - Mechatronics (CIP 15.0499) at both the certificate and Associate of Applied Science degree (A.A.S.) levels. The certificate consists of 48 credits and the A.A.S. consists of 66 credit with an annual budget \$300,000 from grants, donations, partnerships and internal reallocation. There are no other similar programs in the state.
6. Flint Hills Technical College requests a new program in Dental Hygiene (CIP 51.0602) at the Associate of Applied Science degree (A.A.S.) level. The degree consists of 78 credits with an annual budget of \$179,044 funded through donations, tuition and fees. There are three other similar programs in the state.
7. Johnson County Community College requests a new program in Horticulture (CIP 01.1601) at both the certificate and Associate of Applied Science degree (A.A.S.) levels. There are three certificates: Floral Design Entrepreneurship (28 credits), Horticulture Entrepreneurship (30 credits), and Landscape Entrepreneurship (29 credits) and the A.A.S. consisting of 64 credits with annual budget of \$116,400 funded through internal reallocation, tuition and fees. There are no other similar programs in the state.
8. Kansas City Kansas Technical School requests a new certificate in Medical Assistant (CIP 51. 0801) consisting of 48 credits with a budget of \$62,000 funded through tuition and fees. There are five other similar programs in the state.
9. Manhattan Area Technical College requests a new program in Dental Hygiene (CIP 51.0602) at the Associate of Applied Science degree (A.A.S.) level. The degree consists of 68 credits with an annual budget of \$240,500 funded through grants, donations, tuition and fees. There are three other similar programs in the state.
10. Neosho County Community College requests the following two new programs:
  - Medical Transcription (CIP 51.0708) at the certificate level consisting of 27 credits with a budget of \$7,300 funded through tuition and fees. There are six other similar programs in the state.
  - Medical Coding (CIP 51.0713) at the certificate level consisting of 16 credits with a budget of \$3,700 funded through tuition and fees. There are three other similar programs in the state.

11. North Central Kansas Technical College requests new program in GIS/GPS Technology (CIP 45.0701) at the Associate of Applied Science degree (A.A.S.) level. The A.A.S. consists of 67 credits with an annual budget of \$105,000 funded through donations and internal reallocation. There are no other similar programs in the state.
12. Salina Area Technical School requests a new certificate in Medical Assistant (CIP 51. 0801) consisting of 40 credits with a budget of \$110,462 funded through grants, tuition and fees. There are five other similar programs in the state.
13. Wichita Area Technical College requests a new degree in Health Care (CIP 51.0711) at the Associate of Applied Science degree (A.A.S.) level. The A.A.S. consists of 61 -71 credit hours with an annual budget of \$7,500 funded through tuition and fees. There are no other similar programs in the state.

The above new certificate and degree programs have been carefully reviewed by staff utilizing the above stated standards and criteria. Copies of the detailed program proposals are available for inspection. Staff recommends approval.

**IV. CONSIDERATION OF DISCUSSION AGENDA**

A. *Academic Affairs*  
**Regent Donna Shank**

**Dr. Robert Masters**  
**Vice President for Academic Affairs**

**1. APPROVE STATE TRANSITION PLAN FOR CAREER AND TECHNICAL EDUCATION**

**Summary and Recommendations**

*With the reauthorization of the Carl D. Perkins Career and Technical Education Act of 2006 each state is required to submit to the U.S. Department of Education/Office of Vocational and Adult Education (OVAE) a new State Plan for Career and Technical Education. States were given the option of submitting a one-year transition plan or a full six-year plan. Staff from KBOR and KSDE collaborated to develop a transition plan. The transition plan was reviewed by the Kansas Advisory Committee for Career and Technical Education and recommended for approval by the Kansas Board of Regents which serves as the designated State agency for the receipt and administration of Federal Carl D. Perkins funds. Staff recommends the approval of the transitional Kansas Career and Technical Education Plan for the 2007-2008 fiscal year as required by the Act.*

*03/30/07*

**Background**

Signed into law on August 12, 2006, the Act represents nearly three years of work on the part of Congress and the U.S. Department of Education (Department). In cooperation with other Federal agencies and the State and local agencies affected by its provisions, this Act provides continuing Federal support for rigorous career and technical programs that prepare students for today's competitive workforce. Summarized below are some of the most significant provisions in the Act:

• **Focusing on Academics and Building More Rigorous Programs**

The Act requires a State to describe in its State plan how it will ensure that students participating in career and technical education programs are held to the same challenging academic proficiencies as all other students. The Act also requires a State to describe its career and technical education "programs of study," which must incorporate both secondary and postsecondary elements and lead to an industry-recognized credential or a postsecondary certificate or degree.

• **Improving State Accountability**

The Act strengthens the State accountability provisions, established in the previous Act. States are required to establish negotiated performance levels and report student performance on each of the following core indicators:

- Secondary Core Indicators—Academic Attainment in reading/language arts and mathematics, Technical Skill Attainment, Secondary School Completion, Student Graduation Rates, Secondary Placement, and Participation and Completion of students in gender nontraditional programs
- Postsecondary Core Indicators—Technical Skill Attainment; Credential, Certificate, or Degree Attainment; Student Retention or Transfer; Student Placement; and Participation and Completion of students in gender nontraditional programs

The Act further requires that, if a State does not meet at least 90 percent of each of the negotiated performance levels each year, the State must develop and implement an improvement plan to address

deficiencies in performance. If a State does not implement an improvement plan, does not make improvement in meeting any of the State negotiated levels of performance within the first year of implementing the improvement plan, or does not meet at least 90 percent of an agreed upon State level of performance for the same core indicator for three consecutive years, the Department may impose financial sanctions on the State.

- **Building Local Accountability**

The Act requires, for the first time, a State to negotiate and reach agreement on performance levels for each of the core indicators with each institution. An institution may accept the State's performance level as the institution's negotiated performance level; however, the agreed upon performance level for each institution must demonstrate continuous improvement and progress toward improving the performance of career and technical education students.

The Act further requires that, if a local institution does not meet at least 90 percent of the negotiated performance level for each core indicator, the institution must develop and implement an improvement plan to address deficiencies in performance. If an institution does not implement an improvement plan, does not make progress in meeting the performance levels within the first year of implementing plan, or does not meet at least 90 percent of an agreed upon local performance level for the same core indicator for three consecutive years, the State may impose financial sanctions.

At the same time, the Act does permit a State to award incentive grants to local institutions for exemplary performance in meeting local levels of performance.

- **Increasing State Flexibility**

Currently Federal Carl D. Perkins funds come to the State in two funding streams: Title I—Basic Grant and Title II—Tech Prep Grant. The new Act allows a State to consolidate all or part of the Title II tech prep funds into the Title I basic grant funds and to designate up to 10 percent of the basic grant funds to be allocated to local institutions as a reserve fund to support State identified initiatives.

### **State Career and Technical Education Plans**

OVAE has acknowledged that States will need time to develop and implement processes and systems to meet many of the new requirements and has given States the option of submitting a transition plan or a full six-year plan for FY 2007-2008, which begins on July 1, 2007. State transition plans and State six-year plans must address career and technical education at both the secondary and postsecondary levels. While not required to address all of the elements of a full six-year plan, the transition plans are required to address specific elements and describe the processes and/or plan to implement any changes needed to meet the requirements of the Act.

Electing to utilize the one-year transition plan option and following the guidance provided by OVAE, the KBOR Career and Technical Education staff and the State and Federal Program staff of the Kansas Department of Education worked collaboratively to develop The Kansas Career and Technical Education Plan. The Kansas Advisory Committee for Career and Technical Education (KACCTE) reviewed the draft transition plan in March, provided input regarding the plan's contents, and recommended approval of the transition plan. Highlights of the transition plan include:

- The development and implementation of career and technical education “programs of study” that include alignment and/or articulation of secondary and postsecondary career and technical education courses; a coherent, coordinated and non-duplicative sequences of courses with rigorous academic and relevant technical content which may include concurrent and/or dual enrollment courses; and lead to an industry-recognized certificate, postsecondary technical

certificate or an associate degree. These programs of study may also include potential articulation to baccalaureate degrees where applicable.

- The development and implementation of processes to align and standardize postsecondary CTE programs and courses among postsecondary institutions.
- The development of a process to negotiate core indicator performance levels with local institutions.
- The consolidation of Title II tech prep funds with Title I basic grant funds to support and expand upon the seamlessness efforts beyond tech prep consortia to all local institutions.
- The establishment of a reserve fund to support State career and technical education initiatives that will be distributed through a competitive grant process.

Over the next year, a full five-year plan will be developed, with public hearings conducted to allow comment and input from all interested stakeholders. The complete five-year Kansas Career and Technical Education Plan will be presented for KBOR approval and submitted to the U.S. Department of Education during the spring of 2008.

The State transition plan for career and technical education is submitted as an attachment for Board review and approval.

**Staff Recommendation**

Staff recommends that the Kansas Career and Technical Education Transition Plan for fiscal year 2007-2008 be approved by the Board for submittal to the U.S. Department of Education.

**2. CONTINUE CAREER AND TECHNICAL EDUCATION ANNUAL REPORT – QUESTIONS AND ANSWERS**

B. *Other Matters*

**Kip Peterson**  
**Director of Government Relations and Communications**

**1. RECEIVE LEGISLATIVE REPORT**

**President Tom Bryant**

**2. RECEIVE ANNUAL CAMPUS REPORT – PITTSBURG STATE UNIVERSITY**

**V. EXECUTIVE SESSION – Board of Regents – Personnel Matters Related to Non-Elected Personnel (CEO ASSESSMENT) – President Bryant**

**THURSDAY, APRIL 19, 2007**

**VI. REPORTS**

- A. Introductions
- B. Report from Council of Presidents
- C. Report from Council of Faculty Senate Presidents
- D. Report from Students' Advisory Committee

**President Tom Bryant**  
**Dr. Brenda Frieden**  
 PSU Faculty Senate President-Elect  
**Ginger Niemann**

**VII. APPROVAL OF CONSENT AGENDA**

- A. *Academic Affairs*  
**Regent Donna Shank**

**Dr. Robert Masters**  
 Vice President for Academic Affairs

**1. APPROVE BACHELOR OF INTEGRATED STUDIES (30.9999) – PSU**

**Summary and Recommendation**

*Universities may apply for approval of new academic programs following the guidelines of Appendix G in the Kansas Board of Regents Policies and Procedures Manual. Pittsburg State University has submitted an application for approval of a Bachelor of Integrated Studies (30.9999). The proposing academic unit has responded to all of the requirements of the program approval process. The program will be funded through internal reallocation. There are no other programs utilizing this Classification of Instructional Program (CIP) code in the state universities. Board staff concurs with the Council of Presidents and the Council of Chief Academic Officers in recommending approval.*

*3/28/07*

**Background**

<u>Criteria</u>	<u>Program Summary</u>
1. Program Identification	Bachelor of Integrated Studies (BIS) 30.9999
2. Academic Unit	College of Arts & Sciences

<p>3. Program Description</p>	<p>The BIS is designed to provide a framework in which programs of study may be tailored to educate students for the changing needs of employers by using courses from different departments within a single program. Particular emphases within the BIS will be created by departments that are cooperating in order to meet employer demand.</p> <p>This program provides a mechanism in which new, interdisciplinary degrees may be developed by interweaving courses from the tried-and-true, traditional academic areas in new ways. In some careers, being educated in one of the traditional academic disciplines is not sufficient. While many students have chosen the option of multiple majors as an answer, in many cases, not all of the coursework multiple majors require is needed to reach the student’s goal. The BIS provides a mechanism in which disciplines housed within different departments can cooperate in creating set programs of study in order to meet the needs of students in a more efficient manner.</p>
<p>4. Demand/Need for the Program</p>	<p>PSU is in need of a program that will allow it to tailor curricula to the needs of students and local employers as is recognized by Institutional Goal 1 of the Pittsburg State University Performance Agreement which states “Design flexible academic programs for the changing workforce, transfer students, and students with specialized needs.”</p>
<p>5. Comparative /Locational Advantage</p>	<p>Only three of nine regional schools similar in size to Pittsburg State University offer a similar program. Consequently, we would be able to offer our students opportunities in a way that are relatively unique in the region.</p>
<p>6. Curriculum</p>	<p>The curriculum of the BIS is built upon the well-established general education requirements. By its nature, particular coursework will vary on an emphasis by emphasis basis. <del>Quality will be ensured, however, since each emphasis must undergo a rigorous on-campus approval process.</del> <b>Each emphasis will undergo the rigorous on-campus approval process used for all new programs at Pittsburg State University, and upon completion of that process, the emphasis will be submitted to COCAO for approval. (See Appendix 2.)</b></p>
<p>7. Faculty Profile</p>	<p>The faculty involved will vary along with the particular emphasis. They will be selected by the departments involved and, consequently, will have appropriate credentials.</p>
<p>8. Student Profile</p>	<p>Admission to the degree program must be approved by the director of the BIS program who is under the Office of the Dean of the College of Arts and Sciences. A prospective student must be accepted by a faculty advisor in each department cooperating in the program.</p>

<p>9. Academic Support</p>	<p>This will be (and in fact has been) supported by assigning the Assistant Dean of Arts and Sciences the duty of administering the program. This will include facilitating the interaction of cooperating departments and providing infrastructure to facilitate the various activities involved in the program.</p>
<p>10. Facilities and Equipment</p>	<p>There are adequate facilities and equipment available for the emphases currently envisioned. Insuring this will continue to be the case and will be the purview of the campus approval process of each emphasis.</p>
<p>11. Program Review, Assessment, Accreditation</p>	<p>The BIS will be assessed on two levels. An assessment plan will be put into place for each emphasis at the time of its creation. In addition to this, the aggregate of these assessments will be used to assess the value of the whole program. Data will be gathered on a semester by semester basis.</p>
<p>12. Costs, Financing</p>	<p>Cooperation between departments may entail an increased need for OOE which will be funded by the Office of Academic Affairs.</p>

**CURRICULUM OUTLINE  
NEW DEGREE PROPOSALS  
Kansas Board of Regents**

**I. Identify the new degree:**

Bachelor of Integrated Studies (30.9999) - Pittsburg State University

**II. Provide courses required for each student in the major:**

<b>Course Name &amp; Number</b>	<b>Credit Hours</b>
<b>Core Courses</b>	<b>12</b>
<b>Basic Skills</b>	
COMM 207 Speech Communications	3
ENGL 101 English Composition	3
ENGL 190 Honors English or ENGL 299 Introduction to Research Writing	3
<i>Mathematics</i> (Select one)	<b>3</b>
MATH 110 College Algebra with Review	3
MATH 113 College Algebra	3
MATH 133 Quantitative Reasoning	3
MATH 143 Elementary Statistics	3
<b>GENERAL EDUCATION ELECTIVES</b>	<b>34-42</b>
<b>Sciences</b>	<b>8-10</b>
<i>Natural Sciences</i> (Select one)	
BIOL 111 and 112 General Biology and Laboratory	5
BIOL 113 Environmental Life Science	4
BIOL 211 Principles of Biology 1	4
<i>Physical Sciences</i> (Select one)	
CHEM 105 and 106 Introductory Chemistry and Laboratory	4
PHYS 160 and 165 Physical Geology and Laboratory	5
PHYS 162 and 163 Physical Oceanography and Laboratory	4
PHYS 166 and 167 Meteorology and Laboratory	4
PHYS 171 and 172 Physical Science and Laboratory	4
PHYS 175 and 176 Descriptive Astronomy and Laboratory	4
PHYS 375 and 176 Solar System Astronomy and Laboratory	4
<b>Social Studies</b> (Select one)	<b>3</b>
SOSCI 100 Introduction to Sociology	3
WOMEN 200 Introduction to Women’s Studies	3
<b>Political Studies</b> (Select one)	<b>3</b>
POLS 101 U.S. Politics	3
SOSCI 324 Introduction to Comparative Politics	3

