

## **KANSAS BOARD OF REGENTS**

### **MINUTES**

January 17-18, 2007

The January 17, 2007, meeting of the Kansas Board of Regents was called to order by Chairman Nelson D. Galle at 1:30 p.m. The meeting was held in Board offices located in the Curtis State Office Building, 1000 S.W. Jackson, Suite 520, Topeka. Proper notice was given according to law.

MEMBERS PARTICIPATING: Nelson D. Galle, Chairperson  
Christine Downey-Schmidt, Vice Chairperson  
Dick Bond  
Janice DeBauge  
Frank Gaines  
Jim Grier  
Dan Lykins  
Janie Perkins

MEMBERS ABSENT: Donna Shank

### **APPROVAL OF MINUTES**

Regent Gaines moved that the minutes of the December 13-14, 2006, meeting be approved. Following the second of Regent Grier, the motion carried.

### **REPORTS**

#### **REPORT FROM CHAIR**

Chairman Galle reported that he, Vice Chair Downey-Schmidt, President Robinson, and the six university presidents met with Governor Sebelius to discuss higher education issues and deferred maintenance. Regent Galle also recently spoke to the Wichita Rotary Club. Board members attended the Governor's State of the State Message held on January 10. Upcoming commitments for Regent Galle are the January 23 dedication of the Kansas Life Sciences Innovation Center at the University of Kansas Medical Center, the Kansas Workforce Summit and Economic Development Roundtable Discussion on January 24 and 25, followed by the January 26 Landon Lecture by Prince Turki Al-Faisal, Ambassador for Saudi Arabia.

#### **REPORT FROM PRESIDENT AND CEO**

President Robinson reported on the recent meeting of the Technical Education Commission. There is interest among Commission members in arranging the State relationship to the delivery of technical education in a way that elevates the issue's profile in the State. Some discussion occurred about a separate agency for technical education, but the office of the Revisor of Statutes advised the Commission that such an option is not available under the Kansas Constitution. The possibility of a technical education entity within the Kansas Board of Regents structure is now

being considered. There is also work being done to develop both short and long-term funding plans for technical education. Discussion will continue at the next Task Force meeting on January 26.

Mr. Robinson recently attended the swearing-in ceremony for Governor Sebelius, and the Governor's State-of-the-State Address. Additionally, legislative activities are underway, and Mr. Robinson identified the new legislative leaders for both the Senate and House. He noted the Committee on Governmental Efficiency and Technology and its interest in looking at the way State agencies, particularly State Universities, acquire information technology services, with a desire to promote collaboration.

Senate President Morris has appointed three task forces. They are Health Care, chaired by Senator Barnett, Education (K-12), chaired by Senator Jordan, and Higher Education, chaired by Senator Schodorf. In addition to the main focus, each task force has some sub-topics for review. The Higher Education Task Force has been asked to look at deferred maintenance, technical education and tuition. The task forces are just now developing agendas and expect to complete the topical reviews by early February.

Mr. Robinson plans to participate in the Workforce Summit next week by moderating a panel discussion, followed by a Roundtable discussion on economic development. As a result of his membership on the Executive Committee of the State Higher Education Executive Officers organization (SHEEO), he expects to be invited to attend a Higher Education Summit that U.S. Secretary of Education Margaret Spellings has convened to follow up on the work of her Commission on the Future of Higher Education.

#### **APPROVAL OF CONSENT AGENDA**

Regent Downey-Schmidt moved, with the second of Regent Perkins, that the Consent Agenda be approved. The motion carried. The following was adopted:

##### *Academic Affairs*

#### **ADDITIONAL DEGREE-GRANTING AUTHORITY FOR NATIONAL AMERICAN UNIVERSITY**

National American University was granted authority to offer an Associate of Science degree in Nursing at its Overland Park campus. Continued approval is contingent on 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 approved degree, and the institution must apply annually for its certificate of approval to operate a school and grant the degree in the state of Kansas.

