

**Council of Business Officers  
November 2, 2011**

The Council of Business Officers met at 9:00 a.m. The following university business officers and others were in attendance in the Kathy Rupp Conference room:

Ray Hauke - ESU	Rick Anderson – Washburn
Diane Duffy – KBOR	Julene Miller – KBOR
Eric King – KBOR	Bruce Shubert –KSU
John Patterson – PSU	Kelly Oliver – KBOR
Madi Vannaman – KBOR	Mary Herrin – WSU
Roger Lowe – WSU	
Larry Getty – FHSU (Video Conference)	
Theresa Gordzica – KU (Video Conference)	
Steffani Webb – KU (Video Conference)	

**Reviewed voluntary retirement incentive program results:** 131 university classified employees participated in the program. The total cost of the program to the universities (leave payouts, lump-sum option expenses, and group health insurance payments through 2017) is \$3.4 million. Annual savings, assuming positions are refilled at step 4, are \$800 thousand.

**Department of Administration charges:** The university controllers will collect and summarize FY 2011 payments made to the Department of Administration.

**Secretary of Administration Dennis Taylor:** Secretary Taylor joined COBO at 10:00. We discussed favorable results achieved by the universities under the State Educational Institution Procurement Act (K.S.A. 76,125) and recent purchasing changes. We also discussed legislative proposals to remove the sunset provision of K.S.A. 76,125 (State Educational Institution Procurement Act). Secretary Taylor informed COBO that efforts to significantly decrease the burdensome reporting requirements for IT projects required by K.S.A. 75-7201 will be pursued. COBO encouraged interaction between the new state CIO and the Regents Information Technology Council. We then discussed potential benefits of consolidating capital improvement plan reviews for code compliance at the State level. Building code review, life safety code review and ADA code review are all necessary but we need to ensure such reviews are completed as expeditiously as possible. Secretary Taylor informed COBO that over 1,000 State employees, about 25% of those who were eligible, participated in the voluntary retirement incentive program. BOR staff agreed to share proposed legislative changes with the Department of Administration as early as possible to maximize communication and coordination.

**Legislative Post Audit – Amy Thompson:** Amy Thompson joined COBO to discuss an LPA review to assess potential increases in State revenues by requiring state employees to reside in Kansas. COBO shared a number of concerns including: instructors living in other locations who are involved in teaching distance education courses, research activities that require long-term residence in locations outside of Kansas, student recruiters whose duties require residence outside of Kansas and the impact on institutions located near the State border (PSU, KU, and KUMC). The auditors will produce initial lists of non-student employees living outside of Kansas from the State system and work with University HR offices to verify accuracy. The audit/review is expected to be complete by February.

**Policy Manual Review:** COBO has started reviewing sections II.B. and II.C. of the Board Policy Manual. Individual COBO members continue reviewing the PPM and are to send those suggestions to K-State before the November BOR meeting.

**Limited Retirement Health Care Bridge:** COBO reviewed a proposal to modify the Limited Retirement Health Care Bridge policy. Existing policy, adopted in 2009, provides a mechanism whereby state universities may assist unclassified employees who desire to retire before they become eligible for Medicare by outlining specific procedures that only allow a lump sum payment. The proposed changes, still being finalized, will remove specific procedures from policy to allow other payment methods.

**Updates to Legislation:** COBO reviewed the final draft of proposed changes to the State Educational Institution Procurement Act and other capital project legislation. These changes remove the sunset provision and make a number of modifications to K.S.A. 76-7,125. Additionally, they modify K.S.A. 75-1253 to increase the threshold at which negotiating committees for engineering and architectural services are required, modify K.S.A. 75-1264 and K.S.A. 76-786 to increase the threshold at which approval of change orders by the joint committee on state building construction is required and to modify 76-760 to increase the level at which capital improvements are exempted from certain requirements. Also, COBO reviewed the final draft of proposed changes to tax credit legislation (K.S.A. 79-32,261). The changes extend tax credit authority through 2015.

**Building Condition Audit:** COBO agreed that a third party expert should be engaged to review the next building condition audit to be completed by fall 2012. BOR staff and COBO will determine services to be provided. Costs will be divided among the Universities.

**State University Tax Return:** Staff changes at the BOR office make it necessary to transfer responsibility of compiling State University UBIT information. The Controllers will recommend a solution to COBO

COBO adjourned at 12:00 PM.

The next meeting will be December 7<sup>th</sup>.