**Producing and Consuming** (Select one from two of 5-6 **5-6**  
the following 3 categories)

*Economy*

ECON 191 Issues in Today's Economy 3

FCS 230 Consumer Education 3

*Technology*

GT 190 Introduction to Technological Systems 2

GT 350 Technology and Civilization 3

GTE 551 Technological Literacy for Educators 3

TM 350 Societal Influence of Technology 3

*Business*

ACCTG 201 Financial Accounting 3

CSIS 130 Computer Information Systems 3

MGMKT 101 Introduction to Business 3

**Fine Arts and Aesthetic Studies** (Select one) **2-3**

ART 155 Printmaking I 3

ART 178 Introduction to Visual Arts 3

ART 188 The Designed World 3

ART 217 Crafts I 3

ART 222 Jewelry Design I 3

ART 233 Drawing I 3

ART 244 Ceramics I 3

ART 266 Sculpture I 3

ART 277 Painting I 3

ART 288 Western Art History I 3

ART 289 Western Art History II 3

ART 311 Art Education 3

COMM105 Performance Appreciation 3

COMM 205 Performance Studies 3

COMM 295 Theater History 3

ENGL 250 Introduction to Creative Writing 3

HHPR 151 Dance Appreciation 3

MUSIC 120 Music Appreciation (Classical, Jazz, or World  
Music) 3

MUSIC 121 Introduction to Music Literature 3

MUSIC 321 History of Music 3

**Cultural Studies** (Select one) **3-5**

MLL 124 French Language and Culture I 5

MLL 134 German Language and Culture I 5

MLL 144 Portuguese Language and Culture I 5

MLL 154 Spanish Language and Culture I 5

	MLL 184 Russian Language and Culture I	5
	MLL 194 Korean Language and Culture I	5
	SOSCI 106 World Regional Geography	3
	SOSCI 300 Elements of Geography	3
	SOSCI 304 Human Geography	3
	WOMEN 399 Issues in Women’s Studies	3
	<b>Health and Well Being</b>	<b>4-6</b>
	<i>Psychological</i>	
	PSYCH 155 General Psychology	3
	<i>Physical</i> (Select one)	
	FCS 203 Nutrition and Health	3
	HPER 150 Lifetime Fitness Concepts	1
	<b>Human Heritage</b> (Select one from two categories)	<b>6</b>
	<i>History</i>	
	HIST 101 World History to 1500	3
	HIST 102 World History from 1500	3
	HIST 201 American History to 1865	3
	HIST 202 American History from 1865	3
	<i>Literature</i>	
	ENGL 113 General Literature	3
	ENGL 114 General Literature (Genre)	3
	ENGL 116 General Literature (Theme)	3
	ENGL 120 Literature and Film	3
	ENGL 315 Mythology	3
	<i>Philosophy</i>	
	SOSCI 103 Introduction to Philosophy	3
	SOSCI 105 Ethics	3
	SOSCI 111 Ethics: Applied Emphasis (____)	3
	SOSCI 208 Logic and Critical Thinking	3
	SOSCI 231 World Religions	3
	<b>Total</b>	<b>46-54</b>
<b>Program Area</b>	<b>Required Courses varying with emphasis</b>	<b>45-60</b>
<b>Electives</b>		<b>10-33</b>
	<b>Total</b>	<b>124</b>

IMPLEMENTATION YEAR FY 08

Fiscal Summary for Proposed Academic Programs

Institution: Pittsburg State University

Proposed Program: Bachelor of Integrated Studies

<b>Part I. Anticipated Enrollment</b>	Implementation Year		Year 2		Year 3	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
A. Full-time, Part-time	10		25		60	
B. Total SCH taken by all students in program	320		800		1920	
<b>Part II. Program Cost Projection</b>						
A. In implementation year one, list all identifiable General Use costs to the academic unit(s) and how they will be funded. In subsequent years, please include only the additional amount budgeted.						
	Implementation	Year 2		Year 3		
Base Budget						
Salaries						
OOE	\$2,500	\$3,000		\$3,500		
Total	\$2,500	\$3,000		\$3,500		

Indicate source and amount of funds if other than internal reallocation: Office of Academic Affairs

Revised: September, 2003

Approved: \_\_\_\_\_

**2. APPROVE REVISION OF ACADEMIC CALENDARS – ACADEMIC YEARS 2007-2008, 2008-2009, AND 2009-2010 - ESU**

**Summary and Recommendation**

*Board of Regents policy requires consideration of academic calendars proposed by the state universities on a three-year cycle. Emporia State University requests a revision to add a one-day break to its spring semester for academic years 2007-2008, 2008-2009, and 2009-2010. The proposed revision conforms to existing policies and guidelines. Board Staff recommends approval of the calendar change.* *3/29/07*

**Background**

The Board receives and considers academic calendars proposed by the universities for three academic years periods every three years. The receipt of the proposed academic calendars offers the Board the opportunity to ensure conformity with its policies and guidelines for the construction of academic calendars, as well as an opportunity to review trends pertaining to the academic year.

**Board Policy on the Academic Calendar**

The Policy and Procedures Manual states that the universities will submit academic calendars that include two sixteen week semesters with a total of 150 instructional days and five final exam days each semester. The policy also states that *"any deviation from the published calendar of each university shall be approved in advance by the Board."*

**Proposal**

Emporia State University proposes the following calendar change:

Request approval to add a one-day break on the sixth (6) Friday of the spring semester beginning with the Spring 2008 semester. This additional one-day break would balance the number of instructional days for the Fall and Spring semester at 76.

The requested change appears in italics in the following tables:

**Academic Calendar Year, 2007 -2008**  
**Kansas Board of Regents State Universities**

<b><u>Fall, 2007</u></b>	<b><u>KU</u></b>	<b><u>KSU</u></b>	<b><u>WSU</u></b>	<b><u>ESU</u></b>	<b><u>PSU</u></b>	<b><u>FHSU</u></b>
Classes Begin	Aug 16 Thurs	Aug 20 Mon	Aug 16 Thurs	Aug 15 Wed	Aug 20, Mon	Aug 20 Mon
Classes End	Dec 06 Thurs	Dec 07 Fri	Dec 06 Thurs	Dec 07 Fri	Dec 07, Fri	Dec 07 Fri
Total Instructional Days	75	75	75	76	74	76
Exams Begin	Dec 10 Mon	Dec 10 Mon	Dec 08 Sat	Dec 10 Mon	Dec 10, Mon	Dec 08 Sat
Exams End	Dec 14 Fri	Dec 14 Fri	Dec 14 Fri	Dec 14 Fri	Dec 14, Fri	Dec 14 Fri
Total Exam Days	5	5	6	5	5	6
Total Vacation Days	6	5	6	7	6	4
<b><u>Spring, 2008</u></b>	<b><u>KU</u></b>	<b><u>KSU</u></b>	<b><u>WSU</u></b>	<b><u>ESU</u></b>	<b><u>PSU</u></b>	<b><u>FHSU</u></b>
Classes Begin	Jan 17 Thurs	Jan 17 Thurs	Jan 22 Tue	Jan 16 Wed	Jan 17, Thurs	Jan 16 Wed
Classes End	May 08 Thurs	May 09 Fri	May 12 Mon	May 09 Fri	May 9, Fri	May 09 Fri
Total Instructional Days	75	76	75	<del>77</del> 76	76	77
Exams Begin	May 12 Mon	May 12 Mon	May 14 Wed	May 12 Mon	May 12, Mon	May 10 Sat
Exams End	May 16 Fri	May 16 Fri	May 20 Tues	May 16 Fri	May 16, Fri	May 16 Fri
Total Exam Days	5	5	6	5	5	6
Total Vacation Days	6	6	5	6	6	6

- Notes: (a) Wichita State University and Fort Hays State University utilize Saturdays as final exam days and, thus, have a slightly longer exam period.
- (b) University of Kansas Fall break October 11 - October 14, 2007; Kansas State University Fall break October 1, 2007; Wichita State University Fall break October 18 - October 19, 2007; Emporia State University Fall break October 25 - October 26, 2007; Fort Hays State University no Fall break; and Pittsburg State University Fall break October 11 - October 12, 2007.
- (c) Thanksgiving break is November 21-25, 2007; Martin Luther King Day is January 21, 2008; *Emporia State University one-day break on the sixth (6) Friday of the Spring semester*, and Spring break is March 17-23, 2008.

**Academic Calendar Year, 2008 -2009**  
**Kansas Board of Regents State Universities**

<b><u>Fall, 2008</u></b>	<b><u>KU</u></b>	<b><u>KSU</u></b>	<b><u>WSU</u></b>	<b><u>ESU</u></b>	<b><u>PSU</u></b>	<b><u>FHSU</u></b>
Classes Begin	Aug 21 Thurs	Aug 25 Mon	Aug 21 Thurs	Aug 20 Wed	Aug 25, Mon	Aug 25 Mon
Classes End	Dec 11 Thurs	Dec 12 Fri	Dec 11 Thurs	Dec 12 Fri	Dec 12, Fri	Dec 12 Fri
Total Instructional Days	75	75	75	76	74	76
Exams Begin	Dec 15 Mon	Dec 15 Mon	Dec 13 Sat	Dec 15 Mon	Dec 15, Mon	Dec 13 Sat
Exams End	Dec 19 Fri	Dec 19 Fri	Dec 19 - Fri	Dec 19 Fri	Dec 19, Fri	Dec 19 Fri
Total Exam Days	5	5	6	5	5	6
Total Vacation Days	6	5	6	7	6	4
<b><u>Spring, 2009</u></b>	<b><u>KU</u></b>	<b><u>KSU</u></b>	<b><u>WSU</u></b>	<b><u>ESU</u></b>	<b><u>PSU</u></b>	<b><u>FHSU</u></b>
Classes Begin	Jan 15 Thurs	Jan 15 Thurs	Jan 20 Tue	Jan 14 Wed	Jan 15, Thurs	Jan 14 Wed
Classes End	May 07 Thurs	May 08 Fri	May 11 Mon	May 08 Fri	May 8, Fri	May 08 Fri
Total Instructional Days	75	76	75	<del>77</del> 76	76	77
Exams Begin	May 11 Mon	May 11 Mon	May 13 Wed	May 11 Mon	May 11, Mon	May 09 Sat
Exams End	May 15 Fri	May 15 Fri	May 19 Tues	May 15 Fri	May 15, Fri	May 15 Fri
Total Exam Days	5	5	6	5	5	6
Total Vacation Days	6	6	6	6	6	6

- Notes: (a) Wichita State University and Fort Hays State University utilize Saturdays as final exam days and, thus, have a slightly longer exam period.
- (b) University of Kansas Fall break October 16 - October 19, 2008; Kansas State University Fall break October 6, 2008; Wichita State University Fall break October 16 - October 17, 2008; Emporia State University Fall break October 9 - October 10, 2008; Fort Hays State University no Fall break; and Pittsburg State University Fall break October 23 - October 24, 2008.
- (c) Thanksgiving break is November 26-November 30, 2008; Martin Luther King Day is January 19, 2009; *Emporia State University one-day break on the sixth (6) Friday of the Spring semester*, and Spring break is March 16-22, 2009.

**Academic Calendar Year, 2009 -2010**  
**Kansas Board of Regents State Universities**

<b><u>Fall, 2009</u></b>	<b><u>KU</u></b>	<b><u>KSU</u></b>	<b><u>WSU</u></b>	<b><u>ESU</u></b>	<b><u>PSU</u></b>	<b><u>FHSU</u></b>
Classes Begin	Aug 20 Thurs	Aug 24 Mon	Aug 20 Thurs	Aug 19 Wed	Aug 20, Thurs	Aug 24 Mon
Classes End	Dec 10 Thurs	Dec 11 Fri	Dec 10 Thurs	Dec 11 Fri	Dec 11, Fri	Dec 11 Fri
Total Instructional Days	75	75	75	76	76	76
Exams Begin	Dec 14 Mon	Dec 14 Mon	Dec 12 Sat	Dec 14 Mon	Dec 14, Mon	Dec 12 Sat
Exams End	Dec 18 Fri	Dec 18 Fri	Dec 18 Fri	Dec 18 Fri	Dec 18, Fri	Dec 18 Fri
Total Exam Days	5	5	6	5	5	6
Total Vacation Days	6	5	6	7	6	4
<b><u>Spring, 2010</u></b>	<b><u>KU</u></b>	<b><u>KSU</u></b>	<b><u>WSU</u></b>	<b><u>ESU</u></b>	<b><u>PSU</u></b>	<b><u>FHSU</u></b>
Classes Begin	Jan 14 Thurs	Jan 14 Thurs	Jan 19 Tue	Jan 13 Wed	Jan 14, Fri	Jan 13 Wed
Classes End	May 06 Thurs	May 07 Fri	May 10 Mon	May 07 Fri	May 7, Fri	May 07 Fri
Total Instructional Days	75	76	75	<del>77</del> 76	76	77
Exams Begin	May 10 Mon	May 10 Mon	May 12 Wed	May 10 Mon	May 10, Mon	May 08 Sat
Exams End	May 14 Fri	May 14 Fri	May 18 Tue	May 14 Fri	May 14, Fri	May 14 Fri
Total Exam Days	5	5	6	5	5	6
Total Vacation Days	6	6	5	6	6	6

- Notes: (a) Wichita State University and Fort Hays State University utilize Saturdays as final exam days and, thus, have a slightly longer exam period.  
(b) University of Kansas Fall break October 15 - October 18, 2009; Kansas State University Fall break October 5, 2009; Wichita State University Fall break October 15 - October 16, 2009; Emporia State University Fall break October 8 - October 9, 2009; Fort Hays State University no Fall break; and Pittsburg State University Fall break October 15 - October 16, 2009.  
(c) Thanksgiving break is November 25-November 29, 2009; Martin Luther King Day is January 18, 2010; *Emporia State University one-day break on the sixth (6) Friday of the Spring semester*, and Spring break is March 15-21, 2010.

**VIII. CONSIDERATION OF DISCUSSION AGENDA**

A. *Fiscal Affairs and Audit*  
**Regent Jim Grier**

**Diane Duffy**  
**Vice President for Finance and Administration**

**1. ALLOCATE FY 2007 PAY PLAN SUPPLEMENTAL TO STATE UNIVERSITIES**

**Summary and Staff Recommendation**

*The 2007 appropriation bill (HB 2368) includes supplemental funding for the current year budget to fully finance the current year pay plan. Staff recommends the Board approve the allocation of \$896,072 (outlined in the table below) to the state universities, subject to the bill’s official publication and effective date.*

**Background**

The pay plan approved by the 2006 Legislature for FY 2007 removed funding from the budget of each state agency, including the state universities and the board office, and authorized the State Finance Council to distribute the funding in accordance with the Legislature’s pay plan. In making this distribution, the recalculation of salaries after adjournment of the 2006 Legislature revealed that the funds approved were insufficient to implement the pay plan by \$2.1 million from the State General Fund. At the time of the Finance Council meeting that approved distribution of the funds, the Governor announced that she would recommend additional funds to ensure full financing of the FY 2007 pay plan. Accordingly, the Governor recommended supplemental funding of \$896,072 to the operating grant for the state universities. This current year funding is included in HB 2368 (mega appropriation bill), and upon publication will be available for distribution to the state universities.

The table below proposes the staff recommendation, which was discussed with the Council of Business Officers on April 4, 2007, for the allocation of the additional funding. This is the same approach used to allocate the FY 2007 state university operating grant increase.