## CONSIDERATION OF DISCUSSION AGENDA

### Academic Affairs

#### ADULT EDUCATION REPORT – 2006

Dianne Glass, the Board's Director of Adult Education and the State Director for Adult Education, provided the Board with an annual report on adult education in Kansas. The Kansas Adult Education program has been very successful. In Fiscal Year 2006, thirty-one adult education programs served more than 11,000 adult learners in more than 80 locations throughout Kansas. Using charts and other statistical information, Ms. Glass identified the need for such education, as well as the age, educational level, ethnicity, and employment status of the participants. She also provided statistical information on the successes of the participants.

Ms. Glass provided information on General Education Development (GED) Tests. The battery of tests was most recently updated in 2002 and reflects the current high school curriculum standards, in addition to content relevant to the workplace and community. The GED is comprised of five tests covering math, science, reading, writing, and social studies and measures skills in communication, information processing, problem solving, and critical thinking.

(PowerPoint Presentation Filed with Official Minutes)

#### MODIFICATIONS TO KBOR TRANSFER AND ARTICULATION POLICY

Vice President Masters briefed the Board on the request to modify the Transfer and Articulation Policy. The policy was originally adopted in 2004 with the stipulation that it be reviewed three years after implementation. In that review, both the System Council of Chief Academic Officers and the System Council of Presidents approved recommended changes.

Discussion followed about deleting the area vocational school and area vocational technical school terminology. Technical institution representatives concur with the proposed language. The Board also discussed ways in which it could enhance the steps it takes to ensure that various aspects of the Transfer and Articulation Policy are truly implemented. In particular, Board members expressed interest in monitoring how effectively our institutions implement provisions that seek to improve access and success, provide high quality advising, and strengthen communication across the system. Vice President Masters indicated that there are gaps, but the Transition Council is working to align the curriculum. He also observed that SCOCAO has provided a very productive forum for facilitating cross-system communication and problem solving.

Regent Bond moved, with the second of Regent Galle, that the modifications to the policy be adopted. The motion carried. The policy was amended to Chapter IV, section 22., as follows:

22. Transfer and Articulation Policy
  - a. Transfer is recognized as a crucial element within a seamless educational system. The purpose of this policy is to promote seamlessness. A seamless educational system offers the best resources to provide a high quality

education for every citizen, and empowers and encourages each citizen to reach maximum potential by engaging in life-long learning. This includes:

- Aligning high school and college expectations and standards to improve access and success;
- Providing access to higher education;
- Providing high quality advising and information at every point of the journey to insure that students understand the preparation required to succeed at the next level;
- Building connections and strengthening communications within and between the parts of the system; and
- Providing a smooth transition from one level of learning to the next level, including graduate and professional education.

- b. In accordance with K.S.A.72-4453, the governing boards of every Kansas community college and every ~~area vocational school or area vocational-technical school~~ technical school must establish transfer and articulation agreements providing for the transferability of substantially equivalent courses of study and programs in order to facilitate the articulation of students to and among institutions.
- (1) The state board of regents shall be notified of the agreement at the time the agreement is executed; and
  - (2) The agreement shall be effective only after approval by the state board of regents. (K.S.A.72-4453)
- c. In accordance with K.S.A. 72-4454, articulation agreements are required among ~~area vocational schools, area vocational-technical schools, community colleges, technical colleges and state educational institutions~~ technical schools, technical colleges, community colleges and public universities providing for the transferability of substantially equivalent courses of study and programs which are offered at ~~area vocational schools, area vocational-technical schools, community colleges, technical colleges and state educational institutions~~ technical schools, technical colleges, community colleges and public universities in order to facilitate articulation of students in technical programs to and among ~~area vocational schools, area vocational-technical schools, community colleges, technical colleges and state educational institutions~~ technical schools, technical colleges, community colleges and public universities.
- d. To promote seamlessness, each public postsecondary educational institution shall develop and publicize its transfer policy.
- (1) An institutional transfer policy ~~may~~ shall not conflict with KBOR's transfer policy.
  - (2) An institutional transfer policy ~~must~~ shall include an appeal process.