State University	Supplemental Allocation FY 2007
ESU	\$ 54,329
FHSU	55,857
KSU	149,421
KSU-ESARP	85,746
KSU – VMC	14,303
KU	195,522
KUMC	177,827
PSU	58,887
WSU	104,180
<b>Total</b>	<b>\$896,072</b>

B. *Other Matters*

**Julene Miller**  
**General Counsel**

**1. APPROVE MEMORANDUM OF AGREEMENT BETWEEN KU AND KAPE  
(REPRESENTING GRADUATE TEACHING ASSISTANTS AT THE  
UNIVERSITY OF KANSAS, LAWRENCE) - KU**

**Summary and Staff Recommendation**

*KU proposes that the Kansas Board of Regents approve and sign the Memorandum of Agreement between the University of Kansas, Kansas Department of Administration, Kansas Board of Regents and the Kansas Association of Public Employees (representing Graduate Teaching Assistants at the University of Kansas, Lawrence) for fiscal years 2008, 2009, and 2010. Staff recommends approval of the agreement and authorizing the Chair to execute it on behalf of the Board.*

**Background**

The Kansas Association of Public Employees (KAPE) was certified as the bargaining unit representative of the Graduate Teaching Assistants (GTAs) at the University of Kansas, Lawrence, on April 27, 1995. The first Memorandum of Agreement (MOA) between the unit and the university was entered in 1996 with a duration of three years. The second MOA entered into between the unit and the university became effective October 1, 2002 and had a three-year duration.

On May 5, 2005, KAPE advised the university that it wished to reopen the MOA for negotiation. The parties conducted 16 negotiating sessions between May 2005 and April 2006, before agreeing they were at an impasse and requesting that the Public Employee Employer Relations Board (PERB) assign a mediator. Following two mediation sessions, the unit and the university advised PERB that they wished to proceed to fact-finding. Prior to submitting their request to proceed to fact-finding, the parties reached agreement on the following articles or sections of articles:

- A. Article 5 - Appointments, Section 3 - Letters of Appointment: TA'd on June 27, 2006.
- B. Article 5 - Appointments, Section 7 - Orientation and Training: TA'd on June 27, 2006.
- C. Article 5 – Appointments, Section 10 – Return to Work: TA'd on June 27, 2006.
- D. Article 7 – Benefits, Section 1 – Health Care Benefits: TA'd on March 3, 2006.
- E. Article 8 – KAPE Access to GTA Names and Addresses: TA'd on June 27, 2006.
- F. Article 9 – KAPE Use of Facilities: TA'd on January 23, 2006.
- G. Article 10 – No Interference: TA'd on March 3, 2006.
- H. Article 12 – Employee Assistance Program: TA'd on March 3, 2006.
- I. Article 16 – Duration and Termination: TA'd on July 12, 2006.

Four issues remained unresolved between the parties when they submitted their request for appointment of a fact-finder. Those four issues were: 1) Article 4 – KAPE Rights, Section 6; 2) Article 5 – Appointments, Section 5 - Limitation on number of appointments; 3) Article 6 – Wages; and 4) Article 14 – Grievance Procedure. The fact-finding hearing was conducted February 1, 2007, and the parties received the “Report of Fact-Finder” from John Creger, fact-finder, on April 5, 2007.

The university has reviewed the “Report of Fact-Finder” and has determined that it will accept each of the recommendations of the fact-finder. The university so advised KAPE on April 6, 2007, and invited KAPE to sign the MOA, which will contain the provisions agreed to between the parties prior to impasse and the fact-finder’s recommendations. Prior to fact-finding, KAPE and its supporters advised the university that it would accept whatever the fact-finders recommendations were for resolution of the Memorandum of Agreement.

The Department of Administration has advised the university that it will approve and sign the Memorandum of Agreement prior to submission to the Board.

The following is a brief description of the revised terms to be included in the Memorandum of Agreement, which will have a three-year duration.

### **Summary of Terms of the Memorandum of Agreement**

#### **A. Terms Agreed to Before Impasse**

- Article 5 – Appointments
  - i. Section 3, Letters of Appointment – Retained language of 2002 MOA.
  - ii. Section 7, Orientation and Training – Retained language of 2002 MOA.
  - iii. Section 10, Approved Medical Leave and Return to Work – Establishes procedure for GTAs with medical condition precluding them from being able to work to request unpaid leave of absence
- Article 7, Section 1 – Health Care Benefits – Agreed to work with KAPE and KBOR to acquire a new health insurance plan.
- Article 8, Section 1 – KAPE Access to GTA Names and Addresses – Retained language in 2002 MOA.
- Article 9, KAPE Use of Facilities – Use of facilities will be in accordance with Guidelines for University Events and Registered Organizations, a copy of which shall be provided within 30 days upon request
- Article 10, No Interference – Retained language in 2002 MOA.
- Article 12, Employee Assistance Program – GTAs are eligible to use the LIFELine Employee Assistance Program and the University will provide funding for the program.
- Article 16, Duration and Termination – 3-year duration and change requires notice of intent to open MOA for negotiations to occur earlier in process between October 15 and November 15 in year before expiration of agreement and requires negotiations to begin on or before “stop day” of the fall semester.

#### **B. Terms Adopted Pursuant to Fact-Finder’s Recommendations**

- Article 4, Section 6 – KAPE Rights – The University, at the Center for Teaching Excellence orientation for GTAs, will provide an announcement regarding the time, date and location of a KAPE informational meeting, and the University will provide a link to the MOA on the University’s Human Resources and Equal Opportunity homepage and an e-mail notice to GTAs regarding the location of the MOA.

- Article 5, Section 5 – Limit on Number of Appointments – The MOA will retain the language of the prior MOA with the University having the right to establish the duration of GTA appointments.
- Article 6 – Wages
  - i. Section 1 – Because the base salary budget did not change in FY 2005 and FY 2006, the university will increase the current base budget for all GTAs for FY 2007 by 11.3% (an amount equal to the compounded average percent of merit increase for faculty in FY 2006 and FY 2007)
  - ii. Merit salary of 2/3 of the departmental average is authorized for sufficiently meritorious returning GTAs, authorized average percent merit increase may vary by department as determined by the dean of the school, a returning GTA whose merit salary increase does not bring the GTA to the minimum base salary will be increased to the minimum.
  - iii. Base salaries for GTAs with an appointment of 50% for the academic year will be: 1) first academic year, \$11,250.00; 2) second academic year, \$11,750.00; and 3) third academic year, \$12,250.00.
- Article 14 – Grievance Procedure – Retained language of 2002 MOA.

**NOTE:** The university will provide the 11.3% increase to the current base budget for current GTAs by calculating the new salaries and providing those increases in the remaining pay periods this academic year.

### **Conclusion and Recommendation**

The University of Kansas recommends that the Board approve the Memorandum of Agreement. Staff concurs and recommends the Board approve the Memorandum of Agreement and authorize the Chair to execute the Agreement on behalf of the Board.

**Regent Janie Perkins, Chair**  
**Retirement Plan Committee**

**Madi Vannaman**  
**Staff Affiliate**

**2. AMEND THE INVESTMENT POLICY STATEMENT FOR THE  
MANDATORY RETIREMENT PLAN**

**Summary and Staff Recommendation**

*The Board approved an Investment Policy Statement (IPS) for the Mandatory Retirement Plan at its December 2005 meeting. The IPS established formal benchmarks against which performance of investment options offered under the Plan are measured. The IPS now needs to be updated to establish appropriate benchmarks for the new fund lineups that were approved by the Board with the consolidation of the Plan to two Investment Providers (ING and TIAA-CREF). The RPC recommends amendments to the IPS that would set appropriate required benchmarks as well as establishing a procedure for the Board and the RPC to address extraordinary events. Staff concurs.*

**Background**

The Board of Regents is authorized by statute to offer a Mandatory 403(b) Retirement Plan to eligible faculty and staff in the Board office and at the six state universities. The Board manages its fiduciary responsibility for the KBOR Mandatory Retirement Plan by delegating to its Retirement Plan Committee (RPC) appropriate management and periodic review of the Plan. The RPC advises the Board, and the Board retains final decision making authority. The Board has also engaged a consultant, Deloitte Consulting, to work closely with the RPC and to provide advice regarding the oversight of investment options. The RPC's role is to develop the necessary expertise to provide the Board the information it needs to make decisions about the Mandatory Plan that are in the best interest of the participants.

**Investment Policy Statement**

The Board has approved various Plan documents that govern the Plan, including an Investment Policy Statement (IPS). The IPS has two primary functions: (1) to establish roles and responsibilities between the Board and the RPC and demonstrate that the Board is fulfilling its duties for the plan; and (2) to establish criteria by which investment providers and their funds will be measured in order to be included in the Mandatory Plan.

Pursuant to Board action, the Mandatory Plan was consolidated from four to two Investment Providers in December 2006. The two remaining Investment Providers, ING and TIAA-CREF, introduced new funds for participants in the Mandatory Plan. As a result, the IPS needs to be updated to reflect the new funds and their appropriate benchmarks that will be used to measure the new funds' performance. The RPC, with the assistance of Deloitte Consulting, has identified new benchmarks and recommends that the IPS be amended accordingly. These amendments can be found in the attached IPS' appendix, pages A-1 to A-5.

Also, upon advice from Deloitte Consulting, the RPC recommends the Board amend the IPS to include a new section under Operational Guidelines, which can be found on page 10. This section would provide guidance to the Board and the RPC about how to address “Extraordinary Events,” e.g., a situation where a fund is performing well but criminal allegations or other crises arise that might spur the RPC to recommend that action be taken to remove the fund from the Plan. The proposed language addresses activity that has taken place recently in the retirement and investment industries, though not in the KBOR Mandatory Plan.

Staff recommends the Board amend the IPS as recommended by the RPC.

# **Kansas Board of Regents Investment Policy Statement**

## **Mandatory Retirement Plan**

**Draft Revisions as of 4/2/2007**

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- “Plan”
- “Staff”
- “Trustee”
- “Investment Providers”
- “Investment Options”
- “Policy”

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## **Investment Policy Statement**

### **Kansas Board of Regents**

#### **I. DESCRIPTION OF THE MANDATORY PLAN**

The Kansas Board of Regents Mandatory Retirement Plan (the "Plan") was established in 1962 to provide retirement benefits to employees who meet the statutory requirements for such benefits. Each eligible employee is required to contribute a percentage of his or her compensation to the Plan, and the eligible employee's employer is required to contribute an additional amount equal to a percentage of the employee's compensation to the Plan.

The Plan is required by Kansas law to meet all rules applicable to Section 403(b) plans under the Internal Revenue Code ("Code"), in order to provide the ensuing tax advantages to their participants. The Plan is also governed by Kansas statute and administrative rules.

The Plan is funded through the purchase of annuity and custodial contracts from Investment Providers designated by the Kansas Board of Regents (the "Investment Providers"). Participants are authorized to select an Investment Provider and to direct the investment of their accounts among the Investment Options offered by that Investment Provider.

#### **Definition of Key Terms used in This Investment Policy Statement**

- a) "Board" means the Board of Regents, a nine-member body that governs, supervises and coordinates state education institutions.
- b) "Committee" means the Retirement Plan Committee, the group charged by the Board to provide plan administration and investment oversight to the Plan. The Committee reports to the Board.
- c) "Plan" means the Kansas Board of Regents Mandatory Plan. The Plan maintains account balances of participants in which contributions are accumulated, investment earnings and losses are credited and debited, and from which certain operating expenses of the Plan may be paid.
- d) "Staff" means those persons employed by the Board and those persons who are employed by institutions controlled by the Board who serve as advisers to the Board and the Committee with respect to the Plan.
- e) "Trustee" means the person(s) or entity named in any separate trust agreement forming a part of this Plan, and any successors.
- f) "Investment Providers" mean those firms designated by the Board who are permitted to offer Investment Options to participants in the Plan.
- g) "Investment Options" means the mutual funds, annuity contracts or custodial accounts available to participants in the Plan.
- h) "Policy" means this Investment Policy Statement.

**Responsibility and Authority**

The Board has ultimate responsibility and final decision making authority for the Plan. The Board has charged the Committee with certain oversight responsibilities for the Plan subject to Board approval. These responsibilities include:

- a) Establishing and revising the Plan's Policy;
- b) Designating Investment Providers from which Investment Options are to be selected;
- c) Designating the Investment Options for use under the Plan;
- d) Designating the Trustee, if applicable, for any separate trust agreement to hold in trust any of the assets of the Plan;
- e) Recommending the form and contents of any annuity contracts, custodial account contracts, mutual fund contracts, or separate trust agreements;
- f) Measuring and reviewing compliance with this Policy at least annually.

The Staff is responsible for day-to-day operations of the Plan in accordance with Plan documents, applicable law and the policies and decisions of the Board and Committee. The Staff will provide input to the Board and Committee to facilitate their decision making responsibilities. The selection of Investment Options for any participant's account is the sole responsibility of that participant.

**Purpose of This Investment Policy Statement**

This Policy is intended to assist the Committee in designating, monitoring, and managing the Investment Providers and the Investment Options established under the Plan. Specifically, the purpose of the Policy with respect to the Plan is to:

- a) Assist the Committee in determining the Investment Providers permitted to offer Investment Options under the Plan;
- b) Set investment guidelines for the Committee to utilize in the selection of Investment Options that will provide participants with adequate investment choices to meet their objectives and control the level of overall risk for their accounts;
- c) Establish criteria for the on-going evaluation and monitoring of Investment Providers and Investment Options under the Plan;
- d) Identify responsibilities under these guidelines;
- e) Communicate the investment policies, objectives, guidelines and performance criteria to all interested parties; and
- f) Demonstrate that the Board and the Committee is fulfilling its responsibilities under the Plan.

Plan participants are responsible for directing the investment of their own accounts. Nothing in this Policy implies a guaranteed rate of return for participants, unless specifically provided by the selected

Investment Option. It is the responsibility of participants to select Investment Options with risks appropriate for their circumstances. The investment risk resides with participants.

In addition, this Policy is intended:

- a) To Address Fiduciary Obligations – The Board recognizes the importance to act with skill, care, prudence, and diligence in all matters relating to the Plan and to perform its duties with respect to the Plan in the interests of the participants and their beneficiaries and in accordance with the governing Plan document.
- b) To Record Policy – Although the Committee will review investment performance on a regular, periodic basis, the formation of judgments and the actions to be taken on those judgments will be aimed at matching the needs of the participants with Investment Options available to the participants.
- c) To Promote Understanding Among Various Functional Roles – This policy is also intended to serve as a reference tool, and a communications link between the Board and
  - the Committee;
  - employer management;
  - its other professional advisors and service providers;
  - its investment managers.

### **Legal and Regulatory Environment**

The Plan is subject to federal and state tax law and supporting regulations. The assets of the Plan shall be invested in accordance with all relevant legal requirements. Specifically:

- a) All transactions undertaken on behalf of the Plan shall be solely in the interest of participants and their designated beneficiaries;
- b) Investments shall be managed with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; and
- c) Investment Options, collectively, shall be diversified so as to allow the participant(s) the opportunity to minimize the risk of large losses, unless under some unforeseen extraordinary circumstances it would clearly not be prudent for the Committee to do so.
- d) Kansas statute provides that an Investment Provider must be (i) a life insurance company authorized to do business in the State of Kansas, or (ii) a bank or approved non-bank trustee or custodian under Code Section 401(f), the assets of which are invested exclusively in regulated investment company stock.

## **II. CONTEXT OF INVESTMENT POLICY STATEMENT**

### **Investment Objective**

The investment objective of the Plan is to provide participants with an opportunity to create diversified portfolios with varied aggregate risk and return characteristics. This is best accomplished by offering participants a broad range of investment alternatives.

Each Investment Provider's Investment Options will have sufficiently different risk and return characteristics so that, taken together, they enable a participant to arrange a portfolio with aggregate risk and return characteristics according to his/her desires.