- (3) An institutional transfer policy ~~must~~ shall treat transfer students the same way academically as non-transfer students.
  - (4) An institutional transfer policy ~~must~~ shall ensure transfer of substantially equivalent courses from any Kansas public postsecondary institution.
  - (5) An institutional transfer policy ~~must~~ shall ensure transfer of general education courses from any HLC accredited Kansas public postsecondary institution subject to conditions in sections h and i below.
  - (6) Courses not substantially equivalent to a course offered by the receiving institution may be transferred at the discretion of the receiving institution.
- e. Each Kansas public postsecondary educational institution shall establish its residency requirements, graduation requirements, and any admission requirements to professional or specific programs.
- (1) Admission to an institution will not constitute admission to a professional school or a specific program.
  - (2) Except as provided in section h, students must complete all graduation requirements of the receiving institution.
  - (3) Students with a completed associates degree who transfer into professional school or specialty programs may need more than two academic years of course work to complete the baccalaureate degree, depending on requirements of the program.
- f. Institutions are strongly encouraged to develop program-to-program articulation agreements. Such agreements may provide additional transfer opportunities over and above the opportunities named in this policy, but may not conflict with this policy.
- g. General requirements for transfer of credits between and among Kansas public postsecondary educational institutions include the following:
- (1) Effective July 2006 and thereafter, transfer coursework must be transcribed in credit hours.
  - (2) Students transferring to Kansas public universities with a completed AA or AS degree will be given junior standing.
- h. Transfer of general education to and among Kansas Public Universities, including state universities and Washburn University, must follow the requirements below.

Although the following distribution of courses does not correspond to the general education requirements for the bachelor degree at any Kansas Public

University, it will be accepted as having satisfied the general education requirements for the bachelor degree of all Kansas Public Universities.

A minimum of 45 credit hours of general education with distribution in the following fields will be required. General education hours totaling less than 45 will be accepted, but transfer students must complete the remainder of this requirement before graduation from the receiving institution, which may require an additional semester(s).

12 hours of Basic Skills courses, including:

- 6 hours of English Composition
- 3 hours of Public Speaking or Speech Communication
- 3 hours of college level Mathematics; college Algebra and/or Statistics will be required of transfer students where the curriculum of the receiving institution requires it

12 hours of Humanities courses from at least three of the following disciplines:

- Art\*
- Theater\*
- Philosophy
- Music\*
- History
- Literature
- Modern Languages

\*Performance courses are excluded.

12 hours of Social and Behavioral Science courses from at least three of the following disciplines:

- Sociology
- Psychology
- Political Science
- Economics
- Geography
- Anthropology

9 hours of Natural and Physical Science courses from at least two disciplines (lecture with lab).

Transcripts of students fulfilling the requirement of this agreement will be appropriately coded by the sending institution.

- i. Although a transfer general education curriculum has not been established for associate degrees, the transfer curriculum is assumed to be a subset of the curriculum in section h above.

- j. Universities may develop program-to-program articulation agreements for the AAS degree; Fort Hays State University and Washburn University have these agreements in place.
- k. Completed technical programs (non-degree) and completed AAS degrees shall transfer according to option (1) or (2) below:
  - (1) As a block to articulated programs at community colleges, technical colleges, and to those universities that have program to program articulation agreements.
  - (2) On a course-by-course basis
    - (a) General education courses may be transferred according to sections d(5), h and i above.
    - (b) Substantially equivalent courses may be transferred on a course-by-course basis according to section d(4) above.
    - (c) Other courses may be transferred as electives according to section d(6) above.
- l. Students who intend to transfer are responsible for becoming acquainted with the program and degree requirements of the institution to which they expect to transfer.
- m. This policy shall be reviewed three years after the date of implementation. Interim reports may be requested by the Board.

### RECESS

Chairman Galle announced a recess at 3:10 p.m. The meeting resumed at 3:20 p.m.

### Fiscal Affairs and Audit

#### REPORT ON GOVERNOR'S BUDGET RECOMMENDATIONS

Vice President Diane Duffy summarized the Governor's budget message for FY 2008. The recommendation for postsecondary education in FY 2008 from the State General Fund (SGF) totals \$830.7 million, an increase of \$45.5 million over the Governor's FY 2007 recommendation. Due to a financing change by the Governor of switching a net of \$7.5 million in Economic Development Initiative Fund (EDIF) moneys to SGF, the Governor's FY 2008 operating expenditures recommendation from the SGF and EDIF equates to only a 4.8 percent increase over the FY 2007 recommendation from both sources.

Looking at specific programs, the Governor recommended \$3.0 million (21 percent increase) for the Comprehensive Grant Program to increase the number of students to be served from 10,000 to 12,000. The Board approved seeking legislation in 2007 to consolidate four existing teacher scholarship programs, and the Governor's recommendation provides for \$1 million, which would double the funding for teacher scholarships. An increase of \$200,000 was identified for Adult Basic Education. Additions for the Board of Regents office included 3 percent for office operations, funding for a position that was approved the previous year, and \$20,000 for professional development for Board members. The recommendation for the Kan-ed program is

to amend existing law to provide the same mix of funding as in FY 2007, which is \$8 million from the Kansas Universal Service Fund and \$2 million from SGF.

The following special initiatives were also included in the recommendation: full funding for the 2007 nursing initiative, \$100,000 for the 2007 Kansas Academy of Math and Science, \$1 million for competitive grants to increase the supply of teachers, an increase of \$102,600 for technical education capital outlay, an increase of \$100,000 for KSU Veterinary Medical Center training programs, bringing the total to \$200,000, and \$2.5 million from EDIF for the WSU National Institute of Aviation Research. No operational funds were included for FHSU for the Kansas Wetlands Educational Center at Cheyenne Bottoms, but President Hammond indicated he expects the Governor to include funding in an amended budget when the completion date of the facility is determined. Funds for deferred maintenance were not included in the budget, but the Governor is expected to present a multi-year plan later in January to address that need. The recommendation for salaries for unclassified employees is 4 percent and for classified employees the recommendation is 4 percent for salary increases, as well as a proposed \$10 per year increase to the longevity bonus program.

The Governor's recommendation included the following operational increases: a 5 percent increase for state universities, 4 percent for Washburn, 4 percent for community colleges, and 4 percent for technical institutions.

Discussion followed. President Farley encouraged development of a new budget model for higher education and urged the Board to seek the same percentage increase in FY 2008 for all sectors.

(Summary of Governor's FY 2008 Recommendation Filed with Official Minutes)

### **RECESS**

Chairman Galle recessed the meeting at 3:55 p.m., to resume the following morning at 9:15 a.m.

### **RECONVENE**

The meeting was reconvened by Chairman Galle on Thursday, January 18, at 9:20 a.m.

MEMBERS PARTICIPATING: Nelson D. Galle, Chairperson  
Christine Downey-Schmidt, Vice Chairperson  
Dick Bond  
Janice DeBauge  
Frank Gaines  
Jim Grier  
Dan Lykins  
Janie Perkins

MEMBERS ABSENT: Donna Shank

**AMEND AGENDA**

The agenda was amended to add a report on developments at the University of Kansas Medical Center as it explores possible affiliation agreements. The topic will become number 1 under Other Matters, with appropriate renumbering of the remaining agenda items.

**ANNOUNCEMENTS**

President Don Beggs reported that the Association of Land Grant Schools and the American Association of State Colleges and Universities established a task force to develop a voluntary system of accountability in response to the interest of U.S. Secretary of Education Spellings. The national task force will formulate recommendations on learner outcomes for member institutions. Nominations were solicited, and WSU Vice President Gary Miller was chosen from the 170 nominees as one of the 15 individuals to serve on the task force.

Regent Bond, announcing his impending resignation from the Board, expressed farewell comments to fellow Board members and institutional representatives. He noted that he was honored to be included in the prestigious group of Board members, and he enjoyed the new and continuing friendships among the Regents' members, as well as with the many institutional representatives. Chairman Galle thanked him for his dedicated service to the Board.

Chairman Galle acknowledged former Regent Floris Jean Hampton, Dodge City, who was in attendance at the meeting.