### **Risk Tolerances**

This Policy recognizes the difficulty of each participant achieving his or her investment objectives in light of the uncertainties and complexities of contemporary investment markets. This Policy also recognizes that participants should and will seek to assume different individual levels of risk exposure in order to achieve their various investment objectives and risk tolerance.

Plan participants may wish to tolerate some interim fluctuations in market value and rates of return in order to achieve their investment objectives. However, it is the Board's goal for the Plan to offer investment vehicles whose performance patterns do not excessively deviate their benchmark index. Therefore, when evaluating investment funds in the Plan, the Committee shall separately consider each investment's risk and return characteristics compared to the relevant benchmark in order to effectively discharge its responsibilities under the Plan in the best overall interests of Plan participants and their beneficiaries.

## **III. INVESTMENT PROVIDERS**

The Board must approve the Investment Providers permitted to offer Investment Options to participants in the Plan. The Investment Providers that have been approved by the Board to offer Investment Options under the Plan are listed in the Appendix. The current Investment Providers and any future Investment Providers shall satisfy the following requirements:

- a) Have the ability to comply with the Plan provisions;
- b) Demonstrate competitive investment performance;
- c) Offer a diversity of Investment Options;
- d) Offer a wide range of forms of benefit payments;
- e) Agree to the terms and conditions of the Mandatory Plan Investment Provider Agreement;
- f) Permit transfers of accounts between Investment Providers and between Investment Options;
- g) Have a minimum of ten years experience in offering Investment Options for 403(b) plans;
- h) Make its Investment Options available to all eligible employees and participants on an equal basis, without any minimum balance requirements;
- i) Maintain investment grade ratings from major credit rating agencies such as A.M. Best Company, Standard & Poors, Moodys, and Fitch if the Investment Provider is an insurance company;
- j) Provide service capabilities such as tailored communication materials, secure internet account access, and a toll-free telephone number; and
- k) Have reasonable fees and charges, including annual administrative charges, surrender charges, fund expense, transfer charges, charges on rollovers, charges for mortality risk and expense guarantee (if applicable), asset management charges, and market value adjustments.

### **Monitoring Investment Providers for the Plan**

The Committee shall review the approved Investment Providers under this Policy at least annually, or more frequently as determined necessary in the Committee's sole discretion, to determine if the above-criteria continues to be satisfied and if additional or fewer Investment Providers should be designated to offer Investment Options under the Plan. The Committee shall make its recommendations to the Board, and the Board shall approve the appropriate Investment Providers.

If an Investment Provider no longer satisfies the requirements outlined above the Board shall notify the Investment Provider in writing that it is no longer authorized to offer Investment Options under the Plan(s), unless the Board determines that, in its absolute discretion, it is prudent to retain the Investment Provider under the Plan(s).

## **IV. INVESTMENT ALTERNATIVES**

### **Investment Options**

Based on participants' varying risk tolerances, the following types of Investment Options should be made available for participants in the Plan. Participants may individually diversify among these funds in order to achieve their own optimum level of risk and return. *See the Appendix for a summary of the asset classes and funds currently offered in the Plan and their respective peer groups and market benchmarks. Refer to the individual fund Prospectuses for detailed descriptions of the options.* A description of the asset classes represented in the plan follows:

<b>General Asset Class Category Descriptions</b>	
Principal Protection (Money market, Fixed Accounts or Stable Value)	<ul style="list-style-type: none"> <li>• Seek the highest level of stable income consistent with the safety of principal afforded by the portfolio’s investments.</li> <li>• The portfolio may hold U.S. Government and Agency securities and other money market securities issued by corporations.</li> <li>• The portfolio may hold book value investments, including traditional account Guaranteed Investment Contracts (GICs) and synthetic GICs.</li> </ul>
Bond ( <u>Core and Treasury Inflation Protected Securities (TIPS)</u> )	<ul style="list-style-type: none"> <li>• Provides exposure to a variety of fixed income instruments.</li> <li>• This type of fund may provide exposure to U.S. or global bond markets including government, agency, corporate, mortgage backed and high yield sectors.</li> <li>• <u>TIPS will invest in inflation-protected bonds issued by the U.S. Treasury. The principal amount of the bond is adjusted to the Consumer Price Index, the commonly used measure of inflation.</u></li> </ul>
Balanced	<ul style="list-style-type: none"> <li>• Provides exposure to both equity and fixed income investments which allows for simplifying the asset allocation decision for plan participants.</li> <li>• This type of fund will typically invest in a broad array of domestic and foreign stocks, bonds and money market securities.</li> </ul>
Core Equity	<ul style="list-style-type: none"> <li>• Provides broad equity market exposure with the opportunity of capital appreciation and income through dividends.</li> <li>• This option may be actively or passively managed to a particular broad market index such as the Standard &amp; Poor’s 500 Index.</li> <li>• This fund will invest primarily in large cap stocks.</li> </ul>
Style Based Equity	<ul style="list-style-type: none"> <li>• Primary focus is to provide capital appreciation.</li> <li>• Managers are seeking advantages in the market place through their particular strategy. Funds offered in this category will have a style specific orientation such as value or growth.</li> <li>• This type of fund will invest primarily in mid to large capitalization stocks of U.S. domiciled corporations.</li> </ul>

*Asset Class Category Descriptions Continued on the Next Page*

**Asset Class Alternatives (continued...)**

<b>General Asset Class Category Descriptions</b>	
International/Global Equity	<ul style="list-style-type: none"> <li>• This option will provide investors with exposure to a broad range of stocks largely based outside of the U.S.</li> <li>• Currency hedging may also be employed by the manager with the primary objective to protect currency translation exposure or create an initial position in a country.</li> <li>• International funds will invest primarily in non-U.S. markets. Global funds will invest in foreign and domestic markets.</li> </ul>
Aggressive Equity	<ul style="list-style-type: none"> <li>• Broad category that encompasses funds with investments specifically in small or mid capitalization stocks.</li> <li>• Managers seek to outperform the appropriate benchmark during a market cycle and are willing to take risks to achieve this objective.</li> <li>• Managers may seek advantages in the market place through their particular strategy. Funds offered in this category may have a style specific orientation such as value or growth.</li> <li>• This option has the opportunity to dramatically underperform or outperform the broad market during different market periods.</li> </ul>
Real Estate	<ul style="list-style-type: none"> <li>• Invests in real estate or real estate-related investments including REITs, mortgage loans, mortgage backed securities and common or preferred stock of companies whose operations involve real estate.</li> <li>• Managers may seek diversification by investing in direct ownership interests in income-producing real estate such as office, industrial, retail and multi-family residential properties.</li> </ul>
Specialty Fund	<ul style="list-style-type: none"> <li>• Broad category encompassing sector, commodity or other fund types.</li> </ul>

## **Life Cycle Investment Options**

The Plan's investment choices may also include a series of "life cycle" Investment Options. These funds provide pre-set asset allocations based upon individual risk tolerance or anticipated retirement date, for those participants who do not feel comfortable making their own allocation decisions.

## **Summary of Investment Options**

The Plan's investment choices are designed to:

- Provide an opportunity for a participant to exercise control over assets in his/her individual account.
- Provide a participant or beneficiary an opportunity to choose, from a broad range of investment alternatives, the manner in which the assets in his/her account are invested.

## **Performance Objectives**

It is in the best interest of the Plan's participants and beneficiaries that performance objectives be established for each Investment Option.

The performance objectives and criteria items will include but are not limited to the following:

- Manager's adherence to his/her stated investment objectives and style
- Performance Numbers
  - Long-term focus
  - Above median results relative to peer group and above market benchmark over cumulative (3 and 5 year periods) and rolling 3-year periods
  - Net of fees basis
- Value Added and Risk Statistics, including:
  - Sharpe Ratio
  - Alpha
  - Beta
  - Standard Deviation
  - Downside Risk
- Qualitative Factors such as:
  - Assets under management
  - Manager tenure
  - Organizational structure and stability
- Management Expenses relative to comparable portfolios

## **V. OPERATIONAL GUIDELINES**

### **Frequency of Measurement**

The Board expects the Committee to measure and review compliance with this policy at least annually.

### **Investment Performance**

The Committee shall review investment performance to determine if the Investment Options offered under the Plan continue to provide the participants with a broad range of Investment Options with competitive returns relative to appropriate benchmarks and peer groups as defined in the Appendix.

The Committee shall:

- Review each Investment Option's adherence to this Policy for that offering.
- Compare each Investment Option's return with appropriate indices or benchmarks and peer groups as defined in the Appendix.
- Identify any material changes in the Investment Option's organization, investment philosophy, and/or personnel.

### **Review of Plan Fees and Participant Activity**

The Committee shall:

- Review total Plan fees, including those of any third party administrator, the directed Trustee and Investment Option fees.
- Review aggregate participant balances and elections.

### **Extraordinary Events**

Investment providers are expected to inform the Committee as soon as administratively possible about any extraordinary events as they relate to investment provider themselves or the investment options offered in the Plan. These extraordinary events may include, but are not limited to:

- Going concern issues, for both the investment provider or investment management company
- Investigations by government and administrative regulators
- Investment options that no longer accept contributions
- Investment options being liquidated and mapped to other investment options
- Any other unforeseen events likely to have an impact on Plan participants

The Retirement Plan Committee reserves the right to make changes as appropriate based on the circumstances and potential impact of any extraordinary event.

**Fund Termination**

Investment Options shall be reviewed for possible replacement at least annually. The Board has little or no tolerance for an inconsistent investment approach. Therefore, the Committee shall monitor investment offerings on several key indicators for possible inconsistency, as set out below. Reasons for replacement may include, but are not limited to the following:

- Excessive deviation from the fund's benchmark and peer group.
- Acceptance of significantly more risk than the fund's benchmark index.
- Change or loss of key personnel, such as a fund manager and those servicing the account.
- Significant change, increase, or loss of assets under management.
- Evidence that actual portfolio characteristics do not follow published investing style.
- Performance patterns not logically explainable in terms of the published style, or performance out-of-step with a manager's style peer group, particularly (but not exclusively) if resulting in underperformance or excessive volatility.
- The identification by the Committee of more suitable funds.
- Legal or regulatory issues.
- Failure to attain a majority vote of confidence of the Committee.

None of these indicators shall be taken to be conclusive evidence of inconsistency. Such a finding will be based upon the facts and circumstances of each situation.

**Investment Options**

Subject to Board approval, the Committee may use whatever resources are deemed appropriate to secure and evaluate qualified Investment Options during the selection process, including but not limited to search firms and consultants. The Committee may recommend expanding or contracting the number of investment fund choices in the asset categories as deemed appropriate to meet the objective of providing a broad array of investment choices, which offer competitive returns at competitive and reasonable expense levels. The number of investment funds selected will be considered in the context of selecting a manageable number of Investment Options that provide comprehensive coverage along the risk/return spectrum. Manager skill and cost to the Plan and participants will be considered in establishing an efficient roster of Investment Options to implement the Policy.

## **VI. USE OF SERVICE PROVIDERS**

Subject to Board approval, the Committee or staff may retain the services of various professionals in order to assist in the operation of the Plan. Unless in conflict with the Plan document or other considerations, the Committee intends that the Plan has the discretion to pay expenses for these services from the Plan's assets.

Consultants and service providers retained by the Committee or staff, on behalf of the Plan, may include, but are not limited to:

- Investment Fund Managers
- Investment Consultants
- Legal Counsel
- Other service providers the Committee believes appropriate

## **VII. POLICY MODIFICATION AND REVISION**

The Committee shall consider at least annually whether any elements of this Policy need revision and make such recommendations to the Board. Key occurrences, which could result in a Policy modification, include, but are not limited to:

- (a) impractical time horizons;
- (b) changes in the operating environment or objectives and priorities;
- (c) issues found to be important, but not covered by the Policy; and
- (d) long-term changes in market trends, economic conditions, or investment opportunities that are materially different from those used to set the Policy.

The Board views this Policy, on the one hand, as the basic tool for the execution of the investing program, and on the other hand as a dynamic document which is responsive to any needs for fundamental or minor change. The Board does not believe it is desirable or productive to react to short-term situations but rather takes a long-term view of offering this Plan and the Investment Options to participants.

**VIII. POLICY ADOPTION**

This document is adopted as the Investment Policy Statement for the Kansas Board of Regents Mandatory Retirement Plan.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_  
Chairperson, Kansas Board of Regents

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_  
President & CEO of Kansas Board of Regents

**APPENDIX -- ING**

**Fund Array and Performance Objectives**

<b><u>Investment Option Category</u></b>	<b><u>Fund Name</u></b>	<b><u>Peer Group Universe</u></b>	<b><u>Market Benchmark</u></b>
Principal Protection	ING Aeltus Money Market Fund – A <sup>1</sup>	Callan Money Market Style	90 Day T-Bill Index
Principal Protection	ING Fixed Plus Account III <sup>1</sup>	Callan Stable Value Style	Ryan Labs GIC 3-Year Index
Bond	ING Intermediate Bond Fund – A <sup>1</sup>	Callan Mutual Fund: Core Bond Style	Lehman Brothers Aggregate Bond Index
Core Equity	American Century Equity Growth – Adv. <sup>1</sup>	Callan Mutual Fund: Core Equity	S&P 500 Index
Core Equity	SSgA S&P 500 Index <sup>2</sup>	Lipper S&P 500 Objective Style	S&P 500 Index
Style Based Equity	American Funds Fundamental Investors – R4 <sup>1</sup>	Callan Mutual Fund: Large Cap Value Style	Russell 1000 Value Index
Style Based Equity	American Funds Growth Fund of America – R4 <sup>1</sup>	Callan Mutual Fund: Large Cap Growth Style	Russell 1000 Growth Index
Aggressive Equity	Columbia Mid-Cap Value – A <sup>1</sup>	Callan Mutual Fund: Mid Cap Value Style	Russell Mid Cap Value Index
Aggressive Equity	Vanguard Mid-Cap Index – Admiral Shares <sup>2</sup>	Callan Mutual Fund: Mid Cap Broad Style	<u>Prior to May 16, 2003 the S&amp;P MidCap 400 Index, thereafter MSCI US Mid Cap 450</u>
Aggressive Equity	ING AllianceBernstein Mid Cap Growth – Service Class <sup>1</sup>	Callan Mutual Fund: Mid Cap Growth Style	Russell Mid Cap Growth Index

**APPENDIX – ING (Cont.)**

<b><u>Investment Option Category</u></b>	<b><u>Fund Name</u></b>	<b><u>Peer Group Universe</u></b>	<b><u>Market Benchmark</u></b>
Aggressive Equity	Lord Abbett Small-Cap Blend Fund – Class A <sup>1</sup>	Callan Mutual Fund: Small Cap Broad Style	Russell 2000 Index
Aggressive Equity	Vanguard Small-Cap – Admiral Shares <sup>2</sup>	Callan Mutual Fund: Small Cap Broad Style	<u>Prior to May 16, 2003 the Russell 2000, thereafter MSCI US Small Cap 1750</u>
Aggressive Equity	ING Baron Small Cap Growth Portfolio – Initial Class <sup>1</sup>	Callan Mutual Fund: Small Cap Growth Style	Russell 2000 Growth Index
Global Equity	ING Oppenheimer Global Portfolio – Initial Class <sup>1</sup>	Callan Mutual Fund: Global Equity Style	MSCI World Index
International Equity	American Funds EuroPacific Growth – R4 <sup>1</sup>	Callan Mutual Fund: Non-U.S. Equity	MSCI EAFE Index
Equity – Sector Fund	ING Real Estate – Inst. <sup>1</sup>	Lipper Real Estate Funds	NAREIT Composite Index
Lifecycle Investment Options	ING Solution Income Portfolio – Initial Class <sup>1</sup> ING Solution 2015 Portfolio – Initial Class <sup>1</sup> ING Solution 2025 Portfolio – Initial Class <sup>1</sup> ING Solution 2035 Portfolio – Initial Class <sup>1</sup> ING Solution 2045 Portfolio – Initial Class <sup>1</sup>	NA	Lehman Brothers Aggregate Bond Index 60% S&P 500 Index / 40% Lehman Brothers Aggregate Bond Index 60% S&P 500 Index / 40% Lehman Brothers Aggregate Bond Index Russell 3000 Index Russell 3000 Index