**CEO ASSESSMENT PROCESS**

Chairman Galle announced that salary determinations for the Chief Executive Officers will be determined in September, with two presidential assessments being conducted in April, two in May, and three in June. With the impending departure of Regent Bond, he announced that Regent Downey-Schmidt will assume leadership of the CEO Assessment Committee.

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

On behalf of the Council of Presidents, President Bryant thanked Regent Bond for his kind remarks and for his service to higher education.

The Council of Presidents received the following report from the Council of Chief Academic Officers. COCAO recommended approval on second reading the following new degrees: Bachelor of Science in Education-Early Childhood Unified at PSU, a Master of Science in Bioengineering at KU, and a Doctor of Philosophy in Bioengineering at KU. COCAO heard a first reading request for the following programs: Doctor of Nurse Practice at KUMC and Doctor of Nursing Practice at WSU. COCAO also acted on requests for New Concentrations in the following program requests: Early Childhood Unified within the Teacher Education program – FHSU, Middle School English Language Arts within the English Program – FHSU, Middle

School Science within a secondary education major with an emphasis in science teaching or elementary education major – FHSU, Agriculture Education within the Agricultural program – FHSU, Middle School Math within the Mathematics program – FHSU, and History Comprehensive Middle School, Grades 5-8 within the History program – FHSU. Two additional program requests considered were the name change and redesign of an existing Degree Program from the Master of Science in Physical Education to the Master of Science in Health, Human Performance and Recreation – PSU and a new interdisciplinary Gerontology Minor within an existing program – PSU.

The Council of Business Officers reported the following to COPs: COBO received information about a new statewide financial management system for the state that is expected to cost \$40 million. COBO expressed two concerns about the plan: 1) the recommendation is for a typical financial contribution from all state agencies and 2) implementation of a new state system will impact the campuses and campus priorities as interfaces have to be made. COBO also provided an update on student health insurance. The timelines are in place for implementation in Fall, 2007. Interested companies have been screened, and representatives from three companies will be interviewed. COBO also reported on a possible revision to the Board's policy on procurement of insurance and noted three components. 1) State universities now have authority to purchase insurance except for employee health insurance; 2) Any procurement must be conducted in a competitive process with companies authorized to do business in Kansas; and 3) Institutions are encouraged to partner with each other if it makes sense to do so.

COPs also discussed the issue of deferred maintenance.

#### REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

Dr. Tim Bailey, Chair of the Council of Faculty Senate Presidents, reported that the group shared academic and governance issues from the respective universities. Following the Board's direction, anecdotal examples of deferred maintenance on each campus were collected, and the findings will be shared with university administrators. COFSP has collected the data from a faculty recruitment survey and a faculty retention survey and hope to have a summary to share with Board staff later in the month. Also, COFSP has been approached by Dr. Wasserstein regarding the Kansas Core Outcomes project to provide information or feedback on the quality of information flow. COFSP members appreciate the opportunity to participate.

#### REPORT FROM STUDENTS' ADVISORY COMMITTEE

Ginger Niemann thanked the Board for the breakfast meeting held earlier in the morning. At its recent meeting, SAC had a wrap-up discussion about its deferred maintenance efforts. The Committee also made plans for Higher Education Day, which is scheduled for February 7. The two priority topics for the day will be deferred maintenance and the Governor's recommended higher education budget.

**CONSIDERATION OF DISCUSSION AGENDA***Academic Affairs***REGULATIONS FULLY IMPLEMENTING THE KANSAS QUALIFIED ADMISSIONS STATUTE (ROLL CALL VOTE REQUIRED)**

Vice President Masters briefed the Board on the need to approve Kansas Administrative Regulations for the Qualified Admissions program. The state university admission statute, K.S.A. 76-717, was amended in 1996 to establish minimum admission requirements for students applying to state universities. The statute authorizes the Board of Regents to adopt regulations setting out the standards. In drafting the regulations, Board staff incorporated provisions to clarify requirements for the QA precollege curriculum, clearly delineate the authority for Board staff to review and approve/disapprove courses for the QA precollege curriculum, establish functional equivalents of the QA precollege curriculum, establish admission requirements for categories of students not addressed in the QA statute, establish categories of admission, which may include a provisional category for at-risk students, and to fulfill statutory requirements for implementation of the 10 percent exception window.

Discussion followed about the need to communicate these standards to personnel at the Kansas State Department of Education and appropriate high school personnel. Definition of "at-risk student" will be determined by each university and incorporated in the campus-specific policy submitted to the Board for approval. University policies will be developed according to the institutional mission and institutional data available, and the timeline for policy submission to the Board will be established in the near future.

Regent Bond moved, with the second of Regent Grier, that the proposed regulations be adopted. A roll call vote was taken and the following voted in favor of the motion: Regents Galle, Downey-Schmidt, Bond, DeBauge, Gaines, Grier, Lykins, and Perkins. Regent Shank was not in attendance. The motion carried.

The regulations will be effective August 1, 2007, and will impact students beginning with those applying for the summer semester in 2008.

(Kansas Administrative Regulations Filed with Official Minutes)

*Fiscal Affairs and Audit***POLICY FOR PILOT PROJECT ON PURCHASING**

Vice President Diane Duffy briefed the Board on the proposed policy for a pilot project on purchasing. Legislation was enacted during the 2006 session authorizing the Board to participate in the pilot project and to adopt a policy to guide the activities of the participating universities. Board staff worked with the Council of Business Officers to develop policy language and the Council of Presidents approved the proposed language at its December meeting. The pilot plan will exempt the participating state universities from certain state purchasing requirements (statewide purchasing contracts, state travel services, and the Prison Made Goods Act) beginning June 1, 2007 through June 30, 2010. The Board of Regents will need to submit an annual

legislative report regarding the activities of the participating universities, including any new or amended Board policies, the amounts and kinds of expenditures, and information regarding any savings experienced and any issues or problems encountered. Likewise, the State Director of Purchasing is required to compile a report on the impact of the pilot on the Department of Administration's system of purchasing.

Regent Gaines moved that the policy language be approved. Following the second of Regent Galle, the motion carried. The University of Kansas and Fort Hays State University have been designated by the Board as the participating state universities. The following language was adopted as policy and will be placed in the Board Policy and Procedures Manual, Chapter II, Section B, "Fiscal Management," as subsection (10):

10. POLICY FOR PILOT PROJECT ON PURCHASING (2006 Sess. Law Ch. 190)

The University of Kansas and Fort Hays State University are hereby designated as universities participating in the pilot project on purchases authorized by 2006 Sess. Law Ch. 190.

b. Guiding Principles

(1) Each state university participating in the pilot project authorized by 2006 Sess. Law Ch. 190 shall be guided by procurement policies and procedures that:

- Focus on the stewardship of public funds;
- Advance and support the mission of the institution;
- Promote a competitive and fair procurement environment;
- Are open and transparent, including adherence to the Kansas Open Records Act.

(2) State universities participating in the pilot project are encouraged to engage in cooperative purchasing opportunities with other universities or other entities to achieve the lowest competitive price, including purchasing from current State central purchasing contracts, state travel services, and products pursuant to the Prison Made Goods Act, if it is in the best interest of the state university.

c. Requirements for Policies and Procedures

The policies and procedures developed by the state university participating in the pilot project shall address, at a minimum:

(1) How the system of administration will advance and support the mission of the state university and provide increased levels of service to university students, faculty and staff as they work collectively to advance the university interest.

(2) How the state university intends to promote a competitive procurement environment including a statement regarding what competitive bid limit thresholds will be utilized.