**APPENDIX – TIAA-CREF**  
**Fund Array and Performance Objectives**

<b><u>Investment Option Category</u></b>	<b><u>Fund Name</u></b>	<b><u>Peer Group Universe</u></b>	<b><u>Market Benchmark</u></b>
Principal Protection	CREF Money Market <sup>1</sup>	Callan Money Market Style	90 Day T-Bill Index
Principal Protection	TIAA Traditional Annuity <sup>1</sup> TIAA Stable Return Annuity <sup>1</sup>	Callan Stable Value Style	Ryan Labs 3-Year GIC Index
Bond	CREF Bond Market Account <sup>1</sup>	Callan Mutual Fund: Core Bond Style	Lehman Brothers Aggregate Bond Index
Bond - <u>Treasury Inflation Protected Securities</u>	CREF Inflation Linked Bond Account <sup>1</sup>	NA	Lehman US TIPS Index
Balanced	CREF Social Choice Account <sup>1</sup>	Callan Mutual Fund: Domestic Balanced Style	60% S&P 500 Index/40% Lehman Aggregate Bond Index
Core Equity	CREF Equity Index Account <sup>2</sup>	Callan Mutual Fund: Core Equity Style	Russell 3000 Index
Core Equity	TIAA-CREF S&P 500 Index Fund <sup>2</sup>	Lipper S&P 500 Objective Style	S&P 500 Index
Core Equity	CREF Stock Account <sup>1</sup>	Callan Mutual Fund: Core Equity Style	CREF Composite Benchmark (Russell 3000 Index, MSCI EAFE + Canada Index, MSCI Emerging Markets Index)
Style Based Equity	CREF Growth Account <sup>1</sup> American Funds Growth Fund of America <sup>1</sup>	Callan Mutual Fund: Large Cap Growth Style	Russell 1000 Growth Index
Style Based Equity	TIAA-CREF Large-Cap Value Fund <sup>1</sup>	Callan Mutual Fund: Large Cap Value Style	Russell 1000 Value Index
Aggressive Equity	TIAA-CREF Mid-Cap Value Fund <sup>1</sup>	Callan Mutual Fund: Mid Cap Value Style	Russell Mid Cap Value Index
Aggressive Equity	TIAA-CREF Mid-Cap Blend Index Fund <sup>2</sup>	Callan Mutual Fund: Mid Cap Broad Style	Russell Mid Cap Index

**APPENDIX – TIAA-CREF (Cont.)**

<b><u>Investment Option Category</u></b>	<b><u>Fund Name</u></b>	<b><u>Peer Group Universe</u></b>	<b><u>Market Benchmark</u></b>
Aggressive Equity	TIAA-CREF Mid-Cap Growth Fund <sup>1</sup>	Callan Mutual Fund: Mid Cap Growth Style	Russell Mid Cap Growth Index
Aggressive Equity	Royce Opportunity <sup>1</sup>	Callan Mutual Fund: Small Cap Value Style	Russell 2000 Value Index
Aggressive Equity	TIAA-CREF Small-Cap Blend Index Fund <sup>2</sup>	Callan Mutual Fund: Small Cap Broad Style	Russell 2000 Index
Aggressive Equity	TIAA-CREF Small-Cap Growth Index Fund <sup>2</sup>	Callan Mutual Fund: Small Cap Growth Style	Russell 2000 Growth Index
Global Equity	CREF Global Equities Account <sup>1</sup>	Callan Mutual Fund: Global Equity Style	MSCI World Index
International Equity	TIAA-CREF International Equity Index <sup>2</sup> American Funds EuroPacific Growth <sup>1</sup>	Callan Mutual Fund: Non-U.S. Equity Style	MSCI EAFE Index
<b><u>Real Estate- Direct Investment</u></b>	TIAA Real Estate Account <sup>1</sup>	Callan Total Real Estate Style	TIAA Real Estate Custom Composite
Lifecycle Investment Options	TIAA-CREF Lifecycle 2010 <sup>1</sup> TIAA-CREF Lifecycle 2015 <sup>1</sup> TIAA-CREF Lifecycle 2020 <sup>1</sup> TIAA-CREF Lifecycle 2025 <sup>1</sup> TIAA-CREF Lifecycle 2030 <sup>1</sup> TIAA-CREF Lifecycle 2035 <sup>1</sup> TIAA-CREF Lifecycle 2040 <sup>1</sup>	<u>NA</u>	<u>2010 Fund Composite Index</u> <u>2015 Fund Composite Index</u> <u>2020 Fund Composite Index</u> <u>2025 Fund Composite Index</u> <u>2030 Fund Composite Index</u> <u>2035 Fund Composite Index</u> <u>2040 Fund Composite Index</u>

<sup>1</sup> All actively managed funds or funds with any component that is actively managed are expected to outperform the market benchmark and provide above median results relative to its peer group over the majority of observable cumulative and rolling three-year periods.

<sup>2</sup> For indexed/passively managed options, performance should be within a reasonable tolerance of the index it is replicating after taking into consideration the fund's expense ratio and above median relative to its peer group over the majority of observable cumulative and rolling three-year periods.

### 3. ADOPT A VENDOR MANAGEMENT AGREEMENT FOR THE MANDATORY RETIREMENT PLAN

#### Summary and Staff Recommendation

*With the December 31, 2006, consolidation to the Board's Mandatory Retirement Plan, the Board's Retirement Plan Committee (RPC) requested that Deloitte Consulting advise how the Board and the RPC should address fund changes proposed by ING and TIAA-CREF in the future. Deloitte drafted a Vendor Management Document, which provides procedures for new fund proposals and objective and subjective criteria, that will be used to assess proposed funds. Both the RPC and staff recommend approval of the Vendor Management Document.*

#### Background

Effective December 31, 2006, the Board's Mandatory Plan was consolidated from four to two Investment Providers – ING and TIAA-CREF. As part of the consolidation, the RPC worked with Deloitte Consulting and the Investment Providers to offer a new menu of investment options with lower fees and expenses. After these changes were adopted by the Board, the RPC inquired of Deloitte how it should handle any changes to the fund lineup that might be proposed by an Investment Provider in the future. Deloitte drafted a Vendor Management Document to provide procedures to guide both the Investment Providers and the RPC when dealing with future proposals. Both the RPC and staff recommend the adoption of the Vendor Management Document to provide good business practices for the Mandatory Retirement Plan.

#### Highlights of the Vendor Management Document

In general, the Vendor Management Document would establish guidelines for the Investment Provider and for the RPC to follow when fund lineup changes are proposed. Specific elements of the Vendor Management Document include:

- The timeframe and the process the Investment Provider would follow when proposing changes to its fund lineup.
- The expectations for what must be provided for each proposed change to demonstrate the need for the change.
- The objective criteria against which each proposal will be evaluated, as required by Investment Policy Statement.
- Subjective evaluation criteria that will be utilized by the RPC in making its recommendation to the Board.

If approved by the Board, the Vendor Management Document will be shared with ING and TIAA-CREF to ensure they are aware of the procedures that will be used if they want to propose changes to their fund lineups.

Kansas Board of Regents  
Mandatory Retirement Plan

Vendor Management Document

**DRAFT**

# Contents

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Background Information

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Calendar for the Retirement Plan Committee (RPC)

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Protocol for Proposed Changes to the Mandatory Retirement Plan

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## **Background Information**

- The Board acknowledges that current Investment Providers to the Kansas Board of Regents Mandatory Retirement Plan may wish to modify (add/replace/delete) funds currently offered to participants as part of the Plan.
- The Board has delegated the responsibility of overseeing this process to the Retirement Plan Committee (RPC) to ensure that any proposed fund has been adequately reviewed against performance objectives specified in the Investment Policy Statement as well as meeting other required guidelines.
- Investment Providers considering changes to the investment lineup in the Mandatory Retirement Plan will abide by the following guidelines.

## Retirement Plan Committee Calendar

Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Preparation for Semi-annual Investment Review		Full RC Mtg. Inv. Rev.	Follow-up from Semi-annual mtg. Communication Campaign initiated by providers for Fund changes			Plan investment Changes effective July 1 Preparation for Semi-annual Investment Review		Full RC Mtg. Inv. Rev.	Open		

- ✓ During the semi-annual meetings the Retirement Plan Committee will review the fund performance of both ING and TIAA-CREF
  - These meetings will typically be held in March (covering performance through 12/31) and September (covering performance through 6/30)
  - Plan asset balances for both Lincoln National and Security Benefit will be evaluated as part of the semi-annual review.
- ✓ For the time period of January 1 – January 15 of each calendar year, the current investment providers will have the opportunity to recommend additional funds for possible inclusion into the KBOR Mandatory Retirement Plan.
- ✓ Proposed funds receiving Board approval will be added to the Plan effective July 1
- ✓ The Retirement Plan Committee will meet semi-annually (or more often, as circumstances arise that warrant more frequent meetings).

## **RPC Standing Semi-Annual Investment Agenda**

- Approval of minutes from prior meeting
- Semi-annual investment monitoring review
  - Monitoring against established quantitative and qualitative performance criteria as outlined in the Board’s Investment Policy Statement
  - Review of investment management fees
- Review of periodic reports related to the Mandatory Retirement Plan
  - Owner of report(s) presents summary and decision points to the RPC
  - Reports provided to the RPC in advance to improve efficiency of meetings
  - Periodic reports include plan administration reports, legislative updates, etc.
- Other relevant topics
  - Recent marketplace trends in investments for retirement plans

## Investment Provider Reporting

<b>January</b>	<ul style="list-style-type: none"><li>• 4th quarter performance reports provided by TIAA-CREF and ING</li><li>• Plan asset information report supplied Lincoln National and Security Benefit</li></ul>
<b>February</b>	<ul style="list-style-type: none"><li>• Preparation of investment management report completed by external investment advisor</li></ul>
<b>March</b>	<ul style="list-style-type: none"><li>• Semi-Annual investment review report delivered by investment consultant</li><li>• TIAA-CREF and ING proposed fund evaluation report delivered</li></ul>
<b>April</b>	<ul style="list-style-type: none"><li>• 1st quarter performance reports provided by TIAA-CREF and ING</li></ul>
<b>May</b>	
<b>June</b>	
<b>July</b>	<ul style="list-style-type: none"><li>• 2nd quarter performance reports provided by TIAA-CREF and ING</li><li>• Plan asset information report supplied Lincoln National and Security Benefit</li></ul>

## Investment Provider Reporting

<b>August</b>	<ul style="list-style-type: none"><li>• Preparation of investment management report completed by external investment advisor</li></ul>
<b>September</b>	<ul style="list-style-type: none"><li>• Semi-Annual investment review report delivered by investment consultant</li></ul>
<b>October</b>	<ul style="list-style-type: none"><li>• 3rd quarter performance reports provided by TIAA-CREF and ING</li></ul>
<b>November</b>	
<b>December</b>	

## **Proposed Fund Change Protocol – Guidelines**

- The formal review process for proposed investment changes will take place once per year.
  - The RPC reserves the right to make an exception for extraordinary events such as funds coming under investigation, funds being closed and liquidated, or other such unforeseen events.
- The window to propose changes to the investment lineup will occur between January 1- January 15 of each calendar year.
  - Investment Providers should contact the RPC in care of the Board’s Legal Counsel in writing to express their intentions of possible investment changes. Written information should be sent to 1000 SW Jackson Street, Suite 520, Topeka, KS, 66612-1368.
- The RPC, working with the help of an outside investment consultant, shall evaluate the merits of each proposed lineup change.
- The Investment Provider will be expected to include an underlying rationale for each proposed investment lineup change.

## **Proposed Fund Change Protocol – Guidelines**

- Investment Providers shall also be expected to provide the following information to the RPC about each proposed fund:
  - Fund name and Ticker
  - Expense ratio
  - Revenue sharing arrangements back to the provider
  - Quarterly return history for the past 10 years
  - Fund Manager and tenure and Investment philosophy
  - Total number of holdings
  - Current cash position
  - Style appropriate benchmark and peer group
  - Top 10 holdings
  - Sector breakout for equity funds or credit quality breakout for fixed income
  - Turnover ratio
  - P/E, P/B for equity funds, Average credit quality and duration for bond funds

## Proposed Fund Change Protocol – Guidelines

- Each proposed investment option shall be evaluated against the following Investment Policy Statement Criteria:
  - Manager’s adherence to their stated investment objectives and style
  - Above median peer group performance over cumulative (3 and 5 year periods) and rolling 3-year periods
  - Above market benchmark performance over cumulative (3 and 5 year periods) and rolling 3-year periods(1)
  - Value added and risk statistics, including:
    - Sharpe Ratio
    - Alpha
    - Beta
    - Standard deviation
    - Downside risk

(1) Passively managed fund will not exceed the performance of the index, they are however expected to perform within a reasonable tolerance of the benchmark.

## **Proposed Fund Change Protocol – Guidelines**

- Qualitative Factors such as:
  - Assets under management
  - Manager tenure
  - Organizational structure and stability
  - Investment management process
  
- Management expenses relative to comparable portfolios

## Proposed Fund Change Protocol – Guidelines

- Funds meeting the performance standards specified in the Mandatory Retirement Plan’s Investment Policy Statement will be evaluated on a more subjective basis by the RPC.
- The subjective evaluation will include among other things:
  - Does the fund make sense for a retirement program?
  - Do other retirement plans offer a similar fund to their participants?
  - Is the fund filling a gap in the current investment lineup?
  - Have participants been requesting access to either the specified fund, or the sub-asset class it will be filling in the current investment lineup?
  - What is the likelihood that participants will utilize the investment?
  - Will the fund overlap with an existing investment options? If so, can a participant reasonably distinguish between the competing investment strategies?
  - What is the likelihood that less sophisticated participants may chase performance results of the proposed fund?

## **Proposed Fund Change Protocol – Guidelines**

- Funds receiving RPC approval will be submitted to the Board for final approval
  - The Investment Provider will be notified by late May of the Board's decision
- The Investment Provider will work closely with KBOR to develop a communication campaign of the upcoming fund lineup changes
- The new investment option will be added to the KBOR Mandatory Retirement Plan effective July 1

#### 4. LIMIT THE NUMBER OF INVESTMENT PROVIDERS FOR NEW PARTICIPANTS IN THE VOLUNTARY RETIREMENT PLAN

##### Summary and Staff Recommendation

*The Board's Retirement Plan includes a Voluntary 403(b) Plan into which employees may contribute additional funds for retirement savings, without employer contributions. Of 50 Investment Providers participating in the Voluntary Plan, there are currently 32 Investment Providers that can be utilized by new participants. The current practice is to "freeze" Investment Providers once participation drops below five individuals. Once frozen, only current participants, but not new participants, can continue utilizing that Investment Provider. The RPC recommends that the Board adopt a participation threshold of 1% and freeze Investment Providers with participation of less than 1% participation. This change would reduce the number of Investment Providers available for new participants to 16. Staff concurs with the RPC's recommendation.*

##### Background

The Kansas Legislature established the Board's 403(b) Voluntary Retirement Plan in July 1974. All benefits-eligible employees at the Board office and at the state universities, including KPERS participants, can utilize the Voluntary Plan to supplement their retirement savings on a pre-tax basis. The Voluntary Plan accepts employee contributions only; the Board Office and state universities do not make contributions.

In the past, Investment Providers participating in the Voluntary Plan only had to meet minimum standards to be approved. Specifically, the company needed to meet Internal Revenue Code § 403(b) requirements and be authorized to do business in the State of Kansas. Companies included life insurance companies and mutual fund companies and the Investment Providers offered in the Board's Mandatory Retirement Plan also participated in the Board's Voluntary Plan. As a result, prior to 1992, the number of approved Investment Providers was in the hundreds and included companies with no participants.

In September 1992, the Advisory Committee on Retirement and Benefits (ACORB), working with the Board's General Counsel, adopted a plan to address the large number of inactive Investment Providers. ACORB agreed to:

- Remove all companies to which no contributions were currently being made from the approved list;
- Retain the remaining 84 companies, but remove any of these companies if at any time they dropped to 0 participants;
- Add to the approved list only if and when a company could show that it had 5 individuals, within the state university system who were committed to participate with that company; and
- Review the contribution listing twice a year to keep it current.

Over time, ACORB's approach whittled the number of Investment Providers down to 54.

In 2000, the Board began another extensive review of its Retirement Plans, including the Voluntary Plan. The Board hired a series of consultants, each recommended some method of further reducing the number of

Investment Providers in the Voluntary Plan. Segal Company, hired in 2000, recommended the Board consider freezing existing Investment Providers at least to new entrants and using only the Mandatory Plan vendor contracts. Segal suggested “[t]his [approach] would significantly reduce administrative, compliance and potential fiduciary complexity for the future.” Although Segal also noted “We understand there may be significant barriers to this action.”

In 2001, the Ice Miller law firm reviewed legal implications of Segal’s advice and made the following recommendations:

[I]f KBOR [does] not place any limit on the number of vendors with which participants may contract, there is a significant risk of exposure to liability from participants who are harmed as a result of contracting with unscrupulous or unsuitable vendors under the Plan. In our judgment KBOR could limit the vendors under the Voluntary Plan to the four vendors authorized in the Mandatory Plan in an effort to protect its participants and to ease the administrative burden of evaluating and monitoring vendors, without subjecting itself to fiduciary liability. However, KBOR may face participant resistance if it attempts to limit participant choice so drastically. Moreover, it may not be necessary to reduce the number of vendors so significantly in order to achieve the goals of reducing administrative complexity. Vendor agreements and Plan documents should make compliance and administrative oversight significantly easier. We recommend looking at the demographics of the current vendors, *e.g.* number of active participants using each vendor, amounts going to each vendor annually, etc. There may be some natural cut-offs that could be used.

In December 2001, ACORB took steps to respond to the consultants’ advice, choosing to implement changes to the number of Voluntary Investment Providers incrementally. ACORB recommended to the Council of Business Officers (COBO) that companies with less than 5 pending participants be frozen from use of new participants. Those already electing these companies would be allowed to continue. The following year, COBO endorsed this change.

This year, after working intensely on the Mandatory Plan, the Board’s Retirement Plan Committee (RPC) began to review the Voluntary Plan. Participation numbers reflected the following:

- As of January 26, 2007, there were 3,412 participants system-wide.
- There were a total of 50 Investment Providers; however, 18 were currently frozen to new participants due to their having less than 5 participants.
- Three additional Investment Providers were eligible to be frozen for having fallen to 5 or less participants.

Due to continued concerns about the high numbers of Investment Providers, the RPC investigated how the other Big XII universities’ handled their voluntary 403(b) programs. It found that in addition to KU and KSU, only three universities, Oklahoma, Missouri, and Texas Tech, have 20 or more voluntary companies. The number of voluntary companies at those universities were 30, 21, and 51. Ten of the Big XII universities, including KU and KSU, currently have a limit on the number of authorized voluntary 403(b) companies. Limits were generally based on participation numbers or limiting the companies in the voluntary plan to the companies available under the mandatory plan.

After reviewing this information, the RPC has decided to recommend to the Board that it further limit the number of Investment Providers in the Voluntary Plan 403(b) by freezing companies with less than 1% participation. Based on the January 26, 2007 snapshot, this approach will reduce the number of companies from 32 available to new participants to 16. It should be noted that the 16 companies with 1% or greater participation have 3210 participants (or 94% of all participants), while the 16 companies that fall below the 1% participation criteria (not including the 18 companies currently frozen) have 177 total participants (or 5% of the 3,412 total number). People who are currently participating in the Voluntary Plan will not be affected by this decision. Staff concurs with the RPC's recommendation.

Staff would like the Board to be aware that the Internal Revenue Service (IRS) plans to issue new regulations regarding managing 403(b) Plans. The regulations may require a further culling of the Voluntary Investment Provider listing and also may require that the frozen companies be removed from the listing of approved companies. The RPC will bring additional recommendations as the impact of the final 403(b) regulations is determined.

As of January 26, 2007 Paycheck

Kansas Board of Regents Institutions  
Summary of Voluntary TSA Company Utilization

	Invest Opt	Description	ESU	FHSU	KBOR	KSU	KU	KUMC	PSU	WSU	Company Totals	% of total
1	695	TIAA/CREF	74	60	8	474	476	288	92	241	1713	50.2%
2	024	ING Financial Services (Aetna)	15	27	0	71	99	89	17	69	387	11.3%
3	839	American Funds Distributors In	2	9	0	138	59	10	1	5	224	6.6%
4	416	Lincoln National Life Ins Co	5	6	0	27	13	36	8	19	114	3.3%
5	655	Security Benefit Life Ins Co	9	1	0	45	29	7	1	8	100	2.9%
6	843	MetLife Investors (Security First Life Ins Co)	1	0	0	50	33	1	0	2	87	2.5%
7	321	American Express Financial Services	1	2	0	25	39	4	0	10	81	2.4%
8	823	The Vanguard Group of Inv Cos	3	3	0	23	35	11	1	4	80	2.3%
9	775	Fidelity Investments Inst Serv	1	1	1	18	28	16	1	3	69	2.0%
10	821	Pioneer Group Inc	0	0	0	1	57	11	0	0	69	2.0%
11	474	Nationwide Life Insurance Co	0	0	0	3	40	2	0	14	59	1.7%
12	769	AIG Variable Annuity Life Ins (VALIC)	5	0	0	36	5	0	0	9	55	1.6%
13	025	AIM Distributors, Inc.	0	1	0	0	53	0	0	0	54	1.6%
14	785	Waddell & Reed Financial Serv	9	6	0	22	4	2	0	5	48	1.4%
15	413	Lincoln Investment Planning	0	0	0	4	13	20	0	0	37	1.1%
16	710	American Century Investments	2	0	0	7	6	15	2	1	33	1.0%
			<b>127</b>	<b>116</b>	<b>9</b>	<b>944</b>	<b>989</b>	<b>512</b>	<b>123</b>	<b>390</b>	<b>3210</b>	<b>94.1%</b>
17	842	The New England Annuity Svcs	0	0	0	24	0	0	0	1	25	0.7%
18	569	Phoenix Mutual Life Ins Co	0	0	0	0	22	0	0	0	22	0.6%
19	446	Metropolitan Life Insurance Co	0	0	0	19	1	1	0	0	21	0.6%
20	831	Janus Capital Corporation	0	0	0	5	8	4	0	0	17	0.5%
21	357	John Hancock Funds, Inc.	0	0	0	11	5	0	0	0	16	0.5%
22	059	Anchor National Life Ins Co	0	2	0	8	3	0	0	0	13	0.4%
23	468	Modern Woodmen of America	0	0	0	9	0	0	0	1	10	0.3%
24	595	Putnam Financial Services Inc	2	0	0	2	4	1	0	1	10	0.3%
25	057	American United Life Ins Co	1	0	0	0	7	0	0	1	9	0.3%
26	064	Aid Association for Lutherans	0	1	0	4	0	0	0	2	7	0.2%
27	507	Northwestern Mutual Life Ins Co	1	0	0	0	5	0	0	0	6	0.2%
28	501	New York Life Insurance Co	2	1	0	0	0	0	1	1	5	0.1%
29	830	Manulife of North America	0	0	0	0	3	1	0	1	5	0.1%
30	186	Equitable Life Assur Soc of US	0	0	0	1	1	1	0	1	4	0.1%
31	687	MFS/Sun Life Assur of Can(USA)	0	2	0	1	1	0	0	0	4	0.1%
32	838	LIFEUSA	0	3	0	0	1	0	0	0	4	0.1%
33	506	Reliastar Northern Life Insurance Co	0	1	0	0	0	0	1	1	3	0.1%
34	584	Prudential Ins Co of America	0	0	0	1	0	0	2	0	3	0.1%
35	728	Variable Annuity Dept - UNUM	0	0	0	1	1	1	0	0	3	0.1%
36	378	Farm Bureau Life Insurance Co	0	0	0	2	0	0	0	0	2	0.1%
37	422	Lutheran Brotherhood Inc	0	0	0	1	0	1	0	0	2	0.1%
38	272	Guardian Life Ins Co of Americ	0	0	0	0	0	1	0	0	1	0.0%
39	337	ICAP	0	0	0	1	0	0	0	0	1	0.0%
40	412	Lincoln Benefit Life Company	0	0	0	0	0	1	0	0	1	0.0%
41	470	Conseco Life Ins Co (Mass Gen Life)	0	0	0	0	1	0	0	0	1	0.0%
42	702	Travelers Insurance Company	0	0	0	0	1	0	0	0	1	0.0%
43	724	The Union Central Life Ins Co	0	0	0	0	0	1	0	0	1	0.0%
44	743	USAA Life Insurance Company	0	0	0	0	1	0	0	0	1	0.0%
45	828	PFS Investments, Inc	0	0	0	0	0	1	0	0	1	0.0%
46	829	Mackay-Shields Tax Shltd An Pr	0	0	0	0	0	0	1	0	1	0.0%
47	834	National Western Life Ins Co	0	0	0	1	0	0	0	0	1	0.0%
48	835	Invesco Funds Group Inc	0	0	0	1	0	0	0	0	1	0.0%
49	444	Mass Mutual Life Ins Co V A	0	0	0	0	0	0	0	0	0	0.0%
50	792	American General Annuity Ins	0	0	0	0	0	0	0	0	0	0.0%
			<b>6</b>	<b>10</b>	<b>0</b>	<b>92</b>	<b>65</b>	<b>14</b>	<b>5</b>	<b>10</b>	<b>202</b>	<b>5.9%</b>
<b>Total by Institution</b>			<b>133</b>	<b>126</b>	<b>9</b>	<b>1036</b>	<b>1054</b>	<b>526</b>	<b>128</b>	<b>400</b>	<b>3412</b>	

Frozen plans, no new enrollment allowed

*Plans with less than 5 participants; would be frozen under current rules.*

## 5. EXTEND APPOINTMENTS OF RETIREMENT PLAN COMMITTEE MEMBERS FOR ONE YEAR

### Summary and Staff Recommendation

*In July 2005, the Board created its Retirement Plan Committee (RPC), which has a charge to administer the KBOR Retirement Plan, including the Mandatory Plan and the Voluntary Plan and provide investment oversight. Members of the RPC serve for 2 or 3 terms. The current RPC has gained considerable expertise through its work on Board's Mandatory Plan, which culminated in Plan consolidation in 2006. Because of work facing the RPC relating to the Voluntary Plan, staff asked RPC members if they would agree to extend their terms by an additional year, with the Board's approval. All RPC members agreed to lend their time and expertise by extending their terms by one year. Staff recommends the re-appointment of all RPC members to an additional one year term.*

### Background

The Board created and appointed the Retirement Plan Committee (RPC) in June 2005 to assist with the KBOR Retirement Plan. The RPC is comprised of nine voting members, representing each of the institutions, with rolling two or three year terms. Members include a Board member and representatives from the Council of Presidents (COPs), the Council of Business Officers (COBO) and the Advisory Committee on Retirement and Benefits (ACORB). Subject matter experts from the campuses provide additional expertise. With exception of the Regent member, each member has rolling 2 or 3 year terms, which are scheduled to expire in 2007 or 2008 respectively.

The RPC is currently chaired by Regent Perkins. The other members, grouped according to when their terms are scheduled to expire, include:

- Original terms expire in 2007:
  - Dr. Ed Hammond, President of Fort Hays State University, representing COPs
  - Lindy Eakin, University of Kansas Vice Provost, representing COBO
  - Gary Leitnaker, Kansas State University Assistant Vice President, representing Human Resource Directors
  - Rick Robards, Kansas University Medical Center Director of Human Resources, representing Human Resource Directors
- Original terms expire in 2008:
  - Mike Barnett, Fort Hays State University Vice President for Administration and Finance, representing COBO
  - Michele Sexton, Pittsburg State University Director of Budget and Human Resource Services, representing Human Resource Directors
  - Dr. Rick LeCompte, Chair, Finance, Real Estate and Decision Sciences, Barton School of Business, Wichita State University, subject matter expert
  - Dr. Dipak Ghosh, Associate Professor, Emporia State University School of Business, subject matter expert.

The current RPC has recommended significant changes to the Mandatory Plan in the last two years. Such work includes adoption of a Mandatory Plan Document, an Investment Policy Statement and Investment Provider Agreements. Additionally, last fall, the RPC recommended the Board consolidate the

Mandatory Plan from four Investment Providers to two. The RPC has coordinated transition activities related to the consolidation. During this process, the RPC has gained considerable knowledge and expertise in overhauling a retirement plan.

**Work Pending before the RPC**

The IRS is expected to issue final 403(b) regulations in June 2007 with a January 2008 effective date. The impact of those regulations on the Board's Mandatory and Voluntary Plans is unknown at this time, but Deloitte Consulting advises that the Board may have additional responsibilities for its Voluntary Plan. The RPC has been keeping abreast of the provisions of the proposed regulations.

Additionally, the current three year contract with Deloitte Consulting expires in November 2007. The Board has the option to renew the contract for one additional three year period. The RPC has begun work to determine whether the current contract could be amended to include work related to the new regulations and whether it is advisable to recommend that the Board renew the contract.

Because of the knowledge gained from previous work, the short time frame available to address the changes to 403(b) regulations and to work on a new consulting contract, staff thought positive resolution will be achieved more expeditiously if the terms of current RPC members were extended by one year. The RPC members agreed to this plan. Staff recommends approval.

**President Don Beggs**

**7. RECEIVE ANNUAL CAMPUS REPORT – WICHITA STATE UNIVERSITY**

**IX. EXECUTIVE SESSION – BOARD OF REGENTS – PERSONNEL MATTERS RELATED TO NON-ELECTED PERSONNEL (CEO ASSESSMENT) – President Beggs**

**X. ADJOURNMENT**

**COUNCIL OF PRESIDENTS**

Kansas Board of Regents Offices  
1000 S.W. Jackson Street  
Suite 520  
Topeka, Kansas

Wednesday, April 18, 2007  
11:00 a.m.  
Suite 530

1. Approval of March 14, 2007, meeting minutes
2. Report from Council of Chief Academic Officers – Steve Scott
3. Report from Council of Business Officers – John Patterson
4. Request approval of the following degree programs:
  - a. ESU – New Bachelor of Science in Data Security CIP (11.1003)
  - b. KU – New Bachelor of Science in Supply Chain Management CIP (52.0203)
5. Update from the Kansas Corporation Commission (KCC)
  - a. CatTracker Follow-Up (Mr. Mike Hoeme, Director of Transportation, KCC)
  - b. Update on Governor's Energy Directive (Ms. Susan Duffy, Executive Director, KCC)
6. Other Matters

**COUNCIL OF PRESIDENTS**  
**March 14, 2007**  
**Minutes**

The Council of Presidents met on March 14, 2007 at 4:00 pm in Suite 530 at the Kansas Board of Regents Offices, Topeka, Kansas.