- (3) How notice of procurement opportunities will be provided to vendors and to the public in general.
- (4) The criteria to be utilized as contracts and purchase orders are awarded.
- (5) What process will be utilized to resolve vendor protests or requests for information, if any, that are submitted by vendors or the public in general.
- (6) How the state university intends to cooperate with the State and state universities as procurement decisions are made.
- (7) How the state university intends to track and report cost savings, process efficiencies or issues identified as a result of this pilot project.
- (8) How each state university intends to involve the university's internal audit function in the review of purchasing activities.
- (9) What steps are taken to ensure that all university procurement officials are guided by a purchasing code of ethics, such as the National Association of Educational Procurement Code of Ethics.

d. Requirements for Reporting

Each state university participating in the pilot project shall submit a report on an annual basis to the Board of Regents Office in October for approval by the Board in December that identifies:

- (1) The amounts and kinds of expenditures made by the state universities.
- (2) What savings were achieved or costs incurred and any issues or problems that were encountered as acquisitions were made by the state universities.
- (3) An overall evaluation of the efficacy of the pilot project on purchasing.

UPDATE ON DEFERRED MAINTENANCE

President Robinson reported that the Council of Presidents was asked to review all the projects on the deferred maintenance listing to screen the list and determine the priorities. Director of Facilities Eric King assessed the \$727 million list, and, using criteria that he developed, he pared the project listing to \$663 million. The Board has stressed the need for a downpayment as a possible starting point in addressing the maintenance problem. Mr. Robinson noted further that the Board has discussed \$200 million as an appropriate amount to consider initially. Mr. Robinson proposed that a \$200 million project list be developed, with the allocation of dollars to each university being determined using a multi-variable formula that takes into consideration square footage, building age, and complexity of the physical plant. President Robinson also proposed some parameters for the universities to use in prioritizing the projects. Discussion followed.

Regent Galle moved that the criteria proposed by President Robinson be approved as presented. Following the second of Regent Lykins, the motion carried. The parameters approved are as follows: 1) Projects must be a deferred maintenance initiative, not a capital improvement initiative; 2) The proposed projects shall not provide for additional space requirements; 3) The proposed projects shall not reflect new program requirements; and 4) The proposed projects shall not include exceptional levels of finish, equipment, etc. The individual campus lists should capture the most critical deferred maintenance priorities, reflect the deficiencies identified in the study, and indicate powerful alignment between the deficiencies and the project lists. President Robinson indicated that he would communicate the project list parameters to state university CEOs via memorandum.

President Robinson continued, referring to a document developed to address deferred and annual maintenance and establish accountability for the maintenance of new construction. Following discussion, Regent Gaines moved, with the second of Regent Perkins, that the Board adopt the proposed principles and direct Board staff to develop policy language for Board consideration. Additional discussion followed, and President Robinson noted that adoption of the accountability measures was timely and could be helpful as deferred maintenance funds are pursued. The motion carried.

The following principles for Board policy were endorsed: 1) Oversee new state funding for deferred maintenance projects and development of formulas that describe need to project formulation; 2) Improve the current method of allocating state funds for deferred and ongoing maintenance; 3) Commit annual maintenance and operation costs for new privately financed buildings to be paid from private/university funds, not state funds; and 4) Improve management of facilities with justification for new space, disposition of vacated space, and space and utilization standards.

(Deferred and Annual Maintenance Initiative Filed with Official Minutes)

#### RECESS

Chairman Galle announced a recess at 11:05 a.m. The meeting resumed at 11:15 a.m.

#### Other Matters

#### REPORT ON UNIVERSITY OF KANSAS MEDICAL CENTER AFFILIATION AGREEMENTS PROCESS

Chancellor Robert Hemenway highlighted the long-range goals of the University of Kansas Medical Center. In the next ten years, KUMC hopes to be in the top 25 in basic life sciences and in the top 50 in research and development generally, with the Medical Center in the top 20 of life science centers in the United States. He called on Dr. Barbara Atkinson, Executive Vice Chancellor of the University of Kansas Medical Center and Executive Dean, University of Kansas School of Medicine, to brief the Board on the status of negotiations currently underway that would bring collaboration in the Greater Kansas City region by bringing together the Stowers Institute for Medical Research, Midwest Research Institute, University of Missouri-

Kansas City, University of Kansas-Lawrence, University of Kansas Hospital, Saint Luke's Health System, Children's Mercy Hospitals and Clinics, and Truman Medical Center.