**Members in attendance:**

President Don Beggs, Wichita State University  
President Tom Bryant, Pittsburg State University  
President Ed Hammond, Fort Hays State University  
Chancellor Robert Hemenway, University of Kansas  
President Reggie Robinson, Kansas Board of Regents  
President Michael Lane, Emporia State University  
President Jon Wefald, Kansas State University

**1. Approval of February 14, 2007 Meeting Minutes**

It was moved and seconded that the minutes of the February 14, 2007 meeting be approved. Motion carried.

**2. Report from Council of Chief Academic Officers**

Dr. Steve Scott reported that COCAO discussed the following issues:

--COCAO considered the issue of whether Physical Science should count as a Natural Science course under the Regents core curriculum. It was reaffirmed that Physical Science should not count as a Natural Science.

--COCAO acted on the Academic Affairs staff recommendation that program review continue its moratorium for one more year; ie, the next program review report is due in February 2008.

--At the Board's request, members of COCAO considered some options for the future of the Regents Distinguished Professorships. COCAO postponed any action of this item until next month, pending the Chief Academic Officers getting feedback from campus.

--COCAO agreed to discontinue the support of The ROC (Regents online communication), an online resource that provides information on the online offerings (at this time) of the six institutions.

--Approved on second reading two new degree programs:

- a. ESU – Bachelor of Science in Data Security (11.1003)
- b. KU – Bachelor of Science in Supply Chain Management CIP (52.0203)

--Heard on first reading two degree programs:

- a. KU -- Master of Arts in Interaction Design (50.0404)
- b. KU – Master of Arts in Design Management (50.0499)

--Approved the following program requests:

- a. KU – Joint Degree Program – Juris Doctor in Law (22.0101) and MA in East Asian Languages and Cultures (16.0300)
- b. KU -- Joint Degree Program – JD and MA in Journalism (09.0401)
- c. PSU -- Technological Literacy Minor (13.0501)
- d. KU -- Entrepreneurship and Innovation Concentration (52.0201)
- e. KU -- Mechanical Engineering Concentration (14.1901)

--Tabled consideration of the ESU proposal to remove geographic jurisdiction restrictions on the Kansas City Metropolitan area, in particular, Johnson and Wyandotte counties. This proposal will be considered in May.

--A CODL proposal to consolidate database purchases by regents libraries was briefly discussed. A request will be made to have CODL representative at the April COCOA meeting to discuss the proposal in depth.

### **3. Report from Council of Business Officers**

Mr. John Patterson reported COBO discussed the following issues:

--Duane Goossen, State Budget Director, met with COBO to present the latest State budget projection. COBO also received an update on deferred maintenance of campus facilities, the status of discussions regarding a new pay structure for classified employees, the potential impact of the passage of the Taxpayer Transparency Act on state agencies and the latest information about implementation of a new centralized financial management system.

--COBO approved a draft of the proposed procurement regulations and approved the initial plan for the ongoing management of the new student health insurance program.

--COBO shared the current status of existing boiler insurance contracts earlier in the morning with the Board Fiscal Affairs and Audit Committee.

### **4. Other Business**

President Robinson discussed the CEO evaluation process and asked that each CEO provide input from the campus constituencies as part of the evaluation. The meeting adjourned at approximately 5:00 p.m.

## System Council of Chief Academic Officers

Wednesday, April 18, 2007  
9:00 - 10:00 a.m.  
Room 530  
Curtis State Office Building  
1000 SW Jackson  
Topeka, Kansas

### A G E N D A

1. Approve minutes of March 14, 2007 [Attachment 1]
2. Teacher Licensure Update – Clayton Tatro
3. KS Core Competencies Outcome Project Update – Gary Miller
4. Other Business

MEETING DATES (2007)	AGENDA MATERIALS DUE
May 16, 2007	April 25, 2007 at noon
June 21, 2007	May 30, 2007 at noon

**System Council of Chief Academic Officers  
Draft Minutes**

**Wednesday, March 14, 2007**

**9:00 a.m.**

**Kansas Board of Regents**

**Room 530**

**Topeka, KS**

The System Council of Chief Academic Officers met in Room 530 of the Kansas Board of Regents Office, 1000 S. W. Jackson, Topeka, Kansas, at 9:00 a.m.

**Members Present:**

Kim Krull, Cloud County Community College  
Larry Gould, Fort Hays State University  
Richard Lariviere, University of Kansas  
Robert Masters, KBOR  
John Schwenn, Emporia State University  
Martha Shawver, Wichita State University  
Duane Nellis, Kansas State University  
Steve Scott, Pittsburg State University  
Marlon Thornburg, Coffeyville Community College  
Paula Davis, Independence Community College  
Clayton Tatro, Garden City Community College  
Ron Wasserstein, Washburn University

**Guests:**

Kathryne Mueller, KBOR  
Roxanne Kelly, KBOR  
Dawn Ressel, KBOR  
Robin Kempf, KBOR  
Janice Haberman, KBOR

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**1. Approve Minutes of February 14, 2007**

The minutes were approved as submitted.

**2. Teacher Licensure Update – Clayton Tatro**

Clayton Tatro shared with SCOCAO several concerns about teacher licensure issues. Revised “Draft Regulations to Accommodate Proposals,” (copy filed with official minutes) and e-mail responses pertaining to specific concerns were distributed and discussed. Clayton spoke to Jon Englehart, Dean of the School of Ed at WSU, and Jon felt that Draft Regulation #9 regarding “Out of State Applicants,” addressed most of the concerns of the Superintendents.

Discussion included out of state applicants completing alternate licensure and traditional licensure. The new draft regulations may address most of the concerns.

The Kansas Department of Education has scheduled a public hearing on the regulations for June 12, 2007. Robin Kempf, Associate General Counsel advised that a letter be drafted with everyone's signature and then submitted to KSDE during the public comment period prior to the hearing. Robin will e-mail regulations to SCOCAO members.

Clayton will continue gathering additional information regarding Teacher Licensure and present his findings at the April, 18, 2007 SCOCAO meeting.

### **3. Other Business**

- A.** SCOCAO discussed the "KS Core Competencies Outcome Project." Currently a date has not been set for the fall meeting. Ron Wasserstein will follow up with COCAO and report to SCOCAO at the April 18, 2007 meeting.

Some discipline groups have identified some courses to be considered at the fall meeting:

- Organic Chemistry
- American Government
- Literature courses
- Anatomy & Physiology

Additionally, revisiting courses that have been "completed" was discussed.

- B.** Cynthia Rapp shared the concerns addressed in a letter from Gillian Gabelmann at Barton County Community College about the transferability of Calculus I, II & III credit hours from community colleges to KU. Some students won't receive credits from these courses.

Discussion followed concerning how best to handle issues such as this. It was agreed that communication between each college and university has worked well to resolve these issues in the past and that practice should continue.

- C.** SCOCAO discussed the upcoming KCIA/SCOCAO retreat, May 31, 2007 – June 1, 2007, in Wichita at the Hotel Oldtown. KCIA/SCOCAO retreat brochures were distributed. Reservations have been made for the Mosley Street Melodrama for 30 people. Additional information will be coming.

The meeting adjourned at 10:00 A.M.

**Council of Chief Academic Officers**

**Wednesday, April 18 2007  
10:00 – 11:00 a.m.  
Room 530  
Curtis State Office Building  
Reconvene Noon to 1 p.m.  
Kathy Rupp Conference Room  
1000 Jackson Street Suite 520  
Kansas Board of Regents**

**AGENDA**

- 1. Approve Minutes of March 14, 2007**
- 2. Discuss Physical Science for Qualified Admissions – Steve Scott**
- 3. Regents Distinguished Professorship**
- 4. CODDL Statewide Database Proposal**
- 5. Update on Learning Outcomes and Accountability – Gary Miller**
- 6. Act on New Degrees - Requires Approval of COCAO, COPs, & Board**
  - a. KU - Request Approval for a Master of Arts in Interaction Design (50.0404) (SECOND READING)**
  - b. KU - Request Approval for a Master of Arts in Design Management (50.0499) (SECOND READING)**
- 7. Act on New Degrees - Requires Approval of COCAO, COPs, & Board**
  - a. KSU – Request Approval for a Master of Science in Academic Advising (13.1101) (FIRST READING)**
- 8. Act on Program Requests**

**WSU – Requests approval to change the name of the Bachelor of Education in Physical Education to Bachelor of Education in Exercise Science**
- 9. Informational Item**

**WSU launched the Regional Institute for Aging**
- 10. Other Business**

<b>MEETING DATES</b>	<b>AGENDA MATERIALS DUE</b>	<b>LUNCH ROTATION</b>
May 16, 2007	April 25, 2007 at noon	KU
June 24 27, 2007	June 6, 2007 at noon	FHSU

## COUNCIL OF CHIEF ACADEMIC OFFICERS

Wednesday, March 14, 2007  
10:00 am – 11:00 am  
Room 530  
Curtis State Office Building  
Reconvene Noon to 1:00 pm  
Room 530  
1000 SW Jackson Street  
Topeka, Kansas

### MINUTES

The Council of Chief Academic Officers met in the Room 530 of the Curtis State Office Building on March 14, 2007 at 10:00 a.m. and reconvened in the Kathy Rupp Conference Room of the Kansas Board of Regents, 1000 SW Jackson, Topeka, Kansas, at noon.

#### Members Present:

Dr. Steve Scott, VPAA, PSU, Chair  
Dr. Martha Shawver for Dr. Gary  
Miller, VPAAR, WSU  
Dr. Larry Gould, Provost, FHSU  
Dr. Allen Rawitch, VCAA, KU Med Ctr

Dr. Richard Lariviere, Provost, KU  
Dr. Duane Nellis, Provost, KSU  
Dr. John Schwenn, VPAA, ESU  
Dr. Ron Wasserstein, VPAA, WU  
Dr. Robert Masters, VPAA, KBOR

#### Others Present

Ms. Cynthia Rapp (KCIA)

#### Staff Present

Dr. Roxanne Kelly, Dr. Kathyrne Mueller, Ms. Kelly Oliver, Ms. Dawn Ressel, and Ms. Robin Kempf

#### Approved February 14, 2007 COCAO Minutes

Dr. Rawitch moved and Dr. Nellis seconded the motion to approve the Minutes of February 14, 2007. The motion carried unanimously.

#### QA Admissions Natural Science Discussion (Physical Science)

Last month Dr. Masters raised the issue from the qualified admissions natural science curriculum in which high schools are asking for an extension of the grace period for the physical science course. COCAO members were to seek input from faculty and discuss further at the March 2007 meeting.

Discussion followed: 1) Physical Science is often designed for students who are not yet prepared to enroll in high school Biology. Physical Science courses vary in content. Most include an introduction to chemistry and physics; a few are very general science courses. 2) University faculty thought that the issue was resolved – no physical science on the qualified admissions curriculum. and 3) Dr. Mueller has a science advisory group comprised of representatives from most of the universities and their consensus

was either no physical science on the qualified admissions curriculum or require four credits of natural science and accept physical science for one of the four credits.

The consensus of the Council of Chief Academic Officers is that physical science should not be on the qualified admissions natural science curriculum.

### **Program Review Status**

Dr. Kelly presented the background and history of program review and the issues with verifying the connections between program review and the program inventory database as follows:

1. Previous data housed at KU exported to current KBOR database early in 2005.
2. New Program Review web-based system was created and populated in 2005.
3. Spring 2006, KBOR Institutional Research (IR) staff visited all campuses and met with institutional IR/Academic Affairs (AA) staff to review Program Review and Program Inventory and their connections.
4. From Spring 2006 to the current time, KBOR staff has worked with institutions to update Program Inventory and new data items which are integrated with Program Review (explanatory codes, collaborative programs, distance education, feeder programs, etc.).
5. Summer 2006 Board staff requested that state university staff review and compare the data elements found in Program Inventory for accuracy and notify Board IR staff of any discrepancies. Program Inventory updates were made based on the review once notification was received by Board IR staff.
6. Fall 2006 Board staff began to match previous Program Review data with the updated Program Inventory information. During the same timeframe Program Review data was made available through the Program Review web-based system.
7. December 2006, Board IR staff requested the state universities' staff verify the data depicted on the Program Review webpage and statistical overview reports.

It became apparent that there are: 1) a significant number of inconsistencies in department and program data in statistical overview reports; 2) a need for modification of inconsistent data between (a) current Program Inventory and Program Review and (b) current Program Review data with previous Program Review data.

Currently, the status of the processes related to Program Review are as follows:

1. Review of data inconsistencies not completed.
2. Unable to generate minima tables due to data inconsistencies; At this time, explanatory codes cannot be used for minima table groupings.
3. Institutions unable to submit current year data for statistical overview reports because of data inconsistencies.
4. Accreditation reports are being submitted by institutions.
5. Advising reports are being submitted by institutions.

In order to fully finalize the Program Review process the following steps need to be accomplished.

1. Board staff will arrange meetings with institutions (IR/AA staff) to resolve Program Inventory and Program Review inconsistencies; compare previous data with current data.

Examples of data inconsistencies

- i. College names
  - ii. Department names (changes over collection periods)
  - iii. Program names (changes over collection periods)
  - iv. CIP changes (changes over collection periods)
  - v. Discontinued programs
  - vi. New program additions
  - vii. Interdisciplinary programs, feeder programs, distance education
  - viii. Explanatory code verifications
2. Board AA and IR staff will verify changes and modify data on Program Review and Program Inventory system; revised data will be uploaded to Program Review and Program Inventory web-based system for review.
  3. Institutional staff will verify data changes on web-based system (Program Review and Program Inventory).
  4. After institutional verification, KBOR staff will create Minima tables based on explanatory codes for Program Review system.
  5. Institutions will review Minima tables and submit Summary report of reviewed programs.

It was anticipated that Program Review would be based on Program Inventory and most of the data would be automatically generated to create the minima tables. This process would ease the reporting burden on the universities while providing up-to-date, accurate, consistent data for decision makers.

Board staff recommends continuing the moratorium on Program Review for an additional year in order to collect the most reliable and valid data possible. It is important to note that Accreditation Reports and Advising Reports should be submitted for Board review but the only report that would be affected by the moratorium would be the minima tables and their accompanying summary reports.

Dr. Gould moved and Dr. Schwenn seconded the motion to support the recommendation to continue the moratorium on Program Review for an additional year.

Discussion followed: 1) CIP codes are one of the significant examples of inaccuracies. 2) IR staff has received good responses from the universities but still have some issues that need to be discussed to validate the data in the minima tables. 3) Clarification that the next program review report is due February 2008. 4) The programs scheduled for review this year will need to be rescheduled for review. It was recommended that all the universities uniformly handle the rescheduling of this year's programs scheduled for review. and 5) This year's Accreditation Report and Advising Report are due.

Dr. Rawitch called for the question. Motion carried.

### **Discuss Regents' Distinguished Professorships**

Dr. Kelly advised COCAO that during the regular evaluation of the Regents Distinguished Professorship Program, questions arose concerning a number of aspects of the program. This included: the amount of funding allocated, remuneration for the professorship, the processes for application and reporting requirements for the professorship and relationship to the Kansas Partnership for Faculty of Distinction Program. Four options are offered for consideration: 1) request additional funding from the legislature; 2) amend the current policy; 3) discontinue the program and/or 4) request additional funding from legislature and fund three professorships.

Discussion followed: 1) Have the Regents' Distinguished Professorships lost their stature? 2) The problem with recruiting Regents' Distinguished Professors is the amount of dollars available for the Professorship. 3) The stature of the Regents' Distinguished Professorships has been muddled by the Kansas Partnership for Faculty of Distinction and forgotten. 4) What would be the political ramifications with each of the four options?

Discussion of the Regents' Distinguished Professorships will be placed on the April 2007 COCAO agenda.

### **Regents Online Catalog**

Dr. Masters asked COCAO if the Regents Online Catalog (ROC) should continue and if yes, could it be taken off of the front page and added to the academic affairs page.

Discussion followed: 1) Twelve institutions have programs on the ROC. 2) Students do not indicate on their applications that they use the ROC for a reference. 3) The Program Inventory, when up and running, will replace ROC.

COCAO agreed to discontinue the Regents Online Catalog by consensus.

### **Act on New Degrees - Requires Approval of COCAO, COPs, & Board**

**ESU - Request for Approval of a New Bachelor of Science in Data Security (11.1003) (SECOND READING) and KU - Request for Approval of a New Bachelor of Science in Supply Chain Management CIP (52.0203) (SECOND READING)**

The Emporia State University and University of Kansas new programs listed above were presented for second reading and no discussion followed.

Dr. Gould moved and Dr. Nellis seconded the motion to recommend approval of the Emporia State University Bachelor of Science in Data Security (11.1003) and the University of Kansas Bachelor of Science in Supply Chain Management CIP (52.0203) to be placed on the April 2007 Council of Presidents' agenda. Motion carried unanimously.

### **Act on New Degrees - Requires Approval of COCAO, COPs, & Board**

**KU - Request Approval for a Master of Arts in Interaction Design (50.0404) (FIRST READING) and KU -Request Approval for a Master of Arts in Design Management (50.0499) (FIRST READING)**

This was a first reading for the University of Kansas – new Master of Arts in Interaction Design (50.0404) and new Master of Arts in Design Management (50.0499) were open for discussion.

No discussion followed.

Dr. Scott asked that any comments regarding these proposals be sent to Dr. Lariviere prior to the April 18, 2007 COCAO meeting. The University of Kansas – new Master of Arts in Interaction Design (50.0404) and new Master of Arts in Design Management (50.0499) will be on the April 18, 2007 COCAO agenda for second reading.

### **Act on Program Requests**

**KU - Request Approval for a New Joint Degree Program Proposal – Juris Doctorate in Law (22.0101) and MA in East Asian Languages and Cultures (16.0300); KU - Request Approval for a New Joint Degree Program, JD and MA in Journalism (09.0401); PSU - Request for Approval of a Technological Literacy Minor (13.0501); KU - Request for Approval of a Entrepreneurship and Innovation Concentration (52.0201); KU - Request for Approval of a Mechanical Engineering Concentration (14.1901)**

Dr. Scott presented the program requests for the University of Kansas and Pittsburg State University. COCOA members agreed by consensus to place all the program requests into one motion.

Dr. Gould moved and Dr. Schwenn seconded the motion to approve the above listed program requests. Motion carried unanimously.

### **Geographic Jurisdiction Kansas City Metropolitan Area**

Emporia State University submitted a proposal asking for removal of the geographic jurisdiction and permission to offer degree completion programs and graduate programs by any of the six Regents universities in the Kansas City Metropolitan area. Dr. Schwenn presented the background/history of the geographic jurisdiction in the Kansas City Metropolitan area.

The geographic jurisdiction in the Kansas City Metropolitan area began in the 1960s. Fort Hays State University, Emporia State University, Kansas State University, Wichita State University and Washburn University must request approval to offer programs in the metropolitan Kansas City area. It is clear from the increasing number of private and proprietary institutions locating in metropolitan Kansas City, that there is a significant opportunity for expanding the outreach of the Regents Universities into this geographic area.

Discussion followed: 1) The restriction applies to face-to-face instruction. and 2) The following two questions were asked: (a) What degrees would be offered and (b) what facilities would need to be built?

Dr. Lariviere moved and Dr. Nellis seconded the motion to table consideration of Emporia State University's proposal to remove geographic jurisdiction in the Kansas City Metropolitan area until the May meeting. It will be placed on the May 2007 COCAO agenda. Motion carried with one no vote.

### **Meeting reconvened at noon in the Kathy Rupp Conference Room.**

#### **Other Business**

##### **Deans and Directors of Libraries**

The Deans and Directors of Libraries are working on a proposal in collaboration with the State Library concerning ways to acquire online databases and resources. The State Library would be the negotiator and fiscal agent. This concept has been discussed for quite a while.

Discussion followed: 1) Seven or eight years ago the deans and directors of libraries drafted an initial proposal and 2) A legislator expressed interest in the proposal and is moving the proposal forward faster than anticipated.

At the April 2007 COCAO agenda Dr. Bob Walter, Chair of CODDL, will present and discuss a proposal, endorsed by CODDL, to designate the State Library of Kansas as an official purchasing entity available to any library in Kansas and to establish a budget line item for the purchase of general information databases. A library board, composed of representatives of the diverse libraries in Kansas, would advise the State Librarian on the selection of the statewide databases.

There being no other business the meeting adjourned at 12:50 p.m.

Sincerely,  
Steve Scott, Vice President for Academic Affairs  
Pittsburg State University

April 18-19, 2007

## **COUNCIL OF FACULTY SENATE PRESIDENTS**

Agenda

April 18, 2007

11:00 am to 12:00 pm  
Conference Room A  
4:00 p.m. or Adjournment  
Conference Room B

- 1 Call the meeting to order
- 2 Approval of Minutes of the March 14, 2007 meeting
- 3 University Reports:
  - A. Emporia State University
  - B. Fort Hays State University
  - C. Kansas University
  - D. Kansas University Medical Center
  - E. Kansas State University
  - F. Pittsburg State University
  - G. Wichita State University
- 4 Unfinished Business
- 5 New Business
- 6 Announcements
- 7 Adjournment

## **COUNCIL OF FACULTY SENATE PRESIDENTS**

Minutes  
March 14, 2007

### **Present:**

Diane Miller, (FSP) Emporia State University  
Rich Lisichenko, (FSP) Fort Hays State University  
Roger Adams, (FSP) Kansas State University  
Tim Bailey, (FSP) Pittsburg State University, COFSP Chair  
Ruth Ann Atchley, (FSP) University of Kansas  
Pete Beyer, (FSP) University of Kansas Medical Center  
Brigitte Roussel, (FSP) Wichita State University

Meeting called to order at 11:06 a.m. in Conference Room A.

Approval of 14 February 2007 minutes: Minutes were approved.

### **University Reports:**

#### **Wichita State University:**

The WSU FS was very interested in the survey COFSP put together regarding attraction and retention of faculty at the Regents' universities, and made suggestions to improve it: make it more detailed to point real differences between what faculty do and how much they are paid, because what was visible in this survey was only a small difference with national salary ranges, and nothing else was shown. Therefore, the comparison did not serve much of a purpose. But it could effectively show the true disparity between work and pay if reworked.

Reacting to the suggestions of a few BOR members during the annual breakfast with COFSP about developing a more consistent internal dialogue between faculty and administration to address faculty issues on a more solid front with the Legislature in mind, the WSU FS engaged in a wide array of possible strategies to answer important questions: how can we stop doing more with less? How can we advertise effectively what we do? How can we stop feeling threatened by further cuts? The suggestions abounded: itemize the service in kind we do, and show how we save state money; explain how our continuing education courses benefit the community; look at quality vs. quantity by showing what could be done that we don't do because of time spent trying to justify our programs; look at why faculty leave the university and what it is they were doing that needs to be reinvented; conduct exit interviews with these faculty; get programs that can make money to interact more with the community in order to generate greater funds for the university; make those programs indispensable to the local industries; develop more patents; if we invest more time in becoming useful to the community, we must also make sure our teaching mission won't be affected adversely; we must keep fighting for public funding while we try to generate more money; let's create a resources committee to study this issue; let's try to have more legislators shadow more faculty; let's set up meetings between the faculty in and out of the senate to interact with the VP on a regular, scheduled basis, and pick one issue at a time.

In regard to this last item, the Executive Committee decided to create a direct forum of exchange between the senators and the VP at its first March senate meeting. The VP agreed to respond to a friendly (no

Robert's Rule of Order, no vote) discussion among senators on 3 issues: 1. Chronic Low Performance; 2. X/FX/W policy proposal; 3. external reviews. After the senators gave their opinions, VP Gary Miller told them what his office would be prepared to accept and what it would reject.

1. **CLP**: because the proposal is close to be completed and has undergone considerable negotiation and reworking this year, a last meeting between the executive committee and the VPAAR's office will take place to iron out minor points.
2. **X/FX/W policy**: The VP has created a small task force to look into the complex issues of behavior vs. grade granting to protect due process while wording a true policy on consequences of cheating/plagiarism. The VP rejected the proposal that was voted by the faculty senate in 2005 for reasons that it was not addressing crucial issues, and most current senators agreed. A proposal will be made by that task force, and then, all constituencies, including the faculty senate, will get on board to further discuss the new proposal.
3. **External reviews**: the T&P university committee reported that it was going to change "optional" to "typically expected". The new VP would like to include the word "mandatory", but faculty are very divided over the issue. After the T&P committee sent its report to the Faculty Affairs committee, it came back to the senate as "optional". A discussion took place among senators, and Gary Miller explained why he thought external reviews ought to be mandatory.

After all these discussions, the president of the faculty senate sent everyone home to think it over and discuss with their colleagues, and invited all to reconvene on these issues after Spring break for a second round.

#### **Fort Hays State University:**

The FS will be hosting a special presentation by Amy Gross of the Individual Development and Individual Assessment Center regarding the potential adoption of the IDEA course evaluation instrument. In regard to administration, the Alumni Association was recently awarded Gold by District VI of the Council for Advancement and Support of Education. Additionally, the newly constructed Alumni and Endowment Center was awarded a grant by AT&T that included new computing equipment.

#### **Emporia State University:**

This is a busy time of the year for faculty on the ESU campus. Midterms have been completed and the end of the semester is in sight. ESU FS members are in the process of completing many tasks that are scheduled for committees prior to our final meeting in May. The Committee on Campus Governance is gathering information from faculty members regarding their interest in serving on various university committees. They are also completing scheduled reviews of established campus committees. The Faculty Affairs Committee is in the process of selecting new membership for campus grievance committee and ombudspersons. They are planning to conduct forums to provide information from vendors regarding available faculty evaluation instruments. The Academic Affairs Committee has put forth three information security policies. The 1st Vice President is working with a nominating committee to select candidates for the office of 2nd Vice President. Departments within the university will be meeting to elect new senators to replace those whose term of office ends this semester. New senators attend our final FS meeting in May. The entire campus is actively engaged in arrangements for the Presidential Inauguration week of March 26-31, and looking forward to the Inauguration Ceremony, Saturday afternoon March 3

**University of Kansas:**

Work has been done by the FS Taskforce on Research. The Research Computing group has made a very thorough report based on charges given to them at the beginning of this academic year designed to help us gather information about the state of research computing and to provide suggestions for improvement in this important area. The Task Force made three primary types of recommendations. First, they made recommendations for changes of the university administration responsible for information technology. Secondly, they recommended the creation of a new governance "Research Computing Commission" that would act as a conduit between the faculty and the administration. And finally, they made a series of recommendations for expenditures that would address research computing needs over the next five years. The Provost's office has responded to the recommendations of this group by committing to a light and dark fiber connection with Kansas City that will allow for high-speed, high-capacity connection with national Lambda Rail connection. The University also acquired enough server space to significantly increase the size of the email accounts for both faculty and research staff, which was another recommendation of the task force.

**University of Kansas Medical Center:**

The first face-to-face faculty meeting was held in February. The primary goal of the meeting was to determine general and specific timelines and roles for faculty governance on campus. Several issues were discussed, including parking, representation on athletic committees, student evaluation, evaluation of deans, and campus issues such as consortia relationships. The Student Research Forum is coming up in April; this is a very important event on the KUMC campus. Advance practice doctorates are also being discussed by faculty.

**Kansas State University:**

A health benefits "bridge" was passed by Faculty Affairs, which will allow those with the required years of service or age 63 retire early and have a stipend paid to them for the cost of single-coverage health insurance per year. The Faculty Affairs Faculty Salaries and Fringe Benefits Sub-Committee is now at work on a plan to increase the amount that the university pays into retirement; this plan will require KBOR approval and we hope that the Regents will approve so that all Regents' universities can benefit. University IT is now providing a TrendMicro beta server specifically for Vista users. The university is also considering outsourcing email service to a commercial provider due to increased demands on the university's email system. An e-portfolio task force is being formed with the goal of determining feasibility.

**Pittsburg State University:**

FS is active in our university tuition committee; we should have discussions completed by the end of March. The proposal for new recruitment and hiring practices is in first reading, as are a number of minor constitutional changes regarding committee membership. We are participating in an evaluation of the student technology fee usage and rate. A revised non-smoking policy proposed by the Student Faculty Committee is being discussed in Senate; the previous version contained a financial penalty which was found to be unenforceable. The Faculty Affairs Committee is exploring ways to enhance professional development opportunities and has submitted a proposal to the PSU Foundation for consideration.

**New Business:**

None.

**Old Business:**

Brief discussion about our intent to write a draft teaching evaluation statement for the KBOR policy manual. President Bailey stated that he would draft a statement for discussion at our April meeting.

Meeting adjourned at 12:05 p.m..

Respectfully submitted,

Roger Adams  
Kansas State University  
COFSP Recording Secretary

April 18-19, 2007

**STUDENTS' ADVISORY COMMITTEE**

April 18, 2007

4:00 p.m. or Adjournment  
Kathy Rupp Conference Room

SAC Agenda Not Available

SAC Minutes Not Available

**KANSAS BOARD OF REGENTS  
MEETING DATES AND DEADLINES FOR SUBMISSION OF AGENDA ITEMS  
FY2007 – 2008**

**FY 2007**

<u>Board of Regents Meeting Dates</u>	<u>Agenda Material Due to Board Office</u>
August 22-24, 2006 Retreat	
September 20-21, 2006 (Topeka)	August 30, 2006 at noon
October 18-19, 2006 (Topeka)	September 27, 2006 at noon
November 15-16, 2006 (Topeka)	October 25, 2006 at noon
December 13-14, 2006 (Topeka)	November 21, 2006 at noon
January 17-18, 2007 (Topeka)	December 20, 2006 at noon
February 14-15, 2007 (Topeka)	January 24, 2007 at noon
March 14-15, 2007 (Topeka)	February 21, 2007 at noon
April 18-19, 2007 (Topeka)	March 28, 2007 at noon
May 16-17, 2007 (Topeka)	April 25, 2007 at noon
June 27-28, 2007 (Topeka)	June 6, 2007 at noon

**FY2008**

<u>Board of Regents Meeting Dates</u>
August 21-23, 2007 Tentative Retreat
September 19-20, 2007 (Topeka)
October 17-18, 2007 (Topeka)
November 14-15, 2007 (Topeka)
December 19-20, 2007 (Topeka)
January 16-17, 2008 (Topeka)
February 20-21, 2008 (Topeka)
March 19-20, 2008 (Topeka) <i>Subject to change due to Spring Break</i>
April 16-17, 2008 (Topeka)
May 14-15, 2008 (Topeka)
June 25-26, 2008 (Topeka)

**KANSAS BOARD OF REGENTS COMMITTEES  
2006-2007**

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Christine Downey-Schmidt, Vice Chair

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Janice DeBauge  
Christine Downey-Schmidt

Fiscal Affairs and Audit

Jim Grier, Chair  
Frank Gaines  
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Janie Perkins

CEO Assessment

Christine Downey-Schmidt

Retirement Plan

Janie Persons, Chair

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Kansas Technical College and Vocational  
School Commission  
KSU Research Foundation Board  
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Research and Development Enhancement Corp  
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Dan Lykins  
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