Dr. Atkinson distributed a document outlining the vision for the University of Kansas Medical Center and the University of Kansas related to life sciences. She reported that the Greater Kansas City area has an interest in economic development of the region and life sciences and medicine was deemed a priority, with KUMC being identified to deliver the program. One of the catalysts has been the Stowers Institute and its need for a strong academic partner and its interest in the partner being KUMC (reflected in the document "One Year Later: Time to Get Things Done," Greater Kansas City Community Foundation). The Greater Kansas City Blue Ribbon Task Force reviewed the KU and KUMC vision and strategy document and proposed avenues to obtain an investment of \$645 million over the next ten years.

KUMC has made good strides in achieving the vision. National Institutes of Health funding has increased by more than 20 percent, faculty recruiting has excelled, and Kansas appropriated major new funding support for cancer research. The Medical Center has been investing in space and equipment, and a new life science facility will open on January 23.

The "Time to Get it Right" report is very clear on the need for Kansas and Missouri to collaborate, with research being elevated at KUMC as the leader, as well as at St. Luke's and Children's Mercy hospitals. The affiliation across the stateline has presented some challenges, and KUMC has been negotiating with each of the three hospitals separately. KUMC has pursued a teaching and research agreement with St. Luke's and a research agreement with Children's Mercy. Irene Cumming, The University of Kansas Hospital Authority has been involved in the discussions. Via Christie and Wesley in Wichita are also planned participants in the public health, cancer and neuroscience areas.

Dr. Atkinson addressed the relationship between KUMC and the University of Kansas Hospital. Individuals on the medical staff of KU Hospital must be faculty members of KUMC. However, the Hospital does employ cardiologists, emergency medical physicians, and a group of primary care physicians. A Master Affiliation Agreement is in place between the two entities. KUMC is dependent on the flow of money from the Hospital. St. Luke's is a competing clinical entity, and the Hospital is reluctant to have them included. However, the proposal calls for the physicians at St. Luke's to either be employed by St. Luke's or be in private practice. Under the proposal, the KUMC program chairs will manage the program and the faculty at St. Luke's, while maintaining a physical presence at KUMC. St. Luke's will pay the cost for the residents, including salary and benefits, administration of the program and overhead. St. Luke's would look to KUMC for management of the research efforts.

Speaking to the funding requirements associated with the vision, she outlined funding streams that support KUMC. KUMC receives state funding. Grant money is approximately 80 million, and plans call for that to double. The affiliation with other hospitals would generate some of the dollars needed for the KUMC vision. Community and corporate support is being solicited.

KUMC would like to generate dollars from private foundations and donors, including the Kansas Bioscience Authority, and a new endowment fund.

(PowerPoint Presentation Filed with Official Minutes)

REPORT ON UNIVERSITY EFFICIENCY MEASURES – ESU

President Lane reported to the Board on the efficiencies underway at Emporia State University. In terms of tactical efforts, the University renovated the Towers Complex and maintained its revenue stream, while providing housing for 300 students through accommodations in Morse Hall. Another efficiency identified was the cooperative effort with Wichita State University in development and implementation of the Enterprise Resource Program. Leveraged efficiency has also been realized in the off-campus programs offered by ESU. The University offered 25,400 off-campus credit hours in FY 2006, generating \$2.8 million. The final efficiency described by President Lane was that of the infusement of value added to ESU through international programs.

(PowerPoint Presentation Filed with Official Minutes)

REPORT ON UNIVERSITY EFFICIENCY MEASURES - FHSU

President Hammond provided statistical information on the tactical efficiencies garnered from the tuition enrollment growth. In looking at the leveraged efficiencies, he presented information on the General Use Expenditures per Student Credit Hour and a breakdown of institutional expenses to educate the students. Examples of leveraged efficiencies for FHSU were shown in statistics setting out graduation rates and utility costs. FHSU capitalized on savings through managing peak demand of utilities and made use of University work crews to complete work on the McCartney Hall Project.

(PowerPoint Presentation Filed with Official Minutes)

ADJOURNMENT

Chairman Galle adjourned the January meeting of the Board at 12:25 p.m.

---

Reginald L. Robinson, President and CEO

---

Nelson D. Galle, Chairperson